



Prospectus

May 1, 2020

(As Amended and Restated Effective as of August 5, 2020)

Parnassus Core Equity FundSM

Investor Shares: PRBLX | Institutional Shares: PRILX

Parnassus Mid Cap FundSM

Investor Shares: PARMX | Institutional Shares: PFPMX

Parnassus Endeavor FundSM

Investor Shares: PARWX | Institutional Shares: PFPWX

Parnassus Mid Cap Growth FundSM

Investor Shares: PARNX | Institutional Shares: PFPRX

Parnassus Fixed Income FundSM

Investor Shares: PRFIX | Institutional Shares: PFPLX



Like securities of all mutual funds, these securities have not been approved or disapproved by the Securities and Exchange Commission (SEC), and the SEC has not determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

Beginning on January 1, 2021, as permitted by regulations adopted by the SEC, paper copies of the Funds' shareholder reports will no longer be sent by mail, unless you specifically request paper copies of the reports from the Funds or from your financial intermediary, such as a broker-dealer or bank. Instead, the reports will be made available on the Funds' website (www.parnassus.com), and you will be notified by mail each time a report is posted and provided with a website link to access the report.

If you already elected to receive shareholder reports electronically, you will not be affected by this change and you need not take any action. You may elect to receive shareholder reports and other communications from the Funds by contacting your financial intermediary (such as a broker-dealer or bank) or, if you are a direct investor, by calling 800-999-3505 or by sending an email request to shareholder@parnassus.com.

You may elect to receive all future reports in paper copies free of charge. If you invest through a financial intermediary, you can contact your financial intermediary to request that you continue to receive paper copies of your shareholder reports. If you invest directly with the Funds, you can call 800-999-3505 or send an email request to shareholder@parnassus.com to let the Funds know you wish to continue receiving paper copies of your shareholder reports. Your election to receive paper copies of reports will apply to all funds held in your account if you invest through your financial intermediary.

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SUMMARY SECTION

Parnassus Core Equity Fund

Investment Objective

The Parnassus Core Equity Fund's objective is to achieve both capital appreciation and current income.

Fees and Expenses

This table describes the fees and expenses that you may pay if you buy, hold and sell shares of the Parnassus Core Equity Fund. You may pay other fees, such as brokerage commissions and other fees to financial intermediaries, which are not reflected in the tables and example below.

Parnassus Core Equity Fund

Annual Fund Operating Expenses (%)
(expenses that you pay each year as a percentage of the value of your investment)

	Investor Shares	Institutional Shares
Management Fees	0.58	0.58
Distribution (12b-1) Fees	None	None
Other Expenses	0.28	0.05
Service Fees	0.23	None
All remaining other expenses	0.05	0.05
Total Annual Fund Operating Expenses	0.86	0.63

For additional information about the Parnassus Core Equity Fund's expenses, please see "Financial Highlights" in the prospectus.

Example

This example is intended to help you compare the cost of investing in the Parnassus Core Equity Fund with the cost of investing in other mutual funds. The example assumes that you invest \$10,000 in the Fund for the time periods indicated and then redeem all of your shares at the end of those periods. The example also assumes that your investment has a 5% return each year, and that the Fund's operating expenses remain the same. Although your actual costs may be higher or lower, under these assumptions, your costs would be:

	1 Year	3 Years	5 Years	10 Years
Investor Shares	\$88	\$274	\$477	\$1,061
Institutional Shares	\$64	\$202	\$351	\$786

Portfolio Turnover

The Parnassus Core Equity Fund pays transaction costs, such as commissions, when it buys and sells securities (or "turns over" its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when Fund shares are held in a taxable account. These costs, which are not reflected in annual fund operating expenses or in the example, affect the Fund's performance. During the most recent fiscal year, the Fund's portfolio turnover rate was 36.9% of the average value of its portfolio.

Principal Investment Strategies

The Parnassus Core Equity Fund's objective is to achieve both capital appreciation and current income by investing primarily in a diversified portfolio of equity securities. Equity securities include common and preferred stock. Under normal circumstances, the Fund will invest a minimum of 80% of its net assets (plus borrowings for investment purposes) in equity securities. At least 75% of the Fund's total assets will normally be invested in equity securities that pay interest or dividends. The remaining 25% may be invested in non-dividend-paying equity securities, short-term instruments and money-market instruments (i.e., "cash" or cash equivalents). The Parnassus Core Equity Fund is primarily a large-cap fund, which means that it normally invests more than half of its net assets in large, well-established companies. The Fund considers a large-cap company to be one that has a market capitalization that is greater than the median market capitalization of the Russell 1000® Index (which was \$ 9.95 billion as of February 29, 2020) measured at the time of purchase. The Fund may invest to a lesser extent in small- and mid-capitalization companies. The portfolio managers focus on seeking downside protection. The Fund may purchase foreign securities directly on foreign markets. The Fund invests mainly in domestic stocks of companies that are financially sound and have good prospects for the future, and to a lesser extent may also invest in foreign securities of

similar companies. The Fund is fossil-fuel free, as it does not invest in companies that derive significant revenues from the extraction, exploration, production or refining of fossil fuels; the Fund may invest in companies that use fossil fuel-based energy to power their operations or for other purposes. Using a value-oriented investment process, the Fund seeks to invest in equity securities that pay dividends, have the potential for capital appreciation and which the Fund's investment adviser (Adviser) believes have the capacity to raise dividends in the future. To determine a company's prospects, the Adviser reviews the company's income statement, cash flow statement and balance sheet, and analyzes the company's sustainable strategic advantage and management team.

Upon initial investment, a company's stock must be trading below its intrinsic value, which means that the Adviser seeks to purchase stock trading at a discount to the Adviser's assessment of the company's estimated value. The Adviser also takes environmental, social and governance ("ESG") factors into account in making investment decisions. The Fund will sell a security if the Adviser believes a company's fundamentals will deteriorate, if it believes a company's stock has little potential for appreciation or if the company no longer meets the Adviser's ESG criteria.

Principal Risks

All investments involve risk, and investing in the Parnassus Core Equity Fund is no exception. You could lose money investing in the Fund. The likelihood of loss may be greater if you invest for a shorter period of time. The Fund is intended for investors who can accept that there will be fluctuations in value. Investments in the Fund are not deposits, endorsements or guarantees of any bank and are not insured by the Federal Deposit Insurance Corporation or any other government agency. The Fund's principal risks include the following:

- **Stock Market Risk.** The Fund invests in common stocks, whose prices fluctuate in response to the fortunes of individual companies and in response to general market and economic conditions both in the U.S. and abroad. In the past decade financial markets throughout the world have experienced increased volatility, decreased liquidity and heightened uncertainty. Risks associated with epidemic and pandemic diseases (such as COVID-19), including, without limitation, travel restrictions, closed international borders, quarantines, disruptions to supply chains and lower consumer demand; a rise in protectionist trade policies; slowing global economic growth; risks associated with the United Kingdom's departure from the European Union; and the risk of trade disputes and the possibility of changes to some international trade agreements could affect the economies of many nations, including the United States, in ways that cannot be foreseen at the present time, and may adversely impact the markets in which the Fund invests. The Fund's holdings can vary significantly from broad stock market indices.
- **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.
- **Small- and Mid-Capitalization Company Risk.** In addition to large-capitalization companies, the Fund 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.
- **Management Risk.** The Adviser may be wrong in its assessment of a company's value and/or the stocks the Fund holds may not reach what the Adviser believes are their full values. From time to time, "value" investing falls out of favor with investors, and during those periods the Fund's relative performance may suffer.
- **Foreign Securities Risk.** The Fund may invest up to 20% of its assets in foreign securities. Foreign markets can be more volatile 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 COVID-19 and the United Kingdom's exit from the European Union (or Brexit), may contribute to decreased liquidity and increased volatility in the financial markets. Further, foreign 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 foreign companies. Substantial withholding taxes may also apply to distributions from foreign companies.

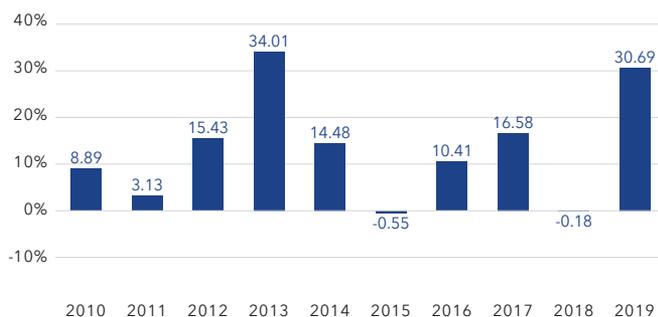
Performance Information

The bar chart and table that follow contain information that allows you to evaluate the Parnassus Core Equity Fund's performance using several measures, such as yearly changes in performance, best and worst quarterly returns, and average annual total returns before and after taxes compared to a broad measure of market performance. The bar chart shows the performance of the Fund's Investor Shares, and the performance of the Fund's Institutional Shares will differ from those shown to the extent that the classes of shares do not have the same expenses or inception date. How the Fund performed in the past (before and after taxes) is not necessarily an indication of how it will perform in the future. Updated performance information is available on the Fund's website, www.parnassus.com, or by calling toll-free at (800) 999-3505.

During the ten-year period shown in the bar chart, the highest return for a quarter was 13.3% (quarter ended March 31, 2019), and the lowest return for a quarter was a loss of 11.1% (quarter ended September 30, 2011).

Following is a table comparing the performance of the Parnassus Core Equity Fund's two share classes with that of the S&P 500® Index (see "Index Descriptions" in the prospectus) and the Lipper Equity Income Funds Average. Figures are average annual returns for the one-, five- and ten-year periods ended December 31, 2019. The table is intended to demonstrate the risk of investing in the Fund by showing how the Fund's average annual total returns, before and after taxes, compare with a broad measure of market performance, the S&P 500® Index, and a group of similar mutual funds, the Lipper Equity Income Funds Average, and also how the Fund's performance varies from year to year.

Annual Total Returns (%)



Parnassus Core Equity Fund

Average Annual Total Returns (%) (all periods ended December 31, 2019)

	One Year	Five Years	Ten Years
Investor Shares			
Return before Taxes	30.69	10.80	12.75
Return after Taxes on Distributions	28.23	8.88	11.38
Return after Taxes on Distributions and Sale of Fund Shares	19.72	8.19	10.34
Institutional Shares			
Return before Taxes	30.96	11.03	12.97
S&P 500® Index (reflects no deduction for fees, expenses or taxes)	31.49	11.70	13.56
Lipper Equity Income Funds Average	24.40	8.05	10.70

The after-tax returns are calculated using the historical highest individual stated federal marginal income tax rates and do not reflect the impact of state and local taxes. Actual after-tax returns depend on an investor's individual tax situation and may differ from those shown. After-tax returns are not relevant to investors who hold their Fund shares through tax-deferred arrangements, such as 401(k) plans or individual retirement accounts. Return After Taxes on Distributions and Sale of Fund Shares may be higher than other returns for the same period due to a tax benefit of realizing a capital loss upon the sale of Fund shares. After-tax returns are shown for Investor Shares only. After-tax returns for Institutional Shares will vary.

The Adviser

Parnassus Investments is the investment adviser to the Parnassus Core Equity Fund. For more information on the Adviser, please see "Management of the Funds" in the prospectus and "The Adviser" in the statement of additional information.

Portfolio Managers

Todd C. Ahlsten is the lead Portfolio Manager of the Parnassus Core Equity Fund and has been a portfolio manager of the Fund since 2001. He is also a Vice President of the Parnassus Funds.

Benjamin E. Allen is a Portfolio Manager of the Parnassus Core Equity Fund and has served in this capacity since 2012. He is also President of the Parnassus Funds.

For more information, please see "Management of the Funds" in the prospectus and "Portfolio Managers" in the statement of additional information.

For important information about the purchase and sale of Fund shares, tax information and payments to financial intermediaries, please turn to "Additional Summary Information" on page 18 of the prospectus.

Parnassus Mid Cap Fund

Investment Objective

The Parnassus Mid Cap Fund has the overall investment objective of capital appreciation.

Fees and Expenses

This table describes the fees and expenses that you may pay if you buy, hold and sell shares of the Parnassus Mid Cap Fund. You may pay other fees, such as brokerage commissions and other fees to financial intermediaries, which are not reflected in the tables and example below.

Parnassus Mid Cap Fund

Annual Fund Operating Expenses (%)
(expenses that you pay each year as a percentage
of the value of your investment)

	Investor Shares	Institutional Shares
Management Fees	0.71	0.71
Distribution (12b-1) Fees	None	None
Other Expenses	0.30	0.04
Service Fees	0.23	None
All remaining other expenses	0.07	0.04
Total Annual Fund Operating Expenses	1.01	0.75
Expense Reimbursement	0.02	None
Total Annual Fund Operating Expenses After Expense Reimbursement	0.99 ¹	0.75 ¹

¹ The investment adviser has contractually agreed to reduce its investment advisory fee to the extent necessary to limit total annual fund operating expenses to 0.99% of net assets for the Parnassus Mid Cap Fund—Investor Shares and to 0.75% of net assets for the Parnassus Mid Cap Fund—Institutional Shares. This agreement will not be terminated prior to May 1, 2021 and may be continued indefinitely by the investment adviser on a year-to-year basis.

For additional information about the Parnassus Mid Cap Fund’s expenses, please see “Financial Highlights” in the prospectus.

Example

This example is intended to help you compare the cost of investing in the Parnassus Mid Cap Fund with the cost of investing in other mutual funds. The example assumes that you invest \$10,000 in the Fund for the time periods indicated and then redeem all of your shares at the end of those periods. The example also assumes that your investment has a 5% return each year, and that the Fund’s expenses are equal to the

total annual fund operating expenses after expense reimbursement for the first year and the total annual fund operating expenses for the remaining years. Although your actual costs may be higher or lower, under these assumptions, your costs would be:

	1 Year	3 Years	5 Years	10 Years
Investor Shares	\$101	\$320	\$556	\$1,235
Institutional Shares	\$ 77	\$240	\$417	\$ 930

Portfolio Turnover

The Parnassus Mid Cap Fund pays transaction costs, such as commissions, when it buys and sells securities (or “turns over” its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when Fund shares are held in a taxable account. These costs, which are not reflected in annual fund operating expenses or in the example, affect the Fund’s performance. During the most recent fiscal year, the Fund’s portfolio turnover rate was 28.3% of the average value of its portfolio.

Principal Investment Strategies

The Parnassus Mid Cap Fund normally invests at least 80% of its net assets (plus borrowings for investment purposes) in mid-sized companies. The Fund considers a mid-sized company to be one that has a market capitalization between that of the smallest and largest constituents of the Russell Midcap® Index (which was between \$ 2.4 billion and \$ 35.5 billion as of May 11, 2019) measured at the time of purchase. The Russell Midcap® Index includes approximately 800 of the smallest companies in the Russell 1000® Index. The Fund will not automatically sell or cease to purchase stock of a company it already owns just because the company’s market capitalization grows or falls outside the ranges of the Russell Midcap® Index, which are subject to change. The Fund may normally invest up to 20% of its net assets in smaller- and larger-capitalization companies. The portfolio managers focus on seeking downside protection. The Fund invests mainly in domestic stocks of companies that are financially sound and have good prospects for the future, and may invest up to 20% of its assets in foreign

securities of similar companies. The Fund may purchase foreign securities directly on foreign markets. The Fund is fossil-fuel free, as it does not invest in companies that derive significant revenues from the extraction, exploration, production or refining of fossil fuels; the Fund may invest in companies that use fossil fuel-based energy to power their operations or for other purposes. Using a value-oriented investment process, the Fund seeks to invest in equity securities that have the potential for long-term capital appreciation. To determine a company's prospects, the Adviser reviews the company's income statement, cash flow statement and balance sheet, and analyzes the company's sustainable strategic advantage and management team. Upon initial investment, a company's stock must be trading below its intrinsic value, which means that the Adviser seeks to purchase stock trading at a discount to the Adviser's assessment of the company's estimated value. The Adviser also takes environmental, social and governance ("ESG") factors into account in making investment decisions. The Fund will sell a security if the Adviser believes a company's fundamentals will deteriorate, if it believes a company's stock has little potential for appreciation or if the company no longer meets the Adviser's ESG criteria.

Principal Risks

All investments involve risk, and investing in the Parnassus Mid Cap Fund is no exception. You could lose money investing in the Fund. The likelihood of loss may be greater if you invest for a shorter period of time. The Fund is intended for investors who can accept that there will be fluctuations in value. Investments in the Fund are not deposits, endorsements or guarantees of any bank and are not insured by the Federal Deposit Insurance Corporation or any other government agency. The Fund's principal risks include the following:

- **Stock Market Risk.** The Fund invests in common stocks, whose prices fluctuate in response to the fortunes of individual companies and in response to general market and economic conditions both in the U.S. and abroad. In the past decade financial markets throughout the world have experienced increased volatility, decreased liquidity and heightened uncertainty. Risks associated with epidemic and pandemic diseases (such as COVID-19), including, without limitation, travel restrictions, closed international borders, quarantines, disruptions to supply chains and lower consumer demand; a rise in protectionist trade policies; slowing global economic growth; risks associated with the United Kingdom's departure from the European Union; and the risk of trade disputes and the possibility of changes to some international trade agreements could affect the economies of many nations, including the United States, in ways that cannot be foreseen at the present time, and may adversely impact the markets in which the Fund invests. The Fund's holdings can vary significantly from broad stock market indices.
- **Small- and Mid-Capitalization Company Risk.** The Fund invests primarily in mid-capitalization companies and may also invest in small-capitalization companies, both of 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, smaller capitalization companies tend to perform poorly during times of economic stress.
- **Management Risk.** The Adviser may be wrong in its assessment of a company's value and/or the stocks the Fund holds may not reach what the Adviser believes are their full values. From time to time, "value" investing falls out of favor with investors, and during those periods the Fund's relative performance may suffer.
- **Foreign Securities Risk.** The Fund may invest up to 20% of its assets in foreign securities. Foreign markets can be more volatile 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 COVID-19 and the United Kingdom's exit from the European Union (or Brexit), may contribute to decreased liquidity and increased volatility in the financial markets. Further, foreign 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 foreign companies. Substantial withholding taxes may also apply to distributions from foreign companies.

Performance Information

The bar chart and table that follow contain information that allows you to evaluate the Parnassus Mid Cap Fund’s performance using several measures, such as yearly changes in performance, best and worst quarterly returns, and average annual total returns before and after taxes compared to a broad measure of market performance. The bar chart shows the performance of the Fund’s Investor Shares, and the performance of the Fund’s Institutional Shares will differ from those shown to the extent that the classes of shares do not have the same expenses or inception date. How the Fund performed in the past (before and after taxes) is not necessarily an indication of how it will perform in the future. Updated performance information is available on the Fund’s website, www.parnassus.com, or by calling toll-free at (800) 999-3505.

During the ten-year period shown in the bar chart, the highest return for a quarter was 16.0% (quarter ended March 31, 2019), and the lowest return for a quarter was a loss of 17.3% (quarter ended September 30, 2011).

Following is a table comparing the performance of the Parnassus Mid Cap Fund’s two share classes with that of the Russell Midcap® Index (see “Index Descriptions” in the prospectus) and the Lipper Multi-Cap Core Funds Average. Figures are average annual returns for one-, five- and ten-year periods ended December 31, 2019. The table is intended to demonstrate the risk of investing in the Fund by showing how the Fund’s average annual total returns, before and after taxes, compare with a broad measure of market performance, the Russell Midcap® Index, and a group of similar mutual funds, the Lipper Multi-Cap Core Funds Average, and also how the Fund’s performance varies from year to year.

Annual Total Returns (%)



Parnassus Mid Cap Fund

	Average Annual Total Returns (%) (all periods ended December 31, 2019)		
	One Year	Five Years	Ten Years
Investor Shares			
Return before Taxes	28.75	9.88	12.76
Return after Taxes on Distributions	27.49	8.80	11.80
Return after Taxes on Distributions and Sale of Fund Shares	17.87	7.63	10.48
Institutional Shares			
Return before Taxes	29.02	10.12	12.89
Russell Midcap® Index (reflects no deduction for fees, expenses or taxes)	30.54	9.33	13.19
Lipper Multi-Cap Core Funds Average	28.32	8.91	11.38

The after-tax returns are calculated using the historical highest individual stated federal marginal income tax rates and do not reflect the impact of state and local taxes. Actual after-tax returns depend on an investor’s individual tax situation and may differ from those shown. After-tax returns are not relevant to investors who hold their Fund shares through tax-deferred arrangements, such as 401(k) plans or individual retirement accounts. Return After Taxes on Distributions and Sale of Fund Shares may be higher than other returns for the same period due to a tax benefit of realizing a capital loss upon the sale of Fund shares. After-tax returns are shown for Investor Shares only. After-tax returns for Institutional Shares will vary.

Parnassus Mid Cap Fund—Institutional Shares were inceptioned on April 30, 2015. Performance shown prior to the inception of the Institutional Shares reflects the performance of the Parnassus Mid Cap Fund—Investor Shares and includes expenses that are not applicable to and are higher than those of the Institutional Shares.

The Adviser

Parnassus Investments is the investment adviser to the Parnassus Mid Cap Fund. For more information on the Adviser, please see “Management of the Funds” in the prospectus and “The Adviser” in the statement of additional information.

Portfolio Managers

Matthew D. Gershuny is the lead Portfolio Manager of the Parnassus Mid Cap Fund and has served as a portfolio manager of the Fund since 2008.

Lori A. Keith is a Portfolio Manager of the Parnassus Mid Cap Fund and has served in this capacity since 2008.

For more information, please see “Management of the Funds” in the prospectus and “Portfolio Managers” in the statement of additional information.

For important information about the purchase and sale of Fund shares, tax information and payments to financial intermediaries, please turn to “Additional Summary Information” on page 18 of the prospectus.

Parnassus Endeavor Fund

Investment Objective

The Parnassus Endeavor Fund has the overall investment objective of capital appreciation.

Fees and Expenses

This table describes the fees and expenses that you may pay if you buy, hold and sell shares of the Parnassus Endeavor Fund. You may pay other fees, such as brokerage commissions and other fees to financial intermediaries, which are not reflected in the tables and example below.

Parnassus Endeavor Fund

Annual Fund Operating Expenses (%)
(expenses that you pay each year as a percentage
of the value of your investment)

	Investor Shares	Institutional Shares
Management Fees	0.67	0.67
Distribution (12b-1) Fees	None	None
Other Expenses	0.30	0.04
Service Fees	0.23	None
All remaining other expenses	0.07	0.04
Total Annual Fund Operating Expenses	0.97	0.71
Expense Reimbursement	0.02	None
Total Annual Fund Operating Expenses After Expense Reimbursement	0.95 ¹	0.71 ¹

¹ The investment adviser has contractually agreed to reduce its investment advisory fee to the extent necessary to limit total annual fund operating expenses to 0.95% of net assets for the Parnassus Endeavor Fund—Investor Shares and to 0.71% of net assets for the Parnassus Endeavor Fund—Institutional Shares. This agreement will not be terminated prior to May 1, 2021 and may be continued indefinitely by the investment adviser on a year-to-year basis.

For additional information about the Parnassus Endeavor Fund's expenses, please see "Financial Highlights" in the prospectus.

Example

This example is intended to help you compare the cost of investing in the Parnassus Endeavor Fund with the cost of investing in other mutual funds. The example assumes that you invest \$10,000 in the Fund for the time periods indicated and then redeem all of your shares at the end of those periods. The example also assumes that your investment has a 5% return each year, and that the Fund's expenses are equal to the total annual fund operating expenses after expense

reimbursement for the first year and the total annual fund operating expenses for the remaining years. Although your actual costs may be higher or lower, under these assumptions, your costs would be:

	1 Year	3 Years	5 Years	10 Years
Investor Shares	\$97	\$307	\$534	\$1,188
Institutional Shares	\$73	\$227	\$395	\$ 883

Portfolio Turnover

The Parnassus Endeavor Fund pays transaction costs, such as commissions, when it buys and sells securities (or "turns over" its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when Fund shares are held in a taxable account. These costs, which are not reflected in annual fund operating expenses or in the example, affect the Fund's performance. During the most recent fiscal year, the Fund's portfolio turnover rate was 57.3% of the average value of its portfolio.

Principal Investment Strategies

The Parnassus Endeavor Fund normally invests at least 80% of its net assets (plus borrowings for investment purposes) in companies believed by the Fund's investment adviser (Adviser) to provide good workplaces for their employees. Companies with good workplaces usually are able to recruit and retain better employees, and perform at a higher level than competitors in terms of innovation, productivity, customer loyalty and profitability. While no company is perfect, the Adviser makes a judgment as to which companies have good workplaces based on factors such as respectful and fair treatment of employees, employee satisfaction and engagement, pay and benefits, family-friendly policies, and support for volunteerism and philanthropy. These companies must, in the Adviser's opinion, be undervalued, but they must also have good prospects for long-term capital appreciation over the course of the expected holding period. The Parnassus Endeavor Fund is primarily a large-cap fund, which means that it normally invests more than half of its net assets in large, well-established companies. The Fund may invest to a

lesser extent in small- and mid-capitalization companies. The Fund may purchase foreign securities directly on foreign markets. The Fund invests mainly in domestic stocks of companies that are financially sound and have good prospects for the future, and to a lesser extent may also invest in foreign securities of similar companies. The Fund is fossil-fuel free, as it does not invest in companies that derive significant revenues from the extraction, exploration, production or refining of fossil fuels; the Fund may invest in companies that use fossil fuel-based energy to power their operations or for other purposes. To determine a company's prospects, the Adviser reviews the company's income statement, cash flow statement and balance sheet, and analyzes the company's sustainable strategic advantage and management team. Upon initial investment, a company's stock must be trading below its intrinsic value, which means that the Adviser seeks to purchase stock trading at a discount to the Adviser's assessment of the company's estimated value. The Adviser also takes environmental, social and governance ("ESG") factors into account in making investment decisions. The Fund will sell a security if the Adviser believes a company's fundamentals will deteriorate, if it believes a company's stock has little potential for appreciation or if the company no longer meets the Adviser's ESG criteria.

Principal Risks

All investments involve risk, and investing in the Parnassus Endeavor Fund is no exception. You could lose money investing in the Fund. The likelihood of loss may be greater if you invest for a shorter period of time. The Fund is intended for investors who can accept that there will be fluctuations in value. Investments in the Fund are not deposits, endorsements or guarantees of any bank and are not insured by the Federal Deposit Insurance Corporation or any other government agency. The Fund's principal risks include the following:

- **Stock Market Risk.** The Fund invests in common stocks, whose prices fluctuate in response to the fortunes of individual companies and in response to general market and economic conditions both in the U.S. and abroad. In the past decade financial markets throughout the world have experienced increased volatility, decreased liquidity and heightened uncertainty. Risks associated with epidemic and pandemic diseases (such as COVID-19), including, without limitation, travel restrictions, closed international borders, quarantines, disruptions to supply chains and lower consumer demand; a rise in protectionist trade policies; slowing global economic growth; risks associated with the United Kingdom's departure from the European Union; and the risk of trade disputes and the possibility of changes to some international trade agreements could affect the economies of many nations, including the United States, in ways that cannot be foreseen at the present time, and may adversely impact the markets in which the Fund invests. The Fund's holdings can vary significantly from broad stock market indices.
- **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.
- **Small- and Mid-Capitalization Company Risk.** In addition to large-capitalization companies, the Fund 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.
- **Management Risk.** The Adviser may be wrong in its assessment of a company's value and/or the stocks the Fund holds may not reach what the Adviser believes are their full values. From time to time, "value" investing falls out of favor with investors, and during those periods the Fund's relative performance may suffer.
- **Foreign Securities Risk.** The Fund may invest up to 20% of its assets in foreign securities. Foreign markets can be more volatile 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 COVID-19 and the United Kingdom's exit from the European Union (or Brexit), may contribute to decreased liquidity and increased volatility in the financial markets. Further, foreign 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 foreign companies. Substantial withholding taxes may also apply to distributions from foreign companies.

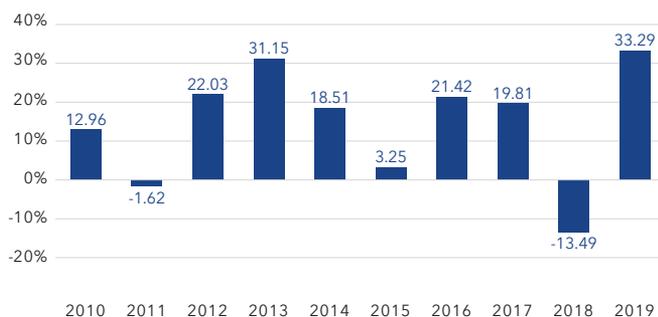
Performance Information

The bar chart and table that follow contain information that allows you to evaluate the Parnassus Endeavor Fund's performance using several measures, such as yearly changes in performance, best and worst quarterly returns, and average annual total returns before and after taxes compared to a broad measure of market performance. The bar chart shows the performance of the Fund's Investor Shares, and the performance of the Fund's Institutional Shares will differ from those shown to the extent that the classes of shares do not have the same expenses or inception date. How the Fund performed in the past (before and after taxes) is not necessarily an indication of how it will perform in the future. Updated performance information is available on the Fund's website, www.parnassus.com, or by calling toll-free at (800) 999-3505.

During the ten-year period shown in the bar chart, the highest return for a quarter was 18.4% (quarter ended March 31, 2019), and the lowest return for a quarter was a loss of 17.1% (quarter ended December 31, 2018).

Following is a table comparing the performance of the Parnassus Endeavor Fund's two share classes with that of the S&P 500® Index (see "Index Descriptions" in the prospectus) and the Lipper Multi-Cap Core Funds Average. Figures are average annual returns for the one-, five- and ten-year periods ended December 31, 2019. The table is intended to demonstrate the risk of investing in the Fund by showing how the Fund's average annual total returns, before and after taxes, compare with a broad measure of market performance, the S&P 500® Index, and a group of similar mutual funds, the Lipper Multi-Cap Core Funds Average, and also how the Fund's performance varies from year to year.

Annual Total Returns (%)



Parnassus Endeavor Fund

Average Annual Total Returns (%) (all periods ended December 31, 2019)

	One Year	Five Years	Ten Years
Investor Shares			
Return before Taxes	33.29	11.61	13.82
Return after Taxes on Distributions	33.04	9.88	12.27
Return after Taxes on Distributions and Sale of Fund Shares	19.89	8.80	11.16
Institutional Shares			
Return before Taxes	33.57	11.84	13.94
S&P 500® Index (reflects no deduction for fees, expenses or taxes)	31.49	11.70	13.56
Lipper Multi-Cap Core Funds Average	28.32	8.91	11.38

The after-tax returns are calculated using the historical highest individual stated federal marginal income tax rates and do not reflect the impact of state and local taxes. Actual after-tax returns depend on an investor's individual tax situation and may differ from those shown. After-tax returns are not relevant to investors who hold their Fund shares through tax-deferred arrangements, such as 401(k) plans or individual retirement accounts. Return After Taxes on Distributions and Sale of Fund Shares may be higher than other returns for the same period due to a tax benefit of realizing a capital loss upon the sale of Fund shares. After-tax returns are shown for Investor Shares only. After-tax returns for Institutional Shares will vary.

Parnassus Endeavor Fund—Institutional Shares were inceptioned on April 30, 2015. Performance shown prior to the inception of the Institutional Shares reflects the performance of the Parnassus Endeavor Fund—Investor Shares and includes expenses that are not applicable to and are higher than those of the Institutional Shares.

The Adviser

Parnassus Investments is the investment adviser to the Parnassus Endeavor Fund. For more information on the Adviser, please see "Management of the Funds" in the prospectus and "The Adviser" in the statement of additional information.

Portfolio Managers

Jerome L. Dodson is the lead Portfolio Manager of the Parnassus Endeavor Fund and has served in this capacity since its inception in 2005. He is also Chairman and a Trustee of the Parnassus Funds.

Billy J. Hwan is a Portfolio Manager of the Parnassus Endeavor Fund and has served in this capacity since 2018.

For more information, please see "Management of the Funds" in the prospectus and "Portfolio Managers" in the statement of additional information.

For important information about the purchase and sale of Fund shares, tax information and payments to financial intermediaries, please turn to "Additional Summary Information" on page 18 of the prospectus.

Parnassus Mid Cap Growth Fund

(The Parnassus Mid Cap Growth Fund was formerly known as the Parnassus Fund.)

Investment Objective

The Parnassus Mid Cap Growth Fund has the overall investment objective of capital appreciation.

Fees and Expenses

This table describes the fees and expenses that you may pay if you buy, hold and sell shares of the Parnassus Mid Cap Growth Fund. You may pay other fees, such as brokerage commissions and other fees to financial intermediaries, which are not reflected in the tables and example below.

Parnassus Mid Cap Growth Fund

Annual Fund Operating Expenses (%)
(expenses that you pay each year as a percentage of the value of your investment)

	Investor Shares	Institutional Shares
Management Fees	0.62	0.62
Distribution (12b-1) Fees	None	None
Other Expenses	0.22	0.06
Service Fees	0.13	None
All remaining other expenses	0.09	0.06
Total Annual Fund Operating Expenses	0.84	0.68

For additional information about the Parnassus Mid Cap Growth Fund's expenses, please see "Financial Highlights" in the prospectus.

Example

This example is intended to help you compare the cost of investing in the Parnassus Mid Cap Growth Fund with the cost of investing in other mutual funds. The example assumes that you invest \$10,000 in the Fund for the time periods indicated and then redeem all of your shares at the end of those periods. The example also assumes that your investment has a 5% return each year, and that the Fund's operating expenses remain the same. Although your actual costs may be higher or lower, under these assumptions, your costs would be:

	1 Year	3 Years	5 Years	10 Years
Investor Shares	\$86	\$268	\$466	\$1,037
Institutional Shares	\$69	\$218	\$379	\$ 847

Portfolio Turnover

The Parnassus Mid Cap Growth Fund pays transaction costs, such as commissions, when it buys and sells securities (or "turns over" its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when Fund shares are held in a taxable account. These costs, which are not reflected in annual fund operating expenses or in the example, affect the Fund's performance. During the most recent fiscal year, the Fund's portfolio turnover rate was 43.6% of the average value of its portfolio.

Principal Investment Strategies

The Parnassus Mid Cap Growth Fund normally invests at least 80% of its net assets (plus borrowings for investment purposes) in mid-sized growth companies. The Fund considers a mid-sized company to be one that has a market capitalization between that of the smallest and largest constituents of the Russell Midcap® Growth Index (which was between \$1 billion and \$33.7 billion as of May 31, 2019) measured at the time of purchase. The Fund will not automatically sell or cease to purchase stock of a company it already owns just because the company's market capitalization grows or falls outside the ranges of the Russell Midcap® Growth Index, which are subject to change. The Fund may normally invest up to 20% of its net assets in smaller- and larger-capitalization companies. A growth company is a company that the Adviser believes has a superior and pragmatic growth strategy and the potential for above-average revenue and earnings growth. The Fund invests mainly in domestic stocks of companies that are financially sound and have good prospects for the future, and to a lesser extent may also invest in foreign securities of similar companies. The Fund may purchase foreign securities directly on foreign markets. The Fund is fossil-fuel free, as it does not invest in companies that derive significant revenues from the extraction, exploration, production or refining of fossil fuels; the Fund may invest in companies that use fossil fuel-based energy to power their operations or for other purposes. To determine a company's

prospects, the Adviser reviews the company's income statement, cash flow statement and balance sheet, and analyzes the company's sustainable strategic advantage and management team. The Adviser also takes environmental, social and governance ("ESG") factors into account in making investment decisions. The Fund will sell a security if the Adviser believes a company's fundamentals will deteriorate, if it believes a company's stock has little potential for appreciation or if the company no longer meets the Adviser's ESG criteria.

Principal Risks

All investments involve risk, and investing in the Parnassus Mid Cap Growth Fund is no exception. You could lose money investing in the Fund. The likelihood of loss may be greater if you invest for a shorter period of time. The Fund is intended for investors who can accept that there will be fluctuations in value. Investments in the Fund are not deposits, endorsements or guarantees of any bank and are not insured by the Federal Deposit Insurance Corporation or any other government agency. The Fund's principal risks include the following:

- **Stock Market Risk.** The Fund invests in common stocks, whose prices fluctuate in response to the fortunes of individual companies and in response to general market and economic conditions both in the U.S. and abroad. In the past decade financial markets throughout the world have experienced increased volatility, decreased liquidity and heightened uncertainty. Risks associated with epidemic and pandemic diseases (such as COVID-19), including, without limitation, travel restrictions, closed international borders, quarantines, disruptions to supply chains and lower consumer demand; a rise in protectionist trade policies; slowing global economic growth; risks associated with the United Kingdom's departure from the European Union; and the risk of trade disputes and the possibility of changes to some international trade agreements could affect the economies of many nations, including the United States, in ways that cannot be foreseen at the present time, and may adversely impact the markets in which the Fund invests. The Fund's holdings can vary significantly from broad stock market indices.
- **Growth Investing Risk.** The Adviser may be wrong in its assessment of a company's potential for growth and the growth stocks the Fund holds may not grow as the Adviser anticipates. Finally, there are periods when investing in growth stocks falls out of favor with investors and these stocks may underperform.
- **Small- and Mid-Capitalization Company Risk.** The Fund invests primarily in mid-capitalization companies, and may also invest in small-capitalization companies, both of 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.
- **Management Risk.** The Adviser may be wrong in its assessment of a company's value and/or the stocks the Fund holds may not reach what the Adviser believes are their full values. From time to time, "value" investing falls out of favor with investors, and during those periods the Fund's relative performance may suffer.
- **Foreign Securities Risk.** The Fund may invest up to 20% of its assets in foreign securities. Foreign markets can be more volatile 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 COVID-19 and the United Kingdom's exit from the European Union (or Brexit), may contribute to decreased liquidity and increased volatility in the financial markets. Further, foreign 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 foreign companies. Substantial withholding taxes may also apply to distributions from foreign companies.

Performance Information

The bar chart and table that follow contain information that allows you to evaluate the Parnassus Mid Cap Growth Fund's performance using several measures, such as yearly changes in performance, best and worst quarterly returns, and average annual total returns before and after taxes compared to a broad measure of market performance. The bar chart shows the performance of the Fund's Investor Shares, and the performance of the Fund's Institutional Shares will differ from those shown to the extent that the classes of shares do not have the same expenses or inception date. How the Fund performed in the past (before and after taxes) is not necessarily an indication of how it will perform in the future. Updated performance information is available on the Fund's website, www.parnassus.com, or by calling toll-free at (800) 999-3505.

During the ten-year period shown in the bar chart, the highest return for a quarter was 17.5% (quarter ended March 31, 2012), and the lowest return for a quarter was a loss of 19.4% (quarter ended September 30, 2011).

Effective May 1, 2020, the Fund changed its principal investment strategies. Thus, performance information for the period prior to May 1, 2020 does not reflect the current principal investment strategies. Prior to the change, the Fund's index was the S&P 500®. In connection with the change in principal investment strategies, the Adviser believes the Russell Midcap® Growth Index is a more appropriate index against which to compare the Fund's performance than the Fund's former index, the S&P 500®. Information for both the S&P 500® and the Russell Midcap® Growth Index is provided below.

Following is a table comparing the performance of the Parnassus Mid Cap Growth Fund's two share classes with that of the Russell Midcap® Growth Index and S&P 500® (see "Index Descriptions" in the prospectus) and the Lipper Multi-Cap Core Funds Average. Figures are average annual returns for the one-, five- and ten-year periods ended December 31, 2019. The table is intended to demonstrate the risk of investing in the Parnassus Mid Cap Growth Fund by showing how the Fund's average annual total returns, before and after taxes, compare with a broad measure of market performance, the Russell Midcap® Growth Index and S&P 500®, and a group of similar mutual

funds, the Lipper Multi-Cap Core Funds Average, and also how the Fund's performance varies from year to year.

Annual Total Returns (%)



Parnassus Mid Cap Growth Fund

Average Annual Total Returns (%) (all periods ended December 31, 2019)

	One Year	Five Years	Ten Years
Investor Shares			
Return before Taxes	29.82	9.12	12.78
Return after Taxes on Distributions	28.54	7.04	10.72
Return after Taxes on Distributions and Sale of Fund Shares	18.54	6.72	10.12
Institutional Shares			
Return before Taxes	29.98	9.27	12.85
Russell Midcap® Growth Index (reflects no deduction for fees, expenses or taxes)	35.47	11.60	14.24
S&P 500® Index (reflects no deduction for fees, expenses or taxes)	31.49	11.70	13.56
Lipper Multi-Cap Core Funds Average	28.32	8.91	11.38

The after-tax returns are calculated using the historical highest individual stated federal marginal income tax rates and do not reflect the impact of state and local taxes. Actual after-tax returns depend on an investor's individual tax situation and may differ from those shown. After-tax returns are not relevant to investors who hold their Fund shares through tax-deferred arrangements, such as 401(k) plans or individual retirement accounts. Return After Taxes on Distributions and Sale of Fund Shares may be higher than other returns for the same period due to a tax benefit of realizing a capital loss upon the sale of Fund shares. After-tax returns are shown for Investor Shares only. After-tax returns for Institutional Shares will vary.

Parnassus Mid Cap Growth Fund—Institutional Shares were inception on April 30, 2015. Performance shown prior to the inception of the Institutional Shares reflects the performance of the Parnassus Mid Cap Growth Fund—Investor Shares and includes expenses that are not applicable to and are higher than those of the Institutional Shares.

The Adviser

Parnassus Investments is the investment adviser to the Parnassus Mid Cap Growth Fund. For more information on the Adviser, please see “Management of the Funds” in the prospectus and “The Adviser” in the statement of additional information.

Portfolio Managers

Ian E. Sexsmith is a Co-Portfolio Manager of the Parnassus Mid Cap Growth Fund and has served as a portfolio manager since 2013. He is equally responsible for the day-to-day management of the Parnassus Mid Cap Growth Fund with the other Portfolio Manager of the Fund.

Robert J. Klaber is a Co-Portfolio Manager of the Parnassus Mid Cap Growth Fund and has served as a portfolio manager since 2016. He is equally responsible for the day-to-day management of the Parnassus Mid Cap Growth Fund with the other Portfolio Manager of the Fund.

For more information, please see “Management of the Funds” in the prospectus and “Portfolio Managers” in the statement of additional information.

For important information about the purchase and sale of Fund shares, tax information and payments to financial intermediaries, please turn to “Additional Summary Information” on page 18 of the prospectus.

Parnassus Fixed Income Fund

Investment Objective

The Parnassus Fixed Income Fund’s objective is a high level of current income consistent with safety and preservation of capital.

Fees and Expenses

This table describes the fees and expenses that you may pay if you buy, hold and sell shares of the Parnassus Fixed Income Fund. You may pay other fees, such as brokerage commissions and other fees to financial intermediaries, which are not reflected in the tables and example below.

Parnassus Fixed Income Fund

Annual Fund Operating Expenses (%)
(expenses that you pay each year as a percentage
of the value of your investment)

	Investor Shares	Institutional Shares
Management Fees	0.49	0.49
Distribution (12b-1) Fees	None	None
Other Expenses	0.38	None
Service Fees	0.19	None
All remaining other expenses	0.19	None
Total Annual Fund Operating Expenses	0.87	0.49
Expense Reimbursement	0.19	0.04
Total Annual Fund Operating Expenses After Expense Reimbursement	0.68 ¹	0.45 ¹

¹ The investment adviser has contractually agreed to reduce its investment advisory fee to the extent necessary to limit total annual fund operating expenses to 0.68% of net assets for the Parnassus Fixed Income Fund—Investor Shares and to 0.45% of net assets for the Parnassus Fixed Income Fund—Institutional Shares. This agreement will not be terminated prior to May 1, 2021 and may be continued indefinitely by the investment adviser on a year-to-year basis.

For additional information about the Parnassus Fixed Income Fund’s expenses, please see “Financial Highlights” in the prospectus.

Example

This example is intended to help you compare the cost of investing in the Parnassus Fixed Income Fund with the cost of investing in other mutual funds. The example assumes that you invest \$10,000 in the Fund for the time periods indicated and then redeem all of your shares at the end of those periods. The example also assumes that your investment has a 5% return

each year, and that the Fund’s expenses are equal to the total annual fund operating expenses after expense reimbursement for the first year and the total annual fund operating expenses for the remaining years. Although your actual costs may be higher or lower, under these assumptions, your costs would be:

	1 Year	3 Years	5 Years	10 Years
Investor Shares	\$69	\$259	\$464	\$1,055
Institutional Shares	\$46	\$144	\$252	\$ 567

Portfolio Turnover

The Parnassus Fixed Income Fund pays transaction costs, such as commissions, when it buys and sells securities (or “turns over” its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when Fund shares are held in a taxable account. These costs, which are not reflected in annual fund operating expenses or in the example, affect the Fund’s performance. During the most recent fiscal year, the Fund’s portfolio turnover rate was 54.0% of the average value of its portfolio.

Principal Investment Strategies

The Parnassus Fixed Income Fund normally invests at least 80% of its net assets (plus borrowings for investment purposes) in a diversified portfolio of bonds and other fixed income instruments. Fixed income instruments may include, but are not limited to, U.S. Treasuries and Agency debt, debt of government-related entities, corporate bonds, commercial and residential mortgage-backed securities, convertible bonds and asset-backed securities. The Fund invests mainly in domestic securities, and to a lesser extent may also invest in U.S. dollar denominated foreign securities. The Fund may purchase foreign securities directly on foreign markets. The Fund is fossil-fuel free, as it does not invest in companies that derive significant revenues from the extraction, exploration, production or refining of fossil fuels; the Fund may invest in companies that use fossil fuel-based energy to power their operations or for other purposes. The Fund normally invests at least 80%

of its net assets in fixed income securities that have investment-grade ratings (namely rated at least BBB- by Standard & Poor's Rating Group ("S&P") or at least Baa3 by Moody's Investors Services, Inc. ("Moody's")) or, if unrated, have been determined by the Adviser to be of similar economic quality. At any given time, up to 20% of the portfolio may be invested in non-investment grade fixed income securities (otherwise known as "high-yield" or "junk bonds") or unrated fixed income securities determined by the Adviser to be of similar economic quality. Non-investment grade and unrated securities are more risky than investment-grade securities. The Fund may also invest in preferred stocks. The Fund's investment adviser (Adviser) also takes environmental, social and governance ("ESG") factors into account when making investment decisions. The Fund may sell a security if the Adviser believes it no longer meets the Fund's investment objective or if the issuer no longer meets the Adviser's ESG criteria. The Fund may invest in long-term, intermediate-term or short-term fixed income securities or any combination thereof, depending on market conditions, and these securities may also have floating or variable interest rates. As of March 31, 2020, the dollar-weighted average maturity of the Fund's portfolio was 8.80 years.

Principal Risks

All investments involve risk, and investing in the Parnassus Fixed Income Fund is no exception. You could lose money investing in the Fund. The likelihood of loss may be greater if you invest for a shorter period of time. The Fund is intended for investors who can accept that there will be fluctuations in value. Investments in the Fund are not deposits, endorsements or guarantees of any bank and are not insured by the Federal Deposit Insurance Corporation or any other government agency. The Fund's principal risks include the following:

- **Interest Rate Risk.** In general, bond prices are inversely related to interest rates. As interest rates drop, bond prices will likely go up, and as interest rates go up, the value of bonds will likely go down. The Fund may be subject to greater risk of rising interest rates due to the current period of historically low interest rates.
- **Credit Risk.** There is a possibility that issuers of debt obligations will not pay the Fund interest or principal or that their credit rating may be downgraded by a ratings agency.
- **Duration Risk.** Duration is a measure that relates the expected price volatility of a fixed-income instrument to changes in interest rates. The duration of a fixed-income security may be shorter than or equal to full maturity of the fixed-income security. Fixed-income securities with longer durations have more risk and will decrease in price as interest rates rise. For example, a fixed-income security with a duration of three years would be expected to decrease in value by approximately 3% if interest rates increase by 1%.
- **Market Risk.** A security's value may also be affected by market activity or by supply and demand. In the past decade financial markets throughout the world have experienced increased volatility, decreased liquidity and heightened uncertainty. Risks associated with epidemic and pandemic diseases (such as COVID-19), including, without limitation, travel restrictions, closed international borders, quarantines, disruptions to supply chains and lower consumer demand; a rise in protectionist trade policies; slowing global economic growth; risks associated with the United Kingdom's departure from the European Union; and the risk of trade disputes and the possibility of changes to some international trade agreements could affect the economies of many nations, including the United States, in ways that cannot be foreseen at the present time, and may adversely impact the markets in which the Fund invests. If the Fund is unable to find buyers for a given security, this can have a negative effect on the Fund's net asset value.
- **Non-Investment Grade Risk and Unrated Bond Risk.** Non-investment grade bonds (otherwise known as "high-yield" or "junk bonds") and bonds that have not been rated by a nationally recognized statistical rating organization carry additional credit risk and are considered to be less safe than investment-grade bonds.
- **Mortgage-Backed Securities Risk.** Mortgage-backed securities are defined as obligations with pools of mortgages providing collateral, interest income and principal repayment. Such securities can be originated by private institutions or government sponsored enterprises, like Fannie Mae and Freddie Mac, and the underlying mortgages can be either commercial or residential. Mortgage-backed securities, like all fixed income investments, have interest rate and credit risk. However, these

securities also have extension and prepayment risk. Extension risk is the risk that a rise in interest rates or lack of refinancing opportunities can cause the Fund's average maturity to lengthen unexpectedly due to a drop in expected prepayments of mortgage-backed securities. This would increase the Fund's sensitivity to rising rates and its potential for price declines. Prepayment risk is the risk that the borrower will prepay some or all of the principal owed to the issuer. If prepayment occurs, the Fund may have to replace the security by investing the proceeds in a less attractive security. This may reduce the Fund's share price and income distribution.

- **Convertible Securities Risk.** If market interest rates rise, the value of a convertible security usually falls. The issuer of a convertible security may not be able to pay interest or dividends when due, and their market value may change based on actual or perceived changes in the issuer's creditworthiness. Convertible securities are also subject to the same types of risk that apply to the underlying security. The Fund may be forced to convert a convertible security at an inopportune time, which may decrease the Fund's return and result in investment losses.
- **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 (e.g., interest rate risk, call risk and extension risk). 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.
- **Liquidity Risk.** Liquidity risk is the risk, due to certain investments trading in lower volumes or to market and economic conditions, that the Fund may be unable to find a buyer for its investments when it seeks to sell them or to receive the price it expects

based on the Fund's valuation of the investments. Events that may lead to increased redemptions, such as market disruptions, may also negatively impact the liquidity of the Fund's investments when it needs to dispose of them. The potential for liquidity risk may be magnified by a rising interest rate environment or other circumstances where investor redemptions from fixed income mutual funds may be higher than normal, potentially causing increased supply in the market due to selling activity. If the Fund is forced to sell its investments at an unfavorable time and/or under adverse conditions in order to meet redemption requests, such sales could negatively affect the Fund. Liquidity issues may also make it difficult to value the Fund's investments.

- **Information Risk.** The risk that information about a security or issuer or the market might not be available, complete, accurate, or comparable.
- **Management Risk.** The Adviser may be wrong in its assessment of a security's value and the Fund's holdings may not reach what the Adviser believes are their full values.
- **Foreign Securities Risk.** The Fund may invest up to 20% of its assets in foreign securities. Foreign markets can be more volatile 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 COVID-19 and the United Kingdom's exit from the European Union (or Brexit), may contribute to decreased liquidity and increased volatility in the financial markets. Further, foreign 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 foreign companies. Substantial withholding taxes may also apply to distributions from foreign companies.

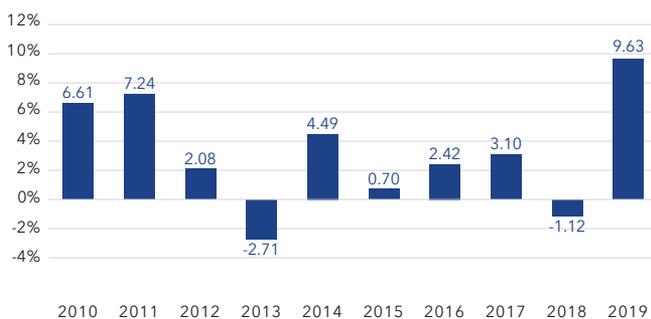
Performance Information

The bar chart and table that follow contain information that allows you to evaluate the Parnassus Fixed Income Fund's performance using several measures, such as yearly changes in performance, best and worst quarterly returns, and average annual total returns before and after taxes compared to a broad measure of market performance. The bar chart shows the performance of the Fund's Investor Shares, and the performance of the Fund's Institutional Shares will differ from those shown to the extent that the classes of shares do not have the same expenses or inception date. How the Fund performed in the past (before and after taxes) is not necessarily an indication of how it will perform in the future. Updated performance information is available on the Fund's website, www.parnassus.com, or by calling toll-free at (800) 999-3505.

During the ten-year period shown in the bar chart, the highest return for a quarter was 4.2% (quarter ended March 31, 2019), and the lowest return for a quarter was a loss of 2.7% (quarter ended December 31, 2016).

Following is a table comparing the performance of the Parnassus Fixed Income Fund's two share classes with that of the Bloomberg Barclays U.S. Aggregate Bond Index (formerly known as the Barclays U.S. Aggregate Bond Index) (see "Index Descriptions" in the prospectus) and the Lipper Core Bond Funds Average. Figures are average annual returns for the one-, five- and ten-year periods ended December 31, 2019. The table is intended to demonstrate the risk of investing in the Fund by showing how the Fund's average annual total returns, before and after taxes, compare with a broad measure of market performance, the Bloomberg Barclays U.S. Aggregate Bond Index, and a group of similar mutual funds, the Lipper Core Bond Funds Average, and also how the Fund's performance varies from year to year.

Annual Total Returns (%)



Parnassus Fixed Income Fund

Average Annual Total Returns (%) (all periods ended December 31, 2019)

	One Year	Five Years	Ten Years
Investor Shares			
Return before Taxes	9.63	2.88	3.18
Return after Taxes on Distributions	8.76	1.99	2.40
Return after Taxes on Distributions and Sale of Fund Shares	5.86	1.88	2.36
Institutional Shares			
Return before Taxes	9.82	3.07	3.28
Bloomberg Barclays U.S. Aggregate Bond Index (reflects no deduction for fees, expenses or taxes)	8.72	3.05	3.74
Lipper Core Bond Funds Average	8.70	2.86	3.78

The after-tax returns are calculated using the historical highest individual stated federal marginal income tax rates and do not reflect the impact of state and local taxes. Actual after-tax returns depend on an investor's individual tax situation and may differ from those shown. After-tax returns are not relevant to investors who hold their Fund shares through tax-deferred arrangements, such as 401(k) plans or individual retirement accounts. Return After Taxes on Distributions and Sale of Fund Shares may be higher than other returns for the same period due to a tax benefit of realizing a capital loss upon the sale of Fund shares. After-tax returns are shown for Investor Shares only. After-tax returns for Institutional Shares will vary.

Parnassus Fixed Income Fund—Institutional Shares were inceptioned on April 30, 2015. Performance shown prior to the inception of the Institutional Shares reflects the performance of the Parnassus Fixed Income Fund—Investor Shares and includes expenses that are not applicable to and are higher than those of the Institutional Shares.

The Adviser

Parnassus Investments is the investment adviser to the Parnassus Fixed Income Fund. For more information on the Adviser, please see "Management of the Funds" in the prospectus and "The Adviser" in the statement of additional information.

Portfolio Managers

Samantha D. Palm is the lead Portfolio Manager of the Parnassus Fixed Income Fund and has been a portfolio manager of the Fund since 2013.

Minh T. Bui is a Portfolio Manager of the Parnassus Fixed Income Fund and has served in this capacity since May 1, 2020.

For more information, please see "Management of the Funds" in the prospectus and "Portfolio Managers" in the statement of additional information.

For important information about the purchase and sale of Fund shares, tax information and payments to financial intermediaries, please turn to "Additional Summary Information" on page 18 of the prospectus.

Additional Summary Information

Purchase and Sale of Fund Shares

The minimum initial purchase for the Investor Shares is \$2,000 per Fund, with a minimum of \$500 per Fund for certain custodial accounts and IRAs. The minimum initial purchase for the Institutional Shares is \$100,000. The minimum subsequent investment is \$50 per Fund. After making an initial investment, the minimum investment in an automatic investment plan is \$50 per Fund.

You may redeem and purchase shares of a Fund each day the New York Stock Exchange is open. You may redeem or purchase Fund shares online through our website at www.parnassus.com, by mail (Parnassus Funds, 1 Market Street, Suite 1600, San Francisco, CA 94105), or by telephone at (800) 999-3505. Investors who wish to redeem or purchase shares through a broker-dealer or other financial intermediary should contact the intermediary regarding the hours during which orders may be placed.

For additional information, please see "Investing with Parnassus Funds" on page 25 of the prospectus.

Tax Information

The Funds' distributions generally will be taxable to you, whether they are paid in cash or reinvested in Fund shares, unless you invest through a tax-deferred arrangement, such as a 401(k) plan or an individual retirement account, in which case such distributions may be taxable at a later date.

Financial Intermediary Compensation

If you purchase a Fund through a broker-dealer or other financial intermediary (such as a bank), the Fund and its related companies may pay the intermediary for the sale of Fund shares and related services. These payments may create a conflict of interest by influencing the broker-dealer or other intermediary and your salesperson to recommend the Fund over another investment. Ask your salesperson or visit your financial intermediary's website for more information.

For additional information, please see "Distribution Agreement," "Shareholder Servicing Plan" and "Additional Marketing and Support Payments" in the statement of additional information.

Investment Objectives and Policies and Non-Principal Risks

Set forth below is information about the investment objectives and policies of the Funds and certain risks associated with the Funds. Although the Funds have no current intention of doing so, the Funds may change their investment objectives and investment strategies without obtaining shareholder approval.

Equity Funds

Selection Process for Equity Securities

"Equity securities" consist of common stocks or 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, the Adviser uses six basic criteria in identifying equity securities eligible for the equity funds. Companies must be sound and priced attractively relative to their potential reward and risk profile; have increasingly relevant products or services; have clear and sustainable competitive advantages; have a quality management team with appropriate incentives; be suitable, at the time of purchase, for a multi-year investment; and meet Parnassus's responsible investment (environmental, social and governance or "ESG") criteria.

Once a security is purchased, the Adviser may continue to hold it even if it is no longer undervalued or no longer possesses superior growth potential, as the case may be.

Under normal circumstances, each of the Parnassus Core Equity Fund, the Parnassus Mid Cap Fund, the Parnassus Endeavor Fund and the Parnassus Mid Cap Growth Fund will have virtually all its assets invested in equity securities. If the Adviser cannot find enough securities that meet its investment criteria, the Funds may invest a substantial portion of their assets in money-market instruments (i.e., "cash" or cash equivalents).

Parnassus Core Equity Fund

The investment objective of the Parnassus Core Equity Fund is both capital appreciation and current income. The Fund tries to achieve these objectives by investing primarily in a diversified portfolio of equity securities. Equity securities include common and preferred stock. As an operating policy, at least 75% of the Fund's total assets will normally be invested in equity securities that pay a dividend or interest. The remaining 25% of the Fund's total assets may be invested in non-dividend-paying equity securities, short-term instruments and money-market instruments. Using a value-oriented investment process, the Fund seeks to invest in equity

securities that pay dividends, have the potential for capital appreciation and which the Adviser believes have the capacity to raise dividends in the future.

Parnassus Mid Cap Fund

The Parnassus Mid Cap Fund seeks capital appreciation through investing primarily (normally at least 80% of its net assets) in mid-sized companies. The Fund considers a mid-sized company to be one that has a market capitalization between that of the smallest and largest constituents of the Russell Midcap® Index (which was between \$ 2.4 billion and \$ 35.5 billion as of May 11, 2019) measured at the time of purchase. The Adviser looks for undervalued companies that have proven businesses and good prospects for long-term growth. While mid-capitalization companies can be riskier than larger companies, they can also possess more potential for future growth.

Parnassus Endeavor Fund

The Parnassus Endeavor Fund seeks capital appreciation through investing primarily (normally at least 80% of its net assets) in the common stocks of companies believed by the Adviser to provide good workplaces for their employees. The Adviser will make a judgment as to which companies have good workplaces based on factors such as respectful and fair treatment of employees, good two-way communication, equitable pay and benefits, family-friendly policies and support for volunteerism and charitable contributions to the community. The Adviser looks for undervalued companies that have proven businesses and good prospects for long-term capital appreciation.

Parnassus Mid Cap Growth Fund

The Parnassus Mid Cap Growth Fund seeks capital appreciation through investing primarily (normally at least 80% of its net assets) in mid-sized growth companies. The Fund considers a mid-sized company to be one that has a market capitalization between that of the smallest and largest constituents of the Russell Midcap® Growth Index (which was between \$1 billion and \$33.7 billion as of May 31, 2019) measured at the

time of purchase. A growth company is a company that the Adviser believes has a superior and pragmatic growth strategy and the potential for above-average revenue and earnings growth. While mid-capitalization companies can be riskier than larger companies, they can also possess more potential for future growth.

Fixed Income Fund

Selection Process for Fixed Income Securities

In general, the Adviser uses the following methodology to select securities for the Parnassus Fixed Income Fund: First, a macroeconomic view is formulated for the next three to five years, with important factors considered including key economic indicators, monetary and fiscal policies and changes in market-implied growth expectations. Next, the fixed income market is reviewed for sector-specific risks, relative historical performance and expected future performance, including consideration of market risk and credit risk. The Adviser then determines the optimal sector allocations relative to the benchmark index. Finally, the Adviser selects securities that meet the duration, asset class and sector targets established in the previous steps. The key criteria for each individual investment includes credit quality, absolute and relative yields and valuation. A meaningful percentage of our holdings are corporate securities. To be eligible for the fund, companies must have increasingly relevant products or services; have clear and sustainable competitive advantages; have a quality management team with appropriate incentives; be suitable, at the time of purchase, for a multi-year investment; and meet Parnassus's responsible investment (environmental, social and governance or "ESG") criteria.

Parnassus Fixed Income Fund

The investment objective of the Parnassus Fixed Income Fund is a high level of current income consistent with safety and preservation of capital. The Adviser seeks to achieve this objective by investing in a diversified portfolio of bonds and other fixed income instruments. The Parnassus Fixed Income Fund normally invests at least 80% of its net assets in fixed income securities that have investment-grade ratings (namely, rated at least BBB- by S&P or at least Baa3 by Moody's), or, if unrated, have been determined by the Adviser to be of similar economic quality. Up to 20% of the portfolio may be invested in non-investment grade securities, otherwise known as "high yield" or "junk" bonds. Obligations issued or guaranteed by the U.S. government, its

agencies or instrumentalities need not have a rating. See Annex A in the statement of additional information for a description of bond ratings.

The Parnassus Fixed Income Fund invests primarily in investment-grade securities. Because of this emphasis on quality and safety, the Fund's yield may not be as high as it otherwise might be.

The Fund may also invest in mortgage-backed securities, unrated securities and convertible securities, which may or may not be investment grade, and other non-investment grade securities. Specifically, the Fund may, as an operating policy, invest up to 20% of its assets in non-investment grade bonds, or securities determined by the Adviser to be of equal credit quality. These investments are considered more risky due to their non-investment grade status. The holders of non-investment grade bonds are typically compensated for the increased risk by higher available yields. The Fund may also invest in convertible debentures (bonds that can be converted into stock or other equity in the issuing company) or convertible preferred stock. Convertible securities may not have an investment-grade rating and only need a rating of B- or better, or, if unrated, must have been determined by the Adviser to be of comparable credit quality. If these instruments are converted into stock, the Fund may hold the stock until sale.

The Parnassus Fixed Income Fund may invest in long-term, intermediate-term or short-term fixed income securities or any combination thereof, depending on market conditions, and these securities may also have floating or variable interest rates. Securities in this Fund may include preferred stock, convertible preferred stock and convertible bonds, as well as securities that represent interests in pools of mortgage loans or other assets assembled for sale to investors by various U.S. governmental agencies, government-related organizations and private issuers. These investments may include, on a non-principal basis, derivative securities such as collateralized mortgage obligations and asset-backed securities.

For temporary defensive purposes or in response to adverse market, economic or political conditions, the Fund may invest a substantial portion of its assets in short-term, money-market instruments. To the extent that the assets of the Fund are invested in temporary defensive positions, the Fund may not achieve its investment objective.

Responsible Investment Policy

The Adviser conducts fundamental research to determine a company's financial health and its business prospects, and also takes environmental, social and governance factors into account in making investment decisions. The Funds seek to invest in companies with positive performance on environmental, social and governance criteria. The ESG factors the Adviser evaluates are the Environment, Community, Customers, Workplace and Governance. Issues that fall under these factors include, but are not limited to:

- Corporate governance and business ethics
- Employee benefits and corporate culture
- Stakeholder relations
- Charitable giving
- Product safety
- Customers and supply chain
- Environmental impact

No company is perfect in all these areas, but the Adviser makes value judgments in deciding which companies best meet the criteria. The Adviser uses strategic engagement, which may include direct communication, such as letters, emails, phone calls or in-person meetings, with company management teams to encourage positive change on ESG factors. The Adviser also votes proxies consistent with its proxy voting policies and procedures, which are stated in the SAI. With regard to the Parnassus Fixed Income Fund, the Adviser will take into consideration factors specific to fixed income investments when making these value judgments. The Fixed Income Fund may invest in securities that are appropriate based on their specific criteria, but that may not be appropriate for the U.S. equity funds.

The Funds will not invest in companies that derive significant revenues from the manufacture of alcohol or tobacco products or from direct involvement with gambling. The Funds do not invest in companies with significant revenues derived from the manufacture of weapons or the generation of electricity from nuclear power. The Funds are fossil-fuel free, meaning they do not invest in companies that derive significant revenues from the extraction, exploration, production or refining of fossil fuels; each Fund may invest in companies that use fossil fuel-based energy to power their operations or for other purposes.

The responsible investment criteria of the Funds limit the availability of investment opportunities. However, the Funds' Boards of Trustees and the Adviser believe that there are sufficient investments available that can meet the Funds' responsible investment criteria and still enable the Funds to provide a competitive rate of return.

Other Policies and Non-Principal Risks

In addition to the principal risks under the caption "Summary Section," and incorporated herein by reference, there are risks related to the Funds' investment in money-market securities. For temporary purposes, a Fund may invest a portion of its assets in money-market instruments. Although a money-market instrument is designed to be a relatively low-risk investment, it is not free of risk. For example, increases in interest rates may negatively impact money-market instruments. A Fund may also invest up to 2% of its assets in community-development loan funds. This may limit the potential for capital appreciation and high current income since these securities do not appreciate in value and tend to produce less income than longer-term bonds.

As noted above, each of the Funds may invest up to 2% of its assets in community-development loan funds, such as those that provide financing for small businesses and for low- and moderate-income housing. None of the Funds will make loans to a project itself, but rather will invest money in an intermediary, such as in certificates of deposit issued by community banks and credit unions, or in debt obligations issued by micro-finance institutions. Each of the Funds may invest in obligations issued by the intermediary at below-market interest rates if the projects financed have a strong, positive social impact. Generally, there is no secondary market and thus, no liquidity for these investments. Also, community-development loan funds do not have the same kind of resources that large commercial enterprises do. In general, each of the Funds seeks to invest in community organizations that have had a successful record in making these kinds of loans and that are deemed creditworthy by the Adviser.

The Parnassus Fixed Income Fund will consider the ratings of nationally recognized statistical rating organizations ("NRSRO") when making investment decisions. The ratings of an NRSRO, however, represent only that NRSRO's opinion as to the quality of the fixed income securities it rates, and such ratings are not absolute standards or guarantees of the quality of those securities.

Cybersecurity incidents may allow an unauthorized party to gain access to Fund assets, customer data (including private shareholder information), or proprietary information, or cause a Fund, the Adviser and/or the Funds' service providers (including, but not limited to, Fund accountants, custodians, sub-custodians, transfer agents and financial intermediaries) to suffer data breaches, data corruption or lose operational functionality.

A Fund may experience periods of heavy redemptions that could cause the Fund to liquidate its assets at inopportune times or at a loss or depressed value, particularly during periods of declining or illiquid markets. Redemption risk is greater to the extent that a Fund has investors with large shareholdings, short investment horizons, or unpredictable cash flow needs.

In addition, redemption risk is heightened during periods of overall market turmoil. The redemption by one or more large shareholders of their holdings in a Fund could hurt performance and/or cause the remaining shareholders in the Fund to lose money. If a Fund is forced to liquidate its assets under unfavorable conditions or at inopportune times, the value of your investment could decline.

The statement of additional information for the Funds, which is incorporated by reference into this prospectus, contains a description of the Funds' policies and procedures with respect to the disclosure of their portfolio holdings. These policies and procedures are also available on the Funds' website, www.parnassus.com.

Management of the Funds

Parnassus Investments, 1 Market Street, Suite 1600, San Francisco, California 94105, acts as investment adviser to the Funds, subject to the oversight of the Funds' Boards of Trustees, and as such, supervises and arranges the purchase and sale of securities held in the Funds' portfolios. The Adviser has been the investment manager of the Parnassus Funds trust since 1984 and of the Parnassus Income Funds trust since 1992.

Benjamin E. Allen is a Portfolio Manager of the Parnassus Core Equity Fund and has served in this capacity since 2012. He is President and Chief Executive Officer of Parnassus Investments, where he has worked since 2005, and is also President of the Funds.

Jerome L. Dodson is the lead Portfolio Manager of the Parnassus Endeavor Fund and has been a Portfolio Manager of the Fund since its inception in 2005. Mr. Dodson is the Chairman of the board of Parnassus Investments and is also Chairman and a Trustee of the Funds. He has been with Parnassus Investments since founding the firm in 1984.

Todd C. Ahlsten is the lead Portfolio Manager of the Parnassus Core Equity Fund and has been a Portfolio Manager of the Fund since 2001. He is a Vice President and Chief Investment Officer at Parnassus Investments, where he has worked since 1995, and is also a Vice President of the Funds.

Matthew D. Gershuny is the lead Portfolio Manager of the Parnassus Mid Cap Fund and has been as a Portfolio Manager of the Fund since 2008. He is a Vice President and Deputy Chief Investment Officer at Parnassus Investments, where he has worked since 2006.

Lori A. Keith is a Portfolio Manager of the Parnassus Mid Cap Fund and has served in this capacity since 2008. She is also Director of Research at Parnassus Investments, where she has worked since 2005.

Ian E. Sexsmith, CFA, is a Portfolio Manager of the Parnassus Mid Cap Growth Fund and has served in this capacity since 2013. He is also a Senior Research Analyst at Parnassus Investments, where he has worked since 2011.

Robert J. Klaber is a Portfolio Manager of the Parnassus Mid Cap Growth Fund and has served in this capacity since 2016. He is also a Senior Research Analyst at Parnassus Investments, where he has worked since 2012.

Billy J. Hwan, CPA, CFA, is a Portfolio Manager of the Parnassus Endeavor Fund and has served in this capacity since 2018. He is also a Senior Research Analyst at Parnassus Investments, where he has worked since 2012.

Samantha D. Palm is the lead Portfolio Manager of the Parnassus Fixed Income Fund and has been a Portfolio Manager of the Fund since 2013.

Minh T. Bui is a Portfolio Manager of the Parnassus Fixed Income Fund and has served in this capacity since May 1, 2020. He is also a Senior Research Analyst at Parnassus Investments, where he has worked since 2005.

The statement of additional information for the Funds, which is incorporated by reference into this prospectus, provides additional information about the portfolio managers' compensation, other accounts managed by the portfolio managers and the portfolio managers' ownership of securities in the Funds.

Each of the Funds, under an Investment Advisory Agreement between the respective Fund and the Adviser, pays the Adviser a fee. The fee is computed and payable at the end of each month. The following annual percentages of each Fund's average daily net assets are used:

- Parnassus Core Equity Fund: 0.75% of the first \$30 million in assets; 0.70% of the next \$70 million; 0.65% of the next \$400 million; 0.60% of the next \$9.5 billion and 0.55% of the amount above \$10 billion.
- Parnassus Mid Cap Fund: 0.85% of the first \$100 million in assets; 0.80% of the next \$100 million; 0.75% of the next \$300 million and 0.70% of the amount above \$500 million.
- Parnassus Endeavor Fund: 0.85% of the first \$100 million in assets; 0.80% of the next \$100 million; 0.75% of the next \$300 million and 0.65% of the amount above \$500 million.
- Parnassus Mid Cap Growth Fund: 0.70% of the first \$100 million in assets; 0.65% of the next \$100 million and 0.60% of the amount above \$200 million.
- Parnassus Fixed Income Fund: 0.50% of the first \$200 million in assets; 0.45% of the next \$200 million and 0.40% of the amount above \$400 million.

After taking into account the expense reimbursements (more fully described below), the following details what was actually charged in 2019:

- For the Parnassus Core Equity Fund, the net investment advisory fee was 0.58% and the gross investment advisory fee was 0.58%.
- For the Parnassus Mid Cap Fund, the net investment advisory fee was 0.69% and the gross investment advisory fee was 0.71%.
- For the Parnassus Endeavor Fund, the net investment advisory fee was 0.65% and the gross investment advisory fee was 0.67%.
- For the Parnassus Mid Cap Growth Fund, the net investment advisory fee was 0.62% and the gross investment advisory fee was 0.62%.

- For the Parnassus Fixed Income Fund, the net investment advisory fee was 0.30% and the gross investment advisory fee was 0.49%.

The differences between the gross and net investment advisory fees for the Parnassus Mid Cap Fund and Parnassus Fixed Income Fund are the result of contractual investment advisory fee waivers by Parnassus Investments.

Parnassus Investments has contractually agreed to reduce its investment advisory fee to the extent necessary to limit total operating expenses for the following Funds, as stated below (as a percentage of net assets):

	Investor Shares	Institutional Shares
Parnassus Core Equity Fund	0.86%	0.63%
Parnassus Mid Cap Fund	0.99%	0.75%
Parnassus Endeavor Fund	0.95%	0.71%
Parnassus Mid Cap Growth Fund	0.84%	0.68%
Parnassus Fixed Income Fund	0.68%	0.45%

The contractual figures shown in the table above represent a cap on the total operating expenses. The actual total operating expenses of a Fund may be lower than this cap. See the Summary Section for each Fund for more information.

These agreements will not be terminated prior to May 1, 2021 and may be continued indefinitely by the Adviser on a year-to-year basis.

A discussion regarding the basis for the Boards of Trustees approving the renewal of each of the investment advisory agreements with the Adviser is available in the Funds' most recent semiannual report to shareholders for the most recent semiannual period ended June 30.

Investing with Parnassus Funds

How to Purchase Shares

You can open an account directly with the Funds, or you can purchase and sell shares of the Funds through an intermediary, such as a broker-dealer, a financial institution or other service provider. These service providers may charge fees for the services they provide or impose restrictions that may be in addition to, or different from, those applicable to investors purchasing shares directly from the Funds.

Choosing a Share Class

Each of the Funds offers two classes of shares: Investor Shares and Institutional Shares. The two types of shares have the same portfolio of investments and the same rights, and differ only in the expenses they are subject to and their required minimum investments. Investor Shares may be subject to fees resulting from account servicing charged to the Fund. Institutional Shares are available to investors who invest directly in the Fund and have a minimum investment of \$100,000. Institutional Shares are also available through certain financial intermediaries and service providers.

If you invest through a financial intermediary, the \$100,000 minimum for Institutional Shares may be met if your financial intermediary aggregates your investments with those of other clients, including group retirement plans, for which the intermediary provides services, into a single group, or omnibus, account that meets the minimum. Group retirement plans include defined benefit and defined contribution plans such as 401(k), 403(b) and 457(b) plans that maintain an omnibus account. The \$100,000 minimum for Institutional Shares may be met if the investor intends to invest at least \$100,000 in the Institutional Shares within a period of 12 months.

The minimum initial investment may be waived at the discretion of the Parnassus Funds for Institutional Shares purchased by individual accounts of a financial intermediary that charges an ongoing fee to its customers for its services, and for accounts invested through fee-based advisory accounts and similar programs with approved intermediaries.

The minimum initial investment may be waived at the discretion of the Parnassus Funds for Investor Shares purchased by a group retirement plan or individual

accounts of a financial intermediary that charges an ongoing fee to its customers for its services or offers Investor Shares through a no-load network or platform, and for accounts invested through fee-based advisory accounts and similar programs with approved intermediaries.

Accounts invested in Institutional Shares that fall below the \$100,000 minimum investment value due to redemptions, and that are not subject to an exception to the minimum, may be converted to the Investor share class via a tax-free share class conversion. The Funds will give shareholders whose shares are subject to this conversion 60 days' prior written notice in which to purchase sufficient shares to avoid this conversion.

Types of Accounts

The Funds offer the following types of accounts. The initial account minimums in this section refer to the Investor Shares. The initial account minimums for the Institutional Shares are described above.

Individual or Joint Ownership Account

You can open a regular account that is owned by an individual or by two owners. An initial minimum investment must be at least \$2,000 per fund; however, the minimum is lowered to \$500 per fund if you sign up for our automatic investment plan. See the Parnassus Automatic Investment Plan section for more information.

Custodial Account

You can open a custodial account for a minor. The Funds offer both UGMA (Uniform Gift to Minor's Act) and UTMA (Uniform Transfer to Minor's Act) accounts. An initial minimum investment must be at least \$500 per fund.

Traditional IRA, Roth IRA or SEP IRA Accounts

Through the Funds, you can open tax-deferred retirement accounts for individuals. An initial investment must be at least \$500 per fund; however, the minimum is waived if you sign up for our automatic investment plan. See the Parnassus Automatic Investment Plan section for more information. For further information regarding plan administration, custodial fees and other details, investors should contact Parnassus Investments.

Trust Account

A legal trust can open an account. The Funds require the front page and signature page of the trust agreement, including title of the trust and names of the trustee(s), with the application. An initial minimum investment must be at least \$2,000 per fund; however, the minimum is lowered to \$500 per fund if you sign up for our automatic investment plan. See the Parnassus Automatic Investment Plan section for more information.

Corporate Account

A partnership or corporation can open an account. The Funds require the Articles of Incorporation or Partnership Agreement with the appropriate signatures for the account. An initial minimum investment must be at least \$2,000 per fund; however, the minimum is lowered to \$500 per fund if you sign up for our automatic investment plan. See the Parnassus Automatic Investment Plan section for more information.

Subsequent investments for all accounts must be at least \$50 per fund.

Direct Purchase of Shares

You can open an account or purchase additional shares in the following ways:

Internet

To open an account online, go to www.parnassus.com and follow the instructions on the website. By accessing your account online, you can purchase shares and have Parnassus debit your bank account. If an account has more than one owner or authorized person, the Funds will accept online instructions from any one owner or authorized person.

Mail

To open an account by mail, an investor should complete and mail the application form along with a check payable to "Parnassus Funds." With additional investments, shareholders should write the name and number of the account on the check. Checks do not need to be certified, but are accepted subject to collection and must be drawn in United States dollars on United States banks. A fee of \$20 will be assessed if a check is returned to the Funds unpaid due to insufficient funds, stop payment or for any other reason. The application should be sent to the following address:

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

Telephone

If your account is eligible, you can call the Funds at (800) 999-3505 to make an exchange or purchase additional shares. The telephone purchase option may not be used for initial purchases of shares of the Funds, but may be used for subsequent purchases. If an account has more than one owner or authorized person, the Funds will accept telephone instructions from any one owner or authorized person. Once a telephone transaction has been placed, it cannot be canceled or modified after the close of regular trading on the NYSE (generally, 4:00 p.m. Eastern Time).

Parnassus Automatic Investment Plan

After making an initial investment to open an account, a shareholder may purchase additional shares of the Funds (\$50 minimum per fund) via the Parnassus Automatic Investment Plan ("PAIP"). On a monthly or quarterly basis, your money will automatically be transferred from your bank account to your Fund account on the day of your choice (the 3rd or 18th day of the month). You can elect this option by filling out the PAIP section on the new account form. If you already have an account, you may fill out the Parnassus Automatic Investment Plan form, or sign up online at www.parnassus.com.

Parnassus Investments reserves the right to reject any purchase order. If an investment order is received in good order before 4:00 p.m. Eastern Time, which is 1:00 p.m. San Francisco time, it will be processed at the net asset value (NAV) calculated on the same business day. If an investment is received in good order after 4:00 p.m. Eastern Time, it will be processed at the NAV calculated on the next business day. The Funds consider a purchase, redemption or exchange request to be in "good order" if it is timely submitted and contains the name of the applicable Fund, the number of shares or dollar amount to be purchased, redeemed or exchanged, your name and (if applicable) your account number and your signature. See the caption "Net Asset Value" for a discussion on the calculation of NAV. A fee of \$20 will be assessed if the purchase by electronic bank transfer cannot be made due to insufficient funds, stop payment or for any other reason.

There is no sales charge for the purchase of shares from the Funds, but investors may be charged a transaction fee or other fee on their behalf by an investment adviser, a brokerage firm or other financial institution, in connection with purchases or redemptions of shares of the Funds.

In compliance with the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (the "USA PATRIOT Act"), please note that the transfer agent will verify certain information on your application as part of the Funds' Anti-Money Laundering Program. As requested on the application, you must supply your full name, date of birth, social security number and permanent street address. The Funds may request additional information about you (which may include certain documents, such as articles of incorporation for companies) to help the transfer agent verify your identity. If you are opening the account in the name of a legal entity (e.g., partnership, limited liability company, business trust, corporation, etc.), you must also supply the identity of the beneficial owners. Such information will be used only for compliance with the USA PATRIOT Act or other applicable laws, regulations and rules in connection with money laundering, terrorism or economic sanctions. Permanent addresses containing only a P.O. Box will not be accepted. The Funds' Anti-Money Laundering Program is supervised by the Funds' Anti-Money Laundering Officer, subject to the oversight of the Board of Directors. It is the Funds' policy to cooperate fully with appropriate regulators in any investigations conducted with respect to potential money laundering, terrorism or other illicit activities.

Purchasing Shares from Broker-Dealers, Financial Institutions and Others

Some broker-dealers may sell shares of the Funds. These broker-dealers may charge investors a fee at either the time of purchase or redemption. The fee, if charged, is retained by the broker-dealer and not remitted to the Funds or to the Adviser. Some broker-dealers may purchase and redeem shares on a three-day settlement basis.

The Funds may enter into agreements with broker-dealers, financial institutions or other service providers ("Servicing Agents") that may include the Funds as an investment alternative in the programs they offer or administer. Investors purchasing or redeeming through

a Servicing Agent need to check with the Servicing Agent to determine whether the Servicing Agent has entered into an agreement with the Funds. Servicing Agents may:

- Become shareholders of record of the Funds. This means all requests to purchase additional shares and all redemption requests must be sent through the Servicing Agent. This also means that purchases made through Servicing Agents are not subject to the Funds' minimum purchase requirement.
- Use procedures and impose restrictions that may be in addition to, or different from, those applicable to investors purchasing shares directly from the Funds.
- Charge fees to their customers for the services provided. Also, the Funds and/or the Adviser may pay fees to Servicing Agents to compensate them for the services they provide their customers.
- Be allowed to purchase shares by telephone with payment to follow the next day. If the telephone purchase is made prior to the close of regular trading on the New York Stock Exchange (normally 4:00 p.m. Eastern Time), it will receive same day pricing.
- Be authorized to accept purchase orders on the Funds' behalf (and designate other Servicing Agents to accept purchase orders on the Funds' behalf). If the Funds have entered into an agreement with a Servicing Agent pursuant to which the Servicing Agent (or its designee) has been authorized to accept purchase orders on the Funds' behalf, then all purchase orders received in good order by the Servicing Agent (or its designee) before 4:00 p.m. Eastern Time will receive that day's NAV. All purchase orders received in good order by the Servicing Agent (or its designee) after 4:00 p.m. Eastern Time will receive the next day's NAV. See the caption "Net Asset Value" for a discussion on the calculation of NAV.

Depending on your Servicing Agent's arrangement with the Parnassus Funds, you may qualify to purchase Institutional Shares.

If you decide to purchase shares through Servicing Agents, please carefully review the program materials provided to you by the Servicing Agent, because particular Servicing Agents may adopt policies or procedures that are separate from those described in this prospectus. When you purchase shares of the

Funds through a Servicing Agent, it is the responsibility of the Servicing Agent to place your order with the Funds on a timely basis. If the Servicing Agent does not place your order on a timely basis, or if it does not pay the purchase price to the Funds within the period specified in its agreement with the Funds, it may be held liable for any resulting fees or losses.

How to Redeem Shares

When you redeem your shares, your proceeds are normally made by check and sent via mail. You can pre-designate a bank account where you would like redemption proceeds electronically deposited within three business days. For a \$20 fee, you can have redemption proceeds wired to your bank account of record in one business day. The Funds normally send out redemption checks by U.S. mail, but the Funds can send a redemption check by overnight delivery for a \$30 fee.

Redemption amounts of over \$50,000 may be requested only by mail. If a redemption order is received in good order before 4:00 p.m. Eastern Time, which is 1:00 p.m. San Francisco time, it will be processed at the NAV calculated on the same business day. If a redemption order is received in good order after 4:00 p.m. Eastern Time, it will be processed at the NAV calculated on the next business day. The redemption order must include your account number and indicate the number of shares or the dollar amount you wish to redeem. All owners of the account must sign the redemption request unless the account application states that only one signature is necessary for redemptions. The Funds must have a change-of-address on file for 30 days before the Funds will send redemption or distribution checks to the new address.

The Funds usually require additional documents when shares are registered in the name of a corporation, agent or fiduciary, or if you are a surviving joint owner. In the case of a corporation, the Funds usually require a corporate resolution signed by the secretary. In the case of an agent or fiduciary, the Funds usually require an authorizing document. In the case of a surviving joint owner, the Funds usually require an original certified copy of the death certificate. Contact the Funds by phone at (800) 999-3505 if you have any questions about the requirements for redeeming your shares.

You can redeem your shares by:

Internet

If your account is eligible, you can redeem your shares by accessing your account online at www.parnassus.com. If an account has more than one owner or authorized person, the Funds will accept online instructions from any one owner or authorized person.

Mail

You can mail your redemption request. Please be sure to include your account number, the amount of your redemption (dollars or shares) and the signatures of all account holders. Send the request to:

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

Fax

The maximum amount that can be redeemed through request by fax is \$50,000 per account per week. You can fax your redemption request to (415) 778-0228. Please be sure to include your account number, the amount of your redemption (dollars or shares) and the signatures of all account holders.

Telephone

For eligible accounts, you can redeem your shares, up to a maximum dollar amount of \$50,000 per account per week, by calling (800) 999-3505. The telephone transaction privilege also allows a shareholder to effect exchanges from a Fund into an identically registered account in another Fund managed by Parnassus Investments. Shareholders who elect to use telephone transaction privileges must indicate this on the account application form. Neither the Funds nor Parnassus Investments will be liable for following instructions communicated by telephone reasonably believed to be genuine; a loss to the shareholder may result due to an unauthorized transaction. The Funds and the transfer agent will employ reasonable procedures to confirm that instructions communicated by telephone are genuine. If an account has more than one owner or authorized person, the Funds will accept telephone instructions from any one owner or authorized person. Once a telephone transaction has been placed, it cannot be canceled or modified after the close of regular trading on the NYSE (generally, 4:00 p.m. Eastern Time). During periods of high market activity, shareholders may encounter higher than usual call wait

times. Please allow sufficient time to place your telephone transaction.

Procedures may include one or more of the following: recording all telephone calls requesting telephone transactions, verifying authorization and requiring some form of personal identification prior to acting upon instructions and sending a statement each time a telephone transaction is made. The Funds and Parnassus Investments may be liable for any losses due to unauthorized or fraudulent instructions only if such reasonable procedures are not followed. Of course, shareholders are not obligated in any way to authorize telephone transactions and may choose to make all transactions in writing. The telephone transaction privilege may be modified or discontinued by the Funds at any time upon 60 days' prior written notice to shareholders.

Systematic Withdrawal Program

You can have the Funds automatically redeem, on a periodic basis, a set amount from your account and direct-deposit the proceeds into your bank account or mail you a check.

Redeeming Shares through Servicing Agent

If your shares are held by a Servicing Agent, you must redeem your shares through the Servicing Agent. Contact the Servicing Agent for instructions on how to do so. Servicing Agents may charge you a fee for this service.

If the Funds have entered into an agreement with a Servicing Agent pursuant to which the Servicing Agent (or its designee) has been authorized to accept redemption requests on behalf of the Funds, then all redemption requests received in good order by the Servicing Agent (or its designee) before 4:00 p.m. Eastern Time will receive that day's NAV. All redemption requests received in good order by the Servicing Agent (or its designee) after 4:00 p.m. Eastern Time will receive the next day's NAV. See the caption "Net Asset Value" for a discussion on the calculation of NAV.

Other Redemption Information

If the Funds have received payment for the shares you wish to redeem and you have provided the instructions and any other documents needed in correct form, the Funds will promptly send you a check for the proceeds from the sale. Ordinarily, the Funds must send you a

check within seven days, but the Funds can suspend redemptions and/or postpone payments of redemption proceeds beyond seven days at times when the New York Stock Exchange ("NYSE") is closed or during emergency circumstances, as determined by the Securities and Exchange Commission. However, payment may be delayed for any shares purchased by check or ACH (Automated Clearing House) for a reasonable time (not to exceed 15 days from the date of such purchase). This delay is necessary for the Funds to determine that the purchase check or ACH (Automated Clearing House) will be honored.

The Parnassus Funds may involuntarily redeem a shareholder's shares upon certain conditions as may be determined by the Trustees, including, for example and not limited to, (1) if the shareholder fails to provide the Funds with identification required by law; (2) if the Funds are unable to verify the information received from the shareholder; and (3) to reimburse a Fund for any loss sustained by reason of the failure of the shareholder to make full payment for shares purchased by the shareholder. Additionally, as discussed below, shares may be redeemed in connection with the closing of small accounts.

The Funds will typically expect that a Fund will hold cash or cash equivalents to meet redemption requests. The Funds may also use the proceeds from the sale of portfolio securities to meet redemption requests if consistent with the management of the Fund. These redemption methods will be used regularly and may also be used in stressed market conditions.

The Funds reserve the right to redeem in-kind. Redemptions in-kind may be used in normal market conditions, and may also be used in stressed market conditions. Normally, an in-kind redemption of portfolio securities will be distributed on a pro rata basis. However, if the Funds determine that a pro rata distribution of portfolio securities held by a Fund is not practical or in the best interests of shareholders, the in-kind redemptions may be in the form of pro-rata slices of a Fund's portfolio, individual securities or a representative basket of securities. A shareholder will be exposed to market risk until the securities are converted to cash and may incur transaction expenses in converting these securities to cash.

Wire

If you wish to have the redemption proceeds sent by wire transfer, there will be a charge of \$20 per

transaction. Wiring funds will require a Medallion Signature Guarantee unless wiring instructions were previously filed with the Funds.

Medallion Signature Guarantee

Certain types of transactions require a Medallion Signature Guarantee:

- A redemption check sent to an address that is not the address of record or has not been on the Funds' records for at least 30 days
- Redemption proceeds sent to a bank account that is not the bank account of record
- A redemption check made payable or sent to someone other than the named account owner
- Changing the shareholder of record on an account (A Signature Validation Program Stamp is also acceptable for this change)

A Medallion Signature Guarantee is meant to ensure that a signature is genuine. It protects shareholders and the Funds against fraud. You can typically obtain a Medallion Signature Guarantee from a bank, a credit union, a savings and loan association or a broker-dealer. A notary public cannot provide a Medallion Signature Guarantee.

Redemption of Small Accounts

The Funds may, in order to reduce the expenses of the Funds, redeem all of the shares of any shareholder whose account balance falls below \$500 after a redemption. This will be done at the NAV determined as of the close of business on the business day preceding the sending of such notice of redemption. The Funds will give shareholders whose shares are being redeemed 60 days' prior written notice in which to purchase sufficient shares to avoid such redemption. The Funds may immediately, without prior written notice, redeem all of the shares of any shareholder whose account balance falls below \$100 after a redemption.

Holds on Redemptions

If you purchased shares by check, the Funds may delay a redemption request for shares that were purchased in the past 15 days, in order to allow the Funds time to determine if your purchase check cleared.

Online and Telephone Transactions

Depending on the type of account, you may make shareholder transactions online or over the telephone. The Funds take steps to confirm your identity to prevent fraud, including confirming some of your personal information that they have on file. However, the Funds cannot be held liable for executing instructions the Funds reasonably believe to be genuine. For transactions conducted over the Internet, we recommend the use of a secure Internet browser. In addition, you should verify the accuracy of your confirmation statements immediately upon receiving them. If you do not want the ability to conduct transactions online or over the telephone, please indicate that on your account application or call the Funds at (800) 999-3505.

Inactive Accounts

Your account may be transferred to your state of residence if no activity occurs within your account during the "inactivity period" specified in your state's abandoned property laws. If the Funds are unable to locate a shareholder, they will determine whether the shareholder's account can legally be considered abandoned. The Funds are legally obligated to escheat (or transfer) abandoned property to the appropriate state's unclaimed property administrator in accordance with statutory requirements. The shareholder's last known address of record determines which state has jurisdiction. Interest or income is not earned on redemption or distribution checks sent to you during the time the check remained uncashed.

Investors with a state of residence in Texas have the ability to designate a representative to receive legislatively required unclaimed property due diligence notifications. Please contact the Texas Comptroller of Public Accounts for further information.

Market Timing Policies and Procedures

Frequent purchases and redemptions of shares of the Funds may harm other shareholders by interfering with the efficient management of the Funds' portfolios, increasing brokerage and administrative costs, and potentially diluting the value of their shares. The Funds' Boards of Trustees have adopted a policy of discouraging frequent purchases and redemptions of Fund shares that could disrupt the efficient

management of the portfolios. If management of the Funds determines that a shareholder is making frequent trades (defined as a purchase and redemption within five business days) in sufficient volume and with sufficient frequency to disrupt a Fund's operations, that shareholder will be barred from making future investments in the Funds. The Funds' Boards of Trustees and the Adviser do not encourage frequent trading and will not engage in an agreement with any party to permit frequent trading.

Certain types of transactions generally do not raise frequent trading concerns and normally will not require application of the Funds' restrictions on frequent trading. These transactions include, but are not limited to: (1) reinvestment of dividends; (2) automatic investment/contribution, asset allocation (including accounts maintained under model portfolio programs) or withdrawal plans (including regularly scheduled and required minimum distributions); (3) retirement plan loan distributions and repayments; (4) certain retirement plan withdrawal events; (5) transactions initiated by a plan sponsor; and (6) transfers of assets that are non-investor driven. The Adviser and the Funds' Boards of Trustees will continue to monitor trading activity and the regulatory environment and may alter the policies at any time without prior notice to shareholders.

If inappropriate trading is detected in an omnibus account registered in the name of a nominee, financial intermediary or plan sponsor (collectively, "financial intermediaries"), the Funds may apply these market timing policies and procedures to the account. The Funds generally are dependent on the financial intermediaries in monitoring trading frequency and therefore in applying the Funds' market timing policies and procedures. In this regard, the Funds have entered into written agreements with each of the Funds' financial intermediaries, under which the intermediaries must, upon request, provide the Funds with certain shareholder and identity trading information to assist the Funds in enforcing their market timing policies and procedures.

The Funds reserve the right to reject any purchase or exchange transactions at any time. In addition, the Adviser reserves the right to impose restrictions on purchases or exchanges at any time that are more restrictive on disruptive, excessive or short-term trading, than those that are otherwise stated in this prospectus.

Exchanging Shares

The proceeds from a redemption of shares of one Fund can be used to purchase shares of the other Funds. There is no limit on the number or dollar amount of exchanges. The Funds reserve the right to modify or eliminate this exchange privilege in the future. The exchange privilege is only available in states where the exchange may be legally made. The exchange of shares is treated as a sale, and an exchanging shareholder may, therefore, realize a taxable gain or loss.

Converting Shares

Each Fund offers two classes of shares, Investor Shares and Institutional Shares, which differ only in their ongoing fees and minimum account sizes. Investor Shares of a Fund may be converted into Institutional Shares of such Fund if your account balance is at least \$100,000. The transaction will be based on the respective NAV of each class on the trade date for the conversion. Such a conversion is not a taxable event.

If an investor's account balance in Institutional Shares falls below \$100,000, Parnassus may convert the shares into Investor Shares. Parnassus will notify the investor in writing before the mandatory conversion. The Funds will give shareholders whose shares are being converted 60 days' prior written notice in which to purchase sufficient shares to avoid such conversion.

Net Asset Value

The NAV for the Funds will be calculated on each day the NYSE is open for trading and on any other day there is a sufficient degree of trading in investments held by the Funds to affect the NAV. The NYSE is closed on national holidays, Good Friday and weekends. The NYSE also may be closed on national days of mourning or due to natural disasters or other extraordinary events or emergencies. The NAV of the Funds will usually be calculated as of the close of trading on the NYSE at 4:00 p.m. Eastern Time. If the NYSE closes early, then the NAV of the Funds will be calculated as of the early close of the NYSE. The NAV may not be determined on any day that there are no transactions in shares of the Funds.

The NAV per share is the value of a Fund's assets, less its liabilities, divided by the number of outstanding shares of that Fund. In general, the value of the Funds' portfolio securities is the market value of such securities. However, securities and other assets for which market quotations are not readily available are valued at their fair value as determined in good faith by

the Adviser under procedures established by and under the general supervision and responsibility of the Funds' Board of Trustees. Types of securities that the Funds may hold for which fair value pricing might be required include, but are not limited to: (a) illiquid securities, including "restricted" securities and private placements for which there is no public market; (b) securities of an issuer that has entered into a restructuring; (c) securities whose trading has been halted or suspended; and (d) securities for which a foreign currency exchange rate is deemed inappropriate for use by the Funds or multiple appropriate rates exist. Valuing securities at fair value involves greater reliance on judgment than securities that have readily available market quotations. The fair value of a security may differ from the last quoted price, and a Fund may not be able to sell a security at the fair value. See the statement of additional information for more details.

Index Descriptions

S&P 500® Index

The S&P 500® Index is a capitalization-weighted index of 500 stocks. The Index is designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries. The Index does not reflect any deductions for fees, expenses or taxes. A direct investment in an index is not possible. The S&P 500® Index is a trademark of Standard & Poor's Financial Services LLC. The index is used herein for comparative purposes in accordance with SEC regulations.

Russell Midcap® Index

The Russell Midcap® Index measures the performance of the 800 smallest companies in the Russell 1000® Index, which measures the performance of the 1,000 largest U.S. companies based on total market capitalization. The Index does not reflect any deductions for fees, expenses or taxes. A direct investment in an index is not possible. The Russell Midcap® Index is a trademark of the Frank Russell Company. The index is used herein for comparative purposes in accordance with SEC regulations.

Russell Midcap® Growth Index

The Russell Midcap® Growth Index measures the performance of those Russell Midcap® Index companies with higher price-to-book ratios and higher forecasted growth values. The Russell Midcap® Index measures the performance of the 800 smallest companies in the Russell 1000® Index. The Index does not reflect any deductions for fees, expenses or taxes. A direct investment in an index is not possible. The Russell Midcap® Growth Index is a trademark of the Frank Russell Company. The index is used herein for comparative purposes in accordance with SEC regulations.

Bloomberg Barclays U.S. Aggregate Bond Index

The Bloomberg Barclays U.S. Aggregate Bond Index is made up of the Bloomberg Barclays U.S. Government/Corporate Bond Index, Mortgage-Backed Securities Index, and Asset-Backed Securities Index, including securities that are of investment-grade quality or better, have at least one year to maturity, and have an outstanding par value of at least \$100 million. The Index does not reflect any deductions for fees, expenses or taxes. A direct investment in an index is not possible. The index is used herein for comparative purposes in accordance with SEC regulations.

Additional Information Specific to Foreign Securities

The values of any foreign securities held by the Funds are converted to U.S. dollars using exchange rates determined as of the close of trading on the NYSE and in accordance with the Fund's pricing policies. The Funds generally use the foreign currency exchange rates deemed to be most appropriate by a foreign currency pricing service that is independent of the Funds and the Adviser.

Foreign securities held by the Funds may be traded on days and at times when the NYSE is closed and the NAV is therefore not calculated. Accordingly, the NAVs of the Funds may be affected on days when shareholders are not able to purchase or redeem shares. For valuation purposes, quotations of foreign portfolio securities and other assets and liabilities stated in foreign currency are translated into U.S. dollar equivalents at the prevailing market rates.

Distributions and Taxes

The following discussion regarding federal income taxes is based on laws that were in effect as of the date of this prospectus and summarizes only some of the important federal income tax considerations affecting the Funds and you as a shareholder. It does not apply to foreign or tax-exempt shareholders or those holding Fund shares through a tax-advantaged account, such as a 401(k) plan or IRA. This discussion is not intended as a substitute for careful tax planning. You should consult your tax advisor about your specific tax situation. Please see the SAI for additional federal income tax information.

Each Fund has elected to be treated and intends to qualify each year as a regulated investment company (a "RIC"). A RIC is not subject to tax at the corporate level on income and gains from investments that are distributed in a timely manner to shareholders. However, a Fund's failure to qualify as a RIC would result in corporate level taxation, and consequently, a reduction in income available for distribution to you as a shareholder.

The Funds' distributions, whether received in cash or additional shares of a Fund, may be subject to federal, state and local income tax. These distributions may be taxed as ordinary income, dividend income or long-term capital gain.

Corporate shareholders may be able to deduct a portion of their distributions when determining their taxable income.

If you purchase Fund shares shortly before it makes a taxable distribution, your distribution will, in effect, be a taxable return of capital. Similarly, if you purchase Fund

shares that have appreciated securities, you will receive a taxable return of part of your investment if and when the Fund sells the appreciated securities and distributes the gain. The Funds have built up, or have the potential to build up, high levels of unrealized appreciation.

The Funds will notify you of the tax status of ordinary income distributions and capital gain distributions after the end of each calendar year.

You will generally recognize taxable gain or loss on a redemption of shares in an amount equal to the difference between the amount received and your tax basis in such shares. This gain or loss will generally be capital and will be long-term capital gain or loss if the shares were held for more than one year.

In general, when a shareholder sells Fund shares, the Fund must report to the shareholder and the IRS the shareholder's cost basis, gain or loss and holding period in the sold shares using a specified method for determining which shares were sold. You are not bound by this method and, if timely, can choose a different, permissible method. Please consult with your tax advisor.

If you hold Fund shares through a broker (or another nominee), please contact that broker (or nominee) with respect to the reporting of cost basis and available elections for your account.

When you receive a distribution from the Funds or redeem shares, you may be subject to backup withholding.

Financial Highlights

The financial highlights table is intended to help you understand each Fund's financial performance for the past five years. Certain information reflects financial results for a single Fund share. The total returns in the table represent the rate that an investor would have earned (or lost) on an investment in a Fund (assuming reinvestment of all dividends and distributions). This information has been derived from the financial statements audited by Deloitte & Touche LLP, whose report, along with the Funds' financial statements, is included in the Annual Report of the Funds, which is available upon request.

Selected data for each share of capital stock outstanding, total return and ratios/supplemental data for each of the five years ended December 31 are as follows:

For a Share Outstanding for the Year Ended	Net Asset Value Beginning of Year	Net Investment Income (Loss) ^(a)	Net Realized and Unrealized Gain (Loss) on Securities ^(a)	Total from Investment Operations ^(a)	Dividends from Net Investment Income	Distributions from Net Realized Gains on Securities	Total Dividends and Distributions
Parnassus Core Equity Fund - Investor Shares							
2019	\$38.99	\$0.36	\$11.45	\$11.81	\$(0.34)	\$(3.43)	\$(3.77)
2018	42.67	0.45	(0.38)	0.07	(0.44)	(3.31)	(3.75)
2017	39.29	0.45	5.98	6.43	(0.55)	(2.50)	(3.05)
2016	36.97	0.39	3.42	3.81	(0.40)	(1.09)	(1.49)
2015	40.69	0.40	(0.56)	(0.16)	(0.80)	(2.76)	(3.56)
Parnassus Core Equity Fund - Institutional Shares							
2019	39.05	0.46	11.47	11.93	(0.45)	(3.43)	(3.88)
2018	42.73	0.55	(0.37)	0.18	(0.55)	(3.31)	(3.86)
2017	39.35	0.55	5.98	6.53	(0.65)	(2.50)	(3.15)
2016	37.03	0.48	3.41	3.89	(0.48)	(1.09)	(1.57)
2015	40.75	0.50	(0.58)	(0.08)	(0.89)	(2.75)	(3.64)
Parnassus Mid Cap Fund - Investor Shares							
2019	28.86	0.17	8.08	8.25	(0.18)	(1.30)	(1.48)
2018	32.07	0.23	(2.32)	(2.09)	(0.22)	(0.90)	(1.12)
2017	28.87	0.26	4.29	4.55	(0.48)	(0.87)	(1.35)
2016	25.56	0.21	3.90	4.11	(0.11)	(0.69)	(0.80)
2015	27.40	0.21	(0.41)	(0.20)	(0.18)	(1.46)	(1.64)
Parnassus Mid Cap Fund - Institutional Shares							
2019	28.90	0.27	8.07	8.34	(0.26)	(1.30)	(1.56)
2018	32.11	0.31	(2.33)	(2.02)	(0.29)	(0.90)	(1.19)
2017	28.90	0.34	4.29	4.63	(0.55)	(0.87)	(1.42)
2016	25.57	0.27	3.89	4.16	(0.14)	(0.69)	(0.83)
For the period ended December 31, 2015 ^(d)	27.58	0.20	(0.52)	(0.32)	(0.23)	(1.46)	(1.69)
Parnassus Endeavor Fund - Investor Shares							
2019	28.87	0.25	9.36	9.61	(0.30)	-	(0.30)
2018	37.18	0.38	(5.13)	(4.75)	(0.52)	(3.04)	(3.56)
2017	32.99	0.34	6.20	6.54	(0.77)	(1.58)	(2.35)
2016	28.07	0.19	5.80	5.99	(0.32)	(0.75)	(1.07)
2015	29.95	0.17	0.83	1.00	(0.87)	(2.01)	(2.88)
Parnassus Endeavor Fund - Institutional Shares							
2019	28.89	0.34	9.36	9.70	(0.40)	-	(0.40)
2018	37.21	0.46	(5.13)	(4.67)	(0.61)	(3.04)	(3.65)
2017	33.01	0.41	6.21	6.62	(0.84)	(1.58)	(2.42)
2016	28.06	0.24	5.83	6.07	(0.37)	(0.75)	(1.12)
For the period ended December 31, 2015 ^(d)	31.03	0.16	(0.20)	(0.04)	(0.92)	(2.01)	(2.93)

Net Asset Value End of Year	Total Overall Return	Ratio of Gross Expenses to Average Net Assets	Ratio of Net Expenses to Average Net Assets (Net of Waiver and Expense Offset Arrangements) ^{(b),(c)}	Ratio of Net Investment Income (Loss) to Average Net Assets	Portfolio Turnover Rate	Net Assets End of Year (000s)
Parnassus Core Equity Fund - Investor Shares						
\$47.03	30.69%	0.86%	0.86%	0.78%	36.88%	\$9,998,994
38.99	(0.18)	0.87	0.87	1.03	31.43	8,172,571
42.67	16.58	0.87	0.87	1.09	24.52	9,870,059
39.29	10.41	0.87	0.87	1.03	22.89	10,200,768
36.97	(0.55)	0.88	0.88	1.03	26.90	8,368,394
Parnassus Core Equity Fund - Institutional Shares						
47.10	30.96	0.63	0.63	1.02	36.88	8,660,689
39.05	0.05	0.63	0.63	1.24	31.43	6,543,658
42.73	16.81	0.64	0.64	1.31	24.52	6,245,179
39.35	10.61	0.66	0.66	1.25	22.89	4,597,160
37.03	(0.34)	0.67	0.67	1.25	26.90	3,554,007
Parnassus Mid Cap Fund - Investor Shares						
35.63	28.75	1.01	0.99	0.48	28.27	2,381,822
28.86	(6.64)	1.02	0.99	0.71	31.52	1,752,821
32.07	15.79	1.01	0.99	0.83	33.27	2,021,276
28.87	16.07	1.01	0.99	0.75	18.81	1,490,587
25.56	(0.87)	1.07	0.99	0.77	58.01	543,251
Parnassus Mid Cap Fund - Institutional Shares						
35.68	29.02	0.75	0.75	0.77	28.27	2,692,990
28.90	(6.39)	0.75	0.75	0.95	31.52	1,073,093
32.11	16.04	0.75	0.75	1.09	33.27	780,372
28.90	16.28	0.80	0.80	0.95	18.81	285,182
25.57	(1.30) ^(e)	0.77 ^(f)	0.77 ^(f)	1.12 ^(f)	34.04 ^(e)	11,397
Parnassus Endeavor Fund - Investor Shares						
38.18	33.29	0.97	0.95	0.73	57.29	2,737,805
28.87	(13.49)	0.95	0.95	1.04	70.96	2,758,361
37.18	19.81	0.92	0.92	0.94	43.21	4,185,857
32.99	21.42	0.97	0.95	0.64	34.08	2,507,515
28.07	3.25	0.98	0.95	0.56	63.23	1,325,765
Parnassus Endeavor Fund - Institutional Shares						
38.19	33.57	0.71	0.71	0.97	57.29	1,104,181
28.89	(13.25)	0.72	0.72	1.25	70.96	939,280
37.21	20.03	0.72	0.72	1.12	43.21	1,031,525
33.01	21.68	0.74	0.74	0.80	34.08	295,317
28.06	(0.22) ^(e)	0.75 ^(f)	0.75 ^(f)	0.80 ^(f)	42.60 ^(e)	46,806

For a Share Outstanding for the Year Ended	Net Asset Value Beginning of Year	Net Investment Income (Loss) ^(a)	Net Realized and Unrealized Gain (Loss) on Securities ^(a)	Total from Investment Operations ^(a)	Dividends from Net Investment Income	Distributions from Net Realized Gains on Securities	Total Dividends and Distributions
Parnassus Mid Cap Growth Fund - Investor Shares							
2019	\$40.54	\$0.29	\$11.77	\$12.06	\$(1.28)	\$(0.85)	\$(2.13)
2018	48.27	0.50	(5.01)	(4.51)	(0.54)	(2.68)	(3.22)
2017	44.97	0.46	6.68	7.14	(0.45)	(3.39)	(3.84)
2016	40.46	0.37	5.06	5.43	(0.36)	(0.56)	(0.92)
2015	48.09	0.32	(0.01)	0.31	(1.78)	(6.16)	(7.94)
Parnassus Mid Cap Growth Fund - Institutional Shares							
2019	40.52	0.37	11.75	12.12	(1.36)	(0.85)	(2.21)
2018	48.25	0.58	(5.02)	(4.44)	(0.61)	(2.68)	(3.29)
2017	44.95	0.54	6.67	7.21	(0.52)	(3.39)	(3.91)
2016	40.45	0.43	5.06	5.49	(0.43)	(0.56)	(0.99)
For the period ended December 31, 2015 ^(d)	49.44	0.28	(1.27)	(0.99)	(1.84)	(6.16)	(8.00)
Parnassus Fixed Income Fund - Investor Shares							
2019	15.92	0.37	1.15	1.52	(0.39)	-	(0.39)
2018	16.54	0.42	(0.61)	(0.19)	(0.43)	-	(0.43)
2017	16.42	0.37	0.14	0.51	(0.39)	-	(0.39)
2016	16.44	0.34	0.06	0.40	(0.36)	(0.06)	(0.42)
2015	16.66	0.33	(0.21)	0.12	(0.33)	(0.01)	(0.34)
Parnassus Fixed Income Fund - Institutional Shares							
2019	15.92	0.41	1.14	1.55	(0.43)	-	(0.43)
2018	16.54	0.46	(0.61)	(0.15)	(0.47)	-	(0.47)
2017	16.41	0.41	0.14	0.55	(0.42)	-	(0.42)
2016	16.44	0.38	0.04	0.42	(0.39)	(0.06)	(0.45)
For the period ended December 31, 2015 ^(d)	16.75	0.24	(0.30)	(0.06)	(0.24)	(0.01)	(0.25)

Net Asset Value End of Year	Total Overall Return	Ratio of Gross Expenses to Average Net Assets	Ratio of Net Expenses to Average Net Assets (Net of Waiver and Expense Offset Arrangements) ^{(b),(c)}	Ratio of Net Investment Income (Loss) to Average Net Assets	Portfolio Turnover Rate	Net Assets End of Year (000s)
Parnassus Mid Cap Growth Fund - Investor Shares						
\$50.47	29.82%	0.84%	0.84%	0.60%	43.61%	\$803,731
40.54	(9.73)	0.85	0.85	1.06	47.26	685,715
48.27	16.08	0.84	0.84	0.96	37.45	923,262
44.97	13.46	0.86	0.86	0.90	41.70	775,818
40.46	0.26	0.84	0.84	0.64	68.52	708,944
Parnassus Mid Cap Growth Fund - Institutional Shares						
50.43	29.98	0.68	0.68	0.76	43.61	182,443
40.52	(9.57)	0.69	0.69	1.21	47.26	154,445
48.25	16.25	0.69	0.69	1.11	37.45	162,414
44.95	13.59	0.71	0.71	1.04	41.70	78,313
40.45	(2.37) ^(e)	0.70 ^(f)	0.70 ^(f)	0.90 ^(f)	42.95 ^(e)	45,941
Parnassus Fixed Income Fund - Investor Shares						
17.05	9.63	0.87	0.68	2.22	53.98	160,158
15.92	(1.12)	0.86	0.68	2.64	46.43	157,213
16.54	3.10	0.82	0.68	2.25	38.48	182,161
16.42	2.42	0.80	0.68	2.04	39.47	193,440
16.44	0.70	0.79	0.68	1.98	35.80	182,130
Parnassus Fixed Income Fund - Institutional Shares						
17.04	9.82	0.45	0.45	2.44	53.98	69,923
15.92	(0.89)	0.45	0.45	2.90	46.43	58,293
16.54	3.37	0.47	0.47	2.46	38.48	47,365
16.41	2.55	0.49	0.49	2.22	39.47	20,733
16.44	(0.35) ^(e)	0.49 ^(f)	0.49 ^(f)	2.14 ^(f)	24.24 ^(e)	7,731

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

(b) Parnassus Investments has contractually limited expenses to an annualized rate of 0.86% for the Parnassus Core Equity Fund-Investor Shares, 0.99% for the Parnassus Mid Cap Fund-Investor Shares, 0.95% for the Parnassus Endeavor Fund-Investor Shares, 0.84% for the Parnassus Mid Cap Growth Fund-Investor Shares and 0.68% for the Parnassus Fixed Income Fund-Investor Shares.

(c) Parnassus Investments has contractually limited expenses to an annualized rate of 0.63% for the Parnassus Core Equity Fund-Institutional Shares, 0.75% for the Parnassus Mid Cap Fund-Institutional Shares, 0.71% for the Parnassus Endeavor Fund-Institutional Shares, 0.68% for the Parnassus Mid Cap Growth Fund-Institutional Shares and 0.45% for the Parnassus Fixed Income Fund-Institutional Shares.

(d) The Parnassus Mid Cap Growth Fund-Institutional Shares, the Parnassus Endeavor Fund-Institutional Shares, the Parnassus Mid Cap Fund-Institutional Shares and the Parnassus Fixed Income Fund-Institutional Shares commenced operations on April 30, 2015, and the period shown is from April 30, 2015 through December 31, 2015.

(e) Not annualized for periods less than one year.

(f) Annualized.

General Information

Deloitte & Touche LLP, 695 Town Center Drive, Suite 1000, Costa Mesa, CA 92626, is the Funds' independent registered public accounting firm.

Brown Brothers Harriman & Co., 50 Post Office Square, Boston, Massachusetts 02110, is the custodian of the Funds' assets.

Parnassus Investments, 1 Market Street, Suite 1600, San Francisco, California 94105, is the Funds' transfer agent and accounting agent. Jerome L. Dodson, the Funds' Chairman of the Board, is the majority stockholder of Parnassus Investments.

Householding Consent

To minimize expenses, we may mail only one copy of the Funds' prospectus and each annual, semiannual and quarterly report to those addresses shared by two or more accounts. If you wish to receive individual copies of these documents and are currently receiving these reports directly from Parnassus Funds, please call us at (800) 999-3505 (or contact the financial institution that currently sends these reports to you). We will begin sending you individual copies 30 days after receiving your request.

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- 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.

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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 nonpublic personal information.

How to Contact Us

Please call us at (800) 999-3505 or email us at shareholder@parnassus.com if you have any questions regarding our privacy policy. We are open Monday-Friday from 8:30 a.m. to 5:00 p.m. Pacific Time.

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Sign up for electronic delivery of prospectuses, shareholder reports and account statements at www.parnassus.com/gopaperless. You can obtain additional information about each of the Funds in the statement of additional information (SAI) dated May 1, 2021, which has been filed with the Securities and Exchange Commission (SEC) and is incorporated in this prospectus by reference (namely, it legally forms a part of the prospectus). The Funds also publish an annual and a semiannual report and two quarterly reports each year that discuss the Funds' holdings and how recent market conditions as well as the Funds' investment strategies affected performance. For a free copy of any of these documents or to ask questions about the Funds, call the Parnassus Funds at (800) 999-3505.

The Funds make available the SAI and the annual and semiannual reports, free of charge, on their Internet website (<http://www.parnassus.com>). The general public can review and copy information about the Funds (including the SAI) on the EDGAR Database on the SEC's Internet website at <http://www.sec.gov>. Copies of this information may be obtained, upon payment of a duplicating fee, by electronic request at the following email address: publicinfo@sec.gov.

The Investment Company Act File Number for Parnassus Income Funds is 811-06673. The Investment Company Act File Number for Parnassus Funds is 811-04044.

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