



Reserve Primary Fund First Distribution Q&A

1. How was my percentage of this distribution calculated?

In calculating each investor's pro rata share, we began with the number of shares each investor held as of September 14. The September 14 account balance includes the balance from the end of day September 12 plus the accrued dividends from September 1 through September 14. Then, expressed simply, any funded redemption requests or exchanges were subtracted, any subscriptions from September 15 through September 16 were added, and any service transactions (customer cards, checks and ACH) processed through the last business day before the distribution were deducted.

The Reserve then divided this number, representing each investor's unfunded shares in the Primary Fund, by the aggregate unfunded shares of all investors to arrive at an ownership percentage, which was used to calculate the pro rata distribution.

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

Approximately 50%, based upon the current total assets of the Fund (approximately \$51 billion) and the amount of this distribution (approximately \$26 billion).

To determine the Fund's total assets as of the close of day September 14, we began with the Fund's assets as of September 14, which was approximately \$62.6 billion. On September 15, the Fund paid out approximately \$11 billion in redemption requests, bringing the Fund's total assets to approximately \$51 billion.

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. The \$26 billion distribution is being paid pro rata based on each investor's ownership of the Fund.

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

Interest income earned from September 1 through September 14, 2008, has been credited to each shareholder's account. The distribution of income after that date 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.



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7. 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 rated portion of this distribution.

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

We will make periodic distributions as cash accumulates in the Fund. We will notify you 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.

9. 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. We will maintain extended hours to answer calls, but 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 funds is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the funds seek to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in the funds. Money market yields may vary.

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