

Kayne Anderson

MLP/Midstream Investment Company

July 27, 2020

KYN Strategic Update: Frequently Asked Questions

WHY IS KYN CHANGING ITS NAME?

KYN, which is our flagship fund focused on North American energy infrastructure, is being renamed “Kayne Anderson Energy Infrastructure Fund, Inc.” The name change reflects the evolving energy infrastructure landscape and KYN’s intention to own a more diverse portfolio of energy infrastructure investments, including midstream companies, renewable infrastructure companies and utilities. While midstream will likely continue to represent a majority of the Company’s investments for the foreseeable future, KYN plans to meaningfully increase its portfolio allocations to renewable infrastructure companies and utilities over the next few years. We believe these companies are very well positioned to capitalize on the energy transition (as described on page 2). We believe its new name better reflects KYN’s strategy to invest in a full spectrum of North American energy infrastructure companies.

WHAT CHANGES ARE BEING MADE TO KYN’S INVESTMENT OBJECTIVE AND INVESTMENT POLICIES?

KYN’s investment objective requires the Company to invest at least 85% of its assets in MLPs and other Midstream Energy Companies. While KYN plans to remain heavily invested in the midstream sector, the Company’s management and its Board of Directors believe the proposed changes to its investment objective are needed to give KYN more flexibility to invest within the different energy infrastructure sub-sectors. KYN’s investment objective is a fundamental policy, and any modifications require shareholder approval (as described below).

Current Investment Objective

To obtain a high after-tax total return by investing at least 85% of our total assets in public and private investments in MLPs and other Midstream Energy Companies.

Proposed Investment Objective

To provide a high after-tax total return with an emphasis on making cash distributions to stockholders.

In addition to modifying the Company’s investment objective, KYN’s Board of Directors approved changes to certain non-fundamental investment policies (please see KYN’s semi-annual report for additional details on these changes). The revisions to KYN’s non-fundamental investment policies will require the Company to invest at least 80% of the Company’s total assets in securities of energy infrastructure companies. These changes will provide greater flexibility to diversify the Company’s investments within the different energy infrastructure sub-sectors.

WHEN WILL THESE CHANGES OCCUR?

The changes to KYN’s name and non-fundamental investment policies will become effective upon 60 days’ written notice to stockholders, which is expected to be on or about September 28, 2020. Written notice of these changes will be included in the semi-annual report, which is being mailed to stockholders this week. The semi-annual report will also be available at www.kaynefunds.com/kyn once filed with the SEC.

Modifications to KYN’s investment objective and fundamental investment policies require shareholder approval. KYN expects to mail a proxy statement to its stockholders in early September. This proxy statement will include information on the special meeting, the proposal to change the investment objective, and the process for voting on this proposal.

WHAT DOES THIS MEAN FOR MY INVESTMENT IN KYN?

The changes we announced will not impact the number of KYN shares you hold. The Company will continue to trade under the ticker symbol KYN. Stockholders do not need to take any action at this time. Stockholders will have the opportunity to vote on KYN’s proposed changes to its investment objective at the special meeting this fall.

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WHAT IS THE ENERGY TRANSITION?

The “energy transition” is a term used to describe the energy sector’s shift to a more sustainable mix of lower carbon and renewable energy sources. The goal of this transition – which is being pursued on a global basis – is to reduce emissions of carbon dioxide and limit the impact of climate change. Accomplishing this goal will require increased energy efficiency and the implementation of lower carbon and zero-carbon energy sources. Increasingly, energy companies are announcing targets to achieve “net-zero” carbon emissions within the next 20 to 30 years. Kayne Anderson believes the energy transition is one of the most compelling trends within the energy industry and expects the push for more sustainable energy sources to have a profound impact on the energy infrastructure sector for many decades to come.

WHAT ARE THE ATTRIBUTES OF RENEWABLE INFRASTRUCTURE COMPANIES?

Renewable infrastructure, which primarily consists of wind and solar power generation assets, is helping facilitate the energy transition. In our opinion, the renewable infrastructure companies we are targeting have compelling investment attributes, including lower volatility and correlation to the broader equity markets, contracted/regulated cash flows, multi-year growth visibility, and attractive ESG characteristics. Management is very excited about the prospects for renewable infrastructure companies in the coming years, and the expected change in the global energy mix provides a powerful macro tailwind for investors in these companies.

WHAT IS YOUR OUTLOOK FOR THE MIDSTREAM SECTOR?

We continue to believe the Company’s core midstream holdings will generate attractive returns. That said, it has been a challenging six-year period for the midstream sector. More recently, the COVID-19 pandemic has negatively impacted economic activity and demand for energy-related commodities. It is difficult to predict when economic activity levels will begin to normalize given the continued spread of the virus within the U.S. and other major economies across the globe. Notwithstanding this uncertainty, we believe the impact of the COVID-19 pandemic will ultimately prove to be a transitory event. Energy – and the infrastructure assets that facilitate its movement from the producer to the end user – will continue to be an indispensable part of the global economy. We believe current valuations for the midstream sector are attractive and that the sector’s ability to generate attractive levels of free cash flow will ultimately resonate with investors.

For more information on the KYN’s strategic update, please see the podcast and presentation titled “Closed-End Fund Strategic Update” available at www.kaynefunds.com/insights.

Kayne Anderson MLP/Midstream Investment Company (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. KYN’s investment objective is to obtain a high after-tax total return by investing at least 85% of its total assets in energy-related master limited partnerships and their affiliates (“MLPs”), and in other companies that, as their principal business, operate assets used in the gathering, transporting, processing, storing, refining, distributing, mining or marketing of natural gas, natural gas liquids, crude oil, refined petroleum products or coal (collectively with MLPs, “Midstream Energy Companies”).

Disclaimer and Risk Considerations

All investments involve risk, including 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 investment objectives, risks, charges and expenses must be considered carefully before investing. Closed-end funds, unlike open-end funds, are not continuously offered. As with any other stock, total return and market value will fluctuate so that an investment, when sold, may be worth more or less than its original cost. Shares of closed-end funds frequently trade at a market price that is below their net asset value. Past performance is no guarantee of future results.

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