



IMMEDIATE RELEASE

Reserve U.S. Government Fund Distribution Update

New York, January 9, 2009 – The Reserve and the Board of Trustees of The Reserve Fund (the “Trust”) announced today that, pursuant to its Letter Agreement with the U.S. Department of the Treasury dated November 19, 2008, the Reserve U.S. Government Fund (the “Fund”) has provided notice of its intention to consummate the sale of its remaining portfolio securities to the Treasury through the Exchange Stabilization Fund (“ESF”) on January 15, 2009. Assuming the transaction closes as scheduled, it is anticipated that the Fund will commence distribution of the proceeds from this sale, along with the Fund’s remaining assets, on January 16, 2009.

The proposed January 15, 2009 closing remains subject to the fulfillment of the closing conditions contained in the Letter Agreement. Among other conditions, the Letter Agreement provides that the obligation of the Treasury to purchase Fund portfolio securities through the ESF is subject to: (1) the ESF having sufficient funds to pay the purchase price, (2) the Fund not having created a reserve to pay amounts other than permitted actual, anticipated and extraordinary Fund expenses, (3) the Fund having unencumbered title of the securities sold, and (4) no Guarantee Event (as defined in the Fund’s separate Guarantee Agreement with the Treasury) having occurred. If all conditions are not met or waived, the sale of Fund portfolio securities to the ESF will not occur.

We will continue to provide periodic updates on our website TheR.com.

An investment in the Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation 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. Money market yields may vary.

Resrv Partners, Inc., Distributor. Member FINRA. 01/09

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