

**Kayne Anderson Energy Development Company (KED) –  
(CUSIP: 48660Q102)**

**2016 Form 1099-DIV Dividends & Distributions Information**

- Stockholders holding shares as of any of the record dates below should receive a 2016 Form 1099-DIV.
- The information on dividends and distributions paid during the calendar year 2016 is set forth below.
- Example 1: Stockholder X owned one share during the entire calendar year of 2016 and received \$1.92 of distributions during the calendar year. Stockholder X should receive a 2016 Form 1099-DIV including \$0.1897 of Total Ordinary Dividends (Box 1a), of which \$0.1897 will be treated as Qualified Dividends (Box 1b), and \$1.7303 which will be treated as Nondividend Distributions.
- Example 2: Stockholder X purchased one share on October 4, 2016 (i.e., held the share as of the October 7 record date) and received \$0.48 of distributions during October 2016. Stockholder X should receive a 2016 Form 1099-DIV including \$0.0475 of Total Ordinary Dividends (Box 1a), of which \$0.0475 will be treated as Qualified Dividends (Box 1b), and \$0.4325 which will be treated as Nondividend Distributions.

Record Date	Ex-Dividend Date	Payable Date	Total Distribution Per Share	Year Included in Shareholders' Income			Box 1a Total Ordinary Dividends	Box 1b Total Qualified Dividends
				2015	2017	2016		
1/8/2016	1/6/2016	1/15/2016	\$ 0.4800			\$ 0.4800	\$ 0.0474	\$ 0.0474
4/15/2016	4/13/2016	4/22/2016	\$ 0.4800			\$ 0.4800	\$ 0.0474	\$ 0.0474
7/8/2016	7/6/2016	7/15/2016	\$ 0.4800			\$ 0.4800	\$ 0.0474	\$ 0.0474
10/7/2016	10/5/2016	10/14/2016	\$ 0.4800			\$ 0.4800	\$ 0.0475	\$ 0.0475
			\$ 1.9200			\$ 1.9200	\$ 0.1897	\$ 0.1897

Record Date	Box 2a Total Capital Gain Distr.	Box 2b Unrecap Sec. 1250 Gain	Box 2c Section 1202 Gain	Box 2d Collectibles (28%) Gain	Box 3 Nondividend Distributions	Box 6 Foreign Tax Paid	Box 8 Cash Liquidation Distr	Box 9 Noncash Liquidation Distr	Exempt Interest Dividends
1/8/2016					\$ 0.4326				
4/15/2016					\$ 0.4326				
7/8/2016					\$ 0.4326				
10/7/2016					\$ 0.4325				
					\$ 1.7303				

- Total Ordinary Dividends (Box 1a) are either Qualified Dividends or non-Qualified Dividends. To the extent that Total Ordinary Dividends (Box 1a) exceeds Qualified Dividends (Box 1b), the difference will be taxed at the applicable ordinary income tax rate.
- In addition to other requirements which designate dividends as Qualified Dividends, a stockholder must meet the holding period requirements. Generally, a stockholder must hold the stock for more than 60 days during the 121-day period that begins 60 days before the ex-dividend date.
- Nondividend Distributions (Box 3) are treated as a return of capital for tax purposes (i.e., not as taxable income) and reduce the cost basis of the investment owned.

*This notice is not intended to constitute tax, legal, investment, or other professional advice. This is general information and should not be relied upon without consulting your tax advisor.*