

Kayne Anderson MLP Investment CO
Form 486BPOS
April 17, 2009

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As filed with the Securities and Exchange Commission on April 17, 2009
1933 Act File No. 333-151975
1940 Act File No. 811-21593

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form N-2/A

- þ REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933**
 - o PRE-EFFECTIVE AMENDMENT NO.**
 - þ POST-EFFECTIVE AMENDMENT NO. 1**
- and/or**
- þ REGISTRATION STATEMENT UNDER THE INVESTMENT COMPANY ACT OF 1940**
- þ AMENDMENT NO. 29**

Kayne Anderson MLP Investment Company
(Exact Name of Registrant as Specified in Charter)

1800 Avenue of the Stars, Second Floor
Los Angeles, California 90067
(Address of Principal Executive Offices)

Registrant's Telephone Number, including Area Code: (310) 556-2721

David J. Shladovsky, Esq.
KA Fund Advisors, LLC
1800 Avenue of the Stars, Second Floor
Los Angeles, California 90067
(Name and Address of Agent for Service)

Copies of Communications to:
David A. Hearth, Esq.
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55 Second Street, 24th Floor
San Francisco, California 94105-3441
(415) 856-7000

Approximate Date of Proposed Public Offering: From time to time after the effective date of the Registration Statement.

If any of the securities being registered on this form will be offered on a delayed or continuous basis in reliance on Rule 415 under the Securities Act of 1933, other than securities offered in connection with a dividend reinvestment plan, check the following box.

It is proposed that this filing will become effective (check appropriate box):

immediately upon filing pursuant to paragraph (b).

on (date), pursuant to paragraph (b).

60 days after filing pursuant to paragraph (a).

on (date) pursuant to paragraph (a).

CALCULATION OF REGISTRATION FEE UNDER THE SECURITIES ACT OF 1933

Title of Securities Being Registered	Amount Being Registered⁽¹⁾	Proposed Maximum Offering Price Per Unit	Proposed Maximum Aggregate Offering Price⁽²⁾	Amount of Registration Fee
Common Stock, \$0.001 par value per share ⁽³⁾			\$350,000,000	\$13,755 ⁽⁴⁾

⁽¹⁾ There are being registered hereunder a presently indeterminate number of shares of common stock to be offered on an immediate, continuous or delayed basis.

⁽²⁾ Estimated pursuant to Rule 457 solely for the purpose of determining the registration fee. In no event will the aggregate initial offering price of all securities offered from time to time pursuant to the prospectus included as a part of this Registration Statement exceed \$350,000,000.

⁽³⁾ Includes shares that the underwriters have the option to purchase solely to cover over-allotments, if any.

⁽⁴⁾ Previously paid in connection with filing of the initial registration statement for these securities on June 26, 2008.

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KAYNE ANDERSON MLP INVESTMENT COMPANY (the Registrant)

CONTENTS OF THE REGISTRATION STATEMENT

This registration statement of the Registrant contains the following documents:

Facing Sheet

Contents of the Registration Statement

Part A Prospectus and Form of Prospectus Supplement of the Registrant

Part B Statement of Additional Information of the Registrant

Part C Other Information

Signature Page

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PART A

PROSPECTUS AND FORM OF PROSPECTUS SUPPLEMENT OF REGISTRANT

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The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

Subject to completion, dated April 17, 2009

BASE PROSPECTUS

\$350,000,000

Common Stock

We are a non-diversified, closed-end management investment company that began investment activities on September 28, 2004. Our investment objective is to obtain a high after-tax total return by investing at least 85% of our net assets plus any borrowings (our total assets) in energy-related master limited partnerships and their affiliates (collectively, MLPs), and in other companies that, as their principal business, operate assets used in the gathering, transporting, processing, storing, refining, distributing, mining or marketing of natural gas, natural gas liquids (including propane), crude oil, refined petroleum products or coal (collectively with MLPs, Midstream Energy Companies). We invest in equity securities of (i) master limited partnerships, including preferred, common and subordinated units and general partner interests, (ii) owners of such interests in master limited partnerships, and (iii) other Midstream Energy Companies. Additionally, we may invest in debt securities of MLPs and other Midstream Energy Companies. Substantially all of our total assets consist of publicly traded securities of MLPs and other Midstream Energy Companies. We are permitted to may invest up to 50% of our total assets in unregistered or otherwise restricted securities of MLPs and other Midstream Energy Companies, including securities issued by private companies.

We may offer, from time to time, shares of our common stock, \$0.001 par value per share, in one or more offerings. We may offer our common stock in amounts, at prices and on terms set forth in a prospectus supplement to this prospectus. You should read this prospectus and the related prospectus supplement carefully before you decide to invest in our common stock.

We may offer and sell our common stock to or through underwriters, through dealers or agents that we designate from time to time, directly to purchasers or through a combination of these methods. If an offering of our common stock involves any underwriters, dealers or agents, then the applicable prospectus supplement will name the underwriters, dealers or agents and will provide information regarding any applicable purchase price, fee, commission or discount arrangements made with those underwriters, dealers or agents or the basis upon which such amount may be calculated. For more information about the manners in which we may offer our common stock, see Plan of Distribution. We may not sell our common stock through agents, underwriters or dealers without delivery of a prospectus supplement.

(continued on the following page)

Investing in our securities may be speculative and involve a high degree of risk and should not constitute a complete investment program. Before buying any securities, you should read the discussion of the material risks of investing in our securities in Risk Factors beginning on page 10 of this prospectus. You should consider carefully these risks together with all of the other information contained in this prospectus and any prospectus supplement before making a decision to purchase our securities.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

The date of this prospectus is _____, 200 .

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(continued from the previous page)

We are managed by KA Fund Advisors, LLC, a subsidiary of Kayne Anderson Capital Advisors, L.P. (together, Kayne Anderson), a leading investor in MLPs. As of March 31, 2009, Kayne Anderson and its affiliates managed approximately \$6.3 billion, including approximately \$2.7 billion in MLPs and other Midstream Energy Companies.

Shares of our common stock are listed on the New York Stock Exchange (NYSE) under the symbol KYN. The net asset value of our common stock at the close of business on March 31, 2009 was \$14.75 per share, and the last sale price per share of our common stock on the NYSE on such date was \$19.88. See Market and Net Asset Value Information.

Shares of common stock of closed-end investment companies, like ours, frequently trade at discounts to their net asset values. If our common stock trades at a discount to our net asset value, the risk of loss may increase for purchasers in this offering, especially for those investors who expect to sell their common stock in a relatively short period after purchasing shares in this offering. See Risk Factors Risks Related to Our Common Stock Market Discount From Net Asset Value Risk.

Our common stock is junior in liquidation and distribution rights to our debt securities and preferred stock. The issuance of our debt securities and preferred stock represents the leveraging of our common stock. See Use of Leverage Effects of Leverage, Risk Factors Risks Related to Our Common Stock Leverage Risk to Common Stockholders and Description of Capital Stock. The issuance of any additional common stock offered by this prospectus will enable us to increase the aggregate amount of our leverage. Our preferred stock is senior in liquidation and distribution rights to our common stock and junior in liquidation and distribution rights to our debt securities. Investors in our preferred stock are entitled to receive cash dividends at an annual rate that may vary for each dividend period. Our debt securities are our unsecured obligations and, upon our liquidation, dissolution or winding up, rank: (1) senior to all of our outstanding common stock and any preferred stock; (2) on a parity with our obligations to any unsecured creditors and any unsecured senior securities representing our indebtedness; and (3) junior to our obligations to any secured creditors. Holders of our floating rate senior unsecured notes are entitled to receive quarterly cash interest payments at an annual rate that may vary for each rate period. Holders of our fixed rate senior unsecured notes are entitled to receive semi-annual cash interest payments at an annual rate per the terms of such notes.

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You should rely only on the information contained or incorporated by reference in this prospectus and any related prospectus supplement and any free writing prospectus authorized by us. We have not authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted or where the person making the offer or sale is not qualified to do so or to any person to whom it is not permitted to make such offer or sale. You should assume that the information appearing in this prospectus and any prospectus supplement or any free writing prospectus is accurate only as of the respective dates on their front covers, regardless of the time of delivery of this prospectus, any prospectus supplement, any free writing prospectus or any sale of our common stock. Our business, financial condition, results of operations and prospects may have changed since that date.

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This prospectus is part of a registration statement that we have filed with the Securities and Exchange Commission (SEC), using the shelf registration process. Under the shelf registration process, we may sell, at any time, and from time to time, separately or together in one or more offerings, shares of our common stock described in this prospectus. The common stock may be offered at prices and on terms described in one or more supplements to this prospectus. This prospectus provides you with a general description of the common stock that we may offer. Each time we use this prospectus to offer common stock, we will provide a prospectus supplement that will contain specific information about the terms of that offering. The prospectus supplement may also add, update or change information contained in this prospectus. This prospectus, together with any prospectus supplement and free writing prospectuses, sets forth concisely the information about us that a prospective investor ought to know before investing. You should read this prospectus and the related prospectus supplement before deciding whether to invest and retain them for future reference. A statement of additional information, dated April 17, 2009 (SAI), containing additional information about us, has been filed with the SEC and is incorporated by reference in its entirety into this prospectus. You may request a free copy of our stockholder reports and our SAI, by calling (877) 657-3863/MLP-FUND, by accessing our web site (<http://www.kaynefunds.com>), or by writing to us. You may also obtain copies of these documents (and other information regarding us) from the SEC's web site (<http://www.sec.gov>).

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PROSPECTUS SUMMARY

This summary highlights selected information contained elsewhere in this prospectus. This summary does not contain all of the information that you should consider before investing in our common stock offered by this prospectus. You should carefully read the entire prospectus, any related prospectus supplement and the SAI, including the documents incorporated by reference into them, particularly the section entitled Risk Factors and the financial statements and related notes. Except where the context suggests otherwise, the terms we, us, and our refer to Kayne Anderson MLP Investment Company; Kayne Anderson refers to KA Fund Advisors, LLC and its managing member, Kayne Anderson Capital Advisors, L.P. and its predecessor; midstream energy assets refers to assets used in the gathering, transporting, processing, storing, refining, distributing, mining or marketing of natural gas, natural gas liquids (including propane), crude oil, refined petroleum products or coal; MLPs refers to energy-related master limited partnerships, as well as limited liability companies treated as partnerships and affiliates of those energy-related master limited partnerships and limited liability companies that in either case have substantially identical economic characteristics as energy-related master limited partnerships; and Midstream Energy Companies means (i) MLPs and (ii) other companies that, as their principal business, operate midstream energy assets.

About Kayne Anderson MLP Investment Company

Kayne Anderson MLP Investment Company, a Maryland corporation, is a non-diversified, closed-end management investment company registered under the Investment Company Act of 1940, as amended (the 1940 Act). Our investment objective is to obtain a high after-tax total return by investing at least 85% of our total assets in MLPs and other Midstream Energy Companies. We also must comply with the SEC's rule regarding investment company names, which requires us, under normal market conditions, to invest at least 80% of our total assets in MLPs so long as MLP is in our name. Our currently outstanding shares of common stock are listed on the New York Stock Exchange, or NYSE, under the symbol KYN.

We began investment activities in September 2004 following our initial public offering, which raised net proceeds of \$786 million after the payment of offering expenses and underwriting discounts. Since that time, we have completed the following capital raising transactions: (a) five series of auction rate senior notes in an aggregate principal amount of \$505 million, (b) one series of auction rate preferred stock in an aggregate amount of \$75 million, (c) two underwritten public offerings of our common stock for aggregate proceeds after the payment of offering expenses and underwriting discounts of approximately \$205 million, (d) one direct placement of our common stock to purchasers in a privately negotiated transaction for proceeds after the payment of offering expenses of approximately \$28 million, and (e) six series of senior unsecured notes in an aggregate principal amount of \$450 million. As of November 30, 2008, we had approximately 44.2 million shares of common stock outstanding, net assets applicable to our common stock of approximately \$651 million and total assets of approximately \$1.1 billion (including a \$99.3 million net deferred tax asset).

Our \$75 million of Series D Auction Rate Preferred Stock, or ARP Shares, pay adjustable rate dividends, which are redetermined periodically by an auction process. The adjustment period for dividends on ARP Shares may be as short as one day or as long as one year or more. Since February 14, 2008, there have been more ARP Shares offered for sale than there were buyers of those ARP Shares and, as a result, our auctions have failed and the dividend rates on the ARP Shares have been set at such maximum rates. Based on our current credit ratings, the maximum rate is equal to 200% of the greater of (a) the AA Composite Commercial Paper Rate or (b) the applicable London Interbank Offered Rate (LIBOR) rate. The dividend rate was 1.02% as of March 31, 2009.

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In June 2008, we used the net proceeds from the senior unsecured notes, which we collectively refer to as the Senior Notes, and borrowings from our revolving credit facility to redeem \$505 million aggregate principal amount of our four outstanding series of auction rate senior notes due 2045, which we refer to as the Series A, B, C and E Notes, and one outstanding series of auction rate senior notes due 2047, or Series F Notes. Upon deposit of the redemption funds on June 19, 2008, the Series A, B, C, E and F Notes were no longer deemed outstanding pursuant to the terms of the Indenture governing the notes.

On October 8, 2008 and October 10, 2008, we completed the repurchase of \$60 million and \$20 million, respectively, aggregate principal amount of the Senior Notes at 101% of par value. On November 28, 2008, we completed the repurchase of \$66 million aggregate principal amount of the Senior Notes at par value. In each transaction, we used available cash on hand to repay the Senior Notes.

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The Offering

We may offer, from time to time, shares of our common stock at prices and on terms to be set forth in one or more prospectus supplements to this prospectus.

We may offer and sell our common stock to or through underwriters, through dealers or agents that we designate from time to time, directly to purchasers or through a combination of these methods. If an offering of common stock involves any underwriters, dealers or agents, then the applicable prospectus supplement will name the underwriters, dealers or agents and will provide information regarding any applicable purchase price, fee, commission or discount arrangements made with those underwriters, dealers or agents or the basis upon which such amount may be calculated. See Plan of Distribution. We may not sell any of our common stock through agents, underwriters or dealers without delivery of a prospectus supplement describing the method and terms of the offering of our common stock.

Our Portfolio Investments

Our investments in the securities of MLPs and other Midstream Energy Companies are principally in equity securities issued by MLPs. Generally, we invest in equity securities of (i) master limited partnerships, including preferred, common and subordinated units and general partner interests, (ii) owners of such interests in master limited partnerships, and (iii) other Midstream Energy Companies. Finally, we may also, from time to time, invest in debt securities of MLPs and other Midstream Energy Companies with varying maturities of up to 30 years.

We are permitted to invest up to 50% of our total assets in unregistered or otherwise restricted securities of MLPs and other Midstream Energy Companies, including securities issued by private companies. We may invest up to 15% of our total assets in any single issuer.

We are permitted to invest up to 20% of our total assets in debt securities of MLPs and other Midstream Energy Companies, including below investment grade debt securities rated, at the time of investment, at least B3 by Moody's Investors Service, Inc., or Moody's, B- by Standard & Poor's or Fitch Ratings, or Fitch, or, if unrated, determined by Kayne Anderson to be of comparable quality. In addition, up to one-quarter of our permitted investments in debt securities (or up to 5% of our total assets) may include unrated debt securities of private companies.

On a limited basis, we may also use derivative investments to hedge against interest rate and market risks. We may also utilize short sales to hedge such risks and as part of short sale investment strategies.

About Our Investment Adviser

KA Fund Advisors, LLC, or KAFA, is our investment adviser, responsible for implementing and administering our investment strategy. KAFA is a subsidiary of Kayne Anderson Capital Advisors, L.P. (KACALP) and together with KAFA, Kayne Anderson), a SEC-registered investment adviser. As of March 31, 2009, Kayne Anderson and its affiliates managed approximately \$6.3 billion, including approximately \$2.7 billion in MLPs and other Midstream Energy Companies. Kayne Anderson has invested in MLPs and other Midstream Energy Companies since 1998. We believe that Kayne Anderson has developed an understanding of the MLP market that enables it to identify and take advantage of public MLP investment opportunities. In addition, Kayne Anderson's senior professionals have developed a strong reputation in the energy sector and have many long-term relationships with industry managers, which we believe gives Kayne Anderson an important advantage in sourcing and structuring private investments.

Use of Financial Leverage

We leverage our common stock through the issuance of preferred stock, debt securities, our revolving credit facility and other borrowings. The issuance of additional common stock offered by this prospectus will enable us to increase the aggregate amount of our leverage.

The timing and terms of any leverage transactions will be determined by our Board of Directors. The use of leverage involves significant risks and creates a greater risk of loss, as well as potential for more gain, for holders of our common stock than if leverage is not used. Throughout this prospectus, our debt securities, including Senior Notes, our revolving credit facility or other borrowings are collectively referred to as Borrowings. See Risk Factors Risks Related to Our Common Stock Leverage Risk to Common Stockholders.

Under normal market conditions, our policy is to utilize our Borrowings and our preferred stock, including ARP Shares (each a Leverage Instrument and collectively Leverage Instruments) in an amount that represents

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approximately 30% of our total assets, including proceeds from such Leverage Instruments. However, based on market conditions at the time, we may use Leverage Instruments in amounts that represent greater than 30% leverage to the extent permitted by the 1940 Act. As of November 30, 2008, our Leverage instruments represented approximately 36% of our total assets. Leverage Instruments have seniority in liquidation and distribution rights over our common stock. See Use of Leverage.

Because Kayne Anderson's fee is based upon a percentage of our average total assets, Kayne Anderson's fee is likely to be higher since we employ leverage. Therefore, Kayne Anderson has a financial incentive to use leverage, which may create a conflict of interest between Kayne Anderson and our common stockholders. There can be no assurance that our leveraging strategy will be successful during any period in which it is used. The use of leverage involves significant risks. See Risk Factors Risks Related to Our Common Stock Leverage Risk to Common Stockholders.

Distributions and Interest

As of the date of this prospectus, we have paid distributions to common stockholders every fiscal quarter since inception. We are a taxable corporation and thus the component of our distributions that come from our current or accumulated earnings and profits will be taxable to stockholders as dividend income for federal income tax purposes. These dividends will constitute qualified dividend income for federal income tax purposes, which is currently taxable to individual stockholders at a maximum federal income tax rate of 15% for taxable years beginning on or before December 31, 2010, provided certain holding period requirements are met. Distributions that exceed our current or accumulated earnings and profits will continue to be treated as a tax-deferred return of capital to the extent of a stockholder's basis. We expect that a significant portion of our future distributions will be treated as a return of capital to stockholders for tax purposes. A return of capital represents a return of a stockholder's original investment in shares of our stock, and should not be confused with a dividend from earnings and profits. Although return of capital distributions may not be taxable, such distributions may increase an investor's tax liability for capital gains upon the sale of our shares by reducing the investor's tax basis for such shares. Our quarterly distributions, if any, will be determined by our Board of Directors and will be subject to meeting the covenants of our senior debt and asset coverage requirements of the 1940 Act. We will pay distributions and interest on our preferred stock and debt securities, respectively, in accordance with their terms. See Distributions and Tax Matters.

Use of Proceeds

We intend to use the net proceeds of any sales of our common stock pursuant to this prospectus to make investments in portfolio companies in accordance with our investment objective and policies, to repay indebtedness or for general corporate purposes. See Use of Proceeds.

Pending such investments, we anticipate either investing the proceeds in short-term securities issued by the U.S. government or its agencies or instrumentalities or in high quality, short-term or long-term debt obligations or money market instruments. The supplement to this prospectus relating to an offering will more fully identify the use of proceeds from such offering. See Use of Proceeds.

Taxation

We are treated as a corporation for federal income tax purposes and, as a result, unlike most investment companies, we are subject to corporate income tax to the extent we recognize taxable income. As a partner in MLPs, we have to report our allocable share of each MLP's taxable income or loss in computing our taxable income or loss, whether or not we actually receive any cash from such MLP. As of November 30, 2008, we had a net deferred tax asset of \$99.3 million. See Tax Matters.

Risk Management Techniques

We may, but are not required to, use various hedging and other transactions to seek to manage interest rate and market risks. See Risk Factors Risks Related to Our Common Stock Leverage Risk to Common Stockholders. Risks Related to Our Investments and Investment Techniques Derivatives Risk, Investment Objective and Policies Investment Practices Hedging and Other Risk Management Transactions and Our Investments Our Use of Derivatives, Options and Hedging Transactions in our SAI. There is no guarantee we will use these risk management techniques.

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FORWARD-LOOKING STATEMENTS

Certain statements in this prospectus constitute forward-looking statements, which involve known and unknown risks, uncertainties and other factors that may cause our actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by such forward-looking statements. Such factors include, among others, those listed under Risk Factors in this prospectus and our SAI. In this prospectus, we use words such as anticipates, believes, expects, intends and similar expressions to identify forward-looking statements.

The forward-looking statements contained in this prospectus include statements as to:

our operating results;

our business prospects;

the impact of investments that we expect to make;

our contractual arrangements and relationships with third parties;

the dependence of our future success on the general economy and its impact on the industries in which we invest;

our ability to source favorable private investments;

the ability of the MLPs and other Midstream Energy Companies in which we invest to achieve their objectives;

our expected financings and investments;

our use of financial leverage;

our tax status;

the tax status of the MLPs in which we intend to invest;

the adequacy of our cash resources and working capital; and

the timing and amount of distributions and dividends from the MLPs and other Midstream Energy Companies in which we intend to invest.

The factors identified above are believed to be important factors, but not necessarily all of the important factors, that could cause our actual results to differ materially from those expressed in any forward-looking statement.

Unpredictable or unknown factors could also have material adverse effects on us. Since our actual results, performance or achievements could differ materially from those expressed in, or implied by, these forward-looking statements, we cannot give any assurance that any of the events anticipated by the forward-looking statements will occur, or, if any of them do, what impact they will have on our results of operations and financial condition. All forward-looking statements included in this prospectus are expressly qualified in their entirety by the foregoing cautionary statements. You are cautioned not to place undue reliance on these forward-looking statements, which

speaking only as of the date of this prospectus. We do not undertake any obligation to update, amend or clarify these forward-looking statements or the risk factors contained in this prospectus, whether as a result of new information, future events or otherwise, except as may be required under the federal securities laws. Although we undertake no obligation to revise or update any forward-looking statements, whether as a result of new information, future events or otherwise, you are advised to consult any additional disclosures that we may make directly to you or through reports that we in the future may file with the SEC, including our annual reports. We acknowledge that, notwithstanding the foregoing statement, the safe harbor for forward-looking statements under the Private Securities Litigation Reform Act of 1995 does not apply to investment companies such as us.

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We are a non-diversified, closed-end management investment company registered under the 1940 Act, and formed as a Maryland corporation in June 2004. Our common stock is listed on the NYSE under the symbol KYN.

On June 4, 2004, we issued 4,000 shares of our common stock in a private placement to provide us with seed capital prior to our initial public offering of common stock, par value \$0.001 per share, or common stock. Those shares are held by an affiliate of Kayne Anderson.

On September 28, 2004, we issued 30,000,000 shares of common stock in an initial public offering. On October 22, 2004 and November 16, 2004, we issued an additional 1,500,000 and 1,661,900 shares of common stock, respectively, in connection with partial exercises by the underwriters of their over allotment option. The proceeds of the initial public offering and subsequent exercises of the over allotment option of common stock were approximately \$786 million after the payment of offering expenses and underwriting discounts. We completed two additional underwritten public offerings of our common stock on October 17, 2005 and April 17, 2007 for aggregate proceeds after the payment of offering expenses and underwriting discounts of approximately \$205 million. On May 16, 2007, we issued an additional 820,916 shares of common stock in a privately negotiated transaction for proceeds after the payment of offering expenses of approximately \$28 million.

On April 12, 2005, we issued an aggregate amount of \$75 million of ARP Shares. After the payment of offering expenses and underwriting discounts, we received net proceeds of approximately \$74 million from the issuance of the ARP Shares. As of November 30, 2008, the aggregate amount of ARP Shares represented approximately 7.1% of our total assets.

On June 19, 2008, we issued \$450 million of Senior Notes. We used the net proceeds from that offering and borrowings on our revolving credit facility to redeem \$505 million aggregate principal amount of our outstanding Series A, B, C, E and F Notes. Upon deposit of the redemption funds on June 19, 2008, the Series A, B, C, E and F Notes were no longer deemed outstanding pursuant to the terms of the Indenture governing the notes.

On October 8, 2008 and October 10, 2008, we completed the repurchase of \$60 million and \$20 million, respectively, of the Senior Notes at 101% of par value. On November 28, 2008, we completed the repurchase of \$66 million of the Senior Notes at par value. In each transaction, we used available cash on hand to repay the Senior Notes.

We have paid distributions to common stockholders every fiscal quarter since inception. See Distributions.

The following table sets forth information about our outstanding securities as of November 30, 2008 (the information in the table is unaudited):

Title of Class	Amount of Shares/ Aggregate Principal Amount Authorized	Amount Held by Us or for Our Account	Actual Amount Outstanding
Common Stock	199,990,000	0	44,176,186
Auction Rate Preferred Stock, Series D ⁽¹⁾	10,000	0	3,000
Senior Notes, Series G	\$75,000,000	0	\$ 75,000,000

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Senior Notes, Series H ⁽²⁾	\$25,000,000	0	\$ 20,000,000
Senior Notes, Series I	\$60,000,000	0	\$ 60,000,000
Senior Notes, Series J ⁽²⁾	\$40,000,000	0	\$ 24,000,000
Senior Notes, Series K	\$ 125,000,000	0	\$ 125,000,000
Senior Notes, Series L ⁽²⁾	\$ 125,000,000	0	0

⁽¹⁾ Each share has a liquidation preference of \$25,000 (\$75 million aggregate liquidation preference for outstanding shares).

⁽²⁾ On October 8, 2008 and October 10, 2008, we repurchased \$60 million and \$20 million, respectively, of Series L Notes . On November 28, 2008, we repurchased \$5 million of Senior H Notes, \$16 million of Series J Notes and \$45 million of Series L Notes.

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Our principal office is located at 717 Texas Avenue, Suite 3100, Houston, Texas 77002, and our telephone number is (877) 657-3863/MLP-FUND.

FEES AND EXPENSES

The following table contains information about the costs and expenses that common stockholders will bear directly or indirectly. The Annual Expense table below assumes that leverage is 36% of our total assets, which represents the actual leverage on November 30, 2008.

Stockholder Transaction Expenses:

Sales Load Paid by You (as a percentage of offering price) ⁽¹⁾	%
Offering Expenses Borne by Us (as a percentage of offering price) ⁽²⁾	%
Dividend Reinvestment Plan Fees ⁽³⁾	None
Total Stockholder Transaction Expenses (as a percentage of offering price) ⁽⁴⁾	%

Percentage of Net Assets Attributable to Common Stock⁽⁵⁾

Annual Expenses:

Management Fees ⁽⁶⁾	1.97%
Interest Payments on Borrowed Funds ⁽⁷⁾⁽⁸⁾	2.76%
Dividend Payments on Preferred Stock ⁽⁸⁾⁽⁹⁾	0.12%
Other Expenses (exclusive of current and deferred income tax expense (benefit))	0.51%
Annual Expenses (exclusive of current and deferred income tax expense (benefit))	5.36%
Current Income Tax Expense (Benefit) ⁽¹⁰⁾	0.01%
Deferred Income Tax Expense (Benefit) ⁽¹⁰⁾	(52.22)%
Total Annual Expenses (Benefit) (including current and deferred income tax expenses (benefit))	(46.85)%

- (1) The sales load will apply only if the common stock to which this prospectus relates are sold to or through underwriters. In such case, a corresponding prospectus supplement will disclose the applicable sales load.
- (2) The related prospectus supplement will disclose the estimated amount of offering expenses, the offering price and the offering expenses borne by us as a percentage of the offering price.
- (3) The expenses of administering our dividend reinvestment plan are included in Other Expenses. You will pay brokerage charges if you direct American Stock Transfer & Trust Company, as agent for our common stockholders (the Plan Administrator), to sell your common stock held in a dividend reinvestment account. See Dividend Reinvestment Plan.
- (4) The related prospectus supplement will disclose the offering price and the total stockholder transaction expenses as a percentage of the offering price.
- (5) The annual expenses in the table are calculated assuming that leverage is 36% of our total assets, which represents the actual leverage on November 30, 2008. The annual expenses in the table assume no additional issuances of ARP Shares or common stock and no interest rate swap agreements.

- (6) Pursuant to the terms of the Investment Management Agreement, between us and KAFA, the management fee is calculated at an annual rate of 1.375% of our average total assets (excluding net deferred income tax assets). In the table above, management fees are calculated based on our total assets at November 30, 2008. Management fees of 1.97% are calculated as a percentage of net assets attributable to common stock as of November 30, 2008, which results in a higher percentage than the percentage attributable to average total assets. See Management Investment Management Agreement.
- (7) Interest Payments on Borrowed Funds in the table reflect the interest and offering expense borne by us in connection with the issuance of Borrowings as a percentage of our net assets. Interest rates were as follows: Series G Notes, 5.645%; Series H Notes, 3.44%; Series I Notes, 5.847%; Series J Notes, 3.44%; and Series K

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Notes, 5.991%;. Interest rates on Series H and J Notes, which are floating rate notes, are based on the 3-month LIBOR as of March 31, 2009 of 1.19% plus 2.25%. At November 30, 2008, there were no borrowings outstanding under our revolving credit facility. We pay a commitment fee equal to a rate of 0.50% per annum on any unused amounts of the \$125 million revolver commitment.

- (8) Interest payment obligations on our Borrowings and dividend payment obligations on our ARP Shares have been hedged in part by interest rate swap agreements. These estimated payments made or received on our interest rate swap agreements are not included in annual expenses. As of March 31, 2009, we had interest rate swap agreements with a notional amount of \$194 million. The average interest rate payable under these agreements was 1.34% as compared to the variable benchmark (1-month LIBOR) of 0.50%. Our interest rate swap agreements would increase Annual Expenses by 0.27% of net assets attributable to common stock.
- (9) Dividend Payments on Preferred Stock in the table reflect the dividends paid by us in connection with our ARP Shares as a percentage of our net assets, based on the dividend rate of 1.02% in effect as of March 31, 2009.
- (10) For the fiscal year ended November 30, 2008, we recorded a current tax expense of \$0.1 million attributable to net investment losses and deferred tax benefit of \$340 million attributable to our net investment loss, realized losses and unrealized losses.

The purpose of the table above and the example below is to help you understand all fees and expenses that you would bear directly or indirectly as a holder of our common stock. See Management and Dividend Reinvestment Plan.

Example

The following example illustrates the expenses that common stockholders would pay on a \$1,000 investment in our common stock, assuming a 12.0% cash yield on our investments, a 5% annual appreciation in net assets (prior to reinvestment of distributions) and expenses based on a management fee of 1.375% of average total assets and a 37.0% tax rate. Based on these assumptions, annual expenses before tax are 5.4% of net assets attributable to our common stock in year 1 and total annual expenses after tax are 12.2% of net assets attributable to our common stock in year 1. The following example also assumes that all distributions are reinvested at net asset value.

1 Year 3 Years 5 Year