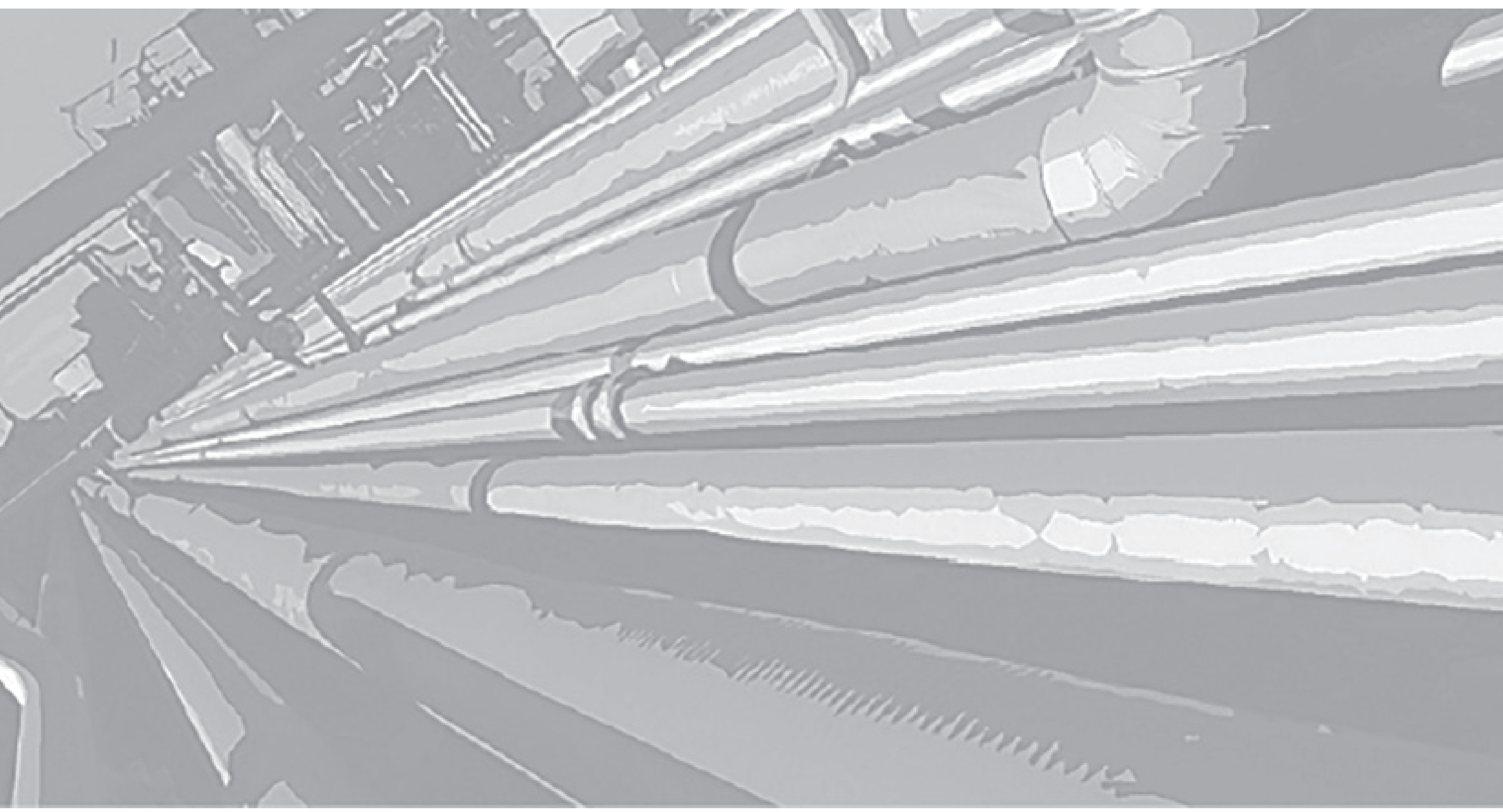
Kayne Anderson

MLP/Midstream Investment Company



KYN Annual Report

November 30, 2019

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS: This report of Kayne Anderson MLP/Midstream 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.

All investments in securities involve risks, including the possible loss of principal. The value of an investment in the Company could be volatile, and you could suffer losses of some or a substantial portion of the amount invested. The Company's concentration of investments in energy-related MLPs and midstream entities subjects it to the risks of MLPs, midstream entities and the energy sector, including the risks of declines in energy and commodity prices, decreases in energy demand, adverse weather conditions, natural or other disasters, changes in government regulation, and changes in tax laws. Leverage creates risks that may adversely affect return, including the likelihood of greater volatility of net asset value and market price of common shares and fluctuations in distribution rates, which increases a stockholder's risk of loss.

Performance data quoted in this report represent past performance and are for the stated time period only. Past performance is not a guarantee of future results. Current performance may be lower or higher than that shown based on market fluctuations from the end of the reported period.

KAYNE ANDERSON MLP/MIDSTREAM INVESTMENT COMPANY
ADOPTION OF AN OPTIONAL DELIVERY METHOD FOR SHAREHOLDER REPORTS

Rule 30e-3 Notice

Beginning on January 1, 2021, as permitted by regulations adopted by the Securities and Exchange Commission, paper copies of Kayne Anderson MLP/Midstream Investment Company's (the "Company" or "KYN") annual and semi-annual shareholder reports will no longer be sent by mail, unless you specifically request paper copies of the reports from the Company or from your financial intermediary, such as a broker-dealer or bank. Instead, the reports will be made available on the Company's website (www.kaynefunds.com), and you will be notified by mail each time a report is posted and provided with a website link to access the report.

If you already elected to receive shareholder reports electronically, you will not be affected by this change and you need not take any action. You may elect to receive shareholder reports and other communications from the Company or your financial intermediary electronically by calling the Company at 1-877-657-3863 or contacting your financial intermediary.

You may elect to receive all future reports in paper free of charge. You can inform the Company or your financial intermediary that you wish to continue receiving paper copies of your shareholder reports by calling the Company at 1-877-657-3863 or contacting your financial intermediary. Your election to receive reports in paper will apply to all funds managed by KA Fund Advisors, LLC or held with your financial intermediary.

KAYNE ANDERSON MLP/MIDSTREAM INVESTMENT COMPANY
LETTER TO STOCKHOLDERS

January 17, 2020

Dear Fellow Stockholders:

Greetings, I hope your New Year is off to a good start. I am very pleased to communicate with you in my first annual letter as the Company's CEO. I take on this role knowing I have some enormous shoes to fill! Kevin McCarthy, our CEO until last summer, has been one of the midstream industry's most influential leaders over the last three decades. While it is never easy to follow a legend, I am excited to take on this challenge. Kevin, we thank you for your vision, leadership, and friendship. The team at Kayne Anderson promises to work hard each day to build on what you helped create. We are enthusiastic about your continued involvement in the business as Chairman of KYN's Board of Directors and Vice Chairman of Kayne Anderson.

This year's annual letter will cover a variety of topics — ranging from the Company's performance during fiscal 2019 and our latest thoughts on KYN's distribution, to a discussion on the state of the energy industry and what we think that means for the Company's outlook. We also discuss how the midstream sector has evolved since KYN's initial public offering 15 years ago. A lot has changed, but we continue to believe that MLPs and Midstream Companies are compelling investments. I hope you find this discussion informative and insightful. In addition to this annual letter, we encourage investors to listen to the podcasts available on our website (www.kaynefunds.com/insights). We recently posted a new podcast, which expands on many of the subjects covered in this letter.

While we believe we have done a commendable job navigating a challenging environment, we know the last five years have not always been a pleasant experience for the Company's investors. As discussed in this letter, we are optimistic about KYN's return prospects over the next three to five years. We are pleased with how the portfolio is currently positioned and believe patient, long-term investors will be rewarded.

Performance Review

Our primary measure for the Company's performance is its Net Asset Value Return, which is equal to the change in net asset value per share plus cash distributions paid during the period (assuming reinvestment through our dividend reinvestment plan). The Company's Net Asset Value Return was negative 6.1% for fiscal 2019. During the same time period, the total return for the Alerian MLP Index (or the AMZ) was negative 11.0%, and the Alerian US Midstream Energy Index (or the AMUS) was negative 2.9%. The average Net Asset Value Return for KYN's closed-end fund peers was negative 13.1%. We are pleased the Company's returns compare favorably on a relative basis to our closed-end fund peers and the AMZ but disappointed the Company's Net Asset Value Return was negative during fiscal 2019.

The Company's Net Asset Value Return during calendar 2019 was much better than its fiscal year results. This divergence is attributable to the midstream sector's performance in December 2019 (up 8.5%) vs. December 2018 (down 9.4%). For the twelve months ended December 31, 2019, the Company's Net Asset Value Return was 17.2% — outperforming our fund peers (average Net Asset Value Return of 10.9%), the AMZ (total return of 6.6%) and the AMUS (total return of 15.6%).

Over the last three fiscal years, the Company's Net Asset Value Return was negative 1.3%, which was meaningfully better than our fund peers (average Net Asset Value Return of negative 17.7%) and the AMZ (total return of negative 16.1%). The Company's Net Asset Value Return over the last ten fiscal years was 69.0% — outperforming our peer funds (average Net Asset Value Return of 40.1%) and the

AMZ (total return of 48.1%). Our investment process is focused on delivering attractive returns over multi-year periods, and we are very proud of this relative performance.

Another measure of the Company's performance is Market Return (share price change plus reinvested dividends), which was negative 12.4% for fiscal 2019. This measure is worse than our Net Asset Value Return because our stock price went from trading at a 3.2% discount to NAV at the beginning of fiscal 2019 to trading at a 9.6% discount to NAV at the end of fiscal 2019. As of the date of this letter, the Company's stock price has increased by 16.3% since the end of fiscal 2019 and is currently trading at a 6.8% discount to NAV. It is encouraging to see the share price trading closer to NAV, but we do not believe a discount to NAV is appropriate given KYN's yield (currently 9.9%) and total return prospects.

Portfolio

Over the last 24 months, we increased KYN's holdings of large, diversified MLPs and Midstream Companies. In our opinion, these companies were best positioned to generate attractive returns, given the market environment. This positioning helped the Company outperform its closed-end fund peers and the AMZ in recent years. We continue to believe these entities will generate attractive risk-adjusted returns and expect to maintain large positions in these companies during 2020.

The portfolio investments that were the main drivers of KYN's absolute performance during fiscal 2019 are as follows:

Top 5 Contributors to Performance		Bottom 5 Contributors to Performance	
Name	Total Return	Name	Total Return
1. Buckeye Partners, L.P.	47.9%	1. Western Midstream Partners, LP	(33.3)%
2. ONEOK, Inc.	21.9%	2. MPLX LP(1)	(8.3)%
3. Enterprise Products Partners L.P.	6.7%	3. Energy Transfer LP	(11.5)%
4. Phillips 66 Partners LP	26.9%	4. Plains All American Pipeline, L.P.	(19.5)%
5. Shell Midstream Partners, L.P.	13.4%	5. EnLink Midstream, LLC	(53.1)%

(1) Includes common equity and preferred equity investments.

Distributions

We understand how important distributions are to our investors, and we appreciate your desire for certainty on the Company's distribution level. In December 2019, we indicated that the Company plans to maintain its monthly distribution rate ($0.12 per share) for the 12-month period ending in December 2020. Further, we indicated that management expects to recommend to the Company's Board of Directors that it maintain the Company's distribution at this amount for the foreseeable future. After considering historical results, our outlook for the midstream sector and the Company's financial metrics, we have concluded that a stable distribution is the best course of action at this time. Over the longer-term, our goal is to provide investors an attractive distribution that has the potential to increase, as supported by the Company's financial results.

Historically, our distributions have been funded generally by net distributable income (or NDI), which is the amount of income received by us from our portfolio investments, less operating expenses. Going forward, we expect NDI to be one of several factors considered by the Company's Board of Directors. In addition to NDI, we expect KYN's Board of Directors to consider the following items when determining KYN's distribution: realized and unrealized gains generated by the portfolio, KYN's financial metrics relative to its closed-end fund peers and expected returns for the Company's investments. Further, management believes it is important to take a longer-term view and not focus exclusively on near-term results in determining the distribution.

Balance Sheet

Before turning to a discussion on the state of the energy industry, I would like to comment on recent market volatility and provide an update on the Company's balance sheet. Equity prices for companies in the energy industry were volatile during 2019, in particular during late November and early December. Encouragingly, stock prices have started to recover, with the AMZ up almost 15% from its early December lows. We expect volatility levels will remain elevated during 2020. The presidential election, trade relations between the U.S. and China, the state of the global economy, and a host of other items (including recent events in the Middle East) are expected to contribute to this volatility. Fortunately, the Company is well-positioned for this type of market environment. Our leverage ratios are near target levels, providing a buffer against the impact of stock price declines.

Energy Industry Update

Earlier this month, we began a new decade, and I believe now is an opportune time to reflect on what has happened in the energy industry since the Company's initial public offering in September 2004. The development of unconventional resources, or the "Shale Revolution" as we often call it, impacted the energy industry in ways that were almost unimaginable when we formed the Company. At that time, one of the industry's biggest concerns was importing enough crude oil, refined products, and natural gas to satisfy our domestic needs. Over the course of the last 15 years, U.S. crude oil production has increased by approximately 150%, America has become the largest producer of crude oil in the world, and we are a net exporter of petroleum products for the first time in 70 years.

However, the domestic energy industry's success growing its production levels is only part of this story. While the U.S. economy and the American consumer have benefited greatly from cheap, plentiful supplies of energy, the same cannot be said for those who invested in the energy companies that made this happen. Put simply, shareholder returns for most energy companies over the last decade have been poor. While the Shale Revolution meaningfully exceeded expectations on volume growth, it fell well short of expectations for shareholder returns. Compounding this frustration is the energy industry's performance relative to the overall market — it has been a record-setting decade for all major U.S. equity indices, with most at (or near) all-time highs.

I think 2019 will be remembered as the year that it became painfully obvious that "business as usual" was not a viable option for many companies in the energy industry. After several years of sub-par returns, investors (including us) are demanding management teams abandon their "growth at all costs" mindset and become much more focused on traditional financial metrics (such as corporate returns and net income). The good news, in our opinion, is that we have seen tangible signs of change over the last 12 to 18 months. Upstream companies are prioritizing capital efficiency and returns on capital employed over growth rates in production. Companies across multiple sectors within the energy industry are working hard to reduce capital expenditures in an effort to generate free cash flow and return capital to shareholders.

We believe 2020 will be an important year for the upstream industry to prove it is committed to a new (and improved) way of doing business. Of course, this financial discipline means less spending, which is expected to result in slower rates of growth. We think this is a good outcome for the industry. Stable commodity prices and modest production growth should help restore investor interest in energy companies.

The energy industry must also address another significant challenge this decade — climate change and the evolving role of carbon-based sources of energy, or fossil fuels, in our society. As the impacts of climate change have become more apparent, the use of fossil fuels is increasingly being questioned.

While the positive effect that fossil fuels can have on people's standard of living is undeniable, these benefits must be weighed against the negative impact of carbon emissions on the environment.

In last year's letter, we discussed the impact that growing opposition to fossil fuels was having on the industry. This opposition gained momentum during 2019 — one needs to look no further than the energy-related proposals being endorsed by many of the Democratic Party's presidential candidates. Most of these proposals are not practicable, in our opinion, but it does highlight the need for the energy industry to redouble its efforts to better educate the public on the critical role it plays in our society. It also serves as a powerful reminder to management teams that investors expect them to act as responsible stewards of our environment. The introduction of sustainability-related compensation metrics and annual ESG reports by many energy companies is an important step forward.

As demand for energy increases in the coming decades, the world's supply needs to transition from one that is predominately fossil-fuel based to a sustainable mix of renewable and conventional energy. As a large investor in both public and private renewable energy infrastructure, Kayne Anderson is actively involved in this development, which we and others often refer to as the "energy transition." We think this will be the industry's most significant trend over the next decade. Expect to hear more from us during 2020 about ways KYN is investing in renewable energy infrastructure, which we view as a logical extension of our investment mandate.

The Changing Midstream Landscape

The size and complexity of the midstream sector have grown dramatically over the last 15 years. Principally as a result of the Shale Revolution (and rapidly growing domestic production), hundreds of billions of dollars were spent building pipelines, terminals, processing plants, fractionators, and other logistics assets to ensure that these products flowed from the wellhead to the end-user. More recently, significant amounts of capital have been spent to facilitate the export of energy-related commodities to the rest of the world. During this time period, our country's energy infrastructure had to be transformed to facilitate the shift from an import-oriented industry to one that is more export-oriented. Kudos to management teams in the midstream sector — a considerable amount of ingenuity and resourcefulness was required to make this happen.

Another area where the midstream sector has changed is the typical business structure for publicly-traded companies. In the mid-2000s, it was relatively straightforward — if you owned midstream assets and wanted to access the public markets, you did so as an MLP. Most publicly-traded midstream companies were structured as MLPs because these types of companies had the best valuations, the best access to capital, and paid no taxes. The number of MLPs more than tripled from 2004 to 2014 — at times, it felt like every energy company wanted to be an MLP. Today, a much more significant percentage of midstream assets are owned by companies structured as taxable corporations (as opposed to partnerships). Simplification transactions between MLPs and Midstream Companies over the last five years — which we have written about extensively in prior annual letters — helped facilitate this shift from partnership format to corporate structures.

With the benefit of hindsight, it is now clear that many of these simplification transactions needed to occur in response to the commodity price downturn that began in 2014. It is also clear that modifications to the MLP structure were necessary to better align the interests of management teams and investors (including, for example, eliminating incentive distribution rights, improving corporate governance, and reducing dependence on the capital markets to finance growth projects). I think it is worth mentioning that we continue to be proponents of the MLP structure. In our opinion, it remains an attractive alternative for companies in the midstream sector.

After record financial results over the last two years, the midstream industry enters 2020 on sound financial footing. Asset sales, joint ventures, and improved financial results have enabled companies to reduce their leverage ratios. Distribution coverage ratios are healthy, and companies are much less reliant on external sources of financing to fund growth projects. Quite a bit of progress has been made since 2016. Unfortunately, stock prices for many companies in the sector do not seem to fully reflect these accomplishments, but we expect that to change over the next year or two.

While most of the hard work is complete, there are a couple of areas that the midstream sector needs to address this year. The most pressing item, in our opinion, is capital spending levels. As production growth slows, less capital needs to be spent building new midstream assets. Importantly, midstream investors are less focused on growth and would rather see fiscal discipline. Another area that requires attention is corporate governance. We will continue to push companies to have independent boards elected by their shareholders as well as incentive structures that provide an alignment of interest with shareholders.

Outlook

It has been quite a journey since KYN’s initial public offering in the fall of 2004. The energy industry has enjoyed some incredible successes and, more recently, felt the brunt of investors’ ire. We believe the energy industry is taking the right steps to restore investor confidence.

Our outlook for the midstream industry in 2020 is positive. The sector had record financial results in 2019 — we expect results to be strong this year as well, as companies benefit from new assets being placed into service and a continuation of volume growth. The sector’s transformation is mostly complete, and we believe MLPs and Midstream Companies are well-positioned to outperform this year. We expect market valuations to better reflect the sector’s improved financial health and strong operating results.

Let me provide some facts to support this bullish outlook: The companies in KYN’s portfolio (on a weighted average basis) trade at a multiple of 11.2x Enterprise Value to 2020 EBITDA, have a current yield of 7.7% and a distribution coverage ratio of 1.5x. We expect KYN’s portfolio investments to grow distributable cash flow per share at a rate of approximately 6% annually over the next two years. Our outlook for distribution growth is more conservative than our projections for growth in distributable cash flow — we believe many of these companies will opt to use their excess cash flow to reduce debt and fund capital expenditures. We expect investors to react positively to these actions. Lastly, roughly 75% of the portfolio is invested in companies with an investment-grade credit rating. We find these financial metrics compelling — in particular, in an environment where many believe low interest rates are the “new normal” and stocks are trading at record levels.

We are excited about what is in store for the Company over the next decade. I have little doubt that it will bring even more changes to the midstream sector and the role of energy infrastructure. Importantly, the Company is very well-positioned to capitalize on these changes. We are agnostic as to the business structure of our investments in the midstream sector (i.e., partnership or taxable corporation) — our portfolio allocations will ebb and flow based on what is most attractive at such time. Further, the Company can expand the types of energy infrastructure it invests in if we believe investors will benefit from this diversity. Expect to hear more from us in the coming years about the Company’s investments in renewable energy infrastructure, as we are very excited about the macro trends supporting these assets.

We appreciate your investment in the Company and look forward to executing on our investment objective of achieving high after-tax total returns. Please do not hesitate to contact us with any questions or comments.

Sincerely,

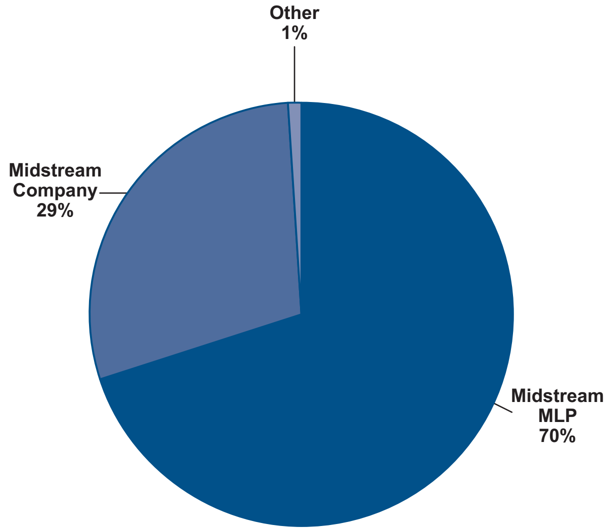
James C. Baker

President and Chief Executive Officer

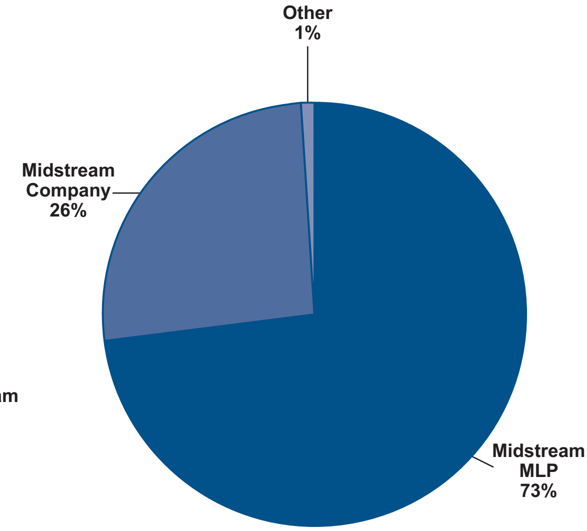
KAYNE ANDERSON MLP/MIDSTREAM INVESTMENT COMPANY
PORTFOLIO SUMMARY
(UNAUDITED)

Portfolio of Long-Term Investments by Category

November 30, 2019



November 30, 2018



Top 10 Holdings by Issuer

Holding	Category	Percent of Long-Term Investments as of November 30, 2019	2018
1. Enterprise Products Partners L.P.	Midstream MLP	14.3%	13.3%
2. Energy Transfer LP	Midstream MLP	9.9	10.6
3. ONEOK, Inc.	Midstream Company	8.6	8.8
4. The Williams Companies, Inc.	Midstream Company	8.5	8.1
5. MPLX LP(1)	Midstream MLP	7.9	7.3
6. Magellan Midstream Partners, L.P.	Midstream MLP	6.6	3.7
7. Plains All American Pipeline, L.P.(2)	Midstream MLP	4.8	5.7
8. Targa Resources Corp.	Midstream Company	4.5	5.0
9. Shell Midstream Partners, L.P.	Midstream MLP	4.4	2.7
10. Western Midstream Partners, LP	Midstream MLP	3.4	5.7

(1) Includes our ownership of MPLX LP common and preferred units. On July 30, 2019, MPLX LP ("MPLX") and Andeavor Logistics LP ("ANDX") completed their previously announced agreement whereby MPLX acquired ANDX in a unit-for-unit transaction. On a combined basis, our holdings in MPLX and ANDX were 8.3% of long-term investments as of November 30, 2018.

(2) Does not include our ownership of Plains AAP, L.P. ("PAGP-AAP"), which is an affiliate. On a combined basis, our holdings in Plains All American Pipeline, L.P. ("PAA") and PAGP-AAP were 5.7% of long-term investments as of November 30, 2019 and, our holdings in PAA, Plains GP Holdings, L.P. ("PAGP") and PAGP-AAP were 6.8% of long-term investments as of November 30, 2018.

Company Overview

Kayne Anderson MLP/Midstream Investment Company ("KYN") 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"). Throughout this report we will refer to "Midstream Companies", which we consider to be companies that own and operate midstream assets and are not treated as partnerships for federal income tax purposes.

As of November 30, 2019, we had total assets of $3.0 billion, net assets applicable to our common stockholders of $1.8 billion (net asset value of $13.89 per share), and 126.3 million shares of common stock outstanding.

Our investments are principally in equity securities issued by MLPs and other Midstream Energy Companies. We may invest in debt securities of MLPs and other Midstream Energy Companies as well as equity and debt securities of other energy companies. As of November 30, 2019, we held $3.0 billion in equity investments and $2.1 million in debt investments.

Recent Events

Mandatory Redeemable Preferred Shares Private Placement

On December 10, 2019, the Company entered into a definitive agreement for the private placement of $200 million of Mandatory Redeemable Preferred Shares ("MRP Shares"). There will be two fundings in connection with the transaction: (a) $100 million of Series L MRP Shares and $75 million of Series M MRP Shares will be issued on February 11, 2020, and (b) $25 million of Series N MRP Shares will be issued on May 12, 2020. Net proceeds from the fundings will be used to refinance existing leverage including the redemption of $125 million of Series F MRP Shares (scheduled for redemption February 13, 2020), the redemption of $25 million of Series K MRP Shares (scheduled for redemption February 13, 2020), and the redemption of $42 million of Series C MRP Shares.

January, February and March Distributions and Guidance

On December 18, 2019, we announced monthly distributions of $0.12 per share for each of January, February, and March 2020. We plan to maintain the monthly distribution at $0.12 per share for the next 12 months (through the distribution to be paid in December 2020). Beyond this 12-month guidance period, management expects to recommend to our Board of Directors that we maintain our distribution at its current level for the foreseeable future.

Results of Operations — For the Three Months Ended November 30, 2019

Investment Income. Investment income totaled $7.8 million for the quarter. We received $63.2 million of dividends and distributions, of which $49.2 million was treated as return of capital and $6.2 million was treated as distributions in excess of cost basis.

Operating Expenses. Operating expenses totaled $21.7 million, including $10.8 million of net investment management fees, $6.9 million of interest expense, $3.2 million of preferred stock distributions and $0.8 million of other operating expenses. Interest expense includes $0.4 million of non-cash amortization of debt issuance costs. Preferred stock distributions include $0.2 million of non-cash amortization.

Net Investment Loss. Our net investment loss totaled $11.1 million and included a current tax benefit of $0.8 million and a deferred tax benefit of $2.0 million.

Net Realized Losses. We had net realized losses from our investments of $3.7 million, consisting of realized losses from long term investments of $2.2 million, a current tax expense of $3.1 million and a deferred tax benefit of $1.6 million.

Net Change in Unrealized Gains. We had a net decrease in our unrealized gains of $164.5 million. The net change consisted of a $221.1 million decrease in unrealized gains on investments and a deferred tax benefit of $56.6 million.

Net Decrease in Net Assets Resulting from Operations. As a result of the above, we had a net decrease in net assets resulting from operations of $179.3 million.

Results of Operations — For the Fiscal Year Ended November 30, 2019

Investment Income. Investment income totaled $48.8 million for the fiscal year. We received $252.1 million of dividends and distributions, of which $183.8 million was treated as return of capital and $19.5 million was treated as distributions in excess of cost basis. Return of capital was increased by $7.8 million and distributions in excess of cost basis were decreased by $3.9 million during the year due to 2018 tax reporting information that we received in fiscal 2019.

Operating Expenses. Operating expenses totaled $91.6 million, including $46.2 million of investment management fees (net of $0.2 investment management fee waiver), $29.3 million of interest expense, $12.8 million of preferred stock distributions and $3.3 million of other operating expenses. Interest expense includes $1.8 million of non-cash amortization of debt issuance costs. Preferred stock distributions include $0.8 million of non-cash amortization.

Net Investment Loss. Our net investment loss totaled $33.0 million and included a current tax benefit of $0.7 million and a deferred tax benefit of $9.1 million.

Net Realized Gains. We had net realized gains from our investments of $120.2 million, consisting of realized gains from long term investments of $157.7 million, a current tax expense of $2.8 million and a deferred tax expense of $34.7 million.

Net Change in Unrealized Gains. We had a net decrease in our unrealized gains of $214.2 million. The net change consisted of a $285.3 million decrease in our unrealized gains on investments, and a deferred tax benefit of $71.1 million.

Net Decrease in Net Assets Resulting from Operations. As a result of the above, we had a net decrease in net assets resulting from operations of $127.0 million.

Distributions to Common Stockholders

Net distributable income (“NDI”) is the amount of income received by us from our portfolio investments less operating expenses, subject to certain adjustments as described below. Our distributions have been funded generally by NDI and it is one of several items considered by our Board of Directors in setting our distribution to common stockholders. NDI is not a 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, (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)

	Three Months Ended November 30, 2019	Fiscal Year Ended November 30, 2019
Distributions and Other Income from Investments		
Dividends and Distributions	$ 63.2	$252.1
Expenses		
Net Investment Management Fee	(10.8)	(46.2)
Other Expenses	(0.8)	(3.3)
Interest Expense	(6.7)	(28.2)
Preferred Stock Distributions	(3.0)	(12.1)
Income Tax Benefit, net	2.8	9.8
Net Distributable Income (NDI)	**$ 44.7**	**$172.1**
Weighted Shares Outstanding	126.3	126.3
NDI per Weighted Share Outstanding	**$ 0.35**	**$ 1.36**
Adjusted NDI per Weighted Share Outstanding[(1)]	**$ 0.36**	**$ 1.36**
Distributions paid per Common Share[(2)]	**$ 0.36**	**$ 1.44**
	Quarterly rate	**Annual rate**
Distribution Guidance per Common Share[(3)]	**$ 0.36**	**$ 1.44**

(1) The income tax benefit for the second quarter of fiscal 2019 included a $0.9 million increase attributable to a change made to our return of capital estimate for 2018 (the "Return of Capital Adjustment") as a result of tax reporting information related to fiscal 2018 received during fiscal 2019. For purposes of calculating Adjusted NDI, the income tax benefit related to our Return of Capital Adjustment has been allocated equally to each quarter in 2019 ($0.9 million adjustment in aggregate; $0.2 million quarterly adjustment).

(2) The three months ended November 30, 2019, consists of monthly distributions of $0.12 per common share paid, or to be paid, December 31, 2019, January 31, 2020, and February 28, 2020. The fiscal year ended November 30, 2019, consists of monthly distributions of $0.12 per common share paid, or to be paid, March 29, 2019, April 30, 2019, May 31, 2019, June 28, 2019, July 31, 2019, August 30, 2019, September 30, 2019, October 31, 2019, November 29, 2019, December 31, 2019, January 31, 2020, and February 28, 2020.

(3) Based on a monthly distribution of $0.12 per common share ($1.44 per common share annualized).

We plan to maintain the monthly distribution at $0.12 per share for the next 12 months (through the distribution to be paid in December 2020). Beyond this 12-month guidance period, management expects to recommend to our Board of Directors that we maintain our distribution at its current level for the foreseeable future. Payment of future distributions is subject to Board of Directors approval, as well as meeting the covenants on our debt agreements and terms of our preferred stock.

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:

- A significant portion of the cash distributions received from our investments is characterized as return of capital. For GAAP purposes, return of capital distributions are excluded from investment income, whereas the NDI calculation includes the return of capital portion of such distributions.
- GAAP recognizes distributions received from our investments 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 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:

- 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 distributions on mandatory redeemable preferred stock for GAAP purposes, but is excluded from our calculation of NDI.
- For GAAP purposes, offering costs incurred related to the issuance of common stock reduce paid-in capital when stock is issued. Certain costs related to registration statements or shelf

offerings may be written off once the registration statement or prospectus' usefulness has expired. The non-cash amortization or write-off of these offering costs is included in operating expense 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 November 30, 2019, we had total leverage outstanding of $1,008 million, which represented 34% of total assets. Our current policy is to utilize leverage in an amount that represents approximately 25%-30% of our total assets. Total leverage was comprised of $596 million of Notes, $35 million of borrowings outstanding under our unsecured revolving credit facility (the "Credit Facility"), $60 million outstanding under our unsecured term loan (the "Term Loan") and $317 million of MRP Shares. At November 30, 2019, we had $3 million of cash and cash equivalents. As of January 17, 2020, we had total leverage outstanding of $1,011 million, which represented 31% of total assets. As of this date, we had $38 million of borrowings outstanding under our Credit Facility, $60 million of borrowings outstanding under our Term Loan and we had $2 million of cash and cash equivalents.

Our Credit Facility has a 364-day term, maturing on February 7, 2020 and a total commitment amount of $300 million. The interest rate on outstanding borrowings under the Credit Facility may vary between LIBOR plus 1.30% and LIBOR plus 1.95%, depending on our asset coverage ratios. We pay a fee of 0.20% per annum on any unused amounts of the Credit Facility. We expect to renew this facility by its maturity date.

Our $60 million Term Loan matures on August 11, 2021. The interest rate on $30 million of the Term Loan is fixed at a rate of 3.06% and the interest rate on the remaining $30 million is LIBOR plus 1.50%. Amounts repaid under the Term Loan cannot be reborrowed.

At November 30, 2019, we had $596 million of Notes outstanding that mature between 2020 and 2025. We expect to have sufficient borrowing capacity on our Credit Facility to refinance the $65 million of Notes that mature in 2020.

At November 30, 2019, we had $317 million of MRP Shares outstanding that are subject to mandatory redemption between 2020 and 2022. On December 10, 2019, we entered into a definitive agreement for the private placement of $200 million of MRP Shares (see Recent Events). The proceeds from this MRP Share issuance will be used to refinance the $192 million of MRP Shares that are redeemable in 2020.

At November 30, 2019, our asset coverage ratios under the Investment Company Act of 1940, as amended (the "1940 Act"), were 400% for debt and 274% for total leverage (debt plus preferred stock). As of January 17, 2020, our asset coverage ratios were 431% for debt and 296% for total leverage. Our target asset coverage ratio with respect to our debt is 400%. At times we may be above or below this target depending on market conditions as well as certain other factors, including our target total leverage asset coverage ratio of 300% and the basic maintenance amount as stated in our rating agency guidelines.

As of November 30, 2019, our total leverage consisted 94% of fixed rate obligations and 6% of floating rate obligations. At such date, the weighted average interest/dividend rate on our total leverage was 3.64%.

KAYNE ANDERSON MLP/MIDSTREAM INVESTMENT COMPANY
SCHEDULE OF INVESTMENTS
NOVEMBER 30, 2019
(amounts in 000's)

Description	No. of Shares/Units	Value
Long-Term Investments — 170.7%		
Equity Investments[1] — 170.6%		
United States — 162.9%		
Midstream MLP[2] — 118.6%		
BP Midstream Partners LP	5,953	$ 86,916
Cheniere Energy Partners, L.P.	1,717	66,753
Crestwood Equity Partners LP	535	16,961
DCP Midstream, LP	2,577	54,396
Enable Midstream Partners, LP	1,386	12,737
Energy Transfer LP	25,077	296,153
Enterprise Products Partners L.P.	16,244	427,548
EQM Midstream Partners, LP	968	22,427
EQM Midstream Partners, LP — Convertible Preferred Units[3][4][5]	1,025	46,935
Global Partners LP	1,406	28,155
Hess Midstream Partners LP	1,139	23,303
Magellan Midstream Partners, L.P.	3,402	198,929
MPLX LP	6,758	159,836
MPLX LP — Convertible Preferred Units[3][4][6]	2,255	75,849
Noble Midstream Partners LP	362	7,556
Noble Midstream Partners LP[3][4]	966	18,513
Phillips 66 Partners LP	1,686	93,958
Plains All American Pipeline, L.P.[7]	8,261	143,736
Plains GP Holdings, L.P. — Plains AAP, L.P.[4][7][8]	1,622	28,341
Shell Midstream Partners, L.P.	6,699	131,693
TC PipeLines, LP	1,006	39,217
Western Midstream Partners, LP	5,783	102,533
		2,082,445
Midstream Company — 42.5%		
Antero Midstream Corporation	2,733	12,519
Cheniere Energy, Inc.[9]	100	6,054
EnLink Midstream, LLC	5,655	26,862
Kinder Morgan, Inc.	2,300	45,099
ONEOK, Inc.	3,638	258,452
Rattler Midstream LP	407	6,480
Targa Resources Corp.	3,724	136,027
The Williams Companies, Inc.	11,209	254,674
		746,167
Shipping MLP — 1.0%		
GasLog Partners LP	441	6,417
KNOT Offshore Partners LP	540	10,400
		16,817
Energy Infrastructure — 0.8%		
Sempra Energy	100	14,727
Total United States (Cost — $2,646,859)		2,860,156

See accompanying notes to financial statements.

KAYNE ANDERSON MLP/MIDSTREAM INVESTMENT COMPANY
SCHEDULE OF INVESTMENTS
NOVEMBER 30, 2019
(amounts in 000's)

Description	Interest Rate	Maturity Date	No. of Shares/Units	Value
Canada — 7.7%				
Midstream Companies — 7.7%				
Enbridge Inc.			1,362	$ 51,739
Pembina Pipeline Corporation			826	28,910
TC Energy Corporation			1,057	53,833
Total Canada (Cost — $123,891)				134,482
Total Equity Investments (Cost — $2,770,750)				2,994,638
	Interest Rate	**Maturity Date**	**Principal Amount**	
Debt Instruments — 0.1%				
United States — 0.1%				
Midstream Company — 0.1%				
EnLink Midstream, LLC (Cost — $2,088)	5.375%	6/1/29	$2,500	2,124
Total Long-Term Investments (Cost — $2,772,838)				2,996,762
			No. of Shares/Units	
Short-Term Investment — Money Market Fund — 0.1%				
JPMorgan 100% U.S. Treasury Securities Money Market Fund — Capital Shares, 1.50%(10) (Cost — $1,350)			1,350	1,350
Total Investments — 170.8% (Cost — $2,774,188)				2,998,112
Debt				(691,000)
Mandatory Redeemable Preferred Stock at Liquidation Value				(317,000)
Current Income Tax Liability				(2,737)
Deferred Income Tax Liability				(214,722)
Other Liabilities in Excess of Other Assets				(17,437)
Net Assets Applicable to Common Stockholders				$1,755,216

(1) Unless otherwise noted, equity investments are common units/common shares.

(2) Includes affiliates of master limited partnerships.

(3) Fair valued security. See Notes 2 and 3 in Notes to Financial Statements.

(4) The Company's ability to sell this security is subject to certain legal or contractual restrictions. As of November 30, 2019, the aggregate value of restricted securities held by the Company was $169,638 (5.7% of total assets), which included $28,341 of Level 2 securities and $141,297 of Level 3 securities. See Note 7 — Restricted Securities.

(5) On April 10, 2019, the Company purchased, in a private placement, Series A Convertible Preferred Units ("EQM Convertible Preferred Units") from EQM Midstream Partners, LP ("EQM"). The EQM Convertible Preferred Units are senior to the common units in terms of liquidation preference and priority of distributions and pay a quarterly distribution of $1.04 per unit (subject to an upward adjustment after five years). The EQM Convertible Preferred Units have a one-year lock-up through April 10, 2020. Holders of the EQM Convertible Preferred Units may convert on a one-for-one basis to EQM common units any time after April 10, 2021.

See accompanying 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 convertible on a one-for-one basis into common units of MPLX and are senior to the common units in terms of liquidation preference and priority of distributions. Currently, the MPLX Convertible Preferred Units pay a quarterly distribution of $0.6775 per unit.

(7) The Company believes that it is an affiliate of Plains AAP, L.P. ("PAGP-AAP") and Plains All American Pipeline, L.P. ("PAA"). See Note 5 — Agreements and Affiliations.

(8) The Company's ownership of PAGP-AAP is exchangeable on a one-for-one basis into either Plains GP Holdings, L.P. ("PAGP") shares or PAA units at the Company's option. The Company values its PAGP-AAP investment on an "as exchanged" basis based on the higher public market value of either PAGP or PAA. As of November 30, 2019, the Company's PAGP-AAP investment is valued at PAGP's closing price. See Notes 3 and 7 in Notes to Financial Statements.

(9) Security is non-income producing.

(10) The rate indicated is the yield as of November 30, 2019.

KAYNE ANDERSON MLP/MIDSTREAM INVESTMENT COMPANY
STATEMENT OF ASSETS AND LIABILITIES
NOVEMBER 30, 2019
(amounts in 000's, except share and per share amounts)

ASSETS	
Investments at fair value:	
Non-affiliated (Cost — $2,660,102)	$2,824,685
Affiliated (Cost — $112,736)	172,077
Short-term investments (Cost — $1,350)	1,350
Cash	2,000
Deposits with brokers	256
Interest, dividends and distributions receivable (Cost — $837)	836
Deferred credit facility offering costs and other assets	562
Total Assets	3,001,766
LIABILITIES	
Investment management fee payable	10,775
Accrued directors' fees	174
Accrued expenses and other liabilities	12,664
Current income tax liability	2,737
Deferred income tax liability	214,722
Credit facility	35,000
Term loan	60,000
Unamortized term loan issuance costs	(211)
Notes	596,000
Unamortized notes issuance costs	(1,523)
Mandatory redeemable preferred stock, $25.00 liquidation value per share (12,680,000 shares issued and outstanding)	317,000
Unamortized mandatory redeemable preferred stock issuance costs	(788)
Total Liabilities	1,246,550
NET ASSETS APPLICABLE TO COMMON STOCKHOLDERS	$1,755,216
NET ASSETS APPLICABLE TO COMMON STOCKHOLDERS CONSIST OF	
Common stock, $0.001 par value (126,337,114 shares issued and outstanding, 187,320,000 shares authorized)	$ 126
Paid-in capital	1,996,914
Total distributable earnings (loss)	(241,824)
NET ASSETS APPLICABLE TO COMMON STOCKHOLDERS	$1,755,216
NET ASSET VALUE PER COMMON SHARE	$ 13.89

See accompanying notes to financial statements.

KAYNE ANDERSON MLP/MIDSTREAM INVESTMENT COMPANY
STATEMENT OF OPERATIONS
FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2019
(amounts in 000's)

INVESTMENT INCOME	
Income	
Dividends and distributions:	
Non-affiliated investments	$ 238,278
Affiliated investments	13,639
Money market mutual funds	175
Total dividends and distributions (after foreign taxes withheld of $914)	252,092
Return of capital	(183,805)
Distributions in excess of cost basis	(19,492)
Interest income	4
Total Investment Income	48,799
Expenses	
Investment management fees — before fee waiver	46,436
Administration fees	883
Directors' fees	686
Professional fees	592
Reports to stockholders	334
Custodian fees	208
Insurance	179
Other expenses	386
Total Expenses — before fee waiver, interest expense, preferred distributions and taxes	49,704
Investment management fee waiver	(212)
Interest expense including amortization of offering costs	29,264
Distributions on mandatory redeemable preferred stock including amortization of offering costs	12,850
Total Expenses — before taxes	91,606
Net Investment Loss — Before Taxes	(42,807)
Current income tax benefit	727
Deferred income tax benefit	9,031
Net Investment Loss	(33,049)
REALIZED AND UNREALIZED GAINS (LOSSES)	
Net Realized Gains (Losses)	
Investments — non-affiliated	143,898
Investments — affiliated	13,747
Options	24
Current income tax expense	(2,790)
Deferred income tax expense	(34,647)
Net Realized Gains	120,232
Net Change in Unrealized Gains (Losses)	
Investments — non-affiliated	(228,301)
Investments — affiliated	(56,962)
Foreign currency translations	(1)
Deferred income tax benefit	71,036
Net Change in Unrealized Gains (Losses)	(214,228)
Net Realized and Unrealized Gains (Losses)	(93,996)
NET DECREASE IN NET ASSETS APPLICABLE TO COMMON STOCKHOLDERS RESULTING FROM OPERATIONS	$(127,045)

See accompanying notes to financial statements.

KAYNE ANDERSON MLP/MIDSTREAM INVESTMENT COMPANY
STATEMENT OF CHANGES IN NET ASSETS APPLICABLE TO COMMON STOCKHOLDERS
(amounts in 000's, except share amounts)

	For the Fiscal Year Ended November 30, 2019	For the Fiscal Year Ended November 30, 2018
OPERATIONS		
Net investment loss, net of tax(1)	$ (33,049)	$ (53,145)
Net realized gains, net of tax	120,232	168,570
Net change in unrealized gains (losses), net of tax	(214,228)	113,374
Net Increase (Decrease) in Net Assets Resulting from Operations	(127,045)	228,799
DIVIDENDS AND DISTRIBUTIONS TO COMMON STOCKHOLDERS(2)		
Dividends	—	(212,192)
Distributions — return of capital	(185,695)	—
Dividends and Distributions to Common Stockholders	(185,695)	(212,192)
CAPITAL STOCK TRANSACTIONS		
Issuance of 10,384,958 shares of common stock in connection with the merger of Kayne Anderson Energy Development Company	—	207,925
Offering expenses associated with the issuance of common stock in merger	—	(603)(3)
Issuance of 134,160 and 940,916 shares of common stock from reinvestment of dividends and distributions	1,687	16,167
Net Increase in Net Assets Applicable to Common Stockholders from Capital Stock Transactions	1,687	223,489
Total Increase (Decrease) in Net Assets Applicable to Common Stockholders	(311,053)	240,096
NET ASSETS APPLICABLE TO COMMON STOCKHOLDERS		
Beginning of year	2,066,269	1,826,173
End of year	$1,755,216	$2,066,269

(1) Distributions on the Company's mandatory redeemable preferred stock ("MRP Shares") are treated as an operating expense under GAAP and are included in the calculation of net investment loss. See Note 2 — Significant Accounting Policies. Distributions in the amount of $12,077 paid to holders of MRP Shares for the fiscal year ended November 30, 2019 were characterized as distributions (return of capital). Distributions in the amount of $11,513 paid to holders of MRP Shares for the fiscal year ended November 30, 2018 were characterized as dividends (eligible to be treated as qualified dividend income). This characterization is based on the Company's earnings and profits.

(2) Distributions paid to common stockholders for the fiscal years ended November 30, 2019 and 2018 were characterized as either dividends (eligible to be treated as qualified dividend income) or distributions (return of capital). This characterization is based on the Company's earnings and profits.

(3) Represents offering costs incurred in connection with the merger of Kayne Anderson Energy Development Company.

See accompanying notes to financial statements.

KAYNE ANDERSON MLP/MIDSTREAM INVESTMENT COMPANY
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2019
(amounts in 000's)

CASH FLOWS FROM OPERATING ACTIVITIES	
Net decrease in net assets resulting from operations	$(127,045)
Adjustments to reconcile net decrease in net assets resulting from operations to net cash provided by operating activities:	
Return of capital distributions	183,805
Distributions in excess of cost basis	19,492
Net realized gains	(157,669)
Net change in unrealized gains and losses (excluding foreign currency translations)	285,263
Purchase of long-term investments	(744,711)
Proceeds from sale of long-term investments	882,573
Proceeds from sale of short-term investments, net	364
Increase in deposits with brokers	(4)
Decrease in receivable for securities sold	12,888
Increase in dividends and distributions receivable	(317)
Amortization of deferred debt offering costs	1,800
Amortization of mandatory redeemable preferred stock offering costs	773
Decrease in other assets	442
Decrease in payable for securities purchased	(1,254)
Decrease in investment management fee payable	(1,917)
Decrease in accrued directors' fees	(14)
Decrease in accrued expenses and other liabilities	(1,924)
Increase in current income tax liability	1,973
Decrease in deferred income tax liability	(45,420)
Net Cash Provided by Operating Activities	309,098
CASH FLOWS FROM FINANCING ACTIVITIES	
Decrease in borrowings under credit facilities	(4,000)
Costs associated with renewal of credit facility	(1,090)
Redemption of notes	(120,000)
Cash distributions paid to common stockholders	(184,008)
Net Cash Used in Financing Activities	(309,098)
NET CHANGE IN CASH	—
CASH — BEGINNING OF YEAR	2,000
CASH — END OF YEAR	$ 2,000

Supplemental disclosure of cash flow information:

Non-cash financing activities not included herein consisted of the reinvestment of distributions pursuant to the Company's dividend reinvestment plan of $1,687.

During the fiscal year ended November 30, 2019, interest paid related to debt obligations was $29,085 and income tax paid was $90 (net of refunds).

See accompanying notes to financial statements.

KAYNE ANDERSON MLP/MIDSTREAM INVESTMENT COMPANY
FINANCIAL HIGHLIGHTS
(amounts in 000's, except share and per share amounts)

	For the Fiscal Year Ended November 30,		
	2019	2018	2017
Per Share of Common Stock[1]			
Net asset value, beginning of period	$ 16.37	$ 15.90	$ 19.18
Net investment income (loss)[2]	(0.26)	(0.45)	(0.45)
Net realized and unrealized gain (loss)	(0.75)	2.74	(0.92)
Total income (loss) from operations	(1.01)	2.29	(1.37)
Common dividends[3]	—	(1.80)	(0.53)
Common distributions — return of capital[3]	(1.47)	—	(1.37)
Total dividends and distributions — common	(1.47)	(1.80)	(1.90)
Offering expenses associated with the issuance of common stock	—	(0.01)[4]	—
Effect of issuance of common stock	—	—	—
Effect of shares issued in reinvestment of distributions	—	(0.01)	(0.01)
Total capital stock transactions	—	(0.02)	(0.01)
Net asset value, end of period	$ 13.89	$ 16.37	$ 15.90
Market value per share of common stock, end of period	$ 12.55	$ 15.85	$ 15.32
Total investment return based on common stock market value[5]	(12.4)%	14.8%	(13.8)%
Total investment return based on net asset value[6]	(6.1)%	14.2%	(8.0)%
Supplemental Data and Ratios[7]			
Net assets applicable to common stockholders, end of period	$ 1,755,216	$ 2,066,269	$ 1,826,173
Ratio of expenses to average net assets			
Management fees (net of fee waiver)	2.3%	2.3%	2.5%
Other expenses	0.1	0.2	0.1
Subtotal	2.4	2.5	2.6
Interest expense and distributions on mandatory redeemable preferred stock[2]	2.1	1.9	2.0
Income tax expense[8]	—	—	—
Total expenses	4.5%	4.4%	4.6%
Ratio of net investment income (loss) to average net assets[2]	(1.6)%	(2.5)%	(2.4)%
Net increase (decrease) in net assets to common stockholders resulting from operations to average net assets	(6.3)%	10.8%	(7.5)%
Portfolio turnover rate	22.0%	25.8%	17.6%
Average net assets	$ 2,032,591	$ 2,127,407	$ 2,128,965
Notes outstanding, end of period[9]	$ 596,000	$ 716,000	$ 747,000
Borrowings under credit facilities, end of period[9]	$ 35,000	$ 39,000	$ —
Term loan outstanding, end of period[9]	$ 60,000	$ 60,000	$ —
Mandatory redeemable preferred stock, end of period[9]	$ 317,000	$ 317,000	$ 292,000
Average shares of common stock outstanding	126,326,087	118,725,060	114,292,056
Asset coverage of total debt[10]	399.9%	392.4%	383.6%
Asset coverage of total leverage (debt and preferred stock)[11]	274.1%	282.5%	275.8%
Average amount of borrowings per share of common stock during the period[1]	$ 6.09	$ 6.52	$ 7.03

See accompanying notes to financial statements.

KAYNE ANDERSON MLP/MIDSTREAM INVESTMENT COMPANY
FINANCIAL HIGHLIGHTS
(amounts in 000's, except share and per share amounts)

	For the Fiscal Year Ended November 30,			
	2016	2015	2014	2013
Per Share of Common Stock[1]				
Net asset value, beginning of period	$ 19.20	$ 36.71	$ 34.30	$ 28.51
Net investment income (loss)[2]	(0.61)	(0.53)	(0.76)	(0.73)
Net realized and unrealized gain (loss)	2.80	(14.39)	5.64	8.72
Total income (loss) from operations	2.19	(14.92)	4.88	7.99
Common dividends[3]	—	(2.15)	(2.28)	(1.54)
Common distributions — return of capital[3]	(2.20)	(0.48)	(0.25)	(0.75)
Total dividends and distributions — common	(2.20)	(2.63)	(2.53)	(2.29)
Offering expenses associated with the issuance of common stock	—	—	—	—
Effect of issuance of common stock	—	0.03	0.06	0.09
Effect of shares issued in reinvestment of distributions	(0.01)	0.01	—	—
Total capital stock transactions	(0.01)	0.04	0.06	0.09
Net asset value, end of period	$ 19.18	$ 19.20	$ 36.71	$ 34.30
Market value per share of common stock, end of period	$ 19.72	$ 18.23	$ 38.14	$ 37.23
Total investment return based on common stock market value[5]	24.1%	(47.7)%	9.9%	28.2%
Total investment return based on net asset value[6]	14.6%	(42.8)%	14.8%	29.0%
Supplemental Data and Ratios[7]				
Net assets applicable to common stockholders, end of period	$ 2,180,781	$ 2,141,602	$ 4,026,822	$ 3,443,916
Ratio of expenses to average net assets				
Management fees (net of fee waiver)	2.5%	2.6%	2.4%	2.4%
Other expenses	0.2	0.1	0.1	0.1
Subtotal	2.7	2.7	2.5	2.5
Interest expense and distributions on mandatory redeemable preferred stock[2]	2.8	2.4	1.8	2.1
Income tax expense[8]	7.9	—	8.3	14.4
Total expenses	13.4%	5.1%	12.6%	19.0%
Ratio of net investment income (loss) to average net assets[2]	(3.4)%	(1.8)%	(2.0)%	(2.3)%
Net increase (decrease) in net assets to common stockholders resulting from operations to average net assets	12.5%	(51.7)%	13.2%	24.3%
Portfolio turnover rate	14.5%	17.1%	17.6%	21.2%
Average net assets	$ 2,031,206	$ 3,195,445	$ 3,967,458	$ 3,027,563
Notes outstanding, end of period[9]	$ 767,000	$ 1,031,000	$ 1,435,000	$ 1,175,000
Borrowings under credit facilities, end of period[9]	$ 43,000	$ —	$ 51,000	$ 69,000
Term loan outstanding, end of period[9]	$ —	$ —	$ —	$ —
Mandatory redeemable preferred stock, end of period[9]	$ 300,000	$ 464,000	$ 524,000	$ 449,000
Average shares of common stock outstanding	112,967,480	110,809,350	107,305,514	94,658,194
Asset coverage of total debt[10]	406.3%	352.7%	406.2%	412.9%
Asset coverage of total leverage (debt and preferred stock)[11]	296.5%	243.3%	300.3%	303.4%
Average amount of borrowings per share of common stock during the period[1]	$ 7.06	$ 11.95	$ 13.23	$ 11.70

See accompanying notes to financial statements.

KAYNE ANDERSON MLP/MIDSTREAM INVESTMENT COMPANY
FINANCIAL HIGHLIGHTS
(amounts in 000's, except share and per share amounts)

	For the Fiscal Year Ended November 30,		
	2012	2011	2010
Per Share of Common Stock[1]			
Net asset value, beginning of period	$ 27.01	$ 26.67	$ 20.13
Net investment income (loss)[2]	(0.71)	(0.69)	(0.44)
Net realized and unrealized gain (loss)	4.27	2.91	8.72
Total income (loss) from operations	3.56	2.22	8.28
Common dividends[3]	(1.54)	(1.26)	(0.84)
Common distributions — return of capital[3]	(0.55)	(0.72)	(1.08)
Total dividends and distributions — common	(2.09)	(1.98)	(1.92)
Offering expenses associated with the issuance of common stock	—	—	—
Effect of issuance of common stock	0.02	0.09	0.16
Effect of shares issued in reinvestment of distributions	0.01	0.01	0.02
Total capital stock transactions	0.03	0.10	0.18
Net asset value, end of period	$ 28.51	$ 27.01	$ 26.67
Market value per share of common stock, end of period	$ 31.13	$ 28.03	$ 28.49
Total investment return based on common stock market value[5]	19.3%	5.6%	26.0%
Total investment return based on net asset value[6]	13.4%	8.7%	43.2%
Supplemental Data and Ratios[7]			
Net assets applicable to common stockholders, end of period	$ 2,520,821	$ 2,029,603	$ 1,825,891
Ratio of expenses to average net assets			
Management fees (net of fee waiver)	2.4%	2.4%	2.1%
Other expenses	0.2	0.2	0.2
Subtotal	2.6	2.6	2.3
Interest expense and distributions on mandatory redeemable preferred stock[2]	2.4	2.3	1.9
Income tax expense[8]	7.2	4.8	20.5
Total expenses	12.2%	9.7%	24.7%
Ratio of net investment income (loss) to average net assets[2]	(2.5)%	(2.5)%	(1.8)%
Net increase (decrease) in net assets to common stockholders resulting from operations to average net assets	11.6%	7.7%	34.6%
Portfolio turnover rate	20.4%	22.3%	18.7%
Average net assets	$ 2,346,249	$ 1,971,469	$ 1,432,266
Notes outstanding, end of period[9]	$ 890,000	$ 775,000	$ 620,000
Borrowings under credit facilities, end of period[9]	$ 19,000	$ —	$ —
Term loan outstanding, end of period[9]	$ —	$ —	$ —
Mandatory redeemable preferred stock, end of period[9]	$ 374,000	$ 260,000	$ 160,000
Average shares of common stock outstanding	82,809,687	72,661,162	60,762,952
Asset coverage of total debt[10]	418.5%	395.4%	420.3%
Asset coverage of total leverage (debt and preferred stock)[11]	296.5%	296.1%	334.1%
Average amount of borrowings per share of common stock during the period[1]	$ 10.80	$ 10.09	$ 7.70

See accompanying notes to financial statements.

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(1) Based on average shares of common stock outstanding.

(2) Distributions on the Company's MRP Shares are treated as an operating expense under GAAP and are included in the calculation of net investment income (loss). See Note 2 — Significant Accounting Policies.

(3) The information presented for each period is a characterization of the total distributions paid to common stockholders as either a dividend (eligible to be treated as qualified dividend income) or a distribution (return of capital) and is based on the Company's earnings and profits.

(4) Represents offering costs incurred in connection with the merger of Kayne Anderson Energy Development Company.

(5) Total investment return based on market value is calculated assuming a purchase of common stock at the market price on the first day and a sale at the current market price on the last day of the period reported. The calculation also assumes reinvestment of distributions at actual prices pursuant to the Company's dividend reinvestment plan.

(6) Total investment return based on net asset value is calculated assuming a purchase of common stock at the net asset value on the first day and a sale at the net asset value on the last day of the period reported. The calculation also assumes reinvestment of distributions at actual prices pursuant to the Company's dividend reinvestment plan.

(7) Unless otherwise noted, ratios are annualized.

(8) For the fiscal years ended November 30, 2019, 2018, 2017 and 2015, the Company reported an income tax benefit of $43,357 (2.1% of average net assets), $175,827 (8.3% of average net assets), $86,746 (4.1% of average net assets) and $980,647 (30.7% of average net assets), respectively. The income tax expense is assumed to be 0% because the Company reported a net deferred income tax benefit during the period.

(9) Principal/liquidation value.

(10) Calculated pursuant to section 18(a)(1)(A) of the 1940 Act. Represents the value of total assets less all liabilities not represented by Notes (principal value) or any other senior securities representing indebtedness and MRP Shares (liquidation value) divided by the aggregate amount of Notes and any other senior securities representing indebtedness. Under the 1940 Act, the Company may not declare or make any distribution on its common stock nor can it incur additional indebtedness if, at the time of such declaration or incurrence, its asset coverage with respect to senior securities representing indebtedness would be less than 300%. For purposes of this test, the Credit Facility and the Term Loan are considered senior securities representing indebtedness.

(11) Calculated pursuant to section 18(a)(2)(A) of the 1940 Act. Represents the value of total assets less all liabilities not represented by Notes (principal value), any other senior securities representing indebtedness and MRP Shares (liquidation value) divided by the aggregate amount of Notes, any other senior securities representing indebtedness and MRP Shares. Under the 1940 Act, the Company may not declare or make any distribution on its common stock nor can it issue additional preferred stock if at the time of such declaration or issuance, its asset coverage with respect to all senior securities would be less than 200%. In addition to the limitations under the 1940 Act, the Company, under the terms of its MRP Shares, would not be able to declare or pay any distributions on its common stock if such declaration would cause its asset coverage with respect to all senior securities to be less than 225%. For purposes of these tests, the Credit Facility and the Term Loan are considered senior securities representing indebtedness.

See accompanying notes to financial statements.

1. Organization

Kayne Anderson MLP/Midstream Investment Company (the "Company" or "KYN") was organized as a Maryland corporation on June 4, 2004, and is a non-diversified, closed-end management investment company registered under the Investment Company Act of 1940, as amended (the "1940 Act"). The Company's investment objective is to obtain a high after-tax total return by investing at least 85% of its 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"). In this report, the term "Midstream Companies" refers to companies that own and operate midstream assets and are not treated as partnerships for federal income tax purposes. The Company commenced operations on September 28, 2004. The Company's shares of common stock are listed on the New York Stock Exchange, Inc. ("NYSE") under the symbol "KYN."

On August 6, 2018, KYN completed its merger with Kayne Anderson Energy Development Company ("KED"). Pursuant to the terms of the merger agreement approved by stockholders of KED, KYN acquired all of the net assets of KED in exchange for an equal net asset value of newly issued KYN common stock. The merger qualified as a tax-free reorganization under Section 368(a) of the Internal Revenue Code.

2. Significant Accounting Policies

The following is a summary of the significant accounting policies that the Company uses to prepare its financial statements in accordance with accounting principles generally accepted in the United States of America ("GAAP"). The Company is an investment company and follows accounting and reporting guidance of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 946 — "Financial Services — Investment Companies."

A. *Use of Estimates* — The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of income and expenses during the period. Actual results could differ materially from those estimates.

B. *Cash and Cash Equivalents* — Cash and cash equivalents include short-term, liquid investments with an original maturity of three months or less and include money market fund accounts.

C. *Calculation of Net Asset Value* — The Company determines its net asset value on a daily basis and reports its net asset value on its website. Net asset value is computed by dividing the value of the Company's assets (including accrued interest and distributions and current and deferred income tax assets), less all of its liabilities (including accrued expenses, distributions payable, current and deferred accrued income taxes, and any borrowings) and the liquidation value of any outstanding preferred stock, by the total number of common shares outstanding.

D. *Investment Valuation* — Readily marketable portfolio securities listed on any exchange other than the NASDAQ Stock Market, Inc. ("NASDAQ") are valued, except as indicated below, at the last sale price on the business day as of which such value is being determined. If there has been no sale on such day, the securities are valued at the mean of the most recent bid and ask prices on such day. Securities admitted to trade on the NASDAQ are valued at the NASDAQ official closing price. Portfolio securities traded on more than one securities exchange are valued at the last sale price on the business day as of which such value is being determined at the close of the exchange representing the principal market for such securities.

Equity securities traded in the over-the-counter market, but excluding securities admitted to trading on the NASDAQ, are valued at the closing bid prices. Debt securities that are considered bonds are valued by using the mean of the bid and ask prices provided by an independent pricing service or, if such prices are not available or in the judgment of KA Fund Advisors, LLC ("KAFA") such prices are stale or do not represent fair value, by an independent broker. For debt securities that are considered bank loans, the fair market value is determined by using the mean of the bid and ask prices provided by the agent or syndicate bank or principal market maker. When price quotes for securities are not available, or such prices are stale or do not represent fair value in the judgment of KAFA, fair market value will be determined using the Company's valuation process for securities that are privately issued or otherwise restricted as to resale.

Exchange-traded options and futures contracts are valued at the last sales price at the close of trading in the market where such contracts are principally traded or, if there was no sale on the applicable exchange on such day, at the mean between the quoted bid and ask price as of the close of such exchange.

The Company may hold securities that are privately issued or otherwise restricted as to resale. For these securities, as well as any security for which (a) reliable market quotations are not available in the judgment of KAFA, or (b) the independent pricing service or independent broker does not provide prices or provides a price that in the judgment of KAFA is stale or does not represent fair value, each shall be valued in a manner that most fairly reflects fair value of the security on the valuation date. Unless otherwise determined by the Board of Directors, the following valuation process is used for such securities:

- ***Investment Team Valuation.*** The applicable investments are valued by senior professionals of KAFA who are responsible for the portfolio investments. The investments will be valued monthly with new investments valued at the time such investment was made.
- ***Investment Team Valuation Documentation.*** Preliminary valuation conclusions will be determined by senior management of KAFA. Such valuations and supporting documentation are submitted to the Valuation Committee (a committee of the Company's Board of Directors) and the Board of Directors on a quarterly basis.
- ***Valuation Committee.*** The Valuation Committee meets to consider the valuations submitted by KAFA at the end of each quarter. Between meetings of the Valuation Committee, a senior officer of KAFA is authorized to make valuation determinations. All valuation determinations of the Valuation Committee are subject to ratification by the Board of Directors at its next regular meeting.
- ***Valuation Firm.*** Quarterly, a third-party valuation firm engaged by the Board of Directors reviews the valuation methodologies and calculations employed for these securities, unless the aggregate fair value of such security is less than 0.1% of total assets.
- ***Board of Directors Determination.*** The Board of Directors meets quarterly to consider the valuations provided by KAFA and the Valuation Committee and ratify valuations for the applicable securities. The Board of Directors considers the report provided by the third-party valuation firm in reviewing and determining in good faith the fair value of the applicable portfolio securities.

At November 30, 2019, the Company held 8.1% of its net assets applicable to common stockholders (4.7% of total assets) in securities that were fair valued pursuant to procedures adopted by the Board of Directors (Level 3 securities). The aggregate fair value of these securities at November 30, 2019 was $141,297. See Note 3 — Fair Value and Note 7 — Restricted Securities.

(amounts in 000's, except number of option contracts, share and per share amounts)

E. *Security Transactions* — Security transactions are accounted for on the date these securities are purchased or sold (trade date). Realized gains and losses are calculated using the specific identification cost basis method for GAAP purposes. For tax purposes, the Company utilizes the average cost method to compute the adjusted tax cost basis of its MLP securities.

F. *Return of Capital Estimates* — Dividends and distributions received from the Company's investments in MLPs and other Midstream Energy Companies generally are comprised of income and return of capital. Payments made by MLPs are categorized as "distributions" and payments made by corporations are categorized as "dividends." At the time such dividends and distributions are received, the Company estimates the amount of such payments that is considered investment income and the amount that is considered a return of capital. The Company estimates the return of capital portion of distributions received from its MLP investments based on historical information available from the investments. The Company estimates the return of capital portion of dividends received from other Midstream Energy Companies based on information provided by each investment. Return of capital estimates are adjusted to actual in the subsequent fiscal year when final tax reporting information related to the Company's investments is received.

The return of capital portion of the distributions is a reduction to investment income that results in an equivalent reduction in the cost basis of the associated investments and increases net realized gains (losses) and net change in unrealized gains (losses). If the distributions received by the Company exceed its cost basis (*i.e.* its cost basis has been reduced to zero), the distributions are treated as realized gains.

The Company includes all distributions received on its Statement of Operations and reduces its investment income by (i) the estimated return of capital and (ii) the distributions in excess of cost basis, if any. For the fiscal year ended November 30, 2019, the Company estimated $183,805 of return of capital and $19,492 of distributions that were in excess of cost basis. The distributions that were in excess of cost basis were treated as realized gains.

In accordance with GAAP, the return of capital cost basis reductions for the Company's MLP investments are limited to the total amount of the cash distributions received from such investments. For income tax purposes, the cost basis reductions for the Company's MLP investments typically exceed cash distributions received from such investments due to allocated losses from these investments.

The following table sets forth the Company's estimated return of capital portion of the dividends and distributions received from its investments that were not treated as distributions in excess of cost basis.

	For the Fiscal Year Ended November 30, 2019
Distributions from investments	$164,939
Dividends from investments	68,575
Total dividends and distributions (before foreign taxes withheld of $914 and excluding distributions in excess of cost basis)	$233,514
Distributions — % return of capital	88%
Dividends — % return of capital	56%
Total dividends and distributions — % return of capital	79%
Return of capital — attributable to net realized gains (losses)	$ 23,842
Return of capital — attributable to net change in unrealized gains (losses)	159,963
Total return of capital	$183,805

For the fiscal year ended November 30, 2019, the Company estimated the return of capital portion of dividends and distributions received to be $176,034 (75%). During the second quarter of fiscal 2019, the Company increased its return of capital estimate for the year by $7,771 due to 2018 tax reporting information received by the Company in fiscal 2019. As a result, the return of capital percentage for the fiscal year ended November 30, 2019 was 79%. In addition, for the fiscal year ended November 30, 2019, the Company estimated the cash distributions received that were in excess of cost basis to be $23,433. Distributions in excess of cost basis for the fiscal year ended November 30, 2019 were decreased by $3,941 due to 2018 tax reporting information received by the Company in fiscal 2019.

G. *Investment Income* — The Company records dividends and distributions on the ex-dividend date. Interest income is recognized on the accrual basis, including amortization of premiums and accretion of discounts. When investing in securities with payment in-kind interest, the Company will accrue interest income during the life of the security even though it will not be receiving cash as the interest is accrued. To the extent that interest income to be received is not expected to be realized, a reserve against income is established.

Debt securities that the Company may hold will typically be purchased at a discount or premium to the par value of the security. The non-cash accretion of a discount to par value increases interest income while the non-cash amortization of a premium to par value decreases interest income. The accretion of a discount and amortization of a premium are based on the effective interest method. The amount of these non-cash adjustments, if any, can be found in the Company's Statement of Cash Flows. The non-cash accretion of a discount increases the cost basis of the debt security, which results in an offsetting unrealized loss. The non-cash amortization of a premium decreases the cost basis of the debt security, which results in an offsetting unrealized gain. To the extent that par value is not expected to be realized, the Company discontinues accruing the non-cash accretion of the discount to par value of the debt security.

The Company may receive paid-in-kind and non-cash dividends and distributions in the form of additional units or shares from its investments. For paid-in-kind dividends, the additional units are not reflected in investment income during the period received, but are recorded as unrealized gains upon receipt. Non-cash distributions are reflected in investment income because the Company has the option to receive its distributions in cash or in additional units of the security. During the fiscal year ended November 30, 2019, the Company did not receive any paid-in-kind dividends or non-cash distributions.

H. *Distributions to Stockholders* — Distributions to common stockholders are recorded on the ex-dividend date. Distributions to holders of MRP Shares are accrued on a daily basis. As required by the Distinguishing Liabilities from Equity topic of the FASB Accounting Standards Codification (ASC 480), the Company includes the accrued distributions on its MRP Shares as an operating expense due to the fixed term of this obligation. For tax purposes, payments made to the holders of the Company's MRP Shares are treated as dividends or distributions.

The characterization of the distributions paid to holders of MRP Shares and common stock as either a dividend (eligible to be treated as qualified dividend income) or a distribution (return of capital) is determined after the end of the fiscal year based on the Company's actual earnings and profits and, therefore, the characterization may differ substantially from preliminary estimates.

I. *Partnership Accounting Policy* — The Company records its pro-rata share of the income (loss), to the extent of distributions it has received, allocated from the underlying partnerships and adjusts the cost basis of the underlying partnerships accordingly. These amounts are included in the Company's Statement of Operations.

J. *Taxes* — The Company, as a corporation, is obligated to pay federal and state income tax on its taxable income. The Company invests in MLPs, which generally are treated as partnerships for federal income tax purposes. As a limited partner in the MLPs, the Company includes its allocable share of the MLP's taxable income or loss in computing its own taxable income. Deferred income taxes reflect (i) taxes on unrealized gains (losses), which are attributable to the difference between fair value and tax cost basis, (ii) the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes and (iii) the net tax benefit of accumulated net operating and capital losses. To the extent the Company has a deferred tax asset, consideration is given as to whether or not a valuation allowance is required. The need to establish a valuation allowance for deferred tax assets is assessed periodically by the Company based on the Income Tax Topic of the FASB Accounting Standards Codification (ASC 740), that it is more likely than not that some portion or all of the deferred tax asset will not be realized. In the assessment for a valuation allowance, consideration is given to all positive and negative evidence related to the realization of the deferred tax asset. This assessment considers, among other matters, the nature, frequency and severity of current and cumulative losses, forecasts of future profitability (which are highly dependent on future cash distributions from the Company's holdings), the duration of statutory carryforward periods and the associated risk that certain loss carryforwards may expire unused.

The Company may rely to some extent on information provided by the MLPs, which may not necessarily be timely, to estimate taxable income allocable to the MLP units held in the portfolio and to estimate the associated deferred tax liability. Such estimates are made in good faith. From time to time, as new information becomes available, the Company modifies its estimates or assumptions regarding the deferred tax liability. See Note 6 — Income Taxes.

Dividend income received by the Company from sources within Canada is subject to a 15% foreign withholding tax.

The Company utilizes the average cost method to compute the adjusted tax cost basis of its MLP securities.

The Company's policy is to classify interest and penalties associated with underpayment of federal and state income taxes, if any, as income tax expense on its Statement of Operations. Tax years subsequent to fiscal year 2015 remain open and subject to examination by the federal and state tax authorities.

K. *Derivative Financial Instruments* — The Company may utilize derivative financial instruments in its operations.

Interest rate swap contracts. The Company may use hedging techniques such as interest rate swaps to mitigate potential interest rate risk on a portion of the Company's leverage. Such interest rate swaps would principally be used to protect the Company against higher costs on its leverage resulting from increases in interest rates. The Company does not hedge any interest rate risk associated with portfolio holdings. Interest rate transactions the Company may use for hedging purposes may expose it to certain risks that differ from the risks associated with its portfolio holdings. A decline in interest rates may result in a decline in the value of the swap contracts, which, everything else being held constant, would result in a decline in the net assets of the Company. In addition, if the counterparty to an interest rate swap defaults, the Company would not be able to use the anticipated net receipts under the interest rate swap to offset its cost of financial leverage.

Interest rate swap contracts are recorded at fair value with changes in value during the reporting period, and amounts accrued under the agreements, included as unrealized gains or losses in the Statement of Operations. Monthly cash settlements under the terms of the interest rate swap agreements or termination payments are recorded as realized gains or losses in the Statement of Operations. The Company generally values its interest rate swap contracts based on dealer quotations, if available, or by discounting the future cash flows from the stated terms of the interest rate swap agreement by using interest rates currently available in the market. See Note 8 — Derivative Financial Instruments.

Option contracts. The Company is also exposed to financial market risks including changes in the valuations of its investment portfolio. The Company may purchase or write (sell) call options. A call option on a security is a contract that gives the holder of the option, in return for a premium, the right to buy from the writer of the option the security underlying the option at a specified exercise price at any time during the term of the option.

The Company would realize a gain on a purchased call option if, during the option period, the value of such securities exceeded the sum of the exercise price, the premium paid and transaction costs; otherwise the Company would realize either no gain or a loss on the purchased call option. The Company may also purchase put option contracts. If a purchased put option is exercised, the premium paid increases the cost basis of the securities sold by the Company.

The Company may also write (sell) call options with the purpose of generating realized gains or reducing its ownership of certain securities. If the Company writes a call option on a security, the Company has the obligation upon exercise of the option to deliver the underlying security upon payment of the exercise price. The Company will only write call options on securities that the Company holds in its portfolio (*i.e.*, covered calls).

When the Company writes a call option, an amount equal to the premium received by the Company is recorded as a liability and is subsequently adjusted to the current fair value of the option written. Premiums received from writing options that expire unexercised are treated by the Company on the expiration date as realized gains from investments. If the Company repurchases a written call option prior to its exercise, the difference between the premium received and the amount paid to repurchase the option is treated as a realized gain or loss. If a call option is exercised, the premium is added to the proceeds from the sale of the underlying security in determining whether the Company has realized a gain or loss. The Company, as the writer of an option, bears the market risk of an unfavorable change in the price of the security underlying the written option. See Note 8 — Derivative Financial Instruments.

L. *Foreign Currency Translations* — The books and records of the Company are maintained in U.S. dollars. Foreign currency amounts are translated into U.S. dollars on the following basis: (i) market value of investment securities, assets and liabilities at the rate of exchange as of the valuation date; and (ii) purchases and sales of investment securities, income and expenses at the relevant rates of exchange prevailing on the respective dates of such transactions.

The Company does not isolate that portion of gains and losses on investments in equity and debt securities which is due to changes in the foreign exchange rates from that which is due to changes in market prices of equity and debt securities. Accordingly, realized and unrealized foreign currency gains and losses with respect to such securities are included in the reported net realized and unrealized gains and losses on investment transactions balances.

Net realized foreign exchange gains or losses represent gains and losses from transactions in foreign currencies and foreign currency contracts, foreign exchange gains or losses realized between the trade date and settlement date on security transactions, and the difference between the amounts of interest and dividends recorded on the Company's books and the U.S. dollar equivalent of such amounts on the payment date.

Net unrealized foreign exchange gains or losses represent the difference between the cost of assets and liabilities (other than investments) recorded on the Company's books from the value of the assets and liabilities (other than investments) on the valuation date.

M. *Indemnifications* — Under the Company's organizational documents, its officers and directors are indemnified against certain liabilities arising out of the performance of their duties to the Company. In addition, in the normal course of business, the Company enters into contracts that provide general indemnification to other parties. The Company's maximum exposure under these arrangements is unknown, as this would involve future claims that may be made against the Company that have not yet occurred, and may not occur. However, the Company has not had prior claims or losses pursuant to these contracts and expects the risk of loss to be remote.

N. *Offering and Debt Issuance Costs* — Offering costs incurred by the Company related to the issuance of its common stock reduce additional paid-in capital when the stock is issued. Costs incurred by the Company related to the issuance of its debt (credit facility, term loan or notes) or its preferred stock are capitalized and amortized over the period the debt or preferred stock is outstanding.

The Company has classified the costs incurred to issue its Term Loan, Notes and MRP Shares as a deduction from the carrying value of the Term Loan, Notes and MRP Shares on the Statement of Assets and Liabilities. For the purpose of calculating the Company's asset coverage ratios pursuant to the 1940 Act, deferred issuance costs are not deducted from the carrying value of debt or preferred stock.

3. Fair Value

The Fair Value Measurement Topic of the FASB Accounting Standards Codification (ASC 820) defines fair value as the price at which an orderly transaction to sell an asset or to transfer a liability would take place between market participants under current market conditions at the measurement date. As required by ASC 820, the Company has performed an analysis of all assets and liabilities (other than deferred taxes) measured at fair value to determine the significance and character of all inputs to their fair value determination. Inputs are the assumptions, along with considerations of risk, that a market participant would use to value an asset or a liability. In general, observable inputs are based on market data that is readily available, regularly distributed and verifiable that the Company obtains from independent, third-party sources. Unobservable inputs are developed by the Company based on its own assumptions of how market participants would value an asset or a liability.

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into the following three broad categories.

- *Level 1* — Valuations based on quoted unadjusted prices for identical instruments in active markets traded on a national exchange to which the Company has access at the date of measurement.
- *Level 2* — Valuations based on quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs and significant value drivers are observable in active markets. Level 2 inputs are those in markets for which there are few transactions, the prices are not current, little public information exists or instances where prices vary substantially over time or among brokered market makers.
- *Level 3* — Model derived valuations in which one or more significant inputs or significant value drivers are unobservable. Unobservable inputs are those inputs that reflect the Company's own assumptions that market participants would use to price the asset or liability based on the best available information.

(amounts in 000's, except number of option contracts, share and per share amounts)

The following table presents the Company's assets measured at fair value on a recurring basis at November 30, 2019, and the Company presents these assets by security type and description on its Schedule of Investments. Note that the valuation levels below are not necessarily an indication of the risk or liquidity associated with the underlying investment.

	Total	Quoted Prices in Active Markets (Level 1)	Prices with Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
Assets at Fair Value				
Equity investments	$2,994,638	$2,825,000	$28,341(1)	$141,297
Debt investments	2,124	—	2,124	—
Short-term investments	1,350	1,350	—	—
Total assets at fair value	$2,998,112	$2,826,350	$30,465	$141,297

(1) The Company's investment in Plains AAP, L.P. ("PAGP-AAP") is exchangeable on a one-for-one basis into either Plains GP Holdings, L.P. ("PAGP") shares or Plains All American Pipeline, L.P. ("PAA") units at the Company's option. The Company values its PAGP-AAP investment on an "as exchanged" basis based on the higher public market value of either PAGP or PAA. As of November 30, 2019, the Company's PAGP-AAP investment is valued at PAGP's closing price. The Company categorizes its investment as a Level 2 security for fair value reporting purposes.

The Company did not have any liabilities that were measured at fair value on a recurring basis using significant unobservable inputs (Level 3) at November 30, 2019.

As of November 30, 2019, the Company had Notes outstanding with aggregate principal amount of $596,000 and 12,680,000 shares of MRP Shares outstanding with a total liquidation value of $317,000. See Note 11 — Notes and Note 12 — Preferred Stock.

Of the $317,000 of MRP Shares, Series F ($125,000 liquidation value) is publicly traded on the NYSE. As a result, the Company categorizes this series of MRP Shares as Level 1. The remaining series of MRP Shares and all of the Notes were issued in private placements to institutional investors and are not listed on any exchange or automated quotation system. As such, the Company categorizes all of the Notes ($596,000 aggregate principal amount) and the remaining MRP Shares ($192,000 aggregate liquidation value) as Level 3 and determines the fair value of these instruments based on estimated market yields and credit spreads for comparable instruments with similar maturity, terms and structure.

The Company records these Notes and MRP Shares on its Statement of Assets and Liabilities at principal amount or liquidation value. As of November 30, 2019, the estimated fair values of these leverage instruments are as follows.

Instrument	Principal Amount/ Liquidation Value	Fair Value
Notes (Series AA through CC, EE through GG and JJ through OO)	$596,000	$621,500
MRP Shares (Series C, H, I, J and K)	$192,000	$194,000
MRP Shares (Series F)	$125,000	$125,550

(amounts in 000's, except number of option contracts, share and per share amounts)

The following table presents the Company's assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the fiscal year ended November 30, 2019.

	Equity Investments
Balance — November 30, 2018	$139,645
Purchases	69,250
Sales	(32,727)
Transfers out to Level 1 and 2	(23,333)
Realized gains (losses)	16,808
Change in unrealized gains (losses), net	(28,346)
Balance — November 30, 2019	$141,297
Net change in unrealized gain (loss) of investments still held at November 30, 2019	$ (11,538)

Purchases of $69,250 relate to the Company's investments in EQM Midstream Partners, LP — Series A Convertible Preferred Units ("EQM Convertible Preferred") in the second quarter of 2019 ($49,250) and Noble Midstream Partners LP common units ("NBLX PIPE") in the fourth quarter of 2019 ($20,000). Sales of $32,727 relate to the redemption of the Company's investment in Capital Product Partners L.P. ("CPLP") Class B Units during the second quarter of 2019. In connection with the redemption of the CPLP Class B Units, the Company realized a gain of $16,808. This realized gain is included on the Company's Statement of Operations — Net Realized Gains (Losses).

Transfers out of $23,333 relate to the Company's investment in Dominion Midstream Partners, LP, convertible preferred units that were converted to common units during the first quarter of 2019. The Company utilizes the beginning of the reporting period method for determining transfers between levels.

The $28,346 decrease in unrealized gains (net) relates to investments that were held during the period. The Company includes these unrealized gains and losses on the Statement of Operations — Net Change in Unrealized Gains (Losses).

Valuation Techniques and Unobservable Inputs

Unless otherwise determined by the Board of Directors, the Company values its private investments in public equity ("PIPE") investments that are convertible into or otherwise will become publicly tradeable (*e.g.,* through subsequent registration or expiration of a restriction on trading) based on the market value of the publicly-traded security less a discount. This discount is initially equal to the discount negotiated at the time the Company agrees to a purchase price. To the extent that such securities are convertible or otherwise become publicly traded within a time frame that may be reasonably determined, this discount will be amortized on a straight line basis over such estimated time frame.

The Company owns convertible preferred units of EQM Midstream Partners, LP ("EQM") and MPLX LP ("MPLX"). The convertible preferred units are, in the case of MPLX, and will be, in the case of EQM, convertible on a one-for-one basis into common units at our option and are senior to the underlying common units in terms of liquidation preference and priority of distributions. The Company's Board of Directors has determined that it is appropriate to value these convertible preferred units using a convertible pricing model. This model takes into account the attributes of the convertible preferred units, including the preferred dividend, conversion ratio and call features, to determine the estimated value of such units. In using this model, the Company estimates (i) the credit spread for the convertible preferred units, which is based on the credit spread of the partnership's unsecured notes, and (ii) the expected volatility for the underlying common units, which is based on historical volatility, as well as implied volatility derived from traded options. For these securities, if the resulting price for the convertible preferred units is less than the public market price for the underlying common units at such time, the public market price for the common units will be used to value the convertible preferred units.

(amounts in 000's, except number of option contracts, share and per share amounts)

Due to the inherent uncertainty of determining the fair value of investments that do not have a readily available market value, the fair value of the Company's investments may fluctuate from period to period. Additionally, the fair value of the Company's investments may differ from the values that would have been used had a ready market existed for such investments and may differ materially from the values that the Company may ultimately realize.

The following table summarizes the significant unobservable inputs that the Company used to value its portfolio investments categorized as Level 3 as of November 30, 2019:

Quantitative Table for Valuation Techniques

				Range		Weighted
Assets at Fair Value	**Fair Value**	**Valuation Technique**	**Unobservable Inputs**	**Low**	**High**	**Average**
EQM and MPLX Convertible Preferred Units	$122,784	- Convertible pricing model	- Credit spread	4.0%	7.8%	5.5%
			- Volatility	20.0%	32.5%	25.4%
			- Illiquidity discount	0.0%	0.7%	0.3%
NBLX PIPE Common Units	18,513	- Discount to publicly traded security	- Current discount	8.1%	8.1%	8.1%
Total	$141,297					

4. Risk Considerations

The Company's investments are concentrated in the energy sector. A downturn in one or more industries within the energy sector, material declines in energy-related commodity prices, adverse political, legislative or regulatory developments or environmental, catastrophic or other events could have a larger impact on the Company than on an investment company that does not concentrate in the energy sector. The performance of companies in the energy sector may lag the performance of other sectors or the broader market as a whole. Additionally, to the extent that the Company invests a relatively high percentage of its assets in the securities of a limited number of issuers, the Company may be more susceptible than a more widely diversified investment company to any single economic, political or regulatory occurrence. At November 30, 2019, the Company had the following investment concentrations:

Category	Percent of Long-Term Investments
Securities of energy companies	100.0%
Equity securities	99.9%
Debt securities	0.1%
Midstream Energy Companies[1]	99.5%
Largest single issuer	14.3%
Restricted securities	5.7%

(1) Comprised of energy-related partnerships and their affiliates (collectively, "master limited partnerships" or "MLPs") and 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.

5. Agreements and Affiliations

A. *Administration Agreement* — On August 1, 2018, the Company entered into an amended administration and accounting agreement with Ultimus Fund Solutions, LLC ("Ultimus"). Pursuant to the agreement, Ultimus will continue to provide certain administrative and accounting services for the Company. The agreement has an initial term of three years and automatic one-year renewals unless earlier terminated by either party as provided under the terms of the agreement.

B. *Investment Management Agreement* — The Company has entered into an investment management agreement with KA Fund Advisors, LLC ("KAFA") under which KAFA, subject to the overall supervision of the Company's Board of Directors, manages the day-to-day operations of, and provides investment advisory services to, the Company. For providing these services, KAFA receives an investment management fee from the Company. Upon completion of its merger with KED (see Note 1), the Company and KAFA entered into an amended fee waiver agreement (the "Fee Waiver Agreement"). The Fee Waiver Agreement provides for a management fee of 1.375% on average total assets up to $4,000,000; 1.25% on average total assets between $4,000,000 and $6,000,000; 1.125% on average total assets between $6,000,000 and $8,000,000; and 1.0% on average total assets over $8,000,000. These tiered fee waivers will result in a reduction to the effective management fee rate payable to KAFA as the Company's assets under management increase. KAFA further agreed to waive an amount of management fees (calculated based on the Company's and KED's assets under management at the closing of the merger) such that the management fees payable to KAFA with respect to the Company after completion of the merger between the Company and KED would not be greater than the aggregate management fees that would have been payable if the Company and KED had remained standalone companies. This waiver was calculated as $212 per year based on the Company's and KED's assets under management at the closing of the merger. Any amount waived by KAFA pursuant to the Fee Waiver Agreement may not be recouped. The Fee Waiver Agreement has a term of three years from the date of the merger, or through August 6, 2021. The investment management agreement has a current term through March 31, 2020 and may be renewed annually thereafter upon approval of KAFA and the Company's Board of Directors (including a majority of the Company's directors who are not "interested persons" of the Company, as such term is defined in the 1940 Act). For the fiscal year ended November 30, 2019, the Company paid management fees at an annual rate of 1.369% of the Company's average quarterly total assets (as defined in the investment management agreement).

For purposes of calculating the management fee the average total assets for each quarterly period are determined by averaging the total assets at the last day of that quarter with the total assets at the last day of the prior quarter. The Company's total assets are equal to the Company's gross asset value (which includes assets attributable to the Company's use of preferred stock, commercial paper or notes and other borrowings and excludes any net deferred tax asset), minus the sum of the Company's accrued and unpaid dividends and distributions on any outstanding common stock and accrued and unpaid dividends and distributions on any outstanding preferred stock and accrued liabilities (other than liabilities associated with borrowing or leverage by the Company and any accrued taxes, including, a deferred tax liability). Liabilities associated with borrowing or leverage by the Company include the principal amount of any borrowings, commercial paper or notes issued by the Company, the liquidation preference of any outstanding preferred stock, and other liabilities from other forms of borrowing or leverage such as short positions and put or call options held or written by the Company.

C. *Portfolio Companies* — From time to time, the Company may "control" or may be an "affiliate" of one or more of its portfolio companies, as each of these terms is defined in the 1940 Act. In general, under the 1940 Act, the Company would be presumed to "control" a portfolio company if the Company and its affiliates owned 25% or more of its outstanding voting securities and would be an "affiliate" of a portfolio company if the Company and its affiliates owned 5% or more of its outstanding voting securities. The 1940 Act contains prohibitions and restrictions relating to transactions between investment companies and their affiliates (including the Company's investment adviser), principal underwriters and affiliates of those affiliates or underwriters.

The Company believes that there are several factors that determine whether or not a security should be considered a "voting security" in complex structures such as limited partnerships of the kind in which the Company invests. The Company also notes that the Securities and Exchange Commission (the "SEC") staff has issued guidance on the circumstances under which it would consider a limited partnership interest to constitute a voting security. Under most partnership agreements, the management of the partnership is vested in the general partner, and the limited partners, individually or collectively, have no rights to manage or influence management of the partnership through such activities as participating in the selection of the managers or the board of the limited partnership or the general partner. As a result, the Company believes that many of the limited partnership interests in which it invests should not be considered voting securities. However, it is possible that the SEC staff may consider the limited partner interests the Company holds in certain limited partnerships to be voting securities. If such a determination were made, the Company may be regarded as a person affiliated with and controlling the issuer(s) of those securities for purposes of Section 17 of the 1940 Act.

In making such a determination as to whether to treat any class of limited partnership interests the Company holds as a voting security, the Company considers, among other factors, whether or not the holders of such limited partnership interests have the right to elect the board of directors of the limited partnership or the general partner. If the holders of such limited partnership interests do not have the right to elect the board of directors, the Company generally has not treated such security as a voting security. In other circumstances, based on the facts and circumstances of those partnership agreements, including the right to elect the directors of the general partner, the Company has treated those securities as voting securities. If the Company does not consider the security to be a voting security, it will not consider such partnership to be an "affiliate" unless the Company and its affiliates own more than 25% of the outstanding securities of such partnership. Additionally, certain partnership agreements give common unitholders the right to elect the partnership's board of directors, but limit the amount of voting securities any limited partner can hold to no more than 4.9% of the partnership's outstanding voting securities *(i.e.*, any amounts held in excess of such limit by a limited partner do not have voting rights). In such instances, the Company does not consider itself to be an affiliate if it owns more than 5% of such partnership's common units.

There is no assurance that the SEC staff will not consider that other limited partnership securities that the Company owns and does not treat as voting securities are, in fact, voting securities for the purposes of Section 17 of the 1940 Act. If such determination were made, the Company will be required to abide by the restrictions on "control" or "affiliate" transactions as proscribed in the 1940 Act. The Company or any portfolio company that it controls, and its affiliates, may from time to time engage in certain of such joint transactions, purchases, sales and loans in reliance upon and in compliance with the conditions of certain exemptive rules promulgated by the SEC. The Company cannot make assurances, however, that it would be able to satisfy the conditions of these rules with respect to any particular eligible transaction, or even if the Company were allowed to engage in such a transaction, that the terms would be more or as favorable to the Company or any company that it controls as those that could be obtained in an arm's length transaction. As a result of these prohibitions, restrictions may be imposed on the size of positions that may be taken for the Company or on the type of investments that it could make.

Plains GP Holdings, L.P., Plains AAP, L.P. and Plains All American Pipeline, L.P. — Robert V. Sinnott is Co-Chairman of Kayne Anderson Capital Advisors, L.P. ("KACALP"), the managing member of KAFA. Mr. Sinnott also serves as a director of PAA GP Holdings LLC, which is the general partner of Plains GP Holdings L.P. ("PAGP"). Members of senior management of KACALP and KAFA and various affiliated funds managed by KACALP own PAGP shares, Plains All American Pipeline, L.P. ("PAA") units and interests in Plains AAP, L.P. ("PAGP-AAP"). The Company believes that it is an affiliate of PAA, PAGP and PAGP-AAP under the 1940 Act by virtue of (i) the Company's and other affiliated Kayne Anderson funds' ownership interest in PAA, PAGP and PAGP-AAP and (ii) Mr. Sinnott's participation on the board of PAA GP Holdings LLC.

The following table summarizes the Company's investments in affiliates as of and for the fiscal year ended November 30, 2019:

Investment[(1)]	No. of Shares/Units[(2)] (in 000's)	Value	Dividends/ Distributions Received	Net Realized Gains (Losses)	Net Change in Unrealized Gains (Losses)
Plains All American Pipeline, L.P.	8,261	$143,736	$11,400	$14,097	$(48,860)
Plains GP Holdings, L.P.	—	—	—	(350)	439
Plains GP Holdings, L.P. — Plains AAP, L.P.	1,622	28,341	2,239	—	(8,541)
Total		$172,077	$13,639	$13,747	$(56,962)

(1) See Schedule of Investments for investment classifications.

(2) During the fiscal year ended November 30, 2019, the Company sold 352 units of PAA and 70 shares of PAGP. There were no sales of PAGP-AAP and the Company made no purchases of any affiliates during the fiscal year ended November 30, 2019.

6. Income Taxes

The Company's taxes include current and deferred income taxes. Current income taxes reflect the estimated income tax liability or asset of the Company as of a measurement date. Deferred income taxes reflect (i) taxes on net unrealized gains (losses), which are attributable to the difference between fair market value and tax cost basis, (ii) the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes and (iii) the net tax benefit of accumulated net operating losses and capital losses, if any.

At November 30, 2019, the components of the Company's current and deferred tax assets and liabilities are as follows:

Current income tax payable, net	$ (2,737)
Deferred tax assets:	
Net operating loss carryforward — State	$ 380
Deferred tax liabilities:	
Net unrealized gains on investment securities	(215,102)
Total deferred income tax liability, net	$(214,722)

During the fiscal year ended November 30, 2019, the Company made tax payments of $90 (net of $5,021 of federal and state refunds). At November 30, 2019, the Company had a net current income tax payable of $2,737. The current tax payable is comprised of $3,629 of estimated federal taxes and $892 of estimated state overpayments on account, net. The Company's current federal tax payable reflects the full utilization of $8,616 of AMT credit carryforwards.

(amounts in 000's, except number of option contracts, share and per share amounts)

Although the Company currently has a net deferred tax liability, it periodically reviews the recoverability of its deferred tax assets based on the weight of available evidence. When assessing the recoverability of its deferred tax assets, significant weight is given to the effects of potential future realized and unrealized gains on investments and the period over which these deferred tax assets can be realized.

Based on the Company's assessment, it has determined that it is more likely than not that its deferred tax assets will be realized through future taxable income of the appropriate character. Accordingly, no valuation allowance has been established for the Company's deferred tax assets. The Company will continue to assess the need for a valuation allowance in the future. Significant declines in the fair value of its portfolio of investments may change the Company's assessment regarding the recoverability of its deferred tax assets and may result in a valuation allowance. If a valuation allowance is required to reduce any deferred tax asset in the future, it could have a material impact on the Company's net asset value and results of operations in the period it is recorded.

Total income taxes were different from the amount computed by applying the federal statutory income tax rate of 21% to the net investment loss and realized and unrealized gains (losses) on investments before taxes as follows:

	For the Fiscal Year Ended November 30, 2019
Computed federal income tax benefit at 21%	$(35,784)
State income tax benefit, net of federal tax	(4,069)
Effect of change in state tax rate (0.25% decrease)(1)	(3,304)
Foreign tax credit	(914)
Non-deductible distributions on MRP Shares, dividend received deductions and other, net	714
Total income tax benefit	$(43,357)

(1) During the fourth quarter of fiscal 2019, the Company changed its state tax rate from 1.87% to 1.62% (net of federal benefit) based on updated state apportionment information.

The majority of the Company's investments consist of equity securities issued by MLPs, which generally are treated as partnerships for federal income tax purposes. As a limited partner of MLPs, the Company includes its allocable share of such MLPs' income or loss in computing its own taxable income or loss. Additionally, for income tax purposes, the Company reduces the cost basis of its MLP investments by the cash distributions received, and increases or decreases the cost basis of its MLP investments by its allocable share of the MLP's income or loss. During the fiscal year ended November 30, 2019, the Company reduced its tax cost basis by $88,730 due to its 2018 net allocated losses from its MLP investments.

The Company utilizes the average cost method to compute the adjusted tax cost basis of its MLP securities.

At November 30, 2019, the cost basis of investments for federal income tax purposes was $2,047,436. The cost basis for federal income tax purposes is $726,752 lower than the cost basis for

GAAP reporting purposes primarily due to the additional basis adjustments attributable to the Company's share of the allocated losses from its MLP investments. At November 30, 2019, gross unrealized appreciation and depreciation of investments and options, if any, for federal income tax purposes were as follows:

Gross unrealized appreciation of investments (including options, if any)	$1,126,124
Gross unrealized depreciation of investments (including options, if any)	(175,449)
Net unrealized appreciation of investments before foreign currency related translations	950,675
Unrealized depreciation on foreign currency related translations	(1)
Net unrealized appreciation of investments	$ 950,674

7. Restricted Securities

From time to time, the Company's ability to sell certain of its investments is subject to certain legal or contractual restrictions. For instance, private investments that are not registered under the Securities Act of 1933, as amended (the "Securities Act"), cannot be offered for public sale in a non-exempt transaction without first being registered. In other cases, certain of the Company's investments have restrictions such as lock-up agreements that preclude the Company from offering these securities for public sale.

At November 30, 2019, the Company held the following restricted investments:

Investment	Acquisition Date	Type of Restriction	Number of Units (in 000's)	Cost Basis (GAAP)	Fair Value	Fair Value Per Unit	Percent of Net Assets	Percent of Total Assets
Level 2 Investments								
Plains GP Holdings, L.P. — Plains AAP, L.P.[1]	[2]	[3]	1,622	$ 5,234	$ 28,341	$17.47	1.6%	1.0%
Level 3 Investments [4]								
EQM Midstream Partners, LP Convertible Preferred Units	4/10/19	[5]	1,025	$ 49,250	$ 46,935	$45.78	2.7%	1.6%
MPLX LP Convertible Preferred Units	5/13/16	[5]	2,255	72,217	75,849	33.63	4.3	2.5
Noble Midstream Partners LP Common Units	11/21/19	[5]	966	20,000	18,513	19.16	1.1	0.6
Total				$141,467	$141,297		8.1%	4.7%
Total of all restricted securities				$146,701	$169,638		9.7%	5.7%

(1) The Company values its investment in Plains AAP, L.P. ("PAGP-AAP") on an "as exchanged" basis based on the higher public market value of either Plains GP Holdings, L.P. ("PAGP") or Plains All American Pipeline, L.P. ("PAA"). As of November 30, 2019, the Company's PAGP-AAP investment is valued at PAGP's closing price. See Note 3 — Fair Value.

(2) Security was acquired at various dates in current and/or prior fiscal years.

(3) The Company's investment in PAGP-AAP is exchangeable on a one-for-one basis into either PAGP shares or PAA units at the Company's option. Upon exchange, the PAGP shares or the PAA units will be freely tradable.

(4) Securities are valued using inputs reflecting the Company's own assumptions as more fully described in Note 2 — Significant Accounting Policies and Note 3 — Fair Value.

(5) Unregistered or restricted security of a publicly-traded company.

(amounts in 000's, except number of option contracts, share and per share amounts)

8. Derivative Financial Instruments

As required by the Derivatives and Hedging Topic of the FASB Accounting Standards Codification (ASC 815), the following are the derivative instruments and hedging activities of the Company. See Note 2 — Significant Accounting Policies.

Option Contracts — Based on the notional amount, the Company has written a monthly average of $290 of call options during the fiscal year ended November 30, 2019. As of November 30, 2019, the Company did not have any open option contracts.

Interest Rate Swap Contracts — As of November 30, 2019, the Company did not have any interest rate swap contracts outstanding.

The following table sets forth the effect of the Company's derivative instruments on the Statement of Operations:

		For the Fiscal Year Ended November 30, 2019	
Derivatives Not Accounted for as Hedging Instruments	**Location of Gains/(Losses) on Derivatives Recognized in Income**	**Net Realized Gains/(Losses) on Derivatives Recognized in Income**	**Change in Unrealized Gains/(Losses) on Derivatives Recognized in Income**
Call options written	Options	$24	—

9. Investment Transactions

For the fiscal year ended November 30, 2019, the Company purchased and sold securities in the amounts of $744,711 and $882,573 (excluding short-term investments).

10. Credit Facility and Term Loan

The Company has a $300,000 unsecured revolving credit facility (the "Credit Facility") with a 364-day term, maturing on February 7, 2020. The Company expects to renew this facility by its maturity date. The interest rate on outstanding borrowings under the Credit Facility may vary between LIBOR plus 1.30% and LIBOR plus 1.95%, depending on the Company's asset coverage ratios. The Company pays a fee of 0.20% per annum on any unused amounts of the Credit Facility.

For the fiscal year ended November 30, 2019, the average amount of borrowings outstanding under the Credit Facility was $60,877 with a weighted average interest rate of 3.57%. As of November 30, 2019, the Company had $35,000 outstanding under the Credit Facility with a weighted average interest rate of 3.01%.

The Company has a $60,000 unsecured term loan (the "Term Loan"). The Term Loan matures on August 11, 2021. The interest rate on $30,000 of the Term Loan is fixed at a rate of 3.06% and the interest rate on the remaining $30,000 is LIBOR plus 1.50%. Amounts repaid under the Term Loan cannot be reborrowed. As of November 30, 2019, $60,000 was borrowed under the Term Loan at a weighted average interest rate of 3.13%. As of November 30, 2019, the Company had $211 of unamortized Term Loan issuance costs.

As of November 30, 2019, the Company was in compliance with all financial and operational covenants required by the Credit Facility and Term Loan. See Financial Highlights for the Company's asset coverage ratios under the 1940 Act.

(amounts in 000's, except number of option contracts, share and per share amounts)

11. Notes

At November 30, 2019, the Company had $596,000 aggregate principal amount of Notes outstanding. On April 3, 2019, the Company redeemed $15,000 Series Z Notes (originally scheduled to mature May 3, 2019) at par. On April 16, 2019, the Company repaid $75,000 Series DD Notes (maturity date). On July 30, 2019, the Company repaid $30,000 Series II Notes (maturity date). The table below sets forth the key terms of each series of Notes outstanding at November 30, 2019.

Series	Principal Outstanding, November 30, 2018	Principal Redeemed	Principal Outstanding, November 30, 2019	Unamortized Issuance Costs	Estimated Fair Value November 30, 2019	Fixed Interest Rate	Maturity Date
Z	$ 15,000	$ 15,000	$ —	$ —	$ —	3.39%	5/3/19
AA	15,000	—	15,000	6	15,300	3.56%	5/3/20
BB	35,000	—	35,000	45	36,100	3.77%	5/3/21
CC	76,000	—	76,000	148	79,600	3.95%	5/3/22
DD	75,000	75,000	—	—	—	2.74%	4/16/19
EE	50,000	—	50,000	67	51,100	3.20%	4/16/21
FF	65,000	—	65,000	170	67,900	3.57%	4/16/23
GG	45,000	—	45,000	156	47,800	3.67%	4/16/25
II	30,000	30,000	—	—	—	2.88%	7/30/19
JJ	30,000	—	30,000	54	30,800	3.46%	7/30/21
KK	80,000	—	80,000	298	85,700	3.93%	7/30/24
LL	50,000	—	50,000	59	50,700	2.89%	10/29/20
MM	40,000	—	40,000	112	41,200	3.26%	10/29/22
NN	20,000	—	20,000	67	20,800	3.37%	10/29/23
OO	90,000	—	90,000	341	94,500	3.46%	10/29/24
	$716,000	$120,000	$596,000	$1,523	$621,500		

Holders of the fixed rate Notes are entitled to receive cash interest payments semi-annually (on June 19 and December 19) at the fixed rate. As of November 30, 2019, the weighted average interest rate on the outstanding Notes was 3.55%.

As of November 30, 2019, each series of Notes was rated "AAA" by FitchRatings and Kroll Bond Rating Agency ("KBRA"). In the event the credit rating on any series of Notes falls below "A-" (for either FitchRatings or KBRA), the interest rate on such series will increase by 1% during the period of time such series is rated below "A-". The Company is required to maintain a current rating from one rating agency with respect to each series of Notes and is prohibited from having any rating of less than investment grade ("BBB-") with respect to each series of Notes.

The Notes were issued in private placement offerings to institutional investors and are not listed on any exchange or automated quotation system. The Notes contain various covenants related to other indebtedness, liens and limits on the Company's overall leverage. Under the 1940 Act and the terms of the Notes, the Company may not declare dividends or make other distributions on shares of its common stock or make purchases of such shares if, at any time of the declaration, distribution or purchase, asset coverage with respect to senior securities representing indebtedness (including the Notes) would be less than 300%.

The Notes are redeemable in certain circumstances at the option of the Company. The Notes are also subject to a mandatory redemption to the extent needed to satisfy certain requirements if the Company fails to meet an asset coverage ratio required by law and is not able to cure the coverage deficiency by the applicable deadline, or fails to cure a deficiency as stated in the Company's rating agency guidelines in a timely manner.

(amounts in 000's, except number of option contracts, share and per share amounts)

The Notes are unsecured obligations of the Company and, upon liquidation, dissolution or winding up of the Company, will rank: (1) senior to all of the Company's outstanding preferred shares; (2) senior to all of the Company's outstanding common shares; (3) on parity with any unsecured creditors of the Company and any unsecured senior securities representing indebtedness of the Company; and (4) junior to any secured creditors of the Company.

At November 30, 2019, the Company was in compliance with all covenants under the Notes agreements.

12. Preferred Stock

At November 30, 2019, the Company had 12,680,000 shares of MRP Shares outstanding, with a total liquidation value of $317,000 ($25.00 per share). The table below sets forth the key terms of each series of the MRP Shares at November 30, 2019. On December 10, 2019, the Company entered into a definitive agreement for the private placement of $200,000 of MRP Shares. See Note 14 — Subsequent Events.

Series	Liquidation Value November 30, 2019	Unamortized Issuance Costs	Estimated Fair Value November 30, 2019	Rate	Mandatory Redemption Date
C	$ 42,000	$ 56	$ 42,800	5.20%	11/9/20
F(1)	125,000	149	125,550	3.50%	4/15/20
H	50,000	161	50,700	4.06%	7/30/21
I	25,000	126	25,400	3.86%	10/29/22
J	50,000	286	50,100	3.36%	11/9/21
K	25,000	10	25,000	3.37%	4/10/20
	$317,000	$788	$319,550		

(1) Series F MRP Shares are publicly traded on the NYSE under the symbol "KYNPRF". The fair value is based on the price of $25.11 as of November 30, 2019.

Holders of the Series C, H, I, J and K MRP Shares are entitled to receive cumulative cash dividend payments on the first business day following each quarterly period (February 28, May 31, August 31 and November 30). Holders of the Series F MRP Shares are entitled to receive cumulative cash dividend payments on the first business day of each month.

As of November 30, 2019, each series of MRP Shares was rated "A" by FitchRatings and "A+" by KBRA.

The table below outlines the terms of each series of MRP Shares. The dividend rate on the Company's MRP Shares will increase if the credit rating is downgraded below "A". Further, the annual dividend rate for all series of MRP Shares will increase by 4.0% if no ratings are maintained, and the annual dividend rate will increase by 5.0% if the Company fails to make dividend or certain other payments.

	Series C, H, I, J and K	Series F
Ratings Threshold	"A"	"A"
Method of Determination	Lowest Credit Rating	Highest Credit Rating
Increase in Annual Dividend Rate	0.5% to 4.0%	0.75% to 4.0%

The MRP Shares rank senior to all of the Company's outstanding common shares and on parity with any other preferred stock. The MRP Shares are redeemable in certain circumstances at the option of the Company and are also subject to a mandatory redemption if the Company fails to meet a total leverage (debt and preferred stock) asset coverage ratio of 225% or fails to maintain its basic maintenance amount as stated in the Company's rating agency guidelines.

(amounts in 000's, except number of option contracts, share and per share amounts)

Under the terms of the MRP Shares, the Company may not declare dividends or pay other distributions on shares of its common stock or make purchases of such shares if, at any time of the declaration, distribution or purchase, asset coverage with respect to total leverage would be less than 225% or the Company would fail to maintain its basic maintenance amount as stated in the Company's rating agency guidelines.

The holders of the MRP Shares have one vote per share and will vote together with the holders of common stock as a single class except on matters affecting only the holders of MRP Shares or the holders of common stock. The holders of the MRP Shares, voting separately as a single class, have the right to elect at least two directors of the Company.

At November 30, 2019, the Company was in compliance with the asset coverage and basic maintenance requirements of its MRP Shares.

13. Common Stock

At November 30, 2019, the Company had 187,320,000 shares of common stock authorized and 126,337,114 shares outstanding. As of November 30, 2019, KAFA owned 86 shares of the Company. Transactions in common shares for the fiscal year ended November 30, 2019 were as follows:

Shares outstanding at November 30, 2018	126,202,954
Shares issued through reinvestment of distributions	134,160
Shares outstanding at November 30, 2019	126,337,114

14. Subsequent Events

On December 10, 2019, the Company entered into a definitive agreement for the private placement of $200,000 of MRP Shares. There will be two fundings in connection with the transaction: (a) $100,000 of Series L MRP Shares and $75,000 of Series M MRP Shares will be issued on February 11, 2020, and (b) $25,000 of Series N MRP Shares will be issued on May 12, 2020. Net proceeds from the fundings will be used to refinance existing leverage including the redemption of $125,000 of Series F MRP Shares (scheduled for redemption February 13, 2020), the redemption of $25,000 of Series K MRP Shares (scheduled for redemption February 13, 2020), and the redemption of $42,000 of Series C MRP Shares.

On December 18, 2019, the Company declared monthly distributions of $0.12 per common share to be paid on January 31, February 28, and March 31 of 2020.

On December 31, 2019, the Company paid its previously declared distribution of $0.12 per common share. Of the total distribution of $15,160, pursuant to the Company's dividend reinvestment plan, $1,182 was reinvested into the Company through open market purchases of common stock.

The Company has performed an evaluation of subsequent events through the date the financial statements were issued and has determined that no additional items require recognition or disclosure.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of Kayne Anderson MLP/Midstream Investment Company

Opinion on the Financial Statements

We have audited the accompanying statement of assets and liabilities, including the schedule of investments, of Kayne Anderson MLP/Midstream Investment Company (the "Company") as of November 30, 2019, the related statements of operations and cash flows for the year ended November 30, 2019, the statement of changes in net assets applicable to common stockholders for each of the two years in the period ended November 30, 2019, including the related notes, and the financial highlights for each of the ten years in the period ended November 30, 2019 (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of November 30, 2019, the results of its operations and its cash flows for the year then ended, the changes in its net assets for each of the two years in the period ended November 30, 2019 and the financial highlights for each of the ten years in the period ended November 30, 2019 in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits of these financial statements in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. Our procedures included confirmation of securities owned as of November 30, 2019 by correspondence with the custodian, transfer agents and brokers. We believe that our audits provide a reasonable basis for our opinion.

/s/PricewaterhouseCoopers LLP
Los Angeles, CA
January 28, 2020

We have served as the auditor of one or more investment companies in the Kayne Anderson Funds Family since 2004.

KAYNE ANDERSON MLP/MIDSTREAM INVESTMENT COMPANY
INFORMATION CONCERNING DIRECTORS AND CORPORATE OFFICERS
(UNAUDITED)

Independent Directors[(1)]

Name[(2)] (Year Born)	Position(s) Held with Company, Term of Office/ Time of Service	Principal Occupations During Past Five Years	Other Directorships Held by Director/Officer During Past Five Years
William R. Cordes (born 1948)	New term director (until the 2020 Annual Meeting of Stockholders)/ served since August 2018.	Retired from Northern Border Pipeline Company in March 2007 after serving as President from October 2000 to March 2007. Chief Executive Officer of Northern Border Partners, L.P. from October 2000 to April 2006. President of Northern Natural Gas Company from 1993 to 2000. President of Transwestern Pipeline Company from 1996 to 2000.	Current: • Kayne Anderson Midstream/ Energy Fund, Inc. ("KMF") Prior: • Kayne Anderson Energy Development Company ("KED") • Boardwalk Pipeline Partners, LP (midstream MLP) • Northern Border Partners, L.P. (midstream MLP)
Anne K. Costin (born 1950)	Director. 3-year term (until the 2022 Annual Meeting of Stockholders)/ served since inception.	Professor at the Amsterdam Institute of Finance from 2007 through 2013. Adjunct Professor in the Finance and Economics Department of Columbia University Graduate School of Business in New York from 2004 through 2007. As of March 1, 2005, Ms. Costin retired after a 28-year career at Citigroup. During the seven years prior to her retirement, Ms. Costin was Managing Director and Global Deputy Head of the Project & Structured Trade Finance product group within Citigroup's Investment Banking Division.	Current: • KMF Prior: • Kayne Anderson Energy Total Return Fund, Inc. ("KYE")
Barry R. Pearl (born 1949)	New term director (until the 2020 Annual Meeting of Stockholders)/ served since August 2018.	Management consultant to Northstar Midstream, a private developer and operator of petroleum infrastructure assets from March 2016 to July 2018, Executive Vice President of Kealine, LLC, (and its affiliate WesPac Midstream LLC an energy infrastructure developer), from February 2007 to March 2016. Provided management consulting services from January 2006 to February 2007. President of Texas Eastern Products Pipeline Company, LLC ("TEPPCO"), (the general partner of TEPPCO Partners, L.P.,) from February 2001 to December 2005. Chief Executive Officer and director of TEPPCO from May 2002 to December 2005; and Chief Operating Officer from February 2001 to May 2002.	Current: • KMF • Magellan Midstream Partners, L.P. (midstream MLP) Prior: • KED • Peregrine Midstream Partners LLC (natural gas storage) • Seaspan Corporation (containership chartering) • Targa Resources Partners LP (midstream MLP) • TEPPCO Partners, L.P. (midstream MLP)
Albert L. Richey (born 1949)	Director. 3-year term (until the 2022 Annual Meeting of Stockholders)/ served since August 2018.	Retired from Anadarko Petroleum Corporation in August 2016 after serving as Senior Vice President Finance and Treasurer from January 2013 to August 2016; Vice President Special Projects from January 2009 to December 2012; Vice President Corporate Development from 2006 to December 2008; Vice President and Treasurer from 1995 to 2005 and Treasurer from 1987 to 1995.	Current: • KMF Prior: • KED • Boys & Girls Clubs of Houston (not-for-profit organization) • Boy Scouts of America (not-for-profit organization)

KAYNE ANDERSON MLP/MIDSTREAM INVESTMENT COMPANY
INFORMATION CONCERNING DIRECTORS AND CORPORATE OFFICERS
(UNAUDITED)

Independent Directors(1)

Name(2) (Year Born)	Position(s) Held with Company, Term of Office/ Time of Service	Principal Occupations During Past Five Years	Other Directorships Held by Director/Officer During Past Five Years
William H. Shea, Jr. (born 1954)	Director. 3-year term (until the 2021 Annual Meeting of Stockholders)/ served since March 2008.	Chief Executive Officer of Jefferson Energy Companies since January 2020. Chief Executive Officer of Mainline Energy Partners, LLC from July 2016 to September 2019. Chief Executive Officer and President of Niska Gas Storage Partners LLC from May 2014 to July 2016. Chief Executive Officer of the general partner of PVR Partners, L.P. (PVR) from March 2010 to March 2014. Chief Executive Officer and President of the general partner of Penn Virginia GP Holdings, L.P. (PVG), from March 2010 to March 2011. Private investor from June 2007 to March 2010. From September 2000 to June 2007, President, Chief Executive Officer and Director (Chairman from May 2004 to June 2007) of Buckeye Partners L.P. (BPL). From May 2004 to June 2007, President, Chief Executive Officer and Chairman of Buckeye GP Holdings L.P. (BGH) and its predecessors.	Current: • KMF Prior: • KYE • BGH (general partner of BPL) • BPL (midstream MLP) • Gibson Energy ULC (midstream energy) • Mainline Energy Partners, LLC (midstream energy) • Niska Gas Storage Partners LLC (natural gas storage) • PVG (owned general partner of PVR) • PVR (midstream MLP) • Penn Virginia Corporation (oil and gas exploration and production company) • USA Compression Partners, LP (natural gas compression MLP)
William L. Thacker (born 1945)	New term director (until the 2021 Annual Meeting of Stockholders)/ served since August 2018.	Chairman of the Board of Directors of Copano Energy, L.L.C. from 2009 to 2013. Retired from the Board of TEPPCO in May 2002 after serving as Chairman from March 1997 to May 2002; Chief Executive Officer from January 1994 to May 2002; and President, Chief Operating Officer and Director from September 1992 to January 1994.	Current: • KMF Prior: • KED • Copano Energy, L.L.C. (midstream MLP) • GenOn Energy, Inc. (electricity generation and sales) • Pacific Energy Partners, L.P. (midstream MLP) • QEP Resources Inc. (oil and gas exploration and production company) • TEPPCO Partners, L.P. (midstream MLP)

KAYNE ANDERSON MLP/MIDSTREAM INVESTMENT COMPANY
INFORMATION CONCERNING DIRECTORS AND CORPORATE OFFICERS
(UNAUDITED)

Interested Directors and Non-Director Officers

Name[(2)] (Year Born)	Position(s) Held with Company, Term of Office/ Time of Service	Principal Occupations During Past Five Years[(3)]	Other Directorships Held by Director/Officer During Past Five Years
Kevin S. McCarthy[(4)] (born 1959)	Chairman of the Board of Directors since inception. 3-year term as a director (until the 2021 Annual Meeting of Stockholders). Chief Executive Officer from inception to June 2019. President from inception through June 2016.	Vice Chairman of Kayne Anderson since January 2019. Managing Partner of Kayne Anderson since June 2004 and Co-Managing Partner of KAFA from 2006 to June 2019. Chief Executive Officer of KMF since inception (2010) to June 2019.	Current: • KMF • Altus Midstream Company (midstream company) Prior: • KYE • KED • Clearwater Natural Resources, L.P. (coal mining) • Direct Fuels Partners, L.P. (transmix refining and fuels distribution) • Emerge Energy Services LP (frac sand MLP) • International Resource Partners LP (coal mining) • K-Sea Transportation Partners L.P. (shipping MLP) • ONEOK, Inc. (midstream company) • ProPetro Services, Inc. (oilfield services) • Range Resources Corporation (oil and gas exploration and production company)
James C. Baker[(4)] (born 1972)	Director, President and Chief Executive Officer. 3-year term (until the 2022 Annual Meeting of Stockholders). Chief Executive Officer since June 2019. President since June 2016. Executive Vice President from June 2008 to June 2016. Elected annually as an officer/served since June 2005.	Partner and Senior Managing Director of Kayne Anderson since February 2008. Co-Managing Partner of KAFA since June 2019. Senior Managing Director of KAFA from February 2008 to June 2019. Chief Executive Officer of KMF since June 2019. President of KMF since June 2016. Executive Vice President of KMF from August 2010 to June 2016.	Current: • KMF Prior: • KED • K-Sea Transportation Partners L.P. (shipping MLP) • Petris Technology, Inc. (data management for energy companies) • ProPetro Services, Inc. (oilfield services)
J.C. Frey (born 1968)	Executive Vice President. Elected annually as an officer/served since inception.	Managing Partner of Kayne Anderson since 2004 and Co-Managing Partner of KAFA since 2006. Executive Vice President of KMF since August 2010. Assistant Secretary and Assistant Treasurer of KMF from August 2010 to January 2019.	None
Terry A. Hart (born 1969)	Chief Financial Officer, Treasurer and Assistant Secretary. Elected annually as an officer/served since 2005.	Senior Managing Director of Kayne Anderson since January 2020. Managing Director of Kayne Anderson from December 2005 to January 2020 and Chief Financial Officer of KAFA since 2006. Chief Financial Officer and Treasurer of KMF since August 2010. Assistant Secretary of KMF since January 2019. Chief Financial Officer of Kayne Anderson Acquisition Corp. from December 2016 to November 2018.	Current: • The Source for Women (not-for-profit organization) Prior: • KED

KAYNE ANDERSON MLP/MIDSTREAM INVESTMENT COMPANY
INFORMATION CONCERNING DIRECTORS AND CORPORATE OFFICERS
(UNAUDITED)

Interested Directors and Non-Director Officers

Name[(2)] (Year Born)	Position(s) Held with Company, Term of Office/ Time of Service	Principal Occupations During Past Five Years[(3)]	Other Directorships Held by Director/Officer During Past Five Years
Jarvis V. Hollingsworth (born 1962)	Secretary. Elected annually as an officer/served since 2019.	General Counsel of Kayne Anderson and Secretary of KMF since 2019. Private practice of law at Fulbright & Jaworski LLP (1993-1999); Brobeck Phleger & Harrison (1999-2001); and Bracewell LLP (2001-2019). Chairman of the Board of Trustees of the Teacher Retirement System of Texas (2017 to Present).	Current: • Teacher Retirement System of Texas (public retirement system) Prior: • Cullen/Frost Bankers, Inc. (financial holding company) • Emergent Technologies, LP (commerce technology) • Infogroup, Inc. (data and marketing solutions) • University of Houston System Board of Regents (public university system)
Ron M. Logan, Jr. (born 1960)	Senior Vice President. Elected annually as an officer/served since September 2012.	Senior Managing Director of Kayne Anderson since February 2014. Managing Director of Kayne Anderson from September 2006 to February 2014. Senior Vice President of KMF since June 2012.	Prior: • VantaCore Partners LP (aggregates MLP)
Jody C. Meraz (born 1978)	Senior Vice President. Elected annually as an officer/served since June 2011.	Senior Managing Director of Kayne Anderson since February 2019. Managing Director of Kayne Anderson from February 2014 to February 2019. Senior Vice President of Kayne Anderson from 2011 to February 2014. Vice President of KMF since 2011.	None
A. Colby Parker (born 1987)	Assistant Treasurer. Elected annually as an officer/served since January 2019.	Assistant Treasurer of KMF since January 2019. Controller of Kayne Anderson since July 2015. Finance and Treasury Analyst of Kayne Anderson from June 2014 to June 2015.	None
Michael J. O'Neil (born 1983)	Chief Compliance Officer. Elected annually as an officer/served since December 2013.	Chief Compliance Officer of Kayne Anderson since March 2012 and of KMF since December 2013 and of KA Associates, Inc. (broker-dealer) since January 2013. A compliance officer at BlackRock Inc. from January 2008 to February 2012.	None

(1) The Company is managed by KA Fund Advisors, LLC ("KAFA"), an affiliate of Kayne Anderson Capital Advisors, L.P. ("KACALP" and, together with its affiliates, "Kayne Anderson"). The 1940 Act requires the term "Fund Complex" to be defined to include registered investment companies advised by Kayne Anderson, and includes the Company and KMF. Each Independent Director oversees two registered investment companies in the Fund Complex, the Company and KMF, as noted above.

(2) The address of each director and corporate officer is c/o KA Fund Advisors, LLC, 811 Main Street, 14th Floor, Houston, Texas, 77002.

(3) In August 2018, Kayne Anderson Energy Total Return Fund, Inc. ("KYE") merged into Kayne Anderson Midstream/Energy Fund, Inc. ("KMF") and Kayne Anderson Energy Development Company ("KED") merged into Kayne Anderson MLP/Midstream Investment Company ("KYN"), respectively. The table presents principal occupations for each interested director and non-director officer of KYN and KMF and does not set forth the principal occupations, if any, for KYE and KED.

(4) Kevin S. McCarthy and James C. Baker are each an "interested person" of the Company as defined in the 1940 Act by virtue of their employment relationship with Kayne Anderson.

Additional information regarding the Company's directors is contained in the Company's Statement of Additional Information, the most recent version of which can be found on the Company's website at *www.kaynefunds.com* or is available without charge, upon request, by calling (877) 657-3863.

KAYNE ANDERSON MLP/MIDSTREAM INVESTMENT COMPANY
DIVIDEND REINVESTMENT PLAN
(UNAUDITED)

Kayne Anderson MLP/Midstream Investment Company, a Maryland corporation (the “Company”), has adopted the following plan (the “Plan”) with respect to distributions declared by its Board of Directors (the “Board”) on shares of its Common Stock:

1. Unless a stockholder specifically elects to receive cash as set forth below, all distributions hereafter declared by the Board shall be payable in shares of the Common Stock of the Company, and no action shall be required on such stockholder’s part to receive a distribution in stock.

2. Such distributions shall be payable on such date or dates as may be fixed from time to time by the Board to stockholders of record at the close of business on the record date(s) established by the Board for the distribution involved.

3. The Company may use newly-issued shares of its Common Stock or purchase shares in the open market in connection with the implementation of the plan. The number of shares to be issued to a stockholder shall be based on share price equal to 95% of the closing price of the Company’s Common Stock one day prior to the dividend payment date.

4. The Board may, in its sole discretion, instruct the Company to purchase shares of its Common Stock in the open market in connection with the implementation of the Plan as follows: If the Company’s Common Stock is trading below net asset value at the time of valuation, upon notice from the Company, the Plan Administrator (as defined below) will receive the dividend or distribution in cash and will purchase Common Stock in the open market, on the New York Stock Exchange or elsewhere, for the Participants’ accounts, except that the Plan Administrator will endeavor to terminate purchases in the open market and cause the Company to issue the remaining shares if, following the commencement of the purchases, the market value of the shares, including brokerage commissions, exceeds the net asset value at the time of valuation. These remaining shares will be issued by the Company at a price equal to the greater of (i) the net asset value at the time of valuation or (ii) 95% of the then current market price.

5. In a case where the Plan Administrator has terminated open market purchases and caused the issuance of remaining shares by the Company, the number of shares received by the participant in respect of the cash dividend or distribution will be based on the weighted average of prices paid for shares purchased in the open market, including brokerage commissions, and the price at which the Company issues the remaining shares. To the extent that the Plan Administrator is unable to terminate purchases in the open market before the Plan Administrator has completed its purchases, or remaining shares cannot be issued by the Company because the Company declared a dividend or distribution payable only in cash, and the market price exceeds the net asset value of the shares, the average share purchase price paid by the Plan Administrator may exceed the net asset value of the shares, resulting in the acquisition of fewer shares than if the dividend or distribution had been paid in shares issued by the Company.

6. A stockholder may, however, elect to receive his or its distributions in cash. To exercise this option, such stockholder shall notify American Stock Transfer & Trust Company, the plan administrator and the Company’s transfer agent and registrar (collectively the “Plan Administrator”), in writing so that such notice is received by the Plan Administrator no later than the record date fixed by the Board for the distribution involved.

7. The Plan Administrator will set up an account for shares acquired pursuant to the Plan for each stockholder who has not so elected to receive dividends and distributions in cash (each, a “Participant”). The Plan Administrator may hold each Participant’s shares, together with the shares of other Participants, in non-certificated form in the Plan Administrator’s name or that of its nominee. Upon request by a Participant, received no later than three (3) days prior to the payable

date, the Plan Administrator will, instead of crediting shares to and/or carrying shares in a Participant's account, issue, without charge to the Participant, a certificate registered in the Participant's name for the number of whole shares payable to the Participant and a check for any fractional share less a broker commission on the sale of such fractional shares. If a request to terminate a Participant's participation in the Plan is received less than three (3) days before the payable date, dividends and distributions for that payable date will be reinvested. However, subsequent dividends and distributions will be paid to the Participant in cash.

8. The Plan Administrator will confirm to each Participant each acquisition made pursuant to the Plan as soon as practicable but not later than ten (10) business days after the date thereof. Although each Participant may from time to time have an undivided fractional interest (computed to three decimal places) in a share of Common Stock of the Company, no certificates for a fractional share will be issued. However, dividends and distributions on fractional shares will be credited to each Participant's account. In the event of termination of a Participant's account under the Plan, the Plan Administrator will adjust for any such undivided fractional interest in cash at the market value of the Company's shares at the time of termination.

9. The Plan Administrator will forward to each Participant any Company related proxy solicitation materials and each Company report or other communication to stockholders, and will vote any shares held by it under the Plan in accordance with the instructions set forth on proxies returned by Participants to the Company.

10. In the event that the Company makes available to its stockholders rights to purchase additional shares or other securities, the shares held by the Plan Administrator for each Participant under the Plan will be added to any other shares held by the Participant in certificated form in calculating the number of rights to be issued to the Participant.

11. The Plan Administrator's service fee, if any, and expenses for administering the Plan will be paid for by the Company.

12. Each Participant may terminate his or its account under the Plan by so notifying the Plan Administrator via the Plan Administrator's website at www.amstock.com, by filling out the transaction request form located at the bottom of the Participant's Statement and sending it to American Stock Transfer and Trust Company, P.O. Box 922, Wall Street Station, New York, NY 10269-0560 or by calling the Plan Administrator at (888) 888-0317. Such termination will be effective immediately. The Plan may be terminated by the Company upon notice in writing mailed to each Participant at least 30 days prior to any record date for the payment of any dividend or distribution by the Company. Upon any termination, the Plan Administrator will cause a certificate or certificates to be issued for the full shares held for the Participant under the Plan and a cash adjustment for any fractional share to be delivered to the Participant without charge to the Participant. If a Participant elects by his or its written notice to the Plan Administrator in advance of termination to have the Plan Administrator sell part or all of his or its shares and remit the proceeds to the Participant, the Plan Administrator is authorized to deduct a $15.00 transaction fee plus a $0.10 per share brokerage commission from the proceeds.

13. These terms and conditions may be amended or supplemented by the Company at any time but, except when necessary or appropriate to comply with applicable law or the rules or policies of the Securities and Exchange Commission or any other regulatory authority, only by mailing to each Participant appropriate written notice at least 30 days prior to the effective date thereof. The amendment or supplement shall be deemed to be accepted by each Participant unless, prior to the effective date thereof, the Plan Administrator receives written notice of the

termination of his or its account under the Plan. Any such amendment may include an appointment by the Plan Administrator in its place and stead of a successor agent under these terms and conditions, with full power and authority to perform all or any of the acts to be performed by the Plan Administrator under these terms and conditions. Upon any such appointment of any agent for the purpose of receiving dividends and distributions, the Company will be authorized to pay to such successor agent, for each Participant's account, all dividends and distributions payable on shares of the Company held in the Participant's name or under the Plan for retention or application by such successor agent as provided in these terms and conditions.

14. The Plan Administrator will at all times act in good faith and use its best efforts within reasonable limits to ensure its full and timely performance of all services to be performed by it under this Plan and to comply with applicable law, but assumes no responsibility and shall not be liable for loss or damage due to errors unless such error is caused by the Plan Administrator's negligence, bad faith, or willful misconduct or that of its employees or agents.

15. These terms and conditions shall be governed by the laws of the State of Maryland.

Adopted: September 27, 2004
Amended: December 13, 2005
Amended: March 12, 2009

STOCKHOLDER PROPOSALS

The Amended and Restated Bylaws currently in effect for the Company provide that in order for a stockholder to nominate a candidate for election as a director at an annual meeting of stockholders or propose business for consideration at such meeting, which nomination or proposal is not to be included in the Company's proxy statement, written notice containing the information required by the current Bylaws must be delivered to the Secretary of the Company at 811 Main Street, 14th Floor, Houston, TX 77002, not later than 5:00 p.m. Central Time on the 120th day, and not earlier than the 150th day, prior to the first anniversary of the date of mailing of the notice for the preceding year's annual meeting; provided, however that in the event that the date of the annual meeting is advanced or delayed by more than 30 days from the first anniversary of the date of the preceding year's annual meeting, notice by the stockholder to be timely must be so delivered not earlier than the 150th day prior to the date of such annual meeting and not later than 5:00 p.m. Central Time on the later of the 120th day prior to the date of such annual meeting or the tenth day following the day on which public announcement of the date of such meeting is first made.

The Company anticipates that the 2020 Annual Meeting of Stockholders (the "2020 Annual Meeting") will be held on or about April 2, 2020, which is advanced by more than 30 days from the anniversary of the 2019 Annual Meeting of Stockholders. Accordingly, it is anticipated that a stockholder nomination or proposal for the Company intended to be considered at the 2020 Annual Meeting must be received by the Secretary of the Company on or after November 4, 2019 and prior to 5:00 p.m. Central Time on December 4, 2019. However, under the rules of the SEC, if a stockholder wishes to submit a proposal for possible inclusion in the 2020 proxy statement pursuant to Rule 14a-8(e) of the 1934 Act, the Company must receive it not fewer than 120 calendar days before the anniversary of the date the proxy statement was released to stockholders for the previous year's annual meeting, or, if the date of the annual meeting has been changed by more than 30 days from the date of the previous year's annual meeting, then the deadline is a reasonable time before the Company begins to print and send its proxy materials. Accordingly, it is anticipated that a stockholder's proposal under Rule 14a-8(e) should be received by the Company on or before January 24, 2020 in order to be included in the proxy statement and proxy card for the 2020 Annual Meeting. All nominations and proposals must be in writing.

ANNUAL CERTIFICATION

The Company's Chief Executive Officer has filed an annual certification with the NYSE that, as of the date of the certification, he was unaware of any violation by the Company of the NYSE's corporate governance listing standards.

PROXY VOTING AND PORTFOLIO HOLDINGS INFORMATION

The policies and procedures that the Company uses to determine how to vote proxies relating to its portfolio securities are available:

- without charge, upon request, by calling (877) 657-3863/MLP-FUND;
- on the Company's website, *www.kaynefunds.com*; and
- on the SEC's website, *www.sec.gov*.

Information regarding how the Company voted proxies relating to portfolio securities during the most recent 12-month period ended June 30 is available without charge, upon request, by calling (877) 657-3863/MLP-FUND, and on the SEC's website at *www.sec.gov* (see Form N-PX).

KAYNE ANDERSON MLP/MIDSTREAM INVESTMENT COMPANY
ADDITIONAL INFORMATION
(UNAUDITED)

The Company files a complete schedule of its portfolio holdings for the first and third quarters of each of its fiscal years with the SEC on Form N-PORT and Form N-30B-2. The Company's Form N-PORT and Form N-30B-2 are available on the SEC's website at *www.sec.gov*. The Company also makes its quarterly reports available on its website at *www.kaynefunds.com.*

REPURCHASE DISCLOSURE

Notice is hereby given in accordance with Section 23(c) of the 1940 Act, that the Company may from time to time purchase shares of its common and preferred stock and its Notes in the open market or in privately negotiated transactions.

KAYNE ANDERSON MLP/MIDSTREAM INVESTMENT COMPANY
PRIVACY POLICY NOTICE
(UNAUDITED)

This Privacy Notice (“Notice”) provides information about the data that is collected, processed, used, transmitted and stored by KA Fund Advisors, LLC and its affiliates (collectively “we,” “Kayne Anderson” or the “Firm”), and Kayne Anderson’s commitment to appropriately using and protecting the data collected.

Generally speaking, Kayne Anderson collects data about you from the following sources:

- Information we receive about you on applications or other forms;
- Information you provide to us orally; and
- Information about your transactions with us, our affiliates or others.

When you use our services, you acknowledge that you have read and understand the contents of this Notice.

Defining Personal Information

Various laws and regulations use different terms and definitions for information about individuals that is personal and should be protected. Some laws and regulations consider only very limited types of information to be protected and private. Others include much broader categories.

At Kayne Anderson, we have chosen to adopt the broader approach to what information must be protected and kept private. In this notice, “Personal Information” (or “PI”) refers to data that could be used, alone or in combination with other data, to identify you as an individual. It can include name, physical address, email address, IP address, date of birth, social security number, passwords, financial information, and more.

What Personal Information Do We Collect?

Kayne Anderson does not collect more information than is needed to conduct its business and satisfy any associated regulatory requirements. The following are examples of the types of personal information that we may collect:

- Name, address, phone number and email address;
- Age, date of birth, occupation and marital status;
- Personal identifier, depending on your country of residence, such as your Social Security Number; and
- Financial information, including account balances and assets, and, in certain jurisdictions, representations required under applicable law or regulation concerning your financial resources.

How Do We Collect Information?

When Kayne collects data from you directly, we will provide Kayne Anderson’s contact information and Kayne Anderson’s purpose for collecting and processing the data.

Do We Need Consent to Collect Your Data?

By providing your data, you consent to its collection, processing, use, transfer and storage. Your consent can be withdrawn at any time by providing adequate notice (see below) to Kayne Anderson. However, withdrawing your consent may impact your ability to invest in our funds.

KAYNE ANDERSON MLP/MIDSTREAM INVESTMENT COMPANY
PRIVACY POLICY NOTICE
(UNAUDITED)

How Do We Use Personal Information?

We use your personal information for a variety of business purposes, including but not limited to, the following:

- For our everyday business purposes to administer, facilitate and manage your relationship and/or account(s) with Kayne Anderson.
- To contact you or your designated representative(s) in connection with your relationship and/or account;
- To monitor and audit compliance with our internal policies and procedures; and
- To comply with and enforce applicable legal and regulatory requirements.

If your relationship with Kayne Anderson ends, we will continue to treat your personal information, to the extent we retain it, as described in this Notice.

With Whom Do We Share Personal Information?

Privacy is an integral part of the Firm. We do not disclose your personal information to third parties, except as described in this Notice, and never for compensation. Additionally, we will not share your personal information with third parties without your specific consent or unless Kayne Anderson is required or permitted to by law (such as Regulation S-P) and/or government authorities.

Third parties that we share personal information with are required to maintain the confidentiality of such information and are prohibited from using your personal information for purposes other than those that were specified upon receipt of your data. We enter into contractual agreements with all nonaffiliated third parties that prohibit such third parties from disclosing or using the information other than to carry out the purposes for which we disclose the information.

We will not sell your personal information. If we share your personal information with third parties performing services for us, or acting on our behalf, we will not allow them to use your information for other purposes, and we will contractually require them to protect your information.

What Security Measures Do We Have?

Kayne Anderson restricts access to personal information about you to those employees who need to know that information to provide financial products or services to you. Kayne Anderson has physical, electronic and administrative safeguards in place to help protect data from loss, misuse, unauthorized access, disclosure, alteration, and destruction. This includes a dedicated group of information security personnel that design, implement and monitor our information security program.

Please contact us for a copy of Kayne Anderson's policies for more information on the Firm's information security practices and procedures.

How Long Do We Retain Personal Information?

We will retain your personal information for the period necessary to fulfill our services and the purposes outlined in this Notice unless a longer retention period is required by law.

KAYNE ANDERSON MLP/MIDSTREAM INVESTMENT COMPANY
PRIVACY POLICY NOTICE
(UNAUDITED)

How Can You Manage Your Personal Information?

If you would like to request, delete, or update the personal information that you provided us, or exercise any of your data protection rights you may contact us using the contact information below. For your protection, we will need to verify your identity prior to complying with your request. Kayne Anderson does not charge for this service.

Kayne Anderson will make a good faith effort to process your request without undue delay and within the timeframe provided by applicable law. You are also entitled to have Kayne Anderson modify or delete any information that you believe is incorrect or out of date. Kayne Anderson reserves the right to limit or deny access to personal information where providing such information would be unreasonably burdensome or expensive or as otherwise permissible under relevant laws. If Kayne Anderson determines that access cannot be provided in any particular instance, Kayne Anderson will provide the individual requesting access with an explanation of why it has made that determination and a contact point for any further inquiries.

What Rights Do California Clients Have?

Under the CCPA, clients domiciled in California have certain rights with respect to their personal information. In particular, you may have the right to:

- Request that we disclose, free of charge, the categories and specifics of the PI we collect about you as a California resident (and/or, if applicable, sell or otherwise disclose to a third party for business purposes). Currently, however, Kayne Anderson does not sell personal information.
- Choose to opt-out of the sale of personal information. Currently, however, Kayne Anderson does not sell personal information.
- Request that we delete the PI we have collected. Following our verification of the request, we will comply with the request and delete any or all of the PI in our possession that we collected from you and/or any or all such PI in the possession of our service providers, unless otherwise restricted by law or regulation. However, withdrawing your consent for us to collect, process, use, transfer and store your data may impact your ability to invest in our funds.

Non-Discrimination for Exercising Your CCPA Right

We follow the requirements of California Civil Code §1798.125, and will not discriminate against any consumer who exercises the rights under the CCPA. However, withdrawing your consent for us to collect, process, use, transfer and store your data may impact your ability to invest in our funds.

Contact Us

If you have questions, concerns, or suggestions related to our Notice or our privacy practices, contact the Investor Relations Team or Kayne's Chief Compliance Officer, Michael O'Neil, at:

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

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Website: https://www.kaynefunds.com/
Email Address: CEF@kaynecapital.com
Toll Free Phone Number: 877-657-3863

Changes to this Privacy Notice

We reserve the right to update this Notice at any time to reflect changes in our policies concerning the collection and use of personal information.

This Privacy Notice was last revised on January 16, 2020.

Directors and Corporate Officers

Kevin S. McCarthy	Chairman of the Board of Directors
James C. Baker	Director, President and Chief Executive Officer
William R. Cordes	Director
Anne K. Costin	Director
Barry R. Pearl	Director
Albert L. Richey	Director
William H. Shea, Jr.	Director
William L. Thacker	Director
Terry A. Hart	Chief Financial Officer, Treasurer and Assistant Secretary
Jarvis V. Hollingsworth	Secretary
Michael J. O'Neil	Chief Compliance Officer
J.C. Frey	Executive Vice President
Ron M. Logan, Jr.	Senior Vice President
Jody C. Meraz	Senior Vice President
A. Colby Parker	Assistant Treasurer

Investment Adviser
KA Fund Advisors, LLC
811 Main Street, 14th Floor
Houston, TX 77002

1800 Avenue of the Stars, Third Floor
Los Angeles, CA 90067

Administrator
Ultimus Fund Solutions, LLC
225 Pictoria Drive, Suite 450
Cincinnati, OH 45246

Stock Transfer Agent and Registrar
American Stock Transfer & Trust Company, LLC
6201 15th Avenue
Brooklyn, NY 11219
(888) 888-0317

Custodian
JPMorgan Chase Bank, N.A.
383 Madison Avenue, Fourth Floor
New York, NY 10179

Independent Registered Public Accounting Firm
PricewaterhouseCoopers LLP
601 S. Figueroa Street, Suite 900
Los Angeles, CA 90017

Legal Counsel
Paul Hastings LLP
101 California Street, Forty-Eighth Floor
San Francisco, CA 94111

Please visit us on the web at *www.kaynefunds.com* or call us toll-free at 1-877-657-3863.

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