

**ADDITIONAL INFORMATION REGARDING THE
PRIMARY FUND-IN LIQUIDATION**

New York, September 9, 2013. This *Fund Update* is intended to provide shareholders with current information regarding litigation that could affect the amount of assets available for distribution in the future.

A consolidated class action entitled *In Re The Reserve Primary Fund Securities and Derivative Class Action* (also referenced in previous *Fund Updates* as the *Third Avenue Institutional International Value Fund L.P. v. Bruce Bent Sr., Bruce R. Bent, Arthur Bent, Reserve Management Company, Inc. et al.*) has been pending since 2008. On September 6, 2013, the parties to the class action and the Primary Fund filed a Stipulation and Agreement of Settlement (“Stipulation”) with the United States District Court in New York City. The Stipulation would resolve all outstanding claims among the parties to the class action and the Fund. The Stipulation would also resolve certain of the defendants’ claims for indemnification, expenses and management fees in the matter entitled *Securities and Exchange Commission v. Reserve Management Company, Inc. et al. (“SEC v. RMCI”)*. However, please note that the Stipulation would not resolve the *SEC v. RMCI* proceeding or certain other actions or lawsuits that relate to the defendants and which could affect the distribution of Fund assets.

The filing of the Stipulation is the first step in a process that may result in the conclusion of the Primary Fund class action and the making of a distribution to shareholders. The next step in the process will be for the Court to consider whether it should grant preliminary approval to the Stipulation. If the Court grants its preliminary approval to the Stipulation, the Court would issue an Order, among other things, directing the mailing of a notice to Class Members, which would include key terms of the Stipulation and provide notice of Class Members’ rights to opt-out of the proposed settlement. In general, the Stipulation defines Class Members as those shareholders who held shares of the Primary Fund as of 4:00 p.m. ET on September 15, 2008, excluding defendants and certain defendant-related parties. Thereafter, the Court will consider whether final approval is appropriate. There can be no guarantee that the Stipulation will be approved by the Court or that it will be approved on the terms presented. Further, it is not possible to estimate the time required to complete the Court process or the timing of any distribution to Fund shareholders. In addition, although the Stipulation identifies certain amounts that would be distributed if Court approval is obtained and certain other conditions are met, given those uncertainties, the amount to be distributed cannot be set forth with certainty at this time.

Additional *Fund Updates* will be issued to keep shareholders informed of future developments regarding the Primary Fund class action.