Cushing MLP Total Return Fund
Form N-CSR
February 07, 2014
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As filed with the Securities and Exchange Commission on February 7, 2014

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM N-CSR

CERTIFIED SHAREHOLDER REPORT OF REGISTERED

MANAGEMENT INVESTMENT COMPANIES

Investment Company Act file number 811-22072

The Cushing MLP Total Return Fund

(Exact name of registrant as specified in charter)

8117 Preston Road, Suite 440, Dallas, TX 75225

(Address of principal executive offices) (Zip code)

Jerry V. Swank

8117 Preston Road, Suite 440, Dallas, TX 75225

(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: November 30, 2013

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Item 1. Reports to Stockholders.

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Annual Report

November 30, 2013

THE CUSHING® MLP TOTAL RETURN FUND

Investment Adviser

Cushing® MLP Asset Management, LP

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The Cushing® MLP Total Return Fund

Shareholder Letter

Dear Fellow Shareholders,

As we discuss in detail below, the Cushing® MLP Total Return Fund (SRV or the Fund) ended its fiscal year with positive performance. The master limited partnership (MLP) market specifically benefited from robust capital flows into the sector and continued positive business fundamentals.

In particular, the Fund benefited from overweight positions in the Natural Gas Gatherers and Processors, Crude Oil and Refined Products and Large Capitalization Diversified subsectors. For the Natural Gas Gatherers and Processors segment, we seek to own MLPs that have some or all of the following characteristics: a strong management team, good assets with a competitive position in a key market or an emerging basin, predominantly fixed fee contracts and visible growth through organic projects and/or drop-down acquisitions. We believe the benefits of these traits more than offset the near-term headwinds from a currently challenging natural gas liquid (NGL) pricing environment.

MLPs exposed to the build-out of crude oil infrastructure continued to benefit from the U.S. energy Renaissance. U.S. onshore crude oil production was significant for the period, which we believe not only supported continued volume growth for crude-levered MLPs, but also provided a wealth of infrastructure investment opportunities in order to satisfy producers needs to get their product to market.

The Fund also had exposure to several Large Capitalization Diversified MLPs. These MLPs typically have businesses in several midstream subsectors providing diversification and expansive asset foot prints offering a variety of growth avenues**.** Also, their size and trading liquidity may help provide stability when markets become volatile.

Solid MLP fundamentals contributed positive performance across the board as measured by the subsector averages. However, company/subsector specific issues and heightened investor scrutiny led to increased return dispersions within each subsector, as illustrated by the chart below which, we believe, continues to underscore the importance of stock selection in the current MLP environment.

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Industry Overview and Themes

Recent key themes that impacted MLPs during the period included: GP restructurings, MLP-ification (assets moving into MLP structures), large-scale liquefied natural gas (LNG) export project developments, natural gas pipeline conversion projects, liquefied petroleum gas (LPG) export capacity expansions, and M&A announcements (including MLP consolidation). We want to stress that while the midstream industry has continued to evolve in a dramatic fashion, what has remained the same is that shifting dynamics create both challenges and opportunities for individual MLPs (which we refer to as the haves and the have-nots).

The General Partner (GP) MLP subsector continued to grow at above-average distribution rates and several GPs took steps to unlock shareholder value. For example, ONEOK, Inc. (NYSE: OKE) is transitioning to a pure-play GP and has announced plans to separate its natural gas utility business into a new public entity. Additionally, Energy Transfer Equity, LP (NYSE: ETE) continued its simplification process to a more pure-play GP with 1) the close of the sale of a local distribution company (LDC) business and 2) the purchase of an interest in the GP cash flows of Sunoco Logistics Partners, LP (NYSE: SXL) in exchange for units of Energy Transfer Partners, LP (NYSE: ETP) previously held at ETE.

Larger C-corp. energy companies continue to validate the MLP structure as the preferred way to own midstream assets as well as a means to unlock the GP value for shareholders, as reflected in completed and near-term announced offerings by Western Refining Logistics LP (NYSE: WNRL), Devon Midstream Partners LP (NASDAQ: DVNM), QEP Midstream Partners LP (NYSE: QEPM), Valero Energy Partners LP (NYSE: VLP), and Arc Logistics Partners LP (NYSE: ARCX). Additionally, there were numerous announcements by other energy companies, such as Dominion Resources Inc. (NYSE: D), to either form or explore the formation of MLPs.

New shale resource development has positioned the U.S. as a growing exporter of LPG, and new LPG export projects continue to be announced and developed at a rapid pace. Typically, these projects are capable of handling propane and butane and are designed to provide pricing support for both. In general, these projects are emblematic of the trend to focus more and more on demand centers located in areas such as the Gulf Coast, where our nation s growing supplies can better access global markets.

Large-scale projects to export LNG have received key approvals from the U.S. Department of Energy (DOE). In a recent report[1], Bentek Energy forecasted 5.7 billion cubic feet per day (bcf/d) of supply from the four proposed LNG export terminals in the U.S. Southeast by 2023 from 0 bcf/d today. For example, ETP/ETE announced that the DOE granted authorization for the Lake Charles, LA facility owned by ETP/ETE to export LNG to non-free trade agreement (FTA) countries. With a planned in-service date of 2019, ETP/ETE estimate the capital expenditure for this project to exceed $10 billion.

Many midstream natural gas businesses have been addressing the rapidly changing dynamics of crude oil and natural gas supply/demand by converting legacy natural gas pipelines to other product services (like crude oil or NGLs), finding new outlets for their gas such as various growing power and industrial markets (e.g. Mexico and the U.S. Gulf Coast and Southeast), or other optimization strategies such as backhaul service (particularly heading away from the Marcellus/Utica).

MLPs have remained active with mergers and acquisitions. Due to intense competition, purchase multiples are generally not as attractive as those for organic projects; however, acquisitions can be a way for an MLP to establish or grow a foothold in a new region. Additionally, the trend of MLP consolidation, while gradual, has continued, and we see other distressed, higher yielding MLPs as potential targets.

[1] Source: Bentek Energy, Son of a Beast Utica Triggers Regional Role Reversal , October, 2013.

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The MLP space as a whole has benefited from strong flows of capital into MLP-focused open-end mutual funds (OEFs), exchange traded funds (ETFs) and exchange traded notes (ETNS), although such flows declined towards the end of the year. Regardless, MLP-focused fund flows are something we continue to watch very closely. As the chart below illustrates, the relationship between MLP performance and MLP-focused fund flows is hard to deny.

Year-To-Date Alerian MLP Index (Total Return) (AMZ) Versus MLP-Focused Fund Flows

1) Source: Bloomberg.

This supply of new capital has been matched reasonably well by the demand for capital from MLPs. According to a recent report by Wells Fargo,[2] MLPs raised $40.5 billion in equity and $32.4 billion in debt year-to-date. MLPs are increasingly using at-the-market offerings (ATMs), which allow companies to efficiently issue equity into the secondary market on an as/when needed basis, minimizing market disruption and partially satisfying capital funding needs. According to the Wells Fargo report, approximately $3.9 billion was raised through ATM programs year-to-date versus $1.5 billion raised in 2012. Of particular note, the asset class saw the first ten-figure raise, as Williams Partners, LP (WPZ) raised $1.2 billion in a single equity offering. In short, the capital markets remained healthy and wide open for the asset class.

Fund Performance and Strategy

For the twelve month period ended November 30, 2013 the Fund delivered a Net Asset Value Total Return (equal to the change in net asset value per share plus the reinvested cash distribution paid during the period) of 20.47% versus a total return of 30.30% for the S&P 500 Index (Total Return). As a reminder, the Fund is subject to fees and expenses and is taxed as a regular corporation for federal income tax purposes, while the S&P 500 Index does not include taxes, fees or expenses.

The Fund s Share Price Total Return (equal to the change in net share price per share plus the reinvested cash distribution paid during the period) was 18.86% for the fiscal year ended November 30, 2013 and differs from the Net Asset Value Total Return due to fluctuations in the premium of share price to NAV.

[2] Source: MLP Monthly: December 2013. Wells Fargo Securities Equity Research. December 5, 2013.

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The largest individual contributors to the Fund s performance for the period were Crosstex Energy LP (NASDAQ: XTEX), Targa Resources Partners LP (NYSE: NGLS), and Energy Transfer Partners LP (NYSE: ETP). XTEX benefited from a merger with Devon Energy Corporation s (NYSE: DVN) U.S. midstream assets, while NGLS benefited from a strategic asset footprint and potential high return development projects. ETP performed well as the company resumed distribution growth and provided extensive details and potential upside from their LNG strategy. The largest detractors from the Fund s performance were Linn Energy LLC (NASDAQ: LINE), BreitBurn Energy Partners LP (NASDAQ: BBEP), and AmeriGas Partners LP (NYSE: APU). Both LINE and BBEP were hurt by an overall downturn in the upstream MLP subsector caused by accounting concerns over maintenance capital expenditures and hedging. APU is a retail propane MLP that struggled due to warmer than normal weather impacting the peak heating season.

The Fund s investment strategy focuses on holding core positions in higher yielding MLPs with stable business models and long-term growth prospects. We also work diligently to optimize the use of leverage for additional income and total return potential. This involves leveraging investments in MLPs and energy debt instruments when the probabilities of positive total return are deemed to be skewed favorably. As the prices of the Fund s investments increase or decline, there is a risk that the impact to the Fund s NAV and total return will be negatively impacted by leverage, but this strategy is designed to have a positive impact over the longer term. Although not a predictor of future performance, we note that the Fund s quarterly distribution has been stable at $0.225 per share for last 20 consecutive quarters.

Closing

In summary, the MLP industry has continued to grow, mature and evolve and at a rapid pace. As an example of how much the industry is changing, in a recent Bentek Energy article[3], the author noted, These market changes, particularly the role reversals of the U.S. Northeast and Southeast regions, will require a widespread repurposing of the nation s pipeline grid, and will forcefully redirect gas flow patterns, gas prices and basis relationships. Whether it is the Marcellus/Utica in the Northeast or the Permian basin in Texas, we believe robust production growth expands and extends the cap-ex cycle further and will result in the entire infrastructure build-out being bigger and longer than we anticipated even just two years ago. These quickly emerging themes will create opportunities and challenges for the space as a whole.

With the recent announcement by the Fed to commence quantitative easing tapering , equities including MLPs may experience some volatility. The focus on tapering over the summer led to market weakness, which was particularly pronounced in defensive stocks and interest rate sensitive equity subsectors (such as real estate investment trusts (REITs), utilities and, to a much lesser extent, MLPs), as well as investment grade and high yield bonds.

Nonetheless, we remain focused on the favorable long-term fundamental attributes of MLPs and the potential for attractive total returns based on current yield and expected distribution growth. We at Swank Capital, LLC and Cushing® MLP Asset Management, LP truly appreciate your support, and we look forward to helping you achieve your investment goals in the coming year.

[3] Source: Bentek Energy, Son of a Beast Utica Triggers Regional Role Reversal , October, 2013.

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Sincerely,

Jerry V. Swank	Daniel L. Spears
Chairman and Chief Executive Officer	President

The information in this report is not a complete analysis of every aspect of any market, sector, industry, security or the Fund itself. Statements of fact are from sources considered reliable, but the Fund makes no representation or warranty as to their completeness or accuracy. Discussions of specific investments are for illustration only and are not intended as recommendations of individual investments. Please refer to the Schedule of Investments for a complete list of Fund holdings.

Past performance does not guarantee future results. Investment return, net asset value and common share market price will fluctuate so that you may have a gain or loss when you sell shares. Since the Fund is a closed-end management investment company, shares of the Fund may trade at a discount or premium from net asset value. This characteristic is separate and distinct from the risk that net asset value could decrease as a result of investment activities and may be a greater risk to investors expecting to sell their shares after a short time. The Fund cannot predict whether shares will trade at, above or below net asset value. The Fund should not be viewed as a vehicle for trading purposes. It is designed primarily for risk-tolerant long-term investors.

An investment in the Fund involves risks. The Fund is nondiversified, meaning it may concentrate its assets in fewer individual holdings than a diversified fund. Therefore, the Fund is more exposed to individual stock volatility than a diversified fund. The Fund will invest in Master Limited Partnerships (MLPs), which concentrate investments in the natural resource sector and are subject to the risks of energy prices and demand and the volatility of commodity investments. Damage to facilities and infrastructure of MLPs may significantly affect the value of an investment and may incur environmental costs and liabilities due to the nature of their business. MLPs are subject to significant regulation and may be adversely affected by changes in the regulatory environment. Investments in smaller companies involve additional risks such as limited liquidity and greater volatility. Investments in foreign securities involve political, economic and currency risks, greater volatility and differences in accounting methods. MLPs are subject to certain risks inherent in the structure of MLPs, including complex tax structure risks, the limited ability for election or removal of management, limited voting rights, potential dependence on parent companies or sponsors for revenues to satisfy obligations, and potential conflicts of interest between partners, members and affiliates. There is a risk to the future viability of the ongoing operation of MLPs that return investor s capital in the form of distributions.

The Fund is organized as a C corporation and is subject to U.S. federal income tax on its taxable income at the corporate tax rate (currently as high as 35%) as well as state and local income taxes. The potential tax benefits of investing in MLPs depend on them being treated as partnerships for federal income tax purposes. If the MLP is deemed to be a corporation then its income would be subject to federal taxation at the entity level, reducing the amount of cash available for distribution to the Fund which could result in a reduction of the Fund s value.

The Fund accrues deferred income taxes for future tax liabilities associated with the portion of MLP distributions considered to be a tax-deferred return of capital and for any net operating gains as well as capital appreciation of its investments. This deferred tax liability is reflected in the daily NAV and as a result the Fund s after-tax performance could differ significantly from the underlying assets even if the pre-tax performance is closely tracked.

Fund holdings and sector allocations are subject to change at any time and are not recommendations to buy or sell any security. Please refer to the Schedule of Investments for a complete list of Fund holdings.

The S&P 500 Index is an unmanaged index of common stocks that is frequently used as a general measure of stock market performance. The index does not include fees or expenses. It is not possible to invest directly in an index.

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The Cushing® MLP Total Return Fund

Allocation of Portfolio Assets[1] (Unaudited)

November 30, 2013

(Expressed as a Percentage of Total Investments)

(1) Fund holdings and sector allocations are subject to change and there is no assurance that the Fund will continue to hold any particular security.
(2) Master Limited Partnerships and Related Companies
(3) Common Stock
(4) Royalty Trusts
(5) Preferred Stock
(6) Senior Notes

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The Cushing® MLP Total Return Fund

Key Financial Data (Supplemental Unaudited Information)

The Information presented below regarding Distributable Cash Flow is supplemental non-GAAP financial information, which we believe is meaningful to understanding our operating performance. Supplemental non-GAAP measures should be read in conjunction with our full financial statements.

	Fiscal Year Ended 11/30/13	Fiscal Year Ended 11/30/12	Fiscal Year Ended 11/30/11	Fiscal Year Ended 11/30/10	Fiscal Year Ended 11/30/09
FINANCIAL DATA					
Total income from investments					
Distributions received from MLPs	$ 25,152,972	$ 23,871,383	$ 26,479,761	$ 16,566,758	$ 8,889,886
Dividends from common stock	$ 2,653,615	$ 1,413,122	$ 5,976,120	$ 4,483,307	1,779,867
Interest	$ 669,582	$ 659,085	$ 1,128,473	$ 1,320,531	515,706
Other	$ 798,964	$ 5,061	$ 18,038	$ 0	2,740
Total income from investments	$ 29,275,133	$ 25,948,651	$ 33,602,392	$ 22,370,596	$ 11,188,199
Advisory fee and operating expenses					
Advisory fees, less reimbursement by Advisor	$ 3,862,641	$ 4,723,818	$ 4,822,578	$ 2,467,110	$ 557,839
Operating expenses[(a)]	686,943	3,312,486	2,671,727	948,767	1,072,460
Interest and dividends	552,890	1,698,813	1,094,343	465,469	184,545
Other	8,116	0	157,090	257,274	92,421
Total advisory fees and operating expenses	$ 5,110,590	$ 9,735,117	$ 8,745,738	$ 4,138,620	$ 1,907,265
Distributable Cash Flow (DCF)[(b)]	$ 24,164,543	$ 16,213,534	$ 24,856,654	$ 18,231,976	$ 9,280,934
Distributions paid on common stock	$ 30,006,331	$ 29,822,349	$ 20,674,008	$ 18,332,242	$ 9,505,720
Distributions paid on common stock per share	$ 0.90	$ 0.90	$ 0.68	$ 0.90	$ 1.01
Distribution Coverage Ratio					
Before advisory fee and operating expenses	1.0 x	0.9 x	1.6 x	1.2 x	1.2 x
After advisory fee and operating expenses	0.8 x	0.5 x	1.2 x	1.0 x	1.0 x
OTHER FUND DATA (end of period)					
Total Assets, end of period	329,717,559	257,548,780	370,416,553	293,125,989	98,339,592
Unrealized appreciation, net of income taxes	17,896,838	979,250	9,253,059	67,183,214	20,880,742
Short-term borrowings	72,950,000	36,300,000	72,800,000	69,800,000	29,900,000
Short-term borrowings as a percent of total assets	22%	14%	20%	24%	30%
Net Assets, end of period	233,619,616	220,020,922	255,747,023	208,002,375	64,511,402
Net Asset Value per common share	$ 6.98	$ 6.62	$ 7.74	$ 8.03	$ 5.74
Market Value per share	$ 8.09	$ 7.68	$ 9.43	$ 9.42	$ 7.37
Market Capitalization	$ 270,839,382	$ 255,417,600	$ 311,708,103	$ 244,113,742	$ 82,894,797
Shares Outstanding	33,478,292	33,257,500	33,054,942	25,914,410	11,247,598

(a) Excludes expenses related to capital raising

(b) "Net Investment Income, before Income Taxes" on the Statement of Operations is adjusted as follows to reconcile to Distributable Cash Flow: increased by the return of capital on MLP distributions and offering expenses.

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The Cushing® MLP Total Return Fund

Schedule of Investments **November 30, 2013**

	Shares	Fair Value
COMMON STOCK 8.8%[1]		
Large Cap Diversified 8.8%[1]		
Bermuda 3.0%[1]		
Seadrill Limited	165,000	$ 7,047,150
United States 5.8%[1]		
Williams Companies, Inc.	200,000	7,044,000
Targa Resources Corp.[2]	79,600	6,454,764
Total Common Stock (Cost $19,313,492)		$ 20,545,914
MASTER LIMITED PARTNERSHIPS AND RELATED COMPANIES 115.6%[1]		
Coal 6.9%[1]		
United States 6.9%[1]		
Alliance Resources Partners, L.P.[2]	64,000	$ 4,689,280
Natural Resource Partners, L.P.[2]	572,900	11,509,561
		16,198,841
Crude Oil & Refined Products 7.0%[1]		
United States 7.0%[1]		
Blueknight Energy Partners, L.P.	216,778	1,996,525
Buckeye Partners, L.P.[2]	101,400	6,904,326
NuStar Energy, L.P.[2]	113,900	6,076,565
Sprague Resources, L.P.	85,000	1,464,550
		16,441,966
General Partnerships 4.7%[1]		
United States 4.7%[1]		
Atlas Energy, L.P.	55,000	2,440,900
Energy Transfer Equity, L.P.	64,700	4,837,619
NuStar GP Holdings, LLC	118,100	3,616,222
		10,894,741
Large Cap Diversified 20.7%[1]		
United States 20.7%[1]		
Enbridge Energy Management LLC[3][4]	1	25
Enbridge Energy Partners, L.P.[2]	393,600	11,843,424
Energy Transfer Partners, L.P.[2]	289,188	15,662,422
Kinder Morgan Management, LLC[2][4]	116,561	8,925,039
Williams Partners, L.P.	230,800	11,860,812

		48,291,722
Natural Gas Gatherers & Processors 30.2%(1)		
United States 30.2%(1)		
Atlas Pipeline Partners, L.P.[2]	249,000	8,705,040
Crestwood Midstream Partners, L.P.	427,440	9,677,242
Crosstex Energy, L.P.[2]	380,400	10,133,856
DCP Midstream Partners, L.P.	135,000	6,504,300
MarkWest Energy Partners, L.P.[2]	55,900	3,861,013
PVR Partners, L.P.[2]	509,900	12,594,530
Regency Energy Partners, L.P.[2]	343,400	8,372,092
Targa Resources Partners, L.P.[2]	210,400	10,740,920
		70,588,993
Natural Gas Transportation & Storage 10.5%(1)		
United States 10.5%(1)		
Boardwalk Pipeline Partners, L.P.[2]	335,800	8,844,972
El Paso Pipeline Partners, L.P.[2]	138,000	5,738,040
Niska Gas Storage Partners, LLC	199,600	3,035,916
TC Pipelines, L.P.[2]	142,800	6,997,200
		24,616,128

See Accompanying Notes to the Financial Statements.

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The Cushing® MLP Total Return Fund

Schedule of Investments **November 30, 2013 (Continued)**

MASTER LIMITED PARTNERSHIPS AND RELATED COMPANIES (Continued)	**Shares**	**Fair Value**
Other 3.3%[1]		
United States 3.3%[1]		
Calumet Specialty Products Partners, L.P.[2]	116,800	$ 3,339,312
Exterran Partners, L.P.	157,400	4,380,442
		7,719,754
Propane 6.0%[1]		
United States 6.0%[1]		
Ferrellgas Partners, L.P.	133,000	3,251,850
NGL Energy Partners, L.P.[2]	185,600	6,028,288
NGL Energy Partners, L.P.[5][8]	150,000	4,659,000
		13,939,138
Shipping 8.5%[1]		
Republic of the Marshall Islands 8.5%[1]		
Capital Product Partners, L.P.	1,590,111	14,247,394
Navios Maritime Partners, L.P.	330,000	5,547,300
		19,794,694
Upstream 15.5%[1]		
United States 15.5%[1]		
Atlas Resource Partners, L.P.	340,000	7,031,200
Breitburn Energy Partners, L.P.	505,000	9,549,550
Eagle Rock Energy Partners, L.P.	1,005,362	6,092,494
Legacy Reserves, L.P.[2]	253,277	6,835,946
Memorial Production Partners, L.P.	112,125	2,236,894
QR Energy, L.P.[2]	273,100	4,476,109
		36,222,193
Variable Distribution 2.3%[1]		
United States 2.3%[1]		
Emerge Energy Services, L.P.	32,700	1,306,038
Northern Tier Energy, L.P.	160,000	4,064,000
		5,370,038
Total Master Limited Partnerships and Related Companies (Cost $255,579,626)		$ 270,078,208
ROYALTY TRUSTS 0.9%[1]		
Natural Gas Gatherers & Processors 0.9%[1]		
United States 0.9%[1]		
SandRidge Permian Trust	165,000	$ 2,161,500

Total Royalty Trusts (Cost $2,334,396)		$	2,161,500
PREFERRED STOCK 3.0%[1]			
Crude Oil & Refined Products 3.0%[1]			
United States 3.0%[1]			
Blueknight Energy Partners, L.P.	757,519	$	6,923,724
Total Preferred Stock (Cost $4,924,522)		$	6,923,724
FIXED INCOME 3.4%[1]			
Exploration & Production 2.1%[1]			
United States 2.1%[1]			
Denbury Resources, Inc., 4.625%, due 07/15/2023	2,000,000	$	1,815,000
Oasis Petroleum, Inc., 6.875%, due 03/15/2022[6]	500,000		540,000
Rosetta Resources, Inc., 5.625%, due 05/01/2021	2,000,000		2,017,500
Sanchez Energy Corp., 7.750%, due 06/15/2021[6]	500,000		513,750
			4,886,250

See Accompanying Notes to the Financial Statements.

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The Cushing® MLP Total Return Fund

Schedule of Investments **November 30, 2013 (Continued)**

FIXED INCOME (Continued)	Shares	Fair Value
Refining & Marketing 1.3%[1]		
United States 1.3%[1]		
Western Refining, Inc., 6.250%, due 04/01/2021	3,000,000	$ 3,015,000
Total Fixed Income (Cost $7,667,775)		$ 7,901,250
SHORT-TERM INVESTMENTS		
INVESTMENT COMPANIES 0.0%[1]		
United States 0.0%[1]		
AIM Short-Term Treasury Portfolio Fund Institutional Class, 0.02%[7]	26,821	$ 26,821
Fidelity Government Portfolio Fund Institutional Class, 0.01%[7]	26,821	26,821
Fidelity Money Market Portfolio Institutional Class, 0.05%[7]	26,821	26,821
First American Government Obligations Fund Class Z, 0.01%[7]	26,821	26,821
Invesco STIC Prime Portfolio, 0.06%[7]	26,821	26,821
Total Short-Term Investments (Cost $134,105)		$ 134,105
TOTAL INVESTMENTS 131.7%[1] (Cost $289,953,916)		**$ 307,744,701**
Liabilities in Excess of Other Assets (31.7)%[1]		(74,125,085)
NET ASSETS APPLICABLE TO COMMON STOCKHOLDERS 100.0%[1]		**$ 233,619,616**
SCHEDULE OF SECURITIES SOLD SHORT (6.0)%[1]		
Exchange Traded Funds (6.0)%[1]		
United States (6.0)%[1]		
Market Vectors ETF Trust Oil Services	(145,000)	$ (7,016,550)
Energy Select Sector SPDR	(82,000)	(7,088,080)
TOTAL SECURITIES SOLD SHORT (PROCEEDS $14,210,683)		**$ (14,104,630)**

(1) Calculated as a percentage of net assets applicable to common stockholders.

(2) All or a portion of these securities are held as collateral pursuant to the loan agreements.

(3) No distribution or dividend was made during the period ended November 30, 2013. As such, it is classified as a non-income producing security as of November 30, 2013.

(4) Security distributions are paid-in-kind.

(5) Restricted security.

(6) Restricted security under Rule 144A under the Securities Act of 1933, as amended.

(7) Rate reported is the current yield as of November 30, 2013.

(8) Fair valued by the Adviser using the Fund s valuation procedures and subsequently ratified by the Board of Trustees. The position was acquired on November 5, 2013 at $4,438,500 and the fair value accounted for 1.99% of the Fund s net assets as of November 30, 2013.

See Accompanying Notes to the Financial Statements.

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The Cushing® MLP Total Return Fund

Statement of Assets & Liabilities

November 30, 2013

Assets	
Investments, at fair value (cost $289,953,916)	$ 307,744,701
Cash	21,813,984
Interest receivable	100,271
Prepaid expenses and other assets	58,603
Total assets	329,717,559
Liabilities	
Securities sold short, at fair value (proceeds $14,210,683)	14,104,630
Short-term borrowings	72,950,000
Payable for investments purchased	8,555,191
Payable to Adviser	315,558
Payable to Trustees	9,000
Accrued interest expense	314
Accrued expenses and other liabilities	163,250
Total liabilities	96,097,943
Net assets applicable to common stockholders	$ 233,619,616
Net Assets Applicable to Common Stockholders Consisting of Capital stock, $0.001 par value; 33,478,292 shares issued and outstanding (unlimited shares authorized)	$ 33,478
Additional paid-in capital	282,069,924
Undistributed net investment loss, net of income taxes	(42,905,202)
Accumulated realized loss, net of income taxes	(23,475,422)
Net unrealized appreciation on investments, net of income taxes	17,896,838
Net assets applicable to common stockholders	$ 233,619,616
Net Asset Value per common share outstanding (net assets applicable to common shares divided by common shares outstanding)	$ 6.98

See Accompanying Notes to the Financial Statements.

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The Cushing® MLP Total Return Fund

Statement of Operations

Fiscal Year Ended November 30, 2013

Investment Income	
Distributions received from master limited partnerships	$ 25,152,972
Less: return of capital on distributions	(24,282,419)
Distribution income from master limited partnerships	870,553
Dividends from common stock	2,653,615
Interest income	669,582
Other income	798,964
Total Investment Income	4,992,714
Expenses	
Advisory fees	3,862,641
Administrator fees	212,848
Reports to stockholders	100,750
Professional fees	74,848
Trustees fees	70,236
Fund accounting fees	65,108
Insurance expense	63,695
Custodian fees and expenses	36,602
Franchise tax expense	33,726
Transfer agent fees	21,864
Stock loan fees	7,266
Other expenses	8,116
Total Expenses before Interest and Dividend Expense	4,557,700
Interest expense	552,890
Net Expenses	5,110,590
Net Investment Loss, before income taxes	(117,876)
Current tax expense	(5,743,456)
Net Investment Loss	(5,861,332)
Realized and Unrealized Gain (Loss) on Investments	
Net realized gain on investments	33,738,502
Net realized loss on securities sold short	(129,726)
Net realized loss on options	(2,680,388)
Net realized gain on investments	30,928,388

Net change in unrealized appreciation of investments	16,876,622
Net change in unrealized appreciation of written call options	40,966
Net change in unrealized appreciation of investments	16,917,588
Net Realized and Unrealized Gain on Investments	47,845,976
Increase in Net Assets Applicable to Common Stockholders Resulting from Operations	$ 41,984,644

See Accompanying Notes to the Financial Statements.

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The Cushing® MLP Total Return Fund

Statements of Changes in Net Assets

	Fiscal Year Ended November 30, 2013	Fiscal Year Ended November 30, 2012
Operations		
Net investment loss	$ (5,861,332)	$ (5,267,580)
Net realized gain on investments	30,928,388	5,890,457
Net change in unrealized appreciation (depreciation) of investments and options	16,917,588	(8,273,809)
Net increase (decrease) in net assets applicable to common stockholders resulting from operations	41,984,644	(7,650,932)
Dividends and Distributions to Common Stockholders		
Net investment income	(26,405,571)	(6,262,693)
Return of capital	(3,600,760)	(23,559,656)
Total dividends and distributions to common stockholders	(30,006,331)	(29,822,349)
Capital Share Transactions		
Issuance of 220,792 and 202,558 common shares from reinvestment of distributions to stockholders, respectively	1,620,381	1,747,180
Net increase in net assets applicable to common stockholders from capital share transactions	1,620,381	1,747,180
Total increase (decrease) in net assets applicable to common stockholders	13,598,694	(35,726,101)
Net Assets		
Beginning of fiscal year	220,020,922	255,747,023
End of fiscal year	$ 233,619,616	$ 220,020,922
Undistributed net investment loss at the end of the fiscal year	$ (42,905,202)	$ (10,638,299)

See Accompanying Notes to the Financial Statements.

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The Cushing® MLP Total Return Fund

Statement of Cash Flows

Fiscal Year Ended November 30, 2013

Operating Activities	
Increase in Net Assets Applicable to Common Stockholders Resulting from Operations	$ 41,984,644
Adjustments to reconcile decrease in the net assets applicable to common stockholders to net cash used by operating activities	
Net change in unrealized appreciation of investments	(16,917,588)
Purchases of investments	(907,709,701)
Proceeds from sales of investments	852,287,326
Proceeds from investments sold short	58,348,940
Purchases to cover investments sold short	(44,267,591)
Proceeds from option transactions, net	7,454,646
Return of capital on distributions	24,282,419
Net realized gains on sales of investments	(30,928,388)
Net sales of short-term investments	418,258
Net accretion/amortization of senior notes premiums/discounts	23,021
Changes in operating assets and liabilities	
Premiums receivable for written options	71,034
Interest receivable	(100,271)
Prepaid and other assets	(40,480)
Payable to Adviser	20,192
Payable to Trustees	(5,005)
Payable for investments purchased	8,555,191
Current tax expense	(597,929)
Accrued interest expense	(1,387)
Accrued expenses and other liabilities	(43,607)
Net cash used by operating activities	(7,166,276)
Financing Activities	
Proceeds from borrowing facility	393,350,000
Repayment of borrowing facility	(356,700,000)
Dividends provided to common stockholders	(28,385,950)
Net cash provided by financing activities	8,264,050
Increase in Cash and Cash Equivalents	1,097,774
Cash and Cash Equivalents:	
Beginning of fiscal year	20,716,210
End of fiscal year	$ 21,813,984
Supplemental Disclosure of Cash Flow and Non-cash Information	
Interest Paid	$ 554,276
Taxes Paid	$ 6,440,180
Additional paid-in capital from Dividend Reinvestment	$ 1,620,381

See Accompanying Notes to the Financial Statements.

The Cushing® MLP Total Return Fund

Financial Highlights

	Fiscal Year Ended November 30, 2013	Fiscal Year Ended November 30, 2012	Fiscal Year Ended November 30, 2011	Fiscal Year Ended November 30, 2010	Fiscal Year Ended November 30, 2009
Per Common Share Data[(1)]					
Net Asset Value, beginning of period	$ 6.62	$ 7.74	$ 8.03	$ 5.74	$ 3.98
Public offering price					
Offering costs on issuance of common shares				(0.05)	(0.01)
Income from Investment Operations:					
Net investment income (loss)	(0.96)	(0.34)	0.68	1.07	1.09
Net realized and unrealized gain (loss) on investments	2.22	0.12	(0.29)	2.17	1.69
Total increase (decrease) from investment operations	1.26	(0.22)	0.39	3.24	2.78
Less Distributions to Common Stockholders:					
Net investment income	(0.79)	(0.19)	(0.01)		
Return of capital	(0.11)	(0.71)	(0.67)	(0.90)	(1.01)
Total distributions to common stockholders	(0.90)	(0.90)	(0.68)	(0.90)	(1.01)
Net Asset Value, end of period	$ 6.98	$ 6.62	$ 7.74	$ 8.03	$ 5.74
Per common share fair value, end of period	$ 8.09	$ 7.68	$ 9.43	$ 9.42	$ 7.37
Total Investment Return Based on Fair Value[(2)]	18.86%	(9.75)%	7.48%	42.26%	(16.89)%

See Accompanying Notes to the Financial Statements.

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The Cushing® MLP Total Return Fund

Financial Highlights (Continued)

	Fiscal Year Ended November 30, 2013	Fiscal Year Ended November 30, 2012	Fiscal Year Ended November 30, 2011	Fiscal Year Ended November 30, 2010	Fiscal Year Ended November 30, 2009
Supplemental Data and Ratios					
Net assets applicable to common stockholders, end of period (000 s)	$ 233,620	$ 220,021	$ 255,747	$ 208,002	$ 64,511
Ratio of expenses (including current and deferred income tax benefit/expense) to average net assets after waiver[(3)(4)(5)]	4.64%	4.30%	3.39%	3.05%	3.74%
Ratio of net investment income (loss) to average net assets before waiver[(3)(6)]	(0.05)%	(1.91)%	0.10%	1.66%	0.22%
Ratio of net investment income (loss) to average net assets after waiver[(3)(6)]	(0.05)%	(1.91)%	0.10%	1.69%	0.80%
Ratio of net investment income (loss) to average net assets after current and deferred income tax benefit/expense, before waiver[(3)]	(2.50)%	(2.18)%	0.10%	1.66%	0.22%
Ratio of net investment income (loss) to average net assets after current and deferred income tax benefit/expense, after waiver [(3)]	(2.50)%	(2.18)%	0.10%	1.69%	0.80%
Portfolio turnover rate	297.81%	230.13%	240.55%	300.70%	526.39%

(1) Information presented relates to a share of common stock outstanding for the entire period.

(2) The calculation also assumes reinvestment of dividends at actual prices pursuant to the Fund s dividend reinvestment plan. Total investment return does not reflect brokerage commissions.

(3) For the fiscal year ended November 30, 2013, the Fund accrued $5,743,456 in net current tax expense. For the fiscal year ended November 30, 2012, the Fund accrued $648,495 in net current tax expense. For the fiscal year ended November 30, 2011, the Fund accrued $0 in net current and deferred tax expense. For the fiscal year ended November 30, 2010, the Fund accrued $0 in net current and deferred tax expense. For the fiscal year ended November 30, 2009, the Fund accrued $0 in net current and deferred tax expense.

(4) The ratio of expenses (including current and deferred income tax benefit/expense) to average net assets before waiver was 4.64%, 4.30%, 3.39%, 3.08%, and 4.32% for the fiscal years ended November 30, 2013, 2012, 2011, 2010, and 2009, respectively.

(5) The ratio of expenses (excluding current and deferred income tax expense) to average net assets before waiver was 2.18%, 4.03%, 3.39%, 3.08%, and 4.32% for the fiscal years ended November 30, 2013, 2012, 2011, 2010, and 2009, respectively. The ratio of expenses (excluding current and deferred income tax expense) to average net assets after waiver was 2.18%, 4.03%, 3.39%, 3.05%, and 3.74% for the fiscal years ended November 30, 2013, 2012, 2011, 2010, and 2009, respectively.

(6) This ratio excludes current and deferred income tax benefit/expense on net investment income.

See Accompanying Notes to the Financial Statements.

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The Cushing® MLP Total Return Fund

Notes to Financial Statements

November 30, 2013

1. Organization

The Cushing® MLP Total Return Fund (the Fund) was formed as a Delaware statutory trust on May 23, 2007, and is a non-diversified, closed-end investment company under the Investment Company Act of 1940, as amended (the 1940 Act). The Fund is managed by Cushing® MLP Asset Management, LP (the Adviser). The Fund s investment objective is to seek to produce current income and capital appreciation. The Fund commenced operations on August 27, 2007. The Fund s shares are listed on the New York Stock Exchange under the symbol SRV.

2. Significant Accounting Policies

A. Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, recognition of distribution income and disclosure of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

B. Investment Valuation

The Fund uses the following valuation methods to determine fair value as either fair value for investments for which market quotations are available, or if not available, the fair value, as determined in good faith pursuant to such policies and procedures as may be approved by the Fund s Board of Trustees (Board of Trustees) from time to time. The valuation of the portfolio securities of the Fund currently includes the following processes:

(i) The fair value of each security listed or traded on any recognized securities exchange or automated quotation system will be the last reported sale price at the relevant valuation date on the composite tape or on the principal exchange on which such security is traded. If no sale is reported on that date, the Adviser utilizes, when available, pricing quotations from principal market makers. Such quotations may be obtained from third-party pricing services or directly from investment brokers and dealers in the secondary market. Generally, the Fund s loan and bond positions are not traded on exchanges and consequently are valued based on market prices received from third-party services or broker-dealer sources.

(ii) Listed options on debt securities are valued at the average of the bid price and the ask price. Unlisted options on debt or equity securities are valued based upon their composite bid prices if held long, or their composite ask prices if held short. Futures are valued at the last sale price on the commodities exchange on which they trade.

(iii) The Fund s non-marketable investments will generally be valued in such manner as the Adviser determines in good faith to reflect their fair values under procedures established by, and under the general supervision and responsibility of, the Board of Trustees. The pricing of all assets that are fair valued in this manner will be subsequently reported to and ratified by the Board of Trustees.

The Fund may engage in short sale transactions. For financial statement purposes, an amount equal to the settlement amount, if any, is included in the Statement of Assets and Liabilities as a liability. The amount of the liability is subsequently marked-to-market to reflect the fair value of the short positions.

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Subsequent fluctuations in market prices of securities sold short may require purchasing the securities at prices which may differ from the fair value reflected on the Statement of Assets and Liabilities. When the Fund sells a security short, it must borrow the security sold short and deliver it to the broker-dealer through which it made the short sale. A gain, limited to the price at which the Fund sold the security short, or a loss, unlimited in size, will be recognized under the termination of a short sale. The Fund is also subject to the risk that it may be unable to reacquire a security to terminate a short position except at a price substantially in excess of the last quoted price. The Fund is liable for any dividends paid on securities sold short and such amounts are reflected as dividend expense in the Statement of Operations. The Fund s obligation to replace the borrowed security is secured by collateral deposited with the broker-dealer. The Fund also is required to segregate similar collateral to the extent, if any, necessary so that the value of both collateral amounts in the aggregate is at all times equal to at least 100% of the fair value of the securities sold short. The fair value of securities sold short was $14,104,630 at November 30, 2013.

C. Security Transactions, Investment Income and Expenses

Security transactions are accounted for on the date securities are purchased or sold (trade date). Realized gains and losses are reported on a specific identified cost basis. Interest income is recognized on the accrual basis, including amortization of premiums and accretion of discounts. Distributions are recorded on the ex-dividend date. Distributions received from the Fund s investments in master limited partnerships (MLPs) generally are comprised of ordinary income, capital gains and return of capital from the MLPs. The Fund records investment income on the ex-date of the distributions. For financial statement purposes, the Fund uses return of capital and income estimates to allocate the dividend income received. Such estimates are based on historical information available from each MLP and other industry sources. These estimates may subsequently be revised based on information received from the MLPs after their tax reporting periods are concluded, as the actual character of these distributions is not known until after the fiscal year end of the Fund.

The Fund estimates the allocation of investment income and return of capital for the distributions received from MLPs within the Statement of Operations. For the fiscal year ended November 30, 2013, the Fund has estimated approximately 5% of the distributions to be from investment income with the remaining balance to be return of capital.

Expenses are recorded on an accrual basis.

D. Distributions to Stockholders

Distributions to common stockholders are recorded on the ex-dividend date. The character of distributions to common stockholders made during the year may differ from their ultimate characterization for federal income tax purposes. For the fiscal year ended November 30, 2013, the Fund s distributions were expected to be comprised of 12% return of capital and 88% ordinary income. The tax character of distributions paid for the fiscal year ended November 30, 2013 will be determined in early 2014.

E. Federal Income Taxation