

REAVES UTILITY INCOME FUND
(NYSE MKT: UTG)

PRESS RELEASE

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FOR IMMEDIATE RELEASE

July 7, 2017

**THE REAVES UTILITY INCOME FUND
ANNOUNCES REGULAR MONTHLY DIVIDEND OF \$0.16 PER SHARE**

Denver, Colorado – The Reaves Utility Income Fund (NYSE MKT: UTG) 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 July 5, 2017, the Fund’s market price was \$34.38 per share and its net asset value was \$33.75 per share.

Ronald J. Sorenson, Chief Investment Officer at Reaves Asset Management and Portfolio Manager of the Fund, noted that “outlook for the Fund’s underlying portfolio is fundamentally positive. While short-term interest rates are likely to rise, the recent flattening of the yield curve due to a decline in the yield on the 10-year U.S. Treasury is signaling a possible economic slowdown in the coming months. Historically, in a slow-growth, low-inflation economy the predictable revenue and dividends of selected utilities have increased appeal to many investors. However, we think the Federal Reserve will maintain a gradualist approach in an effort to “normalize” interest rates. We expect continued support in select states for renewables investment and multi-year investment in generation and transmission infrastructure. We anticipate a more accommodative Federal Energy Regulatory Commission will adopt a less contentious approval process, resulting in greater transparency around allowed rates of return. Continued growth of cash flow at cable and tower companies, driven by increasing demand for streaming video, should support dividend increases and stock price appreciation.”

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: July 17, 2017

Record Date: July 19, 2017

Payable Date: July 31, 2017

Ex-Distribution Date: August 16, 2017

Record Date: August 18, 2017

Payable Date: August 31, 2017

Ex-Distribution Date: September 18, 2017
Record Date: September 20, 2017
Payable Date: September 29, 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 July 5, 2017.

An investor should consider investment objectives, risks, charges and expenses carefully before investing. To obtain an annual report or semi-annual report which contains this and other information visit 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.

ALPS Portfolio Solutions Distributor, Inc., FINRA Member Firm.

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