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AMG and Parnassus Investments Announce Partnership

- ▶ AMG to invest in Parnassus, the largest U.S. fund manager dedicated to environmental, social and governance (ESG) investing¹
- ▶ The addition of Parnassus will bring AMG's ESG-dedicated AUM to approximately \$80 billion, and AUM incorporating ESG factors into the investment process to approximately \$600 billion
- ▶ Key Parnassus leaders will make long-term commitments to the firm; AMG's succession planning solution to facilitate generational transition
- ▶ Investment is expected to contribute approximately \$70 million and \$1.30 to AMG to Adjusted EBITDA and Economic Earnings per Share, respectively, in 2022

WEST PALM BEACH and SAN FRANCISCO, July 6, 2021 – Affiliated Managers Group, Inc. (NYSE: AMG), a leading partner to independent active investment management firms globally, has entered into a definitive agreement to acquire a majority equity interest in Parnassus Investments ("Parnassus"). After the closing of the transaction, Parnassus partners will continue to own a substantial portion of the equity of the firm and direct its day-to-day operations consistent with AMG's partnership approach, which is recognized by the marketplace for preserving the operating and investment independence of AMG Affiliates.

With approximately \$47 billion under management as of June 30, 2021, Parnassus has been a pioneer in active responsible investing for more than 35 years, focused on investing in companies that generate returns and also have a positive impact on society. Founded in San Francisco in 1984, the firm integrates deep fundamental and environmental, social, and governance (ESG) research into its collaborative, high-conviction, low turnover investment process, and is today the largest pure-play ESG mutual fund company in the U.S.² With more than 95% of its mutual fund AUM in strategies with a Morningstar Rating™ of 4 or 5 stars, and each of its equity funds maintaining top sustainability ratings, Parnassus intends to provide investors with attractive long-term, risk-adjusted returns by investing in high-quality businesses at reasonable prices. As with all AMG Affiliates, the Parnassus investment process will not change as a result of its partnership with AMG, and the Parnassus investment team will remain fully independent.

"We are very pleased to have the opportunity to partner with Parnassus, as we have tremendous respect for its multi-decade work in sustainable investing and the high-quality business built by an outstanding management team," said Jay C. Horgen, President and Chief Executive Officer of AMG. "Having known the senior partners for more than a decade, AMG has developed a unique relationship with this team and closely followed the evolution of their business; when the time was right for Parnassus to choose a permanent partner and complete the first generational transition in the firm's long-term succession plan, the team chose AMG. For nearly four decades, and across numerous market cycles, Parnassus has integrated fundamental financial and ESG research with the goal of achieving attractive risk-adjusted returns for its clients. As our third Affiliate wholly dedicated to responsible and impact investing, AMG's partnership with Parnassus further enhances our strategic participation in ESG investing, one of the fastest-growing segments in the investment industry, and an area of increasingly significant focus for clients globally. I am very pleased to welcome Ben Allen, Todd Ahlsten, and their partners to our Affiliate group."

"Given our longstanding relationship with AMG, and its three-decade history of successful partnerships with independent active investment firms, we are excited about our new partnership. We believe it provides long-term certainty for our clients and enhances the competitive positioning of our business," said Benjamin E. Allen, Chief Executive Officer of Parnassus. "Since our founding, we have been committed to remaining independent and investing based on both Principles and Performance®. AMG's unique partnership approach preserves our firm's entrepreneurial and investment-centric culture, which is essential to our clients and team; the cultural alignment between Parnassus and AMG, with our firms' respective long-term partnership orientations and strong shared belief in sustainable investing, made our decision clear. Todd Ahlsten and I have committed to provide leadership to our firm for many years to come, and other members of the partnership group will be aligned with the long-

^{1,2} Per Morningstar, as of May 31, 2021

term interests of our investors, and AMG, through equity ownership in Parnassus. With this new partnership, we are well-positioned to continue to build an enduring, multi-generational, partner-owned investment firm that serves the sustainable investing needs of our clients.”

The closing of the transaction will represent the culmination of the transition from founder Jerome Dodson, who retired from portfolio management and all managerial duties in 2020, to the next generation of leadership. Mr. Dodson and his family will no longer retain any ownership of Parnassus. Mr. Dodson said, “I started Parnassus Investments more than 35 years ago because I believed that one could invest according to their values and still beat the market. I’m gratified to see how many investors are now investing the way we have at Parnassus for so many years. I am proud of Parnassus’ seasoned leadership team and very pleased that the company we built will live on to serve generations of clients to come.”

The terms of the transaction were not disclosed. AMG expects that the investment in Parnassus will contribute approximately \$70 million to Adjusted EBITDA and \$1.30 to Economic earnings per share in 2022, and the transaction will be funded with existing corporate resources. Mr. Allen and Mr. Ahlsten will enter into long-term employment agreements with the firm. The transaction, which is expected to close during the second half of 2021, is subject to customary closing conditions and regulatory approvals.

Moelis & Company LLC acted as exclusive financial advisor to Parnassus Investments.

About AMG

AMG is a leading partner to independent active investment management firms globally. AMG’s strategy is to generate long-term value by investing in a diverse array of excellent independent partner-owned firms, through a proven partnership approach, and allocating resources across AMG’s unique opportunity set to the areas of highest growth and return. AMG’s innovative partnership approach enables each Affiliate’s management team to own significant equity in their firm while maintaining operational and investment autonomy. In addition, AMG offers its Affiliates growth capital, global distribution, and other strategic value-added capabilities, which enhance the long-term growth of these independent businesses, and enable them to align equity incentives across generations of principals to build enduring franchises. As of March 31, 2021, AMG’s aggregate assets under management were approximately \$738 billion across a broad range of active, return-oriented strategies. For more information, please visit the Company’s website at www.amg.com

About Parnassus Investments

Founded in 1984, Parnassus Investments is a pioneer in socially responsible investing. The firm invests responsibly to build wealth for its clients by selecting businesses that the investment team believes have increasingly relevant products or services, sustainable competitive advantages and quality management teams for their high conviction portfolios. Every investment must meet rigorous fundamental and ESG criteria. More information is available at parnassus.com

Certain matters discussed in this press release may constitute forward-looking statements within the meaning of the federal securities laws, and could be impacted by a number of factors, including those described under the section entitled “Risk Factors” in AMG’s most recent Annual Report on Form 10-K, as such factors may be updated from time to time in the Company’s periodic filings with the SEC, which are accessible on the SEC’s website at www.sec.gov. AMG undertakes no obligation to publicly update or review any forward-looking statements, whether as a result of new information, future developments or otherwise, except as required by applicable law. From time to time, AMG may use its website as a distribution channel of material Company information. AMG routinely posts financial and other important information regarding the Company in the Investor Relations section of its website at www.amg.com and encourages investors to consult that section regularly.

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. It 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. 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. As of 04/30/21, the Parnassus Core Equity Fund – Investor Share was rated against the following numbers of Large Blend funds over the following time periods: 1,224 funds in the last three years, 1,055 funds in the last five years and 795 funds in the last 10 years. The Fund received a Morningstar Rating of 5, 5 and 5 stars for the 3-, 5- and 10-year periods, respectively. The Parnassus Mid Cap Fund – Investor Share was rated against the following numbers of Mid-Cap Blend funds over the following time periods: 377 funds in the last three years, 308 funds in the last five years and 215 funds in the last 10 years. The Fund received a Morningstar Rating of 4, 4 and 5 stars for the 3-, 5- and 10-year periods, respectively. The Parnassus Endeavor Fund – Investor Share was rated against the following numbers of Large Value funds over the following time periods: 1,131 funds in the last three years, 1,001 funds in the last five years and 727 funds in the

last 10 years. The Fund received a Morningstar Rating of 5, 5 and 5 stars for the 3-, 5- and 10-year periods, respectively. Past performance is no guarantee of future results. Morningstar Rating is for the Investor share class only; other classes may have different performance characteristics.

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. As of 03/31/21, the Parnassus Core Equity Fund – Investor Share received a Morningstar Sustainability Rating of High out of US Equity Large Cap Blend funds based on 100% of AUM. The Parnassus Mid Cap Fund – Investor Share received a Morningstar Sustainability Rating of High out of US Equity Mid Cap funds based on 100% of AUM. The Parnassus Endeavor Fund – Investor Share received a Morningstar Sustainability Rating of High out of US Equity Large Cap Blend funds based on 100% of AUM. The Parnassus Mid Cap Growth Fund – Investor Share received a Morningstar Sustainability Rating of High out of US Equity Mid Cap funds based on 93% of AUM. Sustainalytics provides company-level analysis used in the calculation of Morningstar's Sustainability Score. Visit <http://corporate1.morningstar.com/SustainableInvesting/> for more detailed information on the methodology and calculation frequency.

Mutual fund investing involves risk, and loss of principal is possible. There are no assurances the Fund's investment objectives and ESG strategies will be successful.

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.

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.

The Parnassus Funds are distributed by Parnassus Funds Distributor, LLC.