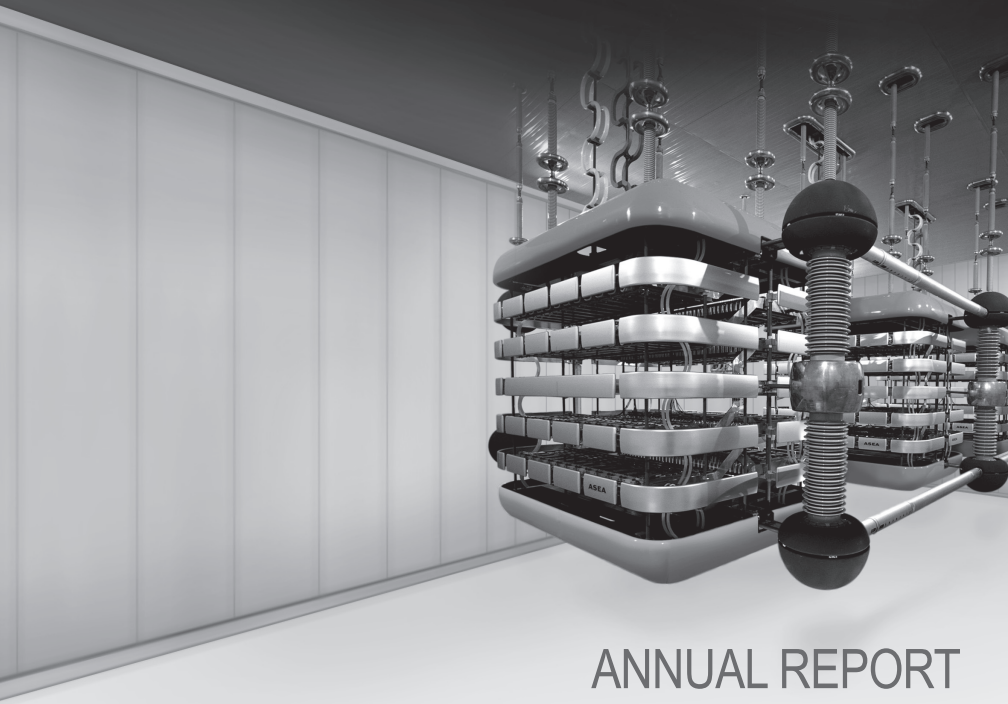


REAVES UTILITY INCOME FUND



ANNUAL REPORT

UTG

10.31.21

SECTION 19(B) DISCLOSURE

October 31, 2021 (Unaudited)

Reaves Utility Income Fund (the “Fund”), acting pursuant to a Securities and Exchange Commission (“SEC”) exemptive order and with the approval of the Fund’s Board of Trustees (the “Board”), has adopted a plan, consistent with its investment objectives and policies to support a level distribution of income, capital gains and/or return of capital (the “Plan”). In accordance with the Plan, the Fund currently distributes \$0.19 per share on a monthly basis.

The fixed amount distributed per share is subject to change at the discretion of the Fund’s Board. Under the Plan, the Fund will distribute all available investment income to its shareholders, consistent with its primary investment objectives and as required by the Internal Revenue Code of 1986, as amended (the “Code”). If sufficient investment income is not available on a monthly basis, the Fund will distribute long-term capital gains and/or return of capital to shareholders in order to maintain a level distribution. Each monthly distribution to shareholders is expected to be at the fixed amount established by the Board, except for extraordinary distributions and potential distribution rate increases or decreases to enable the Fund to comply with the distribution requirements imposed by the Code.

Shareholders should not draw any conclusions about the Fund’s investment performance from the amount of these distributions or from the terms of the Plan. The Fund’s total return performance on net asset value is presented in its financial highlights table.

The Board may amend, suspend or terminate the Fund’s Plan without prior notice if it deems such action to be in the best interest of the Fund or its shareholders. The suspension or termination of the Plan could have the effect of creating a trading discount (if the Fund’s stock is trading below net asset value) or widening an existing trading discount. The Fund is subject to risks that could have an adverse impact on its ability to maintain level distributions. Examples of potential risks include, but are not limited to, economic downturns impacting the markets, increased market volatility, companies suspending or decreasing corporate dividend distributions and changes in the Code.

Please refer to Additional Information for a cumulative summary of the Section 19(a) notices for the Fund’s current fiscal period. Section 19(a) notices for the Fund, as applicable, are available on the Reaves Utility Income Fund website www.utilityincomefund.com.

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October 31, 2021 (Unaudited)

To our Shareholders:**2021 Investment Portfolio Returns**

Total net assets of the Fund were \$2.158 billion on October 31, 2021, or \$33.09 of net asset value ("NAV") per common share. One year ago, net assets totaled \$1.659 billion representing \$30.77 of net asset value per common share.

The changes include distributions to shareholders totaling \$2.20 per share. Changes in the market price of the Fund can and do differ from the underlying changes in the net asset value per common share. As a result, the market return to common shares can be higher or lower than the NAV return.

The fiscal-2021 market return for shareholders was 15.39% as is reflected in the table below. The share price of the Fund traded at a premium of 2.63% to the NAV at fiscal year-end versus a premium of 2.21% at the beginning of the fiscal year.

	Year Ended October 31, 2021				
	One Year	Three Years ⁺	Five Years ⁺	Ten Years ⁺	Since Inception ^{***}
Total investment return – Net Asset Value*	14.92%	8.22%	7.58%	10.49%	10.62%
Total investment return – Market Price*	15.39%	10.79%	9.90%	10.16%	10.50%
S&P 500 Utilities Index ¹	10.68%	11.26%	9.93%	10.71%	9.96%
Dow Jones Utility Average ²	10.56%	11.28%	9.90%	11.26%	10.94%

⁺ Annualized

^{*} Assumes all dividends being reinvested

^{**} Index data since 02/29/04

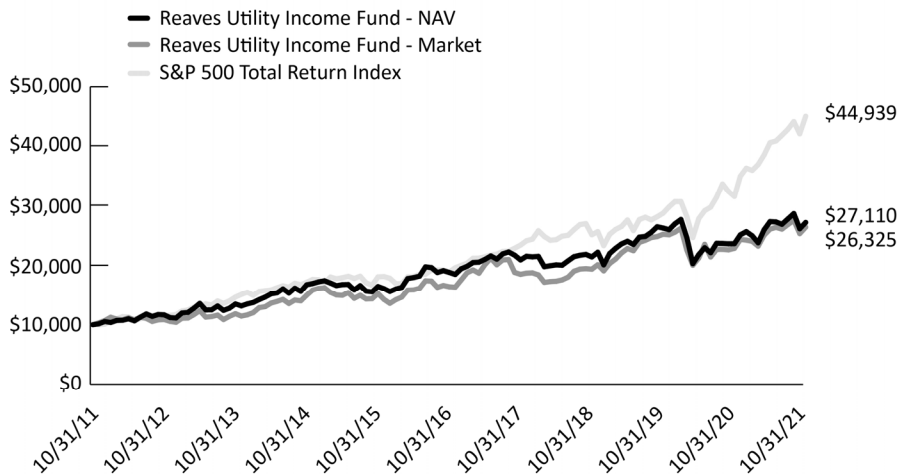
¹ S&P 500 Utilities Index is a capitalization-weighted index containing 28 Electric and Gas Utility stocks (including multi-utilities and independent power producers). Prior to July 1996, this index included telecommunications equities.

² The Dow Jones Utility Average is a price-weighted average of 15 utility stocks traded in the United States.

October 31, 2021 (Unaudited)

Growth of a hypothetical \$10,000 investment

The graph below illustrates the growth of a hypothetical \$10,000 investment assuming the purchase of common shares at NAV or the closing market price (NYSE: UTG) of \$25.05 on October 31, 2011, and tracking its progress through October 31, 2021.



Past performance does not guarantee future results. Performance will fluctuate with changes in market conditions. Current performance may be lower or higher than the performance data shown. Performance information does not reflect the deduction of taxes that shareholders would pay on Fund distributions or the sale of Fund shares. An investment in the Fund involves risk, including loss of principal.

Distributions to Common Shareholders

Since the Fund's first distribution in April 2004, distributions to shareholders have totaled over \$1 billion consisting of divided income and realized capital gains with no returns of capital.

The monthly distribution has been increased on 12 occasions from the initial monthly amount of \$0.0967 per share to the current amount of \$0.19 per share, representing a cumulative increase of 96.48%. The Trustees of the Fund regularly review the amount of the monthly distribution.

For calendar year 2020, all distributions from the Fund were paid from net investment income including realized capital gains. We anticipate that all distributions for the 12 months ending December 31, 2021 will also be characterized as paid from net investment income and realized capital gains.

*October 31, 2021 (Unaudited)***Leverage Facility**

The Fund ended the fiscal year with \$450 million in debt, up from \$345 million at the end of fiscal 2020. Leverage stood at 20.85% versus 15.78% of net assets October 31, 2020 year end. For details about the facility please refer to Note 4 of the accompanying financial statements.

Overview

The Reaves Utility Income Fund continued to generate tax-advantaged income for investors. The Fund maintained its leverage at about 20% of net assets, which we think is a prudent level given current market conditions. The individual companies in which the Fund invests proved resilient during the period. Many holdings grew earnings and increased dividends throughout the year, highlighting the defensiveness of the business models in which the Fund invests.

In the twelve-month period ending October 31, the Fund generated a total return of about 15% and paid \$129.5 million (\$2.20 per share) in investor distributions. We would note that the results coincide with a sharp rise in the 10-year U.S. Treasury yield, from about 0.90% at the end of October 2020 to over 1.5% by the end of October 2021. Interest rate increases are generally a short-term headwind for the Fund's investments. During the period investors increased exposure to risky assets over those deemed safer and chose growth over value. Over a longer-term, rising rates have historically been less impactful, though. This is because we typically invest in businesses that grow cash flows and dividend payments more quickly than sector averages and faster than long-term inflation. Additionally, we invest in businesses that can pass on increased interest costs to customers while continuing to grow.

Among the utility investments, the best performers were companies recovering from prior period problems. However, this appreciation was partially offset by unremarkable contribution from higher-quality, higher-growth utilities in better regulatory jurisdictions. Investors generally were more interested in riskier companies commensurate with broader market risk appetite fueled by massive government stimulus and money printing programs. In addition, many of the problem utilities were able to conduct self-help programs to improve their forward outlook.

From a secular standpoint, we continue to believe that the industry is very well positioned to benefit from energy transition away from fossil fuels, and that this theme should become a driver of accelerated earnings growth for the industry over the next ten years. Most of solar and wind global development will be conducted at utility scale and built and operated by utilities. In addition, the grid infrastructure needed to support intermittent renewable power, as well as increasingly power intensive consumer products like electric vehicles, will require further investment for upgrade and interconnection.

In communications infrastructure, where the Fund's investments are concentrated in cable, data centers, towers, and traditional telecom, returns were mixed. Consumer demand for data remains very strong. Connectivity is increasingly non-discretionary, and these investments are in companies that reliably improve the end-user experience at home, in the enterprise, and everywhere in between. Specifically, the ongoing demand for cloud services and the initial deployment of fifth generation wireless networks has led to durable, growing income streams in data center and tower investments, respectively. This lies in contrast to the experience in U.S. wireless, where competitive intensity has been fierce and concerns about new wireless entrants have only increased throughout the year. As a consequence, we have limited our exposure to U.S.

October 31, 2021 (Unaudited)

wireless carriers over time. We have long preferred the more benign competitive environment in Canada, where cash flows are easier to underwrite, and dividend income is at least as generous.

Turning to cable, the Fund has had substantial gains investing in the space over the past ten years as broadband penetration in the home continues to grow towards utility-like levels, and the business has transitioned from selling low-margin video to selling high-margin broadband services. During the downturn of 2020, the sector held up remarkably well, when the criticality of home broadband was on full display as everyone's virtual conduit to the world. These dynamics are still in place. However, a series of announcements from would-be telecom competitors, related to future network upgrades, has raised concerns about future competition. While these trends are worth watching, we believe the cash-flow characteristics, valuations, and reasonably benign duopolistic competitive environment still constitute a compelling long-term setup.

While the preponderance of the Fund's investments are in utilities and telecommunications, we also retain a small portion of the portfolio in transportation/logistics for diversification and inflation sensitivity. Here, returns were robust for the year due to extreme supply chain tightness and strong pricing. Logistics intensive Ecommerce continued to take share from traditional retail during a period where industrial and retail companies were trying to replenish inventories depleted in 2020. There was unprecedented demand for warehouse space as a result, particularly for space close to metropolitan markets.

Putting all this together, the main takeaway is that the portfolio is populated with companies that, despite challenges, should be able to grow earnings and dividends. This performance, plus an improving outlook for many of the Fund's holdings, gives us confidence in the ability to deliver positive earnings and dividend growth for the foreseeable future.

Sincerely,

Timothy O. Porter, Chief Investment Officer, CFA

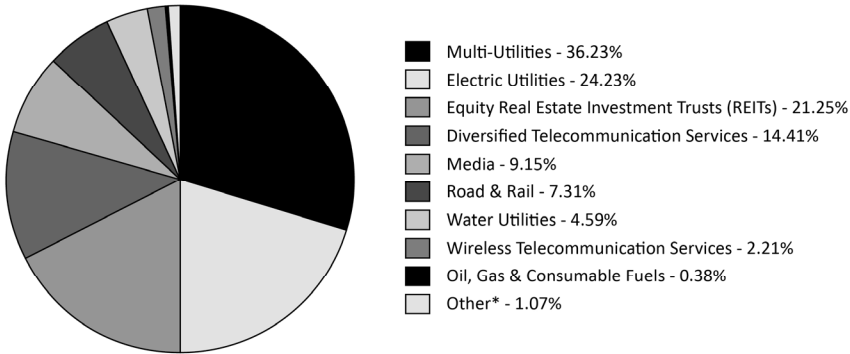
John P. Bartlett, President,

Sources of distributions to shareholders may include net investment income, net realized short-term capital gains, net realized long-term capital gains and return of capital. If a distribution includes anything other than net investment income, the Fund provides a Section 19(a) notice of the best estimate of its distribution sources at that time. Please refer to Additional Information for a cumulative summary of the Section 19(a) notices for the Fund's current period. The actual amounts and sources of distributions for tax reporting purposes will depend upon the Fund's investment experience during the remainder of its fiscal year and may be subject to changes based on tax regulations. The estimates may not match the final tax characterization (for the full year's distributions) contained in the shareholder's Form 1099-DIV. Distribution payments are not guaranteed; distribution rates may vary.

You cannot invest directly in an index.

October 31, 2021 (Unaudited)

Industry Allocation as of October 31, 2021



* Includes Money Market Funds

Holdings are subject to change

To the shareholders and the Board of Trustees of Reaves Utility Income Fund

Opinion on the Financial Statements and Financial Highlights

We have audited the accompanying statement of assets and liabilities of Reaves Utility Income Fund (the "Fund"), including the statement of investments, as of October 31, 2021, the related statements of operations and cash flows for the year then ended, the statements of changes in net assets for each of the two years in the period then ended, the financial highlights for each of the five years in the period then ended, and the related notes. In our opinion, the financial statements and financial highlights present fairly, in all material respects, the financial position of the Fund as of October 31, 2021, and the results of its operations and its cash flows for the year then ended, the changes in its net assets for each of the two years in the period then ended, and the financial highlights for each of the five years in the period then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements and financial highlights are the responsibility of the Fund's management. Our responsibility is to express an opinion on the Fund's financial statements and financial highlights based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Fund in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement, whether due to error or fraud. The Fund is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements and financial highlights, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements and financial highlights. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements and financial highlights. Our procedures included confirmation of securities owned as of October 31, 2021, by correspondence with the custodian and brokers; when replies were not received from brokers, we performed other auditing procedures. We believe that our audits provide a reasonable basis for our opinion.



Denver, Colorado
December 22, 2021

We have served as the auditor of Reaves Utility Income Fund since 2005.

October 31, 2021

	SHARES	VALUE
COMMON STOCKS 119.76%		
Diversified Telecommunication Services 14.41%		
AT&T, Inc.	2,040,000	\$51,530,400
BCE, Inc. ⁽¹⁾	1,980,100	101,915,747
Shaw Communications, Inc., Class B	1,074,000	30,928,701
TELUS Corp.	3,844,100	88,181,964
Verizon Communications, Inc. ⁽¹⁾	724,703	38,402,012
		<u>310,958,824</u>
Electric Utilities 24.23%		
Entergy Corp. ⁽¹⁾	674,000	69,435,480
Eversource Energy ⁽¹⁾	898,600	76,291,140
Exelon Corp. ⁽¹⁾	1,641,000	87,284,790
FirstEnergy Corp.	1,000,000	38,530,000
Fortis, Inc.	1,300,600	57,889,706
NextEra Energy, Inc. ⁽¹⁾	1,354,200	115,553,886
The Southern Co.	1,249,600	77,875,072
		<u>522,860,074</u>
Media 9.15%		
Altice USA, Inc., Class A ⁽¹⁾⁽²⁾	3,936,600	64,166,580
Charter Communications, Inc., Class A ⁽¹⁾⁽²⁾	91,582	61,807,776
Comcast Corp., Class A ⁽¹⁾	1,387,900	71,379,697
		<u>197,354,053</u>
Multi-Utilities 36.23%		
Alliant Energy Corp. ⁽¹⁾	1,383,100	78,241,967
Ameren Corp. ⁽¹⁾	967,000	81,508,430
CMS Energy Corp. ⁽¹⁾	1,320,500	79,692,175
DTE Energy Co.	684,200	77,554,070
Enel SpA	7,906,329	66,135,133
NiSource, Inc. ⁽¹⁾	1,766,966	43,591,051
Orsted AS ⁽³⁾⁽⁴⁾	259,900	36,672,759
PG&E Corp. ⁽²⁾	3,038,300	35,244,280
Public Service Enterprise Group, Inc. ⁽¹⁾	1,294,000	82,557,200
Sempra Energy ⁽¹⁾	323,200	41,250,016
WEC Energy Group, Inc. ⁽¹⁾	903,100	81,333,186
Xcel Energy, Inc. ⁽¹⁾	1,209,600	78,128,064
		<u>781,908,331</u>
Oil, Gas & Consumable Fuels 0.38%		
DT Midstream, Inc.	173,100	8,301,876
Real Estate Investment Trusts (REITs) 21.25%		
American Tower Corp.	176,959	49,897,129

October 31, 2021

	SHARES	VALUE
Real Estate Investment Trusts (REITs) (continued)		
Americold Realty Trust ⁽¹⁾	1,423,800	\$41,959,386
CoreSite Realty Corp. ⁽¹⁾	447,200	63,708,112
Crown Castle International Corp. ⁽¹⁾	265,600	47,887,680
Equinix, Inc. ⁽¹⁾	98,000	82,032,860
Prologis, Inc. ⁽¹⁾	460,100	66,696,096
Realty Income Corp.	660,000	47,143,800
SBA Communications Corp.	171,700	59,293,161
		<u>458,618,224</u>
Road & Rail 7.31%		
Canadian Pacific Railway, Ltd.	200,000	15,480,000
Norfolk Southern Corp.	252,100	73,877,905
Union Pacific Corp.	282,900	68,292,060
		<u>157,649,965</u>
Water Utilities 4.59%		
American Water Works Co., Inc. ⁽¹⁾	568,800	99,073,584
Wireless Telecommunication Services 2.21%		
T-Mobile US, Inc. ⁽²⁾	415,200	47,760,456
TOTAL COMMON STOCKS		
(Cost \$2,117,653,345)		<u>2,584,485,387</u>
LIMITED PARTNERSHIPS 0.00%		
Oil, Gas & Consumable Fuels 0.00%		
Bastion Energy LLC (Anglo Dutch) ⁽⁵⁾⁽⁶⁾		0
TOTAL LIMITED PARTNERSHIPS		
(Cost \$0)		<u>0</u>
MONEY MARKET FUNDS 1.07%		
Federated Treasury Obligations Money Market Fund, 0.010% (7-Day Yield)	23,015,498	23,015,498
TOTAL MONEY MARKET FUNDS		
(Cost \$23,015,498)		<u>23,015,498</u>

October 31, 2021

	VALUE
TOTAL INVESTMENTS - 120.83% (Cost \$2,140,668,843)	\$2,607,500,885
LEVERAGE FACILITY - (20.85%)	(450,000,000)
OTHER ASSETS IN EXCESS OF LIABILITIES - 0.02%	551,718
NET ASSETS - 100.00%	\$2,158,052,603

- ⁽¹⁾ Pledged security; a portion or all of the security is pledged as collateral for borrowings as of October 31, 2021. (See Note 5)
- ⁽²⁾ Non-Income Producing Security.
- ⁽³⁾ Security exempt from registration under Rule 144A of the Securities Act of 1933. This security may be resold in transactions exempt from registration, normally to qualified institutional buyers. As of October 31, 2021, the aggregate market value of those securities was \$36,672,759, representing 1.70% of net assets.
- ⁽⁴⁾ Security was purchased pursuant to Regulation S under the Securities Act of 1933, which exempts securities offered and sold outside of the United States from registration. Such security cannot be sold in the United States without either an effective registration statement filed pursuant to the Securities Act of 1933, or pursuant to an exemption from registration. The security has been deemed liquid under guidelines approved by the Fund's Board of Trustees. As of October 31, 2021, the aggregate market value of these securities was \$36,672,759, representing 1.70% of net assets.
- ⁽⁵⁾ Restricted security. Investment represents a non-public partnership interest and is not unitized. (See Note 6)
- ⁽⁶⁾ Level 3 Asset fair valued by management, pursuant to procedures approved by the Board of Trustees, using significant unobservable inputs. (See Note 1)

Common Abbreviations:

Co. - Company

Corp. - Corporation

Inc. - Incorporated

LLC - Limited Liability Company

Ltd. - Limited

See Notes to Financial Statements.

October 31, 2021

ASSETS:

Investments, at value (Cost \$2,140,668,843)	\$	2,607,500,885
Cash		1,362,353
Dividends receivable		2,542,653
Interest receivable		266
Receivable for shares sold		5,004,075
Receivable for investments sold		59,007
Total Assets		2,616,469,239

LIABILITIES:

Loan payable		450,000,000
Interest payable on loan outstanding		131,830
Payable for investments purchased		5,458,718
Accrued investment advisory fees		1,250,732
Accrued administration fees		1,146,885
Accrued trustees' fees		79,080
Accrued chief compliance officer fees		6,500
Accrued expenses for offering costs		138,621
Other payables and accrued expenses		204,270
Total Liabilities		458,416,636
Net Assets Applicable to Common Shareholders	\$	2,158,052,603

COMPOSITION OF NET ASSETS ATTRIBUTABLE TO COMMON SHARES:

Paid-in capital	\$	1,685,835,312
Total distributable earnings		472,217,291
Net Assets Applicable to Common Shareholders	\$	2,158,052,603

Shares of common stock outstanding of no par value, unlimited shares authorized		65,211,164
Net asset value per common share	\$	33.09

See Notes to Financial Statements.

*For the Year Ended October 31, 2021***INVESTMENT INCOME:**

Dividends (Net of foreign withholding taxes of \$2,475,822)	\$	57,561,746
Total Investment Income		57,561,746

EXPENSES:

Interest on loan	3,599,337
Investment advisory fees	13,561,200
Administration fees	6,249,742
Chief compliance officer fees	39,000
Trustees' fees	331,996
Miscellaneous fees	363,028
Total Expenses	24,144,303

Net Investment Income	33,417,443
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Net realized gain/(loss) on:	
Investment securities	86,999,905
Foreign currency transactions	(180,621)
Change in unrealized appreciation/(depreciation) of:	
Investment securities	129,589,172
Translation of assets and liabilities denominated in foreign currencies	(2,519)
Net gain on investments and foreign currency transactions	216,405,937

Net Increase in Net Assets Attributable to Common Shares from Operations	\$	249,823,380
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See Notes to Financial Statements.

	For the Year Ended October 31, 2021	For the Year Ended October 31, 2020
COMMON SHAREHOLDER OPERATIONS:		
Net investment income	\$ 33,417,443	\$ 32,812,447
Net realized gain	86,819,284	59,235,234
Change in unrealized appreciation/(depreciation)	129,586,653	(270,906,616)
Net increase/(decrease) in net assets attributable to common shares from operations	249,823,380	(178,858,935)
DISTRIBUTIONS TO COMMON SHAREHOLDERS:		
Total amount of distributions	(129,509,500)	(109,265,469)
Net decrease in net assets from distributions to common shareholders	(129,509,500)	(109,265,469)
CAPITAL SHARE TRANSACTIONS:		
Proceeds from common shares issued to shareholders from reinvestment of dividends	4,575,025	4,510,007
Proceeds from sales of shares, net of offering costs (See Note 4)	373,409,491	163,383,259
Net increase from capital share transactions	377,984,516	167,893,266
Net Increase/(Decrease) in Net Assets Attributable to Common Shares	498,298,396	(120,231,138)
NET ASSETS ATTRIBUTABLE TO COMMON SHAREHOLDERS:		
Beginning of year	\$ 1,659,754,207	\$ 1,779,985,345
End of year	\$ 2,158,052,603	\$ 1,659,754,207

See Notes to Financial Statements.

*For the Year Ended October 31, 2021***CASH FLOWS FROM OPERATING ACTIVITIES:**

Net increase in net assets from operations	\$	249,823,380
Adjustments to reconcile net increase in net assets from operations to net cash used in operating activities:		
Purchase of investment securities		(886,611,347)
Proceeds from disposition of investment securities		459,740,848
Net purchases of short-term investment securities		41,654,858
Net realized (gain)/loss on:		
Investment securities		(86,999,905)
Net change in unrealized (appreciation)/depreciation on:		
Investments		(129,589,172)
(Increase)/Decrease in assets:		
Dividends receivable		(539,637)
Interest receivable		447
Other assets		81,740
Increase/(Decrease) in liabilities:		
Interest payable on loan outstanding		22,708
Accrued investment advisory fees		239,009
Accrued administration fees		680,613
Accrued trustees' fees		414
Accrued chief compliance officer fees		3,250
Accrued expenses for offering costs (See Note 4)		138,621
Other payables and accrued expenses		14,253
Net Cash Used in Operating Activities		(351,339,920)

CASH FLOWS FROM FINANCING ACTIVITIES:

Proceeds from bank borrowing	105,000,000
Proceeds from sales of shares, net of offering costs	372,710,788
Cash distributions paid on Common Shares	(124,934,475)
Bank overdrafts	(74,040)
Net Cash Provided by Financing Activities	352,702,273

Net Increase in cash	1,362,353
Cash and foreign cash, beginning of year	\$ —
Cash and foreign cash, end of year	\$ 1,362,353

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:

Cash paid during the period for interest from bank borrowing	\$	3,576,629
Non-cash financing activities not included herein consist of reinvestment of distributions of:		4,575,025

See Notes to Financial Statements.

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PER COMMON SHARE OPERATING PERFORMANCE:

Net asset value per share, beginning of year

INCOME/LOSS FROM INVESTMENT OPERATIONS:Net investment income⁽¹⁾Net realized and unrealized gain/(loss)

Total income/(loss) from investment operations

DISTRIBUTIONS TO COMMON SHAREHOLDERS:

From net investment income

From net realized gains

Total distributions to common shareholders

Change due to rights offering

Common share offering costs charged to paid-in capital

Total distributions and offerings

Net asset value per common share, end of year

Market price per common share, end of year

Total Investment Return - Net Asset Value⁽⁴⁾**Total Investment Return - Market Price⁽⁴⁾****RATIOS AND SUPPLEMENTAL DATA**

Net assets attributable to common shares, end of year (000s)

Ratio of expenses to average net assets attributable to common shares

Ratio of expenses excluding interest expense to average net assets attributable to common shares

Ratio of net investment income to average net assets attributable to common shares

Portfolio turnover rate

BORROWINGS AT END OF PERIOD

Aggregate amount outstanding (000s)

Asset coverage per \$1,000⁽⁵⁾

See Notes to Financial Statements.

For the Year Ended 10/31/21	For the Year Ended 10/31/20	For the Year Ended 10/31/19	For the Year Ended 10/31/18	For the Year Ended 10/31/17
\$30.77	\$36.52	\$31.74	\$33.14	\$32.53
0.57	0.65	0.65	0.84	1.00
3.95	(4.24)	6.21	(0.25)	3.87
4.52	(3.59)	6.86	0.59	4.87
(0.57)	(0.85)	(0.64)	(0.83)	(1.04)
(1.63)	(1.31)	(1.44)	(1.16)	(1.80)
(2.20)	(2.16)	(2.08)	(1.99)	(2.84)
—	—	—	(0.00) ⁽²⁾	(1.42) ⁽³⁾
0.00 ⁽²⁾	0.00 ⁽²⁾	N/A	N/A	N/A
(2.20)	(2.16)	(2.08)	(1.99)	(4.26)
\$33.09	\$30.77	\$36.52	\$31.74	\$33.14
\$33.96	\$31.45	\$37.09	\$30.36	\$31.02
14.92%	(9.89)%	22.38%	2.39%	11.04%
15.39%	(9.32)%	29.94%	4.63%	12.70%
\$2,158,053	\$1,659,754	\$1,779,985	\$1,544,961	\$1,612,865
1.23%	1.50%	2.06%	1.90%	1.66%
1.05%	1.09%	1.17%	1.10%	1.09%
1.70%	2.00%	1.93%	2.62%	2.97%
20%	38%	22%	24%	15%
\$450,000	\$345,000	\$445,000	\$445,000	\$320,000
\$5,796	\$5,811	\$5,000	\$4,472	\$6,040

- ⁽¹⁾ *Calculated using average common shares outstanding.*
- ⁽²⁾ *Less than \$(0.005).*
- ⁽³⁾ *Effect of rights offerings for common shares at a price below market price.*
- ⁽⁴⁾ *Total investment return is calculated assuming a purchase of a common share at the opening on the first day and a sale at closing on the last day of each period reported. Total investment return excludes any sales charges. Dividends and distributions, if any, are assumed for purposes of this calculation to be reinvested at prices obtained under the Fund's dividend reinvestment plan.*
- ⁽⁵⁾ *Calculated by subtracting the Fund's total liabilities (excluding the principal amount of Leverage Facility) from the Fund's total assets and dividing by the principal amount of the Leverage Facility and then multiplying by \$1,000.*

1. SIGNIFICANT ACCOUNTING AND OPERATING POLICIES

Reaves Utility Income Fund (the “Fund”) is registered under the Investment Company Act of 1940, as amended (the “1940 Act”), as a closed-end management investment company. The Fund was organized under the laws of the state of Delaware by an Agreement and Declaration of Trust dated September 15, 2003. The Fund’s investment objective is to provide a high level of after-tax income and total return consisting primarily of tax-advantaged dividend income and capital appreciation. The Fund is a diversified investment company for purpose of the 1940 Act. The Agreement and Declaration of Trust provides that the Trustees may authorize separate classes of shares of beneficial interest. The Fund’s common shares are listed on the NYSE American LLC (the “Exchange”) and trade under the ticker symbol “UTG”.

The following is a summary of significant accounting policies followed by the Fund in the preparation of its financial statements. The preparation of financial statements is in accordance with generally accepted accounting principles in the United States of America (“U.S. GAAP”), which requires management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from those estimates. The Fund is considered an investment company under U.S. GAAP and follows the accounting and reporting guidance applicable to investment companies in the Financial Accounting Standards Board Accounting Standards Codification Topic 946.

Investment Valuation: The net asset value per common share (“NAV”) of the Fund is determined no less frequently than daily, on each day that the Exchange is open for trading, as of the close of regular trading on the Exchange (normally 4:00 p.m. New York time). The NAV is determined by dividing the value of the Fund’s total assets less its liabilities by the number of shares outstanding.

The Board of Trustees (the “Board”) has established the following procedures for valuation of the Fund’s asset values under normal market conditions. For domestic equity securities, foreign equity securities and funds that are traded on an exchange, the market price is usually the closing sale or official closing price on that exchange. In the case of a domestic and foreign equity security not traded on an exchange, or if such closing prices are not otherwise available, the mean of the closing bid and ask price will be used. The fair value for debt obligations is generally the evaluated mean price supplied by the Fund’s primary and/or secondary independent third-party pricing service, approved by the Board. An evaluated mean is considered to be a daily fair valuation price which may use a matrix, formula or other objective method that takes into consideration various factors, including, but not limited to: structured product markets, fixed income markets, interest rate movements, new issue information, trading, cash flows, yields, spreads, credit quality and other pertinent information as determined by the pricing services evaluators and methodologists. If the Fund’s primary and/or secondary independent third-party pricing services are unable to supply a price, or if the price supplied is deemed to be unreliable, the market price may be determined using quotations received from one or more broker-dealers that make a market in the security. Investments in non-exchange traded funds are fair valued at their respective net asset values.

Securities, for which market quotations or valuations are not available, are valued at fair value in good faith by or at the direction of the Board. When applicable, fair value of an investment is determined by the Fund’s Fair Valuation Committee as a designee of the Board. In fair valuing the Fund’s investments, consideration is given to several factors, which may include, among others, the following: the fundamental business data relating to the issuer, borrower or counterparty; an

evaluation of the forces which influence the market in which the investments are purchased and sold; the type, size and cost of the investment; the information as to any transactions in or offers for the investment; the price and extent of public trading in similar securities (or equity securities) of the issuer, or comparable companies; the coupon payments, yield data/cash flow data; the quality, value and saleability of collateral, if any, securing the investment; the business prospects of the issuer, borrower or counterparty, as applicable, including any ability to obtain money or resources from a parent or affiliate and an assessment of the issuer's, borrower's or counterparty's management; the prospects for the industry of the issuer, borrower or counterparty, as applicable, and multiples (of earnings and/or cash flow) being paid for similar businesses in that industry; one or more non-affiliated independent broker quotes for the sale price of the portfolio security; and other relevant factors.

The Fund discloses the classification of its fair value measurements following a three-tier hierarchy based on the inputs used to measure fair value. Inputs refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs reflect the assumptions market participants would use in pricing the asset or liability that are developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability that are developed based on the best information available.

Various inputs are used in determining the value of the Fund's investments as of the end of the reporting period. When inputs used fall into different levels of the fair value hierarchy, the level in the hierarchy within which the fair value measurement falls is determined based on the lowest level input that is significant to the fair value measurement in its entirety. The designated input levels are not necessarily an indication of the risk or liquidity associated with these investments. These inputs are categorized in the following hierarchy under applicable financial accounting standards:

- Level 1 – Unadjusted quoted prices in active markets for identical investments, unrestricted assets or liabilities that the Fund has the ability to access at the measurement date;
- Level 2 – Quoted prices which are not active, quoted prices for similar assets or liabilities in active markets or inputs other than quoted prices that are observable (either directly or indirectly) for substantially the full term of the asset or liability; and
- Level 3 – Significant unobservable prices or inputs (including the Fund's own assumptions in determining the fair value of investments) where there is little or no market activity for the asset or liability at the measurement date.

October 31, 2021

The following is a summary of the Fund's investments in the fair value hierarchy as of October 31, 2021:

Investments in Securities at Value*	Valuation Inputs			Total
	Level 1	Level 2	Level 3	
Common Stocks	\$2,584,485,387	\$ —	\$ —	\$2,584,485,387
Limited Partnerships	—	—	—	—
Money Market Funds	23,015,498	—	—	23,015,498
Total	\$2,607,500,885	\$ —	\$ —	\$2,607,500,885

* See Statement of Investments for industry classifications.

The following is a reconciliation of assets in which significant unobservable inputs (Level 3) were used in determining fair value:

Asset Type	Balance as of October 31, 2020	Realized Gain/(Loss)	Change in Unrealized Appreciation/ Depreciation	Purchases	Sales Proceeds	Transfer in and/or (out) of Level 3	Balance as of October 31, 2021	Net change in unrealized appreciation/ (depreciation) included in the Statements of Operations attributable to Level 3 investments held at October 31, 2021
Limited Partnerships	\$ 167,033	\$ —	\$ (167,033)	\$ —	\$ —	\$ —	\$ —	\$ (167,033)
Total	\$ 167,033	\$ —	\$ (167,033)	\$ —	\$ —	\$ —	\$ —	\$ (167,033)

Foreign Currency Translation: The books and records of the Fund are maintained in U.S. dollars. Investment valuations and other assets and liabilities initially expressed in foreign currencies are converted each business day the Exchange is open into U.S. dollars based upon current exchange rates. Prevailing foreign exchange rates may generally be obtained at the close of the Exchange (normally, 4:00 p.m. New York time). The portion of realized and unrealized gains or losses on investments due to fluctuations in foreign currency exchange rates is not separately disclosed and is included in realized and unrealized gains or losses on investments, when applicable. As of and during the year ended October 31, 2021, the Fund had no outstanding forward foreign currency contracts.

Distributions to Shareholders: The Fund intends to make a level distribution each month to common shareholders after payment of interest on any outstanding borrowings. The level dividend rate may be modified by the Board of Trustees from time to time. Any net capital gains earned by the Fund are distributed at least annually. Distributions to shareholders are recorded by the Fund on the ex-dividend date.

Income Taxes: The Fund's policy is to comply with the provisions of the Code applicable to regulated investment companies and to distribute all of its taxable income and gains to its shareholders. See Note 3.

Investment Transactions: Investment security transactions are accounted for as of trade date. Dividend income is recorded on the ex-dividend date, or as soon as information is available to

the Fund. Interest income, which includes amortization of premium and accretion of discount, is accrued as earned. Realized gains and losses from investment transactions are determined using the first-in first-out basis for both financial reporting and income tax purposes.

2. RISKS

The Fund may have elements of risk, including the risk of loss of equity. There is no assurance that the investment process will consistently lead to successful results. An investment concentrated in sectors and industries may involve greater risk and volatility than a more broadly diversified investment.

Concentration Risk. The Fund invests a significant portion of its total assets in securities of utility companies, which may include companies in the electric, gas, water, and telecommunications sectors, as well as other companies engaged in other infrastructure operations. This may make the Fund particularly susceptible to adverse economic, political or regulatory occurrences affecting those sectors. As concentration of the Fund's investments in a sector increases, so does the potential for fluctuation in the net asset value of common shares.

Risk of Foreign Securities. The Fund may directly purchase securities of foreign issuers. Investing in securities of foreign issuers involves special risks not typically associated with investing in securities of U.S. issuers. The risks include possible revaluation of currencies, the inability to repatriate foreign currency, less complete financial information about companies and possible future adverse political and economic developments. Moreover, securities of many foreign issuers and their markets may be less liquid and their prices more volatile than those of securities of comparable U.S. issuers.

Market Disruption and Geopolitical Risk. The value of investment in the Fund is based on the values of the Fund's investments, which may change due to economic and other events that affect markets generally, as well as those that affect particular regions, countries, industries, companies or governments. These movements, sometimes called volatility, may be greater or less depending on the types of securities the Fund owns and the markets in which the securities trade. The increasing interconnectivity between global economies and financial markets increases the likelihood that events or conditions in one region or financial market may adversely impact issuers in a different country, region or financial market. Securities in the Fund's portfolio may underperform due to inflation (or expectations for inflation), interest rates, global demand for particular products or resources, natural disasters, pandemics, epidemics, terrorism, regulatory events and governmental or quasi-governmental actions. The occurrence of global events similar to those in recent years, such as terrorist attacks around the world, natural disasters, social and political discord or debt crises and downgrades, among others, may result in market volatility and may have long term effects on both the U.S. and global financial markets. The occurrence of such events may be sudden and unexpected, and it is difficult to predict when similar events affecting the U.S. or global financial markets may occur, the effects that such events may have and the duration of those effects. Any such event(s) could have a significant adverse impact on the value, liquidity and risk profile of the Fund's portfolio, as well as its ability to sell securities to meet redemptions. There is a risk that you may lose money by investing in the Fund.

Social, political, economic and other conditions and events, such as natural disasters, health emergencies (e.g., epidemics and pandemics), terrorism, conflicts and social unrest, may occur and

could significantly impact issuers, industries, governments and other systems, including the financial markets. As global systems, economies and financial markets are increasingly interconnected, events that once had only local impact are now more likely to have regional or even global effects. Events that occur in one country, region or financial market will, more frequently, adversely impact issuers in other countries, regions or markets. These impacts can be exacerbated by failures of governments and societies to adequately respond to an emerging event or threat. These types of events quickly and significantly impact markets in the U.S. and across the globe leading to extreme market volatility and disruption. The extent and nature of the impact on supply chains or economies and markets from these events is unknown, particularly if a health emergency or other similar event, persists for an extended period of time. Such events could impact the Adviser's investment advisory activities and services of other service providers, which in turn could adversely affect the Fund's investments and other operations. The value of the Fund's investments may decrease as a result of such events, particularly if these events adversely impact the operations and effectiveness of the Adviser or key service providers or if these events disrupt systems and processes necessary or beneficial to the investment advisory, other activities on behalf the Fund.

COVID-19 Risk. The outbreak of the novel coronavirus that causes the respiratory disease COVID-19, (the "Coronavirus") outbreak, began in late 2019. The Coronavirus subsequently spread globally in early 2020. The impact of the outbreak has evolved during the Fund's fiscal year and continues to change. The virus has impacted the U.S and countries throughout the world, resulting in travel restrictions, quarantines, and significant portions of the population working from home, temporary or permanent layoffs, and adverse economic impacts on many industries. There have been fluctuations of consumer demand in certain sectors, disruptions in supply chains and economic output, and other adverse economic impacts of the Coronavirus. Further developments could result in additional disruptions and uncertainty and could generally have significant impacts on economies and financial markets and could impact the value and performance of the Fund.

3. INCOME TAXES AND TAX BASIS INFORMATION

The Fund complies with the requirements under Subchapter M of the Code applicable to regulated investment companies and intends to distribute substantially all of its net taxable income and net capital gains, if any, each year. The Fund is not subject to income taxes to the extent such distributions are made.

As of and during the year ended October 31, 2021, the Fund did not have a liability for any unrecognized tax benefits in the accompanying financial statements. The Fund files U.S. federal, state, and local tax returns as required. The Fund's tax returns are subject to examination by the relevant tax authorities until expiration of the applicable statute of limitations, which is generally three years after the filing of the tax return but which can be extended to six years in certain circumstances. Tax returns for open years have incorporated no uncertain tax positions that require a provision for income taxes.

Net investment income (loss) and net realized gain (loss) may differ for financial statement and tax purposes. The character of distributions made during the year from net investment income or net realized gains may differ from its ultimate characterization for federal income tax purposes. Also, due to the timing of dividend distributions, the fiscal year in which amounts are distributed may differ from the fiscal year in which the income or realized gain was recorded by the Fund.

October 31, 2021

The tax character of the distributions paid by the Fund were as follows:

	For the Year Ended October 31, 2021
Distributions paid from:	
Ordinary Income	\$ 49,217,155
Long-Term Capital Gain	80,292,345
Total	\$ 129,509,500

	For the Year Ended October 31, 2020
Distributions paid from:	
Ordinary Income	\$ 42,254,673
Long-Term Capital Gain	67,010,796
Total	\$ 109,265,469

As of October 31, 2021, the components of distributable earnings on a tax basis were as follows:

Accumulated Capital Gain	\$ 6,145,158
Unrealized Appreciation	466,072,133
Other Cumulative Effect of Timing Differences	—
Total	\$ 472,217,291

The tax components of distributable earnings are determined in accordance with income tax regulations which may differ from composition of net assets reported under U.S. GAAP. Accordingly, for the year ended October 31, 2021, certain differences were reclassified. The Fund increased total distributable earnings by \$3,418 and decreased paid-in capital by \$3,418.

The tax basis components of capital differ from the amounts reflected in the Statement of Assets and Liabilities due to temporary book/tax differences primarily arising from wash sales and the tax treatment of investments in partnerships.

As of October 31, 2021, net unrealized appreciation/depreciation of investments based on federal tax cost were as follows:

Gross appreciation (excess of value over tax cost)	\$ 519,394,722
Gross depreciation (excess of tax cost over value)	(53,319,987)
Net depreciation of foreign currency	(2,602)
Net unrealized appreciation	466,072,133
Cost of investments for income tax purposes	\$ 2,141,426,150

4. CAPITAL TRANSACTIONS

Common Shares: There are an unlimited number of no par value common shares of beneficial interest authorized.

October 31, 2021

The Fund has a registration statement on file with the SEC (the “Shelf Registration Statement”), pursuant to which the Fund may offer common shares, from time to time, in one or more offerings, up to a maximum aggregate offering price of \$600,000,000 on terms to be determined at the time of the offering.

On November 4, 2019, as allowed by the Shelf Registration Statement, the Fund entered into a distribution agreement with ALPS Distributors, Inc. (“ADI”), an affiliate of ALPS, pursuant to which the Fund could offer and sell up to 5,500,000 of the Fund’s Common Shares, from time to time through ADI. On October 6, 2020, the Fund and ADI amended the agreement, pursuant to which the Fund may offer and sell up to 6,147,291 of the Fund’s Common Shares, representing 647,291 shares from the original agreement, plus an additional 5,500,000 shares, for a total of 11,000,000 shares. On June 21, 2021, the Fund and ADI amended the Distribution Agreement, pursuant to which the Fund may offer and sell up to 17,000,000 of the Fund’s Common Shares, representing 11,000,000 shares from the current agreement, plus an additional 6,000,000 shares. During the year ended October 31, 2021, 11,135,737 common shares were sold totaling \$373,409,491, net of offering costs of \$257,599. Under the agreement, ADI was paid \$754,889 for the shares sold.

Offering costs incurred and not yet paid as a result of the Fund’s Shelf Registration Statement during the year ended October 31, 2021 are approximately \$138,621.

Transactions in common shares were as follows:

	For the Year Ended October 31, 2021	For the Year Ended October 31, 2020
Common Shares outstanding - beginning of period	53,936,356	48,736,871
Common Shares issued from sale of shares	11,135,737	5,059,787
Common Shares issued as reinvestment of dividends	139,071	139,698
Common Shares outstanding - end of period	65,211,164	53,936,356

5. BORROWINGS

On December 8, 2016, the Fund entered into a Credit Agreement with Pershing LLC. Under the terms of the Amended Credit Agreement, the Fund is allowed to borrow up to \$455,000,000. Interest is charged at a rate of the one month LIBOR (“London Interbank Offered Rate”) plus 0.80%. Effective June 20, 2021, the interest rate charged under the Amended Credit Agreement changed from LIBOR plus 0.80% to OBFR (Overnight Bank Funding Rate) plus 0.80%. Borrowings under the Credit Agreement are secured by assets of the Fund that are held by the Fund’s custodian in a separate account (the “pledged collateral”). Borrowing commenced under the terms of the Credit Agreement on December 13, 2016.

For the year ended October 31, 2021, the average amount borrowed under the Credit Agreement was \$394,602,740, at an average rate of 0.90%. As of October 31, 2021, the amount of outstanding borrowings was \$450,000,000, the interest rate was 0.87% and the fair value of pledged collateral was \$758,610,360.

October 31, 2021

6. RESTRICTED SECURITIES

As of October 31, 2021, investments in securities included issues that are considered restricted. Restricted securities are often purchased in private placement transactions, are not registered under the Securities Act of 1933, may have contractual restrictions on resale, and may be valued under methods approved by the Board of Trustees as reflecting fair value.

Restricted securities as of October 31, 2021 were as follows:

Description	Acquisition Date	Cost	Value	Market Value as Percentage of Net Assets
Bastion Energy LLC (Anglo Dutch)	7/30/2015	\$ —	\$ —	0.00%
TOTAL		\$ —	\$ —	0.00%

7. PORTFOLIO SECURITIES

Purchases and sales of investment securities, other than short-term securities, for the year ended October 31, 2021, aggregated \$885,389,414 and \$455,624,776, respectively.

8. MANAGEMENT FEES, ADMINISTRATION FEES AND OTHER TRANSACTIONS WITH AFFILIATES

Reaves Asset Management (“Reaves”) serves as the Fund’s investment adviser pursuant to an Investment Advisory and Management Agreement (the “Advisory Agreement”) with the Fund. As compensation for its services to the Fund, Reaves receives an annual investment advisory fee of 0.575% based on the Fund’s average daily total assets, computed daily and payable monthly. Effective May 11, 2021, the advisory fee schedule will be as follows: 0.575% annually on assets up to \$2.5 billion and 0.525% annual on assets over \$2.5 billion.

ALPS Fund Services, Inc. (“ALPS”) serves as the Fund’s administrator pursuant to an Administration, Bookkeeping and Pricing Services Agreement (the “Administration Agreement”) with the Fund. As compensation for its services to the Fund, ALPS receives an annual administration fee based on the Fund’s average daily total assets, computed daily and payable monthly. ALPS will pay all expenses in connection with the performance of its services under the Administration Agreement, with the exception of advisory fees, trustees’ fees, portfolio transaction expenses, litigation expenses, tax, cost of preferred shares, expenses of conducting repurchase offers for the purpose of repurchasing fund shares, the printing and distribution cost incurred to comply with the terms of the Fund’s 19(b) exemptive relief granted on July 14, 2011, certain expenses related to regulatory filings and extraordinary expenses.

For the year ended October 31, 2021, Trustees who are not affiliated with the Adviser received compensation of \$331,996 from the Fund which is shown in the Statement of Operations, \$79,080 of which was payable as of October 31, 2021.

Pursuant to the Chief Compliance Officer Services Agreement, the Fund has agreed to pay ALPS for providing Chief Compliance Officer services to the Fund an annual fee payable in monthly installments.

Both Reaves and ALPS are considered affiliates of the Fund as defined under the 1940 Act.

9. INDEMNIFICATIONS

In the normal course of business, the Fund enters into contracts that contain a variety of representations which provide general indemnifications. The Fund's maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Fund that have not yet occurred.

10. INFORMATION REGARDING SENIOR SECURITIES

The following table sets forth certain information regarding the Fund's senior securities as of the end of each of the Fund's prior fiscal years since the Fund's inception. The Fund's senior securities during this time period are comprised of outstanding indebtedness, which constitutes a "senior security" as defined in the 1940 Act, and then-outstanding auction market preferred shares.

Senior Securities Representing Indebtedness

Fiscal Year Ended	Principal Amount Outstanding ¹	Asset Coverage Per \$1000 ²
October 31, 2021	\$450,000,000	\$5,796
October 31, 2020	\$345,000,000	\$5,811
October 31, 2019	\$445,000,000	\$5,000
October 31, 2018	\$445,000,000	\$4,472
October 31, 2017	\$320,000,000	\$6,040
October 31, 2016	\$320,000,000	\$4,489
October 31, 2015	\$320,000,000	\$3,747
October 31, 2014	\$290,000,000	\$4,273
October 31, 2013	\$290,000,000	\$3,792
October 31, 2012	\$290,000,000	\$3,567
October 31, 2011	\$185,000,000	\$3,946
October 31, 2010	None	N/A
October 31, 2009	None	N/A

(1) Principal amount outstanding represents the principal amount owed by the Fund to lenders under credit facility arrangements in place at the time.

(2) Asset coverage per \$1,000 of debt is calculated by subtracting the Fund's liabilities and indebtedness not represented by senior securities from the Fund's total assets, dividing the result by the aggregate amount of the Fund's senior securities representing indebtedness then outstanding, and multiplying the result by 1,000.

11. SUBSEQUENT EVENT

The Fund has entered into a distribution agreement, dated November 14, 2019, with the Distributor, as amended by Amendment No. 1 thereto, dated October 6, 2020, Amendment No. 2 thereto, dated June 21, 2021 and Amendment No. 3 thereto, dated November 22, 2021 (collectively, the "Distribution Agreement") relating to the Fund's common shares of beneficial interest, no par value (the "Common Shares"). In accordance with the terms of the Distribution Agreement, the Fund may offer and sell up to 23,000,000 of the Fund's Common Shares, from time to time through the Distributor for the offer and sale of the Common Shares.

*October 31, 2021 (Unaudited)***DIVIDEND REINVESTMENT PLAN**

Unless the registered owner of Common Shares elects to receive cash by contacting DST Systems, Inc. (the "Plan Administrator"), all dividends declared on Common Shares will be automatically reinvested by the Plan Administrator for shareholders in the Fund's Dividend Reinvestment Plan (the "Plan"), in additional Common Shares. Shareholders who elect not to participate in the Plan will receive all dividends and other distributions in cash paid by check mailed directly to the shareholder of record (or, if the Common Shares are held in street or other nominee name, then to such nominee) by the Plan Administrator as dividend disbursing agent. You may elect not to participate in the Plan and to receive all dividends in cash by contacting the Plan Administrator, as dividend disbursing agent, at the address set forth below. Participation in the Plan is completely voluntary and may be terminated or resumed at any time without penalty by notice if received and processed by the Plan Administrator prior to the dividend record date; otherwise, such termination or resumption will be effective with respect to any subsequently declared dividend or other distribution. Some brokers may automatically elect to receive cash on your behalf and may re-invest that cash in additional Common Shares for you. If you wish for all dividends declared on your Common Shares to be automatically reinvested pursuant to the Plan, please contact your broker.

The Plan Administrator will open an account for each Common Shareholder under the Plan in the same name in which such Common Shareholder's Common Shares are registered. Whenever the Fund declares a dividend or other distribution (together, a "Dividend") payable in cash, non-participants in the Plan will receive cash and participants in the Plan will receive the equivalent in Common Shares. The Common Shares will be acquired by the Plan Administrator for the participants' accounts, depending upon the circumstances described below, either (i) through receipt of additional unissued but authorized Common Shares from the Fund ("Newly Issued Common Shares") or (ii) by purchase of outstanding Common Shares on the open market ("Open-Market Purchases") on the NYSE American LLC or elsewhere. If, on the payment date for any Dividend, the closing market price plus estimated brokerage commissions per Common Share is equal to or greater than the net asset value per Common Share, the Plan Administrator will invest the Dividend amount in Newly Issued Common Shares on behalf of the participants. The number of Newly Issued Common Shares to be credited to each participant's account will be determined by dividing the dollar amount of the Dividend by the net asset value per Common Share on the payment date; provided that, if the net asset value is less than or equal to 95% of the closing market value on the payment date, the dollar amount of the Dividend will be divided by 95% of the closing market price per Common Share on the payment date. If, on the payment date for any Dividend, the net asset value per Common Share is greater than the closing market value plus estimated brokerage commissions, the Plan Administrator will invest the Dividend amount in Common Shares acquired on behalf of the participants in Open-Market Purchases. In the event of a market discount on the payment date for any Dividend, the Plan Administrator will have until the last business day before the next date on which the Common Shares trade on an "ex-dividend" basis or 30 days after the payment date for such Dividend, whichever is sooner (the "Last Purchase Date"), to invest the Dividend amount in Common Shares acquired in Open-Market Purchases. It is contemplated that the Fund will pay monthly income Dividends. Therefore, the period during which Open-Market Purchases can be made will exist only from the payment date of each Dividend through the date before the next "ex-dividend" date which typically will be approximately ten days. If, before the Plan Administrator has completed its Open-Market Purchases, the market price per Common Share exceeds the net asset value per Common Share, the average per Common Share purchase price paid by the Plan Administrator may exceed the net asset value of the Common Shares, resulting in the

October 31, 2021 (Unaudited)

acquisition of fewer Common Shares than if the Dividend had been paid in Newly Issued Common Shares on the Dividend payment date. Because of the foregoing difficulty with respect to Open-Market Purchases, the Plan provides that if the Plan Administrator is unable to invest the full Dividend amount in Open-Market Purchases during the purchase period or if the market discount shifts to a market premium during the purchase period, the Plan Administrator may cease making Open-Market Purchases and may invest the uninvested portion of the Dividend amount in Newly Issued Common Shares at the net asset value per Common Share at the close of business on the Last Purchase Date, provided that, if the net asset value is less than or equal to 95% of the then current market price per Common Share, the dollar amount of the Dividend will be divided by 95% of the market price on the payment date.

The Plan Administrator maintains all shareholders' accounts in the Plan and furnishes written confirmation of all transactions in the accounts, including information needed by shareholders for tax records. Common Shares in the account of each Plan participant will be held by the Plan Administrator on behalf of the Plan participant, and each shareholder proxy will include those shares purchased or received pursuant to the Plan. The Plan Administrator will forward all proxy solicitation materials to participants and vote proxies for shares held under the Plan in accordance with the instructions of the participants.

In the case of Common Shareholders such as banks, brokers or nominees which hold shares for others who are the beneficial owners, the Plan Administrator will administer the Plan on the basis of the number of Common Shares certified from time to time by the record shareholder's name and held for the account of beneficial owners who participate in the Plan.

There will be no brokerage charges with respect to Common Shares issued directly by the Fund. However, each participant will pay a pro rata share of brokerage commissions incurred in connection with Open-Market Purchases. The automatic reinvestment of Dividends will not relieve participants of any federal, state or local income tax that may be payable (or required to be withheld) on such Dividends. Participants that request a sale of Common Shares through the Plan Administrator are subject to brokerage commissions.

The Fund reserves the right to amend or terminate the Plan. There is no direct service charge to participants with regard to purchases in the Plan; however, the Fund reserves the right to amend the Plan to include a service charge payable by the participants.

All correspondence or questions concerning the Plan should be directed to the Plan Administrator, DST Systems, Inc., 333 West 11th Street, 5th Floor, Kansas City, Missouri 64105.

FUND PROXY VOTING POLICIES & PROCEDURES

A description of the policies and procedures that the Fund uses to determine how to vote proxies relating to portfolio securities is available without charge upon request by calling toll-free 1-800-644-5571, or on the Fund's website at <https://www.utilityincomefund.com>. Information regarding how the Fund voted proxies relating to portfolio securities during the most recent 12-month period ended June 30 is also available without charge upon request by calling toll-free 1-800-644-5571, or on the SEC's website at <https://www.sec.gov>.

October 31, 2021 (Unaudited)

PORTFOLIO HOLDINGS

The Fund files its complete schedule of portfolio holdings with the Commission for the first and third quarters of each fiscal year on Form N-PORT. Copies of the Fund's Forms N-PORT are available on the Commission's website at <https://www.sec.gov>. Quarterly Holdings statements as of the first and third quarter of each fiscal year, and information on the Fund's Forms N-PORT, are available on the Fund's website at <https://www.utilityincomefund.com>, and are available without a charge, upon request, by contacting the Fund at 1-800-644-5571.

NOTICE

Notice is hereby given in accordance with Section 23(c) of the Investment Company Act of 1940 that the Fund may purchase at market prices from time to time common shares in the open market.

TAX INFORMATION (UNAUDITED)

The Fund designates the following for federal income tax purposes for distributions made during the calendar year ended December 31, 2020 qualified dividend income ("QDI") and as qualifying for the corporate dividends received deduction ("DRD").

	QDI	DRD
Reaves Utility Income Fund	100%	76.25%

In early 2021, if applicable, shareholders of record received this information for the distribution paid to them by the Fund during the calendar year 2020 via Form 1099. The Fund will notify shareholders in early 2022 of amounts paid to them by the Fund, if any, during the calendar year 2021.

Pursuant to Section 852(b)(3) of the Internal Revenue Code, the Fund designated \$80,292,345 as long-term capital gain distribution for the year ended October 31, 2021.

SECTION 19(A) NOTICES

The following table sets forth the estimated amount of the sources of distribution for purposes of Section 19 of the Investment Company Act of 1940, as amended, and the related rules adopted there under. The Fund estimates the following percentages, of the total distribution amount per share, attributable to (i) current and prior fiscal year net investment income, (ii) net realized short-term capital gain, (iii) net realized long-term capital gain and (iv) return of capital or other capital source as a percentage of the total distribution amount. These percentages are disclosed for the fiscal year-to-date cumulative distribution amount per share for the Fund.

The amounts and sources of distributions reported in these 19(a) notices are only estimates and not for tax reporting purposes. The actual amounts and sources of the amounts for tax reporting purposes will depend upon the Fund's investment experience during the remainder of its fiscal year and may be subject to changes based on tax regulations. Shareholders will receive a Form 1099-DIV for the calendar year that will tell you how to report these distributions for federal income tax purposes.

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Total Cumulative Distributions for the year ended October 31, 2021					% Breakdown of the Total Cumulative Distributions for the year ended October 31, 2021			
Net Investment Income	Net Realized Capital Gains	Return of Capital	Total Per Common Share		Net Investment Income	Net Realized Capital Gains	Return of Capital	Total Per Common Share
Reaves Utility Income Fund	\$0.63821	\$1.56179	\$0.00000	\$2.20000	29.01%	70.99%	0.00%	100.00%

The Fund's dividend policy is to distribute all or a portion of its net investment income to its shareholders on a monthly basis. In order to provide shareholders with a more stable level of dividend distributions, the Fund may at times pay out less than the entire amount of net investment income earned in any particular month and may at times in any particular month pay out such accumulated but undistributed income in addition to net investment income earned in that month. As a result, the dividends paid by the Fund for any particular month may be more or less than the amount of net investment income earned by the Fund during such month. The Fund's current accumulated but undistributed net investment income, if any, is disclosed in the Statement of Assets and Liabilities, which comprises part of the financial information included in this report.

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The following table includes information regarding the Fund's trustees and officers, and their principal occupations and other affiliations during the past five years. The address for all trustees is 1290 Broadway, Suite 1000, Denver, CO 80203. The "independent trustees" consist of those trustees who are not "interested persons" of the Fund, as that term is defined under the 1940 Act.

Name, Position(s) Held with the Fund, Address ¹ , and Year of Birth	Term of Office and Length of Time Served ²	Principal Occupation(s) During Past Five Years	Number of Portfolio in Fund Complex Overseen by Trustee	Other Directorships Held by Trustee or Nominee ³
Non-Interested Trustees				
Mary K. Anstine	Since Inception***	Ms. Anstine is also a Trustee of A.V. Hunter Trust. Ms. Anstine was formerly a Director of the Bank of Colorado (later purchased and now known as Northern Trust Bank), and a member of The American Bankers Association and Trust Executive Committee.	1	Ms. Anstine is a Trustee of ALPS ETF Trust (17 funds); Financial Investors Trust (31 funds); and ALPS Variable Investment Trust (7 funds).
Trustee				
1940				
Jeremy W. Deems	Chairman Since 2017	Mr. Deems is the Co-Founder, Chief Financial Officer of Green Alpha Advisors, LLC, a registered investment adviser, and Co-Portfolio Manager of the Shelton Green Alpha Fund. Prior to joining Green Alpha Advisors, Mr. Deems was Chief Financial Officer and Treasurer of Forward Management, LLC, ReFlow Management, Co., LLC, ReFlow Fund, LLC, a private investment fund, and Sutton Place Management, LLC, an administrative services company from 2004 to 2007.	1	Mr. Deems is a Trustee of ALPS ETF Trust (17 funds); Financial Investors Trust (31 funds); Clough Funds Trust (1); and ALPS Variable Investment Trust (7funds).
Chairman and Trustee	Trustee Since 2008**			
1976				

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Name, Position(s) Held with the Fund, Address ¹ , and Year of Birth	Term of Office and Length of Time Served ²	Principal Occupation(s) During Past Five Years	Number of Portfolio in Fund Complex Overseen by Trustee	Other Directorships Held by Trustee or Nominee ³
Michael F. Holland Trustee 1944	Since Inception***	Mr. Holland is Chairman of Holland & Company, an investment management company.	1	Mr. Holland is a Director/Trustee of Blackstone Real Estate Income Funds (2 Funds); Blackstone Credit Funds. (3 Funds); Blackstone Real Estate Income Master Fund (1 fund); Blackstone / GSO Floating Rate Enhanced Income Fund (1 Fund); and State Street Master Funds (5 funds).
E. Wayne Nordberg Trustee 1938	Since 2012*	Mr. Nordberg is currently the Chairman and Co-Chief Investment Officer of Hollow Brook Wealth Management, LLC, a private investment management firm and is a Director/Trustee for Riley Exploration Permian. Mr. Nordberg was formerly a Senior Director at Ingalls & Snyder LLC, a privately owned registered investment adviser.	1	Director/Trustee for Riley Exploration Permian.
Larry W. Papasan Trustee 1940	Since Inception*	Mr. Papasan is currently a Director of Bio Nova Medical, Inc. and Cagenix Inc., each a medical services company	1	Mr. Papasan is a Director/Trustee of Bio Nova, Inc.; Cagenix Inc.

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Name, Position(s) Held with the Fund, Address ¹ , and Year of Birth	Term of Office and Length of Time Served ²	Principal Occupation(s) During Past Five Years	Number of Portfolio in Fund Complex Overseen by Trustee	Other Directorships Held by Trustee or Nominee ³
Officers				
Joseph Rhame, III President 1981	President Since 2021	Mr. Rhame is currently the CEO at Reaves Asset Management. and prior to 2019 was Portfolio Manager and Analyst at Reaves.	N/A	N/A
Sareena Khawaja- Dixon Secretary 1980	Secretary Since 2021	Ms. Khawaja-Dixon joined ALPS in August 2015 and is currently Principal Legal Counsel and Vice President of ALPS Fund Services, Inc. Ms. Khawaja-Dixon is also Secretary of Clough Dividend and Income Fund, Clough Global Opportunities Fund, Clough Global Equity Fund, Liberty All-Star Equity Fund, Liberty All-Star Growth Fund, Inc. and Clough Funds Trust and Assistant Secretary of RiverNorth Specialty Finance Corp, RiverNorth/DoubleLine Strategic Opportunity Fund, Inc., RiverNorth Flexible Municipal Income Fund, Inc., RiverNorth Managed Duration Municipal Income Fund, Inc., and RiverNorth Opportunistic Municipal Income Fund, Inc.	N/A	N/A

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Name, Position(s) Held with the Fund, Address ¹ , and Year of Birth	Term of Office and Length of Time Served ²	Principal Occupation(s) During Past Five Years	Number of Portfolio in Fund Complex Overseen by Trustee	Other Directorships Held by Trustee or Nominee ³
Jennell Panella Treasurer 1974	Treasurer Since 2021	Ms. Panella joined ALPS in June 2012 and is currently Vice President and Fund Controller of ALPS Fund Services, Inc. Ms. Panella is also Treasurer of Financial Investors Trust. Prior to joining ALPS, Ms. Panella served as Financial Reporting Manager for Parker Global Strategies, LLC (2009-2012).	N/A	N/A
Ted W. Uhl Chief Compliance Officer 1974	Chief Compliance Officer Since 2015	Mr. Uhl joined ALPS Fund Services in October 2006, and is currently Deputy Compliance Officer of ALPS. Mr. Uhl is also CCO of the Boulder Growth & Income Fund, Inc., Centre Funds, Financial Investors Trust, GrantiteShares ETF Trust, and XAI Octagon Credit Opportunities Alternative Registered Trust.	N/A	N/A

⁽¹⁾ Address: 1290 Broadway, Suite 1000, Denver, Colorado 80203.

⁽²⁾ The Trust commenced operations on February 24, 2004. The Trust’s Board of Trustees is divided into three classes, each class serves for a term of three years. Each year the term of office of one class expires and the successors elected to such class serve for a term of three years.

* Term expires at the Trust’s 2024 Annual Meeting of Shareholders.
** Term expires at the Trust’s 2022 Annual Meeting of Shareholders.
*** Term expires at the Trust’s 2023 Annual Meeting of Shareholders.

⁽³⁾ The numbers enclosed in the parentheticals represent the number of funds overseen in each respective directorship held by the Trustee.

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The following information is intended to assist investors in understanding the fees and expenses (annualized) that an investor in common shares of the Fund would bear, directly or indirectly. The table is based on the capital structure of the Fund as of October 31, 2021.

The table assumes the use of leverage in the form of amounts borrowed by the Fund under a credit agreement in an amount equal to 17.20% of the Fund's total assets as of October 31, 2021 (including the amounts of any additional leverage obtained through the use of borrowed funds) and shows Fund expenses as a percentage of net assets attributable to common shares. The following table should not be considered a representation of the Fund's future expenses. Actual expenses may be greater or less than those shown below. Interest payments on borrowings are included in the total annual expenses of the Fund.

Shareholder Transaction Expenses (as a percentage of offering price)

Sales Load ¹	—%
Offering Expenses Borne by Common Shareholders ¹	—%
Dividend Reinvestment Plan Fees ²	None

Annual Expenses:

	Percentage of Net Assets Attributable to Common Shares
Offering Expenses Borne by Common Shareholders	
Investment Advisory Fees ³	0.69%
Interest Payments on Borrowed Funds ⁴	0.18%
Other Expenses ⁵	0.36%
Acquired Fund Fees & Expenses	0.00%
Total Annual Fund Operating Expenses	1.23%

- (1) If common shares are sold to or through underwriters, the applicable prospectus supplement will set forth any applicable sales load and the estimated offering expenses borne by the Fund.
- (2) There will be no brokerage charges with respect to common shares of beneficial interest issued directly by the Fund under the dividend reinvestment plan. You will pay brokerage charges in connection with open market purchases or if you direct the plan agent to sell your common shares held in a dividend reinvestment account.
- (3) The investment advisory fee is charged as a percentage of the Fund's average daily total assets.
- (4) Assumes the use of leverage in the form of borrowing under the Credit Agreement representing 17.20% of the Fund's total assets as of October 31, 2021 (including any additional leverage obtained through the use of borrowed funds) at an average annual interest rate cost to the Fund of 0.87%.
- (5) Other Expenses are estimated based on estimated amounts for the current fiscal year.

Example

The purpose of the following table is to help a holder of common shares understand the fees and expenses that such holder would bear directly or indirectly. The following example illustrates the expenses that you would pay on a \$1,000 investment in common shares of the Fund assuming (1) that the Fund incurs total annual expenses of 1.23% of its net assets in years 1 through 10 (assuming borrowing equal to 17.20% of the Fund's total assets) and (2) a 5% annual return.

1 Year	3 Years	5 Years	10 Years
\$13	\$39	\$68	\$149

The example should not be considered a representation of future expenses or rate of return. The example assumes that all dividends and distributions are reinvested at NAV. The Fund's actual rate of return may be greater or less than the hypothetical 5% annual return shown in the example.

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The following information in this annual report is a summary of certain information about the Fund and changes since the Fund's Prospectus dated November 24, 2021 (the "prior disclosure date"). This information may not reflect all of the changes that have occurred since you purchased the Fund.

Investment Objective

There have been no changes in the Fund's investment objective since the prior disclosure date that have not been approved by shareholders.

The Fund's investment objective is to provide a high level of after-tax income and total return consisting primarily of tax-advantaged dividend income and capital appreciation.

Principal Investment Strategies

There have been no changes in the Fund's Principal Investment Strategies and Policies since the prior disclosure date.

The Fund pursues its investment objective by investing at least 80% of its total assets 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").

A company will be deemed to be involved in the Utility Industry to a significant extent if at least 50% of its assets, gross income or profits are committed to or derived from activities in the areas described above. The remaining 20% of the Fund's total assets may be invested in other securities including stocks, debt obligations and money market instruments, as well as certain derivative instruments (described below) and other investments.

As used in this Prospectus Supplement and the accompanying Prospectus and Statement of Additional Information, the terms "debt securities" and "debt obligations" refer to bonds, debentures and similar long and intermediate term debt investments and do not include short-term fixed income securities such as money market instruments in which the Fund may invest temporarily pending investment of the proceeds of an offering and during periods of abnormal market conditions. The Fund may invest in preferred stocks and bonds of below investment grade quality (i.e., "junk bonds").

Under normal market conditions, the Fund invests at least 80% of its total assets in dividend-paying common and preferred stocks of companies in the Utility Industry. In pursuing its objective, the Fund invests primarily in common and preferred stocks that pay dividends that qualify for federal income taxation at rates applicable to long-term capital gains ("tax-advantaged dividends").

The Fund may invest in the securities of both domestic and foreign issuers, including those located in emerging market countries (i.e., a country not included in the MSCI World Index, a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed markets).

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As an alternative to holding foreign-traded securities, the Fund may invest in dollar-denominated securities of foreign companies that trade on U.S. exchanges or in the U.S. over-the-counter market (including depositary receipts, which evidence ownership in underlying foreign securities).

To date, the Fund's derivatives usage has been limited to equity options, including writing covered calls, the purchase of calls and the sale of puts. Options may be used as both hedges against the value of existing holdings or as speculative trades as part of the Fund's overall investment strategy.

In addition, the Fund may choose to use interest rate swaps (or options thereon) from time to time for hedging purposes. Although the Fund does not currently use interest rate swaps (or options thereon), the Fund may do so in the future, depending on the interest rate outlook of W.H. Reaves & Co., Inc. (the "Investment Adviser") and other factors. Such usage would be limited to no more than 20% of the Fund's total assets. The Fund may choose to use other derivatives from time to time, as described in the Statement of Additional Information.

There is no assurance that the Fund will achieve its investment objective. Further, the Fund's ability to pursue its investment objective, the value of the Fund's investments and the Fund's NAV may be adversely affected by changes in tax rates and policies. Because the Fund's investment objective is to provide a high level of after-tax yield and total return consisting primarily of dividend and interest income and capital appreciation, the Fund's ability to invest, and the attractiveness of investing in, equity securities that pay qualified dividend income in relation to other investment alternatives will be affected by changes in federal income tax laws and regulations, including changes in the qualified dividend income provisions. Any proposed or actual changes in such rates, therefore, can significantly and adversely affect the after-tax returns of the Fund's investments in equity securities. Any such changes also could significantly and adversely affect the Fund's NAV, as well as the Fund's ability to acquire and dispose of equity securities at desirable returns and price levels and the Fund's ability to pursue its investment objective. The Fund cannot assure you as to the portion, if any, of the Fund's dividends that will be qualified dividend income.

Leverage

The Fund currently uses leverage through borrowing. More specifically, the Fund has entered into a credit agreement (the "Credit Agreement") with Pershing LLC ("Bank"). As of October 31, 2021, the Fund had outstanding \$450,000,000 in principal amount of borrowings from the Credit Agreement representing approximately 17.20% of the Fund's total assets (including assets attributable to the Fund's use of leverage). The Bank has the ability to terminate the Credit Agreement upon 180-days' notice or following an event of default. The provisions of the 1940 Act further provide that the Fund may borrow or issue notes or debt securities in an amount up to 33 1/3% of its total assets or may issue preferred shares in an amount up to 50% of the Fund's total assets (including the proceeds from leverage).

The Fund has no present intention of issuing preferred shares, although it has done so in the past and may choose to do so in the future.

The Fund also may borrow money as a temporary measure for extraordinary or emergency purposes.

Leverage creates risks for common shareholders, including the likelihood of greater volatility of NAV and market price of, and dividends paid on, the common shares. There is a risk that fluctuations in

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the dividend rates on any preferred shares issued by the Fund may adversely affect the return to the common shareholders. If the income from the securities purchased with such funds is not sufficient to cover the cost of leverage, the return on the Fund will be less than if leverage had not been used, and therefore the amount available for distribution to common shareholders as dividends and other distributions will be reduced.

Changes in the value of the Fund's portfolio (including investments bought with the proceeds of the leverage program) will be borne entirely by the common shareholders. If there is a net decrease (or increase) in the value of the Fund's investment portfolio, the leverage will decrease (or increase) the NAV per share to a greater extent than if the Fund were not leveraged.

The issuance of a class of preferred shares or incurrence of borrowings having priority over the common shares creates an opportunity for greater return per common share, but at the same time such leveraging is a speculative technique in that it will increase the Fund's exposure to capital risk. Unless the income and appreciation, if any, on assets acquired with leverage proceeds exceed the associated costs of the leverage program (and other Fund expenses), the use of leverage will diminish the investment performance of the common shares compared with what it would have been without leverage.

The fees received by Reaves and ALPS are based on the total assets of the Fund, including assets represented by leverage. During periods in which the Fund is using leverage, the fees paid to Reaves for investment advisory services and to ALPS for administrative services will be higher than if the Fund did not use leverage because the fees paid will be calculated on the basis of the Fund's total assets, including proceeds from borrowings and the issuance of any preferred shares. Therefore, Reaves and ALPS may have a financial incentive to use leverage, which creates a conflict of interest between Reaves and ALPS and common shareholders. Reaves and ALPS will seek to manage this conflict of interest by utilizing leverage only when they determine such action is in the best interests of the Fund. The Board of Trustees of the Fund (the "Board") reviews the Fund's leverage on a periodic basis, and the Fund's use of leverage may be increased or decreased subject to the Board's oversight and applicable law.

Under the Investment Company Act of 1940, as amended, and the rules and regulations thereunder (the "1940 Act"), the Fund is not permitted to issue preferred shares unless immediately after such issuance the total asset value of the Fund's portfolio is at least 200% of the liquidation value of the outstanding preferred shares (i.e., such liquidation value may not exceed 50% of the Fund's total assets). In addition, the Fund is not permitted to declare any cash dividend or other distribution on its common shares unless, at the time of such declaration, the NAV of the Fund's portfolio (determined after deducting the amount of such dividend or other distribution) is at least 200% of such liquidation value.

To qualify for federal income taxation as a "regulated investment company," the Fund must satisfy certain requirements relating to sources of its income and diversification of its assets, and must distribute in each taxable year at least 90% of its net investment income (including net interest income and net short-term gain). The Fund also will be required to distribute annually substantially all of its income and capital gain, if any, to avoid imposition of a nondeductible 4% federal excise tax.

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The Fund's willingness to issue new securities for investment purposes, and the amount the Fund will issue, depends on many factors, the most important of which are market conditions and interest rates.

There is no assurance that a leveraging strategy will be successful during any period in which it is employed.

The Fund may increase the amount of leverage following the completion of an offering, subject to applicable law.

Effects of Leverage

The following table is furnished in response to requirements of the SEC. It is designed to illustrate the effect of leverage on total return on common shares, assuming investment portfolio total returns (comprised of income, net expenses and changes in the value of investments held in the Fund's portfolio) of -10%, -5%, 0%, 5% and 10%. These assumed investment portfolio returns are hypothetical figures and are not necessarily indicative of what the Fund's investment portfolio returns will be. In other words, the Fund's actual returns may be greater or less than those appearing in the table below. The table further reflects the use of leverage representing approximately 33 1/3% of the Fund's Total Assets and the Fund's assumed annual leverage interest and fee rate of 0.87%.

Assumed Portfolio Return (Net of Expenses)	-10.00%	-5.00%	0.00%	5.00%	10.00%
Corresponding Common Share Total Return	-14.39%	-7.37%	-0.35%	6.67%	13.69%

Total return is composed of two elements—the dividends on common shares paid by the Fund (the amount of which is largely determined by the Fund's net investment income after paying the cost of leverage) and realized and unrealized gains or losses on the value of the securities the Fund owns. As the table shows, leverage generally increases the return to common shareholders when portfolio return is positive or greater than the costs of leverage and decreases return when the portfolio return is negative or less than the costs of leverage.

During the time in which the Fund is using leverage, the amount of the fees paid to the Adviser for investment management services is higher than if the Fund did not use leverage because the fees paid are calculated based on the Fund's Managed Assets. This may create a conflict of interest between the Adviser, on the one hand, and common shareholders, on the other. Also, because the leverage costs are borne by the Fund at a specified interest rate, only the Fund's common shareholders bear the cost of the Fund's management fees and other expenses. There can be no assurance that a leveraging strategy will be successful during any period in which it is employed.

Risks

Investing in any investment company security involves risk, including the risk that you may receive little or no return on your investment or even that you may lose part or all of your investment. Investors should consider the following risk factors and special considerations associated with investing in the Fund's common shares:

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Risks Associated with Offerings of Additional Common Shares. The voting power of current Common Shareholders will be diluted to the extent that current Common Shareholders do not purchase common shares in any future offerings of common shares or do not purchase sufficient common shares to maintain their percentage interest. If the Fund is unable to invest the proceeds of such offering as intended, the Fund's per common share distribution may decrease and the Fund may not participate in market advances to the same extent as if such proceeds were fully invested as planned. If the Fund sells common shares at a price below NAV pursuant to the consent of Common Shareholders, shareholders will experience a dilution of the aggregate NAV per common share because the sale price will be less than the Fund's then-current NAV per common share. Similarly, were the expenses of the offering to exceed the amount by which the sale price exceeded the Fund's then current NAV per common share, shareholders would experience a dilution of the aggregate NAV per common share. This dilution will be experienced by all shareholders, irrespective of whether they purchase common shares in any such offering.

Additional Risks of Rights. There are additional risks associated with an offering of subscription rights to purchase common shares ("Rights"). Shareholders who do not exercise their Rights may, at the completion of such an offering, own a smaller proportional interest in the Fund than if they exercised their Rights. As a result of such an offering, a shareholder may experience dilution in NAV per share if the subscription price per share is below the NAV per share on the expiration date. If the subscription price per share is below the NAV per share of the Fund's common shares on the expiration date, a shareholder will experience an immediate dilution of the aggregate NAV of such shareholder's common shares if the shareholder does not participate in such an offering and the shareholder will experience a reduction in the NAV per share of such shareholder's common shares whether or not the shareholder participates in such an offering. Such a reduction in NAV per share may have the effect of reducing market price of the common shares. The Fund cannot state precisely the extent of this dilution (if any) if the shareholder does not exercise such shareholder's Rights because the Fund does not know what the NAV per share will be when the offer expires or what proportion of the Rights will be exercised. If the subscription price is substantially less than the then current NAV per common share at the expiration of a rights offering, such dilution could be substantial. Any such dilution or accretion will depend upon whether (i) such shareholders participate in the rights offering and (ii) the Fund's NAV per common share is above or below the subscription price on the expiration date of the rights offering. In addition to the economic dilution described above, if a Common Shareholder does not exercise all of their rights, the Common Shareholder will incur voting dilution as a result of this rights offering. This voting dilution will occur because the Common Shareholder will own a smaller proportionate interest in the Fund after the rights offering than prior to the rights offering. There is a risk that changes in market conditions may result in the underlying common shares purchasable upon exercise of the subscription rights being less attractive to investors at the conclusion of the subscription period. This may reduce or eliminate the value of the subscription rights. If investors exercise only a portion of the rights, the number of common shares issued may be reduced, and the common shares may trade at less favorable prices than larger offerings for similar securities. Subscription rights issued by the Fund may be transferable or non-transferable rights. In a non-transferable rights offering, Common Shareholders who do not wish to exercise their rights will be unable to sell their rights. In a transferrable rights offering, the Fund will use its best efforts to ensure an adequate trading market for the rights; however, investors may find that there is no market to sell rights they do not wish to exercise.

Investment and Market Risk. An investment in common shares is subject to investment risk, including the possible loss of the entire principal amount invested. An investment in common shares

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represents an indirect investment in the securities owned by the Fund, which are generally traded on a securities exchange or in the over-the-counter markets. The value of these securities, like other market investments, may move up or down, sometimes rapidly and unpredictably. The Fund anticipates using leverage, which will magnify the Fund's investment, market and certain other risks. The common shares at any point in time may be worth less than the original investment, even after taking into account any reinvestment of dividends and distributions.

Issuer Risk. The value of common and preferred stocks may decline for a number of reasons which directly relate to the issuer, such as management performance, financial leverage and reduced demand for the issuer's goods and services.

Income Risk. The income that common shareholders receive from the Fund is based primarily on the dividends and interest it earns from its investments, which can vary widely over the short and long-term. If prevailing market interest rates drop, distribution rates of the Fund's holdings and common shareholder's income from the Fund could drop as well. The Fund's income also would likely be affected adversely if prevailing short-term interest rates increase and the Fund is utilizing leverage.

Tax Risk. The Fund's investment program and the tax treatment of Fund distributions may be affected by Internal Revenue Service ("IRS") interpretations of the Internal Revenue Code of 1986, as amended (the "Code"), future changes in tax laws and regulations. There can be no assurance that any portion of the Fund's income distributions will not be fully taxable as ordinary income. The Fund's ability to pursue its investment objective, the value of the Fund's investments and the Fund's NAV may be adversely affected by changes in tax rates and policies. Because the Fund's investment objective is to provide a high level of after-tax yield and total return consisting primarily of dividend and interest income and capital appreciation, the Fund's ability to invest, and the attractiveness of investing in, equity securities that pay qualified dividend income in relation to other investment alternatives will be affected by changes in federal income tax laws and regulations, including changes in the qualified dividend income provisions. Any proposed or actual changes in such rates, therefore, can significantly and adversely affect the after-tax returns of the Fund's investments in equity securities. Any such changes also could significantly and adversely affect the Fund's NAV, as well as the Fund's ability to acquire and dispose of equity securities at desirable returns and price levels and the Fund's ability to pursue its investment objective. The Fund cannot assure you as to the portion, if any, of the Fund's dividends that will be qualified dividend income. Further, in order to avoid corporate income tax at the level of the Fund, it must qualify each year as a regulated investment company under the Code.

Sector/Industry Risk. The "Utility Industry" generally includes companies involved 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. The Fund invests a significant portion of its total assets in securities of utility companies, which may include companies in the electric, gas, water, telecommunications sectors, as well as other companies engaged in other infrastructure operations. This may make the Fund more susceptible to adverse economic, political or regulatory occurrences affecting those sectors. As concentration of the Fund's investments in a sector increases, so does the potential for fluctuation in the NAV of common shares.

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Risks that are intrinsic to utility companies include difficulty in obtaining an adequate return on invested capital, difficulty in financing large construction programs during an inflationary period, restrictions on operations and increased cost and delays attributable to environmental considerations and regulation, difficulty in raising capital in adequate amounts on reasonable terms in periods of high inflation and unsettled capital markets, technological innovations that may render existing plants, equipment or products obsolete, the potential impact of natural or man-made disasters, increased costs and reduced availability of certain types of fuel, occasional reduced availability and high costs of natural gas and other fuels, the effects of energy conservation, the effects of a national energy policy and lengthy delays and greatly increased costs and other problems associated with the design, construction, licensing, regulation and operation of nuclear facilities for electric generation, including, among other considerations, the problems associated with the use of radioactive materials, the disposal of radioactive wastes, shutdown of facilities or release of radiation resulting from catastrophic events, disallowance of costs by regulators which may reduce profitability, and changes in market structure that increase competition.

In many regions, including the United States, the Utility Industry is experiencing increasing competitive pressures, primarily in wholesale markets, as a result of consumer demand, technological advances, greater availability of natural gas with respect to electric utility companies and other factors. For example, the Federal Energy Regulatory Commission (the “FERC”) has implemented regulatory changes to increase access to the nationwide transmission grid by utility and non-utility purchasers and sellers of electricity. A number of countries, including the United States, are considering or have implemented methods to introduce and promote retail competition. Changes in regulation may result in consolidation among domestic utilities and the disaggregation of many vertically integrated utilities into separate generation, transmission and distribution businesses. As a result, additional significant competitors could become active in certain parts of the Utility Industry.

The Fund currently holds interests in oil wells. Some of the risks specific to investments in the utility industry may be heightened with respect to the Fund’s investments in oil wells, as described below:

- Depletion risk: companies engaged in the exploration, development, management, gathering or production of oil wells face increased risk that commodity reserves are depleted over time;
- Environmental risk: the operation of oil wells may incur environmental costs and liabilities due to the nature of their businesses and the substances they handle;
- Regulatory risk: the operation of oil wells is subject to especially stringent and complex federal, state and local environmental laws and regulations, including the federal Clean Air Act;
- Catastrophic event risk: companies engaged in the production of oil are especially vulnerable to dangers inherent in the production, exploration, management, transportation, processing and distribution process, such as leaks, fires, explosions, damage resulting from natural disasters and terrorist acts; and
- Cyclical industry risk: the energy industry, including the operation of oil wells, is cyclical and may experience a shortage of equipment, supplies or personnel on commercially reasonable terms.

See “Risk Factors—Sector/Industry Risk—Oil Wells.”

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Due to the high costs of developing, constructing, operating and distributing assets and facilities, many utility companies are highly leveraged. As such, movements in the level of interest rates may affect the returns from these assets. See “Risk Factors—Sector/Industry Risk—Interest Rate Risk.”

Concentration Risk. The Fund’s investments will be concentrated in the Utility Industry. The focus of the Fund’s portfolio on this sector may present more risks than if the Fund’s portfolio were broadly spread over numerous sectors of the economy. A downturn in this sector (or any sub-sectors within it) would have a larger impact on the Fund than on an investment company that does not concentrate solely in this specific sector (or in specific sub-sectors). At times, the performance of companies in the Utility Industry (or a specific sub-sector) may lag the performance of other sectors or the broader market as a whole.

Common Stock Risk. The Fund will have substantial exposure to common stocks. Although common stocks have historically generated higher average returns than fixed-income securities over the long-term, common stocks also have experienced significantly more volatility in returns. An adverse event, such as an unfavorable earnings report, may depress the value of a particular common stock held by the Fund. Also, the price of common stocks are sensitive to general movements in the stock market and a drop in the stock market may depress the price of common stocks to which the Fund has exposure. Common stock prices fluctuate for many reasons, including changes in investors’ perceptions of the financial condition of an issuer or the general condition of the relevant stock market, or when political or economic events affecting the issuer occur. Common stock is subordinated to preferred stock and debt in a company’s capital structure with respect to priority in the right to a share of corporate income, and therefore will be subject to greater dividend risk than preferred stock or debt instruments. In addition, common stock prices may be sensitive to rising interest rates, as the costs of capital rise and borrowing costs increase.

Foreign Securities Risk. Investments in securities of non-U.S. issuers will be subject to risks not usually associated with owning securities of U.S. issuers. These risks can include fluctuations in foreign currencies, foreign currency exchange controls, social, political and economic instability, differences in securities regulation and trading, expropriation or nationalization of assets, and foreign taxation issues. In addition, changes in government administrations or economic or monetary policies in the United States or abroad could result in appreciation or depreciation of the Fund’s securities. It may also be more difficult to obtain and enforce a judgment against a non-U.S. issuer. Foreign investments made by the Fund must be made in compliance with U.S. and foreign currency restrictions and tax laws restricting the amounts and types of foreign investments. The risks of foreign investing may be magnified for investments in issuers located in emerging market countries.

To the extent the Fund invests in depositary receipts, the Fund will be subject to many of the same risks as when investing directly in non-U.S. securities. The holder of an unsponsored depositary receipt may have limited voting rights and may not receive as much information about the issuer of the underlying securities as would the holder of a sponsored depositary receipt.

Foreign Currency Risk. Investments in securities that trade in and receive revenues in foreign currencies are subject to the risk that those currencies will decline in value relative to the U.S. dollar. Currency rates in foreign countries may fluctuate significantly over short periods of time. A decline in the value of foreign currencies relative to the U.S. dollar will reduce the value of securities held by the Fund and denominated in those currencies. Some foreign governments levy withholding taxes

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against dividend and interest income. Although in some countries portions of these taxes are recoverable, any amounts not recovered will reduce the income received by the Fund, and may reduce distributions to common shareholders. These risks are generally heightened for investments in emerging market countries.

Small and Mid-Cap Stock Risk. The Fund may invest in companies of any market capitalization. The Fund considers small companies to be those with a market capitalization up to \$2 billion and medium-sized companies to be those with a market capitalization between \$2 billion and \$10 billion. Smaller and medium-sized company stocks may be more volatile than, and perform differently from, larger company stocks. There may be less trading in the stock of a smaller or medium-sized company, which means that buy and sell transactions in that stock could have a larger impact on the stock's price than is the case with larger company stocks. Smaller and medium-sized companies may have fewer business lines; changes in any one line of business, therefore, may have a greater impact on a smaller or medium-sized company's stock price than is the case for a larger company. As a result, the purchase or sale of more than a limited number of shares of a small or medium-sized company may affect its market price. The Fund may need a considerable amount of time to purchase or sell its positions in these securities. In addition, smaller or medium-sized company stocks may not be well known to the investing public and may be held primarily by insiders or institutional investors.

Non-Investment Grade Securities Risk. Investments in securities of below investment grade quality, if any, are predominantly speculative because of the credit risk of their issuers. While offering a greater potential opportunity for capital appreciation and higher yields, preferred stocks and bonds of below investment grade quality (also known as "junk bonds") entail greater potential price volatility and may be less liquid than higher-rated securities. Issuers of below investment grade quality preferred stocks and bonds are more likely to default on their payments of dividends/interest and liquidation value/principal owed to the Fund, and such defaults will reduce the Fund's NAV and income distributions.

Interest Rate Risk. Interest rate risk is the risk that preferred stocks paying fixed dividend rates and fixed-rate debt securities will decline in value because of changes in market interest rates. When interest rates rise the market value of such securities generally will fall. An investment by the Fund in preferred stocks or fixed-rate debt securities means that the NAV and price of the common shares may decline if market interest rates rise. In typical interest rate environments, the prices of longer-term debt securities generally fluctuate more than the prices of shorter-term debt securities as interest rates change. These risks may be greater in the current market environment because certain interest rates are near historically low levels. During periods of declining interest rates, an issuer of preferred stock or fixed-rate debt securities may exercise its option to redeem securities prior to maturity, forcing the Fund to reinvest in lower yielding securities. During periods of rising interest rates, the average life of certain types of securities may be extended because of slower than expected payments. This may lock in a below market yield, increase the security's duration, and reduce the value of the security. The value of the Fund's common stock investments may also be influenced by changes in interest rates.

Credit Risk. Credit risk is the risk that an issuer of a preferred or debt security will become unable to meet its obligation to make dividend, interest and principal payments. In general, lower rated preferred or debt securities carry a greater degree of credit risk. If rating agencies lower their ratings of preferred or debt securities in the Fund's portfolio, the value of those obligations could decline.

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In addition, the underlying revenue source for a preferred or debt security may be insufficient to pay dividends, interest or principal in a timely manner.

Derivatives Risk. Although it may use other derivative instruments from time to time as described in the Statement of Additional Information, the Fund's derivatives usage to date has generally been limited to equity options, including writing covered calls, the purchase of calls and the sale of puts. A decision as to whether, when and how to use options involves the exercise or skill and judgment, and even a well-conceived transaction may be unsuccessful to some degree because of market behavior or unexpected events. The Fund may also, from time to time, choose to use interest rate swaps (or options thereon). Derivatives transactions of the types described above subject the Fund to increased risk of principal loss due to imperfect correlation or unexpected price or interest rate movements. The Fund's use of derivative instruments involves investments risks and transactions costs to which the Fund would not be subject absent the use of these instruments and, accordingly, may result in losses greater than if they had not been used. The Fund also will be subject to credit risk with respect to the counterparties to the over-the-counter derivatives contracts purchased by the Fund. If a counterparty becomes bankrupt or otherwise fails to perform its obligations under a derivative contract due to financial difficulties, the Fund may experience significant delays in obtaining any recovery under the derivative contract in a bankruptcy or other reorganization proceeding. The Fund may obtain only a limited recovery or may obtain no recovery in such circumstances. As a general matter, dividends received on hedged stock positions are characterized as ordinary income and are not eligible for favorable tax treatment. In addition, use of derivatives may give rise to short-term capital gains and other income that would not qualify for payments by the Fund of tax-advantaged dividends.

Preferred Stock Risks. The Fund may have exposure to preferred stocks. In addition to credit risk, investments in preferred stocks involve certain other risks. Certain preferred stocks contain provisions that allow an issuer under certain conditions to skip distributions (in the case of "non-cumulative" preferred stocks) or defer distributions (in the case of "cumulative" preferred stocks). If the Fund owns a preferred stock that is deferring its distributions, the Fund may be required to report income for tax purposes while it is not receiving income on this position. Preferred stocks often contain provisions that allow for redemption in the event of certain tax or legal changes or at the issuers' call. In the event of redemption, the Fund may not be able to reinvest the proceeds at comparable rates of return. Preferred stocks typically do not provide any voting rights, except in cases when dividends are in arrears beyond a certain time period, which varies by issue. Preferred stocks are subordinated to bonds and other debt instruments in a company's capital structure in terms of priority to corporate income and liquidation payments, and therefore will be subject to greater credit risk than those debt instruments. Preferred stocks may be significantly less liquid than many other securities, such as U.S. government securities, corporate debt or common stock.

Debt Securities Risk. In addition to credit risk, investments in debt securities carry certain risks including: redemption risk (debt securities sometimes contain provisions that allow for redemption in the event of tax or security law changes in addition to call features at the option of the issuer. In the event of a redemption, the Fund may not be able to reinvest the proceeds at comparable rates of return); limited voting rights (debt securities typically do not provide any voting rights, except in cases when interest payments have not been made and the issuer is in default; and liquidity (certain debt securities may be substantially less liquid than many other securities, such as U.S. government securities or common stocks).

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Inflation Risk. Inflation risk is the risk that the purchasing power of assets or income from investment will be worth less in the future as inflation decreases the value of money. As inflation increases, the real value of the common shares and distributions thereon can decline.

Illiquid Securities Risk. The Fund may invest in securities for which there is no readily available trading market or which are otherwise illiquid. The Fund may not be able readily to dispose of such securities at prices that approximate those at which the Fund could sell such securities if they were more widely traded and, as a result of such illiquidity, the Fund may have to sell other investments or engage in borrowing transactions if necessary to raise cash to meet its obligations. In addition, the limited liquidity could affect the market price of the securities, thereby adversely affecting the Fund's NAV.

Market Price of Common Shares. The shares of closed-end management investment companies often trade at a discount from their NAV, and the Fund's common shares may likewise trade at a discount from NAV. The trading price of the Fund's common shares may be less than the public offering price. The returns earned by common shareholders who sell their common shares below NAV will be reduced. As of October 31, 2021, the Fund's common shares are trading at a premium to NAV.

Management Risk. The Fund is subject to management risk because it has an actively managed portfolio. Reaves and the individual portfolio managers apply investment techniques and risk analyses in making investment decisions for the Fund, but there can be no guarantee that these will produce the desired results.

Market Disruption and Geopolitical Risk. The value of your investment in the Fund is based on the values of the Fund's investments, which may change due to economic and other events that affect markets generally, as well as those that affect particular regions, countries, industries, companies or governments. These movements, sometimes called volatility, may be greater or less depending on the types of securities the Fund owns and the markets in which the securities trade. The increasing interconnectivity between global economies and financial markets increases the likelihood that events or conditions in one region or financial market may adversely impact issuers in a different country, region or financial market. Securities in the Fund's portfolio may underperform due to inflation (or expectations for inflation), interest rates, global demand for particular products or resources, natural disasters, pandemics, epidemics, terrorism, regulatory events and governmental or quasi-governmental actions. The occurrence of global events similar to those in recent years, such as terrorist attacks around the world, natural disasters, social and political discord or debt crises and downgrades, among others, may result in market volatility and may have long term effects on both the U.S. and global financial markets. The occurrence of such events may be sudden and unexpected, and it is difficult to predict when similar events affecting the U.S. or global financial markets may occur, the effects that such events may have and the duration of those effects. Any such event(s) could have a significant adverse impact on the value, liquidity and risk profile of the Fund's portfolio, as well as its ability to sell securities to meet redemptions. There is a risk that you may lose money by investing in the Fund.

Social, political, economic and other conditions and events, such as natural disasters, health emergencies (e.g., epidemics and pandemics), terrorism, conflicts and social unrest, may occur and could significantly impact issuers, industries, governments and other systems, including the financial markets. As global systems, economies and financial markets are increasingly interconnected,

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events that once had only local impact are now more likely to have regional or even global effects. Events that occur in one country, region or financial market will, more frequently, adversely impact issuers in other countries, regions or markets. These impacts can be exacerbated by failures of governments and societies to adequately respond to an emerging event or threat. These types of events quickly and significantly impact markets in the U.S. and across the globe leading to extreme market volatility and disruption. The extent and nature of the impact on supply chains or economies and markets from these events is unknown, particularly if a health emergency or other similar event, such as the recent COVID-19 (the “Coronavirus”) outbreak, persists for an extended period of time. Social, political, economic and other conditions and events, such as natural disasters, health emergencies (e.g., epidemics and pandemics), terrorism, conflicts and social unrest, could reduce consumer demand or economic output, result in market closures, travel restrictions or quarantines, and generally have a significant impact on the economies and financial markets and the Adviser’s investment advisory activities and services of other service providers, which in turn could adversely affect the Fund’s investments and other operations. The value of the Fund’s investments may decrease as a result of such events, particularly if these events adversely impact the operations and effectiveness of the Adviser or key service providers or if these events disrupt systems and processes necessary or beneficial to the investment advisory or other activities on behalf the Fund.

Legislation, Policy and Regulatory Risk. At any time after the date of this report, legislation or additional regulations may be enacted that could negatively affect the assets of the Fund or the issuers of such assets. Recent changes in the U.S. political landscape and changing approaches to regulation may have a negative impact on the entities and/or securities in which the Fund invests. Legislation or regulation may also change the way in which the Fund itself is regulated. New or amended regulations may be imposed by the Commodity Futures Trading Commission (“CFTC”), the SEC, the Board of Governors of the Federal Reserve System (the “Federal Reserve”) or other financial regulators, other governmental regulatory authorities or self-regulatory organizations that supervise the financial markets that could adversely affect the Fund. In particular, these agencies are empowered to promulgate a variety of new rules pursuant to financial reform legislation in the United States. There can be no assurance that future legislation, regulation or deregulation will not have a material adverse effect on the Fund or will not impair the ability of the Fund to achieve its investment objective. The Fund also may be adversely affected by changes in the enforcement or interpretation of existing statutes and rules by these governmental agencies.

Portfolio Turnover Risk. The techniques and strategies contemplated by the Fund might result in a high degree of portfolio turnover. The Fund cannot accurately predict its securities portfolio turnover rate, but anticipates that its annual portfolio turnover rate will not exceed 100% under normal market conditions, although it could be materially higher under certain conditions. Higher portfolio turnover rates could result in corresponding increases in brokerage commissions and generate short-term capital gains taxable as ordinary income.

Portfolio Manager Information

Since the prior disclosure date, there have been no changes in the Fund’s portfolio managers or their business experience.

Fund Organizational Structure

Since the prior disclosure date, there have been no changes in the Fund’s charter or by-laws that would delay or prevent a change of control of the Fund that have not been approved by shareholders.

REAVES UTILITY INCOME FUND

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This Fund is neither insured nor guaranteed by the U.S. Government, the FDIC, the Federal Reserve Board or any other governmental agency or insurer.

For more information, please call 1-800-644-5571.

Secondary market support provided to the Fund by ALPS Fund Services, Inc.'s affiliate ALPS Portfolio Solutions Distributor, Inc., a FINRA member.