

PARNASSUS INVESTMENTS

Parnassus Small-Cap Fund,
Parnassus Workplace Fund,
Parnassus Fund

SRI in the Rockies

Tucson, Arizona

October 26, 2009

➤ **Fundamental Research**

Our investment philosophy dictates that sound macroeconomic analysis combined with bottom-up fundamental research is the most effective way to identify attractive investments.

➤ **Good Businesses at Attractive Valuations**

We believe the most attractive opportunities for investments are when companies with good business fundamentals become temporarily undervalued due to market sentiment. We like to buy companies growing faster than the rest of the economy, and we like to buy them at attractive valuations.

➤ **Responsible Investment Approach**

We invest in well-run companies committed to corporate responsibility. We evaluate companies' workplaces, environmental policies, product quality, corporate governance and community relations.

Total & Annual Returns: Parnassus Small-Cap Fund

As of 9/30/09

Total Returns	YTD	1 year	Since 12/31/07	ANNUALIZED			Gross Expense Ratio ^(a)	Net Expense Ratio ^(a)
				3 year	Since 9/30/05	Since Inception 4/29/05		
Parnassus Small-Cap Fund	41.65%	2.37%	6.12%	2.82%	6.29%	6.19%	1.88	1.21
Russell 2000 Index	22.43%	-9.55%	-18.96%	-4.57%	-1.14%	2.32%	NA	NA
Lipper Small-Cap Core Average	26.17%	-6.42%	-19.34%	-4.63%	-1.78%	1.59%	NA	NA

(a) Expense ratios include gross expenses and expenses net of contractual waiver as described in the Fund's current prospectus dated May 1, 2009. Parnassus Investments is contractually obligated to limit the total operating expenses to 1.20% through May 1, 2010, for the Parnassus Small-Cap Fund.

All returns greater than one year are annualized.

Performance data quoted represent past performance and are no guarantee of future returns. Current performance may be lower or higher than the performance data quoted, and most recent month end performance information is available on the Parnassus Investments website (www.parnassus.com). Investment return and principal will fluctuate, so that an investor's shares, when redeemed, may be worth more or less than their original principal cost. The Russell 2000 Index is a widely recognized index of common stock prices. An individual cannot invest directly in an index. An index reflects no deductions for fees, expenses or taxes. Returns shown do not reflect the declaration of taxes a shareholder would pay on the fund distributions or the redemption of fund shares. Before investing, an investor should carefully consider the investment objectives, risks, charges and expenses of the fund and should read the prospectus carefully, which contains this information. A prospectus can be obtained on the website, www.parnassus.com, or by calling (800) 999-3505.

Attributes of the Parnassus Small-Cap Fund

- **Unique Characteristics**
- **Relatively Stable During Downturns**
- **Market Cap Below \$3 Billion**
- **Responsible Investing Screens Same As Other Parnassus Funds**
- **Strong Performance**

Five Largest Holdings: Parnassus Small-Cap Fund

As of 9/30/09

Company	Percent of Assets	Unique Characteristics
Ciena Corporation	4.9%	Optical Networking for Telecommunications
Gen-Probe	4.5%	Diagnostic Equipment Based on Genetic Probe Technologies
W&T Offshore	4.5%	Responsible Oil & Gas Exploration & Production
Ormat Technologies	4.0%	Geothermal Renewable Energy
Teleflex	4.0%	Specialty Medical Devices (esp. cables)

Fund information is not intended to represent future portfolio composition. Fund holdings are subject to change and should not be considered a recommendation to buy or sell any securities.

Value Strategy Ratios

- **Below 5-year average Price/Earnings ratio**
- **Below 5-year average Price/Sales ratio**
- **Below 5-year average Price/Book ratio**
- **Stock selling at 70% or less of its intrinsic value**
(calculated by discounting free cash flow projections five years into the future)

Financial Strength Analysis & Guidelines

- **Current assets/current liabilities should be at least 1.5 (working capital ratio)**
- **Long-term debt to equity should be no more than 65%**
- **Total debt should be no more than net worth**
- **Analyze coverage of debt service**
- **Return on Equity of 15% or more**

We seek to invest in companies that

- Minimize their environment impact
- Have ethical management teams & business dealings
- Treat employees as partners
- Maintain equal employment opportunity policies
- Support the communities where they operate

We do not invest in companies with significant revenues derived from

- Manufacturing of alcohol or tobacco products
- Involvement with gambling
- Manufacturing of weapons
- Generation of electricity from nuclear power

Total & Annual Returns: Parnassus Workplace Fund

As of 9/30/09

Total Returns	YTD	1 year	Since 12/31/07	ANNUALIZED			Gross Expense Ratio ^(a)	Net Expense Ratio ^(a)
				3 year	Since 9/30/05	Since Inception 4/29/05		
Parnassus Workplace Fund	49.59%	13.03%	4.81%	5.07%	6.88	6.43%	2.34	1.21
S&P 500 Index	19.26%	-6.91%	-24.85%	-5.42%	-1.61	0.07%	NA	NA
Lipper Mult-Cap Core Average	25.00%	-3.38%	-22.91%	-4.46%	-1.25	1.03%	NA	NA

(a) Expense ratios include gross expenses and expenses net of contractual waiver as described in the Fund's current prospectus dated May 1, 2009. Parnassus Investments is contractually obligated to limit the total operating expenses to 1.20% through May 1, 2010, for the Parnassus Workplace Fund.

All returns greater than one year are annualized.

Performance data quoted represent past performance and are no guarantee of future returns. Current performance may be lower or higher than the performance data quoted, and most recent month end performance information is available on the Parnassus website (www.parnassus.com). Investment return and principal will fluctuate, so that an investor's shares, when redeemed, may be worth more or less than their original principal cost. The Standard & Poor's 500 Composite Stock Price Index, also known as the S&P 500 Index, is a widely recognized index of common stock prices. An individual cannot invest directly in an index. An index reflects no deductions for fees, expenses or taxes. The investor shares and do not reflect the declaration of taxes a shareholder would pay on the fund distributions or the redemption of fund shares. Before investing, an investor should carefully consider the investment objectives, risks, charges and expenses of the fund and should read the prospectus carefully, which contains this information. A prospectus can be obtained on the website or by calling (800) 999-3505.

Attributes of the Parnassus Workplace Fund

- **Best performing of the Parnassus Funds** (as of 9/30/09)
- **Emphasis on great places to work**
- **Milton Moskowitz as consultant**
- **Comprised of FORTUNE's "100 Best Companies to Work For" and other lists**
- **Parnassus's intellectual capital provides additional names for inclusion**

Workplace Effect on Stock Price

- **Historical performance validates hypothesis that good workplaces make good businesses**
- **Russell analysis of FORTUNE's *"100 Best Companies to Work For"***
- **Happy employees work more effectively**
- **Enlightened managers in good workplaces will probably be better executives**

Five Largest Holdings: Parnassus Workplace Fund

As of 9/30/09

Company	Percent of Assets
Symantec	4.9%
Applied Materials	4.8%
Corning	4.4%
Cisco Systems	4.0%
Deere & Co.	3.7%

Fund information is not intended to represent future portfolio composition. Fund holdings are subject to change and should not be considered a recommendation to buy or sell any securities.

Total & Annual Returns: Parnassus Fund

As of 9/30/09

Total Returns	YTD	1 year	Since 12/31/07	ANNUALIZED			Gross Expense Ratio ^(a)	Net Expense Ratio ^(a)
				3 year	5 year	10 year		
Parnassus Fund	40.57%	3.22%	-7.40%	1.11%	3.31%	3.41%	1.02	0.99
S&P 500 Index	19.26%	-6.91%	-24.85%	-5.42%	1.02%	-0.15%	NA	NA
Lipper Mult-Cap Core Average	25.00%	-3.38%	-22.91%	-4.46%	1.77%	2.41%	NA	NA
Nasdaq Composite Index	35.59%	2.54%	-18.62%	-1.18%	3.12%	-1.96%	NA	NA

(a) Expense ratios include gross expenses and expenses net of contractual waiver as described in the Fund's current prospectus dated May 1, 2009. Parnassus Investments is contractually obligated to limit the total operating expenses to 0.99% through May 1, 2010.

All returns greater than one year are annualized.

Performance data quoted represent past performance and are no guarantee of future returns. Current performance may be lower or higher than the performance data quoted, and current most recent month end performance information is available on the Parnassus Investments website (www.parnassus.com). Investment return and principal will fluctuate, so that an investor's shares, when redeemed, may be worth more or less than their original cost. The Standard & Poor's 500 Composite Stock Price Index, also known as the S&P 500 Index, is a widely recognized index of common stock prices. An individual cannot invest in the S&P 500 Index. The S&P 500 Index reflects no deductions for fees, expenses or taxes. Returns shown in the table do not reflect the deduction of taxes a shareholder would pay on a fund distributions or redemption of shares. Before investing, an investor should consider carefully the investment objectives, risks, charges and expenses of the fund and should carefully read the prospectus which contains this information. The prospectus can be obtained on the website, www.parnassus.com, or by calling (800) 999-3505.

Five Largest Holdings: Parnassus Fund

As of 9/30/09

Company	Percent of Assets
Applied Materials	4.7%
Google	4.1%
Ciena	4.0%
American Express	4.0%
Wells Fargo	3.9%

Fund information is not intended to represent future portfolio composition. Fund holdings are subject to change and should not be considered a recommendation to buy or sell any securities.

PARNASSUS INVESTMENTS

Thank You.

With questions or requests for information, please contact:

Vidya Nathu | Marketing and Sales Associate
1 Market Street | Suite 1600 | San Francisco, CA 94105
P: (415) 778-2634 | M: (415) 596-1139 | Vidya.Nathu@parnassus.com