

**REAVES UTILITY INCOME FUND**  
(NYSE MKT: UTG)

**PRESS RELEASE**

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**FOR IMMEDIATE RELEASE**

December 20, 2016

**THE REAVES UTILITY INCOME FUND  
ANNOUNCES A SPECIAL DISTRIBUTION**

Denver, Colorado – The Reaves Utility Income Fund (NYSE MKT: UTG) today announced a special distribution of \$0.92 per share. The special distribution is being paid in addition to the Fund’s regular monthly dividend. This is the 7<sup>th</sup> special distribution in the Fund’s 11-year history.

Ronald J. Sorenson, Chief Investment Officer at Reaves Asset Management and Portfolio Manager of the Fund, commented that the Fund was pleased to announce the special distribution. “It is primarily the result of longstanding investments the Fund made in two key industries, cable broadband and long-haul electric transmission. Time Warner Cable and ITC Holdings were each acquired at a significant equity premium, demonstrating the fundamental value of hard assets that comprise significant pieces of the nation’s infrastructure.”

The Fund also announced today the next three monthly dividends at a rate of \$0.16 per common share per month, unchanged from the per share rate paid for the previous quarter. As of December 16, 2016, the Fund’s market price was \$30.12 per share and its net asset value was \$33.04 per share.

The special capital gain distribution allows the Fund to meet its 2016 distribution requirement for federal excise tax purposes. Of the \$0.92 per share, \$0.92 represents long-term capital gain.

The Fund has formally implemented the 19b-1 exemption received from the Securities and Exchange Commission in 2009. A portion of each distribution may be treated as paid from sources other than net income, including but not limited to short-term capital gain, long-term capital gain and return of capital. The final determination of the source of these distributions, including the percentage of qualified dividend income, will be made after the Fund’s year end.

Not less than eighty percent of the Fund’s assets will continue to be invested in the securities of domestic and foreign companies involved to a significant extent in providing products, services or equipment for (i) the generation or distribution of electricity, gas or water, (ii) telecommunications activities or (iii) infrastructure operations, such as airports, toll roads and municipal services (“Utilities” or the “Utility Industry”). As a policy, the Fund continues to strive to provide a high level of after-tax income and total return consisting primarily of tax-advantaged distributions and capital appreciation.

The following dates apply to the upcoming dividends that have been declared:

Ex-Distribution Date: December 28, 2016  
Record Date: December 30, 2016  
Payable Date: January 13, 2017

Ex-Distribution Date: February 15, 2017  
Record Date: February 17, 2017  
Payable Date: February 28, 2017

Ex-Distribution Date: March 20, 2017

Record Date: March 22, 2017  
Payable Date: March 31, 2017

**The Reaves Utility Income Fund**

The investment objective of the Fund is to provide a high level of income and total return consisting primarily of tax-advantaged distributions and capital appreciation. There were approximately \$1.5 billion of total assets under management and 34.3 million common shares outstanding as of December 16, 2016.

**An investor should consider investment objectives, risks, charges and expenses carefully before investing. To obtain a prospectus, annual report or semi-annual report which contains this and other information visit [www.utilityincomefund.com](http://www.utilityincomefund.com) or call 1-800-644-5571. Read them carefully before investing.**

*The Reaves Utility Income Fund is a closed-end fund and closed-end funds do not continuously issue shares for sale as open-end mutual funds do. Since the initial public offering, the Fund now trades in the secondary market. Investors wishing to buy or sell shares need to place orders through an intermediary or broker. The share price of a closed-end fund is based on the market's value.*

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