Item 1 – Cover Page

Firm Brochure (Part 2A of Form ADV)
March 12, 2026

PARNASSUS INVESTMENTS, LLC

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This brochure provides information about the qualifications and business practices of Parnassus Investments, LLC. If you have any questions about the contents of this brochure, please contact Joe Sinha, Chief Marketing Officer, at (415) 778-2678. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority.

Parnassus Investments is a registered investment adviser. Registration of an investment adviser does not imply any level of skill or training.

Additional information about Parnassus Investments, LLC also is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 - Material Changes

The following material changes have been made to this brochure since the last annual update to our brochure dated March 24, 2025:

- Item 4 – "Advisory Business," Item 5 – "Fees and Compensation," and Item 8 – "Methods of Analysis, Investment Strategies and Risk of Loss" have been updated to reflect that the Parnassus Fixed Income Fund has been liquidated and a fixed income strategy is no longer offered for separate accounts.

- Item 5 has been updated to include a fee schedule for Parnassus International Equity, a new investment strategy offered for separate accounts.

In addition, certain general updates have been made to this brochure. As such, please read this brochure in its entirety.

Pursuant to SEC rules, we will ensure that you receive a summary of any material changes to this and subsequent brochures within 120 days of the close of our fiscal year. We may further provide other ongoing disclosure information about material changes as necessary.

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Item 4 - Advisory Business

Overview

Parnassus Investments, LLC is an investment management company based in San Francisco, California. Parnassus Investments, LLC is the successor to the investment advisory business of Parnassus Investments. Parnassus Investments was founded in 1984. Parnassus Investments, the predecessor corporation, transferred all of its assets to Parnassus Investments, LLC in 2021 in connection with the acquisition of a majority equity interest in Parnassus Investments, LLC by Affiliated Managers Group, Inc. ("AMG"), effective October 1, 2021. As used in this brochure, "Parnassus Investments" or "Parnassus" refers to the successor entity, Parnassus Investments, LLC.

Parnassus Investments seeks to invest in high-quality companies that have increasingly relevant products or services, durable competitive advantages, strong management teams and sustainable business practices. Parnassus Investments aims to provide clients with investment strategies that will enable them to build wealth responsibly.

Parnassus Investments provides investment advisory services to two registered investment companies, the Parnassus Funds trust (which contains five funds: the Parnassus Mid Cap Fund, the Parnassus Value Equity Fund, the Parnassus Growth Equity Fund, the Parnassus Mid Cap Growth Fund and the Parnassus International Equity Fund) and the Parnassus Funds II trust (which contains three funds: the Parnassus Core Equity Fund, the Parnassus Core Select ETF and the Parnassus Value Select ETF). These funds are collectively known as the "Parnassus Funds" and are also referenced in this document as the "Funds." Parnassus Investments also provides investment advisory services to a variety of separate accounts and institutional accounts, including collective investment funds or sub-funds sponsored by other financial institutions, a trustee of a collective investment trust and European UCITS funds. Parnassus Investments also provides model portfolio and sub-advisory services to third party financial advisory firms.

Parnassus Investments' advisory services for separately managed accounts and the Funds are provided on a discretionary basis. Our advice to the Funds is tailored based on each Fund's respective investment objective, investment policies and restrictions. Our advice to separately managed account clients is tailored based on the respective strategy guidelines and the clients' objectives. Clients may impose reasonable restrictions on investing in certain securities or types of securities, as agreed to by Parnassus Investments. Parnassus Investments follows responsible investment criteria for all clients, including the Funds. Our advice to separately managed account clients is limited to the investment strategies described in Item 5, below. In addition, we offer additional investment strategies to exchange-traded funds that are part of the Parnassus Funds.

Parnassus Investments provides non-discretionary model portfolio sub-advisory services to other financial institutions ("Model Services") whereby Parnassus Investments provides a model portfolio that is based on an investment strategy offered by Parnassus Investments. Parnassus Investments also provides Model Services as part of unified managed account ("UMA") programs. In Model Services programs, Parnassus provides model portfolio recommendations and periodically communicates portfolio changes to the program sponsors.

Parnassus Investments' institutional partner, AMG, a publicly-traded global asset management company (NYSE: AMG), holds a majority equity interest in Parnassus Investments. Parnassus Investments operates independently and autonomously of AMG, and members of its management team hold the balance of the equity interest in the firm. AMG also holds equity interests in other investment management firms ("AMG Affiliates"). Further information on AMG and the AMG Affiliates is provided in Item 10.

Discretionary Assets Under Management
As of December 31, 2025, Parnassus Investments managed $41,094,551,521 of client assets on a discretionary basis.

Item 5 - Fees and Compensation

Parnassus Investments provides investment advisory services to the Parnassus Funds and separate accounts. Parnassus also provides investment advisory and sub-advisory services to other accounts, as described in Item 4.

Parnassus Funds Investment Company Fees
Parnassus Investments charges advisory fees based on a percentage of net assets. Advisory fees are subject to review and approval by the Funds' Boards of Trustees and are set forth in the Funds' prospectus. Fees are payable monthly for the previous month.

Separate Account Fee Schedule
Parnassus Investments' current fee schedule for separately managed account clients is based on a percentage of assets under management, as follows:

STRATEGY NAME	ANNUAL RATE	MINIMUM ANNUAL FEE
Parnassus Core Equity		
Of the first $200 million in assets	0.40%	$100,000
Of the amount above $200 million up to $400 million	0.35%	
Of the amount above $400 million in assets	0.30%	
Parnassus Growth Equity		
Of the first $200 million in assets	0.40%	$100,000
Of the amount above $200 million up to $400 million	0.35%	
Of the amount above $400 million in assets	0.30%	

STRATEGY NAME	ANNUAL RATE	MINIMUM ANNUAL FEE
Parnassus Value Equity Of the first $200 million in assets Of the amount above $200 million up to $400 million Of the amount above $400 million in assets	 0.40% 0.35% 0.30%	$100,000
Parnassus Mid-Cap Equity Of the first $200 million in assets Of the amount above $200 million up to $400 million Of the amount above $400 million in assets	 0.45% 0.40% 0.35%	$112,500
Parnassus Mid-Cap Growth Equity Of the first $200 million in assets Of the amount above $200 million up to $400 million Of the amount above $400 million in assets	0.45% 0.40% 0.35%	$112,500
Parnassus International Equity Of the first $200 million in assets Of the amount above $200 million up to $400 million Of the amount above $400 million in assets	 0.50% 0.45% 0.40%	$125,000

Parnassus Investments reserves the right to negotiate fees at its discretion. Parnassus Investments may agree to different fees than those shown above depending on factors such as investment objectives and restrictions, the nature of the client relationship, the length of time of the relationship, the size of the account and other factors. We also reserve the right to aggregate accounts for purposes of applying the breakpoints in the above fee schedule.

The separate account minimum is $25,000,000, although Parnassus Investments reserves the right to waive the minimum at its discretion.

The specific manner in which separate account fees are charged by Parnassus Investments is established in the client agreement. Clients are generally billed in arrears each calendar quarter. Clients may elect to be billed directly for fees or to authorize Parnassus Investments to automatically debit fees from client accounts. Upon termination of an account, any earned, unpaid fees will be due and payable.

Model Services
The fees charged for Model Services provided to financial institutions are negotiated in consideration of the type of services that Parnassus Investments is required to perform. Parnassus Investments is generally paid an annualized investment advisory fee based on the total underlying client assets which are managed on the basis of the model portfolio(s) provided under the Model Services arrangement.

UCITS (Undertakings for Collective Investment in Transferable Securities)
Parnassus Investments serves as the adviser delegate of certain sub-funds of investment

companies authorized in France under the UCITS regulations. The UCITS are not offered to U.S. persons. Fees are set forth in the UCITS sub-fund's prospectus.

Collective Investment Trust Fund
Parnassus Investments serves as the investment adviser to a collective investment trust ("CIT") for which an independent trustee serves as manager. The fee schedule is set forth in the CIT's disclosure document.

Other Clients
The fees Parnassus Investments charges for services to other managed accounts vary depending on the level of assets and services provided.

Other Fees
Clients incur additional fees outside of Parnassus Investments' fees, including brokerage commissions, transaction fees, and other related costs and expenses. Please see Item 12 – "Brokerage Practices," for more information on these types of fees. Clients may incur certain charges imposed by custodians, brokers, third party investment managers and other third parties such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange-traded funds (ETFs) also charge internal management fees and other expenses, which are disclosed in a fund's prospectus. Such charges, fees and commissions are exclusive of and in addition to Parnassus Investments' fee. Neither Parnassus Investments nor its personnel receive any portion of these commissions, fees and costs or any other compensation for the sale of the Funds or other investment products.

Item 6 - Performance-Based Fees and Side-By-Side Management

Parnassus Investments does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

Item 7 - Types of Clients

Overview
Parnassus Investments provides investment advice to investment companies, business entities, pension and profit-sharing plans, charitable organizations and other separately managed accounts, as well as to Model Services program sponsors and to other financial services firms. Parnassus Investments also provides advisory services to a CIT, European UCITS funds and other pooled investment vehicles sponsored by unaffiliated financial institutions.

Conditions for Managing Accounts
Please see Item 5 for the account minimum for separately managed accounts. Minimum investment amounts for Model Services programs and other accounts sponsored by third-party firms are available from the sponsor.

Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss

Overview

Parnassus Investments follows sustainable investment guidelines and uses fundamental security analysis methods in managing client accounts. Our approach to investing includes avoiding companies on our "Caution List," incorporating sustainability analysis in our research process and exercising active ownership through proxy voting and engagement with portfolio companies. Parnassus Investments invests in equity securities, exchange–listed securities, securities traded over-the-counter, foreign issues, warrants, corporate debt securities, commercial paper, certificates of deposit, mutual funds, ETFs, U.S. government securities, and partnerships investing in real estate. Parnassus Investments offers different equity investment strategies that vary based on market capitalization and other factors.

Selection Process for Equity Securities

Equity securities in which we principally invest consist of common stocks and securities that can be converted into common stocks, which include convertible bonds, convertible preferred stock, warrants, American Depositary Receipts and American Depositary Shares. In general, we use the following criteria in identifying equity securities eligible for client portfolios:

1. the company is financially sound and is priced attractively relative to its potential reward and risk profile;

2. the company has increasingly relevant products or services;

3. the company has clear and durable competitive advantages;

4. the company has a strong management team with appropriate incentives;

5. at time of purchase, the company is suitable for a multi-year investment; and

6. the company, in our judgment, has sustainable business practices that meet our expectations, as described below.

Sustainable Investment Guidelines

As part of its investment approach, Parnassus Investments seeks to invest in companies with sustainable business practices in alignment with our investment philosophy and principles, as we believe these factors are relevant to our assessment of quality and the risk-return profiles of companies in in which we invest. This quality assessment is integrated as part of a holistic evaluation of fundamental attributes of the company across the Parnassus quality characteristics of competitive advantages, relevancy, management, sustainable business practices and valuation. Parnassus Investments evaluates sustainable business factors primarily based on sector relevance and business conduct. Examples of factors we may consider in evaluating companies include but are not limited to: climate-related risk, product safety and quality, human capital management, environmental impacts of operations and products, community and stakeholder impacts, supply chain practices and corporate governance. The sustainable business practices for all current holdings are reviewed at least annually to ensure the companies in the portfolios continue to meet the quality thresholds. We will evaluate whether to continue to hold or sell a security if we

believe a company's fundamentals will deteriorate, or if we believe a company's stock has little potential for appreciation relative to other available opportunities, or if the company no longer meets our expectations for sustainable business practices and we do not believe it is an appropriate investment following such changes.

No company will be perfect in all of these areas; we make value judgments in deciding which companies best meet the criteria.

Parnassus Investments uses strategic engagement with company management teams to encourage improvements in strategy, execution, governance and sustainability related risks and opportunities. Such engagement may include speaking or meeting with company management teams, letters to management or Boards of Directors and the submission of nonbinding shareholder proposals that recommend specific positive changes at companies held in client portfolios.

Parnassus Investments' Principles and Sustainable Investment Policy (the "Sustainable Investment Policy") describe our approach to investing sustainably and outline the conduct that we believe will help companies succeed and create enduring value for investors. Both are available on our website at www.parnassus.com. We maintain a "Caution List" of companies that we believe are exposed to heightened risk through their core business activities or due to problematic conduct or governance. The Caution List is reviewed quarterly and, if deemed appropriate by Parnassus Investments, a company may be removed from the list and therefore become eligible for investment.

Although we do not exclude any company or industry from consideration as a potential investment, as a result of following our investment strategies, philosophy and Sustainable Investment Policy, we may have limited to no exposure to issuers that are materially involved in certain activities, including but not limited to:

- Companies that manufacture or distribute weapons or sell critical weaponry components and munitions.
- Companies that manufacture tobacco products, including e-cigarettes.
- Companies that explore for, extract, produce, or refine fossil fuels. We may have exposure to companies that provide ancillary products and services to the energy sector, and companies that use fossil fuel-based energy, provided they meet our investment standards.

Companies may be removed from the Caution List if they demonstrate meaningful improvement in the area(s) of concern or have otherwise met our high-performance criteria, subject to approval by Parnassus Investments' Chief Investment Officer. Client accounts may be subject to differing restrictions based on individual client agreements.

Sources of Information

Parnassus Investments uses its own internal research as well as third party research, including pre-approved expert networks, in formulating investment advice for clients. Parnassus Investments uses various sources of information, including financial publications, company visits, discussions with company boards, management and Investor Relations and Sustainability departments, third party research providers, corporate and sustainability rating services, contact

with external stakeholders, sell-side research from brokers, company reporting, websites, press releases, annual reports, prospectuses, proxy statements and other SEC filings. With regard to its use of expert networks, Parnassus Investments maintains an Expert Network Policy designed to manage interactions between the pre-approved list of experts and the Parnassus research team to reduce the likelihood that employees receive material, non-public information and, in the event such information is received, to prevent trading on such information. Parnassus Investments also uses artificial intelligence ("AI") to assist with its research process. Among other things, we use AI to summarize news and market events, synthesize investor debates and market narratives on stocks and recent earnings transcripts, research company fundamentals and complex technical topics, and prepare spreadsheets and other tools for use by our research teams. All AI usage is required to comply with the Parnassus Investments' AI policy which is designed to ensure that data protection, information security and counterparty risk is monitored and managed.

Risk of Loss

Investing in securities involves risk of loss that clients should be prepared to bear. Your account may be subject to the following risks:

Management Risk.

You must rely upon our abilities and judgment and upon the investment abilities of our portfolio managers. There is no guarantee that our investment techniques will be successful. Parnassus Investments may be wrong in its assessment of a company's value and/or the stocks held by client accounts may not reach what we believe are their full values.

Sustainable Business Practice Investing Risk.

Sustainable business investing risk refers to the risk stemming from investing in companies with sustainable business practices that Parnassus Investments applies in selecting securities. Parnassus Investments seeks to invest in high quality companies with sustainable business practices and to avoid investments in companies that do not meet its quality expectations. We evaluate sustainable business factors primarily based on sector relevance and business conduct. Examples of factors we may consider in evaluating companies include but are not limited to: climate-related risk, product safety and quality, human capital management, environmental impacts of operations and products, community and stakeholder impacts, supply chain practices and corporate governance. This may affect client accounts' exposure to certain companies or industries and cause Parnassus Investments to forego certain investment opportunities. Sustainable investing in the United States is currently evolving and Parnassus Investments may be required to modify its sustainable investment process to adapt to legal and regulatory developments.

Market Risk; Recent Market Events.

The investments we make for clients are subject to market risk, which may cause the value of an investment to decline. If the value of an investment goes down, you may lose money. Volatility in share price is an inherent characteristic of equity markets.

Market risk may affect a single issuer, industry, sector of the economy or the market as a whole. U.S. and international markets have experienced volatility in recent years due to a number of economic, political and global macro factors. Uncertainties regarding inflation and interest rate policy, tariffs, political events, conflicts in Eastern Europe and the Middle East, and the possibility

of a national or global recession have also contributed to market volatility.

Global economies and financial markets are increasingly interconnected, which increases the possibility that conditions in one country or region might adversely impact issuers in a different country or region. Market volatility as a result of changing market conditions or other events may have adverse effects on your account.

Equity Securities Risk.
Common stocks and other equity securities generally increase or decrease in value based on the earnings of a company and on general industry and market conditions. The value of a company's share price may decline as a result of poor decisions made by management, lower demand for the company's services or products or if the company's revenues fall short of expectations. There are also risks associated with the stock market overall. The stock market may experience periods of turbulence and instability.

Small- and Mid-Capitalization Company Risk.
We may invest in small- and/or mid-capitalization companies, which can be particularly sensitive to changing economic conditions since they do not have the financial resources or the well-established businesses of large-capitalization companies. Relative to the stocks of large-capitalization companies, the stocks of small- and mid-capitalization companies are often thinly traded, and purchases and sales may result in higher transaction costs. Also, small-capitalization companies tend to perform poorly during times of economic stress.

Large-Capitalization Company Risk.
Large-capitalization companies may be unable to respond quickly to new competitive challenges and also may not be able to attain the high growth rate of successful smaller companies, especially during extended periods of economic expansion.

Non-U.S. and Emerging Markets Investing Risk.
Investments in companies and markets outside of the U.S. ("Non-U.S.") carry a number of economic, financial and political considerations and that could unfavorably affect your account's performance. Non-U.S. markets can be more volatile and less liquid than the U.S. market due to increased risks of adverse issuer, political, regulatory, market or economic developments and can perform differently from the U.S. market. Policy and legislative changes in foreign countries and other events affecting global markets, such as international conflicts and wars, pandemics and epidemics, and geopolitical instability may contribute to decreased liquidity and increased volatility in the financial markets. Further, Non-U.S. companies may be subject to significantly higher levels of taxation than U.S. companies, including potentially confiscatory levels of taxation, thereby reducing the earnings potential of such Non-U.S. companies. Substantial withholding taxes may also apply to distributions from Non-U.S. companies.

The risks of investing in Non-U.S. companies is heighted for companies located in emerging markets. Countries in emerging markets are generally more volatile and can have relatively unstable governments, social and legal systems that do not protect shareholders, economies based on only a few industries, and securities markets that trade a small number of issues.

Preferred Stock Risk.
Preferred stocks may pay fixed or adjustable rates of return and are subject to many of the risks associated with debt securities. In addition, preferred stocks are subject to issuer-specific and market risks applicable generally to equity securities. Because many preferred stocks allow the issuer to convert their preferred stock into common stock, preferred stocks are often sensitive to declining common stock values. A company's preferred stock generally pays dividends only after the company makes required payments to holders of its bonds and other debt. For this reason, the value of preferred stocks will usually react more strongly than bonds and other debt to actual or perceived changes in the company's financial condition or prospects.

Government Securities Risk.
U.S. government securities are subject to interest rate and inflation risks. Not all U.S. government securities are backed by the full faith and credit of the U.S. government. Certain securities issued by agencies and instrumentalities of the U.S. government are only insured or guaranteed by the issuing agency or instrumentality, which must rely on its own resources to repay the debt. As a result, there is risk that these entities will default on a financial obligation.

Cybersecurity Risk.
The information and technology systems of Parnassus Investments and of key service providers to Parnassus Investments and its clients may be vulnerable to potential damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by their respective professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. Although Parnassus Investments has implemented various measures designed to manage risks relating to these types of events, if these systems are compromised, become inoperable for extended periods of time or cease to function properly, it may be necessary for Parnassus Investments to make a significant investment to fix or replace them and to seek to remedy the effect of these issues. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in the operations of Parnassus Investments or Parnassus Fund accounts and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information.

AI Risk.
Parnassus Investments uses AI to assist with its research process. Although Parnassus Investments obtains data and information from third party sources that it considers to be reliable, AI tools are complex and may produce inaccurate, misleading or incomplete outputs that could affect the analyses or recommendations generated by Parnassus Investments and its employees. Parnassus Investments is also exposed to risks arising from the use of AI technologies, including the potential exposure of confidential information to unauthorized recipients, violation of data privacy rights, fraud and cyberattacks. Parnassus Investments has an AI policy in place that is designed to ensure that data protection, information security and counterparty risk are monitored and managed. The United States legal and regulatory environment relating to AI is currently evolving and Parnassus Investments may be required to modify its AI investment process to adapt to legal and regulatory developments.

Expert Network Risk.
Parnassus Investments uses pre-approved expert networks in formulating investment advice for clients. Parnassus Investments maintains an Expert Network Policy to reduce the risk of the receipt of confidential information by investment professionals from such sources and, in the event such information is received, to prevent trading on such information. If such controls fail, resulting restrictions on acquiring or disposing of investments could impact client accounts. Inadvertent trading while in possession of material, non-public information could also result in adverse legal or regulatory consequences, including the imposition of financial sanctions, and/or reputational damage.

Item 9 - Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Parnassus Investments or the integrity of our management. Parnassus Investments has no information applicable to this Item.

Item 10 - Other Financial Industry Activities and Affiliations

As stated above in Item 4, Parnassus Investments is the investment adviser to the Funds. Parnassus Investments also provides administration services to the Funds for which it receives compensation. Certain of our officers and employees also serve as officers of the Funds.

The underwriter/distributor to the Funds is Parnassus Funds Distributor, LLC, which is an unaffiliated limited-purpose broker-dealer owned and operated by ACA Global that engages in no other business aside from serving as underwriter/distributor to the Funds. Certain of Parnassus Investments' personnel are registered representatives of Parnassus Funds Distributor, LLC.

Principals and employees of Parnassus Investments may serve on the board of directors of public companies, subject to the approval of the Chief Compliance Officer and the Independent Trustees of the Parnassus Funds if the employee is an access person of the Funds. From time to time, Independent Trustees of the Parnassus Funds may serve on the board of directors of public companies, and Parnassus Investments may invest in such companies. Independent Trustees are required to advise the Chief Compliance Officer when they accept a directorship of another public company, and are required to refrain from discussing such company or sharing any information learned in connection with such service on the board with any personnel of the Parnassus Funds or Parnassus Investments. An Independent Trustee who is a director of any such public company that (a) is a party to a material contract or transaction or proposed material contract or transaction with Parnassus Investments; or (b) has a material interest in any person who is a party to a material contract or transaction or proposed material contract or transaction with Parnassus Investments, is required to disclose this to the company and to Parnassus Investments and the other Independent Trustees. Such Independent Trustee will not attend any part of a meeting of directors during which the contract or transaction is discussed and shall not vote on any resolution to approve the contract or transaction.

As stated above in Item 4 of this brochure, AMG holds a majority equity interest in Parnassus Investments. AMG does not have any role in the day-to-day management of Parnassus

Investments. AMG also holds equity interests in AMG Affiliates. Each of the AMG Affiliates and Parnassus Investments is operated autonomously and independently, and Parnassus does not share operations with them. Parnassus Investments carries out its asset management business, including the exercise of investment discretion and voting rights, independent of AMG and the AMG Affiliates. Moreover, the AMG Affiliates do not formulate advice for Parnassus Investments' clients and do not, in Parnassus Investments' view, present any actual or potential conflict of interest with Parnassus Investments' clients. More information regarding AMG, including its public filings and a list of all AMG Affiliates, is available at www.amg.com.

Parnassus Investments has entered into a marketing and client services agreement with AMG Funds LLC ("AMG Funds"), an investment adviser subsidiary of AMG, and AMG Distributors, Inc. (together with AMG Funds, the "U.S. AMG Subsidiaries"), a broker-dealer subsidiary of AMG, under which the U.S. AMG Subsidiaries market Parnassus Investments' investment management services and the Funds, as appropriate, to unaffiliated third-party intermediaries that actively target North American institutional, family office, and sub-advisory clients. The U.S. AMG Subsidiaries may also provide client services to clients retained under the agreement, upon request by Parnassus Investments. Parnassus Investments pays the U.S. AMG Subsidiaries a fee for these services.

Additionally, Parnassus Investments is party to a marketing and client services agreement with one or more non-U.S. subsidiaries of AMG (collectively, the "Non-U.S. AMG Subsidiaries") under which the Non-U.S. AMG Subsidiaries introduce Parnassus Investments' investment management services, as appropriate, to prospective institutional clients and/or provide institutional client services to certain of Parnassus Investments' clients in various foreign jurisdictions. Parnassus Investments pays the Non-U.S. AMG Subsidiaries a fee for these services. The Non-U.S. AMG Subsidiaries are not broker-dealers, investment advisers, or any of the other financial institutions described in Item 7.A of Form ADV Part 1A. The Non-U.S. AMG Subsidiaries may be registered or exempt from registration, as appropriate, with the relevant non-U.S. financial regulatory authorities. Parnassus Investments is an affiliate of AMG Funds, AMG Distributors, Inc. and the Non-U.S. AMG Subsidiaries.

Item 11 - Code of Ethics, Participation or Interests in Client Transactions and Personal Trading

The Funds and Parnassus Investments have adopted a Code of Ethics (the "Code") in compliance with Rule 17j-1 under the Investment Company Act of 1940 and Rule 204A-1 under the Investment Advisers Act of 1940. The Code provides that, in their personal investment activities, all trustees and officers of the Funds and all officers, partners and staff of Parnassus Investments have a fiduciary duty to place the interests of Fund shareholders and clients before their own personal interests. All personal securities transactions must be conducted consistent with the Code and in such a manner as to avoid any actual or potential conflict of interest or any abuse of an individual's position of trust or responsibility. No one affiliated with the Funds or Parnassus Investments may take inappropriate advantage of his or her position. All persons subject to the Code must seek to comply with federal securities laws to the best of their ability. A copy of the Code is available upon request to any client or prospective client. Clients or prospective clients may obtain a copy of the Code by contacting us at the telephone number on the cover page of this brochure.

Parnassus Investments' personnel may not purchase or sell for their own accounts securities that are recommended to clients or purchased for client accounts except that they may continue to hold securities they already own that are on the firm's "Approved List" (securities that have been approved for purchase in client portfolios) and may only sell such securities following approval by Parnassus' Chief Compliance Officer. In addition, the Code provides for a ban on short-term trading profits in most securities by our personnel.

Parnassus Investments does not buy or sell securities directly for itself that it also recommends to clients. However, Parnassus Investments' personnel or their affiliates may hold interests in the Funds, and the Funds in turn may own underlying portfolio securities for which Parnassus Investments buys, sells or recommends to advisory clients.

All Parnassus Investments' personnel must pre-clear trades for personal securities accounts except for trades in certain securities, as described in the Code of Ethics. Investments in initial public offerings, initial coin offerings and private placements are also required to be pre-cleared. Parnassus Investments maintains an internet-based personal securities reporting and certification process (the "Electronic Reporting System"), which our personnel are expected to use for preclearance requests and to make and certify online submissions of their required initial and annual holdings reports, quarterly transaction reports and other certifications.

Political Contributions
Parnassus Investments' employees are permitted under certain circumstances to make political contributions pursuant to restrictions and compliance controls as set forth in Parnassus' Policies Regarding Political Activities by Investment Advisers, which was implemented to reflect the SEC's restrictions on political contributions as well as to maintain Parnassus' high standards of ethical conduct.

Gifts and Entertainment
Parnassus Investments' employees are permitted, on occasion, to accept (or give) gifts and invitations to attend entertainment events, pursuant to certain restrictions and compliance controls as set forth in Parnassus' Gift and Entertainment Policy and Procedures. When doing so, however, employees must always act in the best interests of Parnassus clients and must avoid any activity that might create an actual or perceived conflict of interest or impropriety in the course of business relationships.

Outside Business Activities
Employees' personal activities, associations or functions may create actual or potential conflicts of interest. The personal interests of Parnassus Investments' personnel must not be placed improperly before the interests of Parnassus Investments or its clients. Outside business activities include activities that require an employee's time or provide the employee with monetary benefits. Employees engaging in outside business activities are required to receive pre-clearance from the Chief Compliance Officer.

Conflicts of Interest
Set forth below is a description of certain conflicts of interest that may arise in the course of Parnassus Investments' activities for its own account and for the accounts of its clients, including the Funds and separately managed accounts.

Conflicts Related to Portfolio Management of Multiple Accounts

Parnassus Investments acts as investment adviser to portfolios of the Parnassus Funds and separately managed accounts that have similar investment objectives and pursue similar investment strategies. As a result, certain investments identified by Parnassus Investments may be appropriate for multiple clients. Decisions to buy and sell investments for each client advised by Parnassus Investments are made with a view toward achieving such client's investment objectives; however, Parnassus Investments may face conflicts of interest in allocating investment opportunities among accounts because Parnassus Investments might receive greater fees or compensation from some accounts than others. Moreover, a particular investment may be bought or sold for only one client or in different amounts and at different times for more than one but fewer than all clients, even though it could have been bought or sold for other clients at the same time. In addition, when a particular investment is bought or sold for two or more clients on the same date, there can be no assurance that a client will not receive less (or more) of the investment than it would otherwise receive if Parnassus Investments did not have a conflict of interest among clients. Also, a particular investment may be bought for one or more clients when one or more other clients are selling the investment. Investment decisions for clients are made by Parnassus Investments in its best judgment, and in its sole discretion, taking into account such factors as Parnassus Investments believes to be relevant. Such factors may include investment objectives, regulatory restrictions, availability and liquidity of the investment, current holdings, availability of cash for investment, liquidity requirements of the account, the size of the investments generally and limitations and restrictions on a client's account that are imposed by the client. In effecting transactions, it may not always be possible, or consistent with the investment objectives of Parnassus Investments' various clients, to take or liquidate the same investment positions at the same time or at the same prices. Parnassus Investments is not under any obligation to share any investment, idea or strategy with all of its clients.

Parnassus Investments seeks to manage and/or mitigate the potential conflicts of interest described above by following its Procedures for Aggregating Client Securities Transactions, Allocating Shares in Block Trade Orders and Rotating the Order of Trade Execution/Model Delivery with respect to the allocation of investment opportunities among its clients, including the allocation of limited opportunities.

Notwithstanding these procedures, if Parnassus Investments implements a portfolio decision for one client ahead of, or contemporaneous with, another client, the market impact of the investment decision could result in one or more clients receiving more favorable trading results or reduced costs at the expense of one or more other clients.

Conflicts Related to Proprietary Accounts

Parnassus Investments may have conflicts relating to accounts in which it has a proprietary interest. This conflict most often arises in the context of the Parnassus Funds where Parnassus Investments or an affiliate has made an investment. This investment may provide an incentive for Parnassus Investments to favor accounts in which it or an affiliate has such an interest over accounts or funds where it does not. In most cases, investments made by Parnassus Investments or an affiliate will be limited to modest amounts of seed money. However, Parnassus Investments or an affiliate may make larger investments that result in Parnassus Investments or an affiliate becoming a larger investor in an account or fund. To address this potential conflict,

Parnassus Investments has adopted a policy where an investment in commingled vehicles may be significant enough to heighten the risk of the potential conflict. Parnassus Investments defines "Proprietary Accounts" as those accounts where at least 25% of net assets are owned by Parnassus Investments, its employees, officers or affiliates. The Compliance department monitors the trading activity of Proprietary Accounts to ensure that the trading in a Proprietary Account has not disadvantaged clients of Parnassus Investments.

Conflicts Related to Cross Trades

To the extent permitted by applicable law, Parnassus Investments' compliance policies and procedures, and a client's investment guidelines, Parnassus Investments may engage in "cross trades" where, as investment manager to a client account, Parnassus Investments causes that client account to purchase a security directly from another client account. This might be done in an effort to reduce transaction costs, increase execution efficiency, and capitalize on timing opportunities. Cross trades present a conflict of interest because Parnassus Investments represents the interests of both the selling account and the buying account in the same transaction. As a result, clients for whom Parnassus Investments executes cross trades bear the risk that one counterparty to the cross trade may be treated more favorably by us than the other party, particularly in cases where the first party pays Parnassus Investments higher management fees. Additionally, there is a risk that the price of a security bought or sold through a cross trade may not be as favorable as it might have been had the trade had been executed in the open market. See Item 12 – "Brokerage Practices," for information on Parnassus Investments' policies and procedures related to cross trades.

Conflicts Related to Sponsorship Activities

From time to time, Parnassus Investments may be asked to sponsor investment-related conferences, webinars, panels and similar events. For example, we may be asked to sponsor sales, client and similar conferences (which may include booths) and other events where investment advisors, broker-dealers and their representatives are provided with information about Parnassus Investments and its products (including the Funds) and services. These events are typically (although not always) conducted for training and/or educational purposes, and our sponsorship of the event generally requires us to make direct payments to third party investment advisors and broker-dealers to help offset the costs associated with holding the event, including, in certain circumstances, travel, lodging, food and entertainment costs. Events that we may sponsor that are not training and/or education related may include dinners and other forms of entertainment. The payments we make as part of our sponsorship of these events may create a conflict of interest and may compromise the independence and objectivity of the third parties in their selection of investment managers for their clients in that they provide an incentive to the third parties receiving such payments to select or recommend Parnassus Investments' products and services over other investment managers who have not made such payments. In light of this, we maintain policies and procedures to ensure that our participation in these events is consistent with applicable regulatory requirements and industry standards.

Conflicts Related to Proxy Voting

Parnassus Investments votes proxies with respect to portfolio securities held by the Funds and for certain other managed account clients. Our duty is to vote proxies in the best interests of our clients and Fund shareholders. In situations where there may be a conflict of interest, Parnassus

Investments will follow established steps to resolve the conflict. See Item 17 – "Voting Client Securities," for information on Parnassus Investments' policies and procedures related to proxy voting.

Item 12 - Brokerage Practices

Broker Selection and Soft Dollar Practices

Parnassus Investments generally has the authority to determine, without obtaining specific client consent, the securities to be bought or sold, the amount of the securities to be bought or sold, the broker or dealer to be used, and the commission rates paid. Parnassus Investments does not have brokerage discretion with respect to Model Services clients.

With respect to accounts over which Parnassus Investments has brokerage discretion, Parnassus Investments determines the broker-dealer through which client transactions are executed and if commissions are reasonable. We will choose brokers on the basis of "best execution." Best execution generally means the execution of orders at the most favorable price in light of the overall quality of brokerage and research services provided. Choosing brokers on the basis of best execution involves a number of criteria, including, but not limited to, the relative cost of a trade, speed and accuracy of execution, ability to execute the trade in a given security, and research and other services provided by the broker. Financial strength and integrity of the broker are also factors we consider. Our policy of "best execution," then, comprises a number of factors including reasonable cost, services provided, financial strength, speed and accuracy of trades, and integrity of the broker.

For accounts considered in scope of the Markets in Financial Instruments Directive II ("MiFID II") in the European Union, consistent with no-action relief issued by the SEC and MiFID II regulatory requirements, the costs of external research are paid directly by Parnassus Investments rather than by equity trading commissions. For all other eligible accounts, in accordance with the safe harbor provided by Section 28(e) of the Securities Exchange Act of 1934, as it has been interpreted by the SEC, Parnassus Investments uses client trading commissions to purchase eligible research and brokerage services where those services provide lawful and appropriate assistance in the decision-making process, and the amount of the client commission is reasonable in relation to the value of the products or services provided by the broker-dealer. We believe these services make a valuable contribution to our investment process. Commission payments in exchange for research and brokerage services are commonly referred to as "soft dollars." Research services acquired through soft dollar payments include both proprietary research services offered by the broker executing a trade and third-party research obtained through the executing broker or through commission sharing arrangements, as discussed below. While Parnassus Investments generally seeks the most favorable price in placing its orders, an account may not always pay the lowest price available. Parnassus Investments may select brokers who charge a higher commission than other brokers, if Parnassus Investments determines in good faith that the commission is reasonable in relation to the services provided. In accordance with applicable guidance from the SEC staff and the firm's soft dollar policy, Parnassus Investments may aggregate client orders where some clients may pay different amounts for research because of requirements under MiFID II. Each client in such an aggregated order shall, however, pay or receive the same average price for the purchase or sale of the underlying security and pay the same amount for execution.

Parnassus Investments participates in "commission sharing arrangements" to receive eligible research and brokerage products and services. In commission sharing arrangements, Parnassus Investments effects transactions, subject to best execution, through a broker and requests that the broker allocate a portion of the commission or commission credits to a segregated "research pool(s)" maintained by the broker. Parnassus Investments then directs such broker to use the research pool(s) to pay for various products and services that are eligible under the safe harbor of Section 28(e). Participating in commission sharing arrangements enables Parnassus Investments to (1) strengthen its key brokerage relationships; (2) consolidate payments for research and brokerage products and services; and (3) continue to receive a variety of high-quality research and brokerage products and services while facilitating best execution in the trading process.

Parnassus Investments currently has a commission sharing arrangement with Westminster/Cowen, which provides us with an investment analytics tool called FactSet, Bloomberg terminals and third-party research. During the past fiscal year, Parnassus obtained the following products and research services through soft dollar transactions:

- FactSet
- Bloomberg terminals, information and research
- Third-party sustainability research
- Quantitative, macro and fundamental equity research
- Independent sell side research
- Participation in investment conferences
- Access to research analysts

Brokerage services received through soft dollar arrangements may include trading systems that provide connection with brokers and assist in best execution as well as settlement.

Our firm has a standing Trade Management Oversight Committee consisting of members of our portfolio management, trading, compliance and operations teams. The committee meets at least quarterly to review the quality of brokerage execution obtained on behalf of our clients, to monitor our use of soft dollar research and other services received in connection with client transactions and to review and compare the quality of broker services provided and commissions paid by clients. Based on its most recent review, the committee was satisfied with the quality of brokerage obtained and the reasonableness of commissions paid by our firm for its clients.

During the past fiscal year, the following procedures were used to allocate client brokerage:

- Our investment team establishes an estimated equity brokerage commission budget in advance that reflects our estimate of the most value to our firm and our clients for research and other services, if any, provided by the broker-dealers to which we direct client transactions.

- We then establish a target commission amount for each broker-dealer. Parnassus endeavors to direct sufficient client transactions to broker-dealers to ensure the receipt of research and brokerage services used by Parnassus Investments in our investment process.

Certain soft dollar products and services may be considered "mixed use", and such costs are allocated between research services that may be paid with soft dollars and those that must be paid for in cash based on a documented and rational methodology.

To the extent that Parnassus Investments uses client transactions to obtain research or other products or services that we could otherwise purchase for cash, Parnassus Investments receives a benefit because we do not have to produce or pay for such research, products or services. As a result, Parnassus Investments has an incentive to select brokers or pay higher commissions than would otherwise be the case due to our interest in receiving these benefits, rather than our client's interest in receiving most favorable execution. However, we monitor this conflict of interest by regular review of our soft dollar services and payments as well as the following procedures. Commissions paid to brokers, as well as the quality of execution by each broker including items such as error rate, timeliness of execution and price received, are reviewed regularly by Parnassus Investments, and with respect to the Funds, by the Funds' Board of Trustees. Research provided by such brokers may be used to service all client accounts and not exclusively in connection with the management of the client account that generated the particular soft dollar credits. Parnassus Investments seeks to allocate soft dollar benefits to client accounts proportionately to the soft dollar credits the accounts generate. The research that Parnassus Investments receives for a client's brokerage commissions, whether or not useful to that client, may be useful to Parnassus Investments in managing the accounts of Parnassus Investments' other advisory clients. Similarly, the research received for the commissions of such other accounts may be useful to another client.

Parnassus Funds Distributor, LLC serves only as an underwriter/distributor to the Funds and does not execute trades for client accounts. In executing portfolio trades for its clients, Parnassus Investments uses unaffiliated broker-dealers.

Directed Brokerage Arrangements

Parnassus Investments does not maintain directed brokerage arrangements on its own initiative and generally recommends against them, however, clients may request that Parnassus Investments direct the client's brokerage to a particular broker. A directed brokerage arrangement involves a client directive obligating Parnassus Investments to utilize a particular broker or brokers without regard to best execution. Directed brokerage arrangements do not encompass client preferences, goals or instructions that are subject to Parnassus Investments' obligation to obtain best execution. Directed brokerage may cost clients more money. Parnassus Investments' ability to obtain best execution for the client may be hindered by the directed brokerage relationship and the client may forego any benefit from savings on execution costs that Parnassus Investments could obtain for its other clients through negotiating for volume discounts with brokers, aggregating client orders and seeking execution of transactions as efficiently as possible and at the best price.

Trade Aggregation and Allocation

When Parnassus Investments has investment and brokerage discretion, and in circumstances where it determines that trade order aggregation is appropriate, Parnassus will aggregate contemporaneous orders for more than one client's account to form a "block" order for the purpose of seeking a better price and execution. In addition, certain affiliated accounts may trade in the same securities with client accounts on an aggregated basis when consistent with

Parnassus Investments' obligation of best execution. Parnassus will generally aggregate trades when client accounts that have the same investment strategy are trading in the same securities at the same time. Trades for client accounts that follow different investment strategies and that are trading in the same security will generally not be aggregated. Similarly, trades for the Parnassus Core Select ETF and the Parnassus Value Select ETF (collectively, the "ETFs") are generally not aggregated with trades for the other Parnassus Funds or other client accounts.

In circumstances where trades are aggregated, participating client accounts, including any affiliated accounts, will generally share commission costs equally and receive securities at a total average price. As discussed above, MiFID II accounts may pay different amounts for research in aggregated orders due to MiFID II requirements. Only trades executed within an aggregated securities transaction on a single day are combined for purposes of calculating the average price. Parnassus Investments will retain records of aggregated trade orders (specifying each participating account) and its allocation, which will be completed prior to the entry of the aggregated order. Completed orders will be allocated as specified in the initial trade order. Partially filled orders will be allocated on a pro rata basis. Any exceptions will be documented in the order.

Parnassus Investments does not have brokerage discretion over accounts of Model Services, in which the Model Services program sponsor generally directs trades through its own trading desk, and over accounts where the client has a directed brokerage arrangement in effect. Parnassus Investments will use a rotational process to alternate the order of trading or communication, as applicable, for discretionary accounts participating in aggregated orders, for Model Services accounts and for other accounts trading in the same securities, if any, such as directed brokerage accounts. The sequence in which orders of accounts are placed or notifications are communicated is determined each trading day on a rotating basis. When discretionary accounts are first in the rotation, Model Services accounts will receive notifications once applicable discretionary account trades have been completed. When Model Services accounts are first, all Model Services sponsors will receive trade notifications before discretionary portfolios begin trading. In addition, the order of delivery among the Model Services accounts rotates daily.

Parnassus will periodically review the implementation of the above order entry policy to ensure that no client accounts are inadvertently advantaged over other client accounts over time.

Cross Trades

The firm typically does not effect principal or agency cross securities transactions for client accounts. Principal transactions are generally transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client.

An agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory client and for another person on the other side of the transaction. Parnassus Investments does not engage in agency cross transactions (i.e., transactions in which Parnassus Investments earns a fee other than its advisory fee).

While Parnassus Investments does not engage in principal or agency cross transactions, Parnassus Investments may engage in internal cross trades where prudent, in compliance with SEC and Department of Labor rules, and where permitted by client contracts. An internal cross trade involves a transaction where a security is sold from one advisory account to another such account. In the ordinary course of its business, Parnassus Investments may execute internal cross trades, and if so, the cross trades would primarily be between affiliated U.S. mutual funds that have particular liquidity mandates. Internal cross trades are subject to Rule 17a-7 under the Investment Company Act of 1940 for U.S. mutual funds. Parnassus Investments does not permit internal cross trades involving one or more retirement accounts (e.g., subject to ERISA). In other cases, Parnassus Investments will ensure that any internal cross transactions are in the best interests of and are appropriate for both clients, and the transactions should remain consistent with Parnassus Investments' obligations to seek best execution and an independent or objective pricing mechanism is used. To the extent a broker is intentionally utilized to facilitate a cross trade with or without compensation, Parnassus Investments will honor the same process and requirements. Additionally, there may be some instances where Parnassus Investments could have executed an internal cross trade and avoided paying commissions, but due to factors such as timing (i.e., the buy and sell trades were placed at different times of day by different portfolio managers) it was not feasible to place an internal cross trade. As a result of this, clients may pay higher brokerage fees in certain instances than if a cross trade had been executed internally without the use of a broker.

Trading Errors

During the course of our handling of client transactions, trade errors may inadvertently occur. We will take steps to correct the error as soon as practicable. Clients will be made whole following a trade error.

Item 13 - Review of Accounts

Parnassus Investments' investment company and other managed account portfolios are managed by the following individuals. More information as to the Fund(s) managed by each individual is set forth in the prospectus.

- Benjamin E. Allen, Chief Executive Officer, Portfolio Manager
- Todd C. Ahlsten, Chief Investment Officer, Portfolio Manager
- Michael Beck, Portfolio Manager, Senior Analyst
- Andrew S. Choi, Director of Research, Portfolio Manager
- Lori A. Keith, Portfolio Manager, Senior Analyst
- Ian E. Sexsmith, Portfolio Manager, Senior Analyst
- Robert J. Klaber, Portfolio Manager, Senior Analyst
- Krishna S. Chintallapali, Portfolio Manager, Senior Analyst
- Shivani R. Vohra, Portfolio Manager, Senior Analyst
- Ken Ryan, Associate Director of Research, Portfolio Manager
- Mark Zagata, Portfolio Manager, Senior Analyst

Please see the Funds' prospectus for information about the portfolio managers of the Parnassus Funds.

Todd C. Ahlsten, as Chief Investment Officer, has oversight responsibility for client investment portfolios.

With respect to Fund and other managed account portfolios, each portfolio manager of the account reviews the account on an ongoing basis.

Portfolios are also subject to a formal compliance review, conducted by the portfolio managers and Compliance department, on a monthly basis.

For separate and other managed account clients, Parnassus Investments generally provides written reports to clients on a quarterly basis, describing investment performance, transaction history, portfolio holdings and relevant market and economic conditions or as otherwise requested by the client. Investment company clients receive written reports in accordance with SEC reporting requirements.

For Model Services programs, Parnassus Investments is responsible on a non-discretionary basis for providing a model portfolio of securities to a third party investment manager, who is responsible for determining if the model portfolio is appropriate for investments by the third party investment manager's clients. The third party investment manager is also responsible for any trading of securities based on the model portfolio.

Item 14 - Client Referrals and Other Compensation

As disclosed in Item 10, Parnassus Investments is party to agreements with certain AMG subsidiaries pursuant to which it pays the AMG subsidiaries a fee for services rendered to Parnassus Investments to support its provision of investment advisory services to clients. These AMG subsidiaries also provide testimonials and endorsements, as such terms are defined in the SEC's Marketing Rule (Rule 206(4)-1), for Parnassus Investments, and are paid a fee by Parnassus Investments based on a percentage of the revenues earned from referred clients or investors in pooled investment vehicles. See Item 10 – "Other Financial Industry Activities and Affiliations," for additional details about these arrangements.

As noted in Item 12, above, Parnassus Investments receives research and brokerage services from brokers and has adopted procedures to monitor actual or potential conflicts of interest in connection with soft dollar arrangements. Parnassus Investments does not receive commissions or any other economic benefit from a non-client in connection with providing advice to clients.

Item 15 - Custody

Parnassus Investments does not maintain physical custody of client assets. However, under the provisions of Rule 206(4)-2 under the Investment Advisers Act of 1940, Parnassus Investments may be deemed to have custody of a client's assets because it has the ability to deduct advisory fees directly from a client's custodian account (pursuant to client authorization).

Clients should receive at least quarterly statements from the broker-dealer, bank or other qualified custodian that holds and maintains the client's investment assets. Parnassus Investments urges clients to carefully review such statements and compare such official custodial

records to the account statements that we may provide to you. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

Item 16 - Investment Discretion

Parnassus Investments usually receives discretionary authority from the client at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold for the client's account. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account. Parnassus Investments' discretion is set forth in the respective client agreement.

When selecting securities and determining amounts, Parnassus Investments observes the investment policies, limitations and restrictions of the clients for which it advises. For registered investment companies, Parnassus Investments' authority to trade securities may also be limited by certain federal securities and tax laws that require diversification of investments and favor the holding of investments once made.

Clients will typically seek to limit the account to an agreed-upon set of permitted types of instruments and include requirements for types of issuers and sectors, maximum or minimum allocations to asset classes, ratings classifications, and other similar characteristics highly dependent on the nature of the account. Clients may impose additional limitations as agreed to by Parnassus Investments. Parnassus Investments seeks to accommodate these requests subject to concerns about maintaining the account's ability to meet its investment objective and Parnassus Investments' ability to program the limitations into its compliance systems. Investment guidelines and restrictions must be provided to Parnassus Investments in writing. Client accounts are also subject to guidelines applicable to the particular Parnassus Investments strategy.

Item 17 - Voting Client Securities

Parnassus Investments will vote proxies with respect to portfolio securities held by the Funds. We also vote proxies for other managed account clients unless the client elects to retain proxy voting authority in the advisory agreement or, in the case of sub-advisory arrangements, proxy voting authority is retained by another party. Clients that wish to vote proxies in a particular manner must retain proxy voting authority in the investment advisory agreement.

We have adopted proxy voting policies and procedures (the "Proxy Voting Policy") designed to ensure that Parnassus Investments votes proxies in the best interests of its clients and Fund shareholders. The Proxy Voting Policy addresses how we generally intend to vote proxies (or what factors we will take into consideration) when voting on particular types of issues, such as social and corporate responsibility, the environment, labor issues, corporate governance, mergers and acquisitions and shareholder rights.

The actual voting records for the portfolios of the Parnassus Funds are available on the Funds' website, www.parnassus.com, and on the website of the SEC at www.sec.gov. The SEC website contains information regarding how the Funds voted portfolio securities during the most recent

12-month period ended June 30, while the Funds' website gives information about the votes in real time, or as soon as possible after a vote has been cast.

Parnassus Investments has contracted with Institutional Shareholder Services, Inc. ("ISS"), a firm with expertise in proxy voting and corporate governance, to assist in the proxy voting process. ISS acts as our voting agent (processing the proxies), advises us on current and emerging proxy voting and governance items and trends, and interprets and applies our Proxy Voting Policy to individual proxy items, subject to our review and oversight. We may also utilize Glass Lewis research or other sources to inform our proxy voting decisions. Parnassus Investments allocates a reasonable portion of expenses associated with the ISS service to the Parnassus Funds, and Parnassus Investments pays the balance of expenses associated with the ISS service allocated to other managed accounts.

Our duty is to vote proxies in the best interests of our clients and Fund shareholders. Therefore, in situations where there is a conflict of interest, we will take one of the following steps to resolve the conflict:

1. Vote the securities based on a pre-determined voting policy if the application of the policy to the matter presented involves little discretion on our part;

2. Refer the proxy to the client or to a fiduciary of the client for voting purposes;

3. Suggest that the client engage another party to determine how the proxy should be voted; or

4. Disclose the conflict to the client or, with respect to a Fund, the Funds' Independent Trustees and obtain the client's or Independent Trustees' direction to vote the proxies.

Clients may obtain a copy of Parnassus Investments' complete Proxy Voting Policy upon request to Parnassus Investments at the telephone number set forth on the cover page of this brochure. This policy is also available in the Parnassus Funds' Statement of Additional Information and at www.parnassus.com. Clients may also obtain information about how Parnassus Investments voted any proxies on behalf of their account(s) upon telephonic request.

Item 18 - Financial Information

Registered investment advisers are required in this Item to provide clients with certain financial information or disclosures about their financial condition. Parnassus Investments has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients and has not been the subject of a bankruptcy proceeding.

PARNASSUS PRIVACY NOTICE

Parnassus is committed to maintaining the confidentiality, integrity and security of personal information entrusted to us by current and potential financial service customers. We have always treated personal information as confidential and want you to be aware of our privacy policies. This policy applies to Parnassus Investments, LLC and the Parnassus Funds (collectively, "Parnassus").

What Information We Collect

We may collect and maintain the following nonpublic personal information about you:

1. information we receive from you on applications or other forms, such as your name, address, e-mail address, phone number, social security number, assets, income and date of birth; and

2. information about your transactions with us, our affiliates or others, such as your account number, balance, positions, activity, history, cost basis information and other financial information.

3. Information collected from you online (such as through the use of "cookies," some of which you may be able to limit as described in our Privacy and Cookies Policy).

What Information We Disclose

We do not disclose any nonpublic personal information about our customers or former customers to any third parties, except as permitted or required by law. We are permitted by law to share any of the information we collect, as described above, with our affiliates. Parnassus will share information with affiliates if the information is required to provide a product or service you have requested. In addition, we may share such information with nonaffiliated third parties to the extent necessary to effect, process, administer or enforce a transaction that you request or authorize, in connection with maintaining or servicing your account, to assist us with our efforts to offer our products or services to you or understand and improve our website, as requested by regulatory authorities or as otherwise permitted or required by law. For example, we may provide such information to third parties in the course of servicing your account, such as identity-verification service providers. We may also disclose information to non-affiliated parties if compelled by law, such as responding to a subpoena, preventing fraud or complying with an inquiry by a government agency or regulator.

How We Protect Your Information

We restrict access to nonpublic personal information about you to those persons who need to know that information to provide products or services to you. We maintain physical, electronic and procedural safeguards that comply with federal standards to protect the confidentiality, integrity and security of your nonpublic personal information.

We will continue to adhere to the privacy policies and practices in this notice even if your account is closed or becomes inactive.

Additional Rights

You may have other privacy protections under applicable state laws. To the extent those state laws apply, we will comply with them with respect to your personal information. Please review our Privacy and Cookies Policy to learn more about how these state laws may apply to you, including how you can exercise your additional rights where applicable.

How to Contact Us

Please call us at 1-800-999-3505 if you have any questions regarding our privacy policy.

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