

IMPORTANT INFORMATION REGARDING
PRIMARY LIQUIDATING FUND: PRIMARY FUND-IN LIQUIDATION
(the “Fund”) (formerly known as Reserve Primary Fund)

2010 Tax Reporting

New York, January 26, 2011: This Fund Update discusses the tax reporting the Fund will provide relating to 2010. Please note that all 1099 forms referenced in this Fund Update will be mailed to shareholders in mid-February.

Form 1099-DIV:
January 1, 2010 – August 30, 2010

In 2010, the Fund filed to change its tax classification for federal income tax purposes only *from* taxation as a regulated investment company *to* taxation as a pass-through entity, effective August 30, 2010. Shareholders were previously notified of this change in *Important Information Regarding the Reserve Primary Fund and Reserve Yield Plus Fund*, dated September 3, 2010. That notice of *Important Information* was accompanied by *Frequently Asked Questions* regarding the tax classification change.

As a result of the change in tax classification, the Fund was deemed for tax purposes to have liquidated and the Fund was “deemed” to have made a distribution. In fact, no actual distribution to investors was made.

The amount of the proceeds deemed distributed along with the amount of actual cash distributions made to investors through August 30, 2010 will be reported to shareholders on Form 1099-DIV covering the period from January 1, 2010 through the date of change in tax classification on August 30, 2010.

Form 1099-INT & Form 1099-DIV
For Period from August 31, 2010 – December 31, 2010

As a result of the Fund’s change in tax classification, shareholders of the Fund may also receive two additional 2010 Form 1099s. If applicable, these additional 2010 1099 forms will apply for the period August 31, 2010 through December 31, 2010. Shareholders may receive a 2010 U.S. Form 1099-INT and/or Form 1099-DIV showing interest/dividend income and expenses for the period following the change in tax classification. An account may receive both, one or neither of these forms depending on whether or not the account’s reportable item of gross income exceeded the IRS *de minimis* threshold for information reporting of \$10. Please note that any expense items reported to you may be subject to certain limitations on deductibility which may reduce or eliminate your ability to deduct such expense items against your taxable income for federal, state or local tax purposes; consult your tax advisor.

Neither the Primary Liquidating Fund, the Primary Fund-In Liquidation nor the Board of Trustees nor Crederian Fund Services LLC or any of their respective affiliates or subsidiaries, provides legal or tax advice. Always consult a tax advisor as to your personal tax situation. The information provided herein is for informational purposes only, is general in nature, and does not address every potential situation or matter of concern, particularly to certain shareholders subject to special tax rules. The laws of various jurisdictions, including states and localities, may differ.

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