PARNASSUS INVESTMENTS®

Parnassus Value Select ETF (PRVS)

The strategy seeks to achieve strong long-term returns through a high-conviction, highly concentrated portfolio of approximately 25 undervalued U.S. large-cap stocks that are poised to rise but are temporarily out of favor relative to their history or peers.

KEY TAKEAWAYS

- Parnassus Value Select ETF (NAV) returned -1.45% (NAV) for the quarter, underperforming the Russell 1000 Value Index's 2.10%.
- The portfolio's performance was primarily impacted by our lack of exposure to the Energy sector, along with our holdings in the Health Care and Financials sectors. Performance was helped by our holdings in the Communication Services, Industrials and Information Technology sectors.
- Despite the increased volatility in the first quarter, we continue to maintain a quality-oriented portfolio with balanced exposure across traditional value and secular themes.
- Markets have repeatedly rewarded investors who maintained a disciplined approach and long-term orientation through periods of uncertainty. We believe our quality-anchored portfolio will prove resilient through the current volatility.

Market Review

The Russell 1000 Value Index added to 2025's strong return with a modest gain in the first quarter, significantly outperforming its growth peer, as geopolitical uncertainty put downward pressure on multiple expansion. Equity markets reversed course in the first quarter of 2026, as early optimism surrounding the ongoing megatrend in artificial intelligence (AI) and easier monetary policy yielded to geopolitical shocks and tighter financial conditions. While the AI megatrend remained intact, fears of AI disruption caused sharp sell-offs among asset-light businesses such as software. The Federal Reserve held interest rates steady due to persistent inflation and economic uncertainty. The escalation of the U.S.-Iran war drove oil prices sharply higher and resulted in a shift to a risk-off market sentiment, which pressured economically sensitive stocks while buoying the Energy sector. During the quarter, the best-performing sectors in the Russell 1000 Value Index were Energy, Industrials and Consumer Staples, while the Financials sector ended the quarter with sharp losses. The Communication Services, Consumer Discretionary and Health Care sectors finished modestly lower.

Fund Facts	
Ticker	PRVS
Total Expense Ratio[1]	0.59%
Inception Date	12/11/2024
Benchmark	Russell 1000 Value Index
Asset Class	U.S. large cap value
Objective	Capital appreciation

Performance

As of 03/31/2026	3 Mos.	1 Yr.	Since 12/11/2024
Parnassus Value Select ETF - NAV	-1.45	18.81	8.26
Parnassus Value Select ETF - Market Price	-1.66	18.54	8.17
Russell 1000 Value	2.10	15.87	10.46

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 performance information to the most recent month end is available on the Parnassus website (www.parnassus.com). Investment return and principal value will fluctuate, so an investor's shares, when redeemed, may be worth more or less than their original principal cost.
Returns shown in the table do not reflect the deduction of taxes a shareholder may pay on fund distributions or redemption of shares. The Russell 1000 Value Index is an unmanaged index of common stocks, and it is not possible to invest directly in an index. Index figures do not take any expenses, fees or taxes into account, but mutual fund returns do. The estimated impact of individual stocks on the Fund's performance is provided by FactSet.

Quarterly Performance Review

Energy underweight impacted relative performance

The Fund returned –1.45% (NAV) for the quarter, underperforming the Russell 1000 Value Index's 2.10%. The portfolio's underperformance was largely attributed to a lack of exposure to the Energy sector, which delivered strong returns for the quarter due to rising energy prices and heightened geopolitical uncertainty rather than a structural change in fundamentals. Our Health Care and Financials holdings also detracted. Our holdings in the Communication Services, Industrials and Information Technology sectors boosted relative returns, as investors moderated expectations for growth stocks and rotated into companies with resilient and more predictable earnings.

Top Quarterly Contributors

Applied Materials, which supplies semiconductor manufacturing equipment, benefited from higher demand from foundry customers tied to AI infrastructure build-out, as hyperscalers increased spending to support accelerating compute needs.

Deere advanced on expectations for an agricultural cycle recovery and continued adoption of precision agriculture technologies, with investors viewing the agricultural equipment business as both durable and future proofed.

Verizon Communications shares climbed as the telecommunications company benefited from a change in strategy under a new CEO to prioritize subscriber retention, while investors shifted into more defensive stocks over the period due to market volatility.

Taiwan Semiconductor Manufacturing Co.'s (TSMC) central role in AI chip production continued to bolster investor confidence and drive stock gains, as company management announced higher-than-anticipated capital expenditure guidance.

AstraZeneca, a multinational pharmaceutical and biotechnology company, outperformed as the company demonstrated strong pipeline execution, boosted by resilient demand across oncology and specialty medicines. The shift into more defensive names amid the market volatility also boosted investor sentiment.

Security	Avg. Weight (%)	Total Return (%)	Allocation Effect (%)
Applied Materials	4.71	33.16	1.00
Deere	3.72	21.34	0.91
Verizon Comm.	4.39	25.39	0.79
TSMC	4.60	11.45	0.37
AstraZeneca	5.45	7.74	0.35

Bottom Quarterly Contributors

Microsoft shares ended lower amid continued investor fears around the potential return on its elevated AI-related capital expenditures, despite the company reporting healthy financial results.

CBRE Group shares declined on higher financing costs for the commercial real estate sector and fears that AI could disrupt the company's traditional commercial real estate brokerage business model. We believe AI will be net additive to CBRE's moat given its vast data advantage.

S&P Global underperformed as uncertainty around the theoretical ease of replacing financial data providers with AI tools weighed on sentiment. We expect the company to remain an important player in its debt rating, data and risk management market segments.

Visa shares fell despite management's strong 2026 earnings outlook, as litigation-related overhangs, regulatory concerns and a more cautious macro backdrop weighed on investor sentiment. Still, we believe Visa is a net beneficiary of AI, with its exposure to agentic commerce.

Thermo Fisher Scientific, a global provider of pharmaceutical research instruments and services, declined alongside life sciences peers as investors remained cautious on the pace of end-market recovery, despite fundamentals tracking expectations.

Security	Avg. Weight (%)	Total Return (%)	Allocation Effect (%)
Microsoft	3.30	-23.28	-0.99
CBRE Group	4.38	-15.75	-0.82
S&P Global	3.89	-18.42	-0.81
Visa	3.86	-13.64	-0.68
Thermo Fisher	3.67	-15.09	-0.56

Return calculations are gross of fees, time weighted and geometrically linked. Returns would be lower as a result of the deduction of fees.

Portfolio Positioning

Maintaining a quality-oriented portfolio amid heightened uncertainty

We continue to maintain a quality-oriented portfolio with balanced exposure across traditional value and secular themes. While geopolitical risks have risen in recent months, valuations are also more attractive for companies with high earnings quality. The current environment offers opportunity for value investors with a quality focus and long-term investment horizon.

The Portfolio's largest sector overweights are in Information Technology, Health Care and Communication Services. Our largest underweights are in Energy, Consumer Staples and Industrials.

Within Information Technology, our portfolio weight increased modestly as our semiconductor holdings rose during the quarter. The AI investment cycle continues to broaden to a wider set of ecosystem players, benefiting our holdings such as Applied Materials, Micron and TSMC. We remain optimistic about the adoption of AI but believe selectivity through bottom-up stock picking remains critical because opportunities and risks are highly company specific and spread across different sectors and time horizons.

During the quarter, portfolio exposures decreased modestly within Health Care and increased modestly within Communications Services on account of stock price movements. Our defensive holdings in those sectors, such as Verizon and AstraZeneca, held up well during this period of market weakness. This exemplifies our balanced approach to portfolio construction, with ample focus on resilience during periods of market volatility.

Our underweight positioning in Consumer Staples and Consumer Discretionary sectors remained broadly unchanged over the quarter. We continue to maintain diversified risk-adjusted exposure to consumer spending through payment networks and bank card issuers.

We view the relatively resilient economic data and company fundamentals as an attractive risk/reward opportunity for investors today. We continue to maintain our highest convictions in undervalued quality companies with the financial strength to withstand economic headwinds and positioned to benefit from long-term thematic tailwinds.

Outlook

Disciplined value investing through volatility and uncertainty

Value stocks continued their outperformance during the first quarter. The Russell 1000 Value Index has now significantly outperformed its growth peer over the last six months. This renewed period of market uncertainty—driven by the conflict in the Middle East, concerns about disruption from AI and volatility in interest rates—continues to favor stocks with more reasonable valuations over those embedding high market expectations. We believe our quality-anchored portfolio should prove resilient if geopolitical risks broaden into bigger headwinds for the global economy. Moreover, fundamental tailwinds underpinning long-term upside in the companies we hold in the portfolio remain intact despite near-term market volatility.

Every crisis is different in some ways and carries with it a different set of risks. However, looking back on the COVID-19 pandemic in 2020, the Ukraine war in 2022, the regional banking crisis in 2023 and the tariff-driven sell-off of 2025, a consistent lesson emerges: Markets have repeatedly rewarded investors who maintained a disciplined approach and long-term orientation through periods of uncertainty. This lesson also applies to how we evaluate management teams. We invest behind leaders with demonstrated experience in navigating uncertainty and the ability to stay steadfast in driving long-term shareholder value.

As stewards of your capital, we remain vigilant about macro risks, but our fundamental, bottom-up investment process avoids undue reliance on investing around macro outcomes. In our experience, fundamental factors can far outweigh near-term macro factors in generating attractive returns. We invest with a long-term time horizon that helps us weather short-term volatility and stay focused on what matters most—owning quality businesses at attractive valuations in the pursuit of strong long-term returns.

Quarterly Portfolio Activity

Activity	Security Name	Ticker	Sector	Rationale
N/A	There were no additions or eliminations to the portfolio during the period.			

Sector Weights

As of 03/31/26

Sector	% of TNA	Russell 1000 Value
Communication Services	10.8	7.9
Consumer Discretionary	5.7	7.3
Consumer Staples	2.7	7.5
Energy		7.7
Financials	21.5	19.9
Health Care	16.2	11.7
Industrials	11.6	13.2
Information Technology	18.7	11.9
Materials	3.6	4.4
Real Estate	4.1	3.9
Utilities	4.6	4.7
Cash and Other	0.5	N/A

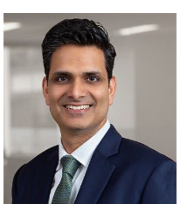
Ten Largest Holdings

As of 03/31/26

Security	% of TNA
AstraZeneca plc	6.1
Alphabet Inc., Class A	5.7
Verizon Communications Inc.	5.1
Applied Materials Inc.	5.0
Taiwan Semiconductor Mfg Co Ltd., ADR	4.9
Cummins Inc.	4.8
Brookfield Renewable Corp.	4.6
JPMorgan Chase & Co.	4.1
CBRE Group Inc. Class A	4.1
Union Pacific Corp.	4.0

Portfolio holdings are subject to change.

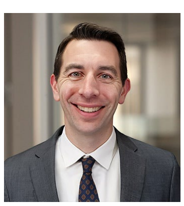
Portfolio Managers



Krishna Chintalapalli

Portfolio Manager, Senior Analyst

Experience: 13 years



Mark Zagata

Portfolio Manager, Senior Analyst

Experience: 18 years

Glossary

Earnings Growth is the change in an company's reported net income over a period of time.
Allocation Effect: the allocation effect in performance attribution measures how much of a portfolio's outperformance or underperformance against a benchmark comes from the manager's decision to overweight or underweight specific sectors or asset classes, rather than from picking individual stocks within them.

Important Information

PIL-916805-2026-04-14

The Russell 1000® Value Index is a market capitalization weighted index that measures the performance of those Russell 1000 companies with lower price-to-book ratios and lower forecasted growth rates. An investor cannot invest directly in an index. The Russell 1000® Value Index measures the performance of the large cap value segment of the U.S. equity universe. It includes those Russell 1000 companies with relatively lower price-to-book ratios, lower I/B/E/S forecast medium term (2 year) growth and lower sales per share historical growth (5 years). The Russell 1000® Value Index is constructed to provide a comprehensive and unbiased barometer for the large cap value segment. The index is completely reconstituted annually to ensure new and growing equities are included and that the represented companies continue to reflect value characteristics.

1. As described in the Fund's current prospectus dated April 28, 2025, as Amended and Restated September 22, 2025, Parnassus Investments has contractually agreed to reduce its investment advisory fee to the extent necessary to limit total operating expenses to 0.59% of the Fund's average daily net assets. This agreement will not be terminated prior to May 1, 2026, and may be continued indefinitely by the investment adviser on a year-to-year basis.

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

Investing involves risk and principal loss is possible. ETFs may trade at a premium or discount to NAV. Shares of any ETF are bought and sold at market prices (not NAV) and are not individually redeemed from the Fund. Brokerage commissions will reduce returns.

Before investing, an investor should carefully consider the investment objectives, risks, charges and expenses of the fund and should carefully read the prospectus or summary prospectus, which contains this information. A prospectus or summary prospectus can be obtained on the website, www.parnassus.com, or by calling (855) 514-4443. ETF investing involves risk, and loss of principal is possible. The Parnassus Funds are distributed by Parnassus Funds Distributor, LLC.