

CUSHING MLP & INFRASTRUCTURE TOTAL RETURN FUND

Form N-Q

April 29, 2019

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM N-Q
QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED MANAGEMENT
INVESTMENT COMPANY

Investment Company Act file number: 811-22072

The Cushing MLP & Infrastructure Total Return Fund
(Exact name of registrant as specified in charter)

300 Crescent Court, Suite 1700
Dallas, TX 75201
(Address of principal executive offices) (Zip code)

Jerry V. Swank
300 Crescent Court, Suite 1700
Dallas, TX 75201
(Name and address of agent for service)

214-692-6334
Registrant's telephone number, including area code

Date of fiscal year end: November 30

Date of reporting period: February 28, 2019

Item 1. Schedule of Investments.

Cushing MLP &
Infrastructure Total
Return Fund
SCHEDULE OF
INVESTMENTS
(Unaudited)

February 28, 2019

		Fair
Common Stock - 82.5%	Shares	Value
General Partners - 5.1%		
United States - 5.1%		
Enlink Midstream, LLC ⁽¹⁾	355,000	\$ 3,958,250
Large Cap Diversified C Corps - 51.4%		
Canada - 13.7%		
Enbridge, Inc. ⁽¹⁾	142,050	5,254,429
TransCanada Corporation ⁽¹⁾	119,100	5,326,152
United States - 37.7%		
Cheniere Energy Inc. ⁽¹⁾⁽²⁾	20,000	1,289,000
Kinder Morgan, Inc. ⁽¹⁾	316,650	6,067,014

Edgar Filing: CUSHING MLP & INFRASTRUCTURE TOTAL RETURN FUND - Form N-Q

ONEOK, Inc. ⁽¹⁾	114,223	7,339,970
Semgroup Corporation	70,000	1,101,800
Targa Resources Corporation ⁽¹⁾	162,500	6,539,000
Williams Companies, Inc. ⁽¹⁾	252,304	6,733,994
		39,651,359
Natural Gas Gatherers & Processors - 7.8%		
Canada - 6.7%		
Pembina Pipeline Corporation ⁽¹⁾	141,600	5,188,224
United States - 1.1%		
Altus Midstream Corporation ⁽¹⁾⁽²⁾	142,602	872,724
		6,060,948
Natural Gas Transportation & Storage - 1.7%		
United States - 1.7%		
Equitrans Midstream Corporation ⁽¹⁾	75,000	1,323,000
Refiners - 2.9%		
United States - 2.9%		
Valero Energy Corporation ⁽¹⁾	27,600	2,251,056

Utilities - 5.5%		
United States - 5.5%		
Dominion Energy, Inc. ⁽¹⁾	19,700	1,459,573
NextEra Energy, Inc. ⁽¹⁾	14,700	2,759,484
		4,219,057
Yield - 8.1%		
United Kingdom - 5.6%		
Atlantica Yield Plc ⁽¹⁾	216,750	4,326,330
United States - 2.5%		
Clearway Energy Inc. ⁽¹⁾	77,500	1,161,725
Pattern Energy Group Inc. ⁽¹⁾	36,000	750,960
		6,239,015
Total Common Stocks (Cost \$62,169,095)		\$ 63,702,685

MLP Investments and Related Companies - 53.8%		
Large Cap Diversified C Corps -		
8.4%		
United States -		
8.4%		
Plains GP Holdings, L.P. ⁽¹⁾	278,500	\$ 6,458,415
Large Cap MLP -		
21.6%		
United States -		
21.6%		
Energy Transfer Equity, L.P. ⁽¹⁾	491,304	7,266,386
Enterprise Products Partners, L.P. ⁽¹⁾	256,900	7,103,285
MPLX, L.P. ⁽¹⁾	70,284	2,330,617
		16,700,288
Marine -		
4.4%		
Republic of the		

Edgar Filing: CUSHING MLP & INFRASTRUCTURE TOTAL RETURN FUND - Form N-Q

Marshall Islands		
-		
4.4%		
GasLog Partners, L.P. ⁽¹⁾	153,900	3,401,190
Natural Gas Gatherers & Processors		
- 9.8%		
United States		
-		
9.8%		
Cheniere Energy Partners, L.P. ⁽¹⁾	45,300	2,008,149
DCP Midstream Partners, L.P. ⁽¹⁾	60,700	1,956,361
Enable Midstream Partners, L.P. ⁽¹⁾	77,150	1,147,221
Western Midstream Partners, L.P. ⁽¹⁾	72,438	2,423,759
		7,535,490
Upstream MLPs		
-		
3.1%		
United States		
-		
3.1%		
Viper Energy Partners L.P.	71,850	2,364,584

YieldCo

-

6.5%

United
States

-

6.5%

NextEra

Energy
Partners,
L.P.⁽¹⁾

117,050

5,055,389

Total MLP

Investments and
Related

\$ 41,515,356

Companies (Cost
\$42,293,046)

Fixed

Income

-

5.0%

Crude Oil
&
Refined
Products

- 2.4%

United
States

-

2.4%

Semgroup

Corporation,
6.375%,
due

1,000,000

\$ 947,500

03/15/2025⁽¹⁾

Rose Rock
Midstream

L.P., 5.625%,
due

1,000,000

940,000

11/15/2023⁽¹⁾

1,887,500

Natural

Gas

Gatherers

&

Processors

- 2.6%

United

States

-

2.6%

DCP

Midstream,

L.P.,

7.375%,

due

06/15/2023⁽¹⁾

2,075,000	1,999,314
-----------	-----------

Total

Fixed

Income

\$ 3,886,814

(Cost

\$3,946,209)

Edgar Filing: CUSHING MLP & INFRASTRUCTURE TOTAL RETURN FUND - Form N-Q

Short-Term Investments - Investment Companies - 1.0%

United States - 1.0%

Fidelity Government Portfolio Fund - Institutional Class, 2.29% ⁽¹⁾⁽³⁾	196,715	\$ 196,715
First American Prime Obligations Fund - Class Z, 2.29% ⁽¹⁾⁽³⁾	196,715	196,715
Invesco Short-Term Government & Agency Portfolio - Institutional Class, 2.33% ⁽¹⁾⁽³⁾	196,715	196,715
Morgan Stanley Institutional Liquidity Funds - Government Portfolio - Institutional Class, 2.31% ⁽¹⁾⁽³⁾	196,715	196,715
Total Short-Term Investments - Investment Companies (Cost \$786,860)		\$ 786,860

Total Investments - 142.3% (Cost \$109,195,210)		\$ 109,891,715
Written Options ⁽⁴⁾ - 0.0% (Premiums received \$17,115)		(19,950)
Liabilities in Excess of Other Assets - (42.3)%		(32,671,214)
Net Assets Applicable to Common Stockholders - 100.0%		\$ 77,200,551

All or a portion of these securities

(1) are held as collateral pursuant to the loan agreements.

(2) No distribution or dividend was made during the period ended February 28, 2019. As such, it is classified as a non-income producing security as of February 28, 2019.

(3) Rate reported is the current yield as of February 28, 2019.

(4) <u>Description</u>	<u>Exercise Price</u>	<u>Expiration Date</u>	<u>Currency</u>	<u>Number of Contracts</u>	<u>Premiums Received</u>	<u>Fair Value</u>	<u>Unrealized Appreciation (Depreciation)</u>
Cheniere Energy, Inc., Call Option	\$45.00	3/19/2019	USD	100	\$4,296	\$8,000	(\$3,704)
Cheniere Energy, Inc., Call Option	\$71.00	3/19/2019	USD	100	\$5,895	\$550	\$5,345
NextEra Energy Inc., Call Option	\$190.00	3/19/2019	USD	100	\$3,327	\$11,000	(\$7,673)
Valero Energy Corporation, Call Option	\$90.00	3/19/2019	USD	100	\$3,597	\$400	\$3,197
					\$17,115	\$19,950	(\$2,835)

Tax Basis

The cost basis of investments for federal income tax purposes at February 28, 2019 was as follows*:

Cost of investments	\$ 109,178,095
Gross unrealized appreciation	5,461,946
Gross unrealized depreciation	(4,768,274)
Net unrealized appreciation	\$ 693,672

*The above table only reflects tax adjustments through November 30, 2018. For the previous fiscal year's federal income tax information, please refer to the Notes to Financial Statements section in the Cushing MLP & Infrastructure Total Return Fund's (the "Fund") most recent semi-annual or annual report.

Fair Value Measurements

Various inputs that are used in determining the fair value of the Fund's investments are summarized in the three broad levels listed below:

- Level 1 — quoted prices in active markets for identical securities
- Level 2 — other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.)
- Level 3 — significant unobservable inputs (including the Fund's own assumptions in determining the fair value of investments)

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

Edgar Filing: CUSHING MLP & INFRASTRUCTURE TOTAL RETURN FUND - Form N-Q

These inputs are summarized in the three broad levels listed below.

Description	Fair Value at February 28, 2019	Fair Value Measurements at Reporting Date Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets				
Equity Securities				
Common Stock ^(a)	\$ 61,451,629	\$ 61,451,629	\$ -	\$ -
Master Limited Partnerships and Related Companies ^(a)				
	43,766,412	43,766,412	-	-
Total Equity Securities	105,218,041	105,218,041	-	-
Notes				
Senior Notes ^(a)	3,886,814	-	3,886,814	-
Total Notes	3,886,814	-	3,886,814	-
Other				
Short Term Investments ^(a)				
	786,860	786,860	-	-
Total Other	786,860	786,860	-	-
Total Assets	\$ 109,891,715	\$ 106,004,901	\$ 3,886,814	\$ -
Liabilities				
Written Options	\$ 19,950	\$ 19,400	\$ 550	\$ -
Total Liabilities	\$ 19,950	\$ 19,950	\$ 550	\$ -

^(a) All other industry classifications are identified in the Schedule of Investments. The Fund did not hold Level 3 investments at any time during the period ended February 28, 2019.

Transfers into and out of each level are measured at fair value at the end of the period. There were no transfers between any levels during the period ended February 28, 2019.

Derivative Financial Instruments

The Fund provides disclosure regarding derivatives and hedging activity to allow investors to understand how and why the Fund uses derivatives, how derivatives are accounted for, and how derivative instruments affect the Fund's results of operations and financial position.

The Fund occasionally purchases and sells ("writes") put and call equity options as a source of potential protection against a broad market decline. A purchaser of a put option has the right, but not the obligation, to sell the underlying instrument at an agreed upon price ("strike price") to the option seller. A purchaser of a call option has the right, but not

the obligation, to purchase the underlying instrument at the strike price from the option seller. Options are settled for cash.

Purchased Options — Premiums paid by the Fund for purchased options are included in the Statement of Assets and Liabilities as an investment. The option is adjusted daily to reflect the fair value of the option and any change in fair value is recorded as unrealized appreciation or depreciation of investments. If the option is allowed to expire, the Fund will lose the entire premium paid and record a realized loss for the premium amount. Premiums paid for purchased options which are exercised or closed are added to the amounts paid or offset against the proceeds on the underlying investment transaction to determine the realized gain/loss or cost basis of the security.

Written Options — Premiums received by the Fund for written options are included in the Statement of Assets and Liabilities. The amount of the liability is adjusted daily to reflect the fair value of the written option and any change in fair value is recorded as unrealized appreciation or depreciation of investments. Premiums received from written options that expire are treated as realized gains. The Fund records a realized gain or loss on written options based on whether the cost of the closing transaction exceeds the premium received. If a call option is exercised by the option buyer, the premium received by the Fund is added to the proceeds from the sale of the underlying security to the option buyer and compared to the cost of the closing transaction to determine whether there has been a realized gain or loss. If a put option is exercised by an option buyer, the premium received by the option seller reduces the cost basis of the purchased security.

Written uncovered call options subject the Fund to unlimited risk of loss. Written covered call options limit the upside potential of a security above the strike price. Put options written subject the Fund to risk of loss if the value of the security declines below the exercise price minus the put premium.

The Fund is not subject to credit risk on written options as the counterparty has already performed its obligation by paying the premium at the inception of the contract.

The Fund has adopted the disclosure provisions of FASB Accounting Standard Codification 815, Derivatives and Hedging (“ASC 815”). ASC 815 requires enhanced disclosures about the Fund’s use of and accounting for derivative instruments and the effect of derivative instruments on the Fund’s results of operations and financial position. Tabular disclosure regarding derivative fair value and gain/loss by contract type (e.g., interest rate contracts, foreign exchange contracts, credit contracts, etc.) is required and derivatives accounted for as hedging instruments under ASC 815 must be disclosed separately from those that do not qualify for hedge accounting. Even though the Fund may use derivatives in an attempt to achieve an economic hedge, the Fund’s derivatives are not accounted for as hedging instruments under ASC 815 because investment companies account for their derivatives at fair value and record any changes in fair value in current period earnings.

There were no transactions in purchased options during the period ended February 28, 2019.

The average monthly fair value of written options during the period ended February 28, 2019 was \$21,392.

The effect of derivative instruments on the Statement of Operations for the period ended February 28, 2019:

Amount of Realized Gain (Loss)
on Derivatives Recognized in
Income

Derivatives
not
accounted
for

Purchased Options	Written Options	Total
\$	- \$ 71,087	\$ 71,087

as
hedging
instruments
under
ASC
815

\$ - \$ 71,087 \$ 71,087

Equity
Contracts

Amount of Unrealized Appreciation (Depreciation) on Derivatives
Recognized in Income

Derivatives not accounted for as hedging instruments under ASC 815	Purchased Options	Written Options	Total
Equity Contracts	\$ -	\$ (2,835)	\$ (2,835)

Asset derivatives

Risk Exposure Category	Statement of Assets and Liabilities location	Fair Value
Equity Contracts	Written options, at fair value	\$ 19,950

Item 2. Controls and Procedures.

The Fund's President and Treasurer have concluded that the Fund's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940 (the "1940 Act")) (17 CFR 270.30a-3(c)) are effective as of a date within 90 days of the filing date of the report that includes the disclosure required by this paragraph, (a) based on the evaluation of these controls and procedures required by Rule 30a-3(b) under the 1940 Act (17 CFR 270.30a-3(b)) and Rule 13a-15(b) or Rule 15d-15(b) under the Securities Exchange Act of 1934, as amended (17 CFR 240.13a-15(b) or 240.15d-15(d)).

There were no changes in the Fund's internal control over financial reporting (as defined in Rule 30a-3(d) under the (b) 1940 Act) (17 CFR 270.30a-3(d)) that occurred during the Fund's last fiscal quarter that have materially affected, or are reasonably likely to materially affect, the Fund's internal control over financial reporting.

Item 3. Exhibits.

Separate certifications for each principal executive officer and principal financial officer of the Fund as required by Rule 30a-2(a) under the 1940 Act (17 CFR 270.30a-2(a)). Filed herewith.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the Fund has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

(Registrant) The Cushing MLP & Infrastructure Total Return Fund

By (Signature and Title) /s/ Jerry V. Swank
Jerry V. Swank, President & Chief Executive Officer

Date April 29, 2019

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the Fund and in the capacities and on the dates indicated.

By (Signature and Title) /s/ Jerry V. Swank
Jerry V. Swank, President & Chief Executive Officer

Date April 29, 2019

By (Signature and Title) /s/ John H. Alban
John H. Alban, Treasurer & Chief Financial Officer

Date April 29, 2019
