HEALTHSOUTH CORP
Form 424B5
September 07, 2012
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Filed pursuant to Rule 424(b)(5)
Registration No. 333-183740

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered	Proposed Maximum Offering Price Per Unit	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee (1)
5.75% Senior Notes due 2024	$275,000,000	100.000%	$275,000,000	$31,515
Guarantees related to the Senior Notes (2)				

(1) Calculated in accordance with Rule 457(r) of the Securities Act of 1933, as amended.

(2) Pursuant to Rule 457(n) of the Securities Act of 1933, as amended, no separate fee is payable with respect to the guarantees.

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PROSPECTUS SUPPLEMENT

(To Prospectus Dated September 6, 2012)

$275,000,000

5.75% Senior Notes due 2024

We are offering $275 million aggregate principal amount of our 5.75% senior notes due 2024 (the notes). We will pay interest on the notes semiannually in arrears on May 1 and November 1 of each year, beginning on May 1, 2013. The notes will mature on November 1, 2024.

At any time on or after November 1, 2017, we may redeem some or all of the notes at specified redemption prices. The redemption prices are discussed under the caption Description of Notes Optional Redemption. At any time prior to November 1, 2017, we may at our option redeem all or a portion of the notes, at a redemption price equal to 100% of their principal amount plus a make-whole premium, plus accrued and unpaid interest thereon, if any, to the redemption date. Prior to November 1, 2015, we may redeem up to 35% of the aggregate principal amount of the notes from the proceeds of certain equity offerings at a redemption price of 105.75%, plus accrued and unpaid interest to the redemption date. See Description of Notes Optional Redemption. If we experience specific kinds of changes in control, we must offer to purchase the notes at 101% of the principal amount plus accrued and unpaid interest to the redemption date.

The notes and the guarantees will be senior unsecured obligations of HealthSouth Corporation and our subsidiary guarantors that guarantee borrowings under our credit agreement and other capital markets debt. The notes will rank equal in right of payment to our current and future senior debt and will rank senior in right of payment to any future subordinated debt. The notes will be effectively subordinated to our current and future secured debt, including borrowings under our credit agreement, to the extent of the value of the assets securing such debt. In addition, the notes and the guarantees will be structurally subordinated to any liabilities, including trade payables, of our non-guarantor subsidiaries.

Investing in the notes involves risks. See Risk Factors beginning on page S-5.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the related prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

	Per Note	**Total**
Public Offering Price	100.00%	$ 275,000,000
Underwriting Discount	2.00%	$ 5,500,000
Proceeds to HealthSouth Corporation (before expenses)	98.00%	$ 269,500,000

The initial public offering prices set forth above do not include accrued interest, if any. Interest on the notes will accrue from September 11, 2012 to the date of delivery. The proceeds to HealthSouth Corporation set forth above do not take into account offering expenses.

The notes will not be listed on any securities exchange. We expect that delivery of the notes will be made to investors in book-entry form through the facilities of The Depository Trust Company on or about September 11, 2012.

Joint Book-Running Managers

Wells Fargo Securities **Barclays** **BofA Merrill Lynch**
Citigroup **Goldman, Sachs & Co.** **J.P. Morgan**
Morgan Stanley **RBC Capital Markets** **SunTrust Robinson Humphrey**

September 6, 2012

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In making your investment decision, you should rely only on the information contained or incorporated by reference in this prospectus supplement, the accompanying prospectus or any free writing prospectus filed by us with the Securities and Exchange Commission, or the SEC. We have not, and the underwriters have not, authorized anyone else to provide you with different or additional information. If anyone provides you with any other information, you should not rely on it. We are not, and the underwriters are not, making an offer to sell these securities in any jurisdiction where the offer and sale is not permitted. You should not assume that the information in this prospectus supplement, the accompanying prospectus, any free writing prospectus or any document incorporated by reference is accurate as of any date other than their respective dates. Our business, financial condition, results of operations and prospects may have changed since those dates.

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ABOUT THIS PROSPECTUS SUPPLEMENT

Unless otherwise stated or the context otherwise requires, the terms HealthSouth, we, us, our, and the Company refer to HealthSouth Corporation and its subsidiaries.

We provide information to you about this offering in two separate documents. The accompanying prospectus provides general information about us and the securities we may offer from time to time. This prospectus supplement describes the specific details regarding this offering. Additional information is incorporated by reference in this prospectus supplement. If information in this prospectus supplement is inconsistent with the accompanying prospectus, you should rely on this prospectus supplement.

FORWARD-LOOKING STATEMENTS

This prospectus supplement contains historical information, as well as forward-looking statements that involve known and unknown risks and relate to, among other things, future events, changes to Medicare reimbursement and other healthcare regulations from time to time, our business strategy, our financial plans, our future financial performance, our projected business results, or our projected capital expenditures. In some cases, you can identify forward-looking statements by terminology such as may, will, should, expects, plans, anticipates, believes, es predicts, targets, potential, or continue or the negative of these terms or other comparable terminology. Such forward-looking statements are necessarily estimates based upon current information and involve a number of risks and uncertainties, many of which are beyond our control. Any forward-looking statement is based on information current as of the date of this prospectus supplement and speaks only as of the date on which such statement is made. Actual events or results may differ materially from the results anticipated in these forward-looking statements as a result of a variety of factors. While it is impossible to identify all such factors, factors that could cause actual results to differ materially for those estimated by us include, but are not limited to, those described under the heading Risk Factors, starting on page S-5 of this prospectus supplement

The cautionary statements referred to in this section also should be considered in connection with any subsequent written or oral forward-looking statements that may be issued by us or persons acting on our behalf. We undertake no duty to update these forward-looking statements, even though our situation may change in the future. Furthermore, we cannot guarantee future results, events, levels of activity, performance, or achievements.

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SUMMARY

The following summary is qualified in its entirety by the more detailed information included elsewhere or incorporated by reference in this prospectus supplement. Because this is a summary, it may not contain all the information that may be important to you. You should read this entire prospectus supplement together with the accompanying prospectus, as well as the information incorporated by reference herein, before making an investment decision.

Company Overview

We are the nation s largest owner and operator of inpatient rehabilitation hospitals in terms of revenues, number of hospitals, and patients treated and discharged. In order to focus on this core business and to reduce the excessive amount of debt incurred by our previous management, we completed a strategic repositioning in 2007 when we divested our surgery centers, outpatient, and diagnostic divisions. In 2011, we completed the sale of five of our six freestanding long-term acute care hospitals (LTCHs) and closed the remaining LTCH. As of June 30, 2012, we operated 99 inpatient rehabilitation hospitals (including three hospitals that operate as joint ventures which we account for using the equity method of accounting), 26 outpatient rehabilitation satellite clinics (operated by our hospitals, including one joint venture satellite), and 25 licensed, hospital-based home health agencies. As of June 30, 2012, our inpatient rehabilitation hospitals had 6,538 licensed beds (excluding the three hospitals that have 234 licensed beds and operate as joint ventures which we account for using the equity method of accounting). While our national network of inpatient hospitals stretches across 27 states and Puerto Rico, our inpatient hospitals are concentrated in the eastern half of the United States and Texas. In addition to HealthSouth hospitals, we manage three inpatient rehabilitation units through management contracts.

HealthSouth was incorporated under the laws of the State of Delaware. Our principal executive offices are located at 3660 Grandview Parkway, Suite 200, Birmingham, Alabama 35243, and our telephone number is (205) 967-7116. Our Internet website address is www.healthsouth.com. Information on our website does not constitute part of this prospectus supplement and should not be relied upon in connection with making any investment decision with respect to the notes.

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THE OFFERING

The following summary contains basic information about the notes and is not intended to be complete. It may not contain all the information that may be important to you. For a more complete description of the notes, see Description of Notes. In this summary of the offering, the words we, us, and our refer only to HealthSouth Corporation and not to any of its subsidiaries.

Issuer	HealthSouth Corporation
Notes Offered	$275 million aggregate principal amount of 5.75% senior notes due November 1, 2024.
Maturity	November 1, 2024.
Interest Payment Dates	May 1 and November 1 of each year, beginning on May 1, 2013.
Guarantees	The notes will be jointly and severally guaranteed on a senior unsecured basis by all of our existing and future subsidiaries that guarantee borrowings under our credit agreement and other capital markets debt. However, certain of our subsidiaries will not guarantee the notes. For the six months ended June 30, 2012, the non-guarantor subsidiaries represented in the aggregate approximately 29.6% of our consolidated net operating revenues and approximately 23.4% of our Adjusted EBITDA. As of June 30, 2012, the non-guarantor subsidiaries held approximately 24.2% of our consolidated property and equipment, net. For a discussion of the risks relating to the guarantees, see Risk Factors Risks Related to the Notes Not all of our subsidiaries will be guarantors under the indenture governing the notes. The notes are structurally subordinated to the indebtedness and other liabilities of our non-guarantor subsidiaries.
Ranking	The notes and the guarantees will be senior unsecured obligations of HealthSouth Corporation and our guarantor subsidiaries. The notes will rank equal in right of payment to our current and future senior debt and senior in right of payment to any subordinated debt. The notes will be effectively subordinated to our current and future secured debt, including borrowings under our credit agreement, to the extent of the value of the assets securing such debt. See Description of Notes Ranking. In addition, the notes and the guarantees will be structurally subordinated to any liabilities, including trade payables, of our non-guarantor subsidiaries.
Optional Redemption of Notes	At any time on or after November 1, 2017, we may redeem some or all of the notes at the redemption prices specified in this prospectus supplement under Description of Notes Optional Redemption.
	Prior to November 1, 2017, we may also redeem some or all of the notes at a redemption price equal to 100% of the aggregate principal amount thereof, plus accrued and unpaid interest, if any, to the redemption date plus a make-whole premium.

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	At any time prior to November 1, 2015, we may redeem up to 35% of the aggregate principal amount of the notes in an amount not to exceed the amount of proceeds of one or more equity offerings, at a price equal to 105.75% of the principal amount thereof, plus accrued and unpaid interest, if any, to the redemption date, *provided* that at least 65% of the original aggregate principal amount of the notes issued remains outstanding after the redemption.
Change of Control	Upon the occurrence of a change of control, as defined in the indenture, each holder of the notes will have the right to require us to repurchase such holder s notes at a purchase price in cash equal to 101% of their principal amount, plus accrued and unpaid interest, if any, to the date of purchase. See Description of Notes Change of Control.
Covenants	The indenture governing the notes contain covenants that, among other things, limit our ability and the ability of certain of our subsidiaries to: incur or guarantee indebtedness; pay dividends on, or redeem or repurchase, our capital stock; or repay, redeem or repurchase our subordinated obligations; issue or sell certain types of preferred stock; make investments; incur obligations that restrict the ability of our subsidiaries to make dividends or other payments to us; sell assets; engage in transactions with affiliates; create certain liens; enter into sale/leaseback transactions; and merge, consolidate, or transfer all or substantially all of our assets.
Listing	The notes will not be listed on any securities exchange. Currently, there is no public market for the notes.
Use of Proceeds	

We intend to use the net proceeds from this offering to (i) repay amounts currently drawn on the revolving credit facility under our credit agreement and (ii) redeem up to 10% of the outstanding principal amount of our existing 7.25% Senior Notes due 2018 and our existing 7.75% Senior Notes due 2022. We intend to use the balance of the net proceeds of this offering, if any, for general corporate purposes.

Conflicts of Interest

Because the portion of the net proceeds that may be paid to certain of the underwriters or their affiliates that are lenders under our credit agreement may be at least 5% of the net proceeds of this offering, not including underwriting compensation, this offering is being

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	conducted in accordance with the applicable requirements of Financial Industry Regulatory Authority, Inc. (FINRA) Rule 5121, which requires that a qualified independent underwriter (QIU) participate in the preparation of this prospectus supplement and perform its usual standard of due diligence with respect thereto. As a result of this conflict of interest and in accordance with Rule 5121, RBC Capital Markets, LLC is assuming the responsibilities of acting as the QIU in connection with this offering. We have agreed to indemnify RBC Capital Markets, LLC against certain liabilities incurred in connection with it acting as a qualified independent underwriter for this offering, including liabilities under the Securities Act. See Underwriting (Conflicts of Interest).
Risk Factors	You should carefully consider all information set forth or incorporated by reference in this prospectus supplement and the accompanying prospectus and, in particular, you should carefully read the section entitled Risk Factors beginning on page S-5 of this prospectus supplement before purchasing any of the notes.
Trustee	The Bank of Nova Scotia Trust Company of New York.
Governing Law	The notes will be governed by the laws of the State of New York.

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RISK FACTORS

Investing in the notes involves risks. In addition to the risk factors set forth below, you should carefully consider the risks described under the caption Risk Factors in Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2011 and described under the caption Risk Factors in the accompanying prospectus (which are incorporated by reference herein), as well as the other information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus. Before making a decision to invest in our notes, you should carefully consider these risks as well as other information related to the risk factors contained in other sections of our Annual Report on Form 10-K for the year ended December 31, 2011 and our Quarterly Reports on Form 10-Q for the quarters ended March 31, 2012 and June 30, 2012, which are incorporated herein by reference. Additional risks and uncertainties not currently known to us or that we currently consider immaterial could also have a material adverse effect on our business operations.

Risks Related to the Notes

Our substantial leverage or level of indebtedness may impair our financial condition, may prevent us from fulfilling our obligations under the indenture governing the notes and our other debt instruments, and may have other negative consequences for our business.

As of June 30, 2012, we had approximately $1.2 billion of long-term debt outstanding (including that portion of long-term debt classified as current and excluding $70.2 million in capital leases).

Our substantial indebtedness could have important consequences to you, including:

- making it more difficult for us to satisfy our obligations with respect to the notes;
- limiting our ability to borrow additional amounts to fund working capital, capital expenditures, acquisitions, debt service requirements, execution of our business strategy and other general corporate purposes;
- requiring us to dedicate a substantial portion of our cash flow from operations to pay principal and interest on our debt, which would reduce availability of our cash flow to fund working capital, capital expenditures, acquisitions, execution of our business strategy and other general corporate purposes;
- making us more vulnerable to adverse changes in general economic, industry and competitive conditions, in government regulation and in our business by limiting our flexibility in planning for, and making it more difficult for us to react quickly to, changing conditions;
- placing us at a competitive disadvantage compared with our competitors that have less debt; and
- exposing us to risks inherent in interest rate fluctuations because some of our borrowings will be at variable rates of interest, which could result in higher interest expense in the event of increases in interest rates.

We may not be able to generate sufficient cash to service all of our indebtedness, including the notes, and may be forced to take other actions to satisfy our obligations under our indebtedness which may not be successful.

We are required to use a substantial portion of our cash flow to service our debt. Although we expect to make scheduled interest payments and principal reductions, we cannot assure you that changes in our business or other factors will not occur that may have the effect of preventing us from satisfying obligations under the indenture governing the notes and our other debt instruments. If we are unable to generate sufficient cash flow from operations in the future to service our debt and meet our other needs, we may have to refinance all or a portion of our debt, obtain additional financing or reduce expenditures or sell assets that we deem necessary to our business. We cannot assure you that any of these measures would be possible or that any additional financing could be obtained. A return to tight credit markets will make additional financing more expensive and difficult to obtain. The inability to obtain additional financing could have a material adverse effect on our financial condition and on our ability to meet our obligations to you under the notes.

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Despite current indebtedness levels, we may still be able to incur more debt. This could further exacerbate the risks associated with our substantial indebtedness.

Subject to specified limitations, the indenture governing the notes, the indentures governing our existing senior notes and our credit agreement permit us and our subsidiaries to incur material additional debt. See Description of Our Credit Agreement for a description of the terms of our credit agreement. If new debt is added to our or any of our subsidiaries current debt levels, the risks described in the immediately preceding risk factor could intensify. See Description of Notes Certain Covenants Limitation on Indebtedness for additional information.

The restrictive covenants in our credit agreement, the indenture governing the notes, and the indentures governing our existing senior notes may affect our ability to operate our business successfully.

The indenture governing the notes, the indentures governing our existing senior notes and the terms of our credit agreement do, and our future debt instruments may, contain various provisions that limit our ability and the ability of certain of our subsidiaries to, among other things:

- incur or guarantee indebtedness;
- pay dividends on, or redeem or repurchase, our capital stock or repay, redeem or repurchase our subordinated obligations;
- issue or sell certain types of preferred stock;
- make investments;
- incur obligations that restrict the ability of our subsidiaries to make dividends or other payments to us;
- sell assets;
- engage in transactions with affiliates;
- create certain liens;
- enter into sale/leaseback transactions; and
- merge, consolidate, or transfer all or substantially all of our assets.

These covenants could adversely affect our ability to finance our future operations or capital needs and pursue available business opportunities.

In addition, our credit agreement requires us to maintain specified financial ratios and satisfy certain financial condition tests. Although we were in compliance with the financial ratios and financial condition tests set forth in our credit agreement as of June 30, 2012, we cannot assure you that we will continue to meet those financial ratios and financial condition tests. Events beyond our control, including changes in general economic and business conditions, may affect our ability to meet those financial ratios and financial condition tests. A severe downturn in earnings or a rapid increase in interest rates could impair our ability to comply with those financial ratios and financial condition tests and we may need to obtain waivers from the required proportion of the lenders to avoid being in default. If we try to obtain a waiver from the required lenders, we may not be able to obtain it. If this occurs, we would be in default and the lenders could exercise their rights, including declaring all the funds borrowed (together with accrued and unpaid interest) to be immediately due and payable, terminating their commitments or instituting foreclosure proceedings against our assets, which, in turn, could cause the default and acceleration of the maturity of our other indebtedness. A breach of any other restrictive covenants contained in our credit agreement, the indentures governing our existing senior notes or the indenture governing the notes would also (after giving effect to applicable grace periods, if any) result in an event of default with the same outcome.

The notes and the guarantees will not be secured by any of our assets. Our credit agreement is secured and our senior secured lenders have a prior claim on substantially all of our assets. The notes and guarantees are effectively subordinated to secured debt to the extent of the value of the assets securing such debt.

The notes and the guarantees will not be secured by any of our assets. However, our credit agreement is secured by substantially all of our assets, including the stock of substantially all of our domestic wholly owned subsidiaries (including future subsidiaries, if any). See Description of Our Credit Agreement. If we become insolvent or are liquidated, or if payment under any of the instruments governing our secured debt is accelerated, the lenders under those instruments will be entitled to exercise the remedies available to a secured lender under applicable law and pursuant to the documents governing such debt. Accordingly, the lenders under our credit agreement have a prior claim on our assets securing the debt owed to them. In that event, because the notes and the guarantees will not be secured by any of our assets, it is possible that our remaining assets might be insufficient to satisfy your claims in full. See Note 8, *Long-term Debt*, to the consolidated financial statements contained in our Current Report on Form 8-K dated September 6, 2012 and Description of Notes Certain Covenants in this prospectus supplement for additional information.

As of June 30, 2012, we had $195.0 million of senior secured indebtedness (excluding $70.2 million of capital lease obligations) and $355.6 million of available borrowing capacity under the revolving portion of our prior credit agreement. Assuming this offering, the application of the net proceeds therefrom to pay down all amounts outstanding under the revolving credit facility under our credit agreement and partially redeem certain of our existing senior notes, and the August 2012 refinancing of our prior credit agreement had all been completed on June 30, 2012, as of that date we would have had no outstanding senior secured indebtedness (excluding $70.2 million of capital lease obligations) and $555.6 million of available borrowing capacity under the revolving portion of our credit agreement. See Description of Our Credit Agreement. We will be permitted to borrow substantial additional secured indebtedness in the future under the terms of the indenture. See Description of Notes Certain Covenants Limitation on Indebtedness, Description of Notes Certain Covenants Limitation on Liens, and Description of Our Credit Agreement.

Not all of our subsidiaries will be guarantors under the indenture governing the notes. The notes are structurally subordinated to the indebtedness and other liabilities of our non-guarantor subsidiaries.

Not all of our subsidiaries will guarantee the notes. The notes will be guaranteed by all of our current and future subsidiaries that guarantee borrowings under our credit agreement and other capital markets debt. Certain of our 100% owned subsidiaries and all of our non-wholly owned subsidiaries, through which we conduct a significant portion of our business, will not guarantee the notes due to, among other things, restrictions in their constituent documents or other agreements. These non-guarantor subsidiaries do not guarantee borrowings under our credit agreement. The notes are structurally subordinated to the outstanding indebtedness and other liabilities, including trade payables, of our non-guarantor subsidiaries. Assuming we had completed this offering on June 30, 2012, these notes would have been structurally subordinated to approximately $195.6 million of indebtedness and other liabilities, including trade payables (excluding intercompany liabilities) of our non-guarantor subsidiaries.

The non-guarantor subsidiaries generated approximately 29.7% of our consolidated net operating revenues and approximately 23.6% of our Adjusted EBITDA for the year ended December 31, 2011. For the six months ended June 30, 2012, the non-guarantor subsidiaries represented in the aggregate approximately 29.6% of our consolidated net operating revenues and approximately 23.4% of our Adjusted EBITDA. As of June 30, 2012, the non-guarantor subsidiaries held approximately 24.2% of our consolidated property and equipment, net. In the event of a bankruptcy, liquidation or reorganization of any of our non-guarantor subsidiaries, holders of their indebtedness and their trade creditors will generally be entitled to payment of their claims from the assets of those subsidiaries before any assets are made available for distribution to us.

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The lenders under our credit agreement have the discretion to release the guarantors under the credit agreement under certain circumstances, which will cause those guarantors to be released from their guarantees of the notes if they are not guaranteeing any capital markets debt.

The lenders under our credit agreement have the discretion to release the guarantees under the credit agreement under certain circumstances. While any obligations under the credit agreement remain outstanding, any guarantee of the notes may be released without action by, or consent of, any holder of the notes or the trustee under the indenture governing the notes, if the related guarantor is no longer a guarantor of obligations under the credit agreement and is not then a guarantor or obligor of any capital markets indebtedness in addition to the notes offered hereby. See Description of Notes Guarantees. Holders of the notes will not have a claim as a creditor against any subsidiary that is no longer a guarantor of the notes, and the indebtedness and other liabilities, including trade payables, of those subsidiaries will be structurally senior to claims of any holder of the notes.

We may not have the funds to purchase the notes and the existing senior notes upon a change of control offer as required by the indenture governing the notes and the indentures governing our existing senior notes.

Upon a change of control, as defined in the indenture governing the notes, subject to certain conditions, we are required to offer to repurchase all outstanding notes at 101% of the principal amount thereof, plus accrued and unpaid interest to, but not including, the date of repurchase. The indentures governing our existing senior notes also require us to offer to repurchase all of our outstanding existing senior notes at 101% of the principal amount thereof, plus accrued and unpaid interest to, but not including, the date of repurchase, in the event of a change of control. The source of funds for that purchase of notes and existing senior notes will be our available cash, cash generated from our operations or the operations of our subsidiaries or other potential sources, including borrowings, sales of assets or sales of equity. We cannot assure you that sufficient funds from such sources will be available at the time of any change of control to make required repurchases of notes and existing senior notes tendered. In addition, the terms of our credit agreement limit our ability to repurchase your notes and the existing senior notes, and provide that certain change of control events constitute an event of default thereunder. Our future debt agreements may contain similar restrictions and provisions. If the holders of the notes or the existing senior notes exercise their right to require us to repurchase all the notes or existing senior notes upon a change of control, the financial effect of this repurchase could cause a default under our other debt, even if the change of control itself would not cause a default. Accordingly, it is possible that we will not have sufficient funds at the time of the change of control to make the required repurchase of the notes, our existing senior notes and our other debt, or that restrictions in our credit agreement and the indenture governing the notes and the indentures governing our existing senior notes will not allow such repurchases. In addition, certain corporate events, such as leveraged recapitalizations that would increase the level of our indebtedness, would not constitute a change of control under the indentures. See Description of Notes Change of Control in this prospectus supplement for additional information.

There is no established trading market for the notes.

There is no established trading market for the notes. We cannot assure you that an active trading market will develop or be maintained for the notes. We do not intend to apply for listing of the notes on any securities exchange. If a market for the notes does not develop, you may not be able to resell your notes for an extended period of time, if at all. Consequently, your lenders may be reluctant to accept the notes as collateral for loans. Moreover, if markets for the notes do develop in the future, we cannot assure you that these markets will continue indefinitely or that the notes can be sold at a price equal to or greater than their initial offering price. Historically, the market for non-investment grade debt has been subject to disruptions that have caused substantial volatility in the prices of securities similar to the notes. The market for the notes, if any, may be subject to similar disruptions. Any such disruptions may materially adversely affect you as a holder of the notes. In addition, in response to prevailing interest rates and market conditions generally, as well as our performance, the notes could trade at a price lower than their initial offering price.

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Federal and state statutes could allow courts, under specific circumstances, to void the subsidiary guarantees and require note holders to return payments received from subsidiary guarantors.

Under U.S. bankruptcy law and comparable provisions of state fraudulent transfer laws, a court could void a subsidiary guarantee or claims related to a guarantor or void any payment by a subsidiary guarantor pursuant to the notes or a subsidiary guarantee and require that payment to be returned to such subsidiary guarantor or to a fund for the benefit of the creditors of the subsidiary guarantor if, among other things, the subsidiary guarantor, at the time it incurred the indebtedness evidenced by its subsidiary guarantee:

intended to hinder, delay or defraud any present or future creditor or

received less than reasonably equivalent value or fair consideration for the incurrence of such indebtedness at a time when it:

was insolvent or rendered insolvent by reason of such incurrence;

was engaged in a business or transaction for which the subsidiary guarantor s remaining assets constituted unreasonably small capital; or

intended to incur, or believed that it would incur, debts beyond the subsidiary guarantor s ability to pay such debts as they mature.

The measures of insolvency for purposes of fraudulent transfer laws will vary depending upon the governing law in any proceeding to determine whether a fraudulent transfer has occurred. Generally, however, a subsidiary guarantor would be considered insolvent if:

the sum of its debts, including contingent liabilities, was greater than the fair saleable value of all of its assets;

the present fair saleable value of its assets was less than the amount that would be required to pay its probable liability on its existing debts, including contingent liabilities, as they become absolute and mature; or

it could not pay its debts as they become due.

There can be no assurance, however, as to what standard a court would apply in making such determinations or that a court would agree with our or any subsidiary guarantors conclusions in this regard.

The indenture governing the notes offered hereby will contain a savings clause intended to limit each subsidiary guarantor s liability under its guarantee to the maximum amount that will result in the obligations of such subsidiary guarantor under its guarantee of the notes not constituting a fraudulent conveyance or fraudulent transfer under applicable law. However, as was demonstrated in a recent bankruptcy case originating in the State of Florida which was affirmed by the Eleventh Circuit Court of Appeals on other grounds, this provision may not be effective to protect the subsidiary guarantees from being voided under fraudulent conveyance or fraudulent transfer laws. Accordingly, there can be no assurance that this provision will be upheld as intended.

If a guarantee is deemed to be a fraudulent transfer, it could be voided altogether, or it could be subordinated to all other debts of the guarantor. In such case, any payment by the guarantor pursuant to its guarantee could be required to be returned to the guarantor or to a fund for the benefit of the creditors of the guarantor. If a guarantee is voided or held unenforceable for any other reason, holders of the notes offered hereby would cease to have a claim against the subsidiary guarantor based on the guarantee and would be creditors only of the Company and any guarantor whose guarantee was not similarly voided or otherwise held unenforceable.

Finally, as a court of equity, the bankruptcy court may subordinate the claims in respect of the notes to other claims against us under the principal of equitable subordination if the court determines that (1) the holder of notes engaged in some type of inequitable conduct, (2) the inequitable conduct resulted in injury to our other creditors or conferred an unfair advantage upon holders of notes and (3) equitable subordination is not inconsistent with the provisions of the bankruptcy code.

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Risks Related to Our Business

Reductions or changes in reimbursement from government or third-party payors and other legislative and regulatory changes affecting our industry could adversely affect our operating results.

We derive a substantial portion of our *Net operating revenues* from the Medicare program. Historically, Congress and some state legislatures have periodically proposed significant changes in regulations governing the healthcare system. Many of these changes have resulted in limitations on the increases in and, in some cases, significant roll-backs or reductions in the levels of payments to healthcare providers for services under many government reimbursement programs. There can be no assurance that future governmental initiatives will not result in pricing roll-backs or freezes or reimbursement reductions.

In March 2010, President Obama signed into law the Patient Protection and Affordable Care Act (the PPACA) and the Health Care and Education Reconciliation Act of 2010, which amended the PPACA (together, the 2010 Healthcare Reform Laws). Many provisions within the 2010 Healthcare Reform Laws have impacted or could in the future impact our business, including: (1) reducing annual market basket updates to providers, which include annual productivity adjustment reductions; (2) implementing pilot studies to assess the potential benefits of combining, or bundling, reimbursement for a Medicare beneficiary s episode of care; (3) implementing a voluntary program for accountable care organizations (ACOs); (4) creating an Independent Payment Advisory Board; and (5) modifying employer-sponsored healthcare insurance plans.

Most notably for us are the reductions in our annual market basket updates. In accordance with Medicare laws and statutes, the United States Centers for Medicare and Medicaid Services (CMS) makes annual adjustments to Medicare reimbursement rates by what is commonly known as a market basket update. The reductions in our annual market basket updates began April 1, 2010 and continue through 2019 for each CMS fiscal year, which for us begins October 1, as follows:

2010	2011	2012-13	2014	2015-16	2017-19
0.25%	0.25%	0.1%	0.3%	0.2%	0.75%

In addition, beginning on October 1, 2011, the 2010 Healthcare Reform Laws require the market basket update to be reduced further by a productivity adjustment on an annual basis. The productivity adjustments equal the trailing 10-year average of changes in annual economy-wide private nonfarm business multi-factor productivity. The productivity adjustment effective from October 1, 2011 to September 30, 2012 is a decrease to the market basket update of 1.0%, while the productivity adjustment effective October 1, 2012 to September 30, 2013 is a decrease to the market basket update of 0.7%.

On August 2, 2011, President Obama signed into law the Budget Control Act of 2011, provisions of which will result in an automatic 2% reduction of Medicare program payments for all healthcare providers effective upon executive order of the President in January 2013. We currently estimate this automatic reduction, known as sequestration, will result in a net decrease in our *Net operating revenues* of approximately $32 million annually in 2013. Additionally, concerns held by federal policymakers about the federal deficit and national debt levels could result in enactment of further federal spending reductions, further entitlement reform legislation affecting the Medicare program, or both. We cannot predict what alternative or additional deficit reduction initiatives or Medicare payment reductions, if any, will ultimately be enacted into law, or the timing or effect any such initiatives or reductions will have on us.

The 2010 Healthcare Reform Laws include other provisions that could affect us as well. They include the expansion of the federal Anti-Kickback Law and the False Claims Act that, when combined with other recent federal initiatives, are likely to increase investigation and enforcement efforts in the healthcare industry generally. Changes include increased resources for enforcement, lowered burden of proof for the government in

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healthcare fraud matters, expanded definition of claims under the False Claims Act, enhanced penalties, and increased rewards for relators in successful prosecutions. The 2010 Healthcare Reform Laws also require the establishment of new mandatory quality data reporting programs for inpatient rehabilitation facilities to take effect for fiscal year 2014. Effective October 1, 2012, all inpatient rehabilitation facilities will be required to submit data for the IRF Quality Reporting Program to CMS. Beginning in fiscal year 2014, and each subsequent fiscal year thereafter, failure to submit the required quality data will result in a two percentage point reduction to the applicable facility s annual market basket increase factor for payments made for discharges occurring during that fiscal year. We are preparing our hospitals for these reporting requirements and will begin submitting the required data to CMS in October.

Some states in which we operate have also undertaken, or are considering, healthcare reform initiatives that address similar issues. While many of the stated goals of the reform initiatives are consistent with our own goal to provide care that is high-quality and cost-effective, legislation and regulatory proposals may lower reimbursements, increase the cost of compliance, and otherwise adversely affect our business. We cannot predict what healthcare initiatives, if any, will be enacted, implemented or amended, or the effect any future legislation or regulation will have on us.

If we are not able to maintain increased case volumes or reduce operating costs to offset any future pricing roll-back, reduction, or freeze or increased costs associated with new regulatory compliance obligations, our operating results could be adversely affected. Our results could be further adversely affected by other changes in laws or regulations governing the Medicare program, as well as possible changes to or expansion of the audit processes conducted by Medicare contractors or Medicare recovery audit contractors.

In addition, there are increasing pressures, including as a result of the 2010 Healthcare Reform Laws, from many third-party payors to control healthcare costs and to reduce or limit increases in reimbursement rates for medical services. Our relationships with managed care and non-governmental third-party payors, such as health maintenance organizations and preferred provider organizations, are generally governed by negotiated agreements. These agreements set forth the amounts we are entitled to receive for our services. We could be adversely affected in some of the markets where we operate if we are unable to negotiate and maintain favorable agreements with third-party payors.

Our third-party payors may also, from time to time, request audits of the amounts paid, or to be paid, to us under our agreements with them. We could be adversely affected in some of the markets where we operate if the auditing payor alleges that substantial overpayments were made to us due to coding errors or lack of documentation to support medical necessity determinations.

Competition for staffing, shortages of qualified personnel, union activity or other factors may increase our labor costs and reduce profitability.

Our operations are dependent on the efforts, abilities, and experience of our medical personnel, such as physical therapists, occupational therapists, speech pathologists, nurses, and other healthcare professionals and our management. We compete with other healthcare providers in recruiting and retaining qualified management and support personnel responsible for the daily operations of each of our hospitals. In some markets, the lack of availability of medical personnel is an operating issue facing all healthcare providers. This shortage may require us to continue to enhance wages and benefits to recruit and retain qualified personnel or to contract for more expensive temporary personnel. We also depend on the available labor pool of semi-skilled and unskilled employees in each of the markets in which we operate.

If our labor costs increase, we may not be able to raise rates to offset these increased costs. Because a significant percentage of our revenues consists of fixed, prospective payments, our ability to pass along increased labor costs is limited. In particular, if labor costs rise at an annual rate greater than our net annual market basket

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update from Medicare, our results of operations and cash flows will likely be adversely affected. Union activity is another factor that may contribute to increased labor costs. Our failure to recruit and retain qualified management and medical personnel, or to control our labor costs, could have a material adverse effect on our business, financial position, results of operations, and cash flows.

Compliance with the extensive laws and government regulations applicable to healthcare providers requires substantial time, effort and expense, and if we fail to comply with them, we could suffer penalties or be required to make significant changes to our operations.

As a healthcare provider, we are required to comply with extensive and complex laws and regulations at the federal, state, and local government levels. These laws and regulations relate to, among other things:

- licensure, certification, and accreditation;
- policies, either at the national or local level, delineating what conditions must be met to qualify for reimbursement under Medicare (also referred to as coverage requirements);
- coding and billing for services;
- requirements of the 60% compliance threshold under the 2007 Medicare Act;
- relationships with physicians and other referral sources, including physician self-referral and anti-kickback laws;

Midstream MLP[2] 157.2%		
Andeavor Logistics LP	657	$ 29,398
Antero Midstream Partners LP	1,255	34,563
BP Midstream Partners LP[3]	2,542	46,442
Buckeye Partners, L.P.	2,916	133,953
Cheniere Energy Partners, L.P.	494	13,290
Crestwood Equity Partners LP	1,443	34,557
DCP Midstream, LP	4,763	167,365
Dominion Midstream Partners, LP Convertible Preferred Units[4)(5)(6]	525	17,983
Enbridge Energy Management, L.L.C.[7]	2,468	33,312
Enbridge Energy Partners, L.P.	2,671	39,056
Energy Transfer Partners, L.P.	18,385	305,374
EnLink Midstream Partners, LP	4,120	65,878
Enterprise Products Partners L.P.[8]	19,830	488,403
EQT Midstream Partners, LP	654	44,859
Genesis Energy, L.P.	646	13,861
Global Partners LP	790	13,745
Magellan Midstream Partners, L.P.	1,930	129,279
MPLX LP	4,753	170,451
MPLX LP Convertible Preferred Units[4)(5)(9]	2,255	90,779
NGL Energy Partners LP	1,104	13,802
Noble Midstream Partners LP	278	13,761

NuStar Energy L.P.	651	18,912
Oasis Midstream Partners LP[3]	675	12,223
Phillips 66 Partners LP	533	24,965
Plains All American Pipeline, L.P.[10]	8,710	169,854
Plains GP Holdings, L.P. Plains AAP, L.P.[5)(10)(11]	1,278	26,305
Shell Midstream Partners, L.P.	977	26,422
Spectra Energy Partners, LP	1,357	55,545
Sprague Resources LP	713	17,284
Summit Midstream Partners, LP	1,997	37,852
Tallgrass Energy Partners, LP	1,469	64,501
TC PipeLines, LP	743	37,732
Western Gas Partners, LP	3,879	173,862
Williams Partners L.P.	8,287	304,134
		2,869,702
Midstream Company 21.3%		
Kinder Morgan, Inc.	1,105	19,030
ONEOK, Inc.	4,341	225,285
Targa Resources Corp.	3,332	144,616
		388,931
Shipping MLP 1.4%		
Capital Product Partners L.P. Class B Units[4)(5)(12]	3,030	23,758
Golar LNG Partners LP	122	2,432
		26,190

See accompanying notes to financial statements.

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KAYNE ANDERSON MLP INVESTMENT COMPANY

SCHEDULE OF INVESTMENTS

NOVEMBER 30, 2017

(amounts in 000 s)

Description	**No. of Shares/Units**	**Value**
General Partner MLP 1.3%		
Energy Transfer Equity, L.P.	1,425	$ 23,090
Upstream MLP 0.4%		
Viper Energy Partners LP	375	7,867
Total Long-Term Investments (Cost $2,753,563)		3,315,780
Short-Term Investment 4.1%		
Money Market Fund 4.1%		
JPMorgan 100% U.S. Treasury Securities Money Market Fund - Capital Shares, 0.97% (13) (Cost $75,305)	75,305	75,305
Total Investments United States 185.7% (Cost $2,828,868)		3,391,085
Debt		(747,000)
Mandatory Redeemable Preferred Stock at Liquidation Value		(292,000)
Deferred Income Tax Liability		(493,787)
Current Income Tax Liability		(14,678)
Other Liabilities in Excess of Other Assets		(17,447)
Net Assets Applicable to Common Stockholders		$ 1,826,173

(1) Unless otherwise noted, equity investments are common units/common shares.

(2) Includes limited liability companies and affiliates of master limited partnerships.

(3) Security is not currently paying cash distributions but is expected to pay cash distributions within the next 12 months.

(4) Fair valued security. See Notes 2 and 3 in Notes to Financial Statements.

(5) The Company s ability to sell this security is subject to certain legal or contractual restrictions. As of November 30, 2017, the aggregate value of restricted securities held by the Company was $158,825 (4.7% of total assets), which included $26,305 of Level 2 securities and $132,520 of Level 3 securities. See Note 7 Restricted Securities.

(6) On December 1, 2016, the Company purchased, in a private placement, Series A Convertible Preferred Units (DM Convertible Preferred Units) from Dominion Midstream Partners, LP (DM). The DM Convertible Preferred Units are senior to the common units in terms of liquidation preference and priority of distributions and pay a quarterly distribution of $0.3135 per unit for the first two years and thereafter will pay the higher of (a) $0.3135 per unit or (b) the distribution that the DM Convertible Preferred Units would receive on an as converted basis. For the first two years, the distribution may be paid, at DM s option, in cash or in units. After two years, the distribution will be paid in cash. The DM Convertible Preferred Units are subject to a lock-up agreement through December 1, 2017. Holders of the DM Convertible Preferred Units may convert on a one-for-one basis to DM common units any time after December 1, 2018.

(7) Dividends are paid-in-kind.

(8) In lieu of cash distributions, the Company has elected to receive distributions in additional units through the partnership s dividend reinvestment program.

(9) On May 13, 2016, the Company purchased, in a private placement, Series A Convertible Preferred Units (MPLX Convertible Preferred Units) from MPLX LP (MPLX). The MPLX Convertible Preferred Units are senior to the common units in terms of liquidation preference and priority of distributions and pay a quarterly distribution of $0.528125 per unit for the first two years and thereafter will pay the higher

See accompanying notes to financial statements.

KAYNE ANDERSON MLP INVESTMENT COMPANY

SCHEDULE OF INVESTMENTS

NOVEMBER 30, 2017

(amounts in 000 s)

of (a) $0.528125 per unit or (b) the distribution that the MPLX Convertible Preferred Units would receive on an as converted basis. Holders of the MPLX Convertible Preferred Units may convert on a one-for-one basis to MPLX common units any time after May 13, 2019.

(10) The Company believes that it is an affiliate of Plains AAP, L.P. (PAGP-AAP) and Plains All American Pipeline, L.P. (PAA). See Note 5 Agreements and Affiliations.

(11) The Company s ownership of PAGP-AAP is exchangeable on a one-for-one basis into either Plains GP Holdings, L.P. (PAGP) shares or PAA units at the Company s option. The Company values its PAGP-AAP investment on an as exchanged basis based on the higher public market value of either PAGP or PAA. As of November 30, 2017, the Company s PAGP-AAP investment is valued at PAGP s closing price. See Notes 3 and 7 in Notes to Financial Statements.

(12) Class B Units are convertible on a one-for-one basis into common units of Capital Product Partners L.P. (CPLP) and are senior to the common units in terms of liquidation preference and priority of distributions (liquidation preference of $9.00 per unit). The Class B Units pay quarterly cash distributions and are convertible at any time at the option of the holder. The Class B Units paid a distribution of $0.21375 per unit for the fourth quarter.

(13) The rate indicated is the current yield as of November 30, 2017.

See accompanying notes to financial statements.

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KAYNE ANDERSON MLP INVESTMENT COMPANY

STATEMENT OF ASSETS AND LIABILITIES

NOVEMBER 30, 2017

(amounts in 000 s, except share and per share amounts)

ASSETS	
Investments at fair value:	
Non-affiliated (Cost $2,630,300)	$ 3,119,621
Affiliated (Cost $123,263)	196,159
Short-term investments (Cost $75,305)	75,305
Total investments (Cost $2,828,868)	3,391,085
Cash	2,000
Deposits with brokers	250
Receivable for securities sold	4,336
Dividends and distributions receivable	465
Deferred credit facility and term loan offering costs and other assets	1,197
Total Assets	3,399,333
LIABILITIES	
Payable for securities purchased	4,283
Investment management fee payable	11,896
Accrued directors fees and expenses	95
Accrued expenses and other liabilities	14,498
Current income tax liability	14,678
Deferred income tax liability	493,787
Notes	747,000
Unamortized notes issuance costs	(2,812)
Mandatory redeemable preferred stock, $25.00 liquidation value per share (11,680,000 shares issued and outstanding)	292,000
Unamortized mandatory redeemable preferred stock issuance costs	(2,265)
Total Liabilities	1,573,160
NET ASSETS APPLICABLE TO COMMON STOCKHOLDERS	$ 1,826,173
NET ASSETS APPLICABLE TO COMMON STOCKHOLDERS CONSIST OF	
Common stock, $0.001 par value (114,877,080 shares issued and outstanding, 188,320,000 shares authorized)	$ 115
Paid-in capital	1,989,481
Accumulated net investment loss, net of income taxes, less dividends	(1,520,467)
Accumulated realized gains, net of income taxes	1,005,086
Net unrealized gains, net of income taxes	351,958
NET ASSETS APPLICABLE TO COMMON STOCKHOLDERS	$ 1,826,173
NET ASSET VALUE PER COMMON SHARE	$ 15.90

See accompanying notes to financial statements.

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KAYNE ANDERSON MLP INVESTMENT COMPANY

STATEMENT OF OPERATIONS

FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2017

(amounts in 000 s)

INVESTMENT INCOME	
Income	
Dividends and distributions:	
Non-affiliated investments	$ 256,856
Affiliated investments	20,054
Total dividends and distributions	276,910
Return of capital	(244,872)
Distributions in excess of cost basis	(11,271)
Net dividends and distributions	20,767
Interest income	83
Total Investment Income	20,850
Expenses	
Investment management fees	52,324
Administration fees	1,210
Professional fees	566
Directors fees and expenses	448
Reports to stockholders	315
Custodian fees	203
Insurance	122
Other expenses	650
Total Expenses before interest expense, preferred distributions and taxes	55,838
Interest expense including amortization of offering costs	29,576
Distributions on mandatory redeemable preferred stock including amortization of offering costs	12,158
Total Expenses before taxes	97,572
Net Investment Loss Before Taxes	(76,722)
Current income tax benefit	3,941
Deferred income tax benefit	21,403
Net Investment Loss	(51,378)
REALIZED AND UNREALIZED GAINS (LOSSES)	
Net Realized Gains (Losses)	
Investments non-affiliated	319,041
Investments affiliated	3,883
Options	508
Current income tax expense	(18,258)
Deferred income tax expense	(99,150)

Net Realized Gains	206,024
Net Change in Unrealized Gains (Losses)	
Investments non-affiliated	(370,096)
Investments affiliated	(122,642)
Options	157
Deferred income tax benefit	178,810
Net Change in Unrealized Gains	(313,771)
Net Realized and Unrealized (Losses)	(107,747)
NET DECREASE IN NET ASSETS APPLICABLE TO COMMON STOCKHOLDERS RESULTING FROM OPERATIONS	$ (159,125)

See accompanying notes to financial statements.

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KAYNE ANDERSON MLP INVESTMENT COMPANY

STATEMENT OF CHANGES IN NET ASSETS APPLICABLE TO COMMON STOCKHOLDERS

(amounts in 000 s, except share amounts)

	For the Fiscal Year Ended November 30, 2017	2016
OPERATIONS		
Net investment loss, net of tax[1]	$ (51,378)	$ (69,048)
Net realized gains, net of tax	206,024	111,707
Net change in unrealized gains (losses), net of tax	(313,771)	210,921
Net Increase (Decrease) in Net Assets Resulting from Operations	(159,125)	253,580
DIVIDENDS AND DISTRIBUTIONS TO COMMON STOCKHOLDERS[2]		
Dividends	(60,863)	
Distributions return of capital	(155,955)	(248,172)
Dividends and Distributions to Common Stockholders	(216,818)	(248,172)
CAPITAL STOCK TRANSACTIONS		
Issuance of 665,037 shares of common stock		10,035 [3]
Issuance of 1,189,571 and 1,497,460 shares of common stock from reinvestment of dividends and distributions, respectively	21,335	23,736
Net Increase in Net Assets Applicable to Common Stockholders from Capital Stock Transactions	21,335	33,771
Total Increase (Decrease) in Net Assets Applicable to Common Stockholders	(354,608)	39,179
NET ASSETS APPLICABLE TO COMMON STOCKHOLDERS		
Beginning of year	2,180,781	2,141,602
End of year	$ 1,826,173	$ 2,180,781

(1) Distributions on the Company s mandatory redeemable preferred stock (MRP Shares) are treated as an operating expense under GAAP and are included in the calculation of net investment loss. See Note 2 Significant Accounting Policies. Distributions in the amount of $11,400 paid to holders of MRP Shares for the fiscal year ended November 30, 2017 were characterized as dividends (eligible to be treated as qualified dividend income). Distributions in the amount of $17,811 paid to holders of MRP Shares for the fiscal year ended November 30, 2016 were characterized as distributions (return of capital). This characterization is based on the Company s earnings and profits.

(2) Distributions paid to common stockholders for the fiscal years ended November 30, 2017 and 2016 were characterized as either dividends (eligible to be treated as qualified dividend income) or distributions (return of capital). This characterization is based on the Company s earnings and profits.

(3) On December 17, 2015, the Company s investment advisor, KA Fund Advisors, LLC, purchased $10,035 of newly issued shares funded in part with the after-tax management fees received during the fourth quarter of fiscal 2015.

See accompanying notes to financial statements.

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KAYNE ANDERSON MLP INVESTMENT COMPANY

STATEMENT OF CASH FLOWS

FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2017

(amounts in 000 s)

CASH FLOWS FROM OPERATING ACTIVITIES	
Net decrease in net assets resulting from operations	$ (159,125)
Adjustments to reconcile net decrease in net assets resulting from operations to net cash provided by operating activities:	
Return of capital distributions	244,872
Distributions in excess of cost basis	11,271
Net realized gains	(323,432)
Net change in unrealized gains	492,581
Purchase of long-term investments	(674,202)
Proceeds from sale of long-term investments	804,528
Purchase of short-term investments, net	(75,305)
Decrease in deposits with brokers	1
Decrease in receivable for securities sold	18,286
Decrease in dividends and distributions receivable	445
Decrease in income tax receivable	18,470
Amortization of deferred debt offering costs	1,611
Amortization of mandatory redeemable preferred stock offering costs	758
Decrease in other assets	5
Decrease in payable for securities purchased	(5,279)
Decrease in investment management fee payable	(1,390)
Decrease in accrued directors fees and expenses	(31)
Decrease in premiums received on call option contracts written	(124)
Decrease in accrued expenses and other liabilities	(175)
Increase in current income tax liability	14,678
Decrease in deferred income tax liability	(101,055)
Net Cash Provided by Operating Activities	267,388
CASH FLOWS FROM FINANCING ACTIVITIES	
Decrease in borrowings under term loan	(43,000)
Redemption of notes	(20,000)
Redemption of mandatory redeemable preferred stock	(8,000)
Cash distributions paid to common stockholders	(195,483)
Net Cash Used in Financing Activities	(266,483)
NET INCREASE IN CASH	905
CASH BEGINNING OF YEAR	1,095
CASH END OF YEAR	$ 2,000

Supplemental disclosure of cash flow information:

Non-cash financing activities not included herein consisted of reinvestment of distributions pursuant to the Company s dividend reinvestment plan of $21,335.

During the fiscal year ended November 30, 2017, interest paid related to debt obligations was $28,254 and income tax refunds received were $18,839.

The Company received $35,692 of paid-in-kind and non-cash dividends and distributions during the fiscal year ended November 30, 2017. See Note 2 Significant Accounting Policies.

See accompanying notes to financial statements.

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KAYNE ANDERSON MLP INVESTMENT COMPANY

FINANCIAL HIGHLIGHTS

(amounts in 000 s, except share and per share amounts)

	For the Fiscal Year Ended November 30, 2017	2016	2015
Per Share of Common Stock[1]			
Net asset value, beginning of period	$ 19.18	$ 19.20	$ 36.71
Net investment income (loss)[2]	(0.45)	(0.61)	(0.53)
Net realized and unrealized gain (loss)	(0.92)	2.80	(14.39)
Total income (loss) from operations	(1.37)	2.19	(14.92)
Dividends and distributions auction rate preferred[2][3]			
Common dividends[3]	(0.53)		(2.15)
Common distributions return of capital[3]	(1.37)	(2.20)	(0.48)
Total dividends and distributions common	(1.90)	(2.20)	(2.63)
Effect of issuance of common stock			0.03
Effect of shares issued in reinvestment of distributions	(0.01)	(0.01)	0.01
Total capital stock transactions	(0.01)	(0.01)	0.04
Net asset value, end of period	$ 15.90	$ 19.18	$ 19.20
Market value per share of common stock, end of period	$ 15.32	$ 19.72	$ 18.23
Total investment return based on common stock market value[4]	(13.8)%	24.1%	(47.7)%
Total investment return based on net asset value[5]	(8.0)%	14.6%	(42.8)%
Supplemental Data and Ratios[6]			
Net assets applicable to common stockholders, end of period	$ 1,826,173	$ 2,180,781	$ 2,141,602
Ratio of expenses to average net assets			
Management fees (net of fee waiver)	2.5%	2.5%	2.6%
Other expenses	0.1	0.2	0.1
Subtotal	2.6	2.7	2.7
Management fee waiver			
Interest expense and distributions on mandatory redeemable preferred stock[2]	2.0	2.8	2.4
Income tax expense[7]		7.9	
Total expenses	4.6%	13.4%	5.1%
Ratio of net investment income (loss) to average net assets[2]	(2.4)%	(3.4)%	(1.8)%
Net increase (decrease) in net assets to common stockholders resulting from operations to average net assets	(7.5)%	12.5%	(51.7)%
Portfolio turnover rate	17.6%	14.5%	17.1%
Average net assets	$ 2,128,965	$ 2,031,206	$ 3,195,445
Notes outstanding, end of period[8]	$ 747,000	$ 767,000	$ 1,031,000
Credit facility outstanding, end of period[8]	$	$	$

Term loan outstanding, end of period[8]	$		$	43,000	$	
Auction rate preferred stock, end of period[8]	$		$		$	
Mandatory redeemable preferred stock, end of period[8]	$	292,000	$	300,000	$	464,000
Average shares of common stock outstanding		114,292,056		112,967,480		110,809,350
Asset coverage of total debt[9]		383.6%		406.3%		352.7%
Asset coverage of total leverage (debt and preferred stock)[10]		275.8%		296.5%		243.3%
Average amount of borrowings per share of common stock during the period[1]	$	7.03	$	7.06	$	11.95

See accompanying notes to financial statements.

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KAYNE ANDERSON MLP INVESTMENT COMPANY

FINANCIAL HIGHLIGHTS

(amounts in 000 s, except share and per share amounts)

	For the Fiscal Year Ended November 30,			
	2014	**2013**	**2012**	**2011**
Per Share of Common Stock[1]				
Net asset value, beginning of period	$ 34.30	$ 28.51	$ 27.01	$ 26.67
Net investment income (loss)[2]	(0.76)	(0.73)	(0.71)	(0.69)
Net realized and unrealized gain (loss)	5.64	8.72	4.27	2.91
Total income (loss) from operations	4.88	7.99	3.56	2.22
Dividends and distributions auction rate preferred[2][3]				
Common dividends[3]	(2.28)	(1.54)	(1.54)	(1.26)
Common distributions return of capital[3]	(0.25)	(0.75)	(0.55)	(0.72)
Total dividends and distributions common	(2.53)	(2.29)	(2.09)	(1.98)
Effect of issuance of common stock	0.06	0.09	0.02	0.09
Effect of shares issued in reinvestment of distributions			0.01	0.01
Total capital stock transactions	0.06	0.09	0.03	0.10
Net asset value, end of period	$ 36.71	$ 34.30	$ 28.51	$ 27.01
Market value per share of common stock, end of period	$ 38.14	$ 37.23	$ 31.13	$ 28.03
Total investment return based on common stock market value[4]	9.9%	28.2%	19.3%	5.6%
Total investment return based on net asset value[5]	14.8%	29.0%	13.4%	8.7%
Supplemental Data and Ratios[6]				
Net assets applicable to common stockholders, end of period	$ 4,026,822	$ 3,443,916	$ 2,520,821	$ 2,029,603
Ratio of expenses to average net assets				
Management fees (net of fee waiver)	2.4%	2.4%	2.4%	2.4%
Other expenses	0.1	0.1	0.2	0.2
Subtotal	2.5	2.5	2.6	2.6
Management fee waiver				
Interest expense and distributions on mandatory redeemable preferred stock[2]	1.8	2.1	2.4	2.3
Income tax expense[7]	8.3	14.4	7.2	4.8
Total expenses	12.6%	19.0%	12.2%	9.7%
Ratio of net investment income (loss) to average net assets[2]	(2.0)%	(2.3)%	(2.5)%	(2.5)%
Net increase (decrease) in net assets to common stockholders resulting from operations to average net assets	13.2%	24.3%	11.6%	7.7%
Portfolio turnover rate	17.6%	21.2%	20.4%	22.3%
Average net assets	$ 3,967,458	$ 3,027,563	$ 2,346,249	$ 1,971,469

Notes outstanding, end of period(8)	$ 1,435,000	$ 1,175,000	$ 890,000	$ 775,000
Credit facility outstanding, end of period(8)	$	$ 69,000	$ 19,000	$
Term loan outstanding, end of period(8)	$ 51,000	$	$	$
Auction rate preferred stock, end of period(8)	$	$	$	$
Mandatory redeemable preferred stock, end of period(8)	$ 524,000	$ 449,000	$ 374,000	$ 260,000
Average shares of common stock outstanding	107,305,514	94,658,194	82,809,687	72,661,162
Asset coverage of total debt(9)	406.2%	412.9%	418.5%	395.4%
Asset coverage of total leverage (debt and preferred stock)(10)	300.3%	303.4%	296.5%	296.1%
Average amount of borrowings per share of common stock during the period(1)	$ 13.23	$ 11.70	$ 10.80	$ 10.09

See accompanying notes to financial statements.

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KAYNE ANDERSON MLP INVESTMENT COMPANY

FINANCIAL HIGHLIGHTS

(amounts in 000 s, except share and per share amounts)

	For the Fiscal Year Ended November 30,		
	2010	**2009**	**2008**
Per Share of Common Stock[1]			
Net asset value, beginning of period	$ 20.13	$ 14.74	$ 30.08
Net investment income (loss)[2]	(0.44)	(0.33)	(0.73)
Net realized and unrealized gain (loss)	8.72	7.50	(12.56)
Total income (loss) from operations	8.28	7.17	(13.29)
Dividends and distributions auction rate preferred[2][3]		(0.01)	(0.10)
Common dividends[3]	(0.84)		
Common distributions return of capital[3]	(1.08)	(1.94)	(1.99)
Total dividends and distributions common	(1.92)	(1.94)	(1.99)
Effect of issuance of common stock	0.16	0.12	
Effect of shares issued in reinvestment of distributions	0.02	0.05	0.04
Total capital stock transactions	0.18	0.17	0.04
Net asset value, end of period	$ 26.67	$ 20.13	$ 14.74
Market value per share of common stock, end of period	$ 28.49	$ 24.43	$ 13.37
Total investment return based on common stock market value[4]	26.0%	103.0%	(48.8)%
Total investment return based on net asset value[5]	43.2%	51.7%	(46.9)%
Supplemental Data and Ratios[6]			
Net assets applicable to common stockholders, end of period	$ 1,825,891	$ 1,038,277	$ 651,156
Ratio of expenses to average net assets			
Management fees (net of fee waiver)	2.1%	2.1%	2.2%
Other expenses	0.2	0.4	0.3
Subtotal	2.3	2.5	2.5
Management fee waiver			
Interest expense and distributions on mandatory redeemable preferred stock[2]	1.9	2.5	3.4
Income tax expense[7]	20.5	25.4	
Total expenses	24.7%	30.4%	5.9%
Ratio of net investment income (loss) to average net assets[2]	(1.8)%	(2.0)%	(2.8)%
Net increase (decrease) in net assets to common stockholders resulting from operations to average net assets	34.6%	43.2%	(51.2)%
Portfolio turnover rate	18.7%	28.9%	6.7%
Average net assets	$ 1,432,266	$ 774,999	$ 1,143,192
Notes outstanding, end of period[8]	$ 620,000	$ 370,000	$ 304,000

Credit facility outstanding, end of period[8]	$		$		$	
Term loan outstanding, end of period[8]	$		$		$	
Auction rate preferred stock, end of period[8]	$		$	75,000	$	75,000
Mandatory redeemable preferred stock, end of period[8]	$	160,000	$		$	
Average shares of common stock outstanding		60,762,952		46,894,632		43,671,666
Asset coverage of total debt[9]		420.3%		400.9%		338.9%
Asset coverage of total leverage (debt and preferred stock)[10]		334.1%		333.3%		271.8%
Average amount of borrowings per share of common stock during the period[1]	$	7.70	$	6.79	$	11.52

See accompanying notes to financial statements.

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KAYNE ANDERSON MLP INVESTMENT COMPANY

FINANCIAL HIGHLIGHTS

(amounts in 000 s, except share and per share amounts)

(1) Based on average shares of common stock outstanding.

(2) Distributions on the Company s MRP Shares are treated as an operating expense under GAAP and are included in the calculation of net investment income (loss). See Note 2 Significant Accounting Policies.

(3) The information presented for each period is a characterization of the total distributions paid to preferred stockholders and common stockholders as either a dividend (eligible to be treated as qualified dividend income) or a distribution (return of capital) and is based on the Company s earnings and profits.

(4) Total investment return based on market value is calculated assuming a purchase of common stock at the market price on the first day and a sale at the current market price on the last day of the period reported. The calculation also assumes reinvestment of distributions at actual prices pursuant to the Company s dividend reinvestment plan.

(5) Total investment return based on net asset value is calculated assuming a purchase of common stock at the net asset value on the first day and a sale at the net asset value on the last day of the period reported. The calculation also assumes reinvestment of distributions at actual prices pursuant to the Company s dividend reinvestment plan.

(6) Unless otherwise noted, ratios are annualized.

(7) For the fiscal years ended November 30, 2017, November 30, 2015 and November 30, 2008, the Company reported an income tax benefit of $86,746 (4.1% of average net assets), $980,647 (30.7% of average net assets) and $339,991 (29.7% of average net assets), respectively, primarily related to unrealized losses on investments. The income tax expense is assumed to be 0% because the Company reported a net deferred income tax benefit during the period.

(8) Principal/liquidation value.

(9) Calculated pursuant to section 18(a)(1)(A) of the 1940 Act. Represents the value of total assets less all liabilities not represented by Notes (principal value) or any other senior securities representing indebtedness and MRP Shares (liquidation value) divided by the aggregate amount of Notes and any other senior securities representing indebtedness. Under the 1940 Act, the Company may not declare or make any distribution on its common stock nor can it incur additional indebtedness if, at the time of such declaration or incurrence, its asset coverage with respect to senior securities representing indebtedness would be less than 300%. For purposes of this test, the Credit Facility and the Term Loan are considered senior securities representing indebtedness.

(10) Calculated pursuant to section 18(a)(2)(A) of the 1940 Act. Represents the value of total assets less all liabilities not represented by Notes (principal value), any other senior securities representing indebtedness and MRP Shares (liquidation value) divided by the aggregate amount of Notes, any other senior securities representing indebtedness and MRP Shares. Under the 1940 Act, the Company may not declare or make any distribution on its common stock nor can it issue additional preferred stock if at the time of such declaration or issuance, its asset coverage with respect to all senior securities would be less than 200%. In addition to the limitations under the 1940 Act, the Company, under the terms of its MRP Shares, would not be able to declare or pay any distributions on its common stock if such declaration would cause its asset coverage with respect to all senior securities to be less than 225%. For purposes of these tests, the Credit Facility and the Term Loan are considered senior securities representing indebtedness.

See accompanying notes to financial statements.

KAYNE ANDERSON MLP INVESTMENT COMPANY

NOTES TO FINANCIAL STATEMENTS

(amounts in 000 s, except number of option contracts, share and per share amounts)

1. Organization

Kayne Anderson MLP Investment Company (the Company) was organized as a Maryland corporation on June 4, 2004, and is a non-diversified closed-end management investment company registered under the Investment Company Act of 1940, as amended (the 1940 Act). The Company s investment objective is to obtain a high after-tax total return by investing at least 85% of its total assets in energy-related partnerships and their affiliates (collectively, master limited partnerships or 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). The Company commenced operations on September 28, 2004. The Company s shares of common stock are listed on the New York Stock Exchange, Inc. (NYSE) under the symbol KYN.

2. Significant Accounting Policies

The following is a summary of the significant accounting policies that the Company uses to prepare its financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP). The Company is an investment company and follows accounting and reporting guidance of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 946 Financial Services Investment Companies.

A. *Use of Estimates* The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of income and expenses during the period. Actual results could differ materially from those estimates.

B. *Cash and Cash Equivalents* Cash and cash equivalents include short-term, liquid investments with an original maturity of three months or less and include money market fund accounts.

C. *Calculation of Net Asset Value* The Company determines its net asset value on a daily basis and reports its net asset value on its website. Net asset value is computed by dividing the value of the Company s assets (including accrued interest and distributions and current and deferred income tax assets), less all of its liabilities (including accrued expenses, distributions payable, current and deferred accrued income taxes, and any borrowings) and the liquidation value of any outstanding preferred stock, by the total number of common shares outstanding.

D. *Investment Valuation* Readily marketable portfolio securities listed on any exchange other than the NASDAQ Stock Market, Inc. (NASDAQ) are valued, except as indicated below, at the last sale price on the business day as of which such value is being determined. If there has been no sale on such day, the securities are valued at the mean of the most recent bid and ask prices on such day. Securities admitted to trade on the NASDAQ are valued at the NASDAQ official closing price. Portfolio securities traded on more than one securities exchange are valued at the last sale price on the business day as of which such value is being determined at the close of the exchange representing the principal market for such securities.

Equity securities traded in the over-the-counter market, but excluding securities admitted to trading on the NASDAQ, are valued at the closing bid prices. Debt securities that are considered bonds are valued by using the mean of the bid and ask prices provided by an independent pricing service or, if such prices are not available or in the judgment of KA Fund Advisors, LLC (KAFA) such prices are stale or do not represent fair value, by an independent broker. For debt securities that are considered bank loans, the fair market value is determined by using the mean of the bid and ask prices provided by the agent or syndicate bank or principal market maker. When price quotes for securities are not available, or such prices are stale or do not represent fair value in the judgment of KAFA, fair market value will be determined using the Company s valuation process for securities that are privately issued or otherwise restricted as to resale.

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KAYNE ANDERSON MLP INVESTMENT COMPANY

NOTES TO FINANCIAL STATEMENTS

(amounts in 000 s, except number of option contracts, share and per share amounts)

Exchange-traded options and futures contracts are valued at the last sales price at the close of trading in the market where such contracts are principally traded or, if there was no sale on the applicable exchange on such day, at the mean between the quoted bid and ask price as of the close of such exchange.

The Company holds securities that are privately issued or otherwise restricted as to resale. For these securities, as well as any security for which (a) reliable market quotations are not available in the judgment of KAFA, or (b) the independent pricing service or independent broker does not provide prices or provides a price that in the judgment of KAFA is stale or does not represent fair value, shall each be valued in a manner that most fairly reflects fair value of the security on the valuation date. Unless otherwise determined by the Board of Directors, the following valuation process is used for such securities:

Investment Team Valuation. The applicable investments are valued by senior professionals of KAFA who are responsible for the portfolio investments. The investments will be valued monthly with new investments valued at the time such investment was made.

Investment Team Valuation Documentation. Preliminary valuation conclusions will be determined by senior management of KAFA. Such valuations and supporting documentation are submitted to the Valuation Committee (a committee of the Company s Board of Directors) and the Board of Directors on a quarterly basis.

Valuation Committee. The Valuation Committee meets to consider the valuations submitted by KAFA at the end of each quarter. Between meetings of the Valuation Committee, a senior officer of KAFA is authorized to make valuation determinations. All valuation determinations of the Valuation Committee are subject to ratification by the Board of Directors at its next regular meeting.

Valuation Firm. Quarterly, a third-party valuation firm engaged by the Board of Directors reviews the valuation methodologies and calculations employed for these securities, unless the aggregate fair value of such security is less than 0.1% of total assets.

Board of Directors Determination. The Board of Directors meets quarterly to consider the valuations provided by KAFA and the Valuation Committee and ratify valuations for the applicable securities. The Board of Directors considers the report provided by the third-party valuation firm in reviewing and determining in good faith the fair value of the applicable portfolio securities.

At November 30, 2017, the Company held 7.3% of its net assets applicable to common stockholders (3.9% of total assets) in securities that were fair valued pursuant to procedures adopted by the Board of Directors (Level 3 securities). The aggregate fair value of these securities at November 30, 2017 was $132,520. See Note 3 Fair Value and Note 7 Restricted Securities.

E. *Security Transactions* Security transactions are accounted for on the date these securities are purchased or sold (trade date). Realized gains and losses are calculated using the specific identification cost basis method for GAAP purposes. For tax purposes, the Company utilizes the average cost method to compute the adjusted tax cost basis of its MLP securities.

F. *Return of Capital Estimates* Distributions received from the Company s investments in MLPs and other securities generally are comprised of income and return of capital. The Company records investment income and return of capital based on estimates made at the time such distributions are received. The Company estimates that 92% of distributions received from its MLP investments were return of capital distributions. This estimate is adjusted to actual in the subsequent fiscal year when tax reporting information related to the Company s MLP investments is received. Such estimates for MLPs and other investments are based on historical information available from each investment and other industry sources. These return of capital estimates do not include any changes that may result from the Tax Cuts and Jobs Act. See Note 14

Subsequent Events.

KAYNE ANDERSON MLP INVESTMENT COMPANY

NOTES TO FINANCIAL STATEMENTS

(amounts in 000 s, except number of option contracts, share and per share amounts)

The return of capital portion of the distributions is a reduction to investment income that results in an equivalent reduction in the cost basis of the associated investments and increases net realized gains (losses) and net change in unrealized gains (losses). If the distributions received by the Company exceed its cost basis (*i.e.* its cost basis has been reduced to zero), the distributions are treated as realized gains.

The Company includes all distributions received on its Statement of Operations and reduces its investment income by (i) the estimated return of capital and (ii) the distributions in excess of cost basis, if any. For the fiscal year ended November 30, 2017, the Company estimated $244,872 of return of capital and $11,271 of distributions that were in excess of cost basis. The distributions that were in excess of cost basis were treated as realized gains.

In accordance with GAAP, the return of capital cost basis reductions for the Company s MLP investments are limited to the total amount of the cash distributions received from such investments. For income tax purposes, the cost basis reductions for the Company s MLP investments typically exceed cash distributions received from such investments due to allocated losses from these investments. See Note 6 Income Taxes.

The following table sets forth the Company s estimated return of capital portion of the distributions received from its investments.

	For the Fiscal Year Ended November 30, 2017
Return of capital portion of dividends and distributions received	88%
Return of capital attributable to net realized gains (losses)	$ 21,436
Return of capital attributable to net change in unrealized gains (losses)	223,436
Total return of capital	$ 244,872

For the fiscal year ended November 30, 2017, the Company estimated the return of capital portion of distributions received to be $230,202 (83%). This amount was increased by $14,670 due to 2016 tax reporting information received by the Company in fiscal 2017. As a result, the return of capital percentage for the fiscal year ended November 30, 2017 was 88%. In addition, for the fiscal year ended November 30, 2017, the Company estimated the cash distributions that were in excess of cost basis to be $11,280. This amount was decreased by $9 due to the 2016 tax reporting information received by the Company in fiscal 2017.

G. *Investment Income* The Company records dividends and distributions on the ex-dividend date. Interest income is recognized on the accrual basis, including amortization of premiums and accretion of discounts. When investing in securities with payment in-kind interest, the Company will accrue interest income during the life of the security even though it will not be receiving cash as the interest is accrued. To the extent that interest income to be received is not expected to be realized, a reserve against income is established.

Debt securities that the Company may hold will typically be purchased at a discount or premium to the par value of the security. The non-cash accretion of a discount to par value increases interest income while the non-cash amortization of a premium to par value decreases interest income. The accretion of a discount and amortization of a premium are based on the effective interest method. The amount of these non-cash adjustments, if any, can be found in the Company s Statement of Cash Flows. The non-cash accretion of a discount increases the cost basis of the debt security, which results in an offsetting unrealized loss. The non-cash amortization of a premium decreases the cost basis of the debt security, which results in an offsetting unrealized gain. To the extent that par value is not expected to be realized, the Company discontinues accruing the non-cash accretion of the discount to par value of the debt security.

The Company may receive paid-in-kind and non-cash dividends and distributions in the form of additional units or shares from its investments. For paid-in-kind dividends, the additional units are not reflected in

KAYNE ANDERSON MLP INVESTMENT COMPANY

NOTES TO FINANCIAL STATEMENTS

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investment income during the period received, but are recorded as unrealized gains upon receipt. Non-cash distributions are reflected in investment income because the Company has the option to receive its distributions in cash or in additional units of the security. During the fiscal year ended November 30, 2017, the Company received $3,729 of paid-in-kind dividends from its investment in Enbridge Energy Management, L.L.C. and $31,963 of non-cash distributions from its investment in Enterprise Products Partners L.P.

H. *Distributions to Stockholders* Distributions to common stockholders are recorded on the ex-dividend date. Distributions to holders of MRP Shares are accrued on a daily basis as described in Note 12 Preferred Stock. As required by the Distinguishing Liabilities from Equity topic of the FASB Accounting Standards Codification (ASC 480), the Company includes the accrued distributions on its MRP Shares as an operating expense due to the fixed term of this obligation. For tax purposes, the payments made to the holders of the Company s MRP Shares are treated as dividends or distributions.

The characterization of the distributions paid to holders of MRP Shares and common stock as either a dividend (eligible to be treated as qualified dividend income) or a distribution (return of capital) is determined after the end of the fiscal year based on the Company s actual earnings and profits and, therefore, the characterization may differ from preliminary estimates.

I. *Partnership Accounting Policy* The Company records its pro-rata share of the income (loss), to the extent of distributions it has received, allocated from the underlying partnerships and adjusts the cost basis of the underlying partnerships accordingly. These amounts are included in the Company s Statement of Operations.

J. *Federal and State Income Taxation* The Company, as a corporation, is obligated to pay federal and state income tax on its taxable income. The Company invests its assets primarily in MLPs, which generally are treated as partnerships for federal income tax purposes. As a limited partner in the MLPs, the Company includes its allocable share of the MLP s taxable income or loss in computing its own taxable income. Deferred income taxes reflect (i) taxes on unrealized gains (losses), which are attributable to the difference between fair value and tax cost basis, (ii) the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes and (iii) the net tax benefit of accumulated net operating and capital losses. To the extent the Company has a deferred tax asset, consideration is given as to whether or not a valuation allowance is required. The need to establish a valuation allowance for deferred tax assets is assessed periodically by the Company based on the Income Tax Topic of the FASB Accounting Standards Codification (ASC 740), that it is more likely than not that some portion or all of the deferred tax asset will not be realized. In the assessment for a valuation allowance, consideration is given to all positive and negative evidence related to the realization of the deferred tax asset. This assessment considers, among other matters, the nature, frequency and severity of current and cumulative losses, forecasts of future profitability (which are highly dependent on future cash distributions from the Company s MLP holdings), the duration of statutory carryforward periods and the associated risk that operating and capital loss carryforwards may expire unused.

The Company may rely to some extent on information provided by the MLPs, which may not necessarily be timely, to estimate taxable income allocable to the MLP units held in the portfolio and to estimate the associated deferred tax liability. Such estimates are made in good faith. From time to time, as new information becomes available, the Company modifies its estimates or assumptions regarding the deferred tax liability.

The Company utilizes the average cost method to compute the adjusted tax cost basis of its MLP securities.

The Company s policy is to classify interest and penalties associated with underpayment of federal and state income taxes, if any, as income tax expense on its Statement of Operations. Tax years subsequent to fiscal year 2012 remain open and subject to examination by the federal and state tax authorities. See Note 14 Subsequent Events.

KAYNE ANDERSON MLP INVESTMENT COMPANY

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(amounts in 000 s, except number of option contracts, share and per share amounts)

K. *Derivative Financial Instruments* The Company may utilize derivative financial instruments in its operations.

In October 2016, the Securities and Exchange Commission (SEC) adopted new rules and forms, and amendments to certain current rules and forms, to modernize reporting and disclosure of information by registered investment companies. The amendments to Regulation S-X required standardized, enhanced disclosure about derivatives in investment company financial statements, and changed the rules governing the form and content of such financial statements. The Company adopted the amendments to Regulation S-X as of August 1, 2017, which requires disclosure of the notional amount of open call option contracts written. As of November 30, 2017, the Company did not have any open option contracts.

Interest rate swap contracts. The Company may use hedging techniques such as interest rate swaps to mitigate potential interest rate risk on a portion of the Company s leverage. Such interest rate swaps would principally be used to protect the Company against higher costs on its leverage resulting from increases in interest rates. The Company does not hedge any interest rate risk associated with portfolio holdings. Interest rate transactions the Company may use for hedging purposes may expose it to certain risks that differ from the risks associated with its portfolio holdings. A decline in interest rates may result in a decline in the value of the swap contracts, which, everything else being held constant, would result in a decline in the net assets of the Company. In addition, if the counterparty to an interest rate swap defaults, the Company would not be able to use the anticipated net receipts under the interest rate swap to offset its cost of financial leverage.

Interest rate swap contracts are recorded at fair value with changes in value during the reporting period, and amounts accrued under the agreements, included as unrealized gains or losses in the Statement of Operations. Monthly cash settlements under the terms of the interest rate swap agreements or termination payments are recorded as realized gains or losses in the Statement of Operations. The Company generally values its interest rate swap contracts based on dealer quotations, if available, or by discounting the future cash flows from the stated terms of the interest rate swap agreement by using interest rates currently available in the market. See Note 8 Derivative Financial Instruments.

Option contracts. The Company is also exposed to financial market risks including changes in the valuations of its investment portfolio. The Company may purchase or write (sell) call options. A call option on a security is a contract that gives the holder of the option, in return for a premium, the right to buy from the writer of the option the security underlying the option at a specified exercise price at any time during the term of the option.

The Company would realize a gain on a purchased call option if, during the option period, the value of such securities exceeded the sum of the exercise price, the premium paid and transaction costs; otherwise the Company would realize either no gain or a loss on the purchased call option. The Company may also purchase put option contracts. If a purchased put option is exercised, the premium paid increases the cost basis of the securities sold by the Company.

The Company may also write (sell) call options with the purpose of generating realized gains or reducing its ownership of certain securities. If the Company writes a call option on a security, the Company has the obligation upon exercise of the option to deliver the underlying security upon payment of the exercise price. The Company will only write call options on securities that the Company holds in its portfolio (*i.e.*, covered calls).

When the Company writes a call option, an amount equal to the premium received by the Company is recorded as a liability and is subsequently adjusted to the current fair value of the option written. Premiums received from writing options that expire unexercised are treated by the Company on the expiration date as realized gains from investments. If the Company repurchases 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 loss. If a call option is exercised, the premium is added to the proceeds from the sale of the underlying security in determining whether the Company has realized a gain or loss. The Company, as the writer of an option, bears the market risk of an unfavorable change in the price of the security underlying the written option. See Note 8 Derivative Financial Instruments.

KAYNE ANDERSON MLP INVESTMENT COMPANY

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L. *Indemnifications* Under the Company s organizational documents, its officers and directors are indemnified against certain liabilities arising out of the performance of their duties to the Company. In addition, in the normal course of business, the Company enters into contracts that provide general indemnification to other parties. The Company s maximum exposure under these arrangements is unknown, as this would involve future claims that may be made against the Company that have not yet occurred, and may not occur. However, the Company has not had prior claims or losses pursuant to these contracts and expects the risk of loss to be remote.

M. *Offering and Debt Issuance Costs* Offering costs incurred by the Company related to the issuance of its common stock reduce additional paid-in capital when the stock is issued. Costs incurred by the Company related to the issuance of its debt (credit facility, term loan or notes) or its preferred stock are capitalized and amortized over the period the debt or preferred stock is outstanding.

In April 2015, the FASB issued Accounting Standards Update (ASU) No. 2015-03 Interest Imputation of Interest (Subtopic 835-30), Simplifying the Presentation of Debt Issuance Costs . ASU No. 2015-03 requires that all costs incurred to issue debt be presented in the balance sheet as a direct deduction from the carrying value of the debt. In August 2015, the FASB issued ASU No. 2015-15 Interest Imputation of Interest (Subtopic 835-30), Presentation and Subsequent Measurement of Debt Issuance Costs Associated with Line-of-Credit Arrangements . ASU No. 2015-15 states that the SEC staff will not object to an entity presenting the cost of securing a revolving line of credit as an asset, regardless of whether a balance is outstanding. In the first quarter of fiscal 2017, the Company adopted ASU No. 2015-03 and ASU No. 2015-15 and has classified the costs incurred to issue Notes and MRP Shares as a deduction from the carrying value of Notes and MRP Shares on the Statement of Assets and Liabilities. Previously, these issuance costs were capitalized as an asset on the Statement of Assets and Liabilities. Additionally, the Company has updated its disclosure in Notes 11 and 12 related to the unamortized Note and MRP Share issuance costs. For the purpose of calculating the Company s asset coverage ratios pursuant to the 1940 Act, deferred issuance costs are not deducted from the carrying value of Notes and MRP Shares. There was no financial reporting impact to information presented for prior periods as a result of this accounting standard update.

3. Fair Value

The Fair Value Measurement Topic of the FASB Accounting Standards Codification (ASC 820) defines fair value as the price at which an orderly transaction to sell an asset or to transfer a liability would take place between market participants under current market conditions at the measurement date. As required by ASC 820, the Company has performed an analysis of all assets and liabilities (other than deferred taxes) measured at fair value to determine the significance and character of all inputs to their fair value determination. Inputs are the assumptions, along with considerations of risk, that a market participant would use to value an asset or a liability. In general, observable inputs are based on market data that is readily available, regularly distributed and verifiable that the Company obtains from independent, third-party sources. Unobservable inputs are developed by the Company based on its own assumptions of how market participants would value an asset or a liability.

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into the following three broad categories.

Level 1 Valuations based on quoted unadjusted prices for identical instruments in active markets traded on a national exchange to which the Company has access at the date of measurement.

Level 2 Valuations based on quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs and significant value drivers are observable in active markets. Level 2 inputs are those in markets for which there are few transactions, the prices are not current, little public information exists or instances where prices vary substantially over time or among brokered market makers.

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Level 3 Model derived valuations in which one or more significant inputs or significant value drivers are unobservable. Unobservable inputs are those inputs that reflect the Company s own assumptions that market participants would use to price the asset or liability based on the best available information.

The following table presents the Company s assets measured at fair value on a recurring basis at November 30, 2017, and the Company presents these assets by security type and description on its Schedule of Investments. Note that the valuation levels below are not necessarily an indication of the risk or liquidity associated with the underlying investment.

	Total	Quoted Prices in Active Markets (Level 1)	Prices with Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
Assets at Fair Value				
Equity investments	$ 3,315,780	$ 3,156,955	$ 26,305[(1)]	$ 132,520
Short-term investments	75,305	75,305		
Total assets at fair value	$ 3,391,085	$ 3,232,260	$ 26,305	$ 132,520

(1) The Company s investment in Plains AAP, L.P. (PAGP-AAP) is exchangeable on a one-for-one basis into either Plains GP Holdings, L.P. (PAGP) shares or Plains All American Pipeline, L.P. (PAA) units at the Company s option. The Company values its PAGP-AAP investment on an as exchanged basis based on the higher public market value of either PAGP or PAA. As of November 30, 2017, the Company s PAGP-AAP investment is valued at PAGP s closing price. The Company categorizes its investment as a Level 2 security for fair value reporting purposes.

The Company did not have any liabilities that were measured at fair value on a recurring basis using significant unobservable inputs (Level 3) at November 30, 2017. For the fiscal year ended November 30, 2017, there were no transfers between Level 1 and Level 2.

As of November 30, 2017, the Company had Notes outstanding with aggregate principal amount of $747,000 and 11,680,000 shares of MRP Shares outstanding with a total liquidation value of $292,000. See Note 11 Notes and Note 12 Preferred Stock.

Of the $292,000 of MRP Shares, Series F ($125,000 liquidation value) is publicly traded on the NYSE. As a result, the Company categorizes this series of MRP Shares as Level 1. The remaining series of MRP Shares and all of the Notes were issued in private placements to institutional investors and are not listed on any exchange or automated quotation system. As such, the Company categorizes all of the Notes ($747,000 aggregate principal amount) and the remaining MRP Shares ($167,000 aggregate liquidation value) as Level 3 and determines the fair value of these instruments based on estimated market yields and credit spreads for comparable instruments with similar maturity, terms and structure.

The Company records these Notes and MRP Shares on its Statement of Assets and Liabilities at principal amount or liquidation value. As of November 30, 2017, the estimated fair values of these leverage instruments are as follows.

Instrument	Principal Amount/ Liquidation Value	Fair Value
Notes (Series W, Z through GG and II through OO)	$ 747,000	$ 766,100
MRP Shares (Series C, H, I and J)	$ 167,000	$ 167,900
MRP Shares (Series F)	$ 125,000	$ 127,450

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The following table presents the Company s assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the fiscal year ended November 30, 2017.

	Equity Investments
Balance November 30, 2016	$ 126,321
Purchases	13,883
Transfers out to Level 1 and 2	(20,143)
Realized gains (losses)	(2,614)
Unrealized gains (losses), net	15,073
Balance November 30, 2017	$ 132,520

The purchase of $13,883 relates to the Company s investments in Dominion Midstream Partners, LP convertible preferred units (December 2016).

The transfers out of $20,143 relate to the Company s investments in Rice Midstream Partners LP that became marketable during the first quarter of 2017 and Western Gas Partners, LP convertible preferred units that were converted into common units during the first and second quarters of 2017. The Company utilizes the beginning of the reporting period method for determining transfer between levels.

The realized loss of $2,614 relates to the Company s investment in the Creditors Trust of Miller Bros. Coal, LLC (Clearwater Trust). The Company received its final distribution from Clearwater Trust and wrote off this investment during the fourth quarter of 2017.

The net unrealized gains of $15,073 include $2,524 of gains related to the reversal of the unrealized loss associated with Clearwater Trust (now a realized loss). The remaining $12,549 of net unrealized gains relate to investments that were still held at the end of the reporting period. The Company includes these unrealized gains and losses on the Statement of Operations Net Change in Unrealized Gains (Losses).

Valuation Techniques and Unobservable Inputs

Unless otherwise determined by the Board of Directors, the Company values its private investments in public equity (PIPE) investments that are convertible into or otherwise will become publicly tradeable (*e.g.,* through subsequent registration or expiration of a restriction on trading) based on the market value of the publicly-traded security less a discount. This discount is initially equal to the discount negotiated at the time the Company agrees to a purchase price. To the extent that such securities are convertible or otherwise become publicly traded within a time frame that may be reasonably determined, this discount will be amortized on a straight line basis over such estimated time frame.

The Company owns convertible preferred units of Capital Product Partners L.P. (CPLP), Dominion Midstream Partners, LP (DM) and MPLX LP (MPLX). The convertible preferred units are (in the case of CPLP), or will be (in the case of DM and MPLX), convertible on a one-for-one basis into common units and are senior to the underlying common units in terms of liquidation preference and priority of distributions. The Company s Board of Directors has determined that it is appropriate to value the convertible preferred units using a convertible pricing model. This model takes into account the attributes of the convertible preferred units, including the preferred dividend, conversion ratio and call features, to determine the estimated value of such units. In using this model, the Company estimates (i) the credit spread for the convertible preferred units, which is based on credit spreads for comparable companies for CPLP and DM and the credit spread of the partnership s unsecured notes in the case of MPLX, and (ii) the expected volatility for the underlying common units, which is based on historical volatility. For CPLP, the Company applies a discount to the value derived from the convertible pricing model to account for an expected discount in market prices for its convertible securities relative to the values calculated using the pricing model. For these securities, if the resulting price for the convertible preferred units is less than the public market price for the underlying common units at such time, the public market price for the common units will be used to value the convertible preferred units.

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Due to the inherent uncertainty of determining the fair value of investments that do not have a readily available market value, the fair value of the Company s investments may fluctuate from period to period. Additionally, the fair value of the Company s investments may differ from the values that would have been used had a ready market existed for such investments and may differ materially from the values that the Company may ultimately realize.

The following table summarizes the significant unobservable inputs that the Company used to value its portfolio investments categorized as Level 3 as of November 30, 2017:

Quantitative Table for Valuation Techniques

				Range		Weighted
Assets at Fair Value	**Fair Value**	**Valuation Technique**	**Unobservable Inputs**	**Low**	**High**	**Average**
DM and MPLX valued based on pricing model	$ 108,762	- Convertible pricing model	- Credit spread	3.3%	4.0%	3.7%
			- Volatility	20.0%	27.5%	22.9%
CPLP valued based on pricing model	23,758	- Convertible pricing model	- Credit spread	6.3%	6.8%	6.5%
			- Volatility	35.0%	40.0%	37.5%
			- Discount for marketability	10.0%	10.0%	10.0%
Total	$ 132,520					

4. Concentration of Risk

The Company s investments are concentrated in the energy sector. The focus of the Company s portfolio within the energy sector may present more risks than if the Company s portfolio were broadly diversified across numerous sectors of the economy. A downturn in the energy sector would have a larger impact on the Company than on an investment company that does not focus on the energy sector. The performance of securities in the energy sector may lag the performance of other industries or the broader market as a whole. Additionally, to the extent that the Company invests a relatively high percentage of its assets in the securities of a limited number of issuers, the Company may be more susceptible than a more widely diversified investment company to any single economic, political or regulatory occurrence. At November 30, 2017, the Company had the following investment concentrations:

Category	**Percent of Long-Term Investments**
Securities of energy companies	100.0%
Equity securities	100.0%

Securities of MLPs[1]	88.3%
Midstream Energy Companies	99.8%
Largest single issuer	14.7%
Restricted securities	4.8%

(1) Securities of MLPs consist of energy-related partnerships and their affiliates (including affiliates of MLPs that own general partner interests or, in some cases subordinated units, registered or unregistered common units, or other limited partner units in a MLP) and partnerships that elected to be taxed as a corporation for federal income tax purposes.

5. Agreements and Affiliations

A. *Administration Agreement* The Company has entered into an administration and accounting agreement with Ultimus Fund Solutions, LLC (Ultimus), which may be amended from time to time. Pursuant

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to the agreement, Ultimus will provide certain administrative and accounting services for the Company. The agreement has automatic one-year renewals unless earlier terminated by either party as provided under the terms of the agreement.

B. *Investment Management Agreement* The Company has entered into an investment management agreement with KA Fund Advisors, LLC (KAFA) under which KAFA, subject to the overall supervision of the Company s Board of Directors, manages the day-to-day operations of, and provides investment advisory services to, the Company. For providing these services, KAFA receives an investment management fee from the Company. KAFA has also entered into a fee waiver agreement with the Company that provides for a management fee of 1.375% on average total assets up to $4,500,000, a fee of 1.25% on average total assets between $4,500,000 and $9,500,000, a fee of 1.125% on average total assets between $9,500,000 and $14,500,000 and a fee of 1.0% on average total assets in excess of $14,500,000. On March 30, 2017, the Company renewed its investment management agreement and fee waiver agreement with KAFA for a period of one year. The investment management and fee waiver agreements will expire on March 31, 2018 and may be renewed annually thereafter upon approval of the Company s Board of Directors (including a majority of the Company s directors who are not interested persons of the Company, as such term is defined in the 1940 Act). For the fiscal year ended November 30, 2017, the Company paid management fees at an annual rate of 1.375% of the Company s average quarterly total assets (as defined in the investment management agreement).

For purposes of calculating the management fee the average total assets for each quarterly period are determined by averaging the total assets at the last day of that quarter with the total assets at the last day of the prior quarter. The Company s total assets are equal to the Company s gross asset value (which includes assets attributable to the Company s use of preferred stock, commercial paper or notes and other borrowings and excludes any net deferred tax asset), minus the sum of the Company s accrued and unpaid dividends and distributions on any outstanding common stock and accrued and unpaid dividends and distributions on any outstanding preferred stock and accrued liabilities (other than liabilities associated with borrowing or leverage by the Company and any accrued taxes, including, a deferred tax liability). Liabilities associated with borrowing or leverage by the Company include the principal amount of any borrowings, commercial paper or notes issued by the Company, the liquidation preference of any outstanding preferred stock, and other liabilities from other forms of borrowing or leverage such as short positions and put or call options held or written by the Company.

C. *Portfolio Companies* From time to time, the Company may control or may be an affiliate of one or more of its portfolio companies, as each of these terms is defined in the 1940 Act. In general, under the 1940 Act, the Company would be presumed to control a portfolio company if the Company and its affiliates owned 25% or more of its outstanding voting securities and would be an affiliate of a portfolio company if the Company and its affiliates owned 5% or more of its outstanding voting securities. The 1940 Act contains prohibitions and restrictions relating to transactions between investment companies and their affiliates (including the Company s investment adviser), principal underwriters and affiliates of those affiliates or underwriters.

The Company believes that there are several factors that determine whether or not a security should be considered a voting security in complex structures such as limited partnerships of the kind in which the Company invests. The Company also notes that the Securities and Exchange Commission (the SEC) staff has issued guidance on the circumstances under which it would consider a limited partnership interest to constitute a voting security. Under most partnership agreements, the management of the partnership is vested in the general partner, and the limited partners, individually or collectively, have no rights to manage or influence management of the partnership through such activities as participating in the selection of the managers or the board of the limited partnership or the general partner. As a result, the Company believes that many of the limited partnership interests in which it invests should not be considered voting securities. However, it is possible that the SEC staff may consider the limited partner interests the Company holds in certain limited partnerships to be voting securities. If such a determination were made, the Company may be regarded as a person affiliated with and controlling the issuer(s) of those securities for purposes of Section 17 of the 1940 Act.

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In making such a determination as to whether to treat any class of limited partnership interests the Company holds as a voting security, the Company considers, among other factors, whether or not the holders of such limited partnership interests have the right to elect the board of directors of the limited partnership or the general partner. If the holders of such limited partnership interests do not have the right to elect the board of directors, the Company generally has not treated such security as a voting security. In other circumstances, based on the facts and circumstances of those partnership agreements, including the right to elect the directors of the general partner, the Company has treated those securities as voting securities. If the Company does not consider the security to be a voting security, it will not consider such partnership to be an affiliate unless the Company and its affiliates own more than 25% of the outstanding securities of such partnership. Additionally, certain partnership agreements give common unitholders the right to elect the partnership s board of directors, but limit the amount of voting securities any limited partner can hold to no more than 4.9% of the partnership s outstanding voting securities *(i.e.*, any amounts held in excess of such limit by a limited partner do not have voting rights). In such instances, the Company does not consider itself to be an affiliate if it owns more than 5% of such partnership s common units.

There is no assurance that the SEC staff will not consider that other limited partnership securities that the Company owns and does not treat as voting securities are, in fact, voting securities for the purposes of Section 17 of the 1940 Act. If such determination were made, the Company will be required to abide by the restrictions on control or affiliate transactions as proscribed in the 1940 Act. The Company or any portfolio company that it controls, and its affiliates, may from time to time engage in certain of such joint transactions, purchases, sales and loans in reliance upon and in compliance with the conditions of certain exemptive rules promulgated by the SEC. The Company cannot make assurances, however, that it would be able to satisfy the conditions of these rules with respect to any particular eligible transaction, or even if the Company were allowed to engage in such a transaction, that the terms would be more or as favorable to the Company or any company that it controls as those that could be obtained in an arm s length transaction. As a result of these prohibitions, restrictions may be imposed on the size of positions that may be taken for the Company or on the type of investments that it could make.

Plains GP Holdings, L.P., Plains AAP, L.P. and Plains All American Pipeline, L.P. Robert V. Sinnott is Co-Chairman of Kayne Anderson Capital Advisors, L.P. (KACALP), the managing member of KAFA. Mr. Sinnott also serves as a director of PAA GP Holdings LLC, which is the general partner of Plains GP Holdings L.P. (PAGP). Members of senior management of KACALP and KAFA and various affiliated funds managed by KACALP own PAGP shares, Plains All American Pipeline, L.P. (PAA) units and interests in Plains AAP, L.P. (PAGP-AAP). The Company believes that it is an affiliate of PAA, PAGP and PAGP-AAP under the 1940 Act by virtue of (i) the Company s and other affiliated Kayne Anderson funds ownership interest in PAA, PAGP and PAGP-AAP and (ii) Mr. Sinnott s participation on the board of PAA GP Holdings LLC.

ONEOK, Inc. and ONEOK Partners, L.P. Kevin S. McCarthy, the Chief Executive Officer of the Company, served as a director of ONEOK, Inc. (OKE) from December 2015 through May 1, 2017. Effective May 2, 2017, Mr. McCarthy resigned as a director of OKE. OKE is the general partner of ONEOK Partners, L.P. (OKS). Despite Mr. McCarthy s participation on the board of OKE during a portion of the fiscal year ended November 30, 2017, the Company does not believe that it is an affiliate of OKE or OKS because the Company s and other Kayne Anderson funds aggregate ownership of each entity does not meet the criteria described above.

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The following table summarizes the Company s investments in affiliates as of or for the fiscal year ended November 30, 2017:

Investment[1]	No. of Shares/Units[2] (in 000 s)	Value	Dividends/ Distributions Received	Net Realized Gains (Losses)	Net Change in Unrealized Gains (Losses)
Clearwater Trust		$	$ 81	$ (2,614)	$ 2,605
Plains All American Pipeline, L.P.	8,710	169,854	17,405	7,453	(109,644)
Plains GP Holdings, L.P.			77	(956)	132
Plains GP Holdings, L.P. Plains AAP, L.P.	1,278	26,305	2,491		(15,735)
Total		$ 196,159	$ 20,054	$ 3,883	$ (122,642)

(1) See Schedule of Investments for investment classification.

(2) During the fiscal year ended November 30, 2017, the Company purchased 87 units of PAA and 140 shares of PAGP, and sold 252 units of PAA and 163 shares of PAGP. During the fourth quarter of 2017, the Company received its final distribution from the Clearwater Trust and wrote off this investment.

6. Income Taxes

The Company s taxes include current and deferred income taxes. Current income taxes reflect the estimated income tax liability or asset of the Company as of a measurement date. Deferred income taxes reflect (i) taxes on net unrealized gains (losses), which are attributable to the difference between fair market value and tax cost basis, (ii) the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes and (iii) the net tax benefit of accumulated net operating losses and capital losses, if any. See Note 14 Subsequent Events.

At November 30, 2017, the components of the Company s current and deferred tax assets and liabilities are as follows.

Current income tax liability, net	$ (14,678)
Deferred tax assets:	
Net operating loss carryforwards Federal	$ 2,384
Net operating loss carryforward State	1,014
AMT credit carryforwards	18,304
Deferred tax liabilities:	
Net unrealized gains on investment securities	(515,489)
Total deferred income tax liability, net	$ (493,787)

During the fiscal year ended November 30, 2017, the Company received refunds of $18,687 related to federal carryback claims filed during the fourth quarters of fiscal 2016 and 2017 and received $152 of state refunds. At November 30, 2017, the Company had a current income tax liability of $14,678. The net current income tax liability includes a $14,830 current liability that is the result of estimated taxable income earned during the fiscal year ended November 30, 2017. This current liability is partially offset by $152 of refunds of state overpayment amounts.

At November 30, 2017, the Company had a federal net operating loss carryforward of $7,056 (deferred tax asset of $2,384) and state net operating loss carryforwards of $37,448 (deferred tax assets of $1,014). Realization of the deferred tax assets and net operating loss carryforwards are dependent on generating sufficient taxable income prior to the expiration of the net operating loss carryforwards. The federal net operating loss carryforward begins to expire in 2036. The state net operating loss carryforwards begin to expire in 2019.

At November 30, 2017, the Company had alternative minimum tax (AMT) credit carryforwards of $18,304. AMT credits can be used to reduce regular tax to the extent that regular tax exceeds the AMT in a future year. AMT credits do not expire. See Note 14 Subsequent Events.

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Although the Company currently has a net deferred tax liability, it periodically reviews the recoverability of its deferred tax assets based on the weight of available evidence. When assessing the recoverability of its deferred tax assets, significant weight is given to the effects of potential future realized and unrealized gains on investments and the period over which these deferred tax assets can be realized, as the expiration dates for the federal capital and operating loss carryforwards range from five to twenty years.

Based on the Company s assessment, it has determined that it is more likely than not that its deferred tax assets will be realized through future taxable income of the appropriate character. Accordingly, no valuation allowance has been established for the Company s deferred tax assets. The Company will continue to assess the need for a valuation allowance in the future. Significant declines in the fair value of its portfolio of investments may change the Company s assessment regarding the recoverability of its deferred tax assets and may result in a valuation allowance. If a valuation allowance is required to reduce any deferred tax asset in the future, it could have a material impact on the Company s net asset value and results of operations in the period it is recorded.

Total income taxes were different from the amount computed by applying the federal statutory income tax rate of 35% to the net investment loss and realized and unrealized gains (losses) on investments before taxes as follows:

	For the Fiscal Year Ended November 30, 2017
Computed federal income tax benefit (expense) at 35%	$ 86,054
State income tax expense, net of federal tax	4,416
Non-deductible distributions on MRP Shares, dividend received deductions and other, net	(3,724)
Total income tax benefit (expense)	$ 86,746

The Company primarily invests in equity securities issued by MLPs, which generally are treated as partnerships for federal income tax purposes. As a limited partner of MLPs, the Company includes its allocable share of such MLPs income or loss in computing its own taxable income or loss. Additionally, for income tax purposes, the Company reduces the cost basis of its MLP investments by the cash distributions received, and increases or decreases the cost basis of its MLP investments by its allocable share of the MLP s income or loss. During the fiscal year ended November 30, 2017, the Company reduced its tax cost basis by $156,231 due to its fiscal 2016 net allocated losses from its MLP investments.

The Company utilizes the average cost method to compute the adjusted tax cost basis of its MLP securities.

At November 30, 2017, the cost basis of investments for federal income tax purposes was $2,022,034. The cost basis for federal income tax purposes is $806,834 lower than the cost basis for GAAP reporting purposes primarily due to the additional basis adjustments attributable to the Company s share of the allocated losses from its MLP investments. At November 30, 2017, gross unrealized appreciation and depreciation of investments and options, if any, for federal income tax purposes were as follows:

Gross unrealized appreciation of investments (including options, if any)	$ 1,433,408
Gross unrealized depreciation of investments (including options, if any)	(64,357)
Net unrealized appreciation of investments	$ 1,369,051

7. Restricted Securities

From time to time, the Company s ability to sell certain of its investments is subject to certain legal or contractual restrictions. For instance, private investments that are not registered under the Securities Act of 1933, as amended (the Securities Act), cannot be offered for public sale in a non-exempt transaction without first being registered. In other cases, certain of the Company s investments have restrictions such as lock-up agreements that preclude the Company from offering these securities for public sale.

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At November 30, 2017, the Company held the following restricted investments:

Investment	Acquisition Date	Type of Restriction	Number of Units (in 000 s)	Cost Basis (GAAP)	Fair Value	Fair Value Per Unit	Percent of Net Assets	Percent of Total Assets
Level 2 Investments [(1)]								
Plains GP Holdings, L.P.								
Plains AAP, L.P.	(2)	(3)	1,278	$ 6,564	26,305	$ 20.59	1.4%	0.8%
Level 3 Investments [(4)]								
Capital Product Partners L.P.								
Class B Units	(2)	(5)	3,030	16,901	23,758	$ 7.84	1.3%	0.7%
Dominion Midstream Partners, LP								
Convertible Preferred Units	12/1/16	(5)	525	13,883	17,983	34.23	1.0	0.5
MPLX LP								
Convertible Preferred Units	5/13/16	(5)	2,255	72,217	90,779	40.25	5.0	2.7
Total				$ 103,001	$ 132,520		7.3%	3.9%
Total of all restricted securities				$ 109,565	$ 158,825		8.7%	4.7%

(1) The Company values its investment in Plains AAP, L.P. (PAGP-AAP) on an as exchanged basis based on the higher public market value of either Plains GP Holdings, L.P. (PAGP) or Plains All American, L.P. (PAA). As of November 30, 2017, the Company s PAGP-AAP investment is valued at PAGP s closing price. See Note 3 Fair Value.

(2) Security was acquired at various dates in prior fiscal years.

(3) The Company s investment in PAGP-AAP is exchangeable on a one-for-one basis into either PAGP shares or PAA units at the Company s option. Upon exchange, the PAGP shares or the PAA units will be freely tradable.

(4) Securities are valued using inputs reflecting the Company s own assumptions as more fully described in Note 2 Significant Accounting Policies and Note 3 Fair Value.

(5) Unregistered or restricted security of a publicly-traded company.

8. Derivative Financial Instruments

As required by the Derivatives and Hedging Topic of the FASB Accounting Standards Codification (ASC 815), the following are the derivative instruments and hedging activities of the Company. See Note 2 Significant Accounting Policies.

Option Contracts Transactions in option contracts for the fiscal year ended November 30, 2017 were as follows:

	Number of Contracts	Premium
Call Options Written		
Options outstanding at November 30, 2016	1,000	$ 124
Options written	8,250	728
Options subsequently repurchased[1]	(7,750)	(659)
Options exercised	(1,500)	(193)
Options expired		
Options outstanding at November 30, 2017		$

(1) The price at which the Company subsequently repurchased the options was $151 which resulted in net realized gains of $508.

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Interest Rate Swap Contracts The Company may enter into interest rate swap contracts to partially hedge itself from increasing expense on its leverage resulting from increasing interest rates. At the time the interest rate swap contracts reach their scheduled termination, there is a risk that the Company would not be able to obtain a replacement transaction or that the terms of the replacement transaction would not be as favorable as on the expiring transaction. In addition, if the Company is required to terminate any swap contract early, then the Company could be required to make a termination payment. As of November 30, 2017, the Company did not have any interest rate swap contracts outstanding.

The Company did not have any derivative instruments outstanding as of November 30, 2017. The following table sets forth the effect of the Company s derivative instruments on the Statement of Operations:

		For the Fiscal Year Ended November 30, 2017	
Derivatives Not Accounted for as Hedging Instruments	**Location of Gains/(Losses) on Derivatives Recognized in Income**	**Net Realized Gains/(Losses) on Derivatives Recognized in Income**	**Change in Unrealized Gains/(Losses) on Derivatives Recognized in Income**
Call options written	Options	$ 508	$ 157

9. Investment Transactions

For the fiscal year ended November 30, 2017, the Company purchased and sold securities in the amounts of $674,202 and $804,528 (excluding short-term investments and options, if any).

10. Credit Facility and Term Loan

At November 30, 2017, the Company had a $150,000 unsecured revolving credit facility (the Credit Facility) with a syndicate of lenders. The Credit Facility has a two-year term maturing on February 28, 2018. The interest rate on outstanding loan balances may vary between LIBOR plus 1.60% and LIBOR plus 2.25%, depending on the Company s asset coverage ratios. The Company pays a fee of 0.30% per annum on any unused amounts of the Credit Facility. For the fiscal year ended November 30, 2017, the average amount outstanding under the Credit Facility was $545 with a weighted average interest rate of 2.85%. As of November 30, 2017, the Company had no outstanding borrowings under the Credit Facility.

At November 30, 2017, the Company had a $150,000 unsecured term loan (the Term Loan). The Term Loan has a five-year commitment maturing on February 18, 2019, and borrowings under the Term Loan bear interest at a rate of LIBOR plus 1.30%. The Company pays a fee of 0.25% per annum on any unused amount of the Term Loan. Amounts borrowed under the Term Loan may be repaid and subsequently reborrowed. For the fiscal year ended November 30, 2017, the average amount outstanding under the Term Loan was $47,600 with a weighted average interest rate of 2.26%. As of November 30, 2017, the Company had no outstanding borrowings under the Term Loan. The Company s ability to borrow under the Term Loan is subject to meeting a minimum net asset threshold ($1,891,787 as of November 30, 2017). As of November 30, 2017, the Company was unable to borrow under the Term Loan as its net asset value ($1,826,173) did not exceed this threshold.

As of November 30, 2017, the Company was in compliance with all financial and operational covenants required by the Credit Facility and Term Loan. See Financial Highlights for the Company s asset coverage ratios under the 1940 Act.

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11. Notes

At November 30, 2017, the Company had $747,000 aggregate principal amount of Notes outstanding. On April 24, 2017, the Company redeemed all $20,000 of its Series Y Notes at par value. The table below sets forth the key terms of each series of Notes outstanding at November 30, 2017.

Series	Principal Outstanding, November 30, 2016	Principal Redeemed	Principal Outstanding, November 30, 2017	Unamortized Issuance Costs	Estimated Fair Value November 30, 2017	Fixed Interest Rate	Maturity Date
W	$ 31,000	$	$ 31,000	$ 15	$ 31,900	4.38%	5/26/18
Y	20,000	(20,000)				2.91%	5/3/17
Z	15,000		15,000	24	15,300	3.39%	5/3/19
AA	15,000		15,000	37	15,400	3.56%	5/3/20
BB	35,000		35,000	107	36,400	3.77%	5/3/21
CC	76,000		76,000	271	79,700	3.95%	5/3/22
DD	75,000		75,000	134	75,900	2.74%	4/16/19
EE	50,000		50,000	164	50,900	3.20%	4/16/21
FF	65,000		65,000	271	66,900	3.57%	4/16/23
GG	45,000		45,000	214	46,200	3.67%	4/16/25
II	30,000		30,000	75	30,400	2.88%	7/30/19
JJ	30,000		30,000	118	30,800	3.46%	7/30/21
KK	80,000		80,000	426	83,600	3.93%	7/30/24
LL	50,000		50,000	187	50,500	2.89%	10/29/20
MM	40,000		40,000	189	40,600	3.26%	10/29/22
NN	20,000		20,000	101	20,300	3.37%	10/29/23
OO	90,000		90,000	479	91,300	3.46%	10/29/24
	$ 767,000	$ (20,000)	$ 747,000	$ 2,812	$ 766,100		

Holders of the fixed rate Notes are entitled to receive cash interest payments semi-annually (on June 19 and December 19) at the fixed rate. As of November 30, 2017, the weighted average interest rate on the outstanding Notes was 3.47%.

As of November 30, 2017, each series of Notes was rated AAA by FitchRatings. On April 18, 2017, Kroll Bond Rating Agency (KBRA) initiated coverage on the Company s Notes and assigned a rating of AAA . In the event the credit rating on any series of Notes falls below A- (for either FitchRatings or KBRA), the interest rate on such series will increase by 1% during the period of time such series is rated below A- . The Company is required to maintain a current rating from one rating agency with respect to each series of Notes and is prohibited from having any rating of less than investment grade (BBB-) with respect to each series of Notes.

The Notes were issued in private placement offerings to institutional investors and are not listed on any exchange or automated quotation system. The Notes contain various covenants related to other indebtedness, liens and limits on the Company s overall leverage. Under the 1940 Act and the terms of the Notes, the Company may not declare dividends or make other distributions on shares of its common stock or make purchases of such shares if, at any time of the declaration, distribution or purchase, asset coverage with respect to senior securities representing indebtedness (including the Notes) would be less than 300%.

The Notes are redeemable in certain circumstances at the option of the Company. The Notes are also subject to a mandatory redemption to the extent needed to satisfy certain requirements if the Company fails to meet an asset coverage ratio required by law and is not able to cure the coverage deficiency by the applicable deadline, or fails to cure a deficiency as stated in the Company s rating agency guidelines in a timely manner.

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KAYNE ANDERSON MLP INVESTMENT COMPANY

NOTES TO FINANCIAL STATEMENTS

(amounts in 000 s, except number of option contracts, share and per share amounts)

The Notes are unsecured obligations of the Company and, upon liquidation, dissolution or winding up of the Company, will rank: (1) senior to all of the Company s outstanding preferred shares; (2) senior to all of the Company s outstanding common shares; (3) on a parity with any unsecured creditors of the Company and any unsecured senior securities representing indebtedness of the Company; and (4) junior to any secured creditors of the Company.

At November 30, 2017, the Company was in compliance with all covenants under the Notes agreements.

12. Preferred Stock

At November 30, 2017, the Company had 11,680,000 shares of MRP Shares outstanding, with a total liquidation value of $292,000 ($25.00 per share). On May 15, 2017, the Company redeemed all 320,000 shares of its Series B MRP Shares at liquidation value. The table below sets forth the key terms of each series of the MRP Shares at November 30, 2017.

Series	Liquidation Value November 30, 2016	Liquidation Value Redeemed	Liquidation Value November 30, 2017	Unamortized Issuance Costs	Estimated Fair Value November 30, 2017	Rate	Mandatory Redemption Date
B	$ 8,000	$ (8,000)	$	$	$	4.53%	11/9/17
C	42,000		42,000	175	43,700	5.20%	11/9/20
F(1)	125,000		125,000	944	127,450	3.50%	4/15/20
H	50,000		50,000	353	50,400	4.06%	7/30/21
I	25,000		25,000	213	24,800	3.86%	10/29/22
J	50,000		50,000	580	49,000	3.36%	11/9/21
	$ 300,000	$ (8,000)	$ 292,000	$ 2,265	$ 295,350		

(1) Series F MRP Shares are publicly traded on the NYSE under the symbol KYNPRF . The fair value is based on the price of $25.49 as of November 30, 2017.

Holders of the Series C, H, I and J MRP Shares are entitled to receive cumulative cash dividend payments on the first business day following each quarterly period (February 28, May 31, August 31 and November 30). Holders of the Series F MRP Shares are entitled to receive cumulative cash dividend payments on the first business day of each month.

As of November 30, 2017, each series of MRP Shares was rated A by FitchRatings. On April 18, 2017, KBRA initiated coverage on the Company s MRP Shares and assigned a rating of A+ .

The table below outlines the terms of each series of MRP Shares. The dividend rate on the Company s MRP Shares will increase if the credit rating is downgraded below A . Further, the annual dividend rate for all series of MRP Shares will increase by 4.0% if no ratings are maintained, and the annual dividend rate will increase by 5.0% if the Company fails to make dividend or certain other payments. The Company is required to maintain a current rating from one rating agency with respect to each series of MRP Shares.

	Series C, H, I and J	Series F
Ratings Threshold	A	A
Method of Determination	Lowest Credit Rating	Highest Credit Rating
Increase in Annual Dividend Rate	0.5% to 4.0%	0.75% to 4.0%

The MRP Shares rank senior to all of the Company s outstanding common shares and on parity with any other preferred stock. The MRP Shares are redeemable in certain circumstances at the option of the Company and are also subject to a mandatory redemption if the Company fails to meet a total leverage (debt and preferred stock) asset coverage ratio of 225% or fails to maintain its basic maintenance amount as stated in the Company s rating agency guidelines.

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KAYNE ANDERSON MLP INVESTMENT COMPANY

NOTES TO FINANCIAL STATEMENTS

(amounts in 000 s, except number of option contracts, share and per share amounts)

Under the terms of the MRP Shares, the Company may not declare dividends or pay other distributions on shares of its common stock or make purchases of such shares if, at any time of the declaration, distribution or purchase, asset coverage with respect to total leverage would be less than 225% or the Company would fail to maintain its basic maintenance amount as stated in the Company s rating agency guidelines.

The holders of the MRP Shares have one vote per share and will vote together with the holders of common stock as a single class except on matters affecting only the holders of MRP Shares or the holders of common stock. The holders of the MRP Shares, voting separately as a single class, have the right to elect at least two directors of the Company.

At November 30, 2017, the Company was in compliance with the asset coverage and basic maintenance requirements of its MRP Shares.

13. Common Stock

At November 30, 2017, the Company had 188,320,000 shares of common stock authorized and 114,877,080 shares outstanding. As of November 30, 2017, KACALP owned 285,929 shares of the Company. Transactions in common shares for the fiscal year ended November 30, 2017 were as follows:

Shares outstanding at November 30, 2016	113,687,509
Shares issued through reinvestment of distributions	1,189,571
Shares outstanding at November 30, 2017	114,877,080

14. Subsequent Events

On December 14, 2017, the Company declared its quarterly distribution of $0.45 per common share for the fourth quarter. The total distribution of $51,695 was paid January 12, 2018. Of this total, pursuant to the Company s dividend reinvestment plan, $4,800 was reinvested into the Company through the issuance of 255,984 shares of common stock.

On December 22, 2017, the Tax Cuts and Jobs Act (the Tax Reform Bill) was signed into law. Prior to enactment of the Tax Reform Bill, the Company s deferred tax liability was based primarily on the federal rate of 35%. The Tax Reform Bill cut the federal tax rate to 21%, significantly reducing the Company s deferred tax liability and increasing the Company s net asset value. The decrease to the deferred tax liability was reflected in the Company s net asset value reported on December 22, 2017 (the date of enactment).

Other changes in the Tax Reform Bill that impact the Company include limitations on the deductibility of net interest expense and limitations on the usage of net operating loss carryforwards (and elimination of carrybacks). To the extent certain deductions are limited in any given year, the Company will be able to utilize such deductions in future periods if it has sufficient taxable income.

The Tax Reform Bill also repealed the corporate Alternative Minimum Tax (AMT) for tax years beginning after December 31, 2017 and provides that existing AMT credit carryforwards will be refundable. The Company will remain subject to corporate AMT for fiscal 2018 but expects to file for refunds of AMT credit carryforwards, if any, beginning in fiscal 2019. Further, the Tax Reform Bill permits immediate expensing of qualified capital expenditures for the next five years, and as a result, the Company s portfolio companies may pass through more deductions which may result in a higher portion of distributions received to be characterized as return of capital.

The Company has performed an evaluation of subsequent events through the date the financial statements were issued and has determined that no additional items require recognition or disclosure.

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KAYNE ANDERSON MLP INVESTMENT COMPANY

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of

Kayne Anderson MLP Investment Company

In our opinion, the accompanying statement of assets and liabilities, including the schedule of investments, and the related statements of operations, of changes in net assets applicable to common stockholders, and of cash flows and the financial highlights present fairly, in all material respects, the financial position of the Kayne Anderson MLP Investment Company (the Company) as of November 30, 2017, the results of its operations and its cash flows for the year then ended, the changes in its net assets applicable to common stockholders for each of the two years in the period then ended and the financial highlights for each of the ten years in the period then ended, in conformity with accounting principles generally accepted in the United States of America. These financial statements and financial highlights (hereafter referred to as financial statements) are the responsibility of the Company s management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these financial statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits, which included confirmation of securities as of November 30, 2017 by correspondence with the custodian and brokers, provide a reasonable basis for our opinion.

/s/ PricewaterhouseCoopers LLP

Los Angeles, California

January 29, 2018

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KAYNE ANDERSON MLP INVESTMENT COMPANY

PRIVACY POLICY NOTICE

(UNAUDITED)

Rev. 01/2011

FACTS	**WHAT DOES KAYNE ANDERSON MLP INVESTMENT COMPANY (KYN) 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?	The types of personal information we collect and share depend on the product or service you have with us. This information can include: Social Security number and account balances Payment history and transaction history Account transactions and wire transfer instructions When you are *no longer* our customer, we continue to share your information as described in this notice.
How?	All financial companies need to share customers personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers personal information; the reasons KYN chooses to share; and whether you can limit this sharing.

Reasons we can share your personal information	Does KYN 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	No
For joint marketing with other financial companies	No	We don t share
For our affiliates everyday business purposes information about your transactions and experiences	No	We don t share
For our affiliates everyday business purposes	No	We don t share

information about your creditworthiness		
For nonaffiliates to market to you	No	We don t share

Questions? Call 877-657-3863 or go to http://www.kaynefunds.com

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KAYNE ANDERSON MLP INVESTMENT COMPANY

PRIVACY POLICY NOTICE

(UNAUDITED)

Who we are	
Who is providing this notice?	KYN
What we do	
How does KYN 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. Access to your personal information is on a need-to-know basis. KYN has adopted internal policies to protect your non-public personal information.
How does KYN collect my personal information?	We collect your personal information, for example, when you Provide account information Buy securities from us or make a wire transfer Give us your contact information We also collect your personal information from other companies.
Why can t I limit all sharing?	Federal law gives you the right to limit only sharing for affiliates everyday business purposes information about your creditworthiness affiliates from using your information to market to you sharing for nonaffiliates to market to you

	State laws and individual companies may give you additional rights to limit sharing.
Definitions	
Affiliates	Companies related by common ownership or control. They can be financial and nonfinancial companies. *KYN does not share with our affiliates.*
Nonaffiliates	Companies not related by common ownership or control. They can be financial and nonfinancial companies. *KYN does not share with nonaffiliates so they can market to you.*
Joint marketing	A formal agreement between nonaffiliated financial companies that together market financial products or services to you. *KYN doesn t jointly market.*
Other important information	
None.	

KAYNE ANDERSON MLP INVESTMENT COMPANY

DIVIDEND REINVESTMENT PLAN

(UNAUDITED)

Kayne Anderson MLP Investment Company, a Maryland corporation (the Company), has adopted the following plan (the Plan) with respect to distributions declared by its Board of Directors (the Board) on shares of its Common Stock:

1. Unless a stockholder specifically elects to receive cash as set forth below, all distributions hereafter declared by the Board shall be payable in shares of the Common Stock of the Company, and no action shall be required on such stockholder s part to receive a distribution in stock.

2. Such distributions shall be payable on such date or dates as may be fixed from time to time by the Board to stockholders of record at the close of business on the record date(s) established by the Board for the distribution involved.

3. The Company may use newly-issued shares of its Common Stock or purchase shares in the open market in connection with the implementation of the plan. The number of shares to be issued to a stockholder shall be based on share price equal to 95% of the closing price of the Company s Common Stock one day prior to the dividend payment date.

4. The Board may, in its sole discretion, instruct the Company to purchase shares of its Common Stock in the open market in connection with the implementation of the Plan as follows: If the Company s Common Stock is trading below net asset value at the time of valuation, upon notice from the Company, the Plan Administrator (as defined below) will receive the dividend or distribution in cash and will purchase Common Stock in the open market, on the New York Stock Exchange or elsewhere, for the Participants accounts, except that the Plan Administrator will endeavor to terminate purchases in the open market and cause the Company to issue the remaining shares if, following the commencement of the purchases, the market value of the shares, including brokerage commissions, exceeds the net asset value at the time of valuation. These remaining shares will be issued by the Company at a price equal to the greater of (i) the net asset value at the time of valuation or (ii) 95% of the then current market price.

5. In a case where the Plan Administrator has terminated open market purchases and caused the issuance of remaining shares by the Company, the number of shares received by the participant in respect of the cash dividend or distribution will be based on the weighted average of prices paid for shares purchased in the open market, including brokerage commissions, and the price at which the Company issues the remaining shares. To the extent that the Plan Administrator is unable to terminate purchases in the open market before the Plan Administrator has completed its purchases, or remaining shares cannot be issued by the Company because the Company declared a dividend or distribution payable only in cash, and the market price exceeds the net asset value of the shares, the average share purchase price paid by the Plan Administrator may exceed the net asset value of the shares, resulting in the acquisition of fewer shares than if the dividend or distribution had been paid in shares issued by the Company.

6. A stockholder may, however, elect to receive his or its distributions in cash. To exercise this option, such stockholder shall notify American Stock Transfer & Trust Company, the plan administrator and the Company s transfer agent and registrar (collectively the Plan Administrator), in writing so that such notice is received by the Plan Administrator no later than the record date fixed by the Board for the distribution involved.

7. The Plan Administrator will set up an account for shares acquired pursuant to the Plan for each stockholder who has not so elected to receive dividends and distributions in cash (each, a Participant). The Plan Administrator may hold each Participant s shares, together with the shares of other Participants, in non-certificated form in the Plan Administrator s name or that of its nominee. Upon request by a Participant, received no later than three (3) days prior to the payable date, the Plan Administrator will, instead of crediting shares to and/or carrying shares in a Participant s account, issue, without charge to the Participant, a certificate registered in the Participant s name for the number of whole shares payable to the Participant

KAYNE ANDERSON MLP INVESTMENT COMPANY

DIVIDEND REINVESTMENT PLAN

(UNAUDITED)

and a check for any fractional share less a broker commission on the sale of such fractional shares. If a request to terminate a Participant s participation in the Plan is received less than three (3) days before the payable date, dividends and distributions for that payable date will be reinvested. However, subsequent dividends and distributions will be paid to the Participant in cash.

8. The Plan Administrator will confirm to each Participant each acquisition made pursuant to the Plan as soon as practicable but not later than ten (10) business days after the date thereof. Although each Participant may from time to time have an undivided fractional interest (computed to three decimal places) in a share of Common Stock of the Company, no certificates for a fractional share will be issued. However, dividends and distributions on fractional shares will be credited to each Participant s account. In the event of termination of a Participant s account under the Plan, the Plan Administrator will adjust for any such undivided fractional interest in cash at the market value of the Company s shares at the time of termination.

9. The Plan Administrator will forward to each Participant any Company related proxy solicitation materials and each Company report or other communication to stockholders, and will vote any shares held by it under the Plan in accordance with the instructions set forth on proxies returned by Participants to the Company.

10. In the event that the Company makes available to its stockholders rights to purchase additional shares or other securities, the shares held by the Plan Administrator for each Participant under the Plan will be added to any other shares held by the Participant in certificated form in calculating the number of rights to be issued to the Participant.

11. The Plan Administrator s service fee, if any, and expenses for administering the Plan will be paid for by the Company.

12. Each Participant may terminate his or its account under the Plan by so notifying the Plan Administrator via the Plan Administrator s website at www.amstock.com, by filling out the transaction request form located at the bottom of the Participant s Statement and sending it to American Stock Transfer and Trust Company, P.O. Box 922, Wall Street Station, New York, NY 10269-0560 or by calling the Plan Administrator at (888) 888-0317. Such termination will be effective immediately. The Plan may be terminated by the Company upon notice in writing mailed to each Participant at least 30 days prior to any record date for the payment of any dividend or distribution by the Company. Upon any termination, the Plan Administrator will cause a certificate or certificates to be issued for the full shares held for the Participant under the Plan and a cash adjustment for any fractional share to be delivered to the Participant without charge to the Participant. If a Participant elects by his or its written notice to the Plan Administrator in advance of termination to have the Plan Administrator sell part or all of his or its shares and remit the proceeds to the Participant, the Plan Administrator is authorized to deduct a $15.00 transaction fee plus a $0.10 per share brokerage commission from the proceeds.

13. These terms and conditions may be amended or supplemented by the Company at any time but, except when necessary or appropriate to comply with applicable law or the rules or policies of the Securities and Exchange Commission or any other regulatory authority, only by mailing to each Participant appropriate written notice at least 30 days prior to the effective date thereof. The amendment or supplement shall be deemed to be accepted by each Participant unless, prior to the effective date thereof, the Plan Administrator receives written notice of the termination of his or its account under the Plan. Any such amendment may include an appointment by the Plan Administrator in its place and stead of a successor agent under these terms and conditions, with full power and authority to perform all or any of the acts to be performed by the Plan Administrator under these terms and conditions. Upon any such appointment of any agent for the purpose of receiving dividends and distributions, the Company will be authorized to pay to such successor agent, for each Participant s account, all dividends and distributions payable on shares of the

KAYNE ANDERSON MLP INVESTMENT COMPANY

DIVIDEND REINVESTMENT PLAN

(UNAUDITED)

Company held in the Participant s name or under the Plan for retention or application by such successor agent as provided in these terms and conditions.

14. The Plan Administrator will at all times act in good faith and use its best efforts within reasonable limits to ensure its full and timely performance of all services to be performed by it under this Plan and to comply with applicable law, but assumes no responsibility and shall not be liable for loss or damage due to errors unless such error is caused by the Plan Administrator s negligence, bad faith, or willful misconduct or that of its employees or agents.

15. These terms and conditions shall be governed by the laws of the State of Maryland.

Adopted: September 27, 2004

Amended: December 13, 2005

Amended: March 12, 2009

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KAYNE ANDERSON MLP INVESTMENT COMPANY

INFORMATION CONCERNING DIRECTORS AND CORPORATE OFFICERS

(UNAUDITED)

Independent Directors[1]

Name[2], (Year Born)	Position(s) Held with Company, Term of Office/ Time of Service	Principal Occupations During Past Five Years	Other Directorships Held by Director/Officer During Past Five Years
Anne K. Costin (born 1950)	Director. 3-year term (until the 2019 Annual Meeting of Stockholders)/served since inception	Professor at the Amsterdam Institute of Finance from 2007 to 2013. Adjunct Professor in the Finance and Economics Department of Columbia University Graduate School of Business in New York from 2004 through 2007. As of March 1, 2005, Ms. Costin retired after a 28-year career at Citigroup. During the seven years prior to her retirement, Ms. Costin was Managing Director and Global Deputy Head of the Project & Structured Trade Finance product group within Citigroup s Investment Banking Division.	Kayne Anderson Energy Total Return Fund, Inc. (KYE)
Steven C. Good (born 1942)	Director. 3-year term (until the 2018 Annual Meeting of Stockholders)/served since inception	Independent consultant since February 2010, when he retired from CohnReznick LLP, where he had been an active partner since 1976. CohnReznick LLP offers accounting, tax and business advisory services to middle market private and publicly-traded companies, their owners and their management. Founded Block, Good and Gagerman in 1976, which later evolved in stages into CohnReznick LLP.	Current: KYE OSI Systems, Inc. (specialized electronic products) Rexford Industrial Realty, Inc. (real estate investment trust) Prior: California Pizza Kitchen, Inc. (restaurant chain) Arden Realty, Inc. (real estate investment trust)

William H. Shea, Jr. (born 1954)	Director. 3-year term (until the 2019 Annual Meeting of Stockholders)/served since March 2008	Chief Executive Officer of Mainline Energy Partners, LLC since July 2016. Chief Executive Officer and President of Niska Gas Storage Partners LLC from May 2014 to July 2016. Chief Executive Officer of the general partner of PVR Partners, L.P. (PVR) from March 2010 to March 2014. Chief Executive Officer and President of the general partner of Penn Virginia GP Holdings, L.P. (PVG), from March 2010 to March 2011. Private investor from June 2007 to March 2010. From September 2000 to June 2007, President, Chief Executive Officer and Director (Chairman from May 2004 to June 2007) of Buckeye Partners L.P. (BPL). From May 2004 to June 2007, President, Chief Executive Officer and Chairman of Buckeye GP Holdings L.P. (BGH) and its predecessors.	Current: KYE Mainline Energy Partners, LLC (midstream energy) USA Compression Partners, LP (natural gas compression MLP) Prior: BGH (general partner of BPL) BPL (midstream MLP) Gibson Energy ULC (midstream energy) Niska Gas Storage Partners LLC (natural gas storage) PVG (owned general partner of PVR) PVR (midstream MLP) Penn Virginia Corporation (oil and gas exploration and production company)

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KAYNE ANDERSON MLP INVESTMENT COMPANY

INFORMATION CONCERNING DIRECTORS AND CORPORATE OFFICERS

(UNAUDITED)

Interested Director and Non-Director Officers

Name[2], (Year Born)	Position(s) Held with Company, Term of Office/ Time of Service	Principal Occupations During Past Five Years	Other Directorships Held by Director/Officer During Past Five Years
Kevin S. McCarthy[4] (born 1959)	Chairman of the Board of Directors and Chief Executive Officer. 3-year term as a director (until the 2018 Annual Meeting of Stockholders), elected annually as an officer/served since inception	Managing Partner of KACALP since June 2004 and Co-Managing Partner of KAFA since 2006. Chief Executive Officer of KYE; Kayne Anderson Energy Development Company (KED); and Kayne Anderson Midstream/Energy Fund, Inc. (KMF) since inception (KYE inception in 2005; KED inception in 2006; and KMF inception in 2010).	Current: KYE KED KMF Kayne Anderson Acquisition Corp. (special purpose acquisition company) Range Resources Corporation (oil and gas exploration and production company) Prior: Clearwater Natural Resources, L.P. (coal mining) Direct Fuels Partners, L.P. (transmix refining and fuels distribution)

			Emerge Energy Services LP (frac sand MLP) International Resource Partners LP (coal mining) K-Sea Transportation Partners LP (shipping MLP) ONEOK, Inc. (midstream company) ProPetro Services, Inc. (oilfield services)
J.C. Frey (born 1968)	Executive Vice President, Assistant Treasurer and Assistant Secretary. Elected annually. Served as Assistant Treasurer and Assistant Secretary since inception; served as Executive Vice President since June 2008	Managing Partner of KACALP since 2004 and Co-Managing Partner of KAFA since 2006. Assistant Secretary and Assistant Treasurer of KYE since 2005 and of KED since 2006. Executive Vice President of KYE and KED since June 2008 and of KMF since August 2010.	None
James C. Baker (born 1972)	President since June 2016. Executive Vice President from June 2008 to June 2016. Elected annually/served since June 2005	Senior Managing Director of KACALP and KAFA since February 2008. President of KYE, KED and KMF since June 2016. Executive Vice President of KYE and KED from June 2008 to June 2016 and of KMF from August 2010 to June 2016.	Current: KED Prior: K-Sea Transportation Partners LP (shipping MLP) Petris Technology, Inc. (data management for energy companies) ProPetro Services, Inc. (oilfield services)

Terry A. Hart (born 1969)	Chief Financial Officer and Treasurer. Elected annually/served since 2005	Managing Director of KACALP since December 2005 and Chief Financial Officer of KAFA since 2006. Chief Financial Officer and Treasurer of KYE since December 2005; of KED since September 2006; and of KMF since August 2010. Chief Financial Officer of Kayne Anderson Acquisition Corp. since December 2016.	Current: KED The Source for Women (not-for-profit organization)

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KAYNE ANDERSON MLP INVESTMENT COMPANY

INFORMATION CONCERNING DIRECTORS AND CORPORATE OFFICERS

(UNAUDITED)

Interested Director and Non-Director Officers

Name[2], (Year Born)	Position(s) Held with Company, Term of Office/ Time of Service	Principal Occupations During Past Five Years	Other Directorships Held by Director/Officer During Past Five Years
Ron M. Logan, Jr. (born 1960)	Senior Vice President Elected annually/served since September 2012	Senior Managing Director of KACALP and KAFA since February 2014. Managing Director of KACALP and KAFA from September 2006 to February 2014. Senior Vice President of KED since September 2006, of KMF since June 2012 and of KYE since September 2012.	Prior VantaCore Partners LP (aggregates MLP)
Jody C. Meraz (born 1978)	Vice President. Elected annually/served since 2011	Managing Director of KACALP and KAFA since February 2014. Senior Vice President of KACALP and KAFA from 2011 to February 2014. Vice President of KYE, KED and KMF since 2011.	None
Alan R. Boswell (born 1978)	Vice President. Elected annually/served since 2017	Managing Director of KACALP and KAFA since January 2018. Senior Vice President of KACALP and KAFA from July 2014 to January 2018. Vice President of KACALP and KAFA from 2012 to July 2014. Vice President of KYE, KED and KMF since 2017.	None
Michael O Neil (born 1983)	Chief Compliance Officer. Elected annually/served since 2013	Chief Compliance Officer of KACALP and KAFA since March 2012 and of KYE, KED, KMF since December 2013 and of KA Associates, Inc. (broker-dealer) since January 2013. A compliance officer at BlackRock Inc. from January 2008 to February 2012.	None
David J. Shladovsky (born 1960)	Secretary. Elected annually/served since inception	General Counsel of KACALP since 1997 and of KAFA since 2006. Secretary and Chief Compliance Officer (through December 2013) of KYE since 2005; of KED since 2006; and of KMF since August 2010.	None

(1) The 1940 Act requires the term Fund Complex to be defined to include registered investment companies advised by KAFA, the Company s investment adviser, and the Fund Complex included the Company, KYE, KED and KMF. Each Independent Director oversees two registered investment companies in the Fund Complex the Company and KYE, as noted above.

(2) The address of each director and corporate officer is c/o KA Fund Advisors, LLC, 811 Main Street, 14th Floor, Houston, Texas, 77002.

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

(4) Mr. McCarthy is an interested person of the Company as defined in the 1940 Act by virtue of his employment relationship with KAFA. Additional information regarding the Company s directors is contained in the Company s Statement of Additional Information, the most recent version of which can be found on the Company s website at *http://www.kaynefunds.com* or is available without charge, upon request, by calling (877) 657-3863.

KAYNE ANDERSON MLP INVESTMENT COMPANY

ANNUAL CERTIFICATION

(UNAUDITED)

The Company s Chief Executive Officer has filed an annual certification with the NYSE that, as of the date of the certification, he was unaware of any violation by the Company of the NYSE s corporate governance listing standards.

INFORMATION REGARDING CHANGES TO INVESTMENT POLICY

(UNAUDITED)

On April 20, 2017, the Company s Board of Directors approved the following change to its non-fundamental investment policy related to the use of leverage:

The prior policy allowed for the Company to utilize borrowings and preferred stock (each a Leverage Instrument and collectively Leverage Instruments) in an amount that represented approximately 30% of total assets, including proceeds from such Leverage Instruments. The revised policy has established target leverage levels of approximately 25-30% of total assets, including proceeds from such Leverage Instruments.

The revised policy became effective June 30, 2017, as follows:

Under normal market conditions, the Company s policy is to utilize borrowings and preferred stock (each a Leverage Instrument and collectively Leverage Instruments) in an amount that represents approximately 25%-30% of total assets (the target leverage levels), including proceeds from such Leverage Instruments. However, the Company reserves the right at any time, based on market conditions, (i) to reduce the target leverage levels or (ii) to use Leverage Instruments to the extent permitted by the 1940 Act.

PROXY VOTING AND PORTFOLIO HOLDINGS INFORMATION

(UNAUDITED)

The policies and procedures that the Company uses to determine how to vote proxies relating to its portfolio securities are available:

- without charge, upon request, by calling (877) 657-3863/MLP-FUND;

- on the Company s website, *http://www.kaynefunds.com*; and

- on the SEC s website, *http://www.sec.gov*.

Information regarding how the Company voted proxies relating to portfolio securities during the most recent 12-month period ended June 30 is available without charge, upon request, by calling (877) 657-3863/MLP-FUND, and on the SEC s website at *http://www.sec.gov* (see Form N-PX).

The Company files a complete schedule of its portfolio holdings for the first and third quarters of each of its fiscal years with the SEC on Form N-Q and Form N-30B-2. The Company s Form N-Q and Form N-30B-2 are available on the SEC s website at *http://www.sec.gov* and may be reviewed and copied at the SEC s Public Reference Room in Washington, DC. Information on the operation of the SEC s Public Reference Room may be obtained by calling 1-800-SEC-0330. The Company also makes its Form N-Q and Form N-30B-2 available on its website at *http://www.kaynefunds.com.*

REPURCHASE DISCLOSURE

(UNAUDITED)

Notice is hereby given in accordance with Section 23(c) of the 1940 Act, that the Company may from time to time purchase shares of its common and preferred stock and its Notes in the open market or in privately negotiated transactions.

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Directors and Corporate Officers

Kevin S. McCarthy	Chairman of the Board of Directors and Chief Executive Officer
Anne K. Costin	Director
Steven C. Good	Director
William H. Shea, Jr.	Director
James C. Baker	President
Terry A. Hart	Chief Financial Officer and Treasurer
David J. Shladovsky	Secretary
Michael J. O Neil	Chief Compliance Officer
J.C. Frey	Executive Vice President, Assistant Secretary and Assistant Treasurer
Ron M. Logan, Jr.	Senior Vice President
Alan R. Boswell	Vice President
Jody C. Meraz	Vice President

Investment Adviser
KA Fund Advisors, LLC
811 Main Street, 14th Floor
Houston, TX 77002

1800 Avenue of the Stars, Third Floor
Los Angeles, CA 90067

Administrator
Ultimus Fund Solutions, LLC
225 Pictoria Drive, Suite 450
Cincinnati, OH 45246

Stock Transfer Agent and Registrar
American Stock Transfer & Trust Company, LLC
6201 15th Avenue
Brooklyn, NY 11219

(888) 888-0317

Custodian
JPMorgan Chase Bank, N.A.
14201 North Dallas Parkway, Second Floor
Dallas, TX 75254

Independent Registered Public Accounting Firm
PricewaterhouseCoopers LLP
601 S. Figueroa Street, Suite 900
Los Angeles, CA 90017

Legal Counsel
Paul Hastings LLP
101 California Street, Forty-Eighth Floor
San Francisco, CA 94111

Please visit us on the web at *http://www.kaynefunds.com* or call us toll-free at 1-877-657-3863.

This report, including the financial statements herein, is made available to stockholders of the Company for their information. It is not a prospectus, circular or representation intended for use in the purchase or sale of shares of the Company or of any securities mentioned in this report.

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Item 2. Code of Ethics.

(a) As of the end of the period covered by this report, the Registrant has adopted a code of ethics that applies to the Registrant s principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions.

(c) and (d) During the period covered by this report, there was no amendment to, and no waiver, including implicit waiver, was granted from, any provision of the Registrant s code of ethics that applies to the Registrant s principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions.

(f)(1) Pursuant to Item 12(a)(1), the Registrant is attaching as an exhibit (EX-99.CODE ETH) a copy of its code of ethics that applies to its principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions.

Item 3. Audit Committee Financial Expert.

(a)(1) The Registrant s board of directors has determined that the Registrant has one audit committee financial expert serving on its Audit Committee.

(a)(2) The audit committee financial expert is Steven C. Good. Mr. Good is independent for purposes of this Item.

Item 4. Principal Accountant Fees and Services.

(a) through (d) The information in the table below is provided for professional services rendered to the Registrant by its independent registered public accounting firm, PricewaterhouseCoopers LLP, during the Registrant s (i) fiscal year ended November 30, 2017, and (ii) fiscal year ended November 30, 2016.

	2017	**2016**
Audit Fees	$ 190,000	$ 180,600
Audit-Related Fees	42,000	43,900
Tax Fees	214,000	121,500
All Other Fees		
Total	$ 446,000	$ 346,000

With respect to the table above, Audit Fees are the aggregate fees billed for professional services for the audit of the Registrant s annual financial statements and services provided in connection with statutory and regulatory filings or engagements. Audit-Related Fees are the aggregate fees billed for assurance and related services reasonably related to the performance of the audit of the Registrant s financial statements and are not reported under Audit Fees. Tax Fees are the aggregate fees billed for professional services for tax compliance, tax advice and tax planning.

(e)(1) Audit Committee Pre-Approval Policies and Procedures.

(i) Before the auditor is engaged by the Registrant to render audit, audit related or permissible non-audit services to the Registrant or (ii) with respect to non-audit services to be provided by the auditor to the Registrant s investment adviser or any entity in the Registrant s investment company complex, if the nature of the services provided relate directly to the operations or financial reporting of the Registrant, either: (a) the Audit Committee shall pre-approve such engagement; or (b) such engagement shall be entered into pursuant to pre-approval policies and procedures established by the Audit Committee. Any such policies and procedures must be detailed as to the particular service and not involve any delegation of the Audit Committee s responsibilities to the Registrant s investment adviser. The Audit Committee may delegate to one or more of its members the authority to grant pre-approvals. The pre-approval policies and procedures shall include the requirement that the decisions of any member to whom authority is delegated under this provision be presented to the full Audit Committee at its next scheduled meeting. Under certain limited circumstances, pre-approvals are not required if certain de minimis thresholds are not exceeded, as such thresholds are set forth by the Audit Committee and in accordance with applicable Securities and Exchange Commission rules and regulations.

(e)(2) None of the services provided to the Registrant described in paragraphs (b) through (d) of this Item 4 were pre-approved by the Audit Committee pursuant to paragraph (c)(7)(i)(C) of Rule 2-01 of regulation S-X.

(f) No disclosures are required by this Item 4(f).

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(g) The aggregate non-audit fees billed by PricewaterhouseCoopers LLP for services rendered to the Registrant for the fiscal years ended November 30, 2017 and 2016 were $214,000 and $121,500, respectively. The aggregate non-audit fees billed by PricewaterhouseCoopers LLP totaled $4,893,000 and $4,516,000 for services rendered to the Registrant s investment adviser and any entity controlling, controlled by, or under common control with the adviser that provides ongoing services to the Registrant for the fiscal years ended November 30, 2017 and 2016, respectively.

(h) The Registrant s Audit Committee has considered the provision of non-audit services that were rendered to the Registrant s investment adviser and any entity controlling, controlled by, or under common control with the investment adviser that provides ongoing services to the Registrant that were not pre-approved pursuant to paragraph (c)(7)(ii) of Rule 2-01 of Regulation S-X and has determined that the provision of such non-audit services is compatible with maintaining the Registrant s principal accountant s independence.

Item 5. Audit Committee of Listed Registrants.

The Registrant has a separately-designated standing audit committee established in accordance with Section 3(a)(58)(A) of the Securities and Exchange Act of 1934, as amended (the Exchange Act). Steven C. Good (Chair), Anne K. Costin and William H. Shea, Jr. are the members of the Registrant s Audit Committee.

Item 6. Investments.

(a) Please see the Schedule of Investments contained in the KYN Annual Report for the fiscal year ended November 30, 2017 included under Item 1 of this Form N-CSR.

(b) Not applicable.

Item 7. Disclosure of Proxy Voting Policies and Procedures for Closed-End Management Investment Companies.

The Registrant has delegated the voting of proxies relating to its voting securities to its investment adviser, KA Fund Advisors, LLC (the Adviser). The respective proxy voting policies and procedures of the Registrant and the Adviser are attached as Exhibit 99.VOTEREG and Exhibit 99.VOTEADV hereto.

Item 8. Portfolio Managers of Closed-End Management Investment Companies.

(a)(1) As of the date of filing of this report, the following individuals (the Portfolio Managers) are primarily responsible for the day-to-day management of the Registrant s portfolio:

Kevin S. McCarthy has served as the Registrant s, Chief Executive Officer and co-portfolio manager since June 2004 and has served as the Chief Executive Officer and co-portfolio manager of Kayne Anderson Energy Total Return Fund, Inc. (KYE) since May 2005, of Kayne Anderson Energy Development Company (KED) since September 2006 and of Kayne Anderson Midstream/Energy Fund, Inc. (KMF) since November 2010. Mr. McCarthy has served as a Managing Partner of Kayne Anderson Capital Advisors, L.P. (KACALP) since June 2004 and Co-Managing Partner of the Adviser (together with KACALP, Kayne Anderson) since 2006. Prior to that, he was Global Head of Energy at UBS Securities LLC. In this role, he had senior responsibility for all of UBS energy investment banking activities. Mr. McCarthy was with UBS Securities from 2000 to 2004. From 1995 to 2000, Mr. McCarthy led the energy investment banking activities of Dean Witter Reynolds and then PaineWebber Incorporated. He began his investment banking career in 1984. He earned a BA degree in Economics and Geology from Amherst College in 1981, and an MBA degree in Finance from the University of Pennsylvania s Wharton School in 1984.

J.C. Frey is the Registrant s Executive Vice President (since June 2008) and Assistant Secretary, Assistant Treasurer and co-portfolio manager (since June 2004), Managing Partner of KACALP since 2004 and Co-Managing Partner of the Adviser since 2006. He serves as portfolio manager of Kayne Anderson s various funds investing in master limited partnership (MLP) securities, including serving as a co-portfolio manager, Assistant Secretary and Assistant Treasurer of KYE since May 2005 and of KED since September 2006, Vice President of KYE from May 2005 through June 2008 and of KED from September 2006 through July 2008, Executive Vice President of KYE since June 2008 and of KED since July 2008 and Executive Vice President, Assistant Treasurer, Assistant Secretary and co-portfolio manager of KMF since November 2010. Mr. Frey began investing in MLPs on behalf of Kayne Anderson in 1998 and has served as portfolio manager of Kayne Anderson s MLP funds since their inception in 2000. In addition to the closed-end funds, Mr. Frey manages approximately $4 billion in assets in MLPs and midstream companies and other Kayne Anderson energy funds. Prior to joining Kayne Anderson in 1997, Mr. Frey was a CPA and audit

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manager in KPMG Peat Marwick s financial services group, specializing in banking and finance clients and loan securitizations. Mr. Frey graduated from Loyola Marymount University with a BS degree in Accounting in 1990. In 1991, he received a Master s degree in Taxation from the University of Southern California.

James C. Baker is the Registrant s Director and President and co-portfolio manager of KYN, KYE, KED and KMF (since November 2017). Mr. Baker has served as Senior Managing Director of KACALP and the Adviser since February 2008; President of KYN, KYE, KED and KMF since June 2016; and Executive Vice President of KYN and KYE from June 2008 to June 2016 and of KED and KMF from August 2010 to June 2016. Prior to joining Kayne Anderson in 2004, Mr. Baker was Director in Planning and Analysis at El Paso Corporation from April 2004 to December 2004. Prior to that, he was a Director in the energy investment banking group at UBS Securities LLC. At UBS, he focused on securities underwriting and mergers and acquisitions in the energy industry. Prior to joining UBS in 2000, Mr. Baker was an Associate in the energy investment banking group at PaineWebber Incorporated. He earned a BBA degree in Finance from the University of Texas at Austin in 1995 and an MBA degree in Finance from Southern Methodist University in 1997.

(a)(2)(i) and (ii) Other Accounts Managed by Portfolio Managers:

The following table reflects information regarding accounts for which the Portfolio Managers have day-to-day management responsibilities (other than the Registrant). Accounts are grouped into three categories: (i) registered investment companies, (ii) other pooled investment vehicles, and (iii) other accounts, and include accounts that pay advisory fees based on account performance shown in the separate table below under (a)(2)(iii). Information is shown as of November 30, 2017. Asset amounts are approximate and have been rounded.

	Registered Investment Companies (excluding the Registrant)		Other Pooled Investment Vehicles		Other Accounts	
Portfolio Manager	**Number of Accounts**	**Total Assets in the Accounts ($ in millions)**	**Number of Accounts**	**Total Assets in the Accounts ($ in millions)**	**Number of Accounts**	**Total Assets in the Accounts ($ in millions)**
Kevin S. McCarthy	3	$ 1,284		$	8	$ 284
J.C. Frey	5	$ 1,646	13	$ 2,652	16	$ 890
James C. Baker	3	$ 1,284		$	8	$ 284

(a)(2)(iii) Other Accounts that Pay Performance-Based Advisory Fees Managed by Portfolio Managers:

The following table reflects information regarding accounts for which the Portfolio Managers have day-to-day management responsibilities (other than the Registrant) and with respect to which the advisory fee is based on the performance of the account. Information is shown as of November 30, 2017. Asset amounts are approximate and have been rounded.

	Registered Investment Companies (excluding the Registrant)		Other Pooled Investment Vehicles		Other Accounts	
Portfolio Manager	**Number of Accounts**	**Total Assets in the Accounts ($ in millions)**	**Number of Accounts**	**Total Assets in the Accounts ($ in millions)**	**Number of Accounts**	**Total Assets in the Accounts ($ in millions)**
Kevin S. McCarthy		N/A		$	7	$ 269
J.C. Frey		N/A	11	$ 2,539	5	$ 390
James C. Baker		N/A		$	7	$ 269

(a)(2)(iv) Potential Material Conflicts of Interest:

Some of the other accounts managed by Messrs. McCarthy, Frey and Baker have investment strategies that are similar to those of the Registrant. However, Kayne Anderson manages potential conflicts of interest by allocating investment opportunities in accordance with its written allocation policies and procedures.

(a)(3) Compensation of Each Portfolio Manager:

As of November 30, 2017, Messrs. McCarthy, Frey and Baker are compensated by Kayne Anderson through partnership distributions from Kayne Anderson, based on the amount of assets they manage, and they receive a portion of the advisory fees applicable to those accounts (including the Registrant), which, with respect to certain accounts (not including the Registrant), as noted above, are based in part on the performance of those accounts.

Additional benefits received by Messrs. McCarthy, Frey and Baker are normal and customary benefits generally available to all salaried employees.

(a)(4) As of November 30, 2017, the end of the Registrant s most recently completed fiscal year, the dollar range of equity securities beneficially owned by each Portfolio Manager in the Registrant is shown below:

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Kevin S. McCarthy: over $1,000,000

J.C. Frey: over $1,000,000

James C. Baker: over $1,000,000

Through their limited partnership interests in KACALP, which owns shares of Registrant s common stock, Messrs. McCarthy, Frey and Baker could be deemed to also indirectly own a portion of the Registrant s equity securities.

(b) Not applicable.

Item 9. Purchases of Equity Securities by Closed-End Management Investment Company and Affiliated Purchasers.

None.

Item 10. Submission of Matters to a Vote of Security Holders.

None.

Item 11. Controls and Procedures.

(a) The Registrant s principal executive officer and principal financial officer have evaluated the Registrant s disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940, as amended (the 1940 Act)), as of a date within 90 days of the filing of this report and have concluded that the Registrant s disclosure controls and procedures are effective, as of such date, based on the evaluation of these controls and procedures required by Rule 30a-3(b) under the 1940 Act and
Rule 13a-15(b) or 15d-15(b) under the Exchange Act.

(b) There have been no changes in the Registrant s internal control over financial reporting (as defined in Rule 30a-3(d) under the 1940 Act) that occurred during the second fiscal quarter of the period covered by this report that have materially affected, or are reasonably likely to materially affect, the Registrant s internal control over financial reporting.

Item 12. Exhibits.

(a)(1) Code of Ethics attached hereto as EX-99.CODE ETH.

(a)(2) Separate certifications of Principal Executive and Principal Financial Officers of the Registrant pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 attached hereto as EX-99.CERT.

(b) Certification of Principal Executive and Principal Financial Officers of the Registrant pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 attached hereto as EX-99.906 CERT.

(99) Proxy Voting Policies of the Registrant attached hereto as EX-99.VOTEREG.

(99) Proxy Voting Policies of the Adviser attached hereto as EX-99.VOTEADV.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

KAYNE ANDERSON MLP INVESTMENT COMPANY

By: /s/ KEVIN S. MCCARTHY
Kevin S. McCarthy
Chairman of the Board of Directors

and Chief Executive Officer

Date: January 29, 2018

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

By: /s/ KEVIN S. MCCARTHY
Kevin S. McCarthy
Chairman of the Board of Directors

and Chief Executive Officer

Date: January 29, 2018

By: /s/ TERRY A. HART
Terry A. Hart
Chief Financial Officer and Treasurer

Date: January 29, 2018

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Exhibit Index

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