

KBRA Affirms Senior Unsecured Notes Rating of AAA and Mandatory Redeemable Preferred Shares Rating of A+ to Kayne Anderson MLP Investment Company

NEW YORK, NY (January 26, 2018) – Kroll Bond Rating Agency (KBRA) has affirmed its 'AAA' rating to the Senior Unsecured Notes (notes) and 'A+' rating to the Mandatory Redeemable Preferred Shares (MRPS) issued by the Kayne Anderson MLP Investment Company ("KYN" or the "Fund"). The ratings reflect the Fund's Preliminary Closed-End Fund Rating (P KScore) as measured by the key Closed-End Fund (CEF) Rating Determinants, including the CEF's PQR, based on the KBRA Credit Quality Rating Matrix (as measured by the credit quality of the underlying instruments that comprise the portfolio); Asset Coverage; Liquidity; and Duration. Additionally, the ratings are influenced by the results of the qualitative assessment of the investment advisor of the Fund, KA Fund Advisors (KAFA). The qualitative shadow rating (QSR) for the investment advisor was found to be strong. This produced an Intermediate K Score (I KScore) and Final CEFR of 'AAA' for the senior notes, and after a priority of claim and qualitative adjustments, a 'A+' Final CEFR for the MRPS.

Kayne Anderson MLP Investment Company was organized as a Maryland corporation in June 2004 as a non-diversified, closed-end management investment company by its sponsor Kayne Anderson Capital Advisors (Kayne Anderson). The Fund commenced operations on September 2004, and its common shares are listed on the New York Stock Exchange under the symbol KYN. As of October 31, 2017, KYN reported approximately \$3.4 billion in assets under management (AUM), with total leverage, in the form of outstanding borrowings under its credit facility, notes and MRPS, of around \$1.08 billion.

The Fund's objective is to obtain a high after-tax total return by investing in energy-related master limited partnerships and their affiliates (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 (Midstream Energy Companies).

The Fund has detailed investment parameters and guidelines, and as per those guidelines, management intends to invest at least 80% of its total assets in MLPs, with at least 50% of those total assets in publicly traded securities of MLPs and other Midstream Energy Companies. Furthermore, the Fund is restricted to up to 20% maximum invested in debt securities of MLPs and other Midstream Energy Companies including below investment grade debt securities rated at least B-. Lastly, the Fund has a maximum of 5% allowed in investments that are unrated or rated below B-.

The Fund is allowed, per the 1940 Investment Act and Fund prospectus, to utilize leverage as it seeks to meet its investment objectives. The Fund's targeted leverage, in the form of an advantageous mix of term loans and revolving credit facility (credit facilities), MRPS and notes is an aggregate amount of approximately 25% - 30% of the Fund's total assets. As of October 31, 2017, KYN had total leverage of \$1.08 billion, including approximately a \$46 million outstanding under a \$150 million credit facility, \$747 million in notes, and \$292 million in MRPS, representing, total leverage of around 31% of total assets.

Under the '40 Act, the Fund is not permitted to borrow (senior debt) unless immediately after the borrowing the value of the Fund's total assets (less all liabilities not represented by indebtedness and preferred shares) is at least 300% of the principal amount of the borrowings. Additionally, under the '40 Act, the Fund is not permitted to issue preferred shares unless immediately after the such issuance the value of the Fund's asset coverage is at least 200% of the liquidation value of the outstanding indebtedness and preferred shares. As of

October 31, 2017, KYN reported asset coverage for senior securities of 369%, and total leverage (debt and preferred stock) asset coverage of 270%, well above above '40 Act minimum requirements for their respective measures.

Founded in 1984, Kayne Anderson is an alternative investment management firm. The firm is known for its focus on investing in upstream oil and gas companies and energy infrastructure, but also specializes in other niche markets such as specialized real estate, as well as middle market credit and growth private equity. The Fund is managed by KAFA, a subsidiary of Kayne Anderson, and an SEC-registered investment adviser. KAFA is responsible for investment management mandates within the Kayne Anderson platform that predominantly involve energy marketable securities. As of October 31, 2017, Kayne Anderson reported approximately \$24 billion in assets under management, with an investor base that includes institutional and retail clients, family offices, and high net worth individuals. The firm has over 300 employees, with main offices in Los Angeles and Houston, as well as other locations such as New York, Chicago, Denver, Atlanta, Dallas and Boca Raton.

Ratings Affirmed:

Senior Notes	Rate	Maturity	Rating
W	4.38%	5/26/2018	AAA
Z	3.39%	5/3/2019	AAA
AA	3.56%	5/3/2020	AAA
BB	3.77%	5/3/2021	AAA
CC	3.95%	5/3/2022	AAA
DD	2.74%	4/16/2019	AAA
EE	3.20%	4/16/2021	AAA
FF	3.57%	4/16/2023	AAA
GG	3.67%	4/16/2025	AAA
II	2.88%	7/30/2019	AAA
JJ	3.46%	7/30/2021	AAA
KK	3.93%	7/30/2024	AAA
LL	2.89%	10/29/2020	AAA
MM	3.26%	10/29/2022	AAA
NN	3.37%	10/29/2023	AAA
OO	3.46%	10/29/2024	AAA
Mandatory Redeemable Preferred Stock	Rate	Maturity	Rating
C	5.20%	11/9/2020	A+
F	3.50%	4/15/2020	A+
H	4.06%	7/30/2021	A+
I	3.86%	10/29/2022	A+
J	3.36%	11/9/2021	A+

The ratings are based on KBRA’s [Global Closed-End Fund Securities Issuance Rating Methodology](#) published on August 10, 2016.

To read the full report, please click [here](#).

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