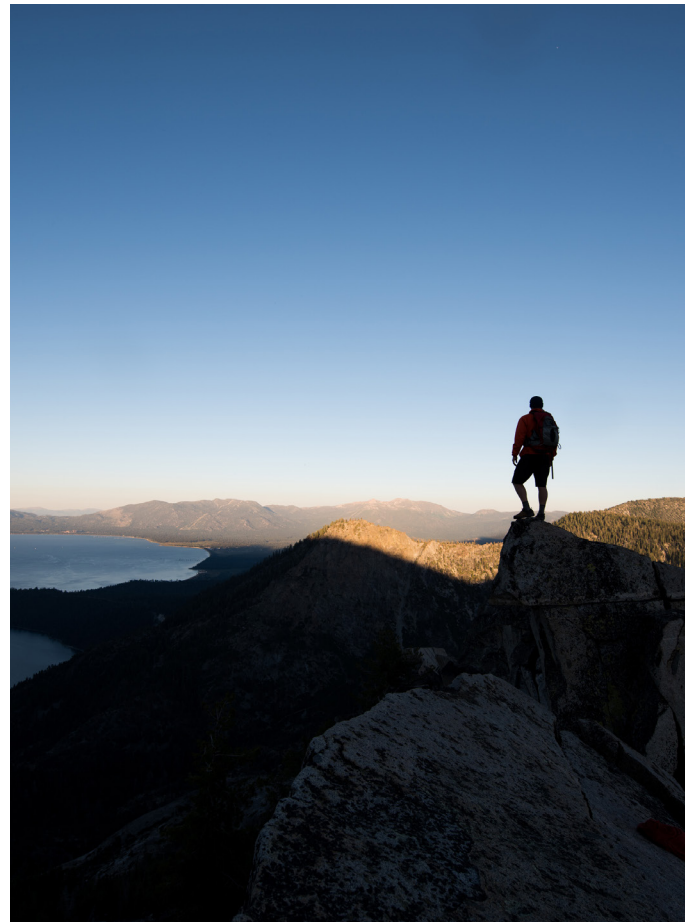


A Message from Our CEO About ESG Investing

You may have seen recent commentary in the news questioning the value and authenticity of environmental, social and governance (“ESG”) investing. As this has become a topic of public discussion, I’d like to reassure you that responsible investing continues to be an integral part of how we manage assets on behalf of our customers.

Parnassus was founded on the idea of Principles and Performance® more than 35 years ago. This is the concept that investors can be financially successful while also choosing to avoid companies that are harmful to people and the planet. We believe our track record of integrating ESG and fundamental research speaks for itself on the validity of this strategy.

Parnassus’s ESG approach emphasizes the values of Principles *and* Performance because we believe companies perform better when ESG risks are addressed. We look for company progress on climate change, which is an existential threat to human beings and a physical and transition risk for companies’ profitability. Similarly, we believe that diverse workplaces drive better decision making and that proper incentives for management typically result in healthier companies. We scrutinize each company as closely as possible because we are high-conviction investors who seek to invest in high-quality companies.



Some of the recent critiques of ESG in the news have centered on values, with allegations that ESG is a tool of the “radical left.” ESG investing does certainly have a values component, but it is not a political tool of the left, and Parnassus does not have a political agenda. Funds are offered in the marketplace that align with a variety of different goals and values. For example, funds are available for people who want to invest according to their religious beliefs. Like ESG funds, impact funds and other types of investments focused on values, these options offer choice for investors.

ESG ratings providers have also been criticized in the media by opponents of responsible investing. We believe the development of ESG rating providers has provided a significant boost for ESG and other forms of responsible investing. Each of these

providers takes a different approach, but all are focused on standardizing ESG qualities of companies to facilitate objective comparisons. These providers are creating standards that increase the consistency and accuracy of ESG evaluations, and this endeavor is very valuable to responsible investors.

That said, ESG ratings are in their early days of development, and providers have widely varying approaches, some of which may be better than others, or at least fit better with a particular investment philosophy. Nevertheless, conflating flaws in this nascent industry with flaws in the concept of responsible investing is meritless. We expect that, even when this industry matures, differing points of view across ESG ratings providers will persist, just as the fundamentals of a stock can be rated differently by different brokerage firms.

I want to thank you for your interest in the Parnassus strategies, and I invite you to review our [Approach to Responsible Investment Policy](#) if you would like to learn more about Parnassus's ESG philosophy.

Benjamin Allen

CEO, Portfolio Manager

To learn more, visit www.parnassus.com or call (800) 999-3505.

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For the current holdings of the [Parnassus Mid Cap Growth Fund](#), the [Parnassus Core Equity Fund](#), the [Parnassus Endeavor Fund](#), the [Parnassus Mid Cap Fund](#) and the [Parnassus Fixed Income Fund](#), please visit each fund's individual holdings page.

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.

Past performance does not guarantee future performance or results.

The views expressed are subject to change at any time in response to changing circumstances in the markets and are not intended to predict or guarantee the future performance of any individual security, market sector or the markets generally, or the Parnassus Funds. Current and future portfolio holdings are subject to risks.

Mutual fund investing involves risk, and loss of principal is possible.

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