

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

2017 Form 1099-DIV Dividends & Distributions Information

- Stockholders holding shares as of any of the record dates below should receive a 2017 Form 1099-DIV.
- The information on dividends and distributions paid during the calendar year 2017 is set forth below.
- **Example 1:** Stockholder X owned one share during the entire calendar year of 2017 and received \$1.68 of distributions during calendar year 2017. Stockholder X should receive a 2017 Form 1099-DIV including \$1.4915 of Total Ordinary Dividends (Box 1a), of which \$1.4915 will be treated as Qualified Dividends (Box 1b), and \$0.1885 of Nondividend Distributions (Box 3).
- **Example 2:** Stockholder X purchased one share on October 4, 2017 (i.e., held the share as of the October 9 record date) and received \$0.40 of distributions during calendar year 2017. Stockholder X should receive a 2017 Form 1099-DIV including \$0.3551 of Total Ordinary Dividends (Box 1a), of which \$0.3551 will be treated as Qualified Dividends (Box 1b), and \$0.0449 of Nondividend Distributions (Box 3).

Record Date	Ex-Dividend Date	Payable Date	Total Distribution Per Share	Year Included in Shareholders' Income			Box 1a	Box 1b
				2016	2018	2017	Total Ordinary Dividends	Total Qualified Dividends
1/6/2017	1/4/2017	1/13/2017	\$ 0.4800			\$ 0.4800	\$ 0.4262	\$ 0.4262
4/13/2017	4/11/2017	4/21/2017	\$ 0.4000			\$ 0.4000	\$ 0.3551	\$ 0.3551
7/10/2017	7/6/2017	7/14/2017	\$ 0.4000			\$ 0.4000	\$ 0.3551	\$ 0.3551
10/9/2017	10/5/2017	10/13/2017	\$ 0.4000			\$ 0.4000	\$ 0.3551	\$ 0.3551
			\$ 1.6800			\$ 1.6800	\$ 1.4915	\$ 1.4915

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
1/6/2017					\$ 0.0538				
4/13/2017					\$ 0.0449				
7/10/2017					\$ 0.0449				
10/9/2017					\$ 0.0449				
					\$ 0.1885				

- 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.