



Reaves Asset Management

Separately
Managed
Accounts

Fourth Quarter 2019

LONG TERM VALUE STRATEGY

UTILITIES AND ENERGY INFRASTRUCTURE

RESEARCH AND INVESTMENTS

SINCE 1961

Reaves Asset Management has researched infrastructure related investments for 58 years and has a 42-year track record¹ of successful investment management.

Reaves invests primarily in listed equities in the energy, electric utility, communications, gas utility, water utility sectors, and the companies that support these industries. These companies have historical track records of paying dividends and, in many cases, increasing these dividends.

Dividends Matter.

The Evolution of Reaves Research



1960

W. H Reaves & Co., Inc. founded as an investment research company

Reaves segments Energy as a separate component of its research

1970



1980

Reaves segments Telecom as a separate component of its research

Reaves segments Water Utilities as a separate component of its research

1990



2010

Reaves segments Alternative Energy as a separate component of its research

Consistency of Performance

- Reaves' portfolios^{1,5} have generated positive returns in 385 of 385 rolling 10-year periods since inception.³
- The lowest annualized return in any 10-year period since inception was 4.0%.
- The S&P 500 Index lost money in 24 of 385 rolling 10-year periods with an average annualized loss of -1.24% and a maximum annualized loss of -3.43%.

Source: eVestment Analytics
 First 10-year period ends 12/31/87.
 Reaves= Reaves ERISA Composite, Inception date:1/1/78
 Reaves ERISA Composite ended 12/20/19.

Why Reaves Investment Universe is Attractive Now

- Focus on critical, non-discretionary sectors
- Insufficient historical infrastructure development, relative to economic and population growth, has resulted in a favorable current investment climate
- High level of regulation and business complexity results in competitive advantage for those with superior experience
- Market volatility can create significant trading opportunities
- Dividend and cash yields are favorable

Investment Objective

To provide long-term growth of capital by investing in companies with the potential to generate steady increases in earnings and dividends.

Distinguishing Characteristics

Relative to the broad stock market, Reaves' portfolios typically have higher dividend yields, low beta, and less volatility. Fundamental, bottom-up research and equity analysis is employed by an experienced investment team with expertise in the utilities, communications, and energy sectors.

Portfolio Positioning

Designed for investors seeking to complement other investments or asset classes with a more defensive income-oriented portfolio which has historically outperformed the S&P 500 Index in challenging market environments.

Alignment of Interests

Reaves' employees, through our Profit Sharing Trust, invest alongside our clients⁴ which leads to both greater focus and an alignment of interests.

See endnotes for important disclosures and definitions.

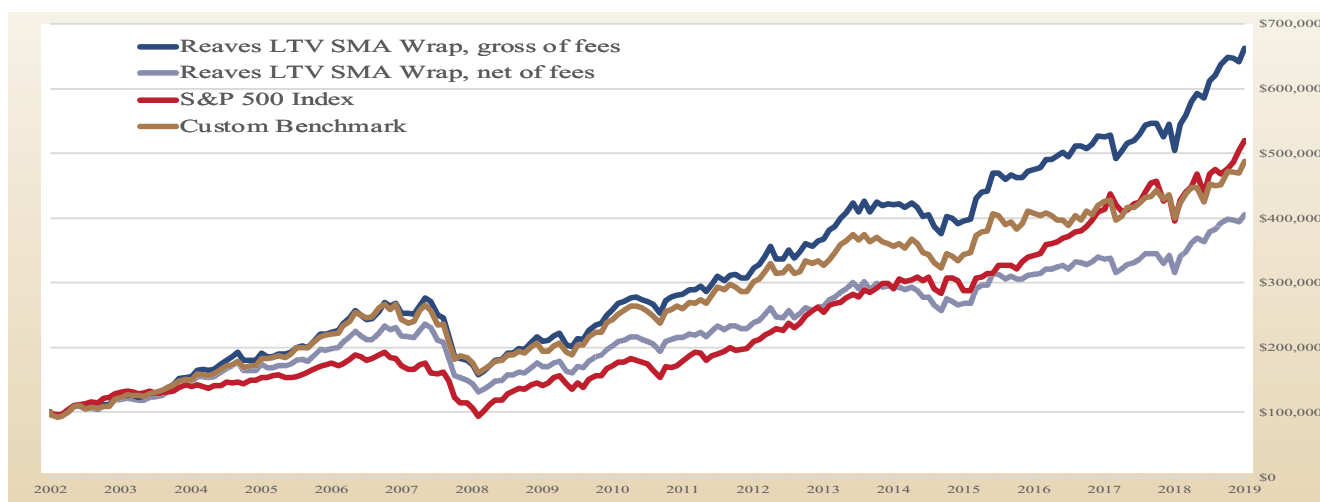
Reaves Performance During Best and Worst 5-Year Periods¹ (1978 - 2019)

| Time Period | S&P 500 Index Cumulative Total Return | Reaves ERISA, net of fees Cumulative Total Return |
|-------------------------------------|--|--|
| March 1, 2004 - February 28, 2009 | - 29.1% | + 21.6% |
| April 1, 2004 - March 31, 2009 | - 21.7% | + 26.0% |
| February 1, 2004 - January 31, 2009 | - 19.5% | + 35.8% |
| April 1, 1998 - March 1, 2003 | - 17.5% | - 1.5% |
| April 1, 2000 - March 1, 2005 | - 14.8% | + 41.2% |
| August 1, 1982 - July 31, 1987 | + 266.0% | + 262.9% |
| January 1, 1995 - December 31, 1999 | + 251.1% | + 131.5% |
| July 1, 1982 - June 30, 1987 | + 242.2% | + 258.5% |
| July 1, 1994 - June 30, 1999 | + 241.9% | + 145.1% |
| September 1, 1982 - August 31, 1987 | + 238.6% | + 240.5% |

**Reaves ERISA Composite (Reaves LTV) is also referred to as the Reaves Long Term Value Strategy. Reaves ERISA Composite ended 12/20/19.*

See endnotes for other important disclosures and definitions.

Growth of \$100,000* 1/1/2003 - 12/31/2019²



**Calculated by eVestment Analytics with data supplied by Reaves.*

Reaves LTV SMA Wrap is also referred to as the Reaves Long Term Value SMA Wrap Composite.

Custom Benchmark = 33.3% S&P 500 Utilities Index, 33.3% S&P 500 Energy Index, 33.3% S&P 500 Telecommunications Services Index, rebalanced monthly.

See endnotes for important disclosures and definitions.

Top Ten Security Holdings^{2,5}

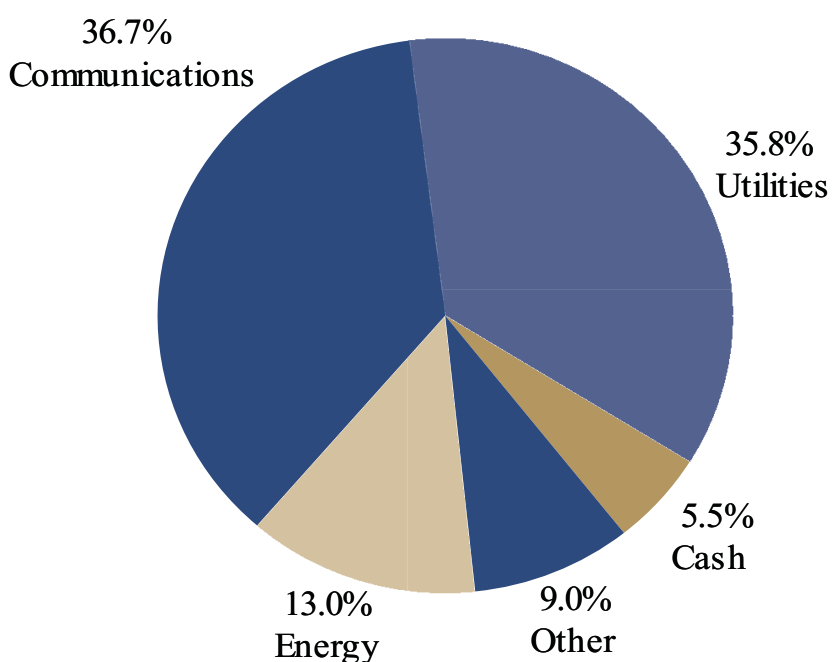
as of 12/31/19

| | (%) |
|----------------------------|------|
| NextEra Energy Inc. | 5.49 |
| Charter Communications | 5.10 |
| Equinix Inc. | 4.90 |
| Altice USA Inc. | 4.70 |
| SBA Communications | 4.48 |
| American Water Works | 4.31 |
| Crown Castle International | 4.17 |
| TC Energy | 4.10 |
| Eversource Energy | 4.06 |
| Alphabet Inc. | 3.97 |

Holdings are subject to change.

Data is for Reaves LTV SMA Wrap Composite.

Portfolio Composition^{2,5} as of 12/31/19



Communications = Communication Services and Real Estate (REITs)

REITs = Equity Real Estate Investment Trusts

Other = Industrials

Cash = Cash and equivalents

Data is for Reaves LTV SMA Wrap Composite.

Top Contributors and Detractors^{2,5}

| Top Contributors | | Top Detractors | |
|---------------------------|------------------------|-----------------|--------------------|
| Q4 2019 | CY 2019 | Q4 2019 | CY 2019 |
| Charter Communications | Charter Communications | CoreSite Realty | CBS / ViacomCBS |
| Alphabet | Equinix | Altice USA | Vistra Energy |
| Pioneer Natural Resources | Altice USA | NiSource | EOG Resources |
| Kansas City Southern | NextEra Energy | Vistra Energy | Marathon Petroleum |
| Telus | SBA Communications | DTE Energy | Telus |

Data is for Reaves LTV SMA Wrap Composite.

See endnotes for important disclosures and definitions.

10-Year Annual Returns² (%) as of 12/31/19

| | Reaves (gross of fees) | Reaves (net of fees) | S&P 500 Index | Russell 1000 Value Index | S&P 500 Utilities Index | S&P 500 Energy Index | DJ U.S. Select Telecom Index |
|------|---------------------------|-------------------------|------------------|-----------------------------|----------------------------|-------------------------|---------------------------------|
| 2019 | 31.38 | 28.21 | 31.49 | 26.54 | 26.35 | 11.81 | 16.74 |
| 2018 | -3.98 | -6.36 | -4.38 | -8.27 | 4.11 | -18.10 | -8.45 |
| 2017 | 11.01 | 8.24 | 21.83 | 13.66 | 12.11 | -1.01 | -11.86 |
| 2016 | 21.03 | 17.50 | 11.96 | 17.34 | 16.29 | 27.36 | 22.27 |
| 2015 | -7.43 | -10.18 | 1.38 | -3.83 | -4.85 | -21.12 | 0.76 |
| 2014 | 15.58 | 12.20 | 13.69 | 13.45 | 28.98 | -7.78 | 0.53 |
| 2013 | 18.58 | 15.12 | 32.39 | 32.53 | 13.21 | 25.07 | 26.66 |
| 2012 | 9.58 | 6.36 | 16.00 | 17.51 | 1.29 | 4.61 | 19.00 |
| 2011 | 12.08 | 8.79 | 2.11 | 0.39 | 19.91 | 4.72 | -6.93 |
| 2010 | 15.53 | 12.15 | 15.06 | 15.51 | 5.46 | 20.46 | 21.34 |

Reaves = Reaves Asset Management Long Term Value SMA Wrap Composite

Transition from Reaves ERISA Composite¹ to LTV Wrap Composite²

Performance data cited in this brochure in the past has referenced the Reaves LTV Strategy ERISA Composite which reflected the returns of corporate ERISA pension accounts managed by Reaves Asset Management (see full definition in the notes on the back page of the brochure).

Beginning with the Q4 2019 brochure, Reaves will be reporting performance data for its Long Term Value Strategy SMA Wrap Composite (“LTV SMA Wrap”) on both a gross-of-fees and net-of-fees basis. Reaves has managed individual accounts contained in wrap programs since 2002 and this Composite represents the investment performance of these accounts.

The reason for this change is that the Reaves business model has gradually shifted away from the management of defined benefit pension plans. Today, our firm manages a multi-billion dollar closed-end fund, a traditional mutual fund, and an exchange-traded fund, each with a shareholder base comprised primarily of individual investors.

Reaves also provides its investment management services on a separately managed account basis through financial advisors at various brokerage firms in the form of wrap accounts. Wrap accounts typically charge a bundled fee which includes both the fee of the wrap sponsor and the investment fee charged by Reaves.

Due to compliance requirements, the net-of-fees calculation is computed based on the highest annual fee assigned by any wrap sponsor who utilizes this portfolio in an investment wrap program (300 basis points from 1/1/03 through 12/31/16 and, effective 1/1/2017, 250 basis points). See Form ADV Part 2A for Reaves' Standard Advisory Fee Schedule.

Annualized rates of return² (%) as of 12/31/19⁺

| | QTD | 1 Yr | 3 Yrs | 5 Yrs | 10 Yrs | 15 Yrs | Since Inception |
|-------------------------|------|-------|-------|-------|--------|--------|--------------------|
| Reaves (gross of fees) | 2.20 | 31.38 | 11.88 | 9.43 | 11.80 | 10.24 | 11.76 |
| Standard deviation | | 8.9% | 9.9% | 10.2% | 10.5% | 12.1% | 12.1% |
| Reaves (net of fees) | 1.57 | 28.21 | 9.13 | 6.52 | 8.68 | 7.11 | 8.58 |
| Standard deviation | | 8.9% | 9.9% | 10.2% | 10.5% | 12.1% | 12.1% |
| S&P 500 Index | 9.07 | 31.49 | 15.27 | 11.70 | 13.56 | 9.00 | 10.18 |
| Standard deviation | | 12.9% | 12.1% | 12.0% | 12.5% | 13.8% | 13.4% |
| Russell 1000 Value | 7.41 | 26.54 | 9.68 | 8.29 | 11.80 | 7.63 | 9.34 |
| Standard deviation | | 13.5% | 12.0% | 12.0% | 12.7% | 14.4% | 14.0% |
| S&P 500 Utilities Index | 0.75 | 26.35 | 13.82 | 10.29 | 11.80 | 9.85 | 11.56 |
| Standard deviation | | 8.3% | 10.1% | 11.9% | 11.8% | 12.9% | 13.0% |
| S&P 500 Energy Index | 5.49 | 11.81 | -3.22 | -1.85 | 3.32 | 5.57 | 8.04 |
| Standard deviation | | 22.3% | 20.4% | 20.0% | 19.5% | 20.8% | 20.2% |
| DJ U.S. Sel Tel Index | 3.22 | 16.74 | -1.97 | 3.02 | 7.10 | 4.82 | 6.80 |
| Standard deviation | | 14.9% | 13.8% | 14.5% | 14.7% | 16.7% | 16.6% |

Reaves = Reaves Asset Management Long Term Value SMA Wrap Composite +Inception date:1/1/2003

All indices are adjusted for dividends.

See endnotes for important disclosures and index definitions.

Portfolio Managers and Analysts

Joseph (Jay) Rhame, III, CFA



Chief Executive Officer and Portfolio Manager
14 years experience

Mr. Rhame began serving as Reaves' Chief Executive Officer on January 1, 2019.

He is a member of the portfolio management team and serves on the risk management committee.

Mr Rhame joined Reaves Asset Management as a full time employee in 2005. Previously, he served as an energy and utility analyst and as one of the Firm's traders.

Mr. Rhame received a B.A. from St. Mary's College of Maryland and is a CFA Charterholder.

Timothy O. Porter, CFA

Chief Investment Officer*, Portfolio Manager and Analyst
Specializing in energy companies
23 years experience

John P. Bartlett, CFA

President, Portfolio Manager and Analyst
Specializing in electric utilities and industrial companies
25 years experience

Brian Weeks

Vice President, Director of Research*, Portfolio Manager and Analyst
14 years experience

William A. Ferer

Vice President and Analyst
47 years experience

*Effective January 1, 2020

For further information, please contact the Reaves sales desk at 1.800.975.8395 or visit our website at reavessassetmanagement.com

Reaves Asset Management is an investment adviser registered with the Securities and Exchange Commission under the Investment Advisers Act of 1940. Reaves is a privately held, employee-owned "S" corporation organized under the laws of the State of Delaware.

Reaves Asset Management claims compliance with the Global Investment Performance Standards (GIPS®). The verification reports are available upon request. GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein.

Reaves' Long Term Value Strategy seeks a high risk-adjusted total return. The strategy tends to be invested in relatively larger companies with strong balance sheets, good cash flow and a history of dividend growth. Core positions are accumulated in financially strong, high-quality companies and generally have the following characteristics: strong management, above industry-average growth rates, large/mid-market capitalization and low price-earnings multiples.

1 Reaves performance data is the Reaves ERISA Composite and, unless otherwise noted, all data is net of fees. The Reaves ERISA Composite reflects the dollar-weighted return of all corporate ERISA pension accounts with assets of at least \$1,000,000 under management for all periods presented (the minimum was \$900,000 during the period 08/31/10-06/22/12). Returns are time-weighted and include the reinvestment of all dividends and other earnings, net of commissions. The table showing Reaves Performance During Best and Worst 5-Year periods (1978-2019) does not represent performance for all periods under management. The ERISA Composite does not reflect all of the Reaves' assets under management. Reaves ERISA Composite ended on 12/20/19.

2 The Reaves Long Term Strategy (LTV) is represented by the Long Term Value Strategy SMA Wrap Composite. This composite contains those LTV discretionary portfolios with wrap (bundled) fees. Wrap accounts are charged a bundled fee which includes the wrap sponsor fee, as well as, Reaves' investment advisory fee. Due to compliance requirements, the net-of-fees calculation is computed based on the highest annual fee assigned by any wrap sponsor who utilizes this portfolio in an investment wrap program (300 basis points from 1/1/03 through 12/31/16 and, effective 1/1/2017, 250 basis points). LTV SMA Wrap Composite performance consists of money-weighted, time-weighted returns and it includes the reinvestment of all dividends and other earnings. The inception date of the composite is December 2002; however, the composite was created in January 2013. This composite has been managed in a similar manner to the Reaves Long Term Value Strategy ERISA Composite which ended in December of 2019. The LTV SMA Wrap Composite does not represent all of Reaves' assets under management.

3 **Rolling returns** reflect the cumulative return on a continuously held investment over a number of consecutive periods, calculated monthly.

4 Reaves maintains an employee Profit Sharing Trust (PST). Most current and some past employees are participants in the Trust. The PST may purchase or sell the same securities as Reaves transacts for its investment advisory clients.

5 Reaves' portfolio characteristics, holdings and sector weightings are subject to change at any time and, unless otherwise noted, are based on our Long Term Value Strategy. Holdings, sector weightings and portfolio characteristics of individual client portfolios may differ, sometimes significantly, from those shown. This information does not constitute, and should not be construed as, investment advice or recommendations with respect to the securities and sectors listed. The table showing the Top Contributors and Detractors does not represent all of the securities purchased or sold for Reaves' clients during the periods provided. Cash is cash and cash equivalents.

Standard deviation is a measure of the variability of returns-the higher the standard deviation, the greater the range of performance (i.e. volatility). The data shown reflects the deduction of investment management fees and/or transactions costs. Standard deviation is based on quarterly data. The risk/return data shown are based on historical annualized rates of return and standard deviations of the Reaves LTV SMA Wrap Composite.

Past results do not guarantee future performance. Further, the investment return and principal value of an investment will fluctuate; thus investor's equity, when liquidated, may be worth more or less than the original cost. This document provides only impersonal advice and/or statistical data and is not intended to meet objectives or suitability requirements of any specific individual or account.

CFA- Chartered Financial Analyst is a professional designation issued by the CFA Institute. Upon successful completion of the program the candidate is awarded a "CFA charter" and becomes a "CFA Charterholder". CFA® and Chartered Financial Analyst® are registered trademarks owned by CFA Institute.

All data is presented in U.S. dollars.

Index Definitions:

The **S&P 500 Index** is a capitalization-weighted index of 500 stocks designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries. The typical Reaves portfolio includes a significant percentage of assets that are also found in the S&P 500. However, Reaves' portfolios are far less diversified, resulting in higher sector concentrations than found in the broad-based S&P 500 Index.

The **S&P 500 Utilities Index** is a capitalization-weighted index containing electric and gas utility stocks (including multi-utilities and independent power producers). Prior to July 1996, this index included telecommunications equities.

The **S&P 500 Energy Index** comprises those companies included in the S&P 500 that are classified as members of the energy sector.

The **S&P 500 Telecommunication Services Index** is a float-adjusted capitalization-weighted index comprised of five companies included in the S&P 500 that are classified as members of the telecommunication services sector.

The **Dow Jones U.S. Select Telecommunications Index** measures the performance of the telecommunications sector of the U.S. equity market, including fixed-line communications and wireless communications.

Russell 1000 Value Index measures the performance of those Russell 1000 companies with lower price-to-book ratios and lower forecasted growth values. These stocks are selected from the 1,000 largest companies in the Russell 3000 Index. Reaves' portfolios are far less diversified, resulting in higher sector concentrations than found in the broad-based Russell 1000 Value Index.

An investor cannot invest directly in an index. Past performance is no guarantee of future results. All investments involve risk, including loss of principal.

Important Tax Information: Reaves Asset Management and its employees are not in the business of providing tax or legal advice to taxpayers. Any such taxpayer should seek advice based on the taxpayer's particular circumstances from an independent tax adviser.

Fees: Net performance reflects the deduction of advisory fees which are described in detail in our Form ADV Part 2A. For fee schedules, please contact your financial professional for a copy of our Form ADV Part 2A.

2020 ©Reaves Asset Management (W. H. Reaves & Co., Inc.)

Reaves Asset Management

10 Exchange Place, 18th Floor
Jersey City, NJ 07302