



IMMEDIATE RELEASE

IMPORTANT NOTICE REGARDING U.S. GOVERNMENT FUND

New York, October 1, 2008 - The Board of Trustees of The Reserve Fund (the "Trust") announced on September 30, 2008 that it has voted to liquidate the assets of The Reserve U.S. Government Fund (the "Government Fund"), a series of the Trust.

The Board and the Government Fund's adviser are working diligently and in conjunction with the Securities and Exchange Commission to develop a plan to distribute the assets of the Government Fund in a fair and equitable manner. The Fund cannot currently estimate when distributions to investors will be made. However, the Board and the Fund's adviser are acting as expeditiously as markets permit to restore liquidity to investors. As developments occur, every effort will be made to communicate them to investors.

Beginning October 2, 2008, we will post on our website each day the holdings of the Government Fund as of the close of business at the end of the previous business day. We will also post on our website each day the maturity schedule of the assets in the Government Fund, the average weighted maturity and the nature of the holdings.

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