

Parnassus Mid Cap Growth Fund

Third Quarter 2023

Strategy

The Parnassus Mid Cap Growth Fund invests with high conviction in approximately 40 holdings. The Fund focuses on identifying companies with:

- Strong competitive advantages that protect market share and profitability
- Relevancy over the long term, which provides a compounding growth component
- Quality management teams that will act in the best interest of shareholders

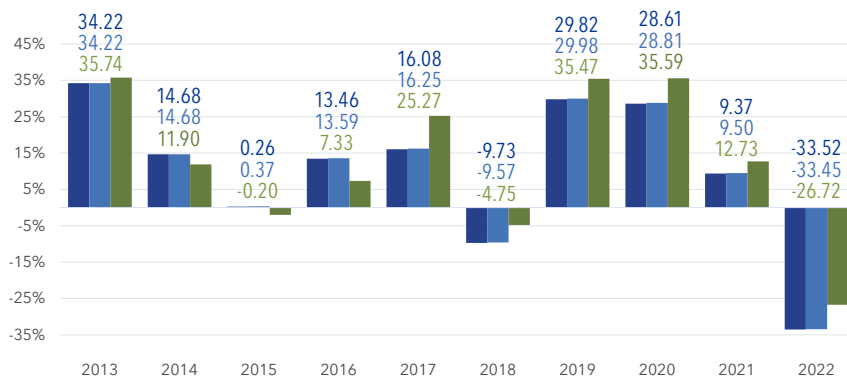
The Fund seeks high-quality companies with established business models and proven financial models, and emphasizes future relevancy by selecting businesses that the portfolio managers believe are gaining market share with an ample runway for continued growth. The Fund strives to outperform the Russell Midcap Growth Index over the long term with a high active share. The Fund avoids investments in fossil fuels, tobacco, alcohol and certain other industries.

Total Returns (%)¹

As of 09/30/23	3M	YTD	1Y	3Y	5Y	10Y
PARNX	-1.16	17.29	21.83	0.21	4.36	7.80
PFPRX	-1.13	17.40	21.96	0.34	4.51	7.93
Russell Midcap Growth Index	-5.22	9.88	17.47	2.61	6.97	9.95

Annual Returns (%)

● PARNX ● PFPRX ● Russell Midcap Growth Index



¹All returns greater than one year are annualized.

Net expense ratio reflects contractual agreement through May 1, 2024.

Performance data quoted represent past performance and are no guarantee of future returns. Current performance may be lower or higher than the performance data quoted, and most recent month-end and quarter-end performance is available on the Parnassus website (www.parnassus.com). Investment return and principal will fluctuate, so that an investor's shares, when redeemed, may be worth more or less than their original principal cost.

Risks: The Fund's share price may change daily based on the value of its security holdings. Stock markets can be volatile, and stock values fluctuate in response to the asset levels of individual companies and in response to general U.S. and international market and economic conditions. In addition to large cap companies, the Fund may invest in small and/or mid cap companies, which can be more volatile than large cap firms. Security holdings in the fund can vary significantly from broad market indexes. An individual cannot invest directly in an index. An index reflects no deductions for fees, expenses or taxes. Returns shown for the fund do not reflect the declaration of taxes a shareholder would pay on the fund distributions or the redemption of fund shares.

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

Fund Facts	Investor Shares	Institutional Shares
Ticker	PARNX	PFPRX
Minimum Investment	\$2,000	\$100,000
Gross Expense Ratio	0.80%	0.70%
Net Expense Ratio	0.80%	0.68%
Inception Date	12/31/84	4/30/15


Distribution Frequency	Annually
Total Net Assets	\$721.30 M
Category	Mid Cap Growth
Benchmark	Russell Midcap Growth Index

Fund Characteristics	Fund	Benchmark
Avg. Weighted Mkt Cap	\$36.6 B	\$24.3 B
P/E Ratio	36.1x	26.2x
P/B Ratio	7.0x	7.7x
Active Share	79.1%	-
Number of Holdings	41	335
Portfolio Turnover (2022 Annual)	58.1%	-

Morningstar Ratings™

PARNX Overall Star Rating™* ★★

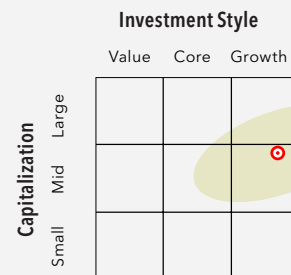
PFPRX Overall Star Rating™* ★★★

Medalist Rating™  Bronze

Sustainability Rating™** 

*Overall rating based on risk-adjusted returns out of 520 Mid Cap Growth funds as of 09/30/23. **Sustainability Rating as of 08/31/23 out of 1,599 Mid Cap funds.

Ownership Zone



Fund Statistics (5Y)	Investor Shares	Institutional Shares	Benchmark
Alpha	-2.03%	-1.90%	-
Beta	0.94	0.94	1.00
R-Squared	0.94	0.94	1.00
Sharpe Ratio	0.12	0.13	0.24
Standard Deviation	21.65%	21.64%	22.38%
Upside Capture	91.50%	91.73%	100%
Downside Capture	100.03%	99.81%	100%

Ten Largest Holdings²

Guidewire Software Inc.	4.6%
CoStar Group Inc.	3.7%
Fortinet Inc.	3.4%
Agilent Technologies Inc.	3.3%
Verisk Analytics Inc.	3.2%
The Progressive Corp.	3.1%
Morningstar Inc.	3.1%
IDEXX Laboratories Inc.	3.0%
Equifax Inc.	2.9%
Cintas Corp.	2.9%
Total	33.2%

Meet the Portfolio Managers



Ian Sexsmith, CFA

Portfolio Manager

2013–Present

- 19 years of experience
- With firm since 2011



Robert J. Klaber

Portfolio Manager

2016–Present

- 15 years of experience
- With firm since 2012

Parnassus Overview

At Parnassus Investments, we invest responsibly to build wealth for our clients. We select businesses that we believe have increasingly relevant products or services, sustainable competitive advantages and quality management teams for our high-conviction portfolios. Every investment we make must meet rigorous fundamental and environmental, social and governance (ESG) criteria.

Sector Weighting²

	Fund	Benchmark
Information Technology	27%	24%
Industrials	18%	19%
Health Care	18%	20%
Consumer Discretionary	15%	13%
Financials	7%	10%
Materials	7%	2%
Real Estate	4%	2%
Communication Services	2%	4%
Energy	0%	4%
Consumer Staples	0%	3%
Utilities	0%	0%
Cash and Other	2%	0%

²Percent based on total net assets as of 09/30/23.

Active Share measures the percentage amount a portfolio differs from a passive benchmark. Alpha is a measure of performance on a risk-adjusted basis. **Alpha** takes the volatility (price risk) of a mutual fund and compares its risk-adjusted performance to a benchmark index. The excess return of the fund relative to the return of the benchmark index is a fund's alpha. **Average Weighted Market Cap** is the average capitalization of all stocks in the portfolio, weighted by each holding's size in the portfolio. **Beta** is a measure of the volatility of a security or a portfolio in comparison to the market as a whole. A beta over 1.00 suggests that the share price will typically be more volatile than the market. **Downside Capture** is a measure of performance in down markets relative to the market itself. A down market is one in which the market's monthly return is less than zero. The lower the down-market capture ratio, the better the manager protected capital during a market decline. **Price/Book (P/B) Ratio** is the ratio of a stock's latest closing price divided by its book value per share. **Price/Earnings (P/E) Ratio** is a ratio of a stock's current price to its per-share earnings over the past 12 months. **R-Squared** is a measurement of how closely the portfolio's performance correlates with the performance of a benchmark index. **Sharpe Ratio** is a ratio used to measure risk-adjusted performance. It is calculated by subtracting the risk-free rate from the rate of return for a portfolio and dividing the result by the standard deviation of the portfolio returns. **Standard Deviation** is a calculation used to measure the variability (risk) of a portfolio's performance. **Upside Capture** is a measure of performance in up markets relative to the market itself. An up market is one in which the market's monthly return is greater than or equal to zero. The higher the up-market capture ratio, the better the manager capitalized on a rising market.

The **Russell Midcap® Growth Index** is a widely recognized index of common stock prices market. It measures the performance of the midcap growth segment of the U.S. equity universe. It includes those Russell Midcap® Index companies with higher price-to-book ratios and higher forecasted growth values.

The **Morningstar Rating™** for funds, or "star rating," is calculated for managed products (including mutual funds and exchange-traded funds as one population for comparative purposes) with at least a three-year history. It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a managed product's monthly excess performance, placing more emphasis on downward variations and rewarding consistent performance. The top 10% of products in each product category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star. The Overall Morningstar Rating for a managed product is derived from a weighted average of the performance figures associated with its three-, five-, and 10-year (if applicable) Morningstar Rating metrics. The weights are: 100% three-year rating for 36-59 months of total returns, 60% five-year rating/40% three-year rating for 60-119 months of total returns, and 50% 10-year rating/30% five-year rating/20% three-year rating for 120 or more months of total returns. While the 10-year overall star rating formula seems to give the most weight to the 10-year period, the most recent three-year period actually has the greatest impact because it is included in all three rating periods. As of 09/30/23, the Parnassus Mid Cap Growth Fund was rated against the following numbers of Mid Cap Growth Funds over the following time periods: 520 funds in the last three years, 491 funds in the last five years and 390 funds in the last 10 years. With respect to these Mid Cap Growth funds, the Parnassus Mid Cap Growth Fund – Investor Share class received a Morningstar Rating of 2, 3 and 2 stars for the 3-, 5- and 10-year periods, respectively. The Parnassus Mid Cap Growth Fund – Institutional Share Class received a Morningstar rating of 2, 3 and 2 stars for the 3-, 5- and 10-year periods, respectively based on risk-adjusted returns.

The **Morningstar Medalist Rating™** is the summary expression of Morningstar's forward-looking analysis of investment strategies as offered via specific vehicles using a rating scale of Gold, Silver, Bronze, Neutral, and Negative. The Medalist Ratings indicate which investments Morningstar believes are likely to outperform a relevant index or peer group average on a risk-adjusted basis over time. Investment products are evaluated on three key pillars (People, Parent, and Process) which, when coupled with a fee assessment, forms the basis for Morningstar's conviction in those products' investment merits and determines the Medalist Rating they're assigned. Pillar ratings take the form of Low, Below Average, Average, Above Average, and High. Pillars may be evaluated via an analyst's qualitative assessment (either directly to a vehicle the analyst covers or indirectly when the pillar ratings of a covered vehicle are mapped to a related uncovered vehicle) or using algorithmic techniques. Vehicles are sorted by their expected performance into rating groups defined by their Morningstar Category and their active or passive status. When analysts directly cover a vehicle, they assign the three pillar ratings based on their qualitative assessment, subject to the oversight of the Analyst Rating Committee, and monitor and reevaluate them at least every 14 months. When the vehicles are covered either indirectly by analysts or by algorithm, the ratings are assigned monthly. For more detailed information about these ratings, including their methodology, please go to global.morningstar.com/managerdisclosures/. Past performance is no guarantee of future results. Medalist rating shown is as of 04/04/23. Analyst Driven: 100%. Data Coverage: 100%

The **Morningstar® Sustainability Rating** is a measure of how well the portfolio holdings are managing their ESG Risk relative to the portfolio's Global Category peer group. The Morningstar Historical Sustainability Score is a weighted average of the trailing 12 months of Morningstar Portfolio Sustainability Scores. More-recent portfolios are weighted more heavily than older portfolios. Based on their Morningstar Historical Sustainability Score, funds are assigned absolute category and percent ranks within their Morningstar Global Categories. Higher ratings are better and indicate that a fund has, on average, more of its assets invested in companies that have lower ESG risk as characterized by Sustainability. The Morningstar Sustainability Rating is depicted by globe icons where High equals 5 globes and Low equals 1 globe. Morningstar updates its Sustainability Ratings monthly and uses Sustainability's ESG scores from the same month as the portfolio as-of-date. Visit <http://corporate1.morningstar.com/SustainableInvesting/> for more detailed information about the methodology and calculation frequency. © 2023 Morningstar. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. **Past performance is no guarantee of future results.**

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