



IMMEDIATE RELEASE

IMPORTANT NOTICE REGARDING RESERVE PRIMARY FUND

New York, September 29, 2008 - The Board of Trustees of The Reserve Fund (the "Trust") announced today that it has voted to liquidate the assets of The Primary Fund, a series of The Trust. The Board also approved a distribution in cash to all investors in the Primary Fund as of the close of business on September 15, 2008, including investors that have submitted redemption orders to date that have not been funded ("Investors"). Under an exemption order received under Section 22(e) of the Investment Company Act, distributions are subject to the supervision of the Securities and Exchange Commission (the "Commission"), and these payments are being made pursuant thereto. The distribution is expected to occur on or about October 13, 2008.

The distribution will aggregate \$20 billion, which represents approximately 32% of the Primary Fund's total assets as of the close of business on September 12, 2008. The distribution will be made to all Investors pro rata in proportion to the number of shares each Investor held as of the close of business on September 15, 2008 (for this purpose, shares tendered for redemption on that date that have not yet been funded are included in determining shares held by an Investor).

Distributions to shareholders that have not submitted redemption orders as of the date of this notice will constitute an involuntary redemption of Fund shares held by those shareholders.

The Board and the Fund's adviser are working diligently and in conjunction with the Commission to develop a plan to distribute Fund assets in a fair and equitable manner. The Fund cannot currently estimate when additional distributions to investors will be made. However, the Board and the Fund's adviser are acting as expeditiously as markets permit to restore liquidity to investors. As developments occur, every effort will be made to communicate them to investors.