

Reaves Asset Management

Historical Performance¹ January 1978 - September 2018

PHASE I (January 1, 1978 - August 31, 2000)			
(22 years, 8 months)			
	Reaves ERISA Composite ¹	S&P 500 Index	Long, Sustained Bull Market
Annualized Return	17.12%	17.03%	<ul style="list-style-type: none"> ➤ Strong economic growth, declining inflation, and the technology boom fueled equity markets in the 1980s and 1990s. ➤ Reaves' portfolios -- comprised of utilities, telecommunications, and energy stocks -- kept pace with the S&P 500 Index while experiencing lower volatility and less severe drawdowns.
Growth of \$1 million	\$35,933,385	\$35,324,647	
Standard Deviation	12.4%	15.0%	
Annualized Alpha	7.7	-	
Max Drawdown	-11.9%	-29.6%	
Max Drawdown Period	Sep 1993 - Mar 1994	Sep - Nov 1987	
Max Drawdown Length	7 months	3 months	

PHASE II (September 1, 2000 - February 28, 2009)			
(8 years, 6 months)			
	Reaves ERISA Composite ¹	S&P 500 Index	Highly Volatile Financial Markets
Annualized Return	2.19%	-6.50%	<ul style="list-style-type: none"> ➤ This period included two of the worst bear markets since the 1930s with the financial system nearly collapsing in late 2008. ➤ Reaves' portfolios experienced high levels of volatility but generated a positive total return over the entire period compared to a large loss for the S&P 500 Index.
Growth of \$1 million	\$1,202,631	\$564,923	
Standard Deviation	15.2%	15.6%	
Annualized Alpha	6.9	-	
Max Drawdown	-44.4%	-51.0%	
Max Drawdown Period	Jun 2008 - Feb 2009	Nov 2007 - Feb 2009	
Max Drawdown Length	9 months	16 months	

CURRENT PHASE (March 1, 2009 - September 30, 2018)			
(9 years, 7 months)			
	Reaves ERISA Composite ¹	S&P 500 Index	Post-Financial Crisis Bull Market
Annualized Return	12.83%	17.91%	<ul style="list-style-type: none"> ➤ This period was characterized by sluggish economic growth, low inflation, and highly accommodative Federal Reserve policy. ➤ Historic lows in interest rates supported steady increases in equity prices. ➤ Reaves generated double-digit returns but trailed the return of the S&P 500 Index. The collapse in oil prices from 2014 to 2016 dampened returns from the portfolio's energy holdings.
Growth of \$1 million	\$3,180,123	\$4,847,939	
Standard Deviation	10.9%	12.3%	
Annualized Alpha	0.9	-	
Max Drawdown	-11.1%	-16.3%	
Max Drawdown Period	May - Jun 2010	May - Sep 2011	
Max Drawdown Length	2 months	5 months	

¹ Performance is for the Reaves ERISA Composite, net of fees. See endnotes for important disclosures and definitions.

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 is a dual registrant (Investment Adviser /Broker-Dealer).

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 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' performance data is the Reaves Asset Management 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 returns also reflect the deduction of advisory fees which are described in detail in our Form ADV Part 2A. The ERISA Composite does not reflect all of Reaves' assets under management.

All data is presented in U.S. dollars.

Past results do not guarantee future performance. All investments involve risk, including loss of principal.

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.

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.

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 ERISA Composite.

Drawdown is the peak-to-trough (highest point to lowest point) decline during a specific recorded period of an investment, fund or commodity. A drawdown is usually quoted as the percentage between the peak and the subsequent trough.

Total Return is the actual rate of return of an investment or a pool of investments over a given evaluation period. Total return includes interest, capital gains, dividends and distributions realized over a given period of time.

Alpha is a synonym of 'value added'. Linearly similar to the way beta is computed, alpha is the incremental return on a manager when the market is stationary. In other words, it is the extra expected return due to non-market factors. This risk-adjusted measurement takes into account both the performance of the market as a whole and the volatility of a manager. A positive alpha indicates that a selected portfolio has produced returns above the expected level at that level of risk and vice versa for a negative alpha.

Bull Market is a period of several months or years during which asset prices consistently rise.

Past performance is no guarantee of future results. All investments involve risk, including loss of principal. Unless otherwise noted, the information contained herein was prepared by Reaves Asset Management. This information reflects the Manager's view at a particular point in time and is subject to change. This presentation does not constitute an offer to buy or sell any security.

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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.

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

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