

Kayne Anderson MLP Investment CO  
Form N-CSRS  
July 21, 2016  
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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**  
**FORM N-CSR**  
**CERTIFIED SHAREHOLDER REPORT OF REGISTERED**  
**MANAGEMENT INVESTMENT COMPANIES**  
**Investment Company Act file number 811-21593**

**Kayne Anderson MLP Investment Company**

(Exact name of registrant as specified in charter)

811 Main Street, 14th Floor, Houston, Texas  
(Address of principal executive offices)

77002  
(Zip code)

David Shladovsky, Esq.

KA Fund Advisors, LLC, 811 Main Street, 14th Floor, Houston, Texas 77002

(Name and address of agent for service)

Registrant's telephone number, including area code: (713) 493-2020

Date of fiscal year end: November 30, 2016

Date of reporting period: May 31, 2016

Form N-CSR is to be used by management investment companies to file reports with the Commission not later than 10 days after the transmission to stockholders of any report that is required to be transmitted to stockholders under Rule 30e-1 under the Investment Company Act of 1940 (17 CFR 270.30e-1). The Commission may use the information provided on Form N-CSR in its regulatory, disclosure review, inspection, and policymaking roles.

A registrant is required to disclose the information specified by Form N-CSR, and the Commission will make this information public. A registrant is not required to respond to the collection of information contained in Form N-CSR unless the Form displays a currently valid Office of Management and Budget (OMB) control number. Please direct comments concerning the accuracy of the information collection burden estimate and any suggestions for reducing the burden to Secretary, Securities and Exchange Commission, 450 Fifth Street, NW, Washington,

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DC 20549-0609. The OMB has reviewed this collection of information under the clearance requirements of 44 U.S.C. § 3507.

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**Item 1. Reports to Stockholders.**

The report of Kayne Anderson MLP Investment Company (the Registrant ) to stockholders for the semi-annual period ended May 31, 2016 is attached below.

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*MLP Investment Company*

**KYN Semi-Annual Report**

May 31, 2016

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**CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS:** This report of Kayne Anderson MLP Investment Company ( the Company ) contains forward-looking statements as defined under the U.S. federal securities laws. Generally, the words believe, expect, intend, estimate, anticipate, project, will and similar expressions identify forward-looking statements, which generally are not historical in nature. Forward-looking statements are subject to certain risks and uncertainties that could cause actual results to materially differ from the Company's historical experience and its present expectations or projections indicated in any forward-looking statements. These risks include, but are not limited to, changes in economic and political conditions; regulatory and legal changes; master limited partnership ( MLP ) industry risk; leverage risk; valuation risk; interest rate risk; tax risk; and other risks discussed in the Company's filings with the Securities and Exchange Commission ( SEC ). You should not place undue reliance on forward-looking statements, which speak only as of the date they are made. The Company undertakes no obligation to update or revise any forward-looking statements made herein. There is no assurance that the Company's investment objectives will be attained.

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**KAYNE ANDERSON MLP INVESTMENT COMPANY**

**MANAGEMENT DISCUSSION**

**(UNAUDITED)**

**Company Overview**

Kayne Anderson MLP Investment Company is a non-diversified, closed-end fund that commenced operations in September 2004. Our investment objective is to obtain a high after-tax total return by investing at least 85% of our total assets in energy-related master limited partnerships and their affiliates ( MLPs ) and in other companies that 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 ).

As of May 31, 2016, we had total assets of \$3.8 billion, net assets applicable to our common stock of \$2.1 billion (net asset value of \$18.59 per share), and 113.0 million shares of common stock outstanding.

Our investments are principally in equity securities issued by MLPs, but we also may invest in debt securities of MLPs and equity/debt securities of other Midstream Energy Companies. As of May 31, 2016, we held \$3.7 billion in equity investments, no debt investments and \$92 million of cash and cash equivalents.

**Results of Operations For the Three Months Ended May 31, 2016**

*Investment Income.* Investment income totaled \$11.2 million for the quarter and consisted primarily of net dividends and distributions and interest income on our investments. We received \$73.9 million of dividends and distributions, of which \$61.0 million was treated as return of capital and \$1.7 million was treated as distributions in excess of cost basis. Interest income was \$0.1 million. We also received \$1.2 million of paid-in-kind dividends during the quarter, which are not included in investment income, but are reflected as an unrealized gain.

*Operating Expenses.* Operating expenses totaled \$24.4 million, including \$11.5 million of investment management fees, \$7.2 million of interest expense, \$4.8 million of preferred stock distributions and \$0.9 million of other operating expenses. Interest expense includes \$0.4 million of non-cash amortization of debt issuance costs. Preferred stock distributions include \$0.3 million of non-cash amortization of offering costs.

*Net Investment Loss.* Our net investment loss totaled \$9.3 million and included a current tax expense of \$0.8 million and a deferred tax benefit of \$4.7 million.

*Net Realized Gains.* We had net realized gains from our investments of \$3.7 million, consisting of realized gains from long term investments of \$5.7 million, \$0.1 million of realized gains from option activity, a current tax benefit of \$0.8 million and a deferred tax expense of \$2.9 million.

*Net Change in Unrealized Gains.* We had a net increase in our unrealized gains of \$540.2 million. The net change consisted of a \$852.6 million increase in our unrealized gains on investments, \$0.2 million of unrealized gains from option activities and a deferred tax expense of \$312.6 million.

*Net Increase in Net Assets Resulting from Operations.* We had an increase in net assets resulting from operations of \$534.6 million. This increase was comprised of a net investment loss of \$9.3 million, net realized gains of \$3.7 million and a net increase in unrealized gains of \$540.2 million, as noted above.

**Distributions to Common Stockholders**

We pay quarterly distributions to our common stockholders, funded generally by net distributable income ( NDI ) generated from our portfolio investments. NDI is the amount of income received by us from our portfolio investments less operating expenses, subject to certain adjustments as described below. NDI is not a



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financial measure under the accounting principles generally accepted in the United States of America ( GAAP ). Refer to the Reconciliation of NDI to GAAP section below for a reconciliation of this measure to our results reported under GAAP.

Income from portfolio investments includes (a) cash dividends and distributions, (b) paid-in-kind dividends received (*i.e.*, stock dividends), (c) interest income from debt securities and commitment fees from private investments in public equity ( PIPE investments ) and (d) net premiums received from the sale of covered calls.

Operating expenses include (a) investment management fees paid to our investment adviser (KAFA), (b) other expenses (mostly comprised of fees paid to other service providers), (c) interest expense and preferred stock distributions and (d) current and deferred income tax expense/benefit on net investment income/loss.

**Net Distributable Income (NDI)**

(amounts in millions, except for per share amounts)

	<b>Three Months Ended May 31, 2016</b>
<b>Distributions and Other Income from Investments</b>	
Dividends and Distributions <sup>(1)</sup>	\$ 73.9
Paid-In-Kind Dividends <sup>(1)</sup>	1.2
Interest Income	0.1
Net Premiums Received from Call Options Written	1.5
Total Distributions and Other Income from Investments	76.7
<b>Expenses</b>	
Net Investment Management Fee	(11.5)
Other Expenses	(0.9)
Interest Expense	(7.1)
Preferred Stock Distributions	(4.5)
Income Tax Benefit	3.9
<b>Net Distributable Income (NDI).</b>	<b>\$ 56.6</b>
Weighted Shares Outstanding	112.8
<b>NDI per Weighted Share Outstanding</b>	<b>\$ 0.50</b>
<b>Adjusted NDI per Weighted Share Outstanding <sup>(2)</sup></b>	<b>\$ 0.52</b>
<b>Distributions paid per Common Share<sup>(3)</sup></b>	<b>\$ 0.55</b>



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- (1) See Note 2 (Investment Income) to the Financial Statements for additional information regarding paid-in-kind and non-cash dividends and distributions.
- (2) Adjusted NDI includes \$1.9 million of consideration received in the MarkWest Energy Partners, L.P. and MPLX LP merger that was intended to offset lower quarterly distributions as a result of the transaction. Because the acquiring entity has deemed part of the merger consideration to be compensation to help offset the lower quarterly distribution that unitholders of the acquired entity would receive after closing, we believe it to be appropriate to include this amount in Adjusted NDI. This merger consideration is not included in investment income for GAAP purposes, but rather is treated as additional consideration when calculating the realized or unrealized gain (loss) that results from the merger transaction.
- (3) The distribution of \$0.55 per share for the second quarter was paid on July 15, 2016.

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**KAYNE ANDERSON MLP INVESTMENT COMPANY**

**MANAGEMENT DISCUSSION**

**(UNAUDITED)**

Payment of future distributions is subject to Board of Directors approval, as well as meeting the covenants of our debt agreements and terms of our preferred stock. Because our quarterly distributions are funded primarily by NDI generated from our portfolio investments, the Board of Directors, in determining our quarterly distribution to common stockholders, gives a significant amount of consideration to the NDI and Adjusted NDI generated in the current quarter, as well as the NDI that our portfolio is expected to generate over the next twelve months. The Board of Directors also considers other factors, including but not limited to, realized and unrealized gains generated by the portfolio.

**Reconciliation of NDI to GAAP**

The difference between distributions and other income from investments in the NDI calculation and total investment income as reported in our Statement of Operations is reconciled as follows:

GAAP recognizes that a significant portion of the cash distributions received from MLPs is characterized as a return of capital and therefore excluded from investment income, whereas the NDI calculation includes the return of capital portion of such distributions.

GAAP recognizes distributions received from MLPs that exceed the cost basis of our securities to be realized gains and are therefore excluded from investment income, whereas the NDI calculation includes these distributions.

NDI includes the value of paid-in-kind dividends and distributions, whereas such amounts are not included as investment income for GAAP purposes, but rather are recorded as unrealized gains upon receipt.

NDI includes commitment fees from PIPE investments, whereas such amounts are generally not included in investment income for GAAP purposes, but rather are recorded as a reduction to the cost of the investment.

We may hold debt securities from time to time. Certain of our investments in debt securities may be purchased at a discount or premium to the par value of such security. When making such investments, we consider the security's yield to maturity, which factors in the impact of such discount (or premium). Interest income reported under GAAP includes the non-cash accretion of the discount (or amortization of the premium) based on the effective interest method. When we calculate interest income for purposes of determining NDI, in order to better reflect the yield to maturity, the accretion of the discount (or amortization of the premium) is calculated on a straight-line basis to the earlier of the expected call date or the maturity of the debt security.

We may sell covered call option contracts to generate income or to reduce our ownership of certain securities that we hold. In some cases, we are able to repurchase these call option contracts at a price less than the call premium that we received, thereby generating a profit. The premium we receive from selling call options, less (i) the premium that we pay to repurchase such call option contracts and (ii) the amount by which the market price of an underlying security is above the strike price at the time a new call option is written (if any), is included in NDI. For GAAP purposes, premiums received from call option contracts sold are not included in investment income. See Note 2 Significant Accounting Policies for a full discussion of the GAAP treatment of option contracts.

The treatment of expenses included in NDI also differs from what is reported in the Statement of Operations as follows:

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The non-cash amortization or write-offs of capitalized debt issuance costs, premiums on newly issued debt and preferred stock offering costs related to our financings is included in interest expense and

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**KAYNE ANDERSON MLP INVESTMENT COMPANY**

**MANAGEMENT DISCUSSION**

**(UNAUDITED)**

distributions on mandatory redeemable preferred stock for GAAP purposes, but is excluded from our calculation of NDI.

NDI also includes recurring payments (or receipts) on interest rate swap contracts or the amortization of termination payments on interest rate swap contracts entered into in anticipation of an offering of unsecured notes ( Notes ) or mandatory redeemable preferred stock ( MRP Shares ). The termination payments on interest rate swap contracts are amortized over the term of the Notes or MRP Shares issued. For GAAP purposes, these amounts are included in the realized gains/losses section of the Statement of Operations.

**Liquidity and Capital Resources**

At May 31, 2016, we had total leverage outstanding of \$1,171 million, which represented 31% of total assets and was comprised of \$767 million of Notes and \$404 million of MRP Shares. At May 31, 2016, we did not have any borrowings outstanding under our unsecured revolving credit facility (the Credit Facility ) or under our unsecured term loan (the Term Loan ), and we had \$92 million of cash and cash equivalents. As of July 15, 2016, we had no borrowings outstanding under either our Credit Facility or Term Loan, and we had \$15 million of cash and cash equivalents.

Our Credit Facility has a two-year term maturing on February 28, 2018 and a total commitment amount of \$150 million. The interest rate on outstanding loan balances may vary between LIBOR plus 1.60% and LIBOR plus 2.25%, depending on our asset coverage ratios. We pay a fee of 0.30% per annum on any unused amounts of the Credit Facility.

Our Term Loan has a total commitment of \$150 million and matures on February 18, 2019. Borrowings under the Term Loan bear interest at a rate of LIBOR plus 1.30%. Amounts borrowed under the Term Loan may be repaid and subsequently borrowed. We pay a fee of 0.25% per annum on any unused amounts of the Term Loan.

At May 31, 2016, we had \$767 million of Notes outstanding that mature between 2017 and 2025 and we had \$404 million of MRP Shares outstanding that are subject to mandatory redemption between 2017 and 2022.

At May 31, 2016, our asset coverage ratios under the Investment Company Act of 1940, as amended (the 1940 Act ), were 427% for debt and 279% for total leverage (debt plus preferred stock). Following the significant downturn in the energy sector, we increased our target asset coverage ratio with respect to our debt from 375% to 385%. At times we may be above or below our target depending on market conditions as well as certain other factors, including our target total leverage asset coverage ratio of 290% and the basic maintenance amount as stated in our rating agency guidelines.

As of May 31, 2016, our total leverage consisted 100% of fixed rate obligations. At such date, the weighted average interest/dividend rate on our total leverage was 3.87%.

Table of Contents**KAYNE ANDERSON MLP INVESTMENT COMPANY****PORTFOLIO SUMMARY****(UNAUDITED)****Portfolio of Long-Term Investments by Category****May 31, 2016****November 30, 2015****Top 10 Holdings by Issuer**

Holding	Category	Percent of Long-Term Investments as of	
		May 31, 2016	November 30, 2015
1. Enterprise Products Partners L.P.	Midstream MLP	14.9%	14.5%
2. Energy Transfer Partners, L.P.	Midstream MLP	10.3	11.1
3. Williams Partners L.P.	Midstream MLP	9.3	7.3
4. ONEOK Partners, L.P.	Midstream MLP	7.0	5.3
5. MPLX LP <sup>(1)</sup>	Midstream MLP	6.3	0.1
6. DCP Midstream Partners, LP	Midstream MLP	5.9	4.3
7. Plains All American Pipeline, L.P. <sup>(2)(3)</sup>	Midstream MLP	5.3	5.3
8. Western Gas Partners, LP	Midstream MLP	5.3	4.6
9. Buckeye Partners, L.P.	Midstream MLP	4.9	4.7
10. Magellan Midstream Partners, L.P.	Midstream MLP	4.4	3.8

(1) On December 4, 2015, MarkWest Energy Partners, L.P. ( MWE ) and MPLX LP ( MPLX ) completed its merger whereby MWE became a wholly owned subsidiary of MPLX. As of November 30, 2015, our investments in MWE and MPLX represented 5.6% of long-term investments.

(2) On July 11, 2016, Plains All American Pipeline, L.P. ( PAA ) announced it had entered into a definitive agreement with Plains AAP, L.P. ( PAA GP ), a controlled affiliate of Plains GP Holdings, L.P. ( Plains GP which trades on the NYSE under the ticker PAGP ), to permanently eliminate PAA's incentive distribution rights and the economic rights associated with PAA's 2% general partner interest in exchange for newly issued PAA common units and the assumption of all of PAA GP's outstanding debt. Under the terms of the agreement, each unitholder of PAA GP will receive 0.3755 PAA common units for each PAA GP unit they own.

(3) We hold an interest in PAA GP, which controls the general partner of PAA. Plains GP also holds an equity interest in PAA GP. Our ownership of PAA GP is exchangeable into shares of Plains GP on a one-for-one basis at our option. As of May 31, 2016, and November 30, 2015, our investments in PAA GP and Plains GP represented 1.1% and 1.9% of long-term investments, respectively.

**Table of Contents****KAYNE ANDERSON MLP INVESTMENT COMPANY****SCHEDULE OF INVESTMENTS****MAY 31, 2016****(amounts in 000 s, except number of option contracts)****(UNAUDITED)**

Description	No. of Shares/Units	Value
<b>Long-Term Investments 174.3%</b>		
<b>Equity Investments<sup>(1)</sup> 174.3%</b>		
<b>Midstream MLP<sup>(2)</sup> 159.4%</b>		
Arc Logistics Partners LP	2,234	\$ 26,139
Buckeye Partners, L.P.	2,498	179,668
Columbia Pipeline Partners LP	1,043	15,370
Crestwood Equity Partners LP <sup>(3)</sup>	2,010	43,385
DCP Midstream Partners, LP <sup>(3)</sup>	6,413	215,025
Enbridge Energy Management, L.L.C. <sup>(4)</sup>	2,053	44,875
Enbridge Energy Partners, L.P.	2,822	61,359
Energy Transfer Partners, L.P.	10,392	376,801
EnLink Midstream Partners, LP	4,087	64,336
Enterprise Products Partners L.P. <sup>(3)</sup>	19,710	547,163
EQT Midstream Partners, LP <sup>(3)</sup>	704	53,040
Global Partners LP	585	7,780
Magellan Midstream Partners, L.P. <sup>(3)</sup>	2,304	161,363
Midcoast Energy Partners, L.P.	2,294	18,698
MPLX LP	4,628	147,618
MPLX LP Convertible Preferred Units <sup>(5)(6)(7)</sup>	2,255	82,795
NuStar Energy L.P. <sup>(3)</sup>	216	10,626
ONEOK Partners, L.P. <sup>(8)</sup>	6,726	255,246
PBF Logistics LP	1,061	23,110
PennTex Midstream Partners, LP	549	8,088
Phillips 66 Partners LP	227	12,492
Plains All American Pipeline, L.P. <sup>(8)(9)</sup>	8,373	193,671
Rose Rock Midstream, L.P.	292	7,544
Shell Midstream Partners, L.P. <sup>(3)</sup>	595	20,064
Spectra Energy Partners, LP	715	32,146
Sprague Resources LP	914	21,900
Sunoco Logistics Partners L.P.	3,301	90,603
Sunoco LP	877	29,096
Tallgrass Energy Partners, LP	1,326	60,028
TC PipeLines, LP	49	2,691
Tesoro Logistics LP	41	2,005
TransMontaigne Partners L.P.	91	3,484
Western Gas Partners, LP	3,724	185,559
Western Gas Partners, LP Convertible Preferred Units <sup>(5)(7)(10)</sup>	134	7,056
Williams Partners L.P.	10,622	339,068
		3,349,892
<b>Midstream Company 8.8%</b>		
Kinder Morgan, Inc.	2,121	38,352

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ONEOK, Inc. <sup>(3)</sup>	225	9,731
Tallgrass Energy GP, LP	1	34
Targa Resources Corp. <sup>(3)</sup>	3,175	135,970
		184,087

See accompanying notes to financial statements.

**Table of Contents****KAYNE ANDERSON MLP INVESTMENT COMPANY****SCHEDULE OF INVESTMENTS****MAY 31, 2016****(amounts in 000 s, except number of option contracts)****(UNAUDITED)**

Description	No. of Shares/Units	Value
<b>General Partner MLP 3.0%</b>		
Energy Transfer Equity, L.P.	1,510	\$ 19,081
Plains GP Holdings, L.P. <sup>(8)(9)</sup>	750	7,043
Plains GP Holdings, L.P. <sup>(8)(9)(11)</sup>	3,402	31,945
Western Gas Equity Partners, LP	141	5,916
		63,985
<b>Shipping MLP 2.6%</b>		
Capital Product Partners L.P. Class B Unit <sup>(5)(12)</sup>	3,030	20,576
Dynagas LNG Partners LP	831	11,868
Golar LNG Partners LP	1,344	22,864
		55,308
<b>Other 0.5%</b>		
Clearwater Trust <sup>(5)(8)(13)</sup>	N/A	85
SunCoke Energy Partners, L.P.	851	9,250
		9,335
<b>Total Long-Term Investments (Cost \$2,927,128)</b>		3,662,607
<b>Short-Term Investment 4.3%</b>		
<b>Money Market Fund 4.3%</b>		
JPMorgan 100% U.S. Treasury Securities Money Market Fund Capital Shares, 0.17% <sup>(4)</sup> (Cost \$90,384)	90,384	90,384
<b>Total Investments 178.6% (Cost \$3,017,512)</b>		3,752,991

Liabilities	Strike Price	Expiration Date	No. of Contracts	Value
<b>Call Option Contracts Written<sup>(15)</sup></b>				
<b>Midstream MLP</b>				
Crestwood Equity Partners LP	\$ 22.50	7/15/16	1,600	(106)
DCP Midstream Partners, LP	35.00	6/17/16	2,510	(169)
Enterprise Products Partners L.P.	26.00	6/17/16	1,800	(324)
Enterprise Products Partners L.P.	27.00	6/17/16	1,800	(252)



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EQT Midstream Partners, LP	80.00	6/17/16	650	(42)
Magellan Midstream Partners, L.P.	72.50	6/17/16	950	(43)
Magellan Midstream Partners, L.P.	75.00	6/17/16	950	(19)
NuStar Energy L.P.	50.00	7/15/16	450	(45)
NuStar Energy L.P.	55.00	7/15/16	450	(7)
Shell Midstream Partners, L.P.	40.00	6/17/16	350	(4)

(1,011)

See accompanying notes to financial statements.

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Description	Strike Price	Expiration Date	No. of Contracts	Value
<b>Midstream Company</b>				
ONEOK, Inc.	\$ 42.50	6/17/16	200	\$ (42)
ONEOK, Inc.	45.00	7/15/16	50	(6)
ONEOK, Inc.	47.50	7/15/16	50	(4)
Targa Resources Corp.	47.00	6/17/16	700	(49)
Targa Resources Corp.	48.00	6/17/16	700	(32)
Targa Resources Corp.	49.00	6/17/16	700	(24)
Targa Resources Corp.	50.00	6/17/16	700	(18)
				(175)
<b>Total Call Option Contracts Written (Premiums Received \$1,450)</b>				(1,186)
<b>Debt</b>				(767,000)
<b>Mandatory Redeemable Preferred Stock at Liquidation Value</b>				(404,000)
<b>Deferred Income Tax Liability</b>				(474,810)
<b>Income Tax Receivable</b>				19,530
<b>Other Liabilities in Excess of Other Assets</b>				(24,502)
<b>Net Assets Applicable to Common Stockholders</b>				\$ 2,101,023

- (1) Unless otherwise noted, equity investments are common units/common shares.
- (2) Includes limited liability companies.
- (3) Security or a portion thereof is segregated as collateral on option contracts written.
- (4) Dividends are paid-in-kind.
- (5) Fair valued security, restricted from public sale. See Notes 2, 3 and 7 in Notes to Financial Statements.
- (6) 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

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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 of (a) \$0.528125 per unit or (b) the distribution and the distribution that the MPLX Convertible Preferred Units would receive on an as converted basis. The MPLX Convertible Preferred Units have a one-year lock-up through May 13, 2017. 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. MPLX may force conversion after May 13, 2020 if MPLX common units are trading above 150% of the purchase price of \$32.50 for 20 consecutive days.

- (7) Security is not currently paying cash distributions but is expected to pay cash distributions within the next 12 months.
  
- (8) The Company believes that it is an affiliate of Clearwater Trust, Plains All American Pipeline, L.P. ( PAA ) and Plains GP Holdings, L.P. ( Plains GP ). The Company does not believe that it is an affiliate of ONEOK Partners, L.P. See Note 5 Agreements and Affiliations.

See accompanying notes to financial statements.

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**KAYNE ANDERSON MLP INVESTMENT COMPANY**

**SCHEDULE OF INVESTMENTS**

**MAY 31, 2016**

**(amounts in 000 s, except number of option contracts)**

**(UNAUDITED)**

- (9) On July 11, 2016, PAA announced it had entered into a definitive agreement with Plains AAP, L.P. ( PAA GP ), a controlled affiliate of Plains GP, to permanently eliminate PAA s incentive distribution rights and the economic rights associated with PAA s 2% general partner interest in exchange for newly issued PAA common units and the assumption of all of PAA GP s outstanding debt. Under the terms of the agreement, each unitholder of PAA GP will receive 0.3755 PAA common units for each PAA GP unit they own.
- (10) On April 15, 2016, the Company purchased, in a private placement, Series A Convertible Preferred Units ( WES Convertible Preferred Units ) from Western Gas Partners, LP ( WES ). The WES Convertible Preferred Units are senior to the common units in terms of liquidation preference and priority of distributions and pay a quarterly distribution of \$0.68 per unit. The WES Convertible Preferred Units have a one-year lock-up through March 14, 2017, and holders of the WES Convertible Preferred Units may convert on a one-for-one basis into common units of WES any time after March 14, 2018. WES may force conversion after March 14, 2019 if WES common units are trading above 150% of the purchase price of \$32.00 for 20 out of 30 consecutive trading days immediately prior to conversion.
- (11) The Company holds an interest in PAA GP, which controls the general partner of PAA. Plains GP (which trades on the NYSE under the ticker PAGP ) also holds an equity interest in PAA GP. The Company s ownership of PAA GP is exchangeable into shares of Plains GP on a one-for-one basis at the Company s option. 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. 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 second quarter.
- (13) The Company owns an interest in the Creditors Trust of Miller Bros. Coal, LLC ( Clearwater Trust ) consisting of a coal royalty interest and certain other assets. See Notes 5 and 7 in Notes to Financial Statements.
- (14) The rate indicated is the current yield as of May 31, 2016.
- (15) Security is non-income producing.

See accompanying notes to financial statements.

**Table of Contents****KAYNE ANDERSON MLP INVESTMENT COMPANY****STATEMENT OF ASSETS AND LIABILITIES****MAY 31, 2016****(amounts in 000 s, except share and per share amounts)****(UNAUDITED)****ASSETS**

Investments at fair value:	
Non-affiliated (Cost \$2,785,769)	\$ 3,429,863
Affiliated (Cost \$141,359)	232,744
Short-term investments (Cost \$90,384)	90,384
Total investments (Cost \$3,017,512)	3,752,991
Cash	2,000
Deposits with brokers	509
Receivable for securities sold	4,183
Dividends and distributions receivable	953
Income tax receivable	19,530
Deferred debt and preferred stock offering costs and other assets	10,107
<b>Total Assets</b>	<b>3,790,273</b>

**LIABILITIES**

Payable for securities purchased	14,405
Investment management fee payable	11,521
Accrued directors' fees and expenses	128
Call option contracts written (Premiums received \$1,450)	1,186
Accrued expenses and other liabilities	16,200
Deferred income tax liability	474,810
Notes	767,000
Mandatory redeemable preferred stock, \$25.00 liquidation value per share (16,160,000 shares issued and outstanding)	404,000
<b>Total Liabilities</b>	<b>1,689,250</b>

<b>NET ASSETS APPLICABLE TO COMMON STOCKHOLDERS</b>	<b>\$ 2,101,023</b>
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**NET ASSETS APPLICABLE TO COMMON STOCKHOLDERS CONSIST OF**

Common stock, \$0.001 par value (113,023,212 shares issued and outstanding, 183,840,000 shares authorized)	\$ 113
Paid-in capital	2,338,749
Accumulated net investment loss, net of income taxes, less dividends	(1,468,028)
Accumulated realized gains, net of income taxes	764,531
Net unrealized gains, net of income taxes	465,658

<b>NET ASSETS APPLICABLE TO COMMON STOCKHOLDERS</b>	<b>\$ 2,101,023</b>
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<b>NET ASSET VALUE PER COMMON SHARE</b>	<b>\$ 18.59</b>
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See accompanying notes to financial statements.

**Table of Contents****KAYNE ANDERSON MLP INVESTMENT COMPANY****STATEMENT OF OPERATIONS**

(amounts in 000 s)

(UNAUDITED)

	For the Three Months Ended May 31, 2016	For the Six Months Ended May 31, 2016
<b>INVESTMENT INCOME</b>		
<b>Income</b>		
Dividends and distributions:		
Non-affiliated investments	\$ 67,008	\$ 137,419
Affiliated investments	6,880	13,704
Total dividends and distributions	73,888	151,123
Return of capital	(61,003)	(128,164)
Distributions in excess of cost basis	(1,730)	(2,456)
Net dividends and distributions	11,155	20,503
Interest income	65	65
Total Investment Income	11,220	20,568
<b>Expenses</b>		
Investment management fees	11,521	23,470
Administration fees	301	608
Professional fees	156	324
Directors' fees and expenses	136	272
Reports to stockholders	105	218
Custodian fees	46	113
Insurance	52	104
Other expenses	148	327
Total expenses before fee waiver, interest expense, preferred distributions and taxes	12,465	25,436
Interest expense including and amortization and write-off of offering costs	7,208	21,917
Distributions on mandatory redeemable preferred stock including amortization and write-off of offering costs	4,755	10,549
Total expenses before taxes	24,428	57,902
<b>Net Investment Loss Before Taxes</b>	(13,208)	(37,334)
Current income tax expense	(838)	(2,108)
Deferred income tax benefit	4,781	12,913
<b>Net Investment Loss</b>	(9,265)	(26,529)
<b>REALIZED AND UNREALIZED GAINS (LOSSES)</b>		
<b>Net Realized Gains (Losses)</b>		
Investments non-affiliated	5,698	121,398
Options	91	446

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Current income tax benefit	837	8,713
Deferred income tax expense	(2,959)	(53,381)
Net Realized Gains (Losses)	3,667	77,176
<b>Net Change in Unrealized Gains (Losses)</b>		
Investments non-affiliated	824,972	