



**IMMEDIATE RELEASE**

## **Reserve Funds Update**

New York, November 3, 2008 – As part of our commitment to keep investors informed, below are updates on various Reserve funds.

### **U.S. Government Fund**

We continue to make progress towards making distributions from the U.S. Government Fund. The total assets for the Fund are currently approximately \$10.8 billion, which includes \$2.5 billion in cash and another \$1.5 billion in securities maturing before next Tuesday, November 11, 2008. This week, the operations and technology groups will be reviewing the results of trade reconciliation process and preparing to apply the results to establish the pre-liquidation balances, as we did prior to the Primary Fund's first distribution. The Reserve remains committed to making the first U.S. Government Fund distribution by the end of next week.

### **Primary Fund**

Currently, the Primary Fund has total assets of approximately \$25 billion, which includes \$2.9 billion in cash or cash equivalents. With \$2.15 billion in securities maturing this week, the Primary Fund will have approximately \$5 billion in cash or cash equivalents by Tuesday, November 11. We are working with the U.S. Securities and Exchange Commission (SEC) to complete the Plan of Liquidation. We will notify you as soon as the plan is approved as well as when the next distribution will take place.

### **State-Specific Municipal Money Market Funds**

The Arizona Municipal Money-Market Fund has an all-cash portfolio. The Pennsylvania Municipal Money-Market Fund will have an all-cash portfolio on November 15 and the Ohio Municipal Money-Market Fund will have an all-cash portfolio on December 1. As mentioned in the October 24 press release, these funds received an SEC order permitting the temporary suspension of all rights of redemption as of October 8, 2008. It was announced that they were to be liquidated on October 9. We are currently working with the SEC to finalize their Plans of Liquidation, as well as the plans for another other Funds subject to the rule. This will ensure that all investors in these Funds will be treated fairly and their money returned as soon as practicable.

The Massachusetts Municipal Money-Market Fund and the Louisiana Municipal Money-Market Fund currently have all-cash portfolios. As these two Funds are not subject the SEC order, we are working on a liquidation plan that will return investors' their money as soon as practicable.

### **Yield Plus Fund**

The Reserve Yield Plus Fund will be liquidated and is in the process of developing a Plan of Liquidation, which is subject to review by the SEC. The final Plan of Liquidation will be posted to the website as soon as it becomes available. In developing the Plan, we are trying to ensure that all investors are treated fairly. We will also try to make distributions as quickly as cash becomes available.

*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.*

*Resrv Partners, Inc., Distributor. Member FINRA. 11/08*

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