



The Reserve

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IMMEDIATE RELEASE

## Reserve Primary Fund Makes Third Distribution of \$3.4 Billion to Primary Fund Shareholders

New York, February 20, 2009 – The Reserve is pleased to announce that it began the third distribution to Primary Fund shareholders today. This distribution in the amount of \$3.4 billion represents approximately 31% of the \$11 billion in total Fund assets as of the close of business on February 17, 2009. To date, \$43.8 billion, or approximately 85% of Fund assets as of the close of business on September 15, 2008, has been returned to investors. Approximately \$7.6 billion remains in the Fund.

This third 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 who 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.

"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, Chairman 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 third distribution was calculated using the account balance after the previous two distributions 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 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 is addressed in the Fund's Plan of Liquidation.

Investors who used service transactions after the initial distribution may not receive 31% of their current account balance if that amount would exceed 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. 02/09*

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