

Kayne Anderson MLP Investment CO
Form PRE 14A
April 25, 2013
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a)

of the Securities Exchange Act of 1934

(Amendment No.)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

KAYNE ANDERSON MLP INVESTMENT COMPANY
KAYNE ANDERSON ENERGY TOTAL RETURN FUND, INC.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

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- (2) Aggregate number of securities to which transaction applies:
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(1) Amount Previously Paid:

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Kayne Anderson MLP Investment Company
Kayne Anderson Energy Total Return Fund, Inc.
717 Texas Avenue, Suite 3100
Houston, TX 77002
1-877-657-3863

May 10, 2013

Dear Fellow Stockholder:

You are cordially invited to attend the combined 2013 Annual Meeting of Stockholders of Kayne Anderson MLP Investment Company (KYN) and Kayne Anderson Energy Total Return Fund, Inc. (KYE) on June 18, 2013 at 8:00 a.m. Central Time at 717 Texas Avenue, Suite 3100, Houston, TX 77002. For the purposes of these proxy materials, KYN and KYE will each be referred to as a Company and collectively as the Companies.

For each Company, the matters scheduled for consideration at the meeting are (i) the election of two directors of the Company, (ii) the ratification of the selection of PricewaterhouseCoopers LLP as the Company's independent registered public accounting firm for 2013 and (iii) a proposal to authorize the Company to sell shares of its common stock at a net price below net asset value per share, so long as the gross price (before underwriting fees, commissions and offering expenses) is above its net asset value per share, subject to certain conditions, as more fully discussed in the enclosed proxy statement.

Enclosed with this letter are (i) answers to questions you may have about the proposals, (ii) the formal notice of the meeting, (iii) the proxy statement, which gives detailed information about the proposals and why the Board of Directors of each Company recommends that you vote to approve them, and (iv) an actual written proxy for you to sign and return. If you have any questions about the enclosed proxy or need any assistance in voting your shares, please call 1-877-657-3863.

Your vote is important. Please complete, sign, and date the enclosed proxy card and return it in the enclosed envelope. This will ensure that your vote is counted, even if you cannot attend the meeting in person.

Sincerely,

Kevin S. McCarthy

Chairman of the Board of Directors,

CEO and President of KYN and KYE

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KAYNE ANDERSON MLP INVESTMENT COMPANY

KAYNE ANDERSON ENERGY TOTAL RETURN FUND, INC.

ANSWERS TO SOME IMPORTANT QUESTIONS

Q. WHAT AM I BEING ASKED TO VOTE FOR ON THIS PROXY?

A. This proxy contains three proposals for each Company:

Proposal One the election of two Class III Directors to serve until the Company's 2016 Annual Meeting of Stockholders and until their successors are duly elected and qualified. The directors currently serving in Class III are William H. Shea, Jr. and Anne K. Costin. Their current terms will expire at the Company's 2013 Annual Meeting of Stockholders and the Company's Board of Directors has nominated them for re-election at the meeting.

For each Company, the election of Mr. Shea requires the affirmative vote of the holders of a majority of the Company's Preferred Stock outstanding as of May 6, 2013 (the Record Date).

For each Company, the election of Ms. Costin requires the affirmative vote of the holders of a majority of the Company's Common Stock and Preferred Stock outstanding as of the Record Date, voting together as a single class.

Proposal Two the ratification of the selection of PricewaterhouseCoopers LLP as the Company's independent registered public accounting firm for its fiscal year ending November 30, 2013. Approval of Proposal Two requires the affirmative vote of a majority of the votes cast by the holders of the Company's common stock and preferred stock outstanding as of the Record Date, voting together as a single class.

Proposal Three a proposal to authorize the Company to sell shares of its common stock at a net price less than net asset value per share, so long as the gross price (before underwriting fees, commissions and offering expenses) is above its net asset value per share, subject to certain conditions, for a period expiring on the date of the Company's 2014 Annual Meeting of Stockholders. Approval of Proposal Three requires: (1) the affirmative vote of a majority of all common stockholders on the records of the Company's transfer agent as of the Record Date, and (2) the affirmative vote of a majority of the votes cast by the holders of the Company's common stock and preferred stock outstanding as of the Record Date, voting together as a single class.

Q. HOW DOES THE BOARD OF DIRECTORS SUGGEST THAT I VOTE?

A. The Board of Directors of each Company unanimously recommends that you vote FOR all proposals on the enclosed proxy card.

Q. HOW CAN I VOTE?

A. If your shares in either Company are held in Street Name by a broker or bank, you will receive information regarding how to instruct your bank or broker to vote your shares. If you are a stockholder of record of either Company, you may authorize the persons named as proxies on the enclosed proxy

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card to cast the votes you are entitled to cast at the meeting by completing, signing, dating and returning the enclosed proxy card. For either Company, stockholders of record or their duly authorized proxies also may vote in person if able to attend the meeting. However, even if you plan to attend the meeting, we urge you to return your proxy card. That will ensure that your vote is cast should your plans change.

Q. CAN I VIEW THE PROXY STATEMENT AND ANNUAL REPORT ON THE INTERNET?

A. Yes. The proxy statement and Annual Report are available on the Internet at www.kaynefunds.com/kyn/sec-filings/ for KYN and at www.kaynefunds.com/kye/sec-filings/ for KYE.

This information summarizes information that is included in more

detail in the proxy statement. We urge you to

read the proxy statement carefully.

If you have questions, call 1-877-657-3863.

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Kayne Anderson MLP Investment Company
Kayne Anderson Energy Total Return Fund, Inc.
717 Texas Avenue, Suite 3100
Houston, TX 77002
1-877-657-3863

NOTICE OF 2013 ANNUAL MEETING OF STOCKHOLDERS

To the Stockholders of: Kayne Anderson MLP Investment Company

Kayne Anderson Energy Total Return Fund, Inc.

NOTICE IS HEREBY GIVEN that the combined 2013 Annual Meeting of Stockholders of Kayne Anderson MLP Investment Company and Kayne Anderson Energy Total Return Fund, Inc., each a Maryland corporation, will be held on June 18, 2013 at 8:00 a.m. Central Time at 717 Texas Avenue, Suite 3100, Houston, TX 77002, to consider and vote on the following matters as more fully described in the accompanying proxy statement. For the purposes of these proxy materials, KYN and KYE will each be referred to as a Company and collectively as the Companies.

Below are the proposals for each Company:

1. To elect two Class III Directors of the Company, such directors to hold office until the 2016 Annual Meeting of Stockholders and until their successors are duly elected and qualified;
2. To ratify the selection of PricewaterhouseCoopers LLP as the Company's independent registered public accounting firm for the fiscal year ending November 30, 2013;
3. To approve a proposal to authorize the Company to sell shares of its common stock at a net price less than net asset value per share, so long as the gross price (before underwriting fees, commissions and offering expenses) is above net asset value per share; and

4. To transact any other business that may properly come before the meeting or any adjournment or postponement thereof.

Stockholders of record of each Company as of the close of business on May 6, 2013 are entitled to notice of and to vote at the combined 2013 Annual Meeting of Stockholders (or any adjournment or postponement of the meeting thereof).

By Order of the Boards of Directors of the Companies,

David J. Shladovsky

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Secretary

May 10, 2013

Houston, Texas

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Kayne Anderson MLP Investment Company

Kayne Anderson Energy Total Return Fund, Inc.

717 Texas Avenue, Suite 3100

Houston, TX 77002

1-877-657-3863

COMBINED PROXY STATEMENT

2013 ANNUAL MEETING OF STOCKHOLDERS

JUNE 18, 2013

This combined proxy statement is being sent to you by the Boards of Directors of Kayne Anderson MLP Investment Company (KYN) and Kayne Anderson Energy Total Return Fund, Inc. (KYE), each a Maryland corporation. For the purposes of this proxy statement, KYN and KYE will each be referred to as a Company and collectively as the Companies. The Board of Directors of each Company is asking you to complete, sign, date and return the enclosed proxy card, permitting your votes to be cast at the 2013 Annual Meeting of Stockholders (the Annual Meeting) to be held on June 18, 2013 at 8:00 a.m. Central Time at 717 Texas Avenue, Suite 3100, Houston, TX 77002. Stockholders of record of each Company at the close of business on May 6, 2013 (the Record Date) are entitled to vote at the Annual Meeting. As a stockholder of a Company, you are entitled to one vote for each share of common stock of that Company and one vote for each share of preferred stock of that Company you hold on each matter on which holders of such shares are entitled to vote. This combined proxy statement and the enclosed proxy are first being mailed to stockholders on or about May 17, 2013.

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE 2013 ANNUAL MEETING OF STOCKHOLDERS TO BE HELD ON JUNE 18, 2013: You should have received a copy of the Annual Report for the fiscal year ended November 30, 2012 for each Company in which you own either common or preferred stock. If you would like another copy of the Annual Report, please write us at the address shown at the top of this page or call us at 1-877-657-3863. The Annual Report will be sent to you without charge. This proxy statement and our Annual Reports can be accessed on our website at www.kaynefunds.com/kyn/sec-filings/ for KYN and at www.kaynefunds.com/kye/sec-filings/ for KYE or on the Securities and Exchange Commission's (the SEC) website (www.sec.gov).

KA Fund Advisors, LLC (KAFA), a subsidiary of Kayne Anderson Capital Advisors, L.P. (KACALP) and together with KAFA, Kayne Anderson), externally manages and advises each Company pursuant to an investment management agreement. KAFA is registered as an investment adviser under the Investment Advisers Act of 1940, as amended. Kayne Anderson is a leading investor in both public and private energy companies. At March 31, 2013, Kayne Anderson managed approximately \$20 billion, including \$18 billion in securities of energy/infrastructure companies. Kayne Anderson may be contacted at the address listed above.

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This combined proxy statement sets forth the information that each Company's stockholders should know in order to evaluate each of the following proposals. The following table presents a summary of the proposals for each Company and the stockholders of the Company whose votes are being solicited with respect to each proposal. Please refer to the discussion of each proposal in this proxy statement for information regarding votes required for the approval of each proposal.

Proposals for Each Company

1. To elect two Class III Directors of the Company, such directors to hold office until the 2016 Annual Meeting of Stockholders and until their successors are duly elected and qualified.
2. To ratify the selection of PricewaterhouseCoopers LLP as the Company's independent registered public accounting firm for the fiscal year ending November 30, 2013.
3. To approve a proposal to authorize the Company to sell shares of its Common Stock at a net price less than net asset value per share, so long as the gross price (before underwriting fees, commissions and offering expenses) is above net asset value per share.
4. To transact any other business that may properly come before the meeting or any adjournment or postponement thereof.

Who votes on the proposals?

For each Company, (i) the holders of the Company's Preferred Stock (as defined herein) on the election of William H. Shea, Jr. as a Class III Director, and (ii) the holders of the Company's Common Stock (as defined herein) and Preferred Stock, voting together as a single class, on the election of Anne K. Costin as a Class III Director

For each Company, the holders of the Company's Common Stock and Preferred Stock, voting together as a single class

For each Company, (i) the Registered Common Stockholders (as defined herein), and (ii) the holders of the Company's Common Stock and Preferred Stock, voting together as a single class

For each Company, the holders of the Company's Common Stock and Preferred Stock, voting together as a single class

Table of Contents**PROPOSAL ONE****ELECTION OF DIRECTORS**

Under each Company's charter, the Board of Directors (the Board) of each Company is divided into three classes (Class I, Class II and Class III) of approximately equal size. The Board of each Company currently has five directors as follows:

Class	Term*	Directors	Elected By	
			Common Stockholders	Preferred Stockholders
I	3-year term until 2014	Gerald I. Isenberg	X	X
		Steven C. Good		X
II	3-year term until 2015	Kevin S. McCarthy	X	X
		Anne K. Costin	X	X
III	3-year term until 2013	William H. Shea, Jr.		X

*For each Company, each director serves a three-year term until the Annual Meeting of Stockholders for the designated year and until his or her successor has been duly elected and qualified.

For each Company, the directors whose terms are expiring at this year's Annual Meeting are the Class III directors, William H. Shea, Jr. and Anne K. Costin. The Board of each Company has nominated them for re-election at the Annual Meeting, to serve for terms of three years (until the 2016 Annual Meeting of Stockholders) and until their successors have been duly elected and qualified.

Pursuant to the terms of each Company's mandatory redeemable preferred stock (the Preferred Stock), the holders of Preferred Stock are entitled as a class, to the exclusion of the holders of the Company's common stock, \$0.001 par value per share (the Common Stock), to elect two directors of the Company (the Preferred Directors). The Board of each Company has designated Steven C. Good and William H. Shea, Jr. as the Preferred Directors. The terms of the Preferred Stock for each Company further provide that the remaining nominees shall be elected by holders of Common Stock and Preferred Stock voting together as a single class. Of those designated as Preferred Directors, William H. Shea, Jr. is the sole Preferred Director whose term is expiring at the Annual Meeting.

Therefore, for each Company, (i) the holders of the Company's Preferred Stock are being asked to vote for Mr. Shea as a Class III Director of the Company, and (ii) the holders of the Company's Common Stock and Preferred Stock, voting together as a single class, are being asked to vote for Ms. Costin as a Class III Director of the Company.

The Board of each Company knows of no reason why the nominees listed below will be unable to serve, and the nominees have consented to serve if elected. If a nominee is unable to serve or for good cause will not serve because of an event not now anticipated, the persons named as proxies may vote for another person designated by the Board of each Company. The persons named as proxies on the accompanying proxy card intend to vote at the Annual Meeting (unless otherwise directed) FOR the election of Mr. Shea and Ms. Costin as the Company's directors.

The following tables set forth the nominees and each remaining director's name and year of birth; position(s) with each Company and length of time served; principal occupations during the past five years; and other directorships held during the past five years. The address for the nominees and directors is 717 Texas Avenue, Suite 3100, Houston, TX 77002.

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All the directors listed above currently serve on the Board of Directors of KYN and KYE, and Mr. McCarthy also serves on the Board of Directors of Kayne Anderson Midstream/Energy Fund, Inc. (KMF) and Kayne Anderson Energy Development Company (KED). KYN, KYE, KMF and KED are closed-end investment companies registered under the Investment Company Act of 1940, as amended (the 1940 Act) that are advised by KAFA.

For each Company, the directors who are not interested persons, as defined in the 1940 Act, of the Company, Kayne Anderson or the Company's underwriters in offerings of its securities from time to time are referred to herein as Independent Directors. None of the Companies' Independent Directors (other than Mr. Isenberg), nor any of their immediate family members, has ever been a director, officer or employee of Kayne Anderson or its affiliates. From 1998 to 2002, Mr. Isenberg was a board member of Kayne Anderson Rudnick Mutual Funds, whose investment adviser, Kayne Anderson Rudnick Investment Management, LLC, was formerly an affiliate of KACALP.

For information regarding each Company's executive officers and their compensation, please refer to Information About Executive Officers and Compensation Discussion and Analysis below.

Table of Contents**NOMINEES FOR DIRECTOR WHO ARE NOT INTERESTED PERSONS**

Name	Position(s)	Held with	Number of	Other
(Year Born)	Term of Office/	Principal Occupations	Portfolios in	Directorships
Time of Service	During Past Five Years	Overseen by	Fund Complex(1)	Held by Director
During Past Five Years	Director	Five Years		
Anne K. Costin (born 1950)	Director of each Company since inception. 3-year term (until the 2013 Annual Meeting of Stockholders).	Professor at the Amsterdam Institute of Finance since 2007. Adjunct Professor in the Finance and Economics Department of Columbia University Graduate School of Business in New York from 2004 through 2007. As of March 1, 2005, Ms. Costin retired after a 28-year career at Citigroup. During the five years prior to her retirement, Ms. Costin was Managing Director and Global Deputy Head of the Project & Structured Trade Finance product group within Citigroup's Investment Banking Division.	2	None
William H. Shea, Jr. (born 1954)	Director of each Company since March 2008. 3-year term (until the 2013 Annual Meeting of Stockholders).	Chief Executive Officer of the general partner of PVR Partners, L.P. (PVR) since March 2010. Chief Executive Officer and President of the general partner of Penn Virginia GP Holdings, L.P. (PVG), from March 2010 to March 2011. Private investor from June 2007 to March 2010. From September 2000 to June 2007, President, Chief Executive Officer and Director (Chairman from May 2004 to June 2007) of Buckeye Partners L.P. (BPL). From May 2004 to June 2007, President, Chief Executive Officer and Chairman of Buckeye GP Holdings L.P. (BGH) and its predecessors.	2	Current: PVR (coal and midstream MLP) Niska Gas Storage Partners LLC (natural gas storage) USA Compression Partners, LP (other MLP) Prior:

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BGH (general partner of BPL)

BPL (pipeline MLP)

Gibson Energy ULC (midstream energy)

PVG (owned general partner of PVR)

Penn Virginia Corporation (oil and gas exploration, development and production company)

- (1) The 1940 Act requires the term Fund Complex to be defined to include closed-end funds advised by the Company's investment adviser, KAFA and included KYN, KYE, KMF and KED.

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Name	Position(s) Held with Each Company, Term of Office/ Time of Service	Principal Occupations During Past Five Years	Number of Portfolios in Fund Complex Overseen by Director	Other Directorships Held by Director During Past Five Years
Steven C. Good (born 1942)	Director of each Company since inception. 3-year term (until the 2015 Annual Meeting of Stockholders).	Independent consultant since February 2010, when he retired from CohnReznick LLP, where he had been an active partner since 1976. CohnReznick LLP offers accounting, tax and business advisory services to middle market private and publicly-traded companies, their owners and their management. Founded Block, Good and Gagerman in 1976, which later evolved in stages into CohnReznick LLP.	2	Current: OSI Systems, Inc. (specialized electronic products) Prior: California Pizza Kitchen, Inc. (restaurant chain) Arden Realty, Inc. (real estate investment trust) Current: Teeccino Caffè Inc. (beverage manufacturer and distributor) Caucus for Television Producers, Writers & Directors Foundation (not-for-profit organization)
Gerald I. Isenberg (born 1940)	Director of each Company since 2005. 3-year term (until the 2014 Annual Meeting of Stockholders).	Professor Emeritus at the University of Southern California School of Cinema-Television since 2007. Chief Financial Officer of Teeccino Caffè Inc., a privately owned beverage manufacturer and distributor.	2	

Prior:

Kayne Anderson
Rudnick Mutual
Funds⁽¹⁾ from 1998 to 2002

- (1) The investment adviser to the Kayne Anderson Rudnick Mutual Funds, Kayne Anderson Rudnick Investment Management, LLC, formerly was an affiliate of KACALP.

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Name	Position(s) Held with Each Company, Term of Office/ Time of Service	Principal Occupations During Past Five Years	Number of Portfolios in Fund Complex Overseen by Director	Other Directorships Held by Director During Past Five Years
(Year Born) Kevin S. McCarthy(1) (born 1959)	Chairman of the Board of Directors, President and Chief Executive Officer of each Company since inception. 3-year term as a director (until the 2015 Annual Meeting of Stockholders), elected annually as an officer.	Senior Managing Director of KACALP since June 2004 and of KAFA since 2006. President and Chief Executive Officer of KYN, KYE, KED and KMF since inception (KYN inception in 2004, KYE inception in 2005, KED inception in 2006 and KMF inception in 2010). Global Head of Energy at UBS Securities LLC from November 2000 to May 2004.	4	Current: KED KMF Range Resources Corporation (oil and natural gas company) Direct Fuels Partners, L.P. (transmix refining and fuels distribution) Prior: Clearwater Natural Resources, L.P. (coal mining MLP) International Resource Partners LP (coal mining MLP)

K-Sea Transportation
Partners LP (shipping
MLP)

ProPetro Services, Inc.
(oilfield services)

(1) Mr. McCarthy is an interested person of the Companies by virtue of his employment relationship with Kayne Anderson.

Table of Contents**DIRECTOR COMPENSATION**

For each Company, directors and officers who are interested persons by virtue of their employment by Kayne Anderson, including all executive officers, serve without any compensation from the Company. For each Company, for the fiscal year ended November 30, 2012:

Each Independent Director who served on the Board of Directors of both KYN and KYE received an annual retainer of \$80,000 prior to June 1, 2012 and \$90,000 effective June 1, 2012 for his or her service on both boards. KYN and KYE each paid a *pro rata* portion of this retainer quarterly based on their average total assets for the quarter. As of February 28, 2013, 77% and 23% of the quarterly retainer was allocated to KYN and KYE, respectively.

For each Company, the chairperson of the Audit Committee received additional compensation of \$5,000 annually prior to June 1, 2012, and \$7,500 annually effective June 1, 2012.

For each Company, each Independent Director received \$2,500 per regular Board meeting attended in person, \$2,000 per regular Board meeting attended via telephone and \$1,500 per special Board meeting attended via telephone.

For each Company, each Audit Committee member received \$1,500 per Audit Committee meeting, and each member of any other Board committee received \$500 per other committee meeting. Committee meeting fees were not paid unless the meeting exceeded 15 minutes in duration.

The Independent Directors were reimbursed for expenses incurred as a result of attendance at meetings of the Board of Directors and its committees.

The following table sets forth the compensation paid by each Company during the fiscal year ended November 30, 2012 to the Independent Directors. No compensation is paid to directors who are interested persons. Neither Company has a retirement or pension plans or any compensation plans under which the Company's equity securities were authorized for issuance.

Director Compensation Table

Name	KYN	KYE	Total Compensation from the Fund Complex
Independent Directors			
Anne K. Costin	\$ 86,178	\$ 38,822	\$ 125,000
Steven C. Good	89,428	44,072	133,500
Gerald I. Isenberg	84,178	38,822	123,000
William H. Shea, Jr.	83,678	36,322	120,000
Interested Director			
Kevin S. McCarthy	None	None	None

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COMMITTEES OF THE BOARD OF DIRECTORS

Each Company's Board currently has three standing committees: the Audit Committee, the Valuation Committee and the Nominating Committee. The following committee descriptions and the directors serving on the committees apply to both Companies:

Audit Committee. Ms. Costin and Messrs. Good, Shea, and Isenberg, each an Independent Director, serve on the Audit Committee. Mr. Good currently serves as Chairman of the Audit Committee. The Audit Committee operates under a written charter (the Audit Committee Charter), which was adopted and approved by the Board and established in accordance with Section 3(a)(58)(A) of the Securities Exchange Act of 1934, as amended (the 1934 Act). The Audit Committee Charter conforms to the applicable listing standards of the New York Stock Exchange (the NYSE). The Audit Committee Charter is available on the Companies' website (www.kaynefunds.com). The Audit Committee, among others, approves and recommends to the Board the election, retention or termination of the Company's independent auditors; approves services to be rendered by such auditors; monitors and evaluates each auditors' performance; reviews the results of the Company's audit; determines whether to recommend to the Board that the Company's audited financial statements be included in the Company's Annual Report; monitors the accounting and reporting policies and procedures of the Company and the Company's compliance with regulatory requirements; and responds to other matters as outlined in the Audit Committee Charter. Each Audit Committee member is independent under the applicable NYSE listing standard.

Valuation Committee. Ms. Costin and Messrs. McCarthy, Good and Isenberg serve on the Valuation Committee. The Valuation Committee is responsible for the oversight of the Company's valuation procedures and the valuation of the Company's securities in accordance with such procedures. The Valuation Committee operates under a written charter adopted and approved by the Board, a copy of which is available on the Companies' website (www.kaynefunds.com).

Nominating Committee. Ms. Costin and Messrs. Good, Isenberg and Shea, each an Independent Director, are members of the Nominating Committee. The Nominating Committee is responsible for appointing and nominating Independent Directors to the Board. Each Nominating Committee member is independent under the applicable NYSE listing standards. The Nominating Committee operates under a written charter adopted and approved by the Board (the Nominating Committee Charter), a copy of which is available on the Companies' website (www.kaynefunds.com). The Nominating Committee has not established specific, minimum qualifications that must be met by an individual for the Committee to recommend that individual for nomination as a director. The Nominating Committee expects to seek referrals for candidates to consider for nomination from a variety of sources, including current directors, the Company's management, investment adviser and counsel, will consider nominees properly recommended by stockholders, and may also engage a search firm to identify or evaluate or assist in identifying or evaluating candidates. As set forth in the Nominating Committee Charter, in evaluating candidates for a position on the Board, the Committee considers a variety of factors, including, as appropriate:

the candidate's knowledge in matters relating to the investment company or to the energy industry;

any experience possessed by the candidate as a director or senior officer of public companies;

the candidate's educational background;

the candidate's reputation for high ethical standards and personal and professional integrity;

any specific financial, technical or other expertise possessed by the candidate, and the extent to which such expertise would complement the Board's existing mix of skills and qualifications;

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the candidate's perceived ability to contribute to the ongoing functions of the Board, including the candidate's ability and commitment to attend meetings regularly and work collaboratively with other members of the Board;

the candidate's ability to qualify as an independent director for purposes of the 1940 Act, the candidate's independence from the Company's service providers and the existence of any other relationships tha