

Rating Action: [Kayne Anderson MLP Investment Company](#)

MOODY'S ASSIGNS Aa2 RATING TO AUCTION RATE PREFERRED STOCK ISSUED BY KAYNE ANDERSON MLP INVESTMENT COMPANY

\$75 Million in Auction Rate Preferred Stock Affected

New York, April 15, 2005 -- Moody's Investors Service assigned a rating of Aa2 to \$75 million of auction rate preferred stock ("Preferred Stock") issued by Kayne Anderson MLP Investment Company (the "Company"), a New York Stock Exchange listed, non-diversified closed-end fund investing primarily in energy-related master limited partnerships ("MLPs"). The Company is managed by Kayne Anderson Capital Advisors, L.P. ("Kayne Anderson"). Each share of Preferred Stock has a liquidation preference of \$25,000. The rating reflects Moody's assessment that the asset coverage supporting the Preferred Stock provides adequate asset and dividend payment protection, but the shares of Preferred Stock are junior in liquidation and distribution rights to the Company's previously issued \$260 million of auction rate senior notes, which are currently rated Aaa by Moody's.

The Company, which commenced operations on September 28, 2004 and is registered under the Investment Company Act of 1940, seeks to obtain a high after-tax total return by investing at least 85% of its total assets in MLPs and other midstream energy companies. This includes affiliates of MLPs that own general partner interests or, in some cases, subordinated units, registered or unregistered common units, or other limited partner units of an MLP.

Moody's Aa2 rating assigned to the Preferred Stock is based on an assessment that the market value of the underlying assets of the Company's portfolio is sufficient to provide adequate asset protection to investors. These assets serve to collateralize the Preferred Stock as well as the related dividend obligations. As of each valuation date, the Company is required to maintain eligible assets having an aggregated discount value, or basic maintenance amount, that is equal to or greater than the principal amount of the Preferred Stock by 100%. At the time of the rating assignment, the Company's basic maintenance amount was 163%.

As of March 1, 2005, Kayne Anderson managed approximately \$3.3 billion. Kayne Anderson has been investing in MLPs and other midstream energy companies since 1998 and currently manages approximately \$1.6 billion in this sector.

Moody's rating applicable to the Preferred Stock addresses the full-liquidation-preference amount paid upon redemption, either due to a mandatory or voluntary redemption, including the distribution of Company assets upon liquidation. The rating also addresses the full and timely payment of dividends, subject to rate periods that could change from time to time due to special-rate period designations and appropriate notices/conventions. Moody's rating does not address the success or failure of the auction process, which sets the dividend rate for this issue, nor the periodic operation of the auction procedures.

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