Kayne Anderson

NextGen Energy & Infrastructure, Inc.

KMF Semi-Annual Report

May 31, 2022

CONTENTS

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS: This report of Kayne Anderson NextGen Energy & Infrastructure, Inc. (the “Fund”) contains “forward-looking statements” as defined under the U.S. federal securities laws. Generally, the words “believe,” “expect,” “intend,” “estimate,” “anticipate,” “project,” “will” and similar expressions identify forward-looking statements, which generally are not historical in nature. Forward-looking statements are subject to certain risks and uncertainties that could cause actual results to materially differ from the Fund’s historical experience and its present expectations or projections indicated in any forward-looking statement. These risks include, but are not limited to, changes in economic and political conditions; regulatory and legal changes; energy industry risk; leverage risk; valuation risk; interest rate risk; tax risk; and other risks discussed in the Fund’s filings with the Securities and Exchange Commission (“SEC”). You should not place undue reliance on forward-looking statements, which speak only as of the date they are made. The Fund undertakes no obligation to publicly update or revise any forward-looking statements made herein. There is no assurance that the Fund’s investment objectives will be attained.

All investments in securities involve risks, including the possible loss of principal. The value of an investment in the Fund could be volatile, and you could suffer losses of some or a substantial portion of the amount invested. The Fund’s concentration of investments in energy infrastructure companies subjects it to the risks of the energy sector, including the risks of declines in energy and commodity prices, decreases in energy demand, adverse weather conditions, natural or other disasters, changes in government regulation, and changes in tax laws. Leverage creates risks that may adversely affect return, including the likelihood of greater volatility of net asset value and market price of common shares and fluctuations in distribution rates, which increases a stockholder’s risk of loss.

Performance data quoted in this report represent past performance and are for the stated time period only. Past performance is not a guarantee of future results. Current performance may be lower or higher than that shown based on market fluctuations from the end of the reported period.

KAYNE ANDERSON NEXTGEN ENERGY & INFRASTRUCTURE, INC.
ADOPTION OF AN OPTIONAL DELIVERY METHOD FOR SHAREHOLDER REPORTS

Rule 30e-3 Notice

Paper copies of Kayne Anderson NextGen Energy & Infrastructure, Inc.'s (the "Fund") annual and semi-annual shareholder reports are no longer being sent by mail, unless you specifically request paper copies of the reports. Instead, the reports will be made available on the Fund's website (*www.kaynefunds.com*), and you will be notified by mail each time a report is posted and provided with a website link to access the report.

You may elect to receive paper copies of shareholder reports and other communications from the Fund anytime by contacting your financial intermediary (such as a broker-dealer or bank) or, if you are a direct investor, by calling the Fund at 1-877-657-3863. Your election to receive reports in paper will apply to all funds held in your account if you invest through your financial intermediary or all funds held directly with KA Fund Advisors, LLC.

KAYNE ANDERSON NEXTGEN ENERGY & INFRASTRUCTURE, INC.
LETTER TO STOCKHOLDERS

July 5, 2022

Dear Fellow Stockholders:

We hope this letter finds you and your families well. Though summer is upon us, there is no lack of news flow regarding the state of the global economy. Investors are on edge, with financial assets reacting violently as market sentiment shifts. In our last quarterly update, we pointed to the many factors driving volatility in financial markets, including "concerns about inflation, rising interest rates, and the potential for a slower global recovery." Many of these challenges have only become more pronounced, with inflation hovering at 40-year highs and central banks rapidly increasing interest rates to rein in inflation expectations. Energy prices are featured prominently in the inflation discussion, and energy security remains squarely in focus as geopolitical events roil global energy and power markets. Despite the nearer-term headwinds facing equity valuations, we believe the long-term investment case for energy infrastructure equities is even more compelling, and we believe KMF is ideally suited to give investors exposure to the Energy Transition as a result of its emphasis on investing in NextGen Companies.(1) Our portfolio of equity and debt investments in high-quality, well-capitalized energy and infrastructure companies should generate attractive returns across a range of economic conditions while contributing to global decarbonization goals. This quarter's relative performance is an excellent case study highlighting this point.

In this letter, we discuss the energy infrastructure markets, KMF's portfolio positioning, and the Fund's strong quarterly performance. In summary:

- KMF had another impressive quarter performance-wise, generating a Net Asset Return of 10.3%;(2)
- We achieved this return while maintaining conservative leverage levels with ample "downside cushion" given the overall market volatility;(3) and
- Announced a quarterly distribution of $0.16 per share.

Market Conditions

The S&P 500 declined 5.2% during KMF's fiscal second quarter (ended May 31st) and was down 8.8% during the first six months of fiscal 2022.(4) Volatility remained stubbornly high as the market assessed accelerating and widespread inflation amidst skepticism about the Federal Reserve's ability to engineer a "soft landing." As the Fed and other Central Banks rapidly increased interest rates to quell inflation expectations, the prospects for a global recession have increased. Bond yields continued to increase at an extraordinary pace during the quarter, with the 10-year U.S. Treasury bond yield up 101 basis points (bps) to 2.8%–double the rate at the start of fiscal 2022. Against a backdrop of heightened uncertainty, we expect continued periods of above-average volatility in equity markets.

Energy commodity prices remained strong (but volatile) during the fiscal quarter, as WTI crude oil prices ended the quarter at a 14-year high of $114 per barrel (up 19% during fiscal Q2). Global crude oil and refined product inventories were tight even before Russia's invasion of Ukraine, and we are now witnessing a delicate global balancing act. Global demand is still growing materially, but at a slower rate due to high prices. Meanwhile, unprecedented strategic petroleum reserve releases are helping offset lower Russian exports. Despite this, oil prices remain high as the market weighs the prospects of lower Russian supply by the end of this year and limited alternatives to offset this decline. Domestically, capital discipline by U.S. upstream companies and supply chain/labor constraints continue to act as meaningful

Endnotes can be found on page 6.

governors on domestic supply growth. Barring a severe global recession, we anticipate robust demand growth and believe oil prices will remain above “mid-cycle” levels, as there is no quick fix to today’s supply constraints.

Natural gas and LNG (liquified natural gas) prices remain in focus, given that Russia (pre-war) supplied roughly 40% of the natural gas consumed by Europe. During the quarter, U.S. natural gas prices approached levels not experienced in well over a decade, averaging $6.46 per million British thermal units (MMBtu) and ended the period at $8.46/MMBtu. As stunning as these price levels are for American consumers, prices in Europe averaged $31/MMBtu during the same period. It is hard to overstate the importance of access to cheap and abundant natural gas to global manufacturing and power generation, and consumers are bearing the brunt of this dramatic price increase in the form of higher prices for finished goods and unprecedented utility bills. This dynamic has created additional near-term and long-term demand for sources of renewable energy while simultaneously accelerating the sanctioning and development of additional LNG import/export infrastructure. The recent emphasis on newbuild energy infrastructure, combined with a corporate and political mandate for lower-carbon energy sources, provides an extremely attractive commercial backdrop for our natural gas and renewable infrastructure investments. Policymakers and investors alike have a heightened awareness of the importance of cheap, reliable energy to modern life, driving incremental investor interest in companies throughout our portfolio.

The parallel themes of energy security and Energy Transition continue to resonate globally as countries struggle to reconcile their acute need for inexpensive sources of non-Russian energy *today* with longer-term climate commitments. The myriad geopolitical and economic crises have become something of an energy Rorschach test, in which the subjects’ perception of events is informed by their respective pre-crisis political and business agendas. Global leaders and management teams throughout our investable universe have articulated seemingly divergent energy takeaways in recent months, and there is no shortage of pundits offering a “silver bullet” solution for global energy supply woes.

Our view is that there is no universal solution to the systemic challenges we face today; countries will require energy infrastructure tailored to their respective economic, geographic, and political constraints. To reiterate our long-held belief: The quest for energy security does not conflict with the Energy Transition. We believe that responsibly produced, low-carbon intensity hydrocarbons will be part of the global mix for decades to come, complementing growing renewable energy sources and providing raw materials necessary to manufacture consumer and medical products that are fundamental to daily life in modern society. KMF is designed to provide direct and curated exposure to the durable megatrends of decarbonization and energy security.

Portfolio and Performance

Returns across KMF’s three energy infrastructure sectors — midstream, U.S. utilities, and renewable infrastructure — were mixed during the second fiscal quarter of 2022.

- Midstream energy had another outstanding quarter, with the Alerian Midstream Energy Index (AMNA) up 11.4%, outperforming the S&P 500 by approximately 1,700 bps.
- U.S. utilities were up meaningfully for the quarter as investors searched for relative safety amid a volatile backdrop, with the Utilities Select Sector SPDR Fund (XLU) returning 10.2% — the sector’s best quarterly performance in the last year.
- Renewable infrastructure returns were down slightly, at negative 1.9%.[5]

Endnotes can be found on page 6.

We should also note that post quarter-end, each of these sectors declined during June along with many other financial assets as investors weigh the prospect of slowing economic growth and the potential for recession. During June, the AMNA, XLU, and our renewable infrastructure composite declined 12.2%, 4.9%, and 9.3%, respectively. While unsettling, we recognize that these corrections occur from time to time. KMF's diversified portfolio of liquid investments and conservative leverage allow us to navigate these corrections efficiently so that we can focus on generating attractive long-term returns.

Over the last 24 months (June 2020 to May 2022), the AMNA returned 86%, which is approximately 4,600 bps greater than the S&P 500's return of 40% over the same time period. U.S. utilities returned 32% over this period, and renewable infrastructure was up 24%. While renewable infrastructure and utilities have lagged the midstream sector over this two-year period, it is important to recall both sectors' outstanding returns in 2019 and 2020 when midstream investments performed poorly. As we emphasized in past letters, the diversity among these returns is expected, and we believe this portfolio diversification reduces KMF's overall risk without unduly sacrificing returns. We continue to believe each sector's fundamental long-term prospects are very favorable, and our team actively monitors near-term prospects for each in pursuit of maximizing total returns.

At the end of our second fiscal quarter, KMF's combined investments in NextGen companies, which includes substantially all of our investments in the renewable infrastructure, U.S. utilities, and natural gas & LNG infrastructure sectors, represents roughly 57% of the total portfolio. As shown below, KMF's sector allocations are skewed toward midstream (including traditional midstream and natural gas & LNG infrastructure) compared to the weightings that make up KMF's Composite Energy Infrastructure Index benchmark. As a reminder, the benchmark index is a blend of midstream, U.S. utilities, and renewable infrastructure sectors, as measured by the AMNA, XLU, and our renewable infrastructure composite, respectively.[6]

Sector Allocations

	Weightings as of 5/31/22	
	KMF	**Benchmark[6]**
Midstream	38%	50%
Natural Gas & LNG Infrastructure	24%	
Renewable Infrastructure	21%	35%
U.S. Utilities[7]	13%	15%
Other	4%	-
Fiscal Q2 Total Returns	**10.3%**	**6.6%**

KMF's NAV Return of 10.3% was approximately 370 basis points better than the 6.6% benchmark index return, primarily due to KMF's higher allocation to midstream, the best performing sector during the quarter. Our holdings of natural gas & LNG infrastructure within the broader midstream category have marginally increased relative to traditional midstream holdings, and we would expect this trend to continue over the longer term. KMF's strategy of focusing the majority of the Fund in NextGen infrastructure companies remains intact. The companies in our portfolio also provide significant exposure to the burgeoning energy security theme through their investments in renewable power generation, power transmission, and midstream assets that link the production of oil, natural gas, and natural gas liquids

Endnotes can be found on page 6.

to domestic customers and export markets. We believe KMF's exposure to infrastructure companies benefiting from energy security and Energy Transition can provide investors with attractive long-term risk-adjusted returns.

KMF's Market Return was 15.2% for the quarter, or approximately 490 bps higher than NAV Return, as KMF's share price ended the quarter at a tighter discount to NAV.[8] Notwithstanding the improvement, we are disappointed in the stock price to NAV discount, and we continue to assess all options to narrow the discount. Our core mission of providing attractive risk-adjusted returns while maintaining conservative balance sheet leverage and ample liquidity in the portfolio remains unchanged. We expect that our consistent performance and differentiated portfolio, along with a substantial return of cash to shareholders through quarterly distributions, will be recognized by the market over time.

Distribution

Given KMF's consistently strong performance in recent quarters and on the heels of last quarter's 14% distribution increase, the Fund has elected to maintain its quarterly distribution of $0.16 per share.[9] Based on our current outlook, we believe this distribution level is sustainable and consistent with our distribution policy, which considers net distributable income as well as realized and unrealized gains from KMF's portfolio investments. While we are cognizant of the heightened risks in broader markets, we remain optimistic about the long-term outlook for NextGen Companies and their role in the Energy Transition and in facilitating increased energy security for our allies across the globe.

We encourage investors to visit our website at kaynefunds.com for more information about the Fund, including the podcasts posted on the "Insights" page that discuss performance and key industry trends. For more details on KMF's performance, please refer to the "Quarterly Performance" section of our website at kaynefunds.com/kmf. We appreciate your investment in KMF and look forward to providing future updates.

KA Fund Advisors, LLC

Endnotes can be found on page 6.

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(1) We consider NextGen companies to be energy companies and infrastructure companies that are meaningfully participating in, or benefiting from, the Energy Transition. For these purposes, we include renewable infrastructure companies, natural gas & LNG infrastructure companies, and certain utility companies.

(2) Net Asset Return is defined as the change in net asset value per share plus cash distributions paid during the period (assuming reinvestment through our dividend reinvestment plan).

(3) Downside cushion reflects the decrease in total asset value that could be sustained while maintaining compliance with 1940 Act leverage levels and KMF's financial covenants.

(4) Performance metrics in this letter represent total returns unless specifically noted otherwise.

(5) Based on a composite total return for 38 domestic and international renewable infrastructure and utility companies (calculated on a market-cap weighted basis with individual constituents capped at a 10% weighting).

(6) The sub-sector allocations for KMF's Composite Energy Infrastructure Index were established by Kayne Anderson at the beginning of fiscal 2022 and are expected to change on an annual basis based on the estimated sub-sector allocations of the Fund's assets during that year. The benchmark for the midstream sector is the Alerian Midstream Energy Index (AMNA). The benchmark for the renewable infrastructure sector is the composite total return defined in footnote 5. The benchmark for the U.S. utilities sector is the Utilities Select Sector SPDR Fund (XLU), which is an ETF linked to the Utilities Select Sector Index (IXU), a sub-set of the S&P 500.

(7) Includes TransAlta Corporation (TA CN). Excludes EDP-Energias de Portugal SA (EDP PL), Enel SpA (ENEL IM), Public Power Corporation S.A. (PPC GA), and SSE PLC (SSE LN), which are reclassified as renewable infrastructure.

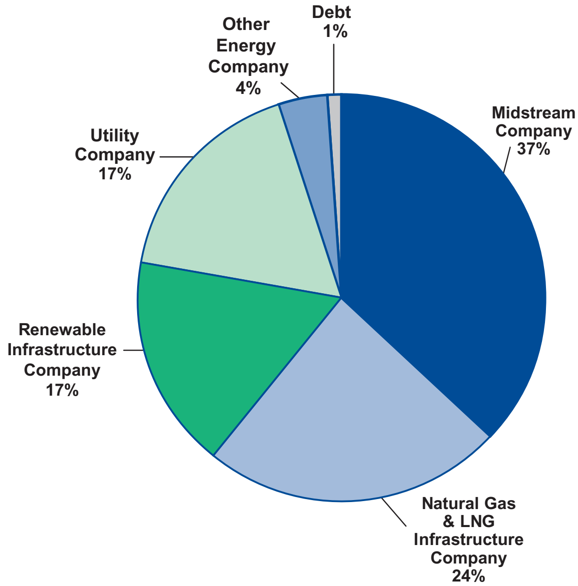
(8) Market return is defined as the change in share price plus cash distributions paid during the period (assuming reinvestment through our dividend reinvestment plan).

(9) Distribution payable July 12, 2022.

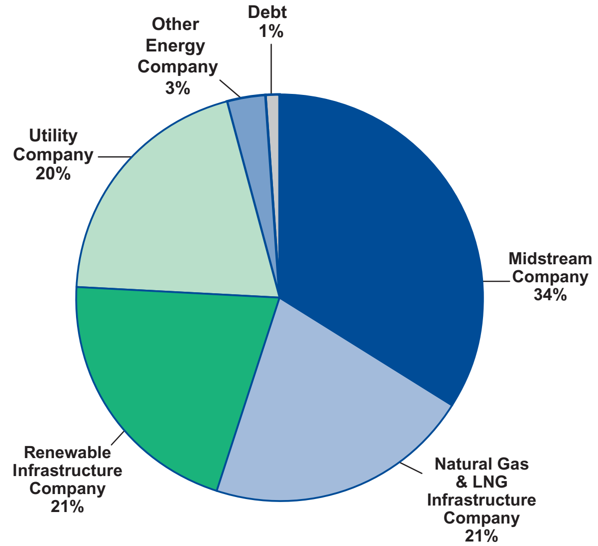
KAYNE ANDERSON NEXTGEN ENERGY & INFRASTRUCTURE, INC.
PORTFOLIO SUMMARY
(UNAUDITED)

Portfolio of Long-Term Investments by Category[1]

May 31, 2022



November 30, 2021



Top 10 Holdings by Issuer[2]

Holding	Category[1]	Percent of Long-Term Investments as of May 31, 2022	Percent of Long-Term Investments as of November 30, 2021
1. Targa Resources Corp.	Midstream Company	6.9%	5.7%
2. Enterprise Products Partners L.P.[3]	Midstream Company	6.7	6.2
3. The Williams Companies, Inc.	Natural Gas & LNG Infrastructure Company	6.2	5.2
4. Cheniere Energy, Inc.	Natural Gas & LNG Infrastructure Company	5.4	4.7
5. Energy Transfer LP	Midstream Company	4.7	3.9
6. MPLX LP	Midstream Company	4.4	4.6
7. TC Energy Corporation	Natural Gas & LNG Infrastructure Company	4.1	3.6
8. DT Midstream, Inc.	Natural Gas & LNG Infrastructure Company	3.5	2.8
9. Brookfield Renewable Partners L.P.[4]	Renewable Infrastructure Company	3.5	3.9
10. Kinder Morgan, Inc.	Natural Gas & LNG Infrastructure Company	3.4	3.1

(1) See Glossary of Key Terms for definitions.

(2) Includes ownership of equity and debt investments.

(3) Includes ownership of common and preferred units.

(4) Includes ownership of Brookfield Renewable Partners, L.P. (“BEP”) and Brookfield Renewable Corporation (“BEPC”).

Fund Overview

Kayne Anderson NextGen Energy & Infrastructure, Inc. (the "Fund" or "KMF") is a non-diversified, closed-end fund that commenced operations in November 2010. Our investment objective is to provide a high level of total return with an emphasis on making cash distributions to our stockholders. We seek to achieve that investment objective by investing at least 80% of our total assets in the securities of Energy Companies and Infrastructure Companies. We expect to invest the majority of our assets in securities of "NextGen" companies which we define as Energy Companies and Infrastructure Companies that are meaningfully participating in, or benefitting from, the Energy Transition. Please see the Glossary of Key Terms for a description of these investment categories and for the meaning of capitalized terms not otherwise defined herein.

As of May 31, 2022, we had total assets of $667 million, net assets applicable to our common stockholders of $497 million (net asset value of $10.53 per share), and 47.2 million shares of common stock outstanding. As of May 31, 2022, we held $655 million in equity investments and $6 million in debt investments.

Results of Operations — For the Three Months Ended May 31, 2022

Investment Income. Investment income totaled $4.2 million for the quarter. We received $7.8 million of dividends and distributions, of which $3.6 million was treated as return of capital and $0.1 million was treated as distributions in excess of cost basis. Interest income was $0.1 million.

Operating Expenses. Operating expenses totaled $3.9 million, including $2.1 million of investment management fees, $1.1 million of interest expense, $0.3 million of preferred stock distributions and $0.4 million of other operating expenses.

Net Investment Income. Our net investment Income totaled $0.3 million.

Net Realized Gains. We had net realized gains of $3.6 million, which includes $1.9 million of realized gains on forward currency contracts and $0.1 million of realized losses on foreign currency transactions.

Net Change in Unrealized Gains. We had a net increase in unrealized gains of $41.9 million, which includes $0.2 million of unrealized losses on forward currency contracts.

Net Increase in Net Assets Resulting from Operations. As a result of the above, we had a net increase in net assets resulting from operations of $45.8 million.

Distributions to Common Stockholders

On June 23, 2022, KMF declared a quarterly distribution of $0.16 per common share for the second quarter, which was paid on July 12, 2022. Payment of future distributions is subject to Board of Directors approval, as well as meeting the covenants on our debt agreements and terms of our preferred stock.

The Board of Directors considers several items in setting our distributions to common stockholders including net distributable income as defined below, realized and unrealized gains and expected returns for portfolio investments. For instance, we expect earnings growth and/or excess free cash flows generated by our holdings will enhance shareholder value and, in turn, result in appreciation in our portfolio investments. Taking this into consideration when setting our distribution gives us an effective way to pass along these benefits to our stockholders.

Net distributable income ("NDI") is the amount of income received by us from our portfolio investments less operating expenses, subject to certain adjustments as described below. NDI is not a financial measure under the accounting principles generally accepted in the United States of America ("GAAP"). Refer to the Reconciliation of NDI to GAAP section below for a reconciliation of this measure to our results reported under GAAP.

For the purposes of calculating NDI, income from portfolio investments includes (a) cash dividends and distributions, (b) paid-in-kind dividends received (*i.e.*, stock dividends), (c) interest income from debt securities and commitment fees from private investments in public equity ("PIPE investments") and (d) net premiums received from the sale of covered calls.

For the purposes of calculating NDI, operating expenses include (a) investment management fees paid to our investment adviser, (b) other expenses (mostly comprised of fees paid to other service providers), (c) accrual for estimated excise taxes (if any) and (d) interest expense and preferred stock distributions.

Net Distributable Income (NDI)
(amounts in millions, except for per share amounts)

	Three Months Ended May 31, 2022
Distributions and Other Income from Investments	
Dividends	$ 7.8
Interest	0.1
Total Distributions and Other Income from Investment	7.9
Expenses	
Investment Management Fee	(2.1)
Other Expenses	(0.4)
Interest Expense	(1.1)
Preferred Stock Distributions	(0.3)
Net Distributable Income (NDI)	**$ 4.0**
Weighted Shares Outstanding	47.2
NDI per Weighted Share Outstanding	**$0.086**
Adjusted NDI per Weighted Share Outstanding(1)	**$0.077**

(1) Adjusted NDI excludes distributions received from Atlantica Sustainable Infrastructure plc, Eversource, Evergy and Rattler Midstream LP attributable to the first quarter of fiscal 2022 with ex-dividend dates in March 2022 ($0.4 million).

Reconciliation of NDI to GAAP

The difference between distributions and other income from investments in the NDI calculation and total investment income as reported in our Statement of Operations is reconciled as follows:

- A significant portion of the cash distributions received from our investments is characterized as return of capital. For GAAP purposes, return of capital distributions are excluded from investment income, whereas the NDI calculation includes the return of capital portion of such distributions.
- GAAP recognizes distributions received from our investments that exceed the cost basis of our securities to be realized gains and are therefore excluded from investment income, whereas the NDI calculation includes these distributions.
- NDI includes the value of paid-in-kind dividends and distributions (if any), whereas such amounts are not included as investment income for GAAP purposes, but rather are recorded as unrealized gains upon receipt.
- NDI includes commitment fees from PIPE investments (if any), whereas such amounts are generally not included in investment income for GAAP purposes, but rather are recorded as a reduction to the cost of the investment.
- We may sell covered call option contracts to generate income or to reduce our ownership of certain securities that we hold. In some cases, we are able to repurchase these call option contracts at a price less than the call premium that we received, thereby generating a profit. The premium we receive from selling call options, less (i) the amount that we pay to repurchase such call option contracts and (ii) the amount by which the market price of an underlying security is above the strike price at the time a new call option is written (if any), is included in NDI. For GAAP purposes, premiums received from call option contracts sold are not included in investment income. See Note 2 — Significant Accounting Policies for a full discussion of the GAAP treatment of option contracts.

Liquidity and Capital Resources

At May 31, 2022, we had total leverage outstanding of $168 million, which represented 25% of total assets. Our current policy is to utilize leverage in an amount that represents approximately 25% to 30% of our total assets. Total leverage was comprised of $80 million of senior unsecured notes (“Notes”), $46 million of borrowings outstanding under our unsecured revolving credit facility (the “Credit Facility”) and $42 million of mandatory redeemable preferred stock (“MRP Shares”). At such date, we had $1.2 million of cash. As of July 22, 2022, we had $50 million of borrowings outstanding under our Credit Facility, $2 million of borrowings outstanding under our unsecured revolving credit facility with Sumitomo Mitsui Banking Corporation (“Bank Facility”) and we had $2 million of cash.

Our Credit Facility has a total commitment of $50 million and matures on February 24, 2023. The interest rate on borrowings under the Credit Facility may vary between the secured overnight financing rate (“SOFR”) plus 1.40% and SOFR plus 2.25%, depending on our asset coverage ratios. We pay a fee of 0.20% per annum on any unused amounts of the Credit Facility.

Our Bank Facility has a total commitment of $20 million. The Bank Facility has a three-year term, maturing August 6, 2024. Borrowings under the Bank Facility will bear interest at a rate of 1-month LIBOR plus 1.35%. The Fund will pay a commitment fee of 0.20% per annum on any unused amounts of the Bank Facility. As of May 31, 2022, we did not have any borrowings under the Bank Facility.

At May 31, 2022, we had $80 million of Notes outstanding that mature between 2023 and 2025 and we had $42 million of MRP Shares outstanding that are subject to mandatory redemption in 2024 and 2026.

At May 31, 2022, our asset coverage ratios under the Investment Company Act of 1940, as amended ("1940 Act"), were 527% for debt and 396% for total leverage (debt plus preferred stock). We target asset coverage ratios that give us the ability to withstand declines in the market value of the securities we hold before breaching the financial covenants in our leverage. These targets are dependent on market conditions as well as certain other factors and may vary from time to time. Currently, we are targeting asset coverage ratios that provide approximately 30% to 40% of cushion relative to our financial covenants (i.e., market values could decline by approximately this amount before our asset coverage ratios would be equal to our financial covenants).

As of May 31, 2022, our total leverage consisted 61% of fixed rate obligations and 39% of floating rate obligations. At such date, the weighted average interest/dividend rate on our total leverage was 3.05%.

KAYNE ANDERSON NEXTGEN ENERGY & INFRASTRUCTURE, INC.
SCHEDULE OF INVESTMENTS
MAY 31, 2022
(amounts in 000's)
(UNAUDITED)

Description	No. of Shares/Units	Value
Long-Term Investments — 133.1%		
Equity Investments[1] — 131.8%		
Midstream Company[2] — 49.0%		
Aris Water Solutions, Inc.	333	$ 6,803
Enbridge Inc.[3]	393	18,149
Energy Transfer LP[4]	2,632	30,685
Enterprise Products Partners L.P.[4]	940	25,761
Enterprise Products Partners L.P. — Convertible Preferred Units[4][5][6][7]	18	18,481
Magellan Midstream Partners, L.P.[4]	179	9,234
MPLX LP[4]	891	29,342
ONEOK, Inc.	269	17,731
Pembina Pipeline Corporation[3]	495	19,927
Plains GP Holdings, L.P.[8][9]	1,143	13,667
Plains GP Holdings, L.P. — Plains AAP, L.P.[5][8][9][10]	690	8,247
Targa Resources Corp.	629	45,331
		243,358
Natural Gas & LNG Infrastructure Company[2][11] — 32.4%		
Cheniere Energy, Inc.	259	35,382
Cheniere Energy Partners, L.P.[4]	160	8,619
DT Midstream, Inc.	402	23,327
Excelerate Energy, Inc.[12]	104	2,777
Kinder Morgan, Inc.	1,143	22,513
TC Energy Corporation[3]	474	27,433
The Williams Companies, Inc.	1,101	40,792
		160,843
Renewable Infrastructure Company[2][11] — 23.2%		
Atlantica Sustainable Infrastructure plc[3]	491	16,025
Brookfield Renewable Corporation — Class A[3][8]	202	7,293
Brookfield Renewable Partners L.P.[3][8]	445	15,820
Clearway Energy, Inc. — Class A	231	7,508
Clearway Energy, Inc. — Class C	137	4,805
Corporacion Acciona Energias Renovables, S.A.[3]	175	6,843
Enviva Inc.	193	15,043
Innergex Renewable Energy Inc.[3]	544	7,338
NextEra Energy Partners, LP	204	14,617
Northland Power Inc.[3]	308	9,334
Orsted A/S[3]	32	3,561
Polaris Infrastructure Inc.[3]	63	992
Terna Energy S.A.[3]	309	5,984
		115,163

See accompanying notes to financial statements.

KAYNE ANDERSON NEXTGEN ENERGY & INFRASTRUCTURE, INC.
SCHEDULE OF INVESTMENTS
MAY 31, 2022
(amounts in 000's)
(UNAUDITED)

Description	No. of Shares/Units	Value
Utility Company[2] — 22.5%		
Algonquin Power & Utilities Corp. — Convertible Preferred Units[3][11][13]	93	$ 4,288
American Electric Power Company, Inc.	22	2,214
Dominion Energy, Inc.[11]	147	12,397
Duke Energy Corporation[11]	120	13,469
EDP — Energias de Portugal, S.A.[3][11]	1,352	6,775
Enel — S. p. A.[3][11]	837	5,434
Evergy, Inc.[11]	56	3,945
Eversource Energy	98	9,001
NextEra Energy, Inc.[11]	125	9,439
Public Power Corporation S.A.[3][11][12]	712	4,676
Sempra Energy[11]	84	13,764
SSE plc[3][11]	142	3,160
The AES Corporation[11]	157	3,449
TransAlta Corporation[3][11]	611	6,960
Xcel Energy Inc.[11]	173	13,034
		112,005
Other Energy Company[2] — 4.7%		
Phillips 66	116	11,674
Shell plc — ADR[3][14]	47	2,795
TotalEnergies SE — ADR[3][14]	153	8,996
		23,465
Total Equity Investments (Cost — $521,291)		654,834

Description	Interest Rate	Maturity Date	Principal Amount	Value
Debt Investments — 1.3%				
Midstream Company[2] — 1.2%				
Energy Transfer LP[4]	5.300%	4/15/47	$ 250	228
EQM Midstream Partners, LP	7.500	6/1/30	333	333
EQM Midstream Partners, LP	6.500	7/15/48	6,000	5,115
Plains All American Pipeline, L.P.[4][9]	4.900	2/15/45	250	216
				5,892
Natural Gas & LNG Infrastructure Company[2][11] — 0.1%				
Kinder Morgan, Inc.	5.550	6/1/45	250	252
The Williams Companies, Inc.	5.100	9/15/45	250	242
				494
Total Debt Investments (Cost — $6,964)				6,386
Total Long-Term Investments — 133.1% (Cost — $528,255)				661,220
Debt				(126,091)
Mandatory Redeemable Preferred Stock at Liquidation Value				(41,491)
Other Assets in Excess of Other Liabilities				3,244
Net Assets Applicable to Common Stockholders				$ 496,882

(1) Unless otherwise noted, equity investments are common units/common shares.
(2) Refer to the Glossary of Key Terms for definitions.

See accompanying notes to financial statements.

(3) Foreign security.

(4) Securities are treated as a qualified publicly-traded partnership for regulated investment company ("RIC") qualification purposes. To qualify as a RIC for tax purposes, the Fund may directly invest up to 25% of its total assets in equity and debt securities of entities treated as qualified publicly-traded partnerships. The Fund had 18.4% of its total assets invested in qualified publicly-traded partnerships at May 31, 2022. It is the Fund's intention to be treated as a RIC for tax purposes.

(5) The Fund's ability to sell this security is subject to certain legal or contractual restrictions. As of May 31, 2022, the aggregate value of restricted securities held by the Fund was $26,728 (4.0% of total assets), which included $8,247 of Level 2 securities and $18,481 of Level 3 securities. See Note 7 — Restricted Securities.

(6) Fair valued on a recurring basis using significant unobservable inputs (Level 3). See Notes 2 and 3 in Notes to Financial Statements.

(7) The Enterprise Products Partners L.P. ("EPD") Series A Cumulative Convertible Preferred Units ("EPD Convertible Preferred Units") are senior to the common units in terms of liquidation preference and priority of distributions, and pay a distribution of 7.25% per annum. The EPD Convertible Preferred Units are convertible into EPD common units at any time after September 29, 2025 at the liquidation preference amount divided by 92.5% of the 5-day volume weighted average price of EPD's common units at such time.

(8) This company is structured like an MLP, but is not treated as a qualified publicly-traded partnership for RIC qualification purposes.

(9) The Fund believes that it is an affiliate of Plains AAP, L.P. ("PAGP-AAP"), Plains All American Pipeline, L.P. ("PAA") and Plains GP Holdings, L.P. ("PAGP"). See Note 5 — Agreements and Affiliations.

(10) The Fund's ownership of PAGP-AAP is exchangeable on a one-for-one basis into either PAGP shares or Plains All American Pipeline, L.P. ("PAA") units at the Fund's option. The Fund values its PAGP-AAP investment on an "as exchanged" basis based on the higher public market value of either PAGP or PAA. As of May 31, 2022, the Fund's PAGP-AAP investment is valued at PAGP's closing price. See Note 7 — Restricted Securities.

(11) For the purposes of the Fund's investment policies, it considers NextGen Companies to be Energy Companies and Infrastructure Companies that are meaningfully participating in, or benefitting from, the Energy Transition. For these purposes, the Fund includes Renewable Infrastructure Companies, Natural Gas & LNG Infrastructure Companies and certain Utility Companies as NextGen Companies.

(12) Security is non-income producing.

(13) The Algonquin Power & Utilities Corp. Convertible Preferred Units ("AQNU") consists of a 1/20, or 5%, undivided beneficial interest in a $1,000 principal amount remarketable senior note of Algonquin Power & Utilities Corp. ("AQN") due June 15, 2026, and a contract to purchase AQN common shares on June 15, 2024 based on a reference price determined by the volume-weighted average AQN common share price over the preceding 20 day trading period. AQNU pays quarterly distributions at a rate of 7.75% per annum.

(14) ADR — American Depositary Receipt.

KAYNE ANDERSON NEXTGEN ENERGY & INFRASTRUCTURE, INC.
SCHEDULE OF INVESTMENTS
MAY 31, 2022
(amounts in 000's)
(UNAUDITED)

At May 31, 2022, the Fund's geographic allocation was as follows:

Geographic Location	% of Long-Term Investments
United States	72.5%
Canada	17.8%
Europe/U.K.	9.7%

Schedule of Outstanding Forward Currency Contracts

Settlement Date[1]	Currency to be delivered		Value (USD)	Currency to be received		Value (USD)	Unrealized Appreciation (Depreciation)[2]
11/30/2022	25,405	EUR	$27,568	27,424	USD	$27,424	$(144)
11/30/2022	28,715	CAD	22,694	22,514	USD	22,514	(180)
11/30/2022	22,419	DKK	3,271	3,265	USD	3,265	(6)
11/30/2022	2,265	GBP	2,860	2,865	USD	2,865	5
Total Forward Currency Contracts			$56,393			$56,068	$(325)

CAD – Canadian Dollar
DKK – Danish Krone
EUR – Euro
GBP – British Pound Sterling
USD – U.S. Dollar

(1) Bannockburn Global Forex, LLC is the counterparty for all outstanding forward currency contracts held by the Fund as of May 31, 2022.
(2) Unrealized appreciation is a receivable and unrealized depreciation is a payable.

See accompanying notes to financial statements.

KAYNE ANDERSON NEXTGEN ENERGY & INFRASTRUCTURE, INC.
STATEMENT OF ASSETS AND LIABILITIES
MAY 31, 2022
(amounts in 000's, except share and per share amounts)
(UNAUDITED)

ASSETS	
Investments, at fair value:	
Non-affiliated (Cost — $483,082)	$ 639,090
Affiliated (Cost — $45,173)	22,130
Cash	1,221
Deposits with brokers	250
Receivable for securities sold	1,888
Forward currency contracts	5
Interest, dividends and distributions receivable (Cost — $1,509)	1,516
Deferred credit facility offering costs and other assets	494
Total Assets	666,594
LIABILITIES	
Payable for securities purchased	333
Investment management fee payable	695
Accrued directors' fees	96
Forward currency contracts	330
Accrued expenses and other liabilities	1,422
Credit facility	46,000
Notes	80,091
Unamortized notes issuance costs	(160)
Mandatory redeemable preferred stock, $25.00 liquidation value per share (1,659,657 shares issued and outstanding)	41,491
Unamortized mandatory redeemable preferred stock issuance costs	(586)
Total Liabilities	169,712
NET ASSETS APPLICABLE TO COMMON STOCKHOLDERS	$ 496,882
NET ASSETS APPLICABLE TO COMMON STOCKHOLDERS CONSIST OF	
Common stock, $0.001 par value (47,197,462 shares issued and outstanding,198,340,343 shares authorized)	$ 47
Paid-in capital	794,639
Total distributable earnings (loss)	(297,804)
NET ASSETS APPLICABLE TO COMMON STOCKHOLDERS	$ 496,882
NET ASSET VALUE PER COMMON SHARE	$ 10.53

See accompanying notes to financial statements.

KAYNE ANDERSON NEXTGEN ENERGY & INFRASTRUCTURE, INC.
STATEMENT OF OPERATIONS
(amounts in 000's)
(UNAUDITED)

	For the Three Months Ended May 31, 2022	For the Six Months Ended May 31, 2022
INVESTMENT INCOME		
Income		
Dividends and distributions:		
Non-affiliated investments	$ 7,360	$13,524
Affiliated investments	399	689
Total dividends and distributions (after foreign taxes withheld of $285 and $550, respectively)	7,759	14,213
Return of capital	(3,555)	(6,418)
Distributions in excess of cost basis	(123)	(246)
Net dividends and distributions	4,081	7,549
Interest income		
Non-affiliated investments	86	205
Affiliated investments	1	1
Total Investment Income	4,168	7,755
Expenses		
Investment management fees	2,050	3,872
Professional fees	124	206
Directors' fees	88	162
Administration fees	56	120
Insurance	45	89
Reports to stockholders	24	59
Custodian fees	15	30
Other expenses	50	96
Total Expenses — before interest expense and preferred distributions	2,452	4,634
Interest expense including amortization of offering costs	1,054	2,055
Distributions on mandatory redeemable preferred stock including amortization of offering costs	322	627
Total Expenses	3,828	7,316
Net Investment Income	340	439
REALIZED AND UNREALIZED GAINS (LOSSES)		
Net Realized Gains (Losses)		
Investments — non-affiliated	1,782	4,871
Forward currency contracts	1,888	1,888
Foreign currency transactions	(75)	(74)
Options	28	86
Net Realized Gains	3,623	6,771
Net Change in Unrealized Gains (Losses)		
Investments — non-affiliated	40,532	85,011
Investments — affiliated	1,506	3,895
Forward currency contracts	(208)	73
Foreign currency translations	6	8
Net Change in Unrealized Gains	41,836	88,987
Net Realized and Unrealized Gains	45,459	95,758
NET INCREASE IN NET ASSETS APPLICABLE TO COMMON STOCKHOLDERS RESULTING FROM OPERATIONS	$45,799	$96,197

See accompanying notes to financial statements.

KAYNE ANDERSON NEXTGEN ENERGY & INFRASTRUCTURE, INC.
STATEMENT OF CHANGES IN NET ASSETS APPLICABLE TO COMMON STOCKHOLDERS
(amounts in 000's)

	For the Six Months Ended May 31, 2022 (Unaudited)	For the Fiscal Year Ended November 30, 2021
OPERATIONS		
Net investment income (loss)[1]	$ 439	$ (829)
Net realized gains	6,771	22,274
Net change in unrealized gains	88,987	83,883
Net Increase in Net Assets Resulting from Operations	96,197	105,328
DIVIDENDS AND DISTRIBUTIONS TO COMMON STOCKHOLDERS[1]		
Dividends	(14,159)[2]	(144)
Distributions — return of capital	—[2]	(21,567)
Dividends and Distributions to Common Stockholders	(14,159)	(21,711)
Total Increase in Net Assets Applicable to Common Stockholders	82,038	83,617
NET ASSETS APPLICABLE TO COMMON STOCKHOLDERS		
Beginning of period	414,844	331,227
End of period	$496,882	$414,844

(1) Distributions on the Fund's mandatory redeemable preferred stock ("MRP Shares") are treated as an operating expense under GAAP and are included in the calculation of net investment loss. See Note 2 — Significant Accounting Policies.

(2) Distributions paid to common stockholders for the six months ended May 31, 2022 are characterized as dividend income (a portion of which may be eligible to be treated as qualified dividend income) until after the end of the fiscal year when the Fund can determine its earnings and profits for the full fiscal year, which include gains and losses on the sale of securities for the remainder of the fiscal year. The final tax character may differ substantially from this preliminary information.

See accompanying notes to financial statements.

KAYNE ANDERSON NEXTGEN ENERGY & INFRASTRUCTURE, INC.
STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED MAY 31, 2022
(amounts in 000's)
(UNAUDITED)

CASH FLOWS FROM OPERATING ACTIVITIES	
Net increase in net assets resulting from operations	$96,197
Adjustments to reconcile net increase in net assets resulting from operations to net cash provided by operating activities:	
Return of capital distributions	6,418
Distributions in excess of cost basis	246
Net realized gains (excluding foreign currency transactions)	(4,957)
Net change in unrealized gains (excluding foreign currency translations)	(88,906)
Net change in unrealized gains from forward currency contracts	(73)
Accretion of bond discounts, net	(1)
Purchase of long-term investments	(54,082)
Proceeds from sale of long-term investments	52,472
Amortization of deferred debt offering costs	215
Amortization of mandatory redeemable preferred stock offering costs	78
Decrease in deposits with brokers	18
Increase in receivable for securities sold	(1,888)
Increase in interest, dividends and distributions receivable	(190)
Decrease in other assets	29
Increase in payable for securities purchased	322
Increase in investment management fee payable	92
Increase in accrued directors' fees	40
Decrease in accrued expenses and other liabilities	(89)
Net Cash Provided by Operating Activities	5,941
CASH FLOWS FROM FINANCING ACTIVITIES	
Increase in borrowings under credit facility	13,000
Redemption of notes	(4,424)
Costs associated with renewal of credit facility	(286)
Cash distributions paid to common stockholders	(14,159)
Net Cash Used in Financing Activities	(5,869)
NET CHANGE IN CASH	72
CASH — BEGINNING OF PERIOD	1,149
CASH — END OF PERIOD	$ 1,221

Supplemental disclosure of cash flow information:
During the six months ended May 31, 2022, interest paid related to debt obligations was $1,882.

See accompanying notes to financial statements.

KAYNE ANDERSON NEXTGEN ENERGY & INFRASTRUCTURE, INC.
FINANCIAL HIGHLIGHTS
(amounts in 000's, except share and per share amounts)

	For the Six Months Ended May 31, 2022 (Unaudited)	For the Fiscal Year Ended November 30, 2021	2020	2019
Per Share of Common Stock[1]				
Net asset value, beginning of period	$ 8.79	$ 7.02	$ 11.31	$ 12.57
Net investment income (loss)[2]	0.01	(0.01)	(0.15)	(0.10)
Net realized and unrealized gains (losses)	2.03	2.24	(3.66)	(0.29)
Total income (loss) from operations	2.04	2.23	(3.81)	(0.39)
Common dividends — dividend income[3]	(0.30)	—	(0.47)	—
Common distributions — long-term capital gains[3]	—	—	—	—
Common distributions — return of capital[3]	—	(0.46)	(0.01)	(0.93)
Total dividends and distributions — common	(0.30)	(0.46)	(0.48)	(0.93)
Offering expenses associated with the issuance of common stock	—	—	—	—
Effect of shares issued in reinvestment of distributions	—	—	—	—
Effect of issuance of common stock	—	—	—	—
Effect of common stock repurchased	—	—	—	0.06
Net asset value, end of period	$ 10.53	$ 8.79	$ 7.02	$ 11.31
Market value per share of common stock, end of period	$ 8.62	$ 7.13	$ 5.25	$ 9.65
Total investment return based on common stock market value[4]	25.3%[5]	45.1%	(41.0)%	(4.2)%
Total investment return based on net asset value[6]	24.2%[5]	33.7%	(32.7)%	(2.1)%
Supplemental Data and Ratios[7]				
Net assets applicable to common stockholders, end of period	$ 496,882	$ 414,844	$ 331,227	$ 533,957
Ratio of expenses to average net assets				
Management fees[8]	1.7%	1.7%	1.9%	1.8%
Other expenses	0.3	0.4	0.4	0.3
Subtotal	2.0	2.1	2.3	2.1
Interest expense and distributions on mandatory redeemable preferred stock[2]	1.2	1.3	3.2	1.9
Management fee waiver	—	—	—	—
Excise taxes	—	—	—	—
Total expenses	3.2%	3.4%	5.5%	4.0%
Ratio of net investment income (loss) to average net assets[2]	0.2%	(0.2)%	(2.0)%	(0.8)%
Net increase (decrease) in net assets applicable to common stockholders resulting from operations to average net assets	21.1%[5]	26.8%	(50.7)%	(2.7)%
Portfolio turnover rate	8.5%[5]	29.7%	51.8%	30.0%
Average net assets	$ 456,921	$ 392,637	$ 354,957	$ 604,030
Notes outstanding, end of period[9]	$ 80,091	$ 84,515	$ 84,515	$ 200,923
Credit facility outstanding, end of period[9]	$ 46,000	$ 33,000	$ 4,000	$ —
Term loan outstanding, end of period[9]	$ —	$ —	$ —	$ —
Mandatory redeemable preferred stock, end of period[9]	$ 41,491	$ 41,491	$ 27,542	$ 75,000
Average shares of common stock outstanding	47,197,462	47,197,462	47,197,462	47,903,748
Asset coverage of total debt[10]	527.0%	488.3%	505.3%	403.1%
Asset coverage of total leverage (debt and preferred stock)[11]	396.5%	360.9%	385.4%	293.5%
Average amount of borrowings per share of common stock during the period[1]	$ 2.60	$ 2.40	$ 2.67	$ 4.25

See accompanying notes to financial statements.

KAYNE ANDERSON NEXTGEN ENERGY & INFRASTRUCTURE, INC.
FINANCIAL HIGHLIGHTS
(amounts in 000's, except share and per share amounts)

	For the Fiscal Year Ended November 30,			
	2018	2017	2016	2015
Per Share of Common Stock[1]				
Net asset value, beginning of period	$ 14.15	$ 17.41	$ 17.56	$ 39.51
Net investment income (loss)[2]	(0.18)	0.14	(0.07)	0.30
Net realized and unrealized gains (losses)	(0.19)	(2.10)	1.43	(18.42)
Total income (loss) from operations	(0.37)	(1.96)	1.36	(18.12)
Common dividends — dividend income[3]	(0.10)	(0.03)	(1.50)	(1.68)
Common distributions — long-term capital gains[3]	—	—	—	(2.14)
Common distributions — return of capital[3]	(1.10)	(1.27)	—	—
Total dividends and distributions — common	(1.20)	(1.30)	(1.50)	(3.82)[12]
Offering expenses associated with the issuance of common stock	(0.01)[13]	—	—	—
Effect of shares issued in reinvestment of distributions	—	—	(0.01)	(0.01)
Effect of issuance of common stock	—	—	—	—
Effect of common stock repurchased	—	—	—	—
Net asset value, end of period	$ 12.57	$ 14.15	$ 17.41	$ 17.56
Market value per share of common stock, end of period	$ 10.96	$ 12.88	$ 15.33	$ 15.46
Total investment return based on common stock market value[4]	(6.7)%	(8.7)%	12.7%	(50.2)%
Total investment return based on net asset value[6]	(2.6)%	(11.7)%	12.7%	(48.7)%
Supplemental Data and Ratios[7]				
Net assets applicable to common stockholders, end of period	$ 614,603	$ 311,843	$ 383,557	$ 380,478
Ratio of expenses to average net assets				
Management fees[8]	1.8%	1.7%	1.8%	1.9%
Other expenses	0.4	0.4	0.5	0.2
Subtotal	2.2	2.1	2.3	2.1
Interest expense and distributions on mandatory redeemable preferred stock[2]	1.8	1.7	3.8	2.5
Management fee waiver	—	—	—	—
Excise taxes	—	—	—	0.4
Total expenses	4.0%	3.8%	6.1%	5.0%
Ratio of net investment income (loss) to average net assets[2]	(1.1)%	0.9%	(0.5)%	1.0%
Net increase (decrease) in net assets applicable to common stockholders resulting from operations to average net assets	(16.1)%	(11.9)%	10.3%	(58.3)%
Portfolio turnover rate	21.9%	25.5%	48.2%	45.3%
Average net assets	$ 420,605	$ 360,869	$ 314,015	$ 672,534
Notes outstanding, end of period[9]	$ 200,923	$ 91,000	$ 91,000	$ 185,000
Credit facility outstanding, end of period[9]	$ 24,000	$ —	$ —	$ —
Term loan outstanding, end of period[9]	$ —	$ —	$ 27,000	$ —
Mandatory redeemable preferred stock, end of period[9]	$ 75,000	$ 35,000	$ 35,000	$ 70,000
Average shares of common stock outstanding	30,639,065	22,034,170	21,975,582	21,657,943
Asset coverage of total debt[10]	406.6%	481.1%	454.7%	343.5%
Asset coverage of total leverage (debt and preferred stock)[11]	304.9%	347.5%	350.7%	249.2%
Average amount of borrowings per share of common stock during the period[1]	$ 4.39	$ 5.16	$ 4.86	$ 11.16

See accompanying notes to financial statements.

KAYNE ANDERSON NEXTGEN ENERGY & INFRASTRUCTURE, INC.
FINANCIAL HIGHLIGHTS
(amounts in 000's, except share and per share amounts)

	For the Fiscal Year Ended November 30,		
	2014	2013	2012
Per Share of Common Stock[1]			
Net asset value, beginning of period	$ 35.75	$ 29.01	$ 25.94
Net investment income (loss)[2]	(0.01)	(0.06)	0.17
Net realized and unrealized gains (losses)	5.61	8.61	4.64
Total income (loss) from operations	5.60	8.55	4.81
Common dividends — dividend income[3]	(1.57)	(1.15)	(1.30)
Common distributions — long-term capital gains[3]	(0.34)	(0.66)	(0.41)
Common distributions — return of capital[3]	—	—	—
Total dividends and distributions — common	(1.91)	(1.81)	(1.71)
Offering expenses associated with the issuance of common stock	—	—	—
Effect of shares issued in reinvestment of distributions	(0.02)	—	(0.03)
Effect of issuance of common stock	—	—	—
Effect of common stock repurchased	0.09	—	—
Net asset value, end of period	$ 39.51	$ 35.75	$ 29.01
Market value per share of common stock, end of period	$ 35.82	$ 32.71	$ 28.04
Total investment return based on common stock market value[4]	15.3%	23.5%	33.3%
Total investment return based on net asset value[6]	16.4%	30.5%	19.4%
Supplemental Data and Ratios[7]			
Net assets applicable to common stockholders, end of period	$ 854,257	$ 788,057	$ 635,226
Ratio of expenses to average net assets			
Management fees[8]	1.7%	1.8%	1.7%
Other expenses	0.2	0.2	0.3
Subtotal	1.9	2.0	2.0
Interest expense and distributions on mandatory redeemable preferred stock[2]	1.7	1.8	1.8
Management fee waiver	—	—	—
Excise taxes	—	0.1	—
Total expenses	3.6%	3.9%	3.8%
Ratio of net investment income (loss) to average net assets[2]	(0.0)%	(0.2)%	0.6%
Net increase (decrease) in net assets applicable to common stockholders resulting from operations to average net assets	14.0%	25.9%	16.8%
Portfolio turnover rate	45.3%	49.1%	67.6%
Average net assets	$ 887,585	$ 726,248	$ 620,902
Notes outstanding, end of period[9]	$ 235,000	$ 205,000	$ 165,000
Credit facility outstanding, end of period[9]	$ —	$ 50,000	$ 48,000
Term loan outstanding, end of period[9]	$ 46,000	$ —	$ —
Mandatory redeemable preferred stock, end of period[9]	$ 105,000	$ 65,000	$ 65,000
Average shares of common stock outstanding	21,897,671	21,969,288	21,794,596
Asset coverage of total debt[10]	441.4%	434.5%	428.7%
Asset coverage of total leverage (debt and preferred stock)[11]	321.3%	346.3%	328.5%
Average amount of borrowings per share of common stock during the period[1]	$ 12.84	$ 10.51	$ 8.85

See accompanying notes to financial statements.

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(1) Based on average shares of common stock outstanding.

(2) Distributions on the Fund's MRP Shares are treated as an operating expense under GAAP and are included in the calculation of net investment income (loss). See Note 2 — Significant Accounting Policies.

(3) The actual characterization of the distributions made during the six months ended May 31, 2022, will not be determinable until after the end of the fiscal year when the Fund can determine its actual earnings and profits for the full fiscal year (which include gains and losses on the sale of securities for the remainder of the fiscal year) and may differ substantially from this preliminary information. The information presented for each of the other periods is a characterization of the total distributions paid to the common stockholders as either dividend income (a portion of which was eligible to be treated as qualified dividend income) or distributions (long-term capital gains or return of capital) and is based on the Fund's earnings and profits.

(4) Total investment return based on market value is calculated assuming a purchase of common stock at the market price on the first day and a sale at the current market price on the last day of the period reported. The calculation also assumes reinvestment of distributions at actual prices pursuant to the Fund's dividend reinvestment plan.

(5) Not annualized.

(6) Total investment return based on net asset value is calculated assuming a purchase of common stock at the net asset value on the first day and a sale at the net asset value on the last day of the period reported. The calculation also assumes reinvestment of distributions at actual prices pursuant to the Fund's dividend reinvestment plan.

(7) Unless otherwise noted, ratios are annualized.

(8) Ratio reflects total management fee before waiver, if any.

(9) Principal/liquidation value.

(10) Calculated pursuant to section 18(a)(1)(A) of the 1940 Act. Represents the value of total assets less all liabilities not represented by Notes (principal value) or any other senior securities representing indebtedness and MRP Shares (liquidation value) divided by the aggregate amount of Notes and any other senior securities representing indebtedness. Under the 1940 Act, the Fund may not declare or make any distribution on its common stock nor can it incur additional indebtedness if at the time of such declaration or incurrence its asset coverage with respect to senior securities representing indebtedness would be less than 300%.

(11) Calculated pursuant to section 18(a)(2)(A) of the 1940 Act. Represents the value of total assets less all liabilities not represented by Notes (principal value), any other senior securities representing indebtedness and MRP Shares divided by the aggregate amount of Notes, any other senior securities representing indebtedness and MRP Shares (liquidation value). Under the 1940 Act, the Fund may not declare or make any distribution on its common stock nor can it issue additional preferred stock if at the time of such declaration or issuance, its asset coverage with respect to all senior securities would be less than 200%. In addition to the limitations under the 1940 Act, the Fund, under the terms of its MRP Shares, would not be able to declare or pay any distributions on its common stock if such declaration would cause its asset coverage with respect to all senior securities to be less than 225%.

(12) Includes special distribution of $1.80 per share paid in July 2015.

(13) Represents offering costs incurred in connection with the merger of Kayne Anderson Energy Total Return Fund, Inc. ("KYE").

1. Organization

Kayne Anderson NextGen Energy & Infrastructure, Inc. (the "Fund" or "KMF") is a Maryland corporation and commenced operations on November 24, 2010. The Fund is registered under the Investment Company Act of 1940, as amended (the "1940 Act"), as a non-diversified, closed-end investment management company. The Fund's investment objective is to provide a high level of return with an emphasis on making cash distributions to its stockholders. The Fund seeks to achieve that investment objective by investing at least 80% of its total assets in the securities of Energy Companies and Infrastructure Companies. The Fund expects to invest the majority of its assets in "NextGen" companies, defined as Energy Companies and Infrastructure Companies that are meaningfully participating in, or benefitting from, the Energy Transition. The Fund's shares of common stock are listed on the New York Stock Exchange, Inc. ("NYSE") under the symbol "KMF." For more information about the Fund's investment objective, policies and principal risks, see Investment Objective, Policies and Risks in the Fund's most recently filed annual report.

2. Significant Accounting Policies

The following is a summary of the significant accounting policies that the Fund uses to prepare its financial statements in accordance with accounting principles generally accepted in the United States of America ("GAAP"). The Fund is an investment company and follows accounting and reporting guidance of the Financial Accounting Standards Board ("FASB") Accounting Standards Codification (ASC) Topic 946 — "Financial Services — Investment Companies."

A. *Use of Estimates* — The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of income and expenses during the period. Actual results could differ materially from those estimates.

B. *Cash and Cash Equivalents* — Cash and cash equivalents include short-term, liquid investments with an original maturity of three months or less and include money market fund accounts.

C. *Calculation of Net Asset Value* — The Fund determines its net asset value on a daily basis and reports its net asset value on its website. Net asset value is computed by dividing the value of the Fund's assets (including accrued interest and distributions), less all of its liabilities (including accrued expenses, distributions payable and any indebtedness) and the liquidation value of any outstanding preferred stock, by the total number of common shares outstanding.

D. *Investment Valuation* — Readily marketable portfolio securities listed on any exchange (including a foreign exchange) other than the NASDAQ Stock Market, Inc. ("NASDAQ") are valued, except as indicated below, at the last sale price on the business day as of which such value is being determined. If there has been no sale on such day, the securities are valued at the mean of the most recent bid and ask prices on such day. Securities admitted to trade on the NASDAQ are valued at the NASDAQ official closing price. Portfolio securities traded on more than one securities exchange are valued at the last sale price on the business day as of which such value is being determined at the close of the exchange representing the principal market for such securities. The value of foreign securities traded outside of the Americas may be adjusted to reflect events occurring after a foreign exchange closes that may affect the value of the foreign security. In such cases, these foreign securities are valued by an independent pricing service and are categorized as Level 2 securities for purposes of the fair value hierarchy. See Note 3 — Fair Value.

Equity securities traded in the over-the-counter market, but excluding securities admitted to trading on the NASDAQ, are valued at the closing bid prices. Debt securities that are considered bonds are valued by using the bid price provided by an independent pricing service or, if such prices are not available or in the judgment of KA Fund Advisors, LLC ("KAFA") such prices are stale or do not represent fair value, by an independent broker. For debt securities that are considered bank loans, the fair market value is determined by using the bid price provided by the agent or syndicate bank or principal market maker. When price quotes for securities are not available, or such prices are stale or do not represent fair value in the judgment of KAFA, fair market value will be determined using the Fund's valuation process for securities that are privately issued or otherwise restricted as to resale.

Exchange-traded options and futures contracts are valued at the last sales price at the close of trading in the market where such contracts are principally traded or, if there was no sale on the applicable exchange on such day, at the mean between the quoted bid and ask price as of the close of such exchange.

Forward currency contracts maturing in two or fewer days are valued at the spot rate. Forward currency contracts maturing in three days or more are valued at the midpoint prices using an "interpolation" methodology that incorporates foreign-exchange prices obtained from an approved pricing service for standard forward-settlement periods, such as one month, three months, six months and one year. These securities are categorized as a Level 2 security for purposes of the fair value hierarchy. See Note 3 — Fair Value.

The Fund may hold securities that are privately issued or otherwise restricted as to resale. For these securities, as well as any security for which (a) reliable market quotations are not available in the judgment of KAFA, or (b) the independent pricing service or independent broker does not provide prices or provides a price that in the judgment of KAFA is stale or does not represent fair value, each shall be valued in a manner that most fairly reflects fair value of the security on the valuation date. Unless otherwise determined by the Board of Directors, the following valuation process is used for such securities:

- ***Investment Team Valuation.*** The applicable investments are valued by senior professionals of KAFA who are responsible for the portfolio investments. The investments will be valued monthly, with new investments valued at the time such investment was made.
- ***Investment Team Valuation Documentation.*** Preliminary valuation conclusions will be determined by senior management of KAFA. Such valuations and supporting documentation are submitted to the Valuation Committee (a committee of the Fund's Board of Directors) and the Board of Directors on a quarterly basis.
- ***Valuation Committee.*** The Valuation Committee meets to consider the valuations submitted by KAFA at the end of each quarter. Between meetings of the Valuation Committee, a senior officer of KAFA is authorized to make valuation determinations. All valuation determinations of the Valuation Committee are subject to ratification by the Board of Directors at its next regular meeting.
- ***Valuation Firm.*** Quarterly, a third-party valuation firm engaged by the Board of Directors reviews the valuation methodologies and calculations employed for these securities, unless the aggregate fair value of such security is less than 0.1% of total assets.
- ***Board of Directors Determination.*** The Board of Directors meets quarterly to consider the valuations provided by KAFA and the Valuation Committee and ratify valuations for the applicable securities. The Board of Directors considers the report provided by the third-party valuation firm in reviewing and determining in good faith the fair value of the applicable portfolio securities.

As of May 31, 2022, the Fund held 3.7% of its net assets applicable to common stockholders (2.8% of total assets) in securities that were fair valued pursuant to the procedures adopted by the Board of Directors (Level 3 securities). The aggregate fair value of these securities at May 31, 2022, was $18,481. See Note 3 — Fair Value and Note 7 — Restricted Securities.

E. *Derivative Financial Instruments* — The Fund may utilize derivative financial instruments in its operations.

Interest rate swap contracts. The Fund may use hedging techniques such as interest rate swaps to mitigate potential interest rate risk on a portion of the Fund's leverage. Such interest rate swaps would principally be used to protect the Fund against higher costs on its leverage resulting from increases in interest rates. The Fund does not hedge any interest rate risk associated with portfolio holdings. Interest rate transactions the Fund may use for hedging purposes may expose it to certain risks that differ from the risks associated with its portfolio holdings. A decline in interest rates may result in a decline in the value of the swap contracts, which, everything else being held constant, would result in a decline in the net assets of the Fund. In addition, if the counterparty to an interest rate swap defaults, the Fund would not be able to use the anticipated net receipts under the interest rate swap to offset its cost of financial leverage.

Interest rate swap contracts are recorded at fair value with changes in value during the reporting period, and amounts accrued under the agreements, included as unrealized gains or losses in the Statement of Operations. Monthly cash settlements under the terms of the interest rate swap agreements or termination payments are recorded as realized gains or losses in the Statement of Operations. The Fund generally values its interest rate swap contracts based on dealer quotations, if available, or by discounting the future cash flows from the stated terms of the interest rate swap agreement by using interest rates currently available in the market. See Note 8 — Derivative Financial Instruments.

Option contracts. The Fund is also exposed to financial market risks including changes in the valuations of its investment portfolio. The Fund may purchase or write (sell) call options. A call option on a security is a contract that gives the holder of the option, in return for a premium, the right to buy from the writer of the option the security underlying the option at a specified exercise price at any time during the term of the option.

The Fund would realize a gain on a purchased call option if, during the option period, the value of such securities exceeded the sum of the exercise price, the premium paid and transaction costs; otherwise the Fund would realize either no gain or a loss on the purchased call option. The Fund may also purchase put option contracts. If a purchased put option is exercised, the premium paid increases the cost basis of the securities sold by the Fund.

The Fund may also write (sell) call options with the purpose of generating realized gains or reducing its ownership of certain securities. If the Fund writes a call option on a security, the Fund has the obligation upon exercise of the option to deliver the underlying security upon payment of the exercise price. The Fund will only write call options on securities that the Fund holds in its portfolio (*i.e.*, covered calls).

When the Fund writes a call option, an amount equal to the premium received by the Fund is recorded as a liability and is subsequently adjusted to the current fair value of the option written. Premiums received from writing options that expire unexercised are treated by the Fund on the expiration date as realized gains from investments. If the Fund repurchases a written call option prior to its exercise, the difference between the premium received and the amount paid to repurchase the option is treated as a realized gain or loss. If a call option is exercised, the premium is added to the proceeds from the sale of the underlying security in determining whether the Fund has realized a gain or loss. The Fund, as the writer of an option, bears the market risk of an unfavorable change in the price of the security underlying the written option. See Note 8 — Derivative Financial Instruments.

Forward currency contracts. The Fund is subject to foreign currency rate risk in the normal course of pursuing its investment objectives. The Fund utilizes forward contracts for foreign currency hedging purposes or volatility management purposes.

When entering into a forward currency contract, the Fund agrees to receive or deliver a fixed quantity of foreign currency for an agreed upon price on an agreed future date. These contracts are valued at each portfolio valuation date, and unrealized appreciation or depreciation is recorded as the difference between the contractual exchange rates and the forward exchange rates as of each valuation date applied to the notional amount of each contract. A realized gain or loss is recorded at the time the forward contract expires. The value of the forward currency contracts is included in the Statements of Assets and Liabilities. Realized gains and losses and change in unrealized appreciation and depreciation are included in the Statements of Operations. For details on valuation, see Note 2 — Significant Accounting Policies — Investment Valuation.

The Fund expects to hedge a significant portion of its foreign currency rate risk but may have forward currency contracts that exceed or are less than the amount of foreign currency risk on any given date. The use of forward currency contracts does not eliminate fluctuations in the underlying prices of the Fund's investment securities. The use of forward currency contracts involves the risk that anticipated currency movements will not be accurately predicted. A forward currency contract would limit the risk of loss due to a decline in the value of a particular currency; however, it would also limit any potential gain that might result should the value of the currency increase instead of decrease. Credit risk may arise as a result of the failure of the counterparty to comply with the terms of the contract. These contracts may involve market risk in excess of the net receivable or payable reflected on the Statement of Assets and Liabilities. See Note 8 — Derivative Financial Instruments.

F. *Security Transactions* — Security transactions are accounted for on the date the securities are purchased or sold (trade date). Realized gains and losses are calculated using the specific identification cost basis method for GAAP purposes. For tax purposes, the Fund utilizes the average cost method to compute the adjusted tax cost basis of its PTP securities.

G. *Return of Capital Estimates* — Dividends and distributions received from the Fund's investments generally are comprised of income and return of capital. At the time such dividends and distributions are received, the Fund estimates the amount of such payments that is considered investment income and the amount that is considered a return of capital. The Fund estimates the return of capital portion of dividends and distributions received from its investments based on historical information available and on other information provided by certain investments. Return of capital estimates are adjusted to actual in the subsequent fiscal year when final tax reporting information related to the Fund's investments is received.

The return of capital portion of the distributions is a reduction to investment income that results in an equivalent reduction in the cost basis of the associated investments and increases net realized gains (losses) and net change in unrealized gains (losses). If the distributions received by the Fund exceed its cost basis (*i.e.* its cost basis has been reduced to zero), the distributions are treated as realized gains.

The Fund includes all distributions received on its Statement of Operations and reduces its investment income by (i) the estimated return of capital and (ii) the distributions in excess of cost basis, if any. Distributions received that were in excess of cost basis were treated as realized gains.

In accordance with GAAP, the return of capital cost basis reductions for the Fund's investments are limited to the total amount of the cash distributions received from such investments.

(amounts in 000's, except number of option contracts, share and per share amounts)

The following table sets forth the Fund's estimated return of capital portion of the dividends and distributions received from its investments.

	For the Three Months Ended May 31, 2022	For the Six Months Ended May 31, 2022
Dividends and distributions (before foreign taxes withheld of $285 and $550, respectively, and excluding distributions in excess of cost basis)	$7,921	$14,517
Dividends and distributions — % return of capital	45%	44%
Return of capital — attributable to net realized gains (losses)	$ —	$ —
Return of capital — attributable to net change in unrealized gains (losses)	3,555	6,418
Total return of capital	$3,555	$ 6,418

H. *Investment Income* — The Fund records dividends and distributions on the ex-dividend date. Interest income is recognized on the accrual basis, including amortization of premiums and accretion of discounts. When investing in securities with paid-in-kind interest, the Fund will accrue interest income during the life of the security even though it will not be receiving cash as the interest is accrued. To the extent that interest income to be received is not expected to be realized, a reserve against income is established.

Debt securities that the Fund holds may have been purchased at a discount or premium to the par value of the security. The non-cash accretion of a discount to par value increases interest income while the non-cash amortization of a premium to par value decreases interest income. The accretion of a discount and amortization of a premium are based on the effective interest method. The amount of these non-cash adjustments can be found in the Fund's Statement of Cash Flows. The non-cash accretion of a discount increases the cost basis of the debt security, which results in an offsetting unrealized loss. The non-cash amortization of a premium decreases the cost basis of the debt security, which results in an offsetting unrealized gain. To the extent that par value is not expected to be realized, the Fund discontinues accruing the non-cash accretion of the discount to par value of the debt security.

The Fund may receive paid-in-kind and non-cash dividends and distributions in the form of additional units or shares from its investments. For paid-in-kind dividends, the additional units are not reflected in investment income during the period received, but are recorded as unrealized gains upon receipt. Non-cash distributions are reflected in investment income because the Fund has the option to receive its distribution in cash or in additional shares or units of the security. During the six months ended May 31, 2022, the Fund did not receive any paid-in-kind dividends or non-cash distributions.

I. *Distributions to Stockholders* — Distributions to common stockholders are recorded on the ex-dividend date. Distributions to holders of MRP Shares are accrued on a daily basis. As required by the Distinguishing Liabilities from Equity topic of the FASB Accounting Standards Codification (ASC 480), the Fund includes the accrued distributions on its MRP Shares as an operating expense due to the fixed term of this obligation. For tax purposes the payments made to the holders of the Fund's MRP Shares are treated as dividends or distributions.

The characterization of the distributions paid to holders of MRP Shares and common stock as either dividend income (eligible to be treated as qualified dividend income) or distributions (long-term capital gains or return of capital) is determined after the end of the fiscal year based on the Fund's actual earnings and profits and may differ from preliminary estimates.

J. *Partnership Accounting Policy* — The Fund records its pro-rata share of the income (loss) to the extent of distributions it has received, allocated from the underlying partnerships and adjusts the cost basis of the underlying partnerships accordingly. These amounts are included in the Fund's Statement of Operations.

K. *Taxes* — It is the Fund's intention to continue to be treated as and to qualify each year for special tax treatment afforded a regulated investment company ("RIC") under Subchapter M of the Internal Revenue Code of 1986, as amended (the "Code"). As long as the Fund meets certain requirements that govern its sources of income, diversification of assets and timely distribution of earnings to stockholders, the Fund will not be subject to U.S. federal income tax.

The Fund must pay distributions equal to 90% of its investment company taxable income (ordinary income and short-term capital gains) to qualify as a RIC and it must distribute all of its taxable income (ordinary income, short-term capital gains and long-term capital gains) to avoid federal income taxes. The Fund will be subject to federal income tax on any undistributed portion of income. For purposes of the distribution test, the Fund may elect to treat as paid on the last day of its taxable year all or part of any distributions that are declared after the end of its taxable year if such distributions are declared on or before the due date of its tax return, including any extensions (September 15th). See Note 6 — Taxes.

All RICs are subject to a non-deductible 4% excise tax on income that is not distributed on a timely basis in accordance with the calendar year distribution requirements. To avoid the tax, the Fund must distribute during each calendar year an amount at least equal to the sum of (i) 98% of its ordinary income for the calendar year, (ii) 98.2% of its net capital gains for the one-year period ending on November 30, the last day of our taxable year, and (iii) undistributed amounts from previous years on which the Fund paid no U.S. federal income tax. A distribution will be treated as paid during the calendar year if it is paid during the calendar year or declared by the Fund in October, November or December, payable to stockholders of record on a date during such months and paid by the Fund during January of the following year. Any such distributions paid during January of the following year will be deemed to be received by stockholders on December 31 of the year the distributions are declared, rather than when the distributions are actually received.

The Fund will be liable for the excise tax on the amount by which it does not meet the distribution requirement and will accrue an excise tax liability at the time that the liability is estimable and probable.

The Fund may be subject to withholding taxes on foreign-sourced income and accrues such taxes when the related income is earned.

The Accounting for Uncertainty in Income Taxes Topic of the FASB Accounting Standards Codification (ASC 740) defines the threshold for recognizing the benefits of tax-return positions in the financial statements as "more-likely-than-not" to be sustained by the taxing authority and requires measurement of a tax position meeting the more-likely-than-not criterion, based on the largest benefit that is more than 50% likely to be realized.

The Fund utilizes the average cost method to compute the adjusted tax cost basis of its PTP securities.

The Fund's policy is to classify interest and penalties associated with underpayment of federal and state income taxes, if any, as income tax expense on its Statement of Operations. Tax years subsequent to fiscal year 2017 remain open and subject to examination by federal and state tax authorities.

L. *Short Sales* — A short sale is a transaction in which the Fund sells securities it does not own (but has borrowed) in anticipation of or to hedge against a decline in the market price of the securities. To complete a short sale, the Fund may arrange through a broker to borrow the securities to be delivered to the buyer. The proceeds received by the Fund for the short sale are retained by the broker until the Fund replaces the borrowed securities. In borrowing the securities to be delivered to the buyer, the Fund becomes obligated to replace the securities borrowed at their market price at the time of replacement, whatever the price may be.

The Fund's short sales, if any, are fully collateralized. The Fund is required to maintain assets consisting of cash or liquid securities equal in amount to the liability created by the short sale. These assets are adjusted daily to reflect changes in the value of the securities sold short. The Fund is liable for any interest, dividends or distributions paid on securities sold short.

The Fund may also sell short "against the box" (i.e., the Fund enters into a short sale as described above while holding an offsetting long position in the security which it sold short). If the Fund enters into a short sale "against the box," the Fund would segregate an equivalent amount of securities owned as collateral while the short sale is outstanding.

M. *Foreign Currency Translations* — The books and records of the Fund are maintained in U.S. dollars. Foreign currency amounts are translated into U.S. dollars on the following basis: (i) market value of investment securities, assets and liabilities at the rate of exchange as of the valuation date; and (ii) purchases and sales of investment securities, income and expenses at the relevant rates of exchange prevailing on the respective dates of such transactions.

The Fund does not isolate that portion of gains and losses on investments in equity and debt securities which is due to changes in the foreign exchange rates from that which is due to changes in market prices of equity and debt securities. Accordingly, realized and unrealized foreign currency gains and losses with respect to such securities are included in the reported net realized and unrealized gains and losses on investment transactions balances.

Net realized foreign exchange gains or losses represent gains and losses from transactions in foreign currencies and foreign currency contracts, foreign exchange gains or losses realized between the trade date and settlement date on security transactions, and the difference between the amounts of interest and dividends recorded on the Fund's books and the U.S. dollar equivalent of such amounts on the payment date.

Net unrealized foreign exchange gains or losses represent the difference between the cost of assets and liabilities (other than investments) recorded on the Fund's books from the value of the assets and liabilities (other than investments) on the valuation date.

N. *Indemnifications* — Under the Fund's organizational documents, its officers and directors are indemnified against certain liabilities arising out of the performance of their duties to the Fund. In addition, in the normal course of business, the Fund enters into contracts that provide general indemnification to other parties. The Fund's maximum exposure under these arrangements is unknown, as this would involve future claims that may be made against the Fund that have not yet occurred, and may not occur. However, the Fund has not had prior claims or losses pursuant to these contracts and expects the risk of loss to be remote.

O. *Offering and Debt Issuance Costs* — Offering costs incurred by the Fund related to the issuance of its common stock reduce additional paid-in-capital when the stock is issued. Costs incurred by the Fund related to the issuance of its debt (revolving credit facility, bank facility or notes) or its preferred stock are capitalized and amortized over the period the debt or preferred stock is outstanding.

The Fund has classified the costs incurred to issue its notes and preferred stock as a deduction from the carrying value on the Statement of Assets and Liabilities. For the purpose of calculating the Fund's asset coverage ratios pursuant to the 1940 Act, deferred issuance costs are not deducted from the carrying value of debt or preferred stock.

3. Fair Value

The Fair Value Measurement Topic of the FASB Accounting Standards Codification (ASC 820) defines fair value as the price at which an orderly transaction to sell an asset or to transfer a liability would take place between market participants under current market conditions at the measurement date. As required by

(amounts in 000's, except number of option contracts, share and per share amounts)

ASC 820, the Fund has performed an analysis of all assets and liabilities measured at fair value to determine the significance and character of all inputs to their fair value determination. Inputs are the assumptions, along with considerations of risk, that a market participant would use to value an asset or a liability. In general, observable inputs are based on market data that is readily available, regularly distributed and verifiable that the Fund obtains from independent, third-party sources. Unobservable inputs are developed by the Fund based on its own assumptions of how market participants would value an asset or a liability.

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into the following three broad categories.

- *Level 1* — Valuations based on quoted unadjusted prices for identical instruments in active markets traded on a national exchange to which the Fund has access at the date of measurement.
- *Level 2* — Valuations based on quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs and significant value drivers are observable in active markets. Level 2 inputs are those in markets for which there are few transactions, the prices are not current, little public information exists or instances where prices vary substantially over time or among brokered market makers.
- *Level 3* — Model derived valuations in which one or more significant inputs or significant value drivers are unobservable. Unobservable inputs are those inputs that reflect the Fund's own assumptions that market participants would use to price the asset or liability based on the best available information.

The following table presents the Fund's assets and liabilities measured at fair value on a recurring basis at May 31, 2022, and the Fund presents these assets and liabilities by security type and description on its Schedule of Investments and Schedule of Outstanding Forward Currency Contracts. Note that the valuation levels below are not necessarily an indication of the risk or liquidity associated with the underlying investment.

	Total	Quoted Prices in Active Markets (Level 1)	Prices with Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
Assets at Fair Value				
Equity investments	$654,834	$596,349	$40,004[1]	$18,481
Debt investments	6,386	—	6,386	—
Forward currency contracts	5	—	5[2]	—
Total assets at fair value	$661,225	$596,349	$46,395	$18,481
Liabilities at Fair Value				
Forward currency contracts	$ 330	$ —	$ 330[2]	$ —

(1) As of May 31, 2022, this amount represents (a) the value of the Fund's foreign securities that were priced by an independent pricing service (see Note 2 — Significant Accounting Policies for the investment valuation of foreign securities) and (b) the value of the Fund's investment in Plains AAP, L.P. ("PAGP-AAP").

(2) Forward currency contracts are valued at the unrealized appreciation (depreciation) on the instrument.

(amounts in 000's, except number of option contracts, share and per share amounts)

As of May 31, 2022, the Fund had Notes outstanding with aggregate principal amount of $80,091 and 1,659,657 shares of MRP Shares outstanding with a total liquidation value of $41,491. The Notes and MRP Shares were issued in private placements to institutional investors and are not listed on any exchange or automated quotation system. See Note 11 — Notes and Note 12 — Preferred Stock. As a result, the Fund categorizes the Notes and MRP Shares as Level 3 securities and determines the fair value of these instruments based on estimated market yields and credit spreads for comparable instruments with similar maturity, terms and structure.

The Fund records the Notes and MRP Shares on its Statement of Assets and Liabilities at principal amount or liquidation value. As of May 31, 2022, the estimated fair values of these leverage instruments are as follows.

Instrument	Principal Amount/ Liquidation Value	Fair Value
Notes	$80,091	$80,600
MRP Shares	$41,491	$40,100

The following tables present the Fund's assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the three and six months ended May 31, 2022.

Three Months Ended May 31, 2022	Equity
Balance — February 28, 2022	$19,157
Purchases	—
Sales	—
Transfers out to Level 1 and 2	—
Realized gains (losses)	—
Change in unrealized gains (losses), net	(676)
Balance — May 31, 2022	$18,481
Net change in unrealized gain (loss) of investments still held at May 31, 2022	$ (676)

Six Months Ended May 31, 2022	Equity Investments
Balance — November 30, 2021	$19,454
Purchases	—
Sales	—
Transfers out to Level 1 and 2	—
Realized gains (losses)	—
Change in unrealized gains (losses), net	(973)
Balance — May 31, 2022	$18,481
Net change in unrealized gain (loss) of investments still held at May 31, 2022	$ (973)

The $676 and $973 of unrealized losses for the three and six months ended May 31, 2022, respectively, relates to investments that were held during the period. The Fund includes these unrealized gains and losses on the Statement of Operations — Net Change in Unrealized Gains (Losses).

Valuation Techniques and Unobservable Inputs

Unless otherwise determined by the Board of Directors, the Fund values its private investments in public equity ("PIPE") investments that will become publicly-tradeable (*e.g.,* through subsequent registration or expiration of a restriction on trading) based on the market value of the publicly-traded security less a discount. This discount is initially equal to the discount negotiated at the time the Fund agrees to a purchase price. To the extent that such securities become publicly traded within a time frame that may be reasonably determined, this discount will be amortized on a straight line basis over such estimated time frame.

(amounts in 000's, except number of option contracts, share and per share amounts)

The Fund owns cumulative convertible preferred units of Enterprise Products Partners L.P. ("EPD"). The convertible preferred units will be convertible by the holders into common units at any time after September 29, 2025 at a conversion rate calculated as the Liquidation Preference divided by 92.5% of the 5-day volume weighted average price of EPD's common units at the time of conversion. The convertible preferred units are redeemable at any time by EPD, at Redemption Prices ranging from 100% to 110% of Liquidation Preference based on the date of redemption. The convertible preferred units are senior to the underlying common units in terms of liquidation preference and priority of distributions. The Fund's Board of Directors has determined that it is appropriate to value these convertible preferred units using a discounted cash flow analysis under two different scenarios and calculate a probability weighted valuation based on these scenarios. Under the first scenario, the valuation assumes that the Fund holds the security until the fifth anniversary of the original issuance date (September 30, 2025) and assigns a 95% probability to this outcome. Under the second scenario, the valuation assumes the security is redeemed by EPD upon the next step-down in Redemption Price (September 30, 2022) and assigns a 5% probability to this outcome. To determine the appropriate discount rate for this analysis, the Fund estimates the credit spread for the convertible preferred units, which is based on (a) the credit spread of EPD's unsecured notes with a focus on its notes maturing February 2026 and (b) the credit spread of publicly traded preferred securities of similar investment grade issuers in the energy industry over their publicly traded notes. The Fund's ability to sell the preferred units prior to redemption is subject to certain restrictions. As such, the Fund applies a 5% illiquidity discount to be amortized over an assumed five-year holding period to September 30, 2025. If the resulting valuation implies a price higher than the current redemption price, the valuation is limited to the current redemption price plus unpaid distributions.

Due to the inherent uncertainty of determining the fair value of investments that do not have a readily available market value, the fair value of the Fund's investments may fluctuate from period to period. Additionally, the fair value of the Fund's investments may differ from the values that would have been used had a ready market existed for such investments and may differ materially from the values that the Fund may ultimately realize.

The following table summarizes the significant unobservable inputs that the Fund used to value its portfolio investments categorized as Level 3 as of May 31, 2022:

Quantitative Table for Valuation Techniques

Assets Fair Value	Fair Value	Valuation Technique	Unobservable Inputs	Range Low	Range High	Average
EPD Convertible Preferred Units	$ 18,481	- Discounted cash flow analysis	- Discount rate - Illiquidity discount	4.3% 3.3%	5.4% 3.3%	4.8% 3.3%

4. Risk Considerations

The Fund's investments are concentrated in the energy sector. A downturn in one or more industries within the energy sector, material declines in energy-related commodity prices, adverse political, legislative or regulatory developments or environmental, catastrophic or other events could have a larger impact on the Fund than on an investment company that does not concentrate in the energy sector. The performance of companies in the energy sector may lag the performance of other sectors or the broader market as a whole. The Fund also invests in securities of foreign issuers, predominantly those located in Canada and Europe. The value of those investments will fluctuate with market conditions, currency exchange rates and the economic and political climates of the foreign countries in which the issuers operate or are domiciled. Additionally, to the extent that the Fund invests a relatively high percentage of its assets in the securities of a limited number of issuers, the Fund may be more susceptible than a more widely diversified investment company to any single economic, political or regulatory occurrence.

(amounts in 000's, except number of option contracts, share and per share amounts)

The Fund may hedge against currency risk resulting from investing in securities valued in non-U.S. currencies. Currency hedging transactions in which the Fund may engage include buying or selling options or futures or entering into other foreign currency transactions including forward foreign currency contracts, currency swaps or options on currency and currency futures and other derivatives transactions. The use of hedging transactions may result in losses greater than if they had not been used, may require selling or purchasing portfolio securities at inopportune times or for prices other than current market values, may limit the amount of appreciation the Fund can realize on an investment, or may cause the Fund to hold on to a security that it might otherwise sell.

At May 31, 2022, the Fund had the following investment concentrations:

Category	Percent of Long-Term Investments
Energy Companies(1)	100.0%
Equity securities	99.0%
NextGen Companies(1)	57.1%
Debt securities	1.0%
Securities of PTPs	18.5%
Largest single issuer	6.9%
Restricted securities	4.0%

(1) Refer to the Glossary of Key Terms for the definition of Energy Companies and NextGen Companies.

For more information about the principal risks of investing in the Fund see Investment Objective, Policies and Risks in the Fund's most recently filed annual report.

5. Agreements and Affiliations

A. *Administration Agreement* — On February 1, 2022, the Fund entered into an amended administration and accounting agreement with Ultimus Fund Solutions, LLC ("Ultimus"). Pursuant to the agreement, Ultimus will continue to provide certain administrative and accounting services for the Fund. The agreement has an initial term of three years and automatic one-year renewals unless earlier terminated by either party as provided under the terms of the agreement.

B. *Investment Management Agreement* — The Fund has entered into an investment management agreement with KA Fund Advisors, LLC ("KAFA") under which KAFA, subject to the overall supervision of the Fund's Board of Directors, manages the day-to-day operations of, and provides investment advisory services to, the Fund. For providing these services, KAFA receives an investment management fee from the Fund.

The investment management agreement has a current term through April 30, 2023 and may be renewed annually thereafter upon approval of the Fund's Board of Directors (including a majority of the Fund's directors who are not "interested persons" of the Fund, as such term is defined in the 1940 Act). For the six months ended May 31, 2022, the Fund paid management fees at an annual rate of 1.25% of the average monthly total assets of the Fund.

For purposes of calculating the management fee, the "average total assets" for each monthly period are determined by averaging the total assets at the last business day of that month with the total assets at the last business day of the prior month. The total assets of the Fund shall be equal to its average monthly gross asset value (which includes assets attributable to the Fund's use of debt and preferred stock), minus the sum of the Fund's accrued and unpaid dividends and distributions on any outstanding common stock and accrued and unpaid dividends and distributions on any outstanding preferred stock and accrued liabilities (other than liabilities associated with borrowing or leverage by the Fund). Liabilities associated with borrowing or leverage include the principal amount of any debt issued by the Fund, the liquidation preference of any outstanding preferred stock, and other liabilities from other forms of borrowing or leverage such as short positions and put or call options held or written by the Fund.

C. *Portfolio Companies* — From time to time, the Fund may "control" or may be an "affiliate" of one or more of its portfolio companies, as each of these terms is defined in the 1940 Act. In general, under the 1940 Act, the Fund would be presumed to "control" a portfolio company if the Fund and its affiliates owned 25% or more of its outstanding voting securities and would be an "affiliate" of a portfolio company if the Fund and its affiliates owned 5% or more of its outstanding voting securities. The 1940 Act contains prohibitions and restrictions relating to transactions between investment companies and their affiliates (including the Fund's investment adviser), principal underwriters and affiliates of those affiliates or underwriters.

The Fund believes that there are several factors that determine whether or not a security should be considered a "voting security" in complex structures such as limited partnerships of the kind in which the Fund invests. The Fund also notes that the Securities and Exchange Commission (the "SEC") staff has issued guidance on the circumstances under which it would consider a limited partnership interest to constitute a voting security. Under most partnership agreements, the management of the partnership is vested in the general partner, and the limited partners, individually or collectively, have no rights to manage or influence management of the partnership through such activities as participating in the selection of the managers or the board of the limited partnership or the general partner. As a result, the Fund believes that many of the limited partnership interests in which it invests should not be considered voting securities. However, it is possible that the SEC staff may consider the limited partner interests the Fund holds in certain limited partnerships to be voting securities. If such a determination were made, the Fund may be regarded as a person affiliated with and controlling the issuer(s) of those securities for purposes of Section 17 of the 1940 Act.

In making such a determination as to whether to treat any class of limited partnership interests the Fund holds as a voting security, the Fund considers, among other factors, whether or not the holders of such limited partnership interests have the right to elect the board of directors of the limited partnership or the general partner. If the holders of such limited partnership interests do not have the right to elect the board of directors, the Fund generally has not treated such security as a voting security. In other circumstances, based on the facts and circumstances of those partnership agreements, including the right to elect the directors of the general partner, the Fund has treated those securities as voting securities. If the Fund does not consider the security to be a voting security, it will not consider such partnership to be an "affiliate" unless the Fund and its affiliates own more than 25% of the outstanding securities of such partnership. Additionally, certain partnership agreements give common unitholders the right to elect the partnership's board of directors, but limit the amount of voting securities any limited partner can hold to no more than 4.9% of the partnership's outstanding voting securities (*i.e.*, any amounts held in excess of such limit by a limited partner do not have voting rights). In such instances, the Fund does not consider itself to be an affiliate if it owns more than 5% of such partnership's common units.

There is no assurance that the SEC staff will not consider that other limited partnership securities that the Fund owns and does not treat as voting securities are, in fact, voting securities for the purposes of Section 17 of the 1940 Act. If such determination were made, the Fund will be required to abide by the restrictions on "control" or "affiliate" transactions as proscribed in the 1940 Act. The Fund or any portfolio company that it controls, and its affiliates, may from time to time engage in certain of such joint transactions, purchases, sales and loans in reliance upon and in compliance with the conditions of certain exemptive rules promulgated by the SEC. The Fund cannot make assurances, however, that it would be able to satisfy the conditions of these rules with respect to any particular eligible transaction, or even if the Fund were allowed to engage in such a transaction, that the terms would be more or as favorable to the Fund or any company that it controls as those that could be obtained in an arm's length transaction. As a result of these prohibitions, restrictions may be imposed on the size of positions that may be taken for the Fund or on the type of investments that it could make.

Plains AAP, L.P., Plains All American Pipeline, L.P. and Plains GP Holdings, L.P. — Kayne Anderson Capital Advisors, L.P. ("KACALP") is the managing member of KAFA. Members of senior management of KACALP and KAFA and various affiliated funds managed by KACALP own Plains GP Holdings L.P. ("PAGP") shares, Plains All American Pipeline, L.P. ("PAA") units and interests in Plains AAP, L.P. ("PAGP-AAP"). The Fund believes that it is an affiliate of PAA, PAGP and PAGP-AAP under the 1940 Act by virtue of the Fund's and other affiliated Kayne Anderson funds' ownership interest in PAA, PAGP and PAGP-AAP.

The following table summarizes the Fund's investments in affiliates as of and for the three and six months ended May 31, 2022:

Investment[(1)]	No. of Shares/Units/ Principal Amount[(2)] (in 000's)	Value	Dividends/Distributions Received/Interest Income Earned		Net Realized Gains (Losses)		Net Change in Unrealized Gains (Losses)	
			Three Months Ended	Six Months Ended	Three Months Ended	Six Months Ended	Three Months Ended	Six Months Ended
Plains GP Holdings, L.P. . .	1,143	$13,667	$ 249	$ 415	$ —	$ —	$ 941	$ 2,314
Plains GP Holdings, L.P. – Plains AAP, L.P. . .	690	8,247	150	274	—	—	569	1,585
Plains All American, L.P. – Debt	$ 250	216	1	1	—	—	(4)	(4)
Total		$22,130	$ 400	$ 690	$ —	$ —	$ 1,506	$ 3,895

(1) See Schedule of Investments for investment classifications.

(2) During the three and six months ended May 31, 2022, the Fund purchased 221 units of PAGP and $250 (principal amount) of PAA — debt. During the three and six months ended May 31, 2022, there were no purchases of PAGP-AAP and no sales of any affiliates.

6. Taxes

It is the Fund's intention to continue to be treated as and to qualify as a RIC under Subchapter M of the Code and distribute all of its taxable income. Accordingly, no provision for federal income taxes is required in the financial statements. See Note 2 — Significant Accounting Policies.

(amounts in 000's, except number of option contracts, share and per share amounts)

Income and capital gain distributions made by RICs often differ from GAAP basis net investment income (loss) and net realized gains (losses). For the Fund, the principal reason for these differences is the return of capital treatment of dividends and distributions from PTPs and certain other of its investments. Net investment income and net realized gains for GAAP purposes may differ from taxable income for federal income tax purposes.

As of May 31, 2022, the principal temporary differences between income for GAAP purposes and taxable income were (a) realized losses that were recognized for GAAP purposes, but disallowed for tax purposes due to wash sale rules; (b) disallowed partnership losses related to the Fund's PTP investments; and (c) other basis adjustments in the Fund's PTPs and other investments.

Under the Regulated Investment Company Modernization Act of 2010, any net capital losses recognized after December 31, 2010 may be carried forward indefinitely, and their character is retained as short-term and/or long-term losses.

On August 6, 2018, KMF completed its merger with KYE. The merger qualified as a tax-free reorganization under Section 368(a) of the Internal Revenue Code. At the time of the merger, $130,791 of capital loss carryforwards were subject to limitations under Section 382 of the Internal Revenue Code ("Section 382"). Regulations under Section 382 limit the amount of capital gains that can be offset by the Fund's capital loss carryforward to $8,533, annually, until all of the Fund's loss carryforwards are fully utilized. As of November 30, 2021, the Fund had approximately $64,000 of capital loss carryforwards subject to limitations under Section 382.

For the fiscal year ended November 30, 2021, the tax character of the total $21,711 distributions paid to common stockholders was $144 of dividend income and $21,567 of return of capital. The tax character of the total $948 distributions paid to holders of MRP Shares was dividend income.

For purposes of determining the tax character of the dividends/distributions to investors, the amounts in excess of the Fund's earnings and profits for federal income tax purposes are treated as a return of capital. Earnings and profits differ from taxable income due principally to adjustments related to the Fund's investments in PTPs.

At May 31, 2022, the cost basis of investments for federal income tax purposes was $539,302. At May 31, 2022, gross unrealized appreciation and depreciation of investments and options, if any, for federal income tax purposes were as follows:

Gross unrealized appreciation of investments (including options, if any)	$ 172,435
Gross unrealized depreciation of investments (including options, if any)	(50,517)
Net unrealized appreciation of investments before forward currency contracts and foreign currency related translations	121,918
Unrealized depreciation on forward currency contracts and foreign currency related translations	(323)
Net unrealized appreciation of investments	$ 121,595

7. Restricted Securities

From time to time, the Fund's ability to sell certain of its investments is subject to certain legal or contractual restrictions. For instance, private investments that are not registered under the Securities Act of 1933, as amended (the "Securities Act"), cannot be offered for public sale in a non-exempt transaction without first being registered. In other cases, certain of the Fund's investments have restrictions such as lock-up agreements that preclude the Fund from offering these securities for public sale.

At May 31, 2022, the Fund held the following restricted investments:

Investment	Acquisition Date	Type of Restriction	Number of Units, Principal ($) (in 000s)	Cost Basis (GAAP)	Fair Value	Fair Value Per Unit	Percent of Net Assets	Percent of Total Assets
Level 2 Investments								
Plains GP Holdings, L.P. – Plains AAP, L.P.[(1)]	(2)	(3)	690	$ 620	$ 8,247	$ 11.96	1.7%	1.2%
Level 3 Investments[(4)]								
Enterprise Products Partners L.P. Convertible Preferred Units	(2)	(5)	18	$17,524	$18,481	$1,047.83	3.7%	2.8%
Total of all restricted investments				$18,144	$26,728		5.4%	4.0%

(1) The Fund values its investment in Plains AAP, L.P. ("PAGP-AAP") on an "as exchanged" basis based on the higher public market value of either Plains GP Holdings, L.P. ("PAGP") or Plains All American Pipeline, L.P. ("PAA"). As of May 31, 2022, the Fund's PAGP-AAP investment is valued at PAGP's closing price. See Note 3 — Fair Value.
(2) Security was acquired at various dates in current and/or prior fiscal years.
(3) The Fund's investment in PAGP-AAP is exchangeable on a one-for-one basis into either PAGP shares or PAA units at the Fund's option. Upon exchange, the PAGP shares or PAA units will be freely tradable.
(4) Securities are valued using inputs reflecting the Fund's own assumptions as more fully described in Note 2 — Significant Accounting Policies and Note 3 — Fair Value.
(5) Unregistered or restricted security of a publicly-traded company.

8. Derivative Financial Instruments

As required by the Derivatives and Hedging Topic of the FASB Accounting Standards Codification (ASC 815), the following are the derivative instruments and hedging activities of the Fund. See Note 2 — Significant Accounting Policies.

Option Contracts — Based on the notional amount, the Fund has written a monthly average of $1,833 of call options during the six months ended May 31, 2022.

Interest Rate Swap Contracts — As of May 31, 2022, the Fund did not have any interest rate swap contracts outstanding.

Forward Currency Contracts — During the six months ended May 31, 2022, the Fund had average ending monthly forward currency contract values to buy and sell of $73,434 and $73,190, respectively.

The following table sets forth the fair value of the Fund's derivative instruments on the Statement of Assets and Liabilities:

Derivatives Not Accounted for as Hedging Instruments	Statement of Assets and Liabilities Location	Fair Value as of May 31, 2022
Forward currency contracts	Forward currency contracts	$ 5
Forward currency contracts	Forward currency contracts	(330)

(amounts in 000's, except number of option contracts, share and per share amounts)

The following tables set forth the effect of the Fund's derivative instruments on the Statement of Operations:

Derivatives Not Accounted for as Hedging Instruments	Location of Gains/(Losses) on Derivatives Recognized in Income	For the Three Months Ended May 31, 2022 — Net Realized Gains/(Losses) on Derivatives Recognized in Income	For the Three Months Ended May 31, 2022 — Change in Unrealized Gains/(Losses) on Derivatives Recognized in Income
Forward currency contracts	Forward currency contracts	$ 1,888	$ (208)
Call options written	Options	28	—
		$ 1,916	$ (208)

Derivatives Not Accounted for as Hedging Instruments	Location of Gains/(Losses) on Derivatives Recognized in Income	For the Six Months Ended May 31, 2022 — Net Realized Gains/(Losses) on Derivatives Recognized in Income	For the Six Months Ended May 31, 2022 — Change in Unrealized Gains/(Losses) on Derivatives Recognized in Income
Forward currency contracts	Forward currency contracts	$1,888	$ 73
Call options written	Options	86	—
		$1,974	$ 73

9. Investment Transactions

For the six months ended May 31, 2022, the Fund purchased and sold securities in the amounts of $54,082 and $52,472 (excluding short-term investments and forward currency contracts).

10. Credit Facilities

As of May 31, 2022, the Fund had a $50,000 unsecured revolving credit facility (the "Credit Facility") that matures on February 24, 2023. The interest rate on outstanding borrowings under the Credit Facility may vary between the secured overnight financing rate ("SOFR") plus 1.40% and SOFR plus 2.25%, depending on the Fund's asset coverage ratios. The Fund pays a fee of 0.20% per annum on any unused amounts of the Credit Facility.

For the six months ended May 31, 2022, the average amount outstanding under the Credit Facility was $39,429 with a weighted average rate of 1.64%. As of May 31, 2022, the Fund had $46,000 outstanding under the Credit Facility at an interest rate of 2.34%.

As of May 31, 2022, the Fund had a $20,000 unsecured revolving credit facility ("Bank Facility") that matures on August 6, 2024. Borrowings under the Bank Facility will bear interest at a rate of 1-month LIBOR plus 1.35%. The Fund pays a commitment fee of 0.20% per annum on any unused amounts of the Bank Facility.

(amounts in 000's, except number of option contracts, share and per share amounts)

For the six months ended May 31, 2022, the average amount outstanding under the Bank Facility was $1,071 with a weighted average rate of 2.28%. As of May 31, 2022, the Fund did not have any borrowings outstanding under the Bank Facility.

As of May 31, 2022, the Fund was in compliance with all financial and operational covenants required by the Credit Facility and Bank Facility. See Financial Highlights for the Fund's asset coverage ratios under the 1940 Act.

11. Notes

At May 31, 2022, the Fund had $80,091 aggregate principal amount of Notes outstanding. During the six months ended May 31, 2022, the Fund redeemed $4,424 of Notes.

The table below sets forth a summary of the redemptions and key terms of each series of Notes outstanding at May 31, 2022.

Series	Principal Outstanding, November 30, 2021	Principal Redeemed	Principal Outstanding, May 31, 2022	Unamortized Issuance Costs	Estimated Fair Value May 31, 2022	Fixed Interest Rate	Maturity
C	$ 4,424	$ (4,424)	$ —	$ —	$ —	4.00%	3/22/22
D	40,000	—	40,000	60	40,300	3.34%	5/1/23
H	21,856	—	21,856	38	22,100	3.72%	8/8/23
I	18,235	—	18,235	62	18,200	3.82%	8/8/25
	$84,515	$ (4,424)	$ 80,091	$160	$ 80,600		

Holders of the Series C and D Notes are entitled to receive cash interest payments semi-annually (on March 3 and September 3) at the fixed rate. Holders of the Series H and I Notes are entitled to receive cash interest payments semi-annually (on February 13 and August 13) at the fixed rate. As of May 31, 2022, the weighted average interest rate on the outstanding Notes was 3.55%.

As of May 31, 2022, each series of Notes was rated "AAA" by Kroll Bond Rating Agency ("KBRA"). In the event the credit rating on any series of Notes falls below "A-", the interest rate on such series will increase by 1% during the period of time such series is rated below "A-". The Fund is required to maintain a current rating from one rating agency with respect to each series of Notes and is prohibited from having any rating of less than investment grade ("BBB-") with respect to each series of Notes.

The Notes were issued in private placement offerings to institutional investors and are not listed on any exchange or automated quotation system. The Notes contain various covenants related to other indebtedness, liens and limits on the Fund's overall leverage. Under the 1940 Act and the terms of the Notes, the Fund may not declare dividends or make other distributions on shares of its common stock or make purchases of such shares if, at any time of the declaration, distribution or purchase, asset coverage with respect to senior securities representing indebtedness (including the Notes) would be less than 300%.

The Notes are redeemable in certain circumstances at the option of the Fund. The Notes are also subject to a mandatory redemption to the extent needed to satisfy certain requirements if the Fund fails to meet an asset coverage ratio required by law and is not able to cure the coverage deficiency by the applicable deadline.

(amounts in 000's, except number of option contracts, share and per share amounts)

The Notes are unsecured obligations of the Fund and, upon liquidation, dissolution or winding up of the Fund, will rank: (1) senior to all of the Fund's outstanding preferred shares; (2) senior to all of the Fund's outstanding common shares; (3) on a parity with any unsecured creditors of the Fund and any unsecured senior securities representing indebtedness of the Fund; and (4) junior to any secured creditors of the Fund.

At May 31, 2022, the Fund was in compliance with all covenants under the Notes agreements.

12. Preferred Stock

At May 31, 2022, the Fund had 1,659,657 shares of MRP Shares outstanding, with a total liquidation value of $41,491 ($25.00 per share). The table below sets forth the key terms of each series of MRP Shares outstanding at May 31, 2022.

Series	Liquidation Value May 31, 2022	Unamortized Issuance Costs	Estimated Fair Value May 31, 2022	Rate	Mandatory Redemption Date
H	$ 9,491	$ 91	$ 9,400	4.07%	12/1/24
I	20,000	289	19,800	3-month LIBOR + 175 bps	6/1/26
J	12,000	206	10,900	2.44%	9/1/26
	$41,491	$586	$40,100		

Holders of the MRP Shares are entitled to receive cumulative cash dividend payments on the first business day following each quarterly period (February 28, May 31, August 31 and November 30).

As of May 31, 2022, each series of MRP Shares was rated "A+" by KBRA.

The dividend rate on the Fund's MRP Shares can increase further if the credit rating is downgraded below "A" (as determined by the lowest credit rating assigned). Further, the annual dividend rate for all series of MRP Shares will increase by 4.0% if no ratings are maintained, and the annual dividend rate will increase by 5.0% if the Fund fails to make a dividend or certain other payments.

The MRP Shares rank senior to all of the Fund's outstanding common shares and on parity with any other preferred stock. The MRP Shares are redeemable in certain circumstances at the option of the Fund and are also subject to a mandatory redemption if the Fund fails to meet a total leverage (debt and preferred stock) asset coverage ratio of 225%.

Under the terms of the MRP Shares, the Fund may not declare dividends or make other distributions on shares of its common stock or make purchases of such shares if, at any time of the declaration, distribution or purchase, asset coverage with respect to total leverage would be less than 225%.

The holders of the MRP Shares have one vote per share and will vote together with the holders of common stock as a single class except on matters affecting only the holders of MRP Shares or the holders of common stock. The holders of the MRP Shares, voting separately as a single class, have the right to elect at least two directors of the Fund.

At May 31, 2022, the Fund was in compliance with the asset coverage requirements of its MRP Shares.

13. Common Stock

At May 31, 2022, the Fund had 198,340,343 shares of common stock authorized and 47,197,462 shares outstanding. As of May 31, 2022, KAFA owned 4,000 shares of the Fund. During the six months ended May 31, 2022, and fiscal year ended November 30, 2021, there were no common stock transactions.

14. Subsequent Events

On June 23, 2022, the Fund declared a quarterly distribution of $0.16 per common share for the second quarter. The total distribution of $7,552 was paid July 12, 2022. Of this total, pursuant to the Fund's dividend reinvestment plan, $291 was reinvested into the Fund through open market purchases of common stock.

On June 23, 2022, the Fund announced the appointment of Carita Walker as an Independent Director, meaning a Director who is not an "interested person" of the Fund, as that term is defined under the 1940 Act.

Carita Walker is the Chief Legal Officer at Shell Recharge Solutions — a Shell plc company dedicated to unlocking the possibilities of the electric mobility future by delivering game-changing software and services at scale. Ms. Walker has numerous years of experience avoiding value leakage in commercial contracting, M&A, legislative and market development in nascent and novel industries and technologies, and grass-roots advocacy. She is passionate about creating scalable, innovative business solutions, building compliant, safe, and inclusive cultures, and advancing environmental, social, and governance (ESG) initiatives. Ms. Walker is an acknowledged thought leader and active participant in Diversity, Equity, & Inclusion (DE&I) efforts as one of the architects of the Shell Global Legal DE&I plan and a member of the Deloitte Chief Legal Officer DE&I think tank. Ms. Walker did her undergraduate studies at Xavier University of Louisiana, studied at Harvard University in Cambridge, MA, and obtained her law degree from the University of California at Berkeley — School of Law.

The Fund has performed an evaluation of subsequent events through the date the financial statements were issued and has determined that no additional items require recognition or disclosure.

KAYNE ANDERSON NEXTGEN ENERGY & INFRASTRUCTURE, INC.
GLOSSARY OF KEY TERMS
(UNAUDITED)

This glossary contains definitions of certain key terms, as they are used in our investment policies and as described in this report. These definitions may not correspond to standard sector definitions.

"Energy Assets" means Energy Infrastructure Assets and other assets that are used in the energy sector, including assets used in exploring, developing, producing, generating, transporting, transmitting, storing, gathering, processing, fractionating, refining, distributing, mining or marketing of natural gas, natural gas liquids, crude oil, refined products, coal, electricity or water.

"Energy Companies" means companies that own and/or operate Energy Assets or provide energy-related services. For purposes of this definition, this includes companies that (i) derive at least 50% of their revenues or operating income from operating Energy Assets or providing services for the operation of such assets or (ii) have Energy Assets that represent the majority of their assets.

"Energy Infrastructure Assets" means (a) Midstream Assets, (b) Renewable Infrastructure Assets and (c) Utility Assets.

"Energy Infrastructure Companies" consists of (a) Midstream Companies, (b) Renewable Infrastructure Companies and (c) Utility Companies.

"Energy Transition" is used to describe the energy sector's transition to a more sustainable mix of lower carbon and renewable energy sources that results in reduced emissions of carbon dioxide and other greenhouse gases over the next 20 to 30 years.

"Infrastructure Assets" consists of (i) Energy Infrastructure Assets, (ii) assets used to provide communications services, including cable television, satellite, microwave, radio, telephone and other communications media or (iii) assets used to provide transportation services, including toll roads, airports, railroads or marine ports or (iv) assets used to provide water services, including water treatment, storage and transportation.

"Infrastructure Companies" consists of (a) Energy Infrastructure Companies and (b) other companies that own and operate Infrastructure Assets. For the purposes of this definition, this includes companies that (i) derive at least 50% of their revenues or operating income from operating Infrastructure Assets or providing services for the operation of such assets or (ii) have Infrastructure Assets that represent the majority of their assets.

"Qualified Publicly Traded Partnerships" or "PTPs" means limited partnerships and limited liability companies that are publicly traded and are treated as partnerships for federal income tax purposes.

"Midstream Assets" means assets used in energy logistics, including, but not limited to, assets used in transporting, storing, gathering, processing, fractionating, distributing, or marketing of natural gas, natural gas liquids, crude oil, refined products or water produced in conjunction with such activities.

"Midstream Companies" means companies that own and operate Midstream Assets. Such companies may be structured as PTPs or taxed as corporations. For purposes of this definition, this includes companies that (i) derive at least 50% of their revenue or operating income from operating Midstream Assets or providing services for the operation of such assets or (ii) have Midstream Assets that represent the majority of their assets.

"Natural Gas & LNG Infrastructure Companies" means Midstream Companies that primarily own and/or operate Midstream Assets related to natural gas or liquefied natural gas.

"NextGen Companies" are Energy Companies and Infrastructure Companies that are meaningfully participating in, or benefitting from, the Energy Transition based on our Advisor's assessment of each company's business.

"Other Energy Companies" means Energy Companies, excluding Energy Infrastructure Companies.

"Renewable Infrastructure Assets" means assets used in the generation, production, distribution, transportation, transmission, storage and marketing of energy including, but not limited to, electricity or steam from renewable sources such as solar, wind, flowing water (hydroelectric power), geothermal, biomass and hydrogen.

"Renewable Infrastructure Companies" means companies that own and/or operate Renewable Infrastructure Assets. Such companies may be structured as PTPs or taxed as corporations. For purposes of this definition, this includes companies that (i) derive at least 50% of their revenues or operating income from operating Renewable Infrastructure Assets or providing services for the operation of such assets or (ii) have Renewable Infrastructure Assets that represent the majority of their assets.

"Utility Assets" means assets, other than Renewable Infrastructure Assets, that are used in the generation, production, distribution, transportation, transmission, storage and marketing of energy, including, but not limited to, electricity, natural gas and steam.

"Utility Companies" means companies that own and/or operate Utility Assets. For purposes of this definition, this includes companies that (i) derive at least 50% of their revenues or operating income from operating Utility Assets or providing services for the operation of such assets or (ii) have Utility Assets that represent the majority of their assets.

KAYNE ANDERSON NEXTGEN ENERGY & INFRASTRUCTURE, INC.
DIVIDEND REINVESTMENT PLAN
(UNAUDITED)

The Fund has adopted a Dividend Reinvestment Plan (the "Plan"), as further described below. A stockholder is automatically enrolled in the Plan unless that stockholder specifically elects to receive cash distributions, as further described below. The automatic reinvestment of dividends and distributions will not relieve participants of any federal, state or local income tax that may be payable (or required to be withheld) on such dividends even though no cash is received by participants. There are no brokerage charges with respect to shares issued directly by the Fund as a result of dividends or distributions payable either in shares or in cash. However, each participant will pay a pro rata share of brokerage commissions incurred with respect to the Plan Agent's open-market purchases in connection with the reinvestment of dividends or distributions.

An investor that holds common stock of the Fund with a brokerage firm that does not participate in the Plan will not be able to participate in the Plan. In addition, an investor that participates in the Plan through a brokerage account may not be able to transfer common stock of the Fund to another brokerage firm and continue to participate in the Plan.

The following are the terms of the Fund's Dividend Reinvestment Plan:

Kayne Anderson NextGen Energy & Infrastructure, Inc., a Maryland corporation (the "Fund"), has adopted the following plan (the "Plan") with respect to distributions declared by its Board of Directors (the "Board") on shares of its Common Stock:

1. Unless a stockholder specifically elects to receive cash as set forth below, all distributions hereafter declared by the Board shall be payable in shares of the Common Stock of the Fund, and no action shall be required on such stockholder's part to receive a distribution in stock.

2. Such distributions shall be payable on such date or dates as may be fixed from time to time by the Board to stockholders of record at the close of business on the record date(s) established by the Board for the distribution involved.

3. The Fund may use newly-issued shares of its Common Stock or purchase shares in the open market in connection with the implementation of the plan. The number of shares to be issued to a stockholder shall be based on share price equal to 95% of the closing price of the Fund's Common Stock one day prior to the dividend payment date.

4. The Board may, in its sole discretion, instruct the Fund to purchase shares of its Common Stock in the open market in connection with the implementation of the Plan as follows: If the Fund's Common Stock is trading below net asset value at the time of valuation, upon notice from the Fund, the Plan Administrator (as defined below) will receive the dividend or distribution in cash and will purchase Common Stock in the open market, on the New York Stock Exchange or elsewhere, for the Participants' accounts, except that the Plan Administrator will endeavor to terminate purchases in the open market and cause the Fund to issue the remaining shares if, following the commencement of the purchases, the market value of the shares, including brokerage commissions, exceeds the net asset value at the time of valuation. These remaining shares will be issued by the Fund at a price equal to the greater of (i) the net asset value at the time of valuation or (ii) 95% of the then current market price.

5. In a case where the Plan Administrator has terminated open market purchases and caused the issuance of remaining shares by the Fund, the number of shares received by the participant in respect of the cash dividend or distribution will be based on the weighted average of prices paid for shares purchased in the open market, including brokerage commissions, and the price at which the Fund issues remaining shares. To the extent that the Plan Administrator is unable to terminate purchases in the open market before the Plan Administrator has completed its purchases, or remaining shares cannot be issued by the Fund because the Fund declared a dividend or

distribution payable only in cash, and the market price exceeds the net asset value of the shares, the average share purchase price paid by the Plan Administrator may exceed the net asset value of the shares, resulting in the acquisition of fewer shares than if the dividend or distribution had been paid in shares issued by the Fund.

6. A stockholder may, however, elect to receive his or its distributions in cash. To exercise this option, such stockholder shall notify American Stock Transfer & Trust Company, the plan administrator and the Fund's transfer agent and registrar (collectively the "Plan Administrator"), in writing so that such notice is received by the Plan Administrator no later than the record date fixed by the Board for the distribution involved.

7. The Plan Administrator will set up an account for shares acquired pursuant to the Plan for each stockholder who has not so elected to receive dividends and distributions in cash (each, a "Participant"). The Plan Administrator may hold each Participant's shares, together with the shares of other Participants, in non-certificated form in the Plan Administrator's name or that of its nominee. Upon request by a Participant, received no later than three (3) days prior to the payable date, the Plan Administrator will, instead of crediting shares to and/or carrying shares in a Participant's account, issue, without charge to the Participant, a certificate registered in the Participant's name for the number of whole shares payable to the Participant and a check for any fractional share less a broker commission on the sale of such fractional shares. If a request to terminate a Participant's participation in the Plan is received less than three (3) days before the payable date, dividends and distributions for that payable date will be reinvested. However, subsequent dividends and distributions will be paid to the Participant in cash.

8. The Plan Administrator will confirm to each Participant each acquisition made pursuant to the Plan as soon as practicable but not later than ten (10) business days after the date thereof. Although each Participant may from time to time have an undivided fractional interest (computed to three decimal places) in a share of Common Stock of the Fund, no certificates for a fractional share will be issued. However, dividends and distributions on fractional shares will be credited to each Participant's account. In the event of termination of a Participant's account under the Plan, the Plan Administrator will adjust for any such undivided fractional interest in cash at the market value of the Fund's shares at the time of termination.

9. The Plan Administrator will forward to each Participant any Fund related proxy solicitation materials and each Fund report or other communication to stockholders, and will vote any shares held by it under the Plan in accordance with the instructions set forth on proxies returned by Participants to the Fund.

10. In the event that the Fund makes available to its stockholders rights to purchase additional shares or other securities, the shares held by the Plan Administrator for each Participant under the Plan will be added to any other shares held by the Participant in certificated form in calculating the number of rights to be issued to the Participant.

11. The Plan Administrator's service fee, if any, and expenses for administering the Plan will be paid for by the Fund.

12. Each Participant may terminate his or its account under the Plan by so notifying the Plan Administrator via the Plan Administrator's website at *www.amstock.com*, by filling out the transaction request form located at the bottom of the Participant's Statement and sending it to American Stock Transfer and Trust Company, P.O. Box 922, Wall Street Station, New York, NY 10269-0560 or by calling the Plan Administrator at (888) 888-0317. Such termination will be effective immediately.

The Plan may be terminated by the Fund upon notice in writing mailed to each Participant at least 30 days prior to any record date for the payment of any dividend or distribution by the Fund. Upon any termination, the Plan Administrator will cause a certificate or certificates to be issued for the full shares held for the Participant under the Plan and a cash adjustment for any fractional share to be delivered to the Participant without charge to the Participant. If a Participant elects by his or its written notice to the Plan Administrator in advance of termination to have the Plan Administrator sell part or all of his or its shares and remit the proceeds to the Participant, the Plan Administrator is authorized to deduct a $15.00 transaction fee plus a $0.10 per share brokerage commission from the proceeds.

13. These terms and conditions may be amended or supplemented by the Fund at any time but, except when necessary or appropriate to comply with applicable law or the rules or policies of the Securities and Exchange Commission or any other regulatory authority, only by mailing to each Participant appropriate written notice at least 30 days prior to the effective date thereof. The amendment or supplement shall be deemed to be accepted by each Participant unless, prior to the effective date thereof, the Plan Administrator receives written notice of the termination of his or its account under the Plan. Any such amendment may include an appointment by the Plan Administrator in its place and stead of a successor agent under these terms and conditions, with full power and authority to perform all or any of the acts to be performed by the Plan Administrator under these terms and conditions. Upon any such appointment of any agent for the purpose of receiving dividends and distributions, the Fund will be authorized to pay to such successor agent, for each Participant's account, all dividends and distributions payable on shares of the Fund held in the Participant's name or under the Plan for retention or application by such successor agent as provided in these terms and conditions.

14. The Plan Administrator will at all times act in good faith and use its best efforts within reasonable limits to ensure its full and timely performance of all services to be performed by it under this Plan and to comply with applicable law, but assumes no responsibility and shall not be liable for loss or damage due to errors unless such error is caused by the Plan Administrator's negligence, bad faith, or willful misconduct or that of its employees or agents.

15. These terms and conditions shall be governed by the laws of the State of Maryland.

Adopted: November 18, 2010

KAYNE ANDERSON NEXTGEN ENERGY & INFRASTRUCTURE, INC.
INVESTMENT MANAGEMENT AGREEMENT APPROVAL DISCLOSURE
(UNAUDITED)

At a meeting held on March 29-30, 2022, the Fund's Board of Directors (the "Board") approved the continuation of the Fund's Investment Management Agreement (the "Agreement") with KA Fund Advisors, LLC (the "Adviser") for an additional one-year period from May 1, 2022 through April 30, 2023.

During the course of each year and in connection with their consideration of the continuation of the Agreement, the Board received various materials from the Adviser, including (i) information on the advisory personnel of the Adviser; (ii) information on the internal compliance procedures of the Adviser; (iii) comparative information showing how the Fund's fees and expenses compare to other registered investment companies that follow investment strategies similar to those of the Fund; (iv) information regarding brokerage and portfolio transactions; (vi) comparative information showing how the Fund's performance compares to other registered investment companies that follow investment strategies similar to those of the Fund; and (vii) information on any material legal proceedings or regulatory audits or investigations affecting the Fund or the Adviser.

After receiving and reviewing these materials, the Board, at an in-person meeting called for such purpose (the "Meeting"), discussed the terms of the Agreement. Representatives from the Adviser attended the Meeting and presented additional oral and written information to the Board to assist in its considerations. The Directors who are not parties to the Agreement or "interested persons" (as defined in the Investment Company Act of 1940, as amended) of any such party (the "Independent Directors") also met in executive session to further discuss the terms of the Agreement and the information provided by the Adviser.

Discussed below are certain of the factors considered by the Board in continuing the Agreement. This discussion is not intended to be all-inclusive. The Board, including the Independent Directors, reviewed a variety of factors and considered a significant amount of information, including information received on an ongoing basis at Board and committee meetings and in various discussions with senior management of the Adviser relating specifically to the Adviser and the Agreement. The approval determination was made on the basis of each Director's business judgment after consideration of all the information taken as a whole. Individual Directors may have given different weight to certain factors and assigned various degrees of materiality to information received in connection with the contract review process.

Taking all of the information and deliberations into account, the Independent Directors reviewed various factors presented to them, the detailed information provided by the Adviser at the Meeting and at other times throughout the year, and other relevant information and the following factors, none of which was dispositive in their decision whether to approve the Agreement:

The nature, extent, and quality of the services to be provided by the Adviser

The Board, including the Independent Directors, considered the scope and quality of services that have been provided by the Adviser under the Agreement. The Board, including the Independent Directors, considered the quality of the investment research capabilities of the Adviser and the other resources the Adviser has dedicated to performing services for the Fund, including the high caliber of portfolio managers and research analysts involved, the large and experienced team of investment, accounting, legal, trading and compliance professionals at the Adviser dedicated to the Fund, and the continued maintenance of such team despite declines in the energy sector and an associated reduction in management fees received by the Adviser. The Board, including the Independent Directors, also considered the quality of other services, including the Adviser's assistance in the coordination of the activities of some of the Fund's other service providers, the provision of certain administrative, compliance, reporting and financial services by the Adviser, the prudent use of call options, the responsible handling of the Fund's leverage ratios and distribution determinations through declining and volatile energy markets, and the continued efforts to maximize returns and to position the Fund's portfolio to grow as those markets recover. The Board, including the Independent Directors, took note of the Adviser's excellent track records in identifying and executing on key investment themes as well as the Fund's access to investments and capital markets due in part to the Adviser's credibility with institutional investors. The Board, including the Independent Directors, took further note of the Adviser's prudent and conscientious handling of the reorganization of Kayne Anderson Energy Total Return Fund, Inc. with and into the Fund (the "Reorganization") and the Adviser's diligent approach in structuring the Reorganization to best serve the interests of the Fund's stockholders, as well as the Adviser's prudent expansion of the Fund's investment mandate in 2020 in order to provide greater potential for future growth. The Board, including the Independent Directors, also considered the nature and quality of the services provided by the Adviser to the Fund in light of their experience as Directors of the Fund, their confidence in the Adviser's integrity and competence gained from that experience and the Adviser's responsiveness to questions, concerns or requests for information raised or made by them in the past. The Board, including the Independent Directors, noted the high quality of services provided by the Adviser during periods when the market faces significant turmoil, including recent market challenges stemming in part from COVID-19, as well as the Adviser's efforts to maximize returns and its leadership position in the markets in which it invests. The Board, including the Independent Directors, discussed the scope of responsibilities of, and resources expected to be available to, the key investment management and other personnel of the Adviser. Based on information provided by the Adviser, the Independent Directors concluded that the Adviser has the quality and depth of personnel and investment methods essential to performing its duties under the Agreement, and should be able to sustain that quality and depth, and that the nature and the proposed cost of such advisory services would be fair and reasonable in light of the services expected to be provided.

The Fund's performance under the management of the Adviser

The Independent Directors reviewed information pertaining to the performance of the Fund. These data compared the Fund's performance to the performance of certain other registered investment companies that follow investment strategies similar to those of the Fund as well as its benchmark. The comparative information showed that the performance of the Fund is satisfactory on an overall basis compared to other similar closed-end funds for various periods despite certain periods of lower relative performance against applicable peer groups. Based upon their review and consideration of applicable securities price indices, the Independent Directors concluded that the Fund's investment performance over time has been satisfactory compared to other closed-end funds that focus on investments in energy infrastructure companies and other energy companies, as applicable, and that the Fund has generated strong returns for investors over various periods. The Independent Directors noted that in addition to the information received for the Meeting, the Independent Directors also receive detailed performance information for the Fund at each regular meeting of the Board during the year. The Independent Directors considered the investment performance of one other closed-end investment company managed by the Adviser, but noted that it is not directly comparable. The Independent Directors did not consider the performance of other accounts of the Adviser because there were no accounts similar enough to be relevant for performance purposes.

The reasonability of the management fee and fall-out benefits

The Independent Directors considered the Fund's management fee under the Agreement in comparison to the management fees of funds within the Fund's peer group. The Independent Directors also considered the greater risks and burdens associated with managing the Fund compared to private funds and separate accounts. The Adviser's successful handling of past and recent market downturns and management of related leverage and distribution challenges, the administrative burden resulting from the Fund's tax complexities, the Fund's participation in private investments, particularly "PIPE" transactions, the Adviser's long standing relationships with management teams in the energy sector, and the Adviser's track record for successful pricing and timing strategies related to capital raising for the Fund were also noted by the Independent Directors as relevant considerations in evaluating the reasonableness of the management fee rate. The Independent Directors also discussed and are comfortable with the different contractual fee rates for the Fund and one other closed-end company managed by the Adviser given differences in strategies and investments, and the relatively stronger and deeper management expertise and resources of the Adviser. Based on those comparisons, the Independent Directors concluded that the management fee for the Fund remains reasonable.

The extent to which economies of scale would be realized as the Fund grows and whether fee levels reflect these economies of scale for the benefit of stockholders

The Independent Directors considered economies of scale that are being enjoyed by stockholders of the Fund. In this regard, they noted the Adviser's efforts to manage operating expenses, including significant declines in operating expenses over various periods since inception. They further noted that the Fund's operating expenses decreased on both an absolute basis and as a percentage of net assets in 2021 as compared to 2020. The Independent Directors also considered further possible economies of scale that the Adviser could achieve in its management of the Fund. They considered the information provided by the Adviser relating to the Fund's operating expenses and information comparing the fee rate charged by the Adviser with fee rates charged by other unaffiliated investment advisers to their investment company clients. The Independent Directors considered that the successful completion of the Reorganization had enabled and would continue to enable the Fund to leverage greater economies of scale. The Independent Directors also considered the Adviser's commitment to retaining and growing its robust and high-quality investment team and professional staff devoted to the Fund in a competitive environment for investment and compliance professionals, and in light of reduced management revenues from weaker energy markets. The Independent Directors concluded that the fee structure for the Fund is reasonable in view of the information provided by the Adviser. The Independent Directors then noted that they would continue to monitor and review further growth of the Fund in order to remain comfortable with the fee structure after any applicable future economies of scale.

Conclusion

Based on the review by the Board, including its consideration of each of the factors discussed above and the materials requested from and provided by the Adviser, the Board concluded, in agreement with the recommendation of the Independent Directors, that the Fund and its stockholders received reasonable value in return for the management fees and other amounts paid to the Adviser by the Fund under the Agreement, that stockholders could expect to receive reasonable value in return for the management fees and other amounts proposed to be paid to the Adviser by the Fund under the Agreement and that the approval of the continuation of the Agreement was in the best interests of stockholders of the Fund.

KAYNE ANDERSON NEXTGEN ENERGY & INFRASTRUCTURE, INC.
ADDITIONAL INFORMATION
(UNAUDITED)

ANNUAL CERTIFICATION

The Fund's Chief Executive Officer has filed an annual certification with the NYSE that, as of the date of the certification, he was unaware of any violation by the Fund of the NYSE's corporate governance listing standards.

PROXY VOTING AND PORTFOLIO HOLDINGS INFORMATION

The policies and procedures that the Fund uses to determine how to vote proxies relating to its portfolio securities are available:

- without charge, upon request, by calling (877) 657-3863/MLP-FUND;
- on the Fund's website, *www.kaynefunds.com*; and
- on the SEC's website, *www.sec.gov*.

Information regarding how the Fund voted proxies relating to portfolio securities during the most recent 12-month period ended June 30 is available without charge, upon request, by calling (877) 657-3863/MLP-FUND, and on the SEC's website at *www.sec.gov* (see Form N-PX).

The Fund files a complete schedule of its portfolio holdings for the first and third quarters of each of its fiscal years with the SEC on Form N-PORT and Form N-30B-2. The Fund's Form N-PORT and Form N-30B-2 are available on the SEC's website at *www.sec.gov*. The Fund also makes its quarterly reports available on its website at *www.kaynefunds.com*.

REPURCHASE DISCLOSURE

Notice is hereby given in accordance with Section 23(c) of the 1940 Act, that the Fund may from time to time purchase shares of its common and preferred stock and its Notes in the open market or in privately negotiated transactions.

KAYNE ANDERSON NEXTGEN ENERGY & INFRASTRUCTURE, INC.
PRIVACY POLICY NOTICE
(UNAUDITED)

This Privacy Notice ("Notice") provides information about the data that is collected, processed, used, transmitted and stored by KA Fund Advisors, LLC and its affiliates (collectively "we," "Kayne Anderson" or the "Firm"), and Kayne Anderson's commitment to appropriately using and protecting the data collected.

Generally speaking, Kayne Anderson collects data about you from the following sources:

- Information we receive about you on applications or other forms;
- Information you provide to us orally; and
- Information about your transactions with us, our affiliates or others.

When you use our services, you acknowledge that you have read and understand the contents of this Notice.

Defining Personal Information

Various laws and regulations use different terms and definitions for information about individuals that is personal and should be protected. Some laws and regulations consider only very limited types of information to be protected and private. Others include much broader categories.

At Kayne Anderson, we have chosen to adopt the broader approach to what information must be protected and kept private. In this notice, "Personal Information" (or "PI") refers to data that could be used, alone or in combination with other data, to identify you as an individual. It can include name, physical address, email address, IP address, date of birth, social security number, passwords, financial information, and more.

What Personal Information Do We Collect?

Kayne Anderson does not collect more information than is needed to conduct its business and satisfy any associated regulatory requirements. The following are examples of the types of personal information that we may collect:

- Name, address, phone number and email address;
- Age, date of birth, occupation and marital status;
- Personal identifier, depending on your country of residence, such as your Social Security Number; and
- Financial information, including account balances and assets, and, in certain jurisdictions, representations required under applicable law or regulation concerning your financial resources.

How Do We Collect Information?

When Kayne collects data from you directly, we will provide Kayne Anderson's contact information and Kayne Anderson's purpose for collecting and processing the data.

KAYNE ANDERSON NEXTGEN ENERGY & INFRASTRUCTURE, INC.
PRIVACY POLICY NOTICE
(UNAUDITED)

Do We Need Consent to Collect Your Data?

By providing your data, you consent to its collection, processing, use, transfer and storage. Your consent can be withdrawn at any time by providing adequate notice (see below) to Kayne Anderson. However, withdrawing your consent may impact your ability to invest in our funds.

How Do We Use Personal Information?

We use your personal information for a variety of business purposes, including but not limited to, the following:

- For our everyday business purposes to administer, facilitate and manage your relationship and/or account(s) with Kayne Anderson.
- To contact you or your designated representative(s) in connection with your relationship and/or account;
- To monitor and audit compliance with our internal policies and procedures; and
- To comply with and enforce applicable legal and regulatory requirements.

If your relationship with Kayne Anderson ends, we will continue to treat your personal information, to the extent we retain it, as described in this Notice.

With Whom Do We Share Personal Information?

Privacy is an integral part of the Firm. We do not disclose your personal information to third parties, except as described in this Notice, and never for compensation. Additionally, we will not share your personal information with third parties without your specific consent or unless Kayne Anderson is required or permitted to by law (such as Regulation S-P) and/or government authorities.

Third parties that we share personal information with are required to maintain the confidentiality of such information and are prohibited from using your personal information for purposes other than those that were specified upon receipt of your data. We enter into contractual agreements with all nonaffiliated third parties that prohibit such third parties from disclosing or using the information other than to carry out the purposes for which we disclose the information.

We will not sell your personal information. If we share your personal information with third parties performing services for us, or acting on our behalf, we will not allow them to use your information for other purposes, and we will contractually require them to protect your information.

What Security Measures Do We Have?

Kayne Anderson restricts access to personal information about you to those employees who need to know that information to provide financial products or services to you. Kayne Anderson has physical, electronic and administrative safeguards in place to help protect data from loss, misuse, unauthorized access, disclosure, alteration, and destruction. This includes a dedicated group of information security personnel that design, implement and monitor our information security program.

Please contact us for a copy of Kayne Anderson’s policies for more information on the Firm’s information security practices and procedures.

How Long Do We Retain Personal Information?

We will retain your personal information for the period necessary to fulfill our services and the purposes outlined in this Notice unless a longer retention period is required by law.

How Can You Manage Your Personal Information?

If you would like to request, delete, or update the personal information that you provided us, or exercise any of your data protection rights you may contact us using the contact information below. For your protection, we will need to verify your identity prior to complying with your request. Kayne Anderson does not charge for this service.

Kayne Anderson will make a good faith effort to process your request without undue delay and within the timeframe provided by applicable law. You are also entitled to have Kayne Anderson modify or delete any information that you believe is incorrect or out of date. Kayne Anderson reserves the right to limit or deny access to personal information where providing such information would be unreasonably burdensome or expensive or as otherwise permissible under relevant laws. If Kayne Anderson determines that access cannot be provided in any particular instance, Kayne Anderson will provide the individual requesting access with an explanation of why it has made that determination and a contact point for any further inquiries.

What Rights Do California Clients Have?

Under the California Consumer Privacy Act (CCPA), clients domiciled in California have certain rights with respect to their personal information. In particular, you may have the right to:

- Request that we disclose, free of charge, the categories and specifics of the PI we collect about you as a California resident (and/or, if applicable, sell or otherwise disclose to a third party for business purposes). Currently, however, Kayne Anderson does not sell personal information.
- Choose to opt-out of the sale of personal information. Currently, however, Kayne Anderson does not sell personal information.
- Request that we delete the PI we have collected. Following our verification of the request, we will comply with the request and delete any or all of the PI in our possession that we collected from you and/or any or all such PI in the possession of our service providers, unless otherwise restricted by law or regulation. However, withdrawing your consent for us to collect, process, use, transfer and store your data may impact your ability to invest in our funds.

Non-Discrimination for Exercising Your CCPA Right

We follow the requirements of California Civil Code §1798.125, and will not discriminate against any consumer who exercises the rights under the CCPA. However, withdrawing your consent for us to collect, process, use, transfer and store your data may impact your ability to invest in our funds.

KAYNE ANDERSON NEXTGEN ENERGY & INFRASTRUCTURE, INC.
PRIVACY POLICY NOTICE
(UNAUDITED)

Contact Us

If you have questions, concerns, or suggestions related to our Notice or our privacy practices, contact the Investor Relations Team or Kayne's Chief Compliance Officer, Michael O'Neil, at:

KA Fund Advisors, LLC
811 Main Street, 14th Floor
Houston, TX 77002

Website: *https://www.kaynefunds.com/*
Email Address: CEF@kaynecapital.com
Toll Free Phone Number: 877-657-3863

Changes to this Privacy Notice

We reserve the right to update this Notice at any time to reflect changes in our policies concerning the collection and use of personal information.

This Privacy Notice was last revised on January 16, 2020.

KAYNE ANDERSON NEXTGEN ENERGY & INFRASTRUCTURE, INC.
RESULTS OF ANNUAL MEETING OF STOCKHOLDERS
(UNAUDITED)

On April 7, 2022, the Fund held its annual meeting of stockholders where the following matters were approved by stockholders. As of the record date of February 16, 2022 (the "Record Date"), the Fund had 47,197,462 outstanding shares of common stock and 1,659,657 outstanding shares of mandatory redeemable preferred stock, each of which was entitled to cast one vote. Represented in person or by proxy at this meeting were a total of 40,289,674 shares of common stock and mandatory redeemable preferred stock, constituting a quorum.

(i) The election of Anne K. Costin and Albert L. Richey as directors, each to serve for a term of three years until the Fund's 2025 annual meeting of stockholders and until their successors are duly elected and qualified.

(a) The election of Ms. Costin required the affirmative vote of the holders of a majority of the Fund's common stock and mandatory redeemable preferred stock outstanding as of the Record Date, voting together as a single class. On this matter, 27,100,871 shares were cast in favor, 12,866,837 shares were cast against, and 321,966 shares abstained in the election of Ms. Costin.

(b) The election of Mr. Richey required the affirmative vote of the holders of a majority of the Fund's mandatory redeemable preferred stock outstanding as of the Record Date. On this matter, 1,599,657 shares were cast in favor and there were no votes against or abstained in the election of Mr. Richey.

As a result of the vote on this matter, Ms. Costin and Mr. Richey were each elected to serve as director of the Fund for a three-year term.

(ii) The ratification of PricewaterhouseCoopers LLP as the Fund's independent registered public accounting firm for the fiscal year ending November 30, 2022.

The approval of this proposal required the affirmative vote of a majority of the votes cast by the holders of the Fund's common stock and mandatory redeemable preferred stock outstanding as of the Record Date, voting together as a single class. For purposes of the vote on this proposal, abstentions and broker non-votes were not counted as votes cast and had no effect on the result of the vote.

On this matter, 36,634,139 shares were cast in favor, 3,118,824 shares were cast against, 536,711 shares abstained, and there were no broker non-votes.

As a result of the vote on this matter, the proposal was approved.

Directors and Corporate Officers

James C. Baker, Jr.	Chairman of the Board of Directors, President and Chief Executive Officer
William H. Shea, Jr.	Lead Independent Director
William R. Cordes	Director
Anne K. Costin	Director
Barry R. Pearl	Director
Albert L. Richey	Director
Carita S. Walker	Director
Caroline A. Winn	Director
Terry A. Hart	Chief Operating Officer and Assistant Secretary
A. Colby Parker	Chief Financial Officer and Treasurer
Michael J. O'Neil	Chief Compliance Officer and Secretary
J.C. Frey	Executive Vice President
Ron M. Logan, Jr.	Senior Vice President
Adriana I. Jimenez	Vice President

Investment Adviser
KA Fund Advisors, LLC
811 Main Street, 14th Floor
Houston, TX 77002

1800 Avenue of the Stars, Third Floor
Los Angeles, CA 90067

Administrator
Ultimus Fund Solutions, LLC
225 Pictoria Drive, Suite 450
Cincinnati, OH 45246

Stock Transfer Agent and Registrar
American Stock Transfer & Trust Company, LLC
6201 15th Avenue
Brooklyn, NY 11219
(888) 888-0317

Custodian
JPMorgan Chase Bank, N.A.
383 Madison Avenue, Fourth Floor
New York, NY 10179

Independent Registered Public Accounting Firm
PricewaterhouseCoopers LLP
601 S. Figueroa Street, Suite 900
Los Angeles, CA 90017

Legal Counsel
Paul Hastings LLP
101 California Street, Forty-Eighth Floor
San Francisco, CA 94111

Please visit us on the web at *www.kaynefunds.com* or call us toll-free at 1-877-657-3863.

KMF
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This report, including the financial statements herein, is made available to stockholders of the Fund for their information. It is not a prospectus, circular or representation intended for use in the purchase or sale of shares of the Fund or of any securities mentioned in this report.