



The Reserve

A Tradition of Financial InnovationSM

Reserve Yield Plus Fund
of Reserve Short-Term Investment Trust

Prospectus
July 29, 2008

**The Securities and Exchange Commission has not approved or disapproved these securities or passed upon the accuracy or adequacy of this prospectus.
Any representation to the contrary is a criminal offense.**

Supplement Dated May 8, 2009

**PRIMARY FUND, U.S. TREASURY FUND
of the Reserve Fund**

**RESERVE YIELD PLUS FUND
of the Reserve Short-Term Investment Trust**

The following disclosure updates the current Prospectus for each fund of the Reserve Fund and Reserve Short-Term Investment Trust named above (each, a “Fund”).

On May 5, 2009, the Securities and Exchange Commission (“SEC”) filed a civil action in the United States District Court for the Southern District of New York alleging violations of the antifraud provisions of the federal securities laws against: (i) Reserve Management Company, Inc. (“RMCI”), the investment adviser to each Fund; (ii) Resrv Partners Inc. (“Resrv”), the distributor for each Fund; (iii) Bruce Bent, President and Chairman of the Board of each Fund, President of RMCI and Chairman of Resrv; and (iv) Bruce Bent II, Co-Chief Executive Officer of each Fund, Senior Vice President of RMCI and Vice Chairman, Secretary and Assistant Treasurer of Resrv. According to the complaint, the defendants engaged in a systematic campaign to deceive the investing public into believing that the Primary Fund was safe and secure despite its holdings of Lehman Brothers Holdings Inc. The defendants have stated that they intend to vigorously defend themselves against the claims.

The complaint asserts claims for relief: (i) under the Securities Exchange Act of 1934 (“1934 Act”), including specifically Section 10(b) (and Rule 10b-5 thereunder) against RMCI, Resrv, Bruce Bent and Bruce Bent II and Section 20(a) against Bruce Bent and Bruce Bent II as “control persons” of RMCI; (ii) under the Securities Act of 1933, including specifically Section 17 (a) against RMCI, Resrv, and Bruce Bent II; and (iii) under the Investment Advisers Act of 1940, including specifically Section 206 (1), (2), and (4) (and Rule 206(4)-8 thereunder) against RMCI, Bruce Bent, and Bruce Bent II.

The Primary Fund is named as a “relief defendant” in the same action. The complaint requests relief pursuant to Section 25(c) of the Investment Company Act of 1940 and Section 21(d)(5) of the 1934 Act to enjoin the Primary Fund’s Plan of Liquidation and require the Fund to distribute all of its assets pro rata for all redeemed shares for which shareholders have not yet been fully paid. The SEC has sought additional relief to attempt to (i) expedite payments to shareholders, (ii) limit the commencement of additional actions against Primary Fund assets, and (iii) appoint a monitor with the responsibility for oversight of the liquidation and distribution of the Primary Fund’s assets. The relief sought is subject to court approval and will involve a court process — the timing or result of which cannot be predicted. The Primary Fund intends to cooperate fully with the SEC in this matter and supports the goals of avoiding dissipation of assets and fair treatment of investors.

Further information concerning the details of the SEC’s action and the related complaint can be found on the SEC’s website at <http://www.sec.gov/news/press/2009/2009-104.htm>.

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Supplement Dated March 19, 2009

PRIMARY FUND, TREASURY & REPO FUND, U.S. TREASURY FUND of the Reserve Fund

RESERVE YIELD PLUS FUND of the Reserve Short-Term Investment Trust

The following disclosure updates the current Prospectus and Statement of Additional Information for the each Fund named above.

On March 3, 2009, the staff of the Securities and Exchange Commission’s Division of Enforcement informed counsel to Resrv Partners Inc. (“Resrv”), the distributor for each Fund, of the SEC staff’s intention to recommend that the SEC bring an enforcement action against Resrv alleging violations of certain provisions of the federal securities laws. Resrv expects to defend vigorously against the allegations.

As previously reported, on December 18, 2008, the staff of the SEC’s Division of Enforcement informed counsel to Reserve Management Company, Inc. (“RMCI”), the investment adviser to each Fund, of the SEC staff’s intention to recommend that the SEC bring an enforcement action against RMCI alleging violations of certain provisions of the federal securities laws. The staff also gave notice of its intention to recommend enforcement actions against Bruce Bent, President of RMCI and President and Chairman of the Board of each Fund, against Bruce Bent II, Senior Vice President of RMCI and Co-Chief Executive Officer of each Fund and against Arthur Bent III, Chief Operating Officer and Treasurer of RMCI and Co-Chief Executive Officer of each Fund. RMCI, Mr. Bruce Bent, Mr. Bruce Bent II and Mr. Arthur Bent III are defending themselves vigorously against the allegations.

Supplement Dated March 5, 2009 to the
RESERVE YIELD PLUS FUND of the Reserve Short-Term Investment Trust
Prospectus and Statement of Additional Information Dated July 29, 2008

The sixth paragraph under the section entitled “Fund Management —The Investment Adviser” in the Prospectus is amended by deleting the paragraph and replacing it with the following:

Michael Luciano is the portfolio manager for the Fund and is primarily responsible for decisions regarding the Fund’s investments. Prior to joining The Reserve in 2007, Mr. Luciano served as a Assistant Portfolio Manager at Legg Mason from 2005 to 2007. As of February 19, 2009, Mr. Luciano did not own securities of the Fund.

The first and second paragraph under the section entitled “Portfolio Manager Disclosure” in the Statement of Additional Information is amended by deleting both paragraphs and replacing them with the following:

All of the below information is provided as of February 19, 2009.

OTHER ACCOUNTS MANAGED BY PORTFOLIO MANAGER

Michael Luciano, the Fund’s portfolio manager, has day-to-day management responsibilities for five funds in three registered investment companies (other than the Fund) and four pooled investment vehicles with assets totaling approximately \$11 billion and \$1.2 billion, respectively. No advisory fee is paid based on performance for any of these registered investment companies.

PORTFOLIO MANAGER’S COMPENSATION

The portfolio manager is compensated for his services by RMCI. The portfolio manager’s compensation consists of a fixed base salary and a discretionary bonus. Base salary is determined based on market factors and the skill, experience and responsibilities of Mr. Luciano. The discretionary bonus is based on the annual, pre-tax performance of the funds that he manages relative to their peers (as currently set forth in iMoneyNet First Tier Taxable Money Funds, iMoneyNet US Government and Agency Money Funds, iMoneyNet US Treasury Only Money Funds, and iMoneyNet Offshore Money Funds), as well as RMCI’s profitability.

The fourth paragraph under the section entitled “Portfolio Manager Disclosure” in the Statement of Additional Information is amended by deleting the paragraph and replacing it with the following:

ALLOCATION OF LIMITED TIME AND ATTENTION. Mr. Luciano may devote unequal time and attention to the management of the funds he advises. As a result, he may not be able to formulate as complete a strategy or identify equally attractive investment opportunities for each of those funds as might be the case if he were to devote substantially more attention to the management of a single fund. The effects of this potential conflict may be more pronounced where funds overseen by Mr. Luciano have different investment strategies.

Supplement Dated September 18, 2008

**PRIMARY FUND, PRIMARY II FUND, RESERVE LIQUID PERFORMANCE MONEY MARKET FUND,
TREASURY & REPO FUND, U.S. GOVERNMENT FUND, U.S. TREASURY FUND, U.S. GOVERNMENT II FUND
of the Reserve Fund**

**INTERSTATE TAX-EXEMPT FUND, CALIFORNIA MUNICIPAL MONEY-MARKET FUND,
CONNECTICUT MUNICIPAL MONEY-MARKET FUND, FLORIDA MUNICIPAL MONEY-MARKET FUND,
MASSACHUSETTS MUNICIPAL MONEY-MARKET FUND,
MICHIGAN MUNICIPAL MONEY-MARKET FUND, NEW JERSEY MUNICIPAL MONEY-MARKET FUND,
OHIO MUNICIPAL MONEY-MARKET FUND, PENNSYLVANIA MUNICIPAL MONEY-MARKET FUND,
VIRGINIA MUNICIPAL MONEY-MARKET FUND
of the Reserve Municipal Money-Market Trust II**

**NEW YORK MUNICIPAL MONEY-MARKET FUND
of the Reserve New York Municipal Money-Market Trust**

**ARIZONA MUNICIPAL MONEY-MARKET FUND, LOUISIANA MUNICIPAL MONEY-MARKET FUND,
MINNESOTA MUNICIPAL MONEY-MARKET FUND
of the Reserve Municipal Money-Market Trust**

**RESERVE YIELD PLUS FUND, RESERVE YIELD PLUS INSTITUTIONAL FUND
of the Reserve Short-Term Investment Trust**

The following disclosure updates the section entitled "How to Buy Shares" in the Prospectus for each Fund named above.

Effective September 18, 2008 and until further notice, each Fund named above will no longer offer any class of shares for purchase, except through dividend reinvestment.

Effective September 18, 2008 and until further notice, the following Funds will each price its shares once a day at 12:00 p.m. Eastern Time: Interstate Tax-Exempt Fund, California Municipal Money-Market Fund, Connecticut Municipal Money-Market Fund, Florida Municipal Money-Market Fund, Massachusetts Municipal Money-Market Fund, Michigan Municipal Money-Market Fund, New Jersey Municipal Money-Market Fund, Ohio Municipal Money-Market Fund, Pennsylvania Municipal Money-Market Fund, Virginia Municipal Money-Market Fund, New York Municipal Money-Market Fund, Arizona Municipal Money-Market Fund, Louisiana Municipal Money-Market Fund and Minnesota Municipal Money-Market Fund.

Effective September 18, 2008 and until further notice, the following Fund will price its shares once a day at 2:00 p.m. Eastern Time: U.S. Treasury Fund.

Effective September 18, 2008 and until further notice, the following Funds will each price its shares once a day at 5:00 p.m. Eastern Time: Primary Fund, Treasury & Repo Fund, U.S. Government Fund, Reserve Yield Plus Fund and Reserve Yield Plus Institutional Fund.

Effective September 18, 2008 and until further notice, the following Funds will each price its shares once a day at 5:30 p.m. Eastern Time: Reserve Liquid Performance Money Market Fund, Primary II Fund and the U.S. Government II Fund.

These will now be the cut-off times for each Fund.

The following disclosure updates the section entitled "How to Sell Shares" in the Prospectus for each Fund named above.

Effective September 18, 2008 and until further notice, proceeds from a redemption request will be transmitted to a shareholder no later than the seventh calendar day after the receipt of the redemption request in good order. Shares do not earn dividends on the day the redemption is processed, regardless of the time the order is received.

The seven-day redemption period will not apply to debit card transactions, Automated Clearinghouse transactions or check transactions written against your account in connection with a Fund provided that any such shareholder transaction or multiple transactions by the same account holder does not exceed \$10,000.

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Any contrary disclosure in each Prospectus concerning a Fund should be ignored.

Shareholders should retain this Supplement for future reference

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It Pays to Keep Money in Reserve®

about the fund

Investment Objective

The investment objective of the Fund is to seek as high a level of current income as is consistent with the preservation of capital and liquidity. THIS FUND IS NOT A MONEY MARKET FUND. Investors can lose money by investing in the Fund. They may also make money. The investment objective of the Fund is a fundamental investment policy and may only be changed by obtaining shareholder approval.

Principal Investment Strategies

The Fund is a diversified mutual fund, designed as a convenient complement to the investment of temporary cash balances in short-term money market accounts or instruments. WHILE THE FUND IS NOT A MONEY MARKET FUND, IT SEEKS TO MAINTAIN A STABLE \$1.00 SHARE PRICE AND THERE CAN BE NO ASSURANCE THAT THE FUND WILL BE ABLE TO MAINTAIN A STABLE NET ASSET VALUE OF \$1.00 PER SHARE. The Fund seeks to provide higher returns than money market funds and other short-term investments. While serving as an effective cash management solution for investors, the Fund is structured to reduce or eliminate the problems of direct investing, such as scheduling maturities, reinvesting proceeds, evaluating the credit quality of issuers, investing in round lots, and the safeguarding, receipt and delivery of securities. The Fund will seek to limit share price volatility by maintaining a dollar weighted average maturity of 90 days or less and by limiting the maturity of individual instruments to 24 months or less, except in the case of adjustable rate government obligations, which may have a longer ultimate maturity. In calculating portfolio maturity, the maturity of an investment will be considered to be the earlier of the instrument's maturity date, put date or the next interest reset date. Shares of money market funds will be considered to have a maturity of one day.

Unlike the Fund, money market funds are subject to conditions in a Securities and Exchange Commission ("SEC") rule that are intended to stabilize a money market fund's net asset value at \$1.00. These conditions are intended to limit risk in a money market fund's portfolio in the areas of credit quality, diversification and maturity of fund investments. Money market funds are generally required to hold high credit quality dollar-denominated securities (i.e., rated in the two top categories by rating agencies), maintain a diversified investment portfolio (e.g., not invest more than 5% of its assets in securities of any single issuer, except the U.S. federal government) and invest in securities that are considered short-term (i.e., average portfolio maturity to be 90 days or less). Although the Fund seeks to maintain a \$1.00 share price, it is not required to comply with this SEC rule and therefore the Fund is a riskier investment than a money market fund.

Reserve Management Company, Inc. ("RMCI" or "Adviser"), the Fund's investment adviser, monitors a range of economic and financial factors and, based on that analysis, the assets of the Fund are invested in a mix of U.S. dollar-denominated securities that are intended to provide as high a return as possible without jeopardizing the stability of the Fund's share price and without violating its investment policy. The Fund may sell holdings for a variety of reasons, such as to adjust a portfolio's average maturity, duration or credit quality or to shift assets into higher-yielding securities.

The Fund will principally invest directly, or indirectly through repurchase agreements, in negotiable certificates of deposit ("CDs"), time deposits, bankers' acceptances, commercial paper and letters of credit of U.S. banking institutions that are members of the Federal Deposit Insurance Corporation ("FDIC"), investment grade corporate debt obligations (i.e., those rated Aaa, Aa, A or Baa by Moody's or AAA, AA, A or BBB by S&P or Fitch or, if unrated, judged to be of equivalent quality as determined by the Adviser), asset-backed securities (representing undivided fractional interests in pools of investments, which include credit card, auto and equipment receivables and home equity and other consumer loans), and investment grade U.S. dollar obligations of foreign banks and corporations located in major industrialized nations in Western Europe and in other countries such as Australia and Canada. The Fund may also invest in foreign banking institutions that, at the time of the investment, have more than \$25 billion (or the equivalent in other currencies) in total assets. The Fund intends to concentrate, and normally invest more than 25% of its total assets in the aggregate, in commercial banks, savings institutions and foreign banks.

The Fund may invest in instruments issued by the U.S. government, its agencies and instrumentalities, money market funds and instruments fully collateralized by any of these obligations. For obligations subject to repurchase agreements, the creditworthiness of the transaction will be determined by the credit ratings of the repurchase agreements' counterparties as well as the underlying collateral.

In an effort to increase returns, the Fund expects to use leverage in certain circumstances when, in the Adviser's judgment, borrowing costs are lower than the return that can be received from the investment of the proceeds from the borrowing. The Fund also intends to leverage by entering into reverse repurchase agreements with banks, mutual funds and securities dealers deemed creditworthy pursuant to guidelines adopted by the Board of Trustees. Reverse repurchase agreements are considered to be borrowings.

The Fund may use leverage in an amount up to 33⅓% of the Fund's total assets (including the amount of its borrowings). If the Fund uses leverage, its gains or losses may be higher than if it did not use leverage. Leverage is the ability of the Fund to borrow money to purchase investments. See "Leveraging Risk" below.

Under a repurchase agreement, the other party sells and simultaneously agrees to repurchase a security at a mutually agreed upon time and price, which results in a fixed rate of return for the period of the agreement. Securities subject to repurchase will be placed in a segregated account and will be monitored to ensure that the market value of the securities plus any accrued interest will at least equal the repurchase price. The Fund will require the seller to provide additional collateral if the market value of the securities falls below the repurchase price.

The Fund may invest its assets in affiliated money market funds. The Fund expects that such investments will occur in periods of declining interest rates, when yields of money market funds exceed those of available money market instruments, and for general cash management. The portion of the Fund's assets invested in money market funds will vary based on market conditions.

The Fund will follow a managed distribution policy in which it intends to declare daily dividends, consisting of net income earned. At times a portion of the Fund's daily dividend distribution may include short-term capital gains or other Fund assets. See "Managed Distribution; Stable \$1.00 NAV Risk" below. The Fund will be invested in accordance with the investment objective and strategies outlined in this Prospectus at all times as are practicable. However, from time to time, in response to adverse market, economic, political or other conditions, the Fund may take temporary defensive positions (e.g., investing all of its assets in money market funds, including affiliated money market funds, subject to compliance with applicable law) that are inconsistent with the Fund's principal investment strategies. If the Fund adopts a temporary defensive position, the Fund may not attain its investment objective.

Disclosure of Portfolio Holdings. A description of the Fund's policies and procedures with respect to the disclosure of its portfolio holdings is available in the Statement of Additional Information.

Expenses of Other Investment Companies. If the Fund invests in another investment company, the Fund's shareholders would be indirectly subject to the fees and expenses of that investment company, in addition to the fees and expenses of the Fund except in the case of affiliated funds where RMCI will absorb the additional fees and expenses.

Suitability. Different investors have different investment goals. The Fund is intended to provide professional management for your cash and shorter-term assets and is intended for investors who seek higher returns than a money market fund and also seek current income, liquidity and stability. The Fund is not intended to be a balanced investment program.

Principal Risks

An investment in the Fund is not insured or guaranteed by the FDIC or any other government agency. Although the Fund seeks to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in the Fund. THIS FUND IS NOT A MONEY MARKET FUND. The Fund's share price is subject to change daily due to changes in general market conditions in response to economic, political and financial developments. The Fund is also subject to the risks associated with particular securities and the types of securities held. The Fund cannot guarantee that it will achieve its investment objective. The following factors could increase the Fund's risk of loss in connection with portfolio investment or reduce the Fund's distributable income:

- ***Interest Rate and Return Fluctuation Risk.*** Most of the Fund's performance depends on interest rates, and when interest rates fall, the Fund's returns will typically fall as well. In addition, as investments mature, the proceeds are

about the fund

reinvested at rates that may be lower than levels previously earned. When interest rates rise, the value of an investment in debt securities generally goes down, although the value of long-term debt securities generally goes down more than the value of short-term securities.

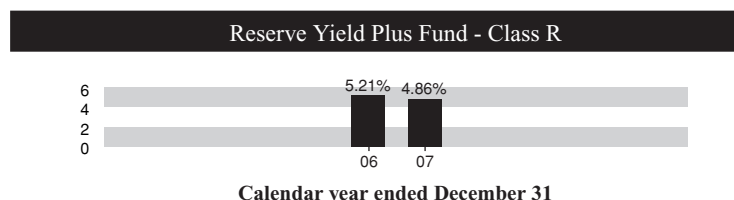
- **Credit Risk.** Credit risk depends on the ability of an issuer to repay principal and interest when due and the terms of a particular obligation. A decline in the credit quality or credit rating of an issuer, or of the provider of credit support or a maturity-shortening structure for a security, can cause the value of the Fund's investment in the security to decrease.
- **Repurchase and Reverse Repurchase Agreement Risk.** Repurchase agreements involve the risk that the other party may default on its obligations, which may cause delays, losses and restrictions on the Fund's ability to dispose of the underlying securities. Reverse repurchase agreements involve the risk that the market value of the securities may be lower than the price at which the Fund has agreed to repurchase them. Reverse repurchase agreements also involve the risk that the other party may fail to return the securities at the agreed time or at all. If the Fund is not able to recover the securities, and the value of the collateral held by the Fund is less than the value of the securities, the Fund may experience a loss on the transaction.
- **Banking Industry Risk.** The risks of investing in the banking industry include interest rate risk, credit risk and the risk of adverse regulatory developments. With respect to risks of investing in the foreign banking industry, the Fund will be subject to similar risks as investing in foreign securities discussed below. These include additional political, tax and regulatory risks that are generally not present when investing in securities of U.S. banking institutions.
- **Asset-Backed Securities Risk.** Asset-backed securities are subject to credit risk and interest rate and return fluctuation risk as discussed above. In addition, asset-backed securities that are subject to prepayment may lose more value due to changes in interest rates than will other debt securities, especially during periods when those rates are declining.
- **Foreign Securities Risk.** Investments in foreign securities involve certain additional risks such as unfavorable political and economic developments, imposition of withholding taxes, seizure of foreign deposits and currency controls or other governmental restrictions that might affect payment of principal or interest. In addition, foreign companies are not regulated by U.S. authorities and are generally not bound by financial reporting standards comparable to U.S. standards.
- **Leveraging Risk.** The Fund expects to use financial leverage for investment purposes in certain circumstances when, in the Adviser's judgment, borrowing costs are lower than the return that can be received from the investment of the proceeds from the borrowing. This is a speculative technique. If the Fund uses leverage, its losses may be higher than if it did not use leverage, and the Fund may lose more than the amount of its actual investment. So long as the proceeds from borrowings are invested in securities that provide a higher rate of return than the cost of borrowing, the leverage will allow shareholders to receive a higher current rate of return than if the Fund were not leveraged. On the other hand, to the extent that the cost of leverage were to exceed the return on the securities acquired with borrowings, the Fund's use of leverage would result in a lower rate of return to shareholders than if the Fund were not leveraged. There is no assurance that the Fund's use of leverage will be successful. The use of leverage creates an opportunity for increased return, but also creates additional risks, including the possibility of greater volatility of net asset value. If the market value of the Fund's portfolio declines, the leverage will result in a greater decrease in net asset value than if the Fund were not leveraged.
- **Managed Distribution; Stable \$1.00 NAV Risk.** The Fund will follow a managed distribution policy. The Fund intends to declare daily dividends, consisting of net income earned. At times, daily dividend declarations could also include short-term capital gains, if any, on securities holdings and other Fund assets. A distribution of amounts exceeding net investment income and realized capital gains could result in a return of capital to investors for tax purposes. Over time, the Fund will distribute all of its net investment income and capital gains. Underdistribution of realized gains could result in a special year-end distribution to meet the requirements of the Internal Revenue

Code of 1986, as amended, for the Fund to be treated as a regulated investment company, which would only benefit investors holding shares on the record date for the special distribution. The Fund will be managed to minimize the likelihood of special year-end capital gains distributions, and to avoid varying from a \$1.00 net asset value per share. In the event of an overdistribution or an underdistribution, the Fund may engage in a reverse stock split or a stock split, respectively, in order to maintain a constant \$1.00 share price. Large, rapid changes in interest rates or credit deterioration in significant holdings combined with redemptions of Fund shares could also adversely affect the Fund's ability to maintain a stable share price. THERE CAN BE NO GUARANTEE THAT THE FUND WILL BE ABLE TO MAINTAIN A STABLE \$1.00 NAV OR THAT THE FUND WILL NOT MAKE A DISTRIBUTION THAT QUALIFIES AS A RETURN OF CAPITAL.

- **Valuation Risk.** The Fund will generally use market prices obtained from independent pricing services to value its assets. If market prices are not readily available, or if, in the judgment of the Trustees, such pricing information does not represent fair value, the Fund's assets will be priced using "fair value." These prices may differ from market prices or the prices available from securities dealers.
- **Temporary Defensive Strategy Risk.** If the Fund temporarily holds assets in cash or cash equivalents, it may not achieve its investment objective.

Performance

The bar chart and tables below provide an indication of the risks of investing in the Fund by showing changes in the Fund's performance from year to year and by showing how the Fund's average annual returns for specified periods compared with those of a relevant index. The bar charts show the Fund's annual total returns for Class R shares since inception. The tables compare the average annual total returns for each class of the Fund's shares for the periods shown with a broad measure of market performance. The after-tax returns are calculated using the historical highest applicable marginal federal individual income tax rates in effect during the periods measured and do not reflect the impact of state and local taxes. Actual after-tax returns depend on an investor's tax situation and may differ from those shown. The after-tax returns shown are not relevant to investors who hold their Fund shares through tax-deferred arrangements, such as 401(k) plans or individual retirement accounts or through tax-advantaged education savings accounts. How the Fund performed in the past (before and after taxes) is not necessarily an indication of how the Fund will perform in the future.



During the period shown above, the highest quarterly return was 1.34% for the quarter ended March 30, 2007 and the lowest quarterly return was 1.29% for the quarter ended December 31, 2007. The return for the period from January 1, 2008 to June 30, 2008 was 3.39%.

Average Annual Total Returns as of March 31, 2008

	<u>1 Year</u>	<u>Since Inception*</u>
Class R Return Before Taxes	4.86%	13.43%
Class R Return After Taxes on Distributions	3.16%	8.54%
Class R Return After Taxes on Distributions and Sale of Fund Shares	3.16%	8.54%
Liquidity Class I Return Before Taxes	5.05%	13.63%
Liquidity Class III Return Before Taxes	4.96%	14.40%
Class Treasurer's Trust Return Before Taxes	4.89%	14.32%

For the Fund's performance information, call toll-free (800) 637-1700 or visit our website at www.TheR.com.

* Commenced operations on August 31, 2005

about the fund

Fees & Expenses

You will pay certain fees and expenses, described in the table below, if you buy and hold the different classes of shares of the Fund.

Shareholder Fees (Fees paid directly from your investment)	Class <u>Institutional</u>	Liquidity <u>Class I</u>	Liquidity <u>Class II</u>	Liquidity <u>Class III</u>
Low Balance Fee*	0.00%	0.00%	0.00%	0.00%
Redemption Fees**	0.00%	0.00%	0.00%	0.00%
Annual Fund Operating Expenses (Expenses that are deducted from Fund assets)				
Management Fee***	0.13%	0.16%	0.21%	0.26%
Distribution and Service (12b-1) Fee	0.00%	0.00%	0.00%	0.00%
Other Expenses†	<u>0.00%</u>	<u>0.01%</u>	<u>0.00%</u>	<u>0.01%</u>
Total Annual Fund Operating Expenses††	<u>0.13%</u>	<u>0.17%</u>	<u>0.21%</u>	<u>0.27%</u>
Shareholder Fees (Fees paid directly from your investment)	Liquidity <u>Class IV</u>	Liquidity <u>Class V</u>	Class <u>Treasurer's Trust</u>	<u>Class R</u>
Low Balance Fee*	0.00%	0.00%	0.00%	0.00%
Redemption Fees**	0.00%	0.00%	0.00%	0.00%
Annual Fund Operating Expenses (Expenses that are deducted from Fund assets)				
Management Fee***	0.36%	0.46%	0.61%	0.81%
Distribution and Service (12b-1) Fee	0.00%	0.00%	0.00%	0.25%
Other Expenses†	<u>0.00%</u>	<u>0.00%</u>	<u>0.01%</u>	<u>0.01%</u>
Total Annual Fund Operating Expenses††	<u>0.36%</u>	<u>0.46%</u>	<u>0.62%</u>	<u>1.07%</u>

Example: This example is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds. THE EXAMPLE ASSUMES THAT YOU INVEST \$10,000 IN THE FUND FOR THE TIME PERIODS INDICATED AND THEN REDEEM ALL YOUR SHARES AT THE ENDS OF THOSE PERIODS. The Example also assumes that your investment has a 5% return each year and that the Fund’s operating expenses (before fee waivers and expense reimbursements or credits) remain the same. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

	Expenses Paid During Period			
	One Year	Three Years	Five Years	Ten Years
Class Institutional	\$ 13.33	\$ 41.95	\$ 73.43	\$ 166.56
Liquidity Class I	\$ 17.43	\$ 54.84	\$ 95.95	\$ 217.40
Liquidity Class II	\$ 21.53	\$ 67.71	\$118.43	\$ 268.03
Liquidity Class III	\$ 27.68	\$ 87.01	\$152.08	\$ 343.63
Liquidity Class IV	\$ 36.90	\$115.91	\$202.40	\$ 456.21
Liquidity Class V	\$ 47.15	\$147.95	\$258.09	\$ 580.16
Class Treasurer’s Trust	\$ 63.55	\$199.09	\$346.72	\$ 776.01
Class R	\$109.68	\$342.03	\$592.89	\$1,310.88

Your costs would be the same whether you stayed in the fund or redeemed your shares at the end of any period.

* The Fund may charge a monthly “Low Balance Fee” (currently \$15). See “How to Sell Shares.”

** Certain shareholders may also be subject to a fee for certain below-minimum redemptions by wire or check. See “How to Sell Shares.”

*** The Fund pays a “Comprehensive Management Fee” that includes the advisory fee of 0.08%, as well as all administrative and customary operating expenses of the Fund, and shareholder liaison services (such as responding to inquiries and providing information on investments), recordkeeping charges, accounting expenses, transfer agent costs, and the expenses of preparing, printing and mailing shareholder reports and prospectuses. The Comprehensive Management Fee does not include Other Expenses (see below), for which the Fund pays its direct or allocated share. The advisory fee component of the “Comprehensive Management Fee” is the same for all share classes.

† Other Expenses include interest charges, taxes, brokerage fees and commissions, extraordinary legal and accounting fees and other extraordinary expenses including expenses incurred in connection with legal proceedings, other claims and the legal obligations of the Reserve Short-Term Investment Trust (the “Trust”) to indemnify its trustees, officers, employees, shareholders distributors and other agents of the Trust, payments made pursuant to the Trust’s Distribution Plan, the compensation of the chief compliance officer and related expenses, and the fees and expenses of the Trustees who are not “interested persons” of the Adviser as defined in the Investment Company Act of 1940 (“Independent Trustees”), including the fees of the independent counsel of the Independent Trustees, for which the Fund pays its direct or allocated share.

†† From time to time, the Adviser may waive receipt of its fees, and/or voluntarily assume certain expenses of the Fund that would have the effect of lowering the Fund expense ratio and increasing yield to investors at the time such amounts are assumed or waived, as the case may be. Any waiver of fees or assumption of expenses can be discontinued at any time by the Adviser. Any such fees and expenses will not be subject to any recoupment by the Adviser.

The Fund is a no-load fund, meaning that there are no sales charges (loads) or exchange fees associated with an investment in the Fund. The Total Annual Fund Operating Expenses are paid out of the Fund’s assets, so these expenses affect the value of the Fund’s shares.

Fund Management

The Investment Adviser. Reserve Management Company, Inc., 1250 Broadway, New York, NY 10001, the Fund’s investment adviser, has provided management and investment advice to companies within the Reserve family of funds since November 15, 1971. As of June 30, 2008, RMCI had over \$88 billion in assets under management. RMCI manages the Fund, subject to the policies adopted by the Board of Trustees, under the terms of an Investment Management Agreement.

The Investment Management Agreement provides that RMCI will furnish continuous investment advisory and other management and administrative services to the Fund, including transfer agent services. For its services, the Fund pays RMCI a comprehensive management fee at an annual rate based on average daily net assets of each outstanding class of the Fund’s shares according to the schedule below. The fees are charged daily and paid periodically. RMCI may waive fees at its discretion. Such fee waivers are voluntary and may be discontinued at any time. RMCI reserves the right to recover

about the fund

any reimbursement or contingent waiver allowed to the Fund for a period of not more than three fiscal years after the reimbursement or waiver.

The comprehensive management fee for each class (as a percentage of average daily net assets), is as follows:

<u>Class</u>	<u>Comprehensive Management Fee</u>
Institutional	0.13%
Liquidity Class I	0.16%
Liquidity Class II	0.21%
Liquidity Class III	0.26%
Liquidity Class IV	0.36%
Liquidity Class V	0.46%
Treasurer's Trust	0.61%
R	0.81%

A discussion regarding the basis for the Board of Trustees approving the investment advisory contract of the Fund is available in the Fund's semi-annual report for the reporting period ended September 30, 2007.

Patrick Ledford is the portfolio manager for the Fund and is primarily responsible for decisions regarding the Fund's investments. Mr. Ledford joined RMCI in 2005. Prior to joining RMCI, Mr. Ledford was a Senior Money Market/Enhanced Cash Portfolio Manager at Citigroup from 1988 to 2005.

The Statement of Additional Information provides additional information about the portfolio manager's compensation, other accounts that he manages and ownership in the Fund.

The Distributor. The Fund's distributor, Resrv Partners, Inc. ("Resrv"), 1250 Broadway, New York, NY 10001, is an affiliate of the Adviser. The Fund has adopted a distribution and servicing plan under Rule 12b-1 for Class R that allows the Fund to pay fees for the sale and distribution of the shares of those classes. These fees are paid out of the assets of the respective class on an on-going basis, and over time will increase the cost of your investment and may cost you more than when you pay other types of sales charges. The distribution fee (as a percentage of average daily net assets) is 0.25%.

Resrv may waive distribution plan fees at its discretion and may discontinue the waivers at any time.

Distribution fees are used to pay the distributor to promote the sale of shares and the servicing of accounts of the Fund. The expenses incurred by the distributor under the 12b-1 Plan include the preparation, printing and distribution of prospectuses, sales brochures and other promotional materials sent to prospective shareholders. They also include purchasing radio, television, newspaper and other advertising and compensating the distributor's employees or employees of the distributor's affiliates for their distribution assistance. The distributor may make payments for distribution and/or shareholder servicing activities out of its past profits and other available sources. The distributor may also make payments for marketing, promotional or related expenses to dealers. The amount of these payments is determined by the distributor and may be substantial. The Adviser or an affiliate may make similar payments under similar arrangements. For further information on the distributor's payments for distribution, see the Fund's Statement of Additional Information.

How to Buy Shares

Share Classes. The Fund offers a number of share classes designed to offer a variety of pricing options and services to meet the needs of both individual investors and institutions that make Fund shares available to their customers. You will need to decide on a share class to purchase before making your initial investment. You should consider the size of your investment and the impact of potential costs over the life of your investment. Each share class is available to all investors who meet the investment minimum for the class, as described below. Each share class may not be available for purchase in all states.

Account Ownership. You will need to specify whether you wish to open a corporate account, a joint account or an individual account. When an account is registered in the names of two people, either person is entitled to redeem any or all of the shares in the account. The Account Application provides that each party to a joint account will indemnify the Fund for actions taken on the instructions of the other party. The Fund will not be responsible for actions taken by either party with respect to this type of account.

Minimum Purchases. Different share classes are subject to different minimum initial and subsequent investment requirements, as indicated below. The Fund may change the minimum investment requirements at any time.

Minimum Initial and Subsequent Investment:

Share Class	<u>Minimum Initial Investment</u>	<u>IRA Initial Account Minimum</u>	<u>Minimum Subsequent Investment</u>	<u>IRA Subsequent Account Minimum</u>
Class Institutional	\$35,000,000	None	\$2,500,000	None
Liquidity Class I	\$20,000,000	None	\$1,000,000	None
Liquidity Class II	\$15,000,000	None	\$ 500,000	None
Liquidity Class III	\$10,000,000	None	None	None
Liquidity Class IV	\$ 7,000,000	None	None	None
Liquidity Class V	\$ 5,000,000	None	None	None
Class Treasurer's Trust	\$ 250,000	\$1,000	\$ 10,000	\$ 250
Class R	None	\$1,000	None	\$ 250

How Fund Shares Are Priced. Investors pay no sales charges to invest in the Fund. The price you pay for a share of the Fund, and the price you receive upon selling or redeeming a share of the Fund, is the Fund's net asset value per share (NAV) for that class of shares. The NAV is calculated by taking the total value of the assets of each share class, subtracting its liabilities, and then dividing by the number of shares of that class that are issued and outstanding. The Fund uses the amortized cost method of valuing its securities, which is a standard calculation that does not take into account unrealized gains or losses.

The Fund's NAV is calculated as of 5:00 p.m. Eastern Time, its cut-off time for accepting purchase orders and redemption requests. Generally, the NAV is not calculated and purchase and redemptions orders are not accepted on days that the New York Stock Exchange ("NYSE") is closed, except for Good Friday. The NYSE is not open for trading on New Year's Day, Martin Luther King, Jr. Day, Presidents' Day, Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day. In addition, the NAV is not calculated and orders are not accepted on Columbus Day and Veterans Day when banks are closed. The NAV may also be calculated and purchase and redemption orders accepted on any such day that the SEC determines it is permissible to do so. No purchase of shares will be modified or cancelled after the cut-off time set for calculating the Fund's NAV. The NAV for each class of a Fund's shares is computed by dividing the value of the net assets of the class by the number of outstanding shares of such class. The Fund will generally use market prices obtained from independent pricing services to value its assets. If market prices are not readily available, or if, in the judgment of the Trustees, such pricing information does not represent fair value, the Fund's assets will be priced using "fair value." Fair valuation procedures will also be used when a significant event affecting the value of a portfolio security is determined to have occurred between the time as of which the price of a portfolio security is determined and the time as of which the Fund's NAV is calculated. Such "fair value" determination shall be made by the Valuation Committee or the

your account

Adviser in accordance with policies and procedures adopted by the Trustees and under the supervision of the Trustees. A security's "fair value" price may differ from the price next available from independent providers or the market price. For securities whose remaining maturity is 60 days or less, the Fund will use amortized cost, which does not take into account market fluctuations. The valuation of the Fund's portfolio securities using amortized cost does not take into account unrealized gains or losses. This method values a security at its cost and thereafter assuming a constant amortization or accretion to maturity of any discount or premium, regardless of the impact of fluctuating interest rates on the market value of the security. While this method provides certainty in valuation, there may be some periods during which the value of a security determined by the amortized cost method would be higher or lower than the price the Fund would receive if it sold the security.

Payment for Shares. All share purchases must be paid for in U.S. dollars. Foreign or travelers checks, cash, money orders, credit card convenience checks, "starter" checks or post-dated checks will not be accepted. In addition, in order to protect the Fund from check fraud, checks payable to third parties will not be accepted. An initial direct purchase must be accompanied by an Account Application. We are required by law to verify your identity. If the required information is not provided on your Account Application or cannot be verified, we may not be able to open an account or may close an account at any time. All payments for share purchases must be made by one of the two methods noted below:

- By check – You may purchase shares with a check drawn on a U.S. bank, payable to the Reserve Yield Plus Fund or payable to and endorsed by the accountholder. You must include your account number (or Taxpayer Identification Number) on your check. A fee (currently \$15) will be imposed if any check does not clear and the investor may be liable for any portfolio loss and costs the Fund incurs due to the returned check. Checks may be mailed or delivered to The Reserve, 1250 Broadway, New York, NY 10001-3701.
- By federal wire – Please call The Reserve at 800-637-1700, between 8:30 a.m. and 6:00 p.m. Eastern Time on any business day, or contact the firm from which you received this Prospectus, for specific instructions for purchasing shares by wire transfer.

Your order will be priced at the Fund's NAV calculated at the next cut-off time, as described above, on the day of receipt if the Fund, or an authorized financial intermediary who has a sales agreement with the Fund's distributor, receives your properly completed order before the relevant cut-off time. You will begin earning dividends on the day your payment is received by federal wire. If the Fund does not receive your purchase wire by the close of the Federal Reserve wire transfer system on the day you placed your order, your purchase may be cancelled and you could be liable for any losses or fees incurred by the Fund or its transfer agent. If you pay for shares by check, your order will be priced at the NAV calculated on the day the Fund, or an authorized financial intermediary who has a sales agreement with the Fund's distributor, receives your properly completed order and your payment by check before the relevant cut-off time. Share purchases by check begin earning dividends when the check is converted into federal funds (normally the business day after the check is received). Checks and wires which do not correctly identify the account to be credited may be returned or may delay the purchase of shares.

Purchasing Shares with Securities. Subject to the approval of the Trust, shares of a Fund may be purchased with liquid securities that are eligible for purchase by the Fund (consistent with the Fund's investment policies and restrictions) and that have a value that is readily ascertainable in accordance with the Trust's valuation policies. These transactions will be effected only if the Fund intends to retain the security in the Fund as an investment. Assets purchased by the Fund in such a transaction will be valued in the same manner as they would be valued for purposes of pricing the Fund's shares if such assets were included in the Fund's assets at the time of purchase. The Trust reserves the right to amend or terminate this practice at any time.

Share Certificates. Share certificates are not issued by the Fund.

Joint Ownership. When an account is registered in the name of two people, either person is entitled to redeem shares in the account. The Trust assumes no responsibility to either owner for actions taken by the other with respect to an account so registered. The Account Application provides that persons who register their account jointly indemnify and hold the Trust harmless for actions taken by either party.

Investments Through Third Parties. Investments made through a third party such as a broker-dealer, financial institution or other financial intermediary, rather than directly with the Fund, may be subject to different policies and fees than those described here. Banks, brokers, 401(k) plans, financial advisers and financial supermarkets may charge transaction fees and may set different minimum investments or limitations on buying or selling shares. You should consult a representative of the financial intermediary for more information.

Investments Through the Exchange Privilege. A shareholder may exchange Fund shares for shares of the same class of other Reserve funds, on any day when the Fund's NAV is calculated, by calling 800-637-1700. Any new account established through an exchange will have the same privileges as the original account (provided such privileges are available). Exchange requests must be received by the Fund's cut-off time in order to be effected at each fund's respective NAV on that day. Exchange requests received after the cut-off time of either fund will be effected on the next day on which the Fund's NAV is calculated.

Exchanges are available by telephone, if you completed the "Redemption and Exchanges by Telephone" or "Redemption Instructions" information on your Account Application to authorize telephone exchanges. Unless such authorization is withheld, the Fund will honor any telephone requests that the Fund deems to be valid. To reduce the risk of unauthorized or fraudulent instructions, all telephone exchange requests will be recorded. The Fund may also require the use of a password or other form of personal identification. The Fund may refuse a telephone exchange if it reasonably believes that the instructions are not genuine or if there appear to be other irregularities regarding the request. During periods of volatile economic and market conditions, a shareholder may have difficulty making an exchange request by telephone, in which case an exchange request would have to be made in writing.

Exchanges of shares of one fund for shares of another fund is a taxable event and may result in a gain or loss for federal income tax purposes. The exchange privilege may not be available to clients of some intermediaries, and some intermediaries may impose additional or different conditions on exchanges by their clients.

You should carefully read the current Prospectus of the fund into which you would like to exchange. There is currently no fee for exchanges among funds in the Reserve family of funds. The Fund may change or discontinue the exchange privilege at any time.

Anti-Money Laundering Requirements. The Fund is subject to the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism (USA PATRIOT ACT) Act of 2001 (the "Patriot Act"). The Patriot Act is intended to prevent the use of the U.S. financial system in furtherance of money laundering, terrorism or other illicit activities. Pursuant to requirements under the Patriot Act, the Fund may request information from shareholders to enable it to form a reasonable belief that it knows the true identity of its shareholders. This information will be used to verify the identity of investors or, in some cases, the status of financial advisers; it will be used only for compliance with the requirements of the Patriot Act. The Fund reserves the right to reject purchase orders from persons who have not submitted information sufficient to allow the Fund to verify their identity. The Fund also reserves the right to redeem any amounts in the Fund from persons whose identity it is unable to verify on a timely basis. It is the Fund's policy to cooperate fully with appropriate regulators in any investigations conducted with respect to potential money laundering, terrorism or other illicit activities.

Right to Refuse Purchases and Exchanges. The Fund reserves the right to refuse any purchase or exchange request for any reason. The Fund or an authorized financial intermediary will provide notification of such rejection or cancellation generally within one business day of the placement of the order. Any limitation on a shareholder's ability to exchange shares will not affect such shareholder's ability to redeem his or her shares.

How to Sell Shares

You may redeem your shares on any day that the Fund's net asset value is calculated. Shares will be redeemed at the next NAV determined after receipt of a redemption request, by telephone or in writing, by the Fund or by an authorized financial intermediary. Redemption requests received after the cut-off time for the calculation of the Fund's NAV on any

your account

day will be redeemed at the NAV calculated on the next business day. Proceeds from a redemption request will be transmitted to a shareholder by no later than the next business day after the receipt of a redemption request in good order. Shares do not earn dividends on the day a redemption is processed, regardless of the time the order is received.

Redemption proceeds can be paid by check, ACH or wire transfer. When redeeming recently purchased shares, please be aware that if the Fund had not yet collected payment for the shares you are selling, it will delay sending the proceeds until it has collected payment (usually not more than ten calendar days). The Fund assumes no responsibility for delays in the receipt of wired or mailed funds. The Fund may suspend the redemption of shares if trading is restricted on the NYSE, if an emergency is declared by the SEC or if otherwise permitted by SEC order.

A service fee of \$5 may be charged on redemption checks for less than \$100 for Class R shares and a fee of \$100 may be charged on redemption checks for less than \$100,000 for shares of all other classes.

A wire redemption fee may be charged according to the following schedule. Service fees may be waived under certain conditions.

<u>Class</u>	<u>Fee</u>	<u>On Amounts Less Than</u>
Class Institutional	\$10	\$750,000
Liquidity Class I	\$100	\$500,000
Liquidity Class II	\$100	\$100,000
Liquidity Class III	\$100	\$100,000
Liquidity Class IV	\$100	\$100,000
Liquidity Class V	\$100	\$100,000
Class Treasurer's Trust	\$100	\$100,000
Class R	\$10	\$10,000

Telephone Requests. If you completed the “Redemption and Exchanges by Telephone” or “Redemption Instructions” information on your Account Application, you may redeem your shares by calling 800-637-1700. Telephone redemptions will be sent to the bank or brokerage account designated on the shareholder’s Account Application, if any. To change your designated brokerage or bank account, contact the firm through which you purchased your Fund shares, or, if you purchased your shares directly from the Fund, send a written request with a medallion signature guarantee to the Fund. Telephone redemptions may also be sent to your home address provided that the Fund’s records do not indicate that it has been changed within thirty (30) days of such redemption request. The Fund reserves the right to record telephone calls and to refuse a telephone redemption if it reasonably believes that the instructions are not genuine or if there appear to be other irregularities regarding the request. Unless you did not sign up for telephone privileges or the Fund fails to take reasonable measures to verify the request, the Fund will not be liable for any unauthorized telephone redemption, or for any loss, cost or expense for acting upon telephone instructions.

Written Requests. When making a redemption request in writing, please include your account number, the Fund name, either the dollar amount or the number of shares you want to redeem, where the proceeds are to be sent or deposited, whether the redemption is to be made by check or by wire transfer and the name(s) and signature(s) of required account holders. A medallion signature guarantee will also be required for the types of redemptions listed below. If you are redeeming shares held in your IRA, please call the Fund for information regarding the applicable withholding requirements.

Medallion Signature Guarantees. The following types of redemptions require written instructions and a medallion signature guarantee:

- the redemption is for more than \$10,000 or the redemption proceeds are being sent to an address other than the bank or brokerage account previously designated by the shareholder; or

- the account address has been changed within the past thirty (30) days; or
- the redemption proceeds are to be sent to someone other than the account owner at the address of record.

Medallion signature guarantees are designed to protect both you and the Fund from fraud and reduce the risk of loss. A medallion signature guarantee can be obtained from most banks, credit unions or savings associations, or from broker-dealers, national securities exchanges or clearing agencies deemed eligible by the SEC. Notaries cannot provide medallion signature guarantees. Joint account owners need only provide a medallion signature guarantee for one of the account's registered owners.

Check-Writing Privilege. Once you complete an application or a signature card and certain other documentation, you may redeem your Class Treasurer's Trust and R shares of the Fund by using your Reserve check-writing privileges to write checks for a minimum of \$100 against your account. A check will be returned (bounced) and a fee of \$15 will be charged if you request a stop payment; the check is postdated; it contains an irregularity in the signature, the amount or otherwise; it is for an amount less than \$100; the signature or the payee is missing; or it is written against accounts with insufficient or uncollected funds. Checks may not be used to close your account. Checking may not be available to clients of some financial intermediaries, and some financial intermediaries may establish their own minimum check amount.

Redemptions Through Third Parties. If you purchased or hold your shares through a financial intermediary, you should contact a representative of the financial intermediary for information about selling your shares. Redemptions through a financial intermediary may involve the firm's own redemption minimums, services fees or other requirements, which may be different from those described here.

Redemptions Through the Exchange Privilege. A shareholder may exchange Fund shares for shares of the same class of other Reserve funds, on any day when the Fund's NAV is calculated, by calling 800-637-1700. Any new account established through an exchange will have the same privileges as the original account (provided such privileges are available). Exchange requests must be received by the Fund's cut-off time in order to be effected at the two funds' respective NAV's on that day. Exchange requests received after the cut-off time of either fund will be effected on the next day on which the Fund's NAV is calculated.

Exchanges are available by telephone if you completed the "Redemption and Exchanges by Telephone" or "Redemption Instructions" information on your Account Application to authorize telephone exchanges. Unless such authorization is withheld, a Fund will honor any telephone requests that the Fund deems to be valid. To reduce the risk of unauthorized or fraudulent instructions, all telephone exchange requests will be recorded. The Fund may also require the use of a password or other form of personal identification. The Fund may refuse a telephone exchange if it reasonably believes that the instructions are not genuine or if there appear to be other irregularities regarding the request. During periods of volatile economic and market conditions, a shareholder may have difficulty making an exchange request by telephone, in which case an exchange request would have to be made in writing.

Exchanges of the shares of one fund for the shares of another fund is a taxable event and may result in a gain or loss for federal income tax purposes. The exchange privilege may not be available to clients of some intermediaries, and some intermediaries may impose additional or different conditions on exchanges by their clients.

You should carefully read the Prospectus of the fund into which you would like to exchange. There is currently no fee for exchanges among funds in the Reserve family of funds. The Fund may change or discontinue the exchange privilege at any time.

Redemptions in Kind. If the amount of a redemption request is large enough to affect the Fund's operations (for example, if the request is greater than \$250,000 or 1% of the Fund's net asset value), the Fund reserves the right to make payment in liquid portfolio securities rather than in cash ("redemption in kind"), without notice. In the event that a shareholder received an in kind redemption of portfolio securities of the Fund, it would be the responsibility of the shareholder to dispose of the securities and he or she may incur transaction expenses in converting the securities received into cash, as

your account

well as incur taxes on any capital gains from the sale as with any redemption. In addition, a shareholder would bear any market risk that the value of the securities would decline prior to their sale by a shareholder.

Minimum Balance Requirements. Because of the expenses of maintaining shareholder accounts, if an account, other than an IRA account, has an average monthly account balance of less than the minimum required for that share class, and there has been no shareholder activity in the account for the past 12 months, the Fund may, after 30 days notice, charge a monthly Low Balance Fee (currently \$15) or may redeem the shares and close the account. No account will be charged a fee or closed if the decline in balance is due to a decrease in share price. The applicable minimum balance requirements are \$100,000 in Class Institutional, Liquidity Class I, Liquidity Class II, Liquidity Class III, Liquidity Class IV and Liquidity Class V and \$1,000 in Class Treasurer's Trust and Class R. Some financial intermediaries may establish different minimum balances and fee amounts.

Frequent Purchases and Redemptions

The Fund is designed as an investment vehicle for short-term cash management and is intended to provide liquidity to shareholders. Some investors may seek to take advantage of a short-term disparity between the Fund's yield and current market yields, which may have the effect of reducing the Fund's yield. Furthermore, frequent purchases and sales of Fund shares by investors may increase fund expenses and necessitate changes in portfolio management strategies that could affect performance. RMCI does not monitor or limit short-term trading activity in the Fund regardless of frequency. Accordingly, the Board has not approved any policies and procedures designed to limit this activity. However, purchases or sales of shares of the Fund, and exchanges between funds in the Reserve family of funds, should not be used to exploit short-term swings in the market, and the Fund reserves the right to and may reject or cancel a purchase or exchange order for any reason, including if, in RMCI's opinion, there appears to be a pattern of excessive trading by an investor in other funds in the Reserve family of funds. The Fund or an authorized financial intermediary will provide notification of such a rejection or cancellation within one business day of the placement of the order. The Fund may not be able to determine that a specific purchase, sale or exchange is short-term or excessive, particularly with respect to orders made through omnibus accounts or retirement plans, and may not be able to reject all such orders, although it is the Fund's intention to do so. Any limitation on a shareholder's ability to exchange shares will not affect such shareholder's ability to redeem his or her shares.

shareholder services

Shareholder Services

The Fund offers a variety of shareholder services to make it more convenient to manage your account and to provide options to expand your investment opportunities. For more information on any of the following services, please call us at 800-637-1700 between 8:30 a.m. and 6:00 p.m. Eastern Time on any business day or visit our website at www.TheR.com. The following shareholder services are available to investors who hold their shares directly through The Reserve. These services may not be available through financial intermediaries, who may offer different services. If you are purchasing or if you hold your Fund shares through a financial intermediary, please consult a representative of the intermediary regarding what shareholder services are available.

Reserve Easy Access.SM Reserve Easy Access is The Reserve's 24-hour toll-free telephone service that lets shareholders use a touch-tone phone for a variety of options, which include obtaining performance information, account balances and check reorders. To use Easy Access, call 800-637-1700 and follow the instructions.

Reserve Online Access.SM You may access your account activity for the previous six months, current price information and other information through Online Access at www.TheR.com. You must call The Reserve at 800-637-1700 to activate Online Access.

The Reserve Online Trader.SM The Reserve Online Trader,SM The Reserve's proprietary institutional cash trading system is designed to simplify clients' liquidity and cash management needs by affording them the ability to purchase or redeem shares of The Reserve's money market and "Cash Plus" products online. In doing so, clients can instantly transfer money between accounts, view account histories, enter trades with real-time trade execution and catalog trading activity with auto email trade confirmations. More information, including an online demo, can be found at <https://online.ther.com/institution>.

Shareholder Communications. An account statement is sent to each shareholder at least quarterly. Shareholders are advised to retain all account statements. Shareholders have a duty to examine their account statements and report any discrepancies to the Fund immediately. Failure to do so could result in the shareholder suffering a loss. Additionally, shareholders receive an Annual Report, containing audited financial statements, and an unaudited Semi-Annual Report. Duplicate copies of shareholder communications, such as the Prospectus, Annual Report, and Semi-Annual Report, will not be sent to related accounts at a common address, unless we receive instructions to the contrary from you. Shareholders who are clients of some Intermediaries will receive an account statement combining transactions in Fund shares with account statements covering other brokerage or mutual fund accounts. If you would like to receive additional copies of these materials, please contact the Fund or the financial intermediary through which you purchased your Fund shares.

Special Services. The Fund may charge shareholder accounts for specific costs incurred in processing certain shareholder requests including, but not limited to, providing copies of shareholder checks and account statements from past periods, stop payment orders and providing special research services.

Stop Payments. The Fund will honor stop payment requests on unpaid shareholder checks provided that it is advised of the correct check number, payee, check amount and date. Stop payment requests received by the Fund by the cut-off time will be effective the next business day. Oral stop payment requests are effective for fourteen (14) calendar days, at which time they will be cancelled unless confirmed in writing. Written stop payment requests will remain in effect for one year. A fee will be charged for this service.

The following services are available only to investors in Class Treasurer's Trust and Class R:

Reserve Automatic Asset-Builder Plan.SM The Asset Builder Plan enables you to make automatic share purchases by having a fixed dollar amount (\$25 minimum) transferred into your Reserve account on a regular basis from a checking, NOW, or bank money market deposit account or from a U.S. government distribution such as social security, a federal salary, certain veterans' benefits, or other regular payments from the federal government. You may also purchase shares automatically by arranging for all or a specified amount of your salary to be deposited directly into your Reserve account.

shareholder services

Individual Retirement Accounts. Investors may use a Fund as an investment for an Individual Retirement Account (IRA). For more information call 800-637-1700 between 8:30 a.m. and 6:00 p.m. Eastern Time on any business day or visit our website at www.TheR.com for an IRA Account Application.

Reserve eDelivery.SM The Fund offers electronic delivery of this Prospectus and other shareholder communications by eDelivery. In order to receive this service, you must register your account and provide us with a verifiable e-mail address. Please call 800-637-1700 between 8:30 a.m. and 6:00 p.m. Eastern Time on any business day for more information or enroll online at www.TheR.com/ReserveOnline/onlineconsent. Reserve eDelivery may not be available if you hold your Fund shares through a broker-dealer or other financial intermediary. Contact a representative of the financial intermediary for more information.

Shareholder Service Policies. The Fund's policies concerning the shareholder services are subject to change from time to time. The Fund reserves the right to increase its minimum initial investment amount and to change the minimum account size subject to a Low Balance Fee or involuntary redemption. The Fund further reserves the right to impose service charges for other special services provided to individual shareholders including, but not limited to, fees for returned checks, stop payment orders on checks, and special research services. These fees may be changed or discontinued at any time and may be reduced or waived under certain circumstances.

dividends, distributions & taxes

Dividends, Distributions & Taxes

The following discussion is intended as general information only; it is not a complete analysis of the federal tax implications of an investment in the Fund. Because each person's tax situation is unique, you should consult your own tax adviser(s) with regard to the federal, state and local tax consequences of the purchase, ownership, exchange and redemption of Fund shares. If you invest through a tax-deferred account, such as a retirement plan, you generally will not pay tax on dividends and distributions paid by the Fund until they are distributed from the account. These accounts are subject to complex tax rules, and you should consult your tax adviser. The applicable tax laws affecting the Fund and its shareholders are subject to change, including retroactive change.

The Fund declares dividend distributions daily and pays them monthly. The dividend distribution will include the net investment income and could at times include amounts of realized short-term capital gains, if any, on securities holdings and other Fund assets. The Fund anticipates that most of its dividends will consist of ordinary income, and that capital gains, if any, will be primarily short-term capital gains. Over the course of the year, substantially all of the Fund's net investment income and net short-term capital gains will be declared as dividends. Net realized long-term capital gains, if any, will be distributed by the Fund at least annually.

The tax rate on certain dividend income and long-term capital gain is reduced under current law through 2010. However, to the extent the Fund's distributions are derived from income on short-term debt securities and short-term capital gain, the Fund's distributions will not be eligible for this reduced tax rate. Distributions of any long-term capital gains earned by the Fund would be taxable to you as long-term capital gains, regardless of how long you have held your Fund shares.

All distributions are paid in the form of additional shares, unless you have requested that they be distributed to you in cash. This request may be made on your initial Account Application or by writing to the Fund. Distributions are taxable to you in the same manner whether you receive them in cash or reinvest them in additional Fund shares.

If you redeem Fund shares or exchange them for shares of another fund, you generally will be treated as having sold your shares and may recognize gain or loss on the transaction. Such gain or loss will generally be capital gain or loss, if any, which will be subject to the rules on long-term capital gains and losses to the extent you have held your shares for more than one year. Because the Fund seeks to maintain a stable \$1.00 NAV, you are not likely to recognize a gain or loss on the redemption or exchange of shares.

After the end of each year, the Fund will provide you with information about the dividends and distributions you received. If you do not provide the Fund with your correct taxpayer identification number and any required certifications, you may be subject to back-up withholding on your dividends, distributions and redemption proceeds.

It is the Fund's intention to distribute substantially all of its net investment income. At times a portion of the Fund's daily dividend distribution may come from net realized short-term capital gains or other Fund assets. If, for any distribution, the Fund's net investment income and net realized short-term capital gain is less than the amount of the distribution, the differences could result in a return of capital to investors for tax purposes. Net realized long-term capital gains, if any, would be distributed by the Fund at least annually.

The above discussion is applicable to shareholders who are U.S. persons. If you are a non-U.S. person, please consult your own tax adviser with respect to the tax consequences to you of an investment in the Fund.

financial highlights

Financial Highlights

The financial highlights table below is intended to help you understand the Fund's financial returns for the period indicated. Certain information reflects the financial results for a single Fund share. The total returns in the tables represent the rate an investor would have earned or lost on an investment in the Fund (assuming reinvestment of all dividends and distributions). The information for 2006, 2007 and 2008 has been audited by KPMG, LLP, whose report, along with the Fund's financial statements, are included in the Fund's Annual Report, which is available upon request by calling 888-823-2867.

	Liquidity Class I		
	For the Year Ended March 31, 2008	For the Year Ended March 31, 2007	For the Period Ended March 31, 2006(b)
	Net asset value, beginning of period	\$ 1.00	\$ 1.00
Increase from investment operations			
Net investment income	0.05	0.05	0.02
Total from investment operations	0.05	0.05	0.02
Dividends from net investment income	(0.05)	(0.05)	(0.02)
Total distributions	(0.05)	(0.05)	(0.02)
Net asset value, end of period	<u>\$ 1.00</u>	<u>\$ 1.00</u>	<u>\$ 1.00</u>
Total Return	5.05%	5.21%	2.46%
Ratios/Supplemental Data			
Net assets end of year (thousands)	\$207,821	\$898,836	\$1,293,948
Ratios of expenses to average net assets	0.16%	0.16%	0.16%#
Ratios of expenses to average net assets net of fee waivers	0.06%	0.04%	0.03%#
Ratios of net investment income to average net assets	5.19%	5.21%	4.28%#
Portfolio Turnover Rate*	0.00%	0.00%	0.00%

	Liquidity Class III		
	For the Year Ended March 31, 2008	For the Year Ended March 31, 2007	For the Period Ended March 31, 2006(a)
	Net asset value, beginning of period	\$ 1.00	\$ 1.00
Increase from investment operations			
Net investment income	0.05	0.05	0.03
Total from investment operations	0.05	0.05	0.03
Dividends from net investment income	(0.05)	(0.05)	(0.03)
Total distributions	(0.05)	(0.05)	(0.03)
Net asset value, end of period	<u>\$ 1.00</u>	<u>\$ 1.00</u>	<u>\$ 1.00</u>
Total Return	4.96%	5.21%	3.26%
Ratios/Supplemental Data			
Net assets end of year (thousands)	\$ 5	\$84,391	\$60,778
Ratios of expenses to average net assets	0.26%	0.26%	0.26%#
Ratios of expenses to average net assets net of fee waivers	0.03%	0.04%	0.02%#
Ratios of net investment income to average net assets	5.32%	5.21%	4.03%#
Portfolio Turnover Rate*	0.00%	0.00%	0.00%

financial highlights

Class Treasurer's Trust

	For the Year Ended March 31, 2008	For the Year Ended March 31, 2007	For the Period Ended March 31, 2006(a)
Net asset value, beginning of period	\$ 1.00	\$ 1.00	\$ 1.00
Increase from investment operations			
Net investment income	0.05	0.05	0.03
Total from investment operations	0.05	0.05	0.03
Dividends from net investment income	(0.05)	(0.05)	(0.03)
Total distributions	(0.05)	(0.05)	(0.03)
Net asset value, end of period	<u>\$ 1.00</u>	<u>\$ 1.00</u>	<u>\$ 1.00</u>
Total Return	4.89%	5.21%	3.26%
Ratios/Supplemental Data			
Net assets end of year (thousands)	\$171,418	\$22,041	\$2,402
Ratios of expenses to average net assets	0.61%	0.64%	0.61%#
Ratios of expenses to average net assets net of fee waivers	0.27%	0.06%	0.04%#
Ratios of net investment income to average net assets	4.72%	5.23%	4.46%#
Portfolio Turnover Rate*	0.00%	0.00%	0.00%

Class R

	For the Year Ended March 31, 2008	For the Year Ended March 31, 2007	For the Period Ended March 31, 2006(b)
Net asset value, beginning of period	\$ 1.00	\$ 1.00	\$ 1.00
Increase from investment operations			
Net investment income	0.05	0.05	0.02
Total from investment operations	0.05	0.05	0.02
Dividends from net investment income	(0.05)	(0.05)	(0.02)
Total distributions	(0.05)	(0.05)	(0.02)
Net asset value, end of period	<u>\$ 1.00</u>	<u>\$ 1.00</u>	<u>\$ 1.00</u>
Total Return	4.86%	5.21%	2.47%
Ratios/Supplemental Data			
Net assets end of year (thousands)	\$769,243	\$85,406	\$ 670
Ratios of expenses to average net assets	1.01%	1.04%	1.01%#
Ratios of expenses to average net assets net of fee waivers	0.33%	0.07%	0.04%#
Ratios of net investment income to average net assets	4.65%	5.25%	4.44%#
Portfolio Turnover Rate*	0.00%	0.00%	0.00%

(a) Liquidity Class III and Treasurer's Trust commenced operations on June 8, 2005.

(b) Liquidity Class I and Class R commenced operations on August 31, 2005.

* This number excludes short-term investments.

Annualized.

Distributions to Shareholders

For the period ending March 31, 2008 and March 31, 2007, the tax character of the dividends paid as reflected in the Statements of Changes in Net Assets was \$63,376,133 and \$82,062,600 of ordinary income, respectively.

At March 31, 2008, the components of accumulated earnings on a tax basis were as follows:

Undistributed Ordinary Income	Accumulated Capital Gains (Losses)	Unrealized Appreciation (Depreciation)
\$36,478	\$0	\$(302,370)

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privacy policy

PROTECTING YOUR PRIVACY AT THE RESERVE*

Protecting Customer Information: Keeping your personal information secure is important to us at The Reserve. This Privacy Policy explains how we protect your privacy, when we collect and use information about you in order to administer your account, and the measures we take to safeguard that information.

ALL PERSONAL INFORMATION PROVIDED BY OUR CUSTOMERS IS USED EXCLUSIVELY TO ADMINISTER OUR BUSINESS AND RELATED SERVICES IN A MANNER CONSISTENT WITH ALL APPLICABLE LAWS AND REGULATIONS. IT IS KEPT CONFIDENTIAL AND NOT SOLD TO THIRD PARTIES FOR USE IN MARKETING OR SOLICITATION. WE MAINTAIN YOUR PERSONAL INFORMATION ACCORDING TO STRICT STANDARDS OF SECURITY AND CONFIDENTIALITY.

The Reserve requires that employees with access to confidential information not use or disclose the information except for our internal business use. Only employees who need this information to service your accounts have access to this information. Such employees are trained to safeguard your personal information.

Who Is Covered by Our Privacy Policy: This Privacy Policy applies to all current and former customers of The Reserve. Customers who receive information from The Reserve through the Internet are covered by The Reserve's Internet Security Statement, which is posted on our website at www.TheR.com. The site also contains links to unaffiliated websites. The Reserve is not responsible for the privacy practices or the content of such other websites.

Customers receive our Privacy Policy when they open a new account and annually thereafter. Our current policy is available online at www.TheR.com. You will be notified of any major change to the Privacy Policy.

Types of Information We Collect from Our Customers:

- Information from applications, incoming phone calls, online registrations or other forms (such as your name, address, e-mail address, social security number and income).
- Information about your Reserve account, account transactions (e.g., account number, spending and payment history, use of online products and services) and other transactions with The Reserve and others.
- Information about your creditworthiness, credit history, and information about you obtained from consumer reporting agencies or other companies we work with, and information obtained in connection with our efforts to protect against fraudulent or unauthorized use of your account(s).
- If you visit our website, we use software to collect anonymous data including browser types, pages visited, date of visit and time spent on our site. With or without cookies, our website keeps track of usage data, such as the source address of a page request, your IP address or domain name, the date and time of the page request, the referring website (if any) and other parameters in the URL. We use this data to better understand website usage and to improve our website. The information is stored in log files and is used for aggregated and statistical reporting. This log information is not linked to personally identifiable information gathered elsewhere on the site. Please refer to our Internet Security Statement found on our website at www.TheR.com for more information.
- If you utilize The Reserve's online services, we retain your user ID and password and information about your use of our website so that we can recognize you as a registered user of a Reserve online service and personalize your online session.

Use of Information: When we collect personal information from you, we will reference this policy or otherwise explain to you how we intend to use the information. We use personal information in ways compatible with the purposes for which we originally requested it. We limit the collection and use of personal information to what is necessary to administer our business. The Reserve shares personal information about you to give you superior customer service,

provide convenient access to our services and make a wider range of products available to you. We share this information in the following ways:

- **Legal and Routine Business Reasons.** The Reserve may disclose personal information as required by law. We do reserve the right to disclose personal information in limited circumstances where we believe in good faith that disclosure is required under law, to cooperate with regulators or law enforcement authorities, to process and service your account(s), to protect against fraud, to protect the security of our records, to protect our rights or property, or upon your written request. Personal information may be shared with third-party service providers for the sole purpose of performing services for The Reserve. Companies we hire to provide support services must conform to our privacy standards. They are required to keep this information confidential and not use it for any other purpose than to carry out the services they are performing for The Reserve, such as printing statements, checks, etc.
- **Marketing Purposes.** We may also share information we have about you, as described above, with third parties hired by The Reserve to market The Reserve's products and services exclusively.
- **Sharing Information within The Reserve.** The Reserve and its affiliated companies offer a selection of financial products and services. We may share information we have about you, as described above, among these entities. Some of the benefits to you include improved customer service and responsiveness and detection of unusual behavior to help prevent unauthorized transactions or fraud.

Questions: If you have any questions, please call our Customer Service Department at 800-637-1700 and press "0" between the hours of 8:30 a.m. and 6:00 p.m. Eastern Time or send a letter to The Reserve, Attn: Administrative Department, 1250 Broadway, New York, NY 10001-3701

We constantly evaluate our procedures to protect personal information and make every effort to keep your personal information accurate and current. If you identify any error in your personal information or need to change that information, please contact us and we will update our records. If you have any questions, please contact us by e-mail at customerservice@TheR.com or call us at 800-637-1700 and press "0".

Options Relating to Disclosure of Personal Information: We will not contact you regarding additional Reserve products or services, and we will not provide personal information to any third parties for this purpose, if you instruct us not to do so. To give us such instructions, please e-mail us at customerservice@TheR.com or call us at 800-637-1700 and press "0". If you choose this option, we will continue to contact you from time to time to notify you of changes or updates to your account, to our services or to our website.

Ways you can protect your privacy:

Here are some measures to take to help prevent theft of your identity:

- Do not share your account information, including personal or secret codes or passwords, with others.
- Never provide confidential information to unknown callers.
- Protect your account records including all statements and receipts.
- Use a secure browser when doing business on the Internet, and exit online applications when finished.

privacy policy

If you believe you may be a victim of identity theft, you should:

- Contact The Reserve’s customer service immediately.
 - Report the theft to each of these credit reporting agencies: Experian - 888-397-3742; Equifax - 800-525-6285 and TransUnion - 800-680-7289.
 - File a police report in your local jurisdiction; retain the report number and name of the officer with whom you filed the report.
 - Contact the Federal Trade Commission’s Identity Theft Hotline at 877-IDTHEFT to file a complaint or go to www.consumer.gov/idtheft.
- * All references in this notice to “The Reserve” or “Reserve” include the Reserve family of funds, Reserve Management Corporation, Reserve Management Company, Inc., or Resrv Partners, Inc., member FINRA.

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This Prospectus contains the information about the Fund which a prospective investor should know before investing.

The Statement of Additional Information (“SAI”) contains additional and more detailed information about the Fund, and is incorporated by reference into this Prospectus. Additional information about the Fund’s investments will also be available in the Fund’s Annual and Semi-Annual Reports. The Fund’s Annual and Semi-Annual Reports list the Fund’s holdings, describe Fund performance, and include other information about the Fund’s investments. You may obtain these documents without charge, make inquiries or request other information about the Fund by calling The Reserve toll free at 800-637-1700. You may also obtain these documents and the SAI from the Fund’s website at www.TheR.com or by writing to The Reserve, 1250 Broadway, New York NY 10001-3701.

Information about the Fund (including the SAI) can be reviewed and copied at the SEC’s Public Reference Room in Washington, D.C. For information on the operation of the public reference room, call 1-202-551-8090. Reports and other information about the Fund are also available on the SEC’s Internet site at <http://www.sec.gov>. Copies of this information may be obtained, after paying a duplicating fee, at the following E-mail address: publicinfo@sec.gov, or by writing the Public Reference Section of the SEC, Washington, D.C. 20549-0102.

Investors are advised to read and retain this prospectus for future reference.

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The Reserve

A Tradition of Financial InnovationSM

1250 Broadway, New York, NY 10001-3701
212-401-5500

General Information and 24-Hour Yield and Balance Information
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Distributor — Resrv Partners, Inc.
RYP-07/08

Reserve Yield Plus Fund Investment Company Act File
Number: 811-21492

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RESERVE YIELD PLUS FUND

of Reserve Short-Term Investment Trust

PROSPECTUS
JULY 29, 2008