CUSHING MLP & INFRASTRUCTURE TOTAL RETURN FUND
Form POS 8C
April 05, 2019

As filed with the Securities and Exchange Commission on April 5, 2019

Securities Act File No. 333-225523

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United States

Securities and Exchange Commission

Washington, D.C. 20549

FORM N-2

Registration Statement

under

the Securities Act of 1933
Pre-Effective Amendment No.
Post-Effective Amendment No. 2
and/or

Registration Statement

under

the Investment Company Act of 1940
Amendment No. 23

THE CUSHING® MLP & INFRASTRUCTURE TOTAL RETURN FUND

(Exact Name of Registrant as Specified in Charter)

300 Crescent Court, Suite 1700

Dallas, Texas 75201

(Address of Principal Executive Offices)

(214) 692-6334

(Registrant s Telephone Number, Including Area Code)

Jerry V. Swank

Cushing® Asset Management, LP

300 Crescent Court, Suite 1700

Dallas, Texas 75201

(Name and Address of Agent for Service)

Copies to:

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Skadden, Arps, Slate, Meagher & Flom LLP

155 North Wacker Drive

Chicago, Illinois 60606

Approximate date of proposed public offering: From time to time after the effective date of this registration statement.

If any securities being registered on this form will be offered on a delayed or continuous basis in reliance on Rule 415 under the Securities Act of 1933, as amended, other than securities offered in connection with a dividend reinvestment plan, check the following box . . . .

It is proposed that this filing will become effective (check appropriate box):

When declared effective pursuant to section 8(c).

If appropriate, check the following box:

This [post-effective] amendment designates a new effective date for a previously filed [post-effective amendment] [registration statement].

This form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act and the Securities Act registration statement number of the earlier effective registration statement for the same offering is .

The information in this Prospectus is not complete and may be changed. We may not sell these securities until the Registration Statement filed with the Securities and Exchange Commission is effective. This Prospectus is not an offer to sell these securities and is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

Subject To Completion Prospectus dated April 5, 2019

$100,000,000

The Cushing® MLP & Infrastructure Total Return Fund

Common Shares

Subscription Rights for Common Shares

Investment Objective. The Cushing® MLP & Infrastructure Total Return Fund (the Fund) is a non-diversified, closed-end management investment company. The Fund s investment objective is to obtain a high after-tax total return from a combination of capital appreciation and current income.

Investment Strategy. The Fund seeks to achieve its investment objective by investing, under normal market conditions, at least 80% of Managed Assets (as defined below) in a portfolio of infrastructure master limited partnerships (MLPs) and MLP-related investments (together, MLP Investments) (the 80% policy). For purposes of the Fund s 80% policy, MLP Investments are investments that offer economic exposure to public and private MLPs in the form of common or subordinated units issued by MLPs, securities of entities holding primarily general partner or managing member interests in MLPs, debt securities of MLPs, and securities that are derivatives of interests in MLPs, which are I-Shares and other derivative securities that have economic characteristics of MLP securities, and businesses that operate and have the economic characteristics of MLP Investments but are organized and taxed as C corporations or as limited liability companies (Other Natural Resources Companies). The Fund considers an MLP Investment to be an infrastructure MLP Investment if at least 50% of its assets, income, sales or profits are committed to or derived from the development, construction, management, ownership or operation of infrastructure assets that are used for natural resources-based activities.

(continued on inside front cover)

Investment Adviser. The Fund is managed by Cushing® Asset Management, LP (the Investment Adviser).

Offering. The Fund may offer, from time to time, up to $100,000,000 aggregate initial offering price of common shares of beneficial interest, par value $0.001 per share (Common Shares), and/or subscription rights to purchase Common Shares (Rights and together with the Common Shares, Securities) in one or more offerings in amounts, at prices and on terms set forth in one or more supplements to this Prospectus (each a Prospectus Supplement). You should read this Prospectus and any related Prospectus Supplement carefully before you decide to invest in the

Securities.

The Fund may offer Securities (1) directly to one or more purchasers, (2) through agents that the Fund may designate from time to time or (3) to or through underwriters or dealers. The Prospectus Supplement relating to a particular offering of Securities will identify any agents or underwriters involved in the sale of Securities, and will set forth any applicable purchase price, fee, commission or discount arrangement between the Fund and agents or underwriters or among underwriters or the basis upon which such amount may be calculated. The Fund may not sell Securities through agents, underwriters or dealers without delivery of this Prospectus and a Prospectus Supplement. See Plan of Distribution.

(continued on inside front cover)

Investing in the Fund s Securities involves a high degree of risk. See Risks on page 45 of this Prospectus.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined that this Prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

Prospectus dated , 2019

(continued from front cover)

Investment Strategy. Entities commonly referred to as MLPs are taxed as partnerships for U.S. federal income tax purposes and are generally organized under state law as limited partnerships or limited liability companies. If publicly traded, MLPs must derive at least 90% of their gross income from qualifying sources as described in Section 7704 of the Internal Revenue Code of 1986, as amended (the Code). The Fund will invest no more than 25% of Managed Assets in securities of MLPs that are qualified publicly traded partnerships under the Code.

The Fund seeks to obtain a high after-tax total return through investments in public and private MLP Investments that have distribution growth prospects that, in the view of the Investment Adviser (as defined below), are high relative to comparable MLP Investments and available unit pricing. The Fund intends to focus its investments in MLP Investments with operations in the development, production, processing, refining, transportation, storage and marketing of natural resources. The Fund expects to make equity investments in a mix of publicly traded securities and non-readily marketable securities that may be issued by public or private companies. The Fund will seek to hedge certain risks such as overall market, interest rate and commodity price risk.

The Fund generally seeks to invest no more than 10% of Managed Assets (as defined below) in any one issue and no more than 15% of Managed Assets in any one issuer (for purposes of this limit, with respect to an investment in an MLP, an issuer includes both an MLP and its controlling general partner or managing member), in each case, determined at the time of investment.

Among other things, the Investment Adviser will use fundamental, proprietary research to seek to identify the most attractive MLP Investments with strong fundamental growth prospects and will seek to invest in initial public offerings (IPOs) and secondary market issuances, private investment in public equity (PIPE) transactions and private transactions, including pre-acquisition and pre-IPO equity issuances and investments in private companies. Generally, no more than 50% of the Fund s portfolio will be in PIPE or other private or restricted securities at the time of investment.

As used in this Prospectus, Managed Assets means the total assets of the Fund, minus all accrued expenses incurred in the normal course of operations other than liabilities or obligations attributable to investment leverage, including, without limitation, investment leverage obtained through (i) indebtedness of any type (including, without limitation, borrowing through a credit facility or the issuance of debt securities), (ii) the issuance of shares of preferred stock or other similar preference securities and/or (iii) the reinvestment of collateral received for securities loaned in accordance with the Fund s investment objective and policies.

Tax Treatment of the Fund. Since its inception and through the Fund s fiscal year ended November 30, 2017, the Fund was treated as a regular corporation, or a C corporation, for U.S. federal income tax purposes and, as a result, unlike most investment companies, was subject to corporate income tax to the extent the Fund recognized taxable income. In conjunction with certain changes to the Fund s non-fundamental investment policies that became effective on February 20, 2018, the Fund has managed its portfolio in a manner intended to allow the Fund to qualify as, and the Fund intends to elect to be treated as, a regulated investment company (RIC) for U.S. federal income tax purposes beginning in the Fund s fiscal year ending November 30, 2018. In order to qualify as a RIC, the Fund must, among other things, satisfy income, asset diversification and distribution requirements. As long as it so qualifies, the Fund will generally not be subject to U.S. federal income tax to the extent that it distributes annually its taxable income and gains. There can be no assurance that the Fund will qualify as a RIC for any given year.

NYSE Listing. The Fund s currently outstanding Common Shares are, and the Common Shares offered by this Prospectus, will be, subject to notice of issuance, listed on the New York Stock Exchange (the NYSE) under the symbol SRV. As of April 1, 2019, the net asset value of the Fund s Common Shares was $12.11 per Common Share, and the last reported sale price for the Fund s Common Shares on the NYSE was $10.60 per Common Share, representing a discount to net asset value of 12.47%. In connection with any offering of Rights, the Fund will provide information in the Prospectus Supplement for the expected trading market, if any, for Rights.

Leverage. The Fund generally seeks to enhance total return by utilizing leverage. The Fund may utilize leverage through the issuance of commercial paper or notes and other forms of borrowing (Indebtedness) or the issuance of preferred shares, in each case to the maximum extent permitted by the Investment Company Act of 1940, as amended (the 1940 Act). Under current market conditions, the Fund currently intends to utilize leverage principally through Indebtedness. The amount of Indebtedness outstanding is expected to vary over time, but will not exceed 33⅓% of the Fund s Managed Assets (*i.e.*, 50% of its net assets attributable to the Fund s Common Shares), including the proceeds of such leverage. The costs associated with the issuance and use of leverage will be borne by the holders of the Common Shares. Leverage is a speculative technique and investors should note that there are special risks and costs associated with leverage. There can be no assurance that a leveraging strategy will be successful during any period in which it is employed. As of November 30, 2018, the Fund had outstanding Indebtedness of approximately $26.1 million, which represents 25% of the Fund s Managed Assets (or approximately 34% of its net assets attributable to the Fund s Common Shares). See Use of Leverage.

Distributions. The Fund intends to pay substantially all of its net investment income to Common Shareholders through monthly distributions. In addition, the Fund intends to distribute any net long-term capital gains to Common Shareholders at least annually. The Fund expects that distributions paid on the Common Shares will consist primarily of (i) investment company taxable income, which includes, among other things, ordinary income, net short-term capital gain and income from certain hedging and interest rate transactions, (ii) net capital gain (which is the excess of net long-term capital gain over net short-term capital loss), and/or (iii) return of capital. Historically, the Fund invested primarily in MLPs, which paid distributions that were treated, all or in part, as a return of capital for U.S. federal income tax purposes. These investments resulted in a significant portion of the Fund s distributions being characterized as return of capital for U.S. federal income tax purposes. However, effective on February 20, 2018, the Fund adopted a policy to limit its investments in securities of MLPs that are qualified publicly traded partnerships under the Code to no more than 25% of the Fund s Managed Assets, which may result in a lesser percentage of the Fund s future distributions derived from its investments being treated as a return of capital for U.S. federal income tax purposes and a greater percentage of the Fund s future distributions derived from its investments being treated as ordinary income. Distributions paid by the Fund for any particular month may be comprised of more or less than the amount of net investment income from that monthly period. As a result, all or a portion of a distribution may be deemed a return of capital (which is in effect a partial return of the amount a Common Shareholder invested in the Fund) up to the amount of the Common Shareholder s tax basis in their Common Shares, which would reduce such tax basis. Although a return of capital may not be taxable, it will generally increase the Common Shareholder s potential gain, or reduce the Common Shareholder s potential loss, on any subsequent sale or other disposition of Common Shares. Common Shareholders should not assume that the source of a distribution from the Fund is net income or profit, and Common Shareholders who receive distributions that include return of capital should not assume that such return of capital is derived from the Fund s investments. For the fiscal year ended November 30, 2018, the Fund s distributions were comprised of approximately 1% ordinary income and 99% return of capital.

You should read this Prospectus, which contains important information about the Fund that you should know before deciding whether to invest, and retain it for future reference. A Statement of Additional Information, dated , 2019 (SAI), containing additional information about the Fund, has been filed with the Securities and Exchange Commission (the SEC) and is incorporated by reference in its entirety into this Prospectus. You may request a free copy of the Statement of Additional Information, the table of contents of which is on page 94 of this Prospectus, and the Fund s annual and semi-annual reports by calling toll-free (888) 777-2346, or you may obtain a copy of such reports, the SAI and other information regarding the Fund from the SEC s website (*http://www.sec.gov*). Free copies of the Fund s annual and semi-annual reports are also be available from the Fund s website at *www.cushingcef.com.* Information on, or accessible through, the Fund s website is not a part of, and is not incorporated into, this Prospectus.

Beginning on January 1, 2021 as permitted by regulations adopted by the Securities and Exchange Commission, paper copies of the Fund s shareholder reports will no longer be sent by mail, unless you specifically request paper copies of the reports from the Fund or from your financial intermediary, such as a broker-dealer or bank.

Instead, the reports will be made available on a website, 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 electronically from the Fund by calling 800-236-4424 or by contacting your financial intermediary.

You may elect to receive all future reports in paper free of charge. You can request to continue receiving paper copies of your shareholder reports by contacting your financial intermediary or, if you invest directly with the Fund, calling 800-236-4424 to let the Fund know of your request. Your election to receive in paper will apply to all funds held in your account.

The Fund s securities do not represent a deposit or obligation of, and are not guaranteed or endorsed by, any bank or other insured depository institution and are not federally insured by the Federal Deposit Insurance Corporation, the Federal Reserve Board or any other government agency.

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You should rely only on the information contained or incorporated by reference in this Prospectus. The Fund has not authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. The Fund is not making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. The information contained in this Prospectus and any related Prospectus Supplement is accurate only as of the date of this Prospectus and any related Prospectus Supplement, regardless of the time of delivery of this Prospectus and any related Prospectus Supplement or of any sale of Securities of the Fund. The Fund s business, financial condition and prospects may have changed since that date.

CAUTIONARY NOTICE REGARDING FORWARD-LOOKING STATEMENTS

This Prospectus, including documents incorporated by reference, contain forward-looking statements. Forward-looking statements can be identified by the words may, will, intend, expect, estimate, continue, pla anticipate, and similar terms and the negative of such terms. By their nature, all forward-looking statements involve risks and uncertainties, and actual results could differ materially from those contemplated by the forward-looking statements. Many factors that could materially affect the Fund s actual results are the performance of the portfolio of securities held by the Fund, the conditions in the U.S. and international financial, petroleum and other markets, the price at which the Fund s Common Shares will trade in the public markets and other factors discussed in this Prospectus and to be discussed in the Fund s periodic filings with the SEC.

Although the Fund believes that the expectations expressed in such forward-looking statements are reasonable, actual results could differ materially from those expressed or implied in such forward-looking statements. The Fund s future financial condition and results of operations, as well as any forward-looking statements, are subject to change and are subject to inherent risks and uncertainties, such as those disclosed in the Risks section of this Prospectus. You are cautioned not to place undue reliance on these forward-looking statements. All forward-looking statements contained or incorporated by reference in this Prospectus are made as of the date of this Prospectus. Except for the Fund s ongoing obligations under the federal securities laws, the Fund does not intend, and the Fund undertakes no obligation, to update any forward-looking statement. The forward-looking statements contained in this Prospectus are excluded from the safe harbor protection provided by section 27A of the Securities Act of 1933, as amended.

Currently known risk factors that could cause actual results to differ materially from the Fund s expectations include, but are not limited to, the factors described in the Risks section of this Prospectus. The Fund urges you to review carefully this section for a more detailed discussion of the risks of an investment in the Fund s securities.

PROSPECTUS SUMMARY

This is only a summary of information contained elsewhere in this prospectus (the Prospectus). This summary does not contain all of the information that you should consider before investing in the Fund s securities. In particular, you should carefully read the more detailed information contained in this Prospectus and the statement of additional information, dated , 2019 (the SAI), especially the information set forth under the heading Risks.

The Fund

The Cushing® MLP & Infrastructure Total Return Fund is a non-diversified, closed-end management investment company registered under the 1940 Act that commenced investment operations on August 27, 2007. The Fund s Investment Adviser is Cushing® Asset Management, LP.

The Offering

The Fund may offer, from time to time, up to $100,000,000 aggregate initial offering price of common shares of beneficial interest, par value $0.001 per share (Common Shares), and/or subscription rights to purchase Common Shares (Rights and together with the Common Shares, Securities) in one or more offerings in amounts, at prices and on terms set forth in one or more supplements to this Prospectus (each a Prospectus Supplement). You should read this Prospectus and any related Prospectus Supplement carefully before you decide to invest in the Securities.

The Fund may offer Securities (1) directly to one or more purchasers, (2) through agents that the Fund may designate from time to time or (3) to or through underwriters or dealers. The Prospectus Supplement relating to a particular offering of Securities will identify any agents or underwriters involved in the sale of Securities, and will set forth any applicable purchase price, fee, commission or discount arrangement between the Fund and agents or underwriters or among underwriters or the basis upon which such amount may be calculated. The Fund may not sell Securities through agents, underwriters or dealers without delivery of this Prospectus and a Prospectus Supplement. See Plan of Distribution.

Use of Proceeds

Unless otherwise specified in a Prospectus Supplement, the Fund intends to invest the net proceeds of an offering of Securities in accordance with its investment objective and policies as stated in this Prospectus. It is currently anticipated that the Fund will be able to invest substantially all of the net proceeds of an offering of Securities in accordance with its investment objective and policies within three months after the completion of such offering. Prior to the time the proceeds of each offering are fully invested, such proceeds may temporarily be invested in cash, cash equivalents, or in debt securities that are rated AA or higher. Income received by the Fund from such temporary investments would likely be less than returns sought pursuant to the Fund s investment objective and policies. A delay in the anticipated use of proceeds could lower returns and reduce the Fund s distribution to holders of Common Shares (Common Shareholders).

Investment Objective

The Fund s investment objective is to obtain a high after-tax total return from a combination of capital appreciation and current income. There can be no assurance that the Fund s investment objective will be achieved.

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Principal Investment Policies

The Fund seeks to achieve its investment objective by investing, under normal market conditions, at least 80% of Managed Assets (as defined in this Prospectus) in a portfolio of infrastructure master limited partnerships (MLPs) and MLP-related investments (together, MLP Investments) (the 80% policy). For purposes of the Fund s 80% policy, MLP Investments are investments that offer economic exposure to public and private MLPs in the form of common or subordinated units issued by MLPs, securities of entities holding primarily general partner or managing member interests in MLPs, debt securities of MLPs, and securities that are derivatives of interests in MLPs, which are I-Shares and other derivative securities that have economic characteristics of MLP securities, and businesses that operate and have the economic characteristics of MLP Investments but are organized and taxed as C corporations or as limited liability companies (Other Natural Resources Companies). The Fund considers an MLP Investment to be an infrastructure MLP Investment if at least 50% of its assets, income, sales or profits are committed to or derived from the development, construction, management, ownership or operation of infrastructure assets that are used for natural resources-based activities.

Entities commonly referred to as MLPs are taxed as partnerships for U.S. federal income tax purposes and are generally organized under state law as limited partnerships or limited liability companies. If publicly traded, MLPs must derive at least 90% of their gross income from qualifying sources as described in Section 7704 of the Code. The Fund will invest no more than 25% of Managed Assets in securities of MLPs that are qualified publicly traded partnerships under the Code.

The Fund generally seeks to invest no more than 10% of Managed Assets (as defined below) in any one issue and no more than 15% of Managed Assets in any one issuer, in each case, determined at the time of investment. For purposes of this limit, with respect to an investment in an MLP, an issuer includes both an issuer and its controlling general partner, managing member or sponsor, and an issue is a class of an issuer s securities or a derivative security that tracks that class of securities.

Among other things, the Investment Adviser will use fundamental and proprietary research to seek to identify the most attractive MLP Investments and will seek to invest in MLP Investments that have distribution growth prospects that, in the Investment Adviser s view, are high relative to comparable MLP Investments and that are not fully reflected in current pricing. The Investment Adviser believes that the MLP Investments most likely to offer such attractive investment characteristics are those that have proven and motivated management teams that are able to develop projects organically (greenfield or internally developed) and/or to successfully identify, acquire and integrate assets and companies that enhance value to shareholders.

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As part of the Fund s 80% policy, the Investment Adviser will also seek to invest in MLPs or other entities that hold the general partner or managing member interest and incentive distribution rights in MLPs (GP MLPs). The Investment Adviser believes the distribution growth prospects of many GP MLPs are high relative to many other MLPs, and the Investment Adviser will seek to invest in GP MLPs in which the Investment Adviser believes that such growth is not fully reflected in current pricing. Like MLPs with strong distribution growth prospects, GP MLPs with strong growth prospects often trade at prices that result in relatively low current yields. Since the Investment Adviser will seek to maximize total return through a focus on MLPs and GP MLPs with strong distribution growth prospects, the Investment Adviser believes the distribution yield of the Fund will be lower than it would be under a more diversified investment approach.

As used in this Prospectus, Managed Assets means the total assets of the Fund, minus all accrued expenses incurred in the normal course of operations other than liabilities or obligations attributable to investment leverage, including, without limitation, investment leverage obtained through (i) indebtedness of any type (including, without limitation, borrowing through a credit facility or the issuance of debt securities), (ii) the issuance of shares of preferred stock (preferred shares) or other similar preference securities and/or (iii) the reinvestment of collateral received for securities loaned in accordance with the Fund s investment objective and policies.

The Investment Adviser will seek to invest in initial public offerings (IPOs) and secondary market issuances, PIPE transactions and privately negotiated transactions, including pre-acquisition and pre-IPO equity issuances and investments in private companies. Generally, no more than 50% of the Fund s portfolio will be in PIPE or other private or restricted securities at the time of investment. See Investment Objective and Policies.

The Fund s investment objective and percentage parameters, including its 80% MLP investment policy, are not fundamental policies of the Fund and may be changed without shareholder approval. Shareholders, however, will be notified in writing of any change at least 60 days prior to effecting any such change.

The Fund s Investments

MLPs. Master limited partnerships are formed as limited partnerships or limited liability companies and taxed as partnerships for U.S. federal income tax purposes. The securities issued by many MLPs are listed and traded on a U.S. exchange. An MLP typically issues general partner and limited partner interests or managing member and member interests. The general partner or managing member manages and often controls, has an ownership stake in, and is normally eligible to receive incentive distribution payments from, the MLP. To be treated as a partnership for U.S. federal income tax purposes, an MLP must derive at least 90% of its gross income for each taxable year from qualifying sources as described in Section 7704 of the Code. These qualifying sources include natural resources-based activities such as the exploration, development, mining, production, processing, refining, transportation, storage and certain

marketing of mineral or natural resources. The general partner or managing member may be structured as a private or publicly-traded corporation or other entity. The general partner or managing member typically controls the operations and management of the entity through an up to 2% general partner or managing member interest in the entity plus, in many cases, ownership of some percentage of the outstanding limited partner or member interests. The limited partners or members, through their ownership of limited partner or member interests, provide capital to the entity, are intended to have no role in the operation and management of the entity and receive cash distributions. Due to their structure as partnerships for U.S. federal income tax purposes and the expected character of their income, MLPs generally do not pay federal income taxes. Thus, unlike investors in corporate securities, direct MLP investors are generally not subject to double taxation (*i.e.*, corporate level tax and tax on corporate dividends). Currently, most MLPs operate in the energy and midstream, natural resources, shipping or real estate sectors.

Other Natural Resources Companies. The Fund may invest in businesses that operate and have the economic characteristics of MLP Investments but are organized and taxed as C corporations or as limited liability companies.

Other Equity Securities. The Fund may invest up to 20% of its Managed Assets in equity securities of issuers other than MLPs or Other Natural Resources Companies, including issuers engaged in other sectors, including the finance and real estate sectors. The Fund may invest in equity securities of issuers of any market capitalization size.

Debt Securities. The Fund may invest in debt securities rated, at the time of investment, at least (i) B3 by Moody s Investors Service, Inc. (Moody s), (ii) B- by Standard & Poor s (S&P) or Fitch Ratings (Fitch), or (iii) a comparable rating by another rating agency, provided, however, that the Fund may invest up to 5% of the Fund s Managed Assets in lower rated or unrated debt securities. Debt securities rated below investment grade are commonly known as junk bonds and are regarded as predominantly speculative with respect to the issuer s capacity to pay interest and repay principal in accordance with the terms of the obligations, and involve major risk exposure to adverse conditions. The Fund may invest in debt securities of any maturity.

Non-U.S. Securities. The Fund may invest in non-U.S. securities, including securities of issuers in emerging markets. The Fund s investments may include non-U.S. securities represented by American Depositary Receipts (ADRs). ADRs are certificates evidencing ownership of shares of a non-U.S. issuer that are issued by depositary banks and generally trade on an established market in the United States or elsewhere.

As used in this Prospectus, Managed Assets means the total assets of the Fund, minus all accrued expenses incurred in the normal course of operations other than liabilities or obligations attributable to investment leverage, including, without limitation, investment leverage obtained through (i) indebtedness of any type (including, without limitation, borrowing through a credit facility or the issuance of debt securities), (ii) the issuance of shares of preferred stock (preferred shares) or other

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similar preference securities and/or (iii) the reinvestment of collateral received for securities loaned in accordance with the Fund s investment objective and policies.

See The Fund s Investments.

Investment Characteristics

The Investment Adviser believes that the following characteristics of MLP Investments make them attractive investments:

Many MLPs and Other Natural Resources Companies are utility-like in nature and have relatively stable cash flows (*i.e.*, cash dividends and distributions paid to shareholders of such MLPs and Other Natural Resources Companies, such as the Fund).

MLPs and Other Natural Resources Companies provide services which help meet the largely inelastic demand of U.S. energy consumers.

Transportation assets in the interstate and intrastate pipeline sector are typically backed by relatively long-term contracts and stable transportation rates (or tariffs) that are regulated by the U.S. Federal Energy Regulatory Commission (FERC) or by state regulatory commissions.

High barriers to entry may protect the business model of some MLPs and Other Natural Resources Companies since construction of the physical assets typically owned by these companies generally requires significant capital expenditures and long lead times.

As the location and quality of natural resources supplies change, new midstream infrastructure such as gathering and transportation pipelines, treating and processing facilities, and storage facilities is needed to meet these new logistical needs. Similarly, as the demographics of demand centers change, new infrastructure is often needed. MLPs and Other Natural Resources Companies are integral providers of these midstream needs.

Requirements for new and additional transportation fuel compositions (*e.g.*, reduced sulfur diesel and ethanol blends) require additional logistical assets. MLPs and Other Natural Resources Companies are integral providers of these logistical needs.

Midstream assets are typically long-lived and tend to retain their economic value, and the risk of technological obsolescence is low.

In addition to their growth potential, MLP Investments may offer higher yields than some investments, such as utilities and real estate investment trusts. Of course, there can be no guarantee that the MLP Investments in the Fund s portfolio will generate higher yields than these other asset classes, and since the Investment Adviser will seek to maximize total return through a focus on MLP Investments with strong distribution growth prospects, the Investment Adviser believes the distribution yield of the Fund will be lower than it would be under a more diversified investment approach.

An investment in MLPs and Other Natural Resources Companies also involves risks. See Risks for additional information regarding risks associated with the Fund s investments in MLPs and Other Natural Resources Companies.

Leverage

The Fund may seek to enhance its total return by utilizing leverage. The Fund may utilize leverage through the issuance of commercial paper or notes and other forms of borrowing (Indebtedness) or the issuance of preferred shares. The Fund may utilize leverage through Indebtedness or preferred shares to the maximum extent permitted by the 1940 Act. Under current market conditions, the Fund intends to utilize leverage principally through Indebtedness. The amount of Indebtedness outstanding is expected to vary over time, but will not exceed 33⅓% of the Fund s Managed Assets (*i.e.*, 50% of its net assets attributable to the Fund s Common Shares), including the proceeds of such leverage.

The costs associated with the issuance and use of leverage will be borne by the holders of the Common Shares. Leverage is a speculative technique, and investors should note that there are special risks and costs associated with leverage. There can be no assurance that a leveraging strategy will be successful during any period in which it is employed.

The Fund will only utilize leverage when it expects to be able to invest the proceeds at a higher rate of return than its cost of borrowing. The use of leverage for investment purposes creates opportunities for greater total return, but at the same time increases risk. When leverage is employed, the net asset value, market price of the Common Shares and the yield to holders of Common Shares may be more volatile. Any investment income or gains earned with respect to the amounts borrowed in excess of the interest due on the borrowing will augment the Fund s income. Conversely, if the investment performance with respect to the amounts borrowed fails to cover the interest on such borrowings, the value of the Fund s Common Shares may decrease more quickly than would otherwise be the case and distributions on the Common Shares would be reduced or eliminated. Interest payments and fees incurred in connection with such borrowings will reduce the amount of net income available for distribution to Common Shareholders.

The Fund currently utilizes Indebtedness pursuant to a borrowing arrangement with Scotiabank™. The interest rate charged on such Indebtedness is 1-month London Interbank Offered Rate (LIBOR) plus 1.00%. As of November 30, 2018, the principal balance outstanding was approximately $26.1 million, which represented 25% of the Fund s Managed Assets (or approximately 34% of its net assets attributable to the Fund s Common Shares).

The costs associated with the issuance and use of leverage are borne by the holders of the Common Shares. Because the investment management fee paid to the Investment Adviser is calculated on the basis of the Fund s Managed Assets, which include the proceeds of leverage, the dollar amount of the management fee paid by the Fund to the Investment Adviser will be higher (and the Investment Adviser will be benefited to

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that extent) when leverage is utilized. The Investment Adviser will utilize leverage only if it believes such action would result in a net benefit to the Fund s shareholders after taking into account the higher fees and expenses associated with leverage (including higher management fees). There can be no assurance that a leveraging strategy will be successful during any period in which it is employed. See Use of Leverage.

Tax Treatment of the Fund

Since its inception and through the Fund s fiscal year ended November 30, 2017, the Fund was treated as a regular corporation, or a C corporation, for U.S. federal income tax purposes and, as a result, unlike most investment companies, was subject to corporate income tax to the extent the Fund recognized taxable income. However, in conjunction with certain changes to the Fund s non-fundamental investment policies that became effective on February 20, 2018, the Fund intends to qualify as, and elect to be treated as, a RIC for U.S. federal income tax purposes beginning in the Fund s fiscal year ending November 30, 2018. In order to qualify as a RIC, the Fund must, among other things, satisfy income, asset diversification and distribution requirements. As long as it so qualifies, the Fund will generally not be subject to U.S. federal income tax to the extent that it distributes annually its taxable income and gains. There can be no assurance that the Fund will qualify as a RIC for any given year.

See U.S. Federal Income Tax Considerations.

Investment Adviser

The Fund s investments are managed by its Investment Adviser, Cushing® Asset Management, LP, whose principal business address is 300 Crescent Court, Suite 1700, Dallas, Texas 75201. The Investment Adviser serves as investment adviser to registered and unregistered funds, which invest primarily in securities of MLPs and Other Natural Resources Companies and global commodities. The Investment Adviser continues to seek to expand its platform of energy-related investment products, leveraging extensive industry contacts and significant research depth to drive both passive and actively managed investment opportunities for individual and institutional investors. The Investment Adviser seeks to identify and exploit investment niches that it believes are generally less understood and less followed by the broader investor community.

The Investment Adviser considers itself one of the principal professional institutional investors in the natural resources sector based on the following:

An investment team with extensive experience in analysis, portfolio management, risk management, and private securities transactions.

A focus on bottom-up, fundamental analysis performed by its experienced investment team is core to the Investment Adviser s investment process.

The investment team s wide range of professional backgrounds, market knowledge, industry relationships, and experience in the analysis, financing, and structuring of energy income investments give the Investment Adviser insight into, and the ability to identify and capitalize on, investment opportunities.

Its central location in Dallas, Texas and proximity to major players and assets in the natural resources sector.

Distributions	The Fund intends to pay substantially all of its net investment income to Common Shareholders through monthly distributions. In addition, the Fund intends to distribute any net long-term capital gains to Common Shareholders at least annually. The Fund expects that distributions paid on the Common Shares will consist primarily of (i) investment company taxable income, which includes, among other things, ordinary income, net short-term capital gain and income from certain hedging and interest rate transactions, (ii) net capital gain (which is the excess of net long-term capital gain over net short-term capital loss), and/or (iii) return of capital. Historically, the Fund invested primarily in MLPs, which paid distributions that were treated, all or in part, as a return of capital for U.S. federal income tax purposes. These investments resulted in a significant portion of the Fund s distributions being characterized as return of capital for U.S. federal income tax purposes. However, effective on February 20, 2018, the Fund adopted a policy to limit its investments in securities of MLPs that are qualified publicly traded partnerships under the Code to no more than 25% of the Fund s Managed Assets, which may result in a lesser percentage of the Fund s future distributions derived from its investments being treated as a return of capital for U.S. federal income tax purposes and a greater percentage of the Fund s future distributions derived from its investments being treated as ordinary income. Distributions paid by the Fund for any particular month may be comprised of more or less than the amount of net investment income from that monthly period. As a result, all or a portion of a distribution may be deemed a return of capital (which is in effect a partial return of the amount a Common Shareholder invested in the Fund) up to the amount of the Common Shareholder s tax basis in their Common Shares, which would reduce such tax basis. Although a return of capital may not be taxable, it will generally increase the Common Shareholder s potential gain, or reduce the Common Shareholder s potential loss, on any subsequent sale or other disposition of Common Shares. Common Shareholders should not assume that the source of a distribution from the Fund is net income or profit, and Common Shareholders who receive distributions that include return of capital should not assume that such return of capital is derived from the Fund s investments. For the fiscal year ended November 30, 2018, the Fund s distributions were comprised of approximately 1% ordinary income and 99% return of capital.
	To permit the Fund to maintain a more stable distribution rate, the Fund may distribute less or more than the income it earns on its investments in a particular period. Any undistributed income would be available to supplement future distributions and, until distributed, would add to the Fund s net asset value. Correspondingly, such amounts, once distributed, will be deducted from the Fund s net asset value. See Distributions.
Dividend Reinvestment Plan	Shareholders will automatically have all distributions reinvested in Common Shares issued by the Fund or Common Shares of the Fund purchased on the open market in accordance with the Fund s dividend reinvestment plan unless an election is made to receive cash. Common Shareholders who receive

distributions in the form of additional Common Shares will be subject to the same U.S. federal income tax consequences as Common Shareholders who elect to receive their distributions in cash. See Dividend Reinvestment Plan.

Listing and Symbol

The Fund s currently outstanding Common Shares are, and the Common Shares offered by this Prospectus will be, subject to notice of issuance, listed on the New York Stock Exchange (the NYSE) under the symbol SRV. As of April 1, 2019, the net asset value of the Fund s Common Shares was $12.11 per Common Share, and the last reported sale price for the Fund s Common Shares on the NYSE was $10.60 per Common Share, representing a discount to net asset value of 12.47%. In connection with any offering of Rights, the Fund will provide information in the Prospectus Supplement for the expected trading market, if any, for Rights.

Special Risk Considerations

The following is a summary of the principal risks associated with an investment in Common Shares of the Fund. Investors should also refer to Risks in this prospectus for a more detailed explanation of these and other risks associated with investing in the Fund.

Investment And Market Risk. An investment in Common Shares of the Fund is subject to investment risk, including the possible loss of the entire principal amount that you invest. An investment in the Common Shares of the Fund represents an indirect investment in the securities owned by the Fund. The value of those securities may fluctuate, sometimes rapidly and unpredictably. The value of the securities owned by the Fund may decline due to general market conditions that are not specifically related to a particular issuer, such as real or perceived economic conditions, changes in interest or currency rates or changes in investor sentiment or market outlook generally. At any point in time, your Common Shares may be worth less than your original investment, including the reinvestment of Fund dividends and distributions.

Common Stock Risk. The Fund will have exposure to common stocks. Although common stocks have historically generated higher average total returns than fixed-income securities over the long-term, common stocks also have experienced significantly more volatility in those returns and may significantly under-perform relative to fixed income securities during certain periods. An adverse event, such as an unfavorable earnings report, may depress the value of a particular common stock held by the Fund. Also, the price of common stocks is sensitive to general movements in the stock market and a drop in the stock market may depress the price of common stocks to which the Fund has exposure. Common stock prices fluctuate for several reasons, including changes in investors perceptions of the financial condition of an issuer or the general condition of the relevant stock market, or when political or economic events affecting the issuers occur. In addition, common stock prices may be particularly sensitive to rising interest rates, as the cost of capital rises and borrowing costs increase. At times, stock markets can be volatile and stock prices can change substantially. While broad market measures of common stocks have historically generated higher average returns than income securities, common stocks have also experienced significantly more volatility in those returns. Common stock in which the Fund may invest is structurally subordinated to preferred stock, bonds and other debt instruments in a company s capital structure in terms of priority to corporate income and are therefore inherently more risky than preferred stock or debt instruments of such issuers.

Concentration Risk. The Fund s investments will be concentrated in MLP Investments, which operate primarily in the natural resources sector. Because the Fund will be concentrated in the natural resources sector, it may be subject to more risks than if it were more broadly diversified over numerous industries and sectors of the economy. General changes in market sentiment towards MLPs and Other Natural Resources Companies may adversely affect the Fund, and the performance of MLPs and Other Natural Resources Companies may lag behind the broader market as a whole. Also, the Fund s concentration in the natural resources sector may subject the Fund to a variety risks associated with that sector.

MLP and Other Natural Resources Company Risks. Under normal circumstances, the Fund concentrates its investments in MLPs and Other Natural Resources Companies. MLP and Other Natural Resources Companies are subject to certain risks, including, but not limited to, the following:

Commodity Price Risk. Natural resources commodity prices have been very volatile in the past and such volatility is expected to continue. Fluctuations in commodity prices can result from changes in general economic conditions or political circumstances (especially of key energy-consuming countries); market conditions; weather patterns; domestic production levels; volume of imports; energy conservation; domestic and foreign governmental regulation; international politics; policies of the Organization of Petroleum Exporting Countries (OPEC); taxation; tariffs; and the availability and costs of local, intrastate and interstate transportation methods. MLPs and Other Natural Resources Companies engaged in crude oil and natural gas exploration, development or production, natural gas gathering and processing, crude oil refining and transportation and coal mining or sales may be directly affected by their respective natural resources commodity prices. The volatility of, and interrelationships between, commodity prices can also indirectly affect certain MLPs and Other Natural Resources Companies due to the potential impact on the volume of commodities transported, processed, stored or distributed. Some MLPs or Other Natural Resources Companies that own the underlying energy commodity may be unable to effectively mitigate or manage direct margin exposure to commodity price levels. The prices of MLP and Other Natural Resources Companies securities can be adversely affected by market perceptions that their performance and distributions or dividends are directly tied to commodity prices.

Cyclicality Risk. The highly cyclical nature of the natural resources sector may adversely affect the earnings or operating cash flows of the MLPs and Other Natural Resources Companies in which the Fund will invest.

Supply Risk. A significant decrease in the production of natural gas, crude oil, coal or other energy commodities, due to the decline of production from existing resources, import supply disruption, depressed commodity prices or otherwise, would reduce the revenue, operating income and operating cash flows of MLPs and

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Other Natural Resources Companies and, therefore, their ability to make distributions or pay dividends.

Demand Risk. A sustained decline in demand for coal, natural gas, natural gas liquids, crude oil and refined petroleum products could adversely affect an MLP s or an Other Natural Resources Company s revenues and cash flows.

Risks Relating to Expansions and Acquisitions. MLPs and Other Natural Resources Companies employ a variety of means to increase cash flow, including increasing utilization of existing facilities, expanding operations through new construction or development activities, expanding operations through acquisitions, or securing additional long-term contracts. Thus, some MLPs or Other Natural Resources Companies may be subject to construction risk, development risk, acquisition risk or other risks arising from their specific business strategies. MLPs and Other Natural Resources Companies that attempt to grow through acquisitions may not be able to effectively integrate acquired operations with their existing operations.

Competition Risk. The natural resources sector is highly competitive. To the extent that the MLPs and Other Natural Resources Companies in which the Fund will invest are unable to compete effectively, their operating results, financial position, growth potential and cash flows may be adversely affected, which could in turn adversely affect the results of the Fund.

Weather Risk. Extreme weather conditions could result in substantial damage to the facilities of certain MLPs and Other Natural Resources Companies located in the affected areas and significant volatility in the supply of natural resources, commodity prices and the earnings of MLPs and Other Natural Resources Companies, and could therefore adversely affect their securities.

Interest Rate Risk. The prices of the equity and debt securities of the MLPs and Other Natural Resources Companies the Fund expects to hold in its portfolio are susceptible in the short-term to a decline when interest rates rise. Rising interest rates could limit the capital appreciation of securities of certain MLPs as a result of the increased availability of alternative investments with yields comparable to those of MLPs. Rising interest rates could adversely impact the financial performance of MLPs and Other Natural Resources Companies by increasing their cost of capital. This may reduce their ability to execute acquisitions or expansion projects in a cost effective manner.

MLP Structure Risk. Holders of MLP units are subject to certain risks inherent in the structure of MLPs, including (i) tax risks (described further below), (ii) the limited ability to elect or remove management or the general partner or managing member (iii) limited voting rights, except with respect to extraordinary transactions, and (iv) conflicts of interest between the general partner or managing member and its affiliates, on the one hand, and

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the limited partners or members, on the other hand, including those arising from incentive distribution payments or corporate opportunities.

Cash Flow Risk. The Fund will derive substantially all of its cash flow from investments in equity securities of MLPs and Other Natural Resources Companies. The amount of cash that the Fund has available to distribute to shareholders will depend on the ability of the MLPs and Other Natural Resources Companies in which the Fund has an interest to make distributions or pay dividends to their investors and the tax character of those distributions or dividends. The Fund will likely have no influence over the actions of the MLPs in which it invests with respect to the payment of distributions or dividends, and may only have limited influence over Other Natural Resources Companies in that regard.

Regulatory Risk. The profitability of MLPs and Other Natural Resources Companies could be adversely affected by changes in the regulatory environment. MLPs and Other Natural Resources Companies are subject to significant foreign, federal, state and local regulation in virtually every aspect of their operations, including with respect to how facilities are constructed, maintained and operated, environmental and safety controls, and the prices they may charge for the products and services they provide. MLPs and Other Natural Resources Companies may be adversely affected by future regulatory requirements. While the nature of such regulations cannot be predicted at this time, they may impose additional costs or limit certain operations by MLPs and Other Natural Resources Companies operating in various sectors.

Environmental Risk. There is an inherent risk that MLPs and Other Natural Resources Companies may incur environmental costs and liabilities due to the nature of their businesses and the substances they handle. For example, an accidental release from wells or gathering pipelines could subject them to substantial liabilities for environmental cleanup and restoration costs, claims made by neighboring landowners and other third parties for personal injury and property damage, and fines or penalties for related violations of environmental laws or regulations. Moreover, the possibility exists that stricter laws, regulations or enforcement policies could significantly increase the compliance costs of MLPs and Other Natural Resources Companies, and the cost of any remediation that may become necessary. MLPs and Other Natural Resources Companies may not be able to recover these costs from insurance. In addition, regulation can change over time in both scope and intensity, may have adverse effects on MLPs and Other Natural Resources Companies and may be implemented in unforeseen manners on an emergency basis in response to catastrophes or other events.

Affiliated Party Risk. Certain MLPs and Other Natural Resources Companies are dependent on their parents or sponsors for a majority of their revenues. Any failure by an MLP s or an Other Natural

Resources Company s parents or sponsors to satisfy their payments or obligations would impact the MLP s or Other Natural Resources Company s revenues and cash flows and ability to make distributions. Moreover, the terms of an MLP s or an Other Natural Resources Company s transactions with its parent or sponsor are typically not arrived at on an arm s-length basis, and may not be as favorable to the MLP or Other Natural Resources Company as a transaction with a non-affiliate.

Catastrophe Risk. The operations of MLPs and Other Natural Resources Companies are subject to many hazards inherent in the exploration for, and development, production, gathering, transportation, processing, storage, refining, distribution, mining or marketing of coal, natural gas, natural gas liquids, crude oil, refined petroleum products or other hydrocarbons, including: damage to production equipment, pipelines, storage tanks or related equipment and surrounding properties caused by hurricanes, tornadoes, floods, fires and other natural disasters or by acts of terrorism; inadvertent damage from construction or other equipment; leaks of natural gas, natural gas liquids, crude oil, refined petroleum products or other hydrocarbons; and fires and explosions. If a significant accident or event occurs that is not fully insured, it could adversely affect the MLP s or Other Natural Resources Company s operations and financial condition.

Technology Risk. Some MLPs and Other Natural Resources Companies are focused on developing new technologies and are strongly influenced by technological changes. Technology development efforts by MLPs and Other Natural Resources Companies may not result in viable methods or products. MLPs and Other Natural Resources Companies may bear high research and development costs, which can limit their ability to maintain operations during periods of organizational growth or instability. Some MLPs and Other Natural Resources Companies may be in the early stages of operations and may have limited operating histories and smaller market capitalizations on average than companies in other sectors. As a result of these and other factors, the value of investments in such MLPs and Other Natural Resources Companies may be considerably more volatile than that in more established segments of the economy.

Sub-Sector Specific Risks. MLPs and Other Natural Resources Companies are also subject to risks that are specific to the particular sub-sector of the natural resources sector in which they operate.

Pipelines. Pipeline companies are subject to the demand for natural gas, natural gas liquids, crude oil or refined products in the markets they serve, changes in the availability of products for gathering, transportation, processing or sale due to natural declines in reserves and production in the supply areas serviced by the companies facilities, sharp decreases in crude oil or natural gas prices that cause producers to curtail production or reduce capital spending for exploration activities, and environmental regulation. Demand for gasoline, which accounts for a substantial portion of refined product transportation, depends on price, prevailing economic conditions in the markets served, and demographic and seasonal factors.