Kayne Anderson MLP Investment CO
Form 497
February 19, 2014
Table of Contents

The information in this preliminary prospectus supplement is not complete and may be changed. A registration statement relating to these securities has been filed with and declared effective by the Securities and Exchange Commission. The preliminary prospectus supplement and the accompanying prospectus are not an offer to sell these securities and are not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

Filed pursuant to Rule 497(c)

under the Securities Act of 1933,

as amended, File No. 333-193497

SUBJECT TO COMPLETION FEBRUARY 19, 2014

P R E L I M I N A R Y   P R O S P E C T U S   S U P P L E M E N T

(To Prospectus dated February 19, 2014)

6,750,000 Shares

Common Stock

$ per share

Kayne Anderson MLP Investment Company (the Company, we, us or our) is a non-diversified, closed-end management investment company. Our investment objective is to obtain a high after-tax total return by investing at least 85% of our total assets in energy-related partnerships and their affiliates (collectively, 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).

We are offering 6,750,000 shares of our common stock in this prospectus supplement. This prospectus supplement, together with the accompanying prospectus dated February 19, 2014, sets forth the information that you should know before investing.

Our shares of common stock are listed on the New York Stock Exchange under the symbol KYN. The last reported sale price of our common stock on February 18, 2014 was $38.50 per share. The net asset value per share of our common stock at the close of business on February 18, 2014 was $35.48.

Investing in our common stock involves risk. See Risk Factors beginning on page 22 of the accompanying prospectus.

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

	Per Share	***Total(1)***
Public offering price	*$*	*$*
Underwriting discounts and commissions	*$*	*$*
Proceeds, before expenses, to us	*$*	*$*

(1) We have granted the underwriters an option exercisable for a period of 45 days from the date of this prospectus supplement to purchase up to 1,012,500 additional shares of common stock at the public offering price, less the underwriting discount, to cover over-allotments, if any. If the underwriters exercise the option in full, the total underwriting discounts and commissions will be $, and the total proceeds, before expenses, to us will be $.

The underwriters are offering the shares of common stock as described in Underwriting. Delivery of the shares of common stock will be made on or about February , 2014.

Joint Book-Running Managers

Morgan Stanley BofA Merrill Lynch Citigroup UBS Investment Bank Wells Fargo Securities

Co-Managers

Baird Barclays Deutsche Bank Securities Oppenheimer & Co. RBC Capital Markets Stifel

February , 2014

Table of Contents

You should rely only on the information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus. This prospectus supplement and the accompanying prospectus set forth certain information about us that a prospective investor should carefully consider before making an investment in our securities. This prospectus supplement, which describes the specific terms of this offering, also adds to and updates information contained in the accompanying prospectus and the documents incorporated by reference in the accompanying prospectus. The accompanying prospectus gives more general information, some of which may not apply to this offering. If the description of this offering varies between this prospectus supplement and the accompanying prospectus, you should rely on the information contained in this prospectus supplement; provided that if any statement in one of these documents is inconsistent with a statement in another document having a later date and incorporated by reference into the accompanying prospectus or prospectus supplement, the statement in the incorporated document having the later date modifies or supersedes the earlier statement. We have not authorized anyone to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted or where the person making the offer or sale is not qualified to do so or to any person to whom it is not permitted to make such offer or sale. The information contained in or incorporated by reference in this prospectus supplement and the accompanying prospectus is accurate only as of the respective dates on their front covers, regardless of the time of delivery of this prospectus supplement, the accompanying prospectus, or the sale of the common stock. Our business, financial condition, results of operations and prospects may have changed since that date.

Table of Contents

TABLE OF CONTENTS

Prospectus Supplement

Prospectus

Table of Contents

You should read this prospectus supplement and the accompanying prospectus before deciding whether to invest and retain it for future reference. A statement of additional information, dated February 19, 2014 (SAI), as supplemented from time to time, containing additional information about us, has been filed with the SEC and is incorporated by reference in its entirety into this prospectus supplement. You may request a free copy of our SAI by calling toll-free at (877) 657-3863, or by writing to us at 811 Main Street, 14th Floor, Houston, Texas 77002. Electronic copies of the accompanying prospectus, our stockholder reports and our SAI are also available on our website (http://www.kaynefunds.com). You may also obtain copies of these documents (and other information regarding us) from the SEC s web site (http://www.sec.gov).

CAUTIONARY NOTICE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus supplement, the accompanying prospectus and the SAI contain forward-looking statements. All statements other than statements of historical facts included in this prospectus that address activities, events or developments that we expect, believe or anticipate will or may occur in the future are forward-looking statements including, in particular, the statements about our plans, objectives, strategies and prospects regarding, among other things, our financial condition, results of operations and business. We have identified some of these forward-looking statements with words like believe, may, could, might, forecast, possible, potential, project, will, should, expect, intend, estimate, approximate or continue and other words and terms of similar meaning and the negative of such terms. Such forward-looking statements may be contained in this prospectus supplement as well as in the accompanying prospectus. These forward-looking statements are based on current expectations about future events affecting us and are subject to uncertainties and factors relating to our operations and business environment, all of which are difficult to predict and many of which are beyond our control. Many factors mentioned in our discussion in this prospectus supplement and the accompanying prospectus, including the risks outlined under Risk Factors, will be important in determining future results. In addition, several factors that could materially affect our actual results are the ability of the MLPs and other Midstream Energy Companies in which we invest to achieve their objectives, our ability to source favorable private investments, the timing and amount of distributions and dividends from the MLPs and other Midstream Energy Companies in which we intend to invest, the dependence of our future success on the general economy and its impact on the industries in which we invest and other factors discussed in our periodic filings with the SEC.

Although we believe that the expectations reflected in our forward-looking statements are reasonable, we do not know whether our expectations will prove correct. They can be affected by inaccurate assumptions we might make or by known or unknown risks and uncertainties. The factors identified above are believed to be important factors, but not necessarily all of the important factors, that could cause our actual results to differ materially from those expressed in any forward-looking statement. Unpredictable or unknown factors could also have material adverse effects on us. Since our actual results, performance or achievements could differ materially from those expressed in, or implied by, these forward-looking statements, we cannot give any assurance that any of the events anticipated by the forward-looking statements will occur or, if any of them do, what impact they will have on our results of operations and financial condition. All forward-looking statements included in this prospectus supplement, the accompanying prospectus or the SAI are expressly qualified in their entirety by the foregoing cautionary statements. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of such documents. We do not undertake any obligation to update, amend or clarify these forward-looking statements or the risk factors contained therein, whether as a result of new information, future events or otherwise, except as may be required under the federal securities laws. We acknowledge that, notwithstanding the foregoing statements, the Private Securities Litigation Reform Act of 1995 does not apply to investment companies such as us.

Table of Contents

PROSPECTUS SUPPLEMENT SUMMARY

This summary does not contain all of the information you should consider before investing in our common stock. You should read carefully the entire prospectus supplement, the accompanying prospectus, including the section entitled Risk Factors and the financial statements and related notes, before making an investment decision.

THE COMPANY

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

As of January 31, 2014, we had net assets applicable to our common stock of approximately $3.5 billion and total assets of approximately $6.4 billion.

PORTFOLIO INVESTMENTS

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

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

We are permitted to invest up to 20% of our total assets in debt securities of MLPs and other Midstream Energy Companies, including below investment grade debt securities (commonly referred to as junk bonds or high yield bonds) rated, at the time of investment, at least B3 by Moody s Investors Service, Inc., B- by Standard & Poor s Financial Services LLC or Fitch Ratings, Inc., comparably rated by another rating agency or, if unrated, determined by Kayne Anderson to be of comparable quality. In addition, up to one-quarter of our permitted investments in debt securities (or up to 5% of our total assets) may be invested in unrated debt securities or debt securities that are rated less than B3/B- of public or private companies.

As of January 31, 2014, we held $6.4 billion in equity investments and no fixed income investments. Our top 10 largest holdings by issuer as of that date were:

	Company	Amount ($ millions)	Percent of Long-Term Investments
1.	Enterprise Products Partners L.P.	$ 590.4	9.3%
2.	Kinder Morgan Management, LLC	381.8	6.0
3.	MarkWest Energy Partners, L.P.	378.1	5.9
4.	Williams Partners L.P.	352.1	5.5
5.	Plains All American Pipeline, L.P.	348.5	5.5
6.	Energy Transfer Partners, L.P.	337.8	5.3
7.	DCP Midstream Partners, LP	264.4	4.2
8.	Crestwood Midstream partners LP	248.6	3.9
9.	Regency Energy Partners LP	241.3	3.8
10.	ONEOK Partners, L.P.	225.7	3.5

Table of Contents

INVESTMENT ADVISER

KA Fund Advisors, LLC (KAFA) is our investment adviser and is responsible for implementing and administering our investment strategy. KAFA is a subsidiary of Kayne Anderson Capital Advisors, L.P. (KACALP and together with KAFA, Kayne Anderson). Both KAFA and KACALP are SEC-registered investment advisers. As of December 31, 2013, Kayne Anderson and its affiliates managed approximately $25 billion, including approximately $16 billion in MLPs and other Midstream Energy Companies. Kayne Anderson has invested in MLPs and other Midstream Energy Companies since 1998. We believe that Kayne Anderson has developed an understanding of the MLP market that enables it to identify and take advantage of public MLP investment opportunities. In addition, Kayne Anderson s senior professionals have developed a strong reputation in the energy sector and have many long-term relationships with industry managers, which we believe gives Kayne Anderson an important advantage in sourcing and structuring private investments.

KAFA manages three other publicly traded investment companies: Kayne Anderson Energy Total Return Fund, Inc. (NYSE: KYE); Kayne Anderson Energy Development Company (NYSE: KED); and Kayne Anderson Midstream/Energy Fund, Inc. (NYSE: KMF).

DISTRIBUTIONS

We have paid distributions to our common stockholders every fiscal quarter since inception and intend to continue to pay quarterly distributions to our common stockholders. Our quarterly distribution per share has increased by 63% since inception, and we have increased our distribution in each of the last thirteen quarters. Our most recent quarterly distribution of $0.61 per share (paid in January 2014) is 10.9% higher than the corresponding distribution paid in January 2013. Our next regularly scheduled quarterly distribution will be for our fiscal quarter ending February 28, 2014 and, if approved by our Board of Directors, will be paid to common stockholders on or about April 15, 2014. Payment of future distributions is subject to approval by our Board of Directors, as well as meeting the covenants of our senior debt, meeting the terms of our preferred stock and the asset coverage requirements of the 1940 Act and complying with Maryland law, our state of incorporation. The distributions we have paid or declared since the beginning of fiscal 2012 are as follows:

Payment Date	Distribution per Share ($)
January 10, 2014	$ 0.6100
October 11, 2013	0.5950
July 12, 2013	0.5800
April 12, 2013	0.5650
January 11, 2013	0.5500
October 12, 2012	0.5375
July 13, 2012	0.5275
April 13, 2012	0.5175
January 13, 2012	0.5100

RECENT DEVELOPMENTS

On February 7, 2014, we issued an additional $75 million of our series HH Senior Notes. The notes bear interest at a rate of three-month LIBOR plus 1.25% and were priced to yield an effective interest rate of LIBOR plus 1.15%. We used a portion of the proceeds from the offering to redeem our Series N Senior Notes ($50 million outstanding).

On February 18, 2014, we entered into a new $150 million unsecured term loan credit facility with Sumitomo Mitsui Banking Corporation. Borrowings under the facility will bear interest at a rate of LIBOR plus 1.30% and may be prepaid at any time. We may make multiple borrowings under the facility at any time during the first year of this facility s term. On February 18, 2015, the unused portion of the commitment will terminate, and any borrowings outstanding at that time will remain outstanding until the facility matures on February 18, 2019 (unless prepaid). As of the date of this prospectus supplement, there were no borrowings outstanding under the facility.

Table of Contents

THE OFFERING

Common stock we are offering	6,750,000 shares
Common stock to be outstanding after this offering	107,656,740 shares(1)
Use of proceeds after expenses	We estimate that our net proceeds from this offering after expenses without exercise of the over-allotment option will be approximately $ million. We intend to use the net proceeds to make investments in portfolio companies in accordance with our investment objective and policies and for general corporate purposes. See Use of Proceeds.
Risk factors	See Risk Factors and other information included in the accompanying prospectus for a discussion of factors you should carefully consider before deciding to invest in shares of our common stock.
NYSE symbol	KYN

The stockholder transaction expenses can be summarized as follows:

Underwriting discounts and commissions (as a percentage of offering price)	%
Net offering expenses borne by us (as a percentage of offering price)	%
Dividend reinvestment plan fees(2)	None

(1) The number of shares outstanding after the offering assumes the underwriters over-allotment option is not exercised. If the over-allotment option is exercised in full, the number of shares outstanding will increase by 1,012,500 shares.

(2) You will pay brokerage charges if you direct American Stock Transfer & Trust Company, as agent for our common stockholders, to sell your common stock held in a dividend reinvestment account.

Example

This example replaces the example set forth on page 10 of the accompanying prospectus under the caption Fees and Expenses with respect to this offering.

The following example illustrates the expenses that common stockholders would pay on a $1,000 investment in common stock assuming (1) underwriting discounts and commissions of % and offering expenses of % of the offering price; (2) total annual expenses before tax of 4.67% of net assets attributable to shares of common stock; (3) a 5% annual return on our portfolio securities, and income tax expense associated with the 5% assumed rate of return on such portfolio securities:

	1 Year	3 Years	5 Years	10 Years
Total Expenses Paid by Common Stockholders(1)	$ 68	$ 204	$ 347	$ 737

(1) The underwriting discounts, commissions and offering expenses are borne by all common stockholders, including investors in this offering. Investors in this offering would pay $2 of underwriting discounts, commissions and offering expenses on a $1,000 investment in common stock.

The example should not be considered a representation of future expenses. Actual expenses may be greater or less than those assumed. Moreover, our actual rate of return may be greater or less than the hypothetical 5% return shown in the example.

Table of Contents

USE OF PROCEEDS

We estimate that the net proceeds from the sale of the 6,750,000 shares of common stock that we are offering will be approximately $ million, after deducting the underwriting discounts and commissions and estimated offering expenses payable by us, or approximately $ million if the underwriters exercise the over-allotment option in full.

We intend to use the net proceeds of the offering to make investments in portfolio companies in accordance with our investment objective and policies and for general corporate purposes. We anticipate that we will be able to invest the net proceeds within two to three months.

Pending such investments, we anticipate (i) repaying all or a portion of the indebtedness owed under our existing unsecured revolving credit facility and (ii) investing the remaining net proceeds in short-term securities issued by the U.S. government or its agencies or instrumentalities or in high quality, short-term or long-term debt obligations or money market instruments. A delay in the anticipated use of proceeds could lower returns and reduce our net distributable income per share (which is used in part to determine distribution to our common stockholders).

At January 31, 2014, we had outstanding borrowings on our unsecured revolving credit facility of $134 million and the interest rate was 1.77%. Any borrowings under our unsecured revolving credit facility will be used to fund investments in portfolio companies and for general corporate purposes. Amounts repaid under our unsecured revolving credit facility will remain available for future borrowings. Affiliates of some of the underwriters are lenders under our unsecured revolving credit facility and will receive a pro rata portion of the net proceeds from this offering, if any, used to reduce amounts outstanding under our revolving credit facility. See Underwriting Affiliations Conflicts of Interests.

Table of Contents

CAPITALIZATION

The following table sets forth our capitalization: (i) as of November 30, 2013, (ii) as adjusted to reflect the issuance of additional Series HH Senior Notes ($75 million) on February 7, 2014 and the redemption of the Series N Senior Notes ($50 million) on February 18, 2014, and (iii) pro forma as adjusted to reflect the issuance of the shares offered hereby. As indicated below, common stockholders will bear the offering costs associated with this offering.

	As of November 30, 2013 (Unaudited)		
	Actual	As Adjusted	Pro Forma As Adjusted
	($ in 000s, except per share data)		
Repurchase Agreements, Cash and Cash Equivalents	$ 257	$ 257	$ (1)
Short-Term Debt:			
Credit Facility	69,000	44,033	(1)
Long-Term Debt:			
Senior Notes Series M (2)	60,000	60,000	60,000
Senior Notes Series N (2)(3)	50,000		
Senior Notes Series O (2)	65,000	65,000	65,000
Senior Notes Series P (2)	45,000	45,000	45,000
Senior Notes Series Q (2)	15,000	15,000	15,000
Senior Notes Series R (2)	25,000	25,000	25,000
Senior Notes Series S (2)	60,000	60,000	60,000
Senior Notes Series T (2)	40,000	40,000	40,000
Senior Notes Series U (2)	60,000	60,000	60,000
Senior Notes Series V (2)	70,000	70,000	70,000
Senior Notes Series W (2)	100,000	100,000	100,000
Senior Notes Series X (2)	14,000	14,000	14,000
Senior Notes Series Y (2)	20,000	20,000	20,000
Senior Notes Series Z (2)	15,000	15,000	15,000
Senior Notes Series AA (2)	15,000	15,000	15,000
Senior Notes Series BB (2)	35,000	35,000	35,000
Senior Notes Series CC (2)	76,000	76,000	76,000
Senior Notes Series DD (2)	75,000	75,000	75,000
Senior Notes Series EE (2)	50,000	50,000	50,000
Senior Notes Series FF (2)	65,000	65,000	65,000
Senior Notes Series GG (2)	45,000	45,000	45,000
Senior Notes Series HH (2)(3)	175,000	250,000	250,000
Total Long-Term Debt: (3)	$ 1,175,000	$ 1,200,000	$ 1,200,000
Mandatory Redeemable Preferred Stock:			
Series A MRP Shares, $0.001 par value per share, liquidation preference $25.00 per share (4,160,000 shares issued and outstanding, 4,160,000 shares authorized) (2)	$ 104,000	$ 104,000	$ 104,000
Series B MRP Shares, $0.001 par value per share, liquidation preference $25.00 per share (320,000 shares issued and outstanding, 320,000 shares authorized) (2)	8,000	8,000	8,000
Series C MRP Shares, $0.001 par value per share, liquidation preference $25.00 per share (1,680,000 shares issued and outstanding, 1,680,000 shares authorized) (2)	42,000	42,000	42,000
Series E MRP Shares, $0.001 par value per share, liquidation preference $25.00 per share (4,800,000 shares issued and outstanding, 4,800,000 shares authorized) (2)	120,000	120,000	120,000
Series F MRP Shares, $0.001 par value per share, liquidation preference $25.00 per share (no shares authorized and outstanding, actual; 5,000,000 shares issued and outstanding, 5,000,000 shares authorized, as adjusted) (2)	125,000	125,000	125,000
Series G MRP Shares, $0.001 par value per share, liquidation preference $25.00 per share (2,000,000 shares issued and outstanding, 2,000,000 authorized) (2)	50,000	50,000	50,000
Common Stockholders Equity:			