



IMMEDIATE RELEASE

## Reserve Primary Fund Makes Second Distribution of \$14.4 Billion to Primary Fund Shareholders

New York, December 3, 2008 – The Reserve is pleased to announce that it began the second distribution to Primary Fund shareholders today. This distribution in the amount of \$14.4 billion represents approximately 57% of the \$25.2 billion in total Fund assets as of the close of business on December 1, 2008. To date, \$40.4 billion, or approximately 80% of Fund assets as of the close of business on September 15, 2008, have been returned to investors. Approximately \$10.8 billion remain in the Fund.

This second distribution is being paid pro rata to all investors remaining in the Fund, including those who submitted redemption orders that had not been funded and those that have not submitted redemption orders.

The Fund's net asset value fell below \$1.00 per share on September 16. Reserve Management Company, Inc. continues to focus on liquidating the Fund's holdings at amortized cost as quickly as possible without incurring losses.

"Preserving the value of the Fund's assets and returning cash to our investors are our top priorities during this process," said Bruce R. Bent, president of Reserve Management Company, Inc. "We thank all of you for your patience and sincerely regret the inconvenience."

Each investor's pro rata share for this second distribution was calculated using the account balance after the initial distribution reduced by any service transactions (debit cards, checking and Automated Clearing House (ACH) transactions) processed from October 30 through November 28, 2008. The resulting number, representing each investor's remaining shares in the Primary Fund, was then divided by the current aggregated shares of all investors (approximately 25 billion shares), to arrive at an ownership percentage, which was used to calculate each investor's pro rata distribution.

This distribution represents principal only. The income accrued after September 14 will be addressed in the Fund's Plan of Liquidation.

Investors who used service transactions after the initial distribution may not receive 57% of their current account balance if it exceeds the previously announced account limit that no more than 90% of the September 15 pre-distribution balance may be distributed, either through the liquidation process or service transactions in aggregate. Service transactions for the Fund were suspended the week of November 24.

For more information regarding your specific account, please contact your financial adviser or our customer service department at 800-637-1700.

**Note: The receipt of the distribution is without prejudice to any legal rights or remedies available to an investor.**

*An investment in the Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the Fund seeks to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in the Fund. Money market yields may vary.*

*Resrv Partners, Inc., Distributor. Member FINRA. 12/08*



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