



IMMEDIATE RELEASE

SEC ORDER GRANTED TO PROTECT INTEREST OF RESERVE SHAREHOLDERS

New York, September 23, 2008—

A number of our clients have requested clarification on the purpose of the order issued by the U.S. Securities and Exchange Commission (SEC) yesterday.

The issuance of the order, which granted The Reserve Fund's application to suspend all rights of redemption from two of its series of Funds, the Primary Fund and the U.S. Government Fund, was intended solely to protect all shareholders in both funds during the redemption process.

Unprecedented market conditions have created an illiquid market for many securities in the Funds as well as an unprecedented number of requests for liquidation. Any attempt to sell these securities to meet large redemption requests would result in sales at a loss, thereby affecting the Funds' net asset values. The SEC's order is intended to allow us to fulfill all outstanding redemption orders and ensure an orderly sale process that seeks to obtain best pricing for the interest of shareholders and integrity of the funds' NAVs.

We anticipate that the SEC order will remain in effect until sufficient liquidity returns to the markets. We remain committed to keeping you informed of all events that may relate to your investments with The Reserve. We will continue to update our website and will be in touch with you as new information becomes available.

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