

Kayne Anderson

Fund Advisors

Overview as of 5/31/18

Symbol	KYE
Exchange	NYSE
CUSIP	48660P104
Inception Date	6/28/2005
Total Assets	\$541 million
Leverage	\$155 million
Quarterly Distribution ¹ (\$/share)	\$0.25
% of portfolio assets with Call Options	1.0%

Objective

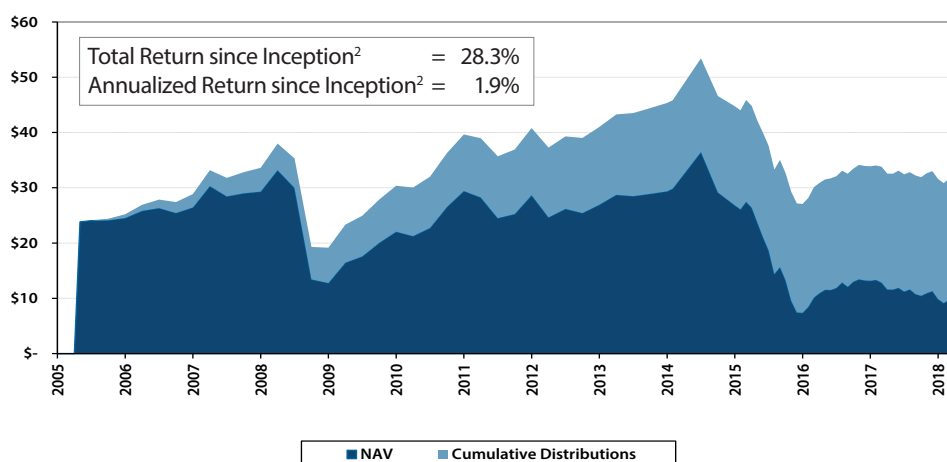
KYE is a closed-end fund that invests principally in equity and debt securities of companies in the energy industry, such as energy-related master limited partnerships (MLPs), midstream corporations, marine transportation and energy-related debt. KYE's objective is to obtain a high total return with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

Investment Merits

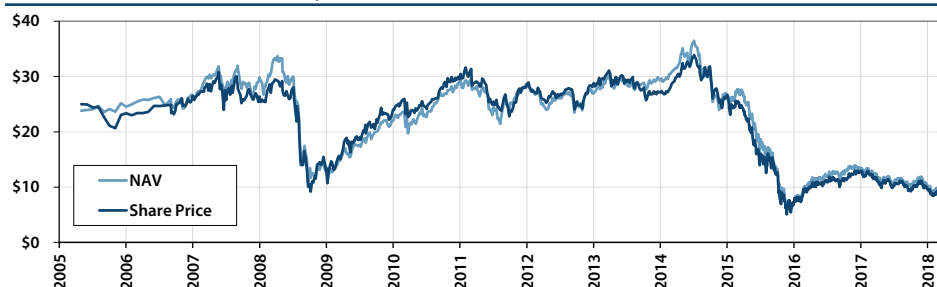
- **Diversified Portfolio of Energy Investments.** KYE targets a diversified investment portfolio across multiple energy sub-sectors – MLPs, midstream corporations, marine transportation and energy-related debt. This multi-sector strategy allows KYE to reduce the portfolio's volatility.
- **Positive 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).

Energy Total Return Fund (KYE)

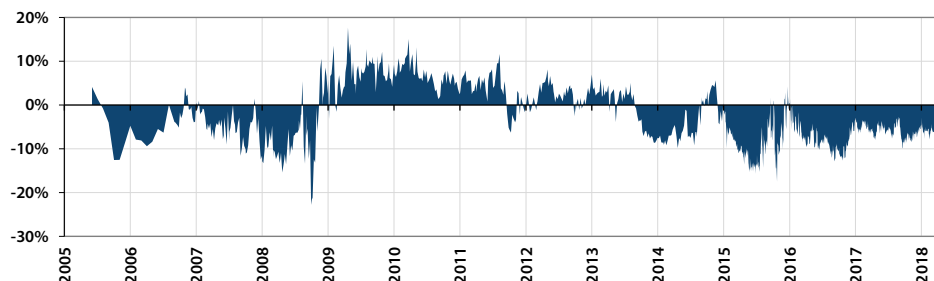
Total Return (NAV plus distributions) 6/28/05 to 5/31/18



Share Price and NAV History 6/28/05 to 5/31/18



Premium/Discount to NAV 6/28/05 to 5/31/18



Calendar Year Returns as of 5/31/18

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
NAV and distrib ²	-52.5%	97.4%	37.5%	2.9%	0.0%	28.7%	-2.5%	-59.5%	55.1%	-11.0%	-3.5%
NAV only	-57.5%	76.7%	27.4%	-4.4%	-7.1%	19.9%	-9.1%	-64.2%	40.9%	-18.6%	-6.2%
Share price and distrib ²	-53.5%	124.4%	36.0%	-6.4%	4.6%	19.4%	9.3%	-65.6%	53.5%	-6.8%	-2.1%
Share price only	-58.4%	100.9%	26.0%	-13.1%	-2.8%	11.2%	1.8%	-69.6%	39.4%	-14.8%	-4.9%

Returns (Not annualized) as of 5/31/18

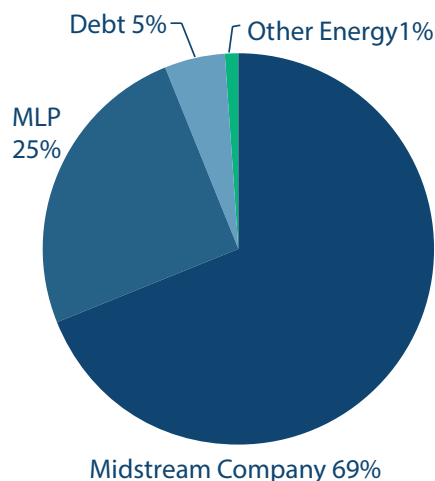
	3 Mo.	6 Mo.	1-Yr	2-Yr	3-Yr	5-Yr	10-Yr	Since Inception
NAV and distrib ²	6.8%	3.2%	-2.7%	12.6%	-46.5%	-43.2%	-23.3%	28.3%
NAV only	3.8%	-1.9%	-11.6%	-6.2%	-61.1%	-64.3%	-69.1%	-57.0%
Share price and distrib ²	2.6%	4.0%	-4.2%	16.2%	-44.2%	-49.1%	-19.0%	14.1%
Share price only	-0.3%	-1.1%	-13.0%	-3.2%	-59.5%	-68.0%	-67.3%	-61.7%

¹ 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.)

² Assumes that distributions have been reinvested through the Dividend Reinvestment Program (DRIP).

Energy Total Return Fund (KYE)

Portfolio as of 5/31/18



Top 10 Holdings as of 5/31/18

ONEOK, Inc.	9.7%
Targa Resources Corp.	7.4%
The Williams Companies, Inc.	7.1%
Plains GP Holdings, L.P.	7.0%
Capital Product Partners L.P.	5.0%
Energy Transfer Partners, L.P.	4.8%
KNOT Offshore Partners LP	4.5%
Enbridge Energy Management, L.L.C.	4.2%
Kinder Morgan, Inc.	3.8%
Pembina Pipeline Corporation	3.6%
Total	57.1%

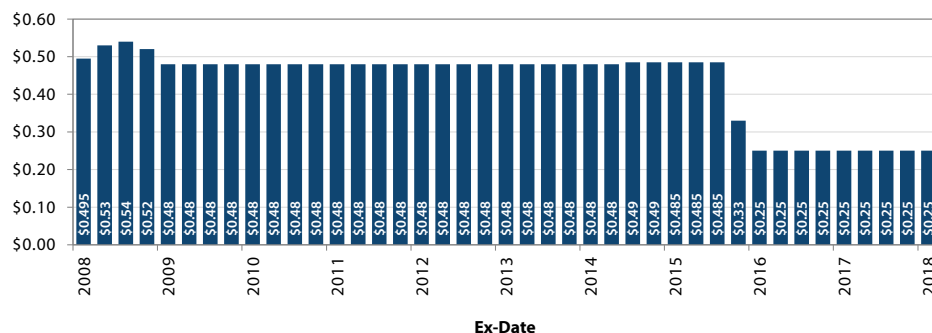
Growth of Hypothetical \$10,000 Investment³

Date	NAV and Distrib	Share Price and Distrib
Inception (6/28/05)	\$10,000	\$10,000
12/31/05	10,209	8,515
12/31/06	11,614	11,477
12/31/07	14,267	13,065
12/31/08	6,778	6,072
12/31/09	13,381	13,626
12/31/10	18,397	18,535
12/31/11	18,933	17,340
12/31/12	18,931	18,140
12/31/13	24,364	21,663
12/31/14	23,760	23,676
12/31/15	9,630	8,153
12/31/16	14,941	12,519
12/31/17	13,300	11,663
5/31/18	12,833	11,414

Tax Character of Distributions

Calendar year	Ordinary dividends	Qualified dividends	Capital gains distrib.	Nondividend distrib. (Return of Capital)	Total
2008	-	20%	-	80%	100%
2009	15%	16%	-	69%	100%
2010	85%	15%	-	-	100%
2011	-	-	100%	-	100%
2012	15%	22%	-	63%	100%
2013	-	3%	64%	33%	100%
2014	66%	33%	1%	-	100%
2015	-	-	-	100%	100%
2016	56%	33%	-	11%	100%
2017	-	-	-	100%	100%
2018E ⁴	-	-	-	100%	100%

Quarterly Distributions per Share



Information on Tax Character of Distributions

Our distributions are generally taxable as ordinary income (a portion of which may be qualified dividends) or capital gains. Distributions of our ordinary income plus net short-term capital gains in excess of net long-term capital losses will be taxable as ordinary income to the extent of our current or accumulated earnings and profits. If our distributions exceed our current or accumulated earnings and profits, the distributions 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 distributed in excess of such stockholder's basis would be taxed as a capital gain. Common stockholders will receive a Form 1099 from us and will recognize ordinary 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/kye/tax-information.

³ 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.

⁴ 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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