

Parnassus Mid Cap Fund

Fourth Quarter 2021

Strategy

The Parnassus Mid Cap Fund invests with low turnover and high conviction in approximately 40 holdings. The Fund seeks to invest in companies with:

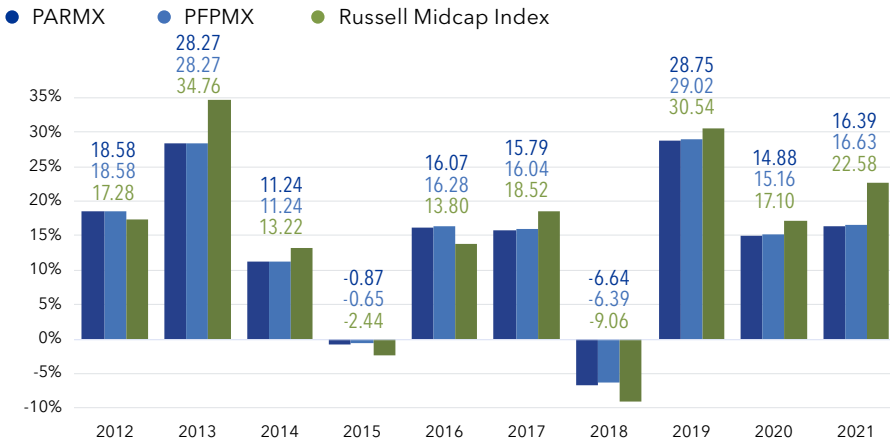
- Wide moats or strong competitive advantages that protect market share and profitability
- Relevancy over the long term, which provides a compounding growth component
- Quality management teams that will act in the best interest of shareholders
- Favorable three-year investment horizon

The Fund strives to outperform the Russell Midcap Index over the long run on a risk-adjusted basis with a high active share. The Fund attempts to mitigate risk from losses during bear markets, while offering the potential for significant upside participation during bull markets.

Total Returns (%)¹

As of 12/31/2021	3M	YTD	1Y	3Y	5Y	10Y
PARMX	8.82	16.39	16.39	19.85	13.23	13.74
PFPMX	8.86	16.63	16.63	20.12	13.49	13.91
Russell Midcap Index	6.44	22.58	22.58	23.29	15.10	14.91

Annual Returns (%)



¹All returns greater than one year are annualized.

²Expenses based on total net assets, net of reimbursement. As described in the Fund's current prospectus dated May 1, 2021 (as amended and restated October 4, 2021), Parnassus Investments has contractually agreed to limit total operating expenses to 0.98% of net assets for the Parnassus Mid Cap Fund - Investor Shares and to 0.75% of net assets for the Parnassus Mid Cap Fund - Institutional Shares. This agreement will not be terminated prior to May 1, 2022, and may be continued indefinitely by the investment adviser on a year-to-year basis. The net expense ratio is what investors pay.

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 and quarter-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.

ENVIRONMENTAL, SOCIAL, AND GOVERNANCE GUIDELINES: The Fund evaluates financially material ESG factors as part of the investment decision-making process, considering a range of impacts they may have on future revenues, expenses, assets, liabilities and overall risk. The Fund also utilizes active ownership to encourage more sustainable business policies and practices and greater ESG transparency. Active ownership strategies include proxy voting, dialogue with company management and sponsorship of shareholder resolutions, and public policy advocacy. There is no guarantee that the ESG strategy will be successful.

The Morningstar Rating is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a managed product's monthly excess performance, placing more emphasis on downward variations and rewarding consistent performance. As of 12/31/21, the Parnassus Mid Cap Fund was rated against the following numbers of Mid-Cap Blend Funds over the following time periods: 360 funds in the last three years, 313 funds in the last five years and 206 funds in the last 10 years. With respect to these Mid-Cap Blend funds, the Parnassus Mid Cap Fund - Investor Share class received a Morningstar Rating of 3, 4 and 4 stars for the 3-, 5- and 10-year periods, respectively. The Parnassus Mid Cap Fund - Institutional Share Class received a Morningstar rating of 4, 4 and 4 stars for the 3-, 5- and 10-year periods, respectively based on risk-adjusted returns.

Fund Facts	Investor Shares	Institutional Shares
Ticker	PARMX	PFPMX
Minimum Investment	\$2,000	\$100,000
Gross Expense Ratio	0.98%	0.76%
Net Expense Ratio ²	0.98%	0.75%
Inception Date	4/29/05	4/30/15


Distribution Frequency	Annually
Total Net Assets	\$8.7 B
Category	Mid Cap Blend
Benchmark	Russell Midcap Index

Fund Characteristics	Fund	Benchmark
Avg. Weighted Mkt Cap	\$28.6 B	\$25.4 B
P/E Ratio	32.2x	21.1x
P/B Ratio	5.2x	3.4x
Active Share	92.0%	-
Number of Holdings	45	832
Portfolio Turnover (2021 Annual)	34.8%	-

Morningstar Ratings™

PARMX Overall Star Rating™** ★★★★★

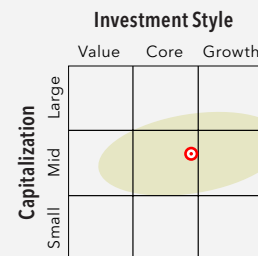
PFPMX Overall Star Rating™** ★★★★★

Analyst Rating™ 

Sustainability Rating™** 

*Overall rating based on risk-adjusted returns out of 360 Mid-Cap Blend funds as of 12/31/21. **Sustainability Rating as of 11/30/21 out of 1,555 US Equity Mid Cap funds.

Ownership Zone



Fund Statistics (5Y)	Investor Shares	Institutional Shares	Benchmark
Alpha	0.83%	1.08%	–
Beta	0.81	0.81	1.00
R-Squared	0.92	0.92	1.00
Sharpe Ratio	0.81	0.82	0.79
Standard Deviation	15.18%	15.17%	17.85%
Upside Capture	81.42%	81.99%	100%
Downside Capture	80.18%	79.68%	100%

Ten Largest Holdings³

Republic Services Inc.	3.9%
Hologic Inc.	3.8%
SBA Communications Corp., Class A	3.1%
Cerner Corp.	3.1%
O'Reilly Automotive Inc.	3.1%
Jack Henry & Associates Inc.	2.9%
Avantor Inc.	2.9%
Verisk Analytics Inc.	2.7%
Burlington Stores Inc.	2.6%
Guidewire Software Inc.	2.6%
Total	30.7%

Meet the Portfolio Managers



Matthew D. Gershuny
Deputy Chief Investment
Officer, Portfolio Manager
2008–Present

- 25 years in the industry
- With firm since 2006



Lori A. Keith
Director of Research,
Portfolio Manager
2008–Present

- 27 years in the industry
- With firm since 2005

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.

Sector Weighting³

	Fund	Benchmark
Information Technology	22%	20%
Industrials	17%	15%
Healthcare	15%	11%
Consumer Discretionary	11%	12%
Real Estate	9%	8%
Financials	7%	12%
Consumer Staples	5%	3%
Materials	5%	6%
Communication Services	3%	4%
Utilities	3%	5%
Energy	0%	4%
Short-Term Investments	3%	0%

³Percent based on total net assets as of 12/31/21.

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 Russell Midcap 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. **Upside Capture:** A measure of managers' performance in up markets relative to the market itself. An up market is one in which the market's monthly return is greater than or equal to zero. The higher the manager's up-market capture ratio, the better the manager capitalized on a rising market. **Downside Capture:** A measure of managers' performance in down markets relative to the market itself. A down market is one in which the market's monthly return is less than zero. The lower the manager's down-market capture ratio, the better the manager protected capital during a market decline.

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. The Fund invests in the stocks of small and mid cap companies, which are generally riskier than larger companies, and the Fund's share price may be more volatile than funds that invest in larger companies. Security holdings in the fund can vary significantly from broad market indexes. The Russell Midcap Index is a widely recognized index 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 **Morningstar Rating™** for funds, or "star rating," is calculated for managed products (including mutual funds, variable annuity and variable life subaccounts, exchange-traded funds, closed-end funds, and separate accounts) with at least a three-year history. Exchange-traded funds and open-ended mutual funds are considered a single population for comparative purposes. The top 10% of products in each product category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star. The Overall Morningstar Rating for a managed product is derived from a weighted average of the performance figures associated with its three-, five-, and 10-year (if applicable) Morningstar Rating metrics. The weights are: 100% three-year rating for 36-59 months of total returns, 60% five-year rating/40% three-year rating for 60-119 months of total returns, and 50% 10-year rating/30% five-year rating/20% three-year rating for 120 or more months of total returns. While the 10-year overall star rating formula seems to give the most weight to the 10-year period, the most recent three-year period actually has the greatest impact because it is included in all three rating periods.

The **Morningstar Analyst Rating™** is not a credit or risk rating. It is a subjective evaluation performed by Morningstar's manager research group, which consists of various Morningstar, Inc. subsidiaries ("Manager Research Group"). In the United States, that subsidiary is Morningstar Research Services LLC, which is registered with and governed by the U.S. Securities and Exchange Commission. The Manager Research Group evaluates funds based on five key pillars, which are process, performance, people, parent, and price. The Manager Research Group uses this five-pillar evaluation to determine how they believe funds are likely to perform relative to a benchmark, or in the case of exchange-traded funds and index mutual funds, a relevant peer group, over the long term on a risk-adjusted basis. They consider quantitative and qualitative factors in their research, and the weight of each pillar may vary. The Analyst Rating scale is Gold, Silver, Bronze, Neutral, and Negative. A Morningstar Analyst Rating of Gold, Silver, or Bronze reflects the Manager Research Group's conviction in a fund's prospects for outperformance. Analyst Ratings ultimately reflect the Manager Research Group's overall assessment, are overseen by an Analyst Rating Committee, and are continuously monitored and reevaluated at least every 14 months. For more detailed information about Morningstar's Analyst Rating, including its methodology, please go to global.morningstar.com/managerdisclosures/. The Morningstar Analyst Rating (i) should not be used as the sole basis in evaluating a fund, (ii) involves unknown risks and uncertainties which may cause Analyst expectations not to occur or to differ significantly from what they expected, and (iii) should not be considered an offer or solicitation to buy or sell the fund. ©2022 Morningstar. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Past performance is no guarantee of future results. Analyst rating shown is as of 02/18/21.

The **Morningstar® Sustainability Rating** is a measure of how well the portfolio holdings are managing their ESG Risk relative to the portfolio's Global Category peer group. The Morningstar Historical Sustainability Score is a weighted average of the trailing 12 months of Morningstar Portfolio Sustainability Scores. More-recent portfolios are weighted more heavily than older portfolios. Based on their Morningstar Historical Sustainability Score, funds are assigned absolute category and percent ranks within their Morningstar Global Categories. Higher ratings are better and indicate that a fund has, on average, more of its assets invested in companies that have lower ESG risk as characterized by Sustainalytics. The Morningstar Sustainability Rating is depicted by globe icons where High equals 5 globes and Low equals 1 globe. Morningstar updates its Sustainability Ratings monthly and uses Sustainalytics' ESG scores from the same month as the portfolio as-of date. Visit <http://corporate1.morningstar.com/SustainableInvesting/> for more detailed information about the methodology and calculation frequency.

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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.