

**Reaves**

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Asset Management

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**Built for the Long Haul**

NBC Securities April 2026

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Reaves Asset Management 2026

# Who we are

Founded in 1961 as a fundamental utility equity research firm, Reaves Asset Management applies its over 60 years of experience in the sector in the management of defensive equity portfolios focused on income and total return for our clients.

- ✓ Asset Under Management (3/31/26): \$6.3 billion
- ✓ Number of Employees: 20
- ✓ Number of Investment Professionals: 7
- ✓ Average Investment Experience: 21 years



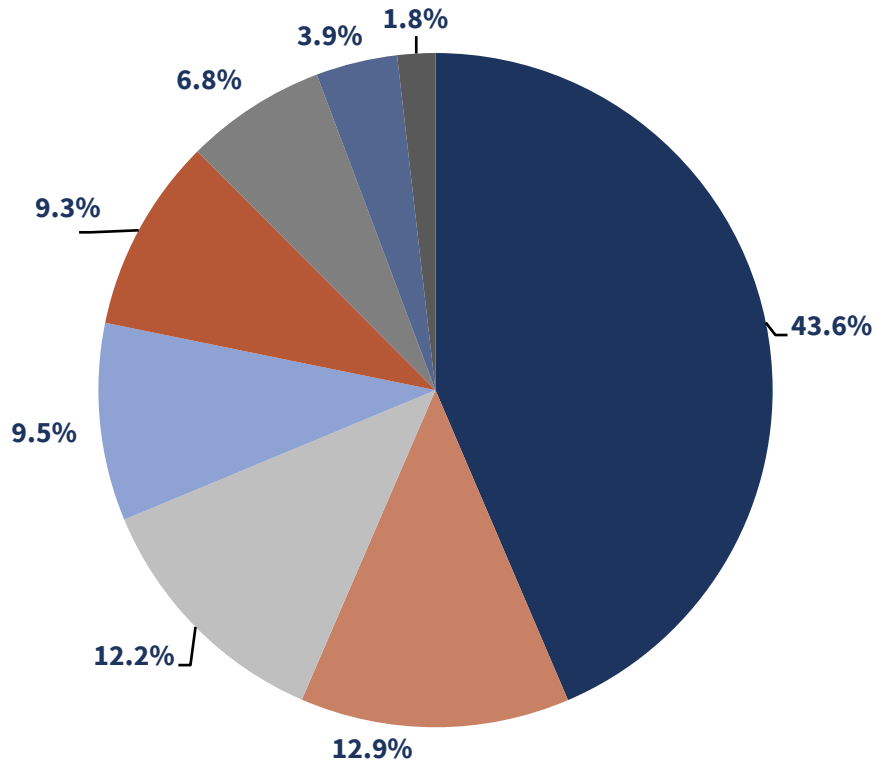
- ✓ **Reaves Long Term Value Strategy** The strategy seeks to provide long-term growth in capital by investing in the common stock of infrastructure companies with the potential to generate steady growth in cash flow, earnings, and dividends.
- ✓ **Reaves Utility Income Fund (UTG)** The Fund's investment objective is to provide a high level of after-tax income and total return consisting primarily of tax-advantaged dividend income and capital appreciation.
- ✓ **Virtus Reaves Utilities ETF (UTES)** The Fund seeks to provide total return through a combination of capital appreciation and income, primarily through investments in equity securities of companies in the utility sector

# Defensive discipline

- ✓ Conservative, defensive equity strategies comprised of essential infrastructure businesses with competitive long-term returns
- ✓ Reaves emphasizes long-term fundamentals and companies with common, defensive characteristics such as:
  - ✓ High barriers to entry
  - ✓ Limited competition
  - ✓ Essential businesses providing a non-discretionary service
  - ✓ Historically demonstrate the ability to consistently grow earnings and dividends
- ✓ Lower volatility and less correlation than the S&P 500 Index and Russell 1000 Value Index\*
- ✓ Above average dividend yield

*\* Since inception (1/1/2003)*

# Utility & utility-like businesses



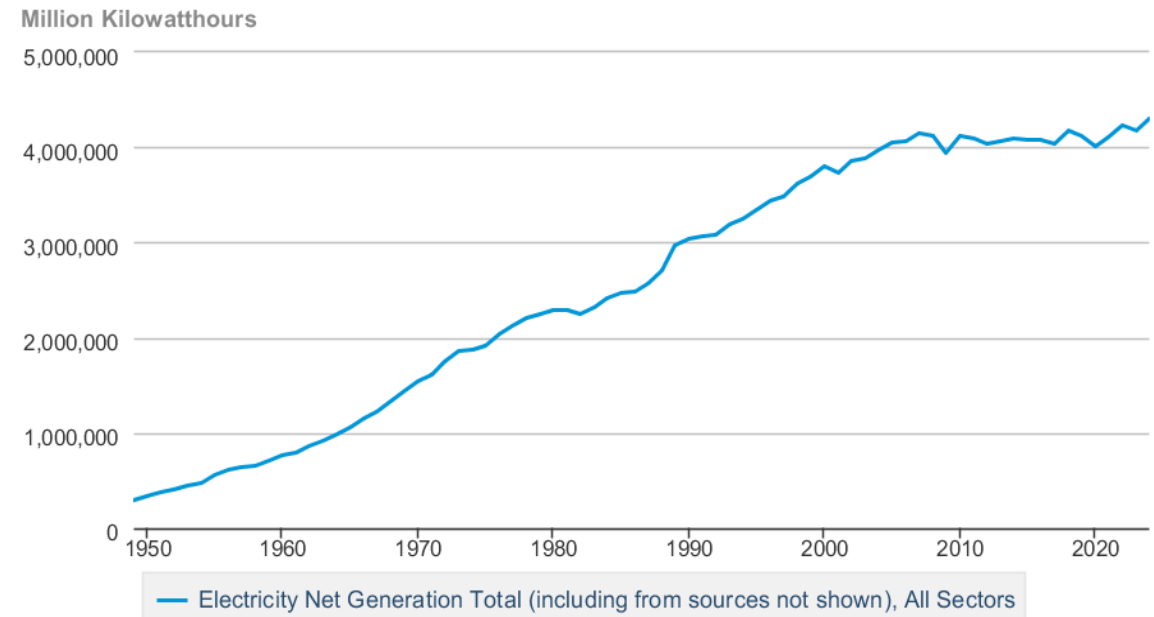
- ✓ **Utilities (43.6%)**  
NI, ETR, IDA, TLN, CEG, SRE, WEC, AEE, XEL, NEE, CNP, PPL, LNT, VST
- ✓ **Energy (12.9%)**  
DTM, WMB, MPC
- ✓ **Industrials (12.2%)**  
PWR, JCI, DY, GEV, TIC
- ✓ **Information Technology (9.5%)**  
GLW, ANET, LITE, COHR, FFIV
- ✓ **REITs (9.3%)**  
EQIX, IRM, DLR, CCI
- ✓ **Materials (6.8%)**  
CCJ, LEU, MP
- ✓ **Communication Services (3.9%)**  
TMUS
- ✓ **Cash & Equivalents (1.8%)**

(as of 3/31/26)

# Why Now?

- ✓ Strong fundamentals and earnings guidance
- ✓ Early innings of long-term power demand cycle
- ✓ Increasing domestic manufacturing & nearshoring
- ✓ Macroeconomic uncertainty potentially benefiting defensive businesses

Table 7.2a Electricity Net Generation: Total (All Sectors)

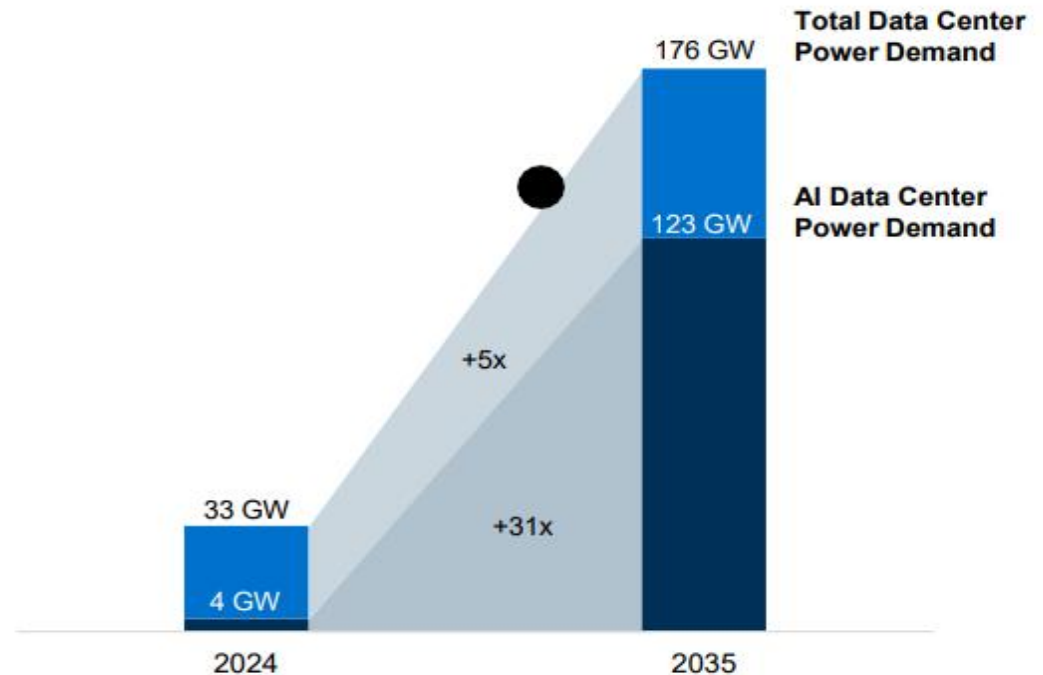


Data source: U.S. Energy Information Administration

# Power is essential for AI expansion

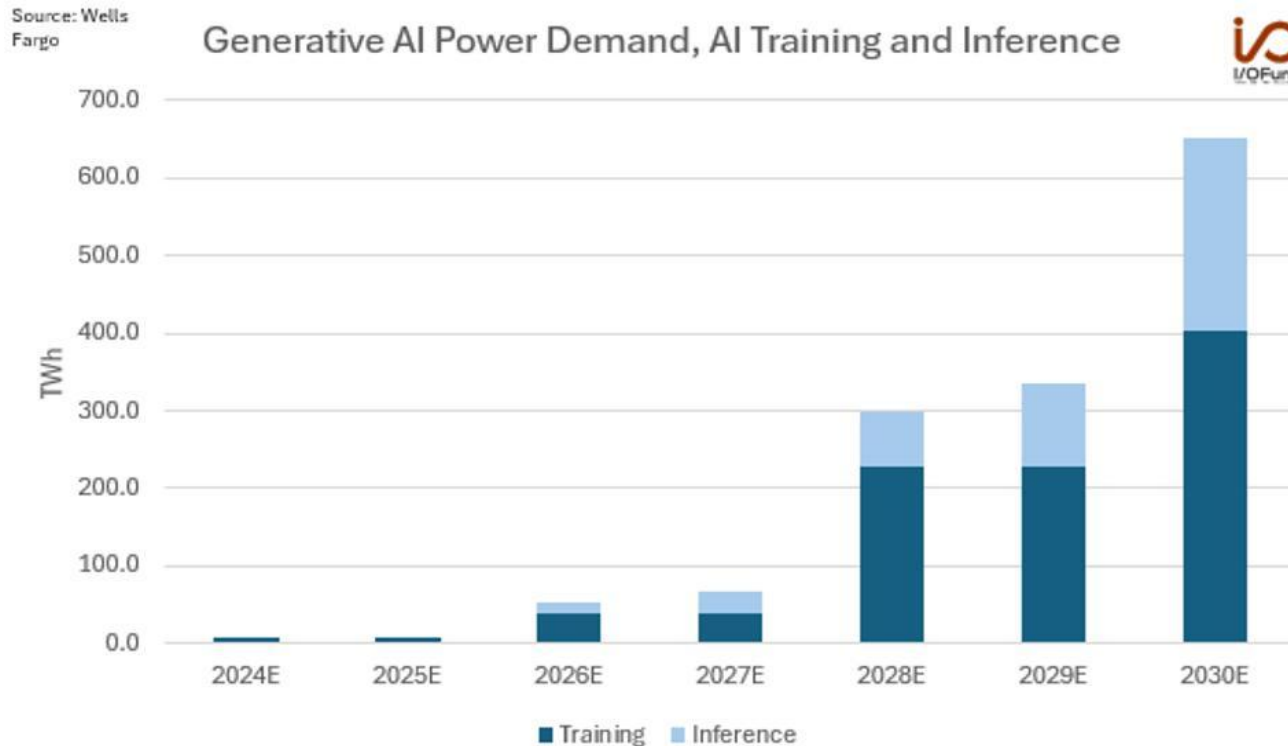
- ✓ Mega-cap tech companies leading the expansion of AI are expected to spend over \$600 billion a year in capex creating the need for greater than 10 gigawatts of new power demand annually
- ✓ Advanced processors behind AI learning models require exponentially more power
- ✓ Increasing rack density within data centers creates significant heat
- ✓ Data center cooling requirements to grow as capacity and processing power expand with AI

U.S. POWER DEMAND FROM AI DATA CENTERS IS EXPECTED TO BOOM<sup>1</sup>



Sources: 1 Deloitte analysis of data from DC Byte, Wood Mackenzie, S&P Global, Lawrence Berkeley National Laboratory, Center for Strategic International Studies, and Wells Fargo, June 2025. 2 International Energy Agency (IEA) April 2025

# AI expansion is in the early innings



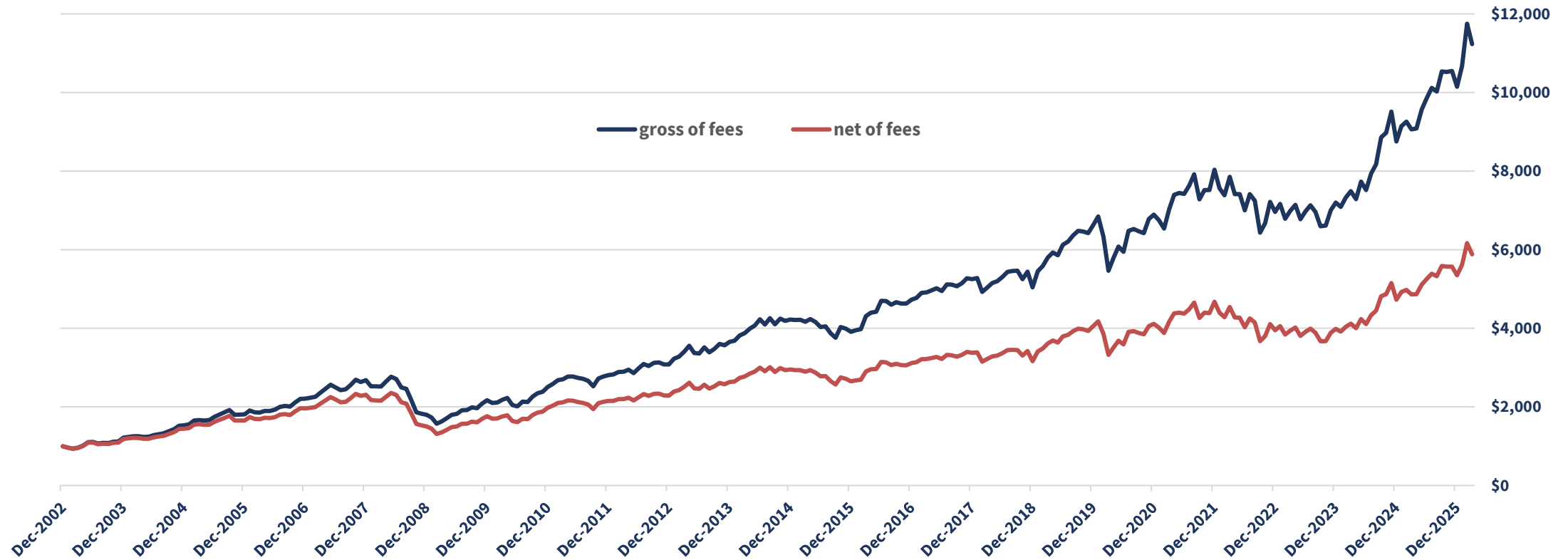
*A typical AI-focused data center consumes as much electricity as 100,000 households, but the largest ones under construction today will consume 20 times as much.*

*By the end of the decade, the United States is set to consume more electricity for data centers than for the production of aluminum, steel, cement, chemicals and all other energy-intensive goods combined.*

*-IEA April 2025*

Source: Forbes

# Reaves Long Term Value Strategy Growth of \$1,000 Since Inception\*



\*Inception date of 1/1/2003 through 3/31/2026  
See Endnotes for important disclosures.

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# Competitive Long-Term Performance

| Annualized Total Return as of March 31, 2026 |        |        |        |        |         |                  |
|--|--------|--------|--------|--------|---------|------------------|
|  | Q1     | 1 Year | 3 Year | 5 Year | 10 Year | Since Inception* |
| Reaves LTV Wrap Composite, gross             | 10.68% | 23.94% | 17.15% | 9.83   | 10.06%  | 10.96%           |
| MSCI USA Infrastructure Index                | 12.43% | 15.15% | 16.94% | 11.24  | 9.04%   | 9.11%            |
| Russell 1000 Value Index                     | 2.10%  | 15.87% | 14.31% | 9.43   | 10.58%  | 9.47%            |
| Reaves LTV Wrap Composite, net**             | 10.01% | 20.93% | 14.29% | 7.14   | 7.32%   | 7.92%            |

\*Inception Date: January 1, 2003

Returns for periods of less than one year are cumulative total returns.

Performance data quoted represents past performance. Past performance does not guarantee future results. Investment return and principal value will fluctuate so that funds, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted.

See Endnotes for important disclosures and Index definitions.

# LTV Strategy favors sectors with low correlation to the S&P 500

| <i>20 Years Ended March 31, 2026</i> |             |
|--------------------------------------|-------------|
| <b>Utilities</b>                     | <b>0.50</b> |
| <b>Energy</b>                        | <b>0.62</b> |
| <b>Communications Services</b>       | <b>0.70</b> |
| Consumer Staples                     | 0.71        |
| Real Estate                          | 0.73        |
| Health Care                          | 0.76        |
| Financials                           | 0.85        |
| <b>Materials</b>                     | <b>0.86</b> |
| Information Technology               | 0.89        |
| Consumer Discretionary               | 0.90        |
| <b>Industrials</b>                   | <b>0.92</b> |

Source: Bloomberg

# LTV Strategy favors higher yielding sectors of the S&P 500

| <i>as of March 31, 2026</i>   |              |
|-------------------------------|--------------|
| <b>Real Estate</b>            | <b>3.42%</b> |
| <b>Utilities</b>              | <b>2.66%</b> |
| <b>Energy</b>                 | <b>2.51%</b> |
| Consumer Staples              | 2.42%        |
| Healthcare                    | 1.77%        |
| Financials                    | 1.67%        |
| <b>Materials</b>              | <b>1.66%</b> |
| <b>Industrials</b>            | <b>1.30%</b> |
| S&P 500 Index                 | 1.22%        |
| <b>Communication Services</b> | <b>0.75%</b> |
| Consumer Discretionary        | 0.69%        |
| Information Technology        | 0.56%        |

Source: Bloomberg

# Endnotes/ Disclosures

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, independently owned “S” corporation organized under the laws of the State of Delaware.

Reaves Asset Management claims compliance with the Global Investment Performance Standards (GIPS). A list of Reaves’ composite descriptions and/or a presentation that complies with the GIPS standards is available upon request.

Reaves’ Long Term Value Strategy (Reaves LTV) 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.

Reaves’ Long Term Value Strategy (LTV) is represented by the LTV 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. Gross-of-fees returns are considered “pure” gross-of-fees returns and are presented before the bundled wrap and custodial fees. 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 time-weighted returns and it includes the reinvestment of all dividends and other earnings. The inception date of the composite is January 2003; however, the composite was created in January 2013. This composite has been managed in a similar manner to the Reaves LTV ERISA Composite which ended in December of 2019. The LTV SMA Wrap Composite does not represent all of Reaves’ assets under management.

The Reaves LTV Strategy is utilized across multiple institutional and individual accounts managed by Reaves (including the LTV SMA Wrap Composite) with assets under management totaling approximately \$337 million as of 3/31/26. For information about the performance of Reaves LTV Strategy accounts included in other composites, please contact us.

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.

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# Endnotes/ Disclosures

The **MSCI USA Infrastructure Index** captures the opportunity set of U.S. companies that are owners or operators of infrastructure assets. Constituents are selected from the equity universe of the MSCI USA Index, the parent index, which covers large and mid-cap securities in the U.S. All index constituents are categorized in one of thirteen sub-industries, which MSCI aggregates and groups into five infrastructure sectors: Telecommunications, Utilities, Energy, Transportation and Social. Reaves' portfolios may at times be more diversified by including companies classified as operating in the Real Estate and Industrials sectors.

The MSCI USA Infrastructure Index was launched on Jan 22, 2008. Data prior to the launch date is back-tested data (i.e., calculations of how the index might have performed over that time period had the index existed). There are frequently material differences between back-tested performance and actual results. Past performance -- whether actual or back-tested -- is no indication or guarantee of future performance.

The **S&P 500 Index** is a capitalization-weighted, composite index of 500 stocks designed to measure performance of the broad domestic (broad market) 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 **Russell 1000 Value Index** is a capitalization-weighted index composed of large-and mid-capitalization U.S. equities that exhibit value characteristics.

The **Dow Jones Utility Average** aims to represent the stock performance of large, well-known U.S. companies within the utilities industry.

The **Bloomberg US Treasury Index** measures US dollar-denominated, fixed-rate, nominal debt issued by the US Treasury.

**Correlation** is a statistic that measures the degree to which financial variables move in relation to each other over a given period.

**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.

**All investments involve risk, including loss of principal.**

**All data is presented in U.S. dollars.**

**Cash is cash and cash equivalents.**

An investor cannot invest directly in an index.

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 own individual 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.

Please contact your financial professional for a copy of Reaves' Form ADV Part 2A and Form CRS.

Additional information about Reaves may be found on our website [www.reavesam.com](http://www.reavesam.com).

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