

Kayne Anderson Midstream/Energy Fund, Inc. - (CUSIP: 48661E108)

2011 Form 1099-DIV Dividends & Distributions Information

- Stockholders as of any of the record dates below should receive a 2011 Form 1099-DIV.
- Although stockholders as of December 30, 2011, received the distribution of \$0.4175 per share during January 2012, the distribution should be included in the 2011 Form 1099-DIV.
- Example 1: Stockholder X owns one share during the entire calendar year of 2011. Stockholder X received \$1.1950 of distributions during calendar year 2011 and \$0.4175 of distributions in January 2012. Stockholder X should receive a 2011 Form 1099-DIV including \$1.6125 of Total Ordinary Dividends (Box 1a) of which \$0.3420 will be treated as Qualified Dividends (Box 1b).
- Example 2: Stockholder X purchased one share on December 1, 2011 (held the share as of the December 30 record date) and received \$0.4175 in January 2012. Stockholder X should receive a 2011 Form 1099-DIV including \$0.4175 of Total Ordinary Dividends (Box 1a) of which \$0.0885 will be treated as Qualified Dividends (Box 1b).

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
				2010	2012	2011		
3/23/2011	3/21/2011	3/30/2011	\$ 0.3750			\$ 0.3750	\$ 0.3750	\$ 0.0795
7/13/2011	7/11/2011	7/22/2011	\$ 0.4100			\$ 0.4100	\$ 0.4100	\$ 0.0870
10/19/2011	10/17/2011	10/28/2011	\$ 0.4100			\$ 0.4100	\$ 0.4100	\$ 0.0870
12/30/2011	12/28/2011	1/13/2012	\$ 0.4175			\$ 0.4175	\$ 0.4175	\$ 0.0885
			\$ 1.6125			\$ 1.6125	\$ 1.6125	\$ 0.3420

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
3/23/2011									
7/13/2011									
10/19/2011									
12/30/2011									

- 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.