

Capital appreciation

Second Quarter 2018

All information, unless otherwise indicated, is as of 06/30/2018

Total % Returns

As of 06/30/2018	3 Months	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception 12/31/84
Parnassus Fund - Investor Shares	1.03	-2.42	3.46	7.65	11.95	11.26	10.06
S&P 500 Index	3.43	2.65	14.37	11.93	13.42	10.17	11.24

All returns greater than one year are annualized.

Strategy

The Parnassus Fund invests across the capitalization spectrum with 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 interest of shareholders
- Stocks trading at a significant discount to their intrinsic value

The Fund's contrarian approach seeks to invest in companies that are currently out of favor with the majority of investors. The Fund strives to outperform the S&P 500 Index with a high active share. The Fund avoids companies engaged in the extraction, exploration, production, manufacturing, or refining of fossil fuels.

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.

¹The 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.

^{2,3}Percent based on total net assets as of date indicated.

Risks The Funds 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,

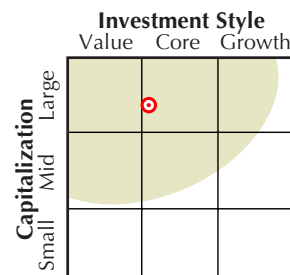
when redeemed, may be worth more or less than their original principal cost. The Standard & Poor's 500 Composite Stock Price Index (the S&P 500 Index) and the Russell 1000 Index are widely recognized indexes of common stock prices. An individual cannot invest directly in an index. An index reflects no deductions for fees, expenses or taxes. 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.

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.

MORNINGSTAR OWNERSHIP ZONE

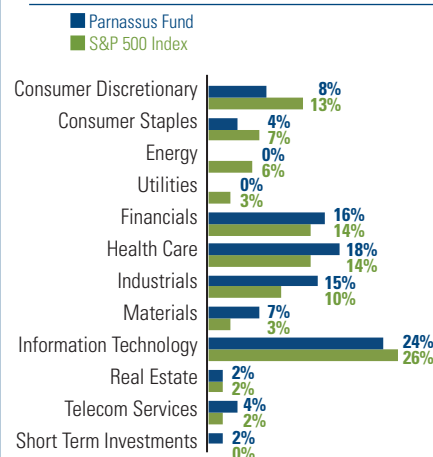
as of 06/30/2018



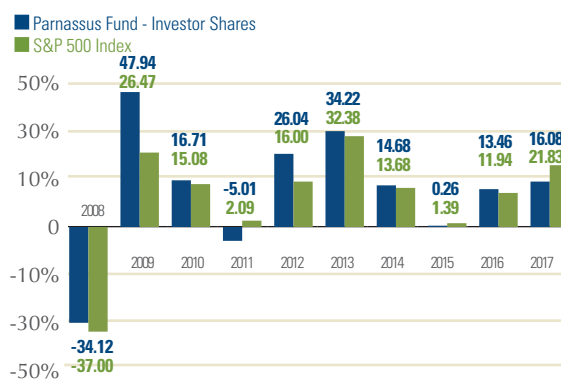
Ten Largest Holdings²

Alliance Data Systems Corp.	5.8%
Thomson Reuters Corp.	5.4%
Motorola Solutions Inc.	5.2%
Gilead Sciences Inc.	4.6%
CVS Health Corp.	4.4%
Cognizant Technology Solutions Corp.	4.0%
Mondelez International Inc., Class A	3.9%
Nielsen Holdings plc	3.5%
Alphabet Inc., Class A	3.4%
Mattel Inc.	3.3%
Total	43.5%

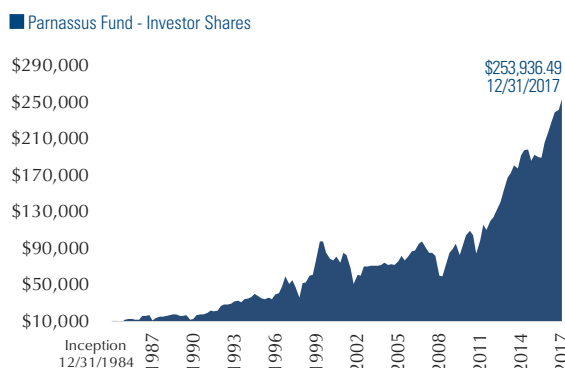
Sector Weightings³



Annual % Returns



Annual Growth of \$10,000¹



Portfolio Managers



Ian Sexsmith

- Portfolio Manager, Senior Research Analyst
- With firm since 2011
- Investment industry since 2004
- Portfolio Manager since 2013
- M.B.A., University of California, Berkeley 2010
- BComm, University of Manitoba, Canada 2004



Robert J. Klaber

- Portfolio Manager, Senior Research Analyst
- With firm since 2012
- Investment industry since 2008
- Portfolio Manager since 2016
- M.B.A., Harvard Business School 2012
- M.Phil., University of Cambridge 2008
- A.B., Public & Private Sector Organizations & Sociology, Brown University 2007

Fund Facts

	Investor Shares	Institutional Shares
Ticker	PARNX	PFPRX
Minimum Investment	\$2,000	\$100,000
Gross Expense Ratio	0.84%	0.69%
Net Expense Ratio	0.84%	0.69%
Inception Date	12/31/1984	04/30/2015
Distribution Frequency	Annually	
Total Net Assets	\$991.6MM	

Expenses based on total net assets, net of reimbursement.

Fund Characteristics

	Fund	S&P 500 Index
Ave Weighted Mkt Cap (\$Bn)	\$70.1	\$217.3
P/E Ratio	20.4x	21.0x
P/B Ratio	2.7x	3.2x
Active Share	93.9	-
Number of Holdings	33	505
Portfolio Turnover (2017 Annual)	37.5%	-

Fund Statistics (5 year)

	Investor Shares	S&P 500 Index
Alpha	-2.02	-
Beta	1.07	1.00
R-squared	0.76	1.00
Sharpe Ratio	0.97	1.34
Standard Deviation	12.03%	9.81%

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 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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