



IMMEDIATE RELEASE

Reserve U.S. Government Fund Makes Initial Distribution of \$4.5 Billion to Shareholders

New York, November 13, 2008 – The Reserve is pleased to announce that it began the initial \$4.5 billion distribution to U.S. Government Fund shareholders today. This represents approximately 40 percent of the total assets of the Fund as of the close of business on September 15, 2008. Approximately \$6 billion in total assets remain in the Fund.

This first distribution is being made pro rata to all remaining investors, including those who submitted redemption orders that have not been funded, and represents approximately 40% of their current account balance.

“With this first Government Fund distribution we continue to return money to shareholders,” said Bruce R. Bent, president of Reserve Management Company, Inc., the Fund’s adviser. “We will make additional distributions as more cash becomes available either through sales at amortized cost (no loss being realized) or maturity.”

The Fund’s total assets have been approximately \$10.5 billion since the close of business on September 15. The Fund has maintained a net asset value of \$1.00 per share. All investors are being treated the same regardless of when or if they tendered redemption orders to the Fund.

In calculating each investor’s pro rata share, we began with the number of shares each investor held as of September 14, which included the accrued dividends from September 1 through September 14. Then, all funded redemption requests and service transactions (debit cards, checks and ACH) processed through Monday, November 10, 2008 were deducted and subscriptions from September 15 and September 16 and interfund exchanges were added.

The resulting number, representing each investor’s unfunded shares in the Government Fund, was then divided by the aggregated unfunded shares of all investors (approximately 10.5 billion shares) to arrive at an ownership percentage, which was used to calculate each investor’s pro rata distribution.

Interest income earned from September 1 through September 14, 2008, has been credited to each shareholder’s account. The distribution of earnings after that date will be pursuant to the Plan of Liquidation, when finalized.

For more information regarding your specific account, please contact your financial adviser or our customer service department at 800-637-1700.

Preserving the value of the Fund’s assets and restoring cash to our investors are our top priorities during this process. We thank all of you for your patience and sincerely regret the inconvenience.

Note: The receipt of the distribution is without prejudice to any legal rights or remedies available to an investor.

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.



The Reserve

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

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