

Overview

as of 6/30/10

Symbol KYE
Exchange NYSE
Inception Date 6/28/2005

NAV updates¹ Thursdays & month end

Total Assets \$1,112 million
Leverage www.kaynefunds.com/Kye1940Act.htm

Quarterly Distribution² (\$/share) \$0.48

Objective

KYE is a closed-end fund that invests principally in equity and debt securities of companies in the energy industry, such as energy-related master limited partnerships (MLPs), U.S. and Canadian royalty trusts and income trusts (collectively, "royalty trusts"), marine transportation companies, and coal companies. KYE's objective is to obtain a high total return with an emphasis on current income.

Investment Merits

- **Diversified Portfolio of Energy Investments.** KYE targets a diversified investment portfolio across multiple energy sub-sectors – MLPs, royalty trusts, marine transportation and coal companies. This multi-sector strategy allows KYE to reduce the portfolio's volatility.
- **Positive Long-Term Outlook for Energy Industry.** Global demand for energy continues to increase, largely driven by global population increases and continued growth from developing economies. KYE believes that demand growth will increase the need for additional energy infrastructure assets and create growth opportunities for KYE's portfolio investments
- **Attractive Fund Structure**
 - KYE issues a Form 1099 (as opposed to K-1s issued by MLPs).
 - Suitable for IRAs, foundations and tax-exempt accounts, because unlike direct holdings in MLPs, KYE does not generate unrelated business taxable income (UBTI).

¹ Weekly NAVs are calculated as of close of business on Thursdays and posted to our website on Fridays after the market closes at www.kaynefunds.com/KyeNav.htm. Month-end NAVs are issued via press release and posted to the website with a few days of month end.

² Payable on 7/9/10 for the quarter ended 5/31/10.

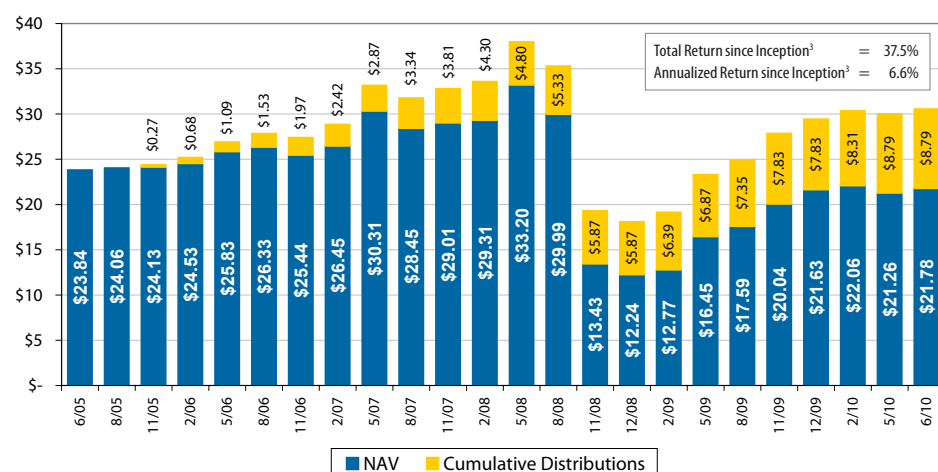
³ Assumes that distributions have been reinvested through the Dividend Reinvestment Program (DRIP).

⁴ NAV and share price shown monthly until 10/31/06 and weekly thereafter.

Energy Total Return Fund (KYE)

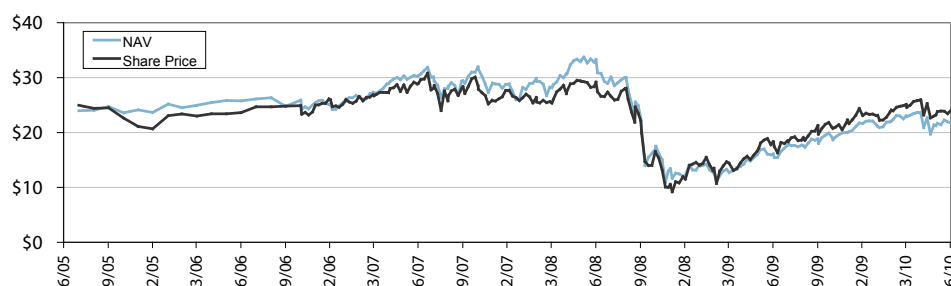
Total Return (NAV plus distributions)

6/28/05 to 6/30/10



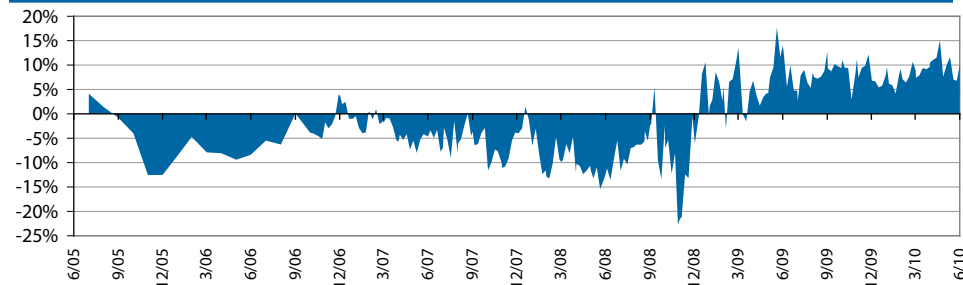
Share Price and NAV History⁴

6/28/05 to 6/30/10



Premium/Discount to NAV⁴

6/28/05 to 6/30/10



Calendar Year Returns

as of 6/30/10

	2006	2007	2008	2009	2010 YTD
NAV and distributions ³	13.8%	21.9%	-53.8%	100.5%	4.9%
NAV only	5.9%	14.1%	-57.2%	76.7%	0.7%
Share price and distributions ³	34.8%	13.8%	-55.2%	127.9%	8.2%
Share price only	25.5%	6.6%	-58.4%	100.9%	3.9%

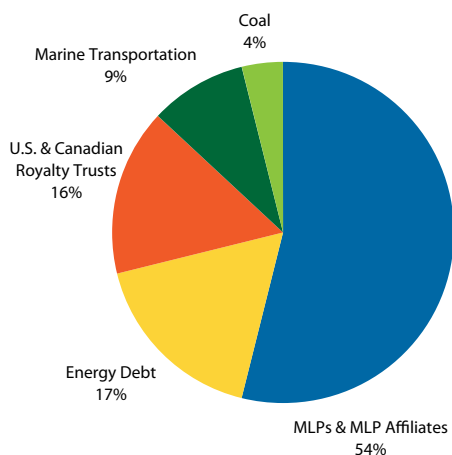
Returns

as of 6/30/10

	3 Month	6 Month	1-Year	2-Year	3-Year	Since Inception
NAV and distrib ³	-3.7%	4.9%	48.9%	-18.1%	-3.9%	37.5%
NAV only	-5.6%	0.7%	35.4%	-34.6%	-28.3%	-8.6%
Share price and distrib ³	-2.5%	8.2%	43.9%	3.0%	11.0%	44.4%
Share price only	-4.4%	3.9%	30.8%	-17.8%	-17.1%	-4.0%

Energy Total Return Fund (KYE)

Portfolio as of 6/30/10



Top 10 Holdings as of 6/30/10

Kinder Morgan Management, LLC	10.9%
Enbridge Energy Management, LLC	8.5%
Plains All American Pipeline, LP	6.0%
Teekay Offshore Partners, LP	3.1%
Enterprise Products Partners, LP	3.0%
Navios Maritime Partners, LP	3.0%
Enerplus Resources Fund	2.9%
Navios Maritime Holdings, Inc	2.4%
Teekay Tankers Ltd	2.3%
Williams Partners, LP	2.1%
	44.2%

Growth of Hypothetical \$10,000 Investment

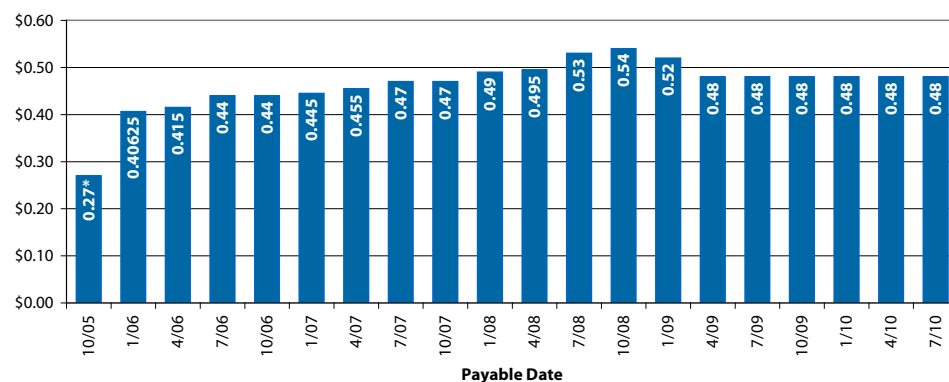
Inception (6/28/05)	\$10,000
12/31/05	10,208
12/31/06	11,614
12/31/07	14,157
12/31/08	6,538
12/31/09	13,107
6/30/10	13,750

This table illustrates the growth of a hypothetical \$10,000 investment in the fund's common shares based on market price beginning on the inception date with all distributions reinvested through the Dividend Reinvestment Program (DRIP). Performance does not reflect transaction fees or broker commissions. Ending value as of the date shown in the title of the table. Past performance is no guarantee of future results.

Tax Character of 2009 Distributions

Return of capital	69%
Qualified dividends	16%
Ordinary dividends	15%
	100%

Quarterly Distributions per Share



* Represents a partial payment of approximately 2 months

This material shall not constitute an offer to sell or a solicitation to buy, nor shall there be any sale of the securities in any jurisdiction in which such offer or sale is not permitted. Past performance is not a guarantee of future results. An investment in the fund could suffer loss. Current performance may be lower or higher than that shown based on market fluctuations from the end of the reported period. Before making an investment in the fund, you should consider the investment objective, risks, charges and expenses of the fund, which, together with and other important information are included in the fund's most recent prospectus and other filings with the SEC. There can be no assurance that the fund's investment objectives will be attained. Shares of closed-end funds frequently trade at a market price that is below their net asset value. Leverage creates risks which may adversely affect return, including the likelihood of greater volatility of net asset value and market price of common shares, and fluctuations in dividend rates on any preferred shares.

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NOT BANK GUARANTEED

MAY LOSE VALUE

FOR MORE INFORMATION: www.kaynefunds.com or call 1-877-657-3863

Kayne Anderson

Fund Advisors