

Kayne Anderson

Fund Advisors

Overview

as of 5/31/17

Symbol	KED
Exchange	NYSE
CUSIP	48660Q102
Inception Date	9/21/2006
NAV updates	Daily ¹
Total Assets	\$338 million
Leverage	\$100 million
Quarterly Distribution ² (\$/share)	\$0.40
% of portfolio assets with Call Options	0.4%

Objective

KED is a closed-end fund that invests principally in publicly-traded energy-related master limited partnerships (MLPs), debt and equity securities of privately-held MLPs, and other 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 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 investments not available to retail investors.
 - Kayne Anderson pioneered the private MLP market and is the leading investment firm originating and structuring private MLPs.

¹ 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. In April 2016, KED began providing NAV on a daily basis. From January 2015 through March 2016, the Company provided Adjusted NAV(1) 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 4/21/17 (ex-date 4/11/17) for the quarter ended 2/28/17. (See "Information on Tax Character of Distributions" on page 2.)

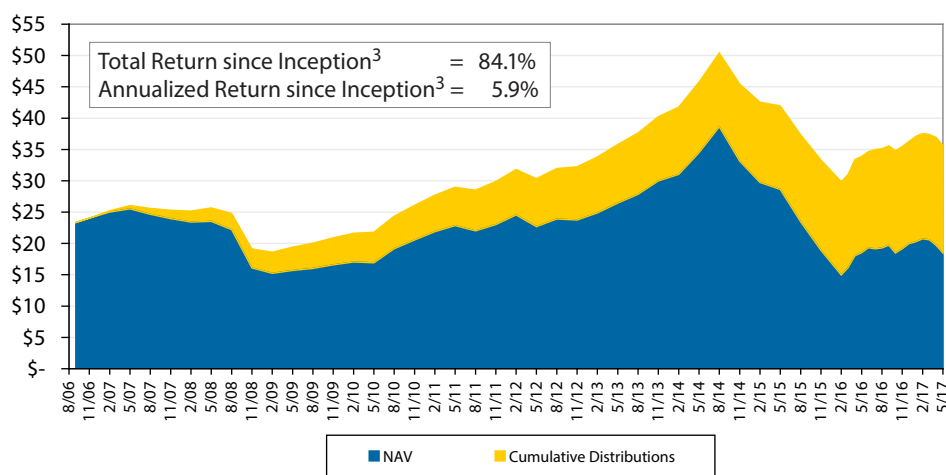
³ Assumes that distributions have been reinvested through the Dividend Reinvestment Program (DRIP).

⁴ Not applicable, because monthly NAVs were not reported prior to May 2013.

Energy Development Company (KED)

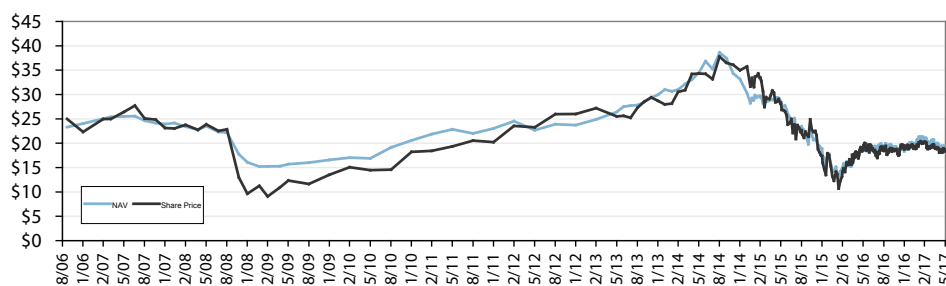
Total Return (NAV plus distributions)

9/21/06 to 5/31/17



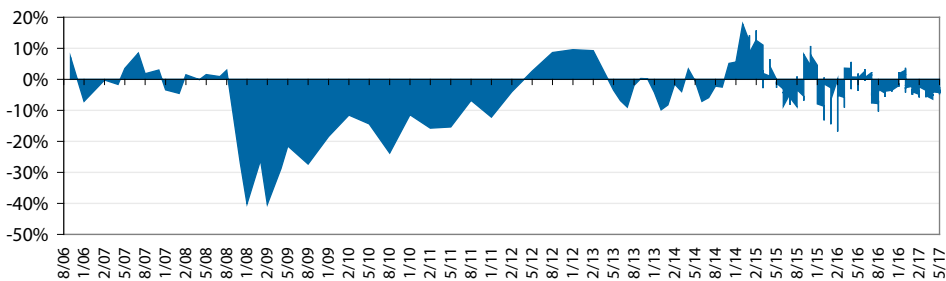
Share Price and NAV History¹

9/21/06 to 5/31/17



Premium/Discount to NAV¹

9/21/06 to 5/31/17



Fiscal Year Returns¹

as of 5/31/17

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	'17 YTD
NAV and distrib ³	5.1%	-27.0%	14.4%	34.3%	20.3%	10.5%	35.1%	18.1%	-38.1%	14.1%	1.2%
NAV only	-0.3%	-32.8%	3.0%	24.0%	11.9%	3.2%	26.2%	10.6%	-43.0%	1.3%	-3.6%
Share price and distrib ³	9.3%	-54.8%	56.1%	45.8%	19.3%	37.8%	18.1%	30.2%	-46.1%	26.1%	-0.8%
Share price only	3.7%	-58.4%	40.5%	34.6%	11.0%	28.7%	10.3%	21.9%	-50.3%	12.0%	-5.4%

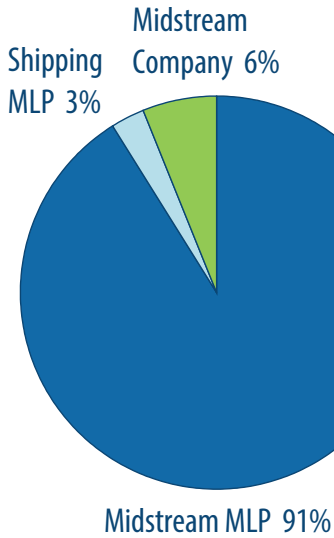
Returns (Not annualized)

as of 5/31/17

	3 Mo.	6 Mo.	1-Yr	2-Yr	3-Yr	5-Yr	10-Yr	Since Inception
NAV and distrib ³	-9.0%	1.2%	10.4%	-20.1%	-29.2%	23.5%	64.7%	84.1%
NAV only	-11.0%	-3.6%	-0.3%	-35.5%	-46.5%	-18.6%	-27.7%	-20.8%
Share price and distrib ³	-7.0%	-0.8%	9.7%	-19.3%	-29.0%	20.1%	58.8%	71.4%
Share price only	-9.0%	-5.4%	-1.0%	-34.8%	-46.3%	-20.9%	-30.3%	-26.3%

Energy Development Company (KED)

Portfolio as of 5/31/17



Top 10 Holdings as of 5/31/17

Energy Transfer Partners, L.P.	13.4%
Williams Partners L.P.	9.4%
ONEOK Partners, L.P.*	7.5%
Western Gas Partners, LP	7.3%
Enterprise Products Partners L.P.	7.3%
Targa Resources Corp.	5.6%
MPLX LP	3.9%
Tallgrass Energy Partners, LP	3.5%
Plains GP Holdings, L.P.	3.4%
Tesoro Logistics LP	3.4%
Total	64.7%

* On February 1, 2017, ONEOK, Inc. ("OKE") and ONEOK Partners, L.P. ("OKS") announced an agreement under which OKE will acquire all common units of OKS in a stock-for-unit transaction. As of May 31, 2017, the Company did not own any OKE shares.

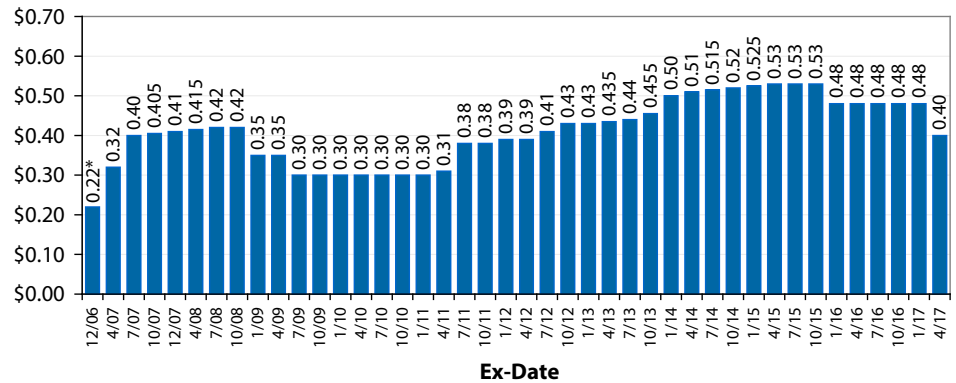
Growth of Hypothetical \$10,000 Investment⁵

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
5/31/17	18,412	17,137

Tax Character of Distributions

Calendar year	Ordinary dividends	Qualified dividends	Capital gains distrib.	Nondividend distrib. (Return of Capital)	Total
2007	74%	-	10%	16%	100%
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%
2017E ⁶	-	-	-	100%	100%

Quarterly Distributions per Share



* Represents a partial payment of approximately 2 months

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.

⁵ 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.

⁶ As of February 28, 2017, this estimate is based on our estimated earnings and profits for fiscal 2017, which does not include a projection for any gains or losses on the sale of securities during the remainder of fiscal 2017. The final determination of the tax character of our distributions will be made after our fiscal year-end when we can determine our actual earnings and profits for the full year. The final tax status of our distributions is dependent on our earnings and profits (including gains and losses on the sale of securities) for the remainder of our fiscal year 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

Kayne Anderson

Fund Advisors