

AICA Member Profile: Kayne Anderson

Kayne Anderson Capital Advisors is a leading alternative investment management firm founded in 1984 by Los Angeles businessmen Richard Kayne and John Anderson. The firm pursues cash flow-oriented niche strategies in real estate, credit, infrastructure, energy, and growth capital. Kayne bolsters its differentiated investment philosophy by:

- Fielding talented teams with deep sector expertise.
- Applying knowledge and sourcing advantages to underfollowed segments of the market.
- Sizing its capital (and funds) appropriately to optimize return while minimizing risk.

Kayne Investment Opportunities

The independent, private, employee-owned firm has over \$33 billion in AUM as of August 31, 2023. Kayne pursues multiple strategies, with listed and non-listed investment products focused on energy infrastructure and private credit:

Real Estate	\$14.4B in AUM	Opportunistic Equity, Stabilized Equity, Real Estate Debt, Multifamily Housing
Infrastructure/ Energy	\$9.7B in AUM	Energy Infrastructure, Private Energy
Credit	\$6.5B in AUM	Middle Market Direct Lending, Liquid Credit, Specialized Real Estate Debt
Renewables	\$0.9B in AUM	Renewable Infrastructure
Growth Capital	\$1.2B in AUM	Tech-Enabled Growth

KYN

Kayne subsidiary KA Fund Advisors serves as adviser to Kayne Anderson Energy

Infrastructure Fund (NYSE: KYN), a listed closed-end fund investing in a diversified mix of North American energy infrastructure companies across tax structures (i.e., master limited partnerships [MLPs] and C-Corps). The fund seeks to provide high after-tax total returns with an emphasis on making cash distributions to stockholders. The fund works to achieve that objective by investing at least 80% of its total assets in securities of energy infrastructure companies, such as those that own and operate oil and natural gas pipelines, storage hubs, and export facilities.

KYN's diversified portfolio is actively managed, boasts daily liquidity via its NYSE listing, and is the largest and most liquid CEF focused on the energy infrastructure sector.

KYN, which is structured as a taxable corporation, launched on September 28, 2004, and was Kayne's first entry into closed-end funds, though the firm has been investing in MLPs since 1998. The retail product has \$2.4 billion in assets under management and posted a quarterly distribution rate of 9.8% on November 30, 2023.

The Fund's Evolution

In the years following KYN's debut, Kayne launched three more energy infrastructure CEFs, eventually merging the four funds into two: KYN and Kayne Anderson NextGen Energy & Infrastructure, Inc. (KMF). In March

2023, Kayne announced plans to combine KYN and KMF into a single, flagship energy infrastructure fund and closed the merger in early November. KYN, the surviving entity, has the size and scale to engage in meaningful dialogues with management teams, pursue opportunistic private investments, and ultimately capitalize on a favorable industry outlook.

Kayne says the merger is about positioning the firm for the future and capitalizing on significant tailwinds in the energy infrastructure sector, including two of the largest macro trends in the energy industry: energy security and the energy transition. With that in mind, KYN looks forward to:

- Matching growing global demand for energy with reliable North American energy supply
- Facilitating global decarbonization of electricity generation through the expansion of renewables and coal-to-gas switching

Attractive Fund Structure

KYN offers simplified tax reporting with a single Form 1099 (no K-1s needed), and is suitable for IRAs, foundations, and tax-exempt accounts (no unrelated business taxable income). Kayne believes the fund's flexible investment mandate, commitment to its distribution policy, and best-in-class disclosure make it especially attractive to retail investors.

“The midstream energy landscape has changed, with many former partnerships adopting C-Corp governance, running at lower leverage, and prioritizing return of capital in recent years. We believe KYN is an attractive long-term dividend and total return play, especially as North American energy infrastructure grows in global importance.”

Robert Cunningham, Vice President, Energy Infrastructure

Q&A with Robert Cunningham

Where does Kayne Anderson do its best work?

Taking an institutional approach to identifying and capitalizing on niches is baked into our DNA from the firm's outset. Our focus on very specific market segments is what separates us from larger firms. We're almost anti-generalists in that sense.

What do you like best about our industry?

Its mission. Investment companies like KYN are closer to individual investors than those

catering to pension funds, endowments, and the like.

When did Kayne join AICA and what do you like most about being a member?

We have followed for some time but officially joined in early 2023. We especially like AICA's member events and the access to data and research that comes with membership. We've always been impressed with CEFA's track record and data-driven approach.

Where do you think Kayne will be in three years?

We are fully committed to the energy infrastructure space and making KYN the best fund it can be. Our outlook over the next 12 to 36 months is very positive. Our data show cash flows to equity are growing meaningfully.

Learn more about [Kayne Anderson](#) and its listed [CEF KYN](#).

Risk Considerations

Investing in closed-end funds involves risk, including the possible loss of your entire investment. There is no guarantee the Fund's investment objective will be achieved. Closed-end fund shares may frequently trade at a discount or premium to their net asset value, which is a risk separate and distinct from the risk that the Fund's net asset value could decrease as a result of its investment activities. 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. KYN'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.

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 the Fund's filings with the 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 these 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 Fund's investment objectives will be attained.

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