



IMMEDIATE RELEASE

**IMPORTANT INFORMATION REGARDING
THE RESERVE PRIMARY FUND AND RESERVE YIELD PLUS FUND**

New York, September 3, 2010—The Reserve Primary Fund and Reserve Yield Plus Fund (the “Funds”) today announced a change in the Funds’ classifications for U.S. federal income tax purposes from taxation as corporations to taxation as pass-through entities. The change, which occurred on or about August 31, 2010, for the Reserve Primary Fund and on or about September 1, 2010, for Reserve Yield Plus Fund, enables the Funds to continue to meet the distribution requirements of the Internal Revenue Code of 1986, as amended, and to maintain each Fund’s favorable tax status. As a result of this change, taxable shareholders (depending on their individual tax situations) should be able to recognize a loss for U.S. federal income purposes on their shares of each Fund. The Funds will continue to provide tax reports to shareholders on IRS Form 1099. Please refer to the “Frequently Asked Questions” available on our website at www.TheR.com for more information regarding the change and its impact on the Funds and their shareholders.

Concurrently with the election to change the tax classification of each Fund, the Board of Trustees of the Funds also voted to amend the Declaration of Trust governing each Fund to add the words “in liquidation” to the name of each Fund and to provide that the activities of each Fund will be limited to actions consistent with the conservation of Fund assets in preparation for their final liquidations and the distribution of any remaining net assets (after payment of liabilities) to shareholders. No change is being made to any shareholder voting rights or the rights of shareholders to receive distributions under the Declarations of Trust.

Resrv Partners, Inc., Distributor. Member FINRA. 09/10

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Neither the Funds nor The Reserve, Reserve Management Company, Inc., 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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