

Kayne Anderson

Fund Advisors

Energy Development Company (KED)

Overview

as of 5/31/18

Symbol	KED
Exchange	NYSE
CUSIP	48660Q102
Inception Date	9/21/2006
NAV updates	Daily
Total Assets	\$300 million
Leverage	\$85 million
Quarterly Distribution ² (\$/share)	\$0.40
% of Portfolio Assets with Call Options	None

Objective

KED is a closed-end fund that invests principally in energy-related master limited partnerships (MLPs) and other midstream energy companies. KED's objective is to generate both current income and capital appreciation for its shareholders. 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 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 investments not available to retail investors.

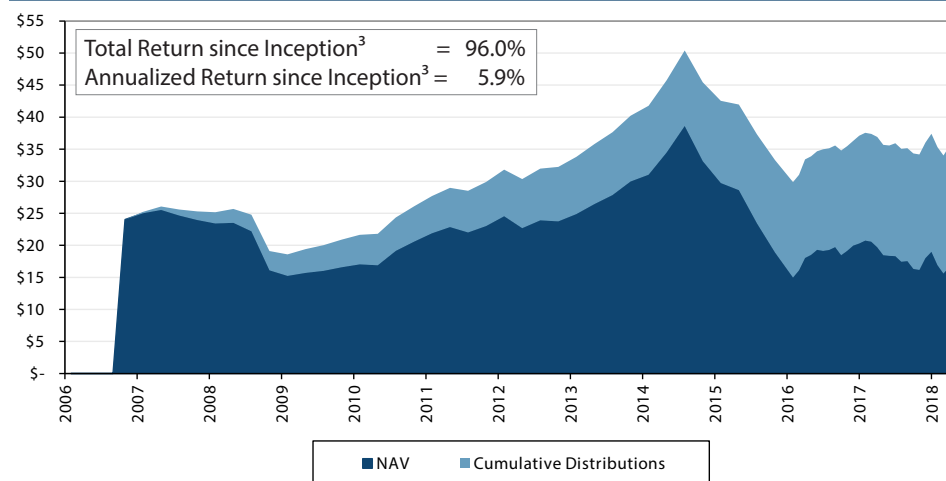
¹ In April 2016, KED began providing NAV on a daily basis. From January 2015 through March 2016, the Company provided Adjusted NAV on a weekly basis. Adjusted NAV was a non-GAAP measure and was intended to provide investors with a weekly update on the impact of price changes for the public securities in the Company's portfolio.

² Paid on 4/20/18 (ex-date 4/12/18) for the quarter ended 2/28/18. (See "Information on Tax Character of Distributions" on page 2.)

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

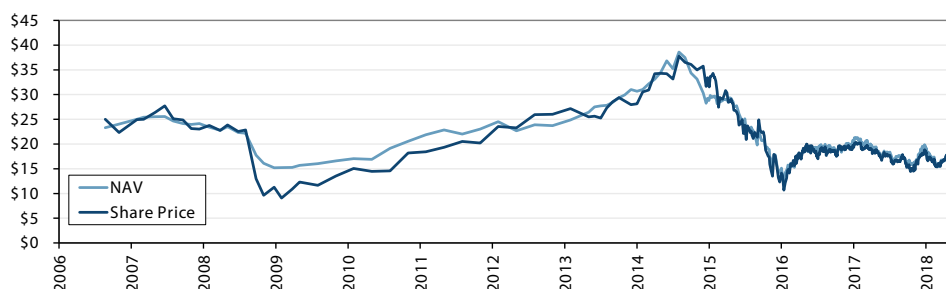
Total Return (NAV plus distributions)

9/21/06 to 5/31/18



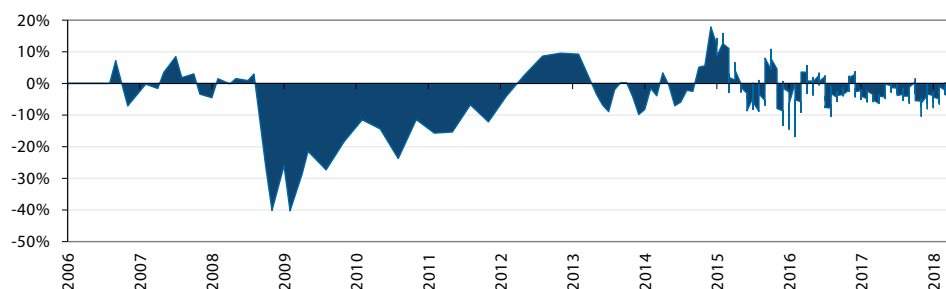
Share Price and NAV History¹

9/21/06 to 5/31/18



Premium/Discount to NAV¹

9/21/06 to 5/31/18



Fiscal Year Returns (November 30th)

as of 5/31/18

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	'18 YTD
NAV and distrib ³	-27.0%	14.4%	34.3%	20.3%	10.5%	35.1%	18.1%	-38.1%	14.1%	-7.1%	15.9%
NAV only	-32.8%	3.0%	24.0%	11.9%	3.2%	26.2%	10.6%	-43.0%	1.3%	-15.6%	10.6%
Share price and distrib ³	-54.8%	56.1%	45.8%	19.3%	37.8%	18.1%	30.2%	-46.1%	26.1%	-14.4%	19.5%
Share price only	-58.4%	40.5%	34.6%	11.0%	28.7%	10.3%	21.9%	-50.3%	12.0%	-22.2%	14.0%

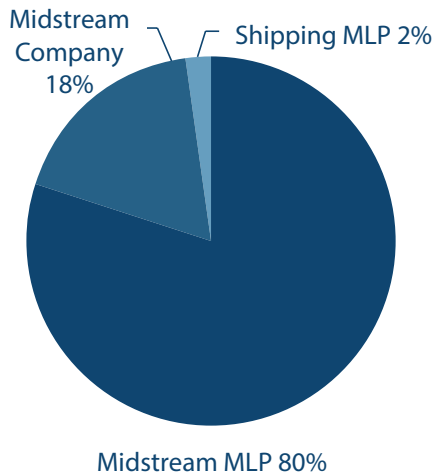
Returns (Not annualized)

as of 5/31/18

	3 Mo.	6 Mo.	1-Yr	2-Yr	3-Yr	5-Yr	10-Yr	Since Inception
NAV and distrib ³	8.4%	15.9%	6.4%	17.5%	-15.0%	5.3%	77.8%	96.0%
NAV only	5.7%	10.6%	-3.2%	-3.5%	-37.5%	-32.4%	-24.0%	-23.4%
Share price and distrib ³	5.8%	19.5%	3.1%	13.0%	-16.8%	5.5%	69.2%	76.6%
Share price only	3.2%	14.0%	-6.2%	-7.2%	-38.9%	-32.3%	-27.6%	-30.9%

Energy Development Company (KED)

Portfolio as of 5/31/18



Top 10 Holdings as of 5/31/18

Energy Transfer Partners, L.P.	12.2%
ONEOK, Inc.	9.5%
Western Gas Partners, LP	9.0%
Enterprise Products Partners L.P.	8.7%
Williams Partners L.P.	7.8%
Targa Resources Corp.	6.9%
Buckeye Partners, L.P.	6.0%
MPLX LP	5.3%
Tallgrass Energy Partners, LP	3.9%
Plains GP Holdings, L.P.	3.5%
	72.8%

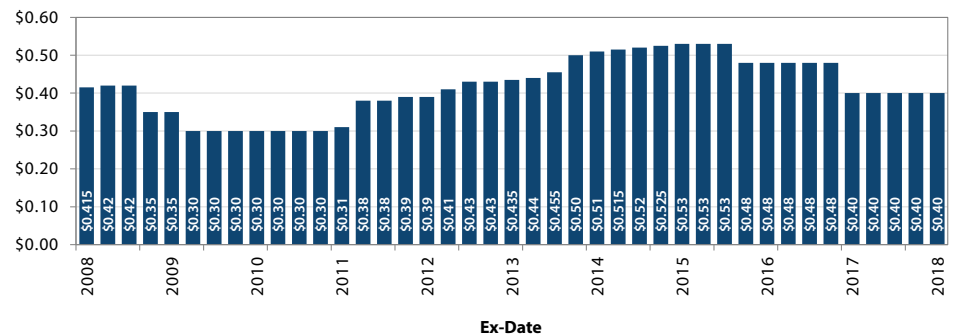
Growth of Hypothetical \$10,000 Investment⁴

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
11/30/12	16,151	16,506
11/30/13	21,817	19,495
11/30/14	25,776	25,386
11/30/15	15,946	13,694
11/30/16	18,195	17,274
11/30/17	16,903	14,782
5/31/18	19,595	17,665

Tax Character of Distributions

Calendar year	Qualified dividends	Nondividend distr. (Return of Capital)	Total
2008	-	100%	100%
2009	-	100%	100%
2010	42%	58%	100%
2011	100%	-	100%
2012	100%	-	100%
2013	100%	-	100%
2014	100%	-	100%
2015	100%	-	100%
2016	10%	90%	100%
2017	89%	11%	100%
2018E ⁵	-	100%	100%

Quarterly Distributions per Share



Information on Tax Character of Distributions

Our distributions are treated as a taxable dividend (qualified dividends) to our common stockholders to the extent of our current and accumulated earnings and profits. If the distribution exceeds our current or accumulated earnings and profits, the distribution will be treated as a return of capital to our common stockholders to the extent of each stockholder's basis in our common stock, and then the amount of a distribution in excess of such stockholder's basis would be taxed as capital gain. Common stockholders will receive a Form 1099 from us and will recognize dividend income only to the extent of our current and accumulated earnings and profits. Because the cash distributions received from the MLPs in our portfolio are expected to exceed the earnings and profits associated with owning such MLPs, a portion of our distributions may be paid from sources other than our current and accumulated earnings and profits. The table above left summarizes the tax character of our distributions since inception. Sample Form 1099-DIV for each year can be found at www.kaynefunds.com/ked/tax-information.

⁴ 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.

⁵ This estimate is based on our estimated earnings and profits for fiscal 2018 and our accumulated earnings and profits as of November 30, 2017. This estimate does not include a projection of gains and losses on the sale of securities for the remainder of fiscal 2018. The final determination of the tax character of the distribution will be made in early 2019 when we can determine our actual earnings and profits for the full year (including gains and losses on sales of securities during fiscal 2018) and may differ substantially from this preliminary information.

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.

NOT FDIC INSURED

NOT BANK GUARANTEED

MAY LOSE VALUE

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

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