

Kayne Anderson

Fund Advisors

Midstream/Energy Fund (KMF)

Overview

as of 1/31/19

Symbol	KMF
Exchange	NYSE
CUSIP	48661E108
Inception Date	11/24/2010
Total Assets	\$934 million
Leverage	\$290 million
Monthly Distribution ¹ (\$/share)	\$0.075
% of Portfolio Assets with Call Options	None

Objective

KMF is a closed-end fund whose investment objective is to provide a high level of total return with an emphasis on making cash distributions to its stockholders. KMF invests principally in securities of companies in the Midstream/Energy Sector, consisting of: (a) Midstream MLPs, (b) Midstream Companies, (c) Other MLPs and (d) Other Energy Companies. KMF anticipates that the majority of its investments will consist of equity investments in Midstream MLPs and Midstream Companies.

Investment Merits

• Midstream Opportunities

- Opportunity to invest across the full value chain for the Midstream Sector through investments in Midstream Master Limited Partnerships (“MLPs”) and Midstream Companies
- Midstream Sector generates attractive risk-adjusted returns and has stable characteristics
- Development of “unconventional reserves” is changing the North American energy industry, driving the need for new Midstream assets and creating significant growth opportunities for the Midstream sector

• Attractive Fund Structure

- KMF issues a Form 1099 (no K-1).
- Suitable for IRAs, foundations and tax-exempt accounts, because unlike direct holdings in MLPs, KMF does not generate unrelated business taxable income (UBTI).
- KMF is a Regulated Investment Company (RIC) and, as such, does not pay income taxes at the fund level.

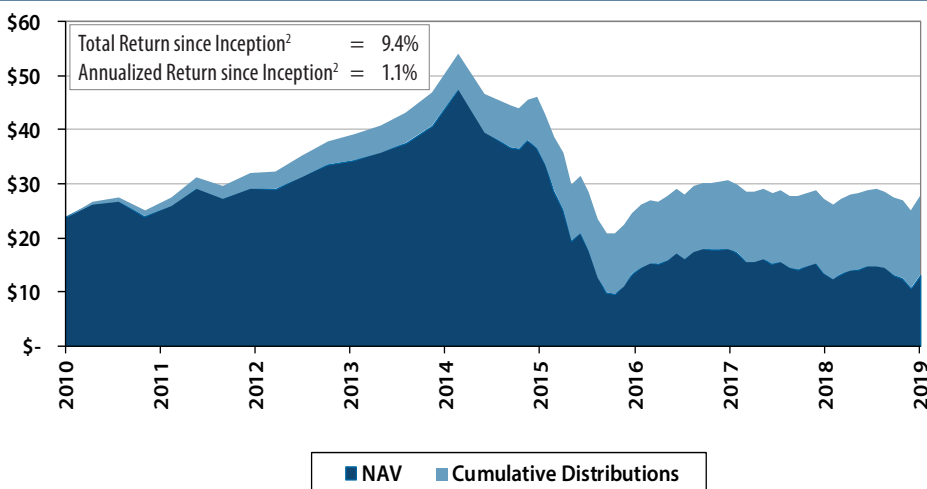
- **Access to Private Investments.** KMF provides access to private investment opportunities not available to retail investors.

¹ Payable on 2/28/19 (ex-date 2/13/19). (See “Information on Tax Character of Distributions” on page 2.)

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

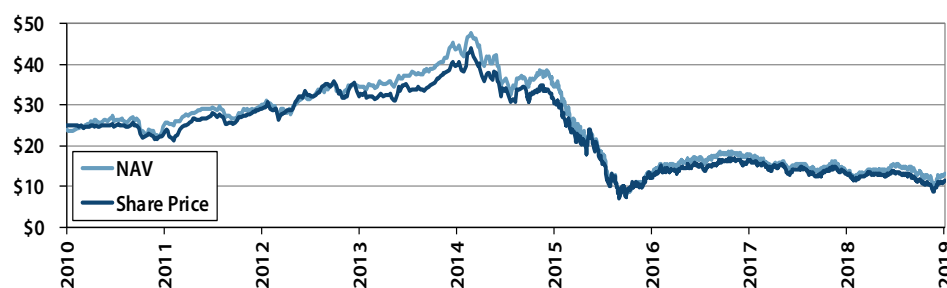
Total Return (NAV plus distributions)

11/24/10 to 1/31/19



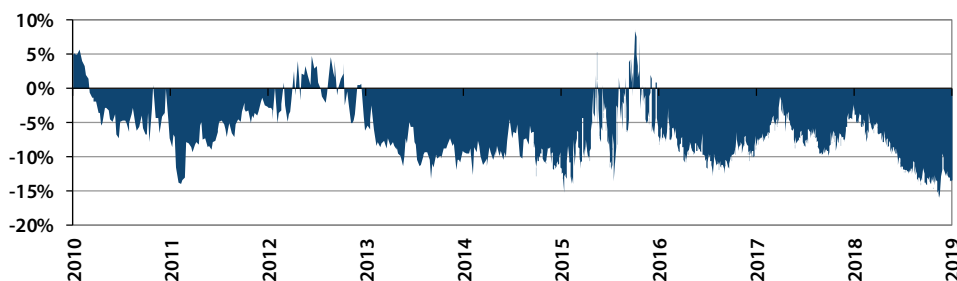
Share Price and NAV History

11/24/10 to 1/31/19



Premium/Discount to NAV

11/24/10 to 1/31/19



Calendar Year Returns

as of 1/31/19

	2011	2012	2013	2014	2015	2016	2017	2018	2019
NAV and distrib ²	20.8%	10.6%	38.5%	3.5%	-58.4%	56.6%	-10.3%	-21.9%	23.5%
NAV only	12.9%	3.8%	31.0%	-2.0%	-65.2%	41.9%	-17.4%	-28.1%	22.7%
Share price and distrib ²	6.8%	23.0%	26.4%	4.5%	-56.6%	41.8%	-5.8%	-24.1%	18.4%
Share price only	-0.2%	15.4%	19.5%	-1.1%	-63.7%	28.5%	-13.2%	-30.1%	17.6%

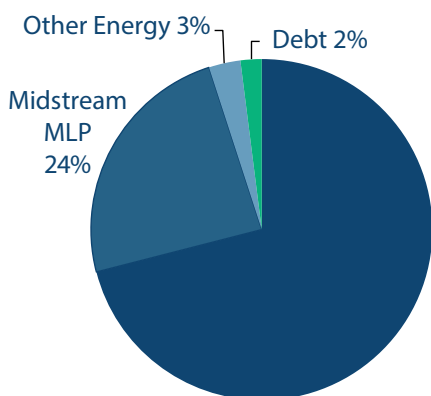
Returns (Not annualized)

as of 1/31/19

	3 Mo.	6 Mo.	1-Yr	2-Yr	3-Yr	5-Yr	Since Inception
NAV and distrib ²	3.0%	-7.3%	-6.7%	-12.8%	74.0%	-42.1%	9.4%
NAV only	0.3%	-11.1%	-14.7%	-26.5%	32.9%	-64.9%	-45.1%
Share price and distrib ²	3.6%	-10.0%	-12.8%	-17.4%	44.7%	-45.3%	-9.6%
Share price only	0.9%	-13.8%	-20.2%	-30.4%	10.5%	-66.9%	-54.6%

Midstream/Energy Fund (KMF)

Portfolio as of 1/31/19



Midstream Company 71%

Top 10 Holdings as of 1/31/19

ONEOK, Inc.	9.9%
The Williams Companies, Inc.	7.9%
Enbridge Inc.	7.3%
Plains GP Holdings, L.P.	7.2%
Targa Resources Corp.	6.6%
Kinder Morgan, Inc.	4.9%
Pembina Pipeline Corporation	4.5%
Capital Product Partners L.P.*	3.9%
Energy Transfer LP	3.6%
Tallgrass Energy, LP	3.5%
	59.3%

*Class B units

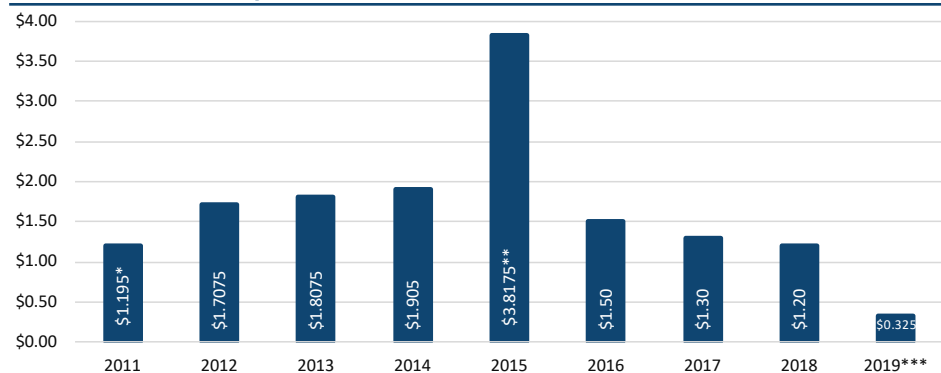
Growth of Hypothetical \$10,000 Investment³

Date	NAV and Distrib	Share Price and Distrib
Inception (11/24/10)	\$10,000	\$10,000
12/31/2010	10,149	10,000
12/31/2011	12,262	10,680
12/31/2012	13,557	13,134
12/31/2013	18,780	16,604
12/31/2014	19,431	17,350
12/31/2015	8,077	7,527
12/31/2016	12,648	10,677
12/31/2017	11,341	10,057
12/31/2018	8,861	7,637
1/31/2019	10,942	9,042

Tax Character of Distributions

Calendar year	Ordinary dividends	Qualified dividends	Capital gains distrib.	Nondividend distrib. (Return of capital)	Total
2011	79%	21%	-	-	100%
2012	51%	26%	23%	-	100%
2013	28%	36%	36%	-	100%
2014	49%	45%	6%	-	100%
2015	16%	27%	57%	-	100%
2016	66%	34%	-	-	100%
2017	-	-	-	100%	100%
2018	9%	-	-	91%	100%
2019E ⁴	-	-	-	100%	100%

Annual Distributions per Fiscal Year



* Includes an initial partial distribution.

** Includes special distribution, see press release dated 6/25/15.

*** Based on year-to-date distributions paid or declared.

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. 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. Common stockholders will receive a Form 1099-DIV from us, sample forms for each year can be found at www.kaynefunds.com/kmf/tax-information. This information does not constitute, and should not be construed as, tax, legal, investment, or other professional advice and cannot be used or relied upon for the purpose of avoiding tax penalties. Investors should consult their tax adviser or legal counsel for advice and information concerning their particular situation.

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 anticipated earnings and profits for fiscal 2019. The final determination of the tax character of distributions will be made in early 2020 when we can determine our actual earnings and profits for the year (including gains and losses on sales of securities during fiscal 2019) and may differ substantially from this preliminary information.

This fact sheet is provided for informational purposes only. This material shall not constitute an offer to sell or a solicitation to buy, nor shall there be any sale of any securities in any jurisdiction in which such offer or sale is not permitted. Performance data quoted represents past performance; past performance is not a guarantee of future results. Current performance may be lower or higher than that shown based on market fluctuations from the end of the reported period. 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. An investment in the fund could suffer loss. Before investing in the fund, you should consider the investment objective, risks, charges and expenses of the fund, which, together with 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.

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NOT BANK GUARANTEED

MAY LOSE VALUE

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

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