

# Kayne Anderson

Fund Advisors

## MLP/Midstream Investment Company (KYN)

### Overview

as of 12/31/18

Symbol	KYN
Exchange	NYSE
CUSIP	486606106
Inception Date	9/28/2004
Total Assets	\$3,090 million
Leverage	\$1,098 million
Monthly Distribution <sup>1</sup> (\$/share)	\$0.12
% of Portfolio Assets with Call Options	None

### Objective

KYN is a closed-end fund that invests principally in equity securities of energy-related master limited partnerships and their affiliates ("MLPs") and other companies that, as their principal business, operate assets used in the gathering, transporting, processing, storing, refining, distributing, mining or marketing of natural gas, natural gas liquids, crude oil, refined petroleum products or coal (collectively with midstream MLPs, "Midstream Energy Companies"). KYN's investment objective is to obtain high after tax total returns for its shareholders.

### Investment Merits

#### • Midstream Opportunities

- Opportunity to invest across the full value chain for the Midstream Sector through investments in Midstream 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

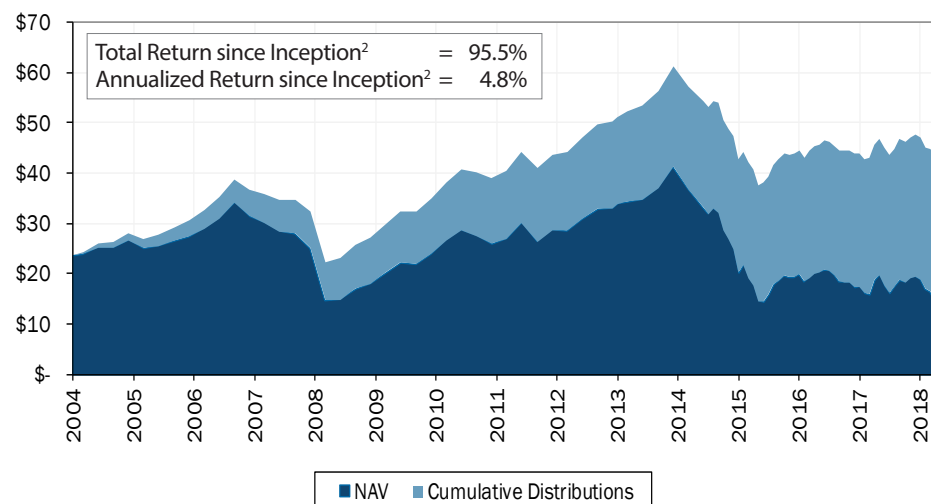
#### • Attractive Fund Structure

- KYN issues a Form 1099 (no K-1).
- Suitable for IRAs, foundations and tax-exempt accounts, because unlike direct holdings in MLPs, KYN does not generate unrelated business taxable income (UBTI).

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

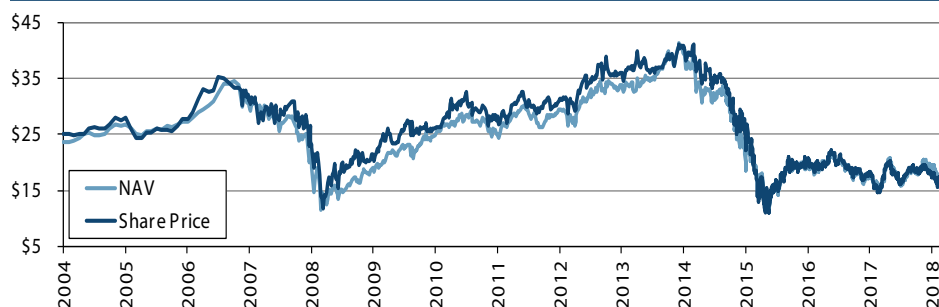
### Total Return (NAV plus distributions)

9/28/04 to 12/31/18



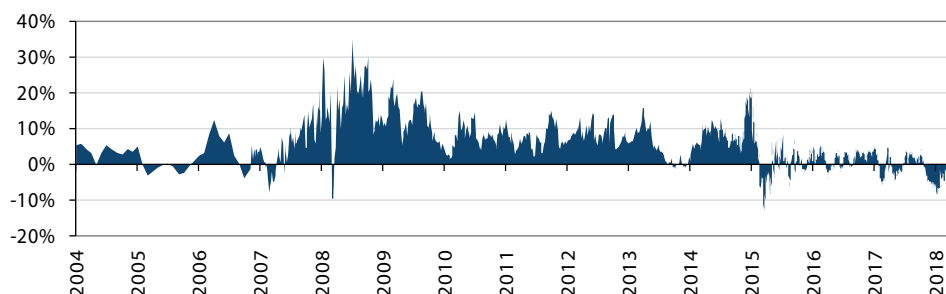
### Share Price and NAV History

9/28/04 to 12/31/18



### Premium/Discount to NAV

9/28/04 to 12/31/18



### Calendar Year Returns

as of 12/31/18

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
NAV and distrib <sup>2</sup>	-51.7%	79.8%	36.7%	12.8%	3.6%	35.7%	4.9%	-43.5%	29.9%	3.3%	-14.2%
NAV only	-55.4%	61.9%	26.5%	5.1%	-5.3%	28.9%	-2.2%	-48.4%	13.3%	-7.0%	-23.6%
Share price and distrib <sup>2</sup>	-39.8%	70.6%	35.8%	3.6%	6.1%	42.4%	2.8%	-50.5%	29.9%	8.0%	-18.9%
Share price only	-44.4%	53.6%	25.7%	-3.5%	-3.0%	35.2%	-4.2%	-54.7%	13.2%	-2.7%	-27.8%

### Period Returns (Not annualized)

as of 12/31/18

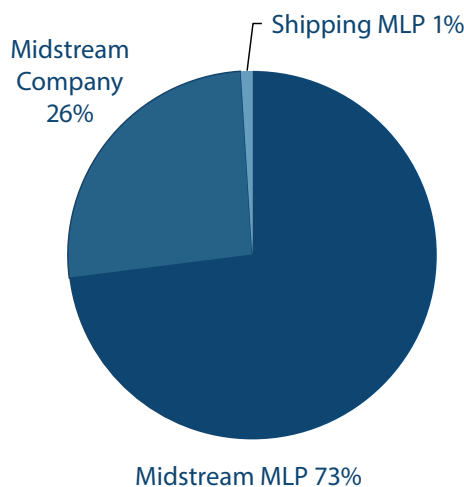
	3 Mo.	6 Mo.	1-Yr	2-Yr	3-Yr	5-Yr	10-Yr	Since Inception
NAV and distrib <sup>2</sup>	-22.0%	-17.0%	-14.2%	-11.4%	15.1%	-31.8%	166.2%	95.5%
NAV only	-24.3%	-22.2%	-23.6%	-28.9%	-19.5%	-59.3%	7.0%	-39.8%
Share price and distrib <sup>2</sup>	-20.5%	-22.1%	-18.9%	-12.4%	13.8%	-42.1%	110.1%	78.7%
Share price only	-22.9%	-27.0%	-27.8%	-29.7%	-20.4%	-65.5%	-15.6%	-45.0%

<sup>1</sup> Payable on 1/31/19 (ex-date 1/16/19). (See "Information on Tax Character of Distributions" on page 2.)

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

# MLP/Midstream Investment Company (KYN)

## Portfolio as of 12/31/18



## Top 10 Holdings as of 12/31/18

Enterprise Products Partners L.P.	13.8%
Energy Transfer LP	10.8%
ONEOK, Inc.	8.4%
The Williams Companies, Inc.	8.0%
MPLX LP	7.6%
Western Gas Partners, LP	6.1%
Plains All American Pipeline, L.P.	5.6%
Buckeye Partners, L.P.	5.5%
Targa Resources Corp.	4.5%
Magellan Midstream Partners, L.P.	3.9%
<b>Total</b>	<b>74.2%</b>

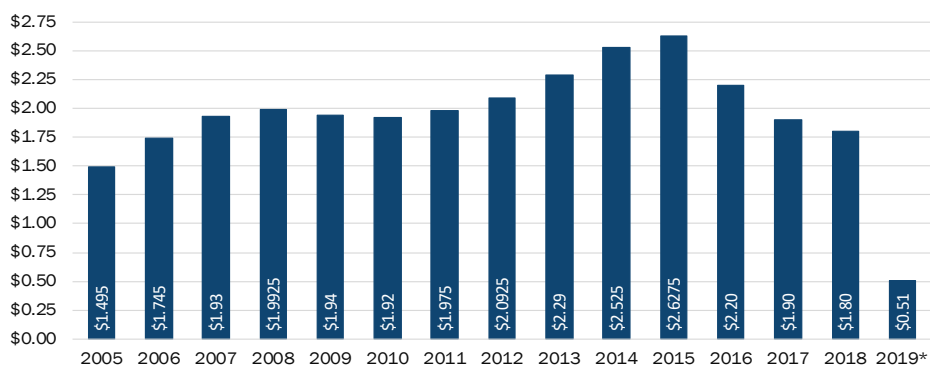
## Growth of Hypothetical \$10,000 Investment<sup>3</sup>

Date	NAV and Distrib	Share Price and Distrib
Inception (9/28/04)	\$10,000	\$10,000
12/31/2004	10,233	10,000
12/31/2005	11,134	10,329
12/31/2006	14,062	14,963
12/31/2007	15,213	14,136
12/31/2008	7,346	8,508
12/31/2009	13,211	14,517
12/31/2010	18,064	19,717
12/31/2011	20,384	20,425
12/31/2012	21,112	21,674
12/31/2013	28,655	30,855
12/31/2014	30,068	31,716
12/31/2015	16,989	15,713
12/31/2016	22,068	20,407
12/31/2017	22,791	22,043
12/31/2018	19,553	17,874

## Tax Character of Distributions

Calendar year	Qualified dividends	Nondividend distr. (Return of Capital)	Total
2008	-	100%	100%
2009	-	100%	100%
2010	44%	56%	100%
2011	64%	36%	100%
2012	74%	26%	100%
2013	67%	33%	100%
2014	90%	10%	100%
2015	82%	18%	100%
2016	-	100%	100%
2017	28%	72%	100%
2018 <sup>4</sup>	100%	-	100%
2019 <sup>5</sup>	-	100%	100%

## Annual Distributions per Fiscal Year



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

## 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/kyn/tax-information](http://www.kaynefunds.com/kyn/tax-information).

<sup>3</sup> 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.

<sup>4</sup> This estimate is based on our estimated earnings and profits for fiscal 2018. The final determination of the tax character of distributions will be made in early 2019 when we can determine our actual earnings and profits for the year and may differ substantially from this information.

<sup>5</sup> 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 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](http://www.kaynefunds.com) or call 1-877-657-3863

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