



The Reserve

Reserve Primary Fund Second Distribution Q&A

1. How was my percentage of this distribution calculated?

Each investor's pro rata share for this second distribution was calculated using the account balance after the initial distribution reduced by any service transactions (debit cards, checking and Automated Clearing House (ACH) transactions) processed from October 30 through November 28, 2008. The resulting number, representing each investor's shares in the Primary Fund, was then divided by the aggregated shares of all investors (approximately 25 billion shares), to arrive at an ownership percentage, which was used to calculate each investor's pro rata distribution. Approximately \$10.8 billion remain in the Fund.

2. How much of my current account balance will I receive in this second distribution?

Approximately 57%, based upon the current total assets of the Fund (approximately \$25 billion) and the amount of this distribution (approximately \$14.4 billion). To date, \$40.4 billion, or approximately 80% of Fund assets as of the close of business on September 15, 2008 have been returned to investors.

3. What is the current net asset value at the time of this distribution? Are you going to post the net asset value?

We have not been required to calculate a net asset value per share since September 16, 2008. The net asset value posted on our website is the NAV on that date. This \$14.4 billion distribution is being paid pro rata based on each investor's ownership of the Fund.

4. Does this second distribution include any dividend or interest payment?

This distribution represents principal only. The income accrued after September 14 will be addressed in the Fund's Plan of Liquidation.

5. Will I realize a taxable loss in 2008?

The tax issues surrounding this and future distributions are being reviewed. We anticipate clarity in time to meet 2008 tax year reporting requirements.

6. How will I receive this distribution?

You will receive this distribution according to the settlement method specified in your account documents. For institutional investors, the distribution will be sent according to your wiring instructions on file. For clients who invest through a broker-dealer, the distribution will be wired to your broker-dealer, who will allocate your distribution amount to your account. For retail direct investors, the distribution will be made via a check that is mailed to your address of record.

7. I didn't receive a payment for this distribution, but I received a payment from the first distribution. What happened?

Investors who used service transactions (debit card, checking and ACH transactions) after the initial distribution may not receive 57% of their current account balance if it exceeded the previously announced account limit that no more than 90% of the September 15 pre-distribution balance may be distributed, either through the liquidation



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process or service transactions in aggregate. Service transactions for the Fund were suspended the week of November 24.

8. I haven't made a redemption request. What happens to my money?

All investors are participants in the liquidation program and will receive their pro rata portion of this distribution.

9. When is the next distribution going to be made?

We will make periodic distributions as cash accumulates in the Fund. We will notify you via our website www.TheR.com as soon as possible as to when the next distribution will be made. All distributions will be subject to the final Plan of Liquidation for the Fund.

10. Whom can I call if I have questions about my account and this distribution?

- Institutional Clients should call their sales representative at the Institutional Sales Desk at The Reserve.
- Customers who invested through a broker-dealer should call their broker-dealer.
- Retail customers who invested in the Fund directly should call The Reserve Customer Service Desk at 800-637-1700.

Please note that we may receive a heavy volume of calls. Please be patient if you experience delays.

Note: The receipt of the distribution is without prejudice to any legal rights or remedies available to an investor.

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. 12/08