

## Report of Organizational Actions Affecting Basis of Securities

► See separate instructions.

OMB No. 1545-0123

<b>Part I</b>	<b>Reporting Issuer</b>
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1 Issuer's name		2 Issuer's employer identification number (EIN)	
Kayne Anderson Midstream/Energy Fund, Inc.		27-3335731	
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 attached Statement 1.		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 2019 that were determined to be nontaxable upon computation of KMF's earnings and profits after the tax year-end. See attached Statement 1.

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 ► See attached Statement 1.

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.

**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).

**18** Can any resulting loss be recognized? ► No.

**19** Provide any other information necessary to implement the adjustment, such as the reportable tax year ► See attached Statement 1.

**Sign Here**

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 ►  Date ► \_\_\_\_\_

Print your name ► Terry A. Hart

Title ► CFO, Treasurer & Assistant Secretary

**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.			

## Statement 1

Kayne Anderson Midstream/Energy Fund, Inc. (NYSE: KMF) paid distributions to stockholders during 2019 that were determined to be nontaxable upon computation of KMF's earnings and profits after the tax year-end. A stockholder's basis in KMF is reduced by the return of capital distribution amounts reflected in each table below.

### Common Stock Distributions

<u>Ex-Date</u>	<u>Record Date</u>	<u>Payment Date</u>	<u>Per Share</u>	
			<u>Distribution</u>	<u>Return of Capital</u>
1/16/19	1/17/19	1/31/19	\$0.0750	\$0.0750
2/13/19	2/14/19	2/28/19	\$0.0750	\$0.0750
3/13/19	3/14/19	3/29/19	\$0.0750	\$0.0750
4/17/19	4/18/19	4/30/19	\$0.0750	\$0.0750
5/15/19	5/16/19	5/31/19	\$0.0750	\$0.0750
6/19/19	6/20/19	6/28/19	\$0.0750	\$0.0750
7/17/19	7/18/19	7/31/19	\$0.0750	\$0.0750
8/21/19	8/22/19	8/30/19	\$0.0750	\$0.0750
9/18/19	9/19/19	9/30/19	\$0.0750	\$0.0750
10/23/19	10/24/19	10/31/19	\$0.0750	\$0.0750
11/20/19	11/21/19	11/29/19	\$0.0750	\$0.0750
12/18/19	12/19/19	12/31/19	<u>\$0.0750</u>	<u>\$0.0750</u>
<b>Total KMF Distributions Per Share:</b>			<b>\$0.9000</b>	<b>\$0.9000</b>

Nontaxable distributions are treated as return of capital for tax purposes (i.e., not considered to be taxable income) and thus reduce the cost basis of the shareholder's investment. Stockholders who received these distributions should not include these amounts in taxable income, but instead should treat them as a reduction of the cost basis of the applicable shares upon which these distributions were paid.

*This document is provided for general informational purposes only. It does not constitute, and should not be construed as, tax, legal, investment, or other professional advice and cannot be used or relied upon for the purpose of avoiding tax penalties. Investors should consult their tax advisers with respect to the tax consequences of their investment.*