

Yale University

EliScholar – A Digital Platform for Scholarly Publishing at Yale

YPFS Documents (Series 1)

[Browse by Media Type](#)

3-1-2006

Reserve Fund Semi Annual Report to the SEC

Patrick J. Farrell

Arthur T. Bent III

Bruce R. Bent II

Follow this and additional works at: <https://elischolar.library.yale.edu/ypfs-documents>

Recommended Citation

Farrell, Patrick J.; Bent, Arthur T. III; and Bent II, Bruce R., "Reserve Fund Semi Annual Report to the SEC" (2006). *YPFS Documents (Series 1)*. 6884.

<https://elischolar.library.yale.edu/ypfs-documents/6884>

This Document is brought to you for free and open access by the Browse by Media Type at EliScholar – A Digital Platform for Scholarly Publishing at Yale. It has been accepted for inclusion in YPFS Documents (Series 1) by an authorized administrator of EliScholar – A Digital Platform for Scholarly Publishing at Yale. For more information, please contact elischolar@yale.edu.

<DOCUMENT>
 <TYPE>N-CSRS
 <SEQUENCE>1
 <FILENAME>a2167601zn-csrs.txt
 <DESCRIPTION>N-CSRS
 <TEXT>
 <Page>

UNITED STATES
 SECURITIES AND EXCHANGE COMMISSION
 Washington, D.C. 20549

FORM N-CSR

CERTIFIED SHAREHOLDER REPORT OF REGISTERED MANAGEMENT
 INVESTMENT COMPANIES

Investment Company Act file number: 811-02033
 Exact name of registrant as specified
 in charter: The Reserve Fund
 Address of principal executive offices: 1250 Broadway
 New York, NY 10001-3701
 Name and address of agent for service: Amy W. Bizar
 1250 Broadway
 New York, NY 10001-3701
 Registrant's telephone number, including
 area code: 212-401-5500
 Date of fiscal year end: May 31
 Date of reporting period: November 30, 2005

<Page>

ITEM 1. SEMI-ANNUAL REPORTS TO SHAREHOLDERS
 <Page>

[H&R BLOCK(R) LOGO]

FINANCIAL ADVISORS

MONEY MARKET FUNDS

OFFERED BY THE RESERVE FUNDS

PRIMARY FUND
 U.S. GOVERNMENT FUND
 U.S. TREASURY FUND

INTERSTATE TAX-EXEMPT FUND

CALIFORNIA TAX-EXEMPT FUND
 CONNECTICUT TAX-EXEMPT FUND
 FLORIDA TAX-EXEMPT FUND
 MASSACHUSETTS TAX-EXEMPT FUND
 MICHIGAN TAX-EXEMPT FUND
 NEW JERSEY TAX-EXEMPT FUND
 NEW YORK TAX-EXEMPT FUND
 OHIO TAX-EXEMPT FUND
 PENNSYLVANIA TAX-EXEMPT FUND
 VIRGINIA TAX-EXEMPT FUND

LOUISIANA MUNICIPAL MONEY-MARKET FUND
 MINNESOTA MUNICIPAL MONEY-MARKET FUND

SEMI-ANNUAL REPORT
 NOVEMBER 30, 2005

<Page>

THE RESERVE FUND -- PRIMARY FUND

STATEMENT OF NET ASSETS -- NOVEMBER 30, 2005 (UNAUDITED)

<Table>

<Caption>

PRINCIPAL AMOUNT		VALUE (NOTE 1)
<S>	<C>	<C>
	NEGOTIABLE BANK CERTIFICATES OF DEPOSIT -- 58.3%	
	DOMESTIC -- 13.4%	
\$ 300,000,000	Branch Banking And Trust, 4.03%, 12/08/05	\$ 300,000,000
300,000,000	First Tennessee Bank, NA, 4.02%, 12/1/05	300,000,000
400,000,000	First Tennessee Bank, NA, 4.28%, 1/30/06	400,000,000
375,000,000	Bank of America NA, 4.05%, 12/09/05	375,000,000
200,000,000	HSBC Bank USA, 4.06%, 5/16/06	200,000,000
200,000,000	Washington Mutual Bank FA, 4.08%, 5/31/06	200,000,000
500,000,000	Washington Mutual Bank, 4.03%, 12/05/05	500,000,000
500,000,000	Wells Fargo Bank, 4.02%, 12/01/05	500,000,000

		2,775,000,000
	YANKEES -- 44.9%	
200,000,000	American Express Centurion, 4.02%, 12/01/05	200,000,000
300,000,000	Banco Bilbao Vizcaya AR, 4.02%, 12/01/05	300,000,000
700,000,000	Bank of Tokyo Mitsubishi, 4.30%, 1/30/06	700,000,000
400,000,000	Barclays Bank, 4.03%, 12/08/05	400,000,000
475,000,000	Barclays Bank, 4.275%, 1/30/06	475,000,000
500,000,000	BNP Paribas, 4.465%, 5/08/06	500,000,000
500,000,000	Calyon, 4.02%, 12/08/05	500,000,000
200,000,000	Canadian Imperial Bank of Commerce, 4.18%, 12/15/06	200,000,000
300,000,000	Credit Industriel et Com, 4.00%, 2/17/06	300,000,000
196,000,000	Credit Suisse First Boston, 3.995%, 2/23/06	196,000,000
500,000,000	Credit Suisse First Boston, 4.47%, 5/10/06	500,000,000
500,000,000	Deutsche Bank, 4.03%, 12/12/05	500,000,000
200,000,000	Deutsche Bank, 4.06%, 5/09/06	200,000,000
300,000,000	HBOS PLC, 4.29%, 4/21/06	300,000,000
700,000,000	Mizuho Corp Bank, 4.31%, 1/27/06	700,000,000
500,000,000	Natexis Banques Populaires, 3.99%, 2/21/06	500,000,000
700,000,000	Royal Bank of Scotland, 4.29%, 4/21/06	700,000,000
500,000,000	Societe Generale, 4.035%, 12/13/05	500,000,000
200,000,000	Societe Generale, 4.30%, 4/21/06	200,000,000
100,000,000	Standard Chartered, 4.04%, 12/13/05	100,000,000
100,000,000	Standard Chartered, 4.05%, 5/09/06	99,991,295
600,000,000	Unicredito Italiano SpA, 4.28%, 1/30/06	600,000,000
600,000,000	UBS AG, 4.02%, 12/01/05	600,000,000
		9,270,991,295
	Total Negotiable Bank Certificates of Deposit (Cost \$12,045,991,295)	12,045,991,295

</Table>

SEE NOTES TO FINANCIAL STATEMENTS.

1

<Page>

<Table>

<Caption>

PRINCIPAL AMOUNT		VALUE (NOTE 1)
	<C>	<C>
	EURO TIME DEPOSITS -- 0.4%	
\$ 75,000,000	Suntrust Bank, 4.00%, 12/01/05	
	Total Euro Time Deposits (Cost \$75,000,000)	\$ 75,000,000
	REPURCHASE AGREEMENTS -- 44.0%	
4,098,000,000	Bear Stearns & Co., Inc., 4.03%, dated 11/30/05, due 12/1/05, repurchase proceeds at maturity \$4,098,458,748 (collateralized by FGRA 0%, due 4/15/17 to 3/15/35 valued at \$1,186,025, FGFRM 0% to 12% due 4/15/08 to 11/15/35 valued at \$2,438,913,837, FMRA 0% due 7/15/21 valued at \$2,487, FMRM 0% due 5/15/21 valued at \$2,423, FNMA 0% to 7.50% due 8/15/08 to 1/25/48 valued at \$122,250,652, FNR2 0% due 4/25/07 to 10/25/22 valued at \$873,118, FNR5 0% due 7/25/23 to 7/25/24 valued at \$8,130,566, FNRA 0% due 12/25/15 to 06/25/26 valued at \$6,581,896, FNRM 0% due 10/25/10 to 12/25/35 valued at \$1,435,501,631, GNRM 3.75% to 6.50% due 2/16/29 to 3/16/44 valued at \$212,369,949, GNRP 6% due 4/17/34 valued at \$1,358,490, GNRR 3.55% to 6.50% due 3/20/13 to 5/20/35 valued at \$115,919,171)	4,098,000,000
3,500,000,000	Deutsche Bank Securities Inc., 4.03%, dated 11/30/05, due 12/1/05, repurchase proceeds at maturity \$3,500,391,806 (collateralized by FGRA 0% due 11/15/35 valued at \$204,526,988, FGFRM 4.0% to 5.50% due 10/15/15 to 11/15/35 valued at \$755,536,141, FGPC 5% due 10/1/20 valued at \$85,595,758, FGST 0% to 5.398% due 12/1/34 to 10/1/35 valued at \$419,474,940, FMAR 3.673% to 4.77% due 4/1/33 to 6/1/35 valued at \$16,148,429 FNAR 2.888% to 5.191% due 11/1/33 to 10/1/35 valued at \$651,670,124, FNMS 5.50% to 6.0% due 3/1/18 to 3/1/35 valued at \$590,296,985, FNRM 5% to 5.5% due 3/25/19 to 9/25/24 valued at \$295,959,031, FNST 0% to 5% due 8/1/34 to 10/1/35 valued at \$574,225,825, GNRM 5.398% due 11/16/15 valued at \$11,565,780)	3,500,000,000

</Table>

SEE NOTES TO FINANCIAL STATEMENTS.

2

<Page>

<Table>

<Caption>

PRINCIPAL AMOUNT		VALUE (NOTE 1)
---------------------	--	-------------------

<S>	<C>	<C>	<C>
\$ 1,500,000,000	REPURCHASE AGREEMENTS -- (CONTINUED) Barclays Bank Inc., 4.03% dated 11/30/05, due 12/1/05, repurchase proceeds at maturity \$1,500,167,917 (collateralized by FGPC 4.5% to 6.5% due 7/1/14 to 12/1/35 valued at \$189,812,022, FGRA 0% to 4.92% due 7/15/17 to 9/15/35 valued at \$41,736,647, FGRM 4.33% to 6% due 9/15/16 to 9/15/33 valued at \$219,174,867, FGST 6% due 2/1/35 valued at \$8,440,937, FMAR 4.674% to 5.612% due 7/1/30 to 11/1/35 valued at \$52,780,767, FNAR 3.13% to 5.85% due 3/1/33 to 12/1/35 valued at \$126,365,914, FNMS 4.5% to 7% due 8/1/12 to 12/1/35 valued at \$648,489,261, FNRA 4.33% to 4.537% due 3/25/18 to 10/25/35 valued at \$37,220,246, FNRM 4% to 6% due 10/25/13 to 6/25/35 valued at \$177,239,617, GNRM 5% to 6% due 10/20/30 to 1/16/34 valued at \$43,316,891)		\$ 1,500,000,000
	Total Repurchase Agreements (Cost \$9,098,000,000)		9,098,000,000
	TOTAL INVESTMENTS (COST \$21,218,991,295)	102.7%	21,218,991,295
	COMPREHENSIVE MANAGEMENT FEES PAYABLE	0.0^	(191,813)
	DISTRIBUTION (12b-1) FEES PAYABLE	0.0^	(36,935)
	OTHER ASSETS, LESS LIABILITIES	(2.7)	(556,901,679)
	NET ASSETS	100.0%	\$ 20,661,860,868
		=====	=====

</Table>

SEE NOTES TO FINANCIAL STATEMENTS.

3

<Page>

<Table>

<S>	<C>	<C>
	NET ASSET VALUE, OFFERING AND REDEMPTION PRICE PER SHARE OF EACH CLASS BASED ON SHARES OF BENEFICIAL INTEREST, \$.001 PAR VALUE OUTSTANDING AND EQUIVALENT TO THE NET ASSETS OF EACH CLASS:	
	6,615,527,055 SHARES CLASS R	\$ 1.00
	11,769,012 SHARES CLASS 95	\$ 1.00
	94,871,176 SHARES CLASS 75	\$ 1.00
	18,403,245 SHARES CLASS 70	\$ 1.00
	709,408,033 SHARES CLASS TREASURER'S TRUST	\$ 1.00
	29,683,104 SHARES CLASS 45	\$ 1.00
	4,486,300 SHARES CLASS 35	\$ 1.00
	494,983,216 SHARES CLASS 25	\$ 1.00
	291,096,557 SHARES CLASS 20	\$ 1.00
	87,751,260 SHARES CLASS 15	\$ 1.00
	463,506,970 SHARES CLASS 12	\$ 1.00
	11,840,374,940 SHARES CLASS 8	\$ 1.00

</Table>

* Variable rate instrument.

SEE NOTES TO FINANCIAL STATEMENTS.

4

<Page>

THE RESERVE FUND -- U.S. GOVERNMENT FUND

STATEMENT OF NET ASSETS -- NOVEMBER 30, 2005 (UNAUDITED)

<Table>

<Caption>

PRINCIPAL AMOUNT		VALUE (NOTE 1)
-----		-----
<S>	<C>	<C>
\$ 6,125,000	GOVERNMENT AGENCY NOTES -- 9.9%	
20,000,000	Fannie Mae, 2.00%, 2/28/06	\$ 6,091,039
3,415,000	Fannie Mae, 2.03%, 2/09/06	19,914,210
8,000,000	Fannie Mae, 2.25%, 2/28/06	3,398,109
46,108,000	Fannie Mae, 3.35%, 7/28/06	7,938,228
21,107,000	Federal Home Loan Mortgage Corp., 1.875%, 2/15/06	45,878,708
50,000,000	Federal Home Loan Mortgage Corp., 2.00%, 2/23/06	20,997,234
46,121,000	Federal Home Loan Bank, 3.75%, 12/15/06	49,979,494
	Federal National Mortgage Association, 5.50%, 12/15/06	46,229,991

5,455,000	Federal National Mortgage Association, 2.00%, 4/20/06	5,403,178
25,000,000	Federal National Mortgage Association, 4.0962%, 12/29/05	24,999,124
	Total Government Agency Notes (Cost \$230,829,315)	230,829,315
	REPURCHASE AGREEMENTS -- 90.2%	
450,000,000	Bear Stearns & Co., Inc., 4.02%, dated 11/30/05, due 12/01/05, repurchase proceeds at maturity \$450,050,250 (collateralized by FGRM 4.50% due 01/15/29 to 05/15/34 valued at \$279,045,572, FNRM 0% due 03/25/29 to 08/25/35 valued at \$184,458,567)	450,000,000
800,000,000	Deutsche Bank Securities Inc., 4.00%, dated 11/30/05, due 12/01/05, repurchase proceeds at maturity \$800,088,889 (collateralized by FNNT 3.00% due 12/15/06 to 07/10/23 valued at \$58,125,167, FNSM 3.125% due 01/12/07 to 03/15/13 valued at \$83,012,362, FMNT 0% due 02/15/06 to 12/09/22 valued at \$116,451,587, FMDN 0% due 12/12/05 to 01/17/06 valued at \$22,399,705, FMFR 0% due 05/04/06 valued at \$10,065,020, FNPR 0% due 02/15/08 valued at \$13,546,800, FCOR 3.13% due 04/26/07 to 08/11/15 valued at \$42,338,421, PCSB 4.35% due 10/20/08 to 09/01/20 valued at \$45,788,874, FHLB 2.375% due 03/30/06 to 05/13/11 valued ar \$132,895,515, FHOR 0% due 10/19/06 to 11/16/15 valued at \$287,674,970)	800,000,000
80,000,000	Deutsche Bank Securities Inc., 4.22%, dated 11/30/05, due 12/08/06, repurchase proceeds at maturity \$80,000,000 (collateralized by FMAR 5.048% due 10/01/33 valued at \$86,143,625)	80,000,000

</Table>

SEE NOTES TO FINANCIAL STATEMENTS.

5

<Page>

<Table>

<Caption>

PRINCIPAL AMOUNT		VALUE (NOTE 1)
<S>	<C>	<C>
	REPURCHASE AGREEMENTS -- (CONTINUED)	
\$ 65,000,000	State Street Bank & Trust Co., 3.125%, dated 11/30/05, due 12/01/05, repurchase proceeds at maturity \$65,007,078 (collateralized by FNMA 3.125% due 06/15/06 valued at \$66,302,657)	\$ 65,000,000
80,000,000	Barclays Bank Inc., 4.20%, dated 11/30/05, due 02/01/06, repurchase proceeds at maturity \$80,840,000 (collateralized by FGRA 4.47% due 07/15/35 valued at \$2,965,420, FGRM 5.00% due 05/15/17 to 11/15/24 valued at \$53,909,288, FNRM 4.50% due 04/25/27 valued at \$25,525,292)	80,000,000
622,000,000	Barclays Bank Inc., 4.01%, dated 11/30/05, due 12/01/05, repurchase proceeds at maturity \$622,069,284 (collateralized by FNAR 3.341% due 06/01/33 to 11/01/35 valued at \$37,559,800, FGRM 4.00% due 09/15/12 to 06/15/31 valued at \$201,670,940, FGRA 4.22% due 03/15/23 valued at \$15,638,947, FGPC 4.50% due 04/01/19 to 07/01/20 valued at \$35,352,403, FNRM 3.50% due 08/25/18 to 09/25/34 valued at \$61,973,137, FNMS 4.50% due 07/01/15 to 12/01/35 valued at \$247,144,733, GNRM 3.00% due 07/20/25 to 06/20/33 valued at \$40,918,875)	622,000,000
	Total Repurchase Agreements (Cost \$2,097,000,000)	2,097,000,000
	TOTAL INVESTMENTS (COST \$2,327,829,315)	100.1% 2,327,829,315
	OTHER ASSETS LESS LIABILITIES	(0.1%) (2,515,549)
	NET ASSETS	100.0% \$ 2,325,313,766

</Table>

* Variable rate instrument.

<Table>

<S>

NET ASSET VALUE, OFFERING AND REDEMPTION PRICE PER SHARE OF EACH CLASS BASED ON SHARES OF BENEFICIAL INTEREST, \$.001 PAR VALUE OUTSTANDING AND EQUIVALENT TO THE NET ASSETS OF EACH CLASS:	
1,104,978,844 SHARES CLASS R	\$ 1.00
93,442,783 SHARES CLASS TREASURER'S TRUST	\$ 1.00
13,089,107 SHARES CLASS 45	\$ 1.00
11,169,637 SHARES CLASS 25	\$ 1.00
105,243 SHARES CLASS 15	\$ 1.00

77,602,573 SHARES CLASS 12	\$	1.00
1,024,925,579 SHARES CLASS 8	\$	1.00

</Table>

SEE NOTES TO FINANCIAL STATEMENTS.

6

<Page>

THE RESERVE FUND -- U.S. TREASURY FUND

STATEMENT OF NET ASSET -- NOVEMBER 30, 2005 (UNAUDITED)

<Table>

<Caption>

PRINCIPAL AMOUNT		VALUE (NOTE 1)
<S>	<C>	<C>
\$ 700,000	U.S. TREASURY BILLS -- 99.0%	
245,000,000	U.S Treasury Bill 3.725% 12/1/05	\$ 700,000
104,100,000	U.S Treasury Bill 3.82% 12/8/05	244,816,867
38,100,000	U.S. Treasury Bill 3.93% 12/15/05	103,942,115
38,300,000	U.S Treasury Bill 3.78% 12/22/05	38,014,656
50,000,000	U.S Treasury Bill 3.34% 1/5/06	38,163,157
	U.S. Treasury Bill 3.472% 12/29/05	49,867,972
	Total U.S. Treasury Bills (Cost \$475,504,767)	475,504,767
	TOTAL INVESTMENTS (COST \$475,504,767)	99.0% 475,504,767
	COMPREHENSIVE MANAGEMENT FEES PAYABLE	0.0^ (18,273)
	DISTRIBUTION (12b-1) FEES PAYABLE	0.0^ (3,763)
	OTHER ASSETS, LESS LIABILITIES	1.0 4,687,476
	NET ASSETS	100.0% \$ 480,170,207
	NET ASSET VALUE, OFFERING AND REDEMPTION PRICE PER SHARE OF EACH CLASS BASED ON SHARES OF BENEFICIAL INTEREST, \$.001 PAR VALUE OUTSTANDING AND EQUIVALENT TO THE NET ASSETS OF EACH CLASS:	
	345,838,075 SHARES CLASS R	\$ 1.00
	96,322,155 SHARES CLASS TREASURER'S TRUST	\$ 1.00
	1,389,747 SHARES CLASS 75	\$ 1.00
	1,292,731 SHARES CLASS 45	\$ 1.00
	10,369 SHARES CLASS 25	\$ 1.00
	50,332 SHARES CLASS 12	\$ 1.00
	35,268,375 SHARES CLASS 8	\$ 1.00

</Table>

SEE NOTES TO FINANCIAL STATEMENTS.

7

<Page>

GLOSSARY

FCSB -- Farm Credit System Bond
FGRA -- FHLMC Adjustable Rate REMIC
FGPC -- FHLMC Gold Mortgage-Backed Pass-Through Participation Certificates
FGRM -- FHLMC Gold REMIC Mortgage-Backed Pass-Through Participation Certificates
FGSP -- Freddie Mac Gold Strips - Principal Only
FHLMC -- Federal Home Loan Mortgage Corp.
FMFR -- Freddie Mac Floating Rate Note
FMNT -- Freddie Mac Fixed Rate Notes
FMPR -- FHLMC -- Zero Coupon
FMRA -- FHLMC REMIC
FMRM -- Freddie Mac Remics Fixed Rate
FNAR -- Fannie Mae Adjustable Rates
FNMA -- Federal National Mortgage Association
FNMS -- Federal Mortgage-Backed Pass-Through Securities
FNNT -- Federal National Mortgage Association Medium Term Note
FNPR -- Fannie Mae Strips -- Principal Component
FNRA -- FNMA REMIC
FNRM -- FNMA REMIC Mortgage-Backed Pass-Through Securities
FNR2 -- Fannie Mae Remics Second Issuance
FNR5 -- Fannie Mae Remics Fifth Issuance
FNMS -- Federal National Mortgage Association (Debentures)
FNST -- FNMA STRIPS
GNRM -- GNMA Pass-Through Floating Rate Securities
GNRP -- Federal Eligible GNMA REMIC
GNRR -- PPC Eligible GNMA REMIC
REMIC -- Real Estate Mortgage Investment Conduit

 * Variable Rate Instrument.
 ^ Amount is less than 0.05%.
 + The cost of investments for federal income tax purposes is the same as the cost for financial reporting purposes.

SEE NOTES TO FINANCIAL STATEMENTS.

8

<Page>

RESERVE TAX-EXEMPT TRUST -- INTERSTATE TAX-EXEMPT FUND
 STATEMENT OF NET ASSETS -- NOVEMBER 30, 2005 (UNAUDITED)

<Table>

<Caption>

PRINCIPAL
 AMOUNT

VALUE
 (NOTE 1)

<S>	<C>	<C>
	TAX-EXEMPT OBLIGATIONS -- 99.5%	
	ARIZONA -- 1.5%	
\$ 5,100,000	Apache County IDA for Tucson Electric Power Co., 2.94%--3.00%, 12/15/18(a)	\$ 5,100,000
2,000,000	Apache County IDA for Tucson Electric Power Co., 2.94%, 12/1/20(a)	2,000,000
3,600,000	Arizona HCF for Royal Oaks, 3.05%, 3/1/27(a)	3,600,000
1,000,000	Phoenix IDR for Del Mar Terrace, 2.98%, 10/1/29(a)	1,000,000
3,400,000	Pima County IDA for Tucson Electric Power Co., Series A, 3.00%, 12/1/22(a)	3,400,000

		15,100,000

	CALIFORNIA -- 11.0%	
9,445,000	California Pollution Control Wadham Energy, 2.96%, 11/1/17(a)	9,445,000
3,780,000	California State Economic Recovery, Series C-7, 2.95%, 7/1/23	3,780,000
6,200,000	California State, GO Series A-1, 3.07%, 5/1/40(a)	6,200,000
300,000	California Statewide for Covenant Retirement Community, 2.99%, 12/1/25(a)	300,000
20,315,000	California Water Department Reserve Powersupply, Series B-3, 2.94%, 5/1/22(a)	20,315,000
2,688,000	Irvine Assessment, District 87-8, 2.95%, 9/2/24(a)	2,688,000
6,250,000	Irvine Assessment, District 93-14, 2.94%, 9/2/25(a)	6,250,000
20,685,000	Long Beach California Harbor, Series A, 2.98%, 5/15/27(a)	20,685,000
1,000,000	Los Angeles MFH for Grand Promenade Project, 2.98%, 4/1/32(a)	1,000,000
16,200,000	Metropolitan Water District, Series B-2, 3.01%, 7/1/28(a)	16,200,000
24,500,000	Metropolitan Water District, Series C-2, 2.92%, 7/1/36(a)	24,500,000
900,000	Santa Ana County, El Cammo Hospital District, 3.06%, 8/1/15(a)	900,000

		112,263,000

	COLORADO -- 3.0%	
500,000	Broomfield IDA for Buckeye Investments, 3.07%, 12/1/09(a)	500,000
6,600,000	Colorado EDA for Bear Creek School Project, 3.06%, 10/1/32(a)	6,600,000
20,900,000	Colorado HFA for Adventist Health Sunbelt, Series B, 3.05%, 11/15/34(a)	20,900,000
2,800,000	University of Colorado, Series B, 2.99%, 11/15/35(a)	2,800,000

		30,800,000

</Table>

SEE NOTES TO FINANCIAL STATEMENTS.

9

<Page>

<Table>

<Caption>

PRINCIPAL
 AMOUNT

VALUE
 (NOTE 1)

<S>	<C>	<C>
	TAX-EXEMPT OBLIGATIONS -- (CONTINUED)	
	CONNECTICUT -- 4.8%	
\$ 1,260,000	Connecticut DAR for Independent Living Project, 2.97%, 7/1/15(a)	\$ 1,260,000
640,000	Connecticut DAR for Pierce Memorial Baptist, 2.97%, 10/1/28(a)	640,000
600,000	Connecticut HEFA for Hotchkiss School, Series A, 3.01%, 7/1/30(a)(c)	600,000
400,000	Connecticut HEFA for Kingswood Oxford School, 3.00%, 7/1/30(a)	400,000
25,900,000	Connecticut HEFA for Yale University, Series T-2, 3.00%, 7/1/29(a)(c)	25,900,000
15,000,000	Connecticut HEFA for Yale University, Series X-3, 2.92%, 7/1/37(a)(c)	15,000,000

100,000	Connecticut Special Tax for Transportation Infrastructure, Series 1, 3.03%, 9/1/20(a)	100,000
2,900,000	Connecticut State Development Authority for Solid Waste, 3.01%, 8/1/23(a)	2,900,000
300,000	Connecticut State HEFA, 2.86%, 7/1/27(a)	300,000
410,000	Connecticut State, GO Series 97, 3.00%, 5/15/14(a)	410,000
1,000,000	Hartford Redev. Agency MHR for Underwood Towers Project, 3.00%, 6/1/20(a)	1,000,000
650,000	New Canaan Housing Authority for Village at Waveny Care Center, 2.96%, 1/1/22(a)	650,000
430,000	Shelton County HFA for Crosby Commons Project, 3.08%, 1/1/31(a)	430,000

		49,590,000

	FLORIDA -- 5.2%	
10,310,000	Alachua County HFA for Oak Hammock University, 3.03%, 10/1/32(a)	10,310,000
2,300,000	Capital Finance Authority for Glenridge Palmer Ranch, 3.03%, 6/1/12(a)	2,300,000
300,000	Duval County HFA for Lighthouse Bay Apartments, 3.04%, 12/1/32(a)	300,000
5,945,000	Florida HFA for Collins Cove Senior Apartments, 3.02%, 2/1/36(a)	5,945,000
3,900,000	Florida HFA for Wellesley Apartments, Series O, 2.93%, 8/1/35(a)	3,900,000
6,875,000	Florida HFC Multifamily for Bridgewater Club, 3.02%, 6/1/34(a)	6,875,000
5,420,000	Florida HFC Multifamily for Magnolia Pointe Apts., Series J, 3.10%, 6/1/39(a)	5,420,000

</Table>

SEE NOTES TO FINANCIAL STATEMENTS.

10

<Page>

<Table>

<Caption>

PRINCIPAL AMOUNT		VALUE (NOTE 1)
-----		-----
<S>	<C>	<C>
	TAX-EXEMPT OBLIGATIONS -- (CONTINUED)	
	FLORIDA -- (CONTINUED)	
\$ 1,100,000	Orange County for YMCA, Series A, 3.10%, 5/1/27(a)	\$ 1,100,000
8,500,000	Palm Beach County for Morse Obligation Group, 3.07%, 5/1/33(a)	8,500,000
8,500,000	Palm Beach County for Raymond F Kravis Center, 2.98%, 7/1/32(a)	8,500,000
500,000	Sarasota County HFA for Bay Village, 3.10%, 12/1/23(a)	500,000

		53,650,000

	GEORGIA -- 2.4%	
1,204,268	Georgia Muni Assoc. Pool Bd. COP, 3.06%, 12/15/20(a)	1,204,268
4,970,000	Marietta HFA for Woold Glen, 3.03%, 7/1/24(a)	4,970,000
17,870,000	Meag's, 2.96%, 1/1/26(a)	17,870,000

		24,044,268

	HAWAII -- 1.4%	
12,000,000	Honolulu City & County GO, Series 2001-C, 2.28%, 12/1/13(b)	12,000,000
1,800,000	Honolulu City & County GO, Series 2001-C, 2.28%, 12/1/18(b)	1,800,000

		13,800,000

	IOWA -- 0.7%	
1,000,000	Des Moines HRB for Iowa Methodist Medical Center, 3.00%, 8/1/15(a)	1,000,000
5,725,000	Iowa Community Project, Series C, 3.05%, 11/15/34(a)	5,725,000

		6,725,000

	LOUISIANA -- 5.8%	
1,000,000	Lake Charles District Revenue for Conoco, Series A, 3.00%, 9/1/29(a)	1,000,000
935,000	Lake Charles HRB & Term. District Revenue for CITGO Corp., 3.00%, 8/1/07(a)	935,000
879,000	Louisiana Environmental Facilities Community DAR, Series A, 3.06%, 11/01/34(a)	879,000
15,000,000	Louisiana Local Government, 3.08%, 10/1/35(a)	15,000,000
35,000	Louisiana Offshore Term. Auth. Deepwater Port Rev. for Loop LLC, Series A 3.00%, 9/1/17(a)	35,000
100,000	Louisiana Offshore Term. Auth. Deepwater Port Rev. for Loop LLC, Series A, 3.00%, 9/1/14(a)	100,000
5,000,000	Louisiana Offshore Terminal, 3.05%, 9/1/08(a)	5,000,000
35,000	Louisiana PFA for Kenner Hotel Ltd., 2.94%, 12/1/15(a)	35,000
35,000	Louisiana PFA, 3.60%, 7/1/33(a)	35,000

</Table>

SEE NOTES TO FINANCIAL STATEMENTS.

11

<Page>

<Table>

<Caption>

PRINCIPAL AMOUNT		VALUE (NOTE 1)
<C>		
TAX-EXEMPT OBLIGATIONS -- (CONTINUED)		
LOUISIANA -- (CONTINUED)		
\$ 35,000	Louisiana PFA, Multi-family, 3.06%, 6/15/31(a)	\$ 35,000
20,450,000	Louisiana State University, 3.03%, 7/1/30(a)	20,450,000
375,000	Port of New Orleans Cold Storage Project, 3.10%, 11/1/22(a)	375,000
9,335,000	South Louisiana Port, 3.04%, 1/1/27(a)	9,335,000
4,882,000	South Louisiana Port Marine Term. for Occidental Petroleum Corp., 2.98%, 7/1/18(a)	4,882,000
1,319,000	South Louisiana Port Marine Term. for Occidental Petroleum Corp., 3.00%, 7/1/21(a)	1,319,000
		59,415,000
MARYLAND -- 2.8%		
3,900,000	Howard County for Vantage House Facility, Series A, 3.05% 6/1/32(a)	3,900,000
1,305,000	Maryland HEFA Pooled Loan Program, Series D, 3.02%, 1/1/29(a)	1,305,000
1,000,000	Maryland State Health & Higher Education for Carnegie Institute, 3.06%, 10/1/37(a)	1,000,000
1,975,000	Maryland State Health & Higher Education for Trinity College, 3.05%, 11/1/26(a)	1,975,000
9,130,000	Maryland State HEFA for Adventist Health Care, Series A, 3.07%, 1/1/35(a)	9,130,000
10,150,000	Maryland State Trans. Auth. for Baltimore/Washington Airport, Series A, 2.98%, 7/1/13(a)	10,150,000
1,000,000	Montgomery County EDA for Riderwood Village Inc., 3.07%, 3/1/34(a)	1,000,000
		28,460,000
MASSACHUSETTS -- 11.6%		
2,390,000	Massachusetts DFA for Bedford Notre Dame Health Care, 3.13%, 10/1/29(a)	2,390,000
10,825,000	Massachusetts DFA for Briarwood Retirement, Series A, 3.04%, 1/1/35(a)	10,825,000
13,800,000	Massachusetts DFA for Brooksby Village project, 3.04%, 7/1/32(a)	13,800,000
180,000	Massachusetts DFA for Gann Academy Project, 2.90%, 6/1/32(a)	180,000
9,945,000	Massachusetts DFA for Jewish Geriatric Services, 2.98%, 5/15/34(a)	9,945,000
662,000	Massachusetts DFA for Smith College, 3.02%, 7/1/24(a)(c)	662,000
100,000	Massachusetts HEFA for Berklee College of Music, Series D, 2.87%, 10/1/27(a)	100,000

</Table>

SEE NOTES TO FINANCIAL STATEMENTS.

12

<Page>

<Table>

<Caption>

PRINCIPAL AMOUNT		VALUE (NOTE 1)
<C>		
TAX-EXEMPT OBLIGATIONS -- (CONTINUED)		
MASSACHUSETTS -- (CONTINUED)		
\$ 8,500,000	Massachusetts HEFA for Cap Asset Program, Series E & D, 2.94%--3.01%, 1/1/35(a)	\$ 8,500,000
6,300,000	Massachusetts HEFA for Harvard University, 2.68%, 1/1/24(a)(c)	6,300,000
20,000,000	Massachusetts HEFA for Harvard University, Series Y, 2.80%, 7/1/35(a)(c)	20,000,000
35,000,000	Massachusetts HEFA for Massachusetts Institute of Technology, Series J-2, 2.93%, 7/1/31(a)(c)	35,000,000
100,000	Massachusetts HEFA for Wellesley College, Series E, 2.93%, 7/1/22(a)(c)	100,000
200,000	Massachusetts HEFA for Williams College, Series E, 3.02%, 8/1/14(a)	200,000
100,000	Massachusetts HFA for Single Family, 2.98%, 12/1/30(a)	100,000
11,000,000	Massachusetts WRA, Series 99-B, 2.90%, 8/1/28(a)	11,000,000
100,000	Massachusetts WSR, Series A, 2.98% 11/1/24(a)	100,000
		119,202,000
MICHIGAN -- 6.2%		
5,880,000	Ann Arbor Michigan Economic Dev Corp. - Glacier Inc. Pj, Series A, 2.92%, 11/1/25(a)	5,880,000
2,300,000	Detroit Michigan Sew Disp Rev Var, Series B, 3.00%, 7/1/33(a)	2,300,000
100,000	Garden City Hospital Finance Authority, Series 96-A, 3.08%, 9/1/26(a)	100,000

900,000	Jackson County EDC for Thrifty Leoni Inc., 3.05%, 12/1/14(a)	900,000
16,440,000	Jackson County EDC for Vista Grande Villa, 2.98%, 11/1/31(a)	16,440,000
5,250,000	Michigan HDA for Berrien Woods, Series A, 3.15%, 7/1/32(a)	5,250,000
1,100,000	Michigan HDA Multi-Family Revenue for River Place Apts., 2.99%, 6/1/18(a)	1,100,000
785,000	Michigan HDA, Series B, 2.70%, 4/1/19(a)	785,000
235,000	Michigan State Hospital Finance Authority-Hosp Equipment Ln Prog- A, 2.98%, 12/1/23(a)	235,000
400,000	Michigan Strategic Fund for Clark Retirement Community, 3.04%, 6/1/31(a)	400,000
2,445,000	Michigan Strategic Fund for Haven Christian Services, 3.07%, 11/15/34(a)	2,445,000
4,340,000	Michigan Strategic Fund for Henry Ford Museum Village, 3.00%, 12/1/33(a)	4,340,000

</Table>

SEE NOTES TO FINANCIAL STATEMENTS.

13

<Page>

<Table>

<Caption>

PRINCIPAL AMOUNT		VALUE (NOTE 1)

<S>	<C>	<C>
	TAX-EXEMPT OBLIGATIONS -- (CONTINUED)	
	MICHIGAN -- (CONTINUED)	
\$ 950,000	Michigan Strategic Fund for Mot LLC Project, 3.07%, 12/1/34(a)	\$ 950,000
345,000	Michigan Strategic Fund for Peachwood Center Association, 3.00%, 6/1/16(a)	345,000
110,000	Michigan Strategic Fund, 3.03%, 1/1/14(a)	110,000
100,000	Oakland University, 3.06%, 3/1/31(a)	100,000
20,520,000	Wayne Charter County Detroit Met Cnty A, 3.03%, 12/1/16(a)	20,520,000
1,000,000	Woodhaven Brownstown School District, Series B, 1.86%, 5/1/34(a)	1,000,000

		63,200,000

	MINNESOTA -- 0.6%	
200,000	Cohasset for Minnesota Power & Light, 3.07%, 6/1/13(a)	200,000
270,000	Minnesota Health for Fairview Health Services, 2.97%, 11/15/32(a)	270,000
2,073,000	Minnesota HEFA for Carleton College, Series 6D, 3.02%, 4/1/35(a)	2,073,000
14,000	Minnesota HEFA for St. Olaf College, Series 5-H, 3.03%, 10/1/30(a)(c)	14,000
172,000	Minnesota HEFA for St. Olaf College, Series 5-M1, 3.03%, 10/1/32(a)(c)	172,000
1,881,000	Minnesota Housing Finance Agency, Series C, 3.08%, 1/1/35(a)	1,881,000
105,000	Minnesota Revenue for People Serving People Project, 3.08%, 10/1/21(a)	105,000
81,000	Regents University, Series A, 3.09%, 7/1/08(a)	81,000
117,000	Roseville Commercial Development for Berger Transfer & Storage, 3.00%, 12/1/15(a)	117,000
66,000	St. Paul Housing & Redev. Authority for Public Radio Project, 3.03%, 6/16/10(a)	66,000
100,000	St. Paul Housing & Redev. Authority District Heating Revenue, 3.00%, 12/1/12(a)	100,000
881,000	St. Paul Housing & Redev. Authority MHR for Highland Ridge, 3.05%, 10/1/33(a)	881,000

		5,960,000

	MISSOURI -- 0.0%^	
190,000	Platte County IDR for Platte Care Facility, 3.35%, 10/1/10 (a)	190,000

</Table>

SEE NOTES TO FINANCIAL STATEMENTS.

14

<Page>

<Table>

<Caption>

PRINCIPAL AMOUNT		VALUE (NOTE 1)

<S>	<C>	<C>
	TAX-EXEMPT OBLIGATIONS -- (CONTINUED)	
	NEVADA -- 2.4%	
\$ 19,500,000	Carson City Tahoe Hospital, 3.05%, 9/1/33(a)	\$ 19,500,000
5,000,000	Carson City Tahoe Medical Center, 3.05%, 9/1/35(a)	5,000,000

		24,500,000

	NEW JERSEY -- 3.4%	
900,000	Hudson County NJ Impt Auth, 2.48%, 7/15/26(a)	900,000
600,000	New Jersey EDA for Bayonne Dock, 2.31%, 12/1/27(a)	600,000
2,740,000	New Jersey EDA for Geriatric Services Housing Project, 2.33%, 11/1/31(a)	2,740,000
9,700,000	New Jersey EDA for Newark Container LLC, 3.01%, 7/1/30(a)	9,700,000
385,000	New Jersey EDA for RJB Associates, ERN, 2.46%, 8/1/08(a)	385,000
4,775,000	New Jersey EDA for SCH Princeton Project, 2.75%, 07/1/22(a)	4,775,000
600,000	New Jersey EDA for Stolthaven Perth Amboy, Series A, 2.90%, 1/15/18(a)	600,000
500,000	New Jersey EDA for US Golf Association, 2.46%, 5/1/23(a)	500,000
1,300,000	New Jersey HCF for Community Hospital Group, Series A-1, 2.45%, 7/1/20(a)	1,300,000
595,000	New Jersey HCF for St. Barnabas Hospital, Series A, 2.33%, 7/1/31(a)	595,000
1,560,000	New Jersey Sports Authority Expo, Series C, 2.48%, 9/1/24(a)	1,560,000
300,000	New Jersey State Edl Facs Auth- Princeton University, Series B, 2.90%, 7/1/21(a)(c)	300,000
7,900,000	Port Authority of New York & New Jersey Versatile Obligation, Series 2, 2.94%, 5/1/19 (a)	7,900,000
3,000,000	Salem County New Jersey Impt Auth Rev- Friends Home Woodstown, Inc., 3.00%, 4/1/34(a)	3,000,000
		----- 34,855,000 -----
	NEW MEXICO -- 2.3%	
23,870,000	Farmington County PCR for Arizona Public Service, Series B, 2.96% - 3.00%, 9/1/24(a)	23,870,000
	NEW YORK -- 15.7%	
8,000,000	Metropolitan Transportation Authority, Series E-1, 3.03%, 11/1/35(a)	8,000,000
20,200,000	New York City IDA for Korean Airlines, Series A, 2.99%, 11/1/24(a)	20,200,000
36,500,000	New York City WFA, Series C-1, 3.00%, 6/15/18(a)	36,500,000

</Table>

SEE NOTES TO FINANCIAL STATEMENTS.

15

<Page>

<Table>

<Caption>

PRINCIPAL
AMOUNTVALUE
(NOTE 1)

<S>	<C>	<C>
	TAX-EXEMPT OBLIGATIONS -- (CONTINUED)	
	NEW YORK -- (CONTINUED)	
\$ 2,500,000	New York City, GO Series A4, 2.94%, 8/1/15(a)	\$ 2,500,000
3,600,000	New York City, GO Series A4, 2.97%, 8/1/23(a)	3,600,000
3,600,000	New York City, GO Series A4, 3.00%, 8/1/21(a)	3,600,000
15,000,000	New York City, GO Series F3, 3.02%, 9/1/35(a)	15,000,000
5,200,000	New York City, TFA, Series H3, 2.98%, 11/1/22(a)	5,200,000
4,000,000	New York State HFA for 10 Liberty Street, 2.95%, 5/1/35(a)	4,000,000
1,300,000	New York State HFA for Bleecker Terrace Apt., 3.07%, 7/1/15(a)	1,300,000
4,200,000	New York State HFA for W 43rd Street, 2.38%, 11/1/34(a)	4,200,000
46,295,000	New York State LGAC., Series D, & F, 2.85%-- 2.94%, 4/1/25(a)	46,295,000
10,000,000	Westchester IDA for Catherine Field Home, 3.01%, 1/1/31(a)	10,000,000
400,000	Yonkers IDA Civic Facility for Consumers Union, 3.00%, 7/1/21(a)	400,000
		----- 160,795,000 -----
	NORTH CAROLINA -- 0.2%	
600,000	North Carolina EFA for Cardinal Gibbons, 3.05%, 8/1/14(a)	600,000
1,000,000	North Carolina Medical Care Community for Stanley Total Living Center, 3.10%, 4/1/18(a)	1,000,000
		----- 1,600,000 -----
	OHIO -- 4.1%	
4,500,000	Akron Bath Copley HDR for Summa Health System, Series B, 3.08%, 11/1/34(a)	4,500,000
200,000	Butler County HCF for Lifesphere, 3.25%, 5/1/27(a)	200,000
300,000	Clinton County for Wilmington Airport, 3.05%, 6/1/11(a)	300,000
3,800,000	Cuyahoga County EDA for Cleveland Botanical Gardens, 3.08%, 7/1/31(a)	3,800,000
2,170,000	Cuyahoga County for Cleveland Health Education Museum, 3.06%, 3/1/32(a)	2,170,000
300,000	Cuyahoga County HCF for Devon Oaks, 3.05%, 2/1/34(a)	300,000
7,400,000	Evandale County IDR for SHV Realty, Inc., 3.00%, 9/1/15(a)	7,400,000
295,000	Franklin County Hospital Revenue for U.S. Health Corp.,	

	3.03%, 12/1/20(a)	295,000
1,105,000	Franklin County Hospital Revenue for U.S. Health Corp., Series 96, 3.03%, 12/1/21(a)	1,105,000
2,500,000	Hamilton County HCF, 3.03%, 6/1/35(a)	2,500,000

</Table>

SEE NOTES TO FINANCIAL STATEMENTS.

16

<Page>

<Table>

<Caption>

PRINCIPAL AMOUNT		VALUE (NOTE 1)

<S>	<C>	<C>
	TAX-EXEMPT OBLIGATIONS -- (CONTINUED)	
	OHIO -- (CONTINUED)	
\$ 150,000	Hamilton County HRB for Alliance Health, Series A, 2.87%, 1/1/18(a)	\$ 150,000
190,000	Kent State University Receipts, 3.06%, 5/1/31(a)	190,000
4,020,000	Licking County HCF, 3.05%, 11/1/33(a)	4,020,000
10,000	Marion County Hospital Improvement, Pooled Lease Program, 3.07%, 11/1/21(a)	10,000
690,000	Middleburgh Heights for Southwest General Hospital, 3.07%, 8/15/22(a)	690,000
6,800,000	Ohio Air Quality DAR for Columbus Southern, Series C, 3.07%, 12/1/38(a)	6,800,000
100,000	Ohio Air Quality DAR for Ohio Edison, Series A, 2.95%, 2/1/14(a)	100,000
2,000,000	Ohio Air Quality DAR PCR for Ohio Edison, Series C, 3.01%, 6/1/23(a)	2,000,000
1,330,000	Ohio Higher EFA for Ashland University, 3.08%, 9/1/24(a)	1,330,000
100,000	Ohio State EFA for Western University, 2.93%, 10/1/31(a)	100,000
700,000	Ohio WDA PCR for Cleveland Electric, Series B, 3.00%, 8/1/20(a)	700,000
200,000	Ohio WDA PCR for Edison Project B, 3.06%, 9/1/18(a)	200,000
3,100,000	Paulding County Waste Disposal for Lafarge Corporation, 2.94%, 8/1/26(a)	3,100,000
200,000	Toledo City Services Special Assessment, 3.03%, 12/1/06(a)	200,000

		42,160,000

	OKLAHOMA -- 0.0%^	
500,000	Oklahoma City for Christian College, 3.25%, 7/1/15(a)	500,000

	OREGON -- 0.0%^	
500,000	Portland MFH for South Park, 3.02%, 12/1/11(a)	500,000

	PENNSYLVANIA -- 8.4%	
3,500,000	Allegheny Higher Education for Carnegie Mellon University, 2.98%, 12/1/33(a)	3,500,000
250,000	Chartiers Valley IDR, 3.06%, 8/1/07(a)	250,000
1,750,000	Delaware County IDR for Sun, Inc., 3.00%, 11/1/33(a)	1,750,000
10,900,000	Emmaus General Authority Revenue, Series G-18, 3.01%, 3/1/24(a)	10,900,000
775,000	Lawrence County for Villa Maria, 3.06%, 7/1/33(a)	775,000
1,215,000	Lebanon County HCF for ECC Retirement Village, 3.08%, 10/15/25(a)	1,215,000
3,000,000	Lehigh County IDA, 3.00%, 12/1/15(a)	3,000,000
2,000,000	Manheim School District, 3.03%, 5/1/23(a)	2,000,000

</Table>

SEE NOTES TO FINANCIAL STATEMENTS.

17

<Page>

<Table>

<Caption>

PRINCIPAL AMOUNT		VALUE (NOTE 1)

<S>	<C>	<C>
	TAX-EXEMPT OBLIGATIONS -- (CONTINUED)	
	PENNSYLVANIA -- (CONTINUED)	
\$ 1,900,000	Montgomery County for Higher Ed. William Penn Charter, 3.06%, 9/15/31(a)	\$ 1,900,000
200,000	Pennsylvania State HEFA, 2.61%, 11/1/14(a)	200,000
1,460,000	Pennsylvania EDA for B & W Ebensburg Project, 3.02%, 12/1/11(a)	1,460,000
28,000,000	Pennsylvania Turnpike, Series A3, 2.98%, 12/1/30(a)	28,000,000
1,600,000	Philadelphia IDR for Fox Chase Cancer Center Project, 2.98%, 7/1/25(a)	1,600,000
10,705,000	Quakertown Pennsylvania General Authority Revenue, 3.05%, 7/1/26(a)	10,705,000
1,000,000	Scranton Redevelopment Authority Revenue for Parking Facility, 3.08%, 6/1/33(a)	1,000,000
70,000	South Fork Conemaugh Health System Series A, 2.90%, 7/1/28(a)	70,000
14,000,000	Westmoreland County Redstone Highlands, 3.05%-- 3.06%, 1/1/36(a)	14,000,000
3,935,000	Wilkens Area IDA for Fairview Extended Care, Series B,	

	3.00%, 1/1/21(a)	3,935,000

		86,260,000

159,000	PUERTO RICO -- 0.6% Puerto Rico Government Development Bank, 2.85%, 12/1/15(a)	159,000
6,460,000	Puerto Rico Highway & Transportation Authority, Series A, 2.93%, 7/1/28(a)	6,460,000

		6,619,000

695,000	TENNESSEE -- 0.0%^ Chattanooga IDA for Baylor School, 3.05%, 11/1/16(a)	695,000

3,700,000	TEXAS -- 1.2% Harris County IDA for Baytank Houston, Inc., 2.98%, 2/1/20(a)	3,700,000
8,000,000	Travis County Querencia Barton Creek, Series C, 3.05%, 11/15/35(a)	8,000,000

		11,700,000

2,000,000	UTAH -- 0.2% Utah Transit Authority Sales Tax Revenue, Series B, 3.03%, 9/1/32(a)	2,000,000

</Table>

SEE NOTES TO FINANCIAL STATEMENTS.

18

<Page>

<Table>

<Caption>

PRINCIPAL AMOUNT		VALUE (NOTE 1)
-----		-----
<S>	<C>	<C>
	TAX-EXEMPT OBLIGATIONS -- (CONTINUED)	
\$ 4,015,000	VIRGINIA -- 2.5% Alexandria County IDA for Goodwin House, 2.96%, 10/1/35(a)	\$ 4,015,000
1,300,000	Arlington County Virginia Rev for Ballston Public Parking, 3.02%, 8/1/17(a)	1,300,000
600,000	Chesapeake County IDA for Chesapeake General Hospital, Series B, 3.00%, 7/1/31(a)	600,000
925,000	Clarke County IDA for Winchester Medical Center, 3.06%, 1/1/30(a)	925,000
1,100,000	Fairfax County EDA Smithsonian Institute, 3.02%, 12/1/33(a)	1,100,000
650,000	Hampton County MFH for Shoreline Apartments, 3.00%, 12/1/19(a)	650,000
250,000	Henrico County EDA for Westminster Centerbury, Series B, 3.05%, 7/1/08(a)	250,000
1,200,000	Henrico County EDA for White Oaks Ltd Project, 3.03%, 10/1/27(a)	1,200,000
2,200,000	King George Garnet Inc. Project, 3.10%, 9/01/21(a)	2,200,000
900,000	Norfolk IDR for Hospital Facilities-Children, 3.05%, 6/1/20(a)	900,000
850,000	Peninsula Port Authority for Dominion Terminal, 3.00%, 7/1/16(a)	850,000
2,045,000	Portsmouth Redevelopment HSG Multifamily, 3.05%, 6/1/30(a)	2,045,000
9,705,000	University of Virginia, Series A, 3.03%, 6/1/34(a)(c)	9,705,000

		25,740,000

15,000,000	WASHINGTON -- 1.5% Washington State, GO, 2.88%, 6/1/20(a)	15,000,000

	TOTAL INVESTMENTS (COST* \$1,019,193,268)	99.5% 1,019,193,268
	COMPREHENSIVE MANAGEMENT FEES PAYABLE	0.0 (8,567)
	DISTRIBUTION (12b-1) FEES PAYABLE	0.0 (1,561)
	OTHER ASSETS, LESS LIABILITIES	0.5 5,129,757

	NET ASSETS	100.0% \$ 1,024,312,897
		=====

</Table>

SEE NOTES TO FINANCIAL STATEMENTS.

19

<Page>

<Table>

<S>

<C>		<C>
	NET ASSET VALUE, OFFERING AND REDEMPTION PRICE PER SHARE OF EACH CLASS BASED ON SHARES OF BENEFICIAL INTEREST, \$.001 PAR VALUE OUTSTANDING AND EQUIVALENT TO THE NET ASSETS OF EACH CLASS:	
	283,530,413 SHARES CLASS R	\$ 1.00
		=====

36,246,483 SHARES CLASS TREASURER'S TRUST	\$	1.00
10,028 SHARES CLASS 75	\$	1.00
1,329,456 SHARES CLASS 70	\$	1.00
483,664 SHARES CLASS 45	\$	1.00
36,220,811 SHARES CLASS 25	\$	1.00
104,021 SHARES CLASS 15	\$	1.00
10,189 SHARES CLASS 12	\$	1.00
666,377,832 SHARES CLASS 8	\$	1.00

</Table>

SEE NOTES TO FINANCIAL STATEMENTS.

<Page>

RESERVE TAX-EXEMPT TRUST -- CALIFORNIA TAX-EXEMPT FUND
STATEMENT OF NET ASSETS -- NOVEMBER 30, 2005 (UNAUDITED)

<Table>

<Caption>

PRINCIPAL AMOUNT		VALUE (NOTE 1)
-----		-----
<S>	<C>	<C>
	TAX-EXEMPT OBLIGATIONS -- 96.7%	
	CALIFORNIA -- 96.7%	
\$ 395,000	Alameda Contra Costa Capitol Improvements Ser F 3.09%, 08/01/23(a)	\$ 395,000
2,200,000	California Statewide CDA for Early Education Community Center 3.02%, 09/01/31(a)	2,200,000
3,000,000	California State GO Sub Ser A-1, 3.07% 5/01/40(a)	3,000,000
1,000,000	California State GO Sub Ser A-2, 3.07% 5/01/40(a)	1,000,000
3,000,000	California HFA Revenue Ser P, 3.09%, 2/01/27(a)	3,000,000
3,720,000	California Infra & Econ Dev Sri Intl Ser A, 3.00%, 09/01/28(a)	3,720,000
2,820,000	California Poll Cntrl Colmac Energy Ser A, 2.97%, 12/01/16(a)	2,820,000
4,000,000	California Poll Ctl Wadham Energy Lp 2.96%, 11/01/17(a)	4,000,000
775,000	California Ssc Fin Cops Cap Impts Ser C, 2.90%, 07/01/22(a)	775,000
2,900,000	California State Econ Recovery Ser C-7, 2.95%, 07/01/23(a)	2,900,000
1,400,000	California State Wt Res Power Supply Rev., Ser B-3, 2.94%, 5/01/22(a)	1,400,000
7,390,000	California State Dept Of Water Water Supply, 3.00%, 05/01/22(a)	7,390,000
6,600,000	California Statewide CDA Covenant Retirement Cm, 2.99%, 12/01/25(a)	6,600,000
2,175,000	Chula Vista Charter City for Home Depot, Inc., 2.93%, 12/01/10(a)	2,175,000
6,900,000	Dublin Calif Multi HSG Park Sierra Ser A, 2.99%, 06/01/28(a)	6,900,000
1,000,000	Fremont Calif COP Improvement Financing PJ 3.01%, 08/01/30(a)	1,000,000
1,400,000	Fremont Calif COP Police Fac Refining Proj., 3.01%, 08/01/28(a)	1,400,000
700,000	Irvine Assmnt Dist Impt Bd Act 1915 94-13, 2.95%, 9/02/22(a)	700,000
1,500,000	Irvine Calif, Assmnt Dist #97-16, 2.95%, 9/02/22(a)	1,500,000
2,346,000	Irvine Calif, Imp Bd Dist # 0-18 Ser A, 2.95%, 9/02/26(a)	2,346,000
2,200,000	Irvine Ranch Calif, Wtr Dist, 2.95%, 10/01/10(a)	2,200,000
900,000	Irvine Ranch Calif, Wtr Dist, 2.94%, 8/01/16(a)	900,000
775,000	Irvine Ranch Calif, Wtr 3.00%, 8/01/09(a)	775,000
4,500,000	Long Beach Calif, Hbr Rev, Ser A, 2.98%, 05/15/27(a)	4,500,000
2,400,000	Los Angeles Calif, Community Redevel Multifamily HSG, Series A, 2.98%, 12/01/38(a)	2,400,000

</Table>

SEE NOTES TO FINANCIAL STATEMENTS.

<Page>

<Table>

<Caption>

PRINCIPAL AMOUNT		VALUE (NOTE 1)
-----		-----
<S>	<C>	<C>
	TAX-EXEMPT OBLIGATIONS -- (CONTINUED)	
	CALIFORNIA -- (CONTINUED)	
\$ 4,000,000	Los Angeles Calif MFH Grnd Promenade Proj, 2.98%, 4/01/32(a)	\$ 4,000,000
1,300,000	Metro Dist So, California Waterworks Rev Ser-B-2, 3.01%, 07/01/28(a)	1,300,000
1,000,000	Ontario Calif, Mfh Park Centre Partn., 3.02%, 8/01/07(a)	1,000,000

1,665,000	Orange County Sanitation Authority, 2.97%, 8/01/13(a)		1,665,000
3,100,000	Riverside County for TylerSpring Apartments, Series C, 2.96%, 9/01/14(a)		3,100,000
4,000,000	San Francisco MFHR for Filmore Center, Series B, 3.02%, 08/01/31(a)		4,000,000
1,400,000	Santa Ana Calif, Uni School Dist., 2.96%, 7/01/15(a)		1,400,000
4,500,000	Santa Clara Calif, El Cammo Hosp. District., 3.06%, 8/01/15(a)		4,500,000
3,800,000	Stockton California HCF for Dameron Hosp., Series A, 3.00%, 12/01/32(a)		3,800,000
6,400,000	Turlock Irrigation Disrict Transportation Ser A, 2.95%, 1/01/31(a)		6,400,000
1,200,000	Tustin California Impt 1915 Reassmnt Dist No. 95-2, 2.95%, 9/02/2013(a)		1,200,000

			98,361,000

	TOTAL INVESTMENTS (COST* \$98,361,000)	96.7%	98,361,000
	COMPREHENSIVE MANAGEMENT FEES PAYABLE	0.0	(2,231)
	DISTRIBUTION (12b-1) FEES PAYABLE	0.0	(558)
	OTHER ASSETS, LESS LIABILITIES	3.3	3,410,438
		-----	-----
	NET ASSETS	100.0%	\$ 101,768,649
		=====	=====
	NET ASSET VALUE, OFFERING AND REDEMPTION PRICE PER SHARE, BASED ON 101,768,649 SHARES OF BENEFICIAL INTEREST, \$.001 PAR VALUE OUTSTANDING		\$ 1.00
			=====

</Table>

SEE NOTES TO FINANCIAL STATEMENTS.

22

<Page>

RESERVE TAX-EXEMPT TRUST -- CONNECTICUT TAX-EXEMPT FUND
 SCHEDULE OF INVESTMENTS -- NOVEMBER 30, 2005 (UNAUDITED)

<Table>

<Caption>

PRINCIPAL AMOUNT		VALUE (NOTE 1)	
-----		-----	
<S>	<C>	<C>	<C>
	TAX-EXEMPT OBLIGATIONS -- 81.4%		
	CONNECTICUT -- 73.7%		
\$ 1,200,000	Connecticut DAR for Independent Living, 2.97%, 7/1/15(a)		\$ 1,200,000
2,150,000	Connecticut DAR for Pierce Memorial Baptist, 2.97%, 10/1/28(a)		2,150,000
1,200,000	Connecticut State DAR for Solid Waste, 3.01%, 8/1/23(a)		1,200,000
1,200,000	Connecticut HEFA for Edgehill Health, Series C, 2.86%, 7/1/27(a)		1,200,000
1,200,000	Connecticut HEFA for Hotchkiss School, Series A, 2.98%, 7/1/30(a)(c)		1,200,000
600,000	Connecticut HEFA for Kingswood-Oxford School, 3.00%, 7/1/30(a)		600,000
1,200,000	Connecticut HEFA for Klingberg Family Center, 3.01%, 7/1/32(a)		1,200,000
1,000,000	Connecticut HEFA for Yale University Series T-2, 3.00%, 07/1/29(a)(c)		1,000,000
200,000	Connecticut HEFA for Yale University, Series V-1, 2.90%, 7/1/36(a)(c)		200,000
1,800,000	Connecticut HFA, Sub Series D-3, 3.03%, 5/15/33(a)		1,800,000
2,100,000	Connecticut Special Tax Obligation for Transportation Infrastructure, 3.03%, 9/1/20(a)		2,100,000
1,205,000	Connecticut State GO Series 1-A, 3.03%, 2/15/21(a)		1,205,000
1,200,000	Hartford Redev. Agency MHR for Underwood Towers Project, 3.00%, 6/1/20(a)		1,200,000
500,000	New Canaan Housing Authority for Geer Woods Project, 3.03%, 8/1/31(a)		500,000
1,200,000	New Canaan Housing Authority for Village at Waveny Care Center, 2.96%, 1/1/22(a)		1,200,000
1,200,000	Shelton County HFA for Crosby Commons Project, 3.08%, 1/1/31(a)		1,200,000

			19,155,000

	PUERTO RICO -- 7.7%		
2,000,000	Puerto Rico Government Bank, 2.85%, 12/1/15(b)		2,000,000

	TOTAL INVESTMENTS (COST* \$21,155,000)	81.4%	21,155,000
	OTHER ASSETS, LESS LIABILITIES	18.6	4,820,025
		-----	-----
	NET ASSETS	100.0%	\$ 25,975,025
		=====	=====
	NET ASSET VALUE, OFFERING AND REDEMPTION PRICE PER SHARE, BASED ON 25,975,025 SHARES OF BENEFICIAL INTEREST, \$.001 PAR VALUE OUTSTANDING		\$ 1.00
			=====

</Table>

SEE NOTES TO FINANCIAL STATEMENTS.

SEE NOTES TO FINANCIAL STATEMENTS.

25

<Page>

<Table>

<Caption>

PRINCIPAL
AMOUNT

-----			-----
<S>	<C>	<C>	<C>
	TAX-EXEMPT OBLIGATIONS -- (CONTINUED)		
	FLORIDA -- (CONTINUED)		
\$ 200,000	Seminole County IDA HCF for Florida Living Nursing, 3.24%, 2/1/11(a)		\$ 200,000
400,000	University of North Florida Capital Improvements Project, 3.09%, 11/1/24(a)		400,000
700,000	Volusia County IDR for Easter Seal Society of Volusia, 3.15%, 9/1/21(a)		700,000

			46,260,000

847,000	PUERTO RICO -- 1.6% Puerto Rico Government Development Bank, 2.85%, 12/1/15(b)		847,000

	TOTAL INVESTMENTS (COST* \$47,107,000)	88.4%	47,107,000
	OTHER ASSETS, LESS LIABILITIES	11.6	6,177,071

	NET ASSETS	100.0%	\$ 53,284,071
		=====	=====
	NET ASSET VALUE, OFFERING AND REDEMPTION PRICE PER SHARE, BASED ON 53,284,071 SHARES OF BENEFICIAL INTEREST, \$.001 PAR VALUE OUTSTANDING		\$ 1.00
			=====

</Table>

RESERVE TAX-EXEMPT TRUST -- FLORIDA TAX-EXEMPT FUND

STATEMENT OF ASSETS AND LIABILITIES

NOVEMBER 30, 2005 (UNAUDITED)

<Table>

<S>		<C>
	ASSETS	
	Investments in securities, at value (Cost \$47,107,000)	\$ 47,107,000
	Cash	6,055,732
	Interest receivable	122,220
	Other assets	10,238

	Total Assets	53,295,190

	LIABILITIES	
	Comprehensive management fees payable	6,496
	Distribution (12b-1) fees payable	1,624
	Other liabilities	2,999

	Total Liabilities	11,119

	NET ASSETS	\$ 53,284,071
		=====
	NET ASSET VALUE, OFFERING AND REDEMPTION PRICE PER SHARE, BASED ON 53,284,071 SHARES OF BENEFICIAL INTEREST, \$.001 PAR VALUE OUTSTANDING	
		\$ 1.00
		=====

</Table>

SEE NOTES TO FINANCIAL STATEMENTS.

26

<Page>

RESERVE TAX-EXEMPT TRUST -- MASSACHUSETTS TAX-EXEMPT FUND

SCHEDULE OF INVESTMENTS -- NOVEMBER 30, 2005 (UNAUDITED)

<Table>

<Caption>

PRINCIPAL
AMOUNT

-----			-----
<S>	<C>	<C>	<C>
	TAX-EXEMPT OBLIGATIONS -- 94.4%		
\$ 700,000	Massachusetts DFA for Briarwood Retirement Series A, 2.98%, 11/1/24(a)		\$ 700,000
800,000	Massachusetts DFA for Brooksby Village Project, 3.04%, 7/1/32(a)		800,000
445,000	Massachusetts DFA for Dean College, 3.00%, 10/1/29(a)		445,000
720,000	Massachusetts DFA for Gann Academy Project, 2.54%, 6/1/32(a)		720,000
700,000	Massachusetts DFA for Jewish Geriatric Services, 2.98%, 5/15/34(a)		700,000
655,000	Massachusetts DFA for Mystic Valley School,		

	3.05%, 6/15/08(a)	655,000
800,000	Massachusetts DFA for Salem Community Corporation, 3.04%, 1/1/35(a)	800,000
800,000	Massachusetts DFA for Smith College, 3.02%, 7/1/24--7/1/29(a)(c)	800,000
800,000	Massachusetts DFA IDR for Ocean Spray Cranberries, 3.04%, 10/15/11(a)	800,000
800,000	Massachusetts DFA IDR for You Incorporated, 2.95%, 9/1/32(a)	800,000
850,000	Massachusetts GO, Series 97-B, 3.00%, 9/1/16(a)	850,000
135,000	Massachusetts HEFA for Becker College, Series A-2, 3.16%, 7/1/09(a)	135,000
700,000	Massachusetts HEFA for Berklee College of Music, Series B, 2.87%, 10/1/27(a)	700,000
160,000	Massachusetts HEFA for Cap Asset Program, Series D, 2.94%, 1/1/35(a)	160,000
700,000	Massachusetts HEFA for Harvard University, Series Y, 2.80%, 7/1/35(a)(c)	700,000
700,000	Massachusetts HEFA for MIT, Series J-2, 2.93%, 7/1/31(a)(c)	700,000
800,000	Massachusetts HEFA for Wellesley College, Series E, 2.93%, 7/1/22(a)(c)	800,000
700,000	Massachusetts HEFA for Williams College, Series E, 3.02%, 8/1/14(a)(c)	700,000
1,665,000	Massachusetts HFA for Single Family, 2.98%, 12/1/30(a)	1,665,000
575,000	Massachusetts IFA for Lowell Mills Association, Series 95, 3.16%, 12/1/20(a)	575,000
600,000	Massachusetts IFA for Tech Mold & Tool, 3.07%, 6/1/18(a)	600,000
700,000	Massachusetts WRA, Series 99-B, 2.90%, 8/1/28(a)	700,000
630,000	Massachusetts WRA, Series B, 2.98%, 4/1/28(a)	630,000
1,250,000	Massachusetts WRA, Series C, 2.98%, 8/1/37(a)	1,250,000

</Table>

SEE NOTES TO FINANCIAL STATEMENTS.

27

<Page>

<Table>

<Caption>

PRINCIPAL AMOUNT		VALUE (NOTE 1)	
-----		-----	
<S>	<C>	<C>	<C>
	TAX-EXEMPT OBLIGATIONS -- (CONTINUED)		
\$ 200,000	Massachusetts WRA, Series C, 3.03%, 8/1/20(a)	\$	200,000
200,000	Massachusetts WRA, Series D, 3.00%, 8/1/17(a)		200,000

			17,785,000

	TOTAL INVESTMENTS (COST* \$17,785,000)	94.4%	17,785,000
	OTHER ASSETS, LESS LIABILITIES	5.6	1,048,081

	NET ASSETS	100.0%	\$ 18,833,081
		=====	=====

</Table>

MASSACHUSETTS TAX-EXEMPT FUND

STATEMENT OF ASSETS AND LIABILITIES

NOVEMBER 30, 2005 (UNAUDITED)

<Table>

<S>	<C>
ASSETS	
Investments in securities, at value (Cost* \$17,785,000)	\$ 17,785,000
Cash	1,001,244
Interest receivable	50,940

Total Assets	18,837,184

LIABILITIES	
Comprehensive management fees payable	2,494
Distribution (12b-1) fees payable	623
Income dividend payable	930
Other liabilities	56

Total Liabilities	4,103

NET ASSETS	\$ 18,833,081
	=====
NET ASSET VALUE, OFFERING AND REDEMPTION PRICE PER SHARE, BASED ON 18,833,081 SHARES OF BENEFICIAL INTEREST, \$.001 PAR VALUE OUTSTANDING	\$ 1.00
	=====

</Table>

SEE NOTES TO FINANCIAL STATEMENTS.

28

<Page>

RESERVE TAX-EXEMPT TRUST -- MICHIGAN TAX-EXEMPT FUND

SCHEDULE OF NET ASSETS -- NOVEMBER 30, 2005 (UNAUDITED)

<Table>

<Caption>

PRINCIPAL AMOUNT		VALUE (NOTE 1)
<S>	<C>	<C>
	TAX-EXEMPT OBLIGATIONS -- 97.8%	
\$ 600,000	MICHIGAN -- 92.8%	
	Ann Arbor Michigan EDC, Glacier Inc. Pj, Series A, 2.63%, 11/1/25(a)	\$ 600,000
1,400,000	Detroit Michigan Sew Disp Rev Var, Series B, 3.00%, 7/1/33(a)	1,400,000
400,000	Garden City HFA, Series 96-A, 3.08%, 9/1/26(a)	400,000
500,000	Grand Rapids Economic Development Corp, 3.05%, 6/1/12(a)	500,000
400,000	Jackson County for Thrifty Leoni Inc, Series A, 3.05%, 12/1/14(a)	400,000
600,000	Jackson County for Vista Grande Villa, Series A, 2.98%, 11/1/31(a)	600,000
700,000	Michigan State HFA for Hosp Equipment Ln Prog- A, 2.98%, 12/1/23(a)	700,000
700,000	Michigan HDA Multi-Family Revenue for River Place Apts., 2.99%, 6/1/18(a)	700,000
700,000	Michigan HDA Mult-Family Rev-Berrien Woods 111, Series A, 3.15%, 7/1/32(a)	700,000
1,160,000	Michigan Strategic Fund for Henry Ford Museum Village, 3.00%, 12/1/33(a)	1,160,000
300,000	Michigan Strategic Fund for M&P Cap LLC, Series A, 3.13%, 6/1/34(a)	300,000
600,000	Michigan Strategic Fund for Mot LLC, 3.07%, 12/1/34(a)	600,000
700,000	Michigan State Statagic Fund Solid Waste Diso Rev, 3.03%, 1/1/14(a)	700,000
700,000	Michigan Strategic Fund for Haven Christian Services, 3.07%, 11/15/34(a)	700,000
1,080,000	Michigan State University Revenue, Series A, 3.00%, 8/15/32(a)	1,080,000
700,000	Milan Michigan Area Schools, 3.00%, 5/1/30(a)	700,000
500,000	Oakland County Michigan EDC for Ltd-Graph-Tech Inc, 3.13%, 4/1/28(a)	500,000
700,000	Oakland University, 3.06%, 3/1/31(a)	700,000
700,000	Wayne Charter County, Series A, 3.03%, 12/1/16(a)	700,000
		13,140,000

</Table>

SEE NOTES TO FINANCIAL STATEMENTS.

29

<Page>

<Table>

<Caption>

PRINCIPAL AMOUNT		VALUE (NOTE 1)
<S>	<C>	<C>
	TAX-EXEMPT OBLIGATIONS -- (CONTINUED)	
\$ 700,000	PUERTO RICO -- 5.0%	
	Puerto Rico Government Development Bank, 2.85%, 12/1/15(b)	\$ 700,000
		700,000
	TOTAL INVESTMENTS (COST* \$13,840,000)	97.8% 13,840,000
	COMPREHENSIVE MANAGEMENT FEES PAYABLE	0.0 (1,981)
	DISTRIBUTION (12b-1) FEES PAYABLE	0.0 (474)
	OTHER ASSETS, LESS LIABILITIES	2.2 318,821
	NET ASSETS	100.0% \$ 14,156,366
		=====
	NET ASSET VALUE, OFFERING AND REDEMPTION PRICE PER SHARE, BASED ON 14,156,366 SHARES OF BENEFICIAL INTEREST, \$.001 PAR VALUE OUTSTANDING	\$ 1.00
		=====

</Table>

SEE NOTES TO FINANCIAL STATEMENTS.

30

<Page>

RESERVE TAX-EXEMPT TRUST--NEW JERSEY TAX-EXEMPT FUND
STATEMENT OF INVESTMENTS--NOVEMBER 30, 2005 (UNAUDITED)

<Table>

<Caption>

PRINCIPAL AMOUNT		VALUE (NOTE 1)
---------------------	--	-------------------

<S>	<C>	<C>
	TAX-EXEMPT OBLIGATIONS -- 88.0%	
	NEW JERSEY -- 88.0%	
\$ 1,160,000	Atlantic County Pooled Government Loan Program, 3.00%, 7/1/26(a)	\$ 1,160,000
450,000	Hudson County NJ Impt Auth Auth, 2.96%, 7/15/26(a)	450,000
2,000,000	Monmouth County NJ Improv Auth, 2.90%, 8/1/16(a)	2,000,000
2,400,000	New Jersey EDA for Bayonne Dock, 2.97%, 12/1/27(a)	2,400,000
1,900,000	New Jersey EDA for Airis Newark Project , 2.98%, 1/1/19(a)	1,900,000
800,000	New Jersey EDA for Foreign Trade, Series 98, 3.00%, 12/1/07(a)	800,000
1,515,000	New Jersey EDA for RJB Associates, ERN, 3.01%, 8/1/08(a)	1,515,000
1,915,000	New Jersey EDA for Church & Dwight, 2.98%, 12/1/08(a)	1,915,000
400,000	New Jersey EDA for Solthaven Proj, Series A, 2.90%, 1/15/18(a)	400,000
2,300,000	New Jersey EDA for Lawrence School Proj., Series B, 2.82%, 7/1/26(a)	2,300,000
2,000,000	New Jersey EDA for Newark Container LLC, 3.01%, 7/1/30(a)	2,000,000
900,000	New Jersey Health Care Facs Financing Auth, Series A, 2.96%, 7/1/31(a)	900,000
1,400,000	New Jersey HCF Authority Cap Asset Ser A, 2.95%, 7/1/35(a)	1,400,000
1,900,000	New Jersey EDA for Golf Asso, Project, 3.01%, 05/1/23(a)	1,900,000
3,700,000	New Jersey EDA for Thermal Marina Energy LLC, Series A, 2.98%, 9/1/31(a)	3,700,000
1,960,000	New Jersey EDA for Geriatrics Housing Services Series P-J, 2.96%, 11/1/31(a)	1,960,000
2,000,000	New Jersey EDA for Huntington SCH Princeton, 3.01%, 11/1/34(a)	2,000,000
3,930,000	New Jersey Sports Authority Expo, Series C, 2.96%, 9/1/24(a)	3,930,000
1,850,000	New Jersey State EFA- Princeton University, Series B, 2.90%, 7/1/21(a)(c)	1,850,000
560,000	New Jersey EDA for SCH Princeton Project, 2.75%, 07/1/22(a)	560,000
1,900,000	New Jersey State HFA for Single Family Hsg., Series O, 3.08%, 10/1/26(a)	1,900,000

</Table>

SEE NOTES TO FINANCIAL STATEMENTS.

31

<Page>

<Table>

<Caption>

	PRINCIPAL AMOUNT		VALUE (NOTE 1)
-----			-----
<S>	<C>	<C>	<C>
	TAX-EXEMPT OBLIGATIONS -- (CONTINUED)		
	NEW JERSEY -- (CONTINUED)		
\$ 1,000,000	New Jersey Turnpike Authority, Series 91-D, 2.95%, 1/1/18(a)	\$	1,000,000
1,200,000	New Jersey Turnpike Authority, Series C-1, 2.90%, 1/1/24(a)		1,200,000
3,300,000	Port Authority of New York & New Jersey Special Obligation Revenue, 2.97%, 8/1/24(a)		3,300,000
2,000,000	Salem County New Jersey Impt Auth Rev- Friends Home Woodstown, Inc., 3.00%, 4/1/34 (a)		2,000,000

			44,440,000
	TOTAL INVESTMENTS (COST* \$44,440,000)	88.0%	44,440,000
	OTHER ASSETS, LESS LIABILITIES	12.0	6,041,905

	NET ASSETS	100.0%	\$ 50,481,905
		=====	=====

</Table>

RESERVE TAX-EXEMPT TRUST -- NEW JERSEY TAX-EXEMPT FUND

STATEMENT OF ASSETS AND LIABILITIES

NOVEMBER 30, 2005 (UNAUDITED)

<Table>

<S>	<C>
ASSETS	
Investments in securities, at value (Cost \$44,440,000)	\$ 44,440,000
Cash	5,906,162
Interest receivable	146,355
Other assets	105

Total Assets	50,492,622

LIABILITIES	
Comprehensive management fees payable	6,674

Distribution (12b-1) fees payable	1,679
Other liabilities	140
Income dividend payable	2,224

Total Liabilities	10,717

NET ASSETS	\$ 50,481,905
	=====
NET ASSET VALUE, OFFERING AND REDEMPTION PRICE PER SHARE, BASED ON 50,481,905 SHARES OF BENEFICIAL INTEREST, \$.001 PAR VALUE OUTSTANDING	\$ 1.00
	=====

</Table>

SEE NOTES TO FINANCIAL STATEMENTS.

32

<Page>

RESERVE TAX-EXEMPT TRUST -- OHIO TAX-EXEMPT FUND

SCHEDULE OF INVESTMENTS -- NOVEMBER 30, 2005 (UNAUDITED)

<Table>

<Caption>

PRINCIPAL AMOUNT		VALUE (NOTE 1)
-----		-----
<S>	<C>	<C>
	TAX-EXEMPT OBLIGATIONS -- 92.6%	
	OHIO -- 92.6%	
\$ 500,000	Akron Bath Copley HDR for Summa Health System, Series B, 3.08%, 11/1/34(a)	\$ 500,000
375,000	Allen County HCF for Mennonite Home, 3.05%, 2/1/18(a)	375,000
800,000	Butler County HCF for Lifesphere, 3.25%, 5/1/27(a)	800,000
500,000	Centerville HCR for Bethany Lutheran, 3.02%, 5/1/08(a)	500,000
400,000	Cleveland Airport Systems Revenue, Series D, 3.02%, 1/1/27(a)	400,000
600,000	Cleveland Income Tax Revenue, 2.87%, 1/1/27(a)	600,000
830,000	Cuyahoga County Cleveland Health, 3.06%, 3/1/32(a)	830,000
490,000	Cuyahoga County for S&R Playhouse, 2.70%, 12/1/09(a)	490,000
700,000	Cuyahoga County HCF for Devon Oaks, 3.05%, 2/1/34(a)	700,000
700,000	Cuyahoga County HRB EDA for Cleveland Botanical Gardens, 3.08%, 7/1/31(a)	700,000
800,000	Evandale County IDR for SHV Realty Inc., 3.00%, 9/1/15(a)	800,000
800,000	Franklin County Hospital Revenue for U.S. Health Corp., Series A, 3.03%, 12/1/21(a)	800,000
1,000,000	Geauga County for Heather Hill Inc, 3.04%, 7/1/23(a)	1,000,000
735,000	Greene County IDA for Fairview, Series B, 3.00%, 1/1/11(a)	735,000
655,000	Hamilton County HRB for Alliance Health, Series A, 2.87%, 1/1/18(a)	655,000
195,000	Kent State University Receipts, 3.06%, 5/1/31(a)	195,000
1,480,000	Licking County HCF, 3.05%, 11/1/33(a)	1,480,000
935,000	Middleburgh Heights HR for Southwest General Health, 3.07%, 8/15/22(a)	935,000
700,000	Ohio Air Quality DAR for Columbus Southern, Series C, 3.07%, 12/1/38(a)	700,000
570,000	Ohio State Higher Educational Facility Revenue for Ashland Univ. 3.08%, 9/1/24(a)	570,000
900,000	Ohio State Higher Educational Facility Revenue for Western Univ. 3.01%, 10/1/31(a)	900,000
600,000	Ohio State University, 2.95%, 12/1/17--12/1/27(a)(c)	600,000
700,000	Ohio WDA PCR for Cleveland Electric, Series B, 3.00%, 8/1/20(a)	700,000
800,000	Ohio WDA PCR for Edison Project B, 3.06%, 9/1/18(a)	800,000

</Table>

SEE NOTES TO FINANCIAL STATEMENTS.

33

<Page>

<Table>

<Caption>

PRINCIPAL AMOUNT		VALUE (NOTE 1)
-----		-----
<S>	<C>	<C>
	TAX-EXEMPT OBLIGATIONS -- (CONTINUED)	
	OHIO -- (CONTINUED)	
\$ 800,000	Paulding County Waste Disposal for Lafarge Corporation, 2.94%, 8/1/26(a)	\$ 800,000
800,000	Toledo City Services Special Assessment, 3.03%, 12/1/06(a)	800,000
500,000	Toledo County Port Authority, 3.05%, 15/15/38(a)	500,000

		18,865,000

TOTAL INVESTMENTS (COST* \$18,865,000)	92.6%	18,865,000
OTHER ASSETS, LESS LIABILITIES	7.4	1,513,321
	-----	-----
NET ASSETS	100.0%	\$ 20,378,321
	=====	=====

</Table>

RESERVE TAX-EXEMPT TRUST -- OHIO TAX-EXEMPT FUND

STATEMENT OF ASSETS AND LIABILITIES

NOVEMBER 30, 2005 (UNAUDITED)

<Table>

<S>	<C>
ASSETS	
Investments in securities, at value (Cost \$18,865,000)	\$ 18,865,000
Cash	1,467,471
Interest receivable	48,404

Total Assets	20,380,875

LIABILITIES	
Comprehensive management fees payable	824
Distribution (12b-1) fees payable	662
Income dividend payable	1,004
Other liabilities	64

Total Liabilities	2,554

NET ASSETS	\$ 20,378,321
	=====
NET ASSET VALUE, OFFERING AND REDEMPTION PRICE PER SHARE, BASED ON 20,378,321 SHARES OF BENEFICIAL INTEREST, \$.001 PAR VALUE OUTSTANDING	
	\$ 1.00
	=====

</Table>

SEE NOTES TO FINANCIAL STATEMENTS.

<Page>

RESERVE TAX-EXEMPT TRUST -- PENNSYLVANIA TAX-EXEMPT FUND

STATEMENT OF INVESTMENTS -- NOVEMBER 30, 2005 (UNAUDITED)

<Table>

<Caption>

PRINCIPAL AMOUNT	VALUE (NOTE 1)
-----	-----
<S>	<C>
	TAX-EXEMPT OBLIGATIONS -- 92.6%
	PENNSYLVANIA -- 90.4%
\$ 790,000	Allentown IDA for Diocese of Allentown 2.98%, 12/1/29(a)
	\$ 790,000
2,200,000	Allegheny Higher Education for Carnegie Mellon University, 2.98%, 12/1/33(a)
	2,200,000
1,800,000	Allegheny IDA for UPMC Health Systems, Series C, 3.05%, 3/1/15(a)
	1,800,000
200,000	Berks County IDR for Visiting Nurse Services, Series A, 3.15%, 12/1/15(a)
	200,000
645,000	Berks County IDR for Visiting Nurse Services, Series A, 3.30%, 12/1/15(a)
	645,000
3,800,000	Bucks County IDA for Shv Real Estate Inc, 3.00%, 7/1/15(a)
	3,800,000
64,000	Chartiers Valley IDR, 3.06%, 8/1/07(a)
	64,000
1,585,000	Cumberland County PA, 3.03%, 12/1/32(a)
	1,585,000
1,600,000	Chester County IDA for Archdiocese, 2.98%, 7/1/31(a)
	1,600,000
700,000	Delaware County IDR for Sun, Inc., 3.00%, 11/1/33(a)
	700,000
2,000,000	Emmaus General Authority Revenue, Series G, 3.01%, 3/1/24(a)
	2,000,000
700,000	Indiana County IDA for Conemaugh 3.00%, 6/1/27(a)
	700,000
1,480,000	Lawrence County IDA for Var Villa Maria PJ., 3.06%, 7/1/33(a)
	1,480,000
1,965,000	Lebanon County HCF for ECC Retirement Village, 3.08%, 10/15/25(a)
	1,965,000
2,000,000	Lehigh County IDA, 3.00%, 12/1/15(a)
	2,000,000
2,000,000	Manheim School District, 3.03%, 5/1/23(a)
	2,000,000
430,000	Montgomery County IDR for Girl Scouts of Southeastern PA, 3.15%, 2/1/25(a)
	430,000
1,445,000	Fork PA, Conemaugh Health System Series A, 2.90%, 7/1/28(a)
	1,445,000
2,000,000	Pennsylvania EDA for B & W Ebensburg Project, 3.02%, 12/1/11(a)
	2,000,000
1,600,000	Pennsylvania Higher Education Agency for Ebensburg Project, 3.03%, 1/1/18(a)
	1,600,000
1,800,000	Pennsylvania HEFA for Temple University, 3.03%, 11/1/14(a)
	1,800,000
2,000,000	Pennsylvania Turnpike, Series A3, 2.98%, 12/1/30(a)
	2,000,000
1,300,000	Philadelphia Housing and Higher Education Authority for Childrens Hospital, 2.98%, 7/1/31(a)
	1,300,000

1,490,000	Philadelphia IDR for Fox Chase Cancer Center Project, 2.98%, 7/1/25(a)	1,490,000
-----------	---	-----------

</Table>

SEE NOTES TO FINANCIAL STATEMENTS.

35

<Page>

<Table>

<Caption>

PRINCIPAL AMOUNT		VALUE (NOTE 1)
<S>	<C>	<C>
	TAX-EXEMPT OBLIGATIONS -- (CONTINUED)	
	PENNSYLVANIA -- 90.4%	
\$ 1,710,000	Quakertown Pennsylvania General Authority Revenue, 3.05%, 7/1/26(a)	\$ 1,710,000
2,595,000	Schuylkill County IDA for Northeastern Power, 3.04%, 12/1/22(a)	2,595,000
2,000,000	Washington County, 2.99%, 7/1/34(a)	2,000,000
2,000,000	Westmoreland County Redstone Highlands, 3.06%, 1/1/36(a)	2,000,000
1,275,000	Wilkins Area IDA for Fairview Extended Care, Series B, 3.00%, 1/1/21(a)	1,275,000

		45,174,000

	TOTAL INVESTMENTS (COST* \$45,174,000)	90.4% 45,174,000
	OTHER ASSETS, LESS LIABILITIES	9.6 4,772,440

	NET ASSETS	100.0% \$ 49,946,440
		=====

</Table>

RESERVE TAX-EXEMPT TRUST -- PENNSYLVANIA TAX-EXEMPT FUND

STATEMENT OF ASSETS AND LIABILITIES

NOVEMBER 30, 2005 (UNAUDITED)

<Table>

<S>		<C>
	ASSETS	
	Investments in securities, at value (Cost* \$45,174,000)	\$ 45,174,000
	Cash	4,670,171
	Interest receivable	112,238

	Total Assets	49,956,409

	LIABILITIES	
	Comprehensive management fees payable	6,162
	Distribution (12b-1) fees payable	1,540
	Accrued interest overdraft	123
	Income dividend payable	2,015
	Other liabilities	129
	Total Liabilities	9,969

	NET ASSETS	\$ 49,946,440
		=====
	NET ASSET VALUE, OFFERING AND REDEMPTION PRICE PER SHARE, BASED ON 49,946,440 SHARES OF BENEFICIAL INTEREST, \$.001 PAR VALUE OUTSTANDING	\$ 1.00
		=====

</Table>

SEE NOTES TO FINANCIAL STATEMENTS.

36

<Page>

RESERVE TAX-EXEMPT TRUST -- VIRGINIA TAX-EXEMPT FUND

SCHEDULE OF INVESTMENTS -- NOVEMBER 30, 2005 (UNAUDITED)

<Table>

<Caption>

PRINCIPAL AMOUNT		VALUE (NOTE 1)
<S>	<C>	<C>
	TAX-EXEMPT OBLIGATIONS -- 81.6%	
	VIRGINIA -- 71.6%	
\$ 700,000	Alexandria County IDA for Goodwin House, 2.96%, 10/1/35(a)	\$ 700,000
700,000	Arlington County for Ballston Public Parking, 3.02%, 8/1/17(a)	700,000
500,000	Charlottesville IDA for Seminole, Series B, 3.08%, 12/1/13(a)	500,000
600,000	Chesapeake Virginia Hospital, Series B, 3.00%, 7/1/31(a)	600,000
700,000	Clarke County IDR, 3.06%, 1/1/30(a)	700,000
700,000	Hampton MFH for Shoreline Apartments, 3.00%, 12/1/19(a)	700,000

530,000	Hanover County IDA for Covenant Woods, 3.07%, 7/1/29(a)		530,000
700,000	Henrico County EDA for Westminster Centerbury, Series B, 3.05%, 7/1/08(a)		700,000
700,000	Henrico County EDA (CITI-AMT)for White Oaks LTD Proj., 3.03%, 10/1/27(a)		700,000
700,000	King George County VA Inc. Proj.,3.10%,9/01/21(a)		700,000
700,000	Peninsula Port Authority for Dominion Terminal, 3.00%, 7/1/16(a)		700,000
555,000	Portsmouth Redev Marsh Landing PJ, Series A, 3.05%, 6/1/30(a)		555,000
1,200,000	Richmond IDA for Cogentrix of Richmond Proj A, 3.10%, 12/1/17(a)		1,200,000
1,100,000	University of Virginia Revenue, Series A, 3.03%, 6/1/34(a)(c)		1,100,000

			10,085,000

	PUERTO RICO -- 10.0%		
700,000	Puerto Rico Government Bank, 2.85%,12/1/15(b)		700,000
700,000	Puerto Rico Highway & Transportation Authority, Series A, 2.93%, 7/1/28(b)		700,000

			1,400,000

	TOTAL INVESTMENTS (COST* \$11,485,000)	81.6%	11,485,000
	OTHER ASSETS, LESS LIABILITIES	18.4	2,592,438

	NET ASSETS	100.0%	\$ 14,077,438
		=====	=====

</Table>

SEE NOTES TO FINANCIAL STATEMENTS.

37

<Page>

RESERVE TAX-EXEMPT TRUST -- VIRGINIA TAX-EXEMPT FUND

STATEMENT OF ASSETS AND LIABILITIES

NOVEMBER 30, 2005 (UNAUDITED)

<Table>

<S>		<C>
ASSETS		
Investments in securities, at value (Cost \$11,485,000)		\$ 11,485,000
Cash		2,565,640
Interest receivable		29,805

Total Assets		14,080,445

LIABILITIES		
Comprehensive management fees payable		1,854
Distribution (12b-1) fees payable		464
Other liabilities		38
Interest payable		651
Total Liabilities		3,007

NET ASSETS		\$ 14,077,438
		=====
NET ASSET VALUE, OFFERING AND REDEMPTION PRICE PER SHARE, BASED ON 14,077,438 SHARES OF BENEFICIAL INTEREST, \$.001 PAR VALUE OUTSTANDING		\$ 1.00
		=====

</Table>

SEE NOTES TO FINANCIAL STATEMENTS.

38

<Page>

RESERVE NEW YORK TAX-EXEMPT TRUST -- NEW YORK TAX-EXEMPT FUND

STATEMENT OF NET ASSETS -- NOVEMBER 30, 2005 (UNAUDITED)

<Table>

<Caption>

	PRINCIPAL AMOUNT		VALUE (NOTE 1)
	-----		-----
<S>	<C>	<C>	
	TAX-EXEMPT OBLIGATIONS -- 99.2%		
	NEW JERSEY -- 2.9%		
\$ 5,000,000	Port Authority of New York & New Jersey Versatile Structure, 2.97%, 8/1/24(a)		\$ 5,000,000

	NEW YORK -- 96.0%		
4,900,000	Babylon IDR for Ogden Martin, 2.94%, 1/1/19(a)		4,900,000
615,000	Bleecker HDC for Terrace Apt. Project S85, 3.07%, 7/1/15(a)		615,000
3,670,000	Cattaraugus County IDA for YMCA, 3.11%, 9/1/28(a)		3,670,000
1,000,000	Dutchess IDA for Trinity Pawling School, 3.03%, 10/1/32(a)		1,000,000
2,550,000	Franklin County IDA Civic Facility for Trudeau Institute,		

	2.95%, 12/1/20(a)	2,550,000
2,400,000	Guilderland IDA for Eastern Industrial Park, Series 93-A, 2.95%, 12/1/08(a)	2,400,000
6,700,000	Jay Street Development Corp., Series A-1, 2.96%, 5/1/22(a)	6,700,000
6,600,000	Long Island Power Authority Electric System Revenue, 2.95%--2.97%, 5/1/33(a)	6,600,000
7,000,000	Metropolitan Transportation Authority, 3.03%, 11/1/35(a)	7,000,000
2,200,000	Monroe County for Margaret Woodbury Strong Museum, 3.10%, 4/1/35(a)	2,200,000
1,500,000	Monroe County for St. Ann's Home Project, 2.96%, 7/1/30(a)	1,500,000
4,860,000	Nassau County, 2.92%, 11/15/22(a)	4,860,000
4,100,000	New York City Cultural Resources for Asian Society, 3.02%, 4/1/30(a)	4,100,000
8,000,000	New York City DAR for Greenwich LLC, Series , 2.99% 12/1/39(a)	8,000,000
5,300,000	New York City IDA for American Society for Technion, 2.94%, 10/1/33(a)	5,300,000
4,000,000	New York City IDA for Childrens Oncology Society, 2.97%, 5/1/21(a)	4,000,000
6,000,000	New York City IDA for Korean Airlines, Series A, 2.99%, 11/1/24(a)	6,000,000
5,000,000	New York City IDA for Liberty, 3.03%, 12/1/39(a)	5,000,000
13,000,000	New York City WFA, Series G, 2.97%, 6/15/25(a)	13,000,000
2,600,000	New York City, GO Series A4, 2.97%, 8/1/23(a)	2,600,000
7,220,000	New York City, GO Series A4, 3.00%, 8/1/21(a)	7,220,000
7,000,000	New York City, TFA, Series H3, 2.98%, 11/1/22(a)	7,000,000
1,500,000	New York State Energy Resources and Development, 3.02%, 12/1/27(a)	1,500,000

</Table>

SEE NOTES TO FINANCIAL STATEMENTS.

39

<Page>

<Table>

<Caption>

PRINCIPAL AMOUNT		VALUE (NOTE 1)
-----		-----
<S>	<C>	<C>
	TAX-EXEMPT OBLIGATIONS -- (CONTINUED)	
	NEW YORK -- (CONTINUED)	
\$ 8,200,000	New York State HFA for 10 Liberty Street, 2.95%, 5/1/35(a)	\$ 8,200,000
12,000,000	New York State HFA, 2.98% - 3.00%, 11/1/34(a)	12,000,000
2,175,000	New York State IDA for Rotterdam, 2.95%, 11/1/09(a)	2,175,000
6,000,000	New York State LGAC., Series D, 2.94%, 4/1/25(a)	6,000,000
6,000,000	New York State R&D Con Ed, Series C-2, 2.98%, 11/1/39(a)	6,000,000
3,665,000	Schenectady County IDA for Sunnyview Hospital & Rehab., Series A, 3.06%, 8/1/33(a)	3,665,000
4,610,000	Tompkins County IDA for Kendal Ithaca Community Care, Series B, 2.96%, 7/1/24(a)	4,610,000
7,100,000	Triborough Bridge & Tunnel Authority, Series F, 3.03%, 11/1/32(a)	7,100,000
6,320,000	Westchester IDA for Catherine Field Home, 3.01%, 1/1/31(a)	6,320,000
3,400,000	Yonkers IDA Civic Facility for Consumers Union, 3.00%, 7/1/21(a)	3,400,000

		167,185,000

500,000	PUERTO RICO -- 0.3% Puerto Rico Government Development Bank, 2.85%, 12/1/15(b)	500,000

	TOTAL INVESTMENTS (COST* \$172,685,000)	99.2% \$ 172,685,000
	COMPREHENSIVE MANAGEMENT FEES PAYABLE	(0.0)^ (3,815)
	DISTRIBUTION (12b-1) FEES PAYABLE	(0.0)^ (954)
	OTHER ASSETS, LESS LIABILITIES	0.8 1,400,103

	NET ASSETS	100.0% \$ 174,080,334
		=====

	NET ASSET VALUE, OFFERING AND REDEMPTION PRICE PER SHARE BASED ON 174,080,334 SHARES OF BENEFICIAL INTEREST, \$.001 PAR VALUE OUTSTANDING	\$ 1.00
		=====

</Table>

SEE NOTES TO FINANCIAL STATEMENTS.

40

<Page>

RESERVE MUNICIPAL MONEY-MARKET TRUST --
LOUISIANA MUNICIPAL MONEY-MARKET FUND

SCHEDULE OF INVESTMENTS -- NOVEMBER 30, 2005 (UNAUDITED)

<Table>

<Caption> PRINCIPAL AMOUNT		VALUE (NOTE 1)
<S>	<C>	<C>
	TAX-EXEMPT OBLIGATIONS -- 80.2%	
	LOUISIANA -- 65.6%	
\$ 65,000	Lake Charles HRB & Term. District Revenue for CITGO Corp., 3.00%, 8/1/07(a)	\$ 65,000
121,000	Louisiana Environment Facilities Community DAR, Series A, 3.06%, 11/1/34(a)	121,000
65,000	Louisiana PFA for Kenner Hotel Limited, 2.94%, 12/1/15(a)	65,000
65,000	Louisiana PFA, Equipment Facs, 3.60%, 7/1/33(a)	65,000
65,000	Louisiana PFA, Multi-family, 3.06%, 6/15/31(a)	65,000
65,000	Louisiana Offshore Term. Auth. Deepwater Port Rev. for Loop LLC, Series A, 3.00%, 9/1/17(a)	65,000
125,000	Port of New Orleans Cold Storage Project, 3.10%, 11/1/22(a)	125,000
118,000	South Louisiana Port Marine Term. for Occidental Petroleum Corp., 2.98%, 7/1/18(a)	118,000
106,000	South Louisiana Port Marine Term. for Occidental Petroleum Corp., 3.00%, 7/1/21(a)	106,000
65,000	South Louisiana Port Marine Term. for Holnam Project., 3.04%, 1/1/27(a)	65,000
		----- 860,000
	PUERTO RICO -- 14.6%	
126,000	Puerto Rico Government Development Bank, 2.85%, 12/1/15(b)	126,000
65,000	Puerto Rico Highway & Transportation Authority, Series A, 2.93%, 07/1/28(b)	65,000
		----- 191,000
	TOTAL INVESTMENTS (COST* \$1,051,000)	80.2% 1,051,000
	OTHER ASSETS, LESS LIABILITIES	19.8 259,177
	NET ASSETS	100.0% \$ 1,310,177
		=====

</Table>

SEE NOTES TO FINANCIAL STATEMENTS.

41

<Page>

RESERVE MUNICIPAL MONEY-MARKET TRUST --
LOUISIANA MUNICIPAL MONEY-MARKET FUND

STATEMENT OF ASSETS AND LIABILITIES

NOVEMBER 30, 2005 (UNAUDITED)

<Table>

<S>		<C>
	ASSETS	
	Investment in securities, at value (Cost \$1,051,000)	\$ 1,051,000
	Cash	256,487
	Interest receivable	2,788
	Total Assets	----- 1,310,275
	LIABILITIES	
	Income dividend payable	88
	Interest payable	10
	Total Liabilities	----- 98
	NET ASSETS	\$ 1,310,177
		=====
	NET ASSETS VALUE, OFFERING AND REDEMPTION PRICE PER SHARE, BASED ON 1,310,177 SHARES OF BENEFICIAL INTEREST, \$.001 PAR VALUE OUTSTANDING	\$ 1.00
		=====

</Table>

SEE NOTES TO FINANCIAL STATEMENTS.

42

<Page>

RESERVE MUNICIPAL MONEY-MARKET TRUST --
MINNESOTA MUNICIPAL MONEY-MARKET FUND

SCHEDULE OF INVESTMENTS -- NOVEMBER 30, 2005 (UNAUDITED)

<Table>

<Caption> PRINCIPAL AMOUNT		VALUE (NOTE 1)
<S>	<C>	<C>
	TAX-EXEMPT OBLIGATIONS -- 80.0%	
	MINNESOTA -- 67.8%	

\$	200,000	Andover Senior Housing for Presbyterian Homes, 3.05%, 11/15/33(a)	\$	200,000
	100,000	Brooklyn Center for Brookdale Corp II, 3.08%, 12/1/14(a)		100,000
	100,000	Cohasset for Minnesota Power & Light, Project B, 3.07%, 6/1/13(a)		100,000
	100,000	Mankato Multi-family Revenue for Highland Park, 3.08%, 5/1/27(a)		100,000
	65,000	Minnesota Health for Fairview Health Services, 2.97%, 11/15/32(a)		65,000
	26,000	Minnesota HEFA for St. Olaf College, 3.03%, 10/1/30(a)		26,000
	93,000	Minnesota HEFA for St. Olaf College, Series 5-M1, 3.03%, 10/1/32(a)		93,000
	125,000	Minnesota Revenue for People Serving People Project, 3.08%, 10/1/21(a)		125,000
	119,000	Minnesota Housing Finance Agency, Series C, 3.08%, 1/1/35(a)		119,000
	177,000	Minnesota HEFA for Carleton College, Series 6D, 3.02%, 4/1/35(a)		177,000
	63,000	Roseville Commercial Dev. Revenue for Berger Transfer & Storage, 3.00%, 12/1/15		63,000
	85,000	St. Louis Park Revenue for Catholic Finance Corp., 3.06%, 10/1/25(a)		85,000
	110,000	St. Paul Housing & Redev. Authority District Heating Revenue, 2.38%, 12/1/12(a)		110,000
	119,000	St. Paul Housing & Redev. Authority MHR for Highland Ridge, 3.05%, 10/1/33(a)		119,000
	34,000	St. Paul Housing & Redev. Authority for Public Radio Project, 3.03%, 6/16/10(a)		34,000
	119,000	University of Minnesota, Series A, 3.09%, 7/1/08(a)(c)		119,000
				----- 1,635,000 -----

</Table>

SEE NOTES TO FINANCIAL STATEMENTS.

43

<Page>

<Table>

<Caption>

PRINCIPAL
AMOUNTVALUE
(NOTE 1)

<S>	<C>	<C>	<C>

			<C>

\$	119,000		\$ 119,000
	175,000		175,000

			294,000

		80.0%	1,929,000
		20.0	482,337

		100.0%	\$ 2,411,337
		=====	=====

</Table>

RESERVE MUNICIPAL MONEY-MARKET TRUST --
MINNESOTA MUNICIPAL MONEY-MARKET FUND

STATEMENT OF ASSETS AND LIABILITIES

NOVEMBER 30, 2005 (UNAUDITED)

<Table>

<S>	<C>
ASSETS	
Investments in securities, at value (Cost \$1,929,000)	\$ 1,929,000
Cash	477,543
Interest receivable	5,265

Total Assets	2,411,808

LIABILITIES	
Comprehensive management fees payable	311
Distribution (12b-1) fees payable	78
Income dividend payable	78
Other liabilities	4
Total Liabilities	471

NET ASSETS	\$ 2,411,337
	=====
NET ASSET VALUE, OFFERING AND REDEMPTION PRICE PER SHARE, BASED ON 2,411,337 SHARES OF BENEFICIAL INTEREST, \$.001 PAR VALUE OUTSTANDING	\$ 1.00
	=====

</Table>

SEE NOTES TO FINANCIAL STATEMENTS.

<Page>

SECURITY TYPE ABBREVIATIONS

CDA -- Community Development Authority
 HRB -- Hospital Revenue Bonds
 COP -- Certificate of Participation
 IDA -- Industrial Development Authority Revenue Bonds
 DAR -- Development Authority Revenue Bonds
 IDR -- Industrial Development Agency Revenue Bonds
 DFA -- Development Finance Agency
 IFA -- Industrial Finance Authority
 EDA -- Economic Development Authority Revenue Bonds
 LGAC -- Local Government Assistance Corp.
 EDC -- Economic Development Corporation
 MFH -- Multifamily Housing Revenue Bonds
 EFA -- Education Facilities Authority
 MFHR -- Multifamily Facilities Housing Revenue Bonds
 GO -- General Obligation Bonds
 MHR -- Multifamily Housing Revenue Bonds
 HCF -- Health Care Facilities Revenue Bonds
 PCR -- Pollution Control Revenue Bonds
 HDA -- Hospital Development Authority
 PFA -- Public Finance Authority
 HDC -- Housing Development Corporation Bonds
 TFA -- Transitional Finance Authority
 HDR -- Housing Development Revenue
 WDA -- Water Development Authority
 HEFA -- Health & Education Facilities Authority
 WFA -- Water Finance Authority
 HFA -- Housing Finance Authority Revenue Bonds
 WRA -- Water Resource Authority
 HFC -- Housing Finance Corporation
 WSR -- Water & Sewer System Revenue Bonds

- (a) Variable rate securities. The interest rates shown are as reported on November 30, 2005, are subject to change periodically. Securities payable on demand are collateralized by bank letters of credit or other credit agreements.
 (b) Securities are collateralized by bank letters of credit or other credit agreements.
 (c) Obligations of educational facilities.
 * The cost of the investments for federal income tax purposes is the same as the cost for financial reporting purposes.
 ^ Amount is less than 0.05%.

SEE NOTES TO FINANCIAL STATEMENTS.

<Page>

THE RESERVE FUND

STATEMENTS OF OPERATIONS

FOR THE SIX MONTHS ENDED NOVEMBER 30, 2005 (UNAUDITED)

<Table>

<Caption>

	PRIMARY FUND	U.S. GOVERNMENT FUND	U.S. TREASURY FUND
<S>	<C>	<C>	<C>
INTEREST INCOME (Note 1)	\$ 308,832,503	\$ 33,486,829	\$ 7,320,560
EXPENSES (Note 2)			
COMPREHENSIVE MANAGEMENT FEES:			
Class R	25,055,393	3,915,185	1,311,610
Class 95	45,976	--	--
Class 75	214,242	--	6,802
Class 70	45,994	--	--
Class Treasurer's Trust	1,978,319	244,926	259,168
Class 45	42,194	18,188	2,680
Class 35	8,012	--	--
Class 25	659,627	12,362	13
Class 20	255,232	--	--
Class 15	59,325	280	--
Class 12	2,440,998	49,921	8
Class 8	3,514,586	280,141	14,926
DISTRIBUTION (12b-1) FEES:			
Class R	6,263,848	978,796	327,903
Class 95	12,260	--	--
Class 75	77,906	--	2,474
Class 70	18,398	--	--
INTEREST EXPENSE	47,931	--	--
OTHER EXPENSE	43,592	5,462	1,294
Total expenses before waiver	40,783,833	5,505,261	1,926,878
Less: expenses waived (Note 2)	--	--	--

Net Expenses	40,783,833	5,505,261	1,926,878
	-----	-----	-----
NET INVESTMENT INCOME, representing Net Increase in Net Assets from Investment Operations	\$ 268,048,670	\$ 27,981,568	\$ 5,393,682
	=====	=====	=====

</Table>

SEE NOTES TO FINANCIAL STATEMENTS.

46

<Page>

RESERVE TAX-EXEMPT TRUST--INTERSTATE TAX-EXEMPT FUND
STATEMENT OF OPERATIONS (CONTINUED)
FOR THE SIX MONTHS ENDED NOVEMBER 30, 2005 (UNAUDITED)

<Table>		<C>
<S>		\$ 14,137,238
INTEREST INCOME (Note 1)		-----
EXPENSES (Note 2)		
COMPREHENSIVE MANAGEMENT FEES:		
Class R	1,069,431	
Class Treasurer's Trust	112,165	
Class 75	28	
Class 70	5,541	
Class 45	661	
Class 25	52,557	
Class 15	78	
Class 12	5	
Class 8	319,932	
DISTRIBUTION (12b-1) FEES:		
Class R	267,358	
Class 75	10	
Class 70	2,216	
INTEREST EXPENSE	2,073	
OTHER EXPENSE	3,175	

Total expenses before waiver	1,835,230	
Less: expenses waived (Note 2)	--	

Net Expenses	1,835,230	

NET INVESTMENT INCOME, representing Net Increase in Net Assets from Investment Operations	\$ 12,302,008	
	=====	

</Table>

SEE NOTES TO FINANCIAL STATEMENTS.

47

<Page>

STATEMENTS OF OPERATIONS
FOR THE SIX MONTHS ENDED NOVEMBER 30, 2005 (UNAUDITED)

<Table>	RESERVE TAX-EXEMPT TRUST			
<Caption>				
	CALIFORNIA	CONNECTICUT	FLORIDA	MASSACHUSETTS
	FUND	FUND	FUND	FUND
	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>
INTEREST INCOME (Note 1)	\$ 1,259,786	\$ 309,208	\$ 562,384	\$ 243,914
	-----	-----	-----	-----
EXPENSES (Note 2)				
Comprehensive management fees	419,585	102,796	179,151	79,328
Distribution (12b-1) fees	104,729	25,699	44,788	19,909
Interest expense	--	--	433	--
Other expense	313	77	124	56
	-----	-----	-----	-----
Total expenses before waiver	524,627	128,572	224,496	99,293
Less: expenses waived (Note 2)	--	--	--	--
	-----	-----	-----	-----
Net Expenses	524,627	128,572	224,496	99,293
	-----	-----	-----	-----
NET INVESTMENT INCOME, representing Net Increase in Net Assets from Investment Operations	\$ 735,159	\$ 180,636	\$ 337,888	\$ 144,621
	=====	=====	=====	=====

</Table>

SEE NOTES TO FINANCIAL STATEMENTS.

48

<Page>

<Table>

<Caption>

	RESERVE TAX-EXEMPT TRUST		
	MICHIGAN FUND	NEW JERSEY FUND	OHIO FUND
<S>	<C>	<C>	<C>
INTEREST INCOME (Note 1)	\$ 202,827	\$ 580,082	\$ 250,307
EXPENSES (Note 2)			
Comprehensive management fees	65,972	191,097	80,014
Distribution (12b-1) fees	16,472	47,774	20,050
Interest expense	--	--	--
Other expense	48	140	64
Total expenses before waiver	82,492	239,011	100,128
Less: expenses waived (Note 2)	--	--	--
Net Expenses	82,492	239,011	100,128
NET INVESTMENT INCOME, representing Net Increase in Net Assets from Investment Operations	\$ 120,335	\$ 341,071	\$ 150,179

</Table>

<Table>

<Caption>

	PENNSYLVANIA FUND	VIRGINIA FUND
	<S>	<C>
INTEREST INCOME (Note 1)	\$ 530,204	\$ 165,226
EXPENSES (Note 2)		
Comprehensive management fees	168,233	54,756
Distribution (12b-1) fees	42,058	13,689
Interest expense	123	--
Other expense	130	38
Total expenses before waiver	210,544	68,483
Less: expenses waived (Note 2)	--	--
Net Expenses	210,544	68,483
NET INVESTMENT INCOME, representing Net Increase in Net Assets from Investment Operations	\$ 319,660	\$ 96,743

</Table>

SEE NOTES TO FINANCIAL STATEMENTS.

49

<Page>

<Table>

<Caption>

	RESERVE MUNICIPAL MONEY-MARKET TRUST		
	RESERVE NEW YORK TAX-EXEMPT TRUST NEW YORK FUND	LOUISIANA MUNICIPAL MONEY- MARKET FUND	MINNESOTA MUNICIPAL MONEY- MARKET FUND
<S>	<C>	<C>	<C>
INTEREST INCOME (Note 1)	\$ 2,098,633	\$ 8,988	\$ 21,812
EXPENSES (Note 2)			
Comprehensive management fees	702,459	2,922	7,401
Distribution (12b-1) fees	175,615	731	1,851
Interest expense	--	--	--
Other expense	513	2	4
Total expenses	878,587	3,655	9,256
Less: expenses waived (Note 2)	--	(1,854)	(446)
Net Expenses	878,587	1,801	8,810
NET INVESTMENT INCOME, representing Net Increase in Net Assets from Investment Operations	\$ 1,220,046	\$ 7,187	\$ 13,002

</Table>

SEE NOTES TO FINANCIAL STATEMENTS.

50

<Page>

(This page has been left blank intentionally)

<Page>

THE RESERVE FUND

STATEMENTS OF CHANGES IN NET ASSETS (UNAUDITED)

<Table>

<Caption>

	PRIMARY FUND	
	SIX MONTHS ENDED NOVEMBER 30, 2005	YEAR ENDED MAY 31, 2005
<S>	<C>	<C>
INCREASE IN NET ASSETS: FROM INVESTMENT OPERATIONS:		
Net investment income	\$ 268,048,670	\$ 246,012,933
DISTRIBUTIONS TO SHAREHOLDERS FROM NET INVESTMENT INCOME (Note 1):		
Class R	(81,314,732)	(60,193,544)
Class 95	(160,259)	(162,324)
Class 75	(1,129,352)	(798,945)
Class 70	(264,859)	(292,321)
Class Treasurer's Trust	(9,907,494)	(7,738,103)
Class 45	(300,469)	(241,762)
Class 35	(73,660)	(78,301)
Class 25	(8,789,198)	(12,495,241)
Class 20	(4,328,901)	(4,365,852)
Class 15	(1,371,804)	(2,191,068)
Class 12	(3,635,997)	(8,474,690)
Class 8	(156,771,945)	(148,980,782)
Total dividends to shareholders	(268,048,670)	(246,012,933)
FROM CAPITAL SHARE TRANSACTIONS (Note 4) (at net asset value of \$1.00 per share):		
Proceeds from sale of shares	174,305,506,198	250,951,076,104
Dividends reinvested	265,932,079	194,280,930
Cost of shares redeemed	(166,113,769,871)	(258,598,498,567)
	8,457,668,406	(7,453,141,533)
Net increase (decrease) in net assets	8,457,668,406	(7,453,141,533)
NET ASSETS:		
Beginning of period	12,204,192,462	19,657,333,995
End of period	\$ 20,661,860,868	\$ 12,204,192,462

</Table>

SEE NOTES TO FINANCIAL STATEMENTS.

52

<Page>

<Table>

<Caption>

	U.S. GOVERNMENT FUND		U.S. TREASURY FUND	
	SIX MONTHS ENDED MAY 31, 2005	YEAR ENDED MAY 31, 2005	SIX MONTHS ENDED MAY 31, 2005	YEAR ENDED MAY 31, 2005
<S>	<C>	<C>	<C>	<C>
INCREASE IN NET ASSETS: FROM INVESTMENT OPERATIONS:				
Net investment income	\$ 27,981,568	\$ 19,471,674	\$ 5,393,682	\$ 4,673,327
DISTRIBUTIONS TO SHAREHOLDERS FROM NET INVESTMENT INCOME (Note 1):				
Class R	(12,572,398)	(9,219,775)	(3,627,182)	(2,829,445)
Class 95	--	--	--	--
Class 75	--	--	(30,414)	(39,853)
Class 70	--	--	--	--
Class Treasurer's Trust	(1,214,139)	(864,601)	(1,129,426)	(1,064,044)
Class 45	(126,290)	(7,493)	(16,063)	(139)
Class 35	--	--	--	--
Class 25	(170,560)	(667,016)	(153)	(408)
Class 20	--	--	--	--
Class 15	(6,308)	(1,915)	--	--
Class 12	(1,424,666)	(181,994)	(1,024)	--
Class 8	(12,467,207)	(8,528,880)	(590,997)	(739,438)
Total dividends to shareholders	(27,981,568)	(19,471,674)	(5,395,259)	(4,673,327)

FROM CAPITAL SHARE TRANSACTIONS (Note 4) (at net asset value of \$1.00 per share):				
Proceeds from sale of shares	7,167,622,334	11,545,157,182	1,103,034,277	2,277,991,923
Dividends reinvested	27,756,102	14,990,216	5,353,539	4,673,327
Cost of shares redeemed	(6,389,315,202)	(11,264,233,943)	(1,082,917,326)	(2,502,852,176)
	806,063,234	295,913,455	25,470,490	(220,186,926)
Net increase (decrease) in net assets	806,063,234	295,913,455	25,468,913	(220,186,926)
NET ASSETS:				
Beginning of period	1,519,250,532	1,223,337,077	454,701,294	674,888,220
End of period	\$ 2,325,313,766	\$ 1,519,250,532	\$ 480,170,207	\$ 454,701,294

</Table>

SEE NOTES TO FINANCIAL STATEMENTS.

53

<Page>

RESERVE TAX-EXEMPT TRUST--INTERSTATE TAX-EXEMPT FUND

STATEMENT OF CHANGES IN NET ASSETS (UNAUDITED)

<Table>

<Caption>

	SIX MONTHS ENDED NOVEMBER 30, 2005	YEAR ENDED MAY 31, 2005
<S>	<C>	<C>
INCREASE IN NET ASSETS FROM INVESTMENT OPERATIONS:		
Net investment income	\$ 12,302,008	\$ 12,477,598
DIVIDENDS PAID TO SHAREHOLDERS FROM NET INVESTMENT INCOME (NOTE 1):		
Class R	(1,984,320)	(1,904,802)
Class Treasurer's Trust	(349,170)	(357,612)
Class 75	(99)	(2)
Class 70	(20,220)	(21,974)
Class 45	(3,121)	(158)
Class 25	(450,899)	(387,135)
Class 15	(1,203)	(1,570)
Class 12	(120)	(71)
Class 8	(9,492,856)	(9,804,274)
Total dividends to shareholders	(12,302,008)	(12,477,598)
FROM CAPITAL SHARE TRANSACTIONS (Note 6) (at net asset value of \$1.00 per share):		
Proceeds from sale of shares	6,383,413,578	7,530,222,443
Dividends reinvested	12,219,597	12,477,598
Cost of shares redeemed	(6,783,642,029)	(6,518,644,846)
	(388,008,854)	1,024,055,195
Net increase (decrease) in net assets	(388,008,854)	1,024,055,195
NET ASSETS:		
Beginning of year	1,412,321,751	388,266,556
End of year	\$ 1,024,312,897	\$ 1,412,321,751

</Table>

SEE NOTES TO FINANCIAL STATEMENTS.

54

<Page>

<Table>

<Caption>

RESERVE TAX-EXEMPT TRUST		
CALIFORNIA FUND		
	SIX MONTHS ENDED NOVEMBER 30, 2005	YEAR ENDED MAY 31, 2005
<S>	<C>	<C>
INCREASE (DECREASE) IN NET ASSETS FROM INVESTMENT OPERATIONS:		
Net investment income	\$ 735,159	\$ 718,269
DIVIDENDS PAID TO SHAREHOLDERS FROM: Net Investment Income (Note 1)	(735,159)	(718,269)

FROM CAPITAL SHARE TRANSACTIONS (at net asset value of \$1.00 per share):		
Proceeds from sale of shares	204,163,955	450,880,899
Dividends reinvested	729,895	718,269
Cost of shares redeemed	(208,327,374)	(447,611,652)
	(3,433,524)	3,987,516
Net increase (decrease) in net assets	(3,433,524)	3,987,516
NET ASSETS:		
Beginning of year	105,202,173	101,214,657
End of year	\$ 101,768,649	\$ 105,202,173

<Caption>

CONNECTICUT FUND

	SIX MONTHS ENDED NOVEMBER 30, 2005	YEAR ENDED MAY 31, 2005
<S>	<C>	<C>
INCREASE (DECREASE) IN NET ASSETS FROM INVESTMENT OPERATIONS:		
Net investment income	\$ 180,636	\$ 141,646
DIVIDENDS PAID TO SHAREHOLDERS FROM: Net Investment Income (Note 1)	(180,636)	(141,646)
FROM CAPITAL SHARE TRANSACTIONS (at net asset value of \$1.00 per share):		
Proceeds from sale of shares	43,193,629	64,118,583
Dividends reinvested	179,659	141,646
Cost of shares redeemed	(40,785,032)	(62,338,249)
	2,588,256	1,921,980
Net increase (decrease) in net assets	2,588,256	1,921,980
NET ASSETS:		
Beginning of year	23,386,769	21,464,789
End of year	\$ 25,975,025	\$ 23,386,769

</Table>

SEE NOTES TO FINANCIAL STATEMENTS.

55

<Page>

<Table>
<Caption>

RESERVE TAX-EXEMPT TRUST

FLORIDA FUND

	SIX MONTHS ENDED NOVEMBER 30, 2005	YEAR ENDED MAY 31, 2005
<S>	<C>	<C>
INCREASE (DECREASE) IN NET ASSETS FROM INVESTMENT OPERATIONS:		
Net investment income	\$ 337,888	\$ 326,913
DIVIDENDS PAID TO SHAREHOLDERS FROM: Net investment income (Note 1)	(337,888)	(326,913)
FROM CAPITAL SHARE TRANSACTIONS (at net asset value of \$1.00 per share):		
Proceeds from sale of shares	111,586,752	212,489,726
Dividends reinvested	335,446	326,913
Cost of shares redeemed	(101,731,646)	(209,176,509)
	10,190,552	3,640,130
Net increase (decrease) in net assets	10,190,552	3,640,130
NET ASSETS:		
Beginning of year	43,093,519	39,453,389
End of year	\$ 53,284,071	\$ 43,093,519

</Table>

SEE NOTES TO FINANCIAL STATEMENTS.

56

<Page>

<Table>
<Caption>

	RESERVE TAX-EXEMPT TRUST			
	MASSACHUSETTS FUND		MICHIGAN FUND	
	SIX MONTHS ENDED NOVEMBER 30, 2005	YEAR ENDED MAY 31, 2005	SIX MONTHS ENDED NOVEMBER 30, 2005	YEAR ENDED MAY 31, 2005
<S>	<C>	<C>	<C>	<C>
INCREASE (DECREASE) IN NET ASSETS FROM INVESTMENT OPERATIONS:				
Net investment income	\$ 144,621	\$ 123,894	\$ 120,335	\$ 82,915
DIVIDENDS PAID TO SHAREHOLDERS FROM:				
Net investment income (Note 1)	(144,621)	(123,894)	(120,335)	(82,915)
FROM CAPITAL SHARE TRANSACTIONS (at net asset value of \$1.00 per share):				
Proceeds from sale of shares	40,867,914	70,696,703	26,801,513	40,145,244
Dividends reinvested	143,691	123,894	119,583	82,915
Cost of shares redeemed	(44,331,105)	(66,487,254)	(29,396,980)	(35,670,278)
	(3,319,500)	4,333,343	(2,475,884)	4,557,881
Net increase (decrease) in net assets	(3,319,500)	4,333,343	(2,475,884)	4,557,881
NET ASSETS:				
Beginning of year	22,152,581	17,819,238	16,632,250	12,074,369
End of year	\$ 18,833,081	\$ 22,152,581	\$ 14,156,366	\$ 16,632,250

</Table>

SEE NOTES TO FINANCIAL STATEMENTS.

57

<Page>

<Table>
<Caption>

	RESERVE TAX-EXEMPT TRUST	
	NEW JERSEY FUND	
	SIX MONTHS ENDED NOVEMBER 30, 2005	YEAR ENDED MAY 31, 2005
<S>	<C>	<C>
INCREASE (DECREASE) IN NET ASSETS FROM INVESTMENT OPERATIONS:		
Net investment income	\$ 341,071	\$ 337,190
DIVIDENDS PAID TO SHAREHOLDERS FROM:		
Net investment income (Note 1)	(341,071)	(337,190)
FROM CAPITAL SHARE TRANSACTIONS (at net asset value of \$1.00 per share):		
Proceeds from sale of shares	123,423,527	282,434,698
Dividends reinvested	338,847	337,190
Cost of shares redeemed	(118,269,553)	(288,028,722)
	5,492,821	(5,256,834)
Net increase (decrease) in net assets	5,492,821	(5,256,834)
NET ASSETS:		
Beginning of year	44,989,084	50,245,918
End of year	\$ 50,481,905	\$ 44,989,084

</Table>

SEE NOTES TO FINANCIAL STATEMENTS.

58

<Page>

<Table>
<Caption>

	RESERVE TAX-EXEMPT TRUST			
	OHIO FUND		PENNSYLVANIA FUND	
	SIX MONTHS ENDED NOVEMBER 30, 2005	YEAR ENDED MAY 31, 2005	SIX MONTHS ENDED NOVEMBER 30, 2005	YEAR ENDED MAY 31, 2005
<S>	<C>	<C>	<C>	<C>

INCREASE (DECREASE) IN NET ASSETS				
FROM INVESTMENT OPERATIONS:				
Net investment income	\$ 150,179	\$ 111,931	\$ 319,660	\$ 306,095

DIVIDENDS PAID TO SHAREHOLDERS FROM:				
Net investment income (Note 1)	(150,179)	(111,931)	(319,660)	(306,095)

FROM CAPITAL SHARE TRANSACTIONS				
(at net asset value of \$1.00 per share):				
Proceeds from sale of shares	35,091,329	80,335,415	90,190,049	163,192,232
Dividends reinvested	149,176	111,931	317,645	306,095
Cost of shares redeemed	(33,886,170)	(72,335,170)	(85,254,619)	(164,865,058)

	1,354,335	8,112,176	5,253,075	(1,366,731)

Net increase (decrease) in net assets	1,354,335	8,112,176	5,253,075	(1,366,731)

NET ASSETS:				
Beginning of year	19,023,986	10,911,810	44,693,365	46,060,096

End of year	\$ 20,378,321	\$ 19,023,986	\$ 49,946,440	\$ 44,693,365
=====				

<Caption>

RESERVE TAX-EXEMPT TRUST			

VIRGINIA FUND			

SIX MONTHS			
ENDED			
NOVEMBER 30,		YEAR ENDED	
2005		MAY 31,	
2005		2005	

<S>	<C>	<C>	<C>
INCREASE (DECREASE) IN NET ASSETS			
FROM INVESTMENT OPERATIONS:			
Net investment income	\$ 96,743	\$ 81,075	

DIVIDENDS PAID TO SHAREHOLDERS FROM:			
Net investment income (Note 1)	(96,743)	(81,075)	

FROM CAPITAL SHARE TRANSACTIONS			
(at net asset value of \$1.00 per share):			
Proceeds from sale of shares	37,466,868	72,769,957	
Dividends reinvested	96,187	81,075	
Cost of shares redeemed	(37,191,215)	(70,194,502)	

	371,840	2,656,530	

Net increase (decrease) in net assets	371,840	2,656,530	

NET ASSETS:			
Beginning of year	13,705,598	11,049,068	

End of year	\$ 14,077,438	\$ 13,705,598	
=====			

</Table>

SEE NOTES TO FINANCIAL STATEMENTS.

59

<Page>

<Table>
<Caption>

RESERVE NEW YORK			
TAX-EXEMPT TRUST			

NEW YORK FUND			

SIX MONTHS			
ENDED			
NOVEMBER 30,		YEAR ENDED	
2005		MAY 31, 2005	

<S>	<C>	<C>	<C>
INCREASE (DECREASE) IN NET ASSETS			
FROM INVESTMENT OPERATIONS:			
Net investment income	\$ 1,220,046	\$ 1,155,796	

DIVIDENDS PAID TO SHAREHOLDERS FROM:			
Net investment income (Note 1)	(1,220,046)	(1,155,796)	

FROM CAPITAL SHARE TRANSACTIONS			
(at net asset value of \$1.00 per share):			
Proceeds from sale of shares	297,890,272	517,833,490	
Dividends reinvested	1,209,728	1,155,796	
Cost of shares redeemed	(289,442,636)	(527,148,018)	

	9,657,364	(8,158,732)	

Net increase (decrease) in net assets	9,657,364	(8,158,732)	

NET ASSETS:			

Beginning of year	164,422,970	172,581,702
End of year	\$ 174,080,334	\$ 164,422,970

</Table>

SEE NOTES TO FINANCIAL STATEMENTS.

60

<Page>

<Table>
<Caption>

	RESERVE MUNICIPAL MONEY-MARKET TRUST			
	LOUISIANA MUNICIPAL MONEY-MARKET FUND		MINNESOTA MUNICIPAL MONEY-MARKET FUND	
	SIX MONTHS ENDED NOVEMBER 30, 2005	YEAR ENDED MAY 31, 2005	SIX MONTHS ENDED NOVEMBER 30, 2005	YEAR ENDED MAY 31, 2005
<S>	<C>	<C>	<C>	<C>
INCREASE (DECREASE) IN NET ASSETS FROM INVESTMENT OPERATIONS:				
Net investment income	\$ 7,187	\$ 1,888	\$ 13,002	\$ 7,523
DIVIDENDS PAID TO SHAREHOLDERS FROM:				
Net investment income (Note 1)	(7,187)	(1,888)	(13,002)	(7,523)
FROM CAPITAL SHARE TRANSACTIONS (at net asset value of \$1.00 per share):				
Proceeds from sale of shares	2,145,968	1,146,967	8,411,725	5,904,669
Dividends reinvested	7,099	1,888	12,908	7,523
Cost of shares redeemed	(1,136,075)	(1,041,556)	(7,417,935)	(5,153,400)
	1,016,992	107,299	1,006,698	758,792
Net increase (decrease) in net assets	1,016,992	107,299	1,006,698	758,792
NET ASSETS:				
Beginning of year	293,185	185,886	1,404,639	645,847
End of year	\$ 1,310,177	\$ 293,185	\$ 2,411,337	\$ 1,404,639

</Table>

SEE NOTES TO FINANCIAL STATEMENTS.

61

<Page>

RESERVE NEW YORK TAX-EXEMPT TRUST
RESERVE TAX-EXEMPT TRUST
RESERVE MUNICIPAL MONEY-MARKET TRUST
(COLLECTIVELY, THE "TRUSTS")

NOTES TO FINANCIAL STATEMENTS

(1) SIGNIFICANT ACCOUNTING POLICIES:

The Trusts are registered under the Investment Company Act of 1940, as amended (the "Investment Company Act"), as an open-end management investment company. The policies summarized below are consistently followed in the preparation of its financial statements in conformity with generally accepted accounting principles.

A. The Trusts' authorized shares of beneficial interest are unlimited. As of November 30, 2005, there were six (6) series of The Reserve Fund authorized: Primary Fund, U.S. Government Fund, U.S. Treasury Fund, Primary II Fund, U.S. Government II Fund and U.S. Treasury II Fund; eleven (11) separate series of the Reserve Tax-Exempt Trust authorized: Interstate Tax-Exempt Fund, Interstate II Tax-Exempt Fund (which has not commenced operations), California Tax-Exempt Fund, Connecticut Tax-Exempt Fund, Florida Tax-Exempt Fund, Massachusetts Tax-Exempt Fund, Michigan Tax-Exempt Fund, New Jersey Tax-Exempt Fund, Ohio Tax-Exempt Fund, Pennsylvania Tax-Exempt Fund and Virginia Tax-Exempt Fund; and one (1) series of the Reserve New York Tax-Exempt Trust authorized: the New York Tax-Exempt Fund; and two (2) series of the Reserve Municipal Money-Market Trust: the Louisiana Money-Market Fund and Minnesota Money-Market Fund. These financial statements and notes apply to the Primary Fund, U.S. Government Fund and U.S. Treasury Fund of The Reserve Fund; the Interstate Tax-Exempt Fund, California Tax-Exempt Fund, Connecticut Tax-Exempt Fund, Florida Tax-Exempt Fund, Massachusetts Tax-Exempt Fund, Michigan Tax-Exempt Fund, New Jersey Tax-Exempt Fund, Ohio Tax-Exempt Fund, Pennsylvania Tax-Exempt Fund and Virginia Tax-Exempt Fund of Reserve Tax-Exempt Trust; the New York Tax-Exempt Fund of Reserve New York Tax-Exempt Trust; and the Louisiana Money-Market Fund and Minnesota Money-Market Fund of the Reserve Municipal Money-Market Trust (each, a "Fund", and collectively, the "Funds").

B. Securities are valued at amortized cost, which approximates market value. The amortized cost method values a security at cost plus accrued interest at the time of purchase, and thereafter assumes a constant amortization to maturity of any discount or premium, irrespective of

intervening changes in interest rates or market values. For purposes of compliance with Rule 2a-7 of the Investment Company Act and for computing the portfolio average weighted life to maturity, the maturity of floating or variable rate instruments in which the Funds may invest are deemed to be: for floating rate instruments (1) the notice period required before the Fund is entitled to receive payment of the principal amount of the instruments; and for variable rate instruments the longer of (1) above or (2) the period remaining until the instrument's next rate adjustment.

C. It is the policy of each Fund to comply with Subchapter M of the Internal Revenue Code and to distribute all of its taxable income to its shareholders. Accordingly, no Federal income tax provision is required.

D. Security transactions are recorded on a trade date basis. Interest income is accrued daily, and security premium or discount is amortized or accreted daily. Net investment income is distributed to shareholders daily and automatically reinvested in additional Fund shares, unless the shareholder has elected in writing to receive cash. The Primary Fund, U.S. Government Fund, U.S. Treasury Fund and Interstate Tax-Exempt Fund allocate investment income and fund level expenses (expenses other than the comprehensive management fee and distribution fee) are allocated daily based upon the relative proportion of net assets of each class.

62

<Page>

E. The Funds may enter into repurchase agreements with financial institutions and securities dealers that are deemed creditworthy pursuant to guidelines established by the Trust's Board of Trustees. Reserve Management Company, Inc. ("RMCI" or the "Investment Adviser"), the Funds' investment adviser, follows procedures intended to provide that all repurchase agreements are at least 100% collateralized as to principal and interest. The Funds' custodian holds the securities that are subject to repurchase agreements.

F. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the dates of the financial statements and the reported amounts of income and expenses during the reporting periods. Actual results could differ from those estimates.

G. During the fiscal year, the Funds incurred overdraft positions with their custodian bank. Any related interest charges are shown in each Fund's statement of operations.

(2) MANAGEMENT FEE AND OTHER TRANSACTIONS WITH AFFILIATES:

Pursuant to an Investment Management Agreement (the "Agreement") between Reserve Management Company, Inc. ("RMCI") and each Trust on behalf of each of its series, RMCI serves as each Funds' Investment Adviser, subject to the policies adopted by the Boards of Trustees. Under the Agreement, RMCI is responsible for the supervision of the day-to-day operations, managing each Fund's investments, effecting purchases and sales thereof, and absorbing certain promotional expenses. Each Fund (with the exception of Primary Fund, U.S. Government Fund, U.S. Treasury Fund and Interstate Tax-Exempt Fund) pays RMCI a comprehensive management fee of 0.80% of such Fund's average daily net assets, which is accrued daily. For the Primary Fund, U.S. Government Fund, U.S. Treasury Fund and Interstate Tax-Exempt Fund, RMCI receives a comprehensive management fee accrued daily at an annual rate based on the average daily net assets of each class of each Fund according to the following schedule:

<Table>

<Caption>

CLASS 8	CLASS 12	CLASS 15	CLASS 20	CLASS 25	CLASS 35	CLASS 45	TREASURER'S TRUST	CLASS 70	CLASS 75	CLASS 95	CLASS R
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
0.08%	0.12%	0.15%	0.20%	0.25%	0.35%	0.45%	0.60%	0.50%	0.55%	0.75%	0.80%

</Table>

The comprehensive management fee includes the investment advisory fee, all administrative and customary operating expenses of each Fund, as well as shareholder liaison services (such as, responding to customer inquiries and providing information on their investments), recordkeeping charges, accounting expenses, transfer agent costs, and the expenses of preparing, printing and mailing shareholder reports and prospectuses. Excluded from the definition of customary operating expenses are: compensation for the Chief Compliance Officer, interest charges, taxes, brokerage fees and commissions, extraordinary legal and accounting fees and other extraordinary expenses, payments under each Fund's Distribution Plan and the fees of the Trustees who are not interested persons, as defined in the Investment Company Act (the "non-interested Trustees"), for which each Fund pays its direct or allocated share. For the year ended November 30, 2005, RMCI voluntarily waived its comprehensive management fee in the amounts listed below:

<Table>

<Caption>

FUND	AMOUNT
<S>	<C>
Louisiana Municipal Money-Market Fund	\$ 1,854
Minnesota Municipal Money-Market Fund	446

</Table>

Certain officers and Trustees of the Trusts are also officers of RMCI.

As of November 30, 2005, RMCI owned 11% of the Louisiana and 6% of the Minnesota Municipal Money-Market Funds.

63

<Page>

Included in "Other assets, less liabilities" in the Statement of Net Assets of Primary Fund at May 31, 2005 are amounts due Primary Fund from RMCI in the amount of \$16.7 million. Processing errors resulted in these amounts being held in the bank accounts unrelated to the Fund but under the supervision of an RMCI affiliate. This amount was returned to Primary Fund on September 23, 2005 with interest in the amount of approximately \$300,000 to be paid to Primary Fund as soon as practicable.

DISTRIBUTION ASSISTANCE:

The Funds have adopted Rule 12b-1 Distribution Plans (the "Distribution Plans") and have entered into a Distribution Agreement with Reserve Partners, Inc., an affiliate of RMCI, which allows the Funds to pay distribution fees for certain shareholder services and for expenses related to the sale and distribution of its shares for the Funds that offer a single class of shares and of the Primary Fund, U.S. Government Fund, U.S. Treasury Fund and Interstate Tax-Exempt Fund's Class R, Class 95, Class 75 and Class 70 Shares. The rate of distribution expenses is 0.20% per year of each such Class' average daily net assets.

(3) CONCENTRATION OF CREDIT RISK:

Total assets of each Fund in the Trusts include a concentration of cash that is held in accounts with the Funds' Custodian.

(4) INVESTMENT CONCENTRATION:

The Funds invest substantially all of their assets in portfolios of tax-exempt obligations issued by states, territories and possessions of the United States and their subdivisions. The issuers' ability to meet their obligations may be affected by economic, regional or political developments. In order to reduce the credit risks associated with such factors, the Funds invest substantially all of their portfolio assets in obligations backed by letters of credit, bond insurance of financial institutions, financial guaranty assurance agencies and/or other credit enhancement arrangements as shown below as a percentage of each Fund's net assets at November 30, 2005:

INTERSTATE TAX-EXEMPT FUND 99.8%

<Table>

<S>	<C>
LETTER OF CREDIT	
ABN-AMRO Bank NV	0.7%
Allied Irish Bank, PLC	0.5%
Bank of America NA	2.7%
Bank of Montreal	0.3%
Bank of New York	3.2%
Bank of Nova Scotia	4.8%
Barclays Bank PLC	2.4%
Bayerische Landesbank Girozentrale	3.4%
BNP Paribas	2.0%
Citibank, NA	4.1%
Comerica Bank	2.5%
Credit Suisse First Boston	0.5%
Den Danske Bank	0.9%
DEFFA Bank, PLC	4.6%
FHLB	0.5%
Fifth Third Bank	0.3%
Fortis Bank	1.4%
FRMC	1.2%
Harris Trust & Savings Bank	0.1%
Harvard University	2.6%
HBOS PLC	0.6%
JPMorganChase Bank	2.7%
Keybank NA	1.4%
Kredietbank NV	1.0%
La Salle Bank, NA	4.6%
Landesbank Baden-Wuerttemberg	0.4%
Landesbank Hessen- Thuerinigen Girozentrale	3.5%
Lloyds TSB Bank PLC	3.8%
M&T Bank	1.0%
MIT, Mass Inst Tech	3.4%
Natexis Banques Populaires	0.1%
Northern Trust Co.	1.0%
PNC Bank, NA	1.4%
Princeton University	0.5%
Rabobank Nederland	2.3%
Regions Bank	0.1%
Royal Bank of Canada, Montreal	1.0%
Royal Bank of Scotland	1.5%
Smith College	0.1%
Societe Generale	1.1%
State Street Bank & Trust Co.	1.1%
Suntrust Bank of Nashville NA	0.5%
Suntrust Bank of Atlanta	3.2%
University of Virginia	1.0%
US Bank, NA MPLS	3.1%
Wachovia Bank NA	2.6%
Wells Fargo Bank NA	1.0%
Westdeutsche Landesbank AG	0.4%
Yale	4.0%

</Table>

64

<Page>

<Table>

<S>	<C>
* BOND INSURANCE	
AMBAC	2.7%
FGIC	3.4%
FSA	3.8%
MBIA	2.8%

</Table>

CALIFORNIA TAX-EXEMPT FUND 96.6%

<Table>

<S>	<C>
LETTER OF CREDIT	
Allied Irish Bank, PLC	2.2%
Bank of America NA	3.9%
Bank of New York	4.9%
Bank of Nova Scotia	8.2%
BNP Paribas	4.2%
Calyon NY	1.0%
Citibank, NA	1.3%
Comerica Bank	3.1%
Den Danske Bank	3.9%
Fortis Babk	2.9%
Kredietbank NV, Brussels	9.3%
La Salle Bank, NA	6.5%
Landesbank Baden-Wurttemberg	1.6%
Landesbank Hessen- Thuerinigen Girozentrale	4.9%
Republic N.B. New York	2.4%
Royal Bank of Canada, Montreal	1.0%
Societe Generale	6.3%
State Street Bank & Trust Co.	6.6%
US Bank NA	3.7%
Wachovia Bank NA	2.1%
Wells Fargo Bank NA	3.7%

* BOND INSURANCE	
AMBAC	1.6%
FRMC	3.9%
MBIA	7.4%

</Table>

CONNECTICUT TAX-EXEMPT FUND 81.2%

<Table>

<S>	<C>
LETTER OF CREDIT	
Allied Irish Bank, PLC	6.9%
Bank of America	4.6%
Bank of Montreal	4.6%
JPMorganChase Bank	4.6%
Kreditbank NV, Brussels	4.6%
La Salle Bank, NA	8.3%
Landesbank Hessen- Thueringen Girozentrale	4.6%
Northern Trust Co.	4.6%
Wachovia Bank NA	6.5%
Yale	4.6%

* BOND INSURANCE	
AMBAC	6.9%
FGIC	8.1%
FSA	4.6%
MBIA	7.7%

</Table>

FLORIDA TAX-EXEMPT FUND 86.5%

<Table>

<S>	<C>
LETTER OF CREDIT	
Bank of America NA	4.5%
BNP Paribas	7.8%
Citibank, NA	3.8%
Fifth Third Bank	2.4%
Florida Power & Light	3.9%
HBOS PLC	5.9%
JPMorganChase Bank	6.3%
Keybank NA	2.8%
La Salle Bank NA	3.8%
Northern Trust Co.	4.1%
Republic National Bank	3.6%
Societe Generale	3.6%
State Street Bank & Trust Co.	3.9%
Suntrust Bank	6.3%
Wachovia Bank NA	6.1%

* BOND INSURANCE	
AMBAC	8.1%

FGIC	3.9%
FRMC	2.3%
FSA	3.4%

65

<Page>

MASSACHUSETTS TAX-EXEMPT FUND 94.1%

<S>	<C>
LETTER OF CREDIT	
Allied Irish Bank, PLC	3.8%
Bank of America	3.8%
Bank of Nova Scotia	3.5%
Comercia Bank, Detroit	4.2%
Depfa Bank, PLC	4.5%
Harvard University	3.7%
La Salle Bank, NA	4.2%
Landesbank Baden-Wurttemberg	1.1%
Landesbank Hessen- Thueringen Girozentrale	4.8%
Lloyds TSB Bank PLC	3.7%
MIT Mass Inst Tech	3.7%
PNC	4.2%
Royal Bank of Scotland	2.4%
Smith College	4.2%
State ST. Bank & Trust Co. Boston	3.7%
Sun Trust Bank of Atlanta	3.2%
Wachovia Bank NA	4.2%
Wellesley College	4.2%
Williams College	3.7%
* BOND INSURANCE	
AMBAC	3.3%
FGIC	6.6%
FSA	8.8%
MBIA	4.6%

MICHIGAN TAX-EXEMPT FUND 97.3%

<S>	<C>
LETTER OF CREDIT	
Bank of America, NA	4.9%
Barclay	4.9%
Comerica Bank	8.2%
Depfa Bank PLC	7.6%
FHLB	4.9%
Fifth Third Bank	4.9%
JPMorganChase Bank	8.5%
Kredietbank NV	4.9%
La Salle Bank, NA	4.2%
Landesbank Hessen- Thuerinigen Girozentrale	4.9%
National City Bank	7.8%
Standard Federal Bank, NA	3.5%
Wachovia Bk & TR Co.	3.5%
* BOND INSURANCE	
AMBAC	4.9%
FGIC	4.9%
FSA	9.9%
MBIA	4.9%

NEW JERSEY TAX-EXEMPT FUND 88.2%

<S>	<C>
LETTER OF CREDIT	
Allied Irish Bank, PLC	4.0%
Bank of America	3.9%
Bank of New York	6.4%
Bank of Nova Scotia	3.8%
Bayerische Landesbank Girozentrale	6.5%
Citibank, NA	4.8%
Dexia Credit Local	3.8%
JPMorganChase Bank	9.1%
Kredietbank NV. Brussels	2.3%
Lloyds TSB Bank PLC	3.9%
PNC Bank, NA	6.8%
Princeton University	4.8%
Suntrust Bank	4.8%
Wachovia Bank NA	7.3%
* BOND INSURANCE	
AMBC	3.8%
FGIC	2.0%
FSA	2.4%
MBIA	7.8%

</Table>

66

<Page>

OHIO TAX-EXEMPT FUND 92.6%

<Table>

<S>	<C>
LETTER OF CREDIT	
ABN-AMRO Bank NV	3.9%
Allied Irish Bank, PLC	3.4%
Bank of America, NA	3.6%
Bank of Nova Scotia	2.5%
Barclays Bank PLC	3.4%
Bayerische Landesbank Girozentrale	3.9%
BNP Paribas	3.4%
Citibank, NA	3.9%
Fifth Third Bank	4.6%
HBOS PLC	7.3%
JPMorganChase Bank	7.4%
Keybank NA	6.9%
La Salle Bank, NA	3.4%
Landesbank Hessen-Thurin	4.4%
National City Bank	2.5%
Ohio State University	2.9%
Republic National Bank	2.4%
State Street Bank & Trust Co.	3.9%
US Bank NA	3.9%
Wachovia Bank NA	3.9%
Wells Fargo Bank NA	2.0%
Westdeutsche Landesbank AG	2.0%

* BOND INSURANCE

AMBAC	2.9%
MBIA	4.2%

</Table>

PENNSYLVANIA TAX-EXEMPT FUND 90.5%

<Table>

<S>	<C>
LETTER OF CREDIT	
ABN-AMRO Bank NV	7.6%
Allied Irish Bank, PLC	3.0%
Bank of America NA	4.0%
Bank of Nova Scotia	4.0%
Bay Landesbank Girozentrale	4.0%
Comerica Bank	3.6%
Depfa Bank, PLC	4.0%
Dexia Bank	5.2%
JPMorganChase Bank	4.4%
Kredietbank NV. Brussels	3.2%
Landesbank Hessen- Thuerinigen Girozentrale	8.4%
Northern Trust Co.	3.9%
PNC Bank, NA	7.2%
Rabobank Nederland	4.0%
University of Pennsylvania	4.0%
Wachovia Bank NA	7.3%

* BOND INSURANCE

AMBAC	3.2%
FSA	4.0%
MBIA	5.5%

</Table>

VIRGINIA TAX-EXEMPT FUND 81.8%

<Table>

<S>	<C>
LETTER OF CREDIT	
Bank of America NA	5.0%
BNP Paribas	8.5%
BB&T NA	7.3%
Citibank	5.0%
JP Morgan/ Chase	5.0%
Kredietbank NV. Brussels	5.0%
Suntrust Bank	8.2%
University of Virginia	7.8%
US Bank NA	5.0%
Wachovia Bank NA	5.0%

* BOND INSURANCE

AMBAC	5.0%
FRMC	5.0%
FSA	5.0%
MBIA	5.0%

</Table>

67

<Page>

NEW YORK TAX-EXEMPT FUND 99.6%

<S>	<C>
LETTER OF CREDIT	
ABN/AMRO	4.1%
Allied Irish Bank, PLC	3.6%
Bank of America NA	4.1%
Bank of New York	4.3%
Bayerische Landesbank Girozentrale	3.7%
Citibank, NA	3.5%
Comerica Bank. Detroit	3.6%
Depfa Bank, PLC	3.8%
Fortis Bank	4.0%
FRMC	4.7%
JP Morgan Chase	4.0%
Keybank NA Cleveland OH	7.1%
Landesbank Baden-Wurternberg	4.1%
Landesbank Hessen- Thuringen Girozentrale	4.0%
Lloyds	3.0%
Rabobank	3.5%
Republic N.B. New York	0.9%
Royal Bank of Canada, Montreal	4.0%
Royal Bank of Scotland	0.9%
Societe Generale	3.5%
Wachovia BK & TR CO. NA North Carolina	2.7%
Wells Fargo Bank NA	4.6%
Westdeutsche Landesbank Girozentrale	4.5%
* BOND INSURANCE	
FGIC	7.5%
FSA	5.6%
MBIA	0.3%

LOUISIANA MUNICIPAL MONEY-MARKET FUND 80.4%

<S>	<C>
LETTER OF CREDIT	
Bank of America NA	5.0%
Bank of New York	9.0%
Bayerische Landesbank Girozentrale	8.1%
FNMA	5.0%
Hibernia National Bank	5.0%
JPMorganChase Bank	5.0%
Natexis Banques Populaires	5.0%
Regions Bank	9.2%
Suntrust Bank	9.5%
Wachovia Bank	5.0%
* BOND INSURANCE	
AMBAC	5.0%
MBIA	9.6%

MINNESOTA MUNICIPAL MONEY-MARKET FUND 88.0%

<S>	<C>
LETTER OF CREDIT	
Allied Irish Bank, PLC	5.0%
Dexia Bank	4.6%
FNMA	8.3%
Harris Trust & Savings Bank	5.0%
La Salle Bank, NA	8.3%
Lloyds TSB Bank PLC	5.0%
University of Minnesota	5.0%
US Bank NA	9.3%
Wells Fargo Bank NA	10.0%
Westdeutsche Landesbank AG	7.5%
* BOND INSURANCE	
AMBAC	10.0%
FRMC	5.0%
MBIA	5.0%

 * Some securities may be backed by both a line of credit and bond insurance.
 ^ Amount is less than 0.05%.

68

<Page>

(5) COMPOSITION OF NET ASSETS:

At November 30, 2005, the composition of each Fund's net assets was as follows:

<S>	PRIMARY FUND	U.S. GOVERNMENT FUND	U.S. TREASURY FUND
<C>	<C>	<C>	<C>

Par Value	\$	20,661,861	\$	2,325,314	\$	480,170
Additional Paid-in-Capital		20,641,199,007		2,322,988,452		479,690,037
Net Assets	\$	20,661,860,868	\$	2,325,313,766	\$	480,170,207

</Table>

The tax basis of each Fund's net assets is the same as the basis for financial reporting at November 30, 2005. There was no undistributed net investment income for any of the Funds at November 30, 2005.

At November 30, 2005, the composition of each Fund's net assets was as follows:

<Table>
<Caption>

	INTERSTATE FUND	CALIFORNIA FUND	CONNECTICUT FUND	FLORIDA FUND	MASSACHUSETTS FUND
<S>	<C>	<C>	<C>	<C>	<C>
Par Value	\$ 1,024,313	\$ 101,769	\$ 25,975	\$ 53,284	\$ 18,833
Additional-Paid-in-Capital	1,023,288,584	101,666,880	25,949,050	53,230,787	18,814,248
Net Assets	\$ 1,024,312,897	\$ 101,768,649	\$ 25,975,025	\$ 53,284,071	\$ 18,833,081

<Caption>

	MICHIGAN FUND	NEW JERSEY FUND	OHIO FUND	PENNSYLVANIA FUND	VIRGINIA FUND
<S>	<C>	<C>	<C>	<C>	<C>
Par Value	\$ 14,156	\$ 50,482	\$ 20,378	\$ 49,946	\$ 14,077
Additional-Paid-in-Capital	14,142,210	50,431,423	20,357,943	49,896,494	14,063,361
Net Assets	\$ 14,156,366	\$ 50,481,905	\$ 20,378,321	\$ 49,946,440	\$ 14,077,438

<Caption>

	NEW YORK FUND	LOUISIANA FUND	MINNESOTA FUND
<S>	<C>	<C>	<C>
Par Value	\$ 174,080	\$ 1,310	\$ 2,411
Additional-Paid-in-Capital	173,906,254	1,308,867	2,408,926
Net Assets	\$ 174,080,334	\$ 1,310,177	\$ 2,411,337

</Table>

The tax basis of each Fund's assets is the same as the basis for financial reporting at November 30, 2005.

69

<Page>

(6) CAPITAL SHARE TRANSACTIONS:

For the six months ended November 30, 2005 and the year ended May 31, 2005, the capital share transactions of each Class of each Fund were as follows (at \$1 per share):

<Table>
<Caption>

	NOVEMBER 30, 2005			
	CLASS R	CLASS 95	CLASS 75	CLASS 70
<S>	<C>	<C>	<C>	<C>
PRIMARY FUND				
Sold	12,606,462,27	6,315,939	250,270,745	11,067,804
Reinvested	80,745,059	159,230	1,120,533	263,123
Redeemed	(12,058,820,298)	(7,812,649)	(212,237,374)	(12,367,028)
Net Increase (Decrease)	628,387,037	(1,337,480)	39,153,904	(1,036,101)

<Caption>

	TREASURER'S TRUST	CLASS 45	CLASS 35	CLASS 25
<S>	<C>	<C>	<C>	<C>
PRIMARY FUND (CONTINUED)				
Sold	2,012,238,232	57,982,963	5,197,305	223,899,612
Reinvested	9,838,631	297,466	73,194	8,736,402
Redeemed	(1,922,331,002)	(46,179,164)	(4,454,813)	(289,908,548)
Net Increase (Decrease)	99,745,861	12,101,265	815,686	(57,272,534)

<Caption>

	CLASS 20	CLASS 15	CLASS 12	CLASS 8
<S>	<C>	<C>	<C>	<C>

PRIMARY FUND (CONTINUED)				
Sold	516,732,267	170,397,853	1,411,181,191	157,033,760,011
Reinvested	4,297,454	1,362,203	3,584,906	155,453,878
Redeemed	(496,442,691)	(145,877,644)	(1,141,358,897)	(149,775,979,763)
Net Increase (Decrease)	24,587,030	25,882,412	273,407,200	7,413,234,126

<Caption>

	CLASS R	TREASURER'S TRUST	CLASS 45	CLASS 25
<S>	<C>	<C>	<C>	<C>
U.S. GOVERNMENT FUND				
Sold	1,880,333,823	161,231,450	19,581,847	72,723,326
Reinvested	12,479,115	1,205,227	124,987	169,388
Redeemed	(1,727,802,874)	(150,144,825)	(15,815,423)	(66,300,043)
Net Increase	165,010,064	12,291,852	3,891,411	6,592,671

<Caption>

	CLASS 15	CLASS 12	CLASS 8
<S>	<C>	<C>	<C>
U.S. GOVERNMENT FUND (CONTINUED)			
Sold	18,922,000	105,100,311	4,909,729,577
Reinvested	6,296	1,416,244	12,354,845
Redeemed	(18,926,528)	(74,096,416)	(4,336,229,093)
Net Increase	1,768	32,420,139	585,855,329

</Table>

70

<Page>

<Table>

<Caption>

	CLASS R	TREASURER'S TRUST	CLASS 75	CLASS 45
<S>	<C>	<C>	<C>	<C>
U.S. TREASURY FUND				
Sold	846,195,617	127,599,052	52,203,886	4,344,297
Reinvested	3,600,512	1,120,942	30,060	16,479
Redeemed	(817,868,789)	(126,429,016)	(52,291,374)	(3,078,228)
Net Increase (Decrease)	31,927,340	2,290,978	(57,428)	1,282,548

<Caption>

	CLASS 25	CLASS 12	CLASS 8
<S>	<C>	<C>	<C>
U.S. TREASURY FUND (CONTINUED)			
Sold	0	50,000	72,641,425
Reinvested	389	483	584,674
Redeemed	(237)	(251)	(83,249,431)
Net Increase (Decrease)	152	50,232	(10,023,332)

</Table>

<Table>

<Caption>

FOR YEAR ENDED MAY 31, 2005				
	CLASS R	CLASS 95	CLASS 75	CLASS 70
<S>	<C>	<C>	<C>	<C>
PRIMARY FUND				
Sold	20,317,040,980	19,478,849	250,458,815	24,810,896
Reinvested	60,193,544	162,324	798,945	292,321
Redeemed	(20,457,289,010)	(22,497,206)	(202,377,304)	(32,242,742)
Net Increase (Decrease)	(80,054,486)	(2,856,033)	48,880,456	(7,139,525)

<Caption>

	TREASURER'S TRUST	CLASS 45	CLASS 35	CLASS 25
<S>	<C>	<C>	<C>	<C>
PRIMARY FUND (CONTINUED)				
Sold	2,779,477,935	88,088,407	14,780,502	350,322,888
Reinvested	7,738,103	241,762	78,301	12,495,241
Redeemed	(2,621,233,736)	(86,780,202)	(16,239,341)	(1,158,996,938)
Net Increase (Decrease)	165,982,302	1,549,967	(1,380,538)	(796,178,809)

<Caption>	CLASS 20	CLASS 15	CLASS 12	CLASS 8
<S>	<C>	<C>	<C>	<C>
PRIMARY FUND (CONTINUED)				
Sold	1,118,651,531	992,287,061	4,501,615,920	220,494,062,320
Reinvested	4,365,852	2,191,068	5,768,194	99,955,275
Redeemed	(856,507,971)	(1,069,271,200)	(4,645,431,393)	(227,429,631,524)
Net Increase (Decrease)	266,509,412	(74,793,071)	(138,047,279)	(6,835,613,929)

</Table>

71

<Page>

<Table>

<Caption>

	TREASURER'S CLASS R	TRUST	CLASS 45	CLASS 25
<S>	<C>	<C>	<C>	<C>
U.S. GOVERNMENT FUND				
Sold	3,093,006,825	249,939,182	9,850,904	143,765,170
Reinvested	9,219,775	864,601	7,493	667,016
Redeemed	(3,015,709,524)	(188,939,449)	(668,578)	(205,855,980)
Net Increase (Decrease)	86,517,076	61,864,334	9,189,819	(61,423,794)

<Caption>

	CLASS 15	CLASS 12	CLASS 8
<S>	<C>	<C>	<C>
Sold	--	44,000,000	8,004,595,101
Reinvested	1,915	181,994	4,047,422
Redeemed	--	--	(7,853,060,412)
Net Increase (Decrease)	1,915	44,181,994	155,582,111

</Table>

<Table>

<Caption>

	CLASS R	TREASURER'S TRUST	AUGUST 16, 2004* TO MAY 31, 2005 CLASS 75	CLASS 45
<S>	<C>	<C>	<C>	<C>
U.S. TREASURY FUND				
Sold	1,627,208,683	299,762,174	81,755,700	--
Reinvested	2,829,445	1,064,044	39,853	139
Redeemed	(1,693,659,193)	(458,193,272)	(80,348,378)	--
Net Increase (Decrease)	(63,621,065)	(157,367,054)	1,447,175	139

<Caption>

	CLASS 25	CLASS 12	CLASS 8
<S>	<C>	<C>	<C>
U.S. TREASURY FUND (CONTINUED)			
Sold	13,502,367	--	255,762,999
Reinvested	408	--^^	739,438
Redeemed	(13,502,616)	--	(257,148,717)
Net Increase (Decrease)	159	--^^	(646,280)

</Table>

* Commencement of Class.
^^ Amount is less than \$0.50.

72

<Page>

For the six months ended November 30, 2005, and year ended May 31, 2005, the capital share transactions of each class of the Interstate Tax-Exempt Fund, each at a net asset value of \$1 per share, were as follows:

<Table>

<Caption>

	SIX MONTHS ENDED NOVEMBER 30, 2005		
	CLASS R	TREASURER'S TRUST	CLASS 75
<S>	<C>	<C>	<C>
Sold	540,368,722	188,136,544	61,000
Reinvested	1,961,959	344,531	98
Redeemed	(520,229,326)	(200,947,304)	(51,172)

	CLASS 70	CLASS 45	CLASS 25
Net Increase (Decrease)	22,101,355	(12,466,229)	9,926
<Caption>			
<S>	<C>	<C>	<C>
Sold	147,712,807	811,439	53,947,501
Reinvested	20,137	3,086	454,570
Redeemed	(147,348,396)	(400,712)	(95,848,659)
Net Increase (Decrease)	384,548	413,813	(41,446,588)
<Caption>			
<S>	<C>	<C>	<C>
Sold	14	3	5,452,375,548
Reinvested	1,192	117	9,433,907
Redeemed	(13)	(1)	(5,818,816,446)
Net Increase (Decrease)	1,193	119	(357,006,991)

</Table>

For the years ended May 31, 2005 and May 31, 2004, the capital share transactions of each class of the Interstate Tax-Exempt Fund, each at a net asset value of \$1 per share, were as follows:

<Table>
<Caption>

	YEAR ENDED MAY 31, 2005		
	CLASS R	TREASURER'S TRUST	OCTOBER 1, 2004* TO MAY 31, 2005 CLASS 75
<S>	<C>	<C>	<C>
Sold	1,218,219,096	257,552,413	1,510
Reinvested	1,904,802	357,612	2
Redeemed	(1,242,244,626)	(231,731,228)	(1,411)
Net Increase (Decrease)	(22,120,728)	26,178,797	101

<Caption>

	OCTOBER 1, 2004* TO MAY 31, 2005 CLASS 70	CLASS 45	CLASS 25
<S>	<C>	<C>	<C>
Sold	75,609,267	65,703	106,352,469
Reinvested	21,974	158	387,135
Redeemed	(74,686,333)	(6,055)	(44,943,518)
Net Increase (Decrease)	944,908	59,806	61,796,086

<Caption>

	CLASS 15	FEBRUARY 1, 2005* TO MAY 31, 2005 CLASS 12	CLASS 8
<S>	<C>	<C>	<C>
Sold	24	9,999	5,872,411,962
Reinvested	1,570	71	9,804,274
Redeemed	(15)	--	(4,925,031,660)
Net Increase (Decrease)	1,579	10,070	957,184,576

</Table>

* Commencement of Class operations.

73

<Page>

(7) COMMITMENTS AND CONTINGENCIES:

In the normal course of business, the Funds enter into contracts that contain a variety of representations and warranties and provide general indemnifications. The Funds' general exposure under these arrangements is unknown, as this would involve future claims that may be made against the Funds that have not yet occurred. However, based on experience, the Funds expect the risk of loss to be remote.

(8) FINANCIAL HIGHLIGHTS:

Contained below is per share operating performance data for a share of beneficial interest outstanding of each Class of each Fund for each of the periods as indicated:

<Table>
<Caption>

CLASS R						
	SIX MONTHS ENDED NOVEMBER 30, 2005	YEARS ENDED MAY 31,				
		2005	2004	2003	2002	2001
<S>	<C>	<C>	<C>	<C>	<C>	<C>
PRIMARY FUND						
Net asset value at beginning of year	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000
Net investment income	0.0130	0.0100	0.0011	0.0065	0.0187	0.0511
Dividends from net investment income	(0.0130)	(0.0100)	(0.0011)	(0.0065)	(0.0187)	(0.0511)
Net asset value at end of year	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000
Total Return	1.30%	1.01%	0.11%	0.65%	1.90%	5.29%
RATIOS/SUPPLEMENTAL DATA						
Net assets end of year (millions)	\$ 6,615.5	\$ 5,987.1	\$ 6,067.2	\$ 6,231.8	\$ 6,462.0	\$ 6,241.8
Ratio of expenses to average net assets	1.00%(a)	1.00%	1.00%	1.00%	1.01%	1.00%
Ratios of expenses to average net assets, net of fee waivers	1.00%(a)	1.00%	0.99%	(b)	(b)	(b)
Ratio of net investment income to average net assets	2.62%(a)	1.00%	0.10%	0.64%	1.86%	5.11%

<Table>
<Caption>

CLASS 95			
	SIX MONTHS ENDED NOVEMBER 30, 2005	YEAR ENDED MAY 31, 2005	AUGUST 12, 2003* TO MAY 31, 2004
<S>	<C>	<C>	<C>
PRIMARY FUND			
Net asset value at beginning of period	\$ 1.0000	\$ 1.0000	\$ 1.0000
Net investment income	0.0132	0.0105	0.0009
Dividends from net investment income	(0.0132)	(0.0105)	(0.0009)
Net asset value at end of period	\$ 1.0000	\$ 1.0000	\$ 1.0000
Total Return	1.33%	1.06%	0.09%
RATIOS/SUPPLEMENTAL DATA			
Net assets end of period (millions)	\$ 11.8	\$ 13.1	\$ 16.0
Ratio of expenses to average net assets	0.95%(a)	0.95%	0.95%(a)
Ratio of net investment income to average net assets	2.67%(a)	1.00%	0.14%(a)

74

<Page>

<Table>
<Caption>

CLASS 75						
	SIX MONTHS ENDED NOVEMBER 30, 2005	YEARS ENDED MAY 31,				MAY 29, 2001* TO MAY 31, 2001
		2005	2004	2003	2002	
<S>	<C>	<C>	<C>	<C>	<C>	<C>
PRIMARY FUND						
Net asset value at beginning of period	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000
Net investment income	0.0142	0.0125	0.0035	0.0090	0.0213	0.0003
Dividends from net investment income	(0.0142)	(0.0125)	(0.0035)	(0.0090)	(0.0213)	(0.0003)
Net asset value at end of period	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000
Total Return	1.43%	1.27%	0.35%	0.90%	2.16%	0.03%
RATIOS/SUPPLEMENTAL DATA						
Net assets end of period (millions)	\$ 94.9	\$ 55.7	\$ 6.8	\$ 14.1	\$ 23.5	\$ 34.7
Ratio of expenses to average net assets	0.75%(a)	0.75%	0.75%	0.75%	0.76%	0.75%(a)
Ratio of net investment						

income to average net assets	2.87%(a)	1.33%	0.37%	0.95%	2.33%	3.97%(a)
------------------------------	----------	-------	-------	-------	-------	----------

</Table>

<Table>

<Caption>

	CLASS 70		
	SIX MONTHS ENDED NOVEMBER 30, 2005	YEAR ENDED MAY 31, 2005	AUGUST 12, 2003* TO MAY 31, 2004
<S>	<C>	<C>	<C>
PRIMARY FUND			
Net asset value at beginning of period	\$ 1.0000	\$ 1.0000	\$ 1.0000
Net investment income	0.0145	0.0130	0.0029
Dividends from net investment income	(0.0145)	(0.0130)	(0.0029)
Net asset value at end of period	\$ 1.0000	\$ 1.0000	\$ 1.0000
Total Return	1.46%	1.32%	0.29%
RATIOS/SUPPLEMENTAL DATA			
Net assets end of period (millions)	\$ 18.4	\$ 19.4	\$ 26.6
Ratio of expenses to average net assets	0.70%(a)	0.70%	0.70%(a)
Ratio of net investment income to average net assets	2.92%(a)	1.26%	0.39%(a)

75

<Page>

<Table>

<Caption>

	TREASURER'S TRUST					
	SIX MONTHS ENDED NOVEMBER 30, 2005	YEARS ENDED MAY 31,				MAY 29, 2001* TO MAY 31, 2001
		2005	2004	2003	2002	
<S>	<C>	<C>	<C>	<C>	<C>	<C>
PRIMARY FUND						
Net asset value at beginning of period	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000
Net investment income	0.0150	0.0140	0.0050	0.0105	0.0228	0.0003
Dividends from net investment income	(0.0150)	(0.0140)	(0.0050)	(0.0105)	(0.0228)	(0.0003)
Net asset value at end of period	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000
Total Return	1.51%	1.42%	0.50%	1.06%	2.32%	0.03%
RATIOS/SUPPLEMENTAL DATA						
Net assets end of period (millions)	\$ 709.4	\$ 609.7	\$ 443.7	\$ 497.4	\$ 510.0	\$ 224.5
Ratio of expenses to average net assets	0.60%(a)	0.60%	0.60%	0.60%	0.60%	0.60%(a)
Ratio of net investment income to average net assets	3.02%(a)	1.49%	0.50%	1.04%	2.05%	4.12%(a)

</Table>

<Table>

<Caption>

	CLASS 45					
	SIX MONTHS ENDED NOVEMBER 30, 2005	YEARS ENDED MAY 31,				MAY 29, 2001* TO MAY 31, 2001
		2005	2004	2003	2002	
<S>	<C>	<C>	<C>	<C>	<C>	<C>
PRIMARY FUND						
Net asset value at beginning of period	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000
Net investment income	0.0157	0.0155	0.0065	0.0120	0.0243	0.0004
Dividends from net investment income	(0.0157)	(0.0155)	(0.0065)	(0.0120)	(0.0243)	(0.0004)
Net asset value at end of period	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000
Total Return	1.58%	1.57%	0.65%	1.21%	2.48%	0.04%
RATIOS/SUPPLEMENTAL DATA						
Net assets end of period (millions)	\$ 29.7	\$ 17.6	\$ 16.0	\$ 13.5	\$ 23.1	\$ 7.4
Ratio of expenses to average net assets	0.45%(a)	0.45%	0.45%	0.45%	0.45%	0.45%(a)

</Table>

<Table>

<Caption>

Ratio of net investment
income to average
net assets 3.17%(a) 1.58% 0.65% 1.23% 2.13% 4.27%(a)

</Table>
<Page>

76

<Table>
<Caption>

	CLASS 35			
	SIX MONTHS ENDED NOVEMBER 30, 2005	YEARS ENDED MAY 31,		JULY 1, 2002* TO MAY 31, 2003
		2005	2004	
<S> PRIMARY FUND	<C>	<C>	<C>	<C>
Net asset value at beginning of period	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000
Net investment income	0.0162	0.0165	0.0050	0.0075
Dividends from net investment income	(0.0162)	(0.0165)	(0.0050)	(0.0075)
Net asset value at end of period	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000
Total Return	1.64%	1.68%	0.51%	0.76%
RATIOS/SUPPLEMENTAL DATA				
Net assets end of period (millions)	\$ 4.5	\$ 3.7	\$ 5.1	\$ 0.0^
Ratio of expenses to average net assets	0.35%(a)	0.35%	0.35%(a)+	0.35%(a)+
Ratio of net investment income to average net assets	3.27%(a)	1.49%	0.74%(a)+	1.45%(a)+

<Caption>

	CLASS 25					
	SIX MONTHS ENDED NOVEMBER 30, 2005	YEARS ENDED MAY 31,				MAY 29, 2001* TO MAY 31, 2001
		2005	2004	2003	2002	
<S> PRIMARY FUND	<C>	<C>	<C>	<C>	<C>	<C>
Net asset value at beginning of period	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000
Net investment income	0.0167	0.0175	0.0085	0.0140	0.0263	0.0004
Dividends from net investment income	(0.0167)	(0.0175)	(0.0085)	(0.0140)	(0.0263)	(0.0004)
Net asset value at end of period	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000
Total Return	1.69%	1.78%	0.86%	1.42%	2.69%	0.04%
RATIOS/SUPPLEMENTAL DATA						
Net assets end of period (millions)	\$ 495.0	\$ 552.3	\$ 1,348.4	\$ 1,524.7	\$ 2,113.4	\$ 442.0
Ratio of expenses to average net assets	0.25%(a)	0.25%	0.25%	0.25%	0.25%	0.25%(a)
Ratio of net investment income to average net assets	3.37%(a)	1.65%	0.84%	1.41%	2.31%	4.47%(a)

</Table>
<Page>

77

<Table>
<Caption>

	CLASS 20		
	SIX MONTHS ENDED NOVEMBER 30, 2005	YEAR ENDED MAY 31, 2005	FEBRUARY 17, 2004* TO MAY 31, 2004
<S> PRIMARY FUND	<C>	<C>	<C>
Net asset value at beginning of period	\$ 1.0000	\$ 1.0000	\$ 1.0000
Net investment income	0.0170	0.0180	0.0025
Dividends from net investment income	(0.0170)	(0.0180)	(0.0025)
Net asset value at end of period	\$ 1.0000	\$ 1.0000	\$ 1.0000
Total Return	1.71%	1.83%	0.26%
RATIOS/SUPPLEMENTAL DATA			
Net assets end of period (millions)	\$ 291.1	\$ 266.5	\$ 0.0^
Ratio of expenses to average net assets	0.20%(a)	0.20%	0.20%(a)
Ratio of net investment income to average net assets	3.42%(a)	1.86%	0.89%(a)

<Caption>

	CLASS 15				
	SIX MONTHS ENDED NOVEMBER 30, 2005	YEARS ENDED MAY 31,			JULY 30, 2001* TO 2002
		2005	2004	2003	
<S> PRIMARY FUND	<C>	<C>	<C>	<C>	<C>
Net asset value at beginning of period	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000
Net investment income	0.0172	0.0185	0.0095	0.0150	0.0205
Dividends from net investment income	(0.0172)	(0.0185)	(0.0095)	(0.0150)	(0.0205)
Net asset value at end of period	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000
Total Return	1.74%	1.88%	0.96%	1.52%	2.08%
RATIOS/SUPPLEMENTAL DATA					
Net assets end of period (millions)	\$ 87.8	\$ 61.9	\$ 136.7	\$ 692.0	\$ 34.1
Ratio of expenses to average net assets	0.15%(a)	0.15%	0.15%	0.15%	0.15%(a)
Ratio of net investment income to average net assets	3.47%(a)	1.57%	0.95%	1.30%	2.07%(a)

<Caption>

	CLASS 12		
	SIX MONTHS ENDED NOVEMBER 30, 2005	YEAR ENDED MAY 31, 2005	JUNE 25, 2003* TO MAY 31, 2004
	<C>	<C>	<C>
<S> PRIMARY FUND			
Net asset value at beginning of period	\$ 1.0000	\$ 1.0000	\$ 1.0000
Net investment income	0.0174	0.0188	0.0090
Dividends from net investment income	(0.0174)	(0.0188)	(0.0090)
Net asset value at end of period	\$ 1.0000	\$ 1.0000	\$ 1.0000
Total Return	1.75%	1.92%	0.91%
RATIOS/SUPPLEMENTAL DATA			
Net assets end of period (millions)	\$ 463.5	\$ 190.1	\$ 328.1
Ratio of expenses to average net assets	0.12%(a)	0.12%	0.12%(a)
Ratio of net investment income to average net assets	3.50%(a)	1.81%	0.97%(a)

78

<Page>

<Table>
<Caption>

	CLASS 8				
	SIX MONTHS ENDED NOVEMBER 30, 2005	YEARS ENDED MAY 31,			JULY 27, 2001* TO 2002
		2005	2004	2003	
<S> PRIMARY FUND	<C>	<C>	<C>	<C>	<C>
Net asset value at beginning of period	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000
Net investment income	0.0176	0.0193	0.0102	0.0157	0.0214
Dividends from net investment income	(0.0176)	(0.0193)	(0.0102)	(0.0157)	(0.0214)
Net asset value at end of period	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000
Total Return	1.77%	1.97%	1.03%	1.59%	2.17%
RATIOS/SUPPLEMENTAL DATA					
Net assets end of period (millions)	\$ 11,840.4	\$ 4,427.1	\$ 11,262.8	\$ 5,304.3	\$ 2,818.3
Ratio of expenses to average net assets	0.08%(a)	0.08%	0.08%	0.08%	0.08%(a)
Ratio of expenses to average net assets net of fee waivers	0.08%(a)	0.07%	0.08%	0.08%	0.08%(a)
Ratio of net investment income to average net assets	3.54%(a)	1.72%	1.02%	1.45%	2.25%(a)

<Caption>

	CLASS R			
	SIX MONTHS ENDED NOVEMBER 30,	YEARS ENDED MAY 31,		

	2005	2005	2004	2003	2002	2001
<S>	<C>	<C>	<C>	<C>	<C>	<C>
U.S. GOVERNMENT FUND						
Net asset value at beginning of year	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000
Net investment income	0.0128	0.0102	0.0010	0.0050	0.0149	0.0493
Dividends from net investment income	(0.0128)	(0.0102)	(0.0010)	(0.0050)	(0.0149)	(0.0493)
Net asset value at end of year	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000
Total Return	1.29%	1.03%	0.10%	0.50%	1.50%	5.12%
RATIOS/SUPPLEMENTAL DATA						
Net assets end of year (millions)	\$ 1,105.0	\$ 940.0	\$ 853.5	\$ 846.7	\$ 902.3	\$ 887.1
Ratio of expenses to average net assets	1.00%(a)	1.00%	1.00%	1.00%	1.01%	1.01%
Ratio of expenses to average net assets net of fee waivers	1.00%(a)	1.00%	0.98%	(b)	(b)	(b)
Ratio of net investment income to average net assets	2.59%(a)	1.04%	0.10%	0.50%	1.44%	4.93%

79

<Page>

<Table>
<Caption>

TREASURER'S TRUST

	SIX MONTHS ENDED NOVEMBER 30, 2005	MAY 29, YEARS ENDED MAY 31,				2001* TO MAY 31, 2001
	2005	2004	2003	2002		
<S>	<C>	<C>	<C>	<C>	<C>	
U.S. GOVERNMENT FUND						
Net asset value at beginning of period	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	
Net investment income	0.0148	0.0142	0.0049	0.0090	0.0189	
Dividends from net investment income	(0.0148)	(0.0142)	(0.0049)	(0.0090)	(0.0003)	
Net asset value at end of period	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	
Total Return	1.49%	1.44%	0.49%	0.91%	1.91%	
RATIOS/SUPPLEMENTAL DATA						
Net assets end of period (millions)	\$ 93.4	\$ 81.2	\$ 19.3	\$ 6.5	\$ 4.0	\$ 15.6
Ratio of expenses to average net assets	0.60%(a)	0.60%	0.60%	0.60%	0.60%	0.60%(a)
Ratio of net investment income to average net assets	2.99%(a)	1.64%	0.48%	0.83%	2.16%	3.47%(a)

<Caption>

CLASS 45

	SIX MONTHS ENDED NOVEMBER 30, 2005	MAY 29, YEARS ENDED MAY 31,				MAY 29, 2001* TO MAY 31, 2001
	2005	2004	2003	2002		
<S>	<C>	<C>	<C>	<C>	<C>	
U.S. GOVERNMENT FUND						
Net asset value at beginning of period	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	
Net investment income	0.0156	0.0157	0.0064	0.0105	0.0203	
Dividends from net investment income	(0.0156)	(0.0157)	(0.0064)	(0.0105)	(0.0003)	
Net asset value at end of period	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	
Total Return	1.57%	1.59%	0.64%	1.06%	2.06%	
RATIOS/SUPPLEMENTAL DATA						
Net assets end of period (millions)	\$ 13.1	\$ 9.2	\$ 0.0^	\$ 5.8	\$ 0.4	\$ 4.4
Ratio of expenses to average net assets	0.45%(a)	0.45%	0.44%	0.45%	0.45%	0.45%(a)
Ratio of net investment income to average net assets	3.14%(a)	2.36%	0.66%	0.86%	2.73%	3.62%(a)

</Table>

80

<Page>

<Table>

<Caption>

	CLASS 25					
	SIX MONTHS ENDED NOVEMBER 30, 2005	YEARS ENDED MAY 31,				MAY 29, 2001* TO MAY 31, 2001
		2005	2004	2003	2002	
<S>	<C>	<C>	<C>	<C>	<C>	<C>
U.S. GOVERNMENT FUND						
Net asset value at beginning of period	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000
Net investment income	0.0166	0.0177	0.0084	0.0125	0.0224	0.0003
Dividends from net investment income	(0.0166)	(0.0177)	(0.0084)	(0.0125)	(0.0224)	(0.0003)
Net asset value at end of period	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000
Total Return	1.67%	1.80%	0.84%	1.27%	2.28%	0.03%
RATIOS/SUPPLEMENTAL DATA						
Net assets end of period (millions)	\$ 11.2	\$ 4.6	\$ 66.0	\$ 50.1	\$ 90.7	\$ 3.8
Ratio of expenses to average net assets	0.25%(a)	0.25%	0.25%	0.25%	0.25%	0.25%(a)
Ratio of net investment income to average net assets	3.34%(a)	1.44%	0.83%	1.28%	1.71%	3.82%(a)

<Caption>

	CLASS 15			
	SIX MONTHS ENDED NOVEMBER 30, 2005	YEARS ENDED MAY 31,		NOVEMBER 18, 2002* TO MAY 31, 2003
		2005	2004	
<S>	<C>	<C>	<C>	<C>
U.S. GOVERNMENT FUND				
Net asset value at beginning of period	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000
Net investment income	0.0171	0.0187	0.0094	0.0061
Dividends from net investment income	(0.0171)	(0.0187)	(0.0094)	(0.0061)
Net asset value at end of period	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000
Total Return	1.72%	1.90%	0.94%	0.61%
RATIOS/SUPPLEMENTAL DATA				
Net assets end of period (millions)	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1
Ratio of expenses to average net assets	0.15%(a)	0.15%	0.15%	0.15%(a)
Ratio of net investment income to average net assets	3.44%(a)	1.87%	0.93%	1.17%(a)

</Table>

81

<Page>

<Table>

<Caption>

	CLASS 12		
	SIX MONTHS ENDED NOVEMBER 30, 2005	YEAR ENDED MAY 31, 2005	FEBRUARY 24, 2004* TO MAY 31, 2004
<S>	<C>	<C>	<C>
U.S. GOVERNMENT FUND			
Net asset value at beginning of period	\$ 1.0000	\$ 1.0000	\$ 1.0000
Net investment income	0.0172	0.0190	0.0025
Dividends from net investment income	(0.0172)	(0.0190)	(0.0025)
Net asset value at end of period	\$ 1.0000	\$ 1.0000	\$ 1.0000
Total Return	1.74%	1.94%	0.25%
RATIOS/SUPPLEMENTAL DATA			
Net assets end of period (millions)	\$ 77.6	\$ 45.2	\$ 1.0
Ratio of expenses to average net assets	0.12%(a)	0.12%	0.13%(a)
Ratio of net investment income to average net assets	3.47%(a)	2.12%	0.96%(a)

<Caption>

CLASS 8

	SIX MONTHS ENDED NOVEMBER 30, 2005	YEARS ENDED MAY 31,		JUNE 7, 2002* TO MAY 31, 2003
		2005	2004	
<S>	<C>	<C>	<C>	<C>
U.S. GOVERNMENT FUND				
Net asset value at beginning of period	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000
Net investment income	0.0174	0.0194	0.0101	0.0142
Dividends from net investment income	(0.0174)	(0.0194)	(0.0101)	(0.0142)
Net asset value at end of period	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000
Total Return	1.76%	1.98%	1.01%	1.44%
RATIOS/SUPPLEMENTAL DATA				
Net assets end of period (millions)	\$ 1,024.9	\$ 439.1	\$ 283.5	\$ 49.1
Ratio of expenses to average net assets	0.08%(a)	0.08%	0.08%	0.08%(a)
Ratio of net investment income to average net assets	3.51%(a)	1.98%	1.00%	1.20%(a)

82

<Page>

<Table>

<Caption>

CLASS R

	SIX MONTHS ENDED NOVEMBER 30, 2005	YEARS ENDED MAY 31,				
		2005	2004	2003	2002	2001
<S>	<C>	<C>	<C>	<C>	<C>	<C>
U.S. TREASURY FUND						
Net asset value at beginning of year	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000
Net investment income	0.0111	0.0083	0.0009	0.0047	0.0166	0.0468
Dividends from net investment income	(0.0111)	(0.0083)	(0.0009)	(0.0047)	(0.0166)	(0.0468)
Net asset value at end of year	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000
Total Return	1.11%	0.83%	0.09%	0.47%	1.68%	4.82%
RATIOS/SUPPLEMENTAL DATA						
Net assets end of year (millions)	\$ 345.8	\$ 313.9	\$ 377.5	\$ 356.2	\$ 344.3	\$ 401.2
Ratio of expenses to average net assets	1.00%(a)	1.00%	1.00%	1.00%	1.00%	1.04%
Ratios of expenses to average net assets net of fee waivers	1.00%(a)	0.99%	0.89%	1.00%	0.97%	0.99%
Ratio of net investment income to average net assets	2.22%(a)	0.80%	0.09%	0.47%	1.64%	4.68%

<Caption>

TREASURER'S TRUST

	SIX MONTHS ENDED NOVEMBER 30, 2005	YEARS ENDED MAY 31,				MAY 29, 2001* TO MAY 31, 2001
		2005	2004	2003	2002	
<S>	<C>	<C>	<C>	<C>	<C>	<C>
U.S. TREASURY FUND						
Net asset value at beginning of period	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000
Net investment income	0.0131	0.0121	0.0039	0.0086	0.0203	0.0003
Dividends from net investment income	(0.0131)	(0.0121)	(0.0039)	(0.0086)	(0.0203)	(0.0003)
Net asset value at end of period	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000
Total Return	1.32%	1.23%	0.39%	0.87%	2.06%	0.03%
RATIOS/SUPPLEMENTAL DATA						
Net assets end of period (millions)	\$ 96.3	\$ 94.0	\$ 251.4	\$ 281.9	\$ 257.9	\$ 28.4
Ratio of expenses to average net assets	0.60%(a)	0.60%	0.60%	0.60%	0.61%	0.60%(a)

income to average net assets 2.62%(a) 1.17% 0.39% 0.85% 1.44% 3.44%(a)

</Table>

83

<Page>

<Table>

<Caption>

	CLASS 75		CLASS 45		
	SIX MONTHS ENDED NOVEMBER 30, 2005	AUGUST 16, 2004* TO MAY 31, 2005	SIX MONTHS ENDED NOVEMBER 30, 2004	YEAR ENDED MAY 31, 2003	AUGUST 7, 2003* TO MAY 31, 2002
<S>	<C>	<C>	<C>	<C>	<C>
U.S TREASURY FUND					
Net asset value at beginning of period	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000
Net investment income from investment operations	0.0123	0.0100	0.0138	0.0137	0.0043
Dividends from net investment income	(0.0123)	(0.0100)	(0.0138)	(0.0137)	(0.0043)
Net asset value at end of period	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000
Total Return	1.24%	1.01%	1.39%	1.38%	0.43%
RATIOS/SUPPLEMENTAL DATA					
Net assets end of period (millions)	\$ 1.4	\$ 1.4	\$ 1.3	\$ 0.0^	\$ 0.0^
Ratio of expenses to average net assets	0.75%(a)	0.76%(a)	0.45%	0.45%	0.43%(a)
Ratio of net investment income to average net assets	2.47%(a)	1.39%(a)	2.77%	1.38%	0.54%(a)

<Caption>

	CLASS 25		
	SIX MONTHS ENDED NOVEMBER 30, 2005	YEAR ENDED MAY 31, 2005	AUGUST 7, 2003* TO MAY 31, 2004
<S>	<C>	<C>	<C>
U.S TREASURY FUND			
Net asset value at beginning of period	\$ 1.0000	\$ 1.0000	\$ 1.0000
Net investment income from investment operations	0.0148	0.0156	0.0058
Dividends from net investment income	(0.0148)	(0.0156)	(0.0058)
Net asset value at end of period	\$ 1.0000	\$ 1.0000	\$ 1.0000
Total Return	1.49%	1.59%	0.58%
RATIOS/SUPPLEMENTAL DATA			
Net assets end of period (millions)	\$ 0.0	\$ 0.0^	\$ 0.0^
Ratio of expenses to average net assets	0.25%(a)	0.25%	0.26%(a)
Ratio of net investment income to average net assets	2.96%(a)	1.66%	0.71%(a)

</Table>

84

<Page>

<Table>

<Caption>

	CLASS 12		
	SIX MONTHS ENDED NOVEMBER 30, 2005	YEAR ENDED MAY 31, 2005	FEBRUARY 24, 2004* TO MAY 31, 2004
<S>	<C>	<C>	<C>
U.S TREASURY FUND			
Net asset value at beginning of period	\$ 1.0000	\$ 1.0000	\$ 1.0000
Net investment income from investment operations	0.0155	0.0170	0.0022
Dividends from net investment income	(0.0155)	(0.0170)	(0.0022)
Net asset value at end of period	\$ 1.0000	\$ 1.0000	\$ 1.0000
Total Return	1.56%	1.72%	0.22%
RATIOS/SUPPLEMENTAL DATA			
Net assets end of period (millions)	\$ 0.0	\$ 0.0^	\$ 0.0^
Ratio of expenses to average net assets	0.12%(a)	0.12%	0.12%(a)
Ratio of net investment income			

to average net assets 3.10%(a) 1.78% 0.83%(a)

<Caption>

	CLASS 8			
	SIX MONTHS ENDED NOVEMBER 30, 2005	YEARS ENDED MAY 31,		JUNE 7, 2002* TO MAY 31, 2003
		2005	2004	
<S>	<C>	<C>	<C>	<C>
U.S. TREASURY FUND				
Net asset value at beginning of period	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000
Net investment income from investment operations	0.0158	0.0173	0.0091	0.0143
Dividends from net investment income	(0.0158)	(0.0173)	(0.0091)	(0.0143)
Net asset value at end of period	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000
Total Return	1.59%	1.77%	0.91%	1.44%
RATIOS/SUPPLEMENTAL DATA				
Net assets end of period (millions)	\$ 35.2	\$ 45.3	\$ 45.9	\$ 10.4
Ratio of expenses to average net assets	0.08%(a)	0.08%	0.08%	0.08%(a)
Ratio of net investment income to average net assets	3.14%(a)	1.69%	0.90%	1.12%(a)

* Inception of Class Operations.

+ The Fund did not have assets as shown outstanding during the entire period indicated. Therefore, ratios were annualized based on the period that the class held assets and therefore was allocated income and expenses.

^ Amount is less than \$500,000.

(a) Annualized.

(b) As there were no fee waivers during the period, this is not applicable.

85

<Page>

Contained below is per share operating performance data for a share of beneficial interest outstanding for each of the periods as indicated.

<Table>

<Caption>

	CLASS R					
	SIX MONTHS ENDED NOV. 30, 2005	YEARS ENDED MAY 31,				
		2005	2004	2003	2002	2001
<S>	<C>	<C>	<C>	<C>	<C>	<C>
INTERSTATE TAX-EXEMPT FUND						
Net asset value at beginning of year	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000
Net investment income	0.0074	0.0070	0.0010	0.0034	0.0108	0.0289
Dividends from net investment income	(0.0074)	(0.0070)	(0.0010)	(0.0034)	(0.0108)	(0.0289)
Net asset value at end of year	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000
Total Return	0.74%	0.70%	0.10%	0.34%	1.09%	2.95%
RATIOS/SUPPLEMENTAL DATA						
Net assets end of year (millions)	\$ 283.5	\$ 261.4	\$ 283.5	\$ 280.4	\$ 295.7	\$ 296.2
Ratio of expenses to average net assets	1.00%(a)	1.00%	1.00%	1.00%	1.01%	1.01%
Ratio of expenses to average net assets net of fee waivers	1.00%(a)	1.00%	0.90%	0.99%	1.01%	1.01%
Ratio of net investment income to average net assets	1.46%(a)	0.69%	0.10%	0.33%	1.08%	2.89%

<Caption>

	TREASURER'S TRUST				
	SIX MONTHS ENDED NOV. 30, 2005	YEARS ENDED MAY 31,			APRIL 17, 2001* TO MAY 31, 2001
		2005	2004	2003	2002
<S>	<C>	<C>	<C>	<C>	<C>
Net asset value at beginning of period	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000

Net investment income	0.0094	0.0109	0.0040	0.0074	0.0149	0.0002
Dividends from net investment income	(0.0094)	(0.0109)	(0.0040)	(0.0074)	(0.0149)	(0.0002)
Net asset value at end of period	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000
Total Return	0.95%	1.10%	0.40%	0.74%	1.50%	0.02%

RATIOS/SUPPLEMENTAL DATA

Net assets end of period (millions)	\$ 36.2	\$ 48.7	\$ 22.5	\$ 29.2	\$ 20.5	\$ 85.4
Ratio of expenses to average net assets	0.60%(a)	0.60%	0.60%	0.60%	0.61%	0.60%(a)
Ratio of net investment income to average net assets	1.86%(a)	1.24%	0.37%	0.71%	1.59%	2.56%(a)

</Table>

86

<Page>

<Table>

<Caption>

	CLASS 75		CLASS 70		CLASS 45		
	SIX MONTHS ENDED NOV. 30, 2005	SEPTEMBER 23, 2004* TO MAY 31, 2005	SIX MONTHS ENDED NOV. 30, 2005	AUGUST 16, 2004* TO MAY 31, 2005	SIX MONTHS ENDED NOV. 30, 2005	YEAR ENDED MAY 31, 2005	AUGUST 7, 2003* TO MAY 31, 2004
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Net asset value at beginning of period	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000
Net investment income	0.0086	0.0083	0.0089	0.0092	0.0102	0.0123	0.0044
Dividends from net investment income	(0.0086)	(0.0083)	(0.0089)	(0.0092)	(0.0102)	(0.0123)	(0.0044)
Net asset value at end of period	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000
Total Return	0.87%	0.83%	0.89%	0.93%	1.02%	1.25%	0.45%

RATIOS/SUPPLEMENTAL DATA

Net assets end of period (millions)	\$ 0.0	\$ --^	\$ 1.3	\$ 0.9	\$ 0.5	\$ 0.10	\$ --^
Ratio of expenses to average net assets	0.75%(a)	0.75%(a)	0.70%(a)	0.71%(a)	0.45%(a)	0.46%	0.44%(a)
Ratio of net investment income to average net assets	1.71%(a)	1.60%(a)	1.76%(a)	1.10%(a)	2.01%(a)	1.37%	0.55%(a)

</Table>

<Table>

<Caption>

	CLASS 25					
	SIX MONTHS ENDED NOV. 30, 2005	YEARS ENDED MAY 31,				MAY 29, 2001* TO MAY 31, 2001
		2005	2004	2003	2002	
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Net asset value at beginning of period	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000
Net investment income	0.0112	0.0144	0.0075	0.0109	0.0184	0.0002
Dividends from net investment income	(0.0112)	(0.0144)	(0.0075)	(0.0109)	(0.0184)	(0.0002)
Net asset value at end of period	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000
Total Return	1.12%	1.46%	0.75%	1.09%	1.86%	0.02%

RATIOS/SUPPLEMENTAL DATA

Net assets end of period (millions)	\$ 36.2	\$ 77.7	\$ 15.9	\$ 17.8	\$ 16.3	\$ 45.7
Ratio of expenses to average net assets	0.25%(a)	0.25%	0.25%	0.25%	0.26%	0.25%(a)
Ratio of net investment income to average net assets	2.21%(a)	1.76%	0.74%	1.07%	1.96%	2.91%(a)

</Table>

87

<Page>

<Table>
<Caption>

	CLASS 15			
	SIX MONTHS ENDED NOV. 30, 2005	YEARS ENDED MAY 31,		JANUARY 13, 2003* TO MAY 31, 2003
		2005	2004	
<S>	<C>	<C>	<C>	<C>
Net asset value at beginning of period	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000
Net investment income	0.0117	0.0154	0.0085	0.0039
Dividends from net investment income	(0.0117)	(0.0154)	(0.0085)	(0.0039)
Net asset value at end of period	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000
Total Return	1.17%	1.56%	0.86%	0.39%
RATIOS/SUPPLEMENTAL DATA				
Net assets end of period (millions)	\$ 0.1	\$ 0.10	\$ 0.1	\$ 0.1
Ratio of expenses to average net assets	0.15%(a)	0.16%	0.15%	0.15%(a)
Ratio of net investment income to average net assets	2.31%(a)	1.54%	0.85%	1.03%(a)

<Caption>

	CLASS 12		CLASS 8			
	SIX MONTHS ENDED NOV. 30, 2005	FEBRUARY 1, 2005* TO MAY 31, 2005	SIX MONTHS ENDED NOV. 30, 2005	YEARS ENDED MAY 31,		JANUARY 13, 2003* TO MAY 31, 2003
				2005	2004	
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Net asset value at beginning of period	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000
Net investment income	0.0118	0.0069	0.0120	0.0161	0.0092	0.0042
Dividends from net investment income	(0.0118)	(0.0069)	(0.0120)	(0.0161)	(0.0092)	(0.0042)
Net asset value at end of period	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000
Total Return	1.19%	0.70%	1.21%	1.64%	0.93%	0.42%
RATIOS/SUPPLEMENTAL DATA						
Net assets end of period (millions)	\$ 0.0	\$ --^	\$ 666.4	\$ 1,023.4	\$ 66.2	\$ 0.1
Ratio of expenses to average net assets	0.12%(a)	0.12%(a)	0.08%(a)	0.08%	0.08%	0.08%(a)
Ratio of net investment income to average net assets	2.36%(a)	2.12%(a)	2.38%(a)	1.80%	0.92%	1.10%(a)

</Table>

88

<Page>

<Table>
<Caption>

	SIX MONTH ENDED NOV. 30, 2005	YEARS ENDED MAY 31,				
		2005	2004	2003	2002	2001
	<S>	<C>	<C>	<C>	<C>	<C>
CALIFORNIA TAX-EXEMPT FUND						
Net asset value at beginning of year	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000
Net investment income	0.0071	0.0068	0.0006	0.0033	0.0098	0.0236
Dividends from net investment income	(0.0071)	(0.0068)	(0.0006)	(0.0033)	(0.0098)	(0.0236)
Net asset value at end of year	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000
Total Return	0.71%	0.69%	0.06%	0.33%	0.98%	2.42%
RATIOS/SUPPLEMENTAL DATA						

Net assets end of year (millions)	\$ 101.8	\$ 105.2	\$ 101.2	\$ 109.0	\$ 109.3	\$ 136.2
Ratio of expenses to average net assets	1.00%(a)	1.00%	1.00%	1.00%	1.01%	1.00%
Ratio of expenses to average net assets net of fee waivers	1.00%(a)	1.00%	0.89%	0.99%	1.01%	1.00%
Ratio of net investment income to average net assets	1.40%(a)	0.69%	0.06%	0.32%	1.00%	2.36%

<Caption>

	SIX MONTH ENDED NOV. 30, 2005	YEARS ENDED MAY 31,				
		2005	2004	2003	2002	2001
<S>	<C>	<C>	<C>	<C>	<C>	<C>
CONNECTICUT TAX-EXEMPT FUND						
Net asset value at beginning of year	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000
Net investment income	0.0071	0.0068	0.0006	0.0025	0.0092	0.0273
Dividends from net investment income	(0.0071)	(0.0068)	(0.0006)	(0.0025)	(0.0092)	(0.0273)
Net asset value at end of year	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000
Total Return	0.71%	0.68%	0.06%	0.25%	0.92%	2.75%
RATIOS/SUPPLEMENTAL DATA						
Net assets end of year (millions)	\$ 26.0	\$ 23.4	\$ 21.5	\$ 36.4	\$ 41.2	\$ 40.2
Ratio of expenses to average net assets	1.00%(a)	1.00%	1.00%	1.00%	1.01%	1.01%
Ratio of expenses to average net assets net of fee waivers	1.00%(a)	1.00%	0.86%	0.98%	1.01%	1.01%
Ratio of net investment income to average net assets	1.41%(a)	0.68%	0.06%	0.25%	0.92%	2.73%

89

<Page>

<Table>

<Caption>

	SIX MONTH ENDED NOV. 30, 2005	YEARS ENDED MAY 31,				
		2005	2004	2003	2002	2001
<S>	<C>	<C>	<C>	<C>	<C>	<C>
FLORIDA TAX-EXEMPT FUND						
Net asset value at beginning of year	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000
Net investment income	0.0075	0.0072	0.0006	0.0036	0.0105	0.0294
Dividends from net investment income	(0.0075)	(0.0072)	(0.0006)	(0.0036)	(0.0105)	(0.0294)
Net asset value at end of year	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000
Total Return	0.76%	0.73%	0.06%	0.36%	1.05%	2.98%
RATIOS/SUPPLEMENTAL DATA						
Net assets end of year (millions)	\$ 53.3	\$ 43.1	\$ 39.5	\$ 45.9	\$ 32.1	\$ 28.9
Ratio of expenses to average net assets	1.00%(a)	1.00%	1.00%	1.00%	1.00%	1.01%
Ratio of expenses to average net assets net of fee waivers	1.00%(a)	1.00%	0.91%	0.99%	1.00%	1.01%
Ratio of net investment income to average net assets	1.51%(a)	0.74%	0.06%	0.35%	0.99%	2.94%

<Caption>

	SIX MONTH ENDED NOV. 30, 2005	YEARS ENDED MAY 31,				
		2005	2004	2003	2002	2001
<S>	<C>	<C>	<C>	<C>	<C>	<C>
MASSACHUSETTS TAX-EXEMPT FUND						
Net asset value at beginning of year	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000
Net investment income	0.0073	0.0068	0.0006	0.0030	0.0099	0.0279
Dividends from net investment income	(0.0073)	(0.0068)	(0.0006)	(0.0030)	(0.0099)	(0.0279)

Net asset value at end of year	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000
Total Return	0.74%	0.68%	0.06%	0.30%	0.99%	2.85%
RATIOS/SUPPLEMENTAL DATA						
Net assets end of year (millions)	\$ 18.8	\$ 22.2	\$ 17.8	\$ 20.8	\$ 21.0	\$ 18.8
Ratio of expenses to average net assets	1.00%(a)	1.01%	1.01%	1.00%	1.00%	1.00%
Ratio of expenses to average net assets net of fee waivers	1.00%(a)	1.00%	0.88%	0.98%	1.00%	1.00%
Ratio of net investment income to average net assets	1.45%(a)	0.69%	0.06%	0.30%	0.99%	2.79%

90

<Page>

<Table>
<Caption>

	SIX MONTH ENDED NOV. 30, 2005	YEARS ENDED MAY 31,				
		2005	2004	2003	2002	2001
<S>	<C>	<C>	<C>	<C>	<C>	<C>
MICHIGAN TAX-EXEMPT FUND						
Net asset value at beginning of year	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000
Net investment income	0.0074	0.0069	0.0006	0.0029	0.0080	0.0276
Dividends from net investment income	(0.0074)	(0.0069)	(0.0006)	(0.0029)	(0.0080)	(0.0276)
Net asset value at end of year	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000
Total Return	0.74%	0.70%	0.06%	0.29%	0.81%	2.83%
RATIOS/SUPPLEMENTAL DATA						
Net assets end of year (millions)	\$ 14.2	\$ 16.6	\$ 12.1	\$ 7.9	\$ 8.5	\$ 4.8
Ratio of expenses to average net assets	1.00%(a)	1.01%	1.00%	1.00%	1.01%	1.00%
Ratio of expenses to average net assets net of fee waivers	1.00%(a)	1.00%	0.91%	0.98%	1.00%	1.00%
Ratio of net investment income to average net assets	1.46%(a)	0.77%	0.06%	0.29%	0.64%	2.76%

<Caption>

	SIX MONTH ENDED NOV. 30, 2005	YEARS ENDED MAY 31,				
		2005	2004	2003	2002	2001
<S>	<C>	<C>	<C>	<C>	<C>	<C>
NEW JERSEY TAX-EXEMPT FUND						
Net asset value at beginning of year	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000
Net investment income	0.0072	0.0068	0.0006	0.0029	0.0101	0.0277
Dividends from net investment income	(0.0072)	(0.0068)	(0.0006)	(0.0029)	(0.0101)	(0.0277)
Net asset value at end of year	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000
Total Return	0.72%	0.68%	0.06%	0.29%	1.01%	2.83%
RATIOS/SUPPLEMENTAL DATA						
Net assets end of year (millions)	\$ 50.5	\$ 45.0	\$ 50.2	\$ 56.0	\$ 57.5	\$ 52.9
Ratio of expenses to average net assets	1.00%(a)	1.00%	1.00%	1.00%	1.01%	1.01%
Ratio of expenses to average net assets net of fee waivers	1.00%(a)	0.99%	0.87%	0.97%	1.01%	1.01%
Ratio of net investment income to average net assets	1.43%(a)	0.66%	0.06%	0.28%	0.94%	2.77%

91

<Page>

<Table>
<Caption>

	SIX MONTH ENDED NOV. 30,	YEARS ENDED MAY 31,				
		2005	2004	2003	2002	2001

	2005	2005	2004	2003	2002	2001
<S>	<C>	<C>	<C>	<C>	<C>	<C>
OHIO TAX-EXEMPT FUND						
Net asset value at beginning of year	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000
Net investment income	0.0075	0.0071	0.0006	0.0030	0.0082	0.0281
Dividends from net investment income	(0.0075)	(0.0071)	(0.0006)	(0.0030)	(0.0082)	(0.0281)
Net asset value at end of year	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000
Total Return	0.75%	0.71%	0.06%	0.30%	0.83%	2.88%
RATIOS/SUPPLEMENTAL DATA						
Net assets end of year (millions)	\$ 20.4	\$ 19.0	\$ 10.9	\$ 10.4	\$ 5.7	\$ 8.1
Ratio of expenses to average net assets	1.00%(a)	1.00%	1.01%	1.00%	1.01%	1.00%
Ratio of expenses to average net assets net of fee waivers	1.00%(a)	1.00%	0.92%	0.99%	1.01%	1.00%
Ratio of net investment income to average net assets	1.50%(a)	0.79%	0.06%	0.29%	0.81%	2.81%

<Caption>

	SIX MONTH ENDED NOV. 30, 2005	YEARS ENDED MAY 31,				
	2005	2004	2003	2002	2001	
<S>	<C>	<C>	<C>	<C>	<C>	
PENNSYLVANIA TAX-EXEMPT FUND						
Net asset value at beginning of year	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	
Net investment income	0.0076	0.0070	0.0007	0.0036	0.0097	
Dividends from net investment income	(0.0076)	(0.0070)	(0.0007)	(0.0036)	(0.0097)	
Net asset value at end of year	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	
Total Return	0.76%	0.70%	0.07%	0.36%	0.97%	
RATIOS/SUPPLEMENTAL DATA						
Net assets end of year (millions)	\$ 49.9	\$ 44.7	\$ 46.1	\$ 40.6	\$ 51.5	
Ratio of expenses to average net assets	1.00%(a)	1.00%	1.00%	1.00%	1.01%	
Ratio of expenses to average net assets net of fee waivers	1.00%(a)	1.00%	0.93%	1.00%	1.01%	
Ratio of net investment income to average net assets	1.52%(a)	0.70%	0.07%	0.34%	0.89%	

92

<Page>

<Table>

<Caption>

	SIX MONTH ENDED NOV. 30, 2005	YEARS ENDED MAY 31,				
	2005	2004	2003	2002	2001	
<S>	<C>	<C>	<C>	<C>	<C>	
VIRGINIA TAX-EXEMPT FUND						
Net asset value at beginning of year	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	
Net investment income	0.0070	0.0067	0.0006	0.0025	0.0069	
Dividends from net investment income	(0.0070)	(0.0067)	(0.0006)	(0.0025)	(0.0069)	
Net asset value at end of year	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	
Total Return	0.71%	0.67%	0.06%	0.25%	0.69%	
RATIOS/SUPPLEMENTAL DATA						
Net assets end of year (millions)	\$ 14.1	\$ 13.7	\$ 11.0	\$ 11.3	\$ 13.0	
Ratio of expenses to average net assets	1.00%(a)	1.00%	1.00%	1.00%	1.01%	
Ratio of expenses to average net assets net of fee waivers	1.00%(a)	1.00%	0.90%	0.95%	0.99%	
Ratio of net investment income to average						

net assets 1.41%(a) 0.70% 0.06% 0.24% 0.60% 2.53%

<Caption>

	SIX MONTH ENDED NOV. 30, 2005	YEARS ENDED MAY 31,				
		2005	2004	2003	2002	2001
<S>	<C>	<C>	<C>	<C>	<C>	<C>
NEW YORK TAX-EXEMPT FUND						
Net asset value at beginning of year	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000
Net investment income	0.0070	0.0067	0.0006	0.0034	0.0095	0.0281
Dividends from net investment income	(0.0070)	(0.0067)	(0.0006)	(0.0034)	(0.0095)	(0.0281)
Net asset value at end of year	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000
Total Return	0.70%	0.67%	0.06%	0.34%	0.95%	2.87%

RATIOS/SUPPLEMENTAL DATA

Net assets end of year (millions)	\$ 174.1	\$ 164.4	\$ 172.6	\$ 228.4	\$ 234.4	\$ 281.6
Ratio of expenses to average net assets	1.00%(a)	1.02%	1.02%	1.00%	1.01%	1.01%
Ratio of expenses to average net assets net of fee waivers	1.00%(a)	1.01%	0.89%	0.99%	1.01%	1.01%
Ratio of net investment income to average net assets	1.39%(a)	0.66%	0.06%	0.34%	0.94%	2.81%

</Table>

93

<Page>

<Table>

<Caption>

	SIX MONTHS ENDED NOV. 30, 2005	YEARS ENDED MAY 31,			APRIL 17, 2002* TO MAY 31, 2002
		2005	2004	2003	
<S>	<C>	<C>	<C>	<C>	<C>
LOUISIANA MUNICIPAL MONEY-MARKET FUND					
Net asset value at beginning of period	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000
Net investment income	0.0086	0.0065	0.0007	0.0032	0.0014
Dividends from net investment income	(0.0086)	(0.0065)	(0.0007)	(0.0032)	(0.0014)
Net asset value at end of period	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000
Total Return	0.86%	0.66%	0.07%	0.32%	0.14%

RATIOS/SUPPLEMENTAL DATA

Net assets end of period (millions)	\$ 1.3	\$ 0.3	\$ 0.2	\$ 0.1	\$ 0.1
Ratio of expenses to average net assets	1.00%(a)	1.01%	1.00%	1.00%	1.04%(a)
Ratio of expenses to average net assets net of fee waivers	0.49%(a)	1.00%	0.64%	0.57%	0.00%(a)
Ratio of net investment income to average net assets	1.97%(a)	0.74%	0.06%	0.32%	1.15%(a)

</Table>

<Table>

<Caption>

	SIX MONTHS ENDED NOV. 30, 2005	YEARS ENDED MAY 31,			APRIL 17, 2002* TO MAY 31, 2002
		2005	2004	2003	
<S>	<C>	<C>	<C>	<C>	<C>
MINNESOTA MUNICIPAL MONEY-MARKET FUND					
Net asset value at beginning of period	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000
Net investment income	0.0069	0.0066	0.0006	0.0044	0.0017
Dividends from net investment income	(0.0069)	(0.0066)	(0.0006)	(0.0044)	(0.0017)
Net asset value at end of period	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000
Total Return	0.70%	0.66%	0.06%	0.44%	0.17%

RATIOS/SUPPLEMENTAL DATA

Net assets end of period (millions)	\$ 2.4	\$ 1.4	\$ 0.6	\$ 0.2	\$ 0.1
Ratio of expenses to average net assets	1.00%(a)	1.00%	1.01%	1.00%	1.04%(a)
Ratio of expenses to average net assets net of fee waivers	0.95%(a)	0.99%	0.78%	0.69%	0.00%(a)
Ratio of net investment income to					

average net assets 1.41%(a) 0.78% 0.06% 0.43% 1.40%(a)
</Table>

* Inception of Class Operations.
(a) Annualized.
^ Amount is less than \$50,000.

(9) OTHER MATTERS

Management has determined that certain of the Funds' service contracts and distribution plans have lapsed due to an administrative error. RMCI is taking all necessary steps to remedy this, including obtaining Board and shareholder approval of the retention of fees paid and the approval of new service contracts and distribution plans.

94

<Page>

EXPENSE EXAMPLE

As a shareholder of a Fund, you incur two types of costs: (1) transaction/redemption fees; and (2) ongoing costs, including management fees; distribution and/or service (12b-1) fees; and other Fund expenses. This Example is intended to help you understand your ongoing costs (in dollars) of investing in a Fund and to compare these costs with the ongoing costs of investing in other mutual funds.

The Example is based on an investment of \$1,000 invested at June 1, 2005 and held for the entire period ending November 30, 2005.

ACTUAL EXPENSES

The first line of the table below provides information about actual account values and actual expenses. You may use the information in this line, together with the amount you invested, to estimate the expenses that you paid over the period. Simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number in the first line under the heading entitled "Expenses Paid During Period" to estimate the expenses you paid on your account during this period.

HYPOTHETICAL EXAMPLE FOR COMPARISON PURPOSES

The second line of the table below provides information about hypothetical account values and hypothetical expenses based on each Fund's actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not the actual return for any of the Funds. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period. You may use this information to compare the ongoing costs of investing in each Fund and other funds. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of the other funds.

Please note that the expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any transactional costs, such as sales charges (loads), redemption fees, or exchange fees. Therefore, the second line of the table is useful in comparing ongoing costs only, and will not help you determine the relative total costs of owning different funds. In addition, if these transactional costs were included, your costs would have been higher.

<Table>

<Caption>

	BEGINNING ACCOUNT VALUE JUNE 1, 2005	ENDING ACCOUNT VALUE NOVEMBER 30, 2005	EXPENSES PAID DURING PERIOD*
	-----	-----	-----
<S>	<C>	<C>	<C>
PRIMARY FUND CLASS R			
Actual	\$ 1,000.00	\$ 1,006.52	\$ 5.01
Hypothetical	\$ 1,000.00	\$ 1,019.81	\$ 5.26

* Expenses are equal to the Fund's expense ratio of 1.00%, multiplied by the average account value over the period, multiplied by 183/365 (to reflect the one-half year period).

PRIMARY FUND CLASS 95

Actual	\$ 1,000.00	\$ 1,006.67	\$ 4.76
Hypothetical	\$ 1,000.00	\$ 1,020.07	\$ 5.00

* Expenses are equal to the Fund's expense ratio of 0.95%, multiplied by the average account value over the period, multiplied by 183/365 (to reflect the one-half year period).

</Table>

95

<Page>

<Table>

<Caption>

	BEGINNING ACCOUNT VALUE JUNE 1, 2005	ENDING ACCOUNT VALUE NOVEMBER 30, 2005	EXPENSES PAID DURING PERIOD*
	-----	-----	-----
<S>	<C>	<C>	<C>
PRIMARY FUND CLASS 75			
Actual	\$ 1,000.00	\$ 1,007.17	\$ 3.76
Hypothetical	\$ 1,000.00	\$ 1,021.12	\$ 3.95

* Expenses are equal to the Fund's expense ratio of 0.75%, multiplied by the average account value over the period, multiplied by 183/365 (to reflect the one-half year period).

PRIMARY FUND CLASS 70

Actual	\$ 1,000.00	\$ 1,007.32	\$ 3.51
Hypothetical	\$ 1,000.00	\$ 1,021.38	\$ 3.69

* Expenses are equal to the Fund's expense ratio of 0.70%, multiplied by the average account value over the period, multiplied by 183/365 (to reflect the one-half year period).

PRIMARY FUND CLASS TREASURER'S TRUST

Actual	\$ 1,000.00	\$ 1,007.57	\$ 3.01
Hypothetical	\$ 1,000.00	\$ 1,021.91	\$ 3.16

* Expenses are equal to the Fund's expense ratio of 0.60%, multiplied by the average account value over the period, multiplied by 183/365 (to reflect the one-half year period).

PRIMARY FUND CLASS 45

Actual	\$ 1,000.00	\$ 1,007.92	\$ 2.26
Hypothetical	\$ 1,000.00	\$ 1,022.70	\$ 2.37

* Expenses are equal to the Fund's expense ratio of 0.45%, multiplied by the average account value over the period, multiplied by 183/365 (to reflect the one-half year period).

PRIMARY FUND CLASS 35

Actual	\$ 1,000.00	\$ 1,008.22	\$ 1.75
Hypothetical	\$ 1,000.00	\$ 1,023.23	\$ 1.84

* Expenses are equal to the Fund's expense ratio of 0.35%, multiplied by the average account value over the period, multiplied by 183/365 (to reflect the one-half year period).

PRIMARY FUND CLASS 25

Actual	\$ 1,000.00	\$ 1,008.47	\$ 1.25
Hypothetical	\$ 1,000.00	\$ 1,023.75	\$ 1.32

* Expenses are equal to the Fund's expense ratio of 0.25%, multiplied by the average account value over the period, multiplied by 183/365 (to reflect the one-half year period).

PRIMARY FUND CLASS 20

Actual	\$ 1,000.00	\$ 1,008.57	\$ 1.00
Hypothetical	\$ 1,000.00	\$ 1,024.02	\$ 1.05

* Expenses are equal to the Fund's expense ratio of 0.20%, multiplied by the average account value over the period, multiplied by 183/365 (to reflect the one-half year period).

PRIMARY FUND CLASS 15

Actual	\$ 1,000.00	\$ 1,008.72	\$ 0.75
Hypothetical	\$ 1,000.00	\$ 1,024.28	\$ 0.79

* Expenses are equal to the Fund's expense ratio of 0.15%, multiplied by the average account value over the period, multiplied by 183/365 (to reflect the one-half year period).

</Table>

96

<Page>

<Table>

<Caption>

	BEGINNING ACCOUNT VALUE JUNE 1, 2005	ENDING ACCOUNT VALUE NOVEMBER 30, 2005	EXPENSES PAID DURING PERIOD*
<S>	<C>	<C>	<C>
PRIMARY FUND CLASS 12			
Actual	\$ 1,000.00	\$ 1,008.77	\$ 0.60
Hypothetical	\$ 1,000.00	\$ 1,024.44	\$ 0.63

* Expenses are equal to the Fund's expense ratio of 0.12%, multiplied by the average account value over the period, multiplied by 183/365 (to reflect the one-half year period).

PRIMARY FUND CLASS 8

Actual	\$ 1,000.00	\$ 1,008.87	\$ 0.40
Hypothetical	\$ 1,000.00	\$ 1,024.65	\$ 0.42

* Expenses are equal to the Fund's expense ratio of 0.08%, multiplied by the average account value over the period, multiplied by 183/365 (to reflect the one-half year period).

U.S. GOVERNMENT FUND CLASS R

Actual	\$ 1,000.00	\$ 1,006.47	\$ 5.01
Hypothetical	\$ 1,000.00	\$ 1,019.81	\$ 5.26

* Expenses are equal to the Fund's expense ratio of 1.00%, multiplied by the average account value over the period, multiplied by 183/365 (to reflect the one-half year period).

U.S. GOVERNMENT FUND CLASS TREASURER'S TRUST			
Actual	\$ 1,000.00	\$ 1,007.47	\$ 3.01
Hypothetical	\$ 1,000.00	\$ 1,021.91	\$ 3.16

* Expenses are equal to the Fund's expense ratio of 0.60%, multiplied by the average account value over the period, multiplied by 183/365 (to reflect the one-half year period).

U.S. GOVERNMENT FUND CLASS 45			
Actual	\$ 1,000.00	\$ 1,007.87	\$ 2.26
Hypothetical	\$ 1,000.00	\$ 1,022.70	\$ 2.37

* Expenses are equal to the Fund's expense ratio of 0.45%, multiplied by the average account value over the period, multiplied by 183/365 (to reflect the one-half year period).

U.S. GOVERNMENT FUND CLASS 25			
Actual	\$ 1,000.00	\$ 1,008.37	\$ 1.25
Hypothetical	\$ 1,000.00	\$ 1,023.75	\$ 1.32

* Expenses are equal to the Fund's expense ratio of 0.25%, multiplied by the average account value over the period, multiplied by 183/365 (to reflect the one-half year period).

U.S. GOVERNMENT FUND CLASS 15			
Actual	\$ 1,000.00	\$ 1,008.62	\$ 0.75
Hypothetical	\$ 1,000.00	\$ 1,024.28	\$ 0.79

* Expenses are equal to the Fund's expense ratio of 0.15%, multiplied by the average account value over the period, multiplied by 183/365 (to reflect the one-half year period).

U.S. GOVERNMENT FUND CLASS 12			
Actual	\$ 1,000.00	\$ 1,008.72	\$ 0.60
Hypothetical	\$ 1,000.00	\$ 1,024.44	\$ 0.63

* Expenses are equal to the Fund's expense ratio of 0.12%, multiplied by the average account value over the period, multiplied by 183/365 (to reflect the one-half year period).

</Table>

97

<Page>

<Table>

<Caption>

	BEGINNING ACCOUNT VALUE JUNE 1, 2005	ENDING ACCOUNT VALUE NOVEMBER 30, 2005	EXPENSES PAID DURING PERIOD*
	-----	-----	-----
<S>	<C>	<C>	<C>
U.S. GOVERNMENT FUND CLASS 8			
Actual	\$ 1,000.00	\$ 1,008.82	\$ 0.40
Hypothetical	\$ 1,000.00	\$ 1,024.65	\$ 0.42

* Expenses are equal to the Fund's expense ratio of 0.08%, multiplied by the average account value over the period, multiplied by 183/365 (to reflect the one-half year period).

U.S. TREASURY FUND CLASS R			
Actual	\$ 1,000.00	\$ 1,005.57	\$ 5.01
Hypothetical	\$ 1,000.00	\$ 1,019.81	\$ 5.26

* Expenses are equal to the Fund's expense ratio of 1.00%, multiplied by the average account value over the period, multiplied by 183/365 (to reflect the one-half year period).

U.S. TREASURY FUND CLASS 75			
Actual	\$ 1,000.00	\$ 1,006.22	\$ 3.76
Hypothetical	\$ 1,000.00	\$ 1,021.12	\$ 3.95

* Expenses are equal to the Fund's expense ratio of 0.75%, multiplied by the average account value over the period, multiplied by 183/365 (to reflect the one-half year period).

U.S. TREASURY FUND CLASS TREASURER'S TRUST			
Actual	\$ 1,000.00	\$ 1,006.62	\$ 3.01
Hypothetical	\$ 1,000.00	\$ 1,021.91	\$ 3.16

* Expenses are equal to the Fund's expense ratio of 0.60%, multiplied by the average account value over the period, multiplied by 183/365 (to reflect the one-half year period).

U.S. TREASURY FUND CLASS 45			
Actual	\$ 1,000.00	\$ 1,006.97	\$ 2.26
Hypothetical	\$ 1,000.00	\$ 1,022.70	\$ 2.37

* Expenses are equal to the Fund's expense ratio of 0.45%, multiplied by the average account value over the period, multiplied by 183/365 (to reflect the one-half year period).

U.S. TREASURY FUND CLASS 25			
Actual	\$ 1,000.00	\$ 1,007.47	\$ 1.25
Hypothetical	\$ 1,000.00	\$ 1,023.75	\$ 1.32

* Expenses are equal to the Fund's expense ratio of 0.25%, multiplied by the

average account value over the period, multiplied by 183/365 (to reflect the one-half year period).

U.S. TREASURY FUND CLASS 12

Actual	\$ 1,000.00	\$ 1,007.82	\$ 0.60
Hypothetical	\$ 1,000.00	\$ 1,024.44	\$ 0.63

* Expenses are equal to the Fund's expense ratio of 0.12%, multiplied by the average account value over the period, multiplied by 183/365 (to reflect the one-half year period).

U.S. TREASURY FUND CLASS 8

Actual	\$ 1,000.00	\$ 1,007.93	\$ 0.40
Hypothetical	\$ 1,000.00	\$ 1,024.65	\$ 0.42

* Expenses are equal to the Fund's expense ratio of 0.08%, multiplied by the average account value over the period, multiplied by 183/365 (to reflect the one-half year period).

</Table>

98

<Page>

<Table>

<Caption>

	BEGINNING ACCOUNT VALUE MAY 31, 2005	ENDING ACCOUNT VALUE NOVEMBER 30, 2005	EXPENSES PAID DURING PERIOD*
<S>	<C>	<C>	<C>
INTERSTATE TAX-EXEMPT CLASS R			
Actual	\$ 1,000.00	\$ 1,003.71	\$ 5.01
Hypothetical	\$ 1,000.00	\$ 1,019.81	\$ 5.26

* Expenses are equal to the Fund's annualized expense ratio of 1.00%, multiplied by the average account value over the period, multiplied by 183/365 (to reflect the one-half year period).

INTERSTATE TAX-EXEMPT TREASURER'S TRUST

Actual	\$ 1,000.00	\$ 1,004.76	\$ 3.01
Hypothetical	\$ 1,000.00	\$ 1,021.91	\$ 3.16

* Expenses are equal to the Fund's annualized expense ratio of 0.60%, multiplied by the average account value over the period, multiplied by 183/365 (to reflect the one-half year period).

INTERSTATE TAX-EXEMPT CLASS 75

Actual	\$ 1,000.00	\$ 1,004.36	\$ 3.76
Hypothetical	\$ 1,000.00	\$ 1,021.12	\$ 3.95

* Expenses are equal to the Fund's annualized expense ratio of 0.75%, multiplied by the average account value over the period, multiplied by 183/365 (to reflect the one-half year period).

INTERSTATE TAX- EXEMPT CLASS 70

Actual	\$ 1,000.00	\$ 1,004.46	\$ 3.51
Hypothetical	\$ 1,000.00	\$ 1,021.38	\$ 3.69

* Expenses are equal to the Fund's annualized expense ratio of 0.70%, multiplied by the average account value over the period, multiplied by 183/365 (to reflect the one-half year period).

INTERSTATE TAX- EXEMPT CLASS 45

Actual	\$ 1,000.00	\$ 1,005.11	\$ 2.26
Hypothetical	\$ 1,000.00	\$ 1,022.70	\$ 2.37

* Expenses are equal to the Fund's annualized expense ratio of 0.45%, multiplied by the average account value over the period, multiplied by 183/365 (to reflect the one-half year period).

INTERSTATE TAX- EXEMPT CLASS 25

Actual	\$ 1,000.00	\$ 1,005.62	\$ 1.25
Hypothetical	\$ 1,000.00	\$ 1,023.75	\$ 1.32

* Expenses are equal to the Fund's annualized expense ratio of 0.25%, multiplied by the average account value over the period, multiplied by 183/365 (to reflect the one-half year period).

INTERSTATE TAX- EXEMPT CLASS 15

Actual	\$ 1,000.00	\$ 1,005.87	\$ 0.75
Hypothetical	\$ 1,000.00	\$ 1,024.28	\$ 0.79

* Expenses are equal to the Fund's annualized expense ratio of 0.15%, multiplied by the average account value over the period, multiplied by 183/365 (to reflect the one-half year period).

INTERSTATE TAX- EXEMPT CLASS 12

Actual	\$ 1,000.00	\$ 1,005.97	\$ 0.60
Hypothetical	\$ 1,000.00	\$ 1,024.44	\$ 0.63

* Expenses are equal to the Fund's annualized expense ratio of 0.12%, multiplied by the average account value over the period, multiplied by 183/365 (to reflect the one-half year period).

</Table>

99

<Page>

<Table>

<Caption>

	BEGINNING ACCOUNT VALUE MAY 31, 2005	ENDING ACCOUNT VALUE NOVEMBER 30, 2005	EXPENSES PAID DURING PERIOD*
<S>	<C>	<C>	<C>
INTERSTATE TAX- EXEMPT CLASS 8			
Actual	\$ 1,000.00	\$ 1,006.07	\$ 0.40
Hypothetical	\$ 1,000.00	\$ 1,024.65	\$ 0.42
* Expenses are equal to the Fund's annualized expense ratio of 0.08%, multiplied by the average account value over the period, multiplied by 183/365 (to reflect the one-half year period).			
CALIFORNIA TAX-EXEMPT			
Actual	\$ 1,000.00	\$ 1,003.56	\$ 5.01
Hypothetical	\$ 1,000.00	\$ 1,019.81	\$ 5.26
* Expenses are equal to the Fund's annualized expense ratio of 1.00%, multiplied by the average account value over the period, multiplied by 183/365 (to reflect the one-half year period).			
CONNECTICUT TAX-EXEMPT			
Actual	\$ 1,000.00	\$ 1,003.56	\$ 5.01
Hypothetical	\$ 1,000.00	\$ 1,019.81	\$ 5.26
* Expenses are equal to the Fund's annualized expense ratio of 1.00%, multiplied by the average account value over the period, multiplied by 183/365 (to reflect the one-half year period).			
FLORIDA TAX-EXEMPT			
Actual	\$ 1,000.00	\$ 1,003.81	\$ 5.01
Hypothetical	\$ 1,000.00	\$ 1,019.81	\$ 5.26
* Expenses are equal to the Fund's annualized expense ratio of 1.00%, multiplied by the average account value over the period, multiplied by 183/365 (to reflect the one-half year period).			
MASSACHUSETTS TAX-EXEMPT			
Actual	\$ 1,000.00	\$ 1,003.71	\$ 5.01
Hypothetical	\$ 1,000.00	\$ 1,019.81	\$ 5.26
* Expenses are equal to the Fund's annualized expense ratio of 1.00%, multiplied by the average account value over the period, multiplied by 183/365 (to reflect the one-half year period).			
MICHIGAN TAX-EXEMPT			
Actual	\$ 1,000.00	\$ 1,003.71	\$ 5.01
Hypothetical	\$ 1,000.00	\$ 1,019.81	\$ 5.26
* Expenses are equal to the Fund's annualized expense ratio of 1.00%, multiplied by the average account value over the period, multiplied by 183/365 (to reflect the one-half year period).			
NEW JERSEY TAX-EXEMPT			
Actual	\$ 1,000.00	\$ 1,003.61	\$ 5.01
Hypothetical	\$ 1,000.00	\$ 1,019.81	\$ 5.26
* Expenses are equal to the Fund's annualized expense ratio of 1.00%, multiplied by the average account value over the period, multiplied by 183/365 (to reflect the one-half year period).			
OHIO TAX-EXEMPT			
Actual	\$ 1,000.00	\$ 1,003.76	\$ 5.01
Hypothetical	\$ 1,000.00	\$ 1,019.81	\$ 5.26
* Expenses are equal to the Fund's annualized expense ratio of 1.00%, multiplied by the average account value over the period, multiplied by 183/365 (to reflect the one-half year period).			

</Table>

100

<Page>

<Table>

<Caption>

	BEGINNING ACCOUNT VALUE MAY 31, 2005	ENDING ACCOUNT VALUE NOVEMBER 30, 2005	EXPENSES PAID DURING PERIOD*
<S>	<C>	<C>	<C>
PENNSYLVANIA TAX-EXEMPT			
Actual	\$ 1,000.00	\$ 1,003.81	\$ 5.01
Hypothetical	\$ 1,000.00	\$ 1,019.81	\$ 5.26
* Expenses are equal to the Fund's annualized expense ratio of 1.00%, multiplied by the average account value over the period, multiplied by 183/365 (to reflect the one-half year period).			
VIRGINIA TAX-EXEMPT			
Actual	\$ 1,000.00	\$ 1,003.56	\$ 5.01
Hypothetical	\$ 1,000.00	\$ 1,019.81	\$ 5.26
* Expenses are equal to the Fund's annualized expense ratio of 1.00%,			

multiplied by the average account value over the period, multiplied by 183/365 (to reflect the one-half year period).

NEW YORK TAX-EXEMPT

Actual	\$ 1,000.00	\$ 1,003.51	\$ 5.01
Hypothetical	\$ 1,000.00	\$ 1,019.81	\$ 5.26

* Expenses are equal to the Fund's annualized expense ratio of 1.00%, multiplied by the average account value over the period, multiplied by 183/365 (to reflect the one-half year period).

LOUISIANA MUNICIPAL MONEY-MARKET FUND

Actual	\$ 1,000.00	\$ 1,006.12	\$ 2.46
Hypothetical	\$ 1,000.00	\$ 1,022.49	\$ 2.58

* Expenses are equal to the Fund's annualized expense ratio of 0.49%, multiplied by the average account value over the period, multiplied by 183/365 (to reflect the one-half year period).

MINNESOTA MUNICIPAL MONEY-MARKET FUND

Actual	\$ 1,000.00	\$ 1,003.76	\$ 4.76
Hypothetical	\$ 1,000.00	\$ 1,020.07	\$ 5.00

* Expenses are equal to the Fund's annualized expense ratio of 0.95%, multiplied by the average account value over the period, multiplied by 183/365 (to reflect the one-half year period).

</Table>

101

<Page>

AVAILABILITY OF PROXY VOTING INFORMATION

The day-to-day investment management decisions of each Fund are the responsibility of that Fund's investment adviser, Reserve Management Company, Inc. ("RMCI"). RMCI shall be primarily responsible for determining how to vote proxies with respect to companies in which the respective Fund invests and for the ongoing review and evaluation of its own proxy voting policies and corresponding compliance with applicable law.

RMCI's proxy voting policies and procedures, as well as information about how a particular proxy was voted, may be obtained without charge by calling 888-823-2867 to request a copy or by visiting the SEC's website at www.sec.gov. Information regarding how each Fund voted proxies relating to portfolio securities during the 12-month period ended June 30, 2005 is available on the SEC's website or by calling the toll-free number listed above.

AVAILABILITY OF QUARTERLY PORTFOLIO SCHEDULE

The Funds file a complete schedule of portfolio holdings with the SEC for the first and third quarters of each fiscal year on Form N-Q. The Forms N-Q are available on the SEC's website at www.sec.gov and may be reviewed and copied at the SEC's Public Reference Room in Washington, DC. Information on the operation of the Public Reference Room may be obtained by calling 1-800-SEC-0330.

APPROVAL OF "COMPREHENSIVE FEE" INVESTMENT MANAGEMENT AGREEMENTS

The Investment Management Agreements are renewed annually if approved by the Trustees and by a separate vote of a majority of the non-interested Trustees. Each Investment Management Agreement may be terminated without penalty, upon sixty (60) days' written notice by RMCI or by a vote of the Trustees or of a majority of the outstanding voting shares of a Fund. The Board met on June 30, 2005, to consider the approval of the Investment Management Agreements with RMCI. At that meeting, the Board had the opportunity to meet with the representatives of RMCI to determine whether each agreement is in the best interests of the respective Fund and its shareholders. The Board, including a majority of the Independent Trustees, so concluded and voted to recommend each Investment Management Agreement to the respective Fund's shareholders for their approval (where applicable).

NATURE, EXTENT AND QUALITY OF SERVICE

The Board received and considered information regarding the nature, extent and quality of the advisory and other services provided to each Fund by RMCI. The Board considered the background and experience of RMCI's management and the expertise of personnel of RMCI with regard to investing in the type of securities in which the Funds invest. The Trustees concluded that the nature and extent of the services provided by RMCI under each Investment Management Agreement were necessary and appropriate for the conduct and the business and investment activities of each Fund. The Trustees also concluded that the quality of the advisory and administrative services was satisfactory.

102

<Page>

COMPARATIVE FEE AND EXPENSES

The comprehensive management fee charged under each Investment Management Agreement encompasses all of the services necessary for the operation of the relevant Fund. Therefore, in evaluating the fee relative to other funds the Trustees thought the most appropriate comparison was to the respective expense ratios of the Funds. The Trustees compared each Fund's expense ratio to (i) the average expense ratio of all money market funds with similar investment objectives and policies; and (ii) the expense ratios of money market funds which are believed to be direct competitors of the Funds ("peer funds"), i.e., money

market funds which are distributed through third-party broker/dealers and other financial institutions which do not have their own proprietary money market funds. The Trustees noted that the expense ratio of the institutional classes of shares of each Fund was comparable to or lower than the average expense ratio of other money market funds as well as those of peer funds. They also noted that the expense ratios of the retail classes of shares were higher than the average of other money market funds but comparable to the expense ratios of peer funds. Based upon their review, the Trustees concluded that the fee payable under each Investment Management Agreement is competitive.

COMPARATIVE PERFORMANCE

The Trustees noted that each of the Funds slightly underperformed relative to other money market funds with similar objectives and policies. In this regard, the Trustees noted that the Funds generally invest in a more conservative and risk averse manner than their peers. For example, the Funds do not invest in commercial paper and typically have a shorter average maturity than many other money market funds. The Trustees concluded that, under the circumstances, the performance of the Funds was satisfactory.

PROFITABILITY

The Trustees received, analyzed and considered a profitability analysis of RMCI based on the fees paid and payable under each Investment Management Agreement, including any fee waivers or fee caps, and the costs incurred to provide required services, as well as other relationships between the Funds on the one hand and RMCI affiliates on the other. The Trustees concluded, with respect to each Fund, that RMCI's profitability was not excessive in light of the nature, extent and quality of the services provided and expected to be provided under Investment Management Agreements.

BREAKPOINTS AND ECONOMIES OF SCALE

As the comprehensive management fee is currently structured, fee levels do not reflect economies of scale that potentially could be realized as the Funds grow. The Trustees noted the potential benefits to shareholders of a comprehensive fee which would tend to limit increases in the Funds' expense ratios even if the costs of providing services increase and the related entrepreneurial risk assumed by RMCI through such an approach. Based on the foregoing, the Trustees concluded that the absence of breakpoints was reasonable.

OTHER BENEFITS

The Trustees concluded that RMCI does not realize any other quantifiable material benefits from its relationship with the Funds.

103

<Page>

No single factor reviewed by the Board was identified by the Board as the principal factor in determining whether to approve the Investment Management Agreements with respect to each Fund.

SUBSEQUENT EVENTS

The Independent Trustees met on September 22, 2005 to reconsider their previous determinations regarding the Investment Management Agreements in light of certain deficiencies in internal controls identified by RMCI related to reconciling bank statements, monitoring compliance with certain Internal Revenue Code requirements and identifying and collecting amounts due certain of funds in the Reserve/Hallmark complex. The Independent Trustees were advised that these matters had previously been discussed with the Audit Committee and the Funds' independent auditors and that RMCI has instituted additional procedures to enhance its internal controls for the Funds and committed to continue to strengthen the Funds' overall control environment. The Independent Trustees were further advised that the identified deficiencies had no material impact to shareholders, fund net asset value or Fund performance.

The Independent Trustees expressed concern about the quality of certain non-advisory services provided by RMCI but were satisfied with steps RMCI had taken and had committed to take. Based on consideration of all factors they deemed relevant, including the steps taken by RMCI and RMCI's commitment to continue to strengthen the overall control environment, the Independent Trustees reaffirmed their previous determinations to approve the Investment Management Agreements.

CHANGES IN ACCOUNTANTS

On September 29, 2005, PricewaterhouseCoopers LLP informed management that it was resigning as independent accountants for the Funds. PricewaterhouseCoopers LLP was previously engaged as the independent registered public accounting firm to audit the Funds' financial statements.

PricewaterhouseCoopers LLP issued reports on the Fund's financial statements as of May 31, 2004 and May 31, 2005. Such reports did not contain an adverse opinion or a disclaimer of opinion, nor were they qualified or modified as to uncertainty, audit scope, or accounting principles.

PricewaterhouseCoopers LLP's resignation was accepted by the Funds' Audit Committee and the Board of Trustees.

During the fiscal year ended May 31, 2004, the fiscal year ended May 31, 2005 and through September 29, 2005 there were no disagreements with PricewaterhouseCoopers LLP on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, which

disagreements, if not resolved to the satisfaction of PricewaterhouseCoopers LLP, would have caused it to make reference to the subject matter of the disagreements in connection with its report. During the fiscal year ended May 31, 2004, the fiscal year ended May 31, 2005 and through September 29, 2005, none of the events enumerated in paragraphs (1)(v)(B) through (D) of Item 304(a) of Regulation S-K occurred.

104

<Page>

As part of its report dated September 26, 2005 filed as an exhibit to The Reserve Fund's Form N-SAR filed on September 28, 2005, PricewaterhouseCoopers, LLP advised management The Reserve Fund had failed to protect its assets by failing to identify and collect amounts due to The Reserve Fund. In addition, PricewaterhouseCoopers, LLP noted that bank accounts were not reconciled adequately and that procedures were not adequate to ensure compliance with Internal Revenue Code requirements necessary to eliminate tax at the fund level. These conditions have been corrected.

Additionally, as part of its report dated September 26, 2005 filed as an exhibit to the Form N-SAR filed on September 28, 2005 for Reserve Tax-Exempt Trust, Reserve New York Tax-Exempt Trust and Reserve Municipal Money Market Trust, PricewaterhouseCoopers, LLP advised management that certain bank accounts were not reconciled adequately and the procedures were not adequate to ensure compliance with Internal Revenue Code requirements necessary to eliminate tax at the Fund level. These conditions have been corrected.

The Funds have selected KPMG, LLP as their new auditors as of December 28, 2005.

105

<Page>

This Page Intentionally Left Blank

106

<Page>

This Page Intentionally Left Blank

107

<Page>

This Page Intentionally Left Blank

108

<Page>

[H&R BLOCK(R) LOGO]
FINANCIAL ADVISORS

719 Griswold St., Ste. 1700
Detroit, MI 48226-3318

Investment services and securities products offered through H&R Block Financial Advisors, Inc., member NYSE/SIPC, a subsidiary of H&R Block, Inc. H&R Block, Inc. is not a registered broker-dealer.

THIS LITERATURE IS NOT AUTHORIZED FOR DISTRIBUTION TO PROSPECTIVE INVESTORS UNLESS PRECEDED OR ACCOMPANIED BY AN APPROPRIATE CURRENT PROSPECTUS.

Distributor--Resrv Partners, Inc.
RF/HRBFA-Combo/Semi-Annual 11/05
<Page>

[THE RESERVE LOGO]
A TRADITION OF FINANCIAL INNOVATION(SM)

SEMI-ANNUAL REPORT

PRIMARY FUND
U.S. GOVERNMENT FUND
U.S. TREASURY FUND
OF THE RESERVE FUND

INTERSTATE TAX-EXEMPT FUND
CALIFORNIA TAX-EXEMPT FUND
CONNECTICUT TAX-EXEMPT FUND
FLORIDA TAX-EXEMPT FUND
MASSACHUSETTS TAX-EXEMPT FUND
MICHIGAN TAX-EXEMPT FUND
NEW JERSEY TAX-EXEMPT FUND
OHIO TAX-EXEMPT FUND
PENNSYLVANIA TAX-EXEMPT FUND
VIRGINIA TAX-EXEMPT FUND
OF THE RESERVE TAX-EXEMPT TRUST

NEW YORK TAX-EXEMPT FUND
OF THE RESERVE NEW YORK TAX-EXEMPT TRUST

NOVEMBER 30, 2005

<Page>

THE RESERVE FUND -- PRIMARY FUND

STATEMENT OF NET ASSETS -- NOVEMBER 30, 2005 (UNAUDITED)

<Table> <Caption> PRINCIPAL AMOUNT		VALUE (NOTE 1)
-----		-----
<S>	<C>	<C>
	NEGOTIABLE BANK CERTIFICATES OF DEPOSIT -- 58.3%	
	DOMESTIC -- 13.4%	
\$ 300,000,000	Branch Banking And Trust, 4.03%, 12/08/05	\$ 300,000,000
300,000,000	First Tennessee Bank, NA, 4.02%, 12/1/05	300,000,000
400,000,000	First Tennessee Bank, NA, 4.28%, 1/30/06	400,000,000
375,000,000	Bank of America NA, 4.05%, 12/09/05	375,000,000
200,000,000	HSBC Bank USA, 4.06%, 5/16/06	200,000,000
200,000,000	Washington Mutual Bank FA, 4.08%, 5/31/06	200,000,000
500,000,000	Washington Mutual Bank, 4.03%, 12/05/05	500,000,000
500,000,000	Wells Fargo Bank, 4.02%, 12/01/05	500,000,000

		2,775,000,000

	YANKEES -- 44.9%	
200,000,000	American Express Centurion, 4.02%, 12/01/05	200,000,000
300,000,000	Banco Bilbao Vizcaya AR, 4.02%, 12/01/05	300,000,000
700,000,000	Bank of Tokyo Mitsubishi, 4.30%, 1/30/06	700,000,000
400,000,000	Barclays Bank, 4.03%, 12/08/05	400,000,000
475,000,000	Barclays Bank, 4.275%, 1/30/06	475,000,000
500,000,000	BNP Paribas, 4.465%, 5/08/06	500,000,000
500,000,000	Calyon, 4.02%, 12/08/05	500,000,000
200,000,000	Canadian Imperial Bank of Commerce, 4.18%, 12/15/06	200,000,000
300,000,000	Credit Industriel et Com, 4.00%, 2/17/06	300,000,000
196,000,000	Credit Suisse First Boston, 3.995%, 2/23/06	196,000,000
500,000,000	Credit Suisse First Boston, 4.47%, 5/10/06	500,000,000
500,000,000	Deutsche Bank, 4.03%, 12/12/05	500,000,000
200,000,000	Deutsche Bank, 4.06%, 5/09/06	200,000,000
300,000,000	HBOS PLC, 4.29%, 4/21/06	300,000,000
700,000,000	Mizuho Corp Bank, 4.31%, 1/27/06	700,000,000
500,000,000	Natexis Banques Populaires, 3.99%, 2/21/06	500,000,000
700,000,000	Royal Bank of Scotland, 4.29%, 4/21/06	700,000,000
500,000,000	Societe Generale, 4.035%, 12/13/05	500,000,000
200,000,000	Societe Generale, 4.30%, 4/21/06	200,000,000
100,000,000	Standard Chartered, 4.04%, 12/13/05	100,000,000
100,000,000	Standard Chartered, 4.05%, 5/09/06	99,991,295
600,000,000	Unicredito Italiano SpA, 4.28%, 1/30/06	600,000,000
600,000,000	UBS AG, 4.02%, 12/01/05	600,000,000

		9,270,991,295

	Total Negotiable Bank Certificates of Deposit (Cost \$12,045,991,295)	12,045,991,295

</Table>

SEE NOTES TO FINANCIAL STATEMENTS.

1

<Page>

<Table> <Caption> PRINCIPAL AMOUNT		VALUE (NOTE 1)
-----		-----
<S>	<C>	<C>
	EURO TIME DEPOSITS -- 0.4%	
\$ 75,000,000	Suntrust Bank, 4.00%, 12/01/05	
	Total Euro Time Deposits (Cost \$75,000,000)	\$ 75,000,000

	REPURCHASE AGREEMENTS -- 44.0%	
4,098,000,000	Bear Stearns & Co., Inc., 4.03%, dated 11/30/05, due 12/1/05, repurchase proceeds at maturity \$4,098,458,748 (collateralized by FGRA 0%, due 4/15/17 to 3/15/35 valued at \$1,186,025, FGRM 0% to 12% due 4/15/08 to 11/15/35 valued at \$2,438,913,837, FMRA 0% due 7/15/21 valued at \$2,487, FMRM 0% due 5/15/21 valued at \$2,423, FNMA 0% to 7.50% due 8/15/08 to 1/25/48 valued at \$122,250,652, FNR2 0% due 4/25/07 to 10/25/22 valued at \$873,118, FNR5 0% due 7/25/23 to 7/25/24 valued at \$8,130,566, FNRA 0% due 12/25/15 to 06/25/26 valued at \$6,581,896, FNRM 0% due 10/25/10 to 12/25/35 valued at \$1,435,501,631, GNRM 3.75% to 6.50% due 2/16/29 to 3/16/44 valued at \$212,369,949, GNRP 6% due 4/17/34 valued at \$1,358,490, GNRR 3.55% to 6.50% due 3/20/13 to 5/20/35 valued at \$115,919,171)	4,098,000,000
3,500,000,000	Deutsche Bank Securities Inc., 4.03%, dated 11/30/05, due 12/1/05, repurchase proceeds at maturity \$3,500,391,806 (collateralized by FGRA 0% due 11/15/35 valued at \$204,526,988, FGRM 4.0% to 5.50% due 10/15/15 to 11/15/35 valued at \$755,536,141, FGPC 5% due 10/1/20 valued at \$85,595,758, FGST 0% to 5.398% due 12/1/34 to	

10/1/35 valued at \$419,474,940, FMAR 3.673% to 4.77% due 4/1/33 to 6/1/35 valued at \$16,148,429 FNAR 2.888% to 5.191% due 11/1/33 to 10/1/35 valued at \$651,670,124, FNMS 5.50% to 6.0% due 3/1/18 to 3/1/35 valued at \$590,296,985, FNRM 5% to 5.5% due 3/25/19 to 9/25/24 valued at \$295,959,031, FNST 0% to 5% due 8/1/34 to 10/1/35 valued at \$574,225,825, GNRM 5.398% due 11/16/15 valued at \$11,565,780) 3,500,000,000

</Table>

SEE NOTES TO FINANCIAL STATEMENTS.

2

<Page>

<Table>

<Caption>

PRINCIPAL AMOUNT

VALUE (NOTE 1)

<S>	<C>	<C>	<C>
\$ 1,500,000,000	REPURCHASE AGREEMENTS -- (CONTINUED) Barclays Bank Inc., 4.03% dated 11/30/05, due 12/1/05, repurchase proceeds at maturity \$1,500,167,917 (collateralized by FGPC 4.5% to 6.5% due 7/1/14 to 12/1/35 valued at \$189,812,022, FGRA 0% to 4.92% due 7/15/17 to 9/15/35 valued at \$41,736,647, FGRM 4.33% to 6% due 9/15/16 to 9/15/33 valued at \$219,174,867, FGST 6% due 2/1/35 valued at \$8,440,937, FMAR 4.674% to 5.612% due 7/1/30 to 11/1/35 valued at \$52,780,767, FNAR 3.13% to 5.85% due 3/1/33 to 12/1/35 valued at \$126,365,914, FNMS 4.5% to 7% due 8/1/12 to 12/1/35 valued at \$648,489,261, FNRA 4.33% to 4.537% due 3/25/18 to 10/25/35 valued at \$37,220,246, FNRM 4% to 6% due 10/25/13 to 6/25/35 valued at \$177,239,617, GNRM 5% to 6% due 10/20/30 to 1/16/34 valued at \$43,316,891)		\$ 1,500,000,000
	Total Repurchase Agreements (Cost \$9,098,000,000)		9,098,000,000
	TOTAL INVESTMENTS (COST \$21,218,991,295)	102.7%	21,218,991,295
	COMPREHENSIVE MANAGEMENT FEES PAYABLE	0.0^	(191,813)
	DISTRIBUTION (12b-1) FEES PAYABLE	0.0^	(36,935)
	OTHER ASSETS, LESS LIABILITIES	(2.7)	(556,901,679)
	NET ASSETS	100.0%	\$ 20,661,860,868

</Table>

SEE NOTES TO FINANCIAL STATEMENTS.

3

<Page>

<Table>

<S>	<C>
NET ASSET VALUE, OFFERING AND REDEMPTION PRICE PER SHARE OF EACH CLASS BASED ON SHARES OF BENEFICIAL INTEREST, \$.001 PAR VALUE OUTSTANDING AND EQUIVALENT TO THE NET ASSETS OF EACH CLASS:	
6,615,527,055 SHARES CLASS R	\$ 1.00
11,769,012 SHARES CLASS 95	\$ 1.00
94,871,176 SHARES CLASS 75	\$ 1.00
18,403,245 SHARES CLASS 70	\$ 1.00
709,408,033 SHARES CLASS TREASURER'S TRUST	\$ 1.00
29,683,104 SHARES CLASS 45	\$ 1.00
4,486,300 SHARES CLASS 35	\$ 1.00
494,983,216 SHARES CLASS 25	\$ 1.00
291,096,557 SHARES CLASS 20	\$ 1.00
87,751,260 SHARES CLASS 15	\$ 1.00
463,506,970 SHARES CLASS 12	\$ 1.00
11,840,374,940 SHARES CLASS 8	\$ 1.00

</Table>

* Variable rate instrument.

SEE NOTES TO FINANCIAL STATEMENTS.

4

<Page>

THE RESERVE FUND -- U.S. GOVERNMENT FUND

STATEMENT OF NET ASSETS -- NOVEMBER 30, 2005 (UNAUDITED)

<Table>

<Caption>

PRINCIPAL AMOUNT		VALUE (NOTE 1)
<S>	<C>	<C>
	GOVERNMENT AGENCY NOTES -- 9.9%	
\$ 6,125,000	Fannie Mae, 2.00%, 2/28/06	\$ 6,091,039
20,000,000	Fannie Mae, 2.03%, 2/09/06	19,914,210
3,415,000	Fannie Mae, 2.25%, 2/28/06	3,398,109
8,000,000	Fannie Mae, 3.35%, 7/28/06	7,938,228
46,108,000	Federal Home Loan Mortgage Corp., 1.875%, 2/15/06	45,878,708
21,107,000	Federal Home Loan Mortgage Corp., 2.00%, 2/23/06	20,997,234
50,000,000	Federal Home Loan Bank, 3.75%, 12/15/06	49,979,494
46,121,000	Federal National Mortgage Association, 5.50%, 12/15/06	46,229,991
5,455,000	Federal National Mortgage Association, 2.00%, 4/20/06	5,403,178
25,000,000	Federal National Mortgage Association, 4.0962%, 12/29/05	24,999,124
	Total Government Agency Notes (Cost \$230,829,315)	230,829,315
	REPURCHASE AGREEMENTS -- 90.2%	
450,000,000	Bear Stearns & Co., Inc., 4.02%, dated 11/30/05, due 12/01/05, repurchase proceeds at maturity \$450,050,250 (collateralized by FGRM 4.50% due 01/15/29 to 05/15/34 valued at \$279,045,572, FNRM 0% due 03/25/29 to 08/25/35 valued at \$184,458,567)	450,000,000
800,000,000	Deutsche Bank Securities Inc., 4.00%, dated 11/30/05, due 12/01/05, repurchase proceeds at maturity \$800,088,889 (collateralized by FNNT 3.00% due 12/15/06 to 07/10/23 valued at \$58,125,167, FNRM 3.125% due 01/12/07 to 03/15/13 valued at \$83,012,362, FMNT 0% due 02/15/06 to 12/09/22 valued at \$116,451,587, FMDN 0% due 12/12/05 to 01/17/06 valued at \$22,399,705, FMFR 0% due 05/04/06 valued at \$10,065,020, FNPR 0% due 02/15/08 valued at \$13,546,800, FCOR 3.13% due 04/26/07 to 08/11/15 valued at \$42,338,421, FCSB 4.35% due 10/20/08 to 09/01/20 valued at \$45,788,874, FHLB 2.375% due 03/30/06 to 05/13/11 valued at \$132,895,515, FHOR 0% due 10/19/06 to 11/16/15 valued at \$287,674,970)	800,000,000
80,000,000	Deutsche Bank Securities Inc., 4.22%, dated 11/30/05, due 12/08/06, repurchase proceeds at maturity \$80,000,000 (collateralized by FMAR 5.048% due 10/01/33 valued at \$86,143,625)	80,000,000

</Table>

SEE NOTES TO FINANCIAL STATEMENTS.

5

<Page>

<Table>

<Caption>

PRINCIPAL AMOUNT		VALUE (NOTE 1)
<S>	<C>	<C>
	REPURCHASE AGREEMENTS -- (CONTINUED)	
\$ 65,000,000	State Street Bank & Trust Co., 3.125%, dated 11/30/05, due 12/01/05, repurchase proceeds at maturity \$65,007,078 (collateralized by FNMA 3.125% due 06/15/06 valued at \$66,302,657)	\$ 65,000,000
80,000,000	Barclays Bank Inc., 4.20%, dated 11/30/05, due 02/01/06, repurchase proceeds at maturity \$80,840,000 (collateralized by FGRA 4.47% due 07/15/35 valued at \$2,965,420, FGRM 5.00% due 05/15/17 to 11/15/24 valued at \$53,909,288, FNRM 4.50% due 04/25/27 valued at \$25,525,292)	80,000,000
622,000,000	Barclays Bank Inc., 4.01%, dated 11/30/05, due 12/01/05, repurchase proceeds at maturity \$622,069,284 (collateralized by FNAR 3.341% due 06/01/33 to 11/01/35 valued at \$37,559,800, FGRM 4.00% due 09/15/12 to 06/15/31 valued at \$201,670,940, FGRA 4.22% due 03/15/23 valued at \$15,638,947, FGPC 4.50% due 04/01/19 to 07/01/20 valued at \$35,352,403, FNRM 3.50% due 08/25/18 to 09/25/34 valued at \$61,973,137, FNMS 4.50% due 07/01/15 to 12/01/35 valued at \$247,144,733, GNRM 3.00% due 07/20/25 to 06/20/33 valued at \$40,918,875)	622,000,000
	Total Repurchase Agreements (Cost \$2,097,000,000)	2,097,000,000
	TOTAL INVESTMENTS (COST \$2,327,829,315)	100.1% 2,327,829,315
	OTHER ASSETS LESS LIABILITIES	(0.1%) (2,515,549)

NET ASSETS 100.0% \$ 2,325,313,766
 =====

</Table>

 * Variable rate instrument.

<Table>

<u><S></u>	<u><C></u>
NET ASSET VALUE, OFFERING AND REDEMPTION PRICE PER SHARE OF EACH CLASS BASED ON SHARES OF BENEFICIAL INTEREST, \$.001 PAR VALUE OUTSTANDING AND EQUIVALENT TO THE NET ASSETS OF EACH CLASS:	
1,104,978,844 SHARES CLASS R	\$ 1.00
93,442,783 SHARES CLASS TREASURER'S TRUST	\$ 1.00
13,089,107 SHARES CLASS 45	\$ 1.00
11,169,637 SHARES CLASS 25	\$ 1.00
105,243 SHARES CLASS 15	\$ 1.00
77,602,573 SHARES CLASS 12	\$ 1.00
1,024,925,579 SHARES CLASS 8	\$ 1.00

</Table>

SEE NOTES TO FINANCIAL STATEMENTS.

6

<Page>

THE RESERVE FUND -- U.S. TREASURY FUND

STATEMENT OF NET ASSET -- NOVEMBER 30, 2005 (UNAUDITED)

<Table>

<Caption>

<u>PRINCIPAL AMOUNT</u>		<u>VALUE (NOTE 1)</u>
<S>	<C>	<C>
	U.S. TREASURY BILLS -- 99.0%	
\$ 700,000	U.S Treasury Bill 3.725% 12/1/05	\$ 700,000
245,000,000	U.S Treasury Bill 3.82% 12/8/05	244,816,867
104,100,000	U.S. Treasury Bill 3.93% 12/15/05	103,942,115
38,100,000	U.S Treasury Bill 3.78% 12/22/05	38,014,656
38,300,000	U.S Treasury Bill 3.34% 1/5/06	38,163,157
50,000,000	U.S. Treasury Bill 3.472% 12/29/05	49,867,972
	Total U.S. Treasury Bills (Cost \$475,504,767)	475,504,767
	TOTAL INVESTMENTS (COST \$475,504,767)	99.0% 475,504,767
	COMPREHENSIVE MANAGEMENT FEES PAYABLE	0.0^ (18,273)
	DISTRIBUTION (12b-1) FEES PAYABLE	0.0^ (3,763)
	OTHER ASSETS, LESS LIABILITIES	1.0 4,687,476
	NET ASSETS	100.0% \$ 480,170,207

NET ASSET VALUE, OFFERING AND REDEMPTION PRICE PER SHARE OF EACH CLASS BASED ON SHARES OF BENEFICIAL INTEREST, \$.001 PAR VALUE OUTSTANDING AND EQUIVALENT TO THE NET ASSETS OF EACH CLASS:

345,838,075 SHARES CLASS R	\$ 1.00
96,322,155 SHARES CLASS TREASURER'S TRUST	\$ 1.00
1,389,747 SHARES CLASS 75	\$ 1.00
1,292,731 SHARES CLASS 45	\$ 1.00
10,369 SHARES CLASS 25	\$ 1.00
50,332 SHARES CLASS 12	\$ 1.00
35,268,375 SHARES CLASS 8	\$ 1.00

</Table>

SEE NOTES TO FINANCIAL STATEMENTS.

7

<Page>

GLOSSARY

FCSB -- Farm Credit System Bond

FGRA -- FHLMC Adjustable Rate REMIC

FGPC -- FHLMC Gold Mortgage-Backed Pass-Through Participation Certificates
 FGRM -- FHLMC Gold REMIC Mortgage-Backed Pass-Through Participation
 Certificates
 FGSP -- Freddie Mac Gold Strips - Principal Only
 FHLMC -- Federal Home Loan Mortgage Corp.
 FMFR -- Freddie Mac Floating Rate Note
 FMNT -- Freddie Mac Fixed Rate Notes
 FMPR -- FHLMC -- Zero Coupon
 FMRA -- FHLMC REMIC
 FMRM -- Freddie Mac Remics Fixed Rate
 FNAR -- Fannie Mae Adjustable Rates
 FNMA -- Federal National Mortgage Association
 FNMS -- Federal Mortgage-Backed Pass-Through Securities
 FNNT -- Federal National Mortgage Association Medium Term Note
 FNPR -- Fannie Mae Strips -- Principal Component
 FNRA -- FNMA REMIC
 FNRM -- FNMA REMIC Mortgage-Backed Pass-Through Securities
 FNR2 -- Fannie Mae Remics Second Issuance
 FNR5 -- Fannie Mae Remics Fifth Issuance
 FNSM -- Federal National Mortgage Association (Debentures)
 FNST -- FNMA STRIPS
 GNRM -- GNMA Pass-Through Floating Rate Securities
 GNRP -- Federal Eligible GNMA REMIC
 GNRN -- PPC Eligible GNMA REMIC
 REMIC -- Real Estate Mortgage Investment Conduit

 * Variable Rate Instrument.
 ^ Amount is less than 0.05%.
 + The cost of investments for federal income tax purposes is the same as the
 cost for financial reporting purposes.

SEE NOTES TO FINANCIAL STATEMENTS.

8

<Page>

RESERVE TAX-EXEMPT TRUST -- INTERSTATE TAX-EXEMPT FUND

STATEMENT OF NET ASSETS -- NOVEMBER 30, 2005 (UNAUDITED)

<Table>

<Caption>

PRINCIPAL AMOUNT		VALUE (NOTE 1)
-----		-----
<S>	<C>	<C>
	TAX-EXEMPT OBLIGATIONS -- 99.5%	
	ARIZONA -- 1.5%	
\$ 5,100,000	Apache County IDA for Tucson Electric Power Co., 2.94%--3.00%, 12/15/18(a)	\$ 5,100,000
2,000,000	Apache County IDA for Tucson Electric Power Co., 2.94%, 12/1/20(a)	2,000,000
3,600,000	Arizona HCF for Royal Oaks, 3.05%, 3/1/27(a)	3,600,000
1,000,000	Phoenix IDR for Del Mar Terrace, 2.98%, 10/1/29(a)	1,000,000
3,400,000	Pima County IDA for Tucson Electric Power Co., Series A, 3.00%, 12/1/22(a)	3,400,000

		15,100,000

	CALIFORNIA -- 11.0%	
9,445,000	California Pollution Control Wadham Energy, 2.96%, 11/1/17(a)	9,445,000
3,780,000	California State Economic Recovery, Series C-7, 2.95%, 7/1/23	3,780,000
6,200,000	California State, GO Series A-1, 3.07%, 5/1/40(a)	6,200,000
300,000	California Statewide for Covenant Retirement Community, 2.99%, 12/1/25(a)	300,000
20,315,000	California Water Department Reserve Powersupply, Series B-3, 2.94%, 5/1/22(a)	20,315,000
2,688,000	Irvine Assessment, District 87-8, 2.95%, 9/2/24(a)	2,688,000
6,250,000	Irvine Assessment, District 93-14, 2.94%, 9/2/25(a)	6,250,000

20,685,000	Long Beach California Harbor, Series A, 2.98%, 5/15/27(a)	20,685,000
1,000,000	Los Angeles MFH for Grand Promenade Project, 2.98%, 4/1/32(a)	1,000,000
16,200,000	Metropolitan Water District, Series B-2, 3.01%, 7/1/28(a)	16,200,000
24,500,000	Metropolitan Water District, Series C-2, 2.92%, 7/1/36(a)	24,500,000
900,000	Santa Ana County, El Cammo Hospital District, 3.06%, 8/1/15(a)	900,000

		112,263,000

500,000	COLORADO -- 3.0% Broomfield IDA for Buckeye Investments, 3.07%, 12/1/09(a)	500,000
6,600,000	Colorado EDA for Bear Creek School Project, 3.06%, 10/1/32(a)	6,600,000
20,900,000	Colorado HFA for Adventist Health Sunbelt, Series B, 3.05%, 11/15/34(a)	20,900,000
2,800,000	University of Colorado, Series B, 2.99%, 11/15/35(a)	2,800,000

		30,800,000

</Table>

SEE NOTES TO FINANCIAL STATEMENTS.

9

<Page>

<Table>
<Caption>

PRINCIPAL AMOUNT		VALUE (NOTE 1)
-----		-----
<S>	<C>	<C>
	TAX-EXEMPT OBLIGATIONS -- (CONTINUED)	
	CONNECTICUT -- 4.8%	
\$ 1,260,000	Connecticut DAR for Independent Living Project, 2.97%, 7/1/15(a)	\$ 1,260,000
640,000	Connecticut DAR for Pierce Memorial Baptist, 2.97%, 10/1/28(a)	640,000
600,000	Connecticut HEFA for Hotchkiss School, Series A, 3.01%, 7/1/30(a)(c)	600,000
400,000	Connecticut HEFA for Kingswood Oxford School, 3.00%, 7/1/30(a)	400,000
25,900,000	Connecticut HEFA for Yale University, Series T-2, 3.00%, 7/1/29(a)(c)	25,900,000
15,000,000	Connecticut HEFA for Yale University, Series X-3, 2.92%, 7/1/37(a)(c)	15,000,000
100,000	Connecticut Special Tax for Transportation Infrastructure, Series 1, 3.03%, 9/1/20(a)	100,000
2,900,000	Connecticut State Development Authority for Solid Waste, 3.01%, 8/1/23(a)	2,900,000
300,000	Connecticut State HEFA, 2.86%, 7/1/27(a)	300,000
410,000	Connecticut State, GO Series 97, 3.00%, 5/15/14(a)	410,000
1,000,000	Hartford Redev. Agency MHR for Underwood Towers Project, 3.00%, 6/1/20(a)	1,000,000
650,000	New Canaan Housing Authority for Village at Waveny Care Center, 2.96%, 1/1/22(a)	650,000
430,000	Shelton County HFA for Crosby Commons Project, 3.08%, 1/1/31(a)	430,000

		49,590,000

	FLORIDA -- 5.2%	
10,310,000	Alachua County HFA for Oak Hammock University, 3.03%, 10/1/32(a)	10,310,000
2,300,000	Capital Finance Authority for Glenridge Palmer Ranch, 3.03%, 6/1/12(a)	2,300,000
300,000	Duval County HFA for Lighthouse Bay Apartments, 3.04%, 12/1/32(a)	300,000
5,945,000	Florida HFA for Collins Cove Senior Apartments, 3.02%, 2/1/36(a)	5,945,000
3,900,000	Florida HFA for Wellesley Apartments, Series O, 2.93%, 8/1/35(a)	3,900,000
6,875,000	Florida HFC Multifamily for Bridgewater Club, 3.02%, 6/1/34(a)	6,875,000
5,420,000	Florida HFC Multifamily for Magnolia Pointe Apts., Series J, 3.10%, 6/1/39(a)	5,420,000

</Table>

SEE NOTES TO FINANCIAL STATEMENTS.

10

<Page>

<Table>
<Caption>

PRINCIPAL AMOUNT		VALUE (NOTE 1)
-----		-----
<S>	<C>	<C>
	TAX-EXEMPT OBLIGATIONS -- (CONTINUED)	
	FLORIDA -- (CONTINUED)	
\$ 1,100,000	Orange County for YMCA, Series A, 3.10%, 5/1/27(a)	\$ 1,100,000

13,800,000	Massachusetts DFA for Brooksby Village project, 3.04%, 7/1/32(a)	13,800,000
180,000	Massachusetts DFA for Gann Academy Project, 2.90%, 6/1/32(a)	180,000
9,945,000	Massachusetts DFA for Jewish Geriatric Services, 2.98%, 5/15/34(a)	9,945,000
662,000	Massachusetts DFA for Smith College, 3.02%, 7/1/24(a)(c)	662,000
100,000	Massachusetts HEFA for Berklee College of Music, Series D, 2.87%, 10/1/27(a)	100,000

</Table>

SEE NOTES TO FINANCIAL STATEMENTS.

12

<Page>

<Table>

<Caption>

PRINCIPAL AMOUNT		VALUE (NOTE 1)
-----		-----
<S>	<C>	<C>
	TAX-EXEMPT OBLIGATIONS -- (CONTINUED)	
	MASSACHUSETTS -- (CONTINUED)	
\$ 8,500,000	Massachusetts HEFA for Cap Asset Program, Series E & D, 2.94%--3.01%, 1/1/35(a)	\$ 8,500,000
6,300,000	Massachusetts HEFA for Harvard University, 2.68%, 1/1/24(a)(c)	6,300,000
20,000,000	Massachusetts HEFA for Harvard University, Series Y, 2.80%, 7/1/35(a)(c)	20,000,000
35,000,000	Massachusetts HEFA for Massachusetts Institute of Technology, Series J-2, 2.93%, 7/1/31(a)(c)	35,000,000
100,000	Massachusetts HEFA for Wellesley College, Series E, 2.93%, 7/1/22(a)(c)	100,000
200,000	Massachusetts HEFA for Williams College, Series E, 3.02%, 8/1/14(a)	200,000
100,000	Massachusetts HFA for Single Family, 2.98%,12/1/30(a)	100,000
11,000,000	Massachusetts WRA, Series 99-B, 2.90%, 8/1/28(a)	11,000,000
100,000	Massachusetts WSR, Series A, 2.98% 11/1/24(a)	100,000

		119,202,000

	MICHIGAN -- 6.2%	
5,880,000	Ann Arbor Michigan Economic Dev Corp. - Glacier Inc. Pj, Series A, 2.92%, 11/1/25(a)	5,880,000
2,300,000	Detroit Michigan Sew Disp Rev Var, Series B, 3.00%, 7/1/33(a)	2,300,000
100,000	Garden City Hospital Finance Authority, Series 96-A, 3.08%, 9/1/26(a)	100,000
900,000	Jackson County EDC for Thrifty Leoni Inc., 3.05%, 12/1/14(a)	900,000
16,440,000	Jackson County EDC for Vista Grande Villa, 2.98%, 11/1/31(a)	16,440,000
5,250,000	Michigan HDA for Berrien Woods, Series A, 3.15%, 7/1/32(a)	5,250,000
1,100,000	Michigan HDA Multi-Family Revenue for River Place Apts., 2.99%, 6/1/18(a)	1,100,000
785,000	Michigan HDA, Series B, 2.70%, 4/1/19(a)	785,000
235,000	Michigan State Hospital Finance Authority-Hosp Equipment Ln Prog- A, 2.98%, 12/1/23(a)	235,000
400,000	Michigan Strategic Fund for Clark Retirement Community, 3.04%, 6/1/31(a)	400,000
2,445,000	Michigan Strategic Fund for Haven Christian Services, 3.07%, 11/15/34(a)	2,445,000
4,340,000	Michigan Strategic Fund for Henry Ford Museum Village, 3.00%, 12/1/33(a)	4,340,000

</Table>

SEE NOTES TO FINANCIAL STATEMENTS.

13

<Page>

<Table>

<Caption>

PRINCIPAL AMOUNT		VALUE (NOTE 1)
-----		-----
<S>	<C>	<C>
	TAX-EXEMPT OBLIGATIONS -- (CONTINUED)	
	MICHIGAN -- (CONTINUED)	
\$ 950,000	Michigan Strategic Fund for Mot LLC Project, 3.07%, 12/1/34(a)	\$ 950,000
345,000	Michigan Strategic Fund for Peachwood Center Association, 3.00%, 6/1/16(a)	345,000
110,000	Michigan Strategic Fund, 3.03%, 1/1/14(a)	110,000
100,000	Oakland University, 3.06%, 3/1/31(a)	100,000
20,520,000	Wayne Charter County Detroit Met Cnty A, 3.03%, 12/1/16(a)	20,520,000
1,000,000	Woodhaven Brownstown School District, Series B, 1.86%, 5/1/34(a)	1,000,000

		63,200,000

MINNESOTA -- 0.6%		
200,000	Cohasset for Minnesota Power & Light, 3.07%, 6/1/13(a)	200,000
270,000	Minnesota Health for Fairview Health Services, 2.97%, 11/15/32(a)	270,000
2,073,000	Minnesota HEFA for Carleton College, Series 6D, 3.02%, 4/1/35(a)	2,073,000
14,000	Minnesota HEFA for St. Olaf College, Series 5-H, 3.03%, 10/1/30(a)(c)	14,000
172,000	Minnesota HEFA for St. Olaf College, Series 5-M1, 3.03%, 10/1/32(a)(c)	172,000
1,881,000	Minnesota Housing Finance Agency, Series C, 3.08%, 1/1/35(a)	1,881,000
105,000	Minnesota Revenue for People Serving People Project, 3.08%, 10/1/21(a)	105,000
81,000	Regents University, Series A, 3.09%, 7/1/08(a)	81,000
117,000	Roseville Commercial Development for Berger Transfer & Storage, 3.00%, 12/1/15(a)	117,000
66,000	St. Paul Housing & Redev. Authority for Public Radio Project, 3.03%, 6/16/10(a)	66,000
100,000	St. Paul Housing & Redev. Authority District Heating Revenue, 3.00%, 12/1/12(a)	100,000
881,000	St. Paul Housing & Redev. Authority MHR for Highland Ridge, 3.05%, 10/1/33(a)	881,000
		----- 5,960,000 -----
MISSOURI -- 0.0%^		
190,000	Platte County IDR for Platte Care Facility, 3.35%, 10/1/10 (a)	190,000

</Table>

SEE NOTES TO FINANCIAL STATEMENTS.

14

<Page>

<Table>

<Caption>

PRINCIPAL AMOUNT		VALUE (NOTE 1)
-----		-----
<S>	<C>	<C>
	TAX-EXEMPT OBLIGATIONS -- (CONTINUED)	
	NEVADA -- 2.4%	
\$ 19,500,000	Carson City Tahoe Hospital, 3.05%, 9/1/33(a)	\$ 19,500,000
5,000,000	Carson City Tahoe Medical Center, 3.05%, 9/1/35(a)	5,000,000
		----- 24,500,000 -----
	NEW JERSEY -- 3.4%	
900,000	Hudson County NJ Impt Auth, 2.48%, 7/15/26(a)	900,000
600,000	New Jersey EDA for Bayonne Dock, 2.31%, 12/1/27(a)	600,000
2,740,000	New Jersey EDA for Geriatric Services Housing Project, 2.33%, 11/1/31(a)	2,740,000
9,700,000	New Jersey EDA for Newark Container LLC, 3.01%, 7/1/30(a)	9,700,000
385,000	New Jersey EDA for RJB Associates, ERN, 2.46%, 8/1/08(a)	385,000
4,775,000	New Jersey EDA for SCH Princeton Project, 2.75%, 07/1/22(a)	4,775,000
600,000	New Jersey EDA for Stolthaven Perth Amboy, Series A, 2.90%, 1/15/18(a)	600,000
500,000	New Jersey EDA for US Golf Association, 2.46%, 5/1/23(a)	500,000
1,300,000	New Jersey HCF for Community Hospital Group, Series A-1, 2.45%, 7/1/20(a)	1,300,000
595,000	New Jersey HCF for St. Barnabas Hospital, Series A, 2.33%, 7/1/31(a)	595,000
1,560,000	New Jersey Sports Authority Expo, Series C, 2.48%, 9/1/24(a)	1,560,000
300,000	New Jersey State Edl Facs Auth- Princeton University, Series B, 2.90%, 7/1/21(a)(c)	300,000
7,900,000	Port Authority of New York & New Jersey Versatile Obligation, Series 2, 2.94%, 5/1/19 (a)	7,900,000
3,000,000	Salem County New Jersey Impt Auth Rev- Friends Home Woodstown, Inc., 3.00%, 4/1/34(a)	3,000,000
		----- 34,855,000 -----
	NEW MEXICO -- 2.3%	
23,870,000	Farmington County PCR for Arizona Public Service, Series B, 2.96% - 3.00%, 9/1/24(a)	23,870,000

	NEW YORK -- 15.7%	
8,000,000	Metropolitan Transportation Authority, Series E-1, 3.03%, 11/1/35(a)	8,000,000
20,200,000	New York City IDA for Korean Airlines, Series A, 2.99%, 11/1/24(a)	20,200,000
36,500,000	New York City WFA, Series C-1, 3.00%, 6/15/18(a)	36,500,000

</Table>

SEE NOTES TO FINANCIAL STATEMENTS.

15

<Page>

<Table>

<Caption>

PRINCIPAL AMOUNT		VALUE (NOTE 1)
-----		-----
<S>	<C>	<C>
	TAX-EXEMPT OBLIGATIONS -- (CONTINUED)	
	NEW YORK -- (CONTINUED)	
\$ 2,500,000	New York City, GO Series A4, 2.94%, 8/1/15(a)	\$ 2,500,000
3,600,000	New York City, GO Series A4, 2.97%, 8/1/23(a)	3,600,000
3,600,000	New York City, GO Series A4, 3.00%, 8/1/21(a)	3,600,000
15,000,000	New York City, GO Series F3, 3.02%, 9/1/35(a)	15,000,000
5,200,000	New York City, TFA, Series H3, 2.98%, 11/1/22(a)	5,200,000
4,000,000	New York State HFA for 10 Liberty Street, 2.95%, 5/1/35(a)	4,000,000
1,300,000	New York State HFA for Bleecker Terrace Apt., 3.07%, 7/1/15(a)	1,300,000
4,200,000	New York State HFA for W 43rd Street, 2.38%, 11/1/34(a)	4,200,000
46,295,000	New York State LGAC., Series D, & F, 2.85%--2.94%, 4/1/25(a)	46,295,000
10,000,000	Westchester IDA for Catherine Field Home, 3.01%, 1/1/31(a)	10,000,000
400,000	Yonkers IDA Civic Facility for Consumers Union, 3.00%, 7/1/21(a)	400,000

		160,795,000

	NORTH CAROLINA -- 0.2%	
600,000	North Carolina EFA for Cardinal Gibbons, 3.05%, 8/1/14(a)	600,000
1,000,000	North Carolina Medical Care Community for Stanley Total Living Center, 3.10%, 4/1/18(a)	1,000,000

		1,600,000

	OHIO -- 4.1%	
4,500,000	Akron Bath Copley HDR for Summa Health System, Series B, 3.08%, 11/1/34(a)	4,500,000
200,000	Butler County HCF for Lifesphere, 3.25%, 5/1/27(a)	200,000
300,000	Clinton County for Wilmington Airport, 3.05%, 6/1/11(a)	300,000
3,800,000	Cuyahoga County EDA for Cleveland Botanical Gardens, 3.08%, 7/1/31(a)	3,800,000
2,170,000	Cuyahoga County for Cleveland Health Education Museum, 3.06%, 3/1/32(a)	2,170,000
300,000	Cuyahoga County HCF for Devon Oaks, 3.05%, 2/1/34(a)	300,000
7,400,000	Evandale County IDR for SHV Realty, Inc., 3.00%, 9/1/15(a)	7,400,000
295,000	Franklin County Hospital Revenue for U.S. HealthCorp., 3.03%, 12/1/20(a)	295,000
1,105,000	Franklin County Hospital Revenue for U.S. Health Corp., Series 96, 3.03%, 12/1/21(a)	1,105,000
2,500,000	Hamilton County HCF, 3.03%, 6/1/35(a)	2,500,000

</Table>

SEE NOTES TO FINANCIAL STATEMENTS.

16

<Page>

<Table>

<Caption>

PRINCIPAL AMOUNT		VALUE (NOTE 1)
-----		-----
<S>	<C>	<C>
	TAX-EXEMPT OBLIGATIONS -- (CONTINUED)	
	OHIO -- (CONTINUED)	
\$ 150,000	Hamilton County HRB for Alliance Health, Series A, 2.87%, 1/1/18(a)	\$ 150,000
190,000	Kent State University Receipts, 3.06%, 5/1/31(a)	190,000
4,020,000	Licking County HCF, 3.05%, 11/1/33(a)	4,020,000
10,000	Marion County Hospital Improvement, Pooled Lease Program, 3.07%, 11/1/21(a)	10,000
690,000	Middleburgh Heights for Southwest General Hospital, 3.07%, 8/15/22(a)	690,000
6,800,000	Ohio Air Quality DAR for Columbus Southern, Series C, 3.07%, 12/1/38(a)	6,800,000
100,000	Ohio Air Quality DAR for Ohio Edison, Series A, 2.95%, 2/1/14(a)	100,000
2,000,000	Ohio Air Quality DAR PCR for Ohio Edison, Series C, 3.01%, 6/1/23(a)	2,000,000
1,330,000	Ohio Higher EFA for Ashland University, 3.08%, 9/1/24(a)	1,330,000
100,000	Ohio State EFA for Western University, 2.93%, 10/1/31(a)	100,000
700,000	Ohio WDA PCR for Cleveland Electric, Series B, 3.00%, 8/1/20(a)	700,000
200,000	Ohio WDA PCR for Edison Project B, 3.06%, 9/1/18(a)	200,000
3,100,000	Paulding County Waste Disposal for Lafarge Corporation, 2.94%, 8/1/26(a)	3,100,000
200,000	Toledo City Services Special Assessment, 3.03%, 12/1/06(a)	200,000

		42,160,000

500,000	OKLAHOMA -- 0.0% [^] Oklahoma City for Christian College, 3.25%, 7/1/15(a)	500,000
500,000	OREGON -- 0.0% [^] Portland MFH for South Park, 3.02%, 12/1/11(a)	500,000
3,500,000	PENNSYLVANIA -- 8.4% Allegheny Higher Education for Carnegie Mellon University, 2.98%, 12/1/33(a)	3,500,000
250,000	Chartiers Valley IDR, 3.06%, 8/1/07(a)	250,000
1,750,000	Delaware County IDR for Sun, Inc., 3.00%, 11/1/33(a)	1,750,000
10,900,000	Emmaus General Authority Revenue, Series G-18, 3.01%, 3/1/24(a)	10,900,000
775,000	Lawrence County for Villa Maria, 3.06%, 7/1/33(a)	775,000
1,215,000	Lebanon County HCF for ECC Retirement Village, 3.08%, 10/15/25(a)	1,215,000
3,000,000	Lehigh County IDA, 3.00%, 12/1/15(a)	3,000,000
2,000,000	Manheim School District, 3.03%, 5/1/23(a)	2,000,000

</Table>

SEE NOTES TO FINANCIAL STATEMENTS.

17

<Page>

<Table>

<Caption>

PRINCIPAL AMOUNT		VALUE (NOTE 1)
<S>	<C>	<C>
	TAX-EXEMPT OBLIGATIONS -- (CONTINUED)	
	PENNSYLVANIA -- (CONTINUED)	
\$ 1,900,000	Montgomery County for Higher Ed. William Penn Charter, 3.06%, 9/15/31(a)	\$ 1,900,000
200,000	Pennsylvania State HEFA, 2.61%, 11/1/14(a)	200,000
1,460,000	Pennsylvania EDA for B & W Ebensburg Project, 3.02%, 12/1/11(a)	1,460,000
28,000,000	Pennsylvania Turnpike, Series A3, 2.98%, 12/1/30(a)	28,000,000
1,600,000	Philadelphia IDR for Fox Chase Cancer Center Project, 2.98%, 7/1/25(a)	1,600,000
10,705,000	Quakertown Pennsylvania General Authority Revenue, 3.05%, 7/1/26(a)	10,705,000
1,000,000	Scranton Redevelopment Authority Revenue for Parking Facility, 3.08%, 6/1/33(a)	1,000,000
70,000	South Fork Conemaugh Health System Series A, 2.90%, 7/1/28(a)	70,000
14,000,000	Westmoreland County Redstone Highlands, 3.05%--3.06%, 1/1/36(a)	14,000,000
3,935,000	Wilkens Area IDA for Fairview Extended Care, Series B, 3.00%, 1/1/21(a)	3,935,000
		86,260,000
	PUERTO RICO -- 0.6% Puerto Rico Government Development Bank, 2.85%, 12/1/15(a)	159,000
6,460,000	Puerto Rico Highway & Transportation Authority, Series A, 2.93%, 7/1/28(a)	6,460,000
		6,619,000
	TENNESSEE -- 0.0% [^] Chattanooga IDA for Baylor School, 3.05%, 11/1/16(a)	695,000
	TEXAS -- 1.2% Harris County IDA for Baytank Houston, Inc., 2.98%, 2/1/20(a)	3,700,000
8,000,000	Travis County Querencia Barton Creek, Series C, 3.05%, 11/15/35(a)	8,000,000
		11,700,000
	UTAH -- 0.2% Utah Transit Authority Sales Tax Revenue, Series B, 3.03%, 9/1/32(a)	2,000,000

</Table>

SEE NOTES TO FINANCIAL STATEMENTS.

18

<Page>

<Table>

<Caption>

PRINCIPAL AMOUNT		VALUE (NOTE 1)
<S>	<C>	<C>
	TAX-EXEMPT OBLIGATIONS -- (CONTINUED)	
	VIRGINIA -- 2.5% Alexandria County IDA for Goodwin House, 2.96%, 10/1/35(a)	\$ 4,015,000

1,300,000	Arlington County Virginia Rev for Ballston Public Parking, 3.02%, 8/1/17(a)		1,300,000
600,000	Chesapeake County IDA for Chesapeake General Hospital, Series B, 3.00%, 7/1/31(a)		600,000
925,000	Clarke County IDA for Winchester Medical Center, 3.06%, 1/1/30(a)		925,000
1,100,000	Fairfax County EDA Smithsonian Institute, 3.02%, 12/1/33(a)		1,100,000
650,000	Hampton County MFH for Shoreline Apartments, 3.00%, 12/1/19(a)		650,000
250,000	Henrico County EDA for Westminster Centerbury, Series B, 3.05%, 7/1/08(a)		250,000
1,200,000	Henrico County EDA for White Oaks Ltd Project, 3.03%, 10/1/27(a)		1,200,000
2,200,000	King George Garnet Inc. Project, 3.10%,9/01/21(a)		2,200,000
900,000	Norfolk IDR for Hospital Facilities-Children, 3.05%, 6/1/20(a)		900,000
850,000	Peninsula Port Authority for Dominion Terminal, 3.00%, 7/1/16(a)		850,000
2,045,000	Portsmouth Redevelopment HSG Multifamily, 3.05%, 6/1/30(a)		2,045,000
9,705,000	University of Virginia, Series A, 3.03%, 6/1/34(a)(c)		9,705,000

			25,740,000

15,000,000	WASHINGTON -- 1.5% Washington State, GO, 2.88%, 6/1/20(a)		15,000,000

	TOTAL INVESTMENTS (COST* \$1,019,193,268)	99.5%	1,019,193,268
	COMPREHENSIVE MANAGEMENT FEES PAYABLE	0.0	(8,567)
	DISTRIBUTION (12b-1) FEES PAYABLE	0.0	(1,561)
	OTHER ASSETS, LESS LIABILITIES	0.5	5,129,757

	NET ASSETS	100.0%	\$ 1,024,312,897
		=====	=====

</Table>

SEE NOTES TO FINANCIAL STATEMENTS.

19

<Page>

<Table>

<S>		<C>
	NET ASSET VALUE, OFFERING AND REDEMPTION PRICE PER SHARE OF EACH CLASS BASED ON SHARES OF BENEFICIAL INTEREST, \$.001 PAR VALUE OUTSTANDING AND EQUIVALENT TO THE NET ASSETS OF EACH CLASS:	
	283,530,413 SHARES CLASS R	\$ 1.00
		=====
	36,246,483 SHARES CLASS TREASURER'S TRUST	\$ 1.00
		=====
	10,028 SHARES CLASS 75	\$ 1.00
		=====
	1,329,456 SHARES CLASS 70	\$ 1.00
		=====
	483,664 SHARES CLASS 45	\$ 1.00
		=====
	36,220,811 SHARES CLASS 25	\$ 1.00
		=====
	104,021 SHARES CLASS 15	\$ 1.00
		=====
	10,189 SHARES CLASS 12	\$ 1.00
		=====
	666,377,832 SHARES CLASS 8	\$ 1.00
		=====

</Table>

SEE NOTES TO FINANCIAL STATEMENTS.

20

<Page>

RESERVE TAX-EXEMPT TRUST -- CALIFORNIA TAX-EXEMPT FUND
STATEMENT OF NET ASSETS -- NOVEMBER 30, 2005 (UNAUDITED)

<Table>

<Caption>

PRINCIPAL AMOUNT		VALUE (NOTE 1)
-----		-----
<S>	<C>	<C>
	TAX-EXEMPT OBLIGATIONS -- 96.7%	
	CALIFORNIA -- 96.7%	
\$ 395,000	Alameda Contra Costa Capitol Improvements Ser F 3.09%, 08/01/23(a)	\$ 395,000
2,200,000	California Statewide CDA for Early Education Community Center 3.02%, 09/01/31(a)	2,200,000
3,000,000	California State GO Sub Ser A-1, 3.07% 5/01/40(a)	3,000,000
1,000,000	California State GO Sub Ser A-2, 3.07% 5/01/40(a)	1,000,000
3,000,000	California HPA Revenue Ser P, 3.09%, 2/01/27(a)	3,000,000
3,720,000	California Infra & Econ Dev Sri Intl Ser A, 3.00%, 09/01/28(a)	3,720,000

2,820,000	California Poll Cntrl Colmac Energy Ser A, 2.97%, 12/01/16(a)	2,820,000
4,000,000	California Poll Ctl Wadham Energy Lp 2.96%, 11/01/17(a)	4,000,000
775,000	California Ssc Fin Cops Cap Impts Ser C, 2.90%, 07/01/22(a)	775,000
2,900,000	California State Econ Recovery Ser C-7, 2.95%, 07/01/23(a)	2,900,000
1,400,000	California State Wt Res Power Supply Rev., Ser B-3, 2.94%, 5/01/22(a)	1,400,000
7,390,000	California State Dept Of Water Water Supply, 3.00%, 05/01/22(a)	7,390,000
6,600,000	California Statewide CDA Covenant Retirement Cm, 2.99%, 12/01/25(a)	6,600,000
2,175,000	Chula Vista Charter City for Home Depot, Inc., 2.93%, 12/01/10(a)	2,175,000
6,900,000	Dublin Calif Multi HSG Park Sierra Ser A, 2.99%, 06/01/28(a)	6,900,000
1,000,000	Fremont Calif COP Improvement Financing PJ 3.01%, 08/01/30(a)	1,000,000
1,400,000	Fremont Calif COP Police Fac Refining Proj., 3.01%, 08/01/28(a)	1,400,000
700,000	Irvine Assmnt Dist Impt Bd Act 1915 94-13, 2.95%, 9/02/22(a)	700,000
1,500,000	Irvine Calif, Assmnt Dist #97-16, 2.95%, 9/02/22(a)	1,500,000
2,346,000	Irvine Calif, Imp Bd Dist # 0-18 Ser A, 2.95%, 9/02/26(a)	2,346,000
2,200,000	Irvine Ranch Calif, Wtr Dist, 2.95%, 10/01/10(a)	2,200,000
900,000	Irvine Ranch Calif, Wtr Dist, 2.94%, 8/01/16(a)	900,000
775,000	Irvine Ranch Calif, Wtr 3.00%, 8/01/09(a)	775,000
4,500,000	Long Beach Calif, Hbr Rev, Ser A, 2.98%, 05/15/27(a)	4,500,000
2,400,000	Los Angeles Calif, Community Redev Multifamily HSG, Series A, 2.98%, 12/01/38(a)	2,400,000

</Table>

SEE NOTES TO FINANCIAL STATEMENTS.

21

<Page>

<Table>

<Caption>

PRINCIPAL AMOUNT		VALUE (NOTE 1)
-----		-----
<S>	<C>	<C>
TAX-EXEMPT OBLIGATIONS -- (CONTINUED)		
CALIFORNIA -- (CONTINUED)		
\$ 4,000,000	Los Angeles Calif MFH Grnd Promenade Proj, 2.98%, 4/01/32(a)	\$ 4,000,000
1,300,000	Metro Dist So, California Waterworks Rev Ser-B-2, 3.01%, 07/01/28(a)	1,300,000
1,000,000	Ontario Calif, Mfh Park Centre Partn., 3.02%, 8/01/07(a)	1,000,000
1,665,000	Orange County Sanitation Authority, 2.97%, 8/01/13(a)	1,665,000
3,100,000	Riverside County for TylerSpring Apartments, Series C, 2.96%, 9/01/14(a)	3,100,000
4,000,000	San Francisco MFHR for Filmore Center, Series B, 3.02%, 08/01/31(a)	4,000,000
1,400,000	Santa Ana Calif, Uni School Dist., 2.96%, 7/01/15(a)	1,400,000
4,500,000	Santa Clara Calif, El Cammo Hosp. District., 3.06%, 8/01/15(a)	4,500,000
3,800,000	Stockton California HCF for Dameron Hosp., Series A, 3.00%, 12/01/32(a)	3,800,000
6,400,000	Turlock Irrigation District Transportation Ser A, 2.95%, 1/01/31(a)	6,400,000
1,200,000	Tustin California Impt 1915 Reassmnt Dist No. 95-2, 2.95%, 9/02/2013(a)	1,200,000

		98,361,000

	TOTAL INVESTMENTS (COST* \$98,361,000)	96.7% 98,361,000
	COMPREHENSIVE MANAGEMENT FEES PAYABLE	0.0 (2,231)
	DISTRIBUTION (12b-1) FEES PAYABLE	0.0 (558)
	OTHER ASSETS, LESS LIABILITIES	3.3 3,410,438

	NET ASSETS	100.0% \$ 101,768,649
		=====
	NET ASSET VALUE, OFFERING AND REDEMPTION PRICE PER SHARE, BASED ON 101,768,649 SHARES OF BENEFICIAL INTEREST, \$.001 PAR VALUE OUTSTANDING	\$ 1.00
		=====

</Table>

SEE NOTES TO FINANCIAL STATEMENTS.

22

<Page>

RESERVE TAX-EXEMPT TRUST -- CONNECTICUT TAX-EXEMPT FUND
SCHEDULE OF INVESTMENTS -- NOVEMBER 30, 2005 (UNAUDITED)

<Table>

<Caption>

PRINCIPAL AMOUNT	VALUE (NOTE 1)
-----	-----

<S>	<C>	<C>	<C>
	TAX-EXEMPT OBLIGATIONS -- 81.4%		
	CONNECTICUT -- 73.7%		
\$ 1,200,000	Connecticut DAR for Independent Living, 2.97%, 7/1/15(a)	\$ 1,200,000	
2,150,000	Connecticut DAR for Pierce Memorial Baptist, 2.97%, 10/1/28(a)	2,150,000	
1,200,000	Connecticut State DAR for Solid Waste, 3.01%, 8/1/23(a)	1,200,000	
1,200,000	Connecticut HEFA for Edgehill Health, Series C, 2.86%, 7/1/27(a)	1,200,000	
1,200,000	Connecticut HEFA for Hotchkiss School, Series A, 2.98%, 7/1/30(a)(c)	1,200,000	
600,000	Connecticut HEFA for Kingswood-Oxford School, 3.00%, 7/1/30(a)	600,000	
1,200,000	Connecticut HEFA for Klingberg Family Center, 3.01%, 7/1/32(a)	1,200,000	
1,000,000	Connecticut HEFA for Yale University Series T-2, 3.00%, 07/1/29(a)(c)	1,000,000	
200,000	Connecticut HEFA for Yale University, Series V-1, 2.90%, 7/1/36(a)(c)	200,000	
1,800,000	Connecticut HFA, Sub Series D-3, 3.03%, 5/15/33(a)	1,800,000	
2,100,000	Connecticut Special Tax Obligation for Transportation Infrastructure, 3.03%, 9/1/20(a)	2,100,000	
1,205,000	Connecticut State GO Series 1-A, 3.03%, 2/15/21(a)	1,205,000	
1,200,000	Hartford Redev. Agency MHR for Underwood Towers Project, 3.00%, 6/1/20(a)	1,200,000	
500,000	New Canaan Housing Authority for Geer Woods Project, 3.03%, 8/1/31(a)	500,000	
1,200,000	New Canaan Housing Authority for Village at Waveny Care Center, 2.96%, 1/1/22(a)	1,200,000	
1,200,000	Shelton County HFA for Crosby Commons Project, 3.08%, 1/1/31(a)	1,200,000	

		19,155,000	

2,000,000	PUERTO RICO -- 7.7%		
	Puerto Rico Government Bank, 2.85%, 12/1/15(b)	2,000,000	

	TOTAL INVESTMENTS (COST* \$21,155,000)	81.4%	21,155,000
	OTHER ASSETS, LESS LIABILITIES	18.6	4,820,025

	NET ASSETS	100.0%	\$ 25,975,025
		=====	
	NET ASSET VALUE, OFFERING AND REDEMPTION PRICE PER SHARE, BASED ON 25,975,025 SHARES OF BENEFICIAL INTEREST, \$.001 PAR VALUE OUTSTANDING	\$	1.00
		=====	

</Table>

SEE NOTES TO FINANCIAL STATEMENTS.

<Page>

RESERVE TAX-EXEMPT TRUST -- CONNECTICUT TAX-EXEMPT FUND

STATEMENT OF ASSETS AND LIABILITIES

NOVEMBER 30, 2005 (UNAUDITED)

<Table>

<S>	<C>
ASSETS	
Investments in securities, at value (Cost \$21,155,000)	\$ 21,155,000
Cash	4,766,172
Interest receivable	58,211
Fund shares Sold	186

Total Assets	25,979,569

LIABILITIES	
Comprehensive management fees payable	2,651
Distribution (12b-1) fees payable	839
Income dividend payable	977
Chief Compliance Officer salary expense	77

Total Liabilities	4,544

NET ASSETS	\$ 25,975,025
	=====
NET ASSET VALUE, OFFERING AND REDEMPTION PRICE PER SHARE, BASED ON 25,975,025 SHARES OF BENEFICIAL INTEREST, \$.001 PAR VALUE OUTSTANDING	\$ 1.00
	=====

</Table>

SEE NOTES TO FINANCIAL STATEMENTS.

<Page>

RESERVE TAX-EXEMPT TRUST -- FLORIDA TAX-EXEMPT FUND

SCHEDULE OF INVESTMENTS -- NOVEMBER 30, 2005 (UNAUDITED)

<Table>

<Caption>

PRINCIPAL AMOUNT		VALUE (NOTE 1)
<S>		<C>
TAX-EXEMPT OBLIGATIONS -- 88.4%		
FLORIDA -- 86.8%		
\$ 4,140,000	Alachua County HFA for Oak Hammock University, 3.03%, 10/1/32(a)	\$ 4,140,000
2,000,000	Broward County Florida EFA, City College Project, 3.05%, 11/1/31(a)	2,000,000
1,930,000	Broward County HFA for Jacaranda Village Apartments, 3.00%, 9/1/22(a)	1,930,000
3,135,000	Capital Finance Authority for Glenridge Palmer Ranch, 3.03%, 6/1/12(a)	3,135,000
3,340,000	Collier County for Cleveland Health Clinic, 2.98%, 1/1/35(a)	3,340,000
1,925,000	Dade County IDA for Dolphins Stadium, Series C, 2.93%, 1/1/16(a)	1,925,000
2,100,000	Dade County Water Service, 2.97%, 10/5/22(a)	2,100,000
1,200,000	Duval County HFA for Lighthouse Bay Apartments, 3.04%, 12/1/32(a)	1,200,000
1,600,000	Florida Higher Educational Facilities Authority for St Thomas University, 3.00%, 1/1/19(a)	1,600,000
2,000,000	Florida HFC Multifamily for Bridgewater Club, 3.02%, 6/1/34(a)	2,000,000
1,130,000	Florida HFC Multifamily for Magnolia Pointe Apartments, 3.10%, 6/1/39(a)	1,130,000
1,000,000	Jacksonville Florida HFA, Series A, 3.00%, 8/15/33(a)	1,000,000
2,080,000	Jacksonville Florida Dist Energy System Ser A, 3.00%, 10/1/34(a)	2,080,000
1,295,000	Lee County IDA for Bonita Community Health Services, Series A, 3.06%, 12/1/29(a)	1,295,000
1,100,000	Manatee County PCR for Florida Power & Light, 3.00%, 9/1/24(a)	1,100,000
4,300,000	Miami Dade County IDA for Airis Miami LLC, Series A, 3.08%, 10/15/25(a)	4,300,000
1,185,000	Orange County YMCA, Series A, 3.10%, 5/1/27(a)	1,185,000
1,500,000	Palm Beach County for Morse Obligation Group, 3.07%, 5/1/33(a)	1,500,000
2,200,000	Palm Beach County for Raymond F Kravis Center Project, 2.98%, 7/1/32(a)	2,200,000
1,800,000	Palm Beach County for School Board, Series B, 3.03%, 8/1/27 (a)	1,800,000
1,000,000	Pinellas County HFA, 3.05%, 11/1/15(a)	1,000,000
2,000,000	Port Orange for Palmer College, 3.07%, 10/1/32(a)	2,000,000
1,000,000	Putnam County Dev. Authority PCR for Florida Power & Light, 3.00%, 9/1/24(a)	1,000,000

</Table>

SEE NOTES TO FINANCIAL STATEMENTS.

25

<Page>

<Table>

<Caption>

PRINCIPAL AMOUNT		VALUE (NOTE 1)
<S>		<C>
TAX-EXEMPT OBLIGATIONS -- (CONTINUED)		
FLORIDA -- (CONTINUED)		
\$ 200,000	Seminole County IDA HCF for Florida Living Nursing, 3.24%, 2/1/11(a)	\$ 200,000
400,000	University of North Florida Capital Improvements Project, 3.09%, 11/1/24(a)	400,000
700,000	Volusia County IDR for Easter Seal Society of Volusia, 3.15%, 9/1/21(a)	700,000
		46,260,000

847,000	PUERTO RICO -- 1.6%	
	Puerto Rico Government Development Bank, 2.85%, 12/1/15(b)	847,000

TOTAL INVESTMENTS (COST* \$47,107,000)		88.4% 47,107,000
OTHER ASSETS, LESS LIABILITIES		11.6 6,177,071

NET ASSETS		100.0% \$ 53,284,071
		=====
NET ASSET VALUE, OFFERING AND REDEMPTION PRICE PER SHARE, BASED ON 53,284,071 SHARES OF BENEFICIAL INTEREST, \$.001 PAR VALUE OUTSTANDING		
		\$ 1.00
		=====

</Table>

RESERVE TAX-EXEMPT TRUST -- FLORIDA TAX-EXEMPT FUND

STATEMENT OF ASSETS AND LIABILITIES

NOVEMBER 30, 2005 (UNAUDITED)

<Table>

<S>	<C>
ASSETS	
Investments in securities, at value (Cost \$47,107,000)	\$ 47,107,000
Cash	6,055,732
Interest receivable	122,220
Other assets	10,238

Total Assets	53,295,190

LIABILITIES	
Comprehensive management fees payable	6,496
Distribution (12b-1) fees payable	1,624
Other liabilities	2,999

Total Liabilities	11,119

NET ASSETS	\$ 53,284,071
	=====
NET ASSET VALUE, OFFERING AND REDEMPTION PRICE PER SHARE, BASED ON 53,284,071 SHARES OF BENEFICIAL INTEREST, \$.001 PAR VALUE OUTSTANDING	\$ 1.00
	=====

</Table>

SEE NOTES TO FINANCIAL STATEMENTS.

26

<Page>

RESERVE TAX-EXEMPT TRUST -- MASSACHUSETTS TAX-EXEMPT FUND
SCHEDULE OF INVESTMENTS -- NOVEMBER 30, 2005 (UNAUDITED)

<Table>

<Caption>

PRINCIPAL AMOUNT	<C>	VALUE (NOTE 1)
-----	<S>	-----
\$ 700,000	TAX-EXEMPT OBLIGATIONS -- 94.4%	
	Massachusetts DFA for Briarwood Retirement Series A, 2.98%, 11/1/24(a)	\$ 700,000
800,000	Massachusetts DFA for Brooksby Village Project, 3.04%, 7/1/32(a)	800,000
445,000	Massachusetts DFA for Dean College, 3.00%, 10/1/29(a)	445,000
720,000	Massachusetts DFA for Gann Academy Project, 2.54%, 6/1/32(a)	720,000
700,000	Massachusetts DFA for Jewish Geriatric Services, 2.98%, 5/15/34(a)	700,000
655,000	Massachusetts DFA for Mystic Valley School, 3.05%, 6/15/08(a)	655,000
800,000	Massachusetts DFA for Salem Community Corporation, 3.04%, 1/1/35(a)	800,000
800,000	Massachusetts DFA for Smith College, 3.02%, 7/1/24--7/1/29(a)(c)	800,000
800,000	Massachusetts DFA IDR for Ocean Spray Cranberries, 3.04%, 10/15/11(a)	800,000
800,000	Massachusetts DFA IDR for You Incorporated, 2.95%, 9/1/32(a)	800,000
850,000	Massachusetts GO, Series 97-B, 3.00%, 9/1/16(a)	850,000
135,000	Massachusetts HEFA for Becker College, Series A-2, 3.16%, 7/1/09(a)	135,000
700,000	Massachusetts HEFA for Berklee College of Music, Series B, 2.87%, 10/1/27(a)	700,000
160,000	Massachusetts HEFA for Cap Asset Program, Series D, 2.94%, 1/1/35(a)	160,000
700,000	Massachusetts HEFA for Harvard University, Series Y, 2.80%, 7/1/35(a)(c)	700,000
700,000	Massachusetts HEFA for MIT, Series J-2, 2.93%, 7/1/31(a)(c)	700,000
800,000	Massachusetts HEFA for Wellesley College, Series E, 2.93%, 7/1/22(a)(c)	800,000
700,000	Massachusetts HEFA for Williams College, Series E, 3.02%, 8/1/14(a)(c)	700,000
1,665,000	Massachusetts HFA for Single Family, 2.98%, 12/1/30(a)	1,665,000
575,000	Massachusetts IFA for Lowell Mills Association, Series 95, 3.16%, 12/1/20(a)	575,000
600,000	Massachusetts IFA for Tech Mold & Tool, 3.07%, 6/1/18(a)	600,000
700,000	Massachusetts WRA, Series 99-B, 2.90%, 8/1/28(a)	700,000
630,000	Massachusetts WRA, Series B, 2.98%, 4/1/28(a)	630,000
1,250,000	Massachusetts WRA, Series C, 2.98%, 8/1/37(a)	1,250,000

</Table>

SEE NOTES TO FINANCIAL STATEMENTS.

27

<Page>

<Table>

<Caption>

PRINCIPAL AMOUNT	<C>	VALUE (NOTE 1)
---------------------	-----	-------------------

-----	<C>	-----
<S>	TAX-EXEMPT OBLIGATIONS -- (CONTINUED)	<C> <C>
\$ 200,000	Massachusetts WRA, Series C, 3.03%, 8/1/20(a)	\$ 200,000
200,000	Massachusetts WRA, Series D, 3.00%, 8/1/17(a)	200,000

		17,785,000

	TOTAL INVESTMENTS (COST* \$17,785,000)	94.4% 17,785,000
	OTHER ASSETS, LESS LIABILITIES	5.6 1,048,081

	NET ASSETS	100.0% \$ 18,833,081
		=====

</Table>

MASSACHUSETTS TAX-EXEMPT FUND

STATEMENT OF ASSETS AND LIABILITIES

NOVEMBER 30, 2005 (UNAUDITED)

<Table>

<S>	<C>
ASSETS	
Investments in securities, at value (Cost* \$17,785,000)	\$ 17,785,000
Cash	1,001,244
Interest receivable	50,940

Total Assets	18,837,184

LIABILITIES	
Comprehensive management fees payable	2,494
Distribution (12b-1) fees payable	623
Income dividend payable	930
Other liabilities	56

Total Liabilities	4,103

NET ASSETS	\$ 18,833,081
	=====
NET ASSET VALUE, OFFERING AND REDEMPTION PRICE PER SHARE, BASED ON 18,833,081	
SHARES OF BENEFICIAL INTEREST, \$.001 PAR VALUE OUTSTANDING	\$ 1.00
	=====

</Table>

SEE NOTES TO FINANCIAL STATEMENTS.

28

<Page>

RESERVE TAX-EXEMPT TRUST -- MICHIGAN TAX-EXEMPT FUND

SCHEDULE OF NET ASSETS -- NOVEMBER 30, 2005 (UNAUDITED)

<Table>

<Caption>

PRINCIPAL AMOUNT	VALUE (NOTE 1)
-----	-----
<S>	<C>
	TAX-EXEMPT OBLIGATIONS -- 97.8%
	MICHIGAN -- 92.8%
\$ 600,000	Ann Arbor Michigan EDC, Glacier Inc. Pj, Series A, 2.63%, 11/1/25(a)
1,400,000	Detroit Michigan Sew Disp Rev Var, Series B, 3.00%, 7/1/33(a)
400,000	Garden City HFA, Series 96-A, 3.08%, 9/1/26(a)
500,000	Grand Rapids Economic Development Corp, 3.05%, 6/1/12(a)
400,000	Jackson County for Thrifty Leoni Inc, Series A, 3.05%, 12/1/14(a)
600,000	Jackson County for Vista Grande Villa, Series A, 2.98%, 11/1/31(a)
700,000	Michigan State HFA for Hosp Equipment Ln Prog- A, 2.98%, 12/1/23(a)
700,000	Michigan HDA Multi-Family Revenue for River Place Apts., 2.99%, 6/1/18(a)
700,000	Michigan HDA Multi-Family Rev-Berrien Woods 111, Series A, 3.15%, 7/1/32(a)
1,160,000	Michigan Strategic Fund for Henry Ford Museum Village, 3.00%, 12/1/33(a)
300,000	Michigan Strategic Fund for M&P Cap LLC, Series A, 3.13%, 6/1/34(a)
600,000	Michigan Strategic Fund for Mot LLC, 3.07%, 12/1/34(a)
700,000	Michigan State Statagic Fund Solid Waste Diso Rev, 3.03%, 1/1/14(a)
700,000	Michigan Strategic Fund for Haven Christian Services, 3.07%, 11/15/34(a)
1,080,000	Michigan State University Revenue, Series A, 3.00%, 8/15/32(a)
700,000	Milan Michigan Area Schools, 3.00%, 5/1/30(a)
500,000	Oakland County Michigan EDC for Ltd-Graph-Tech Inc, 3.13%, 4/1/28(a)

700,000	Oakland University, 3.06%, 3/1/31(a)	700,000
700,000	Wayne Charter County, Series A, 3.03%, 12/1/16(a)	700,000

		13,140,000

</Table>

SEE NOTES TO FINANCIAL STATEMENTS.

29

<Page>

<Table>

<Caption>

PRINCIPAL AMOUNT		VALUE (NOTE 1)
-----		-----
<S>	<C>	<C>
	TAX-EXEMPT OBLIGATIONS -- (CONTINUED)	
\$ 700,000	PUERTO RICO -- 5.0%	\$ 700,000
	Puerto Rico Government Development Bank, 2.85%, 12/1/15(b)	-----
		700,000

	TOTAL INVESTMENTS (COST* \$13,840,000)	97.8% 13,840,000
	COMPREHENSIVE MANAGEMENT FEES PAYABLE	0.0 (1,981)
	DISTRIBUTION (12b-1) FEES PAYABLE	0.0 (474)
	OTHER ASSETS, LESS LIABILITIES	2.2 318,821

	NET ASSETS	100.0% \$ 14,156,366
		=====
	NET ASSET VALUE, OFFERING AND REDEMPTION PRICE PER SHARE, BASED ON 14,156,366 SHARES OF BENEFICIAL INTEREST, \$.001 PAR VALUE OUTSTANDING	\$ 1.00
		=====

</Table>

SEE NOTES TO FINANCIAL STATEMENTS.

30

<Page>

RESERVE TAX-EXEMPT TRUST--NEW JERSEY TAX-EXEMPT FUND
STATEMENT OF INVESTMENTS--NOVEMBER 30, 2005 (UNAUDITED)

<Table>

<Caption>

PRINCIPAL AMOUNT		VALUE (NOTE 1)
-----		-----
<S>	<C>	<C>
	TAX-EXEMPT OBLIGATIONS -- 88.0%	
	NEW JERSEY -- 88.0%	
\$ 1,160,000	Atlantic County Pooled Government Loan Program, 3.00%, 7/1/26(a)	\$ 1,160,000
450,000	Hudson County NJ Impt Auth Auth, 2.96%, 7/15/26(a)	450,000
2,000,000	Monmouth County NJ Improv Auth, 2.90%, 8/1/16(a)	2,000,000
2,400,000	New Jersey EDA for Bayonne Dock, 2.97%, 12/1/27(a)	2,400,000
1,900,000	New Jersey EDA for Airis Newark Project , 2.98%, 1/1/19(a)	1,900,000
800,000	New Jersey EDA for Foreign Trade, Series 98, 3.00%, 12/1/07(a)	800,000
1,515,000	New Jersey EDA for RJB Associates, ERN, 3.01%, 8/1/08(a)	1,515,000
1,915,000	New Jersey EDA for Church & Dwight, 2.98%, 12/1/08(a)	1,915,000
400,000	New Jersey EDA for Solthaven Proj, Series A, 2.90%, 1/15/18(a)	400,000
2,300,000	New Jersey EDA for Lawrence School Proj., Series B, 2.82%,7/1/26(a)	2,300,000
2,000,000	New Jersey EDA for Newark Container LLC, 3.01%, 7/1/30(a)	2,000,000
900,000	New Jersey Health Care Facs Financing Auth, Series A, 2.96%, 7/1/31(a)	900,000
1,400,000	New Jersey HCF Authority Cap Asset Ser A, 2.95%, 7/1/35(a)	1,400,000
1,900,000	New Jersey EDA for Golf Asso, Project, 3.01%, 05/1/23(a)	1,900,000
3,700,000	New Jersey EDA for Thermal Marina Energy LLC, Series A, 2.98%, 9/1/31(a)	3,700,000
1,960,000	New Jersey EDA for Geriatrics Housing Services Series P-J, 2.96%, 11/1/31(a)	1,960,000
2,000,000	New Jersey EDA for Huntington SCH Princeton, 3.01%, 11/1/34(a)	2,000,000
3,930,000	New Jersey Sports Authority Expo, Series C, 2.96%, 9/1/24(a)	3,930,000
1,850,000	New Jersey State EFA- Princeton University, Series B, 2.90%, 7/1/21(a)(c)	1,850,000
560,000	New Jersey EDA for SCH Princeton Project, 2.75%, 07/1/22(a)	560,000
1,900,000	New Jersey State HFA for Single Family Hsg., Series O, 3.08%, 10/1/26(a)	1,900,000

</Table>

SEE NOTES TO FINANCIAL STATEMENTS.

31

<Page>

<Table>

<Caption>

PRINCIPAL AMOUNT		VALUE (NOTE 1)	
-----		-----	
<S>	<C>	<C>	<C>
TAX-EXEMPT OBLIGATIONS -- (CONTINUED)			
NEW JERSEY -- (CONTINUED)			
\$ 1,000,000	New Jersey Turnpike Authority, Series 91-D, 2.95%, 1/1/18(a)	\$	1,000,000
1,200,000	New Jersey Turnpike Authority, Series C-1, 2.90%, 1/1/24(a)		1,200,000
3,300,000	Port Authority of New York & New Jersey Special Obligation Revenue, 2.97%, 8/1/24(a)		3,300,000
2,000,000	Salem County New Jersey Impt Auth Rev- Friends Home Woodstown, Inc., 3.00%, 4/1/34 (a)		2,000,000

			44,440,000

TOTAL INVESTMENTS (COST* \$44,440,000)		88.0%	44,440,000
OTHER ASSETS, LESS LIABILITIES		12.0	6,041,905

NET ASSETS		100.0%	\$ 50,481,905
		=====	=====

</Table>

RESERVE TAX-EXEMPT TRUST -- NEW JERSEY TAX-EXEMPT FUND

STATEMENT OF ASSETS AND LIABILITIES

NOVEMBER 30, 2005 (UNAUDITED)

<Table>

<S>	<C>
ASSETS	
Investments in securities, at value (Cost \$44,440,000)	\$ 44,440,000
Cash	5,906,162
Interest receivable	146,355
Other assets	105

Total Assets	50,492,622
LIABILITIES	
Comprehensive management fees payable	6,674
Distribution (12b-1) fees payable	1,679
Other liabilities	140
Income dividend payable	2,224

Total Liabilities	10,717

NET ASSETS	\$ 50,481,905
	=====
NET ASSET VALUE, OFFERING AND REDEMPTION PRICE PER SHARE, BASED ON 50,481,905 SHARES OF BENEFICIAL INTEREST, \$.001 PAR VALUE OUTSTANDING	\$ 1.00
	=====

</Table>

SEE NOTES TO FINANCIAL STATEMENTS.

32

<Page>

RESERVE TAX-EXEMPT TRUST -- OHIO TAX-EXEMPT FUND

SCHEDULE OF INVESTMENTS -- NOVEMBER 30, 2005 (UNAUDITED)

<Table>

<Caption>

PRINCIPAL AMOUNT		VALUE (NOTE 1)	
-----		-----	
<S>	<C>	<C>	<C>
TAX-EXEMPT OBLIGATIONS -- 92.6%			
OHIO -- 92.6%			
\$ 500,000	Akron Bath Copley HDR for Summa Health System, Series B, 3.08%, 11/1/34(a)	\$	500,000
375,000	Allen County HCF for Mennonite Home, 3.05%, 2/1/18(a)		375,000
800,000	Butler County HCF for Lifesphere, 3.25%, 5/1/27(a)		800,000
500,000	Centerville HCR for Bethany Lutheran, 3.02%, 5/1/08(a)		500,000
400,000	Cleveland Airport Systems Revenue, Series D, 3.02%, 1/1/27(a)		400,000
600,000	Cleveland Income Tax Revenue, 2.87%, 1/1/27(a)		600,000
830,000	Cuyahoga County Cleveland Health, 3.06%, 3/1/32(a)		830,000
490,000	Cuyahoga County for S&R Playhouse, 2.70%, 12/1/09(a)		490,000

700,000	Cuyahoga County HCF for Devon Oaks, 3.05%, 2/1/34(a)	700,000
700,000	Cuyahoga County HRB EDA for Cleveland Botanical Gardens, 3.08%, 7/1/31(a)	700,000
800,000	Evandale County IDR for SHV Realty Inc., 3.00%, 9/1/15(a)	800,000
800,000	Franklin County Hospital Revenue for U.S. Health Corp., Series A, 3.03%, 12/1/21(a)	800,000
1,000,000	Geauga County for Heather Hill Inc, 3.04%, 7/1/23(a)	1,000,000
735,000	Greene County IDA for Fairview, Series B, 3.00%, 1/1/11(a)	735,000
655,000	Hamilton County HRB for Alliance Health, Series A, 2.87%, 1/1/18(a)	655,000
195,000	Kent State University Receipts, 3.06%, 5/1/31(a)	195,000
1,480,000	Licking County HCF, 3.05%, 11/1/33(a)	1,480,000
935,000	Middleburgh Heights HR for Southwest General Health, 3.07%, 8/15/22(a)	935,000
700,000	Ohio Air Quality DAR for Columbus Southern, Series C, 3.07%, 12/1/38(a)	700,000
570,000	Ohio State Higher Educational Facility Revenue for Ashland Univ. 3.08%, 9/1/24(a)	570,000
900,000	Ohio State Higher Educational Facility Revenue for Western Univ. 3.01%, 10/1/31(a)	900,000
600,000	Ohio State University , 2.95%, 12/1/17--12/1/27(a)(c)	600,000
700,000	Ohio WDA PCR for Cleveland Electric, Series B, 3.00%, 8/1/20(a)	700,000
800,000	Ohio WDA PCR for Edison Project B, 3.06%, 9/1/18(a)	800,000

</Table>

SEE NOTES TO FINANCIAL STATEMENTS.

33

<Page>

<Table>

<Caption>

PRINCIPAL AMOUNT		VALUE (NOTE 1)	
-----		-----	
<S>	<C>	<C>	<C>
	TAX-EXEMPT OBLIGATIONS -- (CONTINUED)		
	OHIO -- (CONTINUED)		
\$	800,000 Paulding County Waste Disposal for Lafarge Corporation, 2.94%, 8/1/26(a)	\$	800,000
	800,000 Toledo City Services Special Assessment, 3.03%, 12/1/06(a)		800,000
	500,000 Toledo County Port Authority, 3.05%, 15/15/38(a)		500,000

			18,865,000

	TOTAL INVESTMENTS (COST* \$18,865,000)	92.6%	18,865,000
	OTHER ASSETS, LESS LIABILITIES	7.4	1,513,321

	NET ASSETS	100.0%	\$ 20,378,321
		=====	-----

</Table>

RESERVE TAX-EXEMPT TRUST -- OHIO TAX-EXEMPT FUND

STATEMENT OF ASSETS AND LIABILITIES

NOVEMBER 30, 2005 (UNAUDITED)

<Table>

<S>	<C>
ASSETS	
Investments in securities, at value (Cost \$18,865,000)	\$ 18,865,000
Cash	1,467,471
Interest receivable	48,404

Total Assets	20,380,875

LIABILITIES	
Comprehensive management fees payable	824
Distribution (12b-1) fees payable	662
Income dividend payable	1,004
Other liabilities	64

Total Liabilities	2,554

NET ASSETS	\$ 20,378,321
	=====
NET ASSET VALUE, OFFERING AND REDEMPTION PRICE PER SHARE, BASED ON 20,378,321 SHARES OF BENEFICIAL INTEREST, \$.001 PAR VALUE OUTSTANDING	\$ 1.00
	=====

</Table>

SEE NOTES TO FINANCIAL STATEMENTS.

34

<Page>

RESERVE TAX-EXEMPT TRUST -- PENNSYLVANIA TAX-EXEMPT FUND

STATEMENT OF INVESTMENTS -- NOVEMBER 30, 2005 (UNAUDITED)

<Table> <Caption> PRINCIPAL AMOUNT		VALUE (NOTE 1)
-----		-----
<S>	<C>	<C>
	TAX-EXEMPT OBLIGATIONS -- 92.6%	
	PENNSYLVANIA -- 90.4%	
\$ 790,000	Allentown IDA for Diocese of Allentown 2.98%, 12/1/29(a)	\$ 790,000
2,200,000	Allegheny Higher Education for Carnegie Mellon University, 2.98%, 12/1/33(a)	2,200,000
1,800,000	Allegheny IDA for UPMC Health Systems, Series C, 3.05%, 3/1/15(a)	1,800,000
200,000	Berks County IDR for Visiting Nurse Services, Series A, 3.15%, 12/1/15(a)	200,000
645,000	Berks County IDR for Visiting Nurse Services, Series A, 3.30%, 12/1/15(a)	645,000
3,800,000	Bucks County IDA for Shv Real Estate Inc, 3.00%, 7/1/15(a)	3,800,000
64,000	Chartiers Valley IDR, 3.06%, 8/1/07(a)	64,000
1,585,000	Cumberland County PA, 3.03%, 12/1/32(a)	1,585,000
1,600,000	Chester County IDA for Archdiocese, 2.98%, 7/1/31(a)	1,600,000
700,000	Delaware County IDR for Sun, Inc., 3.00%, 11/1/33(a)	700,000
2,000,000	Emmaus General Authority Revenue, Series G, 3.01%, 3/1/24(a)	2,000,000
700,000	Indiana County IDA for Conemaugh 3.00%, 6/1/27(a)	700,000
1,480,000	Lawrence County IDA for Var Villa Maria PJ., 3.06%, 7/1/33(a)	1,480,000
1,965,000	Lebanon County HCF for ECC Retirement Village, 3.08%, 10/15/25(a)	1,965,000
2,000,000	Lehigh County IDA, 3.00%, 12/1/15(a)	2,000,000
2,000,000	Manheim School District, 3.03%, 5/1/23(a)	2,000,000
430,000	Montgomery County IDR for Girl Scouts of Southeastern PA, 3.15%, 2/1/25(a)	430,000
1,445,000	Fork PA, Conemaugh Health System Series A, 2.90%, 7/1/28(a)	1,445,000
2,000,000	Pennsylvania EDA for B & W Ebensburg Project, 3.02%, 12/1/11(a)	2,000,000
1,600,000	Pennsylvania Higher Education Agency for Ebensburg Project, 3.03%, 1/1/18(a)	1,600,000
1,800,000	Pennsylvania HEFA for Temple University, 3.03%, 11/1/14(a)	1,800,000
2,000,000	Pennsylvania Turnpike, Series A3, 2.98%, 12/1/30(a)	2,000,000
1,300,000	Philadelphia Housing and Higher Education Authority for Childrens Hospital, 2.98%, 7/1/31(a)	1,300,000
1,490,000	Philadelphia IDR for Fox Chase Cancer Center Project, 2.98%, 7/1/25(a)	1,490,000

</Table>

SEE NOTES TO FINANCIAL STATEMENTS.

35

<Page>

<Table> <Caption> PRINCIPAL AMOUNT		VALUE (NOTE 1)
-----		-----
<S>	<C>	<C>
	TAX-EXEMPT OBLIGATIONS -- (CONTINUED)	
	PENNSYLVANIA -- 90.4%	
\$ 1,710,000	Quakertown Pennsylvania General Authority Revenue, 3.05%, 7/1/26(a)	\$ 1,710,000
2,595,000	Schuylkill County IDA for Northeastern Power, 3.04%, 12/1/22(a)	2,595,000
2,000,000	Washington County, 2.99%, 7/1/34(a)	2,000,000
2,000,000	Westmoreland County Redstone Highlands, 3.06%, 1/1/36(a)	2,000,000
1,275,000	Wilkins Area IDA for Fairview Extended Care, Series B, 3.00%, 1/1/21(a)	1,275,000

		45,174,000

	TOTAL INVESTMENTS (COST* \$45,174,000)	90.4% 45,174,000
	OTHER ASSETS, LESS LIABILITIES	9.6 4,772,440

	NET ASSETS	100.0% \$ 49,946,440
		=====

</Table>

RESERVE TAX-EXEMPT TRUST -- PENNSYLVANIA TAX-EXEMPT FUND

STATEMENT OF ASSETS AND LIABILITIES

NOVEMBER 30, 2005 (UNAUDITED)

<Table>		<C>
<S>	ASSETS	
	Investments in securities, at value (Cost* \$45,174,000)	\$ 45,174,000

Cash	4,670,171
Interest receivable	112,238

Total Assets	49,956,409

LIABILITIES	
Comprehensive management fees payable	6,162
Distribution (12b-1) fees payable	1,540
Accrued interest overdraft	123
Income dividend payable	2,015
Other liabilities	129
Total Liabilities	9,969

NET ASSETS	\$ 49,946,440
	=====
NET ASSET VALUE, OFFERING AND REDEMPTION PRICE PER SHARE, BASED ON 49,946,440	
SHARES OF BENEFICIAL INTEREST, \$.001 PAR VALUE OUTSTANDING	\$ 1.00
	=====

</Table>

SEE NOTES TO FINANCIAL STATEMENTS.

36

<Page>

RESERVE TAX-EXEMPT TRUST -- VIRGINIA TAX-EXEMPT FUND
 SCHEDULE OF INVESTMENTS -- NOVEMBER 30, 2005 (UNAUDITED)

<Table>

<Caption>

PRINCIPAL AMOUNT		VALUE (NOTE 1)
-----		-----
<S>	<C>	<C>
	TAX-EXEMPT OBLIGATIONS -- 81.6%	
	VIRGINIA -- 71.6%	
\$ 700,000	Alexandria County IDA for Goodwin House, 2.96%, 10/1/35(a)	\$ 700,000
700,000	Arlington County for Ballston Public Parking, 3.02%, 8/1/17(a)	700,000
500,000	Charlottesville IDA for Seminole, Series B, 3.08%, 12/1/13(a)	500,000
600,000	Chesapeake Virginia Hospital, Series B, 3.00%, 7/1/31(a)	600,000
700,000	Clarke County IDR, 3.06%, 1/1/30(a)	700,000
700,000	Hampton MFH for Shoreline Apartments, 3.00%, 12/1/19(a)	700,000
530,000	Hanover County IDA for Covenant Woods, 3.07%, 7/1/29(a)	530,000
700,000	Henrico County EDA for Westminster Centerbury, Series B, 3.05%, 7/1/08(a)	700,000
700,000	Henrico County EDA (CITI-AMT)for White Oaks LTD Proj., 3.03%, 10/1/27(a)	700,000
700,000	King George County VA Inc. Proj.,3.10%,9/01/21(a)	700,000
700,000	Peninsula Port Authority for Dominion Terminal, 3.00%, 7/1/16(a)	700,000
555,000	Portsmouth Redev Marsh Landing PJ, Series A, 3.05%, 6/1/30(a)	555,000
1,200,000	Richmond IDA for Cogentrix of Richmond Proj A, 3.10%, 12/1/17(a)	1,200,000
1,100,000	University of Virginia Revenue, Series A, 3.03%, 6/1/34(a)(c)	1,100,000

		10,085,000

	PUERTO RICO -- 10.0%	
700,000	Puerto Rico Government Bank, 2.85%,12/1/15(b)	700,000
700,000	Puerto Rico Highway & Transportation Authority, Series A, 2.93%, 7/1/28(b)	700,000

		1,400,000

	TOTAL INVESTMENTS (COST* \$11,485,000)	81.6% 11,485,000
	OTHER ASSETS, LESS LIABILITIES	18.4 2,592,438

	NET ASSETS	100.0% \$ 14,077,438
		=====

</Table>

SEE NOTES TO FINANCIAL STATEMENTS.

37

<Page>

RESERVE TAX-EXEMPT TRUST -- VIRGINIA TAX-EXEMPT FUND
 STATEMENT OF ASSETS AND LIABILITIES
 NOVEMBER 30, 2005 (UNAUDITED)

<Table>

<S>	<C>
ASSETS	
Investments in securities, at value (Cost \$11,485,000)	\$ 11,485,000
Cash	2,565,640
Interest receivable	29,805

Total Assets	14,080,445

LIABILITIES	
Comprehensive management fees payable	1,854
Distribution (12b-1) fees payable	464
Other liabilities	38
Interest payable	651
Total Liabilities	3,007

NET ASSETS	\$ 14,077,438
	=====
NET ASSET VALUE, OFFERING AND REDEMPTION PRICE PER SHARE, BASED ON 14,077,438 SHARES OF BENEFICIAL INTEREST, \$.001 PAR VALUE OUTSTANDING	\$ 1.00
	=====

</Table>

SEE NOTES TO FINANCIAL STATEMENTS.

38

<Page>

RESERVE NEW YORK TAX-EXEMPT TRUST -- NEW YORK TAX-EXEMPT FUND

STATEMENT OF NET ASSETS -- NOVEMBER 30, 2005 (UNAUDITED)

<Table>

<Caption>

PRINCIPAL AMOUNT		VALUE (NOTE 1)
-----		-----
<S>	<C>	<C>
	TAX-EXEMPT OBLIGATIONS -- 99.2%	
	NEW JERSEY -- 2.9%	
\$ 5,000,000	Port Authority of New York & New Jersey Versatile Structure, 2.97%, 8/1/24(a)	\$ 5,000,000

	NEW YORK -- 96.0%	
4,900,000	Babylon IDR for Ogden Martin, 2.94%, 1/1/19(a)	4,900,000
615,000	Bleecker HDC for Terrace Apt. Project S85, 3.07%, 7/1/15(a)	615,000
3,670,000	Cattaraugus County IDA for YMCA, 3.11%, 9/1/28(a)	3,670,000
1,000,000	Dutchess IDA for Trinity Pawling School, 3.03%, 10/1/32(a)	1,000,000
2,550,000	Franklin County IDA Civic Facility for Trudeau Institute, 2.95%, 12/1/20(a)	2,550,000
2,400,000	Guilderland IDA for Eastern Industrial Park, Series 93-A, 2.95%, 12/1/08(a)	2,400,000
6,700,000	Jay Street Development Corp., Series A-1, 2.96%, 5/1/22(a)	6,700,000
6,600,000	Long Island Power Authority Electric System Revenue, 2.95%--2.97%, 5/1/33(a)	6,600,000
7,000,000	Metropolitan Transportation Authority, 3.03%, 11/1/35(a)	7,000,000
2,200,000	Monroe County for Margaret Woodbury Strong Museum, 3.10%, 4/1/35(a)	2,200,000
1,500,000	Monroe County for St. Ann's Home Project, 2.96%, 7/1/30(a)	1,500,000
4,860,000	Nassau County, 2.92%, 11/15/22(a)	4,860,000
4,100,000	New York City Cultural Resources for Asian Society, 3.02%, 4/1/30(a)	4,100,000
8,000,000	New York City DAR for Greenwich LLC, Series , 2.99% 12/1/39(a)	8,000,000
5,300,000	New York City IDA for American Society for Technion, 2.94%, 10/1/33(a)	5,300,000
4,000,000	New York City IDA for Childrens Oncology Society, 2.97%, 5/1/21(a)	4,000,000
6,000,000	New York City IDA for Korean Airlines, Series A, 2.99%, 11/1/24(a)	6,000,000
5,000,000	New York City IDA for Liberty, 3.03%, 12/1/39(a)	5,000,000
13,000,000	New York City WFA, Series G, 2.97%, 6/15/25(a)	13,000,000
2,600,000	New York City, GO Series A4, 2.97%, 8/1/23(a)	2,600,000
7,220,000	New York City, GO Series A4, 3.00%, 8/1/21(a)	7,220,000
7,000,000	New York City, TFA, Series H3, 2.98%, 11/1/22(a)	7,000,000
1,500,000	New York State Energy Resources and Development, 3.02%, 12/1/27(a)	1,500,000

</Table>

SEE NOTES TO FINANCIAL STATEMENTS.

39

<Page>

<Table>

<Caption>

PRINCIPAL AMOUNT		VALUE (NOTE 1)
-----		-----
<S>	<C>	<C>
	TAX-EXEMPT OBLIGATIONS -- (CONTINUED)	

NEW YORK -- (CONTINUED)		
\$ 8,200,000	New York State HFA for 10 Liberty Street, 2.95%, 5/1/35(a)	\$ 8,200,000
12,000,000	New York State HFA, 2.98% - 3.00%, 11/1/34(a)	12,000,000
2,175,000	New York State IDA for Rotterdam, 2.95%, 11/1/09(a)	2,175,000
6,000,000	New York State LGAC., Series D, 2.94%, 4/1/25(a)	6,000,000
6,000,000	New York State R&D Con Ed, Series C-2, 2.98%, 11/1/39(a)	6,000,000
3,665,000	Schenectady County IDA for Sunnyview Hospital & Rehab., Series A, 3.06%, 8/1/33(a)	3,665,000
4,610,000	Tompkins County IDA for Kendal Ithaca Community Care, Series B, 2.96%, 7/1/24(a)	4,610,000
7,100,000	Triborough Bridge & Tunnel Authority, Series F, 3.03%, 11/1/32(a)	7,100,000
6,320,000	Westchester IDA for Catherine Field Home, 3.01%, 1/1/31(a)	6,320,000
3,400,000	Yonkers IDA Civic Facility for Consumers Union, 3.00%, 7/1/21(a)	3,400,000

		167,185,000

500,000	PUERTO RICO -- 0.3% Puerto Rico Government Development Bank, 2.85%, 12/1/15(b)	500,000

	TOTAL INVESTMENTS (COST* \$172,685,000)	99.2% \$ 172,685,000
	COMPREHENSIVE MANAGEMENT FEES PAYABLE	(0.0)^ (3,815)
	DISTRIBUTION (12b-1) FEES PAYABLE	(0.0)^ (954)
	OTHER ASSETS, LESS LIABILITIES	0.8 1,400,103

	NET ASSETS	100.0% \$ 174,080,334
		=====
	NET ASSET VALUE, OFFERING AND REDEMPTION PRICE PER SHARE BASED ON 174,080,334 SHARES OF BENEFICIAL INTEREST, \$.001 PAR VALUE OUTSTANDING	\$ 1.00
		=====

</Table>

SEE NOTES TO FINANCIAL STATEMENTS.

40

<Page>

SECURITY TYPE ABBREVIATIONS

- CDA -- Community Development Authority
- HRB -- Hospital Revenue Bonds
- COP -- Certificate of Participation
- IDA -- Industrial Development Authority Revenue Bonds
- DAR -- Development Authority Revenue Bonds
- IDR -- Industrial Development Agency Revenue Bonds
- DFA -- Development Finance Agency
- IFA -- Industrial Finance Authority
- EDA -- Economic Development Authority Revenue Bonds
- LGAC -- Local Government Assistance Corp.
- EDC -- Economic Development Corporation
- MFH -- Multifamily Housing Revenue Bonds
- EFA -- Education Facilities Authority
- MFHR -- Multifamily Facilities Housing Revenue Bonds
- GO -- General Obligation Bonds
- MHR -- Multifamily Housing Revenue Bonds
- HCF -- Health Care Facilities Revenue Bonds
- PCR -- Pollution Control Revenue Bonds
- HDA -- Hospital Development Authority
- PFA -- Public Finance Authority
- HDC -- Housing Development Corporation Bonds
- TFA -- Transitional Finance Authority
- HDR -- Housing Development Revenue
- WDA -- Water Development Authority
- HEFA -- Health & Education Facilities Authority
- WFA -- Water Finance Authority
- HFA -- Housing Finance Authority Revenue Bonds
- WRA -- Water Resource Authority
- HFC -- Housing Finance Corporation
- WSR -- Water & Sewer System Revenue Bonds

-
- (a) Variable rate securities. The interest rates shown are as reported on November 30, 2005, are subject to change periodically. Securities payable on demand are collateralized by bank letters of credit or other credit agreements.
- (b) Securities are collateralized by bank letters of credit or other credit agreements.
- (c) Obligations of educational facilities.
- * The cost of the investments for federal income tax purposes is the same as the cost for financial reporting purposes.
- ^ Amount is less than 0.05%.

SEE NOTES TO FINANCIAL STATEMENTS.

41

<Page>

THE RESERVE FUND

STATEMENTS OF OPERATIONS

FOR THE SIX MONTHS ENDED NOVEMBER 30, 2005 (UNAUDITED)

<Table>
<Caption>

	PRIMARY FUND	U. S. GOVERNMENT FUND	U. S. TREASURY FUND
	-----	-----	-----
<S>	<C>	<C>	<C>
INTEREST INCOME (Note 1)	\$ 308,832,503	\$ 33,486,829	\$ 7,320,560
	-----	-----	-----
EXPENSES (Note 2)			
COMPREHENSIVE MANAGEMENT FEES:			
Class R	25,055,393	3,915,185	1,311,610
Class 95	45,976	--	--
Class 75	214,242	--	6,802
Class 70	45,994	--	--
Class Treasurer's Trust	1,978,319	244,926	259,168
Class 45	42,194	18,188	2,680
Class 35	8,012	--	--
Class 25	659,627	12,362	13
Class 20	255,232	--	--
Class 15	59,325	280	--
Class 12	2,440,998	49,921	8
Class 8	3,514,586	280,141	14,926
DISTRIBUTION (12b-1) FEES:			
Class R	6,263,848	978,796	327,903
Class 95	12,260	--	--
Class 75	77,906	--	2,474
Class 70	18,398	--	--
INTEREST EXPENSE	47,931	--	--
OTHER EXPENSE	43,592	5,462	1,294
	-----	-----	-----
Total expenses before waiver	40,783,833	5,505,261	1,926,878
Less: expenses waived (Note 2)	--	--	--
	-----	-----	-----
Net Expenses	40,783,833	5,505,261	1,926,878
	-----	-----	-----
NET INVESTMENT INCOME, representing Net Increase in Net Assets from Investment Operations	\$ 268,048,670	\$ 27,981,568	\$ 5,393,682
	=====	=====	=====

</Table>

SEE NOTES TO FINANCIAL STATEMENTS.

42

<Page>

RESERVE TAX-EXEMPT TRUST--INTERSTATE TAX-EXEMPT FUND

<Table>

<S>	<C>
INTEREST INCOME (Note 1)	\$ 14,137,238

EXPENSES (Note 2)	
COMPREHENSIVE MANAGEMENT FEES:	
Class R	1,069,431
Class Treasurer's Trust	112,165
Class 75	28
Class 70	5,541
Class 45	661
Class 25	52,557
Class 15	78
Class 12	5
Class 8	319,932
DISTRIBUTION (12b-1) FEES:	
Class R	267,358
Class 75	10
Class 70	2,216
INTEREST EXPENSE	2,073
OTHER EXPENSE	3,175

Total expenses before waiver	1,835,230
Less: expenses waived (Note 2)	--

Net Expenses	1,835,230

NET INVESTMENT INCOME, representing Net Increase in Net Assets from Investment Operations	\$ 12,302,008
	=====

</Table>

SEE NOTES TO FINANCIAL STATEMENTS.

43

<Page>

<Table>
<Caption>

RESERVE TAX-EXEMPT TRUST

	CALIFORNIA FUND	CONNECTICUT FUND	FLORIDA FUND	MASSACHUSETTS FUND
<S>	<C>	<C>	<C>	<C>
INTEREST INCOME (Note 1)	\$ 1,259,786	\$ 309,208	\$ 562,384	\$ 243,914
EXPENSES (Note 2)				
Comprehensive management fees	419,585	102,796	179,151	79,328
Distribution (12b-1) fees	104,729	25,699	44,788	19,909
Interest expense	--	--	433	--
Other expense	313	77	124	56
Total expenses before waiver	524,627	128,572	224,496	99,293
Less: expenses waived (Note 2)	--	--	--	--
Net Expenses	524,627	128,572	224,496	99,293
NET INVESTMENT INCOME, representing Net Increase in Net Assets from Investment Operations	\$ 735,159	\$ 180,636	\$ 337,888	\$ 144,621

</Table>

SEE NOTES TO FINANCIAL STATEMENTS.

44

<Page>

<Table>

<Caption>

	RESERVE TAX-EXEMPT TRUST		
	MICHIGAN FUND	NEW JERSEY FUND	OHIO FUND
<S>	<C>	<C>	<C>
INTEREST INCOME (Note 1)	\$ 202,827	\$ 580,082	\$ 250,307
EXPENSES (Note 2)			
Comprehensive management fees	65,972	191,097	80,014
Distribution (12b-1) fees	16,472	47,774	20,050
Interest expense	--	--	--
Other expense	48	140	64
Total expenses before waiver	82,492	239,011	100,128
Less: expenses waived (Note 2)	--	--	--
Net Expenses	82,492	239,011	100,128
NET INVESTMENT INCOME, representing Net Increase in Net Assets from Investment Operations	\$ 120,335	\$ 341,071	\$ 150,179

</Table>

<Table>

<Caption>

	PENNSYLVANIA FUND	VIRGINIA FUND
<S>	<C>	<C>
INTEREST INCOME (Note 1)	\$ 530,204	\$ 165,226
EXPENSES (Note 2)		
Comprehensive management fees	168,233	54,756
Distribution (12b-1) fees	42,058	13,689
Interest expense	123	--
Other expense	130	38
Total expenses before waiver	210,544	68,483
Less: expenses waived (Note 2)	--	--
Net Expenses	210,544	68,483
NET INVESTMENT INCOME, representing Net Increase in Net Assets from Investment Operations	\$ 319,660	\$ 96,743

</Table>

SEE NOTES TO FINANCIAL STATEMENTS.

45

<Page>

<Table>

<Caption>

	RESERVE NEW YORK TAX-EXEMPT TRUST
	NEW YORK FUND
<S>	<C>
INTEREST INCOME (Note 1)	\$ 2,098,633

EXPENSES (Note 2)	
Comprehensive management fees	702,459
Distribution (12b-1) fees	175,615
Interest expense	--
Other expense	513

Total expenses	878,587
Less: expenses waived (Note 2)	--

Net Expenses	878,587

NET INVESTMENT INCOME, representing Net Increase in Net Assets from Investment Operations	\$ 1,220,046
	=====

</Table>

SEE NOTES TO FINANCIAL STATEMENTS.

46

<Page>

(This page has been left blank intentionally)

<Page>

THE RESERVE FUND

STATEMENTS OF CHANGES IN NET ASSETS (UNAUDITED)

<Table>
<Caption>

	PRIMARY FUND	
	SIX MONTHS ENDED NOVEMBER 30, 2005	YEAR ENDED MAY 31, 2005
	-----	-----
<S>	<C>	<C>
INCREASE IN NET ASSETS: FROM INVESTMENT OPERATIONS:		
Net investment income	\$ 268,048,670	\$ 246,012,933
	-----	-----
DISTRIBUTIONS TO SHAREHOLDERS FROM NET INVESTMENT INCOME (Note 1):		
Class R	(81,314,732)	(60,193,544)
Class 95	(160,259)	(162,324)
Class 75	(1,129,352)	(798,945)
Class 70	(264,859)	(292,321)
Class Treasurer's Trust	(9,907,494)	(7,738,103)
Class 45	(300,469)	(241,762)
Class 35	(73,660)	(78,301)
Class 25	(8,789,198)	(12,495,241)
Class 20	(4,328,901)	(4,365,852)
Class 15	(1,371,804)	(2,191,068)
Class 12	(3,635,997)	(8,474,690)
Class 8	(156,771,945)	(148,980,782)
	-----	-----
Total dividends to shareholders	(268,048,670)	(246,012,933)
	-----	-----
FROM CAPITAL SHARE TRANSACTIONS (Note 4) (at net asset value of \$1.00 per share):		
Proceeds from sale of shares	174,305,506,198	250,951,076,104
Dividends reinvested	265,932,079	194,280,930
Cost of shares redeemed	(166,113,769,871)	(258,598,498,567)
	-----	-----
	8,457,668,406	(7,453,141,533)
	-----	-----
Net increase (decrease) in net assets	8,457,668,406	(7,453,141,533)
	-----	-----
NET ASSETS:		
Beginning of period	12,204,192,462	19,657,333,995
	-----	-----
End of period	\$ 20,661,860,868	\$ 12,204,192,462
	=====	=====

</Table>

SEE NOTES TO FINANCIAL STATEMENTS.

48

<Page>

<Table>
<Caption>

	U.S. GOVERNMENT FUND		U.S. TREASURY FUND	
	SIX MONTHS ENDED MAY 31, 2005	YEAR ENDED MAY 31, 2005	SIX MONTHS ENDED MAY 31, 2005	YEAR ENDED MAY 31, 2005
	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>

INCREASE IN NET ASSETS:				
FROM INVESTMENT OPERATIONS:				
Net investment income	\$ 27,981,568	\$ 19,471,674	\$ 5,393,682	\$ 4,673,327
DISTRIBUTIONS TO SHAREHOLDERS FROM NET INVESTMENT INCOME (Note 1):				
Class R	(12,572,398)	(9,219,775)	(3,627,182)	(2,829,445)
Class 95	--	--	--	--
Class 75	--	--	(30,414)	(39,853)
Class 70	--	--	--	--
Class Treasurer's Trust	(1,214,139)	(864,601)	(1,129,426)	(1,064,044)
Class 45	(126,290)	(7,493)	(16,063)	(139)
Class 35	--	--	--	--
Class 25	(170,560)	(667,016)	(153)	(408)
Class 20	--	--	--	--
Class 15	(6,308)	(1,915)	--	--
Class 12	(1,424,666)	(181,994)	(1,024)	--
Class 8	(12,467,207)	(8,528,880)	(590,997)	(739,438)
Total dividends to shareholders	(27,981,568)	(19,471,674)	(5,395,259)	(4,673,327)
FROM CAPITAL SHARE TRANSACTIONS (Note 4) (at net asset value of \$1.00 per share):				
Proceeds from sale of shares	7,167,622,334	11,545,157,182	1,103,034,27	2,277,991,923
Dividends reinvested	27,756,102	14,990,216	5,353,539	4,673,327
Cost of shares redeemed	(6,389,315,202)	(11,264,233,943)	(1,082,917,326)	(2,502,852,176)
	806,063,234	295,913,455	25,470,490	(220,186,926)
Net increase (decrease) in net assets	806,063,234	295,913,455	25,468,913	(220,186,926)
NET ASSETS:				
Beginning of period	1,519,250,532	1,223,337,077	454,701,294	674,888,220
End of period	\$ 2,325,313,766	\$ 1,519,250,532	\$ 480,170,207	\$ 454,701,294

</Table>

SEE NOTES TO FINANCIAL STATEMENTS.

49

<Page>

RESERVE TAX-EXEMPT TRUST--INTERSTATE TAX-EXEMPT FUND

STATEMENT OF CHANGES IN NET ASSETS (UNAUDITED)

<Table>
<Caption>

	SIX MONTHS ENDED NOVEMBER 30, 2005	YEAR ENDED MAY 31, 2005
<S>	<C>	<C>
INCREASE IN NET ASSETS		
FROM INVESTMENT OPERATIONS:		
Net investment income	\$ 12,302,008	\$ 12,477,598
DIVIDENDS PAID TO SHAREHOLDERS FROM NET INVESTMENT INCOME (NOTE 1):		
Class R	(1,984,320)	(1,904,802)
Class Treasurer's Trust	(349,170)	(357,612)
Class 75	(99)	(2)
Class 70	(20,220)	(21,974)
Class 45	(3,121)	(158)
Class 25	(450,899)	(387,135)
Class 15	(1,203)	(1,570)
Class 12	(120)	(71)
Class 8	(9,492,856)	(9,804,274)
Total dividends to shareholders	(12,302,008)	(12,477,598)
FROM CAPITAL SHARE TRANSACTIONS (Note 6) (at net asset value of \$1.00 per share):		
Proceeds from sale of shares	6,383,413,578	7,530,222,443
Dividends reinvested	12,219,597	12,477,598
Cost of shares redeemed	(6,783,642,029)	(6,518,644,846)
	(388,008,854)	1,024,055,195
Net increase (decrease) in net assets	(388,008,854)	1,024,055,195
NET ASSETS:		
Beginning of year	1,412,321,751	388,266,556
End of year	\$ 1,024,312,897	\$ 1,412,321,751

</Table>

SEE NOTES TO FINANCIAL STATEMENTS.

50

<Page>

<Table>

<Caption>

RESERVE TAX-EXEMPT TRUST		

CALIFORNIA FUND		

	SIX MONTHS ENDED NOVEMBER 30, 2005	YEAR ENDED MAY 31, 2005
	-----	-----
<S>	<C>	<C>
INCREASE (DECREASE) IN NET ASSETS FROM INVESTMENT OPERATIONS:		
Net investment income	\$ 735,159	\$ 718,269
	-----	-----
DIVIDENDS PAID TO SHAREHOLDERS FROM:		
Net Investment Income (Note 1)	(735,159)	(718,269)
	-----	-----
FROM CAPITAL SHARE TRANSACTIONS (at net asset value of \$1.00 per share):		
Proceeds from sale of shares	204,163,955	450,880,899
Dividends reinvested	729,895	718,269
Cost of shares redeemed	(208,327,374)	(447,611,652)
	-----	-----
	(3,433,524)	3,987,516
	-----	-----
Net increase (decrease) in net assets	(3,433,524)	3,987,516
NET ASSETS:		
Beginning of year	105,202,173	101,214,657
	-----	-----
End of year	\$ 101,768,649	\$ 105,202,173
	=====	=====

<Caption>

CONNECTICUT FUND		

	SIX MONTHS ENDED NOVEMBER 30, 2005	YEAR ENDED MAY 31, 2005
	-----	-----
<S>	<C>	<C>
INCREASE (DECREASE) IN NET ASSETS FROM INVESTMENT OPERATIONS:		
Net investment income	\$ 180,636	\$ 141,646
	-----	-----
DIVIDENDS PAID TO SHAREHOLDERS FROM:		
Net Investment Income (Note 1)	(180,636)	(141,646)
	-----	-----
FROM CAPITAL SHARE TRANSACTIONS (at net asset value of \$1.00 per share):		
Proceeds from sale of shares	43,193,629	64,118,583
Dividends reinvested	179,659	141,646
Cost of shares redeemed	(40,785,032)	(62,338,249)
	-----	-----
	2,588,256	1,921,980
	-----	-----
Net increase (decrease) in net assets	2,588,256	1,921,980
NET ASSETS:		
Beginning of year	23,386,769	21,464,789
	-----	-----
End of year	\$ 25,975,025	\$ 23,386,769
	=====	=====

</Table>

SEE NOTES TO FINANCIAL STATEMENTS.

51

<Page>

<Table>

<Caption>

RESERVE TAX-EXEMPT TRUST		

FLORIDA FUND		

	SIX MONTHS ENDED NOVEMBER 30, 2005	YEAR ENDED MAY 31, 2005
	-----	-----
<S>	<C>	<C>
INCREASE (DECREASE) IN NET ASSETS		

FROM INVESTMENT OPERATIONS:			
Net investment income	\$	337,888	\$ 326,913
		-----	-----
DIVIDENDS PAID TO SHAREHOLDERS FROM:			
Net investment income (Note 1)		(337,888)	(326,913)
		-----	-----
FROM CAPITAL SHARE TRANSACTIONS			
(at net asset value of \$1.00 per share):			
Proceeds from sale of shares		111,586,752	212,489,726
Dividends reinvested		335,446	326,913
Cost of shares redeemed		(101,731,646)	(209,176,509)
		-----	-----
		10,190,552	3,640,130
		-----	-----
Net increase (decrease) in net assets		10,190,552	3,640,130
NET ASSETS:			
Beginning of year		43,093,519	39,453,389
		-----	-----
End of year	\$	53,284,071	\$ 43,093,519
		=====	=====

</Table>

SEE NOTES TO FINANCIAL STATEMENTS.

52

<Page>

<Table>

<Caption>

	RESERVE TAX-EXEMPT TRUST				
	MASSACHUSETTS FUND		MICHIGAN FUND		
	SIX MONTHS ENDED	YEAR ENDED	SIX MONTHS ENDED	YEAR ENDED	
	NOVEMBER 30, 2005	MAY 31, 2005	NOVEMBER 30, 2005	MAY 31, 2005	
<S>	<C>	<C>	<C>	<C>	
INCREASE (DECREASE) IN NET ASSETS					
FROM INVESTMENT OPERATIONS:					
Net investment income	\$	144,621	\$ 123,894	\$ 120,335	\$ 82,915
		-----	-----	-----	-----
DIVIDENDS PAID TO SHAREHOLDERS FROM:					
Net investment income (Note 1)		(144,621)	(123,894)	(120,335)	(82,915)
		-----	-----	-----	-----
FROM CAPITAL SHARE TRANSACTIONS					
(at net asset value of \$1.00 per share):					
Proceeds from sale of shares		40,867,914	70,696,703	26,801,513	40,145,244
Dividends reinvested		143,691	123,894	119,583	82,915
Cost of shares redeemed		(44,331,105)	(66,487,254)	(29,396,980)	(35,670,278)
		-----	-----	-----	-----
		(3,319,500)	4,333,343	(2,475,884)	4,557,881
		-----	-----	-----	-----
Net increase (decrease) in net assets		(3,319,500)	4,333,343	(2,475,884)	4,557,881
NET ASSETS:					
Beginning of year		22,152,581	17,819,238	16,632,250	12,074,369
		-----	-----	-----	-----
End of year	\$	18,833,081	\$ 22,152,581	\$ 14,156,366	\$ 16,632,250
		=====	=====	=====	=====

</Table>

SEE NOTES TO FINANCIAL STATEMENTS.

53

<Page>

<Table>

<Caption>

	RESERVE TAX-EXEMPT TRUST		
	NEW JERSEY FUND		
	SIX MONTHS ENDED	YEAR ENDED	
	NOVEMBER 30, 2005	MAY 31, 2005	
<S>	<C>	<C>	
INCREASE (DECREASE) IN NET ASSETS			
FROM INVESTMENT OPERATIONS:			
Net investment income	\$	341,071	\$ 337,190
		-----	-----
DIVIDENDS PAID TO SHAREHOLDERS FROM:			
Net investment income (Note 1)		(341,071)	(337,190)
		-----	-----

FROM CAPITAL SHARE TRANSACTIONS		
(at net asset value of \$1.00 per share):		
Proceeds from sale of shares	123,423,527	282,434,698
Dividends reinvested	338,847	337,190
Cost of shares redeemed	(118,269,553)	(288,028,722)
	-----	-----
	5,492,821	(5,256,834)
	-----	-----
Net increase (decrease) in net assets	5,492,821	(5,256,834)
NET ASSETS:		
Beginning of year	44,989,084	50,245,918
	-----	-----
End of year	\$ 50,481,905	\$ 44,989,084
	=====	=====

</Table>

SEE NOTES TO FINANCIAL STATEMENTS.

54

<Page>

<Table>

<Caption>

	RESERVE TAX-EXEMPT TRUST			
	OHIO FUND		PENNSYLVANIA FUND	
	-----		-----	
	SIX MONTHS	YEAR ENDED	SIX MONTHS	YEAR ENDED
	ENDED	ENDED	ENDED	ENDED
	NOVEMBER 30,	MAY 31,	NOVEMBER 30,	MAY 31,
	2005	2005	2005	2005
	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>
INCREASE (DECREASE) IN NET ASSETS				
FROM INVESTMENT OPERATIONS:				
Net investment income	\$ 150,179	\$ 111,931	\$ 319,660	\$ 306,095
	-----	-----	-----	-----
DIVIDENDS PAID TO SHAREHOLDERS FROM:				
Net investment income (Note 1)	(150,179)	(111,931)	(319,660)	(306,095)
	-----	-----	-----	-----
FROM CAPITAL SHARE TRANSACTIONS				
(at net asset value of \$1.00 per share):				
Proceeds from sale of shares	35,091,329	80,335,415	90,190,049	163,192,232
Dividends reinvested	149,176	111,931	317,645	306,095
Cost of shares redeemed	(33,886,170)	(72,335,170)	(85,254,619)	(164,865,058)
	-----	-----	-----	-----
	1,354,335	8,112,176	5,253,075	(1,366,731)
	-----	-----	-----	-----
Net increase (decrease) in net assets	1,354,335	8,112,176	5,253,075	(1,366,731)
NET ASSETS:				
Beginning of year	19,023,986	10,911,810	44,693,365	46,060,096
	-----	-----	-----	-----
End of year	\$ 20,378,321	\$ 19,023,986	\$ 49,946,440	\$ 44,693,365
	=====	=====	=====	=====

<Caption>

	RESERVE TAX-EXEMPT TRUST	

	VIRGINIA FUND	

	SIX MONTHS	YEAR ENDED
	ENDED	ENDED
	NOVEMBER 30,	MAY 31,
	2005	2005
	-----	-----
<S>	<C>	<C>
INCREASE (DECREASE) IN NET ASSETS		
FROM INVESTMENT OPERATIONS:		
Net investment income	\$ 96,743	\$ 81,075
	-----	-----
DIVIDENDS PAID TO SHAREHOLDERS FROM:		
Net investment income (Note 1)	(96,743)	(81,075)
	-----	-----
FROM CAPITAL SHARE TRANSACTIONS		
(at net asset value of \$1.00 per share):		
Proceeds from sale of shares	37,466,868	72,769,957
Dividends reinvested	96,187	81,075
Cost of shares redeemed	(37,191,215)	(70,194,502)
	-----	-----
	371,840	2,656,530
	-----	-----
Net increase (decrease) in net assets	371,840	2,656,530
NET ASSETS:		
Beginning of year	13,705,598	11,049,068
	-----	-----
End of year	\$ 14,077,438	\$ 13,705,598
	=====	=====

</Table>

SEE NOTES TO FINANCIAL STATEMENTS.

55

<Page>

<Table>

<Caption>

RESERVE NEW YORK TAX-EXEMPT TRUST		
----- NEW YORK FUND -----		
	SIX MONTHS ENDED NOVEMBER 30, 2005	YEAR ENDED MAY 31, 2005
	-----	-----
<S>	<C>	<C>
INCREASE (DECREASE) IN NET ASSETS FROM INVESTMENT OPERATIONS:		
Net investment income	\$ 1,220,046	\$ 1,155,796
	-----	-----
DIVIDENDS PAID TO SHAREHOLDERS FROM:		
Net investment income (Note 1)	(1,220,046)	(1,155,796)
	-----	-----
FROM CAPITAL SHARE TRANSACTIONS (at net asset value of \$1.00 per share):		
Proceeds from sale of shares	297,890,272	517,833,490
Dividends reinvested	1,209,728	1,155,796
Cost of shares redeemed	(289,442,636)	(527,148,018)
	-----	-----
	9,657,364	(8,158,732)
	-----	-----
Net increase (decrease) in net assets	9,657,364	(8,158,732)
NET ASSETS:		
Beginning of year	164,422,970	172,581,702
	-----	-----
End of year	\$ 174,080,334	\$ 164,422,970
	=====	=====

</Table>

SEE NOTES TO FINANCIAL STATEMENTS.

56

<Page>

RESERVE NEW YORK TAX-EXEMPT TRUST
RESERVE TAX-EXEMPT TRUST
RESERVE MUNICIPAL MONEY-MARKET TRUST
(COLLECTIVELY, THE "TRUSTS")

NOTES TO FINANCIAL STATEMENTS

(1) SIGNIFICANT ACCOUNTING POLICIES:

The Trusts are registered under the Investment Company Act of 1940, as amended (the "Investment Company Act"), as an open-end management investment company. The policies summarized below are consistently followed in the preparation of its financial statements in conformity with generally accepted accounting principles.

A. The Trusts' authorized shares of beneficial interest are unlimited. As of November 30, 2005, there were six (6) series of The Reserve Fund authorized: Primary Fund, U.S. Government Fund, U.S. Treasury Fund, Primary II Fund, U.S. Government II Fund and U.S. Treasury II Fund; eleven (11) separate series of the Reserve Tax-Exempt Trust authorized: Interstate Tax-Exempt Fund, Interstate II Tax-Exempt Fund (which has not commenced operations), California Tax-Exempt Fund, Connecticut Tax-Exempt Fund, Florida Tax-Exempt Fund, Massachusetts Tax-Exempt Fund, Michigan Tax-Exempt Fund, New Jersey Tax-Exempt Fund, Ohio Tax-Exempt Fund, Pennsylvania Tax-Exempt Fund and Virginia Tax-Exempt Fund; and one (1) series of the Reserve New York Tax-Exempt Trust authorized: the New York Tax-Exempt Fund. These financial statements and notes apply to the Primary Fund, U.S. Government Fund and U.S. Treasury Fund of The Reserve Fund; the Interstate Tax-Exempt Fund, California Tax-Exempt Fund, Connecticut Tax-Exempt Fund, Florida Tax-Exempt Fund, Massachusetts Tax-Exempt Fund, Michigan Tax-Exempt Fund, New Jersey Tax-Exempt Fund, Ohio Tax-Exempt Fund, Pennsylvania Tax-Exempt Fund and Virginia Tax-Exempt Fund of Reserve Tax-Exempt Trust; the New York Tax-Exempt Fund of Reserve New York Tax-Exempt Trust (each, a "Fund", and collectively, the "Funds").

B. Securities are valued at amortized cost, which approximates market value. The amortized cost method values a security at cost plus accrued interest at the time of purchase, and thereafter assumes a constant amortization to maturity of any discount or premium, irrespective of intervening changes in interest rates or market values. For purposes of compliance with Rule 2a-7 of the Investment Company Act and for computing the portfolio average weighted life to maturity, the maturity of floating or variable rate instruments in which the Funds may invest are deemed to be: for floating rate instruments (1) the notice period required before the

Fund is entitled to receive payment of the principal amount of the instruments; and for variable rate instruments the longer of (1) above or (2) the period remaining until the instrument's next rate adjustment.

C. It is the policy of each Fund to comply with Subchapter M of the Internal Revenue Code and to distribute all of its taxable income to its shareholders. Accordingly, no Federal income tax provision is required.

D. Security transactions are recorded on a trade date basis. Interest income is accrued daily, and security premium or discount is amortized or accreted daily. Net investment income is distributed to shareholders daily and automatically reinvested in additional Fund shares, unless the shareholder has elected in writing to receive cash. The Primary Fund, U.S. Government Fund, U.S. Treasury Fund and Interstate Tax-Exempt Fund allocate investment income and fund level expenses (expenses other than the comprehensive management fee and distribution fee) are allocated daily based upon the relative proportion of net assets of each class.

E. The Funds may enter into repurchase agreements with financial institutions and securities dealers that are deemed creditworthy pursuant to guidelines established by the

57

<Page>

Trust's Board of Trustees. Reserve Management Company, Inc. ("RMC" or the "Investment Adviser"), the Funds' investment adviser, follows procedures intended to provide that all repurchase agreements are at least 100% collateralized as to principal and interest. The Funds' custodian holds the securities that are subject to repurchase agreements.

F. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the dates of the financial statements and the reported amounts of income and expenses during the reporting periods. Actual results could differ from those estimates.

G. During the fiscal year, the Funds incurred overdraft positions with their custodian bank. Any related interest charges are shown in each Fund's statement of operations.

(2) MANAGEMENT FEE AND OTHER TRANSACTIONS WITH AFFILIATES:

Pursuant to an Investment Management Agreement (the "Agreement") between Reserve Management Company, Inc. ("RMC") and each Trust on behalf of each of its series, RMC serves as each Funds' Investment Adviser, subject to the policies adopted by the Boards of Trustees. Under the Agreement, RMC is responsible for the supervision of the day-to-day operations, managing each Fund's investments, effecting purchases and sales thereof, and absorbing certain promotional expenses. Each Fund (with the exception of Primary Fund, U.S. Government Fund, U.S. Treasury Fund and Interstate Tax-Exempt Fund) pays RMC a comprehensive management fee of 0.80% of such Fund's average daily net assets, which is accrued daily. For the Primary Fund, U.S. Government Fund, U.S. Treasury Fund and Interstate Tax-Exempt Fund, RMC receives a comprehensive management fee accrued daily at an annual rate based on the average daily net assets of each class of each Fund according to the following schedule:

<Table>
<Caption>

CLASS 8	CLASS 12	CLASS 15	CLASS 20	CLASS 25	CLASS 35	CLASS 45	TREASURER'S TRUST	CLASS 70	CLASS 75	CLASS 95	CLASS R
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
0.08%	0.12%	0.15%	0.20%	0.25%	0.35%	0.45%	0.60%	0.50%	0.55%	0.75%	0.80%

The comprehensive management fee includes the investment advisory fee, all administrative and customary operating expenses of each Fund, as well as shareholder liaison services (such as, responding to customer inquiries and providing information on their investments), recordkeeping charges, accounting expenses, transfer agent costs, and the expenses of preparing, printing and mailing shareholder reports and prospectuses. Excluded from the definition of customary operating expenses are: compensation for the Chief Compliance Officer, interest charges, taxes, brokerage fees and commissions, extraordinary legal and accounting fees and other extraordinary expenses, payments under each Fund's Distribution Plan and the fees of the Trustees who are not interested persons, as defined in the Investment Company Act (the "non-interested Trustees"), for which each Fund pays its direct or allocated share.

Included in "Other assets, less liabilities" in the Statement of Net Assets of Primary Fund at May 31, 2005 are amounts due Primary Fund from RMC in the amount of \$16.7 million. Processing errors resulted in these amounts being held in the bank accounts unrelated to the Fund but under the supervision of an RMC affiliate. This amount was returned to Primary Fund on September 23, 2005 with interest in the amount of approximately \$300,000 to be paid to Primary Fund as soon as practicable.

DISTRIBUTION ASSISTANCE:

The Funds have adopted Rule 12b-1 Distribution Plans (the "Distribution Plans") and have entered into a Distribution Agreement with Reserve Partners, Inc., an affiliate of RMC,

58

<Page>

which allows the Funds to pay distribution fees for certain shareholder services and for expenses related to the sale and distribution of its shares for the Funds that offer a single class of shares and of the Primary Fund, U.S. Government Fund, U.S. Treasury Fund and Interstate Tax-Exempt Fund's Class R, Class 95, Class 75 and Class 70 Shares. The rate of distribution expenses is 0.20% per year of each such Class' average daily net assets.

(3) CONCENTRATION OF CREDIT RISK:

Total assets of each Fund in the Trusts include a concentration of cash that is held in accounts with the Funds' Custodian.

(4) INVESTMENT CONCENTRATION:

The Funds invest substantially all of their assets in portfolios of tax-exempt obligations issued by states, territories and possessions of the United States and their subdivisions. The issuers' ability to meet their obligations may be affected by economic, regional or political developments. In order to reduce the credit risks associated with such factors, the Funds invest substantially all of their portfolio assets in obligations backed by letters of credit, bond insurance of financial institutions, financial guaranty assurance agencies and/or other credit enhancement arrangements as shown below as a percentage of each Fund's net assets at November 30, 2005:

INTERSTATE TAX-EXEMPT FUND 99.8%

<Table>

<S>	<C>
LETTER OF CREDIT	
ABN-AMRO Bank NV	0.7%
Allied Irish Bank, PLC	0.5%
Bank of America NA	2.7%
Bank of Montreal	0.3%
Bank of New York	3.2%
Bank of Nova Scotia	4.8%
Barclays Bank PLC	2.4%
Bayerische Landesbank Girozentrale	3.4%
BNP Paribas	2.0%
Citibank, NA	4.1%
Comerica Bank	2.5%
Credit Suisse First Boston	0.5%
Den Danske Bank	0.9%
DEFFA Bank, PLC	4.6%
FHLB	0.5%
Fifth Third Bank	0.3%
Fortis Bank	1.4%
FRMC	1.2%
Harris Trust & Savings Bank	0.1%
Harvard University	2.6%
HBOS PLC	0.6%
JPMorganChase Bank	2.7%
Keybank NA	1.4%
Kredietbank NV	1.0%
La Salle Bank, NA	4.6%
Landesbank Baden-Wurttemberg	0.4%
Landesbank Hessen-Thuerinigen Girozentrale	3.5%
Lloyds TSB Bank PLC	3.8%
M&T Bank	1.0%
MIT. Mass Inst Tech	3.4%
Natexis Banques Populaires	0.1%
Northern Trust Co.	1.0%
PNC Bank, NA	1.4%
Princeton University	0.5%
Rabobank Nederland	2.3%
Regions Bank	0.1%
Royal Bank of Canada, Montreal	1.0%
Royal Bank of Scotland	1.5%
Smith College	0.1%
Societe Generale	1.1%
State Street Bank & Trust Co.	1.1%
Suntrust Bank of Nashville NA	0.5%
Suntrust Bank of Atlanta	3.2%
University of Virginia	1.0%
US Bank, NA MPLS	3.1%
Wachovia Bank NA	2.6%
Wells Fargo Bank NA	1.0%
Westdeutsche Landesbank AG	0.4%
Yale	4.0%
* BOND INSURANCE	
AMBAC	2.7%
FGIC	3.4%
FSA	3.8%
MBIA	2.8%

</Table>

59

<Page>

CALIFORNIA TAX-EXEMPT FUND 96.6%

<Table>

<S>	<C>
-----	-----

LETTER OF CREDIT	
Allied Irish Bank, PLC	2.2%
Bank of America NA	3.9%
Bank of New York	4.9%
Bank of Nova Scotia	8.2%
BNP Paribas	4.2%
Calyon NY	1.0%
Citibank, NA	1.3%
Comerica Bank	3.1%
Den Danske Bank	3.9%
Fortis Babk	2.9%
Kredietbank NV, Brussels	9.3%
La Salle Bank, NA	6.5%
Landesbank Baden-Wurttemberg	1.6%
Landesbank Hessen-Thuerinigen Girozentrale	4.9%
Republic N.B. New York	2.4%
Royal Bank of Canada, Montreal	1.0%
Societe Generale	6.3%
State Street Bank & Trust Co.	6.6%
US Bank NA	3.7%
Wachovia Bank NA	2.1%
Wells Fargo Bank NA	3.7%

* BOND INSURANCE	
AMBAC	1.6%
FRMC	3.9%
MBIA	7.4%

CONNECTICUT TAX-EXEMPT FUND 81.2%

LETTER OF CREDIT	
Allied Irish Bank, PLC	6.9%
Bank of America	4.6%
Bank of Montreal	4.6%
JPMorganChase Bank	4.6%
Kreditbank NV, Brussels	4.6%
La Salle Bank, NA	8.3%
Landesbank Hessen-Thueringen Girozentrale	4.6%
Northern Trust Co.	4.6%
Wachovia Bank NA	6.5%
Yale	4.6%

* BOND INSURANCE	
AMBAC	6.9%
FGIC	8.1%
FSA	4.6%
MBIA	7.7%

FLORIDA TAX-EXEMPT FUND 86.5%

LETTER OF CREDIT	
Bank of America NA	4.5%
BNP Paribas	7.8%
Citibank, NA	3.8%
Fifth Third Bank	2.4%
Florida Power & Light	3.9%
HBOS PLC	5.9%
JPMorganChase Bank	6.3%
Keybank NA	2.8%
La Salle Bank NA	3.8%
Northern Trust Co.	4.1%
Republic National Bank	3.6%
Societe Generale	3.6%
State Street Bank & Trust Co.	3.9%
Suntrust Bank	6.3%
Wachovia Bank NA	6.1%

* BOND INSURANCE	
AMBAC	8.1%
FGIC	3.9%
FRMC	2.3%
FSA	3.4%

</Table>

60

<Page>

MASSACHUSETTS TAX-EXEMPT FUND 94.1%

<Table>	
<S>	<C>
LETTER OF CREDIT	
Allied Irish Bank, PLC	3.8%
Bank of America	3.8%
Bank of Nova Scotia	3.5%
Comercia Bank, Detroit	4.2%
Depfa Bank, PLC	4.5%
Harvard University	3.7%
La Salle Bank, NA	4.2%
Landesbank Baden-Wurttemberg	1.1%
Landesbank Hessen-Thueringen Girozentrale	4.8%
Lloyds TSB Bank PLC	3.7%
MIT Mass Inst Tech	3.7%
PNC	4.2%

Royal Bank of Scotland	2.4%
Smith College	4.2%
State ST. Bank & Trust Co. Boston	3.7%
Sun Trust Bank of Atlanta	3.2%
Wachovia Bank NA	4.2%
Wellesley College	4.2%
Williams College	3.7%

* BOND INSURANCE	
AMBAC	3.3%
FGIC	6.6%
FSA	8.8%
MBIA	4.6%

MICHIGAN TAX-EXEMPT FUND 97.3%

LETTER OF CREDIT	
Bank of America, NA	4.9%
Barclay	4.9%
Comerica Bank	8.2%
Depfa Bank PLC	7.6%
FHLB	4.9%
Fifth Third Bank	4.9%
JPMorganChase Bank	8.5%
Kredietbank NV	4.9%
La Salle Bank, NA	4.2%
Landesbank Hessen- Thuerinigen Girozentrale	4.9%
National City Bank	7.8%
Standard Federal Bank, NA	3.5%
Wachovia Bk & TR Co.	3.5%

* BOND INSURANCE	
AMBAC	4.9%
FGIC	4.9%
FSA	9.9%
MBIA	4.9%

NEW JERSEY TAX-EXEMPT FUND 88.2%

LETTER OF CREDIT	
Allied Irish Bank, PLC	4.0%
Bank of America	3.9%
Bank of New York	6.4%
Bank of Nova Scotia	3.8%
Bayerische Landesbank Girozentrale	6.5%
Citibank, NA	4.8%
Dexia Credit Local	3.8%
JPMorganChase Bank	9.1%
Kredietbank NV. Brussels	2.3%
Lloyds TSB Bank PLC	3.9%
PNC Bank, NA	6.8%
Princeton University	4.8%
Suntrust Bank	4.8%
Wachovia Bank NA	7.3%

* BOND INSURANCE	
AMBC	3.8%
FGIC	2.0%
FSA	2.4%
MBIA	7.8%

</Table>

61

<Page>

OHIO TAX-EXEMPT FUND 92.6%

<Table>

<S>	<C>
LETTER OF CREDIT	
ABN-AMRO Bank NV	3.9%
Allied Irish Bank, PLC	3.4%
Bank of America, NA	3.6%
Bank of Nova Scotia	2.5%
Barclays Bank PLC	3.4%
Bayerische Landesbank Girozentrale	3.9%
BNP Paribas	3.4%
Citibank, NA	3.9%
Fifth Third Bank	4.6%
HBOS PLC	7.3%
JPMorganChase Bank	7.4%
Keybank NA	6.9%
La Salle Bank, NA	3.4%
Landesbank Hessen-Thurin	4.4%
National City Bank	2.5%
Ohio State University	2.9%
Republic National Bank	2.4%
State Street Bank & Trust Co.	3.9%
US Bank NA	3.9%
Wachovia Bank NA	3.9%
Wells Fargo Bank NA	2.0%
Westdeutsche Landesbank AG	2.0%

* BOND INSURANCE

AMBAC	2.9%
MBIA	4.2%

PENNSYLVANIA TAX-EXEMPT FUND 90.5%

LETTER OF CREDIT	
ABN-AMRO Bank NV	7.6%
Allied Irish Bank, PLC	3.0%
Bank of America NA	4.0%
Bank of Nova Scotia	4.0%
Bay Landesbank Girozentrale	4.0%
Comerica Bank	3.6%
Depfa Bank, PLC	4.0%
Dexia Bank	5.2%
JPMorganChase Bank	4.4%
Kredietbank NV. Brussels	3.2%
Landesbank Hessen-Thuerinigen Girozentrale	8.4%
Northern Trust Co.	3.9%
PNC Bank, NA	7.2%
Rabobank Nederland	4.0%
University of Pennsylvania	4.0%
Wachovia Bank NA	7.3%
* BOND INSURANCE	
AMBAC	3.2%
FSA	4.0%
MBIA	5.5%

VIRGINIA TAX-EXEMPT FUND 81.8%

LETTER OF CREDIT	
Bank of America NA	5.0%
BNP Paribas	8.5%
BB&T NA	7.3%
Citibank	5.0%
JP Morgan/ Chase	5.0%
Kredietbank NV. Brussels	5.0%
Suntrust Bank	8.2%
University of Virginia	7.8%
US Bank NA	5.0%
Wachovia Bank NA	5.0%
* BOND INSURANCE	
AMBAC	5.0%
FRMC	5.0%
FSA	5.0%
MBIA	5.0%

</Table>

62

<Page>

NEW YORK TAX-EXEMPT FUND 99.6%

<Table>		<C>
<S>		
LETTER OF CREDIT		
ABN/AMRO	4.1%	
Allied Irish Bank, PLC	3.6%	
Bank of America NA	4.1%	
Bank of New York	4.3%	
Bayerische Landesbank Girozentrale	3.7%	
Citibank, NA	3.5%	
Comerica Bank. Detroit	3.6%	
Depfa Bank, PLC	3.8%	
Fortis Babk	4.0%	
FRMC	4.7%	
JP Morgan Chase	4.0%	
Keybank NA Cleveland OH	7.1%	
Landesbank Baden-Wurternberg	4.1%	
Landesbank Hessen-Thueringen Girozentrale	4.0%	
Lloyds	3.0%	
Rabobank	3.5%	
Republic N.B. New York	0.9%	
Royal Bank of Canada, Montreal	4.0%	
Royal Bank of Scotland	0.9%	
Societe Generale	3.5%	
Wachovia BK & TR CO.		
NA North Carolina	2.7%	
Wells Fargo Bank NA	4.6%	
Westdeutsche Landesbank Girozentrale	4.5%	
* BOND INSURANCE		
FGIC	7.5%	
FSA	5.6%	
MBIA	0.3%	

</Table>

 * Some securities may be backed by both a line of credit and bond insurance.
 ^ Amount is less than 0.05%.

(5) COMPOSITION OF NET ASSETS:

At November 30, 2005, the composition of each Fund's net assets was as follows:

<Table>
<Caption>

	PRIMARY FUND	U.S. GOVERNMENT FUND	U.S. TREASURY FUND
<S>	<C>	<C>	<C>
Par Value	\$ 20,661,861	\$ 2,325,314	\$ 480,170
Additional Paid-in-Capital	20,641,199,007	2,322,988,452	479,690,037
Net Assets	\$ 20,661,860,868	\$ 2,325,313,766	\$ 480,170,207

</Table>

The tax basis of each Fund's net assets is the same as the basis for financial reporting at November 30, 2005. There was no undistributed net investment income for any of the Funds at November 30, 2005.

At November 30, 2005, the composition of each Fund's net assets was as follows:

<Table>
<Caption>

	INTERSTATE FUND	CALIFORNIA FUND	CONNECTICUT FUND	FLORIDA FUND	MASSACHUSETTS FUND
<S>	<C>	<C>	<C>	<C>	<C>
Par Value	\$ 1,024,313	\$ 101,769	\$ 25,975	\$ 53,284	\$ 18,833
Additional-Paid-in-Capital	1,023,288,584	101,666,880	25,949,050	53,230,787	18,814,248
Net Assets	\$ 1,024,312,897	\$ 101,768,649	\$ 25,975,025	\$ 53,284,071	\$ 18,833,081

<Caption>

	MICHIGAN FUND	NEW JERSEY FUND	OHIO FUND	PENNSYLVANIA FUND	VIRGINIA FUND
<S>	<C>	<C>	<C>	<C>	<C>
Par Value	\$ 14,156	\$ 50,482	\$ 20,378	\$ 49,946	\$ 14,077
Additional-Paid-in-Capital	14,142,210	50,431,423	20,357,943	49,896,494	14,063,361
Net Assets	\$ 14,156,366	\$ 50,481,905	\$ 20,378,32	\$ 49,946,440	\$ 14,077,438

</Table>

63

<Page>

<Table>
<Caption>

	NEW YORK FUND
<S>	<C>
Par Value	\$ 174,080
Additional-Paid-in-Capital	173,906,254
Net Assets	\$ 174,080,334

</Table>

The tax basis of each Fund's assets is the same as the basis for financial reporting at November 30, 2005.

(6) CAPITAL SHARE TRANSACTIONS:

For the six months ended November 30, 2005 and the year ended May 31, 2005, the capital share transactions of each Class of each Fund were as follows (at \$1 per share):

<Table>
<Caption>

	NOVEMBER 30, 2005			
	CLASS R	CLASS 95	CLASS 75	CLASS 70
<S>	<C>	<C>	<C>	<C>
PRIMARY FUND				
Sold	12,606,462,276	6,315,939	250,270,745	11,067,804
Reinvested	80,745,059	159,230	1,120,533	263,123
Redeemed	(12,058,820,298)	(7,812,649)	(212,237,374)	(12,367,028)
Net Increase (Decrease)	628,387,037	(1,337,480)	39,153,904	(1,036,101)

<Caption>

	TREASURER'S TRUST	CLASS 45	CLASS 35	CLASS 25
<S>	<C>	<C>	<C>	<C>
PRIMARY FUND (CONTINUED)				
Sold	2,012,238,232	57,982,963	5,197,305	223,899,612
Reinvested	9,838,631	297,466	73,194	8,736,402
Redeemed	(1,922,331,002)	(46,179,164)	(4,454,813)	(289,908,548)

Net Increase (Decrease)	99,745,861	12,101,265	815,686	(57,272,534)
	=====	=====	=====	=====

<Caption>

	CLASS 20	CLASS 15	CLASS 12	CLASS 8
<S>	<C>	<C>	<C>	<C>
PRIMARY FUND (CONTINUED)				
Sold	516,732,267	170,397,853	1,411,181,191	157,033,760,011
Reinvested	4,297,454	1,362,203	3,584,906	155,453,878
Redeemed	(496,442,691)	(145,877,644)	(1,141,358,897)	(149,775,979,763)
Net Increase (Decrease)	24,587,030	25,882,412	273,407,200	7,413,234,126
	=====	=====	=====	=====

<Caption>

	CLASS R	TREASURER'S TRUST	CLASS 45	CLASS 25
<S>	<C>	<C>	<C>	<C>
U.S. GOVERNMENT FUND				
Sold	1,880,333,823	161,231,450	19,581,847	72,723,326
Reinvested	12,479,115	1,205,227	124,987	169,388
Redeemed	(1,727,802,874)	(150,144,825)	(15,815,423)	(66,300,043)
Net Increase	165,010,064	12,291,852	3,891,411	6,592,671
	=====	=====	=====	=====

</Table>

64

<Page>

<Table>

<Caption>

	CLASS 15	CLASS 12	CLASS 8
<S>	<C>	<C>	<C>
U.S. GOVERNMENT FUND (CONTINUED)			
Sold	18,922,000	105,100,311	4,909,729,577
Reinvested	6,296	1,416,244	12,354,845
Redeemed	(18,926,528)	(74,096,416)	(4,336,229,093)
Net Increase	1,768	32,420,139	585,855,329
	=====	=====	=====

<Caption>

	CLASS R	TREASURER'S TRUST	CLASS 75	CLASS 45
<S>	<C>	<C>	<C>	<C>
U.S. TREASURY FUND				
Sold	846,195,617	127,599,052	52,203,886	4,344,297
Reinvested	3,600,512	1,120,942	30,060	16,479
Redeemed	(817,868,789)	(126,429,016)	(52,291,374)	(3,078,228)
Net Increase (Decrease)	31,927,340	2,290,978	(57,428)	1,282,548
	=====	=====	=====	=====

<Caption>

	CLASS 25	CLASS 12	CLASS 8
<S>	<C>	<C>	<C>
U.S. TREASURY FUND (CONTINUED)			
Sold	0	50,000	72,641,425
Reinvested	389	483	584,674
Redeemed	(237)	(251)	(83,249,431)
Net Increase (Decrease)	152	50,232	(10,023,332)
	=====	=====	=====

<Caption>

	FOR YEAR ENDED MAY 31, 2005			
	CLASS R	CLASS 95	CLASS 75	CLASS 70
<S>	<C>	<C>	<C>	<C>
PRIMARY FUND				
Sold	20,317,040,980	19,478,849	250,458,815	24,810,896
Reinvested	60,193,544	162,324	798,945	292,321
Redeemed	(20,457,289,010)	(22,497,206)	(202,377,304)	(32,242,742)
Net Increase (Decrease)	(80,054,486)	(2,856,033)	48,880,456	(7,139,525)
	=====	=====	=====	=====

<Caption>

	TREASURER'S TRUST	CLASS 45	CLASS 35	CLASS 25
<S>	<C>	<C>	<C>	<C>
PRIMARY FUND (CONTINUED)				
Sold	2,779,477,93	88,088,407	14,780,502	350,322,888
Reinvested	7,738,103	241,762	78,301	12,495,241
Redeemed	(2,621,233,736)	(86,780,202)	(16,239,341)	(1,158,996,938)

Net Increase (Decrease)	165,982,302	1,549,967	(1,380,538)	(796,178,809)
-------------------------	-------------	-----------	-------------	---------------

</Table>

65

<Page>

<Table>

<Caption>

	CLASS 20	CLASS 15	CLASS 12	CLASS 8
<S>	<C>	<C>	<C>	<C>
PRIMARY FUND (CONTINUED)				
Sold	1,118,651,531	992,287,061	4,501,615,920	220,494,062,320
Reinvested	4,365,852	2,191,068	5,768,194	99,955,275
Redeemed	(856,507,971)	(1,069,271,200)	(4,645,431,393)	(227,429,631,524)
Net Increase (Decrease)	266,509,412	(74,793,071)	(138,047,279)	(6,835,613,929)

<Caption>

	CLASS R	TREASURER'S TRUST	CLASS 45	CLASS 25
<S>	<C>	<C>	<C>	<C>
U.S. GOVERNMENT FUND				
Sold	3,093,006,825	249,939,182	9,850,904	143,765,170
Reinvested	9,219,775	864,601	7,493	667,016
Redeemed	(3,015,709,524)	(188,939,449)	(668,578)	(205,855,980)
Net Increase (Decrease)	86,517,076	61,864,334	9,189,819	(61,423,794)

<Caption>

	CLASS 15	CLASS 12	CLASS 8
<S>	<C>	<C>	<C>
Sold	--	44,000,000	8,004,595,101
Reinvested	1,915	181,994	4,047,422
Redeemed	--	--	(7,853,060,412)
Net Increase (Decrease)	1,915	44,181,994	155,582,111

<Caption>

	CLASS R	TREASURER'S TRUST	AUGUST 16, 2004* TO MAY 31, 2005 CLASS 75	CLASS 45
<S>	<C>	<C>	<C>	<C>
U.S. TREASURY FUND				
Sold	1,627,208,683	299,762,174	81,755,700	--
Reinvested	2,829,445	1,064,044	39,853	139
Redeemed	(1,693,659,193)	(458,193,272)	(80,348,378)	--
Net Increase (Decrease)	(63,621,065)	(157,367,054)	1,447,175	139

<Caption>

	CLASS 25	CLASS 12	CLASS 8
<S>	<C>	<C>	<C>
U.S. TREASURY FUND (CONTINUED)			
Sold	13,502,367	--	255,762,999
Reinvested	408	--^^	739,438
Redeemed	(13,502,616)	--	(257,148,717)
Net Increase (Decrease)	159	--^^	(646,280)

</Table>

* Commencement of Class.
^^ Amount is less than \$0.50.

66

<Page>

For the six months ended November 30, 2005, and year ended May 31, 2005, the capital share transactions of each class of the Interstate Tax-Exempt Fund, each at a net asset value of \$1 per share, were as follows:

<Table>

<Caption>

	SIX MONTHS ENDED NOVEMBER 30, 2005		
	CLASS R	TREASURER'S TRUST	CLASS 75
<S>	<C>	<C>	<C>
Sold	540,368,722	188,136,544	61,000

Reinvested	1,961,959	344,531	98
Redeemed	(520,229,326)	(200,947,304)	(51,172)
Net Increase (Decrease)	22,101,355	(12,466,229)	9,926

<Caption>

	CLASS 70	CLASS 45	CLASS 25
<S>	<C>	<C>	<C>
Sold	147,712,807	811,439	53,947,501
Reinvested	20,137	3,086	454,570
Redeemed	(147,348,396)	(400,712)	(95,848,659)
Net Increase (Decrease)	384,548	413,813	(41,446,588)

<Caption>

	CLASS 15	CLASS 12	CLASS 8
<S>	<C>	<C>	<C>
Sold	14	3	5,452,375,548
Reinvested	1,192	117	9,433,907
Redeemed	(13)	(1)	(5,818,816,446)
Net Increase (Decrease)	1,193	119	(357,006,991)

</Table>

For the years ended May 31, 2005 and May 31, 2004, the capital share transactions of each class of the Interstate Tax-Exempt Fund, each at a net asset value of \$1 per share, were as follows:

<Table>

<Caption>

	YEAR ENDED MAY 31, 2005		
	CLASS R	TREASURER'S TRUST	OCTOBER 1, 2004* TO MAY 31, 2005 CLASS 75
<S>	<C>	<C>	<C>
Sold	1,218,219,096	257,552,413	1,510
Reinvested	1,904,802	357,612	2
Redeemed	(1,242,244,626)	(231,731,228)	(1,411)
Net Increase (Decrease)	(22,120,728)	26,178,797	101

<Caption>

	OCTOBER 1, 2004* TO MAY 31, 2005 CLASS 70	CLASS 45	CLASS 25
<S>	<C>	<C>	<C>
Sold	75,609,267	65,703	106,352,469
Reinvested	21,974	158	387,135
Redeemed	(74,686,333)	(6,055)	(44,943,518)
Net Increase (Decrease)	944,908	59,806	61,796,086

<Caption>

	CLASS 15	FEBRUARY 1, 2005* TO MAY 31, 2005 CLASS 12	CLASS 8
<S>	<C>	<C>	<C>
Sold	24	9,999	5,872,411,962
Reinvested	1,570	71	9,804,274
Redeemed	(15)	--	(4,925,031,660)
Net Increase (Decrease)	1,579	10,070	957,184,576

</Table>

* Commencement of Class operations.

67

<Page>

(7) COMMITMENTS AND CONTINGENCIES:

In the normal course of business, the Funds enter into contracts that contain a variety of representations and warranties and provide general indemnifications. The Funds' general exposure under these arrangements is unknown, as this would involve future claims that may be made against the Funds that have not yet occurred. However, based on experience, the Funds expect the risk of loss to be remote.

(8) FINANCIAL HIGHLIGHTS:

Contained below is per share operating performance data for a share of beneficial interest outstanding of each Class of each Fund for each of the

periods as indicated:

<Table>
<Caption>

CLASS R						
	SIX MONTHS ENDED NOVEMBER 30, 2005	YEARS ENDED MAY 31,				
		2005	2004	2003	2002	2001
<S> PRIMARY FUND	<C>	<C>	<C>	<C>	<C>	<C>
Net asset value at beginning of year	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000
Net investment income	0.0130	0.0100	0.0011	0.0065	0.0187	0.0511
Dividends from net investment income	(0.0130)	(0.0100)	(0.0011)	(0.0065)	(0.0187)	(0.0511)
Net asset value at end of year	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000
Total Return	1.30%	1.01%	0.11%	0.65%	1.90%	5.29%
RATIOS/SUPPLEMENTAL DATA						
Net assets end of year (millions)	\$ 6,615.5	\$ 5,987.1	\$ 6,067.2	\$ 6,231.8	\$ 6,462.0	\$ 6,241.8
Ratio of expenses to average net assets	1.00%(a)	1.00%	1.00%	1.00%	1.01%	1.00%
Ratios of expenses to average net assets, net of fee waivers	1.00%(a)	1.00%	0.99%	(b)	(b)	(b)
Ratio of net investment income to average net assets	2.62%(a)	1.00%	0.10%	0.64%	1.86%	5.11%

<Caption>

CLASS 95			
	SIX MONTHS ENDED NOVEMBER 30, 2005	YEAR ENDED MAY 31, 2005	AUGUST 12, 2003* TO MAY 31, 2004
	<S> PRIMARY FUND	<C>	<C>
Net asset value at beginning of period	\$ 1.0000	\$ 1.0000	\$ 1.0000
Net investment income	0.0132	0.0105	0.0009
Dividends from net investment income	(0.0132)	(0.0105)	(0.0009)
Net asset value at end of period	\$ 1.0000	\$ 1.0000	\$ 1.0000
Total Return	1.33%	1.06%	0.09%
RATIOS/SUPPLEMENTAL DATA			
Net assets end of period (millions)	\$ 11.8	\$ 13.1	\$ 16.0
Ratio of expenses to average net assets	0.95%(a)	0.95%	0.95%(a)
Ratio of net investment income to average net assets	2.67%(a)	1.00%	0.14%(a)

</Table>

68

<Page>

<Table>
<Caption>

CLASS 75						
	SIX MONTHS ENDED NOVEMBER 30, 2005	YEARS ENDED MAY 31,				MAY 29, 2001* TO MAY 31, 2001
		2005	2004	2003	2002	
<S> PRIMARY FUND	<C>	<C>	<C>	<C>	<C>	<C>
Net asset value at beginning of period	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000
Net investment income	0.0142	0.0125	0.0035	0.0090	0.0213	0.0003
Dividends from net investment income	(0.0142)	(0.0125)	(0.0035)	(0.0090)	(0.0213)	(0.0003)
Net asset value at end of period	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000
Total Return	1.43%	1.27%	0.35%	0.90%	2.16%	0.03%
RATIOS/SUPPLEMENTAL DATA						
Net assets end of period (millions)	\$ 94.9	\$ 55.7	\$ 6.8	\$ 14.1	\$ 23.5	\$ 34.7
Ratio of expenses to average net assets	0.75%(a)	0.75%	0.75%	0.75%	0.76%	0.75%(a)

income to average net assets 2.87%(a) 1.33% 0.37% 0.95% 2.33% 3.97%(a)

<Caption>

	CLASS 70		
	SIX MONTHS ENDED NOVEMBER 30, 2005	YEAR ENDED MAY 31, 2005	AUGUST 12, 2003* TO MAY 31, 2004
<S>	<C>	<C>	<C>
PRIMARY FUND			
Net asset value at beginning of period	\$ 1.0000	\$ 1.0000	\$ 1.0000
Net investment income	0.0145	0.0130	0.0029
Dividends from net investment income	(0.014)	(0.013)	(0.0029)
Net asset value at end of period	\$ 1.0000	\$ 1.0000	\$ 1.0000
Total Return	1.46%	1.32%	0.29%
RATIOS/SUPPLEMENTAL DATA			
Net assets end of period (millions)	\$ 18.4	\$ 19.4	\$ 26.6
Ratio of expenses to average net assets	0.70%(a)	0.70%	0.70%(a)
Ratio of net investment income to average net assets	2.92%(a)	1.26%	0.39%(a)

</Table>

69

<Page>

<Table>

<Caption>

	TREASURER'S TRUST					
	SIX MONTHS ENDED NOVEMBER 30, 2005	YEARS ENDED MAY 31,				MAY 29, 2001* TO MAY 31, 2001
		2005	2004	2003	2002	2001
<S>	<C>	<C>	<C>	<C>	<C>	<C>
PRIMARY FUND						
Net asset value at beginning of period	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000
Net investment income	0.0150	0.0140	0.0050	0.0105	0.0228	0.0003
Dividends from net investment income	(0.0150)	(0.0140)	(0.0050)	(0.0105)	(0.0228)	(0.0003)
Net asset value at end of period	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000
Total Return	1.51%	1.42%	0.50%	1.06%	2.32%	0.03%
RATIOS/SUPPLEMENTAL DATA						
Net assets end of period (millions)	\$ 709.4	\$ 609.7	\$ 443.7	\$ 497.4	\$ 510.0	\$ 224.5
Ratio of expenses to average net assets	0.60%(a)	0.60%	0.60%	0.60%	0.60%	0.60%(a)
Ratio of net investment income to average net assets	3.02%(a)	1.49%	0.50%	1.04%	2.05%	4.12%(a)

</Table>

<Table>

<Caption>

	CLASS 45					
	SIX MONTHS ENDED NOVEMBER 30, 2005	YEARS ENDED MAY 31,				MAY 29, 2001* TO MAY 31, 2001
		2005	2004	2003	2002	2001
<S>	<C>	<C>	<C>	<C>	<C>	<C>
PRIMARY FUND						
Net asset value at beginning of period	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000
Net investment income	0.0157	0.0155	0.0065	0.0120	0.0243	0.0004
Dividends from net investment income	(0.0157)	(0.0155)	(0.0065)	(0.0120)	(0.0243)	(0.0004)
Net asset value at end of period	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000
Total Return	1.58%	1.57%	0.65%	1.21%	2.48%	0.04%
RATIOS/SUPPLEMENTAL DATA						
Net assets end of period (millions)	\$ 29.7	\$ 17.6	\$ 16.0	\$ 13.5	\$ 23.1	\$ 7.4
Ratio of expenses to average net assets	0.45%(a)	0.45%	0.45%	0.45%	0.45%	0.45%(a)
Ratio of net investment income to average net assets	3.17%(a)	1.58%	0.65%	1.23%	2.13%	4.27%(a)

</Table>

70

<Page>

<Table>
<Caption>

	CLASS 35			
	SIX MONTHS ENDED NOVEMBER 30, 2005	YEARS ENDED MAY 31,		JULY 1, 2002* TO MAY 31, 2003
		2005	2004	
<S> PRIMARY FUND	<C>	<C>	<C>	<C>
Net asset value at beginning of period	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000
Net investment income	0.0162	0.0165	0.0050	0.0075
Dividends from net investment income	(0.0162)	(0.0165)	(0.0050)	(0.0075)
Net asset value at end of period	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000
Total Return	1.64%	1.68%	0.51%	0.76%
RATIOS/SUPPLEMENTAL DATA				
Net assets end of period (millions)	\$ 4.5	\$ 3.7	\$ 5.1	\$ 0.0^
Ratio of expenses to average net assets	0.35%(a)	0.35%	0.35%(a)+	0.35%(a)+
Ratio of net investment income to average net assets	3.27%(a)	1.49%	0.74%(a)+	1.45%(a)+

<Caption>

	CLASS 25					
	SIX MONTHS ENDED NOVEMBER 30, 2005	YEARS ENDED MAY 31,				MAY 29, 2001* TO MAY 31, 2001
		2005	2004	2003	2002	
<S> PRIMARY FUND	<C>	<C>	<C>	<C>	<C>	<C>
Net asset value at beginning of period	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000
Net investment income	0.0167	0.0175	0.0085	0.0140	0.0263	0.0004
Dividends from net investment income	(0.0167)	(0.0175)	(0.0085)	(0.0140)	(0.0263)	(0.0004)
Net asset value at end of period	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000
Total Return	1.69%	1.78%	0.86%	1.42%	2.69%	0.04%
RATIOS/SUPPLEMENTAL DATA						
Net assets end of period (millions)	\$ 495.0	\$ 552.3	\$ 1,348.4	\$ 1,524.7	\$ 2,113.4	\$ 442.0
Ratio of expenses to average net assets	0.25%(a)	0.25%	0.25%	0.25%	0.25%	0.25%(a)
Ratio of net investment income to average net assets	3.37%(a)	1.65%	0.84%	1.41%	2.31%	4.47%(a)

</Table>

71

<Page>

<Table>
<Caption>

	CLASS 20		
	SIX MONTHS ENDED NOVEMBER 30, 2005	YEAR ENDED MAY 31, 2005	FEBRUARY 12 2004* TO MAY 31, 2004
<S> PRIMARY FUND	<C>	<C>	<C>
Net asset value at beginning of period	\$ 1.0000	\$ 1.0000	\$ 1.0000
Net investment income	0.0170	0.0180	0.0025
Dividends from net investment income	(0.0170)	(0.0180)	(0.0025)
Net asset value at end of period	\$ 1.0000	\$ 1.0000	\$ 1.0000
Total Return	1.71%	1.83%	0.26%
RATIOS/SUPPLEMENTAL DATA			
Net assets end of period (millions)	\$ 291.1	\$ 266.5	\$ 0.0^
Ratio of expenses to average net assets	0.20%(a)	0.20%	0.20%(a)
Ratio of net investment income to average net assets	3.42%(a)	1.86%	0.89%(a)

<Caption>

CLASS 15

	SIX MONTHS ENDED NOVEMBER 30, 2005	YEARS ENDED MAY 31,			JULY 30, 2001* TO 2002
		2005	2004	2003	
<S> PRIMARY FUND	<C>	<C>	<C>	<C>	<C>
Net asset value at beginning of period	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000
Net investment income	0.0172	0.0185	0.0095	0.0150	0.0205
Dividends from net investment income	(0.0172)	(0.0185)	(0.0095)	(0.0150)	(0.0205)
Net asset value at end of period	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000
Total Return	1.74%	1.88%	0.96%	1.52%	2.08%
RATIOS/SUPPLEMENTAL DATA					
Net assets end of period (millions)	\$ 87.8	\$ 61.9	\$ 136.7	\$ 692.0	\$ 34.1
Ratio of expenses to average net assets	0.15%(a)	0.15%	0.15%	0.15%	0.15%(a)
Ratio of net investment income to average net assets	3.47%(a)	1.57%	0.95%	1.30%	2.07%(a)

<Caption>

CLASS 12

	SIX MONTHS ENDED NOVEMBER 30, 2005	YEAR ENDED MAY 31, 2005	JUNE 25, 2003* TO MAY 31, 2004
	<S> PRIMARY FUND	<C>	<C>
Net asset value at beginning of period	\$ 1.0000	\$ 1.0000	\$ 1.0000
Net investment income	0.0174	0.0188	0.0090
Dividends from net investment income	(0.0174)	(0.0188)	(0.0090)
Net asset value at end of period	\$ 1.0000	\$ 1.0000	\$ 1.0000
Total Return	1.75%	1.92%	0.91%
RATIOS/SUPPLEMENTAL DATA			
Net assets end of period (millions)	\$ 463.5	\$ 190.1	\$ 328.1
Ratio of expenses to average net assets	0.12%(a)	0.12%	0.12%(a)
Ratio of net investment income to average net assets	3.50%(a)	1.81%	0.97%(a)

</Table>

72

<Page>

<Table>

<Caption>

CLASS 8

	SIX MONTHS ENDED NOVEMBER 30, 2005	YEARS ENDED MAY 31,			JULY 27, 2001* TO MAY 31, 2002
		2005	2004	2003	
<S> PRIMARY FUND	<C>	<C>	<C>	<C>	<C>
Net asset value at beginning of period	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000
Net investment income	0.0176	0.0193	0.0102	0.0157	0.0214
Dividends from net investment income	(0.0176)	(0.0193)	(0.0102)	(0.0157)	0.0214
Net asset value at end of period	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000
Total Return	1.77%	1.97%	1.03%	1.59%	2.17%
RATIOS/SUPPLEMENTAL DATA					
Net assets end of period (millions)	\$ 11,840.4	\$ 4,427.1	\$ 11,262.8	\$ 5,304.3	\$ 2,818.3
Ratio of expenses to average net assets	0.08%(a)	0.08%	0.08%	0.08%	0.08%(a)
Ratio of expenses to average net assets net of fee waivers	0.08%(a)	0.07%	0.08%	0.08%	0.08%(a)
Ratio of net investment income to average net assets	3.54%(a)	1.72%	1.02%	1.45%	2.25%(a)

</Table>

<Table>

<Caption>

CLASS R

	SIX MONTHS ENDED NOVEMBER 30, 2005	YEARS ENDED MAY 31,				
		2005	2004	2003	2002	2001
<S> U.S.GOVERNMENT FUND	<C>	<C>	<C>	<C>	<C>	<C>

Net asset value at beginning of year	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000
Net investment income	0.0128	0.0102	0.0010	0.0050	0.0149	0.0493
Dividends from net investment income	(0.0128)	(0.0102)	(0.0010)	(0.0050)	(0.0149)	(0.0493)
Net asset value at end of year	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000
Total Return	1.29%	1.03%	0.10%	0.50%	1.50%	5.12%
RATIOS/SUPPLEMENTAL DATA						
Net assets end of year (millions)	\$ 1,105.0	\$ 940.0	\$ 853.5	\$ 846.7	\$ 902.3	\$ 887.1
Ratio of expenses to average net assets	1.00%(a)	1.00%	1.00%	1.00%	1.01%	1.01%
Ratio of expenses to average net assets net of fee waivers	1.00%(a)	1.00%	0.98%	(b)	(b)	(b)
Ratio of net investment income to average net assets	2.59%(a)	1.04%	0.10%	0.50%	1.44%	4.93%

73

<Page>

<Table>

<Caption>

TREASURER'S TRUST

	SIX MONTHS ENDED NOVEMBER 30, 2005	MAY 29, YEARS ENDED MAY 31,				MAY 29, 2001* TO MAY 31, 2001
		2005	2004	2003	2002	
<S>	<C>	<C>	<C>	<C>	<C>	<C>
U.S.GOVERNMENT FUND						
Net asset value at beginning of period	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000
Net investment income	0.0148	0.0142	0.0049	0.0090	0.0189	0.0003
Dividends from net investment income	(0.0148)	(0.0142)	(0.0049)	(0.0090)	(0.0189)	(0.0003)
Net asset value at end of period	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000
Total Return	1.49%	1.44%	0.49%	0.91%	1.91%	0.03%
RATIOS/SUPPLEMENTAL DATA						
Net assets end of period (millions)	\$ 93.4	\$ 81.2	\$ 19.3	\$ 6.5	\$ 4.0	\$ 15.6
Ratio of expenses to average net assets	0.60%(a)	0.60%	0.60%	0.60%	0.60%	0.60%(a)
Ratio of net investment income to average net assets	2.99%(a)	1.64%	0.48%	0.83%	2.16%	3.47%(a)

<Caption>

CLASS 45

	SIX MONTHS ENDED NOVEMBER 30, 2005	YEARS ENDED MAY 31,				MAY 29, 2001* TO MAY 31, 2001
		2005	2004	2003	2002	
<S>	<C>	<C>	<C>	<C>	<C>	<C>
U.S.GOVERNMENT FUND						
Net asset value at beginning of period	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000
Net investment income	0.0156	0.0157	0.0064	0.0105	0.0203	0.0003
Dividends from net investment income	(0.0156)	(0.0157)	(0.0064)	(0.0105)	(0.0203)	(0.0003)
Net asset value at end of period	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000
Total Return	1.57%	1.59%	0.64%	1.06%	2.06%	0.03%
RATIOS/SUPPLEMENTAL DATA						
Net assets end of period (millions)	\$ 13.1	\$ 9.2	\$ 0.0^	\$ 5.8	\$ 0.4	\$ 4.4
Ratio of expenses to average net assets	0.45%(a)	0.45%	0.44%	0.45%	0.45%	0.45%(a)
Ratio of net investment income to average net assets	3.14%(a)	2.36%	0.66%	0.86%	2.73%	3.62%(a)

</Table>

74

<Page>

<Table>

<Caption>

CLASS 25

	SIX MONTHS ENDED NOVEMBER 30, 2005	YEARS ENDED MAY 31,				MAY 29, 2001* TO MAY 31, 2001
		2005	2004	2003	2002	
<S>	<C>	<C>	<C>	<C>	<C>	<C>
U.S.GOVERNMENT FUND						
Net asset value at beginning of period	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000
Net investment income	0.0166	0.0177	0.0084	0.0125	0.0224	0.0003
Dividends from net investment income	(0.0166)	(0.0177)	(0.0084)	(0.0125)	(0.0224)	(0.0003)
Net asset value at end of period	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000
Total Return	1.67%	1.80%	0.84%	1.27%	2.28%	0.03%

RATIOS/SUPPLEMENTAL DATA

Net assets end of period (millions)	\$ 11.2	\$ 4.6	\$ 66.0	\$ 50.1	\$ 90.7	\$ 3.8
Ratio of expenses to average net assets	0.25%(a)	0.25%	0.25%	0.25%	0.25%	0.25%(a)
Ratio of net investment income to average net assets	3.34%(a)	1.44%	0.83%	1.28%	1.71%	3.82%(a)

<Caption>

CLASS 15

	SIX MONTHS ENDED NOVEMBER 30, 2005	YEARS ENDED MAY 31,		NOVEMBER 18, 2002* TO MAY 31, 2003
		2005	2004	
<S>	<C>	<C>	<C>	<C>
U.S.GOVERNMENT FUND				
Net asset value at beginning of period	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000
Net investment income	0.0171	0.0187	0.0094	0.0061
Dividends from net investment income	(0.0171)	(0.0187)	(0.0094)	(0.0061)
Net asset value at end of period	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000
Total Return	1.72%	1.90%	0.94%	0.61%

RATIOS/SUPPLEMENTAL DATA

Net assets end of period (millions)	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1
Ratio of expenses to average net assets	0.15%(a)	0.15%	0.15%	0.15%(a)
Ratio of net investment income to average net assets	3.44%(a)	1.87%	0.93%	1.17%(a)

</Table>

75

<Page>

<Table>

<Caption>

CLASS 12

	SIX MONTHS ENDED NOVEMBER 30, 2005	YEAR ENDED MAY 31, 2005	FEBRUARY 24, 2004* TO MAY 31, 2004
	<S>	<C>	<C>
U.S.GOVERNMENT FUND			
Net asset value at beginning of period	\$ 1.0000	\$ 1.0000	\$ 1.0000
Net investment income	0.0172	0.0190	0.0025
Dividends from net investment income	(0.0172)	(0.0190)	(0.0025)
Net asset value at end of period	\$ 1.0000	\$ 1.0000	\$ 1.0000
Total Return	1.74%	1.94%	0.25%

RATIOS/SUPPLEMENTAL DATA

Net assets end of period (millions)	\$ 77.6	\$ 45.2	\$ 1.0
Ratio of expenses to average net assets	0.12%(a)	0.12%	0.13%(a)
Ratio of net investment income to average net assets	3.47%(a)	2.12%	0.96%(a)

</Table>

<Table>

<Caption>

CLASS 8

	SIX MONTHS ENDED NOVEMBER 30, 2005	YEARS ENDED MAY 31,		JUNE 7, 2002* TO MAY 31, 2003
		2005	2004	
<S>	<C>	<C>	<C>	<C>
U.S.GOVERNMENT FUND				
Net asset value at beginning of period	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000
Net investment income	0.0174	0.0194	0.0101	0.0142
Dividends from net investment income	(0.0174)	(0.0194)	(0.0101)	(0.0142)
Net asset value at end of period	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000
Total Return	1.76%	1.98%	1.01%	1.44%

RATIOS/SUPPLEMENTAL DATA

Net assets end of period (millions)	\$ 1,024.9	\$ 439.1	\$ 283.5	\$ 49.1
Ratio of expenses to average net assets	0.08%(a)	0.08%	0.08%	0.08%(a)
Ratio of net investment income to average net assets	3.51%(a)	1.98%	1.00%	1.20%(a)

</Table>

76

<Page>

<Table>

<Caption>

CLASS R

	SIX MONTH ENDED NOVEMBER 30, 2005	YEARS ENDED MAY 31,				
		2005	2004	2003	2002	2001
<S>	<C>	<C>	<C>	<C>	<C>	<C>
U.S. TREASURY FUND						
Net asset value at beginning of year	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000
Net investment income	0.0111	0.0083	0.0009	0.0047	0.0166	0.0468
Dividends from net investment income	(0.0111)	(0.0083)	(0.0009)	(0.0047)	(0.0166)	(0.0468)
Net asset value at end of year	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000
Total Return	1.11%	0.83%	0.09%	0.47%	1.68%	4.82%
RATIOS/SUPPLEMENTAL DATA						
Net assets end of year (millions)	\$ 345.8	\$ 313.9	\$ 377.5	\$ 356.2	\$ 344.3	\$ 401.2
Ratio of expenses to average net assets	1.00%(a)	1.00%	1.00%	1.00%	1.00%	1.04%
Ratio of expenses to average net assets net of fee waivers	1.00%(a)	0.99%	0.89%	1.00%	0.97%	0.99%
Ratio of net investment income to average net assets	2.22%(a)	0.80%	0.09%	0.47%	1.64%	4.68%

<Caption>

TREASURER'S TRUST

	SIX MONTHS ENDED NOVEMBER 30, 2005	YEARS ENDED MAY 31,				MAY 29, 2001* TO MAY 31, 2001
		2005	2004	2003	2002	
<S>	<C>	<C>	<C>	<C>	<C>	<C>
U.S. TREASURY FUND						
Net asset value at beginning of period	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000
Net investment income	0.0131	0.0121	0.0039	0.0086	0.0203	0.0003
Dividends from net investment income	(0.0131)	(0.0121)	(0.0039)	(0.0086)	(0.0203)	(0.0003)
Net asset value at end of period	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000
Total Return	1.32%	1.23%	0.39%	0.87%	2.06%	0.03%
RATIOS/SUPPLEMENTAL DATA						
Net assets end of period (millions)	\$ 96.3	\$ 94.0	\$ 251.4	\$ 281.9	\$ 257.9	\$ 28.4
Ratio of expenses to average net assets	0.60%(a)	0.60%	0.60%	0.60%	0.61%	0.60%(a)
Ratio of net investment income to average net assets	2.62%(a)	1.17%	0.39%	0.85%	1.44%	3.44%(a)

</Table>

77

<Page>

<Table>

<Caption>

CLASS 75

CLASS 45

	CLASS 75		CLASS 45		
	SIX MONTHS ENDED NOVEMBER 30, 2005	AUGUST 16, 2004* TO MAY 31, 2005	SIX MONTHS ENDED NOVEMBER 30, 2005	YEAR ENDED MAY 31, 2005	AUGUST 7, 2003* TO MAY 31, 2004
<S>	<C>	<C>	<C>	<C>	<C>
U.S. TREASURY FUND					
Net asset value at beginning of period	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000
Net investment income from investment operations	0.0123	0.0100	0.0138	0.0137	0.0043
Dividends from net investment income	(0.0123)	(0.0100)	(0.0138)	(0.0137)	(0.0043)
Net asset value at end of period	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000
Total Return	1.24%	1.01%	1.39%	1.38%	0.43%
RATIOS/SUPPLEMENTAL DATA					
Net assets end of period (millions)	\$ 1.4	\$ 1.4	\$ 1.3	\$ 0.0^	\$ 0.0^

Ratio of expenses to average net assets	0.75%(a)	0.76%(a)	0.45%	0.45%	0.43%(a)
Ratio of net investment income to average net assets	2.47%(a)	1.39%(a)	2.77%	1.38%	0.54%(a)

<Caption>

	CLASS 25		
	SIX MONTHS ENDED NOVEMBER 30, 2005	YEAR ENDED MAY 31, 2005	AUGUST 7, 2003* TO MAY 31, 2004
<S>	<C>	<C>	<C>
U.S. TREASURY FUND			
Net asset value at beginning of period	\$ 1.0000	\$ 1.0000	\$ 1.0000
Net investment income from investment operations	0.0148	0.0156	0.0058
Dividends from net investment income	(0.0148)	(0.0156)	(0.0058)
Net asset value at end of period	\$ 1.0000	\$ 1.0000	\$ 1.0000
Total Return	1.49%	1.59%	0.58%

RATIOS/SUPPLEMENTAL DATA

Net assets end of period (millions)	\$ 0.0	\$ 0.0^	\$ 0.0^
Ratio of expenses to average net assets	0.25%(a)	0.25%	0.26%(a)
Ratio of net investment income to average net assets	2.96%(a)	1.66%	0.71%(a)

</Table>

78

<Page>

<Table>

<Caption>

	CLASS 12		
	SIX MONTHS ENDED NOVEMBER 30, 2005	YEAR ENDED MAY 31, 2005	FEBRUARY 24, 2004* TO MAY 31, 2004
<S>	<C>	<C>	<C>
U.S. TREASURY FUND			
Net asset value at beginning of period	\$ 1.0000	\$ 1.0000	\$ 1.0000
Net investment income from investment operations	0.0155	0.0170	0.0022
Dividends from net investment income	(0.0155)	(0.0170)	(0.0022)
Net asset value at end of period	\$ 1.0000	\$ 1.0000	\$ 1.0000
Total Return	1.56%	1.72%	0.22%

	RATIOS/SUPPLEMENTAL DATA		
Net assets end of period (millions)	\$ 0.0	\$ 0.0^	\$ 0.0^
Ratio of expenses to average net assets	0.12%(a)	0.12%	0.12%(a)
Ratio of net investment income to average net assets	3.10%(a)	1.78%	0.83%(a)

<Caption>

	CLASS 8			
	SIX MONTHS ENDED NOVEMBER 30, 2005	YEARS ENDED MAY 31,		JUNE 7, 2002* TO MAY 31, 2003
		2005	2004	
<S>	<C>	<C>	<C>	<C>
U.S. TREASURY FUND				
Net asset value at beginning of period	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000
Net investment income from investment operations	0.0158	0.0173	0.0091	0.0143
Dividends from net investment income	(0.0158)	(0.0173)	(0.0091)	(0.0143)
Net asset value at end of period	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000
Total Return	1.59%	1.77%	0.91%	1.44%

	RATIOS/SUPPLEMENTAL DATA			
Net assets end of period (millions)	\$ 35.2	\$ 45.3	\$ 45.9	\$ 10.4
Ratio of expenses to average net assets	0.08%(a)	0.08%	0.08%	0.08%(a)
Ratio of net investment income to average net assets	3.14%(a)	1.69%	0.90%	1.12%(a)

</Table>

* Inception of Class Operations.

+ The Fund did not have assets as shown outstanding during the entire period indicated. Therefore, ratios were annualized based on the period that the class held assets and therefore was allocated income and expenses.

^ Amount is less than \$500,000.

(a) Annualized.

(b) As there were no fee waivers during the period, this is not applicable.

<Page>

79

<Table>
<Caption>

	CLASS R					
	SIX MONTH ENDED NOV. 30, 2005	YEARS ENDED MAY 31,				
		2005	2004	2003	2002	2001
<S>	<C>	<C>	<C>	<C>	<C>	<C>
INTERSTATE TAX-EXEMPT FUND						
Net asset value at beginning of year	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000
Net investment income	0.0074	0.0070	0.0010	0.0034	0.0108	0.0289
Dividends from net investment income	(0.0074)	(0.0070)	(0.0010)	(0.0034)	(0.0108)	(0.0289)
Net asset value at end of year	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000
Total Return	0.74%	0.70%	0.10%	0.34%	1.09%	2.95%
RATIOS/SUPPLEMENTAL DATA						
Net assets end of year (millions)	\$ 283.5	\$ 261.4	\$ 283.5	\$ 280.4	\$ 295.7	\$ 296.2
Ratio of expenses to average net assets	1.00%(a)	1.00%	1.00%	1.00%	1.01%	1.01%
Ratio of expenses to average net assets net of fee waivers	1.00%(a)	1.00%	0.90%	0.99%	1.01%	1.01%
Ratio of net investment income to average net assets	1.46%(a)	0.69%	0.10%	0.33%	1.08%	2.89%

<Caption>

	TREASURER'S TRUST					
	SIX MONTHS ENDED NOV. 30, 2005	YEARS ENDED MAY 31,				APRIL 17, 2001* TO MAY 31, 2001
		2005	2004	2003	2002	
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Net asset value at beginning of period	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000
Net investment income	0.0094	0.0109	0.0040	0.0074	0.0149	0.0002
Dividends from net investment income	(0.0094)	(0.0109)	(0.0040)	(0.0074)	(0.0149)	(0.0002)
Net asset value at end of period	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000
Total Return	0.95%	1.10%	0.40%	0.74%	1.50%	0.02%
RATIOS/SUPPLEMENTAL DATA						
Net assets end of period (millions)	\$ 36.2	\$ 48.7	\$ 22.5	\$ 29.2	\$ 20.5	\$ 85.4
Ratio of expenses to average net assets	0.60%(a)	0.60%	0.60%	0.60%	0.61%	0.60%(a)
Ratio of net investment income to average net assets	1.86%(a)	1.24%	0.37%	0.71%	1.59%	2.56%(a)

<Page>

80

<Table>
<Caption>

	CLASS 75		CLASS 70		CLASS 45		
	SIX MONTHS ENDED NOV. 30, 2005	SEPTEMBER 23, 2004* TO MAY 31, 2005	SIX MONTHS ENDED NOV. 30, 2005	AUGUST 16, 2004* TO MAY 31, 2005	SIX MONTHS ENDED NOV. 30, 2005	YEAR ENDED MAY 31, 2005	AUGUST 7, 2003* TO MAY 31, 2004
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Net asset value at beginning of period	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000
Net investment income	0.0086	0.0083	0.0089	0.0092	0.0102	0.0123	0.0044
Dividends from net investment income	(0.0086)	(0.0083)	(0.0089)	(0.0092)	(0.0102)	(0.0123)	(0.0044)
Net asset value at end of period	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000
Total Return	0.87%	0.83%	0.89%	0.93%	1.02%	1.25%	0.45%
RATIOS/SUPPLEMENTAL DATA							
Net assets end of period (millions)	\$ 0.0	\$ --^	\$ 1.3	\$ 0.9	\$ 0.5	\$ 0.10	\$ --^
Ratio of expenses to average net assets	0.75%(a)	0.75%(a)	0.70%(a)	0.71%(a)	0.45%(a)	0.46%	0.44%(a)
Ratio of net investment income to							

average net assets 1.71%(a) 1.60%(a) 1.76%(a) 1.10%(a) 2.01%(a) 1.37% 0.55%(a)

<Caption>

	CLASS 25					
	SIX MONTHS ENDED NOV. 30, 2005	YEARS ENDED MAY 31,				MAY 29, 2001*
		2005	2004	2003	2002	TO MAY 31, 2001
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Net asset value at beginning of period	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000
Net investment income	0.0112	0.0144	0.0075	0.0109	0.0184	0.0002
Dividends from net investment income	(0.0112)	(0.0144)	(0.0075)	(0.0109)	(0.0184)	(0.0002)
Net asset value at end of period	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000
Total Return	1.12%	1.46%	0.75%	1.09%	1.86%	0.02%
RATIOS/SUPPLEMENTAL DATA						
Net assets end of period (millions)	\$ 36.2	\$ 77.7	\$ 15.9	\$ 17.8	\$ 16.3	\$ 45.7
Ratio of expenses to average net assets	0.25%(a)	0.25%	0.25%	0.25%	0.26%	0.25%(a)
Ratio of net investment income to average net assets	2.21%(a)	1.76%	0.74%	1.07%	1.96%	2.91%(a)

81

<Page>

<Table>

<Caption>

	CLASS 15			
	SIX MONTHS ENDED NOV. 30, 2005	YEARS ENDED MAY 31,		JANUARY 13, 2003* TO MAY 31, 2003
		2005	2004	
<S>	<C>	<C>	<C>	<C>
Net asset value at beginning of period	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000
Net investment income	0.0117	0.0154	0.0085	0.0039
Dividends from net investment income	(0.0117)	(0.0154)	(0.0085)	(0.0039)
Net asset value at end of period	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000
Total Return	1.17%	1.56%	0.86%	0.39%
RATIOS/SUPPLEMENTAL DATA				
Net assets end of period (millions)	\$ 0.1	\$ 0.10	\$ 0.1	\$ 0.1
Ratio of expenses to average net assets	0.15%(a)	0.16%	0.15%	0.15%(a)
Ratio of net investment income to average net assets	2.31%(a)	1.54%	0.85%	1.03%(a)

<Caption>

	CLASS 12		CLASS 8			
	SIX MONTHS ENDED NOV. 30, 2005	FEBRUARY 1, 2005* TO MAY 31, 2005	SIX MONTHS ENDED NOV. 30, 2005	YEARS ENDED MAY 31,		JANUARY 13, 2003* TO MAY 31, 2003
				2005	2004	
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Net asset value at beginning of period	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000
Net investment income	0.0118	0.0069	0.0120	0.0161	0.0092	0.0042
Dividends from net investment income	(0.0118)	(0.0069)	(0.0120)	(0.0161)	(0.0092)	(0.0042)
Net asset value at end of period	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000
Total Return	1.19%	0.70%	1.21%	1.64%	0.93%	0.42%
RATIOS/SUPPLEMENTAL DATA						
Net assets end of period (millions)	\$ 0.0	\$ --^	\$ 666.4	\$ 1,023.4	\$ 66.2	\$ 0.1
Ratio of expenses to average net assets	0.12%(a)	0.12%(a)	0.08%(a)	0.08%	0.08%	0.08%(a)
Ratio of net investment income to average net assets	2.36%(a)	2.12%(a)	2.38%(a)	1.80%	0.92%	1.10%(a)

</Table>

82

<Page>

<Table>
<Caption>

	SIX MONTH ENDED NOV. 30, 2005	YEARS ENDED MAY 31,				
		2005	2004	2003	2002	2001
<S>	<C>	<C>	<C>	<C>	<C>	<C>
CALIFORNIA TAX-EXEMPT FUND						
Net asset value at beginning of year	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000
Net investment income	0.0071	0.0068	0.0006	0.0033	0.0098	0.0236
Dividends from net investment income	(0.0071)	(0.0068)	(0.0006)	(0.0033)	(0.0098)	(0.0236)
Net asset value at end of year	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000
Total Return	0.71%	0.69%	0.06%	0.33%	0.98%	2.42%
RATIOS/SUPPLEMENTAL DATA						
Net assets end of year (millions)	\$ 101.8	\$ 105.2	\$ 101.2	\$ 109.0	\$ 109.3	\$ 136.2
Ratio of expenses to average net assets	1.00%(a)	1.00%	1.00%	1.00%	1.01%	1.00%
Ratio of expenses to average net assets net of fee waivers	1.00%(a)	1.00%	0.89%	0.99%	1.01%	1.00%
Ratio of net investment income to average net assets	1.40%(a)	0.69%	0.06%	0.32%	1.00%	2.36%

<Caption>

	SIX MONTH ENDED NOV. 30, 2005	YEARS ENDED MAY 31,				
		2005	2004	2003	2002	2001
<S>	<C>	<C>	<C>	<C>	<C>	<C>
CONNECTICUT TAX-EXEMPT FUND						
Net asset value at beginning of year	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000
Net investment income	0.0071	0.0068	0.0006	0.0025	0.0092	0.0273
Dividends from net investment income	(0.0071)	(0.0068)	(0.0006)	(0.0025)	(0.0092)	(0.0273)
Net asset value at end of year	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000
Total Return	0.71%	0.68%	0.06%	0.25%	0.92%	2.75%
RATIOS/SUPPLEMENTAL DATA						
Net assets end of year (millions)	\$ 26.0	\$ 23.4	\$ 21.5	\$ 36.4	\$ 41.2	\$ 40.2
Ratio of expenses to average net assets	1.00%(a)	1.00%	1.00%	1.00%	1.01%	1.01%
Ratio of expenses to average net assets net of fee waivers	1.00%(a)	1.00%	0.86%	0.98%	1.01%	1.01%
Ratio of net investment income to average net assets	1.41%(a)	0.68%	0.06%	0.25%	0.92%	2.73%

83

<Page>

<Table>
<Caption>

	SIX MONTH ENDED NOV. 30, 2005	YEARS ENDED MAY 31,				
		2005	2004	2003	2002	2001
<S>	<C>	<C>	<C>	<C>	<C>	<C>
FLORIDA TAX-EXEMPT FUND						
Net asset value at beginning of year	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000
Net investment income	0.0075	0.0072	0.0006	0.0036	0.0105	0.0294
Dividends from net investment income	(0.0075)	(0.0072)	(0.0006)	(0.0036)	(0.0105)	(0.0294)
Net asset value at end of year	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000
Total Return	0.76%	0.73%	0.06%	0.36%	1.05%	2.98%
RATIOS/SUPPLEMENTAL DATA						
Net assets end of year (millions)	\$ 53.3	\$ 43.1	\$ 39.5	\$ 45.9	\$ 32.1	\$ 28.9
Ratio of expenses to average net assets	1.00%(a)	1.00%	1.00%	1.00%	1.00%	1.01%
Ratio of expenses to average net assets net of fee waivers	1.00%(a)	1.00%	0.91%	0.99%	1.00%	1.01%
Ratio of net investment income to average net assets	1.51%(a)	0.74%	0.06%	0.35%	0.99%	2.94%

<Caption>

SIX MONTH
ENDED
YEARS ENDED MAY 31,

	NOV. 30, 2005	2005	2004	2003	2002	2001
<S>	<C>	<C>	<C>	<C>	<C>	<C>
MASSACHUSETTS TAX-EXEMPT FUND						
Net asset value at beginning of year	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000
Net investment income	0.0073	0.0068	0.0006	0.0030	0.0099	0.0279
Dividends from net investment income	(0.0073)	(0.0068)	(0.0006)	(0.0030)	(0.0099)	(0.0279)
Net asset value at end of year	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000
Total Return	0.74%	0.68%	0.06%	0.30%	0.99%	2.85%
RATIOS/SUPPLEMENTAL DATA						
Net assets end of year (millions)	\$ 18.8	\$ 22.2	\$ 17.8	\$ 20.8	\$ 21.0	\$ 18.8
Ratio of expenses to average net assets	1.00%(a)	1.01%	1.01%	1.00%	1.00%	1.00%
Ratio of expenses to average net assets net of fee waivers	1.00%(a)	1.00%	0.88%	0.98%	1.00%	1.00%
Ratio of net investment income to average net assets	1.45%(a)	0.69%	0.06%	0.30%	0.99%	2.79%

84

<Page>

<Table>
<Caption>

	SIX MONTH ENDED NOV. 30, 2005	YEARS ENDED MAY 31,				
		2005	2004	2003	2002	2001
<S>	<C>	<C>	<C>	<C>	<C>	<C>
MICHIGAN TAX-EXEMPT FUND						
Net asset value at beginning of year	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000
Net investment income	0.0074	0.0069	0.0006	0.0029	0.0080	0.0276
Dividends from net investment income	(0.0074)	(0.0069)	(0.0006)	(0.0029)	(0.0080)	(0.0276)
Net asset value at end of year	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000
Total Return	0.74%	0.70%	0.06%	0.29%	0.81%	2.83%
RATIOS/SUPPLEMENTAL DATA						
Net assets end of year (millions)	\$ 14.2	\$ 16.6	\$ 12.1	\$ 7.9	\$ 8.5	\$ 4.8
Ratio of expenses to average net assets	1.00%(a)	1.01%	1.00%	1.00%	1.01%	1.00%
Ratio of expenses to average net assets net of fee waivers	1.00%(a)	1.00%	0.91%	0.98%	1.00%	1.00%
Ratio of net investment income to average net assets	1.46%(a)	0.77%	0.06%	0.29%	0.64%	2.76%

<Caption>

	SIX MONTH ENDED NOV. 30, 2005	YEARS ENDED MAY 31,				
		2005	2004	2003	2002	2001
<S>	<C>	<C>	<C>	<C>	<C>	<C>
NEW JERSEY TAX-EXEMPT FUND						
Net asset value at beginning of year	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000
Net investment income	0.0072	0.0068	0.0006	0.0029	0.0101	0.0277
Dividends from net investment income	(0.0072)	(0.0068)	(0.0006)	(0.0029)	(0.0101)	(0.0277)
Net asset value at end of year	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000
Total Return	0.72%	0.68%	0.06%	0.29%	1.01%	2.83%
RATIOS/SUPPLEMENTAL DATA						
Net assets end of year (millions)	\$ 50.5	\$ 45.0	\$ 50.2	\$ 56.0	\$ 57.5	\$ 52.9
Ratio of expenses to average net assets	1.00%(a)	1.00%	1.00%	1.00%	1.01%	1.01%
Ratio of expenses to average net assets net of fee waivers	1.00%(a)	0.99%	0.87%	0.97%	1.01%	1.01%
Ratio of net investment income to average net assets	1.43%(a)	0.66%	0.06%	0.28%	0.94%	2.77%

85

<Page>

<Table>
<Caption>

	SIX MONTH ENDED NOV. 30,	YEARS ENDED MAY 31,				
--	--------------------------------	---------------------	--	--	--	--

	2005	2005	2004	2003	2002	2001
<S>	<C>	<C>	<C>	<C>	<C>	<C>
OHIO TAX-EXEMPT FUND						
Net asset value at beginning of year	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000
Net investment income	0.0075	0.0071	0.0006	0.0030	0.0082	0.0281
Dividends from net investment income	(0.0075)	(0.0071)	(0.0006)	(0.0030)	(0.0082)	(0.0281)
Net asset value at end of year	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000
Total Return	0.75%	0.71%	0.06%	0.30%	0.83%	2.88%
RATIOS/SUPPLEMENTAL DATA						
Net assets end of year (millions)	\$ 20.4	\$ 19.0	\$ 10.9	\$ 10.4	\$ 5.7	\$ 8.1
Ratio of expenses to average net assets	1.00%(a)	1.00%	1.01%	1.00%	1.01%	1.00%
Ratio of expenses to average net assets net of fee waivers	1.00%(a)	1.00%	0.92%	0.99%	1.01%	1.00%
Ratio of net investment income to average net assets	1.50%(a)	0.79%	0.06%	0.29%	0.81%	2.81%

<Caption>

	SIX MONTH ENDED NOV. 30, 2005	YEARS ENDED MAY 31,				
	2005	2004	2003	2002	2001	
<S>	<C>	<C>	<C>	<C>	<C>	
PENNSYLVANIA TAX-EXEMPT FUND						
Net asset value at beginning of year	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000
Net investment income	0.0076	0.0070	0.0007	0.0036	0.0097	0.0287
Dividends from net investment income	(0.0076)	(0.0070)	(0.0007)	(0.0036)	(0.0097)	(0.0287)
Net asset value at end of year	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000
Total Return	0.76%	0.70%	0.07%	0.36%	0.97%	2.97%
RATIOS/SUPPLEMENTAL DATA						
Net assets end of year (millions)	\$ 49.9	\$ 44.7	\$ 46.1	\$ 40.6	\$ 51.5	\$ 34.1
Ratio of expenses to average net assets	1.00%(a)	1.00%	1.00%	1.00%	1.01%	1.00%
Ratio of expenses to average net assets net of fee waivers	1.00%(a)	1.00%	0.93%	1.00%	1.01%	1.00%
Ratio of net investment income to average net assets	1.52%(a)	0.70%	0.07%	0.34%	0.89%	2.87%

86

<Page>

<Table>

<Caption>

	SIX MONTH ENDED NOV. 30, 2005	YEARS ENDED MAY 31,				
	2005	2004	2003	2002	2001	
<S>	<C>	<C>	<C>	<C>	<C>	
VIRGINIA TAX-EXEMPT FUND						
Net asset value at beginning of year	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000
Net investment income	0.0070	0.0067	0.0006	0.0025	0.0069	0.0253
Dividends from net investment income	(0.0070)	(0.0067)	(0.0006)	(0.0025)	(0.0069)	(0.0253)
Net asset value at end of year	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000
Total Return	0.71%	0.67%	0.06%	0.25%	0.69%	2.77%
RATIOS/SUPPLEMENTAL DATA						
Net assets end of year (millions)	\$ 14.1	\$ 13.7	\$ 11.0	\$ 11.3	\$ 13.0	\$ 6.7
Ratio of expenses to average net assets	1.00%(a)	1.00%	1.00%	1.00%	1.01%	1.00%
Ratio of expenses to average net assets net of fee waivers	1.00%(a)	1.00%	0.90%	0.95%	0.99%	1.00%
Ratio of net investment income to average net assets	1.41%(a)	0.70%	0.06%	0.24%	0.60%	2.53%

<Table>

<Caption>

	SIX MONTH ENDED NOV. 30, 2005	YEARS ENDED MAY 31,				
	2005	2004	2003	2002	2001	
<S>	<C>	<C>	<C>	<C>	<C>	

NEW YORK TAX-EXEMPT FUND

Net asset value at beginning of year	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000
Net investment income	0.0070	0.0067	0.0006	0.0034	0.0095	0.0281
Dividends from net investment income	(0.0070)	(0.0067)	(0.0006)	(0.0034)	(0.0095)	(0.0281)
Net asset value at end of year	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000
Total Return	0.70%	0.67%	0.06%	0.34%	0.95%	2.87%

RATIOS/SUPPLEMENTAL DATA

Net assets end of year (millions)	\$ 174.1	\$ 164.4	\$ 172.6	\$ 228.4	\$ 234.4	\$ 281.6
Ratio of expenses to average net assets	1.00%(a)	1.02%	1.02%	1.00%	1.01%	1.01%
Ratio of expenses to average net assets net of fee waivers	1.00%(a)	1.01%	0.89%	0.99%	1.01%	1.01%
Ratio of net investment income to average net assets	1.39%(a)	0.66%	0.06%	0.34%	0.94%	2.81%

* Inception of Class Operations.

(a) Annualized.

^ Amount is less than \$50,000.

87

<Page>

(9) OTHER MATTERS

Management has determined that certain of the Funds' service contracts and distribution plans have lapsed due to an administrative error. RMCI is taking all necessary steps to remedy this, including obtaining Board and shareholder approval of the retention of fees paid and the approval of new service contracts and distribution plans.

88

<Page>

EXPENSE EXAMPLE

As a shareholder of a Fund, you incur two types of costs: (1) transaction/redemption fees; and (2) ongoing costs, including management fees; distribution and/or service (12b-1) fees; and other Fund expenses. This Example is intended to help you understand your ongoing costs (in dollars) of investing in a Fund and to compare these costs with the ongoing costs of investing in other mutual funds.

The Example is based on an investment of \$1,000 invested at June 1, 2005 and held for the entire period ending November 30, 2005.

ACTUAL EXPENSES

The first line of the table below provides information about actual account values and actual expenses. You may use the information in this line, together with the amount you invested, to estimate the expenses that you paid over the period. Simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number in the first line under the heading entitled "Expenses Paid During Period" to estimate the expenses you paid on your account during this period.

HYPOTHETICAL EXAMPLE FOR COMPARISON PURPOSES

The second line of the table below provides information about hypothetical account values and hypothetical expenses based on each Fund's actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not the actual return for any of the Funds. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period. You may use this information to compare the ongoing costs of investing in each Fund and other funds. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of the other funds.

Please note that the expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any transactional costs, such as sales charges (loads), redemption fees, or exchange fees. Therefore, the second line of the table is useful in comparing ongoing costs only, and will not help you determine the relative total costs of owning different funds. In addition, if these transactional costs were included, your costs would have been higher.

<Table>

<Caption>

	BEGINNING ACCOUNT VALUE JUNE 1, 2005	ENDING ACCOUNT VALUE NOVEMBER 30, 2005	EXPENSES PAID DURING PERIOD*
	<C>	<C>	<C>
PRIMARY FUND CLASS R			
Actual	\$ 1,000.00	\$ 1,006.52	\$ 5.01
Hypothetical	\$ 1,000.00	\$ 1,019.81	\$ 5.26

* Expenses are equal to the Fund's expense ratio of 1.00%, multiplied by the

average account value over the period, multiplied by 183/365 (to reflect the one-half year period).

PRIMARY FUND CLASS 95

<Table>			
<S>			
	<C>	<C>	<C>
Actual	\$ 1,000.00	\$ 1,006.67	\$ 4.76
Hypothetical	\$ 1,000.00	\$ 1,020.07	\$ 5.00

* Expenses are equal to the Fund's expense ratio of 0.95%, multiplied by the average account value over the period, multiplied by 183/365 (to reflect the one-half year period).

89

<Page>

<Table>
<Caption>

	BEGINNING ACCOUNT VALUE JUNE 1, 2005	ENDING ACCOUNT VALUE NOVEMBER 30, 2005	EXPENSES PAID DURING PERIOD*

<S>	<C>	<C>	<C>
PRIMARY FUND CLASS 75			
Actual	\$ 1,000.00	\$ 1,007.17	\$ 3.76
Hypothetical	\$ 1,000.00	\$ 1,021.12	\$ 3.95

* Expenses are equal to the Fund's expense ratio of 0.75%, multiplied by the average account value over the period, multiplied by 183/365 (to reflect the one-half year period).

PRIMARY FUND CLASS 70

<Table>			
<S>			
	<C>	<C>	<C>
Actual	\$ 1,000.00	\$ 1,007.32	\$ 3.51
Hypothetical	\$ 1,000.00	\$ 1,021.38	\$ 3.69

* Expenses are equal to the Fund's expense ratio of 0.70%, multiplied by the average account value over the period, multiplied by 183/365 (to reflect the one-half year period).

PRIMARY FUND CLASS TREASURER'S TRUST

<Table>			
<S>			
	<C>	<C>	<C>
Actual	\$ 1,000.00	\$ 1,007.57	\$ 3.01
Hypothetical	\$ 1,000.00	\$ 1,021.91	\$ 3.16

* Expenses are equal to the Fund's expense ratio of 0.60%, multiplied by the average account value over the period, multiplied by 183/365 (to reflect the one-half year period).

PRIMARY FUND CLASS 45

<Table>			
<S>			
	<C>	<C>	<C>
Actual	\$ 1,000.00	\$ 1,007.92	\$ 2.26
Hypothetical	\$ 1,000.00	\$ 1,022.70	\$ 2.37

* Expenses are equal to the Fund's expense ratio of 0.45%, multiplied by the average account value over the period, multiplied by 183/365 (to reflect the one-half year period).

PRIMARY FUND CLASS 35

<Table>			
<S>			
	<C>	<C>	<C>
Actual	\$ 1,000.00	\$ 1,008.22	\$ 1.75
Hypothetical	\$ 1,000.00	\$ 1,023.23	\$ 1.84

* Expenses are equal to the Fund's expense ratio of 0.35%, multiplied by the average account value over the period, multiplied by 183/365 (to reflect the one-half year period).

PRIMARY FUND CLASS 25

<Table>			
<S>			
	<C>	<C>	<C>
Actual	\$ 1,000.00	\$ 1,008.47	\$ 1.25
Hypothetical	\$ 1,000.00	\$ 1,023.75	\$ 1.32

* Expenses are equal to the Fund's expense ratio of 0.25%, multiplied by the average account value over the period, multiplied by 183/365 (to reflect the one-half year period).

PRIMARY FUND CLASS 20

<Table>			
<S>	<C>	<C>	<C>
Actual	\$ 1,000.00	\$ 1,008.57	\$ 1.00
Hypothetical	\$ 1,000.00	\$ 1,024.02	\$ 1.05
</Table>			

* Expenses are equal to the Fund's expense ratio of 0.20%, multiplied by the average account value over the period, multiplied by 183/365 (to reflect the one-half year period).

PRIMARY FUND CLASS 15

<Table>			
<S>	<C>	<C>	<C>
Actual	\$ 1,000.00	\$ 1,008.72	\$ 0.75
Hypothetical	\$ 1,000.00	\$ 1,024.28	\$ 0.79
</Table>			

* Expenses are equal to the Fund's expense ratio of 0.15%, multiplied by the average account value over the period, multiplied by 183/365 (to reflect the one-half year period).

90

<Page>

<Table>
<Caption>

	BEGINNING ACCOUNT VALUE JUNE 1, 2005	ENDING ACCOUNT VALUE NOVEMBER 30, 2005	EXPENSES PAID DURING PERIOD*
<S>	<C>	<C>	<C>
PRIMARY FUND CLASS 12			
Actual	\$ 1,000.00	\$ 1,008.77	\$ 0.60
Hypothetical	\$ 1,000.00	\$ 1,024.44	\$ 0.63
</Table>			

* Expenses are equal to the Fund's expense ratio of 0.12%, multiplied by the average account value over the period, multiplied by 183/365 (to reflect the one-half year period).

PRIMARY FUND CLASS 8

<Table>			
<S>	<C>	<C>	<C>
Actual	\$ 1,000.00	\$ 1,008.87	\$ 0.40
Hypothetical	\$ 1,000.00	\$ 1,024.65	\$ 0.42
</Table>			

* Expenses are equal to the Fund's expense ratio of 0.08%, multiplied by the average account value over the period, multiplied by 183/365 (to reflect the one-half year period).

U.S. GOVERNMENT FUND CLASS R

<Table>			
<S>	<C>	<C>	<C>
Actual	\$ 1,000.00	\$ 1,006.47	\$ 5.01
Hypothetical	\$ 1,000.00	\$ 1,019.81	\$ 5.26
</Table>			

* Expenses are equal to the Fund's expense ratio of 1.00%, multiplied by the average account value over the period, multiplied by 183/365 (to reflect the one-half year period).

U.S. GOVERNMENT FUND CLASS TREASURER'S TRUST

<Table>			
<S>	<C>	<C>	<C>
Actual	\$ 1,000.00	\$ 1,007.47	\$ 3.01
Hypothetical	\$ 1,000.00	\$ 1,021.91	\$ 3.16
</Table>			

* Expenses are equal to the Fund's expense ratio of 0.60%, multiplied by the average account value over the period, multiplied by 183/365 (to reflect the one-half year period).

U.S. GOVERNMENT FUND CLASS 45

<Table>			
<S>	<C>	<C>	<C>
Actual	\$ 1,000.00	\$ 1,007.87	\$ 2.26
Hypothetical	\$ 1,000.00	\$ 1,022.70	\$ 2.37
</Table>			

* Expenses are equal to the Fund's expense ratio of 0.45%, multiplied by the average account value over the period, multiplied by 183/365 (to reflect the one-half year period).

U.S. GOVERNMENT FUND CLASS 25

<Table>			
<S>	<C>	<C>	<C>
Actual	\$ 1,000.00	\$ 1,008.37	\$ 1.25
Hypothetical	\$ 1,000.00	\$ 1,023.75	\$ 1.32
</Table>			

* Expenses are equal to the Fund's expense ratio of 0.25%, multiplied by the average account value over the period, multiplied by 183/365 (to reflect the one-half year period).

U.S. GOVERNMENT FUND CLASS 15

<Table>			
<S>			
	<C>	<C>	<C>
Actual	\$ 1,000.00	\$ 1,008.62	\$ 0.75
Hypothetical	\$ 1,000.00	\$ 1,024.28	\$ 0.79

* Expenses are equal to the Fund's expense ratio of 0.15%, multiplied by the average account value over the period, multiplied by 183/365 (to reflect the one-half year period).

U.S. GOVERNMENT FUND CLASS 12

<Table>			
<S>			
	<C>	<C>	<C>
Actual	\$ 1,000.00	\$ 1,008.72	\$ 0.60
Hypothetical	\$ 1,000.00	\$ 1,024.44	\$ 0.63

* Expenses are equal to the Fund's expense ratio of 0.12%, multiplied by the average account value over the period, multiplied by 183/365 (to reflect the one-half year period).

91

<Page>

<Table>
<Caption>

	BEGINNING ACCOUNT VALUE JUNE 1, 2005	ENDING ACCOUNT VALUE NOVEMBER 30, 2005	EXPENSES PAID DURING PERIOD*

<S>	<C>	<C>	<C>
U.S. GOVERNMENT FUND CLASS 8			
Actual	\$ 1,000.00	\$ 1,008.82	\$ 0.40
Hypothetical	\$ 1,000.00	\$ 1,024.65	\$ 0.42

* Expenses are equal to the Fund's expense ratio of 0.08%, multiplied by the average account value over the period, multiplied by 183/365 (to reflect the one-half year period).

U.S. TREASURY FUND CLASS R

<Table>			
<S>			
	<C>	<C>	<C>
Actual	\$ 1,000.00	\$ 1,005.57	\$ 5.01
Hypothetical	\$ 1,000.00	\$ 1,019.81	\$ 5.26

* Expenses are equal to the Fund's expense ratio of 1.00%, multiplied by the average account value over the period, multiplied by 183/365 (to reflect the one-half year period).

U.S. TREASURY FUND CLASS 75

<Table>			
<S>			
	<C>	<C>	<C>
Actual	\$ 1,000.00	\$ 1,006.22	\$ 3.76
Hypothetical	\$ 1,000.00	\$ 1,021.12	\$ 3.95

* Expenses are equal to the Fund's expense ratio of 0.75%, multiplied by the average account value over the period, multiplied by 183/365 (to reflect the one-half year period).

U.S. TREASURY FUND CLASS TREASURER'S TRUST

<Table>			
<S>			
	<C>	<C>	<C>
Actual	\$ 1,000.00	\$ 1,006.62	\$ 3.01
Hypothetical	\$ 1,000.00	\$ 1,021.91	\$ 3.16

* Expenses are equal to the Fund's expense ratio of 0.60%, multiplied by the average account value over the period, multiplied by 183/365 (to reflect the one-half year period).

U.S. TREASURY FUND CLASS 45

<Table>			
<S>			
	<C>	<C>	<C>
Actual	\$ 1,000.00	\$ 1,006.97	\$ 2.26
Hypothetical	\$ 1,000.00	\$ 1,022.70	\$ 2.37

* Expenses are equal to the Fund's expense ratio of 0.45%, multiplied by the average account value over the period, multiplied by 183/365 (to reflect the one-half year period).

U.S. TREASURY FUND CLASS 25

<Table>			
<S>			
	<C>	<C>	<C>
Actual	\$ 1,000.00	\$ 1,007.47	\$ 1.25
Hypothetical	\$ 1,000.00	\$ 1,023.75	\$ 1.32
</Table>			

* Expenses are equal to the Fund's expense ratio of 0.25%, multiplied by the average account value over the period, multiplied by 183/365 (to reflect the one-half year period).

U.S. TREASURY FUND CLASS 12

<Table>			
<S>			
	<C>	<C>	<C>
Actual	\$ 1,000.00	\$ 1,007.82	\$ 0.60
Hypothetical	\$ 1,000.00	\$ 1,024.44	\$ 0.63
</Table>			

* Expenses are equal to the Fund's expense ratio of 0.12%, multiplied by the average account value over the period, multiplied by 183/365 (to reflect the one-half year period).

U.S. TREASURY FUND CLASS 8

<Table>			
<S>			
	<C>	<C>	<C>
Actual	\$ 1,000.00	\$ 1,007.93	\$ 0.40
Hypothetical	\$ 1,000.00	\$ 1,024.65	\$ 0.42
</Table>			

* Expenses are equal to the Fund's expense ratio of 0.08%, multiplied by the average account value over the period, multiplied by 183/365 (to reflect the one-half year period).

92

<Page>

<Table>

<Caption>

	BEGINNING ACCOUNT VALUE MAY 1, 2005	ENDING ACCOUNT VALUE NOVEMBER 30, 2005	EXPENSES PAID DURING PERIOD*
<S>	<C>	<C>	<C>
INTERSTATE TAX-EXEMPT CLASS R			
Actual	\$ 1,000.00	\$ 1,003.71	\$ 5.01
Hypothetical	\$ 1,000.00	\$ 1,019.81	\$ 5.26
</Table>			

* Expenses are equal to the Fund's annualized expense ratio of 1.00%, multiplied by the average account value over the period, multiplied by 183/365 (to reflect the one-half year period).

INTERSTATE TAX-EXEMPT TREASURER'S TRUST

<Table>			
<S>			
	<C>	<C>	<C>
Actual	\$ 1,000.00	\$ 1,004.76	\$ 3.01
Hypothetical	\$ 1,000.00	\$ 1,021.91	\$ 3.16
</Table>			

* Expenses are equal to the Fund's annualized expense ratio of 0.60%, multiplied by the average account value over the period, multiplied by 183/365 (to reflect the one-half year period).

INTERSTATE TAX-EXEMPT CLASS 75

<Table>			
<S>			
	<C>	<C>	<C>
Actual	\$ 1,000.00	\$ 1,004.36	\$ 3.76
Hypothetical	\$ 1,000.00	\$ 1,021.12	\$ 3.95
</Table>			

* Expenses are equal to the Fund's annualized expense ratio of 0.75%, multiplied by the average account value over the period, multiplied by 183/365 (to reflect the one-half year period).

INTERSTATE TAX- EXEMPT CLASS 70

<Table>			
<S>			
	<C>	<C>	<C>
Actual	\$ 1,000.00	\$ 1,004.46	\$ 3.51
Hypothetical	\$ 1,000.00	\$ 1,021.38	\$ 3.69
</Table>			

* Expenses are equal to the Fund's annualized expense ratio of 0.70%, multiplied by the average account value over the period, multiplied by 183/365 (to reflect the one-half year period).

INTERSTATE TAX- EXEMPT CLASS 45

<Table>			
<S>			
	<C>	<C>	<C>
Actual	\$ 1,000.00	\$ 1,005.11	\$ 2.26

Hypothetical	\$ 1,000.00	\$ 1,022.70	\$ 2.37
--------------	-------------	-------------	---------

* Expenses are equal to the Fund's annualized expense ratio of 0.45%, multiplied by the average account value over the period, multiplied by 183/365 (to reflect the one-half year period).

INTERSTATE TAX- EXEMPT CLASS 25

<S>	<C>	<C>	<C>
Actual	\$ 1,000.00	\$ 1,005.62	\$ 1.25
Hypothetical	\$ 1,000.00	\$ 1,023.75	\$ 1.32

* Expenses are equal to the Fund's annualized expense ratio of 0.25%, multiplied by the average account value over the period, multiplied by 183/365 (to reflect the one-half year period).

INTERSTATE TAX- EXEMPT CLASS 15

<S>	<C>	<C>	<C>
Actual	\$ 1,000.00	\$ 1,005.87	\$ 0.75
Hypothetical	\$ 1,000.00	\$ 1,024.28	\$ 0.79

* Expenses are equal to the Fund's annualized expense ratio of 0.15%, multiplied by the average account value over the period, multiplied by 183/365 (to reflect the one-half year period).

INTERSTATE TAX- EXEMPT CLASS 12

<S>	<C>	<C>	<C>
Actual	\$ 1,000.00	\$ 1,005.97	\$ 0.60
Hypothetical	\$ 1,000.00	\$ 1,024.44	\$ 0.63

* Expenses are equal to the Fund's annualized expense ratio of 0.12%, multiplied by the average account value over the period, multiplied by 183/365 (to reflect the one-half year period).

93

<Page>

<Table>
<Caption>

	BEGINNING ACCOUNT VALUE MAY 1, 2005	ENDING ACCOUNT VALUE NOVEMBER 30, 2005	EXPENSES PAID DURING PERIOD*
<S>	<C>	<C>	<C>
INTERSTATE TAX- EXEMPT CLASS 8			
Actual	\$ 1,000.00	\$ 1,006.07	\$ 0.40
Hypothetical	\$ 1,000.00	\$ 1,024.65	\$ 0.42

* Expenses are equal to the Fund's annualized expense ratio of 0.08%, multiplied by the average account value over the period, multiplied by 183/365 (to reflect the one-half year period).

CALIFORNIA TAX-EXEMPT

<S>	<C>	<C>	<C>
Actual	\$ 1,000.00	\$ 1,003.56	\$ 5.01
Hypothetical	\$ 1,000.00	\$ 1,019.81	\$ 5.26

* Expenses are equal to the Fund's annualized expense ratio of 1.00%, multiplied by the average account value over the period, multiplied by 183/365 (to reflect the one-half year period).

CONNECTICUT TAX-EXEMPT

<S>	<C>	<C>	<C>
Actual	\$ 1,000.00	\$ 1,003.56	\$ 5.01
Hypothetical	\$ 1,000.00	\$ 1,019.81	\$ 5.26

* Expenses are equal to the Fund's annualized expense ratio of 1.00%, multiplied by the average account value over the period, multiplied by 183/365 (to reflect the one-half year period).

FLORIDA TAX-EXEMPT

<S>	<C>	<C>	<C>
Actual	\$ 1,000.00	\$ 1,003.81	\$ 5.01
Hypothetical	\$ 1,000.00	\$ 1,019.81	\$ 5.26

* Expenses are equal to the Fund's annualized expense ratio of 1.00%, multiplied by the average account value over the period, multiplied by

183/365 (to reflect the one-half year period).

MASSACHUSETTS TAX-EXEMPT

<Table>			
<S>	<C>	<C>	<C>
Actual	\$ 1,000.00	\$ 1,003.71	\$ 5.01
Hypothetical	\$ 1,000.00	\$ 1,019.81	\$ 5.26
</Table>			

* Expenses are equal to the Fund's annualized expense ratio of 1.00%, multiplied by the average account value over the period, multiplied by 183/365 (to reflect the one-half year period).

MICHIGAN TAX-EXEMPT

<Table>			
<S>	<C>	<C>	<C>
Actual	\$ 1,000.00	\$ 1,003.71	\$ 5.01
Hypothetical	\$ 1,000.00	\$ 1,019.81	\$ 5.26
</Table>			

* Expenses are equal to the Fund's annualized expense ratio of 1.00%, multiplied by the average account value over the period, multiplied by 183/365 (to reflect the one-half year period).

NEW JERSEY TAX-EXEMPT

<Table>			
<S>	<C>	<C>	<C>
Actual	\$ 1,000.00	\$ 1,003.61	\$ 5.01
Hypothetical	\$ 1,000.00	\$ 1,019.81	\$ 5.26
</Table>			

* Expenses are equal to the Fund's annualized expense ratio of 1.00%, multiplied by the average account value over the period, multiplied by 183/365 (to reflect the one-half year period).

OHIO TAX-EXEMPT

<Table>			
<S>	<C>	<C>	<C>
Actual	\$ 1,000.00	\$ 1,003.76	\$ 5.01
Hypothetical	\$ 1,000.00	\$ 1,019.81	\$ 5.26
</Table>			

* Expenses are equal to the Fund's annualized expense ratio of 1.00%, multiplied by the average account value over the period, multiplied by 183/365 (to reflect the one-half year period).

94

<Page>

<Table>
<Caption>

	BEGINNING ACCOUNT VALUE MAY 1, 2005	ENDING ACCOUNT VALUE NOVEMBER 30, 2005	EXPENSES PAID DURING PERIOD*
<S>	<C>	<C>	<C>
PENNSYLVANIA TAX-EXEMPT			
Actual	\$ 1,000.00	\$ 1,003.81	\$ 5.01
Hypothetical	\$ 1,000.00	\$ 1,019.81	\$ 5.26
</Table>			

* Expenses are equal to the Fund's annualized expense ratio of 1.00%, multiplied by the average account value over the period, multiplied by 183/365 (to reflect the one-half year period).

VIRGINIA TAX-EXEMPT

<Table>			
<S>	<C>	<C>	<C>
Actual	\$ 1,000.00	\$ 1,003.56	\$ 5.01
Hypothetical	\$ 1,000.00	\$ 1,019.81	\$ 5.26
</Table>			

* Expenses are equal to the Fund's annualized expense ratio of 1.00%, multiplied by the average account value over the period, multiplied by 183/365 (to reflect the one-half year period).

NEW YORK TAX-EXEMPT

<Table>			
<S>	<C>	<C>	<C>
Actual	\$ 1,000.00	\$ 1,003.51	\$ 5.01
Hypothetical	\$ 1,000.00	\$ 1,019.81	\$ 5.26
</Table>			

* Expenses are equal to the Fund's annualized expense ratio of 1.00%, multiplied by the average account value over the period, multiplied by 183/365 (to reflect the one-half year period).

95

<Page>

AVAILABILITY OF PROXY VOTING INFORMATION

The day-to-day investment management decisions of each Fund are the responsibility of that Fund's investment adviser, Reserve Management Company, Inc. ("RMCI"). RMCI shall be primarily responsible for determining how to vote proxies with respect to companies in which the respective Fund invests and for the ongoing review and evaluation of its own proxy voting policies and corresponding compliance with applicable law.

RMCI's proxy voting policies and procedures, as well as information about how a particular proxy was voted, may be obtained without charge by calling 888-823-2867 to request a copy or by visiting the SEC's website at www.sec.gov. Information regarding how each Fund voted proxies relating to portfolio securities during the 12-month period ended June 30, 2005 is available on the SEC's website or by calling the toll-free number listed above.

AVAILABILITY OF QUARTERLY PORTFOLIO SCHEDULE

The Funds file a complete schedule of portfolio holdings with the SEC for the first and third quarters of each fiscal year on Form N-Q. The Forms N-Q are available on the SEC's website at www.sec.gov and may be reviewed and copied at the SEC's Public Reference Room in Washington, DC. Information on the operation of the Public Reference Room may be obtained by calling 1-800-SEC-0330.

APPROVAL OF "COMPREHENSIVE FEE" INVESTMENT MANAGEMENT AGREEMENTS

The Investment Management Agreements are renewed annually if approved by the Trustees and by a separate vote of a majority of the non-interested Trustees. Each Investment Management Agreement may be terminated without penalty, upon sixty (60) days' written notice by RMCI or by a vote of the Trustees or of a majority of the outstanding voting shares of a Fund. The Board met on June 30, 2005, to consider the approval of the Investment Management Agreements with RMCI. At that meeting, the Board had the opportunity to meet with the representatives of RMCI to determine whether each agreement is in the best interests of the respective Fund and its shareholders. The Board, including a majority of the Independent Trustees, so concluded and voted to recommend each Investment Management Agreement to the respective Fund's shareholders for their approval (where applicable).

NATURE, EXTENT AND QUALITY OF SERVICE

The Board received and considered information regarding the nature, extent and quality of the advisory and other services provided to each Fund by RMCI. The Board considered the background and experience of RMCI's management and the expertise of personnel of RMCI with regard to investing in the type of securities in which the Funds invest. The Trustees concluded that the nature and extent of the services provided by RMCI under each Investment Management Agreement were necessary and appropriate for the conduct and the business and investment activities of each Fund. The Trustees also concluded that the quality of the advisory and administrative services was satisfactory.

96

<Page>

COMPARATIVE FEE AND EXPENSES

The comprehensive management fee charged under each Investment Management Agreement encompasses all of the services necessary for the operation of the relevant Fund. Therefore, in evaluating the fee relative to other funds the Trustees thought the most appropriate comparison was to the respective expense ratios of the Funds. The Trustees compared each Fund's expense ratio to (i) the average expense ratio of all money market funds with similar investment objectives and policies; and (ii) the expense ratios of money market funds which are believed to be direct competitors of the Funds ("peer funds"), i.e., money market funds which are distributed through third-party broker/dealers and other financial institutions which do not have their own proprietary money market funds. The Trustees noted that the expense ratio of the institutional classes of shares of each Fund was comparable to or lower than the average expense ratio of other money market funds as well as those of peer funds. They also noted that the expense ratios of the retail classes of shares were higher than the average of other money market funds but comparable to the expense ratios of peer funds. Based upon their review, the Trustees concluded that the fee payable under each Investment Management Agreement is competitive.

COMPARATIVE PERFORMANCE

The Trustees noted that each of the Funds slightly underperformed relative to other money market funds with similar objectives and policies. In this regard, the Trustees noted that the Funds generally invest in a more conservative and risk averse manner than their peers. For example, the Funds do not invest in commercial paper and typically have a shorter average maturity than many other money market funds. The Trustees concluded that, under the circumstances, the performance of the Funds was satisfactory.

PROFITABILITY

The Trustees received, analyzed and considered a profitability analysis of RMCI based on the fees paid and payable under each Investment Management Agreement, including any fee waivers or fee caps, and the costs incurred to provide required services, as well as other relationships between the Funds on the one hand and RMCI affiliates on the other. The Trustees concluded, with respect to each Fund, that RMCI's profitability was not excessive in light of the nature, extent and quality of the services provided and expected to be provided under Investment Management Agreements.

BREAKPOINTS AND ECONOMIES OF SCALE

As the comprehensive management fee is currently structured, fee levels do not reflect economies of scale that potentially could be realized as the Funds grow. The Trustees noted the potential benefits to shareholders of a comprehensive fee which would tend to limit increases in the Funds' expense ratios even if the costs of providing services increase and the related entrepreneurial risk assumed by RMCI through such an approach. Based on the foregoing, the Trustees concluded that the absence of breakpoints was reasonable.

OTHER BENEFITS

The Trustees concluded that RMCI does not realize any other quantifiable material benefits from its relationship with the Funds.

97

<Page>

No single factor reviewed by the Board was identified by the Board as the principal factor in determining whether to approve the Investment Management Agreements with respect to each Fund.

SUBSEQUENT EVENTS

The Independent Trustees met on September 22, 2005 to reconsider their previous determinations regarding the Investment Management Agreements in light of certain deficiencies in internal controls identified by RMCI related to reconciling bank statements, monitoring compliance with certain Internal Revenue Code requirements and identifying and collecting amounts due certain of funds in the Reserve/Hallmark complex. The Independent Trustees were advised that these matters had previously been discussed with the Audit Committee and the Funds' independent auditors and that RMCI has instituted additional procedures to enhance its internal controls for the Funds and committed to continue to strengthen the Funds' overall control environment. The Independent Trustees were further advised that the identified deficiencies had no material impact to shareholders, fund net asset value or Fund performance.

The Independent Trustees expressed concern about the quality of certain non-advisory services provided by RMCI but were satisfied with steps RMCI had taken and had committed to take. Based on consideration of all factors they deemed relevant, including the steps taken by RMCI and RMCI's commitment to continue to strengthen the overall control environment, the Independent Trustees reaffirmed their previous determinations to approve the Investment Management Agreements.

CHANGES IN ACCOUNTANTS

On September 29, 2005, PricewaterhouseCoopers LLP informed management that it was resigning as independent accountants for the Funds. PricewaterhouseCoopers LLP was previously engaged as the independent registered public accounting firm to audit the Funds' financial statements.

PricewaterhouseCoopers LLP issued reports on the Fund's financial statements as of May 31, 2004 and May 31, 2005. Such reports did not contain an adverse opinion or a disclaimer of opinion, nor were they qualified or modified as to uncertainty, audit scope, or accounting principles.

PricewaterhouseCoopers LLP's resignation was accepted by the Funds' Audit Committee and the Board of Trustees.

During the fiscal year ended May 31, 2004, the fiscal year ended May 31, 2005 and through September 29, 2005 there were no disagreements with PricewaterhouseCoopers LLP on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, which disagreements, if not resolved to the satisfaction of PricewaterhouseCoopers LLP, would have caused it to make reference to the subject matter of the disagreements in connection with its report. During the fiscal year ended May 31, 2004, the fiscal year ended May 31, 2005 and through September 29, 2005, none of the events enumerated in paragraphs (1)(v)(B) through (D) of Item 304(a) of Regulation S-K occurred.

98

<Page>

As part of its report dated September 26, 2005 filed as an exhibit to The Reserve Fund's Form N-SAR filed on September 28, 2005, PricewaterhouseCoopers, LLP advised management The Reserve Fund had failed to protect its assets by failing to identify and collect amounts due to The Reserve Fund. In addition, PricewaterhouseCoopers, LLP noted that bank accounts were not reconciled adequately and that procedures were not adequate to ensure compliance with Internal Revenue Code requirements necessary to eliminate tax at the fund level. These conditions have been corrected.

Additionally, as part of its report dated September 26, 2005 filed as an exhibit to the Form N-SAR filed on September 28, 2005 for Reserve Tax-Exempt Trust and Reserve New York Tax-Exempt Trust, PricewaterhouseCoopers, LLP advised management that certain bank accounts were not reconciled adequately and the procedures were not adequate to ensure compliance with Internal Revenue Code requirements necessary to eliminate tax at the Fund level. These conditions have been corrected.

The Funds have selected KPMG, LLP as their new auditors as of December 28, 2005.

99

<Page>

(This page has been left blank intentionally)

<Page>

[THE RESERVE LOGO]
A TRADITION OF FINANCIAL INNOVATION(SM)

GENERAL INFORMATION AND 24 HOUR YIELD AND BALANCE INFORMATION
800-637-1700--www.TheR.com

This literature is not authorized for distribution to prospective investors unless preceded or accompanied by an appropriate current prospectus.

Distributor--Resrv Partners, Inc.
AMER/SEMI-ANNUAL11/05
<Page>

ITEM 2. CODE OF ETHICS.

Not applicable.

ITEM 3. AUDIT COMMITTEE FINANCIAL EXPERT.

Not applicable.

ITEM 4. PRINCIPAL ACCOUNTANT FEES AND SERVICES.

Not applicable.

ITEM 5. AUDIT COMMITTEE OF LISTED REGISTRANTS.

Not applicable.

ITEM 6. SCHEDULE OF INVESTMENTS.

Not applicable, as the schedule of investments in securities of unaffiliated issuers as of the close of the reporting period is included as part of the report to shareholders filed under Item 1 of this Form.

ITEM 7. DISCLOSURE OF PROXY VOTING POLICIES AND PROCEDURES FOR CLOSED-END MANAGEMENT INVESTMENT COMPANIES.

Not applicable

ITEM 8. PORTFOLIO MANAGERS OF CLOSED-END MANAGEMENT INVESTMENT COMPANIES.

Not applicable.

ITEM 9. PURCHASES OF EQUITY SECURITIES BY CLOSED-END MANAGEMENT INVESTMENT COMPANY AND AFFILIATES.

Not applicable.

ITEM 10. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.

Not applicable.

ITEM 11. CONTROLS AND PROCEDURES.

(a) The Chief Executive and Financial Officers concluded that the Registrant's Disclosure Controls and Procedures are effective based on the evaluation of the Disclosure Controls and Procedures as of a date within 90 days of the filing date of this report.

(b) There has been no change in the Registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the Act) that occurred during the second fiscal quarter of the period covered by this report that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting.

<Page>

ITEM 12. EXHIBITS.

(a)(1) Any code of ethics, or amendment thereto, that is the subject of the disclosure required by Item 2 requirements through filing of an exhibit: Not applicable.

(a)(2) Certification of chief executive officer and chief financial officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002: Filed herewith

(b) Certification of chief executive officer and chief financial officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002: Furnished herewith

<Page>

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended and the Investment Company Act of 1940, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

The Reserve Fund

By: /s/ Bruce R. Bent II

Name: Bruce R. Bent II
Title: Co-Chief Executive Officer

Date: March 15, 2006

By: /s/ Arthur T. Bent III

Name: Arthur T. Bent III
Title: Co-Chief Executive Officer

Date: March 15, 2006

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended and the Investment Company Act of 1940, as amended this report has been signed by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By: /s/ Bruce R. Bent II

Name: Bruce R. Bent II
Title: Co-Chief Executive Officer

Date: March 15, 2006

By: /s/ Arthur T. Bent III

Name: Arthur T. Bent III
Title: Co-Chief Executive Officer

Date: March 15, 2006

By: /s/ Patrick J. Farrell
Name: Patrick J. Farrell
Title: Chief Financial Officer

Date: March 15, 2006

</TEXT>
</DOCUMENT>