

News Release | Aug. 12, 2020

Wells Fargo Utilities and High Income Fund Announces Change to Managed Distribution Plan

SAN FRANCISCO – Aug. 12, 2020 – The Wells Fargo Utilities and High Income Fund (NYSE American: ERH), a closed-end fund, announced today that the fund’s Board of Trustees has approved a change to the fund’s managed distribution plan.

Effective with the monthly distribution to be declared in August 2020, the plan will provide for the declaration of monthly distributions to common shareholders of the fund at an annual minimum fixed rate of 7% based on the fund’s average monthly net asset value (NAV) per share over the prior 12 months. Under the managed distribution plan, monthly distributions may be sourced from income, paid-in capital, and/or capital gains, if any. Shareholders may elect to reinvest distributions received pursuant to the managed distribution plan in the fund under the existing dividend reinvestment plan, which is described in the fund’s shareholder reports.

The Wells Fargo Utilities and High Income Fund is a closed-end equity and high-yield bond fund. The fund’s investment objective is to seek a high level of current income and moderate capital growth with an emphasis on providing tax-advantaged dividend income.

Under the managed distribution plan, the fund will distribute available investment income to its shareholders monthly. If sufficient investment income is not available on a monthly basis, the fund will distribute long-term capital gains and/or return capital to its shareholders in order to maintain its managed distribution level. The fund expects that distributions under the managed distribution plan may exceed investment income. Distributions in excess of net investment income will be treated as distributions of capital gains to the extent of realized gains during the fiscal year. Any distributions in excess of both net investment income and realized gains will be treated as returns of capital. No conclusions should be drawn about the fund’s investment performance from the amount of the fund’s distributions or from the terms of the fund’s managed distribution plan.

The amount distributed per share is subject to change at the discretion of the fund’s Board of Trustees. The managed distribution plan will be subject to periodic review by the fund’s Board of Trustees to determine whether the managed distribution plan should be continued, modified, or terminated. The fund’s Board of Trustees may amend the terms of the managed distribution plan or suspend or terminate the managed distribution plan at any time without prior notice to the fund’s shareholders. The amendment or termination of the managed distribution plan could have an adverse effect on the market price of the fund’s shares.

With each distribution that does not consist solely of net investment income, the fund will issue a notice to shareholders that will provide detailed information regarding the amount and composition of the distribution and other related information. The amounts and sources of distributions reported in the notice are only estimates and are not being provided for tax reporting purposes. The actual amounts and sources of the amounts for tax reporting purposes will

depend upon the fund's investment experience during its full fiscal year and may be subject to changes. The fund will send shareholders a Form 1099-DIV for the calendar year that will tell shareholders how to report these distributions for federal income tax purposes.

For more information on Wells Fargo's closed-end funds, please [visit our website](#).

The fund is a closed-end fund that is no longer engaged in initial public offerings, and shares are available only through broker-dealers on the secondary market. Unlike an open-end mutual fund, a closed-end fund offers a fixed number of shares for sale. After the initial public offering, shares are bought and sold through broker-dealers in the secondary marketplace, and the market price of the shares is determined by supply and demand, not by NAV, and is often lower than the NAV. A closed-end fund is not required to buy its shares back from investors upon request.

The fund is leveraged through a revolving credit facility and also may incur leverage by issuing preferred shares in the future. The use of leverage results in certain risks, including, among others, the likelihood of greater volatility of net asset value and the market price of common shares. High-yield, lower-rated bonds may contain more risk due to the increased possibility of default. Foreign investments may contain more risk due to the inherent risks associated with changing political climates, foreign market instability, and foreign currency fluctuations. Risks of international investing are magnified in emerging or developing markets. Funds that concentrate their investments in a single industry or sector may face increased risk of price fluctuation due to adverse developments within that industry or sector. Small- and mid-cap securities may be subject to special risks associated with narrower product lines and limited financial resources compared with their large-cap counterparts. Derivatives involve additional risks, including interest rate risk, credit risk, the risk of improper valuation, and the risk of noncorrelation to the relevant instruments they are designed to hedge or closely track. There are numerous risks associated with transactions in options on securities. Illiquid securities may be subject to wide fluctuations in market value and may be difficult to sell. This closed-end fund is no longer available as an initial public offering and is only offered through broker-dealers on the secondary market. A closed-end fund is not required to buy its shares back from investors upon request.

Wells Fargo Asset Management (WFAM) is the trade name for certain investment advisory/management firms owned by Wells Fargo & Company. These firms include but are not limited to Wells Capital Management Incorporated and Wells Fargo Funds Management, LLC. Certain products managed by WFAM entities are distributed by Wells Fargo Funds Distributor, LLC (a broker-dealer and Member FINRA).

This material is for general informational and educational purposes only and is NOT intended to provide investment advice or a recommendation of any kind—including a recommendation for any specific investment, strategy, or plan.

Some of the information contained herein may include forward-looking statements about the expected investment activities of the funds. These statements provide no assurance as to the funds' actual investment activities or results. Readers must make their own assessment of the information contained herein and consider such other factors as they may deem relevant to their individual circumstances.

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INVESTMENT PRODUCTS: NOT FDIC INSURED • NO BANK GUARANTEE • MAY LOSE VALUE

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