

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

**PRESS RELEASE**

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**FOR IMMEDIATE RELEASE**

March 15, 2018

**THE REAVES UTILITY INCOME FUND  
INCREASES ITS MONTHLY DISTRIBUTION 6.25% TO \$0.17 PER SHARE**

Denver, Colorado – The Reaves Utility Income Fund (NYSE MKT: UTG) is pleased to announce today a 6.25% increase in its annual distribution, to \$2.04 to be paid monthly at the rate of \$0.17 per common share. This is the tenth increase since the Fund's inception in February 2004. The increased dividend rate represents an annualized distribution rate of 7.16% based on the current market price. As of March 13, 2018, the Fund's market price was \$28.50 per share and its net asset value was \$31.32 per share.

Ronald J. Sorenson, the Fund's portfolio manager and Chief Investment Officer of Reaves Asset Management, the Fund's investment adviser, noted that "...the Board's decision results from their continuous review of the Fund's portfolio, and its distributable earnings from dividends and realized capital gains; largely long term in nature. While the Fund's net asset value, and related discount/premium, fluctuate in response to investor sentiment and macroeconomic factors, the earnings, and dividend growth characteristics of portfolio companies underpin the current distribution and are the basis for Reaves' recommendation to the Board to increase the distribution at this time. Reaves' long held view is that periodic increases in distributions create 'stair steps of value' contributing to per share value growth while affording shareholders insight into the effectiveness of Fund management's asset allocation. With respect to the success of the Fund's recent rights offering, we believe the proceeds will contribute to the Fund's capacity to earn and grow its distribution. We thank the Fund's shareholders for their trust and the opportunity to invest on their behalf."

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: April 19, 2018

Record Date: April 20, 2018

Payable Date: April 30, 2018

Ex-Distribution Date: May 21, 2018  
Record Date: May 22, 2018  
Payable Date: May 31, 2018

Ex-Distribution Date: June 18, 2018  
Record Date: June 19, 2018  
Payable Date: June 29, 2018

**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 \$2.0 billion of total assets under management and 48.7 million common shares outstanding as of March 13, 2018.

**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](http://www.utilityincomefund.com) or call 1-800-644-5571. Read them carefully before investing.**

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

*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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