

KAYNE ANDERSON MLP INVESTMENT COMPANY

**VALUATION COMMITTEE CHARTER
(Adopted July 12, 2004, as amended February 15, 2005)**

**I.
PURPOSE**

The Valuation Committee is a committee of the Board of Directors (the “Board”) of Kayne Anderson MLP Investment Company (the “Company”) established to oversee the implementation of the Company’s Valuation Procedures attached hereto as Exhibit A (the “Procedures”). The Board has delegated to the Valuation Committee the responsibility of determining the fair value of the Company’s investment portfolio or other assets in compliance with the requirements of the Investment Company Act of 1940, as amended (the “1940 Act”). The Valuation Committee shall have unrestricted access to the Board, the independent auditors, the Company’s counsel, and the executive and financial management of the Company. The Valuation Committee may meet with such persons as needed in order to carry out its valuation duties.

**II.
COMPOSITION**

The Valuation Committee shall be composed of at least four members (each a “Member”), each of whom shall be a Director of the Company. The Board may amend the committee’s membership at any time.

**III.
MEETINGS**

The Valuation Committee shall meet not less frequently than quarterly to determine the fair value of the Company’s investment portfolio or other assets as necessary and in accordance with the Procedures. The Valuation Committee shall meet on or about the end of each month to consider new valuations presented by Kayne Anderson Capital Advisors, L.P. (the “Advisor”), if any, which were made in accordance with Paragraphs 8 or 9 of the Procedures in such month. Between meetings of the Valuation Committee, a senior officer of the Advisor is authorized to make valuation determinations.

Reasonable notice, as dictated by the circumstances, of a meeting shall be given to all Members. The Valuation Committee may take action by majority vote of the Members present during any meeting at which a quorum of Members are present. The presence of any two members of the Valuation Committee, including at least one member who is not an “interested person” of the Company as defined in the 1940 Act, shall constitute a quorum for purposes of conducting the Valuation Committee’s business.

Valuation Committee meetings may be held in person, by telephone conference, or other interactive electronic communication. Minutes of all meetings of the Valuation Committee shall be submitted to the Board. The Valuation Committee will make available to the Board, upon request, all information considered in reaching its valuation decisions.

If the Valuation Committee, in consultation with the Advisor, is unable to determine what it believes to be a fair value for any security in accordance with the methodology set forth in the Procedures, the Advisor shall inform the Secretary of the Company and a meeting of the Board shall be called forthwith to determine what action shall be taken to value the security.

IV. RESPONSIBILITIES AND DUTIES

To fulfill its responsibilities and duties, the Valuation Committee shall:

1. Meet no less frequently than quarterly to determine the fair value of the Company's securities or other assets in compliance with the 1940 Act and take such action as may be required.
2. Report to the Board any actions taken by the Valuation Committee and make such recommendations to the Board as the Valuation Committee deems necessary or appropriate.
3. Investigate any other matter brought to its attention within the scope of its duties.
4. Perform any other activities consistent with and in furtherance of this Charter and the Procedures, as the Valuation Committee or the Board deems necessary or appropriate.
5. No less frequently than each quarter, review any reports provided by a third party valuation firm engaged by the Board to review the valuation methodologies employed for the Company's fair-valued securities.

EXHIBIT A

KAYNE ANDERSON MLP INVESTMENT COMPANY

VALUATION PROCEDURES

For purposes of determining the value of the portfolio securities of Kayne Anderson MLP Investment Company (the “Company”), security prices shall be set in accordance with the procedures set forth below:

1. Securities that are primarily traded on a national or foreign securities exchange shall be valued at the last sale price, on the exchange on which they are primarily traded, on the business day as of which such value is being determined or, if there has been no sale on such day, at the mean between the most recent bid and asked prices on such day. Notwithstanding the foregoing, securities listed on the NASDAQ stock market will be priced at the NASDAQ official closing price (“NOCP”). If the NOCP is not available, such securities shall be valued at the last sale price on the NASDAQ on the day of valuation or, if there has been no sale on such day, at the mean between the bid and asked prices on the day of valuation.
2. Over-the-counter (“OTC”) securities which are not traded in the NASDAQ National Market System shall be valued at the closing bid prices.
3. Quotations of non-U.S. securities in a non-U.S. currency are valued in U.S. dollars on the basis of the foreign currency exchange rates prevailing at the time as of which such valuation is determined.
4. Short-term securities, including bonds, notes, debentures and other debt securities, and money market instruments such as certificates of deposit, commercial paper, bankers’ acceptances and obligations of domestic and foreign banks, with remaining maturities of 60 days or less, for which reliable market quotations are readily available shall each be valued on an amortized cost basis at current market quotations as provided by an independent pricing service or principal market maker.
5. Bonds and other fixed-income securities (other than the short-term securities described above) are valued using the mean between the bid and ask prices provided by an independent pricing service.
6. Options on securities that are listed on an exchange shall be valued at the last sales price at the close of trading on such exchange or, if there was no

sale on the applicable options exchange on such day, at the mean between the quoted bid and asked prices as of the close of such exchange.

7. OTC options shall be valued at the mean between bid and asked prices provided by at least two dealers.
8. Securities that are convertible into or otherwise will become publicly traded (e.g., through subsequent registration or expiration of a restriction on trading), will be valued at the market value of the publicly traded security less a discount. The discount will initially be equal in amount to the discount negotiated at the time an agreement is reached on price with the issuer. To the extent that such securities are convertible or otherwise become publicly traded within a time frame that may be reasonably determined, Kayne Anderson Capital Advisors, L.P. (the “Advisor”) may determine an amortization schedule for the discount in accordance with a methodology approved by the Valuation Committee. The resulting valuation shall be circulated to the Valuation Committee for approval at the next regularly scheduled meeting of the Valuation Committee.
9. Any assets for which (a) reliable market quotations are not available in the judgment of the Advisor, or (b) the pricing service does not provide a valuation or provides a valuation that in the judgment of the Advisor 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.
10. Unless otherwise determined by the Board of Directors, the following valuation process will be used for securities valued under paragraphs 8 and 9:
 - *Investment Team Valuation.* The applicable investments will initially be valued by the Advisor’s investment professionals responsible for the portfolio investments.
 - *Investment Team Valuation Documentation.* Preliminary valuation conclusions will be documented and discussed with senior management of the Advisor. Such valuations will be submitted to the Valuation Committee or the Board of Directors on a monthly basis, and will stand for intervening periods of time.
 - *Valuation Committee.* The Valuation Committee shall meet on or about the end of each month to consider new valuations presented by the Advisor, if any, which were made in accordance with Paragraphs 8, 9 and 10 of these Procedures in such month. Between meetings of the Valuation Committee, a senior officer of the Advisor is authorized to make valuation determinations. The

Valuation Committee's valuations will stand for intervening periods of time unless the Valuation Committee meets again at the request of the Advisor, the Board of Directors or the Committee itself. All valuation determinations of the Valuation Committee will be subject to ratification by the Board at its next regular meeting.

- *Valuation Firm.* No less than quarterly, a third-party valuation firm engaged by the Board of Directors will review the valuation methodologies and calculations employed for these securities.
- *Board of Directors Determination.* The Board of Directors will meet quarterly to consider the valuations provided by the Advisor and the Valuation Committee, if applicable, and ratify valuations for the applicable securities. The Board of Directors will consider the reports, if any, provided by the third-party valuation firm in reviewing and determining in good faith the fair value of the applicable portfolio securities.

In fair-valuing securities, consideration will be given to several factors, which may include, among others, the following:

- the information as to any transactions in or offers for the holding;
- the price of public trading in similar securities (or equity securities) of the issuer/borrower, or comparable companies;
- the distributions and coupon payments;
- the projected cash flows for the issuer or borrower;
- the fundamental business data relating to the issuer or borrower;
- an evaluation of the forces which influence the market in which such securities are purchased and sold;
- the type, size and cost of holding;
- the financial statements of the issuer or borrower;
- the credit quality and cash flow of issuer, based on the Advisor's or external analysis;
- the quality, value and saleability of collateral securing the loans;

- the business prospects of the issuer/borrower, including any ability to obtain money or resources from a parent or affiliate and an assessment of the issuer's or borrower's management; or the prospects for the issuer's or borrower's industry, and multiples (of earnings and/or cash flow) being paid for similar businesses in that industry;
- any decline in value over time due to the nature of the assets; for example, an entity that has a finite-life concession agreement with a governmental agency to provide a service (*e.g.*, toll roads and airports);
- the liquidity or illiquidity of the market for the particular portfolio instrument; and
- other factors deemed relevant.

Although a trading discount will not normally be applied to freely tradable securities, the Advisor may recommend to the Valuation Committee that such a discount be applied when the relevant trading market is unusually illiquid or limited, or the size of the Company's position is large compared to the normal trading volume over time.

11. Where a security is traded on more than one exchange, or on an exchange as well as OTC, the exchange representing the principal market for such security shall be used for valuation purposes. The Valuation Committee, in concurrence with the Advisor, will determine what market represents that on which the security is primarily traded.

Approved by the Board of Directors on February 15, 2005.