

IMPORTANT INFORMATION REGARDING

Primary Liquidating Fund: Primary Fund-In Liquidation (the “Fund”)
(formerly known as Reserve Primary Fund)

Adjusted Shareholder Account Balances

New York, January 26, 2011: This Fund Update discusses a substantial reduction to each shareholder’s account balance.

Reserve Management Company, Inc. (“RMCI”), the Fund’s former servicing agent, provided account statements to Fund shareholders and brokers whose clients or customers were invested in the Fund during the period September 15, 2008 through August 30, 2010. The balances of a shareholder account as shown in those statements did *not* reflect the realized or unrealized net losses from the Fund’s investment activities, although the Fund did incur losses, most notably a significant loss on its Lehman holdings. Shareholders will be receiving new account statements for purposes of the “deemed distribution” made on August 30, 2010 and those statements will reflect the Fund’s realized investment losses and certain other adjustments. For a discussion of the “deemed distribution” see *Fund Update* and accompanying *Frequently Asked Questions*, dated September 3, 2010. As a result, the adjusted account balance of each shareholder’s account will be substantially lower than the account balances reflected in statements previously sent. Shareholders should expect that their adjusted account balances will be approximately 80% lower than the account balance reflected in each shareholder’s most recent previous statement. These adjusted account balances will be used in preparing the Fund’s year-end tax reporting.

Additionally, the Fund has substantial contingent liabilities that are not reasonably ascertainable at this point. Those contingent liabilities are not reflected in shareholders’ newly adjusted account balances. When outstanding contingent liabilities are resolved, shareholder account balances will be further reduced, perhaps materially so.

Shareholders should note that the adjustments to account balances described above will not affect further Fund distributions, if any, which will continue to be made in the manner required by Court Order. As of this time, we can not provide any advice as to whether the Fund will make any further distributions. Shareholders should not infer, however, that the Primary Fund-In Liquidation will or will not make any additional distributions. We recommend that you continue to check the Fund’s website for any further information.

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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