

Percentage of Direct Obligation and Agency Income

Most states allow mutual funds to "pass through" the state tax exemption on income earned from investments in obligations of the U.S. government or its agencies. Mutual fund shareholders may be allowed to exclude income derived from these earnings from their state tax returns. However, because requirements vary by state, you should review your state's income tax return instructions or consult a qualified tax advisor.

For your convenience, the table below provides the percentage of income earned from direct obligations of the U.S. government, as well as income earned from agency and other miscellaneous securities. The information is presented in this format because certain states exempt only income earned from direct obligations of the U.S. government. These obligations include Treasury Bonds, Treasury Notes and Treasury Bills. Although some states do not exempt income earned from agency securities, such as GNMA or FNMA issues, your state may permit an exclusion for this income. Once again, you should verify your state's requirements to properly calculate your state income exclusion.

Percentage of Ordinary Income Earned over 12 months ending December 31, 2017 from:

Fund	U.S. Treasury Securities (a)	Other Direct U.S. Government Obligations (b)	Other Indirect U.S. Government Obligations (c)
Parnassus Fund	0.000%	0.000%	0.000%
Core Equity Fund	0.000%	0.000%	0.000%
Fixed Income Fund	11.892%	0.000%	13.643%
Endeavor Fund	0.000%	0.000%	0.000%
Mid Cap Fund	0.000%	0.000%	0.000%
Asia Fund	0.000%	0.000%	0.000%

Notes:

- (a) Direct U.S. Government Obligations - U.S. Treasury Securities - includes bills, notes & bonds
- (b) Other Direct U.S. Government Obligations - Includes Federal Farm Credit Banks, Federal Home Loan Banks and Student Loan Marketing Association
- (c) Other Indirect U.S. Government Obligations - Includes Federal Home Loan Mortgage Corporation, Federal National Mortgage Association and Government National Mortgage Association