



Parnassus Funds Semiannual Report

June 30, 2021

Parnassus Core Equity FundSM

Investor Shares: PRBLX | Institutional Shares: PRILX

Parnassus Mid Cap FundSM

Investor Shares: PARMX | Institutional Shares: PFPMX

Parnassus Endeavor FundSM

Investor Shares: PARWX | Institutional Shares: PFPWX

Parnassus Mid Cap Growth FundSM

Investor Shares: PARNX | Institutional Shares: PFPRX

Parnassus Fixed Income FundSM

Investor Shares: PRFIX | Institutional Shares: PFPLX

Table of Contents

| | |
|---|----|
| Letter from Parnassus Investments | 4 |
| Fund Performance and Commentary | |
| Parnassus Core Equity Fund | 8 |
| Parnassus Mid Cap Fund..... | 12 |
| Parnassus Endeavor Fund | 16 |
| Parnassus Mid Cap Growth Fund..... | 19 |
| Parnassus Fixed Income Fund | 23 |
| Responsible Investing Notes | 26 |
| Fund Expenses | 28 |
| Portfolios of Investments | |
| Parnassus Core Equity Fund | 29 |
| Parnassus Mid Cap Fund..... | 32 |
| Parnassus Endeavor Fund | 34 |
| Parnassus Mid Cap Growth Fund..... | 36 |
| Parnassus Fixed Income Fund | 38 |
| Financial Statements | 44 |
| Notes to Financial Statements | 50 |
| Financial Highlights..... | 62 |
| Additional Information | 66 |

August 6, 2021

Dear Shareholder,

The second quarter saw stocks continue their upward trend, with all major indexes posting strong returns. For the first six months of the year, the S&P 500, the Russell Midcap and the Russell Midcap Growth Indexes gained 15.25%, 16.25% and 10.44%, respectively. These are fantastic results for just six months. The main catalyst for the stock market's strength has been optimism about the economy's continued recovery from the damaging effects of the pandemic. An accommodative Federal Reserve and historically high deficit spending have also stoked investors' appetite for risk.

Our equity funds have been a mixed bag so far this year, based on performance relative to their benchmarks. On the positive side, our large cap funds have either kept up with the S&P 500 or handily outpaced it. Specifically, our flagship offering, the Parnassus Core Equity Fund - Investor Shares, is up 15.04% year-to-date, and our large cap value fund, the Parnassus Endeavor Fund - Investor Shares, is up a whopping 26.21%. While our two mid-cap funds have had great year-to-date returns in absolute terms, they both lag their respective indexes. I'm confident that the portfolio managers of these funds will turn things around soon based on their long-term track records. The Parnassus Fixed Income Fund - Investor Shares, our lone bond offering, finished the first half within striking distance of its benchmark, after returning a solid 2.52% for the quarter, which was 0.69% better than the Barclays Aggregate Index. Please see the following pages for more detailed information regarding each Fund's performance and the risks associated with investing in the Funds.

Long-Term Succession Solution

On July 6, Parnassus Investments and Affiliated Managers Group (AMG) announced a definitive agreement to form a new partnership. Upon the closing of the transaction, our founder, Jerome Dodson, and his family will no longer retain any ownership in Parnassus. Certain employees of the firm, including all portfolio managers, will receive long-term incentives in the form of equity ownership. These incentives are meant to encourage our key investment personnel to serve Parnassus Funds shareholders for many years to come.

I'm delighted that we found a long-term succession solution that not only addressed the Dodson family's desire to transition out of the company, but also included economic incentives to help retain our key investment team leaders. Also important is that AMG will not impose any changes to how Parnassus operates, so you will see no differences in the investment approach or shareholder servicing as a result of this partnership.

This partnership with AMG is a great outcome for Parnassus Fund shareholders and the firm's employees. We are all excited to close the transaction, but we can't do it without your help. My fellow Parnassus Funds Trustees and I voted unanimously to approve the new partnership with AMG. The next step is for you to vote on the transaction. Please keep an eye out for your ballot. When you receive it, please vote right away, so we can begin the next chapter in the Parnassus story.

New Hires

We added three employees to our team during the second quarter. Hayden Turner is an associate on the Institutional Relations team, where he is responsible for managing relationships with banks, broker dealers, asset owners and consultants. Before joining Parnassus, Mr. Turner was a member of the institutional business development team at PIMCO, where he supported account management teams in both the U.S. and abroad. Mr. Turner earned a bachelor's degree in business administration with an emphasis in finance from Chapman University. In his free time, Hayden enjoys traveling, skiing and going to the beach.

Nicole Kucewicz joined Parnassus as a consultant in March and was hired as a full-time investment writer in May. Nicole's background in financial services spans various marketing-related positions at Allianz Global Investors and Fisher Investments. Nicole earned a double bachelor's degree in political science and liberal arts from Colorado State University. Outside of work, Nicole enjoys CrossFit, various outdoor activities and cooking.

Michael Beck joined the investment team as a Senior Research Analyst. Prior to interning with Parnassus last summer, he worked for Opes Advisors and BNY Mellon. Michael holds the Chartered Financial Analyst (CFA) designation, and he earned an MBA from the UC Berkeley, Haas School of Business, and a bachelor's degree in mechanical engineering from the University of California, Los Angeles. Michael grew up in Southern California and enjoys basketball, skiing and visiting the beach.

Interns

We have seven interns helping on the investment team this summer. Anu Gupta is an MBA candidate at the Wharton School at the University of Pennsylvania. Previously, Anu worked as a research analyst at Mellon, a Boston-based investment manager, where she covered consumer staples and tech hardware stocks. She graduated with a bachelor of science in economics from The Wharton School at the University of Pennsylvania. Anu grew up in Hong Kong and Boston and enjoys food documentaries, murder mystery novels and rooting for the New England Patriots.

Ben Whitesell is studying business at Michigan State University, where he is the head of education for both the Finance Association and the Alternative Investment Group. Previously, Ben interned at Prudential Financial in the fixed income strategy group and MERS, the Municipal Employees' Retirement System of Michigan, as an investment analyst. In his free time, Ben enjoys playing hockey, fishing and skiing.

Craig Larkin is pursuing an economics degree from the University of California, Los Angeles. Craig has served as the Vice President of Education for Bruin Value Investing during the past two years, and recently interned at Almitas Capital, a hedge fund in Santa Monica. In his free time, he enjoys skiing, rock climbing and mountain biking.

Joey Fitzgerald is pursuing a dual degree in finance and environmental studies at Tulane University through the Altman Program in International Studies and Business. He previously

worked as an ESG Equity Analyst Intern at CIBC Private Wealth. He enjoys exploring the outdoors, playing sports and watching movies in his free time.

John Bogle is an MBA candidate at The Wharton School at the University of Pennsylvania. Previously, John worked as a Quantitative Equity Research Associate at MFS Investment Management in Boston. John graduated with a degree in economics and certificates (minors) in computer science and finance from Princeton University. John grew up in the Boston area and is an avid fan of basketball and crossword puzzles. He is also a CFA charter holder.

Sydney Kong is a senior in the World Bachelor in Business program, pursuing three business degrees from the University of Southern California, the Hong Kong University of Science and Technology, and Bocconi University. She previously interned at Alaya Consulting, an ESG advisory firm in Hong Kong. Outside of work, Sydney enjoys hiking, figure skating and playing the piano.

Christopher Sznip is our ESG research analyst for the summer. While he grew up in Colorado, Christopher attended the Groton School on the East Coast before pursuing an economics degree at Colorado College. For the coming year, he will be participating in the General Course at the London School of Economics. Previously, Christopher worked for Braddock Financials' fixed income fund in Denver as well as G2M Insights, a boutique consulting firm. In his free time, he enjoys the outdoors, Formula 1, fantasy football and watching movies.

Thank you all for investing with the Parnassus Funds.

Sincerely,



Benjamin E. Allen
President and CEO

Shareholder Meeting Information

This letter is not a solicitation of a proxy from any shareholder of the Parnassus Core Equity Fund, the Parnassus Mid Cap Fund, the Parnassus Endeavor Fund, the Parnassus Mid Cap Growth Fund or the Parnassus Fixed Income Fund. The Funds have filed a definitive proxy statement on Schedule 14A with the Securities and Exchange Commission (SEC) in connection with the special meetings of shareholders to approve new investment advisory agreements and elect seven trustees. Information regarding the persons who may, under SEC rules, be deemed participants in the solicitation of the Funds' shareholders to approve the new investment advisory agreements and elect trustees, including, without limitation, the Funds and Parnassus Investments, and a description of the participants' direct or indirect interests, by security holdings or otherwise, is set forth in the definitive proxy statement. Shareholders may obtain a free copy of the definitive proxy statement and proxy cards and other documents filed by the

participants with the SEC at the SEC's web site at www.sec.gov. The definitive proxy statement and other related SEC documents filed by the participants with the SEC may also be obtained free of charge from the Funds by calling (888) 541-9895. Shareholders are urged to read the definitive proxy statement and proxy cards when they become available, because they will contain important information about the Funds, the participants, the new investment advisory agreements, the nominees, and related matters.

Parnassus Core Equity Fund

Ticker: Investor Shares - PRBLX

Ticker: Institutional Shares - PRILX

As of June 30, 2021, the net asset value (“NAV”) of the Parnassus Core Equity Fund – Investor Shares was \$61.61. After taking dividends into account, the total return for the second quarter was a gain of 7.39%. This compares to a total return of 8.55% for the S&P 500 Index (“S&P 500”) and a gain of 5.76% for the Lipper Equity Income Funds Average, which represents the average return of the equity income funds followed by Lipper (“Lipper average”). Year to date, the Parnassus Core Equity Fund – Investor Shares posted a gain of 15.04% versus a return of 15.25% for the S&P 500 and a gain of 15.53% for the Lipper average.

Below is a table that summarizes the performance of the Parnassus Core Equity Fund, the S&P 500 and the Lipper average. The returns are for the one-, three-, five- and ten-year periods. We are pleased to report that the Fund outperformed the S&P 500 and the Lipper average for all time periods.

Parnassus Core Equity Fund

| | Average Annual Total Returns (%) for period ended June 30, 2021 | | | | | |
|---|--|-------------|------------|-----------|---------------------|-------------------|
| | One Year | Three Years | Five Years | Ten Years | Gross Expense Ratio | Net Expense Ratio |
| Parnassus Core Equity Fund – Investor Shares | 42.35 | 21.11 | 17.77 | 15.07 | 0.84 | 0.84 |
| Parnassus Core Equity Fund – Institutional Shares | 42.64 | 21.38 | 18.02 | 15.30 | 0.62 | 0.62 |
| S&P 500 Index | 40.79 | 18.67 | 17.65 | 14.84 | NA | NA |
| Lipper Equity Income Funds Average | 38.61 | 12.15 | 11.60 | 10.66 | NA | NA |

The average annual total return for the Parnassus Core Equity Fund – Institutional Shares from commencement (April 28, 2006) was 12.28%. Performance shown prior to the inception of the Institutional Shares reflects the performance of the Parnassus Core Equity Fund – Investor Shares and includes expenses that are not applicable to and are higher than those of the Institutional Shares. The performance of the Institutional Shares differs from that shown for the Investor Shares to the extent that the classes do not have the same expenses. **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 current performance information to the most recent month end is available on the Parnassus website (www.parnassus.com). Investment return and principal value will fluctuate, so an investor's shares, when redeemed, may be worth more or less than their original principal cost.** Returns shown in the table do not reflect the deduction of taxes a shareholder may pay on fund distributions or redemption of shares. The S&P 500 is an unmanaged index of common stocks, and it is not possible to invest directly in an index. Index figures do not take any expenses, fees or taxes into account, but mutual fund returns do.

The estimated impact of individual stocks on the Fund's performance is provided by FactSet.

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 and other information. The prospectus or summary prospectus can be obtained on the Parnassus website or by calling (800) 999-3505. As described in the Fund's current prospectus dated May 1, 2021, Parnassus Investments has contractually agreed to limit total operating expenses to 0.84% of net assets for the Parnassus Core Equity Fund – Investor Shares and to 0.62% of net assets for the Parnassus Core Equity Fund – Institutional Shares. This agreement will not be terminated prior to May 1, 2022, and may be continued indefinitely by the Adviser on a year-to-year basis.

*For this report, we quote total return to the portfolio, which includes price change and dividends.

Second Quarter Review

The Parnassus Core Equity Fund – Investor Shares earned a return of 15.04% during the first half of 2021, slightly less than the 15.25% return for the S&P 500. The first half of the year was highlighted by soaring economic growth and the stock market hitting all-time highs. During the second quarter, the Fund returned 7.39% versus the S&P 500's gain of 8.55%. Stock selection, as opposed to sector allocations, subtracted 88 basis points during the second quarter, accounting for most of the underperformance. (One basis point is 1/100th of one percent.)

The Fund's top three detractors were led by Fiserv, the payments and financial technology provider. The stock trimmed the Fund's return by 27 basis points, as it returned -10.2%.* Investors were hoping for clearer signs of Fiserv's business accelerating as the global economy reopens. We believe the company is executing well and showing strong sales momentum and operating discipline, while making the appropriate investments in innovation. The shares continue to trade at an attractive price that should reward patient shareholders.

Farm equipment provider John Deere was our second largest detractor. While Deere delivered yet another strong earnings quarter with many positive long-term drivers, the stock trimmed the Fund's return by 21 basis points, as it returned -5.5%. Despite the company's impressive execution, the stock fell along with agricultural commodity prices. While commodity prices may have taken a breather after a big run, we believe the long-term future for Deere remains bright due to its market-leading position and continuous innovation, which drive significant pricing power.

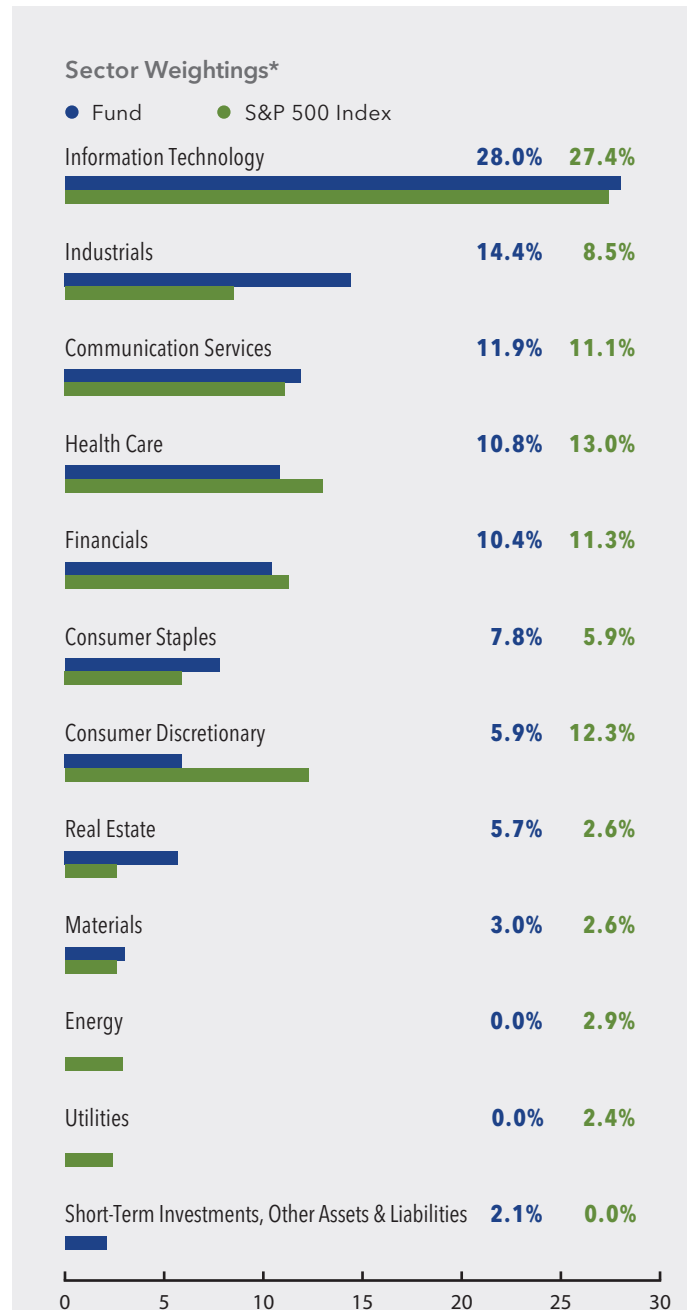
Semiconductor manufacturer Intel returned -11.8% and subtracted 13 basis points from the Fund's return. The company delivered better-than-expected results overall, but showed weakness in its datacenter segment, a key area of investor scrutiny. Intel is a turnaround story, and there may be bumps along the road. We believe the assets the company has amassed over decades of innovation present significant optionality that should eventually benefit the stock at these levels.

The Fund's top three winners were headlined by NVIDIA, a leading provider of advanced computer chips, which added 99 basis points to the Fund's return, with a 49.9% gain. The company's pace of innovation is accelerating at a time when its solutions are becoming increasingly important to the digital economy. NVIDIA's strong results and forward guidance are supported by favorable trends in gaming, datacenter servers and, most recently, cryptocurrency mining. Lastly, the company is making progress on closing its acquisition of Arm, a strategic asset in the semiconductor ecosystem.

Microsoft returned 15.2%, contributing 84 basis points to the Fund's return. The company continues to execute well across its business segments, especially Azure, which is gaining share and delivering against high expectations. Microsoft also agreed to acquire Nuance Communications, a provider of health care software that is built on Azure, adding yet another driver of future growth.

Danaher, a large-cap life sciences tools company, returned 19.3% and contributed 70 basis points to the Fund's performance. Danaher shares moved higher throughout the quarter as its core biopharma and industrial end-markets rebounded faster than expected. The company also announced an exciting deal, using the cash generated from COVID-19 testing and vaccine production to double-down on the business's widest moat and fastest-growing end-market: bioprocessing. The announcement of the Aldevron acquisition on June 17 caused the stock to rally, as this partnership further accelerates Danaher's organic growth and puts the company in a prime position to supply the advanced tools necessary to manufacture the upcoming wave of next-generation therapies.

Parnassus Core Equity Fund As of June 30, 2021 (percentage of net assets)



* For purposes of categorizing securities for diversification requirements under the Investment Company Act, the Fund uses industry classifications that are more specific than those used for the chart.

**Top 10 Equity Holdings
(percentage of net assets)**

| | |
|--------------------------|------|
| Microsoft Corp. | 6.2% |
| Alphabet Inc., Class A | 4.8% |
| Danaher Corp. | 4.1% |
| Comcast Corp., Class A | 4.0% |
| CME Group Inc., Class A | 4.0% |
| Deere & Co. | 3.2% |
| S&P Global Inc. | 3.2% |
| The Charles Schwab Corp. | 3.2% |
| FedEx Corp. | 3.1% |
| Becton Dickinson and Co. | 3.0% |

Portfolio characteristics and holdings are subject to change periodically.

Outlook and Strategy

U.S. GDP is expected to grow more than 10% during the second quarter, making it one of the strongest quarterly growth rates since 1978. However, most forecasts call for the pace of economic growth to slow in the third quarter and to decelerate over the next several quarters as the tailwinds from monetary and fiscal stimulus begin to wane.

The Federal Reserve will likely outline a rough timeline for reducing its \$120 billion in monthly purchases of Treasuries and mortgage-backed securities. Meanwhile, the economic benefit of the roughly \$5 trillion in government support provided since the onset of the pandemic is also peaking. As a result, we feel that many of the current inflationary pressures may prove to be transitory, as unsustainable economic drivers begin to fade and some of the current supply-chain issues causing shortages correct themselves.

As economic growth begins to slow, investors may need to recalibrate their elevated earnings expectations for many companies. These types of transitions can often result in increased volatility and a heightened chance of a stock market correction.

We believe the Fund is well positioned, as our focus on high-quality companies with secular growth drivers and lower cyclicity will likely outperform as overall economic growth slows. However, unprecedented economic and social disruption has been met with an unprecedented amount of government intervention, so

the range of economic outcomes remains wide. As such, we continue to prefer companies like Microsoft, Danaher and Comcast that add both offensive and defensive characteristics to the Fund.

Moving to the portfolio, this quarter we sold our position in Amazon. During the pandemic, Amazon’s stock did very well, as the company shipped essential goods and groceries to consumers. The challenges of operating during the pandemic, however, fell on Amazon’s workers. Amazon did compensate them with increased wages and bonuses and invested billions of dollars in personal protective equipment (PPE), testing, and sanitation, but workplace and working conditions have nevertheless persisted as major concerns. We decided to sell Amazon, as the labor concerns, especially after the Bessemer union vote, created higher risk for the company. We feel that our capital can be better deployed elsewhere in companies with similar drivers that we already own, like Microsoft and Alphabet (the parent company of Google), and our newest position, Nike.

Nike is a unique retail company, with growing businesses in a number of attractive product categories. They also boast an incredibly valuable set of brands and robust global distribution assets and supply chains. We believe that Nike has a long runway for growth, both internationally and through its higher-margin online and direct-to-consumer business. Earlier this quarter, we had the opportunity to buy Nike at a discount, due primarily to an ongoing boycott in China that we expect to be resolved.

Moving next to our sector positioning, the Fund’s largest sector exposure remains information technology, which we are slightly overweight relative to the benchmark. We have a long-term view that companies such as Microsoft, NVIDIA, Mastercard, Applied Materials, Texas Instruments and Adobe represent increasingly essential and valuable building blocks in the global economy. That said, there are widespread reports about shortages in the chip sector. While that news validates the importance of these companies to the global economy, it could also indicate that we’re nearing a cyclical peak. As a result, we continued to trim our exposure to semiconductors, and technology overall, to more modestly overweight positions.

The Fund remains overweight the industrials sector, headlined by John Deere, FedEx and water infrastructure companies Pentair and Xylem. This sector offers the portfolio participation in the economic building blocks of agriculture, logistics and water infrastructure.

The Fund remains overweight high-quality consumer staples companies such as Procter & Gamble and snack-food manufacturer Mondelez. We are attracted to the defensive characteristics of these businesses, as well as their exposure to faster-growing emerging markets. We remain overweight the real estate sector, headlined by American Tower, the largest global owner of cell phone towers. We're excited about its secular growth prospects, which are driven by the rollout of 5G and the growing usage of mobile data.

We're slightly overweight the materials sector, which consists solely of our investment in industrial gas manufacturer Linde. We also moved to an overweight position in communication services by adding to our Alphabet holdings.

The Fund is slightly underweight the financials sector, with a focus on businesses with high returns on capital that have secular growth drivers and minimal credit risk. The Fund owns CME Group, the leading global derivatives exchange; S&P Global, the premier financials database company; and Charles Schwab, the well-known brokerage and wealth management firm.

We remain underweight, in health care due to our limited exposure to the pharmaceutical sector. Within

health care, our focus is on life sciences and medical devices, and we own wide-moat companies such as Danaher and Becton Dickinson. The Fund also remains underweight the consumer discretionary sector, after selling Amazon and initiating a modest position in Nike.

The Fund continues to maintain zero exposure to the energy sector due to our fossil fuel-free mandate. We also have no utility investments due to our concerns about climate change, increased regulations and the risk of asset impairment.

We are pleased that the Fund delivered a solid return for the first half of 2021. As always, we are honored to have your trust as we strive to continue delivering Principles and Performance®.

Sincerely,



Todd C. Ahlsten
Lead Portfolio Manager



Benjamin E. Allen
Portfolio Manager

Parnassus Mid Cap Fund

Ticker: Investor Shares - PARMX

Ticker: Institutional Shares - PFPMX

As of June 30, 2021, the net asset value (“NAV”) of the Parnassus Mid Cap Fund – Investor Shares was \$44.54, so the total return for the quarter was a gain of 5.87%. This compares to a gain of 7.50% for the Russell Midcap Index (“Russell”) and a gain of 5.25% for the Lipper Mid-Cap Core Funds Average, which represents the average return of the mid-cap core funds followed by Lipper (“Lipper average”). For the first half of 2020, the Parnassus Mid Cap Fund – Investor Shares is up 9.22% compared to a gain of 16.25% for the Russell and a gain of 16.83% for the Lipper average.

Below is a table comparing the Parnassus Mid Cap Fund with the Russell and the Lipper average for the one-, three-, five- and ten-year periods.

Parnassus Mid Cap Fund

| | Average Annual Total Returns (%) | | | | | |
|---|----------------------------------|-------------|------------|-----------|---------------------|-------------------|
| | for period ended June 30, 2021 | | | | | |
| | One Year | Three Years | Five Years | Ten Years | Gross Expense Ratio | Net Expense Ratio |
| Parnassus Mid Cap Fund – Investor Shares | 36.92 | 14.10 | 13.32 | 12.23 | 0.98 | 0.98 |
| Parnassus Mid Cap Fund – Institutional Shares | 37.20 | 14.36 | 13.57 | 12.39 | 0.76 | 0.75 |
| Russell Midcap Index | 49.80 | 16.45 | 15.62 | 13.24 | NA | NA |
| Lipper Mid-Cap Core Funds Average | 48.94 | 12.57 | 12.67 | 10.60 | NA | NA |

The average annual total return for the Parnassus Mid Cap Fund – Institutional Shares from commencement (April 30, 2015) was 12.12%. Performance shown prior to the inception of the Institutional Shares reflects the performance of the Parnassus Mid Cap Fund – Investor Shares and includes expenses that are not applicable to and are higher than those of the Institutional Shares. The performance of the Institutional Shares differs from that shown for the Investor Shares to the extent that the classes do not have the same expenses. **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. Current performance information to the most recent month end is available on the Parnassus website (www.parnassus.com). Investment return and principal value will fluctuate, so an investor's shares, when redeemed, may be worth more or less than their original principal cost.** Returns shown in the table do not reflect the deduction of taxes a shareholder may pay on fund distributions or redemption of shares. The Russell Midcap Index is an unmanaged index of common stocks, and it is not possible to invest directly in an index. Index figures do not take any expenses, fees or taxes into account, but mutual fund returns do. Mid-cap companies can be more sensitive to changing economic conditions and have fewer financial resources than large-cap companies.

The estimated impact of individual stocks on the Fund's performance is provided by Fact Set.

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 and other information. The prospectus or summary prospectus can be obtained on the Parnassus website or by calling (800) 999-3505. As described in the Fund's current prospectus dated May 1, 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 Adviser on a year-to-year basis.

* For this report, we quote total return to the portfolio, which includes price change and dividends.

Second Quarter Review

The Russell posted its fifth straight quarterly gain in the second quarter, capping a tremendous rally that has generated a 115% return since the pandemic-induced trough in March of 2020. The Russell's year-to-date return is remarkable, as it's one of the strongest in the past 20 years. Investor confidence in the “reopening trade” was supported by the central bank's continued accommodative policy, robust fiscal stimulus and continued COVID-19 vaccine deployment and efficacy against emerging virus variants.

During the quarter, it was challenging for our higher-quality, lower-beta portfolio to keep up with the Russell. The Parnassus Mid Cap Fund – Investor Shares returned 5.87% during the second quarter, which captured 78% of the Russell's 7.50% return. We're pleased with the Fund's absolute quarterly return but are disappointed that we fell behind the rocketing Russell. On a more positive note, the Fund beat its Lipper peers by 62 basis points during the quarter. (One basis point is 1/100th of one percent.)

The Fund's performance during the quarter was almost exclusively the result of stock selection rather than sector allocation. The worst performer was SelectQuote, a direct-to-consumer insurance distribution platform that takes little-to-no capital risk. The stock subtracted 71 basis points from the Fund's return, as its total return was negative 34.7%.* The shares slid after the company lowered its annual earnings guidance and disclosed that the retention rate of its 2019 Medicare Advantage cohort was lower than it expected. Despite the recent weakness, we believe SelectQuote is poised to benefit from the growth in Medicare enrollment and the shift toward virtual insurance sales. We added to our position on the weakness.

Hologic, a leading medical device manufacturer of mammography, surgical and diagnostics equipment, subtracted 32 basis points from the Fund's performance, with a total return of negative 10.3%. While Hologic's core diagnostics business met expectations, COVID-19 testing continued its decline, hurting both revenue growth and margins. We are optimistic that Hologic will allocate a portion of its COVID-19 testing profits into accretive higher-growth acquisitions and share repurchases which will result in excess returns. We also believe recent, robust placements of the company's Panther automated assay system will fuel Hologic's diagnostic segment testing revenue even without the COVID-19 catalyst. We took advantage of the recent weakness to add shares at a discounted valuation.

Grocery Outlet, the "off-price grocer," delivered a total return of negative 6.0%, subtracting 16 basis points from the Fund's performance. The stock fell after management disclosed a slight shortfall in the upcoming quarter's same-store sales growth rate. The company experienced tough comparisons from a year ago, when same-store sales grew 17% through the first half of 2020 and customers consolidated shopping trips, favoring larger box retailers. We believe these headwinds are transitory and expect sentiment to improve. We're also excited about the opportunity for Grocery Outlet to grow its store base at a double-digit clip and gain grocery share.

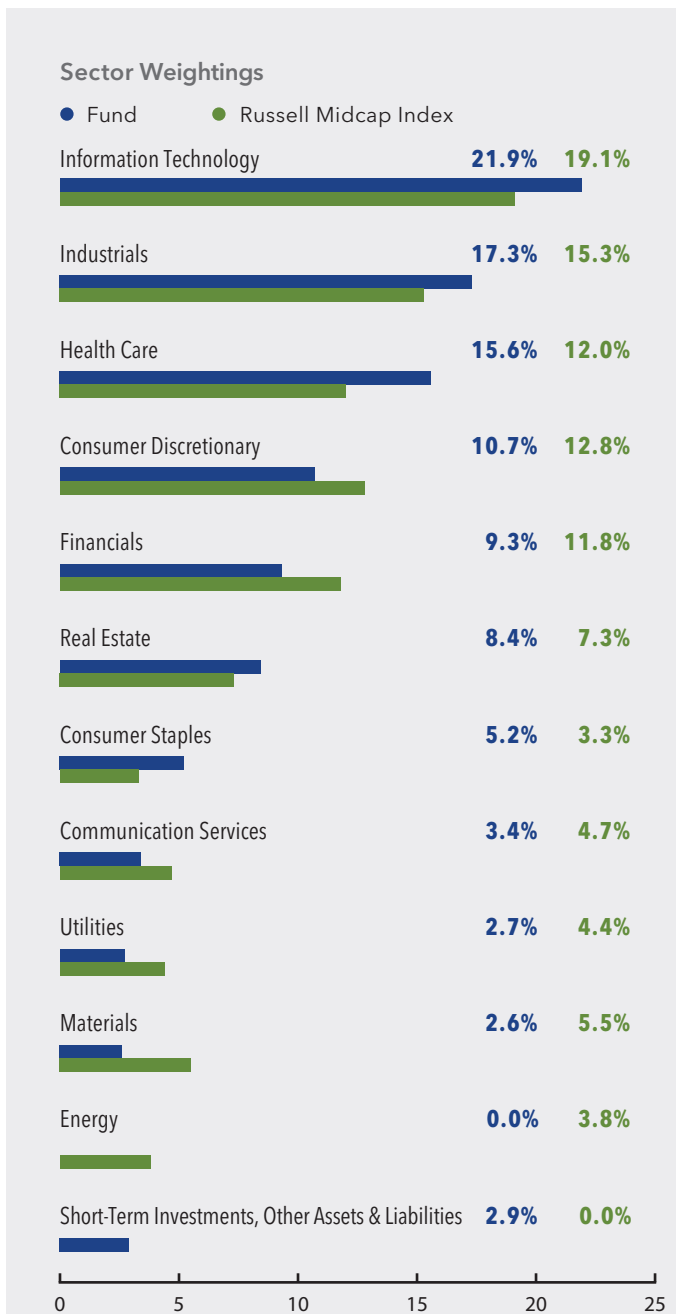
On the positive side, the largest contributor was Nuance Communications, a leading cloud-based voice and analytics software applications provider used by health care professionals and call centers. The stock added 75 basis points to the Fund's return, as its total return was 24.8%. The shares jumped after the company announced an agreement to be acquired by Microsoft in an all-cash transaction valued at \$19.7 billion, implying a 23% premium to the prior day's closing price. The deal is expected to close by year-end.

Avantor, a life sciences tools company, returned 22.7% and contributed 46 basis points to the Fund's performance. Avantor's shares rose as its core biopharma and applied end-markets rebounded faster than expected. With excess profits from its COVID-19-related businesses, the company also announced two wide-moat acquisitions in the bioprocessing arena. Investor sentiment moved even higher after the FDA

approved Biogen's controversial Alzheimer's therapy. This news is not only exciting for six million potential patients, but also for the bioprocessing industry, as Avantor supplies critical ingredients required to develop this new complex therapy.

Our third big winner was Republic Services, which added 41 basis points to the Fund's performance, as the stock's total return was 11.2%. The company reported better-than-expected earnings driven by increased volumes and strong margins from cost control initiatives. Management also raised its annual earnings outlook, as the company is expected to benefit from improved pricing across its business segments and higher volumes. We believe the company will further benefit from a high degree of revenue visibility resulting from its multi-year contracts, a robust pipeline of tuck-in deals and additional margin expansion.

Parnassus Mid Cap Fund
As of June 30, 2021
(percentage of net assets)



Top 10 Equity Holdings
(percentage of net assets)

| | |
|------------------------------|------|
| Republic Services Inc. | 4.2% |
| Hologic Inc. | 3.4% |
| Trimble Inc. | 3.1% |
| Jack Henry & Associates Inc. | 3.0% |
| Cerner Corp. | 2.9% |
| Burlington Stores Inc. | 2.8% |
| Roper Technologies Inc. | 2.8% |
| O'Reilly Automotive Inc. | 2.8% |
| Teleflex Inc. | 2.8% |
| Pentair plc | 2.8% |

Portfolio characteristics and holdings are subject to change periodically.

Strategy and Outlook

Five quarters past the market's COVID-19-induced low, investor optimism continues full steam ahead, buoyed by the reopening of the domestic and world economies, corporate out performance and generous fiscal and monetary policy support. There's a lot to be excited about, but we remain ever aware of a wide range of outcomes in our market outlook.

The Fund strives to participate robustly when times are good, like now, but one of our primary goals is to position the Fund to do well when times are tough. In the current environment, our attention is very much on the potential for Fed tapering, the inflation outlook, especially in the energy sector, margin headwinds from high input costs, China economic and foreign policy and virus vaccination and variant trends. We are also spending quite a bit of time considering the level of peak corporate performance and valuation. Regarding the latter, it's noteworthy that the Russell is now trading just below its peak 20-year forward price-to-earnings multiple.

While our core style has recently been a bit out of favor as managers and retail investors have seesawed between growth and value, and meme stocks and quality and reopening trades, we are confident the Fund will hold its own over the long term. With this backdrop, our high-conviction, concentrated, high-quality, low-beta strategy seems especially relevant given the potential volatility ahead. We continue to manage the strategy for full market cycles and believe the best way to do this is to own companies with

increasing relevancy, significant competitive advantages, astute managers and solid ESG principles.

As a reflection of our bottom-up research process, the Fund is underweight in the more cyclical consumer discretionary, financials and materials sectors relative to the Russell, and has no exposure to the energy sector, per our fossil-fuel-free prospectus mandate. In contrast, we are slightly overweight in the information technology sector, health care, consumer staples, real estate and industrials sectors, owing to a combination of defensive and offensive high-quality companies that meet our rigorous process and, in our opinion, are positioned to offer good downside protection in the event of a market decline.

Following an active buying period in the first quarter, we bought only one new stock this quarter. We initiated a position in Broadridge Financial, a leading provider of investor communication services and third-party trade processing services. As the dominant player in proxy and interim investor communications for broker/dealers for more than 20 years, the company has significant cost advantages due to its significant scale and high switching costs with high client retention rates. We're excited about the company's long-term growth prospects as it benefits from a broader participation by retail investors, outsourcing of trade processing technology and margin expansion opportunities.

We exited five stocks in the second quarter, primarily due to excessive market cap and merger activity. We sold Kansas City Southern after the company announced that it would be acquired. We're sorry to lose such a high-quality name, but believe the arbitration-related upside isn't enough to maintain our position. We also sold our remaining shares of Maxim Integration due to its pending merger with Analog Device Integrated. We exited Autodesk, a leading

provider of design software. We bought the stock after the steep market decline of early 2020, and its subsequent 91% gain from our average cost, along with its market capitalization rise to over \$66 billion, provoked our sell. Similar to Autodesk, we sold FedEx, as the company's market capitalization sky-rocketed to over \$80 billion, and it no longer fits with our mid cap mandate. Finally, we sold MDU Resources, a conglomerate of construction materials, construction services, utility and pipeline businesses. While the company has benefited recently from robust demand in its construction businesses, we believe the stock is fully valued and will likely remain at a discount to its peers due to its conglomerate structure and the slow adoption of renewables by its utility business.

Despite our underperformance this past quarter, we're confident that our investment process will lead to strong risk-adjusted returns over the full market cycle. Our portfolio holdings have strong business prospects and attractive risk-reward profiles based on our long-term investment horizon.

Thank you for your investment in the Parnassus Mid Cap Fund.

Yours truly,



Matthew D. Gershuny
Lead Portfolio Manager



Lori A. Keith
Portfolio Manager

Parnassus Endeavor Fund

Ticker: Investor Shares - PARWX

Ticker: Institutional Shares - PFPWX

As of June 30, 2021, the net asset value (“NAV”) of the Parnassus Endeavor Fund – Investor Shares was \$60.97, so the total return for the quarter was 8.01%. This compares to a gain of 8.55% for the S&P 500 Index (“S&P 500”) and 5.61% for the Lipper Multi-Cap Value Funds Average, which represents the average return of the multi-cap value funds followed by Lipper (“Lipper average”). The Fund lagged the S&P 500, but beat our Lipper peers by over 200 basis points. (One basis point is 1/100th of one percent.) Longer-term, the Parnassus Endeavor Fund is well ahead of both benchmarks for all time periods (one-, three-, five- and ten-year periods). See the table below for the details.

Parnassus Endeavor Fund

| | Average Annual Total Returns (%) | | | | | |
|--|----------------------------------|-------------|------------|-----------|---------------------|-------------------|
| | for period ended June 30, 2021 | | | | | |
| | One Year | Three Years | Five Years | Ten Years | Gross Expense Ratio | Net Expense Ratio |
| Parnassus Endeavor Fund – Investor Shares | 74.28 | 23.22 | 21.48 | 17.53 | 0.94 | 0.94 |
| Parnassus Endeavor Fund – Institutional Shares | 74.59 | 23.51 | 21.74 | 17.69 | 0.73 | 0.71 |
| S&P 500 Index | 40.79 | 18.67 | 17.65 | 14.84 | NA | NA |
| Lipper Multi-Cap Value Funds Average | 47.78 | 11.74 | 12.34 | 10.73 | NA | NA |

The average annual total return for the Parnassus Endeavor Fund – Institutional Shares from commencement (April 30, 2015) was 17.65%. Performance shown prior to the inception of the Institutional Shares reflects the performance of the Parnassus Endeavor Fund – Investor Shares and includes expenses that are not applicable to and are higher than those of the Institutional Shares. The performance of the Institutional Shares differs from that shown for the Investor Shares to the extent that the classes do not have the same expenses. **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. Current performance information to the most recent month end is available on the Parnassus website (www.parnassus.com). Investment return and principal value will fluctuate, so an investor's shares, when redeemed, may be worth more or less than their original principal cost.** Returns shown in the table do not reflect the deduction of taxes a shareholder may pay on fund distributions or redemption of shares. The S&P 500 is an unmanaged index of common stocks, and it is not possible to invest directly in an index. Index figures do not take any expenses, fees or taxes into account, but mutual fund returns do.

The estimated impact of individual stocks on the Fund's performance is provided by FactSet.

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 and other information. The prospectus or summary prospectus can be obtained on the Parnassus website or by calling (800) 999-3505. As described in the Fund's current prospectus dated May 1, 2021, Parnassus Investments has contractually agreed to limit total operating expenses to 0.94% of net assets for the Parnassus Endeavor Fund – Investor Shares and to 0.71% of net assets for the Parnassus Endeavor Fund – Institutional Shares. This agreement will not be terminated prior to May 1, 2022, and may be continued indefinitely by the Adviser on a year-to-year basis.

* For this report, we quote total return to the portfolio, which includes price change and dividends.

Second Quarter Review

Three companies each reduced the Fund's return by more than 10 basis points, while three companies each increased the Fund's return by 60 basis points or more.

Semiconductor manufacturer Intel was the Fund's biggest detractor this quarter. It cut 53 basis points from the Fund's return, as its stock sank from \$64.00 to \$56.14, for a total return of negative 11.8%.* The company delivered better-than-expected results overall, but showed weakness in their datacenter segment, which is a key area of scrutiny. Intel is a turnaround story that will take multiple quarters. We believe the new CEO and the assets the company has amassed over decades of innovation present significant options that should eventually benefit the stock at these levels.

Memory-chip maker Micron subtracted 29 basis points from the Fund, as its stock fell from \$88.21 to \$84.98, for a total return of negative 3.7%. Pricing and demand for memory remained strong across all key markets, but Micron's stock underperformed due to expectations for slowing volume growth and higher costs from more advanced and expensive chips. We continue to believe in the long-term technology trends across all sectors such as enterprise, mobile, data centers, and auto that drive demand for Micron's memory chips.

Apparel manufacturer Hanesbrands subtracted 13 basis points from the Fund's return, as its stock slipped from \$19.67 to \$18.67, for a total return of negative 4.4%. Despite strong innerwear and activewear sales during the first quarter, management tempered its earnings expectations for the remainder of the year, reflecting higher incremental brand

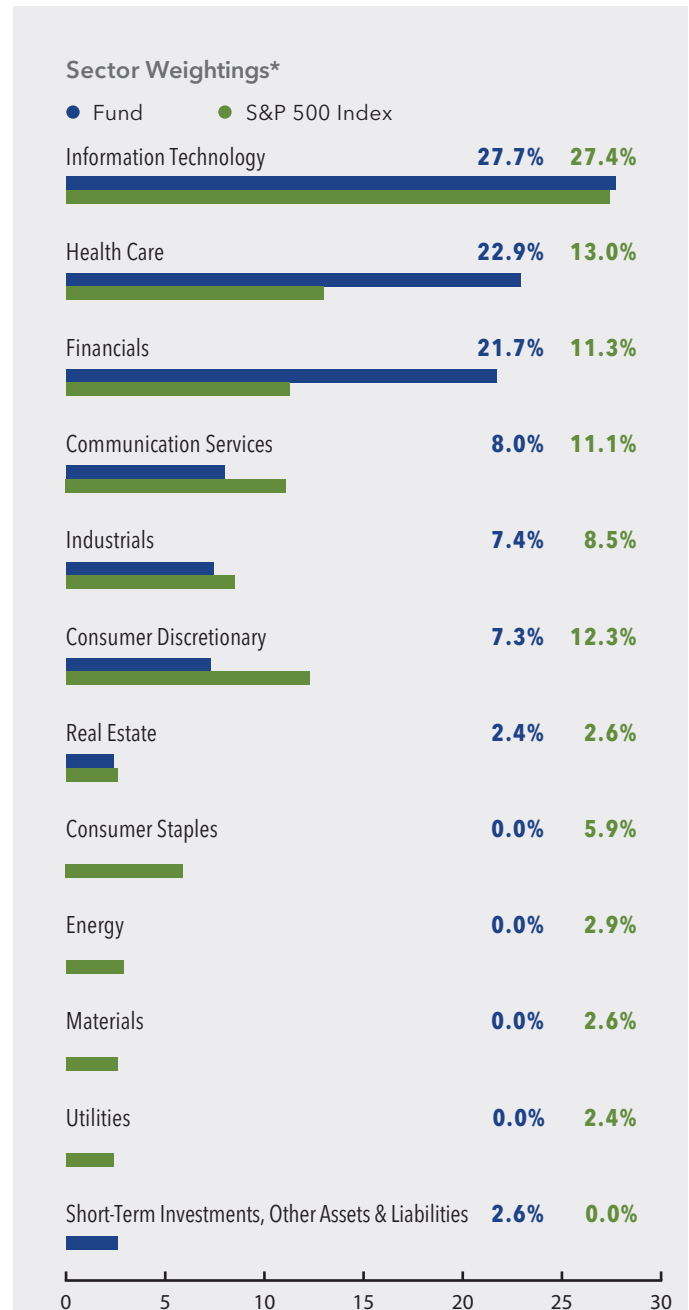
investments and the exit of its European innerwear business. Management also provided more details on its new strategy, which is directed towards a more streamlined and performance-driven company. This includes reducing product assortment, exiting underperforming businesses, and embracing a more consumer-centric approach.

Our biggest winner was Capital One Financial. It contributed 67 basis points to the Fund's return, as the stock jumped from \$127.23 to \$154.69, for a total return of 21.9%. Capital One is best known for its credit card business, but it offers a wide range of financial products and services to consumers, small businesses, and commercial customers. The stock soared after the company posted its third consecutive quarter of record profits, driven by the exceptionally strong credit profile of its customer base. A combination of government stimulus, loan forbearance, and fewer opportunities to spend doubled savings rates for the average consumer, benefitting Capital One by nearly eliminating bad debt.

Biopharmaceutical company Biogen added 61 basis points to the Fund's return, as its stock surged from \$279.75 to \$346.27, for a total return of 23.8%. Biogen develops drugs that treat neurological and neurodegenerative disease, including multiple sclerosis and spinal muscular atrophy. The stock soared 40% after the FDA approved Biogen's experimental Alzheimer's treatment. More than one hundred other Alzheimer's drugs have failed in clinical trials over the past 20 years, so the decision is as historic as it is controversial. Investors cheered the breakthrough, which offered new hope to patients and opened a large new frontier for the company.

Credit card issuer Discover Financial increased the Fund's return by 60 basis points, as its stock leapt from \$94.99 to \$118.29, for a total return of 25.0%. Discover is a digital bank and payment services company. It offers a variety of consumer banking products and operates one of the largest payment networks. Like Capital One, Discover benefitted from an extremely favorable consumer credit environment. The company's charge-off rates were significantly below pre-pandemic levels and remained low month after month. Lower credit losses, combined with higher efficiency and cost controls at the company, resulted in explosive profits for investors.

Parnassus Endeavor Fund As of June 30, 2021 (percentage of net assets)



* For purposes of categorizing securities for diversification requirements under the Investment Company Act, the Fund uses industry classifications that are more specific than those used for the chart.

**Top 10 Equity Holdings
(percentage of net assets)**

| | |
|-----------------------------|------|
| The Charles Schwab Corp. | 4.4% |
| Verizon Communications Inc. | 3.9% |
| Intel Corp. | 3.4% |
| Cisco Systems Inc. | 3.2% |
| Biogen Inc. | 3.2% |
| FedEx Corp. | 3.1% |
| Western Digital Corp. | 3.0% |
| Agilent Technologies Inc. | 3.0% |
| Hanesbrands Inc. | 2.8% |
| Gilead Sciences Inc. | 2.7% |

Portfolio characteristics and holdings are subject to change periodically.

Outlook and Strategy

In the second quarter, the stock market posted gains that exceeded those achieved in the first quarter of the year. This acceleration of returns shows just how powerful the U.S. economic recovery has been coming out of the COVID-19 pandemic. The rise in stock prices has also been remarkably steady. Only reports of higher-than-expected inflation and fears of an early hike in interest rates perturbed markets. By the end of June, investors had all but forgotten these worries, and stocks continued their march to all-time highs.

There is a flip side, however, to ever-increasing stock prices. One concern today is that both stocks and bonds appear overvalued based on historical norms. Smoothly ascending markets also invite investor complacency. Vivid imaginations are required to grasp the potential of some of the market’s highest-flying darlings.

How should one pick stocks in this environment? One very common approach is to go with the flow, or basically buy expensive stocks with captivating stories in the hope that one can sell those stock with an even

better story at a higher price. Conversely, one can go against the tide, doing the difficult work of buying undervalued stocks and generating returns by selling them at a fair price. The Parnassus Endeavor Fund unquestionably embraces this latter philosophy. Our job is to construct a portfolio of high-quality and socially responsible companies trading at discounted prices. The Fund’s exceptional performance over multiple market cycles has been the investor’s reward.

The Fund made new investments in the period. Simon Property Group operates premium malls and outlets that are poised to benefit from renewed tourism and the retail relief boom. Becton Dickinson is a medical technology company that provides equipment and supplies critical to the increase in elective health care procedures. Vertex Pharmaceuticals is the market leader in cystic fibrosis therapies. These companies stand out not only on the merits of their business fundamentals, but also for their undervaluation relative to the broader stock market.

We are bottom-up fundamental stock pickers, but equally, I monitor and manage risk at the portfolio level. I am happy to report that tracking error for the Fund has been cut in half compared to the end of 2020. This means the Fund should provide substantially more consistency versus the benchmark going forward, with the goal of improving risk-adjusted returns.

Thank you for your investment in the Parnassus Endeavor Fund.

Yours truly,



Billy Hwan
Portfolio Manager

Parnassus Mid Cap Growth Fund

Ticker: Investor Shares - PARNX

Ticker: Institutional Shares - PFPRX

As of June 30, 2021, the net asset value ("NAV") of the Parnassus Mid Cap Growth Fund - Investor Shares was \$66.12, resulting in a gain of 6.66% for the second quarter. This compares to an increase of 11.07% for the Russell Midcap Growth Index ("Russell Midcap Growth") and a 9.50% increase for the Lipper Multi-Cap Growth Funds Average, which represents the average multi-cap growth funds followed by Lipper ("Lipper average").

Below is a table that summarizes the performance of the Parnassus Mid Cap Growth Fund, Russell Midcap Growth, S&P 500 and Lipper average. We completed the transition to a mid cap growth strategy on May 15, 2020, so we're keeping the S&P 500, our old index, in the table for historical context. The returns are for the one-, three-, five- and ten-year periods ended June 30, 2021.

Parnassus Mid Cap Growth Fund

| | Average Annual Total Returns (%) | | | | | |
|--|----------------------------------|-------------|------------|-----------|---------------------|-------------------|
| | for period ended June 30, 2021 | | | | | |
| | One Year | Three Years | Five Years | Ten Years | Gross Expense Ratio | Net Expense Ratio |
| Parnassus Mid Cap Growth Fund - Investor Shares | 36.99 | 18.46 | 16.78 | 14.67 | 0.83 | 0.83 |
| Parnassus Mid Cap Growth Fund - Institutional Shares | 37.22 | 18.64 | 16.95 | 14.77 | 0.68 | 0.68 |
| Russell Midcap Growth Index | 43.77 | 22.39 | 20.53 | 15.13 | NA | NA |
| S&P 500 Index | 40.79 | 18.67 | 17.65 | 14.84 | NA | NA |
| Lipper Multi-Cap Growth Funds Average | 43.32 | 23.32 | 22.16 | 15.72 | NA | NA |

The average annual total return for the Parnassus Mid Cap Growth Fund - Institutional Shares from commencement (April 30, 2015) was 12.80%. Performance shown prior to the inception of the Institutional Shares reflects the performance of the Parnassus Mid Cap Growth Fund - Investor Shares and includes expenses that are not applicable to and are higher than those of the Institutional Shares. The performance of Institutional Shares differs from that shown for the Investor Shares to the extent that the classes do not have the same expenses. **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. Current performance information to the most recent month-end is available on the Parnassus website (www.parnassus.com). Investment return and principal value will fluctuate, so an investor's shares, when redeemed, may be worth more or less than their original principal cost.** Returns shown in the table do not reflect the deduction of taxes a shareholder may pay on fund distributions or redemption of shares. The Russell Mid Cap Growth and S&P 500 are unmanaged indexes of common stocks, and it is not possible to invest directly in an index. Index figures do not take any expenses, fees or taxes into account, but mutual fund returns do.

The estimated impact of individual stocks on the Fund's performance is provided by FactSet.

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 and other information. The prospectus or summary prospectus can be obtained on the Parnassus website or by calling (800) 999-3505. As described in the Fund's current prospectus dated May 1, 2021, Parnassus Investments has contractually agreed to limit total operating expenses to 0.83% of net assets for the Parnassus Mid Cap Growth Fund - Investor Shares and to 0.68% of net assets for the Parnassus Mid Cap Growth Fund - Institutional Shares. This agreement will not be terminated prior to May 1, 2022, and may be continued indefinitely by the Adviser on a year-to-year basis. Prior to May 1, 2021, the benchmark for the Parnassus Mid Cap Growth Fund (formerly known as the Parnassus Fund) was the S&P 500 Index.

* For this report, we quote total return to the portfolio, which includes price change and dividends.

Second Quarter Review

The Parnassus Mid Cap Growth Fund - Investor Shares rose 6.66% in the second quarter, trailing the 11.07% rise of the Russell Midcap Growth. After a brief intra-quarter swoon, the index rebounded to hit an all-time high. Our Fund trailed as companies that are growing quickly, but are unprofitable and expensive, led the way higher this quarter. While sector allocation was a minor drag on our performance this quarter, stock selection accounted for most of the underperformance. This was a disappointing quarter for our Fund, following a strong first quarter. While the Fund is now trailing the Russell Midcap Growth for the year, we believe that our diversified portfolio of economically resilient businesses with expanding moats, increasing relevancy and positive environmental, social and governance characteristics should outperform the index over the long-term.

Our worst performer was insurance broker SelectQuote, as its shares fell 34.7%* and cut the Fund's performance by 68 basis points. (One basis point is 1/100th of one percent.) SelectQuote's shares stumbled after the company lowered its annual earnings guidance and stated that the retention rate of its 2019 Medicare Advantage cohort was lower than it had previously expected. We're disappointed in the guidance cut, but we believe that management has now tweaked its strategy to improve retention. With the secular tailwind of an aging population of tech-savvy consumers behind it, we believe SelectQuote's independent, full-service and remote brokerage offerings should generate strong growth for years to come. We added to our position on the weakness.

Silvergate Capital was our biggest winner last quarter, and it gave back some of those gains this

quarter. The shares dropped by 20.3%, lowering the Fund's return by 38 basis points. The stock fell along with the prices of digital assets like bitcoin, as investors worried that Silvergate's customer deposits and transfer activity on its real-time payments network could fall, too. Nonetheless, during the quarter, Silvergate announced that it will be the exclusive issuer of Diem, the stablecoin project backed by Facebook, Shopify and many others. We believe that Diem has the potential to be transformational to Silvergate's earnings, and we expect many more partnerships and new product offerings as the digital asset ecosystem evolves.

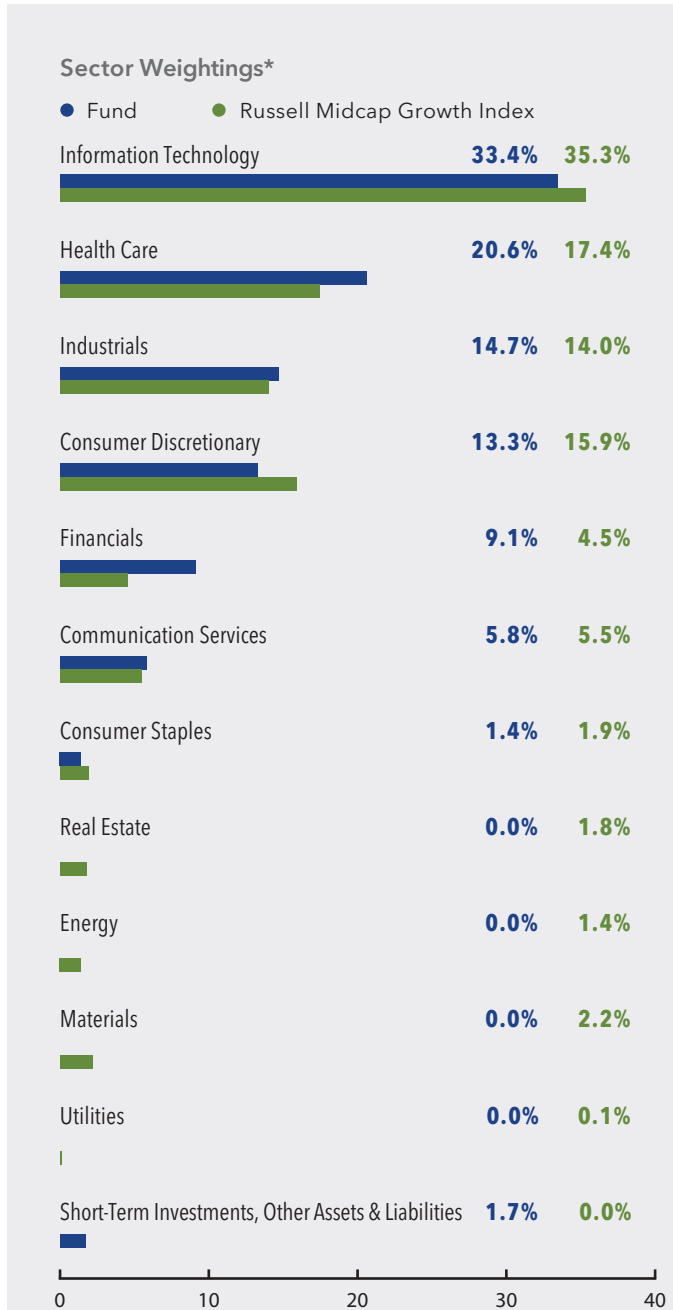
nCino, a bank software provider, reduced the Fund's return by 38 basis points as the stock declined 25.4% to our average selling price during the quarter. The stock fell as investors worried that its revenue growth could decelerate this year. We sold nCino and redeployed the proceeds into Guidewire, a software provider for insurers, which we believe offers a better risk-reward profile.

Moving on to happier subjects, our best-performing stock during the quarter was IDEXX Laboratories, the leading pet diagnostics company. IDEXX contributed 94 basis points to the Fund's return, as the stock rose 29.1%. IDEXX reported quarterly earnings that were well above expectations and increased its guidance for the full year. IDEXX is a COVID-19 beneficiary and a market leader that expects to maintain its business at the new, higher level going forward. Over the past year, many of us welcomed new pets or spent more time with our current pets, which has led to a greater focus on pet well-being. Vet diagnostics usage continues to increase, and as the innovation leader in the pet diagnostics market, IDEXX is very well positioned.

Pool distributor Pool Corp. added 92 basis points to the Fund's return, as its stock jumped 33.1%. Pool Corp. reported an outstanding quarter, highlighted by 51% organic sales growth and a 30% increase to its annual earnings guidance. Similar to IDEXX, Pool Corp. is a COVID-19 beneficiary, as we all spent more time at home over the past year and many people invested in new pools or upgraded their existing ones. The company is showing no signs of slowing down, as demand remains high and management is executing with precision on its opportunity to gain market share and build on its leadership position in a fragmented industry.

Illumina, the largest provider of gene sequencing instruments and related consumables, boosted the Fund's return by 76 basis points, as its shares climbed 23.2%. After a challenging 2020 due to COVID-19 lockdowns, both clinical and research customers now exceed pre-COVID-19 levels, as Illumina's business has rebounded with tremendous momentum. The company has also established a durable and growing COVID-19 surveillance business, which should help countries around the world fight future COVID-19 outbreaks.

Parnassus Mid Cap Growth Fund
As of June 30, 2021
(percentage of net assets)



* For purposes of categorizing securities for diversification requirements under the Investment Company Act, the Fund uses industry classifications that are more specific than those used for the chart.

Top 10 Equity Holdings
(percentage of net assets)

| | |
|---------------------------------|------|
| Agilent Technologies Inc. | 4.1% |
| IDEXX Laboratories Inc. | 3.9% |
| Synopsys Inc. | 3.7% |
| Illumina Inc. | 3.6% |
| Burlington Stores Inc. | 3.6% |
| Cadence Design Systems Inc. | 3.6% |
| Pool Corp. | 3.6% |
| O'Reilly Automotive Inc. | 3.2% |
| Old Dominion Freight Lines Inc. | 3.2% |
| Western Digital Corp. | 3.1% |

Portfolio characteristics and holdings are subject to change periodically.

Outlook and Strategy

The Russell Midcap Growth Index roared back from a greater than 9% intra-quarter drop from late April to early May to generate an impressive 11.07% gain and end the quarter pushing new all-time highs. That was the second time this year that the index fell by more than 9%, but both times the index came back with a vengeance. The recent large swings in growth stocks reflects the cross currents presently in the market.

On the one hand, as the country has re-opened from COVID-19 lockdowns, economic growth has been robust. After being stuck at home for a year, and with millions of Americans receiving stimulus checks, the American consumer is mentally ready and monetarily able to spend. According to estimates from Moody's, U.S. households have stockpiled more than \$2 trillion in additional savings since the pandemic began. With consumer spending accounting for roughly two-thirds of U.S. GDP, the economy could remain strong for longer than analysts currently expect. In this scenario, the premium associated with growth stocks would likely fall as investors rotate into more economically sensitive companies.

On the other hand, U.S. GDP growth is expected to peak in the second quarter, and then decelerate as government stimulus programs end. We're also seeing inflation run higher-than-expected; at its June meeting, the Federal Reserve raised its inflation expectation for 2021 to 3.4%, a full percentage point higher than its last projection in March. While the Federal Reserve believes that inflation will be transitory, should it persist

longer than expected, it may need to raise interest rates faster than anticipated, which could ultimately result in slower economic growth. In an environment where growth is scarce, growth stocks would likely be in favor.

So, the range of outcomes is clearly very wide, and we've seen growth stocks both fall out of favor and return back into favor in just the first half of this year alone. Our approach is to remain extremely focused on investing in innovative companies that are gaining market share and can compound value at a fast clip. Our portfolio consists of economically resilient companies with expanding moats, which we believe should provide protection during volatile market environments. We have high conviction that the durable growth and quality characteristics of our portfolio position it well for whatever macroeconomic scenario unfolds.

This quarter, we welcomed a prior holding, Guidewire, back to the Fund. Guidewire is a software provider for the property and casualty insurance market. After working through a management and business model transition, we believe that growth is set to accelerate as insurers recognize the benefits of Guidewire's cloud-based offering. We've always liked Guidewire's competitive position in the large and attractive market it operates in, and with an accelerating growth profile and a large margin expansion opportunity in front of it, we think the stock should provide the Fund with an attractive return. As we mentioned earlier, we sold nCino to make room for Guidewire.

At the end of the quarter, the Russell Midcap Growth Index underwent its annual reconstitution. While we made only modest changes to our portfolio during the quarter, the reconstitution resulted in three big weighting changes to the index, which impacted our relative positioning. First, the weighting of the consumer discretionary sector increased by nearly 500

basis points. We had been overweight prior to the reconstitution, but we're now underweight. We own a handful of category killers within this sector, such as Pool Corp, which is larger than its next 30 competitors combined, and off-price retailer Burlington, which has done a great job of providing consumers with phenomenal value and driving consistent market share gains. Second, the weighting of the health care sector dropped by almost 500 basis points. We had been slightly underweight the sector, but we're now overweight. Within this sector, we own best-in-class tools companies such as IDEXX, as well as fast-growing genomics companies like Illumina, 10x Genomics, and Berkeley Lights. Finally, the weighting of the information technology sector declined by approximately 250 basis points. Our information technology positioning is now roughly in-line with the index following the reconstitution, and it remains our largest sector on an absolute basis. Most of our information technology holdings are within the software sub-sector, where innovative companies like Trade Desk, Synopsys and Cadence are winning in large and expanding addressable markets.

Thank you for your investment in the Parnassus Mid Cap Growth Fund.

Yours truly,



Robert J. Klaber
Portfolio Manager



Ian E. Sexsmith
Portfolio Manager

Parnassus Fixed Income Fund

Ticker: Investor Shares - PRFIX

Ticker: Institutional Shares - PFPLX

As of June 30, 2021, the net asset value (“NAV”) of the Parnassus Fixed Income Fund – Investor Shares was \$17.53, producing a gain for the quarter of 2.52% (including dividends). This compares to a gain of 1.83% for the Bloomberg Barclays U.S. Aggregate Bond Index (“Barclays Aggregate Index”) and a gain of 1.89% for the Lipper Core Bond Funds Average, which represents the average return of the funds followed by Lipper that invest at least 85% of assets in domestic investment-grade bonds (“Lipper average”). For the first half of 2021, the Fund posted a loss of 1.91%, compared to a loss of 1.60% for the Barclays Aggregate Index and a loss of 1.10% for the Lipper average.

Below is a table comparing the performance of the Parnassus Fixed Income Fund with that of the Barclays Aggregate Index and the Lipper average. Average annual total returns are for the one-, three-, five- and ten-year periods. For June 30, the 30-day subsidized SEC yield was 1.21%, and the unsubsidized SEC yield was 0.98%.

Parnassus Fixed Income Fund

Average Annual Total Returns (%) for period ended June 30, 2021

| | One Year | Three Years | Five Years | Ten Years | Gross Expense Ratio | Net Expense Ratio |
|--|----------|-------------|------------|-----------|---------------------|-------------------|
| Parnassus Fixed Income Fund – Investor Shares | -0.75 | 5.42 | 3.04 | 2.87 | 0.74 | 0.68 |
| Parnassus Fixed Income Fund – Institutional Shares | -0.51 | 5.69 | 3.28 | 3.01 | 0.55 | 0.45 |
| Bloomberg Barclays U.S. Aggregate Bond Index | -0.33 | 5.34 | 3.02 | 3.39 | NA | NA |
| Lipper Core Bond Funds Average | 1.61 | 5.57 | 3.32 | 3.49 | NA | NA |

The average annual total return for the Parnassus Fixed Income Fund – Institutional Shares from commencement (April 30, 2015) was 3.30%. Performance shown prior to the inception of the Institutional Shares reflects the performance of the Parnassus Fixed Income Fund – Investor Shares and includes expenses that are not applicable to and are higher than those of the Institutional Shares. The performance of the Institutional Shares differs from that shown for the Investor Shares to the extent that the classes do not have the same expenses. **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. Current performance information to the most recent month end is available on the Parnassus website (www.parnassus.com). Investment return and principal value will fluctuate, so an investor's shares, when redeemed, may be worth more or less than their original cost.** Returns shown in the table do not reflect the deduction of taxes a shareholder would pay in fund distributions or redemption of shares. The Bloomberg Barclays U.S. Aggregate Bond Index (formerly known as the Barclays U.S. Aggregate Bond Index) is an unmanaged index of bonds, and it is not possible to invest directly in an index. Index figures do not take any expenses, fees or taxes into account, but mutual fund returns do.

The estimated impact of individual stocks on the Fund's performance is provided by FactSet.

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 and other information. The prospectus or summary prospectus can be obtained on the Parnassus website or by calling (800) 999-3505. As described in the Fund's current prospectus dated May 1, 2021, Parnassus Investments has contractually agreed to limit total operating expenses to 0.68% of net assets for the Parnassus Fixed Income Fund – Investor Shares and to 0.45% of net assets for the Parnassus Fixed Income Fund – Institutional Shares. This agreement will not be terminated prior to May 1, 2022, and may be continued indefinitely by the Adviser on a year-to-year basis.

Second Quarter Review

The Parnassus Fixed Income Fund – Investor Shares meaningfully outperformed its Index in the quarter, gaining 69 basis points relative to the Index. (One basis point is 1/100th of one percent.) This outperformance substantially improved the performance of the Fund thus far in 2021, leaving the Fund trailing the Index by only 31 basis points at midyear. After a blistering sell-off in the first quarter led to the worst start for corporate bonds in decades, a calmer market and improving corporate bond spreads improved performance.

In the quarter, the Fund gained 94 basis points from its positive allocation across fixed income asset classes, as a very substantial overweight position corporate bonds drove returns. Our corporate bond holdings gained 3.52%, in line with the Index's corporate portfolio gains of 3.54%. However, our corporate bond portfolio contributed 212 basis points to the total return in the quarter, well ahead of the 93 basis points contributed by the equivalent portfolio in the Index, due to the overweight allocation. Corporate bonds were the best-performing asset class, with commanding gains relative to securitized at 0.41% and Treasuries at 1.75%. Over the course of the quarter, the Fund held an average of 60.43% of assets in corporate bonds versus the Index at 26.63%.

Treasury bonds contributed 59 basis points to the total return, slightly behind the 65 basis points of contribution from Treasuries in the Index. Our somewhat underweight allocation at 31.69% versus 37.43% and our slightly short duration drove the difference. The Parnassus Fixed Income Fund also benefited from not owning Securitized bonds, a sector that comprises nearly a third of the Index but only gained 0.41% in the quarter.

Selection, or the individual bonds we chose, removed just 7 basis points from the total return, principally due to our slightly short duration position in corporate bonds. Thus far in 2021, the Fund’s performance is fairly neutral in both selection and allocation.

While several bonds had slightly negative returns in the quarter, none was substantial enough to reduce the total return by even a basis point. The gains across corporate debt and Treasuries were broad-based.

Our best-performing bonds in the quarter were issued by Aptiv, the automotive safety and technology company. We’ve been long-time holders of Aptiv bonds and added to our position with these long-dated bonds with a maturity in 2049 during the quarter. These securities gained 12.20%* and added 8 basis points to the total return. Aptiv’s bonds benefitted from interest rates rallying, particularly in the 30-year space, but also from company-specific factors. Aptiv is the leading producer of components for electric vehicles, which are rapidly gaining in popularity. The company is also the leader in producing components and software systems for autonomous vehicles, so we expect excellent growth from the company in the years ahead.

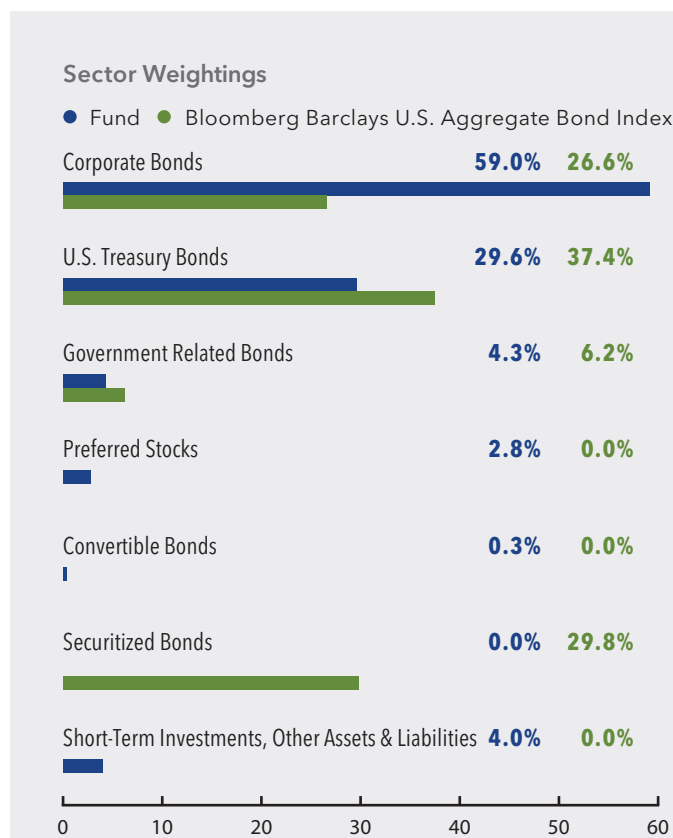
Long-dated bonds maturing in 2041 issued by BNSF rallied 7.11% and added 5 basis points to the total return. These bonds benefitted from both economic reopening and from their long-duration, similar to Aptiv’s 2049 issue. As the economy reopened from COVID-19 lockdowns and restrictions, BNSF’s logistics and transportation capabilities were in high demand, providing a boost to the company. With the rally in 30-year Treasuries, these bonds excelled.

Bonds issued by Pentair, the maker of pool equipment and water filters, with a 2029 maturity gained 3.73% and also added 5 basis points to the total return. Pentair’s sales have been excellent over the last year, as a focus on the home has buoyed demand for new pools or upgrades to existing pools. We appreciate the company’s careful management of the balance sheet after a tumultuous decade.

Several Treasury bonds were among the top-performing bonds in the quarter. All of the top-performing Treasury bonds were 30-year bonds. After

the June Federal Reserve press release showed that several voting members anticipated earlier rate hikes, the long end of the interest rate saw a huge rally. In short, if the Federal Reserve is going to be more attuned to inflation, then there’s less risk of long-term runaway inflation. Our transition to a barbell position in Treasuries, where we own a disproportionate amount of very short-dated and very-long dated Treasuries instead of intermediate duration bonds, helped us benefit from this move in the markets.

**Parnassus Fixed Income Fund
As of June 30, 2021
(percentage of net assets)**



Portfolio characteristics and holdings are subject to change periodically.

Outlook and Strategy

Economic growth in the first half of 2021 may prove to be the fastest in a generation, spurred forward by reopening and enormous government transfers to consumers. The economy is also lapping some of the worst data in generations, far worse than the financial crisis of 2008, which makes the data difficult to interpret. For example, headline inflation has been a hot media topic as it spiked to levels last seen in the

* For this report, we quote total return to the portfolio, which includes price change and dividends.

1990s. However, most of that jump was caused by prices on cars and hotels and is directly tied to the reopening. It's difficult to see how prices on these goods and services could continue to increase at the same pace into 2022.

Instead of focusing on today's data, which reflects a peak in reopening, a peak in fiscal stimulus and perhaps a peak in excitement about post-pandemic life, we are focusing on the year ahead. Throughout the first half of the year, we have taken several steps to ensure that the Fund is well positioned for a wide variety of interest rate movements. We sold many bonds issued by very high-quality issuers in the quarter, including Merck, Linde, Microsoft and Deere. These are excellent companies with durable products but the bonds were priced to perfection and we saw little opportunity for continued gains. Instead, we purchased more bonds issued by BBB-rated companies, including Boston Scientific, Alexandria Real Estate and Fiserv. These companies' bonds provide more yield for the same duration and, given the possibility of further spread compression, should prove to be more rewarding investments.

We also continued to increase the allocation to high-yield bonds over the quarter, finishing June with about 14% of the Fund invested in these securities. Most of our high-yield holdings are also held within the equity funds and are well-covered by our analyst team, so we have deep knowledge of these companies' risks. We believe these investments, which include companies like Hanesbrands, T-Mobile and Hologic, are excellent investments that provide shareholders with great yields at reasonable risks. High-yield bonds are also less sensitive to Treasury rates, something that also benefits the Fund in what could be a turbulent market.

The duration of the Index increased over the quarter, from 6.40 years to 6.57 years. At the same time, the

duration of the Fund decreased just slightly, from 6.83 years to 6.78 years. As a result, the Fund is incrementally less overweight duration than we have been in years, while not sacrificing our yield from these longer-duration securities.

We anticipate that growth and inflation expectations will decrease meaningfully over the second half of the year, and some economists are already expecting a return to more tepid 1 to 2% growth for 2022. Much was made of the Federal Reserve's June press releases, which showed that several members anticipated earlier rate hikes than before. Even now, these rate hikes may be two years in the future, which is exceptionally difficult to predict. In looking back at the Federal Reserve's surveys from 2013-2015 regarding the timing and pace of rate hikes during the last cycle, we see that hikes were both later and slower than the Federal Reserve's members originally anticipated. As collectively learned during the last 18 months of the pandemic, it's difficult to predict the future. For that reason, we've positioned the Fund to capitalize on many different economic and interest rate scenarios, while always keeping an eye out for new opportunities.

Thank you for your investment in the Parnassus Fixed Income Fund.



Samantha D. Palm
Lead Portfolio Manager



Minh Bui
Portfolio Manager

Responsible Investing Notes

Once a year, U.S. publicly traded companies convene a meeting for their shareholders to review the previous year and address important corporate governance matters. This annual general meeting provides large and small shareholders the opportunity to meet face-to-face with senior executives and members of boards of directors. Most general meetings take place between April and June. This condensed three-month period is known as proxy season. Routine matters typically include voting to elect directors, ratify auditors and approve the previous year's executive compensation. In contrast to these predictable topics, the annual general meeting also provides a unique opportunity for shareholders to put forth their own proposals, which are recommendations to the boards of directors.

Not all shareholder proposals that are filed are presented during the annual general meetings. Some are withdrawn because the company came to an agreement with the shareholder prior to the annual general meeting. However, those that are presented usually encourage actions related to environmental, social or governance (ESG) topics. In order to keep our shareholders informed about how we can be expected to cast the Parnassus Funds' votes, we maintain proxy guidelines to help with the variety of ESG issues that emerge during proxy season. You can find details on our guidelines by visiting our website.

Although corporate sustainability and responsibility is much more widely accepted today than it was a decade ago, many ESG topics have not yet been fully explored. One such topic is executive compensation. Compensation is a significant factor in motivating executive officers to generate benchmark-beating returns for their shareholders. Compensation is also an incredibly potent influence on corporate strategy planning and execution. Currently, executive compensation packages rely heavily on financial metrics (revenue, EBITDA, total shareholder returns, earnings per share, cash flow, margin growth, etc.) to determine payouts. However, shareholders are beginning to introduce the idea of also including environmental, social and governance factors in executive compensation plans.

If a sustainability factor, for example, climate change, poses a material risk to a company's business and/or

the shareholders' long-term interests, it makes a lot of sense for boards to incentivize management teams by including metrics in the executive compensation formula that address that risk. Some companies need encouragement from their shareholders to take the first step, but others already embed sustainability goals into their executive compensation practices. An example is American Express, which is held by the Parnassus Endeavor Fund. American Express sets aside 15% of executives' annual bonuses for human capital management initiatives, including measures to improve employee retention and diversity.

This proxy season, two companies held in the Parnassus Funds received shareholder proposals requesting that their boards incorporate ESG factors into executive compensation plans. Republic Services, a waste management company held by the Parnassus Mid Cap Fund, was asked to provide a report detailing if and how they plan to integrate ESG metrics into executive compensation performance targets. The filing shareholder pointed out that Republic Services has committed to long-term sustainability goals to reduce emissions, recover key waste materials and improve employee health and safety practices. They reasoned that these commitments would be strengthened by tying them directly to executive compensation.

Alphabet, the parent company of Google, is held in the Parnassus Core Equity Fund and the Parnassus Endeavor Fund. The Alphabet shareholder's proposal asked their board to provide a report on the feasibility of integrating diversity performance measurement into executive compensation goals. The shareholder supported their proposal by highlighting Alphabet's ongoing diversity problems and workforce representation figures along with the company's 2020 announcement about its new diversity goals. Tying a portion of executives' compensation to the firm's diversity performance is a good way to hold Alphabet leaders accountable for achieving these goals. The Parnassus Funds voted in favor of both proposals.

A small but increasing number of shareholders are beginning to appreciate the potential impact executive compensation structures that include ESG metrics can have on corporate sustainability. Of course, executives should continue to be incentivized to focus on the conventional aspects of running a business. However, setting aside a meaningful amount that holds

executives accountable for making progress on their corporate sustainability goals also makes sense for the health of the business. For this reason, I believe we will likely see greater adoption of corporate sustainability goals in executive compensation as time goes on.

Thank you for your investment in the Parnassus Funds. It is a privilege to have you as an investor.

Sincerely,



Iyassu Essayas
Director of ESG Research

Fund Expenses (unaudited)

As a shareholder of the Funds, you incur ongoing costs, which include portfolio management fees, administrative fees, shareholder reports, and other fund expenses. The Funds do not charge transaction fees, so you do not incur transaction costs such as sales charges (loads) on purchase payments, reinvested dividends, or other distributions, redemption fees, and exchange fees. The information on this page is intended to help you understand your ongoing costs of investing in the Funds and to compare these costs with the ongoing costs of investing in other mutual funds.

The following example is based on an investment of \$1,000 invested at the beginning of the most recent six-month period and held for the period of January 1, 2021 through June 30, 2021.

Actual Expenses

In the example below, the first line for each Fund provides information about actual account values and actual expenses. You may use the information in this line, together with the amount you invested, to estimate the expenses that you paid over the period. Simply divide your account value by \$1,000 (for example, \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number in the first line under the heading entitled “Expenses Paid During

Period” to estimate the expenses you paid on your account during this period.

Hypothetical Example for Comparison Purposes

The second line of each Fund provides information about hypothetical account values and hypothetical expenses based on the Fund’s expense ratio and an assumed rate of return of 5% per year before expenses, which is not the Fund’s actual return. You may compare the ongoing costs of investing in the Fund with other mutual funds by comparing this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of other funds.

The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period.

Please note that the expenses shown in the table are meant to highlight only your ongoing costs in these Funds. Therefore, the second line of each Fund is useful in comparing only ongoing costs and will not help you determine the relative total costs of owning other mutual funds, which may include transactional costs such as loads.

| | Fund Expense Ratio | Beginning Account Value January 1, 2021 | Ending Account Value June 30, 2021 | Expenses Paid During Period |
|--|--------------------|---|------------------------------------|-----------------------------|
| Parnassus Core Equity Fund - Investor Shares: Actual* | 0.84% | \$1,000.00 | \$1,150.40 | \$4.48 |
| Hypothetical (5% before expenses) | 0.84% | \$1,000.00 | \$1,020.63 | \$4.21 |
| Parnassus Core Equity Fund - Institutional Shares: Actual* | 0.62% | \$1,000.00 | \$1,151.60 | \$3.31 |
| Hypothetical (5% before expenses) | 0.62% | \$1,000.00 | \$1,021.72 | \$3.11 |
| Parnassus Mid Cap Fund - Investor Shares: Actual* | 0.98% | \$1,000.00 | \$1,092.20 | \$5.08 |
| Hypothetical (5% before expenses) | 0.98% | \$1,000.00 | \$1,019.93 | \$4.91 |
| Parnassus Mid Cap Fund - Institutional Shares: Actual* | 0.75% | \$1,000.00 | \$1,093.20 | \$3.89 |
| Hypothetical (5% before expenses) | 0.75% | \$1,000.00 | \$1,021.08 | \$3.76 |
| Parnassus Endeavor Fund - Investor Shares: Actual* | 0.94% | \$1,000.00 | \$1,262.10 | \$5.27 |
| Hypothetical (5% before expenses) | 0.94% | \$1,000.00 | \$1,020.13 | \$4.71 |
| Parnassus Endeavor Fund - Institutional Shares: Actual* | 0.71% | \$1,000.00 | \$1,263.20 | \$3.98 |
| Hypothetical (5% before expenses) | 0.71% | \$1,000.00 | \$1,021.27 | \$3.56 |
| Parnassus Mid Cap Growth Fund - Investor Shares: Actual* | 0.83% | \$1,000.00 | \$1,076.20 | \$4.27 |
| Hypothetical (5% before expenses) | 0.83% | \$1,000.00 | \$1,020.68 | \$4.16 |
| Parnassus Mid Cap Growth Fund - Institutional Shares: Actual* | 0.68% | \$1,000.00 | \$1,077.10 | \$3.50 |
| Hypothetical (5% before expenses) | 0.68% | \$1,000.00 | \$1,021.42 | \$3.41 |
| Parnassus Fixed Income Fund - Investor Shares: Actual* | 0.68% | \$1,000.00 | \$980.90 | \$3.34 |
| Hypothetical (5% before expenses) | 0.68% | \$1,000.00 | \$1,021.42 | \$3.41 |
| Parnassus Fixed Income Fund - Institutional Shares: Actual* | 0.45% | \$1,000.00 | \$982.30 | \$2.21 |
| Hypothetical (5% before expenses) | 0.45% | \$1,000.00 | \$1,022.56 | \$2.26 |

*Expenses are calculated using the Funds’ annualized expense ratios, which represent ongoing expense as a percentage of net assets for the six months ended June 30, 2021. Expenses are calculated by multiplying the annualized expense ratio by the average account value of the period; then multiplying the result by the number of days in the most recent one-half year period (181); and then dividing that result by the number of days in the current fiscal year (365). Expense ratios for the most recent half year may differ from expense ratios based on one-year data in the financial highlights.

Parnassus Core Equity Fund

Portfolio of Investments as of June 30, 2021 (unaudited)

| Equities | Shares | Market Value (\$) | Equities | Shares | Market Value (\$) |
|--|------------|-------------------|--|------------|-----------------------|
| Air Freight & Logistics (3.1%) | | | Interactive Media & Services (4.8%) | | |
| FedEx Corp. | 2,946,485 | 879,024,870 | Alphabet Inc., Class A ^θ | 564,538 | 1,378,483,243 |
| Airlines (0.9%) | | | Internet & Catalog Retail (1.9%) | | |
| Southwest Airlines Co. ^{θλ} | 4,677,568 | 248,332,085 | Booking Holdings Inc. ^θ | 247,187 | 540,867,403 |
| Apparel & Luxury Goods (4.0%) | | | IT Services (4.9%) | | |
| Nike Inc., Class B | 3,094,086 | 478,005,346 | Fiserv Inc. ^θ | 6,544,834 | 699,577,306 |
| VF Corp. | 8,029,614 | 658,749,533 | Mastercard Inc., Class A | 1,938,669 | 707,788,665 |
| | | 1,136,754,879 | | | 1,407,365,971 |
| Biotechnology (1.8%) | | | Machinery (6.4%) | | |
| Gilead Sciences Inc. | 7,295,125 | 502,342,308 | Deere & Co. | 2,617,209 | 923,115,786 |
| Capital Markets (10.3%) | | | Pentair plc | 6,780,017 | 457,583,347 |
| CME Group Inc., Class A | 5,327,545 | 1,133,062,271 | Xylem Inc. | 3,731,994 | 447,690,000 |
| S&P Global Inc. | 2,200,815 | 903,324,517 | | | 1,828,389,133 |
| The Charles Schwab Corp. | 12,330,329 | 897,771,255 | Media (4.0%) | | |
| | | 2,934,158,043 | Comcast Corp., Class A | 19,997,689 | 1,140,268,227 |
| Chemicals (3.0%) | | | Road & Rail (1.6%) | | |
| Linde plc | 2,923,153 | 845,083,532 | Kansas City Southern | 1,639,156 | 464,487,636 |
| Commercial Services & Supplies (2.7%) | | | Semiconductor Equipment (7.5%) | | |
| Waste Management Inc. | 5,452,052 | 763,887,006 | Applied Materials Inc. | 5,135,440 | 731,286,656 |
| Diversified Telecom Services (3.0%) | | | Intel Corp. | 4,725,481 | 265,288,503 |
| Verizon Communications Inc. | 15,289,806 | 856,687,830 | Micron Technology Inc. ^θ | 4,464,541 | 379,396,694 |
| Equity Real Estate Investment Trusts (5.7%) | | | NVIDIA Corp. | 965,809 | 772,743,781 |
| Alexandria Real Estate Equities Inc. | 2,100,778 | 382,215,549 | | | 2,148,715,634 |
| American Tower Corp. | 3,038,153 | 820,726,651 | Semiconductors (1.9%) | | |
| Digital Realty Trust Inc. | 2,769,005 | 416,624,492 | Texas Instrument Inc. | 2,894,103 | 556,536,007 |
| | | 1,619,566,692 | Software (11.0%) | | |
| Food & Staples Retailing (2.4%) | | | Adobe Inc. ^θ | 1,072,606 | 628,160,978 |
| Costco Wholesale Corp. | 1,735,627 | 686,735,535 | Cadence Design Systems Inc. ^θ | 3,234,648 | 442,564,539 |
| Food Products (2.6%) | | | Microsoft Corp. | 6,548,168 | 1,773,898,711 |
| Mondelez International Inc., Class A | 11,666,648 | 728,465,501 | Synopsys Inc. ^θ | 1,070,146 | 295,135,565 |
| Health Care Equipment (9.0%) | | | | | 3,139,759,793 |
| Becton Dickinson and Co. | 3,539,330 | 860,729,663 | Technology Hardware (2.5%) | | |
| Boston Scientific Corp. ^θ | 13,110,310 | 560,596,856 | Apple Inc. | 5,206,408 | 713,069,640 |
| Danaher Corp. | 4,298,472 | 1,153,537,946 | Total investment in equities (97.9%) | | |
| | | 2,574,864,465 | (cost \$18,387,675,119) | | 27,908,735,873 |
| Household Products (2.9%) | | | | | |
| The Procter & Gamble Co. ^λ | 6,039,357 | 814,890,440 | | | |

The accompanying notes are an integral part of these financial statements.

Parnassus Core Equity Fund
Portfolio of Investments as of June 30, 2021 (unaudited) (continued)

| Short-Term Securities | Interest Rate | Maturity Date | Principal Amount (\$) | Market Value (\$) |
|--|---------------|---------------|-----------------------|-----------------------|
| Certificates of Deposit (0.0%)^α | | | | |
| Citizens Bank Trust | 0.05% | 01/14/2022 | 250,000 | 244,603 |
| Community Vision Capital & Consulting | 0.05% | 01/31/2022 | 250,000 | 246,501 |
| Providence Bank & Trust | 0.25% | 09/24/2021 | 250,000 | 247,671 |
| Self-Help Federal Credit Union | 0.50% | 10/16/2021 | 250,000 | 247,068 |
| Self-Help Federal Credit Union | 0.40% | 02/17/2022 | 1,000,000 | 974,685 |
| | | | | 1,960,528 |
| Certificates of Deposit Account Registry Service (0.0%)^α | | | | |
| CDARS agreement with Beneficial State Bank, dated 03/18/2021 | | | | |
| Participating depository institutions: | | | | |
| Amalgamated Bank, par 243,500; | | | | |
| Armstrong Bank, par 243,500; | | | | |
| Great Plains State Bank, par 243,500; | | | | |
| Oakstar Bank, par 243,500; | | | | |
| OneUnited Bank, par 243,500; | | | | |
| Ponce Bank, par 243,500; | | | | |
| Security State Bank of Hibbing, par 243,500; | | | | |
| Signature Bank, National Association, par 56,515; | | | | |
| Southern States Bank, par 243,500; | | | | |
| (cost \$1,952,224) | | | | |
| | 0.07% | 03/17/2022 | 2,004,515 | 1,952,224 |
| Community Development Loans (0.0%)^α | | | | |
| BlueHub Loan Fund | 1.00% | 04/15/2022 | 100,000 | 95,266 |
| BlueHub Loan Fund | 1.00% | 04/15/2022 | 900,000 | 857,392 |
| Enterprise Community Loan Fund | 0.05% | 02/28/2022 | 500,000 | 480,110 |
| New Hampshire Community Loan Fund | 1.00% | 07/31/2021 | 500,000 | 497,534 |
| Root Capital Loan Fund | 1.00% | 02/01/2022 | 200,000 | 192,932 |
| Vermont Community Loan Fund | 0.75% | 04/15/2022 | 100,000 | 95,266 |
| Washington Area Community Investment Fund | 1.00% | 02/09/2022 | 100,000 | 96,334 |
| | | | | 2,314,834 |
| Time Deposits (2.1%) | | | | |
| Bank of Montreal, Montreal | 0.01% | 07/01/2021 | 200,000,000 | 200,000,000 |
| JPMorgan Chase, New York | 0.01% | 07/01/2021 | 99,740,931 | 99,740,931 |
| SEB, Stockholm | 0.01% | 07/01/2021 | 200,000,000 | 200,000,000 |
| Sumitomo, Tokyo | 0.01% | 07/01/2021 | 99,127,883 | 99,127,883 |
| | | | | 598,868,814 |
| Securities Purchased with Cash Collateral from Securities Lending | | | | |
| Registered Investment Companies (0.1%) | | | | |
| Invesco Aim Government & Agency Portfolio | | | | |
| Short-Term Investments Trust, Institutional Class | 0.03% | | | 36,488,732 |
| Total short-term securities (2.2%) | | | | |
| (cost \$641,585,132) | | | | |
| | | | | 641,585,132 |
| Total securities (100.1%) | | | | |
| (cost \$19,029,260,251) | | | | |
| | | | | 28,550,321,005 |
| Payable upon return of securities loaned (-0.1%) | | | | |
| | | | | (36,488,732) |
| Other assets and liabilities (0.0%) | | | | |
| | | | | (1,723,513) |
| Total net assets (100.0%) | | | | |
| | | | | 28,512,108,760 |

Parnassus Core Equity Fund

Portfolio of Investments as of June 30, 2021 (unaudited) (continued)

θ This security is non-income producing.

λ This security, or partial position of this security, was on loan at June 30, 2021. The total value of the securities on loan at June 30, 2021 was \$35,765,099.

α Market value adjustments have been applied to these securities to reflect potential early withdrawal. Such securities have been classified as level 3.

plc Public Limited Company

Parnassus Mid Cap Fund

Portfolio of Investments as of June 30, 2021 (unaudited)

| Equities | Shares | Market Value (\$) |
|--|-----------|-------------------|
| Air Freight & Logistics (2.2%) | | |
| C.H. Robinson Worldwide Inc. ^λ | 1,920,927 | 179,933,232 |
| Apparel & Luxury Goods (3.7%) | | |
| Levi & Strauss & Co., Class A ^Ω | 4,570,587 | 126,696,672 |
| VF Corp. | 2,028,274 | 166,399,599 |
| | | 293,096,271 |
| Banks (5.1%) | | |
| First Horizon National Corp. | 7,116,946 | 122,980,827 |
| First Republic Bank, Class A | 707,074 | 132,343,040 |
| Signature Bank | 622,796 | 152,989,837 |
| | | 408,313,704 |
| Biotechnology (1.6%) | | |
| BioMarin Pharmaceutical Inc. ^θ | 1,482,749 | 123,720,576 |
| Capital Markets (2.5%) | | |
| Cboe Global Markets Inc. | 1,647,669 | 196,154,994 |
| Chemicals (2.6%) | | |
| PPG Industries Inc. | 1,213,640 | 206,039,663 |
| Commercial Services & Supplies (4.2%) | | |
| Republic Services Inc. | 3,046,446 | 335,139,524 |
| Electric Utilities (1.5%) | | |
| IDACORP Inc. | 1,258,852 | 122,738,070 |
| Electronic Equipment Instruments (3.1%) | | |
| Trimble Inc. ^θ | 3,024,053 | 247,458,257 |
| Equity Real Estate Investment Trusts (8.5%) | | |
| Americold Realty Trust | 4,906,386 | 185,706,710 |
| Digital Realty Trust Inc. ^λ | 950,358 | 142,990,865 |
| Public Storage | 448,692 | 134,917,197 |
| SBA Communications Corp., Class A | 670,657 | 213,738,386 |
| | | 677,353,158 |
| Food & Staples Retailing (2.5%) | | |
| Grocery Outlet Holding Corp. ^{λ θ Ω} | 5,750,859 | 199,324,773 |
| Food Products (1.6%) | | |
| McCormick & Co. ^λ | 1,467,677 | 129,625,233 |
| Health Care Equipment (6.2%) | | |
| Hologic Inc. ^θ | 4,115,905 | 274,613,182 |
| Teleflex Inc. | 551,210 | 221,470,666 |
| | | 496,083,848 |
| Health Care Technology (2.9%) | | |
| Cerner Corp. | 2,976,111 | 232,612,836 |
| Household Products (1.1%) | | |
| The Clorox Co. ^λ | 492,001 | 88,515,900 |

| Equities | Shares | Market Value (\$) |
|---|-----------|----------------------|
| Independent Power & Renewable Electric (1.2%) | | |
| The AES Corp. | 3,664,321 | 95,528,848 |
| Industrial Conglomerates (2.8%) | | |
| Roper Technologies Inc. | 474,914 | 223,304,563 |
| Insurance (1.7%) | | |
| SelectQuote Inc. ^θ | 6,967,484 | 134,193,742 |
| IT Services (4.5%) | | |
| Broadridge Financial Solutions Inc. | 737,057 | 119,056,817 |
| Jack Henry & Associates Inc. ^λ | 1,449,274 | 236,970,792 |
| | | 356,027,609 |
| Life Sciences Tools & Services (2.5%) | | |
| Agilent Technologies Inc. | 1,364,649 | 201,708,769 |
| Machinery (5.5%) | | |
| Pentair plc | 3,279,058 | 221,303,624 |
| Xylem Inc. | 1,784,323 | 214,047,387 |
| | | 435,351,011 |
| Media (1.8%) | | |
| Cable One Inc. | 76,364 | 146,069,823 |
| Media & Entertainment (1.6%) | | |
| ANGI Inc., Class A ^{λ θ} | 9,408,225 | 127,199,202 |
| Professional Services (2.4%) | | |
| Verisk Analytics Inc. | 1,112,708 | 194,412,342 |
| Retail (2.8%) | | |
| Burlington Stores Inc. ^{λ θ} | 700,815 | 225,655,422 |
| Semiconductor Equipment (2.5%) | | |
| KLA Corp. | 604,286 | 195,915,564 |
| Services (1.4%) | | |
| Hilton Worldwide Holdings Inc. ^θ | 949,361 | 114,511,924 |
| Software (9.2%) | | |
| Ansys Inc. ^θ | 335,725 | 116,516,719 |
| Cadence Design Systems Inc. ^θ | 859,633 | 117,614,987 |
| Guidewire Software Inc. ^θ | 1,652,095 | 186,224,148 |
| Nuance Communications Inc. ^θ | 3,442,301 | 187,398,866 |
| Synopsys Inc. ^θ | 468,334 | 129,161,834 |
| | | 736,916,554 |
| Specialty Retail (2.8%) | | |
| O'Reilly Automotive Inc. ^θ | 392,761 | 222,385,206 |
| Technology Hardware (2.7%) | | |
| Western Digital Corp. | 3,009,946 | 214,217,857 |
| Transportation & Infrastructure (2.4%) | | |
| Avantor Inc. ^θ | 5,425,156 | 192,647,289 |
| Total investment in equities (97.1%) (cost \$5,808,527,376) | | 7,752,155,764 |

Parnassus Mid Cap Fund

Portfolio of Investments as of June 30, 2021 (unaudited) (continued)

| Short-Term Securities | Interest Rate | Maturity Date | Principal Amount (\$) | Market Value (\$) |
|--|---------------|---------------|-----------------------|----------------------|
| Certificates of Deposit (0.0%)^α | | | | |
| Beneficial State Bank | 0.25% | 03/27/2022 | 250,000 | 242,630 |
| Beneficial State Bank | 0.30% | 04/25/2022 | 250,000 | 241,836 |
| Citizens Bank Trust | 0.05% | 01/14/2022 | 250,000 | 244,603 |
| Self-Help Federal Credit Union | 0.40% | 02/17/2022 | 250,000 | 243,671 |
| | | | | 972,740 |
| Community Development Loans (0.0%)^α | | | | |
| BlueHub Loan Fund | 1.00% | 04/15/2022 | 300,000 | 285,797 |
| Enterprise Community Loan Fund | 0.50% | 02/28/2022 | 400,000 | 384,088 |
| | | | | 669,885 |
| Time Deposits (3.1%) | | | | |
| ANZ, Melbourne | 0.01% | 07/01/2021 | 341,556 | 341,556 |
| BBVA, Madrid | 0.01% | 07/01/2021 | 451,111 | 451,111 |
| Citibank, New York | 0.01% | 07/01/2021 | 200,000,000 | 200,000,000 |
| National Australia Bank, Melbourne | 0.01% | 07/01/2021 | 45,829,665 | 45,829,665 |
| | | | | 246,622,332 |
| Securities Purchased with Cash Collateral from Securities Lending | | | | |
| Registered Investment Companies (0.6%) | | | | |
| Invesco Aim Government & Agency Portfolio | | | | |
| Short-Term Investments Trust, Institutional Class | 0.03% | | | 43,942,638 |
| Total short-term securities (3.7%) (cost \$292,207,595) | | | | 292,207,595 |
| Total securities (100.8%) (cost \$6,100,734,971) | | | | 8,044,363,359 |
| Payable upon return of securities loaned (-0.6%) | | | | (43,942,638) |
| Other assets and liabilities (-0.2%) | | | | (15,305,536) |
| Total net assets (100.0%) | | | | 7,985,115,185 |

^λ This security, or partial position of this security, was on loan at June 30, 2021. The total value of the securities on loan at June 30, 2021 was \$43,060,112.

^θ This security is non-income producing.

^Ω Fund ownership consists of 5% or more of the shares outstanding of the Affiliated Issuer, as defined under the Investment Securities Act of 1940.

^α Market value adjustments have been applied to these securities to reflect potential early withdrawal. Such securities have been classified as level 3.

plc Public Limited Company

Parnassus Endeavor Fund

Portfolio of Investments as of June 30, 2021 (unaudited)

| Equities | Shares | Market Value (\$) | Equities | Shares | Market Value (\$) |
|--|-----------|-------------------|--|-----------|----------------------|
| Air Freight & Logistics (3.1%) | | | Interactive Media & Services (2.0%) | | |
| FedEx Corp. | 514,788 | 153,576,704 | Alphabet Inc., Class A ^θ | 40,000 | 97,671,600 |
| Apparel & Luxury Goods (4.8%) | | | IT Services (2.2%) | | |
| Hanesbrands Inc. | 7,512,685 | 140,261,829 | Mastercard Inc., Class A | 300,000 | 109,527,000 |
| VF Corp. | 1,152,379 | 94,541,173 | | | |
| | | 234,803,002 | Life Sciences Tools & Services (4.5%) | | |
| Banks (2.5%) | | | Agilent Technologies Inc. | 1,000,000 | 147,810,000 |
| Bank of America Corp. | 3,000,000 | 123,690,000 | Illumina Inc. ^θ | 159,393 | 75,426,362 |
| Biotechnology (10.2%) | | | | | 223,236,362 |
| Biogen Inc. ^θ | 452,053 | 156,532,392 | Machinery (2.0%) | | |
| BioMarin Pharmaceutical Inc. ^θ | 1,059,846 | 88,433,550 | Cummins Inc. | 410,246 | 100,022,077 |
| Gilead Sciences Inc. | 1,949,610 | 134,250,145 | Media (2.2%) | | |
| Vertex Pharmaceuticals Inc. ^θ | 619,438 | 124,897,284 | Omnicom Group Inc. | 1,332,057 | 106,551,239 |
| | | 504,113,371 | Pharmaceuticals (4.4%) | | |
| Capital Markets (9.2%) | | | Merck & Co., Inc. | 1,707,302 | 132,776,877 |
| S&P Global Inc. | 281,500 | 115,541,675 | Novartis AG (ADR) | 939,794 | 85,746,804 |
| The Bank of New York Mellon Corp. | 2,444,145 | 125,213,548 | | | 218,523,681 |
| The Charles Schwab Corp. ^λ | 2,963,730 | 215,789,181 | Retail (2.6%) | | |
| | | 456,544,404 | The Gap Inc. ^λ | 3,755,550 | 126,374,258 |
| Communications Equipment (3.2%) | | | Semiconductor Equipment (8.1%) | | |
| Cisco Systems Inc. ^λ | 3,000,000 | 159,000,000 | Applied Materials Inc. | 763,434 | 108,713,002 |
| Computer Peripherals (2.2%) | | | Intel Corp. | 3,000,000 | 168,420,000 |
| Seagate Technology Holdings plc ^λ | 1,246,543 | 109,608,526 | Micron Technology Inc. ^θ | 1,450,399 | 123,254,907 |
| Consulting Services (1.7%) | | | | | 400,387,909 |
| Accenture plc, Class A | 285,374 | 84,125,401 | Software (3.3%) | | |
| Consumer Finance (7.7%) | | | Cadence Design Systems Inc. ^θ | 50,000 | 6,841,000 |
| American Express Co. | 808,371 | 133,567,140 | Intuit Inc. | 110,012 | 53,924,582 |
| Capital One Financial Corp. | 800,000 | 123,752,000 | Microsoft Corp. | 369,967 | 100,224,060 |
| Discover Financial Services | 1,043,461 | 123,431,002 | | | 160,989,642 |
| | | 380,750,142 | Technology Hardware (5.1%) | | |
| Data Processing (1.8%) | | | Apple Inc. | 763,681 | 104,593,750 |
| Paychex Inc. | 841,205 | 90,261,297 | Western Digital Corp. | 2,100,000 | 149,457,000 |
| Diversified Telecom Services (3.9%) | | | | | 254,050,750 |
| Verizon Communications Inc. | 3,425,745 | 191,944,492 | Trading Companies & Distributors (2.4%) | | |
| Equity Real Estate Investment Trusts (2.4%) | | | W.W. Grainger Inc. ^λ | 265,173 | 116,145,774 |
| Simon Property Group Inc. | 913,815 | 119,234,581 | Total investment in equities (97.4%) | | 4,812,040,838 |
| Health Care Equipment (1.8%) | | | (cost \$3,474,802,043) | | |
| Becton Dickinson and Co. | 366,949 | 89,238,327 | | | |
| Health Care Technology (1.9%) | | | | | |
| Cerner Corp. | 1,191,491 | 93,126,937 | | | |
| Insurance (2.2%) | | | | | |
| The Progressive Corp. | 1,105,217 | 108,543,362 | | | |

Parnassus Endeavor Fund

Portfolio of Investments as of June 30, 2021 (unaudited) (continued)

| Short-Term Securities | Interest Rate | Maturity Date | Principal Amount (\$) | Market Value (\$) |
|--|---------------|---------------|-----------------------|----------------------|
| Certificates of Deposit (0.0%)^α | | | | |
| Citizens Bank Trust | 0.10% | 10/06/2021 | 250,000 | 247,335 |
| Community Vision Capital & Consulting | 0.50% | 03/31/2022 | 250,000 | 238,781 |
| Self-Help Federal Credit Union | 0.40% | 02/17/2022 | 250,000 | 243,452 |
| | | | | 729,568 |
| Certificates of Deposit Account Registry Service (0.0%)^α | | | | |
| CDARS agreement with Beneficial State Bank, dated 03/18/2021 | | | | |
| Participating depository institutions: | | | | |
| Great Plains State Bank, par 243,500; | | | | |
| OneUnited Bank, par 63,871; | | | | |
| Southern States Bank, par 193,758; | | | | |
| (cost \$488,056) | 0.70% | 03/17/2022 | 501,129 | 488,056 |
| Community Development Loans (0.0%)^α | | | | |
| Root Capital Loan Fund | 1.00% | 02/01/2022 | 100,000 | 96,466 |
| Washington Area Community Investment Fund | 1.00% | 03/01/2022 | 100,000 | 95,985 |
| | | | | 192,451 |
| Time Deposits (3.1%) | | | | |
| National Australia Bank, Melbourne | 0.01% | 07/01/2021 | 154,171,927 | 154,171,927 |
| Securities Purchased with Cash Collateral from Securities Lending | | | | |
| Registered Investment Companies (0.3%) | | | | |
| Invesco Aim Government & Agency Portfolio | | | | |
| Short-Term Investments Trust, Institutional Class | 0.03% | | | 13,405,263 |
| Total short-term securities (3.4%) | | | | |
| (cost \$168,987,265) | | | | 168,987,265 |
| Total securities (100.8%) | | | | |
| (cost \$3,643,789,308) | | | | 4,981,028,103 |
| Payable upon return of securities loaned (-0.3%) | | | | (13,405,263) |
| Other assets and liabilities (-0.5%) | | | | (26,961,729) |
| Total net assets (100.0%) | | | | 4,940,661,111 |

^θ This security is non-income producing.

^λ This security, or partial position of this security, was on loan at June 30, 2021. The total value of the securities on loan at June 30, 2021 was \$13,139,339.

^α Market value adjustments have been applied to these securities to reflect potential early withdrawal. Such securities have been classified as level 3.

plc Public Limited Company

ADR American Depository Receipt

Parnassus Mid Cap Growth Fund

Portfolio of Investments as of June 30, 2021 (unaudited)

| Equities | Shares | Market Value (\$) |
|---|---------|-------------------|
| Apparel & Luxury Goods (1.7%) | | |
| Lululemon Athletica Inc. ^θ | 54,564 | 19,914,223 |
| Banks (3.9%) | | |
| Signature Bank | 105,000 | 25,793,250 |
| Silvergate Capital Corp., Class A ^θ | 164,797 | 18,674,796 |
| | | 44,468,046 |
| Biotechnology (2.1%) | | |
| BioMarin Pharmaceutical Inc. ^θ | 142,279 | 11,871,760 |
| Seagen Inc. ^{θλ} | 60,513 | 9,553,792 |
| | | 21,425,552 |
| Capital Markets (4.1%) | | |
| MarketAxess Holdings Inc. | 49,470 | 22,933,797 |
| Morningstar Inc. | 92,446 | 23,768,791 |
| | | 46,702,588 |
| Commercial Services & Supplies (2.8%) | | |
| CoStar Group Inc. ^θ | 387,000 | 32,051,340 |
| Distributors (3.6%) | | |
| Pool Corp. | 89,405 | 41,006,497 |
| Electrical Equipment (1.0%) | | |
| Sunrun Inc. ^{θλ} | 207,381 | 11,567,712 |
| Food & Staples Retailing (1.5%) | | |
| Grocery Outlet Holding Corp. ^θ | 480,372 | 16,649,693 |
| Health Care Equipment (5.6%) | | |
| IDEXX Laboratories Inc. ^θ | 71,268 | 45,009,305 |
| Teleflex Inc. | 48,316 | 19,412,886 |
| | | 64,422,191 |
| Health Care Technology (1.2%) | | |
| Veeva Systems Inc., Class A ^θ | 43,920 | 13,656,924 |
| Insurance (1.2%) | | |
| SelectQuote Inc. ^θ | 694,791 | 13,381,675 |
| IT Services (5.1%) | | |
| Broadridge Financial Solutions Inc. | 141,281 | 22,821,120 |
| Square Inc., Class A ^θ | 146,551 | 35,729,134 |
| | | 58,550,254 |
| Life Sciences Tools & Services (10.7%) | | |
| 10x Genomics Inc., Class A ^θ | 93,160 | 18,242,591 |
| Agilent Technologies Inc. | 319,521 | 47,228,399 |
| Berkeley Lights Inc. ^{θλ} | 355,492 | 15,929,597 |
| Illumina Inc. ^{θλ} | 88,399 | 41,831,291 |
| | | 123,231,878 |

| Equities | Shares | Market Value (\$) |
|---|-----------|----------------------|
| Machinery (2.3%) | | |
| Xylem Inc. | 219,256 | 26,301,950 |
| Media (3.4%) | | |
| Cable One Inc. | 9,427 | 18,032,060 |
| The New York Times Co., Class A | 467,258 | 20,349,086 |
| | | 38,381,146 |
| Media & Entertainment (2.4%) | | |
| ANGI Inc., Class A ^θ | 2,045,391 | 27,653,686 |
| Pharmaceuticals, Biotech & Life Sciences (0.9%) | | |
| Alnylam Pharmaceuticals Inc. ^θ | 77,587 | 13,152,548 |
| Professional Services (5.4%) | | |
| Insperity Inc. ^θ | 124,318 | 11,234,618 |
| Thomson Reuters Corp. ^λ | 268,893 | 26,706,453 |
| Verisk Analytics Inc. | 133,748 | 23,368,450 |
| | | 61,309,521 |
| Retail (3.6%) | | |
| Burlington Stores Inc. ^θ | 128,116 | 41,252,071 |
| Road & Rail (3.2%) | | |
| Old Dominion Freight Lines Inc. | 145,211 | 36,854,552 |
| Semiconductor Equipment (3.7%) | | |
| KLA Corp. | 72,205 | 23,409,583 |
| Monolithic Power Systems Inc. | 50,262 | 18,770,344 |
| | | 42,179,927 |
| Service (1.1%) | | |
| Hilton Worldwide Holdings Inc. ^θ | 108,531 | 13,091,009 |
| Software (21.5%) | | |
| Ansys Inc. ^θ | 60,677 | 21,058,560 |
| Autodesk Inc. ^θ | 121,587 | 35,491,245 |
| Avalara Inc. ^θ | 174,337 | 28,207,727 |
| Cadence Design Systems Inc. ^θ | 301,255 | 41,217,709 |
| Fair Isaac Corp. ^{θλ} | 43,769 | 22,001,801 |
| Guidewire Software Inc. ^θ | 150,889 | 17,008,208 |
| Nuance Communications Inc. ^θ | 302,401 | 16,462,710 |
| Synopsys Inc. ^θ | 155,573 | 42,905,478 |
| The Trade Desk Inc., Class A ^θ | 285,430 | 22,080,865 |
| | | 246,434,303 |
| Special Retail (3.2%) | | |
| O'Reilly Automotive Inc. ^θ | 65,277 | 36,960,490 |
| Technology Hardware (3.1%) | | |
| Western Digital Corp. | 506,393 | 36,039,990 |
| Total investment in equities (98.3%) (cost \$728,312,161) | | 1,126,639,766 |

Parnassus Mid Cap Growth Fund

Portfolio of Investments as of June 30, 2021 (unaudited) (continued)

| Short-Term Securities | Interest Rate | Maturity Date | Principal Amount (\$) | Market Value (\$) |
|--|---------------|---------------|-----------------------|----------------------|
| Certificates of Deposit (0.0%)^α | | | | |
| Beneficial State Bank | 0.30% | 01/15/2022 | 250,000 | 244,575 |
| Citizens Bank Trust | 0.05% | 01/14/2022 | 200,000 | 194,603 |
| | | | | 439,178 |
| Certificates of Deposit Account Registry Service (0.1%)^α | | | | |
| CDARS agreement with Beneficial State Bank, dated 03/18/2021 | | | | |
| Participating depository institutions: Great Plains State Bank, par 243,500; OneUnited Bank, par 14,129; Southern States Bank, par 243,500; (cost \$488,056) | | | | |
| | 0.70% | 03/17/2022 | 501,129 | 488,056 |
| Community Development Loans (0.0%)^α | | | | |
| BlueHub Loan Fund | 1.00% | 04/15/2022 | 100,000 | 95,266 |
| BlueHub Loan Fund | 1.00% | 04/15/2022 | 100,000 | 95,266 |
| Root Capital Loan Fund | 1.00% | 02/01/2022 | 100,000 | 96,466 |
| Vermont Community Loan Fund | 1.00% | 10/15/2021 | 100,000 | 98,258 |
| | | | | 385,256 |
| Time Deposits (1.7%) | | | | |
| Royal Bank of Canada, Toronto | 0.01% | 07/01/2021 | 19,563,532 | 19,563,532 |
| Securities Purchased with Cash Collateral from Securities Lending | | | | |
| Registered Investment Companies (1.2%) | | | | |
| Invesco Aim Government & Agency Portfolio | | | | |
| Short-Term Investments Trust, Institutional Class | 0.03% | | | 13,195,180 |
| Total short-term securities (3.0%) (cost \$34,071,202) | | | | 34,071,202 |
| Total securities (101.3%) (cost \$762,383,363) | | | | 1,160,710,968 |
| Payable upon return of securities loaned (-1.2%) | | | | (13,195,180) |
| Other assets and liabilities (-0.1%) | | | | (1,089,522) |
| Total net assets (100.0%) | | | | 1,146,426,266 |

^θ This security is non-income producing.

^λ This security, or partial position of this security, was on loan at June 30, 2021. The total value of the securities on loan at June 30, 2021 was \$12,903,038.

^α Market value adjustments have been applied to these securities to reflect potential early withdrawal. Such securities have been classified as level 3.

Parnassus Fixed Income Fund
Portfolio of Investments as of June 30, 2021 (unaudited)

| Preferred Stocks | Interest Rate | Maturity Date | Shares | Market Value (\$) |
|---|---------------|---------------|------------------------------|-------------------|
| Banks (1.2%) | | | | |
| Bank of America | 5.00% | 09/17/2024 | 194,149 | 5,300,268 |
| Equity Real Estate Investment Trusts (1.6%) | | | | |
| Digital Realty Trust Inc. | 5.20% | 10/10/2024 | 114,608 | 3,229,653 |
| Public Storage | 5.15% | 06/02/2022 | 111,127 | 2,979,315 |
| Public Storage ¹ | 3.88% | 10/06/2025 | 40,000 | 1,017,200 |
| | | | | 7,226,168 |
| Total investment in preferred stocks (2.8%) (cost \$11,939,041) | | | | 12,526,436 |
| | | | Principal Amount (\$) | |
| Convertible Bonds | | | | |
| Electrical Equipment (0.3%) | | | | |
| Sunrun Inc. | 0.00% | 02/01/2026 | 1,500,000 | 1,341,600 |
| Total investment in convertible bond (0.3%) (cost \$1,204,505) | | | | 1,341,600 |
| Corporate Bonds | | | | |
| Air Freight & Logistics (0.8%) | | | | |
| FedEx Corp. | 4.25% | 05/15/2030 | 1,500,000 | 1,748,398 |
| FedEx Corp. | 4.75% | 11/15/2045 | 1,500,000 | 1,869,165 |
| | | | | 3,617,563 |
| Airlines (1.3%) | | | | |
| Alaska Air 2020-1 Class B | 8.00% | 08/15/2025 | 4,972,432 | 5,577,180 |
| Southwest Air 07-1 Trust | 6.15% | 08/01/2022 | 427,299 | 441,453 |
| | | | | 6,018,633 |
| Apparel & Luxury Goods (2.3%) | | | | |
| Hanesbrands Inc. | 5.38% | 05/15/2025 | 3,000,000 | 3,176,250 |
| Hanesbrands Inc. | 4.88% | 05/15/2026 | 1,000,000 | 1,080,000 |
| VF Corp. | 2.95% | 04/23/2030 | 3,500,000 | 3,706,632 |
| VF Corp. | 6.00% | 10/15/2033 | 2,000,000 | 2,600,589 |
| | | | | 10,563,471 |
| Auto Components (1.5%) | | | | |
| APTIV plc | 4.25% | 01/15/2026 | 3,000,000 | 3,390,164 |
| APTIV plc | 5.40% | 03/15/2049 | 2,500,000 | 3,385,868 |
| | | | | 6,776,032 |
| Biotechnology (0.6%) | | | | |
| Gilead Sciences Inc. | 0.67% | 09/29/2023 | 430,000 | 430,326 |
| Gilead Sciences Inc. | 4.80% | 04/01/2044 | 2,000,000 | 2,530,771 |
| | | | | 2,961,097 |
| Building Products (1.1%) | | | | |
| Masco Corp. | 2.00% | 10/01/2030 | 2,000,000 | 1,950,944 |
| Masco Corp. | 4.50% | 05/15/2047 | 2,500,000 | 3,035,583 |
| | | | | 4,986,527 |
| Capital Markets (0.8%) | | | | |
| Charles Schwab Corp. | 4.63% | 03/22/2030 | 3,000,000 | 3,655,273 |

Parnassus Fixed Income Fund

Portfolio of Investments as of June 30, 2021 (unaudited) (continued)

| Corporate Bonds | Interest Rate | Maturity Date | Principal Amount (\$) | Market Value (\$) |
|--|---------------|---------------|-----------------------|-------------------|
| Commercial Services & Supplies (1.0%) | | | | |
| Waste Management Inc. | 3.15% | 11/15/2027 | 2,500,000 | 2,735,773 |
| Waste Management Inc. | 1.50% | 03/15/2031 | 2,000,000 | 1,892,693 |
| | | | | 4,628,466 |
| Consumer Services (1.3%) | | | | |
| Booking Holdings Inc. | 4.63% | 04/13/2030 | 5,000,000 | 5,980,530 |
| Containers & Packaging (2.5%) | | | | |
| Ball Corp. | 4.88% | 03/15/2026 | 5,000,000 | 5,568,798 |
| Sealed Air Corp. | 5.25% | 04/01/2023 | 2,500,000 | 2,642,212 |
| Sealed Air Corp. | 4.00% | 12/01/2027 | 2,982,000 | 3,162,918 |
| | | | | 11,373,928 |
| Electronic Equipment Instruments (1.5%) | | | | |
| Trimble Inc. | 4.90% | 06/15/2028 | 6,000,000 | 7,042,507 |
| Equity Real Estate Investment Trusts (5.6%) | | | | |
| Alexandria Real Estate | 2.00% | 05/18/2032 | 3,000,000 | 2,926,232 |
| Alexandria Real Estate | 4.85% | 04/15/2049 | 1,000,000 | 1,289,438 |
| American Tower Corp. | 2.70% | 04/15/2031 | 3,500,000 | 3,613,665 |
| American Tower Corp. | 2.95% | 01/15/2051 | 2,250,000 | 2,150,000 |
| Iron Mountain Inc. | 4.88% | 09/15/2027 | 1,500,000 | 1,556,393 |
| Iron Mountain Inc. | 5.25% | 03/15/2028 | 4,000,000 | 4,186,200 |
| Regency Centers LP | 3.75% | 06/15/2024 | 2,000,000 | 2,140,493 |
| Regency Centers LP | 3.70% | 06/15/2030 | 3,000,000 | 3,322,074 |
| SBA Communications Corp. | 3.88% | 02/15/2027 | 4,500,000 | 4,621,073 |
| | | | | 25,805,568 |
| Financial Data (1.3%) | | | | |
| MSCI Inc. | 4.00% | 11/15/2029 | 5,500,000 | 5,788,750 |
| Food & Staples Retailing (1.2%) | | | | |
| Mondelez International Inc. | 4.13% | 05/07/2028 | 3,000,000 | 3,481,103 |
| Mondelez International Inc. | 1.50% | 02/04/2031 | 2,000,000 | 1,892,505 |
| | | | | 5,373,608 |
| Food Products (1.1%) | | | | |
| McCormick & Co. | 2.50% | 04/15/2030 | 5,000,000 | 5,154,516 |
| Health Care Equipment (4.4%) | | | | |
| Becton Dickinson and Co. | 6.70% | 08/01/2028 | 3,500,000 | 4,418,310 |
| Becton Dickinson and Co. | 4.69% | 12/15/2044 | 1,500,000 | 1,868,556 |
| Boston Scientific Corp. | 4.00% | 03/01/2029 | 3,000,000 | 3,414,993 |
| Boston Scientific Corp. | 4.70% | 03/01/2049 | 1,500,000 | 1,919,759 |
| Danaher Corp. | 3.35% | 09/15/2025 | 2,000,000 | 2,191,815 |
| Danaher Corp. | 4.38% | 09/15/2045 | 1,000,000 | 1,248,842 |
| Hologic Inc. | 3.25% | 02/15/2029 | 5,000,000 | 4,956,250 |
| | | | | 20,018,525 |
| Health Care Technology (2.0%) | | | | |
| DH Europe Finance II | 3.25% | 11/15/2039 | 2,000,000 | 2,143,502 |
| Teleflex Inc. | 4.63% | 11/15/2027 | 500,000 | 532,595 |
| Teleflex Inc. | 4.25% | 06/01/2028 | 6,000,000 | 6,255,000 |
| | | | | 8,931,097 |

Parnassus Fixed Income Fund
Portfolio of Investments as of June 30, 2021 (unaudited) (continued)

| Corporate Bonds | Interest Rate | Maturity Date | Principal Amount (\$) | Market Value (\$) |
|--|---------------|---------------|-----------------------|-------------------|
| Hotel Restaurant & Leisure (1.1%) | | | | |
| Hilton Domestic Operating Company Inc. | 3.75% | 05/01/2029 | 2,000,000 | 2,015,400 |
| Hilton Domestic Operating Company Inc. | 4.88% | 01/15/2030 | 1,500,000 | 1,601,250 |
| Hilton Domestic Operating Company Inc. | 4.00% | 05/01/2031 | 1,500,000 | 1,513,305 |
| | | | | 5,129,955 |
| Household Products (0.5%) | | | | |
| The Clorox Co. | 1.80% | 05/15/2030 | 2,500,000 | 2,458,025 |
| Industrial Conglomerates (1.0%) | | | | |
| Roper Technologies Inc. | 2.95% | 09/15/2029 | 2,000,000 | 2,133,842 |
| Roper Technologies Inc. | 2.00% | 06/30/2030 | 2,500,000 | 2,464,601 |
| | | | | 4,598,443 |
| Interactive Media & Services (0.6%) | | | | |
| Alphabet Inc. | 1.10% | 08/15/2030 | 3,000,000 | 2,850,569 |
| IT Services (2.0%) | | | | |
| Fiserv Inc. | 2.65% | 06/01/2030 | 4,500,000 | 4,664,067 |
| Fiserv Inc. | 4.40% | 07/01/2049 | 2,000,000 | 2,414,120 |
| Mastercard Inc. | 2.95% | 06/01/2029 | 2,000,000 | 2,185,143 |
| | | | | 9,263,330 |
| Life Sciences Tools & Services (1.4%) | | | | |
| Agilent Technologies Inc. | 2.75% | 09/15/2029 | 5,250,000 | 5,493,898 |
| Agilent Technologies Inc. | 2.10% | 06/04/2030 | 1,000,000 | 990,303 |
| | | | | 6,484,201 |
| Machinery (2.9%) | | | | |
| Cummins Inc. | 4.88% | 10/01/2043 | 2,500,000 | 3,294,515 |
| Pentair Finance SA | 4.50% | 07/01/2029 | 5,000,000 | 5,842,984 |
| Xylem Inc. | 2.25% | 01/30/2031 | 4,000,000 | 4,031,234 |
| | | | | 13,168,733 |
| Media (1.3%) | | | | |
| Comcast Corp. | 4.25% | 10/15/2030 | 5,000,000 | 5,886,775 |
| Pharmaceuticals (0.5%) | | | | |
| Merck & Co. Inc. | 3.40% | 03/07/2029 | 2,000,000 | 2,243,360 |
| Retail (1.3%) | | | | |
| Lowe's Companies Inc. | 4.50% | 04/15/2030 | 3,500,000 | 4,144,325 |
| Lowe's Companies Inc. | 3.00% | 10/15/2050 | 2,000,000 | 1,973,522 |
| | | | | 6,117,847 |
| Road & Rail (1.5%) | | | | |
| Kansas City Southern | 2.88% | 11/15/2029 | 4,000,000 | 4,212,535 |
| Kansas City Southern | 4.70% | 05/01/2048 | 2,000,000 | 2,492,762 |
| | | | | 6,705,297 |
| Semiconductor Equipment (1.8%) | | | | |
| Applied Materials Inc. | 1.75% | 06/01/2030 | 3,500,000 | 3,478,155 |
| Lam Research Corp. | 4.00% | 03/15/2029 | 4,000,000 | 4,645,330 |
| | | | | 8,123,485 |

Parnassus Fixed Income Fund

Portfolio of Investments as of June 30, 2021 (unaudited) (continued)

| Corporate Bonds | Interest Rate | Maturity Date | Principal Amount (\$) | Market Value (\$) |
|--|---------------|---------------|-----------------------|--------------------|
| Semiconductors (1.6%) | | | | |
| Intel Corp. | 4.80% | 10/01/2041 | 3,000,000 | 3,870,533 |
| Micron Technology Inc. | 5.33% | 02/06/2029 | 2,775,000 | 3,354,658 |
| | | | | 7,225,191 |
| Snack & Juice Bars (1.3%) | | | | |
| Starbucks Corp. | 2.45% | 06/15/2026 | 3,500,000 | 3,695,654 |
| Starbucks Corp. | 2.55% | 11/15/2030 | 2,000,000 | 2,074,581 |
| | | | | 5,770,235 |
| Software (3.4%) | | | | |
| Adobe Inc. | 2.30% | 02/01/2030 | 4,500,000 | 4,690,229 |
| Autodesk Inc. | 4.38% | 06/15/2025 | 3,630,000 | 4,060,159 |
| Autodesk Inc. | 2.85% | 01/15/2030 | 2,250,000 | 2,376,429 |
| Cadence Design Systems Inc. | 4.38% | 10/15/2024 | 3,940,000 | 4,333,200 |
| | | | | 15,460,017 |
| Specialty Retail (1.4%) | | | | |
| O'Reilly Automotive Inc. | 4.20% | 04/01/2030 | 5,500,000 | 6,338,233 |
| Technology Hardware (0.4%) | | | | |
| Apple Inc. | 2.85% | 02/23/2023 | 2,000,000 | 2,076,910 |
| Telecom Services GIC (1.6%) | | | | |
| Verizon Communications Inc. | 4.02% | 12/03/2029 | 2,000,000 | 2,292,747 |
| Verizon Communications Inc. | 4.27% | 01/15/2036 | 2,000,000 | 2,388,927 |
| Verizon Communications Inc. | 4.81% | 03/15/2039 | 2,000,000 | 2,535,449 |
| | | | | 7,217,123 |
| Transportation & Infrastructure (1.8%) | | | | |
| Avantor Funding Inc. | 4.63% | 07/15/2028 | 4,500,000 | 4,750,965 |
| Burlington Northern Santa Fe Corp. | 5.05% | 03/01/2041 | 2,500,000 | 3,324,492 |
| | | | | 8,075,457 |
| Wireless Telecom Services (1.3%) | | | | |
| T-Mobile USA Inc. | 2.25% | 02/15/2026 | 6,000,000 | 6,045,000 |
| Total investment in corporate bonds (59.0%) (cost \$268,206,241) | | | | 269,914,277 |
| Supranational Bonds | | | | |
| European Bank for Reconstruction & Development | 1.50% | 02/13/2025 | 2,000,000 | 2,057,704 |
| European Investment Bank | 1.63% | 10/09/2029 | 2,000,000 | 2,043,000 |
| European Investment Bank | 0.75% | 09/23/2030 | 2,000,000 | 1,873,085 |
| International Bank for Reconstruction & Development | 3.13% | 11/20/2025 | 4,000,000 | 4,401,589 |
| International Finance Corp. | 2.00% | 10/24/2022 | 3,000,000 | 3,069,000 |
| International Finance Corp. | 2.13% | 04/07/2026 | 6,000,000 | 6,348,900 |
| Total investment in supranational bonds (4.3%) (cost \$19,149,021) | | | | 19,793,278 |

Parnassus Fixed Income Fund
Portfolio of Investments as of June 30, 2021 (unaudited) (continued)

| U.S. Government Treasury Bonds | Interest Rate | Maturity Date | Principal Amount (\$) | Market Value (\$) |
|--------------------------------|---------------|---------------|-----------------------|-------------------|
| U.S. Treasury | 1.13% | 07/31/2021 | 2,000,000 | 2,001,790 |
| U.S. Treasury | 2.50% | 01/15/2022 | 4,500,000 | 4,558,883 |
| U.S. Treasury | 2.38% | 03/15/2022 | 3,000,000 | 3,048,516 |
| U.S. Treasury | 0.13% | 05/31/2022 | 3,000,000 | 3,000,703 |
| U.S. Treasury | 0.13% | 06/30/2022 | 2,000,000 | 2,000,469 |
| U.S. Treasury | 1.75% | 07/15/2022 | 3,000,000 | 3,051,094 |
| U.S. Treasury | 1.88% | 08/31/2022 | 2,000,000 | 2,040,781 |
| U.S. Treasury | 1.63% | 11/15/2022 | 3,000,000 | 3,060,586 |
| U.S. Treasury | 1.38% | 02/15/2023 | 4,000,000 | 4,076,719 |
| U.S. Treasury | 2.50% | 03/31/2023 | 2,000,000 | 2,079,688 |
| U.S. Treasury | 2.88% | 10/31/2023 | 3,000,000 | 3,178,125 |
| U.S. Treasury | 2.50% | 01/31/2024 | 2,000,000 | 2,110,078 |
| U.S. Treasury | 2.38% | 02/29/2024 | 3,000,000 | 3,158,086 |
| U.S. Treasury | 2.13% | 03/31/2024 | 3,000,000 | 3,140,742 |
| U.S. Treasury | 2.00% | 05/31/2024 | 1,000,000 | 1,045,117 |
| U.S. Treasury | 1.75% | 06/30/2024 | 2,000,000 | 2,077,188 |
| U.S. Treasury | 1.75% | 07/31/2024 | 3,000,000 | 3,117,891 |
| U.S. Treasury | 1.25% | 08/31/2024 | 2,000,000 | 2,047,344 |
| U.S. Treasury | 2.25% | 11/15/2024 | 3,000,000 | 3,171,680 |
| U.S. Treasury | 1.50% | 11/30/2024 | 2,000,000 | 2,063,906 |
| U.S. Treasury | 1.38% | 01/31/2025 | 1,500,000 | 1,541,426 |
| U.S. Treasury | 2.00% | 02/15/2025 | 3,000,000 | 3,150,586 |
| U.S. Treasury | 0.50% | 03/31/2025 | 1,000,000 | 995,273 |
| U.S. Treasury | 0.38% | 04/30/2025 | 2,000,000 | 1,979,141 |
| U.S. Treasury | 0.25% | 06/30/2025 | 2,000,000 | 1,965,156 |
| U.S. Treasury | 2.25% | 11/15/2025 | 3,000,000 | 3,192,656 |
| U.S. Treasury | 0.38% | 12/31/2025 | 2,000,000 | 1,962,891 |
| U.S. Treasury | 2.63% | 01/31/2026 | 2,000,000 | 2,164,219 |
| U.S. Treasury | 2.25% | 03/31/2026 | 2,000,000 | 2,132,344 |
| U.S. Treasury | 1.88% | 07/31/2026 | 4,000,000 | 4,198,281 |
| U.S. Treasury | 2.00% | 11/15/2026 | 3,000,000 | 3,167,344 |
| U.S. Treasury | 1.63% | 11/30/2026 | 2,000,000 | 2,072,188 |
| U.S. Treasury | 2.25% | 02/15/2027 | 2,000,000 | 2,138,594 |
| U.S. Treasury | 0.63% | 03/31/2027 | 1,000,000 | 978,945 |
| U.S. Treasury | 0.50% | 06/30/2027 | 2,000,000 | 1,935,625 |
| U.S. Treasury | 2.25% | 08/15/2027 | 3,000,000 | 3,210,117 |
| U.S. Treasury | 0.38% | 09/30/2027 | 1,000,000 | 955,898 |
| U.S. Treasury | 0.63% | 12/31/2027 | 1,000,000 | 967,422 |
| U.S. Treasury | 2.75% | 02/15/2028 | 3,000,000 | 3,307,500 |
| U.S. Treasury | 2.88% | 08/15/2028 | 3,000,000 | 3,338,555 |
| U.S. Treasury | 2.63% | 02/15/2029 | 2,000,000 | 2,194,688 |
| U.S. Treasury | 1.63% | 08/15/2029 | 1,500,000 | 1,535,332 |
| U.S. Treasury | 0.63% | 08/15/2030 | 2,500,000 | 2,330,957 |
| U.S. Treasury | 3.50% | 02/15/2039 | 2,000,000 | 2,503,047 |
| U.S. Treasury | 3.13% | 11/15/2041 | 1,000,000 | 1,192,813 |
| U.S. Treasury | 2.75% | 08/15/2042 | 1,000,000 | 1,127,539 |
| U.S. Treasury | 3.00% | 05/15/2045 | 1,000,000 | 1,180,039 |
| U.S. Treasury | 2.75% | 11/15/2047 | 1,500,000 | 1,708,301 |
| U.S. Treasury | 3.00% | 08/15/2048 | 2,000,000 | 2,389,141 |
| U.S. Treasury | 2.88% | 05/15/2049 | 2,000,000 | 2,343,125 |
| U.S. Treasury | 2.25% | 08/15/2049 | 3,000,000 | 3,109,570 |
| U.S. Treasury | 2.00% | 02/15/2050 | 1,000,000 | 983,008 |
| U.S. Treasury | 1.25% | 05/15/2050 | 4,500,000 | 3,676,816 |
| U.S. Treasury | 1.38% | 08/15/2050 | 2,000,000 | 1,687,188 |
| U.S. Treasury (TIPS) | 0.63% | 07/15/2021 | 1,184,890 | 1,189,657 |

Parnassus Fixed Income Fund

Portfolio of Investments as of June 30, 2021 (unaudited) (continued)

| | Interest Rate | Maturity Date | Principal Amount (\$) | Market Value (\$) |
|---|---------------|---------------|-----------------------|--------------------|
| U.S. Government Treasury Bonds | | | | |
| U.S. Treasury (TIPS) | 0.13% | 01/15/2022 | 1,179,910 | 1,206,366 |
| U.S. Treasury (TIPS) | 0.38% | 07/15/2025 | 1,126,130 | 1,236,514 |
| U.S. Treasury (TIPS) | 1.75% | 01/15/2028 | 1,274,740 | 1,541,124 |
| U.S. Treasury (TIPS) | 0.63% | 02/15/2043 | 2,323,100 | 2,778,736 |
| Total investment in U.S. government treasury bonds (29.6%) (cost \$131,581,801) | | | | 135,297,508 |
| Total investment in long-term securities (96.0%) (cost \$432,080,609) | | | | 438,873,099 |
| Short-Term Securities | | | | |
| Certificates of Deposit (0.1%)^α | | | | |
| Beneficial State Bank | 0.30% | 10/23/2021 | 250,000 | 246,877 |
| Citizens Bank Trust | 0.10% | 10/06/2021 | 250,000 | 247,317 |
| | | | | 494,194 |
| Time Deposits (4.6%) | | | | |
| BBVA, Madrid | 0.01% | 07/01/2021 | 21,043,635 | 21,043,635 |
| U.S. Treasury Bill (0.7%) | | | | |
| U.S. Treasury Bill | 1.50% | 09/30/2021 | 3,000,000 | 3,010,775 |
| Securities Purchased with Cash Collateral from Securities Lending | | | | |
| Registered Investment Companies (0.0%) | | | | |
| Invesco Aim Government & Agency Portfolio | | | | |
| Short-Term Investments Trust, Institutional Class | 0.03% | | | 26,000 |
| Total short-term securities (5.4%) (cost \$24,574,604) | | | | 24,574,604 |
| Total securities (101.4%) (cost \$456,655,213) | | | | 463,447,703 |
| Payable upon return of securities loaned (0.0%) | | | | (26,000) |
| Other assets and liabilities (-1.4%) | | | | (6,204,774) |
| Total net assets (100.0%) | | | | 457,216,929 |

^λ This security, or partial position of this security, was on loan at June 30, 2021. The total value of the securities on loan at June 30, 2021 was \$25,420.

^α Market value adjustments have been applied to these securities to reflect potential early withdrawal. Such securities have been classified as level 3.

plc Public Limited Company

LP Limited Partnership

TIPS Treasury Inflation Protected Security

Statement of Assets and Liabilities June 30, 2021 (unaudited)

| | Parnassus Core Equity Fund | Parnassus Mid Cap Fund |
|--|----------------------------------|------------------------------|
| Assets | | |
| Investments in stocks and bonds, at market value - Unaffiliated (cost \$18,387,675,119, \$5,484,166,085, \$3,474,802,043, \$728,312,161, \$432,080,609) | \$ 27,908,735,873 | \$ 7,426,134,319 |
| Investments in stocks, at market value - Affiliated (cost of \$0, \$324,361,291, \$0, \$0, \$0) | - | 326,021,445 |
| Investments in short-term securities (at cost which approximates market value) | 641,585,132 | 292,207,596 |
| Receivables | | |
| Investment securities sold | - | - |
| Dividends and interest | 17,133,369 | 6,115,611 |
| Capital shares sold | 50,019,951 | 11,493,042 |
| Other assets | 216,786 | 84,525 |
| Total assets | \$ 28,617,691,111 | \$ 8,062,056,538 |
| Liabilities | | |
| Payable upon return of loaned securities | 36,488,732 | 43,942,638 |
| Payable for investment securities purchased | 29,385,600 | 18,423,067 |
| Capital shares redeemed | 21,273,855 | 8,800,591 |
| Fees payable to Parnassus Investments | 13,761,888 | 4,752,207 |
| Distributions payable | 1,595,386 | - |
| Accounts payable and accrued expenses | 3,076,890 | 1,022,850 |
| Total liabilities | \$ 105,582,351 | \$ 76,941,353 |
| Net assets | \$ 28,512,108,760 | \$ 7,985,115,185 |
| Net assets consist of | | |
| Capital paid-in | 16,984,340,693 | 5,609,999,671 |
| Total Distributable Earnings | 11,527,768,067 | 2,375,115,514 |
| Total net assets | \$ 28,512,108,760 | \$ 7,985,115,185 |
| Net asset value and offering per share | | |
| Net assets investor shares | \$ 14,247,580,328 | \$ 3,016,872,673 |
| Net assets institutional shares | \$ 14,264,528,432 | \$ 4,968,242,512 |
| Shares outstanding investor shares | 231,268,494 | 67,737,905 |
| Shares outstanding institutional shares | 231,083,361 | 111,186,460 |
| Net asset values and redemption price per share (Net asset value divided by shares outstanding) | | |
| Investor shares | \$ 61.61 | \$ 44.54 |
| Institutional shares | \$ 61.73 | \$ 44.68 |

| Parnassus Endeavor Fund | Parnassus Mid Cap Growth Fund | Parnassus Fixed Income Fund |
|-------------------------------|-------------------------------------|-----------------------------------|
| \$ 4,812,040,838 | \$ 1,126,639,766 | \$ 438,873,099 |
| - | - | - |
| 168,987,265 | 34,071,202 | 24,574,604 |
| 2,478,353 | - | - |
| 3,714,235 | 113,352 | 3,164,421 |
| 9,632,679 | 134,492 | 388,921 |
| 25,877 | 16,662 | 31,380 |
| \$ 4,996,879,247 | \$ 1,160,975,474 | \$ 467,032,425 |
| 13,405,263 | 13,195,180 | 26,000 |
| 37,237,384 | - | 9,163,373 |
| 1,766,060 | 234,849 | 394,160 |
| 2,718,485 | 589,777 | 115,582 |
| - | - | 30,036 |
| 1,090,944 | 529,402 | 86,345 |
| \$ 56,218,136 | \$ 14,549,208 | \$ 9,815,496 |
| \$ 4,940,661,111 | \$ 1,146,426,266 | \$ 457,216,929 |
| 2,812,063,266 | 690,572,796 | 447,991,249 |
| 2,128,597,845 | 455,853,470 | 9,225,680 |
| \$ 4,940,661,111 | \$ 1,146,426,266 | \$ 457,216,929 |
| \$ 3,361,467,198 | \$ 901,318,565 | \$ 238,260,429 |
| \$ 1,579,193,913 | \$ 245,107,701 | \$ 218,956,500 |
| 55,132,323 | 13,631,311 | 13,590,561 |
| 25,848,293 | 3,701,042 | 12,485,660 |
| \$ 60.97 | \$ 66.12 | \$ 17.53 |
| \$ 61.09 | \$ 66.23 | \$ 17.54 |

Statement of Operations

Six Months Ended June 30, 2021 (unaudited)

| | Parnassus Core Equity Fund | Parnassus Mid Cap Fund |
|---|----------------------------------|------------------------------|
| Investment income | | |
| Dividends - Unaffiliated | \$ 151,355,465 | \$ 32,275,103 |
| Dividends - Affiliated | - | 274,235 |
| Interest | 33,084 | 9,950 |
| Securities lending | 2,182 | 4,272 |
| Foreign withholding tax | - | - |
| Total investment income | \$ 151,390,731 | \$ 32,563,560 |
| Expenses | | |
| Investment advisory fees | 72,798,689 | 26,252,940 |
| Transfer agent fees | | |
| Investor shares | 113,170 | 40,766 |
| Institutional shares | 31,818 | 8,074 |
| Fund administration | 3,917,341 | 1,142,642 |
| Service provider fees | 13,168,818 | 2,986,080 |
| Reports to shareholders | 592,818 | 294,445 |
| Registration fees and expenses | 231,397 | 52,231 |
| Custody fees | 220,094 | 65,668 |
| Professional fees | 161,704 | 112,109 |
| Trustee fees and expenses | 172,745 | 51,837 |
| Proxy voting fees | 1,929 | 1,929 |
| Pricing service fees | 4,709 | 4,709 |
| Interest expenses | 163,338 | 62,524 |
| Other expenses | 108,711 | 32,434 |
| Total expenses | \$ 91,687,281 | \$ 31,108,388 |
| Fees waived by Parnassus Investments | - | (66,745) |
| Net expenses | \$ 91,687,281 | \$ 31,041,643 |
| Net investment gain (loss) | \$ 59,703,450 | \$ 1,521,917 |
| Realized and unrealized gain (loss) on investments | | |
| Net realized gain from securities transactions - Unaffiliated | 2,015,023,294 | 623,261,859 |
| Net change in unrealized appreciation (depreciation) of securities - Unaffiliated | 1,541,069,153 | 43,493,875 |
| Net change in unrealized appreciation of securities - Affiliated | - | 1,660,154 |
| Net realized and unrealized gain (loss) on securities | \$ 3,556,092,447 | \$ 668,415,888 |
| Net increase (decrease) in net assets resulting from operations | \$ 3,615,795,897 | \$ 669,937,805 |

| Parnassus Endeavor Fund | Parnassus Mid Cap Growth Fund | Parnassus Fixed Income Fund |
|-------------------------------|-------------------------------------|-----------------------------------|
| \$ 32,430,164 | \$ 1,545,391 | \$ 239,718 |
| - | - | - |
| 7,660 | 1,172 | 4,499,482 |
| 948 | 7,926 | 2,092 |
| (125,410) | (32,671) | - |
| \$ 32,313,362 | \$ 1,521,818 | \$ 4,741,292 |
| 13,427,393 | 3,351,787 | 990,294 |
| 65,232 | 98,117 | 32,892 |
| 8,442 | 7,451 | 4,514 |
| 619,854 | 167,499 | 64,582 |
| 2,699,848 | 561,891 | 226,986 |
| 144,233 | 40,222 | 21,879 |
| 45,587 | 21,741 | 37,297 |
| 30,893 | 11,665 | 5,329 |
| 49,572 | 20,594 | 11,280 |
| 24,522 | 8,275 | 2,967 |
| 1,929 | 1,929 | - |
| 4,709 | 4,709 | 6,044 |
| 28,212 | 27,791 | - |
| 17,849 | 6,911 | 4,301 |
| \$ 17,168,275 | \$ 4,330,582 | \$ 1,408,365 |
| (73,419) | - | (188,475) |
| \$ 17,094,856 | \$ 4,330,582 | \$ 1,219,890 |
| \$ 15,218,506 | \$ (2,808,764) | \$ 3,521,402 |
| 750,138,688 | 37,828,753 | 521,945 |
| 121,064,114 | 46,789,895 | (11,211,407) |
| - | - | - |
| \$ 871,202,802 | \$ 84,618,648 | \$ (10,689,462) |
| \$ 886,421,308 | \$ 81,809,884 | \$ (7,168,060) |

Statement of Changes in Net Assets June 30, 2021

| | Parnassus Core Equity Fund | | Parnassus Mid Cap Fund | |
|--|--|---------------------------------|--|---------------------------------|
| | Six Months Ended June 30, 2021 (unaudited) | Year Ended December 31, 2020 | Six Months Ended June 30, 2021 (unaudited) | Year Ended December 31, 2020 |
| Investment income from operations | | | | |
| Net investment income (loss) | \$ 59,703,450 | \$ 153,368,333 | \$ 1,521,917 | \$ 26,264,287 |
| Net realized gain (loss) from securities transactions | 2,015,023,294 | 741,098,075 | 623,261,859 | (199,386,087) |
| Net change in unrealized appreciation (depreciation) of securities | 1,541,069,153 | 3,092,210,354 | 45,154,029 | 1,168,374,443 |
| Increase (decrease) in net assets resulting from operations | \$ 3,615,795,897 | \$3,986,676,762 | \$669,937,805 | \$ 995,252,643 |
| Net Dividends and Distributions | | | | |
| Investor shares | (24,095,346) | (657,168,596) | - | (9,978,689) |
| Institutional shares | (36,152,986) | (636,504,722) | - | (21,299,664) |
| Distributions to shareholders | \$ (60,248,332) | \$ (1,293,673,318) | \$ - | \$ (31,278,353) |
| Capital share transactions | | | | |
| Investor shares | | | | |
| Proceeds from sale of shares | 1,751,346,335 | 2,307,443,671 | 411,892,309 | 819,746,243 |
| Reinvestment of dividends | 23,898,201 | 652,240,377 | - | 9,718,366 |
| Shares repurchased | (1,241,766,274) | (2,392,707,299) | (398,715,975) | (803,919,387) |
| Institutional shares | | | | |
| Proceeds from sale of shares | 2,436,899,758 | 3,610,349,208 | 914,464,996 | 1,727,799,826 |
| Reinvestment of dividends | 33,542,800 | 597,355,677 | - | 18,571,623 |
| Shares repurchased | (1,274,678,530) | (2,900,050,130) | (573,085,249) | (850,082,218) |
| Increase (decrease) in net assets from capital share transactions | 1,729,242,290 | 1,874,631,504 | 354,556,080 | 921,834,453 |
| Increase (decrease) in net assets | \$ 5,284,789,855 | \$ 4,567,634,948 | \$ 1,024,493,886 | \$ 1,885,808,743 |
| Net Assets | | | | |
| Beginning of year | 23,227,318,905 | 18,659,683,957 | 6,960,621,299 | 5,074,812,556 |
| End of period | \$ 28,512,108,760 | \$ 23,227,318,905 | \$ 7,985,115,185 | \$ 6,960,621,299 |
| Shares issued and redeemed | | | | |
| Investor shares | | | | |
| Shares sold | 30,537,405 | 48,613,352 | 9,735,660 | 24,537,048 |
| Shares issued through dividend reinvestment | 399,451 | 12,829,100 | - | 246,511 |
| Shares repurchased | (21,593,925) | (52,109,756) | (9,414,717) | (24,210,026) |
| Institutional shares | | | | |
| Shares sold | 42,113,365 | 78,089,002 | 21,595,934 | 52,321,550 |
| Shares issued through dividend reinvestment | 560,160 | 11,748,549 | - | 466,919 |
| Shares repurchased | (22,200,766) | (63,102,761) | (13,444,957) | (25,232,259) |
| Net increase (decrease) in shares outstanding | | | | |
| Investor shares | 9,342,931 | 9,332,696 | 320,943 | 573,533 |
| Institutional shares | 20,472,759 | 26,734,790 | 8,150,977 | 27,556,210 |

| Parnassus Endeavor Fund | | Parnassus Mid Cap Growth Fund | | Parnassus Fixed Income Fund | |
|--|---------------------------------|--|---------------------------------|--|---------------------------------|
| Six Months Ended June 30, 2021 (unaudited) | Year Ended December 31, 2020 | Six Months Ended June 30, 2021 (unaudited) | Year Ended December 31, 2020 | Six Months Ended June 30, 2021 (unaudited) | Year Ended December 31, 2020 |
| \$ 15,218,506 | \$ 24,731,885 | \$ (2,808,764) | \$ (226,167) | \$ 3,521,402 | \$ 5,294,233 |
| 750,138,688 | 93,711,988 | 37,828,753 | 74,350,625 | 521,945 | 6,338,213 |
| 121,064,114 | 498,769,012 | 46,789,895 | 168,664,778 | (11,211,407) | 9,421,330 |
| \$ 886,421,308 | \$ 617,212,885 | \$ 81,809,884 | \$ 242,789,236 | \$ (7,168,060) | \$ 21,053,776 |
| - | (15,706,961) | - | (43,080,181) | (1,853,738) | (4,413,996) |
| - | (8,893,207) | - | (10,794,133) | (1,648,859) | (2,890,281) |
| \$ - | \$ (24,600,168) | \$ - | \$ (53,874,314) | \$ (3,502,597) | \$ (7,304,277) |
| 838,982,156 | 223,361,798 | 32,826,664 | 59,050,831 | 52,934,449 | 111,108,953 |
| - | 15,392,042 | - | 42,082,213 | 1,819,992 | 4,338,710 |
| (320,930,743) | (1,125,707,788) | (56,451,595) | (197,185,648) | (43,485,700) | (51,490,750) |
| 461,414,507 | 253,792,475 | 24,752,539 | 35,584,872 | 87,859,269 | 112,578,748 |
| - | 7,296,726 | - | 9,962,328 | 1,551,862 | 2,730,820 |
| (189,159,519) | (544,800,948) | (15,593,429) | (45,501,407) | (29,959,062) | (25,930,119) |
| 790,306,401 | (1,170,665,695) | (14,465,821) | (96,006,811) | 70,720,810 | 153,336,362 |
| \$ 1,676,727,709 | \$ (578,052,978) | \$ 67,344,063 | \$ 92,908,111 | \$ 60,050,153 | \$ 167,085,861 |
| 3,263,933,402 | 3,841,986,380 | 1,079,082,203 | 986,174,092 | 397,166,776 | 230,080,915 |
| \$ 4,940,661,111 | \$ 3,263,933,402 | \$ 1,146,426,266 | \$ 1,079,082,203 | \$ 457,216,929 | \$ 397,166,776 |
| 14,539,200 | 6,112,805 | 522,734 | 1,180,877 | 3,020,757 | 6,207,894 |
| - | 319,868 | - | 742,640 | 104,558 | 241,863 |
| (5,739,990) | (31,799,987) | (891,409) | (3,849,766) | (2,497,144) | (2,881,906) |
| 8,068,792 | 7,275,798 | 386,815 | 686,991 | 5,031,854 | 6,284,885 |
| - | 151,479 | - | 175,681 | 89,129 | 152,065 |
| (3,427,449) | (15,132,100) | (246,693) | (919,258) | (1,721,211) | (1,453,499) |
| 8,799,210 | (25,367,314) | (368,675) | (1,926,249) | 628,171 | 3,567,851 |
| 4,641,343 | (7,704,823) | 140,122 | (56,586) | 3,399,772 | 4,983,451 |

Notes to Financial Statements

1. Organization

The Parnassus Funds are comprised of two Trusts, the Parnassus Funds trust and the Parnassus Income Funds trust (collectively the "Trusts"), organized as Massachusetts Business Trusts registered under the Investment Company Act of 1940 as diversified, open-end investment management companies, and are comprised of five separate funds (collectively the "Funds"). The Parnassus Funds trust includes the Parnassus Mid Cap Growth Fund, which commenced operations on December 27, 1984, the Parnassus Endeavor Fund and the Parnassus Mid Cap Fund, both of which commenced operations on April 29, 2005. The Parnassus Income Funds trust includes the Parnassus Core Equity Fund and the Parnassus Fixed Income Fund, both of which commenced operations on August 31, 1992. Each Fund has distinct investment objectives. In general, each of the Funds seeks long-term capital appreciation. Prior to May 1, 2014, the Parnassus Core Equity Fund was known as the Parnassus Equity Income Fund, and the Parnassus Endeavor Fund was known as the Parnassus Workplace Fund and effective May 1, 2020, the name of the Parnassus Fund changed to the Parnassus Mid Cap Growth Fund.

2. Significant Accounting Policies

The Funds are investment companies that apply the accounting and reporting guidance issued in Topic 946 by the U.S. Financial Accounting Standards Board. The presentation of the financial statements is made using specialized accounting principles applicable to investment companies.

Short-Term Securities

Short-term securities represent investments of excess cash and consist of time deposits, community development loans, certificates of deposit and money market funds.

Security Transactions and Related Investment Income and Expenses

Securities transactions are recorded on the date the securities are purchased or sold (trade date). Realized gains and losses on securities transactions are determined on the basis of first-in, first-out for both financial statement and federal income tax purposes. Dividend income is recognized on the ex-dividend date and interest income is recognized on an accrual basis. Discounts and premiums on securities purchased are amortized over the lives of the

respective securities using the constant yield method, which approximates the interest method. Expenses are recorded on an accrual basis.

Class Allocations

Income, fees and expenses (other than class-specific fees and expenses) and realized and unrealized gains and losses are allocated daily among the various shares classes based on their relative net assets. Class-specific fees and expenses, such as broker service fees, administrative and shareholder services, are charged directly to the respective share class.

Dividends and Distributions to Shareholders

Dividends and distributions to shareholders are recorded on the ex-dividend date to shareholders of record on the record date. The Parnassus Core Equity Fund pays income dividends quarterly and capital-gain dividends annually. The Parnassus Fixed Income Fund pays income dividends monthly and capital-gain dividends annually. The other Funds pay income and capital-gain dividends annually.

3. Securities Valuations

Methods and Inputs

Equity securities that are listed or traded on a national securities exchange are stated at market value, based on recorded closing sales on the exchange or on the NASDAQ's National Market official closing price. In the absence of a recorded sale, and for over-the-counter securities, equity securities are stated at the mean between the last recorded bid and asked prices. Long-term, fixed-income securities are valued each business day using prices based on procedures established by independent pricing services and approved by the Board of Trustees (the "Trustees"). Fixed-income securities with an active market are valued at the "bid" price where such quotes are readily available from brokers and dealers and are representative of the actual market for such securities. Other fixed-income securities experiencing a less active market are valued as determined by the pricing services based on methods which include consideration of trading in securities of comparable yield, quality, coupon, maturity and type, as well as indications as to values from dealers and other market data without exclusive reliance upon quoted prices or over-the-counter prices, since such valuations are believed to reflect more accurately the value of such securities. Mortgage-backed and asset-backed securities are valued as determined by the pricing services based on methods

Notes to Financial Statements (continued)

which include standard inputs and cashflows, prepayment information, default rates, delinquency and loss assumptions, collateral characteristics, credit enhancements and specific deal information. Investments in registered investment companies are valued at their net asset value.

Investments where market quotations are not readily available are priced at their fair value, in accordance with procedures established by the Trustees. These investments include certificates of deposit and community development loans. These investments carry interest rates ranging from 0.05% to 1.00% with maturities of one year or less. In determining fair value, the Trustees may consider a variety of information including, but not limited to, the following: price based upon a multiple of earnings or sales, fundamental analytical data and an evaluation of market conditions. A valuation adjustment is applied to certificates of deposit, community development loans and other community development investments as an estimate of potential penalties for early withdrawal.

The Funds follow Accounting Standards Codification ("ASC") 820, Fair Value Measurements and Disclosure, which defines fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurements. Various inputs are used in determining the value of the Funds' portfolio investments. These inputs are summarized in three levels, Level 1 - unadjusted quoted prices in active markets for identical investments, Level 2 - other significant observable inputs (including quoted prices for similar investments) and Level 3 - significant unobservable inputs (including the Fund's own assumptions in determining the fair value of investments).

Securities Lending

The Parnassus Funds have entered into an agreement with Brown Brothers Harriman & Co., dated July 29, 2009 ("Agreement"), to provide securities lending services to the Funds. Under this program, the proceeds (cash collateral) received from borrowers are used to invest in money market funds.

Under the Agreement, the borrowers pay the Funds negotiated lenders' fees and the Funds receive cash collateral in an amount equal to 102% of the market value of loaned securities. The borrower of securities is at all times required to post cash collateral to the portfolio in an amount equal to 100% of the market

value of the securities loaned based on the previous day's market value of the securities loaned, marked-to-market daily. Any collateral shortfalls are adjusted the next business day. If the borrower defaults on its obligations to return the securities loaned because of insolvency or other reasons, the portfolio could experience delays and costs in recovering the securities loaned.

The agreement provides the right in the event of default for the non-defaulting party to liquidate the collateral and calculate a net exposure to the defaulting party or request additional collateral. In the event that a borrower defaults, the Funds, as lender, would offset the market value of the collateral received against the market value of the securities loaned. When the value of the collateral is greater than that of the market value of the securities loaned, the lender is left with a net amount payable to the defaulting party. However, bankruptcy or insolvency laws of a particular jurisdiction may impose restrictions on or prohibitions against such a right of offset in the event of a counterparty's bankruptcy or insolvency. Under the agreement, the borrower can resell or re-pledge the loaned securities, and the Funds can reinvest cash collateral, or, upon an event of default, resell or re-pledge the collateral.

The Funds retained beneficial ownership and all economic benefits in the securities they have loaned and continues to receive interest paid by the securities and payments equivalent to dividends, and to participate in any changes in their market value, but does not have the proxy voting rights with respect to loaned securities. Each portfolio manager of the Funds has the responsibility to request that the securities lending agent call back securities which are out on loan to vote on material matters and it is the Funds' policy that the portfolio managers vote on all material matters. However, the ability to timely recall shares for proxy voting purposes typically is not entirely within the control of the portfolio manager, the Funds or their securities lending agent. Under certain circumstances, the recall of shares in time for such shares to be voted may not be possible due to applicable proxy voting record dates and administrative considerations.

Income generated from securities lending is presented in the Statement of Operations. Cash collateral received by the Funds is reflected as an asset in the Portfolio of Investments (securities purchased with cash collateral from securities lending). The related liability

Notes to Financial Statements (continued)

(payable upon return of securities loaned) is presented in the Statement of Assets and Liabilities.

At June 30, 2021, the following tables are a summary of the Funds' securities lending agreements by counterparty, which are subject to offset under the agreement:

Parnassus Core Equity Fund

| Counterparty | Securities Loaned at Value | Cash Collateral Received ¹ | Net Amount |
|-------------------------------|----------------------------|---------------------------------------|------------|
| Citigroup Global Markets Inc. | 4,036,155 | (4,036,155) | - |
| Citigroup Global Markets Inc. | 14,232,961 | (14,232,961) | - |
| Citigroup Global Markets Inc. | 5,420,486 | (5,420,486) | - |
| Citigroup Global Markets Inc. | 1,771,973 | (1,771,973) | - |
| Citigroup Global Markets Inc. | 3,434,508 | (3,434,508) | - |
| Citigroup Global Markets Inc. | 3,434,508 | (3,434,508) | - |
| Citigroup Global Markets Inc. | 3,434,508 | (3,434,508) | - |
| Total | 35,765,099 | (35,765,099) | - |

Parnassus Mid Cap Fund

| Counterparty | Securities Loaned at Value | Cash Collateral Received ¹ | Net Amount |
|------------------------------|----------------------------|---------------------------------------|------------|
| BMO Capital Markets Corp. | 143,520 | (143,520) | - |
| BMO Capital Markets Corp. | 279,288 | (279,288) | - |
| Citigroup Global Markets Inc | 630,984 | (630,984) | - |
| Citigroup Global Markets Inc | 721,726 | (721,726) | - |
| Citigroup Global Markets Inc | 721,726 | (721,726) | - |
| Citigroup Global Markets Inc | 1,017,184 | (1,017,184) | - |
| Citigroup Global Markets Inc | 1,402,172 | (1,402,172) | - |
| Citigroup Global Markets Inc | 1,402,172 | (1,402,172) | - |
| Citigroup Global Markets Inc | 1,358,512 | (1,358,512) | - |
| Citigroup Global Markets Inc | 1,603,446 | (1,603,446) | - |
| Citigroup Global Markets Inc | 426,748 | (426,748) | - |
| Citigroup Global Markets Inc | 426,748 | (426,748) | - |
| Citigroup Global Markets Inc | 1,432,654 | (1,432,654) | - |
| Citigroup Global Markets Inc | 1,432,654 | (1,432,654) | - |
| Citigroup Global Markets Inc | 1,432,654 | (1,432,654) | - |
| Citigroup Global Markets Inc | 287,040 | (287,040) | - |
| Citigroup Global Markets Inc | 287,040 | (287,040) | - |
| Citigroup Global Markets Inc | 287,040 | (287,040) | - |
| Citigroup Global Markets Inc | 1,419,707 | (1,419,707) | - |
| Citigroup Global Markets Inc | 1,603,446 | (1,603,446) | - |
| Citigroup Global Markets Inc | 287,040 | (287,040) | - |
| Citigroup Global Markets Inc | 630,864 | (630,864) | - |
| Citigroup Global Markets Inc | 735,540 | (735,540) | - |
| J.P. Morgan Securities LLC | 291,078 | (291,078) | - |
| J.P. Morgan Securities LLC | 178,038 | (178,038) | - |

Notes to Financial Statements (continued)

Parnassus Mid Cap Fund (continued)

| Counterparty | Securities Loaned at Value | Cash Collateral Received ¹ | Net Amount |
|---------------------------------|----------------------------|---------------------------------------|------------|
| J.P. Morgan Securities LLC | 52,281 | (52,281) | - |
| National Financial Services LLC | 41,376 | (41,376) | - |
| National Financial Services LLC | 94,540 | (94,540) | - |
| National Financial Services LLC | 94,540 | (94,540) | - |
| National Financial Services LLC | 66,208 | (66,208) | - |
| National Financial Services LLC | 94,540 | (94,540) | - |
| National Financial Services LLC | 318,730 | (318,730) | - |
| National Financial Services LLC | 82,760 | (82,760) | - |
| National Financial Services LLC | 324,112 | (324,112) | - |
| National Financial Services LLC | 351,696 | (351,696) | - |
| National Financial Services LLC | 386,176 | (386,176) | - |
| National Financial Services LLC | 49,455 | (49,455) | - |
| National Financial Services LLC | 182,744 | (182,744) | - |
| National Financial Services LLC | 730,976 | (730,976) | - |
| National Financial Services LLC | 279,288 | (279,288) | - |
| National Financial Services LLC | 191,238 | (191,238) | - |
| National Financial Services LLC | 48,272 | (48,272) | - |
| National Financial Services LLC | 1,530,279 | (1,530,279) | - |
| National Financial Services LLC | 220,672 | (220,672) | - |
| National Financial Services LLC | 318,730 | (318,730) | - |
| National Financial Services LLC | 191,238 | (191,238) | - |
| National Financial Services LLC | 165,504 | (165,504) | - |
| National Financial Services LLC | 187,929 | (187,929) | - |
| National Financial Services LLC | 575,816 | (575,816) | - |
| National Financial Services LLC | 87,606 | (87,606) | - |
| National Financial Services LLC | 68,960 | (68,960) | - |
| National Financial Services LLC | 399,968 | (399,968) | - |
| National Financial Services LLC | 2,648,320 | (2,648,320) | - |
| National Financial Services LLC | 281,384 | (281,384) | - |
| National Financial Services LLC | 148,968 | (148,968) | - |
| National Financial Services LLC | 57,933 | (57,933) | - |
| National Financial Services LLC | 159,365 | (159,365) | - |
| National Financial Services LLC | 382,476 | (382,476) | - |
| National Financial Services LLC | 79,304 | (79,304) | - |
| National Financial Services LLC | 11,238,809 | (11,238,809) | - |
| Scotia Capital (USA) Inc | 98,910 | (98,910) | - |
| Scotia Capital (USA) Inc | 230,319 | (230,319) | - |
| Scotia Capital (USA) Inc | 70,650 | (70,650) | - |
| Scotia Capital (USA) Inc | 89,019 | (89,019) | - |
| Total | 43,060,112 | (43,060,112) | - |

Notes to Financial Statements (continued)

Parnassus Endeavor Fund

| Counterparty | Securities Loaned at Value | Cash Collateral Received ¹ | Net Amount |
|---------------------------------|----------------------------|---------------------------------------|------------|
| Citigroup Global Markets Inc. | 2,194,926 | (2,194,926) | - |
| Citigroup Global Markets Inc. | 5,696,920 | (5,696,920) | - |
| Citigroup Global Markets Inc. | 2,028,194 | (2,028,194) | - |
| Citigroup Global Markets Inc. | 2,063,384 | (2,063,384) | - |
| Citigroup Global Markets Inc. | 1,051,659 | (1,051,659) | - |
| National Financial Services LLC | 104,256 | (104,256) | - |
| Total | 13,139,339 | (13,139,339) | - |

Parnassus Mid Cap Growth Fund

| Counterparty | Securities Loaned at Value | Cash Collateral Received ¹ | Net Amount |
|---------------------------------|----------------------------|---------------------------------------|------------|
| Barclays Capital Inc. | 64,372 | (64,372) | - |
| BMO Capital Markets | 158,590 | (158,590) | - |
| BofA Securities Inc. | 592,980 | (592,980) | - |
| J.P. Morgan Securities LLC | 2,634,933 | (2,634,933) | - |
| J.P. Morgan Securities LLC | 5,634,090 | (5,634,090) | - |
| J.P. Morgan Securities LLC | 927,633 | (927,633) | - |
| Morgan Stanley & Co. LLC | 591,864 | (591,864) | - |
| Morgan Stanley & Co. LLC | 1,582,098 | (1,582,098) | - |
| National Financial Services LLC | 358,239 | (358,239) | - |
| National Financial Services LLC | 358,239 | (358,239) | - |
| Total | 12,903,038 | (12,903,038) | - |

Parnassus Fixed Income Fund

| Counterparty | Securities Loaned at Value | Cash Collateral Received ¹ | Net Amount |
|-----------------------|----------------------------|---------------------------------------|------------|
| Barclays Capital Inc. | 25,420 | (25,420) | - |
| Total | 25,420 | (25,420) | - |

¹ Collateral value of \$36,488,732, \$43,943,638, \$13,405,263, \$13,195,180 and \$26,000 has been received in connection with securities lending agreements for Parnassus Core Equity Fund, Parnassus Mid Cap Fund, Parnassus Endeavor Fund, Parnassus Mid Cap Growth Fund and Parnassus Fixed Income Fund, respectively. Collateral received in excess of the value of the securities loaned from the individual counterparty is shown for financial reporting purposes in the Funds' financial statements.

As of June 30, 2021, the contractual maturity date is overnight and continuous for the gross obligation of the equity securities on loan in the Parnassus Core Equity Fund, Parnassus Mid Cap Fund, Parnassus Endeavor Fund, Parnassus Mid Cap Growth Fund in the amounts of \$36,488,732, \$43,943,638, \$13,405,263, \$13,195,180, respectively, and preferred stock securities on loan in the Parnassus Fixed Income Fund of \$26,000.

Community Development Investment Programs

The Parnassus Funds may each invest up to 2% of their assets in community investments and community-development loan funds. Each of the Funds may invest in obligations issued by community loan funds at below-market interest rates if the projects financed have a positive social impact. Generally, there is no secondary market on loan funds and thus these are considered illiquid.

Notes to Financial Statements (continued)

As part of our community development investment program, the Parnassus Core Equity Fund, Parnassus Endeavor Fund and Parnassus Mid Cap Growth Fund has entered into an agreement for fund investments through the Certificate of Deposit Account Registry Service (“CDARS”) network. The CDARS network allows members to place funds in time deposits with depository institutions whose accounts are insured by the Federal Deposit Insurance Corporation (“FDIC”). Provisions stipulate that participating institutions are FDIC insured; however, in the event of default or bankruptcy by any party to the agreement, the proceeds of the investment may be delayed or subject to legal proceedings and are subject to FDIC limits. While certain investments of the Funds may be bank deposits and may be covered by FDIC insurance, the Funds are themselves not covered by FDIC insurance.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Subsequent Events

On July 6, 2021, the Advisor announced that it had entered into a definitive agreement to sell a majority equity interest in Parnassus Investments to Affiliated Managers Group, Inc. (“AMG”). Because completion of the transaction with AMG would cause the investment advisory agreements between the Parnassus Funds and the Advisor to terminate automatically, in accordance with the Investment Company Act of 1940, the Parnassus Funds have filed a definitive proxy statement to solicit shareholder approval of new investment advisory agreements to become effective upon completion of the transaction between the Advisor and AMG.

4. Risk Factors

Investing in the Parnassus Funds may involve certain risks including, but not limited to the following:

Market Conditions

The prices of, and the income generated by, the common stocks and other securities held by the Funds may decline in response to certain events taking place around the world, including those directly involving the

companies whose securities are owned by the Funds; conditions affecting the general economy; overall market changes; local, regional or global political, social or economic instability; and currency, interest rate and commodity price fluctuations. Additionally, the values of, and the income generated by, most debt securities held by the Funds may be affected by changing interest rates and by changes in the effective maturities and credit ratings of these debt securities. The Funds’ investment adviser attempts to reduce these risks through diversification of the portfolio and ongoing credit analysis as well as by monitoring economic and legislative developments, but there can be no assurance that it will be successful at doing so. Investments in securities issued by entities based outside the U.S. may also be affected by currency controls; different accounting, auditing, financial reporting, and legal standards and practices; expropriation; changes in tax policy; greater market volatility; different securities market structures and higher transaction costs.

Investing Outside the U.S.

Securities of issuers domiciled outside the U.S., or with significant operations outside the U.S., may lose value because of political, social, economic or market developments or instability in the countries or regions in which the issuer operates. These securities may also lose value due to changes in foreign currency exchange rates against the U.S. dollar and/or currencies of other countries. Securities markets in certain countries may be more volatile and/or less liquid than those in the U.S. Investment outside the U.S. may also be subject to different settlement and accounting practices and different regulatory, legal and reporting standards, and may be more difficult to value, than those in the U.S. The risks of investing outside the U.S. may be heightened in connection with investments in emerging and developing countries.

Contractual Obligations

Under the Trusts’ organizational documents, its officers and Trustees may be indemnified against certain liabilities and expenses arising out of the performance of their duties to the Trusts. Additionally, the Trusts have a variety of indemnification obligations under contracts with its service providers. The Trusts’ maximum exposure under these arrangements is unknown, as this would involve future claims that may be made against the Trusts that have not yet occurred.

Notes to Financial Statements (continued)

5. Taxation and Distributions

Federal Income Taxes

The Trusts intend to comply with the requirements of the Internal Revenue Code applicable to regulated investment companies and to distribute all taxable income to shareholders. Therefore, no federal income tax provision is required. Income distributions and capital-gain distributions are determined in accordance with income tax regulations, which may differ from U.S. Generally Accepted Accounting Principles ("GAAP").

The Funds follow ASC 740, Income Taxes, relating to uncertainty in income taxes and disclosures. ASC 740 establishes a minimum threshold for income tax benefits to be recognized in the financial statements. These tax benefits must meet a "more likely than not" threshold, which means that based on technical merits, they have a more than 50% likelihood of being

sustained upon examination by the tax authority. Tax benefits meeting this threshold are measured as the largest amount of tax benefit that is greater than 50% likely of being realized upon ultimate settlement with the tax authority. As of and during the year ended December 31, 2020, the Funds did not have a liability for any unrecognized tax benefits. The Funds recognize interest and penalties, if any, related to unrecognized tax benefits as income tax expense in the Statement of Operations. During the year, the Funds did not incur interest or penalties. The Funds are not generally subject to examination by U.S. federal taxing authorities before 2018 or state taxing authorities before 2017.

Tax Matters and Distributions

At June 30, 2021, the cost of investments in securities and net unrealized appreciation/depreciation for income tax purposes were as follows:

| | Parnassus Core Equity Fund | Parnassus Mid Cap Fund | Parnassus Endeavor Fund | Parnassus Mid Cap Growth Fund | Parnassus Fixed Income Fund |
|-------------------------------|----------------------------|------------------------|-------------------------|-------------------------------|-----------------------------|
| Cost of investment | \$18,387,675,119 | \$5,808,527,376 | \$3,474,802,043 | \$728,312,161 | \$432,080,609 |
| Gross unrealized appreciation | \$ 9,652,997,558 | \$2,015,805,535 | \$1,344,822,439 | \$410,513,160 | \$ 11,166,332 |
| Gross unrealized depreciation | \$ (131,936,804) | \$ (72,177,147) | \$ (7,583,644) | \$(12,185,555) | \$ (4,373,842) |
| Net unrealized appreciation | \$ 9,521,060,754 | \$1,943,628,388 | \$1,337,238,795 | \$398,327,605 | \$ 6,792,490 |

Net realized gains differ for financial statement and income tax purposes primarily due to differing treatments of wash sales. Reclassifications as shown in the following table have been made in each Fund's capital accounts to report these balances on a tax basis, excluding certain temporary differences, as of December 31, 2020. Additional permanent book to tax

adjustments may be required in subsequent reporting periods. These reclassifications, which have no impact on the net asset value of the Funds, are primarily attributable to the reclassification of dividend income, utilization of equalization and certain differences in the computation of distributable income and capital gains under Federal tax rules versus GAAP.

Notes to Financial Statements (continued)

6. Fair Value Measurements

The following table summarizes the portfolios' financial assets as of June 30, 2021, that is valued at fair value on a recurring basis:

| Parnassus Core Equity Fund | | | | |
|-----------------------------------|-------------------------|----------------|--------------------|-------------------------|
| Investment Securities | Level 1 | Level 2 | Level 3 | Total |
| Equities: | | | | |
| Communication Services | \$ 3,375,439,300 | \$ - | \$ - | \$ 3,375,439,300 |
| Consumer Discretionary | 1,677,622,282 | - | - | 1,677,622,282 |
| Consumer Staples | 2,230,091,476 | - | - | 2,230,091,476 |
| Financials | 2,934,158,042 | - | - | 2,934,158,042 |
| Health Care | 3,077,206,772 | - | - | 3,077,206,772 |
| Industrials | 4,184,120,731 | - | - | 4,184,120,731 |
| Information Technology | 7,965,447,045 | - | - | 7,965,447,045 |
| Materials | 845,083,532 | - | - | 845,083,532 |
| Real Estate | 1,619,566,693 | - | - | 1,619,566,693 |
| Short-Term Investments | 635,357,546 | - | 6,227,586 | 641,585,132 |
| Total | \$28,544,093,419 | \$ - | \$6,227,586 | \$28,550,321,005 |
| Parnassus Mid Cap Fund | | | | |
| Investment Securities | Level 1 | Level 2 | Level 3 | Total |
| Equities: | | | | |
| Communication Services | \$ 273,269,025 | \$ - | \$ - | \$ 273,269,025 |
| Consumer Discretionary | 855,648,822 | - | - | 855,648,822 |
| Consumer Staples | 417,465,905 | - | - | 417,465,905 |
| Financials | 738,662,441 | - | - | 738,662,441 |
| Health Care | 1,246,773,318 | - | - | 1,246,773,318 |
| Industrials | 1,368,140,672 | - | - | 1,368,140,672 |
| Information Technology | 1,750,535,842 | - | - | 1,750,535,842 |
| Materials | 206,039,663 | - | - | 206,039,663 |
| Real Estate | 677,353,158 | - | - | 677,353,158 |
| Utilities | 218,266,918 | - | - | 218,266,918 |
| Short-Term Investments | 290,564,970 | - | 1,642,625 | 292,207,595 |
| Total | \$ 8,042,720,734 | \$ - | \$1,642,625 | \$ 8,044,363,359 |
| Parnassus Endeavor Fund | | | | |
| Investment Securities | Level 1 | Level 2 | Level 3 | Total |
| Equities: | | | | |
| Communication Services | \$ 396,167,332 | \$ - | \$ - | \$ 396,167,332 |
| Consumer Discretionary | 361,177,260 | - | - | 361,177,260 |
| Financials | 1,069,527,908 | - | - | 1,069,527,908 |
| Health Care | 1,128,238,678 | - | - | 1,128,238,678 |
| Industrials | 369,744,555 | - | - | 369,744,555 |
| Information Technology | 1,367,950,524 | - | - | 1,367,950,524 |
| Real Estate | 119,234,581 | - | - | 119,234,581 |
| Short-Term Investments | 167,577,190 | - | 1,410,075 | 168,987,265 |
| Total | \$ 4,979,618,028 | \$ - | \$1,410,075 | \$ 4,981,028,103 |

Notes to Financial Statements (continued)

Parnassus Mid Cap Growth Fund

| Investment Securities | Level 1 | Level 2 | Level 3 | Total |
|------------------------|------------------------|-------------|--------------------|------------------------|
| Equities: | | | | |
| Communication Services | \$ 66,034,832 | \$ - | \$ - | \$ 66,034,832 |
| Consumer Discretionary | 152,224,291 | - | - | 152,224,291 |
| Consumer Staples | 16,649,694 | - | - | 16,649,694 |
| Financials | 104,552,309 | - | - | 104,552,309 |
| Health Care | 235,889,092 | - | - | 235,889,092 |
| Industrials | 168,085,075 | - | - | 168,085,075 |
| Information Technology | 383,204,474 | - | - | 383,204,474 |
| Short-Term Investments | 32,758,711 | - | 1,312,490 | 34,071,201 |
| Total | \$1,159,398,478 | \$ - | \$1,312,490 | \$1,160,710,968 |

Parnassus Fixed Income Fund

| Investment Securities | Level 1 | Level 2 | Level 3 | Total |
|--------------------------------|-----------------------|-------------|-------------------|-----------------------|
| Preferred Stocks | \$ 12,526,436 | \$ - | \$ - | \$ 12,526,436 |
| Corporate Bonds | 269,914,277 | - | - | 269,914,277 |
| Convertible Bonds | 1,341,600 | - | - | 1,341,600 |
| Supranational Bonds | 19,793,278 | - | - | 19,793,278 |
| U.S. Government Treasury Bonds | 135,297,508 | - | - | 135,297,508 |
| Short-Term Investments | 24,080,410 | - | 494,194 | 24,574,604 |
| Total | \$ 462,953,509 | \$ - | \$ 494,194 | \$ 463,447,703 |

The following table reconciles the valuation of the Funds' Level 3 investment securities and related transactions as of June 30, 2021:

| | Parnassus Core Equity Fund | Parnassus Mid Cap Fund | Parnassus Endeavor Fund | Parnassus Mid Cap Growth Fund | Parnassus Fixed Income Fund |
|---------------------------------|-----------------------------|-----------------------------|-----------------------------|-------------------------------|-----------------------------|
| | Certificates of Deposit | Certificates of Deposit | Certificates of Deposit | Certificates of Deposit | Certificates of Deposit |
| | Community Development Loans | Community Development Loans | Community Development Loans | Certificates of Deposit | Certificates of Deposit |
| Balance as of December 31, 2020 | \$ 3,347,818 | \$ 742,330 | \$ 1,087,156 | \$ 1,137,122 | \$484,227 |
| Discounts/premiums amortization | (124,747) | (49,705) | (28,210) | (25,761) | 9,967 |
| Purchases | 5,904,515 | 1,700,000 | 1,201,129 | 1,251,129 | - |
| Sales | (2,900,000) | (750,000) | (850,000) | (1,050,000) | - |
| Balance as of June 30, 2021 | \$ 6,227,586 | \$ 1,642,625 | \$ 1,410,075 | \$ 1,312,490 | \$494,194 |

Notes to Financial Statements (continued)

Quantitative information about Level 3 fair value measurement:

| | Fair Value at June 30, 2021 | Valuation Technique | Unobservable Input | Range (Weighted Average) |
|--------------------------------------|--------------------------------|------------------------|--|-----------------------------|
| Parnassus Core Equity Fund | | | | |
| Certificates of Deposit | \$3,912,752 | Liquidity Discount | Discount for Lack of Marketability | 4% |
| Community Development Loans | \$2,314,834 | Liquidity Discount | Discount for Lack of Marketability and Probability of Default | 6% |
| Parnassus Mid Cap Fund | | | | |
| Certificates of Deposit | \$ 972,740 | Liquidity Discount | Discount for Lack of Marketability | 4% |
| Community Development Loans | \$ 669,885 | Liquidity Discount | Discount for Lack of Marketability and Probability of Default | 6% |
| Parnassus Endeavor Fund | | | | |
| Certificates of Deposit | \$1,217,624 | Liquidity Discount | Discount for Lack of Marketability | 4% |
| Community Development Loans | \$ 192,451 | Liquidity Discount | Discount for Lack of Marketability and Probability of Default | 6% |
| Parnassus Mid Cap Growth Fund | | | | |
| Certificates of Deposit | \$ 927,234 | Liquidity Discount | Discount for Lack of Marketability | 4% |
| Community Development Loans | \$ 385,256 | Liquidity Discount | Discount for Lack of Marketability and Probability of Default | 6% |
| Parnassus Fixed Income Fund | | | | |
| Certificates of Deposit | \$ 494,194 | Liquidity Discount | Discount for Lack of Marketability | 4% |

The significant unobservable inputs used in fair value measurement of the Fund's Certificates of Deposits are a discount for lack of marketability. The significant unobservable inputs used in the fair value measurement of the Fund's Community Development Loans are a discount for lack of marketability and a discount for the probability of default. Significant increases in any of these inputs in isolation would result in a lower fair value measurement. Generally, a change in the assumption used for probability of default should be accompanied by a directionally-similar change in the assumption used for the lack of marketability.

In accordance with procedures established by the Funds' Trustees, all fair value securities as submitted by

the Funds' treasurer, are reviewed and approved by the Trustees. The Funds' valuation committee is comprised of Independent Trustees who also comprise the Funds' audit committee. The committee reviews the methodologies used by the Funds when securities have been identified as being fair valued and include the percentages used when determining liquidity discounts or discounts to be taken for lack of marketability. The Trustees review the changes in fair value measurement and methods used to substantiate the unobservable inputs on a quarterly basis.

7. Capital Stock

Capital stock consists of an unlimited number of authorized shares of capital stock with no par value.

Notes to Financial Statements (continued)

8. Purchases and Sales of Securities

Purchases and proceeds from sales of securities, excluding short-term securities, for the six-month period ended June 30, 2021 were as follows:

| Fund | Affiliated Purchases | Unaffiliated Purchases | Affiliated Sales | Unaffiliated Sales |
|-------------------------------|----------------------|------------------------|------------------|--------------------|
| Parnassus Core Equity Fund | \$ - | \$8,214,924,136 | \$ - | \$5,996,103,202 |
| Parnassus Mid Cap Fund | 220,466,756 | 2,655,302,431 | - | 2,323,524,407 |
| Parnassus Endeavor Fund | - | 2,409,785,607 | - | 1,990,541,704 |
| Parnassus Mid Cap Growth Fund | - | 277,009,798 | - | 396,254,229 |
| Parnassus Fixed Income Fund | - | 297,532,454 | - | 135,305,330 |

The above includes purchases and sales of U.S. Government securities in the amount of \$28,672,931 and \$29,578,086, respectively, within the Parnassus Fixed Income Fund.

9. Investment Advisory Agreement and Transactions with Affiliates

Under terms of an agreement which provides for furnishing investment management and advice to the Funds, Parnassus Investments is entitled to receive fees payable monthly, based on each Fund's average daily net assets for the month, at the following annual rates:

Parnassus Mid Cap Fund: 0.85% of the first \$100,000,000, 0.80% of the next \$100,000,000, 0.75% of the next \$300,000,000 and 0.70% of the amount above \$500,000,000. Parnassus Endeavor Fund: 0.85% of the first \$100,000,000, 0.80% of the next \$100,000,000, 0.75% of the next \$300,000,000 and 0.65% of the amount above \$500,000,000. Parnassus Mid Cap Growth Fund: 0.70% of the first \$100,000,000, 0.65% of the next \$100,000,000 and 0.60% of the amount above \$200,000,000.

For the six-month period ended June 30, 2021, Parnassus Investments has contractually agreed to limit total operating expenses to 0.98% of the net assets of the Parnassus Mid Cap Fund - Investor Shares and to 0.75% of net assets for the Parnassus Mid Cap Fund - Institutional Shares, 0.94% of net assets for the Parnassus Endeavor Fund - Investor Shares and to 0.71% of net assets for the Parnassus Endeavor Fund Institutional Shares, 0.83% of the net assets of the Parnassus Mid Cap Growth Fund - Investor Shares and to 0.68% of the net assets of the Parnassus Mid Cap Growth Fund - Institutional Shares.

Parnassus Core Equity Fund: 0.75% of the first \$30,000,000, 0.70% of the next \$70,000,000, 0.65% of the next \$400,000,000, 0.60% of the next \$9,500,000,000 and 0.55% of the amount above \$10,000,000,000. Parnassus Fixed Income Fund: 0.50% of the first \$200,000,000, 0.45% of the next \$200,000,000 and 0.40% of the amount above \$400,000,000. For the six-month period ended June 30, 2021, Parnassus Investments has contractually agreed to limit total operating expenses to 0.84% of net assets of the Parnassus Core Equity Fund - Investor Shares and to 0.62% of net assets for the Parnassus Core Equity Fund - Institutional Shares and 0.68% of net assets for the Parnassus Fixed Income Fund - Investor Shares and to 0.45% of net assets for the Parnassus Fixed Income Fund - Institutional Shares.

The fund administration reflects annual rates based on net assets for all Funds managed by Parnassus Investments and was allocated based on respective Fund net assets at the following annual rates: 0.08% of the first \$500,000,000, 0.07% of the next \$500,000,000 and 0.03% of the amount above \$1,000,000,000. The fund administration services fee was 0.02% of average net assets under this new agreement for the six-month period ended June 30, 2021.

The Advisor has appointed Brown Brothers Harriman as a sub administrator to the Funds. Brown Brothers Harriman provides day-to-day operational services to each Fund including, but not limited to fund accounting services. The fees payable to Brown Brothers Harriman for sub administrative services are paid by the Advisor and not the Funds. Custodian fees are paid by the Funds.

The Funds have a shareholder services agreement with Ultimus Financial Solutions under which the Funds compensate Ultimus Financial Solutions for providing transfer agent services to each of the Funds' share classes. These services include recordkeeping, shareholder communications and transaction processing.

10. Investments in affiliates

The 1940 Act defines "affiliated companies" to include investments in portfolio companies in which a Fund

owns 5% or more of the outstanding voting shares. During the six-month period ended June 30, 2021, the Funds below held 5% or more of the outstanding voting shares of the noted portfolio companies. During this period, other Funds in the Trust may also have held voting shares of the issuers at a level below 5%.

A summary of transactions in securities of issuers affiliated with a Fund for the six-month period ended June 30, 2021 is set forth below.

| | Beginning shares as of January 1, 2021 | Shares purchased | Shares sold | Ending shares as of June 30, 2021 | Market Value of affiliates at June 30, 2021 | Net realized gain (loss) at June 30, 2021 | Net unrealized appreciation (depreciation) at June 30, 2021 | Dividend Income at June 30, 2021 |
|-------------------------------|---|---------------------|----------------|--|--|--|---|---|
| Parnassus Mid Cap Fund | | | | | | | | |
| Name of Company: | | | | | | | | |
| Grocery Outlet Holding Corp. | 2,736,555 | 3,014,304 | - | 5,750,859 | \$ 199,324,773 | \$- | \$(14,262,679) | \$ - |
| Levi Strauss & Co., Class A | 4,570,587 | - | - | 4,570,587 | 126,696,672 | - | 15,922,833 | 274,235 |
| Total Affiliates | | | | | \$326,021,445 | \$- | \$ 1,660,154 | \$274,235 |

Financial Highlights

Selected data for each share of capital stock outstanding, total return and ratios/supplement data for the six-month period ended June 30, 2021 and each of the five years ended December 31 are as follows:

| For a Share Outstanding for the Period Ended | Net Asset Value Beginning of Period | Net Investment Income (Loss) ^(a) | Net Realized and Unrealized Gain (Loss) on Securities ^(a) | Total from Investment Operations ^(a) | Dividends from Net Investment Income | Distributions from Net Realized Gains on Securities | Total Dividends and Distributions |
|--|-------------------------------------|---|--|---|--------------------------------------|---|-----------------------------------|
| Parnassus Core Equity Fund - Investor Shares | | | | | | | |
| Six-Month Period Ended June 30, 2021 (unaudited) | \$53.65 | \$0.10 | \$7.97 | \$8.07 | \$(0.11) | \$- | \$(0.11) |
| 2020 | 47.03 | 0.33 | 9.44 | 9.77 | (0.31) | (2.84) | (3.15) |
| 2019 | 38.99 | 0.36 | 11.45 | 11.81 | (0.34) | (3.43) | (3.77) |
| 2018 | 42.67 | 0.45 | (0.38) | 0.07 | (0.44) | (3.31) | (3.75) |
| 2017 | 39.29 | 0.45 | 5.98 | 6.43 | (0.55) | (2.50) | (3.05) |
| 2016 | 36.97 | 0.39 | 3.42 | 3.81 | (0.40) | (1.09) | (1.49) |
| Parnassus Core Equity Fund - Institutional Shares | | | | | | | |
| Six-Month Period Ended June 30, 2021 (unaudited) | 53.75 | 0.16 | 7.98 | 8.14 | (0.16) | - | (0.16) |
| 2020 | 47.10 | 0.44 | 9.46 | 9.90 | (0.41) | (2.84) | (3.25) |
| 2019 | 39.05 | 0.46 | 11.47 | 11.93 | (0.45) | (3.43) | (3.88) |
| 2018 | 42.73 | 0.55 | (0.37) | 0.18 | (0.55) | (3.31) | (3.86) |
| 2017 | 39.35 | 0.55 | 5.98 | 6.53 | (0.65) | (2.50) | (3.15) |
| 2016 | 37.03 | 0.48 | 3.41 | 3.89 | (0.48) | (1.09) | (1.57) |
| Parnassus Mid Cap Fund - Investor Shares | | | | | | | |
| Six-Month Period Ended June 30, 2021 (unaudited) | 40.78 | (0.02) | 3.78 | 3.76 | - | - | - |
| 2020 | 35.63 | 0.12 | 5.18 | 5.30 | (0.08) | (0.07) | (0.15) |
| 2019 | 28.86 | 0.17 | 8.08 | 8.25 | (0.18) | (1.30) | (1.48) |
| 2018 | 32.07 | 0.23 | (2.32) | (2.09) | (0.22) | (0.90) | (1.12) |
| 2017 | 28.87 | 0.26 | 4.29 | 4.55 | (0.48) | (0.87) | (1.35) |
| 2016 | 25.56 | 0.21 | 3.90 | 4.11 | (0.11) | (0.69) | (0.80) |
| Parnassus Mid Cap Fund - Institutional Shares | | | | | | | |
| Six-Month Period Ended June 30, 2021 (unaudited) | 40.87 | 0.03 | 3.78 | 3.81 | - | - | - |
| 2020 | 35.68 | 0.20 | 5.20 | 5.40 | (0.14) | (0.07) | (0.21) |
| 2019 | 28.90 | 0.27 | 8.07 | 8.34 | (0.26) | (1.30) | (1.56) |
| 2018 | 32.11 | 0.31 | (2.33) | (2.02) | (0.29) | (0.90) | (1.19) |
| 2017 | 28.90 | 0.34 | 4.29 | 4.63 | (0.55) | (0.87) | (1.42) |
| 2016 | 25.57 | 0.27 | 3.89 | 4.16 | (0.14) | (0.69) | (0.83) |
| Parnassus Endeavor Fund - Investor Shares | | | | | | | |
| Six-Month Period Ended June 30, 2021 (unaudited) | 48.31 | 0.17 | 12.49 | 12.66 | - | - | - |
| 2020 | 38.18 | 0.28 | 10.19 | 10.47 | (0.34) | - | (0.34) |
| 2019 | 28.87 | 0.25 | 9.36 | 9.61 | (0.30) | - | (0.30) |
| 2018 | 37.18 | 0.38 | (5.13) | (4.75) | (0.52) | (3.04) | (3.56) |
| 2017 | 32.99 | 0.34 | 6.20 | 6.54 | (0.77) | (1.58) | (2.35) |
| 2016 | 28.07 | 0.19 | 5.80 | 5.99 | (0.32) | (0.75) | (1.07) |

| Net Asset Value End of Period | Total Overall Return | Net Assets End of Period (000s) | Ratio of Gross Expenses to Average Net Assets | Ratio of Net Expenses to Average Net Assets (Net of Waiver and Expense Offset Arrangements) ^(b,c) | Ratio of Net Investment Income (Loss) to Average Net Assets | Portfolio Turnover Rate |
|-------------------------------|----------------------|---------------------------------|---|--|---|-------------------------|
| \$61.61 | 15.04% | \$14,247,580 | 0.82% | 0.82% | 0.37% | 17.40% |
| 53.65 | 21.19 | 11,906,386 | 0.84 | 0.84 | 0.69 | 37.15 |
| 47.03 | 30.69 | 9,998,994 | 0.86 | 0.86 | 0.78 | 36.88 |
| 38.99 | (0.18) | 8,172,571 | 0.87 | 0.87 | 1.03 | 31.43 |
| 42.67 | 16.58 | 9,870,059 | 0.87 | 0.87 | 1.09 | 24.52 |
| 39.29 | 10.41 | 10,200,768 | 0.87 | 0.87 | 1.03 | 22.89 |
| 61.73 | 15.16 | 14,264,528 | 0.61 | 0.61 | 0.57 | 17.40% |
| 53.75 | 21.47 | 11,320,933 | 0.62 | 0.62 | 0.91 | 37.15 |
| 47.10 | 30.96 | 8,660,689 | 0.63 | 0.63 | 1.02 | 36.88 |
| 39.05 | 0.05 | 6,543,658 | 0.63 | 0.63 | 1.24 | 31.43 |
| 42.73 | 16.81 | 6,245,179 | 0.64 | 0.64 | 1.31 | 24.52 |
| 39.35 | 10.61 | 4,597,160 | 0.66 | 0.66 | 1.25 | 22.89 |
| 44.54 | 9.22 | 3,016,873 | 0.96 | 0.96 | (0.09) | 22.35 |
| 40.78 | 14.88 | 2,749,355 | 0.98 | 0.98 | 0.34 | 41.00 |
| 35.63 | 28.75 | 2,381,822 | 1.01 | 0.99 | 0.48 | 28.27 |
| 28.86 | (6.64) | 1,752,821 | 1.02 | 0.99 | 0.71 | 31.52 |
| 32.07 | 15.79 | 2,021,276 | 1.01 | 0.99 | 0.83 | 33.27 |
| 28.87 | 16.07 | 1,490,587 | 1.01 | 0.99 | 0.75 | 18.81 |
| 44.68 | 9.32 | 4,968,243 | 0.75 | 0.75 | 0.12 | 22.35 |
| 40.87 | 15.16 | 4,211,267 | 0.76 | 0.75 | 0.58 | 41.00 |
| 35.68 | 29.02 | 2,692,990 | 0.75 | 0.75 | 0.77 | 28.27 |
| 28.90 | (6.39) | 1,073,093 | 0.75 | 0.75 | 0.95 | 31.52 |
| 32.11 | 16.04 | 780,372 | 0.75 | 0.75 | 1.09 | 33.27 |
| 28.90 | 16.28 | 285,182 | 0.80 | 0.80 | 0.95 | 18.81 |
| 60.97 | 26.21 | 3,361,467 | 0.91 | 0.91 | 0.69 | 32.20 |
| 48.31 | 27.42 | 2,238,344 | 0.94 | 0.94 | 0.75 | 52.77 |
| 38.18 | 33.29 | 2,737,805 | 0.97 | 0.95 | 0.73 | 57.29 |
| 28.87 | (13.49) | 2,758,361 | 0.95 | 0.95 | 1.04 | 70.96 |
| 37.18 | 19.81 | 4,185,857 | 0.92 | 0.92 | 0.94 | 43.21 |
| 32.99 | 21.42 | 2,507,515 | 0.97 | 0.95 | 0.64 | 34.08 |

Financial Highlights (continued)

| For a Share Outstanding for the Period Ended | Net Asset Value Beginning of Period | Net Investment Income (Loss) ^(a) | Net Realized and Unrealized Gain (Loss) on Securities ^(a) | Total from Investment Operations ^(a) | Dividends from Net Investment Income | Distributions from Net Realized Gains on Securities | Total Dividends and Distributions |
|---|-------------------------------------|---|--|---|--------------------------------------|---|-----------------------------------|
| Parnassus Endeavor Fund - Institutional Shares | | | | | | | |
| Six-Month Period Ended June 30, 2021 (unaudited) | \$48.36 | \$0.22 | \$12.51 | \$12.73 | \$- | \$- | \$- |
| 2020 | 38.19 | 0.36 | 10.22 | 10.58 | (0.41) | - | (0.41) |
| 2019 | 28.89 | 0.34 | 9.36 | 9.70 | (0.40) | - | (0.40) |
| 2018 | 37.21 | 0.46 | (5.13) | (4.67) | (0.61) | (3.04) | (3.65) |
| 2017 | 33.01 | 0.41 | 6.21 | 6.62 | (0.84) | (1.58) | (2.42) |
| 2016 | 28.06 | 0.24 | 5.83 | 6.07 | (0.37) | (0.75) | (1.12) |
| Parnassus Mid Cap Growth Fund - Investor Shares | | | | | | | |
| Six-Month Period Ended June 30, 2021 (unaudited) | 61.44 | (0.17) | 4.85 | 4.68 | - | - | - |
| 2020 | 50.47 | (0.02) | 14.19 | 14.17 | (0.06) | (3.14) | (3.20) |
| 2019 | 40.54 | 0.29 | 11.77 | 12.06 | (1.28) | (0.85) | (2.13) |
| 2018 | 48.27 | 0.50 | (5.01) | (4.51) | (0.54) | (2.68) | (3.22) |
| 2017 | 44.97 | 0.46 | 6.68 | 7.14 | (0.45) | (3.39) | (3.84) |
| 2016 | 40.46 | 0.37 | 5.06 | 5.43 | (0.36) | (0.56) | (0.92) |
| Parnassus Mid Cap Growth Fund - Institutional Shares | | | | | | | |
| Six-Month Period Ended June 30, 2021 (unaudited) | 61.49 | (0.12) | 4.86 | 4.74 | - | - | - |
| 2020 | 50.43 | 0.05 | 14.21 | 14.26 | (0.06) | (3.14) | (3.20) |
| 2019 | 40.52 | 0.37 | 11.75 | 12.12 | (1.36) | (0.85) | (2.21) |
| 2018 | 48.25 | 0.58 | (5.02) | (4.44) | (0.61) | (2.68) | (3.29) |
| 2017 | 44.95 | 0.54 | 6.67 | 7.21 | (0.52) | (3.39) | (3.91) |
| 2016 | 40.45 | 0.43 | 5.06 | 5.49 | (0.43) | (0.56) | (0.99) |
| Parnassus Fixed Income Fund - Investor Shares | | | | | | | |
| Six-Month Period Ended June 30, 2021 (unaudited) | 18.01 | 0.14 | (0.48) | (0.34) | (0.14) | - | (0.14) |
| 2020 | 17.05 | 0.29 | 1.05 | 1.34 | (0.28) | (0.10) | (0.38) |
| 2019 | 15.92 | 0.37 | 1.15 | 1.52 | (0.39) | - | (0.39) |
| 2018 | 16.54 | 0.42 | (0.61) | (0.19) | (0.43) | - | (0.43) |
| 2017 | 16.42 | 0.37 | 0.14 | 0.51 | (0.39) | - | (0.39) |
| 2016 | 16.44 | 0.34 | 0.06 | 0.40 | (0.36) | (0.06) | (0.42) |
| Parnassus Fixed Income Fund - Institutional Shares | | | | | | | |
| Six-Month Period Ended June 30, 2021 (unaudited) | 18.01 | 0.13 | (0.45) | (0.32) | (0.15) | - | (0.15) |
| 2020 | 17.04 | 0.33 | 1.06 | 1.39 | (0.32) | (0.10) | (0.42) |
| 2019 | 15.92 | 0.41 | 1.14 | 1.55 | (0.43) | - | (0.43) |
| 2018 | 16.54 | 0.46 | (0.61) | (0.15) | (0.47) | - | (0.47) |
| 2017 | 16.41 | 0.41 | 0.14 | 0.55 | (0.42) | - | (0.42) |
| 2016 | 16.44 | 0.38 | 0.04 | 0.42 | (0.39) | (0.06) | (0.45) |

| Net Asset Value End of Period | Total Overall Return | Net Assets End of Period (000s) | Ratio of Gross Expenses to Average Net Assets | Ratio of Net Expenses to Average Net Assets (Net of Waiver and Expense Offset Arrangements) ^(b,c) | Ratio of Net Investment Income (Loss) to Average Net Assets | Portfolio Turnover Rate |
|-------------------------------|----------------------|---------------------------------|---|--|---|-------------------------|
| \$61.09 | 26.32% | \$1,579,194 | 0.71% | 0.71% | 0.89% | 32.20% |
| 48.36 | 27.72 | 1,025,590 | 0.73 | 0.71 | 0.96 | 52.77 |
| 38.19 | 33.57 | 1,104,181 | 0.71 | 0.71 | 0.97 | 57.29 |
| 28.89 | (13.25) | 939,280 | 0.72 | 0.72 | 1.25 | 70.96 |
| 37.21 | 20.03 | 1,031,525 | 0.72 | 0.72 | 1.12 | 43.21 |
| 33.01 | 21.68 | 295,317 | 0.74 | 0.74 | 0.80 | 34.08 |
| 66.12 | 7.62 | 901,319 | 0.82 | 0.82 | (0.54) | 12.30 |
| 61.44 | 28.61 | 860,120 | 0.83 | 0.83 | (0.05) | 82.46 |
| 50.47 | 29.82 | 803,731 | 0.84 | 0.84 | 0.60 | 43.61 |
| 40.54 | (9.73) | 685,715 | 0.85 | 0.85 | 1.06 | 47.26 |
| 48.27 | 16.08 | 923,262 | 0.84 | 0.84 | 0.96 | 37.45 |
| 44.97 | 13.46 | 775,818 | 0.86 | 0.86 | 0.90 | 41.70 |
| 66.23 | 7.71 | 245,108 | 0.67 | 0.67 | (0.40) | 12.30 |
| 61.49 | 28.81 | 218,962 | 0.68 | 0.68 | 0.09 | 82.46 |
| 50.43 | 29.98 | 182,443 | 0.68 | 0.68 | 0.76 | 43.61 |
| 40.52 | (9.57) | 154,445 | 0.69 | 0.69 | 1.21 | 47.26 |
| 48.25 | 16.25 | 162,414 | 0.69 | 0.69 | 1.11 | 37.45 |
| 44.95 | 13.59 | 78,313 | 0.71 | 0.71 | 1.04 | 41.70 |
| 17.53 | (1.91) | 238,260 | 0.76 | 0.68 | 1.57 | 18.22 |
| 18.01 | 7.91 | 233,496 | 0.74 | 0.68 | 1.61 | 37.77 |
| 17.05 | 9.63 | 160,158 | 0.87 | 0.68 | 2.22 | 53.98 |
| 15.92 | (1.12) | 157,213 | 0.86 | 0.68 | 2.64 | 46.43 |
| 16.54 | 3.10 | 182,161 | 0.82 | 0.68 | 2.25 | 38.48 |
| 16.42 | 2.42 | 193,440 | 0.80 | 0.68 | 2.04 | 39.47 |
| 17.54 | (1.77) | 218,957 | 0.55 | 0.45 | 1.81 | 18.22 |
| 18.01 | 8.19 | 163,671 | 0.55 | 0.45 | 1.81 | 37.77 |
| 17.04 | 9.82 | 69,923 | 0.45 | 0.45 | 2.44 | 53.98 |
| 15.92 | (0.89) | 58,293 | 0.45 | 0.45 | 2.90 | 46.43 |
| 16.54 | 3.37 | 47,365 | 0.47 | 0.47 | 2.46 | 38.48 |
| 16.41 | 2.55 | 20,733 | 0.49 | 0.49 | 2.22 | 39.47 |

^(a) Income (loss) from operations per share is based on average daily shares outstanding.

^(b) Parnassus Investments has contractually limited expenses to an annualized rate of 0.84% for the Parnassus Core Equity Fund - Investor Shares, 0.98% for the Parnassus Mid Cap Fund - Investor Shares, 0.94% for the Parnassus Endeavor Fund - Investor Shares, 0.83% for the Parnassus Mid Cap Growth Fund - Investor Shares and 0.68% for the Parnassus Fixed Income Fund - Investor Shares.

^(c) Parnassus Investments has contractually limited expenses to an annualized rate of 0.62% for the Parnassus Core Equity Fund - Institutional Shares, 0.75% for the Parnassus Mid Cap Fund - Institutional Shares, 0.71% for the Parnassus Endeavor Fund - Institutional Shares, 0.68% for the Parnassus Mid Cap Growth Fund - Institutional Shares and 0.45% for the Parnassus Fixed Income Fund - Institutional Shares.

Additional Information (unaudited)

Board of Trustees Consideration of Investment Advisory Agreements

Section 15(c) of the Investment Company Act of 1940 (the "1940 Act") requires that the Board of Trustees (the "Trustees") of the Parnassus Funds trust and the Parnassus Income Funds trust (the "Trusts") which collectively are known as the Parnassus Funds (the "Funds"), meet in person to review and consider the continuation of any investment advisory agreement. In this regard, the Trustees who are not "interested persons" of the Trusts, as defined in the 1940 Act, (the "Independent Trustees") met in person on March 24, 2021 and reviewed and re-approved the Trusts' investment advisory agreements with Parnassus Investments. The Independent Trustees were provided with relevant information by Parnassus Investments, as described below, and were assisted in their evaluation of the investment advisory agreements by independent legal counsel, from whom they received assistance and advice, including a written memorandum, regarding the legal standards applicable to the consideration of advisory arrangements and with whom they met separately from Parnassus Investments' management. In addition, the Trustees consider matters bearing on the management of the Funds and other arrangements at regular meetings throughout the year, including reviews of investment results and performance data at each regular meeting and periodic presentations from Parnassus Investments. Prior to approving the continuation of the investment advisory agreements, the Independent Trustees considered:

- the nature, extent and quality of the services provided by Parnassus Investments;
- the degree to which the Parnassus Core Equity Fund, the Parnassus Mid Cap Fund, the Parnassus Endeavor Fund, the Parnassus Mid Cap Growth Fund and the Parnassus Fixed Income Fund are being managed in accordance with each Fund's stated investment objective;
- the investment performance of the each of the Funds;
- the cost of the services to be provided and profits to be realized by Parnassus Investments from its relationship with each of the Funds;
- the extent to which economies of scale would be realized as each of the Funds grew and whether fee levels reflect these economies of scale;
- the expense ratio of each of the Funds; and
- the manner in which portfolio transactions for the Funds are conducted, including the use of soft dollars.

In considering the nature, extent and quality of the services provided by Parnassus Investments, the Independent Trustees reviewed written and oral reports prepared by Parnassus Investments describing the portfolio management, shareholder communication and servicing, prospective shareholder assistance and regulatory compliance services provided by Parnassus Investments to the Funds. The Independent Trustees also considered a written report prepared by Lipper, an independent provider of investment company data, comparing aspects of the portfolio management services provided by Parnassus Investments to similar services provided to a universe of comparable mutual funds ("Universe"). The Independent Trustees considered the experience of senior management and the qualifications, tenure, background and responsibilities of the portfolio managers primarily responsible for the day-to-day portfolio management of the Funds. The Independent Trustees evaluated the ability of Parnassus Investments, based on its financial condition, resources, reputation and other attributes to attract and retain qualified investment professionals, including research, advisory and supervisory personnel. The Independent Trustees further considered the compliance programs and compliance records of Parnassus Investments. In addition, the Independent Trustees took into account the administrative services provided to the Funds by Parnassus Investments. The Independent Trustees concluded that Parnassus Investments was providing essential services to the Funds.

The Independent Trustees compared the performance of each of the Funds to benchmark indices over various periods of time ending December 31, 2020 and to the Universe of comparable mutual funds as determined by Broadridge. The Independent Trustees noted that the performance for the Parnassus Mid Cap Fund, Parnassus Endeavor Fund, Parnassus Mid Cap Growth Fund and Parnassus Core Equity Fund were above the median performance of the Universe for all time periods under review. Performance of the Parnassus Fixed Income Fund was below the median performance of the Universe for all time periods under review with the exception of the two-year period. The Independent Trustees concluded that the overall performance of the Funds warranted the continuation of the investment advisory agreements.

Additional Information (unaudited) (continued)

Board of Trustees Consideration of Investment Advisory Agreements (continued)

In concluding that the advisory fees payable by each of the Funds were reasonable, the Independent Trustees reviewed a report of the costs of services provided, and the profits realized, by Parnassus Investments from its relationship with each Fund, and concluded that such profits were reasonable and not excessive when compared to profitability guidelines set forth in relevant court cases. The Independent Trustees also reviewed reports comparing each Fund's expense ratio and the advisory fees paid by each Fund to that of the applicable Universe and concluded that the advisory fee paid by each Fund and each Fund's expense ratio was within the range of its respective Universe. The Independent Trustees noted that the Funds' advisory fees were below the median for the Parnassus Mid Cap Fund and Parnassus Mid Cap Growth Fund's respective Universe, equal to the median for the Parnassus Core Equity Fund and above the median for the Parnassus Endeavor Fund and Parnassus Fixed Income Fund. The Independent Trustees noted that the investment advisory fee for each Fund contained a number of breakpoints in an effort to reflect economies of scale that might be realized as each Fund grew. The Independent Trustees also noted that actual or potential economies of scale will be reasonably shared with the Fund shareholders through these breakpoints, fee waivers and expense reimbursement arrangements applicable to the Funds.

The Independent Trustees reviewed reports discussing the manner in which portfolio transactions for the Funds were conducted, including the use of soft dollars. Based on these reports, the Independent Trustees concluded that the research obtained by Parnassus Investments was beneficial to the Funds and that Parnassus Investments was executing each Fund's portfolio transactions in a manner designed to obtain best execution for the Funds.

Based on their careful consideration of the information and factors described above, the Independent Trustees concluded that the approval of the continuation of the investment advisory agreements for the Trusts was in the best interest of the Funds and their shareholders. The Independent Trustees unanimously approved the continuation of the investment advisory agreements for an additional one-year period.

Proxy Disclosures

Parnassus proxy voting policies and procedures are available, without charge, on our website (www.parnassus.com), on the Securities and Exchange Commission's website (www.sec.gov) and by calling us at (800) 999-3505. The Funds file a proxy voting record with the Securities and Exchange Commission for the 12 months ended June 30. The most recent report is available by calling Parnassus or it may be obtained from the Securities and Exchange Commission's website or the Parnassus website.

Quarterly Portfolio Schedule

The Funds file their complete schedule of portfolio holdings with the Securities and Exchange Commission for the first and third quarters of each fiscal year on Form N-Q. The quarterly portfolio holdings are available on the Securities and Exchange Commission's website (www.sec.gov). The Funds' Form N-Q may also be reviewed and copied at the Securities and Exchange Commission's Public Reference Room in Washington, DC, and information on the operation of the Public Reference Room may be obtained by calling (800) SEC-0330.

Investment Adviser

Parnassus Investments
1 Market Street, Suite 1600
San Francisco, CA 94105

Independent Registered Public Accounting Firm

Deloitte and Touche LLP
555 West 5th Street, Suite 2700
Los Angeles, CA 90013

Legal Counsel

Foley and Lardner LLP
777 E. Wisconsin Ave.
Milwaukee, WI 53202

Distributor

Parnassus Funds Distributor, LLC
Three Canal Plaza, Suite 100
Portland, ME 04101

Go Paperless with E-Delivery

Sign up for electronic delivery of prospectuses, shareholder reports and account statements at www.parnassus.com/gopaperless
If you do not hold your account directly with Parnassus, please contact the firm that holds your account to inquire about electronic delivery.

 Printed on recycled paper