Parnassus Asia Fund℠

Fourth Quarter 2015

All information, unless otherwise indicated, is as of 12/31/2015

Objective

Capital appreciation

Strategy

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

- Wide moats or 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
- Favorable three-year investment horizon

The Fund provides access to equity securities of Asian companies across the capitalization spectrum. Diversification across the Asian region can serve to mitigate impact from any single country's equity market fluctuations. The Fund takes environmental, social, and governance factors into account in making investment decisions.

ESG Integration

At Parnassus Investments, the investment team follows a responsible investment approach to understand the full impact of a company. The investment team carefully considers a company's environmental, social and governance (ESG) factors. By incorporating ESG factors into the fundamental investment process, the investment team often identifies risks and opportunities that the market may have ignored and could impact the performance of investments.

Total % Returns

As of 12/31/2015	3 Months	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception 4/30/13	Since Inception 4/30/15	Gross Expense Ratio[a]	Net Expense Ratio[a]
Parnassus Asia Fund Investor Shares	7.04	-11.84	-11.84	-	-	-	0.26	-	3.53	1.25
Parnassus Asia Fund Institutional Shares	7.18	-11.60	-11.60	-	-	-	-	-17.48	3.48	1.22
MSCI AC Asia Pacific Index	6.99	-1.68	-1.68	3.42	1.96	3.36	-0.03	-	NA	NA

[a]As described in the Fund's current prospectus dated May 1, 2015, Parnassus Investments has contractually agreed to limit the total operating expenses to 1.25% of net assets for the Parnassus Asia Fund—Investor Shares and to 1.22% of net assets for the Parnassus Asia Fund — Institutional Shares. This agreement will not be terminated prior to May 1, 2016, and may be continued indefinitely by the Adviser on a year-to-year basis. Performance shown prior to the inception of the Institutional Shares, April 30, 2015, reflects the performance of the Parnassus Asia 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.

Ten Largest Holdings[1]

Alibaba Group Holding Ltd. (ADR)	4.7%
Samsung Electronics Co., Ltd.	4.4%
Applied Materials Inc.	4.4%
SITC International Holdings Co., Ltd.	4.3%
Hermes Microvision Inc.	4.2%
Micron Technology Inc.	4.1%
Rakuten Inc.	4.0%
OMRON Corp.	3.9%
Sun Art Retail Group Ltd.	3.7%
PT Bank Rakyat Indonesia (Persero)	3.6%
Total	**41.3%**

Country Allocation[3]

Australia	3.4%
China/ Hong Kong	42.1%
India	1.0%
Indonesia	4.6%
Japan	20.6%
Philippines	3.2%
Singapore	2.6%
South Korea	4.4%
Taiwan	15.6%
Thailand	2.5%
Total	**100%**

Sector Weightings[2]

[1]Percent based on total net assets of date indicated.
[2]Excluding cash and cash equivalents.
[3]As a percentage of long-term investments. Parnassus considers companies that do a substantial amount of business in Asia to be Asian companies.
Performance data quoted represents 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 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. The MSCI AC Asia Pacific Index is an unmanaged index of Asian stock markets. 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.

The Parnassus Funds are underwritten and distributed by Parnassus Funds Distributor, a subsidiary of Parnassus Investments and a FINRA member.

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.

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Portfolio Managers

Jerome L. Dodson

- President, Portfolio Manager
- With firm since 1984
- Investment industry since 1976
- Portfolio Manager since 2013
- M.B.A., Harvard Business School 1971
- B.S., Political Science, University of California, Berkeley 1965

Billy J. Hwan

- Portfolio Manager
- With firm since 2012
- Investment industry since 2001
- Portfolio Manager since 2014
- M.B.A., University of California, Berkeley 2012
- M.S., Accountancy, University of Houston 2005
- B.S., Industrial Engineering, Stanford University 2001

Firm Overview

Parnassus Investments® is an independent and employee-owned investment management company based in San Francisco, CA. Founded in 1984, the firm seeks to invest in businesses that have increasingly relevant products or services, sustainable competitive advantages, quality management teams and ethical business practices. We believe the most attractive opportunities for investments are when companies with good business fundamentals become temporarily undervalued due to market sentiment.

Total Assets Under Management: $15.6 billion

Fund Characteristics

	Fund	MSCI AC Asia Pacific Index
Ave Weighted Mkt Cap ($Bn)	$31.0	$42.8
P/E Ratio	14.2x	13.1x
P/B Ratio	2.1x	1.4x
Number of Holdings	33	1022
Portfolio Turnover (2015 Annual)	59.7%	-

Average Weighted Market Cap *is the average capitalization of all stocks in the portfolio, weighted by each holding's size in the portfolio.* ***Price/Earnings (P/E) Ratio*** *is a ratio of a stock's current price to its per-share earnings over the past 12 months (or "trailing" 12 months).* ***Price/Book (P/B) Ratio*** *is the ratio of a stock's latest closing price divided by its book value per share.*

Fund Facts

	Investor Shares	Institutional Shares
Ticker	PAFSX	PFPSX
CUSIP	701765208	701765604
Minimum Investment	$2,000	$100,000
Gross Expense Ratio	3.53%	3.48%
Net Expense Ratio	1.25%	1.22%
Inception Date	4/30/2013	4/30/2015
Distribution Frequency	Annually	
Total Net Assets	$10.3MM	

Expenses based on total net assets, net of reimbursement.
As described in the Fund's current prospectus dated May 1, 2015, Parnassus Investments has contractually agreed to limit total operating expenses to 1.25% of net assets for the Parnassus Asia Fund—Investor Shares and to 1.22% of net assets for the Parnassus Asia—Institutional Shares. This agreement will not be terminated prior to May 1, 2016, and may be continued indefinitely by the Adviser on a year-to-year basis.

Style

Parnassus Funds' equity style box is based on the portfolio's overall targeted capitalization range and relative valuation.

Lipper Category:
Pacific Region

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 assets levels of individual companies and in response to general domestic and international market and economic conditions. There are additional risks associated with foreign investments, such as increased market volatility, a lower level of government oversight in emerging markets, risks associated with focusing on a specific geographic region and exposure to fluctuations in foreign currencies. 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.*

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