KAYNE ANDERSON ENERGY INFRASTRUCTURE FUND, INC. (KYN): FISCAL Q1 2026 LETTER

March 18, 2026

Dear Fellow Stockholders,

We are pleased to provide an update on KYN's performance, portfolio positioning, and our perspective on the financial markets and recent geopolitical events. It has been an exceptional start to the year – KYN's Net Asset Return was 17.5% for the first quarter of fiscal 2026.[1]

Before we delve into our quarterly update, it is worth reiterating several comments made in our 2025 annual letter: first, we remain confident in KYN's potential to generate low-to-mid teens annual returns over the next five years, as the fundamental drivers of this return expectation continue to improve.[2] Second, an allocation to energy infrastructure provides investors exposure to "must run" assets that play an essential role in the global economy – a point that has been emphasized by the conflict unfolding in the Middle East. Third, energy infrastructure provides investors a potential hedge against higher-than-expected levels of inflation, a topic that is receiving quite a bit of attention these days.

The macro backdrop is volatile, and the first four months of fiscal 2026 have been heavily influenced by rapidly shifting market narratives. We began the year anticipating periods of higher-than-normal uncertainty, and unfortunately, we were spot on regarding this forecast. We do not expect this to change any time soon, but we believe KYN is well prepared for this type of market environment. We remain invested in our highest conviction ideas and continue to manage risk deliberately with more moderate leverage levels and a downside cushion at the high end of our target range.[3]

KYN's fiscal Q1 overview:

- Net Asset Return for the quarter was 17.5%;[1,4]
- Net Asset Return for the last twelve months was 17.6%;[1,5] and
- KYN was the best performing midstream fund over the last two years, with a Net Asset Return of 75.4%.[1,6,7]

Portfolio Positioning

As of February 28, 2026, the portfolio was invested 95% in midstream equities, 4% in power infrastructure equities, and 1% in credit and other investments. The substantial majority of KYN's portfolio (98%) is invested in listed securities (i.e., public companies). Our approach remains centered on equity investments in large-cap midstream companies, which are businesses we believe can sustain cash flows across a range of market environments. Further, these companies are particularly well positioned for a volatile geopolitical backdrop.

Macro Backdrop

Fiscal Q1 unfolded against an unusually volatile and unsettled macro backdrop. Performance for the major equity indices was modest during the quarter (the S&P 500 was up 0.7% and the NASDAQ was down 2.9%),[8] but those headline returns mask a significant dispersion in performance of the various sectors that comprise the U.S. equity markets. The performance gap between the top 50 and bottom 50 constituents of the S&P 500 reached approximately 65% in early 2026, the widest spread in more than two decades. There has been a shift in market leadership, and stock selection is particularly important in the current environment.

Having left interest rates unchanged at its last two meetings, the Federal Reserve appears to be in "wait-and-see mode". This is understandable given mixed economic signals coupled with uncertainty related to the conflict in Iran. Interest rates were rangebound for most of the first quarter but moved higher in March on concerns of worsening inflation trends.

Artificial intelligence, or "A.I.," continues to garner a significant amount of attention in the financial markets, and there

Note: Footnotes can be found on page 5.

were some noticeable shifts in the "A.I trade" narrative over the last few months. First, given the large amounts of capital being invested, investors have become more discerning with respect to their A.I. exposure. In particular, they are very focused on the returns companies are expected to generate from their A.I.-related investments. Second, investors are considering the disruptive impact A.I. may have on certain industries, such as the potential for impairments to more asset-light business models (e.g., software/SaaS, digital media, professional services, etc.). In response to these concerns, capital rotated away from these companies and into "HALO" businesses (heavy assets, low obsolescence), which are considered to be less prone to A.I.-related disruptions. This rotation is well illustrated by the S&P 500's best performing subsectors during fiscal Q1: energy, materials, and industrials.

	Equity Market Indices			Energy Indices			KYN[1]
	S&P 500	DJIA	NASDAQ	AMNA[9]	XLU[10]	XLE[11]	
Fiscal Q1[4]	0.7%	3.1%	(2.9%)	17.9%	6.1%	24.7%	17.5%
Last Twelve Months[5]	17.0%	13.6%	21.0%	18.8%	23.9%	27.0%	17.6%
Last Two Years[6]	38.5%	30.0%	42.7%	73.5%	63.1%	38.6%	75.4%

Energy Infrastructure Update

Energy infrastructure equities performed very well during the quarter, with the AMNA up 17.9% and the XLU up 6.1%. With hard assets and durable cash flows, the sector is well positioned to benefit from the shift in investor preferences towards HALO businesses. In addition, midstream companies continue to execute well – Q4 '25 financial results were positive for many names, with solid forward guidance and improved investor confidence in growth prospects. The result was a combination of multiple expansion and upward earnings revisions that drove strong performance in midstream equities. Within KYN's portfolio, there are two midstream holdings to highlight this quarter: Enterprise Products (EPD) and Williams Companies (WMB).

EPD's Q4 '25 financial results were excellent (one of its best quarters in the last five years), with a positive read on both growth trajectory and return of capital potential. Given the company's strong balance sheet, it can direct incremental free cash flow to equity holders as capital spending tapers in 2026 and 2027. At the same time, its business is expected to generate mid-single digit cash flow growth over the next two years. EPD is one of KYN's largest holdings and is a good example of the attributes we seek for the Company's exposure to liquids-focused midstream companies.

WMB is another large position in KYN's portfolio. The company held its highly anticipated analyst day in February, in which it projected a 35% increase in domestic natural gas demand over the next decade, driven by growing liquified natural gas (LNG) exports and load growth from industrial reshoring and data center development. WMB meaningfully increased its estimate for annual EBITDA growth for the next five years (to annual growth of at least 10%) – this update was well received by investors. We are excited about WMB's ability to deliver industry-leading growth rates, and the company remains one of our preferred ways to capitalize on the structural demand growth in the natural gas market.

Power infrastructure also delivered solid Q4 '25 financial results, supported by continued acceleration in load growth expectations tied to data center demand and industrial reshoring. This load growth is increasingly being codified through expanding data center backlogs and new electric service agreements (ESAs), which support upward revisions to capital plans and earnings outlooks for regulated utilities. At the same time, stock price performance was mixed across utilities and independent power producers (IPPs) as regulatory frameworks, quality/visibility of capital plans, and affordability considerations continue to influence investor sentiment.

Geopolitical Backdrop

Between U.S. actions taken in Venezuela and the ongoing conflict in Iran, it has been a highly eventful three months for geopolitics. While much global uncertainty persists, these events highlight the important role that the U.S. plays as a global

Note: Footnotes can be found on page 5.

energy supplier, and the critical role domestic energy infrastructure assets play in ensuring U.S. production is exported to countries across the globe.

Venezuela became a focal point in early January after the U.S. captured Nicolás Maduro, the Venezuelan president, in a targeted operation. The U.S. then signaled a framework to re-engage Venezuela economically by encouraging private investment in Venezuela's energy sector. The U.S. administration's goal is to materially increase Venezuela's production to levels last seen 10 to 20 years ago. We have a cautious view on the likelihood of this occurring in the near-to-medium-term. In our opinion, it will require a considerable amount of capital, a more stable operating environment, and certainty regarding the legal framework governing ownership of these reserves. Nonetheless, a redirection of Venezuela's crude oil exports to the U.S. Gulf Coast (which is currently taking place) is positive for domestic refiners as well as the midstream sector. Many liquids-focused midstream companies are well positioned to facilitate the import of incremental volumes.

The more material global geopolitical development occurred at the end of fiscal Q1, when the U.S. and Israel initiated a coordinated attack on Iran. The conflict has escalated over the last three weeks, with energy and other infrastructure assets across the Middle East region being targeted by Iran in response to these hostilities. As of the date of this letter, the attacks continue and there have been no clear signs of a path to de-escalation.

The impact of the conflict on global energy flows has been profound. Iran has taken steps to shut down transit through the Strait of Hormuz, a vital conduit for global crude, refined products, and LNG trade. While the U.S. has been assertive in announcing plans to restabilize trade flows, it is unclear how quickly (or effectively) this can be effectuated. For context, approximately 20% of global crude supply and LNG volumes flow through the Strait. Any prolonged impairment to shipments from the Middle East will have meaningful consequences for global energy balances and the global economy.

In addition to disrupted trade flows, energy infrastructure assets in the region are directly impacted. Critical assets are halting operations, including both Ras Laffan in Qatar (the world's largest LNG export facility) and Ras Tanura in Saudi Arabia (the country's largest refinery). Operations have also been suspended at export terminals in Kuwait and the UAE. These constraints have forced meaningful curtailments across key regional producers, and it will take time to restore production capacity once the conflict is resolved.

Governments have moved quickly to attempt to mitigate the effect on global crude prices, with the International Energy Agency (IEA) announcing a coordinated strategic petroleum reserve (SPR) release of 400 million barrels, the largest coordinated release in history. There have been a host of other initiatives announced in response to these events as the U.S. and other countries attempt to dampen the impact of this supply disruption. The key question now is how long the conflict will last, as the proposed actions are not enough to insulate the market from an extended disruption.

Reaction in Commodity Markets

The impact of these developments on commodity markets has been significant. As shown in the table below, crude prices have increased by ~$30 per barrel (~43%) since the conflict began. What is particularly noteworthy is the impact this conflict is having not only on current prices, but on futures markets as well. Domestic crude prices (as measured by WTI) for the next 12 months are up 25% thus far in March, and prices for 2027 are up 13%. This is in response to the potential for longer-lasting disruptions to supply as well as a higher risk premium in commodity prices. The conflict is having an even more pronounced impact on refined products and refining crack spreads, with material disruptions being reported in European and Asian economies due to fuel shortages.

Global natural gas prices have increased more than oil prices thus far in March, as traders repriced the probability of tighter seaborne supply and higher delivered costs in import-dependent regions. Global gas prices had largely traded in an $8 to $12 per MMBtu range over the past twelve months, but quickly traded much higher once the hostilities commenced. Prompt TTF (Europe) and JKM (Asia) prices are up over 50% thus far in March, with a similar move in forward market prices next winter.

Note: Footnotes can be found on page 5.

	Price as of		MTD %
Commodity	*2/28/26*	*3/16/26*	Change
Crude Oil ($/Bbl)			
WTI - Current	$67.39	$93.50	*38.7%*
Brent - Current	$70.83	$103.71	*46.4%*
WTI - 12-Month Strip	$65.01	$81.39	*25.2%*
WTI - 2027 Strip	$62.28	$70.55	*13.3%*
Natural Gas & LNG ($/MMBtu)			
Henry Hub - Current	$2.98	$3.03	*1.7%*
TTF - Current	$11.21	$17.27	*54.1%*
JKM - Current	$10.77	$19.28	*78.9%*

What is the Impact on KYN's Portfolio Investments?

It is important to emphasize that the domestic energy infrastructure businesses in which KYN invests generally have limited direct exposure to commodity prices, as cash flows are primarily supported by long-term, fixed-fee contracts and are more dependent on volume throughput. That said, the sector does have indirect exposure. Commodity prices can influence sentiment and near-term trading dynamics, and prolonged price strength (or weakness) can drive changes in producer behavior – most notably in drilling and completion activity that would impact domestic production volumes. Further, there are some midstream companies that have direct exposure to commodity prices and/or basis differentials. While this exposure is limited, these companies do benefit financially from higher commodity prices.

The Iranian conflict (and associated increases in commodity prices) is not expected to materially change near-term cash flow estimates for most of KYN's holdings, but it does create positive tailwinds. Financial guidance was issued in late 2025 or early 2026, when prices were much lower, and many companies were more cautious regarding activity levels during 2026. There is a positive bias on both items given recent events, which could set up certain names to beat their more muted outlooks. Further, we expect that the elevated strategic importance of U.S.-based energy infrastructure assets will create a positive backdrop for contract extensions and rate renegotiations, as well as incremental growth projects to facilitate exports. We expect this to be a positive tailwind for the midstream sector over the next few years.

Why Invest in KYN?

We believe that KYN – with its flexible investment mandate, permanent capital base, and expertise in providing capital solutions to both public and private companies – is an attractive means to gain exposure to the North American energy infrastructure sector. The Company provides this exposure in an easy-to-own structure with daily liquidity, an attractive monthly distribution, and the tax simplicity of a single Form 1099. We appreciate the trust you have placed in us and are grateful for your support. We are confident the stage is set for a successful 2026 and beyond. We value the opportunity to connect with our fellow stockholders and encourage you to reach out with any questions, comments or feedback. We look forward to hearing from you.

Sincerely,

James C. Baker, Jr.
Chairman of the Board
President and Chief Executive Officer
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Footnotes:

[1]Net Asset Return is defined as the change in net asset value per share plus cash distributions paid during the period (assuming reinvestment through the Company's dividend reinvestment plan).

[2]Actual events and conditions may differ materially from the assumptions used to establish this return estimate ("target returns"). Target returns are neither a guarantee nor a prediction or projection of future performance and there can be no assurance that the target returns will be achieved. Target returns for individual investments may be either greater or less than the target return. A broad range of risks could cause KYN to fail to meet its investment objectives and/or these target returns. The target returns set forth herein should not be viewed as an indicator of likely performance or investor returns. While subject to numerous assumptions, the primary considerations incorporated into these target returns are estimated dividend yields from portfolio holdings of 4% to 6%, estimated annual growth in dividends and cash flows of 5% to 7%, and estimated annual "excess" free cash flow of 0% to 3% for KYN's portfolio investments. After incorporating the impacts of fees, expenses and leverage, Kayne Anderson views KYN as having the potential to generate 10% to 15% annual returns on a net basis for investors. There is no guarantee that the facts on which such assumptions are based will materialize as anticipated.

[3]Downside cushion reflects the decrease in total asset value that could be sustained while maintaining compliance with leverage levels under the Investment Company Act of 1940, as amended, and KYN's financial covenants.

[4]Fiscal Q1 2026 (December 1, 2025 – February 28, 2026).

[5]Last twelve months (March 1, 2025 – February 28, 2026).

[6]Last two years (March 1, 2024 – February 28, 2026).

[7]Based on the universe of 26 actively managed midstream closed-end funds, open-end funds and exchange-traded funds ("ETFs").

[8]Unless otherwise noted, all returns presented in this letter are total return calculations assuming the reinvestment of dividends.

[9]The selected benchmark for the midstream sector is the Alerian Midstream Energy Index (AMNA).

[10]The selected benchmark for the U.S. utility sector is the Utilities Select Sector SPDR Fund (XLU), which is an ETF linked to the Utilities Select Sector Index (IXU), a subset of the S&P 500.

[11]The selected benchmark for the broad U.S. energy sector is the Energy Select Sector SPDR Fund (XLE), which is an ETF linked to the Energy Select Sector Index (IXE), a subset of the S&P 500.

All investments involve risk, including possible loss of principal. An investment in the fund could suffer loss. Past performance is not a guarantee of future results.

Kayne Anderson Energy Infrastructure Fund, Inc. (NYSE: KYN) is a non-diversified, closed-end management investment company registered under the Investment Company Act of 1940, as amended, whose common stock is traded on the NYSE. The Company's investment objective is to provide a high after-tax total return with an emphasis on making cash distributions to stockholders. KYN intends to achieve this objective by investing at least 80% of its total assets in securities of Energy Infrastructure Companies. See Glossary of Key Terms in the Company's most recent quarterly report for a description of these investment categories and the meaning of capitalized terms.

This communication contains statements reflecting assumptions, expectations, projections, intentions, or beliefs about future events. These and other statements not relating strictly to historical or current facts constitute forward–looking statements as defined under the U.S. federal securities laws. Forward-looking statements involve a variety of risks and uncertainties. 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 detail in the Company's filings with the Securities and Exchange Commission ("SEC"), available at www.kaynefunds.com or www.sec.gov. Actual events could differ materially from these statements or from our present expectations or projections. You should not place undue reliance on forward-looking statements, which speak only as of the date they are made. Kayne Anderson undertakes no obligation to publicly update or revise any forward-looking statements made herein. There is no assurance that the Company's investment objectives will be attained.

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