



IMMEDIATE RELEASE

The Primary Fund

A Statement Regarding Calculations of Potential Distributions on a Pro Rata Basis

New York, August 25, 2009 – The Fund and its Independent Trustees unequivocally support the distribution of the Fund’s remaining assets on a fair and equitable basis as quickly as possible and on Friday filed briefs with the U.S. District Court for the Southern District of New York stating that position. In those briefs, we explained that, based on revised calculations and updated data, each unpaid shareholder may receive \$0.9875 per share, *pro rata*, and possibly up to \$0.99 per share, based on certain assumptions. We previously estimated that investors would receive \$0.985 per share.

Background. To date, the Primary Fund has distributed \$46.08 billion through four interim distributions on a *pro rata* basis to remaining shareholders, representing \$.90 per share for each of the remaining 51.18 billion shares outstanding. The Fund holds \$4.55 billion of remaining assets (not counting any value for its \$785 million face amount of Lehman Brothers Holdings securities). The Board has set aside \$3.5 billion of those assets in a special reserve to satisfy possible legal, accounting and other expenses, including claims for indemnification that could be made against Fund assets as a result of pending shareholder claims against the Fund, its officers and Trustees.

Revised Analysis of Distributions on Pro Rata Basis. The Independent Trustees retained Cornerstone Research to analyze the amount that could be distributed to remaining investors on a *pro rata* basis based on certain assumptions. One assumption is that the special reserve could be substantially reduced, possibly to around \$90 million, if the court were to approve a Proposed Plan of Distribution suggested by the Securities and Exchange Commission. Based on this assumption and assuming that the Fund would be unable to recover any value for its Lehman position, remaining investors would be paid \$.9875 per share, *pro rata*. Shareholders could possibly receive up to \$0.99 per share, *pro rata*, should the Fund receive 17% of par value for its Lehman securities, a figure that may reflect the current market value of the position. The ultimate amount distributed will vary depending on the actual price received for the Lehman securities, the amount of Fund expenses, and other factors.

There can be no guarantee at this stage that the Court will approve the SEC’s proposed plan, or that the special reserve can be reduced. Nor can there be a guarantee as to the price at which Lehman securities can be sold or the timing of any such sale. Still, the Board is hopeful that through the SEC’s proposed distribution plan or through other resolution of the litigation, the Fund can release more to investors more quickly. As previously stated, “the sooner the litigation is resolved, the sooner moneys held in the special reserve can be released to shareholders and, potentially, the greater the payout.”

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. 08/09

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