

## Press Release

# “UTES” Celebrates Two-Year Anniversary As An Actively Managed Utilities ETF

**New York – October 10, 2017** – The Reaves Utilities ETF (NYSE MKT: UTES) has marked its second anniversary\*. The first and only actively managed utilities exchange-traded fund, UTES has outperformed its passive benchmark index, the S&P 500 Utilities Index\*\* for the period from inception through 9/30/17. During this period, UTES had an annualized return of 18.11%, net of all fees and expenses, compared to the 16.30% return of the passive index while providing its investors with full transparency and daily updates on its holdings. The fund’s Total Annual Operating Expense is 0.95%.

UTES benefits from Reaves Asset Management’s nearly 40 years of experience investing in the utilities sector. Employing a relative value strategy focused on companies with potential for consistent long-term earnings and dividend growth, the Fund’s active structure allows its portfolio managers the flexibility to adjust holdings at any time in response to regulatory developments and other fundamental events.

“Reaching the two-year mark is an important milestone for us,” said John Bartlett, co-portfolio manager of UTES. “In our view, the fundamental outlook for utilities is positive with a supportive regulatory environment and multiple opportunities for companies to make needed investments in infrastructure and earn an acceptable return.”

The Fund’s portfolio managers have constructed the portfolio with a focus on seeking to reduce certain risks arising from commodities and foreign exchange exposure that investors may take on unknowingly when investing in a passive utilities index. UTES’ portfolio managers also have the discretion to invest in well managed mid- and small-cap companies not found in many of the market-cap weighted passive index funds.

“Our ability to invest in companies regardless of their inclusion in an index is a key aspect of our Fund’s active strategy,” said UTES’ co-portfolio manager Jay Rhame. “By omitting certain indexed stocks and adding others not in an index, we seek to avoid some of the downside that a passive index-tracking fund captures in full and recover upside from other areas.”

As an actively managed ETF, the Reaves Utilities ETF does not seek to replicate the performance of a specified passive index of securities. More information on UTES can be found at [virtusetfs.com](http://virtusetfs.com).

For more information about Reaves Asset Management and its investible products, or to arrange an interview with its portfolio managers, please contact:

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*\*Inception date was 9/23/15*

**\*\*Index: S&P 500 Utilities Index**

The S&P 500® Utilities Index is a free-float market capitalization-weighted index comprised of companies

included in the S&P 500 utilities sector. The index is calculated on a total return basis with dividends reinvested. The index is unmanaged, its returns do not reflect any fees, expenses, or sales charges, and is not available for direct investment.

	Performance (%) as of September 30, 2017				
	1 Month	3 Months	YTD	1 Year	Since Inception***
<b>NAV</b>	-3.40	1.63	13.95	12.39	18.11
<b>MKT Price</b>	-3.39	1.62	13.91	12.35	18.11
<b>Index</b>	-2.74	2.87	11.87	12.03	16.30

**Performance data quoted represents past results. Past performance is no guarantee of future results and current performance may be higher or lower than the performance shown. Investment return and principal value will fluctuate so your shares, when redeemed, may be worth more or less than their original cost. Please visit [www.virtusetfs.com](http://www.virtusetfs.com) for performance data current to the most recent month-end.**

The Fund's Total Annual Operating Expense is 0.95%.

Expenses are based on estimated amounts for the current fiscal year. The management fee is structured as a "unified fee", out of which the Fund's sub-adviser pays all routine expenses for the Fund, except payments under any 12b-1 plan; taxes and other governmental fees; brokerage fees, commissions and other transaction expenses; interest and other costs of borrowing money; litigation or arbitration expenses; acquired fund fees and expenses; and extraordinary expenses of the Fund, each of which is paid by the Fund.

**NAV returns are calculated using the Fund's daily 4:00 p.m. NAV, and include the reinvestment of all dividends and other distributions (reinvested at the Fund's NAV on distribution ex-date). Market price returns are calculated using the 4:00 pm midpoint between the bid and offer, and include the reinvestment of all dividends and other distributions (reinvested at the 4:00pm bid/offer midpoint on distribution ex-date). Market price returns do not represent the return you would receive if you traded at other times.**

**You should consider the fund's investment objectives, risks, and charges and expenses carefully before investing. Contact Virtus ETF Solutions at 1-888-383-0553 or visit [www.virtusetfs.com](http://www.virtusetfs.com) to obtain a prospectus which contains this and other information about the fund. The prospectus should be read carefully before investing.**

**Fund Risks - Equity Securities:** The market price of equity securities may be adversely affected by financial market, industry, or issuer-specific events. Focus on a particular style or on small or medium-sized companies may enhance that risk. **Utility Sector Concentration:** The fund's investments are concentrated in the utility sector and may present more risks than if the fund were broadly diversified over numerous sectors of the economy. **Industry/Sector Concentration:** A fund that focuses its investments in a particular industry or sector will be more sensitive to conditions that affect that industry or sector than a non-concentrated fund. **Prospectus:** For additional information on risks, please see the fund's prospectus.

There is no guarantee that the fund's strategy will be achieved.

Virtus ETF Advisers LLC serves as the investment adviser and W.H. Reaves & Co., Inc. (d/b/a Reaves Asset Management) serves as the investment sub-adviser to the Fund. **The Fund is distributed by ETF Distributors LLC, an affiliate of Virtus ETF Advisers LLC**