



Public Statement No. 6 of 2009

25 November, 2009

PUBLIC STATEMENT

RESERVE INTERNATIONAL LIQUIDITY FUND LTD.

The British Virgin Islands Financial Services Commission (the “Commission”) issues this public statement pursuant to Section 37A (4) of the Financial Services Commission Act, 2001.

The Commission issues this public statement to inform the public that in accordance with the amendment of 13 January, 2009 to the First Directive, the Commission has granted approval for the third interim payment of a minimum of \$200 million by Reserve International Liquidity Fund Ltd (the “Fund”) through the proceeds of the redemption of shares.

Relevant Chronology:

1. On 17 October, 2008, the Commission, under section 40(1)(b) of the Financial Services Commission Act, 2001, issued the First Directive to the Fund requiring the Fund, until further notice by the Commission:

- (a) To forthwith suspend:
 - (i) the subscription of shares by new and existing investors;
 - (ii) the redemption of shares by investors; and
 - (iii) the payment of the proceeds of the redemption of shares (including the payment of redemption proceeds for outstanding redemption requests);
and

- (b) To submit weekly reports to the Commission setting out:
 - (i) details of its cash balance, including the institution(s) at which the cash is held;
 - (ii) details of its investments, including the jurisdiction of issuer, type/category of investments and the current value of the investments at cost and current market value;
 - (iii) details of the liquidation of any of its securities (from the period September 1 2008 going forward) including the values at which the securities were liquidated; and
 - (iv) an update on all ongoing litigation involving the Fund.

2. On 13 January, 2009, the Commission amended the First Directive to allow the Fund to make interim payments of the proceeds of redemption of shares with the prior written approval of the Commission.

3. On 30 January, 2009, the Fund made the first interim payment of \$1.875 billion (representing approximately 65% of assets) to investors who had submitted redemption requests on or before 26 January, 2009.

4. On 12 June, 2009, the Commission approved the second interim payment of up to \$400 million by the Fund through the proceeds of the redemption of shares. On 19 June, 2009, the second interim payment of \$400 million was made to shareholders who had submitted requests for the redemption of shares.

5. On 20 November, 2009, the Commission approved the third interim payment of a minimum \$200 million by the Fund through the proceeds of the redemption of shares. The Commission's approval is subject to receipt by the Commission of the following information:
 - (a) An accounting validation of the distributable amounts;
 - (b) Confirmation of the balance on shareholders' accounts prior to and post payment of the proceeds of redemption of shares;
 - (c) Confirmation of the payment to be made to each distributee (dollar amount, percentage value to sum paid and number of shares); and
 - (d) Details of the remaining assets to be distributed, including the type and value of those assets.

6. In accordance with the amendment to the First Directive, no further payments of the proceeds of the redemption of shares may be made by the Fund without the Commission's prior written approval.

7. The Commission will continue to provide updates on developments as matters progress.

Signed:

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