

Kayne Anderson MLP Investment CO
Form POS 8C
April 01, 2011

Table of Contents

As filed with the Securities and Exchange Commission on April 1, 2011

1933 Act File No. 333-165775

1940 Act File No. 811-21593

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

Form N-2

- ☐ REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933**
- PRE-EFFECTIVE AMENDMENT NO.**
- ☐ POST-EFFECTIVE AMENDMENT NO. 3**
and/or
- ☐ REGISTRATION STATEMENT UNDER THE INVESTMENT COMPANY ACT OF 1940**
- ☐ AMENDMENT NO. 35**

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

**717 Texas Avenue, Suite 3100
Houston, Texas 77002**

(Address of Principal Executive Offices)

Registrant's Telephone Number, including Area Code: (713) 493-2020

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.
Paul, Hastings, Janofsky & Walker LLP
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):

☐ when declared effective pursuant to section 8(c).

If appropriate, check the following box:

○ This post-effective amendment designates a new effective date for a previously filed post-effective amendment registration statement.

○ This Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act and the Securities Act registration statement number of the earlier effective registration statement for the same

offering is ____.

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)				
Preferred Stock, \$0.001 par value per share(3)				
Total			\$ 500,000,000	\$35,650(4)

- (1) There are being registered hereunder a presently indeterminate number of shares of common stock and preferred 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 \$500,000,000.
- (3) Includes shares that the underwriters have the option to purchase solely to cover over-allotments, if any.
- (4) Fee previously paid.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until this Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

Table of Contents

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.

BASE PROSPECTUS

Subject to completion, dated April 1, 2011

\$500,000,000

Common Stock

Preferred Stock

Kayne Anderson MLP Investment Company (the Company, we, us, or our) is a non-diversified, closed-end management investment company that began investment activities on September 28, 2004 following our initial public offering. Our investment objective is to obtain a high after-tax total return by investing at least 85% of our total assets in energy-related 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, 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 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) or shares of our preferred stock (\$0.001 par value per share), which we refer to in this prospectus collectively as our securities, in one or more offerings. We may offer our common stock or preferred stock, separately or together, 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 any of our securities.

We may offer and sell our securities 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 securities 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 securities, see Plan of Distribution. We may not sell our securities 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 18 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 , 2011.

Table of Contents

(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 December 31, 2010, Kayne Anderson and its affiliates managed approximately \$11.6 billion, including approximately \$6.7 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 January 31, 2011 was \$27.47 per share, and the last sale price per share of our common stock on the NYSE as of that date was \$29.50. 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 Additional 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 Additional 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. 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.

You should rely only on the information contained or incorporated by reference in this prospectus and any related prospectus supplement. 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 is accurate only as of the respective dates on their front covers, regardless of the time of delivery of this prospectus, any prospectus supplement, or any sale of our common stock. Our business, financial condition, results of operations and prospects may have changed since that date.

TABLE OF CONTENTS

	Page
<u>Prospectus Summary</u>	5
<u>Forward-Looking Statements</u>	9
<u>Kayne Anderson MLP Investment Company</u>	10
<u>Fees and Expenses</u>	11
<u>Financial Highlights</u>	13
<u>Senior Securities</u>	14
<u>Market and Net Asset Value Information</u>	16
<u>Use of Proceeds</u>	17
<u>Risk Factors</u>	18
<u>Distributions</u>	34
<u>Dividend Reinvestment Plan</u>	36
<u>Investment Objective and Policies</u>	37
<u>Use of Leverage</u>	41
<u>Management</u>	44
<u>Net Asset Value</u>	47
<u>Description of Capital Stock</u>	49
<u>Rating Agency Guidelines</u>	60
<u>Our Structure: Common Stock Repurchases and Change in Our Structure</u>	62
<u>Tax Matters</u>	64
<u>Plan of Distribution</u>	68
<u>Transfer Agent and Dividend-Paying Agent</u>	72
<u>Administrator, Custodian and Fund Accountant</u>	72
<u>Legal Matters</u>	72
<u>Table of Contents of Our Statement of Additional Information</u>	73
<u>EX-99.K.4</u>	
<u>EX-99.K.5</u>	
<u>EX-99.K.6</u>	
<u>EX-99.K.7</u>	
<u>EX-99.K.8</u>	
<u>EX-99.K.10</u>	
<u>EX-99.K.11</u>	
<u>EX-99.K.12</u>	
<u>EX-99.N.1</u>	

This prospectus is part of a registration statement that we have filed with the Securities and Exchange Commission (the SEC), using the shelf registration process. Under the shelf registration process, we may offer, from time to time, separately or together in one or more offerings, the securities described in this prospectus. The securities 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 securities that we may offer. Each time we use this prospectus to offer securities, 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, 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 _____, 2011 (the 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 SAI, the table of contents of which is on page 73 of this prospectus, request a free copy of our annual, semi-annual and quarterly reports, request other information or make stockholder inquiries, by calling toll-free at (877) 657-3863, or by writing to us at 717 Texas Avenue, Suite 3100, Houston, Texas 77002. Our

annual, semi-annual and quarterly reports and the SAI also are available on our website at <http://www.kaynefunds.com>. Information included on such website does not form part of this prospectus.

We file reports (including our annual, semi-annual and quarterly reports, and the SAI), proxy statements and other information with the SEC under the Securities Exchange Act of 1934, as amended (the Exchange Act). Copies of such reports, proxy statements and other information, as well as the registration statement and the amendments, exhibits and schedules thereto, can be obtained from the SEC's Public Reference Room in Washington, D.C. Information relating to the Public Reference Room may be obtained by calling the SEC at (202) 551-8090. Such materials, as well as the Company's annual, semi-annual and quarterly reports and other information regarding the Company, are also available on the SEC's website (<http://www.sec.gov>). You may also e-mail requests for these documents to publicinfo@sec.gov or make a request in writing to the SEC's Public Reference Room, 100 F Street, N.E., Room 1580, Washington, D.C. 20549-0112.

Table of Contents**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 securities 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 the Company, we, us, and our refer to Kayne Anderson MLP Investment Company; KAFA or the Advisor refers to KA Fund Advisors, LLC; Kayne Anderson refers to KAFA and its managing member, Kayne Anderson Capital Advisors, L.P. and its predecessor, collectively; midstream energy assets refers to assets used in the gathering, transporting, processing, storing, refining, distributing, mining or marketing of natural gas, natural gas liquids, crude oil, refined petroleum products or coal;

MLPs refers to (i) energy-related partnerships, (ii) energy-related limited liability companies treated as partnerships and (iii) affiliates of those energy-related partnerships, substantially all of whose assets consist of interests in publicly traded 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 outstanding shares of common stock are listed on the New York Stock Exchange (the NYSE) under the symbol KYN.

We began investment activities in September 2004 following our initial public offering. As of January 31, 2011, we had approximately 68.7 million shares of common stock outstanding, net assets applicable to our common stock of approximately \$1.9 billion and total assets of approximately \$3.2 billion.

On May 7, 2010, we completed the private placement of \$110 million of Series A Mandatory Redeemable Preferred Stock (the Series A MRP Shares) and \$110 million of Senior Unsecured Notes, comprised of \$65 million aggregate principal amount of 4.21% Series O Fixed Rate Notes due May 7, 2015 (the Series O Notes) and \$45 million aggregate principal amount of Floating Rate Series P Senior Unsecured Notes due May 7, 2015 (the Series P Notes). On May 7, 2010, we also provided notice of redemption of all of our issued and outstanding Series D Auction Rate Preferred Shares (the ARP Shares) to the holders, auction agent and paying agent of the ARP Shares, with a redemption payment date which occurred on May 28, 2010. On the same date, we used a portion of the proceeds of the above-referenced private placement of Series A MRP Shares, Series O Notes and Series P Notes, and irrevocably deposited with the paying agent the funds necessary to effect such redemption.

On August 11, 2010, we issued 7,250,000 shares of our common stock at a price per share equal to \$26.30 pursuant to an underwritten public offering. We received net proceeds from such offering of approximately \$183 million. On September 9, 2010, the underwriters of such public offering exercised their over-allotment option to purchase an additional 793,877 shares of our common stock at a price per share equal to \$26.30. We received approximately \$20 million of net proceeds from this over-allotment option.

On November 9, 2010, we completed a \$50 million placement of 2,000,000 shares of Mandatory Redeemable Preferred Stock, comprised of 320,000 shares (\$8 million) of Series B Mandatory Redeemable Preferred Stock (the Series B MRP Shares) and 1,680,000 shares (\$42 million) of Series C Mandatory Redeemable Preferred Stock (the Series C MRP Shares). The Series A MRP Shares, the Series B MRP Shares and the Series C MRP Shares are collectively referred to herein as the MRP Shares.

On November 9, 2010, we also completed a private placement of \$140 million of Senior Unsecured Notes, comprised of \$15 million aggregate principal amount of Series Q Fixed Rate Notes due November 9, 2015 (the Series Q Notes), \$25 million aggregate principal amount of Series R Fixed Rate Notes due November 9, 2017 (the Series R Notes), \$60 million aggregate principal amount of Series S Fixed Rate Notes due November 9, 2020 (the Series S Notes) and \$40 million aggregate principal amount of Series T Fixed Rate Notes due November 9, 2022 (the

Series T Notes). The Series Q Notes, the Series R Notes, the Series S Notes and the Series T Notes, together with our Series G, I, K, M, N, O and P Senior Notes are collectively referred to herein as the Senior Notes.

Table of Contents**Our Portfolio Investments**

Our investments 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. (Moody's), B- by Standard & Poor's or Fitch Ratings (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.

As of January 31, 2011, we held \$3.1 billion in equity investments and \$50 million in fixed income investments. As of that date, our investments included restricted securities with a fair market value of \$138 million. Our top 10 largest holdings by issuer as of that date were:

				Amount (\$ millions)	Percent of Long Term Investments
1.	Enterprise Products Partners L.P.	Midstream MLP	Common Units	\$ 286.4	9.1%
2.	Magellan Midstream Partners, L.P.	Midstream MLP	Common Units	202.4	6.4
3.	Kinder Morgan Management, LLC	MLP Affiliate	Common Shares	198.6	6.3
4.	Plains All American Pipeline, L.P.	Midstream MLP	Common Units	188.2	6.0
5.	Inergy, L.P.	Propane MLP	Common Units	166.2	5.3
6.	MarkWest Energy Partners, L.P.	Midstream MLP	Common Units	152.0	4.8
7.	Williams Partners L.P.	Midstream MLP	Common Units	149.6	4.8
8.	Energy Transfer Partners, L.P. ⁽¹⁾	Midstream MLP	Common Units	112.9	3.6
9.	Copano Energy, L.L.C.	Midstream MLP	Common Units	112.5	3.6
10.	Energy Transfer Equity, L.P. ⁽¹⁾	General Partner MLP	Common Units	109.2	3.5

(1) Energy Transfer Equity, L.P. is the general partner of Energy Transfer Partners, L.P.

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 (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. Both Kafa and KACALP are SEC-registered investment advisers. As of December 31, 2010, Kayne Anderson and its affiliates managed approximately \$11.6 billion, including approximately \$6.7 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.

The Offering

We may offer, from time to time, up to \$500 million of our common stock or preferred stock at prices and on terms to be set forth in one or more prospectus supplements to this prospectus. Of the \$500 million of securities, we have offered approximately \$211.6 million of securities as of the date of this prospectus pursuant to prospectus supplements to this prospectus.

Table of Contents

We may offer and sell our securities 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 securities 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 securities through agents, underwriters or dealers without delivery of a prospectus supplement describing the method and terms of the offering of our securities.

Use of Financial Leverage

We may leverage our common stock through the issuance of preferred stock and debt securities, our revolving credit facility and other borrowings. The timing and terms of any leverage transactions will be determined by our Board of Directors. The issuance of additional common stock offered by this prospectus will enable us to increase the aggregate amount of our leverage. Throughout this prospectus, our debt securities, including Senior Notes, our revolving credit facility and other borrowings are collectively referred to as Borrowings.

Under normal market conditions, our policy is to utilize our Borrowings and our preferred stock, (each a Leverage Instrument and collectively Leverage Instruments) in an amount that represents 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, 2010, our Leverage Instruments represented approximately 25.8% of our total assets. Leverage Instruments have seniority in liquidation and distribution rights over our common stock. Costs associated with any issuance of preferred stock are borne immediately by common stockholders and result in a reduction of the net asset value of our common stock. See Use of Leverage.

Because our Adviser's fee is based upon a percentage of our average total assets, our Adviser's fee is higher since we employ leverage. Therefore, our Adviser has a financial incentive to use leverage, which may create a conflict of interest between our Adviser 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 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. See Risk Factors Additional Risks Related to Our Common Stock Leverage Risk to Common Stockholders and Additional Risks Related to Our Preferred Stock Senior Leverage Risk to Preferred Stockholders.

Derivatives and Other Strategies

We currently expect to write call options with the purpose of generating realized gains or reducing our ownership of certain securities. We will only write call options on securities that we hold in our portfolio (*i.e.*, covered calls). A call option on a security is a contract that gives the holder of such call option the right to buy the security underlying the call option from the writer of such call option at a specified price at any time during the term of the option. At the time the call option is sold, the writer of a call option receives a premium (or call premium) from the buyer of such call option. If we write a call option on a security, we have the obligation upon exercise of such call option to deliver the underlying security upon payment of the exercise price. When we write a call option, an amount equal to the premium received by us will be recorded as a liability and will be subsequently adjusted to the current fair value of the option written. Premiums received from writing options that expire unexercised are treated by us as realized gains from investments on the expiration date. If we repurchase a written call option prior to its exercise, the difference between the premium received and the amount paid to repurchase the option is treated as a realized gain or realized loss. If a call option is exercised, the premium is added to the proceeds from the sale of the underlying security in determining whether we have realized a gain or loss. We, as the writer of the option, bear the market risk of an unfavorable change in the price of the security underlying the written option.

We currently expect to utilize hedging techniques such as interest rate swaps to mitigate potential interest rate risk on a portion of our Leverage Instruments. Such interest rate swaps would principally be used to protect us against higher costs on our Leverage Instruments resulting from increases in short-term interest rates. We anticipate that the majority of our interest rate hedges will be interest rate swap contracts with financial institutions.

We may use short sales, arbitrage and other strategies to try to generate additional return. As part of such strategies, we may (i) engage in paired long-short trades to arbitrage pricing disparities in securities held in our portfolio; (ii) purchase call options or put

Table of Contents

options, (iii) enter into total return swap contracts; or (iv) sell securities short. Paired trading consists of taking a long position in one security and concurrently taking a short position in another security within the same or an affiliated issuer. With a long position, we purchase a stock outright; whereas with a short position, we would sell a security that we do not own and must borrow to meet our settlement obligations. We will realize a profit or incur a loss from a short position depending on whether the value of the underlying stock decreases or increases, respectively, between the time the stock is sold and when we replace the borrowed security. See **Risk Factors** **Risks Related to Our Investments and Investment Techniques** **Short Sales Risk**. A total return swap is a contract between two parties designed to replicate the economics of directly owning a security. We may enter into total return swaps with financial institutions related to equity investments in certain Master Limited Partnerships.

To a lesser extent, we may use various hedging and other risk management strategies to seek to manage market risks. Such hedging strategies would be utilized to seek to protect against possible adverse changes in the market value of securities held in our portfolio, or to otherwise protect the value of our portfolio. We may execute our hedging and risk management strategy by engaging in a variety of transactions, including buying or selling options or futures contracts on indexes. See **Risk Factors** **Risks Related to Our Investments and Investment Techniques** **Derivatives Risk**.

Distributions and Interest

As of the date of this prospectus, we have paid distributions to common stockholders every fiscal quarter since inception. Cumulative distributions paid to common stockholders since inception total \$11.51 per share and our distribution rate has increased by 29% from an indicative quarterly rate of \$0.375 per share to our most recent quarterly distribution of \$0.485. We intend to continue to pay quarterly distributions to our common stockholders. Payment of future distributions is subject to approval by our Board of Directors, as well as meeting the covenants of our senior securities and the 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**.

We pay dividends on the Series A MRP Shares, Series B MRP Shares and Series C MRP Shares (collectively, the MRP Shares) in accordance with the terms thereof. The holders of the MRP Shares shall be entitled to receive quarterly cumulative cash dividends, when, as and if authorized by the Board of Directors. The Series A MRP Shares pay dividends at a rate of 5.57% per annum, the Series B MRP Shares pay dividends at a rate of 4.53% per annum and the Series C MRP Shares pay dividends at a rate of 5.20% per annum.

Use of Proceeds

We intend to use the net proceeds of any sales of our securities 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. 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, we are subject to corporate income tax to the extent we recognize net taxable income. As a partner in MLPs, we 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. See **Tax Matters**.

Table of Contents

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;

our expected investments and 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 use of financial leverage and expected financings;

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, dividends and interest income 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 speak 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.

Table of Contents**KAYNE ANDERSON MLP INVESTMENT COMPANY**

We are a non-diversified, closed-end management investment company registered under the 1940 Act. We were formed as a Maryland corporation in June 2004 and began investment activities in September 2004 after our initial public offering. Our common stock is listed on the NYSE under the symbol KYN.

As of January 31, 2011, we had (a) 68.7 million common shares outstanding, (b) \$620 million in Senior Notes outstanding and (c) \$160 million of MRP Shares outstanding. As of January 31, 2011, we had net assets applicable to our common stock of approximately \$1.9 billion and total assets of approximately \$3.2 billion.

The following table sets forth information about our outstanding securities as of January 31, 2011 (the information in the table is unaudited; and amounts are in 000s):

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	0	68,713
Series A Mandatory Redeemable Preferred Shares (1)	\$ 110,000	\$ 0	\$ 110,000
Series B Mandatory Redeemable Preferred Shares (1)	\$ 8,000	\$ 0	\$ 8,000
Series C Mandatory Redeemable Preferred Shares (1)	\$ 42,000	\$ 0	\$ 42,000
Senior Notes, Series G	\$ 75,000	\$ 0	\$ 75,000
Senior Notes, Series I	\$ 60,000	\$ 0	\$ 60,000
Senior Notes, Series K	\$ 125,000	\$ 0	\$ 125,000
Senior Notes, Series M	\$ 60,000	\$ 0	\$ 60,000
Senior Notes, Series N	\$ 50,000	\$ 0	\$ 50,000
Senior Notes, Series O	\$ 65,000	\$ 0	\$ 65,000
Senior Notes, Series P	\$ 45,000	\$ 0	\$ 45,000
Senior Notes, Series Q	\$ 15,000	\$ 0	\$ 15,000
Senior Notes, Series R	\$ 25,000	\$ 0	\$ 25,000
Senior Notes, Series S	\$ 60,000	\$ 0	\$ 60,000
Senior Notes, Series T	\$ 40,000	\$ 0	\$ 40,000

(1) Each share has a liquidation preference of \$25.00 (\$110 million aggregate liquidation preference for outstanding Series A MRP Shares; \$8 million aggregate liquidation preference for outstanding Series B MRP Shares, and \$42 million aggregate liquidation preference for outstanding Series C MRP Shares).

Our principal office is located at 717 Texas Avenue, Suite 3100, Houston, Texas 77002, and our telephone number is (713) 493-2020.

Table of Contents**FEES AND EXPENSES**

The following table contains information about the costs and expenses that common stockholders will bear directly or indirectly. The table below assumes the use of Leverage Instruments in an amount equal to 25.9% of our total assets, which represents our average leverage levels for the fiscal year ended November 30, 2010, and shows our expenses as a percentage of net assets attributable to our common stock. **We caution you that the percentages in the table below indicating annual expenses are estimates and may vary from actual results.**

Stockholder Transaction Expenses:

Sales Load Paid (as a percentage of offering price)(1)	%
Offering Expenses Borne (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)	2.10%
Interest Payments on Borrowed Funds	1.66%
Dividend Payments on Preferred Stock	0.28%
Other Expenses (exclusive of current and deferred income tax expense)	0.23%
Annual Expenses (exclusive of current and deferred income tax expense)	4.27%
Current Income Tax Expense (7)	%
Deferred Income Tax Expense (7)	20.46%
Total Annual Expenses (including current and deferred income tax expenses)	24.73%

- (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 as a percentage of the offering price.
- (3) The expenses of administering our Dividend Reinvestment Plan are included in Other Expenses. Common stockholders will pay brokerage charges if they direct American Stock Transfer & Trust Company, as their agent (the Plan Administrator), to sell their 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 using (i) such expenses as reported on our statement of operations for the fiscal year ended November 30, 2010 and (ii) our average net assets for the fiscal year ended November 30, 2010.
- (6) Pursuant to the terms of the investment management agreement between us and our Adviser, the management fee is calculated at an annual rate of 1.375% of our average total assets (excluding net deferred income tax assets, if

any). Management fees in the table above are calculated as a percentage of net assets attributable to common stock, which results in a higher percentage than the percentage attributable to average total assets. See Management Investment Management Agreement.

(7) For the fiscal year ended November 30, 2010, we recorded no current tax expense and net deferred tax expense of \$293 million attributable to our net investment loss, realized gains and unrealized gains.

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.

Table of Contents**Example**

The following example illustrates the expenses that common stockholders would pay on a \$1,000 investment in our common stock, assuming total annual expenses before tax are 4.27% of net asset value in year 1. The following example assumes that all distributions are reinvested at net asset value, an annual rate of return of 5% on our portfolio securities, and expenses include income tax expense associated with the 5% assumed rate of return on such portfolio securities.

	1 Year	3 Years	5 Years	10 Years
Expenses	\$58	\$178	\$303	\$646

THE EXAMPLE AND THE EXPENSES IN THE TABLE ABOVE SHOULD NOT BE CONSIDERED A REPRESENTATION OF FUTURE EXPENSES. The example assumes that the estimated Annual Expenses (exclusive of current and deferred income tax expense) set forth in the Annual Expenses table are accurate and that all distributions are reinvested at net asset value. ACTUAL EXPENSES (INCLUDING THE COST OF DEBT, IF ANY, AND OTHER EXPENSES) MAY BE GREATER OR LESS THAN THOSE SHOWN. Moreover, our actual rate of return may be greater or less than the hypothetical 5% return shown in the example.

Table of Contents

FINANCIAL HIGHLIGHTS

The Financial Highlights for the period September 28, 2004 (commencement of operations) through November 30, 2004 and the fiscal years ended November 30, 2005, 2006, 2007, 2008, 2009 and 2010, including accompanying notes thereto and the reports of PricewaterhouseCoopers LLP thereon, contained in our Annual Report to Stockholders for the fiscal year ended November 30, 2010 contained in our Form N-CSR filed with the SEC on February 4, 2011 are hereby incorporated by reference into, and are made part of, this prospectus. A copy of such Annual Report to Stockholders must accompany the delivery of this prospectus.

13

Table of Contents**SENIOR SECURITIES**

Information about our outstanding senior securities (including ARP Shares, MRP Shares, Senior Notes and other indebtedness) is shown in the following table as of each fiscal year ended November 30 since we commenced operations. The information for the fiscal years ended 2005, 2006, 2007, 2008, 2009 and 2010, and for the period ended November 30, 2004 has been derived from our financial statements which have been audited by PricewaterhouseCoopers LLP, whose report thereon is included in the financial statements incorporated by reference herein.

Year	Title of Security	Total Amount Outstanding(1) (\$ in 000s)	Asset Coverage Per \$1,000 of Principal or Liquidation Preference Amount	Involuntary Liquidating Preference Per Amount(2) (\$ in 000s)	Average Market Value Per Unit(3)
2004	N/A	N/A	N/A	N/A	N/A
2005	Senior Notes				
	Series A	\$ 85,000	\$ 4,873	\$ 85,000	N/A
	Series B	85,000	4,873	85,000	N/A
	Series C	90,000	4,873	90,000	N/A
	ARP Shares	75,000	3,782	75,000	N/A
2006	Senior Notes				
	Series A	\$ 85,000	\$ 4,497	\$ 85,000	N/A
	Series B	85,000	4,497	85,000	N/A
	Series C	90,000	4,497	90,000	N/A
	Series E	60,000	4,497	60,000	N/A
	Revolving Credit Facility	17,000	4,497	17,000	N/A
	ARP Shares	75,000	3,678	75,000	N/A
2007	Senior Notes				
	Series A	\$ 85,000	\$ 3,284	\$ 85,000	N/A
	Series B				