

**Report of Organizational Actions
 Affecting Basis of Securities**

OMB No. 1545-0123

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name		2 Issuer's employer identification number (EIN)	
Kayne Anderson Midstream/Energy Fund, Inc.			
3 Name of contact for additional information	4 Telephone No. of contact	5 Email address of contact	
Terry Hart	1-877-657-3863	CEF@kaynecapital.com	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact		7 City, town, or post office, state, and ZIP code of contact	
811 Main Street, 14th Floor		Houston, TX 77002	
8 Date of action		9 Classification and description	
See below		Common Stock	
10 CUSIP number	11 Serial number(s)	12 Ticker symbol	13 Account number(s)
48661E108		KMF	

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ Kayne Anderson Midstream/Energy Fund, Inc. (KMF) paid distributions to common shareholders during 2017 that were determined to be nontaxable upon computation of KMF's earnings and profits after the tax year-end. See Part II, Line 15 for the amount of distributions per share. ✓

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ A shareholder's basis in KMF stock is reduced by the nontaxable distributions paid per share ✓

as follows:

\$0.35 with a record date of 04/13/2017 payable 04/21/2017	✓
\$0.30 with a record date of 07/10/2017 payable 07/14/2017	✓
\$0.30 with a record date of 10/09/2017 payable 10/13/2017	✓
\$0.30 with a record date of 12/29/2017 payable 1/12/2018	✓

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ KMF's earnings and profits were calculated pursuant to IRC Section 312, and the regulations thereunder. Amounts in excess of earnings and profits reduce the shareholder's tax basis in its shares to the extent of basis.

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Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ Tax Treatment is based upon Internal Revenue Code Section 301 (c) and 316 (a).

Multiple horizontal lines for listing applicable Internal Revenue Code sections and subsections.

18 Can any resulting loss be recognized? ▶ No.

Multiple horizontal lines for providing information regarding loss recognition.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ These actions are effective on the dates of distribution identified above.

Multiple horizontal lines for providing other information necessary to implement the adjustment.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Signature ▶ Terry A. Hart Date ▶ 1/29/18

Print your name ▶ Terry A. Hart Title ▶ Chief Financial Officer and Treasurer

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name ▶	Firm's EIN ▶			
	Firm's address ▶	Phone no.			