

Parnassus Core Equity Fund

Third Quarter 2018

Strategy

The Parnassus Core Equity Fund invests with low turnover and high conviction in approximately 40 holdings. The Fund focuses on identifying companies with:

- Wide moats or strong competitive advantages that protect market share and profitability
- Relevancy over the long term, which provides a compounding growth component
- Quality management teams that will act in the best interests of shareholders
- Favorable three-year investment horizon

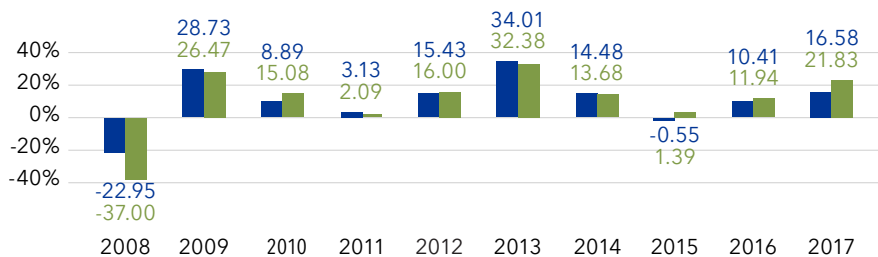
The Fund strives to outperform the S&P 500 Index on a risk-adjusted basis with a high active share. The Fund attempts to shield investors from losses during bear markets, while offering significant upside participation during bull markets.

Total Returns (%)¹

As of 09/30/2018	3M	YTD	1Y	3Y	5Y	10Y	Since Incept. 08/31/92
PRBLX	7.88	10.43	16.52	14.20	12.20	11.33	10.84
S&P 500 Index	7.71	10.56	17.91	17.31	13.95	11.97	9.93
Russell 1000 Index	7.42	10.49	17.77	17.07	13.67	12.09	10.09

Annual Returns (%)

● PRBLX ● S&P 500 Index



¹All returns greater than one year are annualized.

²Percent based on total net assets as of date indicated.

Risks: The Fund's share price may change daily based on the value of its security holdings. Stock markets can be volatile, and stock values fluctuate in response to the asset levels of individual companies and in response to general U.S. and international market and economic conditions. In addition to large-cap companies, the Fund may invest in small- and/or mid-cap companies, which can be more volatile than large-cap firms. Security holdings in the fund can vary significantly from broad market indexes.

Performance data quoted represent past performance and are no guarantee of future returns. Current performance may be lower or higher than the performance data quoted, and most recent month end performance is available on the Parnassus website (www.parnassus.com). Investment return and principal will fluctuate, so that an investor's shares, when redeemed, may be worth more or less than their original principal cost. The Standard & Poor's 500 Composite Stock Price Index (the S&P 500 Index) and the Russell 1000 Index are widely recognized indexes of common stock prices. An individual cannot invest directly in an index. An index reflects no deductions for fees, expenses or taxes. Prior to March 31, 1998, the Parnassus Core Equity Fund was a balanced fund. Returns shown for the fund do not reflect the declaration of taxes a shareholder would pay on the fund distributions or the redemption of fund shares.

The Parnassus Funds are underwritten and distributed by Parnassus Funds Distributor, a subsidiary of Parnassus Investments and a FINRA member.

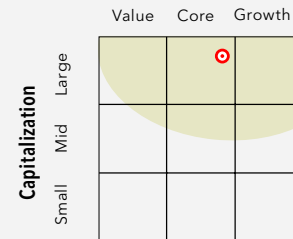
Investor Shares

PRBLX

Morningstar Ratings™



Investment Style



Ten Largest Holdings²

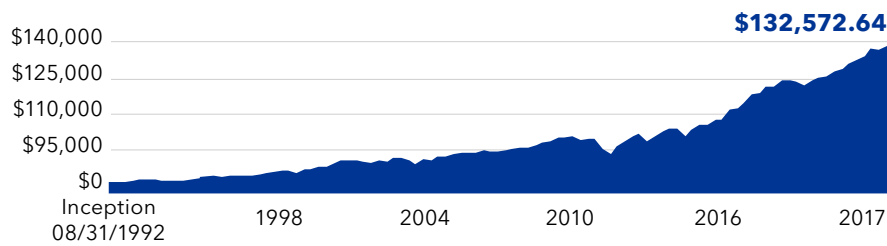
CVS Health Corp.	5.3%
Alphabet Inc., Class A and C	4.7%
The Walt Disney Co.	4.6%
Praxair Inc.	4.3%
3M Co.	4.0%
Mastercard Inc., Class A	3.8%
The Clorox Company	3.3%
American Express Co.	3.3%
VF Corp.	3.2%
Gilead Sciences Inc.	3.1%
Total	39.6%

Sector Weighting²

● PRBLX ● S&P 500 Index

Communication Services	9%	10%
Consumer Discretionary	6%	10%
Consumer Staples	9%	7%
Energy	2%	6%
Utilities	3%	3%
Financials	9%	13%
Health Care	18%	15%
Industrials	15%	10%
Materials	7%	2%
Information Technology	16%	21%
Real Estate	4%	3%
Short Term Investments	2%	0%

PRBLX – Annual Growth of \$10,000 as of Dec 31, 2017⁴



Parnassus Overview

At Parnassus Investments, we invest responsibly to build wealth for our clients. We select businesses that we believe have increasingly relevant products or services, sustainable competitive advantages and quality management teams for our high conviction portfolios. Every investment we make must meet rigorous fundamental and environmental, social and governance (ESG) criteria.

Meet the Portfolio Managers



Todd A. Ahlsten
Chief Investment Officer,
Portfolio Manager
2001–Present

- 24 years in the industry
- With firm since 1994
- BS, Business Administration, University of California, Berkeley 1994



Benjamin E. Allen
Chief Executive Officer,
Portfolio Manager
2012–Present

- 19 years in the industry
- With firm since 2005
- MBA, University of California, Berkeley 2005
- AB, Government, Georgetown University 1999

Fund Facts	Investor Shares	Institutional Shares
Ticker	PRBLX	PRILX
Minimum Investment	\$2,000	\$100,000
Gross Expense Ratio	0.87%	0.64%
Net Expense Ratio	0.87%	0.64%
Inception Date	08/31/1992	04/28/2006

Distribution Frequency	Quarterly
Total Net Assets	\$16,845.4 M

Fund Characteristics	Fund	S&P 500 Index
Avg. Weighted Mkt Cap	\$134.0 B	\$247.6 B
P/E Ratio	26.7x	21.5x
P/B Ratio	4.6x	3.3x
Active Share	87.0%	–
Number of Holdings	37	505
Portfolio Turnover (2017 Annual)	24.5%	–
SEC 30-Day Yield (Investor) ⁵	0.92%	–

PRBLX Statistics (5Yr)	Investor Shares	S&P 500 Index
Alpha	0.05%	–
Beta	0.88	1.00
R-Squared	0.88	1.00
Sharpe Ratio	1.33	1.42
Standard Deviation	8.90%	9.55%

⁴ The chart shows the growth of a hypothetical \$10,000 investment since inception and does not reflect the deduction of taxes a shareholder would pay on fund distributions or the redemption of fund shares.

⁵ The 30-Day SEC Yield is computed under an SEC standardized formula based on net income earned over the past 30 days.

All information as of 09/30/2018 unless otherwise noted.

Average Weighted Market Cap is the average capitalization of all stocks in the portfolio, weighted by each holding's size in the portfolio. **Price/Earnings (P/E) Ratio** is a ratio of a stock's current price to its per-share earnings over the past 12 months. **Price/Book (P/B) Ratio** is the ratio of a stock's latest closing price divided by its book value per share. **Alpha** is a measure of performance on a risk-adjusted basis. Alpha takes the volatility (price risk) of a mutual fund and compares its risk-adjusted performance to a benchmark index. The excess return of the fund relative to the return of the benchmark index is a fund's alpha. **Beta** is a measure of the volatility, or systematic risk, of a security or a portfolio in comparison to the market as a whole. A beta over 1.00 suggests that the share price will typically be more volatile than the market. **R-Squared** is a measurement of how closely the portfolio's performance correlates with the performance of a benchmark index such as the S&P 500 Index. **Standard Deviation** is a calculation used to measure the variability (risk) of a portfolio's performance. **Sharpe Ratio** is a ratio used to measure risk-adjusted performance. It is calculated by subtracting the risk-free rate from the rate of return for a portfolio and dividing the result by the standard deviation of the portfolio returns. **Active Share** measures the percentage amount your portfolio differs from a passive benchmark.

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Before investing, an investor should carefully consider the investment objectives, risks, charges and expenses of the fund and should carefully read the prospectus or summary prospectus, which contain this information. A prospectus or summary prospectus can be obtained on the website, www.parnassus.com, or by calling (800) 999-3505.