



IMMEDIATE RELEASE

Additional Information Regarding the Reserve Yield Plus Fund

New York, July 23, 2010 – To date, there have been five distributions made to shareholders representing approximately 94.8% of the Fund's assets as of the close of business on September 15, 2008, as follows:

Distribution Date	Distribution Amount
December 24, 2008	\$ 800 million
February 28, 2009	\$ 185 million
September 25, 2009	\$ 60 million
January 6, 2009	\$ 43 million
May 7, 2010	\$ 7 million
Total	\$1,095 million

The Fund has total remaining assets of \$39,730,091 of which the Board of Trustees of the Fund have set aside approximately \$39,168,666 to cover potential claims¹, litigation fees and expenses, potential indemnification expenses and management fees and other expenses (as detailed below).

Assets and Requested Expenses

Until the ongoing litigation titled In re The Reserve Fund Securities and Derivative Litigation, Ross v. Reserve Management Company, Inc., et al., 08 Civ. 10261 (PGG) (S.D.N.Y.) is resolved, the Board believes it prudent to set aside money to cover potential claims. The primary allegations relate to the Fund's holdings of Lehman Brothers securities and their subsequent diminution in value.

To date, amounts distributed in the partial liquidations of the Fund have been paid to shareholders pro rata based upon the number of shares owned, it is possible the Fund will ultimately be required to distribute assets on a non-pro rata basis and the Board of Trustees have set aside \$17,365,905 to fund such non-pro rata distributions.

The Board must set aside an amount to cover the Fund's litigation fees and expenses and the Trust's potential obligation to indemnify the Board members and officers of the Trust, as well as other parties (the "Indemnitees"), and to advance their legal expenses. The Board, the Fund, Reserve Management Company, Inc., Resrv Partners, Inc. and others participate in a joint directors and officers liability policy, but it is anticipated that, given the claims made to date against the Fund and other joint insureds, the proceeds of the insurance policy will be insufficient to cover any material amount. While these additional litigation fees and expenses and indemnification obligations cannot be determined with certainty, \$20 million has been set aside for this purpose.

Finally, the Board of Trustees have also set aside amounts to cover management fees and other administrative expenses that may be payable to RMCI. RMCI currently estimates these amounts to be \$2 million, but the amounts could vary depending on several factors, including the duration of the liquidation process and the services required. In the event that expenses are less than currently anticipated, the excess will be returned to shareholders.



The following chart reflects requested expenses and other costs, and reserves for potential indemnification obligations and non-pro rata distributions:

	Amount
Management Fees ²	\$874,207
12b-1 fees ²	\$526,940
Costs incurred by RMCI ³	\$98,483
Excluded Expenses ⁴	\$303,151
Indemnification of RMCI ⁵	\$20,000,000
Reserve set aside for Non-Pro rata Distributions	<u>\$17,365,905</u>
TOTAL	<u>\$39,168,666</u>
Total Remaining Fund Assets⁶	\$ 39,730,091

Investors should be aware that the information in the table above, in all likelihood, will be revised as expenses are determined or as a result of changed circumstances. Additional information regarding this Fund is posted on our website TheR.com. You can also visit our website for a list of [Fund Holdings](#), which is updated daily.

Characterization of Distributions

During the year ended December 31, 2009, the Fund did not distribute any net investment income. As a result, a Form 1099-DIV was not issued to shareholders for 2009. Please contact your tax professional for assistance in preparing tax information regarding the Fund as neither the Fund nor RMCI provides tax advice to shareholders.

Any income the Fund has received since September 2008 is included in Total Remaining Fund Assets. Previous postings on our website showed a separate Undistributed Net Income line item showing undistributed net income in the amount of \$4,571,774 and a corresponding statement that the amount shown would be reduced by Fund expenses. To avoid confusion and to more accurately depict amounts potentially available for distribution, that line item has been deleted.

The Fund did not issue audited financial statements for the years ended March 31, 2009 or March 31, 2010, because the Fund is in liquidation; however, KPMG has advised the Fund that it will continue to perform "agreed upon procedures" in connection with the distributions to shareholders as the Fund is liquidated.

¹ Total Remaining Fund Assets does not reflect the Fund's interest in remaining assets of the Primary Fund. While that interest may have some value, it is not possible to reasonably estimate the value of that interest at this time given the size, number and contingent nature of claims for expenses and reimbursements that have been made against Primary Fund assets. The value of the Fund's interest in the Primary Fund will be updated when and if changes that will have material impact on that value occur. Shareholders should not infer that the Fund will or will not receive additional distributions from the Primary Fund.



- ² RMCI submitted claims for \$874,207 in management fees for the period from September 15, 2008 to September 9, 2009 and \$526,940 in 12b-1 fees (for applicable classes), as well as interest on these fees submitted by RMCI; however the Independent Trustees have not agreed to the payment of such fees as the parties have not come to an agreement regarding their calculation.
- ³ For the period from September 9, 2009 to December 31, 2009, RMCI has advised the Board that it has incurred costs of \$98,463 related to the Fund, such as management and operating expenses, for which RMCI intends to seek reimbursement. RMCI is incurring additional costs in 2010 for which it intends to seek reimbursement, which are not reflected in the number shown.
- ⁴ Under the comprehensive management fee agreement between RMCI and the Fund certain expenses, unlike operating expenses which are paid out of the comprehensive management fee, may be treated as expenses of the Fund, called "Excluded Expenses". RMCI has paid extraordinary operating expenses and extraordinary legal expenses that it believes are "Excluded Expenses" and for which RMCI intends to seek reimbursement.
- ⁵ These are potentially indemnifiable expenses sought by RMCI relating to legal defense costs, both incurred and anticipated, in connection with covered proceedings as defined in the Declaration of Trust.
- ⁶ This amount equals (i) the value of the Fund's investments plus (ii) cash held at the custodian bank.

An investment in the Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency.

Resrv Partners, Inc., Distributor. Member FINRA. 7/10

###