

Cushing MLP Total Return Fund
Form N-Q
October 25, 2011

As filed with the Securities and Exchange Commission on October 25, 2011

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 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

Edgar Filing: Cushing MLP Total Return Fund - Form N-Q

Date of fiscal year end: November 30

Date of reporting period: August 31, 2011

Item 1. Schedule of Investments.

The Cushing MLP Total Return Fund
 SCHEDULE OF INVESTMENTS (Unaudited)

August 31, 2011

| | Shares | | Fair Value |
|---|---------|----|------------|
| Master Limited Partnerships and Related Companies - 115.4% (1) | | | |
| Coal - 7.8% (1) | | | |
| United States - 7.8% (1) | | | |
| Oxford Resource Partners, L.P. | 400,000 | \$ | 7,736,000 |
| Penn Virginia Resources Partners, L.P. | 465,000 | | 12,034,200 |
| | | | 19,770,200 |
| Crude/Natural Gas Production - 24.4% (1) | | | |
| United States - 24.4% (1) | | | |
| Breitbart Energy Partners, L.P. | 489,000 | | 9,041,610 |
| EV Energy Partners, L.P. | 300,000 | | 20,664,000 |
| Legacy Reserves, L.P. | 285,000 | | 7,854,600 |
| Linn Energy, LLC | 208,000 | | 7,872,800 |
| Sandridge Mississippian Trust | 218,000 | | 5,681,080 |
| Sandridge Permian Trust | 350,000 | | 6,597,500 |
| VOC Energy Trust | 165,000 | | 3,686,100 |
| | | | 61,397,690 |
| Crude/Refined Products Pipelines and Storage - 23.5% (1) | | | |
| United States - 23.5% (1) | | | |
| Buckeye Partners, L.P. | 125,000 | | 7,872,500 |
| Enbridge Energy Partners, L.P. | 396,000 | | 11,286,000 |
| Genesis Energy, L.P. | 300,000 | | 7,425,000 |
| Kinder Morgan Energy Partners, L.P. | 100,000 | | 7,016,000 |
| Magellan Midstream Partners, L.P. | 200,000 | | 11,994,000 |
| Plains All American Pipeline, L.P. | 225,000 | | 13,641,750 |
| | | | 59,235,250 |
| Fertilizers - 2.9% (1) | | | |
| United States - 2.9% (1) | | | |
| CVR Partners, L.P. | 300,000 | | 7,299,000 |

Edgar Filing: Cushing MLP Total Return Fund - Form N-Q

Natural Gas/Natural Gas Liquid Pipelines and Storage - 29.1% (1)

United States - 29.1% (1)

| | | | |
|------------------------------------|---------|--|------------|
| Boardwalk Pipeline Partners, L.P. | 550,000 | | 13,805,000 |
| El Paso Corporation | 284,000 | | 5,435,760 |
| Energy Transfer Equity, L.P. | 132,000 | | 5,047,680 |
| Energy Transfer Partners, L.P. | 362,000 | | 16,311,720 |
| Enterprise Products Partners, L.P. | 300,000 | | 12,645,000 |
| ONEOK, Inc. | 81,000 | | 5,742,900 |
| Spectra Energy Partners, L.P. | 120,000 | | 3,486,000 |
| TC Pipelines, L.P. | 125,000 | | 5,450,000 |
| The Williams Companies, Inc. | 193,000 | | 5,209,070 |
| | | | 73,133,130 |

Natural Gas Gathering/Processing - 24.4% (1)

United States - 24.4% (1)

| | | | |
|--------------------------------|---------|--|------------|
| Copano Energy L.L.C. | 274,000 | | 8,883,080 |
| Crosstex Energy, L.P. | 950,000 | | 15,570,500 |
| DCP Midstream Partners, L.P. | 125,000 | | 4,846,250 |
| MarkWest Energy Partners, L.P. | 205,000 | | 9,850,250 |
| Regency Energy Partners, L.P. | 475,000 | | 11,343,000 |
| Targa Resources Partners, L.P. | 315,000 | | 10,804,500 |
| | | | 61,297,580 |

Propane - 1.5% (1)

United States - 1.5% (1)

| | | | |
|---------------------------|---------|--|-----------|
| NGL Energy Partners, L.P. | 175,000 | | 3,752,000 |
|---------------------------|---------|--|-----------|

Shipping - 1.8% (1)

Republic of the Marshall Islands - 1.8% (1)

| | | | |
|--------------------------------|---------|--|-----------|
| Teekay Offshore Partners, L.P. | 170,000 | | 4,569,600 |
|--------------------------------|---------|--|-----------|

Total Master Limited Partnerships and Related Companies (Cost \$268,864,336)

\$ 290,454,450

Preferred Stock - 3.2% (1)

Shipping - 3.2% (1)

Republic of the Marshall Islands - 3.2% (1)

| | | | |
|---------------|---------|----|-----------|
| Seaspan Corp. | 300,000 | \$ | 7,998,000 |
|---------------|---------|----|-----------|

Total Preferred Stock (Cost \$8,145,000)

\$ 7,998,000

Edgar Filing: Cushing MLP Total Return Fund - Form N-Q

| | Principal Amount | | |
|--|---------------------|-----------|------------|
| Senior Notes - 5.4% (1) | | | |
| Crude/Natural Gas Production - 3.7% (1) | | | |
| United States - 3.7% (1) | | | |
| Breitburn Energy Partners, L.P., 8.625%, due 10/15/2020 | \$ 2,500,000 | \$ | 2,512,500 |
| Eagle Rock Energy Partners, L.P., 8.375%, due 06/01/2019 (2) | 5,000,000 | | 4,918,750 |
| Linn Energy, LLC, 7.750%, due 02/01/2021 (2) | 2,000,000 | | 2,050,000 |
| | | | 9,481,250 |
| Crude/Refined Products Pipelines and Storage - 0.4% (1) | | | |
| United States - 0.4% (1) | | | |
| Genesis Energy, L.P., 7.875%, due 12/15/2018 (2) | 1,000,000 | | 967,500 |
| Natural Gas Gathering/Processing - 1.3% (1) | | | |
| United States - 1.3% (1) | | | |
| Regency Energy Partners, L.P., 9.375%, due 06/01/2016 | 2,000,000 | | 2,200,000 |
| Targa Resources Partners, L.P., 8.250%, due 07/01/2016 | 200,000 | | 210,000 |
| Targa Resources Partners, L.P., 7.875%, due 10/15/2018 | 250,000 | | 263,750 |
| Targa Resources Partners, L.P., 6.875%, due 02/01/2021 (2) | 600,000 | | 595,500 |
| | | | 3,269,250 |
| Total Senior Notes (Cost \$13,269,812) | | \$ | 13,718,000 |
| Options - 1.1% (1) | | | |
| United States - 1.1% (1) | | Contracts | |
| SPDR S&P 500 ETF Trust Put Option | | | |
| Expiration: October 2011, Exercise Price: \$116.00 | 8,600 | \$ | 2,726,200 |
| Total Options (Cost \$4,661,393) | | \$ | 2,726,200 |
| Short-Term Investments - Investment Companies - 10.9% (1) | | Shares | |
| United States - 10.9% (1) | | | |
| AIM Short-Term Treasury Portfolio Fund - Institutional Class, 0.00% (3) | 5,495,939 | \$ | 5,495,939 |
| Fidelity Government Portfolio Fund - Institutional Class, 0.01% (3) | 5,495,939 | | 5,495,939 |
| First American Treasury Obligations Fund - Class A, 0.00% (3) | 5,495,939 | | 5,495,939 |
| First American Treasury Obligations Fund - Class Y, 0.00% (3) | 5,495,939 | | 5,495,939 |
| First American Treasury Obligations Fund - Class Z, 0.00% (3) | 5,495,939 | | 5,495,939 |

Edgar Filing: Cushing MLP Total Return Fund - Form N-Q

| | | |
|---|----|--------------|
| Total Short-Term Investments (Cost \$27,479,695) | \$ | 27,479,695 |
| Total Investments - 136.0% (1) (Cost \$322,420,236) | \$ | 342,376,345 |
| Liabilities in Excess of Other Assets - (36.0)% (1) | | (90,711,250) |
| Net Assets Applicable to Common Stockholders - 100.0% (1) | \$ | 251,665,095 |

SCHEDULE OF SECURITIES SOLD SHORT

(Unaudited)

Exchange Traded Note - (9.2)%(1)

| | | | |
|-----------------------------------|---------|----|------------|
| United States - (9.2)% (1) | Shares | | |
| J.P. Morgan Alerian MLP Index ETN | 650,000 | \$ | 23,068,500 |

| | | | |
|---|--|----|------------|
| Total Exchange Traded Notes (Proceeds \$22,917,024) | | \$ | 23,068,500 |
|---|--|----|------------|

Options - (0.6)%(1)

| | | | |
|---|-----------|----|-----------|
| United States - (0.6)% (1) | Contracts | | |
| SPDR S&P 500 ETF Trust Call Option | | | |
| Expiration: October 2011, Exercise Price: \$109.00 | 8,600 | \$ | 1,513,600 |

| | | | |
|--|-------|--|-------|
| Enterprise Products Partners, L.P. Call Option | | | |
| Expiration: September 2011, Exercise Price: \$45.00 | 1,000 | | 5,000 |

| | | | |
|--|-----|--|--------|
| Kinder Morgan Energy Partners, L.P. Call Option | | | |
| Expiration: September 2011, Exercise Price: \$72.50 | 500 | | 23,000 |

| | | | |
|--|-----|--|--------|
| Magellan Midstream Partners, L.P. Call Option | | | |
| Expiration: September 2011, Exercise Price: \$60.00 | 500 | | 40,000 |

| | | | |
|--------------------------------------|--|----|-----------|
| Total Options (Proceeds \$2,993,464) | | \$ | 1,581,600 |
|--------------------------------------|--|----|-----------|

| | | | |
|---|--|----|------------|
| Total Securities Sold Short - (9.8)%(1) (Proceeds \$25,910,488) | | \$ | 24,650,100 |
|---|--|----|------------|

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

(2) Restricted securities represent a total fair value of \$8,531,750, which represents 3.4% of net assets.

(3) Rate reported is the current yield as of August 31, 2011.

Tax Basis

The cost basis of investments for federal income tax purposes at August 31, 2011 was as follows:

| | |
|---------------------|----------------|
| Cost of investments | \$ 319,769,845 |
|---------------------|----------------|

Edgar Filing: Cushing MLP Total Return Fund - Form N-Q

| | |
|-------------------------------|---------------|
| Gross unrealized appreciation | \$ 36,197,791 |
| Gross unrealized depreciation | (13,591,292) |
| Net unrealized appreciation | \$ 22,606,499 |

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)
-

Edgar Filing: Cushing MLP Total Return Fund - Form N-Q

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

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

| Description | Fair Value at August 31, 2011 | 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 | | | | |
| Master Limited Partnerships and Related Companies | | | | |
| (a) | \$ 290,454,450 | \$ 290,454,450 | \$ - | \$ - |
| Preferred Stock (a) | 7,998,000 | 7,998,000 | - | - |
| Total Equity Securities | 298,452,450 | 298,452,450 | - | - |
| Notes | | | | |
| Senior Notes (a) | 13,718,000 | - | 13,718,000 | - |
| Total Notes | 13,718,000 | - | 13,718,000 | - |
| Derivatives | | | | |
| Options | 2,726,200 | 2,726,200 | - | - |
| Total Derivatives | 2,726,200 | 2,726,200 | - | - |
| Other | | | | |
| Short-Term Investments | | | | |
| | 27,479,695 | 27,479,695 | - | - |
| Total Other | 27,479,695 | 27,479,695 | - | - |
| Total Assets | \$ 342,376,345 | \$ 328,658,345 | \$ 13,718,000 | \$ - |
| Liabilities | | | | |
| Note | | | | |
| Exchange Traded | | | | |
| Note | \$ 23,068,500 | \$ 23,068,500 | \$ - | \$ - |
| Total Note | 23,068,500 | 23,068,500 | - | - |
| Derivatives | | | | |
| Options | 1,581,600 | 1,581,600 | - | - |
| Total Derivatives | 1,581,600 | 1,581,600 | - | - |

Edgar Filing: Cushing MLP Total Return Fund - Form N-Q

| | | | | | | | | |
|-------------------|----|-------------|----|-------------|----|------------|----|---|
| Total Liabilities | \$ | 24,650,100 | \$ | 24,650,100 | \$ | - | \$ | - |
| Total | \$ | 317,726,245 | \$ | 304,008,245 | \$ | 13,718,000 | \$ | - |

(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 fiscal quarter ended August 31, 2011.

There were no transfers between Levels during the period.

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 would be included in the Statement of Assets and Liabilities as an investment. The option is adjusted daily to reflect the current market 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 would be included in the Statement of Assets and Liabilities. The amount of the liability is adjusted daily to reflect the current market 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.

During the period ended August 31, 2011, the Fund purchased 4,300 J.P. Morgan Alerian MLP Index ETN equity option put contracts with an exercise price of \$37.00 and sold all of these option contracts for a total realized gain of \$378,502. The Fund also purchased 30,900 S&P Depository Receipts ("SPDR") Trust Series 1 equity option put contracts with various exercise prices and sold 17,000 of these option contracts for a total realized loss of \$1,033,965. 5,300 of these contracts expired for a total realized loss of \$397,087. The Fund also purchased 6,900 iPath S&P 500 option call contracts with an exercise price of \$25.00 and sold all of these contracts for a total realized loss of \$151,077. The total realized loss of \$1,203,627 would be included in net realized gain (loss) on investments in the Statement of Operations.

On August 31, 2011 the Fund held 8,600 SPDR Trust Series 1 equity option put contracts at fair value of \$2,726,200 with an exercise price of \$116.00. These equity option put contracts would be included in investments at fair value in the Statement of Assets and Liabilities. The unrealized depreciation of \$1,935,193 on these equity option put contracts would be included in the net change in unrealized depreciation of investments in the Statement of Operations.

During the period ended August 31, 2011, the Fund wrote 19,400 SPDR Trust Series 1 short option put contracts with various exercise prices and covered 8,500 of these option contracts for a total realized gain of \$645,735. 2,300 of these contracts expired for a total realized gain of \$25,266. The Fund also wrote 2,500 Kinder Morgan Energy Partners, L.P. short option call contracts with an exercise price of \$72.50 and covered 2,000 of these option contracts for a total realized loss of \$55,154. The Fund also wrote 2,500 Magellan Midstream Partners, L.P. short option call contracts with an exercise price of \$60.00 and covered 2,000 of these option contracts for a total realized loss of \$130,554. The total realized gain of \$485,293 would be included in the net realized gain (loss) on investments in the Statement of Operations.

On August 31, 2011 the Fund held 8,600 SPDR S&P 500 ETF Trust short option put contracts at fair value of \$1,513,600 and exercise price of \$109.00, 1,000 Enterprise Products Partners, L.P. short option call contracts at fair value of \$5,000 and exercise price of \$45.00, 500 Kinder Morgan Energy Partners, L.P. short option call contracts at fair value of \$23,000 and exercise price of \$72.50, and 500 Magellan Midstream Partners, L.P. short option call contracts at fair value of \$40,000 and exercise price of \$60.00. These equity option contracts would be included in securities sold short at fair value in the Statement of Assets and Liabilities. The unrealized appreciation of \$1,411,864 on these short equity option put contracts would be included in the net change in unrealized depreciation of investments in the Statement of Operations.

Item 2. Controls and Procedures.

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

Item 3. Exhibits.

Separate certifications for each principal executive officer and principal financial officer of the Registrant 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 registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

(Registrant) The Cushing MLP Total Return Fund

By (Signature and Title) /s/ Jerry V. Swank
Jerry V. Swank, President

Date 10/21/11

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 registrant and in the capacities and on the dates indicated.

By (Signature and Title) /s/ Jerry V. Swank
Jerry V. Swank, President

Date 10/21/11

By (Signature and Title) /s/ John H. Alban
John H. Alban, Treasurer

Date 10/21/11