



Additional Information Regarding the Interstate Tax-Exempt Fund

New York, April 16, 2009 – The information set forth below shows fund expenses for the Interstate Tax-Exempt Fund for the period from September 15, 2008, through the close of business on March 12, 2009. As described in the footnotes, certain decisions must be made by the Board of Trustees (including the payment of management fees, if any, to Reserve Management Company, Inc., the Fund’s investment adviser) before a complete statement of the Fund’s expenses can be provided.

Additional information regarding this Fund is posted on our website TheR.com.

	Totals on 3/12/09	% of Assets ⁷ on 3/12/09
Accrued Fund Expenses (excluding other extraordinary expenses)¹		
Trustees’ fees, trustees’ counsel fees, and fees and expenses of the Fund’s chief compliance officer.....	\$12,151	.05788%
Management fees ²	\$286,285	1.3613%
12b-1 fees ³	\$240,479	1.1435%
TOTAL	\$538,915	2.5626%
Net Income⁴	\$0	
Remaining Fund Assets (including accrued unpaid expenses)⁵	\$21,768,535	
Number of Shares Outstanding⁶	21,029,951	

¹ Expenses shown do not include unpaid litigation expenses and certain other extraordinary expenses that are subject to approval by the Board of Trustees. If these amounts were included, the expenses shown would be higher. Accrued Fund Expenses shown are for the period from September 15, 2008, through the close of business on March 12, 2009. The remaining cash balance of the Fund after the distribution is \$738,584, which includes the \$538,915 shown under “TOTAL”, and may be utilized for legal and other extraordinary expenses incurred and accrued but not paid by the Fund.

² This amount excludes management fees, which were paid to the Adviser for the period from September 15, 2008, through October 7, 2008, based on net assets of the Fund, reduced by unfunded redemptions. Effective October 8, 2008, the Fund received an Order from the SEC permitting it to suspend redemptions. Accrued management fees for the period October 8, 2008 through the close of business on March 12, 2009, are indicated here as accrued and unpaid. The ultimate payment of management fees is subject to approval by the Board of Trustees.

³ This amount excludes 12b-1 fees that were paid for the period from September 15, 2008, through October 7, 2008 based on net assets of the Fund reduced by unfunded redemptions. 12b-1 fees shown are an aggregate for the Fund, but only apply to Investor Class I (\$14.00), Investor Class II (\$9,131) and Class R (\$231,334) share classes. 12b-1 fees for the period from October 8, 2008 to February 20, 2009 were accrued based on net assets reduced by the asset distribution made to shareholders on January 26, 2009 in the amount of \$354 million. All such accrued fees are unpaid; all such payments are subject to approval by the Board of Trustees. The Board of Trustees of the Fund voted on February 20, 2009 to terminate the Fund’s 12b-1 Distribution Plan.

⁴ Income accrued by the Fund from October 8, 2008 through March 12, 2009 has been reduced to zero after being used to offset accrued expenses detailed above in footnote 1.

⁵ This amount equals the cash that was available and held at the custodian as the close of business on March 12, 2009.

⁶ Shares outstanding equal (i) those outstanding at 8:00 a.m. on October 8, 2008, minus those that were redeemed in cash or that exchanged into other Reserve funds on or after October 8, 2008 plus (ii) those purchased on and after October 8, 2008.

⁷ Percentages are based on total net assets as of the close of business on March 12, 2009. The Fund had previously made a distribution of \$354 million on January 26, 2009.