

# Kayne Anderson

Fund Advisors

## Energy Development Company (KED)

### Overview as of 11/30/11

Symbol	KED
Exchange	NYSE
Inception Date	9/21/2006
NAV updates	Quarterly <sup>1</sup>
Net Asset Value (NAV)	\$23.01
Quarterly Distribution <sup>2</sup> (\$/share)	\$0.39
Total Assets	\$330 million

### Objective

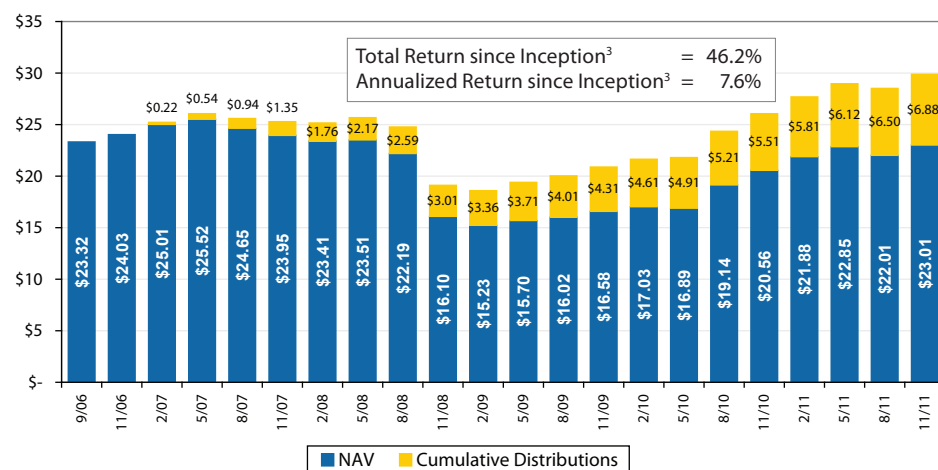
KED is a closed-end fund that invests principally in debt and equity securities of privately-held energy-related master limited partnerships (MLPs), publicly-traded MLPs, and other energy companies. KED's objective is to generate both current income and capital appreciation for its shareholders. MLPs are publicly traded limited partnerships. Energy-related MLPs own domestic infrastructure assets that are used in the gathering, processing, transportation, storage, refining and distribution of energy-related commodities.

### Investment Merits

- **MLP Sector Opportunity.** MLPs provide steady distributions with attractive growth profiles. MLPs are expanding their asset bases to meet growing needs for energy infrastructure in the U.S.
- **Attractive Fund Structure**
  - KED 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, KED does not generate unrelated business taxable income (UBTI).
- **Access to Private Investments**
  - Provides access to private investment opportunities not available to retail investors.
  - Kayne Anderson pioneered the private MLP market and is the leading investment firm originating and structuring private MLPs.

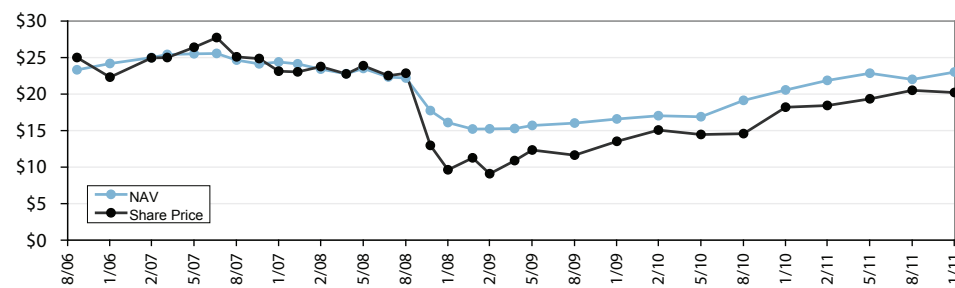
### Total Return (NAV plus distributions)

9/21/06 to 11/30/11



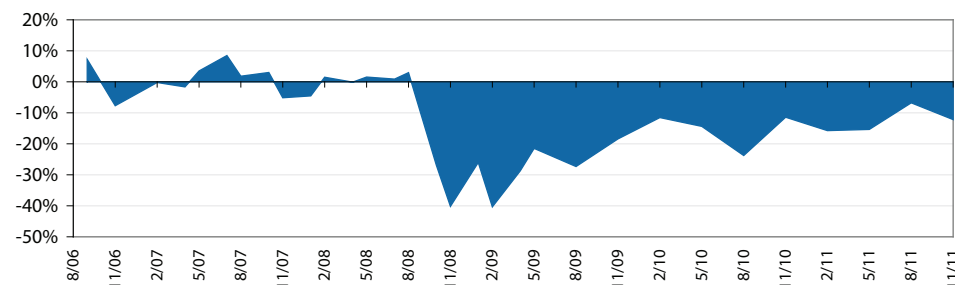
### Share Price and NAV History<sup>1</sup>

9/21/06 to 11/30/11



### Premium/Discount to NAV<sup>1</sup>

9/21/06 to 11/30/11



### Fiscal Year Returns<sup>1</sup>

as of 11/30/11

	2007	2008	2009	2010	2011
NAV and distributions <sup>3</sup>	5.1%	-27.0%	14.4%	34.3%	20.3%
NAV only	-0.3%	-32.8%	3.0%	24.0%	11.9%
Share price and distributions <sup>3</sup>	9.3%	-54.8%	56.1%	45.8%	19.3%
Share price only	3.7%	-58.4%	40.5%	34.6%	11.0%

### Returns (Not annualized)

as of 11/30/11

	3 Mo.	6 Mo.	1-Yr	2-Yr	3-Yr	5 Year	Since Inception
NAV and distrib <sup>3</sup>	6.6%	4.7%	20.3%	61.6%	84.8%	41.9%	46.2%
NAV only	4.5%	0.7%	11.9%	38.8%	42.9%	-4.2%	-1.3%
Share price and distrib <sup>3</sup>	0.4%	8.6%	19.3%	73.9%	171.4%	34.1%	19.8%
Share price only	-1.5%	4.5%	11.0%	49.4%	109.9%	-9.5%	-19.2%

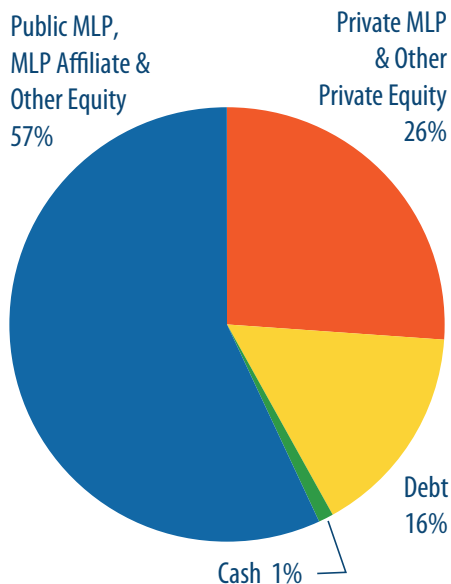
<sup>1</sup> KED's fiscal year ends 11/30. NAV is published quarterly for the following dates – 2/28 (or 2/29), 5/31, 8/31, and 11/30. Share prices are available daily.

<sup>2</sup> Payable on 2/3/12 (ex-date 1/26/12) for the quarter ended 11/30/11.

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

# Energy Development Company (KED)

## Portfolio as of 11/30/11



## Top 10 Holdings as of 11/30/11

Direct Fuels Partners, L.P.	13.3%
ProPetro Services, Inc.	8.9%
VantaCore Partners LP	5.7%
Enterprise Products Partners L.P.	5.2%
ONEOK Partners, L.P.	4.7%
Energy Transfer Partners, L.P.	3.7%
Buckeye Partners, L.P.	3.7%
Penn Virginia Resource Partners, L.P.	3.6%
Regency Energy Partners LP	3.5%
Crestwood Midstream Partners LP	3.3%
	55.6%

## Growth of Hypothetical \$10,000 Investment

Date	NAV and Distrib	Share Price and Distrib
Inception (9/21/06)	\$10,000	\$10,000
11/30/06	10,304	8,928
11/30/07	10,830	9,761
11/30/08	7,910	4,414
11/30/09	9,048	6,888
11/30/10	12,151	10,039
11/30/11	14,618	11,976

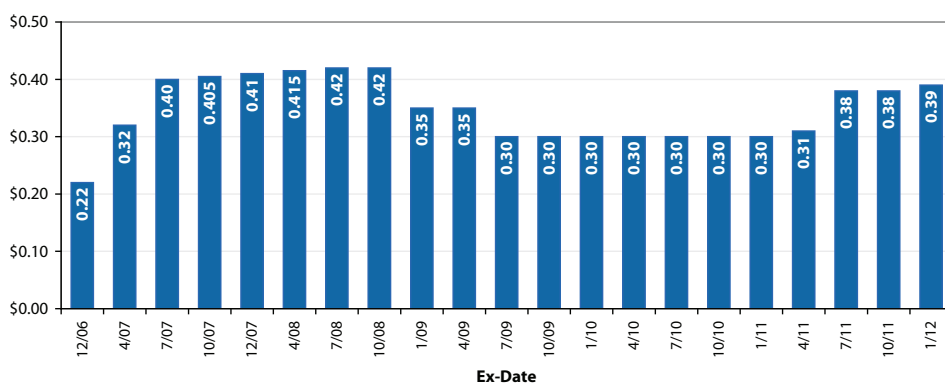
KED's fiscal year ends 11/30.

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

## Tax Character of 2011 Distributions

Qualified dividends	100%
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## 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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MAY LOSE VALUE

FOR MORE INFORMATION: [www.kaynefunds.com](http://www.kaynefunds.com) or call 1-877-657-3863

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