

First Actively Managed Utilities ETF “UTES” Celebrates One Year of Operation

ETF has benefitted from Reaves Asset Management’s 50 years of expertise in the sector

New York – September 28, 2016 – The Reaves Utilities ETF (Ticker: UTES) has marked its first full year of management. (Inception date of the fund is 9/23/2015.) UTES is the only actively managed and fully transparent utilities exchange traded fund (ETF). In its first year of operations, UTES’s managers have employed a relative value strategy, to focus on distinctive opportunities in the utilities sector that have the potential for consistent earnings growth in the long term. UTES had a total return, including reinvested distributions, of 29.02% in its first full year of operations which outperformed its benchmark* by 321 basis points. The fund’s Total Annual Operating Expense is 0.95%.

As a niche expert with over 50 years’ experience in the utilities sector, Reaves’ UTES portfolio managers actively manage issues and unintended risks often inherent in a passive utilities benchmark. This active strategy has allowed for Reaves’ managers to navigate factors such as complex regulation, and seeks to protect the funds from exposure to risk from commodities and foreign exchange.

“After one year, we are confident that our active approach in managing UTES has helped us deliver a strong return with what we believe is less risk than our peers,” said John Bartlett, UTES’s co-portfolio manager at Reaves Asset Management. “More importantly, though, we look forward to generating superior value for our investors over the long term.”

UTES is fully transparent and invests in utilities without regard to market cap or dividend yield, as it seeks to deliver risk-adjusted total returns.

“In our first year of UTES’s operations, Reaves has utilized its industry experience and proprietary research to include utilities firms that we believe have a forecast for growth at below-market risk,” noted UTES’s co-portfolio manager Jay Rhame. “We believe that the portfolio offers the opportunity for consistent earnings and dividend growth, potentially offering a more attractive income opportunity over time than fixed-income alternatives.”

Entering its second year of operations, Reaves Utilities ETF intends to continue to invest in securities across the utilities sector, including but not limited to firms that participate in electrical distribution and transmission, gas distribution, water distribution, independent power producers and YieldCos, as well as vertically integrated and traditional utilities.

As an actively-managed ETF, the Reaves Utilities ETF does not seek to replicate the performance of a specified passive index of securities. The expense ratio for the fund is 0.95% and more information on UTES can be found at ReavesETFs.com.

About Reaves Asset Management

Founded in 1961 as an investment research boutique, Reaves Asset Management has a long performance record of managing institutional equity portfolios. Utilities, telecom, and energy infrastructure securities are the focus of the firm’s research and investment activities.

Reaves’ extensive industry expertise, combined with a team consensus approach, has been the foundation of its investment decisions, focusing on preserving capital, generating current income, and delivering long-term growth to investors.

Reaves Asset Management is based in Jersey City, NJ and currently has approximately \$2.8 billion in assets under management. For more information, visit reavesassetmanagement.com.

Media Contacts:

Stephanie Dilorio
sdilorio@intermarket.com
212-754-5181

Eleis Brennan
ebrennan@intermarket.com
212-754-5610

***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.

| Quarterly Performance (%) (as of 6/30/2016) | | | |
|---|-------|-------|-------|
| | 1 Mo. | 3 Mo. | YTD |
| NAV | 8.55 | 9.25 | 24.64 |
| MKT Price | 8.55 | 9.26 | 24.65 |
| Index | 7.81 | 6.79 | 23.41 |

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

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.reavesetfs.com for performance data current to the most recent month-end.

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.reavesetfs.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.

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.**