

Item 1 – Cover Page

KA Fund Advisors, LLC

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March 31, 2015

This brochure on Form ADV (the “Brochure”) provides information about the qualifications and business practices of KA Fund Advisors, LLC (“KAFA”). If you have any questions about the contents of this Brochure, please contact Michael O’Neil, Chief Compliance Officer at (301) 282-7905 and/or moneil@kaynecapital.com. The information in the Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

KA Fund Advisors, LLC is a registered investment adviser. Registration of an investment adviser does not imply any level of skill or training.

Additional information about KAFA is available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

There have been no material changes to KA Fund Advisors, LLC's ("KAFA") Brochure since the last Form ADV Part 2 update, which was dated March 31, 2014.

Currently, you may request the Brochure free of charge by contacting Michael O'Neil, Chief Compliance Officer, at (310) 282-7905 or moneil@kaynecapital.com. The Brochure is also available on our web site, www.kaynefunds.com, also free of charge.

Additional information about KAFA is available via the SEC's web site, www.adviserinfo.sec.gov. The SEC's web site also provides information about any persons affiliated with KAFA who are registered, or are required to be registered, as investment adviser representatives of KAFA.

Item 3-Table of Contents

Item 1	Cover Page	i
Item 2	Material Changes	ii
Item 3	Table of Contents	1
Item 4	Advisory Business	2
Item 5	Fees and Compensation	2
Item 6	Performance Based Fees and Side-by-Side Management	4
Item 7	Types of Clients	4
Item 8	Methods of Analysis, Investment Strategies and Risk of Loss	4
Item 9	Disciplinary Information	8
Item 10	Other Financial Industry Activities and Affiliations	8
Item 11	Code of Ethics	8
Item 12	Brokerage Practices	13
Item 13	Review of Accounts	16
Item 14	Client Referrals and Other Compensation	16
Item 15	Custody	16
Item 16	Investment Discretion	16
Item 17	Voting Client Securities	17
Item 18	Financial Information	17
Item 19	Privacy Notice	18

Item 4 – Advisory Business

KA Fund Advisors, LLC (“KAFA”) serves as investment adviser to Kayne Anderson MLP Company, Kayne Anderson Energy Total Return Fund, Kayne Anderson Energy Development Company, and Kayne Anderson Midstream/Energy Fund, each a closed-end fund registered as an investment management company under the Investment Company Act of 1940. These funds trade on the New York Stock Exchange under the symbols “KYN”, “KYE”, “KED” and “KMF”, respectively. KYN invests in public and private securities of master limited partnerships (“MLPs”) and other midstream energy companies. KYE invests in midstream energy companies, energy related income trusts and other energy companies. KED invests in midstream energy companies, upstream energy companies, and other energy companies. KMF invests in midstream MLPs, midstream companies, other MLPs, and other energy companies. Each of KYE and KMF is structured as a non-taxable regulated investment companies (“RIC”).

KAFA also serves as investment adviser to a limited number of separate accounts, or pooled vehicles that largely operate as separate accounts, managed on behalf of select institutional clients.

Kayne Anderson Capital Advisors, L.P. (“KACALP”) is the managing member of KAFA. KACALP is an SEC-registered investment advisor which engages in alternative investing primarily through private pooled vehicles.

Assets Under Management

As of January 31, 2015, the total assets under management amounted to \$ 11.858 billion.

Item 5 – Fees and Compensation

KAFA charges KYN a management fee at annual rates of 1.375% of average total assets below \$4,500,000, 1.25% on average total assets between \$4,500,000 and \$9,500,000, 1.125% on average total assets between \$9,500,000 and \$14,500,000, and 1% on average total assets in excess of \$14,500,000. These rates are set forth in a written agreement between KYN and KAFA, which was renewed for a one-year term ending December 11, 2015. KAFA charges KYE a management fee at an annual rate of 1.25% of average total assets. KAFA charges KED a management fee at an annual rate of 1.75% of average total assets. This agreement was renewed for a one year term ending November 30, 2015. On January 15, 2015, KED amended and extended its investment management agreement with KAFA for an additional year through November 30, 2015. The fee waiver agreement in effect immediately prior to the renewal of the investment management agreement, which reduces the management fee from an annual rate of 1.75% of average total assets to 1.50%, remained in place through the end of fiscal 2014. Effective December 1, 2014, a fee waiver agreement entered into between KED and KAFA could reduce the management fee by up to 0.50% (resulting in an annual fee of 1.25%) based on the percentage of the KED’s portfolio that is not publicly traded (*i.e.*, Level 3 investments). If KED’s public investments (*i.e.*, Level 1 and Level 2 investments) exceed 25% of its total investments, then for every 1% by which those public investments exceed 25% of KED’s total investments, the management fee would be reduced by 0.0067%. The

maximum waiver of 0.50% will apply if KED holds 100% public investments. KAFA charges KMF a management fee of 1.25% of average total assets. Management fees are paid monthly or quarterly. Because management fees are based upon a percentage of total assets, KAFA's management fee will be higher to the extent the funds employ financial leverage.

The separate accounts managed by KAFA are generally charged management fees in addition to performance fees, which are calculated as assets are liquidated and are subject to a stated "hurdle" rate of return. If assets are sold to a KAFA or Kayne Anderson Capital Advisors, L.P. (an affiliated registered investment adviser) managed fund, no performance fee would be paid.

Fees are subject to review and negotiation by the board of directors in the case of the closed-end funds and to negotiation by the separate account holder. KAFA believes that its fees, both for its publicly traded closed end funds and separate accounts, are competitive with those charged generally by other investment advisers for comparable services. However, some investment advisers may provide comparable services for lower or different fee structures. Performance-based allocations/fees are only charged consistent with applicable rules and regulations, including Rule 205-3 under the Investment Advisers Act of 1940.

KAFA's fees are charged separately net of any brokerage commissions, transaction fees, fund fees, or other fund or separate account related costs and expenses (which are incurred by the fund or separate account client, including legal and accounting costs).

With respect to separate accounts structured as pooled vehicles, the offering and/or governing documents of each fund or managed account provide a description of any additional fees and expenses for which investors may be responsible in addition to the management fees and any performance-based allocations or fees. Generally, each investor will be responsible for all costs and expenses relating to the organization of such fund or managed account and of maintaining the operations of such investment vehicle and the investments paid by or on behalf of such fund or managed account, including, without limitation, (i) legal, filing, regulatory, compliance, auditing, accounting and other professional fees and expenses; (ii) administration fees and expenses, whether provided by a third party or by KACALP or an affiliate of KACALP, as may be disclosed in the offering and/or governing document of each such investment vehicle; (iii) due diligence related expenses, including, without limitation, third party consultants and related travel; (iv) costs of portfolio management and accounting systems; (v) expenses associated with information, communication and periodic reporting to investors; (vi) financial statements, tax returns and Schedules K-1; (vii) insurance; (viii) interest and other expenses incurred in respect of borrowings, if any; (ix) other expenses associated with the acquisition, holding, monitoring, settlement and disposition of such vehicle's investments (including, without limitation, any brokerage, custody, hedging or broken deal costs, clearing and settling charges, interest expenses and investment related travel and lodging expenses); (x) the costs and expenses of any custodians, lenders, investment banks and other financing sources; (xi) the costs and expenses of any litigation involving such investment vehicle, and the amount of any judgments or settlements paid in connection herewith.

Item 6 – Performance-Based Fees and Side-By-Side Management

As described in Item 5, KAFA generally receives a performance-based or incentive fee or allocation in its separate accounts. All such arrangements conform to Section 205(a)(1) of the Investment Advisers Act of 1940. Performance fees in our separate accounts are determined based on proceeds distributed to the respective separate account client. Our fee arrangements may create an incentive to favor higher potential fee paying accounts over other accounts in the allocation of investment opportunities. Similarly, KAFA or its affiliates or employees may have a significant proprietary investment in a fund or account, and KAFA may have an incentive to favor such fund or account to the detriment of other funds or accounts. KAFA's procedures are designed to ensure that all investment decisions are made without consideration of KAFA's (or its affiliates' or employees') pecuniary interest but, instead, in accordance with KAFA's fiduciary duties to its clients.

Item 7 – Types of Clients

KA Fund Advisors, LLC ("KAFA") serves as investment adviser to Kayne Anderson MLP Company, Kayne Anderson Energy Total Return Fund, Kayne Anderson Energy Development Company, and Kayne Anderson Midstream/Energy Fund, each a closed-end fund registered as an investment management company under the Investment Company Act of 1940. These funds trade on the New York Stock Exchange under the symbols "KYN", "KYE", "KED" and "KMF", respectively. KYN invests in public and private securities of master limited partnerships ("MLPs") and other midstream energy companies. KYE invests in midstream energy companies, energy related income trusts and other energy companies. KED invests in midstream energy companies, upstream energy companies, and other energy companies. KMF invests in midstream MLPs, midstream companies, other MLPs, and other energy companies. Each of KYE and KMF are structured as non-taxable regulated investment companies (RICs).

KAFA also serves as investment adviser to a limited number separate accounts, or pooled vehicles that largely operate as separate accounts, managed on behalf of select institutional clients.

There is no minimum investment requirement for KYN, KYE, KED, or KMF. The separate accounts managed by KAFA for institutional clients are of very substantial size, but there is no stated minimum investment amount.

Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss

At a high level, KAFA's investment approach is to focus on industries and asset classes in which it has considerable knowledge and expertise, focusing first and foremost on downside protection and the preservation of capital. KAFA investment personnel conduct commercially reasonable and appropriate due diligence of each investment based on the facts and circumstances applicable to each potential opportunity. The objective of such analysis is to identify attractive investment opportunities and the possible risks associated with that investment in order to develop a sound investment strategy that has high probability of delivering attractive returns for our investors. When conducting due diligence and making an assessment regarding potential investment opportunities, KAFA relies primarily on publicly available information and resources. As a result, the due diligence process may at times be subjective. Accordingly, KAFA cannot be certain that its due diligence with respect to potential investment opportunities will reveal or highlight all relevant facts that may be

necessary or helpful in evaluating such investment opportunity. General market, economic, environmental, and other conditions, which by their nature are unpredictable, may have an adverse impact on the reliability of such due diligence.

KAFA relies primarily on internally generated research when making investment decisions. In certain circumstances, research furnished by broker-dealers and other industry members is also considered. The methods of analysis and sources of information used in determining portfolio decisions may vary among accounts, but in each case they are based on considerable fundamental research (and in some cases, technical analysis as well) to determine the expected values, risks and timing associated with each anticipated investment. Where appropriate, short sales, derivative instruments, arbitrage and other strategies are employed to generate additional return. To a lesser extent, KAFA may use various hedging strategies and other risk management strategies to seek to manage market risks.

Investment Risk

Although each of the funds invests in a strategy which is designed to mitigate the risk of loss through the decision-making or “underwriting” process, the structuring of positions, and/or hedging techniques, each such strategy will nonetheless involve significant levels of risk as a result of market and issuer-specific factors affecting securities generally. A portfolio’s performance depends on the performance of individual securities in which the portfolio invests. Changes to the financial condition or credit rating of an issuer of those securities may cause the value of the securities to decline or even become worthless.

Since many of these investments involve significant degrees of risk, poor performance by a few of the investments could severely affect the total returns to investors. Concentrating investments in a particular industry, asset class, market or region means that performance will be more susceptible to loss due to adverse occurrences affecting that industry, asset class, market or region. For example, a portfolio concentrating in a single industry is subject to greater risk of adverse economic conditions and regulatory changes than a fund with broader industry diversification.

The closed-end funds managed by KAFA utilize financial leverage in order to enhance total returns, which may include bank debt and other forms of borrowings and which also may include the issuance of debt and preferred stock. Based on prevailing market conditions, and to the extent permitted by the 1940 Act, the use of such leverage instruments may represent greater than 30% of the assets of each fund. Such leverage instruments will have seniority over the common stock of each closed-end fund. The use of leverage creates a greater risk of loss, as well as potential for more gain.

Energy Sector Risk

Certain risks inherent in investing in master limited partnerships (MLPs) and other Midstream Energy Companies include the following:

Energy Sector Risk

Our concentration in the energy sector may present more risk than if we were broadly diversified over multiple sectors of the economy. A downturn in one or more industries within the energy sector, adverse political, legislative or regulatory developments or other events could have a larger impact on us than on an investment company that does not concentrate in the energy sec. At times, the performance of companies in the energy sector may lag the performance of the sectors or the broader market as a whole. In addition, there are several specific risks associated with investment in the energy sector, including the following:

Regulatory Risk - MLPs and other midstream or infrastructure energy companies are subject to significant federal, state and local government regulation in virtually every aspect of their operations, including how facilities are constructed, maintained and operated, environmental and safety controls, and the prices they may charge for the products and services they provide. Various governmental authorities have the power to enforce compliance with these regulations and the permits issued under them, and violators are subject to administrative, civil and criminal penalties, including civil fines, injunctions or both. Stricter laws, regulations or enforcement policies could be enacted in the future which would likely increase compliance costs and may adversely affect the financial performance of MLPs and other midstream or infrastructure energy companies.

Economic Risk - A sustained decline in demand for natural gas, natural gas liquids, crude oil, coal or other energy commodities could also adversely affect the financial performance of MLPs and other Midstream Energy Companies. Factors which could lead to a decline in demand include economic recession or other adverse economic conditions, higher fuel taxes or governmental regulations, increases in fuel economy, consumer shifts to the use of alternative fuel sources, changes in commodity prices, or weather.

Commodity Pricing Risk - The operations and financial performance of MLPs and other midstream or infrastructure energy companies may be directly affected by energy commodity prices, especially those MLPs and other midstream or infrastructure energy companies which own the underlying energy commodity. Commodity prices fluctuate for several reasons, including changes in market and economic conditions, the impact of weather on demand, levels of domestic production and imported commodities, energy conservation, domestic and foreign governmental regulation and taxation and the availability of local, intrastate and interstate transportation systems. Volatility of commodity prices, which may lead to a reduction in production or supply, may also negatively impact the performance of MLPs and other midstream or infrastructure energy companies which are solely involved in the transportation, processing, storing, distribution or marketing of commodities. Volatility of commodity prices may also make it more difficult for MLPs and other midstream or infrastructure energy companies to raise capital to the extent the market perceives that their performance may be directly or indirectly tied to commodity prices.

Supply and Demand Risk - A decrease in the production of natural gas, natural gas liquids, crude oil, coal or other energy commodities or a decrease in the volume of such commodities available for transportation, mining, processing, storage or distribution may adversely impact the financial performance of MLPs and other Midstream Energy Companies. Production declines and volume decreases could be caused by various

factors, including catastrophic events affecting production, depletion of resources, labor difficulties, environmental proceedings, increased regulations, equipment failures and unexpected maintenance problems, import supply disruption, increased competition from alternative energy sources or curtailed drilling activity due to low commodity prices.

Depletion and Exploration Risk - Most MLPs and other Midstream Energy Companies are engaged in the transporting, storing, distributing and processing of natural gas, natural gas liquids, crude oil, refined petroleum products or coal on behalf of shippers. In addition, some MLPs and Midstream Energy Companies are engaged in the production of such commodities. To maintain or grow their revenues, these companies need to maintain or expand their reserves through exploration of new sources of supply, through the development of existing sources, through acquisitions, or through long-term contracts to acquire reserves. The financial performance of MLPs and other Midstream Energy Companies may be adversely affected if they, or the companies to whom they provide the service, are unable to cost-effectively acquire additional reserves sufficient to replace the natural decline.

Additional information specific to each closed-end fund can be found in their respective annual reports and prospectuses.

The capital markets can fluctuate substantially and even experience periods of extreme volatility. KACALP cannot guarantee any level of performance or that investors in the funds will not experience a loss of their account assets. There is no assurance that the funds or managed accounts will be able to generate returns or that the returns will be commensurate with the risks inherent in their investment strategy. The marketability and value of any such investment will depend upon many factors beyond the control of the Clients or the Registrant. Therefore, an investor should only invest in a fund or managed account if the investor can withstand a total loss of its investment. The past investment performance of a fund, managed account or investment professional cannot be taken to guarantee future results of a fund or managed account or any investment by or in a fund or managed account. As is the case with any investment, there is no guarantee of a minimum rate of return or of a limit on losses. A portfolio's performance depends on the performance of individual securities in which the portfolio invests. Additional information on investment risk is discussed in the individual Private Placement Memorandum of each fund.

Please note that while this Item 8 contains a discussion of some of the risks associated with investments in our funds, it is not possible to identify all of the risks associated with investing and the particular risks applicable to a client account will depend on the nature of the account, its investment strategy or strategies and the types of securities held. Clients should be aware that while KAFA does not limit its advice to particular types of investments, mandates may be limited to certain types of securities and may not be diversified. The accounts managed by KAFA are generally non-diversified and are not intended to provide a complete investment program for a client or investor. Clients are responsible for appropriately diversifying their assets to guard against the risk of loss. The funds managed by KAFA are primarily long-term investment vehicles and should not be used for short-term trading.

Item 9 – Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of KAFA or the integrity of KAFA's management. KAFA has no disciplinary information to report.

Item 10 – Other Financial Industry Activities and Affiliations

KAFA has claimed the appropriate exemptions from registration as a commodity pool operator and commodity trading adviser with the Commodity Futures Trading Commission (CFTC) and National Futures Association (NFA). The CFTC and NFA each administer a comparable regulatory system covering futures contracts and various other financial instruments in which certain KAFA managed funds may invest.

KAFA is affiliated with KA Associates, Inc. ("KAA"), a FINRA registered broker-dealer, through common ownership (via KACALP). KAFA does not direct any client portfolio transactions to KAA.

KAFA serves as the contractually appointed investment adviser to KYN, KYE, KED, and KMF, each a closed-end fund registered as a management investment company under the Investment Company Act of 1940, as amended.

Kayne Anderson Capital Advisors, LP, a registered investment adviser ("KACALP"), is the sole managing member of KAFA.

Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Code of Conduct and Ethics

As a fiduciary, KAFA owes its clients undivided loyalty – our clients trust us to act on their behalf, and we hold ourselves to the highest standards of fairness in all such matters. This is predicated on the principle that KAFA owes a fiduciary duty to its clients. As a fiduciary, KAFA must serve in its clients' best interests. In other words, employees may not benefit at the expense of advisory clients and must avoid activities, interests and relationships that run contrary (or appear to run contrary) to the best interests of clients.

KAFA expects all employees to:

- act with integrity, competence, dignity, and in an ethical manner when dealing with the public, clients, prospects, their employer, and their fellow employees.
- adhere to the highest standards with respect to any potential conflicts of interest with client accounts – simply stated, no officer or employee should ever enjoy an actual or apparent benefit over the account of any client.
- preserve the confidentiality of information that they may obtain in the course of our business and to use such information properly and not in any way adverse to our clients' interests, subject to the legality of such

information.

- conduct their personal financial affairs in a prudent manner, avoiding any action that could compromise in any way their ability to deal objectively with our clients.

Violations of this Code of Conduct may warrant sanctions which may include suspension or dismissal, at the discretion of management.

Personal Trading

KAFA participates in (purchases) private placements of equity and debt securities on behalf of its clients. KAFA, its partners, officers and employees may participate alongside KAFA's clients in such placements. Moreover, because issuers may, over time, engage in a series of private placements, it is possible that KAFA, its partners, officers and employees may participate in one or more of such placements in which its clients do not also participate for various reasons. Such participation could cause conflicts of interest affecting clients. For example, there may be a conflict as to which offerings should be purchased for clients. There may also be situations where KAFA or its partners, officers and employees have already acquired securities at a lower cost in an earlier private placement and would therefore benefit from a subsequent client investment. KAFA's investment decisions in such situations are made in good faith in the client's interest and without regard to the impact on KAFA or its officers or employees.

KAFA and its partners, officers and employees may participate alongside KAFA's clients in the purchase and/or sale of registered securities, but only if such participation, in KAFA's good faith determination, would not adversely impact the pricing and availability of the transaction for clients or otherwise operate to the detriment of clients. In addition, employees may sell such holdings only after client accounts and/or funds have sold their positions.

Any such co-investment opportunities, whether in private placements or registered securities require the prior approval of KAFA's General Counsel and/or Chief Compliance Officer.

KAFA's Chief Compliance Officer receives and reviews all trading reports and employee certifications to determine that any personal trading (as well as other activities subject to compliance oversight) conducted by employees and other covered persons is consistent with requirements and restrictions set forth in the Code Ethics and does not otherwise indicate any improper trading activities.

As a general rule, KAFA's employees are not permitted to purchase and sell for their own accounts marketable securities in the industry sectors in which KAFA's funds primarily invest (i.e. energy master limited partnerships and related energy infrastructure companies). Policies and procedures have been designed to ensure that any employee personal securities transactions do not disadvantage KAFA's clients. These procedures require pre-clearance of all personal trades by employees in securities (other than open-end mutual funds, U.S. government securities, exchange traded funds, and various money market instruments) and require employees to represent an intent to hold the securities for at least 90 days. Neither KAFA nor its employees may enter trades on behalf of their own account or any account over which they have control or in which they have a beneficial interest if,

in KAFA's judgment, such trade would cause them or any such account to benefit from any trade entered into or being contemplated on behalf of any client of KAFA or cause the accounts of any such clients to be disadvantaged.

Clients may request a copy of KAFA's Code of Conduct and Code of Ethics by contacting Michael O'Neil, Chief Compliance Officer, at 310-282-7905 or David Shladovsky, General Counsel, at 310-284-6438.

Political Contributions

It is the policy of KAFA to not make, and to prohibit its employees from making, any political or charitable contributions for the purpose of influencing a KAFA client or prospective client, a public official or his or her agency. However, employees may make personal or charitable contributions in accordance with the requirements and restrictions of applicable law and KAFA's policies. To help ensure compliance with SEC rules and the many state and local and local pay-to-play rules, all KAFA employees must obtain prior approval from the Chief Compliance Officer or General Counsel before they (or their spouse or dependents) make contributions to a political candidate, government official, or political action committee in accordance with KAFA's policies and procedures.

Potential Conflicts Relating to Advisory Clients

The results of the investment activities of a KAFA client may differ significantly from the results achieved by KAFA for other current or future clients. KAFA will manage the assets of a client in accordance with the investment mandate of the applicable fund or, if a separate account, as selected by such client. However, because of differing guidelines, risk profiles, timing issues and other possible considerations, KAFA may give advice, and take action, with respect to a client account (including its own account), that may differ from the advice KAFA may give to, or an investment action KAFA may take on behalf of, another client account. In particular, KAFA or one or more clients may buy or sell positions while another KAFA client is undertaking the same or a differing, including potentially opposite, strategy. The purchase, holding and sale, as well as voting of investments by KAFA clients may enhance the profitability or increase or decrease the value of a KAFA or KAFA clients' own investments in such companies. This may give rise to certain potential conflicts of interest.

Inconsistent Investment Positions and Timing of Competing Transactions

Under certain circumstances, a KAFA client (or group of clients) may invest in a transaction in which one or more other KAFA clients are expected to participate, or already have made or will seek to make, an investment. Such clients may have conflicting interests and objectives in connection with such investments, including with respect to views on the operations or activities of the portfolio companies involved, the targeted returns from the investment, the timeframe for, and method of exiting the investment. Conflicts will also arise in cases where different clients (or group of clients) invest in different parts of an issuer's capital structure, including circumstances in which one or more clients may own private securities or obligations of an issuer and other clients may own public securities of the same issuer.

Principal Transactions with Clients

KAFA's practice (and that of its principals) is to avoid engaging in securities transactions with its managed accounts. However, KAFA believes that there may be circumstances from time to time where it is beneficial to its clients for KAFA (or its principals) to engage in a securities transaction with such clients. This would most likely involve the sale by an investor to KAFA of such investor's limited partnership interest in a commingled fund. It may also involve the sale of thinly traded portfolio holdings by a liquidating fund. Under such circumstances, provided informed prior written consent is given by the affected client(s), KAFA may engage in a principal transaction. However, KAFA will not engage in a principal transaction with any of its closed-end fund clients.

Cross Trades

KAFA may cause a security to be traded between two clients (other than an ERISA client) where it believes such trade to be in the interest of each client. KAFA generally has such authority under the general grant of investment discretion given to it by its clients. KAFA's practice is to engage in cross trades in limited circumstances where the purchase and sale of the same security at the same time by different clients helps to achieve more favorable terms to each client than separate transactions not involving a cross trade. These circumstances can arise when a client wishes to sell a security to generate cash or to realign such client's asset allocation at a time when KAFA would like to purchase the security for other clients. In some cases, KAFA may determine to reallocate assets within its managed accounts and thereby create a need to sell the security from one account and a need to purchase the same security in another account. The lower the liquidity for a given security, the more likely there will be a benefit to effecting a cross transaction.

KAFA's duty to be unbiased and fair to clients on both sides of a cross transaction may pose an inherent conflict of interest. To ensure that it fulfills its duty to each client that is party to a cross transaction, KAFA seeks to ensure the appropriateness of the transaction for each client and that it is fair to both sides of the transaction. It does so by (i) confirming that the security is under-represented in the purchasing client's portfolio based on KAFA's target portfolio weightings at the time, (ii) confirming that the security is over-represented in the selling client's portfolio based on target portfolio weightings or that the client does not have alternative options for generating needed cash or reallocating assets as desired, (iii) determining current market prices based on current market quotes, and (iv) for less liquid securities, contacting market participants to determine if the security could be purchased or sold at a better price notwithstanding prevailing market quotes. Cross trades between clients are normally priced at the mid-point between the best bid and offer prices known to be available at the relevant size order.

In causing cross trades to be effected between clients, KAFA will generally utilize an unaffiliated broker-dealer at normal commission rates. However, it may utilize KAA to effect the trade, and in such case, KAFA will obtain the written informed consent of the participating client prior to trade settlement or it will cancel the trade at no cost to the client(s).

Material Non-Public Information/Insider Trading

From time to time, KAFA personnel may obtain, either voluntarily or involuntarily, material non-public information (that is not available to other investors) or other confidential information which, if disclosed, would likely affect an investor's decision to buy, sell or hold a security. Accordingly, should KAFA personnel obtain such information with respect to an issuer, it may be prohibited from communicating such information to, or using such information for the benefit of, KAFA clients, which could limit the ability of KAFA clients to buy, sell, or hold investments. KAFA has adopted an Insider Trading Policy, which establishes procedures reasonably designed to prevent the misuse of material non-public information by KAFA and its personnel. Under the Insider Trading Policy, KAFA is generally not permitted to use material non-public information obtained by any department or related person in the course of its business activities or otherwise, in effecting purchases and sales in securities for KAFA clients even if failure to do so would be detrimental to the interests of such client(s). To further mitigate the risks associated with insider trading, KAFA has adopted an Ethical Wall Policy in order to minimize the likelihood that portfolio management teams will come into possession of material non-public information known by other investment teams within KAFA, thereby also minimizing the likelihood that a particular team will be precluded from taking action on behalf of its clients. Nonetheless, the investment flexibility of KAFA may be constrained as a consequence of policies and related legal requirements.

Related Financial Interests

Senior personnel of KAFA serve as officers or directors of some of the publicly and privately held companies whose securities are purchased for KAFA's clients. In such capacities, these individuals, each of whom may make investment decisions on behalf of KAFA, may learn material, non-public information concerning a company's operations or securities. KAFA has established Ethical Wall and Insider Trading Policies to guard against the use of non-public information by it to benefit client accounts. KAFA's clients may be disadvantaged because KAFA may not be able to effect transactions in the securities of these companies when officers of the adviser possess material, non-public information.

Pricing and Valuation of Securities and Other Investments

In many cases, KAFA's fees are based on the value and performance of assets held in the client account. KAFA generally does not price securities or other assets for purposes of determining fees. However, to the extent permitted by applicable laws, including ERISA, KAFA or an affiliate may be charged with the responsibility of, or have a role in, determining asset values with respect to KAFA products or accounts from time to time and KAFA, or such an affiliate, may be required to price a portfolio holding when a market price is not readily available or when KAFA has reason to believe that the market price is unreliable. To the extent that KAFA's fees are based on the value or performance of client accounts, KAFA would benefit by receiving a fee based on the impact, if any, of the increased value of assets in an account. When pricing a security, KAFA attempts, in good faith and in accordance with applicable laws, to determine the fair value of the security or other assets in question. KAFA generally relies on prices provided by a custodian, a broker-dealer or another third-party pricing service for valuation purposes. When market quotations are not readily available or are believed by KAFA to be unreliable, the security or other assets are valued by KAFA in accordance with KAFA's valuation procedures. All such

valuations for private investments are reviewed by an independent third-party and, in the case of the closed-end funds, the board of directors.

With respect to private investments in public equities (PIPEs) or other securities that are convertible into or otherwise will become publicly traded (e.g., through subsequent registration or expiration of a restriction on trading), they will be valued at the market value of the publicly traded security less a discount. The discount will initially be equal in amount to the discount negotiated at the time an agreement is reached on price with the issuer. To the extent that such securities are convertible or otherwise become publicly traded within a time frame that may be reasonably determined, KAFA may determine an amortization schedule for the discount in accordance with an approved methodology.

Item 12 – Brokerage Practices

Investment Discretion

KAFA has full discretion with respect to securities transactions effected for its closed-end funds. With respect to the institutional separate accounts, KAFA has limited investment discretion and may not buy or sell certain securities without the prior approval of the client. Where KAFA exercises its investment discretion, it does so consistent with the applicable investment strategy, as well as any separate account investment guidelines or restrictions imposed by the client and accepted by KAFA. KAFA does not advise clients concerning holdings outside their respective accounts with KAFA.

Brokerage Discretion

KAFA has full authority to determine broker-dealers to be utilized and commissions to be paid with respect to securities transactions effected for its closed-end funds. Similarly, unless a separate account client directs the use of a particular broker-dealer, KAFA has the authority to select broker-dealers to be used to effect trades and the commission rates to be paid. KAFA's policy is to not effect trades through its affiliated broker-dealer, KAA.

The overriding consideration in allocating client orders for execution is the maximization of client profits (or minimization of losses) through a combination of controlling transaction costs and seeking the most effective uses of a broker's capabilities. When KAFA has the authority to select brokers or dealers to execute transactions for its clients, it seeks the best execution reasonably available under the circumstances (which may or may not result in paying the lowest available brokerage commissions or spread). In doing so, KAFA considers all factors it deems relevant. Such factors may include, but are not limited to: (i) the nature and character of the security or instrument being traded and the markets on which it is purchased or sold; (ii) the desired timing of the transaction; (iii) KAFA's knowledge of negotiated commission rates and spreads currently available; (iv) the activity existing and expected in the market for the particular security or interest; (v) the full range of brokerage services provided; (vi) the broker's or dealer's capital strength and stability, as well as its execution, clearance, and settlement capabilities; (vii) if applicable, the quality of the research and services provided (See "Soft Dollars" below); (viii) the reasonableness of the commission or its equivalent for the specific transaction; and (ix) KAFA's knowledge of any actual or apparent operational problems of a broker or dealer.

KAFA endeavors to be aware of current charges assessed by relevant broker-dealers and to minimize the expense incurred for effecting portfolio transactions, to the extent consistent with the interests and policies of the client account. However, KAFA will not select broker-dealers solely on the basis of “posted” commission rates nor always seek in advance competitive bidding for the most favorable commission rate applicable to any particular transaction. Although KAFA generally seeks competitive commission rates, it will not necessarily pay the lowest commission or commission equivalent as transactions that involve specialized services on the part of a broker-dealer generally result in higher commission rates or equivalents than would be the case with more routine transactions. KAFA may pay higher commission rates to those brokers whose execution capabilities, brokerage services or other legitimate and appropriate services are particularly helpful in seeking good investment results.

The reasonableness of the commissions is based on KAFA’s view of the broker’s ability to provide professional services, competitive commission rates, and other services which will help KAFA in providing investment advisory services to its clients, viewed in terms of either the particular transaction or KAFA’s overall responsibility to its clients, as the extent to which the commission rate or net price associated with a particular transaction reflects the value of services provided often cannot readily be determined. In making these determinations, KAFA recognizes that some firms are better at executing some types of orders than others and it may be in the clients’ best interests to use a broker whose commission rates are not the lowest but whose executions and other services KAFA believes may result in lower overall transaction costs or more favorable or more certain results.

ECNS, Swap Clearing Firms and Other Trading Systems

KAFA may also place orders for the purchase and sale of securities or other instructions for its clients through electronic trading systems or ATSS, including ECNs, swap clearing firms or with brokers or dealers that participate in such trading systems or platforms, consistent with its duty to seek best execution of client transactions. ECNs and swap clearing firms may charge fees for their services, including access fees and transaction fees. Access fees may be paid by KAFA even though incurred in connection with executing transactions on behalf of clients, while transaction fees will generally be charged to clients and, like commissions and markups/markdowns, would generally be included in the cost of the securities purchased.

Research and Other Soft Dollar Benefits

Research services include economic forecasts, investment strategy advice, fundamental and technical advice, market analysis, statistical services and analyses of particular securities and investment situations. Some of these services would be considered “soft dollars”. Where these services are provided by the executing broker-dealer, KAFA may pay a brokerage commission in excess of that which another broker might have charged for effecting the same transaction if KAFA determines in good faith that the amount of commission is reasonable in relation to the value of the brokerage and research services provided by the broker-dealer, viewed in terms of either the particular transaction or KAFA’s overall responsibilities with respect to the account over which it exercises investment discretion. KAFA does not have any third party soft dollar arrangements.

It is possible that accounts which may not directly benefit from the ancillary service provided by a particular broker- dealer will enter occasional transactions through such broker-dealer, but KAFA believes that the overall effect of such occasional transactions on all accounts, when the ancillary services furnished to all accounts are considered in totality, will be beneficial to all accounts.

Trade Aggregation

KAFA is aware of its fiduciary obligation to seek the “best execution” on securities transactions. Best execution entails the efficient placement of orders, clearance, settlement and overall execution quality as well as the price obtained in the transaction. As part of its efforts to obtain best execution, KAFA may aggregate orders or “block trade” for several clients. Each client that participates in a block trade will receive the average share price and a pro rata portion of the transaction cost on a trade. Because clients have different brokerage relationships, some clients’ accounts may not be eligible to participate in block trades.

The separate accounts advised by KAFA are precluded generally by provisions of the 1940 Act from co-investing with any of the four closed-end fund (which are registered investment companies under the 1940 Act) in private placements of securities, other than in cases where no term other than price is negotiated by KAFA. These co-investment restrictions generally do not apply to the purchase of Rule 144A securities. KAFA’s policy is that separate accounts will participate only in permissible co-investment opportunities after the closed-end funds receive the full amounts of their desired allocations, and such participation will be allocated to the separate accounts and to any other portfolios managed by KAFA consistent with KAFA’s Trade Allocation Policy. Further, the separate accounts may participate in other (i.e., non co-investment) private placement opportunities only if all of the closed-end funds decline to participate, and, again, such participation will be allocated to any separate accounts and other private portfolios managed by KAFA consistent with approved allocation methodologies.

Trade Errors

Trading errors are reportable to the Chief Compliance Officer immediately upon discovery and corrected as promptly as practicable at no cost to the client. If KACALP is wholly at fault and the trade is at a loss KACALP reimburses the client for that loss. Correcting a trade error may require multiple transactions. The “netting” of gains and losses resulting from correcting multiple transactions is a common practice. After the details of the trade error have been determined, the appropriate individual completes an error resolution form and submits it to compliance. Compliance maintains documentation to establish an “audit trail” of a trading error and be responsive to the course of action taken. Errors of \$5,000 or more are subject to review by the General Counsel.

Directed Brokerage

A separate account client may direct KAFA to use a specified broker-dealer. In such cases, (1) a higher commission rate may be paid to such client, in part because of additional services which may be available from such broker- dealer as well as KAFA’s inability to negotiate the commission rate and/or obtain a volume discount

when the client's transaction is combined with those of other clients in a block trade; (2) such client's trades may be regularly executed at times different from those at which trades are executed for clients who do not direct KAFA to use a specific broker-dealer; and (3) execution of all trades for the client by the designated broker-dealer could result in failure to receive the best execution in some transactions. A client who directs KAFA to use a particular broker-dealer, including a client who directs use of a broker-dealer that will also serve as a custodian (whether or not recommended by KAFA), should consider whether commissions expenses, execution, clearance and settlement charges, and custodial fees, if applicable, will be comparable to those otherwise obtainable by KAFA.

Item 13 – Review of Accounts

All accounts are reviewed on a continuous basis to determine their conformity with investment objectives and guidelines. The portfolio management team receives daily updates of portfolio positions and transactions for which the team is responsible. In addition, the Executive Officers regularly review and discuss portfolio status, potential investments and related issues.

The investment companies managed by KAFA issue and file reports as required under the Investment Company Act of 1940, and other applicable rules and regulations (such as the NYSE rules for listed closed-end investment companies).

The institutional separate account clients receive quarterly (weekly, if requested) reports showing positions, dividend and interest income, realized gains and losses, and performance for the period.

Item 14 – Client Referrals and Other Compensation

KAFA does not compensate any person for client referrals.

Item 15 – Custody

Investments and cash are held by third-party custodians. Nonetheless, by virtue of its ability to deduct fees from the institutional separate accounts, KAFA may be deemed under applicable rules to have custody of such institutional client accounts. The institutional accounts receive quarterly statements from KAFA. The institutional accounts' audited financials are completed within 120 days following the end of their fiscal year. Audited financial statements are prepared by an independent accounting firm, which is registered and subject to the inspection by the Public Company Accounting Oversight Board.

Item 16 – Investment Discretion

KAFA has full discretion with respect to securities transactions effected for its closed-end funds. With respect to the institutional separate accounts, KAFA has limited investment discretion and may not buy or sell certain securities without the prior approval of the client. Where KAFA exercises its investment discretion, it does so consistent with the applicable investment strategy, as well as any separate account investment guidelines or

restrictions imposed by the client and accepted by KAFA. KAFA does not advise clients concerning holdings outside their respective accounts with KAFA.

Item 17 – Voting Client Securities

KAFA acknowledges its fiduciary responsibility to vote proxies consistent with its fiduciary obligations, in the best interests of the clients and to prevent conflicts of interest from influencing proxy voting decisions made on behalf of clients.

While third-party instructions may be useful, KAFA may, and generally is expected to have in-depth knowledge of the vast majority of the companies in which it has invested, particularly in areas such as energy related master limited partnerships and related sectors, which knowledge may provide good reason to vote in a manner that is not consistent with the advice of the third-party service provider. After receiving voting instructions from the research analyst and/or portfolio manager, Compliance will vote the proxy(ies) according to the instructions received.

There may be circumstances which lead KAFA to vote the same proxy in two directions for different accounts. This may occur, for example, if a client requires KAFA to vote a certain way on an issue, while KAFA deems it beneficial to vote in the opposing direction for its other clients. In all such cases, KAFA maintains relevant supporting documentation.

KAFA may occasionally be subject to conflicts of interest in the voting of proxies because of business or personal relationships it maintains with persons having an interest in the outcome of specific votes. The firm and its employees may also occasionally have business or personal relationships with other proponents of proxy proposals, participants in proxy contests, corporate directors, or candidates for directorships. If at any time, the responsible voting parties become aware of any type of potential conflict of interest relating to a particular proxy proposal, they will promptly report such conflict to the director of Compliance. Conflicts of interest are handled in various ways depending on the nature of the conflict and its perceived materiality.

The Proxy Voting Policy and Guidelines are posted on the firm's Web site, <http://www.kaynefunds.com>. For inquiries regarding how a specific proxy proposal was voted, please contact Michael O'Neil at 310-282-7905.

Item 18 – Financial Information

KAFA has no financial commitment that impairs its ability to meet its contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.

Item 19 – Privacy Policy

WHAT DOES KA FUND ADVISORS, LCC DO WITH YOUR PERSONAL INFORMATION?

WHY?	Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share and protect your personal information. Please read this notice carefully to understand what we do.	
WHAT?	<p>The types of personal information we collect and share depend on the product or service you have with us. This information can include:</p> <ul style="list-style-type: none"> • Social Security Number and Investment Experience • Account Balances and Assets • Wire Transfer Instructions and Transaction History <p>When you are no longer our customer, we continue to share your information as described in this notice.</p>	
HOW?	All financial companies need to share customer’s personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customer’s personal information; the reasons KA Fund Advisors, LLC (“KAFA”) chooses to share; and whether you can limit this sharing.	
Reasons we can share your personal information	Does KAFA Share?	Can you limit this sharing?
For our everyday business purposes - such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	Yes	No
For our marketing purposes – to offer our products and services to you	No	We don’t share
For joint marketing with other financial companies	No	We don’t share

For our affiliates’ everyday business purposes – information about your transactions and experiences	Yes	No
For our affiliates’ everyday business purposes – information about your creditworthiness	No	We don’t share
For non-affiliates to market to you	No	We don’t share
Questions?	Call (877) 657-3863 or go to www.kaynefunds.com	
Who we are		
Who is providing this notice?	KA Fund Advisors, LLC	
What we do		
How does KAFA protect my personal information?	To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings.	
How does KAFA collect my personal information?	We collect your personal information, for example, when you: <ul style="list-style-type: none">• Open an account;• Give us income information;• Make a wire transfer;• Give us your employment information;• Give us your contact information.	
Why can’t I limit all sharing?	Federal law gives you the right to limit only: <ul style="list-style-type: none">• Sharing for affiliates’ everyday business purposes- information about your creditworthiness• Affiliates from using your information to market to you• Sharing for non-affiliates to market to you	
Definitions		
Affiliates	Companies related by common ownership or control they can be financial and nonfinancial companies. <ul style="list-style-type: none">• Our affiliates include financial companies such as Kayne Anderson Capital Advisors, L.P. and KA Associates, Inc.	

Non-Affiliates	KAFA does not share with non-affiliates so they can market to you.
Joint Marketing	KAFA does not jointly market