

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

2013 Form 1099-DIV Dividends & Distributions Information

- Kayne Anderson Midstream/Energy Fund, Inc. is a regulated investment company ("RIC") and is designating the tax character of dividends and distributions as set forth below.
- Stockholders as of any of the record dates below should receive a 2013 Form 1099-DIV.
- Although stockholders as of December 28, 2012, received the distribution of \$0.4425 per share during January 2013, the distribution, as a result of the fund's RIC status, should not be included in the 2013 Form 1099-DIV and should have been included in the 2012 Form 1099-DIV.
- Although stockholders as of December 30, 2013, received the distribution of \$0.4650 per share during January 2014, the distribution, as a result of the fund's RIC status, should be included in the 2013 Form 1099-DIV.
- Example 1: Stockholder X owned one share during the entire calendar year of 2013. Stockholder X should receive a 2013 Form 1099-DIV including \$1.1673 of Total Ordinary Dividends (Box 1a), of which \$0.6541 will be treated as Qualified Dividends (Box 1b), and \$0.6627 of Total Capital Gain Distribution (Box 2a).
- Example 2: Stockholder X purchased one share on December 16, 2013 (held the share as of the December 30 record date) and received \$0.4650 in January 2014. Stockholder X should receive a 2013 Form 1099-DIV including \$0.2966 of Total Ordinary Dividends (Box 1a), of which \$0.1662 will be treated as Qualified Dividends (Box 1b), and \$0.1684 of Total Capital Gain Distribution (Box 2a).

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
				2012	2014	2013		
4/19/2013	4/17/2013	4/26/2013	\$ 0.4500			\$ 0.4500	\$ 0.2871	\$ 0.1609
7/12/2013	7/10/2013	7/19/2013	\$ 0.4550			\$ 0.4550	\$ 0.2902	\$ 0.1626
10/11/2013	10/9/2013	10/18/2013	\$ 0.4600			\$ 0.4600	\$ 0.2934	\$ 0.1644
12/30/2013	12/26/2013	1/10/2014	\$ 0.4650			\$ 0.4650	\$ 0.2966	\$ 0.1662
			\$ 1.8300			\$ 1.8300	\$ 1.1673	\$ 0.6541

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
4/19/2013	\$ 0.1629								
7/12/2013	\$ 0.1648								
10/11/2013	\$ 0.1666								
12/30/2013	\$ 0.1684								
	\$ 0.6627								

- 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.