

IMMEDIATE RELEASE

A Statement Regarding the Primary Fund Distribution

New York, October 13, 2008 - On September 29th, The Reserve Fund announced that its Board of Trustees had approved the distribution from the Reserve Primary Fund of \$20 billion to be distributed to all investors pro rata in proportion to the number of shares each investor held in the Primary Fund as of the close of business on September 15, 2008. The announcement stated that the distribution was expected to occur on or about October 13th.

The distribution will not occur in the time frame stated in the announcement. The process of determining accurately the number of shares each investor held in the Primary Fund has proven to be extremely complex and could not be completed in the originally anticipated time frame. We have been working diligently to verify and confirm the shares held by each investor on that date. This requires that each investor's opening balance in the Primary Fund on September 15th be adjusted to reflect permitted redemption transactions (via check, debit card and ACH), as well as any fund purchases effected through dividend reinvestment. In addition, we have asked our independent auditors, KPMG LLP, to perform certain procedures to provide additional assurance about the accuracy of each investor's account balance information.

The \$20 billion is being held in the Primary Fund. We will notify investors immediately after we complete the process of calculating each investor's account balance as of September 15th and will make the distribution at that time. We apologize for the delay but we trust that you understand that it is in the best interests of all the investors in the Primary Fund to make certain that the amounts distributed reflect accurately each investor's interest in the fund.

We will post an update on our website no later than Friday, October 17th, if the distribution has not been made prior to that date.

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