Cushing MLP Total Return Fund
Form 497
July 13, 2010

The information in this preliminary prospectus supplement is not complete and may be changed. A registration statement related to these securities has been filed with and declared effective by the Securities and Exchange Commission. This preliminary prospectus supplement is not an offer to sell these securities and is not soliciting offers to buy these securities in any state where the offer or sale is not permitted.

Rule 497
File No. 333-154880

Subject to Completion **Preliminary Prospectus Supplement, dated July 13, 2010**

Prospectus Supplement
(to Prospectus dated May 17, 2010)

3,000,000 Common Shares

The Cushing MLP Total Return Fund

$ per Common Share

The Cushing MLP Total Return Fund (the Fund) is offering 3,000,000 common shares of beneficial interest, par value $0.001 per share (Common Shares). The Fund was formed as a Delaware statutory trust on May 23, 2007 and 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. No assurance can be given that the Fund s investment objective will be achieved.

The Fund s currently outstanding Common Shares are, and the Common Shares offered by this Prospectus Supplement and the accompanying Prospectus, subject to notice of issuance, will be, listed on the New York Stock Exchange (the NYSE) under the symbol SRV . The last reported sale price for the Fund s Common Shares on July 12, 2010 was $8.45 per share. The net asset value per share of the Fund s Common Shares at the close of business on July 12, 2010 was $7.11.

This investment involves risks. See Principal Risks of the Fund beginning on page 44 of the accompanying Prospectus before investing in Common Shares.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this Prospectus Supplement or the accompanying Prospectus. Any representation to the contrary is a criminal offense.

	Per Share	Total[1]
Public offering price	$	$
Underwriting discount	$	$
Proceeds, before expenses, to the Fund[2]	$	$

(1) The Fund has granted the underwriters an option to purchase up to an additional 450,000 Common Shares at the public offering price, less the underwriting discount, within 45 days of the date of this Prospectus Supplement solely to cover overallotments, if any. If such option is exercised in full, the total public offering price, total underwriting discount, and total proceeds, before expenses, to the Fund will be $, $ and $, respectively. See Underwriting.

(2) Total offering expenses (other than underwriting discount) are estimated to be $300,000, which will be paid by the Fund.

The underwriters expect to deliver the Common Shares to purchasers on or about July , 2010.

Ladenburg Thalmann & Co. Inc.

Maxim Group LLC

National Securities Corporation

Wunderlich Securities

Boenning and Scattergood Inc.

Prospectus Supplement dated July , 2010

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This Prospectus Supplement, dated July , 2010, together with the accompanying Prospectus, dated May 17, 2010, sets forth concisely the information that you should know before investing in the Fund s Common Shares. You should read this Prospectus Supplement and the accompanying Prospectus, which contain important information about the Fund, before deciding whether to invest, and you should retain them for future reference. This Prospectus Supplement and the accompanying Prospectus are part of a shelf registration statement filed with the SEC. This Prospectus Supplement describes the specific details regarding this offering, including the method of distribution. If information in this Prospectus Supplement is inconsistent with the accompanying Prospectus, you should rely on this Prospectus Supplement. Copies of the Fund s annual and semi-annual reports may be obtained upon request, without charge, by calling toll-free (800) 662-7232 and also will be made available on the Fund s website at *www.swankfunds.com*. You may also call this toll-free telephone number to request other information about the Fund or to make shareholder inquiries. Information on, or accessible through, the Fund s website is not a part of, and is not incorporated into, this Prospectus Supplement or the accompanying Prospectus. The SEC maintains an internet website *(www.sec.gov)* that contains the Fund s annual and semi-annual reports and other information regarding the Fund.

The Fund s Common Shares 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.

Capitalized terms used herein that are not otherwise defined shall have the meanings assigned to them in the accompanying Prospectus.

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You should rely only on the information contained or incorporated by reference in this Prospectus Supplement and the accompanying Prospectus. We have 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 in which the offer or sale is not permitted. In this Prospectus Supplement and in the accompanying Prospectus, unless otherwise indicated, Fund, us, our and we refer to The Cushing MLP Total Return Fund. This Prospectus Supplement may also include trademarks owned by other persons.

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CAUTIONARY NOTICE REGARDING FORWARD-LOOKING STATEMENTS

This Prospectus Supplement and the accompanying 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, plan, anticipate, and similar terms and the negative of such terms. By their nature, 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 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 Principal Risks of the Fund section of this Prospectus Supplement and the accompanying 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 Supplement or the accompanying Prospectus are made as of the date of this Prospectus Supplement or the accompanying Prospectus, as the case may be. 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 Supplement and the accompanying Prospectus are excluded from the safe harbor protection provided by section 27A of the Securities Act of 1933, as amended (the Securities Act).

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 Principal Risks of the Fund section of this Prospectus Supplement and the accompanying 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.

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PROSPECTUS SUPPLEMENT SUMMARY

This is only a summary of information contained elsewhere in this Prospectus Supplement and the accompanying Prospectus. This summary does not contain all of the information that you should consider before investing in the Fund s Common Shares. You should carefully read the more detailed information contained in this Prospectus Supplement and the accompanying Prospectus, especially the information set forth in the accompanying Prospectus under the headings Investment Objective and Policies and Principal Risks of the Fund.

The Fund

The Cushing MLP Total Return Fund was formed as a Delaware statutory trust on May 23, 2007 and is a non-diversified, closed-end management investment company registered under the Investment Company Act of 1940 (the 1940 Act). Throughout this Prospectus Supplement and the accompanying Prospectus, The Cushing MLP Total Return Fund is referred to simply as the Fund or as we, us or our.

The Fund s investment objective is to obtain a high after-tax total return from a combination of capital appreciation and current income. The Fund seeks to achieve its investment objective by investing, under normal market conditions, at least 80% of its net assets, plus any borrowings for investment purposes, in master limited partnership (MLP) investments. There can be no assurance that the Fund s investment objective will be achieved.

NYSE Listed

The Common Shares are listed for trading on the NYSE under the symbol SRV. As of July 12, 2010, the last reported sale price of the Common Shares on the NYSE was $8.45.

Investment Adviser

The Fund s investments are managed by its investment adviser, Swank Energy Income Advisors, LP (the Investment Adviser), whose principal business address is 3300 Oak Lawn Avenue, Suite 650, Dallas, Texas 75219. Since 2003, the Investment Adviser has managed assets with a focus on achieving a high after-tax total return from a combination of capital appreciation and current income. The Investment Adviser seeks to identify and exploit investment niches it believes are generally less understood and less followed by the broader investor community.

Competitive Strengths. The Investment Adviser considers itself one of the principal professional institutional investors in the MLP space based on the following:

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

A focus on bottom-up, fundamental analysis performed by its experienced investment team.

The investment team s wide range of professional backgrounds, market knowledge, industry relationships, and experience in the analysis, financing, and structuring of MLP investments give the Investment

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Adviser insight into, and the ability to identify and capitalize on, investment opportunities in MLPs and Other Natural Resources Companies.

Its central location in Dallas, Texas and proximity to major players and assets in the MLP space.

Investment Strategy

The Fund seeks to achieve its investment objective by investing, under normal market conditions, at least 80% of its net assets, plus any borrowings for investment purposes, in 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.

The Fund will generally seek to invest in 20 to 30 issuers with generally 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, 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 MLPs 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.

Portfolio Investments

Sector Allocation
(As of May 28, 2010)

Natural Gas Gathering	17 %
MLP Bonds	14 %
GP MLPs	13 %
Upstream	12 %
Natural Gas Transportation	11 %
Crude Oil Gathering/Transport	8 %
Products Pipeline/Storage	6 %
Coal	6 %
Propane	5 %
Shipping	5 %

Top Ten Holdings
(As of May 28, 2010)

	Market Value (Millions)	% of NAV
Markwest Energy Partners LP	$ 8.05	7.5 %
Inergy LP	7.31	6.8
Energy Transfer Partners Bond	7.26	6.8
Magellan Midstream Partners LP	6.57	6.1
Oneok Partners LP	5.99	5.6
Inergy Holding LP	5.94	5.5
Enterprise Products Partners LP	5.88	5.5
Natural Resource Partners LP	5.60	5.2
Regency Energy Partners LP	5.43	5.1
Targa Resources Partners LP	5.10	4.7

Who May Want to Invest

Investors should consider their own investment goals, time horizon and risk tolerance before investing in the Fund. An investment in the Fund may not be appropriate for all investors and is not intended to be a complete investment program. The Fund may be an appropriate investment for you if you are seeking:

The opportunity for an attractive total return through capital appreciation and current income, in a fund managed by an experienced team of portfolio and investment professionals.

Low correlation with broader equity or fixed income markets.

Exposure to a growing sub-sector of the natural resources universe, which sub-sector benefits from a tax-advantaged structure and which owns and operates integral infrastructure energy assets that are essential in meeting the growing demand from energy producers and consumers.

Access through a single investment vehicle to a portfolio of public, PIPE, and private securities issued by MLPs and securities of Other Natural Resources Companies (not otherwise available to the general public) researched and sourced by experienced investment professionals at the Investment Adviser.

However, an investment in the Fund involves certain associated investment risks. See Principal Risks of the Fund in this Prospectus Supplement and the accompanying Prospectus.

An Investment in the Fund vs. Direct Investment in MLPs

The Investment Adviser believes that an investment in the Fund has certain advantages over direct investment in MLPs, such as:

Exposure to the MLP asset class through an investment vehicle that will provide common shareholders

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with a single Internal Revenue Service (IRS) form 1099. Direct investors in MLPs receive an IRS schedule K-1 from each MLP in which they invest.

Access to an investment vehicle that will not require shareholders to file state income tax returns in any state in which such investor is not otherwise required to file a tax return. Direct investors in an MLP are considered limited partners and may be required to file state income tax returns in each state in which the MLP operates.

Ability for the Fund s common shareholders that are tax-exempt investors to avoid having the Fund s distributions classified as unrelated business taxable income (UBTI), unless such investor s Common Shares are debt-financed. A portion of income received by tax-exempt investors directly from MLPs is generally treated as UBTI.

Ability for non-U.S. shareholders to avoid being directly subject to regular net based U.S. federal income tax and return filing requirements with respect to investments in MLPs, provided such non-U.S. shareholder s investment in the Fund is not effectively connected with the conduct of a trade or business in the United States by such shareholder. Non-U.S. shareholders would generally be subject to regular net based U.S. federal income tax on income from direct investments in MLPs treated as effectively connected with a U.S. trade or business.

Ability for the Fund s common shareholders to not be limited by the provisions of the Internal Revenue Code of 1986, as amended, (the Code) containing the passive activity loss rules with respect to any losses resulting from the purchase and sale of Common Shares, because the Fund is taxed as a corporation. The passive activity loss rules limit the ability of certain direct investors in MLPs to use their allocable share of any losses generated by an MLP to offset income from other activities.

Recent Developments

Legal Proceedings. On February 10, 2009, a putative class action lawsuit was filed in the United States District Court, Northern District of Texas, by Terri Morse Bachow on behalf of all persons who purchased shares of the Fund between September 1, 2008 and December 19, 2008, against the Advisor, Swank Capital, LLC, Jerry V. Swank, Mark W. Fordyce, Brian R. Bruce, Ronald P. Trout and Edward N. McMillan alleging violations of Sections 10(b) of the Securities Exchange Act of 1934 (the Exchange Act) by Mr. Swank and Mr. Fordyce, violations of Section 20(a) of the Exchange Act by Swank Capital, LLC, Mr. Swank, Mr. Fordyce, Mr. Bruce, Mr. Trout, and Mr. McMillan, and violations of Section 36(b)

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of the Investment Company Act of 1940 by Swank Capital, LLC. The complaint seeks an unspecified amount in compensatory damages, actual damages, and fees and expenses incurred in the lawsuit. The plaintiff s claims relate to the treatment and valuation of a deferred tax asset carried by the Fund under FASB Accounting Standards Codification No. 740, Income Taxes (formerly FASB Statement of Financial Accounting Standards No. 109). Plaintiffs claimed that the Fund s net asset value per share was inflated as a result of an alleged failure to apply a valuation allowance to its deferred tax asset. The alleged inflation was eliminated following disclosure by the Fund that its net asset value per share had decreased $3.49 per share as a result of a review of the Fund's accounting treatment of its deferred tax asset and the consequential write-off of that asset. Consequently, the Fund's closing price on the NYSE dropped from $7.40 per share to $3.81 per share over the course of two trading days. Defendants filed a motion to dismiss the complaint and the court granted in part and denied in part the motion to dismiss. The court dismissed all claims under Section 20(a) of the Exchange Act and Section 36(b) of the 1940 Act but did not dismiss the claim under Section 10(b) of the Exchange Act against Mr. Swank and Mr. Fordyce. On May 17, 2010, the Fund entered into a Stipulation and Agreement of Settlement in the lawsuit. The settlement is contingent on court approval and provides for, among other things, dismissal of the lawsuit with prejudice, the granting of broad releases of the named defendants, the Fund and all affiliated entities and a payment to the plaintiffs by the Fund's insurance carrier of $3.6 million, which would include payment of any attorneys' fees for plaintiffs' counsel.

The Fund anticipates that the entire settlement amount will be paid by its insurers and that the Fund will not incur any further costs or liability from this settlement. On May 17, 2010, the lead plaintiff and defendants Mr. Swank and Mr. Fordyce filed a joint motion seeking preliminary approval by the court of the settlement and approval of a form of notice to potential settlement class members. On June 28, 2010, the court entered an order certifying a settlement class and set a settlement fairness hearing on September 13, 2010 at 9:30 a.m.

Under the Fund s organizational documents, its officers and trustees, including Mr. Swank, are entitled to indemnification against certain liabilities arising out of the performance of their duties to the Fund, and this indemnification obligation may extend to costs and/or liabilities resulting from the above-described action. As of June 30, 2010, the Fund has accrued and paid approximately $500,000 in expenses relating to the indemnification of its

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officers and trustees relating to this proceeding. The Fund does not expect any significant increase in these expenses going forward.

The Offer

Common Shares Offered by the Fund	3,000,000
Common Shares Outstanding After the Offering	20,225,726

The number of Common Shares offered and outstanding after the offering assumes the underwriters overallotment option is not exercised. If the overallotment option is exercised in full, the Fund will issue an additional 450,000 Common Shares and will have 20,675,726 Common Shares outstanding after the Offering.

Use of Proceeds. The Fund estimates that the net proceeds to the Fund from this offering will be approximately $ million (or $ million if the underwriters exercise their option to purchase additional Common Shares in full), after deducting underwriting discounts and commissions and estimated offering expenses. The Fund intends to invest the net proceeds of the offering in accordance with its investment objective and policies as stated in the accompanying Prospectus.

The Fund anticipates that it will be able to invest substantially all of the net proceeds of this offering in accordance with its investment objective and policies within three months after completion of the offering. Prior to the time the Fund is fully invested, the proceeds of this offering may temporarily be invested in cash, cash equivalents, or in debt securities that are rated AA or higher. Income received by the Fund from these temporary investments would likely be less than returns sought pursuant to the Fund s investment objective and policies. The Fund may also use the proceeds for working capital purposes, including the payment of distributions, interest and operating expenses, although the Fund currently has no intent to use proceeds for this purpose. See Use of Proceeds.

Risks

Recent Economic Events. While the U.S. and global markets had experienced extreme volatility and disruption for an extended period of time, the third and fourth quarters of 2009 and the first and second quarters of 2010 witnessed more stabilized economic activity as expectations for an economic recovery increased. However, risks to a robust resumption of growth persist: a weak consumer weighed down by too much debt and increasing joblessness, the growing size of the federal budget deficit and national debt, and the threat of inflation. A return to unfavorable economic conditions or sustained economic slowdown may place downward pressure on oil and natural gas prices and may adversely affect the ability of MLPs to sustain their historical distribution levels, which in turn, may adversely affect the Fund s ability to sustain distributions at historical levels. MLPs that have historically relied heavily on outside capital to fund their growth have been impacted by the contraction in the capital

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markets. The continued recovery of the MLP sector is dependent on several factors, including the recovery of the financial sector, the general economy and the commodity markets.

2011 U.S. Federal Budget. The proposed U.S. federal budget for fiscal year 2011 calls for the elimination of approximately $40 billion in tax incentives widely used by oil, gas and coal companies and the imposition of new fees on certain energy producers. The elimination of such tax incentives and imposition of such fees could adversely affect MLPs and Other Natural Resources Companies in which the Fund invests and/or the natural resources sector generally.

Tax Law Changes. See Principal Risks of the Fund Recent Tax Law Changes.

Limitations on Use of Net Operating Loss. In the event that the Fund experiences an ownership change for purposes of Section 382 of the Internal Revenue Code of 1986, as amended, (the Code), which generally is any change in ownership of more than 50% of the Fund s common stock over a three-year period, the Fund s ability to use net operating loss and capital loss carryovers to offset future taxable income could be substantially limited. Although the Fund does not expect that this offering of Common Shares should cause an ownership change for purposes of Section 382 of the Code, it is possible that future issuances or sales of Common Stock or other securities, or certain other direct or indirect changes in ownership when combined with this and prior issuances may result in an ownership change.

Purchase at a Premium to NAV. The Fund s Common Shares have recently been trading at a substantial premium to NAV per share which may not be sustainable. If the Common Shares are trading at a premium to net asset value at the time you purchase Common Shares, the NAV per share of the Common Shares purchased will be less than the purchase price paid. Please see Price Range of Common Shares in this Prospectus Supplement for further information about the historical NAV, share prices and premium or discount to NAV of the Fund s Common Shares.

See Principal Risks of the Fund and other information in the accompanying Prospectus for a discussion of factors you should consider carefully before deciding to invest in the Fund s Common Shares.

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FINANCIAL HIGHLIGHTS

The selected data below sets forth the per share operating performance and ratios for the periods presented. The financial information was derived from and should be read in conjunction with the Financial Statements of the Fund and Notes thereto, which are incorporated by reference into this Prospectus Supplement from the Fund s Annual Report to Shareholders for the fiscal year ended November 30, 2009. The financial information for the fiscal years ended November 30, 2009 and November 30, 2008 and for the period from August 27, 2007 (commencement of operations) to November 30, 2007 has been audited by Deloitte & Touche LLP, the Fund s independent registered public accounting firm, whose unqualified report on such Financial Statements is incorporated by reference into this Prospectus Supplement.

	Year Ended November 30, 2009	Year Ended November 30, 2008	Period from August 27, 2007[1] through November 30, 2007
Per Common Share Data[2]			
Net Asset Value, beginning of period	$3.98	$18.17	$
Public offering price			20.00
Underwriting discounts and offering costs on issuance of Common Shares	(0.01)		(0.94)
Income from Investment Operations:			
Net Investment Income	1.09	1.15	0.30
Net realized and unrealized gain (loss) on investments	1.69	(14.05)	(0.89)
Total increase (decrease) from investment operations	2.78	(12.90)	(0.59)
Less Distributions to Common Shareholders:			
Net Investment Income			
Return of Capital	(1.01)	(1.29)	(0.30)
Total distributions to common shareholders	(1.01)	(1.29)	(0.30)
Net Asset Value, end of period	$5.74	$3.98	$18.17
Per Common Share market value, end of period	$7.37	$10.36	$16.71
Total Investment Return Based on Market Value	(16.89)%	(31.18)%	(14.84)%[3]
Supplemental Data and Ratios			
Net assets applicable to common shareholders, end of period (000 s)	$64,511	$37,779	$159,103
Ratio of expenses (including current and deferred income tax benefit) to average net assets before waiver[4][5]	4.32 %	5.18 %	(4.53)%
Ratio of expenses (including current and deferred income tax benefit) to average net assets after waiver[4][5]	3.74 %	4.75 %	(5.18)%
Ratio of expenses (excluding current and deferred income tax benefit) to average net assets before waiver[4][5]	4.32 %	2.99 %	2.69 %
Ratio of expenses (excluding current and deferred income tax benefit) to average net assets after waiver[4][5]	3.74 %	2.56 %	2.04 %
Ratio of net investment income to average net assets before waiver[4][5][6]	0.22 %	(1.93)%	(0.48)%

Ratio of net investment income to average net assets after waiver(4)(5)(6)	0.80 %	(1.49)%	0.17 %
Ratio of net investment income to average net assets after current and deferred income tax benefit, before waiver(4)(5)	0.22 %	(4.12)%	6.74 %
Ratio of net investment income to average net assets after current and deferred income tax benefit, after waiver(4)(5)	0.80 %	(3.69)%	7.39 %
Portfolio turnover rate	526.39 %	95.78 %	15.15 %

(1) Commencement of Operations

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

(3) Not Annualized. Total investment return is calculated assuming a purchase of common stock at the initial public offering price and a sale at the closing price on the last day of the period reported. The calculation also assumes reinvestment of dividends at actual prices pursuant to the Company s dividend reinvestment plan. Total investment return does not reflect brokerage commissions.

(4) Annualized for periods less than one full year.

(5) For the year ended November 30, 2009, the Company accrued $0 in net current and deferred tax expense. For the year ended November 30, 2008, the Company accrued $3,153,649 in net current and deferred tax expense. For the period from August 27, 2007 through November 30, 2007, the Company accrued $3,153,649 in net current and deferred income tax benefit.

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

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SUMMARY OF FUND EXPENSES

The following tables are intended to assist you in understanding the various costs and expenses directly or indirectly associated with investing in the Fund s Common Shares as a percentage of net assets attributable to Common Shares. Amounts are for the current fiscal year after giving effect to anticipated net proceeds of the offering, assuming that the Fund incurs the estimated offering expenses.

The following table assumes the Fund has borrowed in the amount equal to 33 1/3% of the Fund s Managed Assets (i.e., 50% of its net assets attributable to the Fund s Common Shares) and shows the Fund s expenses as a percentage of net assets attributable to its Common Shares.

Shareholder Transaction Expenses:		
Sales Load Paid by Investors (as a percentage of offering price)	5.00	%
Offering Expenses Borne by the Fund (as a percentage of offering price)[1]	1.33	%
Dividend Reinvestment Plan Fees[2]		

	Percentage of Net Assets Attributable to Common Shares (Assumes Leverage Is Used)[3][4]	
Annual Expenses:		
Management Fees	1.88	%
Interest Payments on Borrowed Funds[3]	0.50	%
Other Expenses[5]	1.06	%
Total Annual Expenses	3.44	%

(1) Amount reflects estimated offering expenses of $300,000 borne by the Fund.

(2) Investors who hold shares in a dividend reinvestment account and request a sale of shares through the dividend reinvestment plan agent are subject to a $15.00 sales fee and pay a brokerage commission of $0.12 per share sold.

(3) Assumes a cost on leveraging of 1.00%. This rate is an estimate and may differ based on varying market conditions that may exist when Leverage Instruments, as such term is defined on page 8 of the accompanying Prospectus, are issued or other borrowing commences and depending on the type of leverage used. If the Fund leverages in an amount greater than 33 1/3% of Managed Assets, this amount could increase.

(4) The Fund currently borrows money, however, at times the Fund may not borrow or otherwise use leverage. Consequently, the table presented below in this footnote also shows the Fund s expenses as a percentage of the same amount of net assets attributable to its Common Shares, but unlike the table above, assumes that the Fund does not borrow money. Consequently, the table below does not reflect any interest on borrowed funds or other costs and expenses of borrowing. The footnotes used in the table below correspond to the footnotes appearing below this footnote (4). In accordance with these assumptions, the Fund s expenses would be as follows:

	Percentage of Net Assets Attributable to Common Shares

Annual Expenses:		
Management Fees	1.25	%
Interest Payments on Borrowed Funds	None	
Other Expenses(5)	1.00	%
Total Annual Expenses	2.25	%

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(5) The costs of this offering are not included as an Annual Expense in the expenses shown in this table, but are included in the Shareholder Transaction Expenses table above. Other Expenses are based on estimated amounts for the current fiscal year, and include the following expenses associated with dividends paid on short sales: 0.011% (assuming leverage is used) and 0.007% (assuming no leverage is used). Please see footnote (1) above.

The purpose of the table and the example is to assist prospective investors in understanding the various costs and expenses that an investor in the Fund will bear directly or indirectly.

Example

As required by relevant SEC regulations, the following example illustrates the expenses (including the estimated offering expenses) that an investor would pay on a $1,000 investment in the Fund s Common Shares, assuming total annual expenses of 3.44% of net assets attributable to the Fund s Common Shares, underwriting discounts and commissions of 5.00%, estimated offering expenses of 1.33% per share, the Fund issues Leverage Instruments in an amount equal to 33 1/3% of Managed Assets (i.e., 50% of net assets attributable to the Fund s Common Shares), and a 5% annual return:

1 Year	3 Years	5 Years	10 Years
$95	$161	$229	$409

The Example should not be considered a representation of future expenses or returns. Actual expenses may be greater or less than those shown. Moreover, the Fund s actual rate of return may be greater or less than the hypothetical 5% return shown in the example. The example assumes that the estimated Other Expenses set out in the Annual Expenses table are accurate and that all dividends and distributions are reinvested at net asset value. In the event that the Fund does not use any leverage, an investor would pay the following expenses based on the assumptions in the example and total annual expenses of 2.25% of net assets attributable to the Fund s Common Shares: 1 Year, $84, 3 Years, $128, 5 Years, $175, and 10 Years, $302. For additional information with respect to the Fund s expenses, see Management of the Fund in the accompanying Prospectus and other information in this Prospectus Supplement and the accompanying Prospectus.

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USE OF PROCEEDS

The Fund estimates that the net proceeds to the Fund from the sale of the 3,000,000 Common Shares in this offering will be approximately $ million (or $ million if the underwriters exercise their option to purchase additional Common Shares in full), after deducting underwriting discounts and commissions and estimated offering expenses.

The Fund intends to invest the net proceeds of the offering in accordance with its investment objective and policies as stated in the accompanying Prospectus. The Fund anticipates that it will be able to invest substantially all of the net proceeds of this offering in accordance with its investment objective and policies within three months after completion of the offering. Prior to the time the Fund is fully invested, the proceeds of this offering may temporarily be invested in cash, cash equivalents, or debt securities that are rated AA or higher. Income received by the Fund from these temporary investments would likely be less than returns sought pursuant to the Fund s investment objective and policies. The Fund may also use the proceeds for working capital purposes, including the payment of distributions, interest and operating expenses, although the Fund currently has no intent to use proceeds for this purpose. A delay in the anticipated use of proceeds could lower returns and lower the Fund s distributions for the Common Shares offered in this Prospectus Supplement.

CAPITALIZATION

The following table sets forth the Fund's capitalization as of November 30, 2009:

(i) On an actual basis;

(ii) on an adjusted basis, to give effect to: the sale of 1,000,000 Common Shares on December 28, 2009, 250,000 Common Shares on December 30, 2009, and 4,600,000 Common Shares on March 11, 2010, and the issuance of an aggregate of 128,128 Common Shares pursuant to the Fund s dividend reinvestment plan since November 30, 2009 and the application of the net proceeds from such issuances and sales of Common Shares: and

(iii) as further adjusted, to reflect the assumed sale of 3,000,000 Common Shares at $8.10 per share in this offering, less the aggregate discount of $1,215,000 and offering expenses payable by the Fund of approximately $300,000, and the application of the estimated net proceeds from this offering as set forth under Use of Proceeds.

As of November 30, 2009	Actual	As Adjusted (Unaudited)	As Further Adjusted (Unaudited)
Short-Term Debt:			
Borrowings(1)	$29,900,000	$29,900,000	$29,900,000
Common Shareholder s Equity:			
Common shares of beneficial interest, par value $0.001 per share; 92,500,000 shares authorized, 11,247,598 shares issued and outstanding (actual), 17,225,726 shares issued and outstanding (as adjusted) and 20,225,726 shares issued outstanding (as further adjusted)	$11,248	$17,226	$20,226
Additional paid-in capital	164,695,742	209,676,173	232,458,173
Accumulated net investment loss, net of income taxes	(1,668,056)	(1,668,056)	(1,668,056)

Accumulated realized loss, net of income taxes	(119,408,274)	(119,408,274)	(119,408,274)
Net unrealized gain on investments, net of income taxes	20,880,742	20,880,742	20,880,742
Net assets applicable to common shareholders	64,511,402	109,497,810	132,282,810
Net asset value per Common Share	$5.74	$6.36	$6.54

(1) As of November 30, 2009, there was approximately $29.9 million outstanding under the Fund s fully-collateralized borrowing arrangement with Credit Suisse

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PRINCIPAL RISKS OF THE FUND

Investing in the Fund s Common Shares involves risk, including the risk that you may receive little or no return on your investment or even that you may lose part or all of your investment. Therefore, before investing in Common Shares you should consider carefully the risk factors described under Principal Risks of the Fund in the accompanying Prospectus in addition to the risk factors described in this Prospectus Supplement.

Recent Economic Events

While the U.S. and global markets had experienced extreme volatility and disruption for an extended period of time, the third and fourth quarters of 2009 and the first and second quarters of 2010 witnessed more stabilized economic activity as expectations for an economic recovery increased. However, risks to a robust resumption of growth persist: a weak consumer weighed down by too much debt and increasing joblessness, the growing size of the federal budget deficit and national debt, and the threat of inflation. A return to unfavorable economic conditions or sustained economic slowdown may place downward pressure on oil and natural gas prices and may adversely affect the ability of MLPs to sustain their historical distribution levels, which in turn, may adversely affect the Fund s ability to sustain distributions at historical levels. MLPs that have historically relied heavily on outside capital to fund their growth have been impacted by the contraction in the capital markets. The continued recovery of the MLP sector is dependent on several factors, including the recovery of the financial sector, the general economy and the commodity markets.

2011 U.S. Federal Budget

The proposed U.S. federal budget for fiscal year 2011 calls for the elimination of approximately $40 billion in tax incentives widely used by oil, gas and coal companies and the imposition of new fees on certain energy producers. The elimination of such tax incentives and imposition of such fees could adversely affect MLPs and Other Natural Resources Companies in which the Fund invests and/or the natural resources sector generally.

Recent Tax Law Changes

Foreign Account Tax Compliance Act

Recently enacted legislation will require, after December 31, 2012, withholding at a rate of 30 percent on dividends in respect of, and gross proceeds from the sale of, the Fund s Common Shares held by or through certain foreign financial institutions (including investment funds), unless such institution enters into an agreement with the Secretary of the Treasury to report, on an annual basis, information with respect to shares in the institution held by certain United States persons and by certain non-US entities that are wholly or partially owned by United States persons. Accordingly, the entity through which the Fund s Common Shares are held will affect the determination of whether such withholding is required. Similarly, dividends in respect of, and gross proceeds from the sale of, the Fund s Common Shares held by an investor that is a non-financial non-US entity will be subject to withholding at a rate of 30 percent, unless such entity either (i) certifies to us that such entity does not have any substantial United States owners or (ii) provides certain information regarding the entity s substantial United States owners, which the Fund will in turn provide to the Secretary of the Treasury. If you are a Non-U.S. Shareholder, you are encouraged to consult with your tax advisors regarding the possible implications of the legislation on your investment in the Fund s Common Shares.

Medicare Tax

For taxable years beginning after December 31, 2012, a U.S. person that is an individual or estate, or a trust that does not fall into a special class of trusts that is exempt from such tax, is subject to a 3.8% tax on the lesser of (1) the United States person s net investment income for the relevant taxable year and (2) the excess of the United States person s modified gross income for the taxable year over a certain threshold (which in the case of individuals will be between $125,000 and $250,000, depending on the individual s circumstances). A holder s net investment income will generally include its gross dividend income and its net gains from the disposition of the Fund s Common Shares, unless such dividends or net gains are derived in the ordinary course of the conduct of a trade or business (other than a trade or business that consists of certain passive or trading activities). If you are a United States stockholder that is an individual, estate or trust, you are urged to consult your tax advisors regarding the applicability of the Medicare tax to your income and gains in respect of your investment in the common shares.

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Limitations on Use of Net Operating Loss

In the event that the Fund experiences an ownership change for purposes of Section 382 of the Internal Revenue Code of 1986, as amended, (the Code), which generally is any change in ownership of more than 50% the Fund s common stock over a three-year period, the Fund s ability to use net operating loss and capital loss carryovers to offset future taxable income could be substantially limited. Although the Fund does not expect that this offering of Common Shares should cause an ownership change for purposes of Section 382 of the Code, it is possible that future issuances or sales of Common Stock or other securities, or certain other direct or indirect changes in ownership when combined with this and prior issuances may result in an ownership change.

Purchase at a Premium to Net Asset Value

The Fund s Common Shares have recently been trading at a substantial premium to NAV per share which may not be sustainable. If the Common Shares are trading at a premium to net asset value at the time you purchase Common Shares, the NAV per share of the Common Shares purchased will be less than the purchase price paid. Please see Price Range of Common Shares in this Prospectus Supplement for further information about the historical NAV, share prices and premium or discount to NAV of the Fund s Common Shares.

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RECENT DEVELOPMENTS

Legal Proceedings

On February 10, 2009, a putative class action lawsuit was filed in the United States District Court, Northern District of Texas, by Terri Morse Bachow on behalf of all persons who purchased shares of the Fund between September 1, 2008 and December 19, 2008, against the Advisor, Swank Capital, LLC, Jerry V. Swank, Mark W. Fordyce, Brian R. Bruce, Ronald P. Trout and Edward N. McMillan alleging violations of Sections 10(b) of the Securities Exchange Act of 1934 (the Exchange Act) by Mr. Swank and Mr. Fordyce, violations of Section 20(a) of the Exchange Act by Swank Capital, LLC, Mr. Swank, Mr. Fordyce, Mr. Bruce, Mr. Trout, and Mr. McMillan, and violations of Section 36(b) of the Investment Company Act of 1940 by Swank Capital, LLC. The complaint seeks an unspecified amount in compensatory damages, actual damages, and fees and expenses incurred in the lawsuit. The plaintiff s claims relate to the treatment and valuation of a deferred tax asset carried by the Fund under FASB Accounting Standards Codification No. 740, Income Taxes (formerly FASB Statement of Financial Accounting Standards No. 109). Plaintiffs claimed that the Fund s net asset value per share was inflated as a result of an alleged failure to apply a valuation allowance to its deferred tax asset. The alleged inflation was eliminated following disclosure by the Fund that its net asset value per share had decreased $3.49 per share as a result of a review of the Fund's accounting treatment of its deferred tax asset and the consequential write-off of that asset. Consequently, the Fund's closing price on the NYSE dropped from $7.40 per share to $3.81 per share over the course of two trading days.

Defendants filed a motion to dismiss the complaint and the court granted in part and denied in part the motion to dismiss. The court dismissed all claims under Section 20(a) of the Exchange Act and Section 36(b) of the 1940 Act but did not dismiss the claim under Section 10(b) of the Exchange Act against Mr. Swank and Mr. Fordyce. On May 17, 2010, the Fund entered into a Stipulation and Agreement of Settlement in the lawsuit. The settlement is contingent on court approval and provides for, among other things, dismissal of the lawsuit with prejudice, the granting of broad releases of the named defendants, the Fund and all affiliated entities and a payment to the plaintiffs by the Fund's insurance carrier of $3.6 million, which would include payment of any attorneys' fees for plaintiffs' counsel.

The Fund anticipates that the entire settlement amount will be paid by its insurers and that the Fund will not incur any further costs or liability from this settlement. On May 17, 2010, the lead plaintiff and defendants Mr. Swank and Mr. Fordyce filed a joint motion seeking preliminary approval by the court of the settlement and approval of a form of notice to potential settlement class members. On June 28, 2010, the court entered an order certifying a settlement class and set a settlement fairness hearing on September 13, 2010 at 9:30 a.m.

Under the Fund s organizational documents, its officers and trustees, including Mr. Swank, are entitled to indemnification against certain liabilities arising out of the performance of their duties to the Fund, and this indemnification obligation may extend to costs and/or liabilities resulting from the above-described action. As of June 30, 2010, the Fund has accrued and paid approximately $500,000 in expenses relating to the indemnification of its officers and trustees relating to this proceeding. The Fund does not expect any significant increase in these expenses going forward.

Issuance of Shares

On March 27, 2009, the Fund sold 750,000 Common Shares in a registered public offering at a price of $4.50 per share. On June 30, 2009, the Fund sold 936,090 Common Shares in a registered public offering at a price of $5.85 per share. On December 28, 2009, the Fund sold 1,000,000 Common Shares in a registered public offering at a price of

$7.53 per share. On December 30, 2009, the Fund sold 250,000 Common Shares in a registered public offering at a price of $7.56 per share. On March 11, 2010, the Fund sold 4,600,000 Common Shares in a registered public offering at a price of $8.05 per share. After these sales, the Fund s total Common Shares outstanding were 17,174,858.

Effects of Leverage

The Fund may use leverage through fully-collateralized borrowing arrangements, the issuance of preferred shares, commercial paper or notes, other forms of borrowing or both. The amount of the leverage utilized by the Fund may vary over time. As of June 29, 2010, there was approximately $48,000,000 outstanding under the Fund s fully-collateralized borrowing arrangement with Credit Suisse. Assuming the utilization

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of leverage in the amount of 33 1/3% of the Fund s Managed Assets (i.e., 50% of its net assets attributable to the Fund s Common Shares) and an annual interest rate of 1.00% on borrowings payable on such leverage based on market rates as of June 29, 2010, the annual return that the Fund must earn (net of expenses) in order to cover such interest expense is 0.50%. The Fund s actual cost of leverage will be based on market rates, which may vary over time, and such actual costs of leverage may be higher or lower than that assumed in the previous example.

The following table is designed to assist the investor in understanding the effects of leverage by illustrating the effect on the return to a holder of the Fund s Common Shares of leverage in the amount of approximately 33 1/3% of the Fund s Managed Assets (i.e., 50% of its net assets attributable to the Fund s Common Shares), assuming hypothetical annual returns of the Fund s portfolio of minus 10% to plus 10%. As the table shows, leverage generally increases the return to holders of Common Shares when portfolio return is positive and greater than the cost of leverage and decreases the return when the portfolio return is negative or less than the cost of leverage. The figures appearing in the table are hypothetical and actual returns may be greater or less than those appearing in the table. See Principal Risks of the Fund.

Assumed Portfolio Total Return (Net of Expenses)	(10)%	(5)%	0 %	5 %	10 %
Common Share Total Return	(15.50)%	(8.00)%	(0.50)%	7.00 %	14.50 %

Common Share total return is composed of two elements: Distributions on Common Shares paid by the Fund (the amount of which is largely determined by the Fund s net investment income after paying dividends or interest on its outstanding leverage) and gains or losses on the value of the securities the Fund owns. As required by SEC rules, the table above assumes that the Fund is more likely to suffer capital losses than to enjoy capital appreciation. For example, to assume a total return of 0%, the Fund must assume that the distributions it receives on its investments are entirely offset by losses in the value of those securities.

Board and Committee Meetings

During the Fund s fiscal year ended November 30, 2009, the Board of Trustees of the Fund held 10 meetings, the Fund s Audit Committee held 2 meetings and the Nominating, Corporate Governance and Compensation Committee held 2 meetings.

Compensation of Trustees

The Trustees received from the Fund, for services as a Trustee of the Fund, the amounts set out below for the Fund s fiscal year ended November 30, 2009.

	Aggregate Compensation from the Fund	Pension or Retirement Benefits Accrued as Part of Fund Expenses	Estimated Annual Benefits Upon Retirement	Total Compensation from the Fund and Fund Complex
Non-Interested Trustees				
Brian R. Bruce	$ 33,000	None	None	$ 33,000
Edward N. McMillan	$ 33,000	None	None	$ 33,000

Ronald P. Trout	$ 33,000	None	None	$ 33,000
Interested Trustee				
Jerry V. Swank	None	None	None	None

Investment Management Agreement

The continuation of the Investment Management Agreement was most recently approved by the Fund s Board of Trustees on August 13, 2009. A discussion regarding the basis for approval by the Fund s Board of Trustees of the Investment Management Agreement is available in the Fund s annual report to shareholders for the period ended November 30, 2009.

On December 19, 2008, the Investment Adviser temporarily reduced the advisory fee charged to the Fund from 1.25% to 1.00%. Effective February 1, 2010, the Investment Adviser discontinued this reduction and resumed charging the Fund an advisory fee of 1.25%.

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Investment Management Fee.

	Fiscal Year Ended November 30,		
	2009	2008	2007[1]
The Investment Manager received approximate management fees of	$557,839	$1,615,353	$284,062

(1) Period from August 27, 2007 (commencement of operations) through November 30, 2007.

Portfolio Manager

The following tables provide information regarding other accounts managed by the portfolio manager as of the fiscal year ended November 30, 2009.

Other Accounts Managed by the Portfolio Manager.

Registered Investment Companies (Excluding the Fund)		Other Pooled Investment Vehicles		Other Accounts	
Number of Accounts	Total Assets in the Accounts	Number of Accounts	Total Assets in the Accounts	Number of Accounts	Total Assets in the Accounts
0	$0	3	$508,000,000	0	$0

Other Accounts That Pay Performance-Based Advisory Fees Managed by the Portfolio Manager.

Registered Investment Companies (Excluding the Fund)		Other Pooled Investment Vehicles		Other Accounts	
Number of Accounts	Total Assets in the Accounts	Number of Accounts	Total Assets in the Accounts	Number of Accounts	Total Assets in the Accounts
0	$0	3	$508,000,000	0	$0

Ownership of Securities

As of December 31, 2009, the Trustees and portfolio manager of the Fund owned Common Shares of the Fund in the following amounts:

Name of Trustee or Portfolio Manager	Dollar Range of Equity Securities in the Fund	Aggregate Dollar Range of Equity Securities in All Funds Overseen by Trustees in Family of Registered Investment Companies[1]
Brian R. Bruce	None	None
Edward N. McMillan	$50,001 $100,000	$50,001 $100,000
Ronald P. Trout	$1 $10,000	$1 $10,000
Jerry V. Swank[2]	Over $100,000	Over $100,000

(1) No other registered investment companies share the same investment adviser or principal underwriter as the Fund and hold themselves out to investors as related companies for purposes of investment and investor services.

(2) Trustee and portfolio manager of the Fund.

As of December 31, 2009, the Trustees and officers of the Fund as a group owned less than 1% of the outstanding Common Shares of the Fund. There are no control persons of the Fund.

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Price Range of Common Shares

The following table sets forth for the quarters indicated, the high and low sale prices on the NYSE per share of our Common Shares and the net asset value and the premium or discount from net asset value per share at which the Common Shares were trading, expressed as a percentage of net asset value, at each of the high and low sale prices provided.

Quarter Ended	Market Price		Corresponding Net Asset Value (NAV) per Share		Corresponding Premium or Discount as a % of NAV	
	High	Low	High	Low	High	Low
Fiscal Year Ending November 30, 2010						
First Fiscal Quarter	$9.90	$7.33	$6.74	$5.74	46.88%	27.70 %
Second Fiscal Quarter	$9.44	$7.87	$7.24	$6.17	30.39%	27.55 %
Third Fiscal Quarter	$8.68	$8.00	$6.63	$6.20	30.92%	29.03 %
Fiscal Year Ended November 30, 2009						
First Fiscal Quarter	$9.25	$3.69	$7.93	$3.43	16.65%	7.58 %
Second Fiscal Quarter	$6.76	$4.28	$4.78	$3.98	41.42%	7.54 %
Third Fiscal Quarter	$7.50	$5.71	$5.55	$4.73	35.14%	20.72 %
Fourth Fiscal Quarter	$7.61	$5.87	$5.74	$5.18	32.58%	13.32 %
Fiscal Year Ended November 30, 2008						
First Fiscal Quarter	$17.65	$15.00	$18.00	$17.88	(1.94)%	(16.11)%
Second Fiscal Quarter	$17.98	$15.49	$17.25	$17.34	4.23 %	(10.67)%
Third Fiscal Quarter	$17.96	$15.94	$17.40	$16.80	3.22 %	(5.12)%
Fourth Fiscal Quarter	$17.02	$8.34	$15.58	$10.23	9.24 %	(18.48)%

On July 12, 2010, the last reported price for the Fund s Common Shares was $8.45 per share and the NAV of the Fund s Common Shares was $7.11 per share, resulting in a premium to NAV of 18.85%. The Fund cannot predict whether its shares will trade in the future at a premium to or discount from NAV, or the level of any premium or discount. Shares of closed-end investment companies frequently trade at a discount from NAV. The Fund s Common Shares have in the past traded below their NAV.

Portfolio Transactions and Brokerage

Commissions Paid. Unless otherwise disclosed below, the Fund paid no commissions to affiliated brokers during the last three fiscal years. The Fund paid the following commissions to brokers during the fiscal years shown:

Fiscal Year Ended November 30,	All Brokers	Affiliated Brokers
2009	$ 1,315,955	$ 0
2008	$ 582,968	$ 0
2007(1)	$ 210,866	$ 0

(1) Period from August 27, 2007 (commencement of operations) through November 30, 2007.

Fiscal Year 2009 Percentages:	
Percentage of aggregate brokerage commissions paid to affiliated broker	0 %
Percentage of aggregate dollar amount of transactions involving the payment of commissions effected through affiliated broker	0 %

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UNDERWRITING

Ladenburg Thalmann & Co. Inc. is acting as representative of the underwriters named below. Subject to the terms and conditions stated in the underwriting agreement dated the date of this Prospectus Supplement, each underwriter named below has agreed to purchase, and the Fund has agreed to sell to that underwriter, the number of Shares set forth opposite the underwriter s name.

Underwriter	Shares
Ladenburg Thalmann & Co. Inc.	
Maxim Group LLC	
National Securities Corporation	
Wunderlich Securities, Inc.	
Boenning and Scattergood Inc.	
Total	3,000,000

The underwriting agreement provides that the obligations of the underwriters to purchase the Common Shares included in this offering are subject to approval of legal matters by counsel and to other conditions. The underwriters are obligated to purchase all the Common Shares other than those covered by the overallotment option described below if they purchase any of the Common Shares.

The underwriters propose to offer some of the Common Shares directly to the public at the public offering price set forth on the cover page of this Prospectus and some of the Common Shares to dealers at the public offering price less a concession not to exceed $ per Common Share. The underwriting discount of $ per Common Share is equal to 5.00% of the initial offering price. If all of the Common Shares are not sold at the initial offering price, the representative may change the public offering price and other selling terms. Investors must pay for any Common Shares purchased on or before July , 2010. The representative has advised the Fund that the underwriters do not intend to confirm any sales to any accounts over which they exercise discretionary authority.

The Fund has granted to the underwriters an option, exercisable for 45 days from the date of this Prospectus, to purchase up to an additional 450,000 Common Shares at the public offering price less the underwriting discount. The underwriters may exercise the option solely for the purpose of covering over-allotments, if any, in connection with this offering. To the extent such option is exercised, each underwriter must purchase a number of additional Common Shares approximately proportionate to that underwriter s initial purchase commitment.

The Fund and its trustees and officers have agreed that, for a period of 60 days from the date of this Prospectus Supplement, the Fund and its trustees and officers will not, without the prior written consent of Ladenburg Thalmann & Co. Inc., on behalf of the underwriters, offer, pledge, sell, contract to sell or otherwise dispose of or agree to sell or otherwise dispose of, directly or indirectly or hedge any Common Shares or any securities convertible into or exchangeable for Common Shares, provided, however, that the Fund may issue and sell shares of Common Shares pursuant to the Fund s dividend reinvestment plan. Ladenburg Thalmann & Co. Inc. in its sole discretion may release any of the securities subject to these lock-up agreements at any time without notice.

The 60-day period in the preceding paragraph will be extended if (i) during the last 17 days of the 60-day period the Fund issues an earnings release or material news or a material event relating to the Fund occurs or (ii) prior to the expiration of the 60-day period, the Fund announces that it will release earnings results during the 16-day period beginning on the last day of the 60-day period, in which case the restrictions described in the preceding sentence will continue to apply until the expiration of the 18-day period beginning on the issuance of the earnings release or the announcement of the material news or the occurrence of the material event.

The Fund s currently outstanding Common Shares are, and the Common Shares offered by this Prospectus Supplement and the accompanying Prospectus, subject to notice of issuance, will be, listed on the NYSE under the symbol SRV .

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The following table shows the underwriting discounts to be paid to the underwriters in connection with this offering. These amounts are shown assuming both no exercise and full exercise of the underwriters option to purchase additional Common Shares.

	No Exercise	Full Exercise
Per Common Share	$	$
Total	$	$

The Fund and the Investment Adviser have each agreed to indemnify the underwriters against certain liabilities, including liabilities under the Securities Act of 1933, or to contribute to payments the underwriters may be required to make because of any of those liabilities.

Certain underwriters may make a market in the Common Shares. No underwriter is, however, obligated to conduct market-making activities and any such activities may be discontinued at any time without notice, at the sole discretion of the underwriter. No assurance can be given as to the liquidity of, or the trading market for, the Common Shares as a result of any market-making activities undertaken by any underwriter. This Prospectus Supplement and the accompanying Prospectus is to be used by any underwriter in connection with the offering and, during the period in which a prospectus must be delivered, with offers and sales of the Common Shares in market-making transactions in the over-the-counter market at negotiated prices related to prevailing market prices at the time of the sale.

In connection with the offering, Ladenburg Thalmann & Co. Inc., on behalf of the underwriters, may purchase and sell Common Shares in the open market. These transactions may include short sales, syndicate covering transactions and stabilizing transactions. Short sales involve syndicate sales of shares of Common Shares in excess of the number of Common Shares to be purchased by the underwriters in the offering, which creates a syndicate short position. Covered short sales are sales of Common Shares made in an amount up to the number of Common Shares represented by the underwriters over-allotment option. In determining the source of Common Shares to close out the covered syndicate short position, the underwriters will consider, among other things, the price of Common Shares available for purchase in the open market as compared to the price at which they may purchase Common Shares through the overallotment option. Transactions to close out the covered syndicate short position involve either purchases of Common Shares in the open market after the distribution has been completed or the exercise of the over-allotment option. The underwriters may also make naked short sales of Common Shares in excess of the over-allotment option. The underwriters must close out any naked short position by purchasing Common Shares in the open market. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of Common Shares in the open market after pricing that could adversely affect investors who purchase in the offering. Stabilizing transactions consist of bids for or purchases of Common Shares in the open market while the offering is in progress.

The underwriters also may impose a penalty bid. Penalty bids permit the underwriters to reclaim a selling concession from a syndicate member when Ladenburg Thalmann & Co. Inc. repurchases Common Shares originally sold by that syndicate member in order to cover syndicate short positions or make stabilizing purchases.

Any of these activities may have the effect of preventing or retarding a decline in the market price of Common Shares. They may also cause the price of Common Shares to be higher than the price that would otherwise exist in the open market in the absence of these transactions. The underwriters may conduct these transactions on the NYSE, or in the over-the-counter market, or otherwise. If the underwriters commence any of these transactions, they may discontinue them at any time.

The Fund estimates that its portion of the total expenses of this offering, excluding the underwriting discounts, will be approximately $300,000.

A prospectus in electronic format may be made available on the websites maintained by one or more of the underwriters. The representative may agree to allocate a number of Common Shares to underwriters for

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sale to their online brokerage account holders. The representative will allocate Common Shares to underwriters that may make Internet distributions on the same basis as other allocations. In addition, Common Shares may be sold by the underwriters to securities dealers who resell Common Shares to online brokerage account holders.

The sum of all compensation to the underwriters in connection with this offering of Common Shares, including the underwriting discount, will not exceed 8.0% of the total public offering price of the Common Shares sold in this offering.

The Fund anticipates that, from time to time, certain underwriters may act as brokers or dealers in connection with the execution of the Fund s portfolio transactions after they have ceased to be underwriters and, subject to certain restrictions, may act as brokers while they are underwriters.

Certain underwriters may have performed investment banking and advisory services for the Fund, the Investment Adviser and their affiliates from time to time, for which they have received customary fees and expenses. Certain underwriters may, from time to time, engage in transactions with or perform services for the Fund, the Investment Adviser and their affiliates in the ordinary course of business.

The principal business address of Ladenburg Thalmann & Co. Inc. is 520 Madison, 9th Floor, New York, New York 10022.

LEGAL MATTERS

Certain legal matters will be passed on by Skadden, Arps, Slate, Meagher & Flom LLP, New York, New York, as special counsel to the Fund in connection with the offering of Common Shares. Certain legal matters will be passed on by Vinson & Elkins L.L.P., New York, New York, as special counsel to the underwriters in connection with the offering of Common Shares.

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Fund has selected Deloitte & Touche LLP as its independent registered public accounting firm. Deloitte & Touche LLP s principal business address is located at 2200 Ross Avenue, Dallas, Texas 75201.

ADDITIONAL INFORMATION

The Fund is subject to the informational requirements of the 1934 Act and the 1940 Act and in accordance with those requirements is required to file reports, proxy statements and other information with the Securities and Exchange Commission. Any such reports and other information, including the Fund and Investment Adviser s code of ethics, can be inspected and copied at the Securities and Exchange Commission s Public Reference Room, Washington, D.C. 20549-0102. Information on the operation of such public reference facilities may be obtained by calling the Securities and Exchange Commission at (202) 551-8090. Copies of such materials can be obtained from the Securities and Exchange Commission s Public Reference Room, at prescribed rates, or by electronic request at *publicinfo@sec.gov*. The Securities and Exchange Commission maintains a website at *www.sec.gov* containing reports and information statements and other information regarding registrants, including the Fund, that file electronically with the Securities and Exchange Commission. Reports, proxy statements and other information concerning the Fund can also be inspected at the offices of the New York Stock Exchange, 20 Broad Street, New York, New York 10005. Copies of the Fund s annual and semi-annual reports may be obtained, without charge, upon request mailed to Jerry Swank, the Cushing MLP Total Return Fund, 3300 Oak Lawn Avenue, Suite 650, Dallas, Texas 75219 or by calling toll free at (800) 662-7232 and also are made available on the Fund s website at *www.swankcapital.com*. You may also call this toll-free telephone number to request other information about the Fund or to make shareholder inquiries. Information on, or accessible through, the Fund s website is not a part of, and is not incorporated into, this Prospectus Supplement or the accompanying Prospectus.

Additional information regarding the Fund is contained in the registration statement on Form N-2, including amendments, exhibits and schedules to the registration statement relating to such shares filed by the Fund with the Securities and Exchange Commission in Washington, D.C. This Prospectus Supplement and the accompanying Prospectus does not contain all of the information set out in the registration statement, including any amendments, exhibits and schedules to the registration statement. For further information with respect

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to the Fund and the Common Shares offered hereby, reference is made to the registration statement. Statements contained in this Prospectus Supplement and the accompanying Prospectus as to the contents of any contract or other document referred to are not necessarily complete and in each instance reference is made to the copy of such contract or other document filed as an exhibit to the registration statement, each such statement being qualified in all respects by such reference. A copy of the registration statement may be inspected without charge at the Securities and Exchange Commission s principal office in Washington, D.C., and copies of all or any part of the registration statement may be obtained from the Securities and Exchange Commission upon the payment of certain fees prescribed by the Securities and Exchange Commission.

FINANCIAL STATEMENTS

The Financial Statements of the Fund and Notes thereto and the Report of Independent Registered Public Accounting Firm from the Fund s Annual Report to Shareholders for the fiscal year ended November 30, 2009 were filed with the SEC and are each incorporated by reference into this Prospectus Supplement. All other portions of the Fund s Annual Report to Shareholders are not incorporated herein by reference and are not part of the Fund s registration statement, the Prospectus or any Prospectus Supplement.

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Base Prospectus dated May 17, 2010

The Cushing MLP Total Return Fund

80,000,000 COMMON SHARES OF BENEFICIAL INTEREST

Investment Objective. 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 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. No assurance can be given that the Fund s investment objective will be achieved.

Investment Strategy. The Fund seeks to achieve its investment objective by investing, under normal market conditions, at least 80% of its net assets, plus any borrowings for investment purposes, in master limited partnership (MLP) investments (the 80% policy). Entities commonly referred to as MLPs are taxed as partnerships for 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). 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 (described on page 39 of this base prospectus) and other derivative securities that have economic characteristics of MLP securities. The Fund is managed by Swank Energy Income Advisors, LP (the Investment Adviser).

The Fund seeks to obtain a high after-tax total return through investments in public and private MLPs that have distribution growth prospects that, in the Investment Adviser s view, are high relative to comparable MLPs and available unit pricing. The Fund will be treated as a regular corporation, or C corporation, for U.S. federal income tax purposes. The Fund intends to focus its investments in MLPs with operations in the development, production, processing, refining, transportation, storage and marketing of natural resources. The Fund believes that, as a result of the tax characterization of cash distributions made by MLPs to their investors (such as the Fund), a significant portion of the Fund s income will be tax-deferred, which will allow distributions by the Fund to its shareholders to include tax-deferred income; however, there can be no assurance in this regard. If this expectation is not realized, the Fund will have a larger corporate income tax expense than expected, which will result in less cash available to distribute to shareholders. 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 will generally seek to invest in 20 to 30 issuers with generally 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, 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 MLPs 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 base prospectus (the 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.

Our common shares are listed on the New York Stock Exchange under the symbol SRV. On May 14, 2010, the last reported sale price of our common shares was $9.15.

The Fund may offer, from time to time, in one or more offerings, common shares of beneficial interest (common shares), each having a par value of $0.001 per share. Common shares may be offered at prices and on terms to be set forth in one or more supplements to this Prospectus (each a Prospectus Supplement). You should read this Prospectus and the applicable Prospectus Supplement carefully before you invest in our common shares.

Common shares may be offered directly to one or more purchasers, through agents designated from time to time by the Fund, or to or through underwriters or dealers. The Prospectus Supplement relating to the offering will identify any agents or underwriters involved in the sale of common shares and will set forth any applicable purchase price, fee, commission or discount arrangement between us and our agents or underwriters, or among our underwriters, or the basis upon which such amount may be calculated. We may not sell any of our shares through agents, underwriters or dealers without delivery of a Prospectus Supplement describing the method and terms of the particular offering of our common shares.

Investment in the Fund s common shares involves substantial risks arising from the Fund s policy of investing in the securities of MLPs, its concentration in the natural resources sector and its use of leverage. Before buying any of the Fund s common shares, you should read the discussion of the material risks of investing in the Fund in Principal Risks of the Fund beginning on page 44 of this Prospectus.

Neither the Securities and Exchange Commission (the SEC) nor any state securities commission has approved or disapproved these securities or determined if this Prospectus is truthful or complete. Any representation to the contrary is a criminal offense. This Prospectus may not be used to consummate sales of shares by us through agents, underwriters or dealers unless accompanied by a Prospectus Supplement.

Please read this Prospectus carefully before deciding whether to invest and retain it for future reference. This Prospectus contains all information required to be in the Fund s Statement of Additional Information. This Prospectus sets forth concisely the information about the Fund that a prospective investor ought to know before investing in the Fund. Copies of the Fund s annual and semi-annual reports may be obtained upon request, without charge, by calling toll-free (800) 662-7232 and also will be made available on the Fund s website at *www.swankfunds.com*. You may also call this toll-free telephone number to request other information about the Fund or to make shareholder inquiries. Information on, or accessible through, the Fund s website is not a part of, and is not incorporated into, this Prospectus. The SEC maintains an internet website (*www.sec.gov*) that contains other information regarding the Fund.

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

Prospective investors should rely only on the information contained or incorporated by reference in this Prospectus. The Fund has not authorized any other person to provide investors with different information. If anyone provides an investor with different or inconsistent information, the investor 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. Prospective investors should assume that the information appearing in this Prospectus is accurate only as of the date on the front cover of this Prospectus. The Fund s business, financial condition, results of operations and prospects may have changed since that date.

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You should rely only on the information contained in this Prospectus and the accompanying Prospectus Supplement. We have not authorized anyone to provide you with additional information, or information different from that contained in this Prospectus and the accompanying Prospectus Supplement. If anyone provides you with different or additional information, you should not rely on it. We are offering to sell, and seeking offers to buy, common shares only in jurisdictions where offers and sales are permitted. The information contained, or incorporated by reference, in this Prospectus and the accompanying Prospectus Supplement is accurate only as of the date of this Prospectus and such Prospectus Supplement. We will update these documents to reflect material changes as required by law. Our business, financial condition, results of operations and prospects may have changed since then.

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CAUTIONARY NOTICE REGARDING FORWARD-LOOKING STATEMENTS

This Prospectus and any accompanying Prospectus Supplement, including documents incorporated by reference, contain forward-looking statements. Forward-looking statements can be identified by the words may, will, intend, expect, estimate, continue, plan, anticipate, and similar terms and the negative of such terms. By their nature, 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 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 Principal Risks of the Fund section of this Prospectus and any accompanying Prospectus Supplement. 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 or any accompanying Prospectus Supplement are made as of the date of this Prospectus or any accompanying Prospectus Supplement, as the case may be. 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 and any accompanying Prospectus Supplement are excluded from the safe harbor protection provided by section 27A of the Securities Act of 1933, as amended (the Securities Act).

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 Principal Risks of the Fund section of this Prospectus and any accompanying Prospectus Supplement. 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.

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PROSPECTUS SUMMARY

This is only a summary. This summary does not contain all of the information that an investor should consider before investing in the Fund s common shares. You should review the more detailed information contained in this base prospectus (the Prospectus). In particular, you should carefully read the risks of investing in the common shares, as discussed under Principal Risks of the Fund.

The Fund

The Cushing MLP Total Return Fund was formed as a Delaware statutory trust on May 23, 2007 and is a non-diversified, closed-end management investment company registered under the Investment Company Act of 1940 (the 1940 Act). Throughout the Prospectus, The Cushing MLP Total Return Fund is referred to simply as the Fund or as we, us or our. See The Fund.

The Offering

The Fund may offer, from time to time, in one or more offerings, common shares of beneficial interest, $0.001 par value per share. The common shares of beneficial interest are called common shares in the rest of this Prospectus. The common shares may be offered at prices and on terms to be set forth in one or more supplements to this Prospectus (each, a Prospectus Supplement). The offering price per share of our common shares will not be less than the net asset value per share of our common shares at the time we make the offering, exclusive of any underwriting commissions or discounts. You should read this Prospectus and the applicable Prospectus Supplement carefully before you invest in our common shares. Common shares may be offered directly to one or more purchasers, through agents designated from time to time by us or to or through underwriters or dealers. The Prospectus Supplement relating to the offering will identify any agents, underwriters or dealers involved in the sale of our shares, and will set forth any applicable purchase price, fee, commission or discount arrangement between us and our agents or underwriters, or among our underwriters, or the basis upon which such amount may be calculated. We may not sell any of our common shares through agents, underwriters or dealers without delivery of a Prospectus Supplement describing the method and terms of the particular offering of our common shares.

NYSE Listed

The Fund s common shares are listed for trading on the New York Stock Exchange (the NYSE), under the symbol SRV. As of May 14, 2010, the last reported sale price of the Fund s common shares on the NYSE was $9.15.

Investment Adviser

The Fund s investments are managed by its Investment Adviser, Swank Energy Income Advisors, LP, whose principal business address is 3300 Oak Lawn Avenue, Suite 650, Dallas, Texas 75219. The Investment Adviser is also investment adviser to the private managed accounts (Affiliated Funds), which invest primarily in securities of MLPs and Other Natural Resources Companies and global commodities. Since 2003, the Investment Adviser has managed the Affiliated Funds with a focus on achieving a high after-tax total return from a combination of capital appreciation and current income (as opposed to relative performance against a benchmark index). The Investment Adviser seeks to identify and exploit investment niches it believes are generally less understood and less followed by the broader investor community.

Competitive Strengths

The Investment Adviser considers itself one of the principal professional institutional investors in the MLP space based on the following:

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

A focus on bottom-up, fundamental analysis performed by its experienced investment team.

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

Its central location in Dallas, Texas and proximity to major players and assets in the MLP space.

Who May Want to Invest

Investors should consider their own investment goals, time horizon and risk tolerance before investing in the Fund. An investment in the Fund may not be appropriate for all investors and is not intended to be a complete investment program. The Fund may be an appropriate investment for you if you are seeking:

The opportunity for an attractive total return through capital appreciation and current income, in a fund managed by an experienced team of portfolio and investment professionals.

Low correlation with broader equity or fixed income markets.

Exposure to a growing sub-sector of the natural resources universe, which sub-sector benefits from a tax-advantaged structure and which owns and operates integral infrastructure energy assets that are essential in meeting the growing demand from energy producers and consumers.

Access through a single investment vehicle to a portfolio of public, private investment in public equity (PIPE), and private securities issued by master limited partnerships (MLPs) and securities of other companies that are generally engaged in the same lines of business as those in which MLPs engage (Other Natural Resources Companies) (not otherwise available to the general public) researched and sourced by experienced investment professionals at Swank Energy Income Advisors, LP. (the Investment Adviser).

However, an investment in the Fund involves certain associated investment risks. See Principal Risks of the Fund.

An Investment in the Fund vs. Direct Investment in MLPs

The Investment Adviser believes that an investment in the Fund has certain advantages over direct investment in MLPs, such as:

Exposure to the MLP asset class through an investment vehicle that will provide common shareholders with a single Internal
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Revenue Service (IRS) form 1099. Direct investors in MLPs receive an IRS schedule K-1 from each MLP in which they invest.

Access to an investment vehicle that will not require shareholders to file state income tax returns in any state in which such investor is not otherwise required to file a tax return. Direct investors in an MLP are considered limited partners and may be required to file state income tax returns in each state in which the MLP operates.

Ability for the Fund s common shareholders that are tax-exempt investors to avoid having the Fund s distributions classified as unrelated business taxable income (UBTI), unless such investor s common shares are debt-financed. A portion of income received by tax-exempt investors directly from MLPs is generally treated as UBTI.

Ability for non-U.S. shareholders to avoid being directly subject to regular net based U.S. federal income tax and return filing requirements with respect to investments in MLPs, provided such non-U.S. shareholder s investment in the Fund is not effectively connected with the conduct of a trade or business in the United States by such shareholder. Non-U.S. shareholders would generally be subject to regular net based U.S. federal income tax on income from direct investments in MLPs treated as effectively connected with a U.S. trade or business.

Ability for the Fund s common shareholders to not be limited by the provisions of the Internal Revenue Code of 1986, as amended, (the Code) containing the passive activity loss rules with respect to any losses resulting from the purchase and sale of common shares, because the Fund is taxed as a corporation. The passive activity loss rules limit the ability of certain direct investors in MLPs to use their allocable share of any losses generated by an MLP to offset income from other activities.

Investment Objective and Policies

The Fund s investment objective is to obtain a high after-tax total return from a combination of capital appreciation and current income. The Fund seeks to achieve its investment objective by investing, under normal market conditions, at least 80% of its net assets, plus any borrowings for investment purposes, in MLP investments (the 80% policy). There can be no assurance that the Fund s investment objective will be achieved. The Fund intends to focus its investments in MLPs with operations in the development, production, processing, refining, transportation, storage and marketing of natural resources.

The Fund generally will generally seek to invest in 20 to 30 issuers with generally 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 limitation, an issuer includes both the MLP or limited liability company, as well as its controlling general partner or managing member), in each case, determined at the time of investment. For purposes of this calculation, 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

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use fundamental and proprietary research to seek to identify the most attractive MLPs and will seek to invest in MLPs that have distribution growth prospects that, in the Investment Adviser s view, are high relative to comparable MLPs and that are not fully reflected in current pricing. The Investment Adviser believes that the MLPs most likely to offer such attractive investment characteristics are those that are relatively small and 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. 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. 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 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.

MLP Equity Securities

Equity securities issued by MLPs typically consist of common and subordinated units (which represent the limited partner or member interests) and a general partner or managing member interest. See The Fund s Investments.

I-Shares

I-Shares represent an ownership interest issued by an MLP affiliate. The MLP affiliate uses the proceeds from the sale of I-Shares to purchase limited partnership interests in the MLP in the form of I-units. Thus, I-Shares represent an indirect limited partner interest in the MLP. I-units have features similar to MLP common units in terms of voting rights, liquidation preference and distribution. I-Shares differ from MLP common units primarily in that instead of receiving cash distributions, holders of I-Shares will receive distributions of additional I-Shares in an amount equal to the cash distributions received by common unit holders. I-shares are traded on the NYSE or the AMEX.

Other Equity Securities

The Fund may invest in equity securities of issuers other than MLPs, including common stocks of Other Natural Resources Companies and issuers engaged in other sectors, including the finance and real estate sectors. Such issuers may be organized and/or taxed as corporations and therefore may not offer the advantageous tax characteristics of MLP units.

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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.

Non-U.S. Securities

The Fund may invest in non-U.S. securities, including, among other things, non-U.S. securities represented by American Depositary Receipts or 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.

See The Fund s Investments.

Portfolio Investments

Sector Allocation
(As of March 31, 2010)

Natural Gas Gathering	17	%
Natural Gas Transportation	15	%
GP MLPs	15	%
MLP Bonds	8	%
Upstream	11	%
Crude Oil Gathering/Transport	9	%
Products Pipeline/Storage	7	%
Propane	6	%
Coal	5	%
Shipping	5	%

Top Ten Holdings
(As of March 31, 2010)

	Market Value (Millions)	% of NAV
Inergy LP	$ 8.92	7.4 %
Magellan Midstream Partners LP	7.94	6.6
Markwest Energy Partners LP	7.23	6.0
Enterprise Products Partners LP	6.95	5.8
Targa Resources Partners LP	6.26	5.2
Oneok Partners LP	6.13	5.1
Inergy Holding LLP	5.98	5.0
Energy Transfer Equity LP	5.90	4.9
Plains All American Pipeline LP	5.69	4.7
Williams Partners LP	5.43	4.5

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Investment Characteristics

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

Many MLPs are utility-like in nature and have relatively stable, predictable cash flows.

MLPs 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, since construction of the physical assets typically owned by these MLPs 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 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 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.

MLPs are pass-through entities and do not pay federal income taxes at the entity level. In general, a portion of their distributions are treated as a return of capital (that is, a payback of invested capital).

In addition to their growth potential, MLP investments are currently offering higher yields than some investments, such as utilities and real estate investment trusts (REITs). 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 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.

An investment in MLPs also involves risks, some of which are described below under Principal Risks of the Fund.

Administrator

U.S. Bancorp Fund Services, LLC (the Administrator) will provide the Fund with administrative services. The Administrator also performs fund accounting. See Other Service Providers.

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Distributions

The Fund intends to make regular quarterly cash distributions of all or a portion of its income to its common shareholders.

The Fund anticipates that, due to the tax characterization of cash distributions made by MLPs, a significant portion of the Fund s distributions to common shareholders will consist of tax-advantaged return of capital for U.S. federal income tax purposes. In general, a distribution will constitute a return of capital to a common shareholder, rather than a dividend, to the extent such distribution exceeds the Fund s current and accumulated earnings and profits. The portion of any distribution treated as a return of capital will not be subject to tax currently, but will result in a corresponding reduction in a shareholder s basis in our common shares and in the shareholder s recognizing more gain or less loss (that is, will result in an increase of a shareholder s tax liability) when the shareholder later sells or exchanges our common shares. Dividends in excess of a shareholder s adjusted tax basis in its shares are generally treated as capital gains. To permit it to maintain a more stable quarterly distribution rate, the Fund may distribute less or more than the entire amount of cash it receives from its investments in a particular period. Any undistributed cash 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 and 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. See Distributions and Dividend Reinvestment Plan.

Common shareholders who receive dividends in the form of additional common shares will be subject to the same U.S. federal, state and local tax consequences as common shareholders who elect to receive their dividends in cash.

Use of Leverage

On October 19, 2007, the Fund entered into a fully-collateralized borrowing arrangement with Credit Suisse. Proceeds from the borrowing arrangement are used to execute the Fund s investment objective. The borrowing arrangement is collateralized with investments held in a segregated account for the benefit of Credit Suisse at the Fund s custodian, which collateral exceeds the amount borrowed.

The Fund may also seek to enhance its total returns through the issuance of preferred shares and other commercial paper or notes and other forms of borrowing (each, a Leverage Instrument and collectively, Leverage Instruments), in each case within the applicable limits of the 1940 Act. The Fund may also borrow under certain privately-arranged, temporary or fully-collaterized and segregated borrowing arrangements, but such arrangements are not deemed leverage under the 1940 Act and thus are not included within the term Leverage Instruments. The Fund may leverage through these Leverage Instruments in an aggregate amount of up to approximately 33 1/3% of its Managed Assets (*i.e.*, 50% of its net assets attributable to the Fund s common shares).

The Fund may leverage through the issuance of preferred shares or other means, and at such times total leverage of the Fund is generally expected to be in the range of 20% to 50% of the Fund s Managed Assets, including any borrowings for investment purposes (*i.e.*, 25% to 100% of its net assets attributable to the Fund s common shares). The Fund may borrow from banks and other financial institutions.

To the extent the Fund borrows, the Fund will create financial leverage. It will do so only 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 returns, 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.

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 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). See The Fund s Investments Use of Leverage.

The Fund s leveraging strategy may not be successful. See Principal Risks of the Fund Leverage Risk.

Tax Treatment of the Fund

The Fund will be treated as a regular corporation, or C corporation, for U.S. federal income tax purposes. Accordingly, the Fund generally will be subject to U.S. federal income tax on its taxable income at the graduated rates applicable to corporations (currently at a maximum rate of 35%). In addition, as a regular corporation, the Fund may be subject to state income tax by reason of its investments in equity securities of MLPs. The Fund may be subject to a 20% alternative minimum tax on its alternative minimum taxable income to the extent that the alternative minimum tax exceeds the Fund s regular income tax liability. The Fund s payments of U.S. corporate income tax or alternative minimum tax could materially reduce the amount of cash available for the Fund to make distributions on the shares. In addition, distributions to shareholders of the Fund will be

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taxed under federal income tax laws applicable to corporate distributions, and thus at least a significant portion of the Fund s taxable income may be subject to a double layer of taxation. See Tax Matters.

Principal Risks of the Fund

General

Risk is inherent in all investing. The following discussion summarizes some of the risks that a potential investor should consider before deciding to purchase the Fund s common shares.

Recent Economic Events. While the U.S. and global markets had experienced extreme volatility and disruption for an extended period of time, the third and fourth quarters of 2009 and the first quarter of 2010 witnessed more stabilized economic activity as expectations for an economic recovery increased. However, risks to a robust resumption of growth persist: a weak consumer weighed down by too much debt and increasing joblessness, the growing size of the federal budget deficit and national debt, and the threat of inflation. A return to unfavorable economic conditions or sustained economic slowdown may place downward pressure on oil and natural gas prices and may adversely affect the ability of MLPs to sustain their historical distribution levels, which in turn, may adversely affect the Fund s ability to sustain distributions at historical levels. MLPs that have historically relied heavily on outside capital to fund their growth have been impacted by the contraction in the capital markets. The continued recovery of the MLP sector is dependent on several factors, including the recovery of the financial sector, the general economy and the commodity markets.

2011 U.S. Federal Budget. The proposed U.S. federal budget for fiscal year 2011 calls for the elimination of approximately $40 billion in tax incentives widely used by oil, gas and coal companies and the imposition of new fees on certain energy producers. The elimination of such tax incentives and imposition of such fees could adversely affect MLPs and Other Natural Resources Companies in which the Fund invests and/or the natural resources sector generally.

Purchase at a Premium to NAV. The Fund s common shares have recently been trading at a substantial premium to NAV per share which may not be sustainable. If the common shares are trading at a premium to net asset value at the time you purchase common shares, the NAV per share of the common shares purchased will be less than the purchase price paid. Please see Price Range of Common Shares in this Prospectus for further information about the historical NAV, share prices and premium or discount to NAV of the Fund s common shares.

Limited Operating and Trading History. The Fund was formed as a Delaware statutory trust on May 23, 2007 and is a non-diversified, closed-end management investment company. The Fund commenced operations on August 27, 2007. Being a recently organized company, the Fund is subject to all of the business risks and uncertainties associated with any new business, including the risk that the Fund will not achieve its investment objective and that the value of an investment in the Fund could decline substantially. See Principal Risks of the Fund General Limited Operating and Trading History.

Investment and Market Risk. An investment in the Fund s common shares is subject to investment risk, including the possible loss of an investor s entire investment. The Fund s common shares at any point in time may be worth less than at the time of original investment, even after taking into account the reinvestment of the Fund s dividends. The Fund is primarily a long-term investment vehicle and should not be used for short-term trading. An investment in the Fund s common shares is not intended to constitute a complete investment program and should not be viewed as such. See Principal Risks of the Fund General Investment and Market Risk.

Market Discount From Net Asset Value Risk. Shares of closed-end funds frequently trade at discounts to their net asset value. This characteristic is a risk separate and distinct from the risk that the Fund s net asset value could decrease as a result of its investment activities and creates a risk of loss for investors purchasing common shares at net asset value in a public offering. The net asset value of the Fund s common shares will be reduced immediately following the offering as a result of the payment of certain offering costs. Although the value of the Fund s net assets is generally considered by market participants in determining whether to purchase or sell shares, whether investors will realize gains or losses upon the sale of the Fund s common shares will depend entirely upon whether the market price of its common shares at the time of sale is above or below the investor s purchase price for the Fund s common shares. The Fund s common shares have in the past traded below their net asset value. See Principal Risks of the Fund General Market Discount from Net Asset Value Risk.

Sector Concentration Risk

Under normal market conditions and once the proceeds of each offering are fully invested in accordance with its investment objective, the Fund will have at least 80% of its net assets, plus any borrowings for investment purposes, invested in MLP investments, which operate primarily in the natural resources sector. There are risks inherent in the natural resources sector and the businesses of MLPs and Other Natural Resources Companies, including those described below. See Principal Risks of the Fund Sector Concentration Risk.

MLP and Other Natural Resources Company Risks

Commodity Price Risk. Natural resources commodity prices have been very volatile in the past and such volatility is expected to continue. 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,

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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. See Principal Risks of the Fund MLP and Other Natural Resources Company Risks Commodity Price Risk.

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. See Principal Risks of the Fund MLP and Other Natural Resources Company Risks Cyclicality Risk.

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 Other Natural Resources Companies and, therefore, their ability to make distributions or pay dividends. See Principal Risks of the Fund MLP and Other Natural Resources Company Risks Supply Risk.

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. See Principal Risks of the Fund MLP and Other Natural Resources Company Risks Demand Risk.

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. See Principal Risks of the Fund MLP and Other Natural Resources Company Risks Risks Relating to Expansions and Acquisitions.

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. See Principal Risks of the Fund MLP and Other Natural Resources Company Risks Competition Risk.

Weather Risk. Extreme weather conditions, such as Hurricane Ivan in 2004, Hurricanes Katrina and Rita in 2005 and Hurricane Ike in

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2008, 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. Principal Risks of the Fund MLP and Other Natural Resources Company Risks Weather Risk.

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. Principal Risks of the Fund MLP and Other Natural Resources Company Risks Interest Rate Risk.

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 the limited partners or members, on the other hand, including those arising from incentive distribution payments or corporate opportunities. Principal Risks of the Fund MLP and Other Natural Resources Company Risks MLP Structure Risk.

Sub-Sector Specific Risk. 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. See Principal Risks of the Fund MLP and Other Natural Resources Company Risks Sub-Sector Specific Risk Pipelines.

Gathering and processing. Gathering and processing companies are subject to natural declines in the production of oil and natural gas fields, which utilize their gathering and processing facilities as a way to market their production, prolonged declines

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in the price of natural gas or crude oil, which curtails drilling activity and therefore production, and declines in the prices of natural gas liquids and refined petroleum products, which cause lower processing margins. In addition, some gathering and processing contracts subject the gathering or processing company to direct commodities price risk. Principal Risks of the Fund MLP and Other Natural Resources Company Risks Sub-Sector Specific Risk Gathering and processing.

Exploration and production. Exploration, development and production companies are particularly vulnerable to declines in the demand for and prices of crude oil and natural gas. Reductions in prices for crude oil and natural gas can cause a given reservoir to become uneconomic for continued production earlier than it would if prices were higher, resulting in the plugging and abandonment of, and cessation of production from, that reservoir. In addition, lower commodity prices not only reduce revenues but also can result in substantial downward adjustments in reserve estimates. See Principal Risks of the Fund MLP and Other Natural Resources Company Risks Sub-Sector Specific Risk Exploration and Production.

Propane. Propane companies are subject to earnings variability based upon weather patterns in the locations where they operate and increases in the wholesale price of propane which reduce profit margins. In addition, propane companies are facing increased competition due to the growing availability of natural gas, fuel oil and alternative energy sources for residential heating. Principal Risks of the Fund MLP and Other Natural Resources Company Risks Sub-Sector Specific Risk Propane.

Coal. Coal companies are subject to declines in the demand for and prices of coal. Demand variability can be based on weather conditions, the strength of the domestic economy, the level of coal stockpiles in their customer base, and the prices of competing sources of fuel for electric generation. They are also subject to supply variability based on geological conditions that reduce the productivity of mining operations, the availability of regulatory permits for mining activities and the availability of coal that meets the standards of the federal Clean Air Act of 1990, as amended (the Clean Air Act). See Principal Risks of the Fund MLP and Other Natural Resources Company Risks Sub-Sector Specific Risk Coal.

Marine shipping. Marine shipping companies are subject to supply of and demand for, and level of consumption of, natural gas, liquefied natural gas, crude oil, refined petroleum products and liquefied petroleum gases in the supply and market areas they serve, which affect the demand for marine shipping services and therefore charter rates. Shipping companies vessels and cargoes are also subject to the risk of being damaged or lost due to marine disasters, extreme weather, mechanical failures, grounding, fire, explosions, collisions, human error, piracy, war and terrorism. See Principal Risks of the Fund MLP and

Other Natural Resources Company Risks Sub-Sector Specific Risk Marine Shipping.

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. See Principal Risks of the Fund MLP and Other Natural Resources Company Risks Cash Flow Risk.

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. Such regulation can change over time in both scope and intensity. See Principal Risks of the Fund MLP and Other Natural Resources Company Risks Regulatory Risk.

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. Principal Risks of the Fund MLP and Other Natural Resources Company Risks Affiliated Party Risk.

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

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Other Natural Resources Company s operations and financial condition. See Principal Risks of the Fund MLP and Other Natural Resources Company Risks Catastrophe Risk.

Risks Associated with an Investment in IPOs

Securities purchased in IPOs are often subject to the general risks associated with investments in companies with small market capitalizations, and typically to a heightened degree. Securities issued in IPOs have no trading history, and information about the companies may be available for very limited periods. In addition, the prices of securities sold in an IPO may be highly volatile, thus the Fund cannot predict whether investments in IPOs will be successful. As the Fund grows in size, the positive effect of IPO investments on the Fund may decrease. See Principal Risks of the Fund Risks Associated with an Investment in IPOs.

Risks Associated with an Investment in PIPE Transactions

PIPE investors purchase securities directly from a publicly traded company in a private placement transaction, typically at a discount to the market price of the company s common stock. Because the sale of the securities is not registered under the Securities Act of 1933, as amended (the Securities Act), the securities are restricted and cannot be immediately resold by the investors into the public markets. Accordingly, the company typically agrees as part of the PIPE deal to register the restricted securities with the Securities and Exchange Commission (the SEC). PIPE securities may be deemed illiquid. See Principal Risks of the Fund Risks Associated with an Investment in PIPE Transactions.

Privately Held Company Risk

Investing in privately held companies involves risk. For example, privately held companies are not subject to SEC reporting requirements, are not required to maintain their accounting records in accordance with generally accepted accounting principles, and are not required to maintain effective internal controls over financial reporting. As a result, the Investment Adviser may not have timely or accurate information about the business, financial condition and results of operations of the privately held companies in which the Fund invests. In addition, the securities of privately held companies are generally illiquid, and entail the risks described under Principal Risks of the Fund Liquidity Risk.

Liquidity Risk

The investments made by the Fund, including investments in MLPs, may be illiquid and consequently the Fund may not be able to sell such investments at prices that reflect the Investment Adviser s assessment of their value, the value at which the Fund is carrying the securities on its books or the amount paid for such investments by the Fund. Furthermore, the nature of the Fund s investments may require a long holding period prior to profitability. See Principal Risks of the Fund Liquidity Risk.

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Tax Risks

In addition to other risk considerations, an investment in the Fund s common shares will involve certain tax risks, including, but not limited to, the risks summarized below and discussed in more detail elsewhere in this Prospectus. Tax matters are complicated, and the foreign and U.S. federal, state and local tax consequences of the purchase and ownership of the Fund s common shares will depend on the facts of each investor s situation. Prospective investors are encouraged to consult their own tax advisors regarding the specific tax consequences that may affect such investors.

Tax Law Changes. Changes in tax laws, regulations or interpretations of those laws or regulations in the future could adversely affect the Fund or the MLPs or Other Natural Resources Companies in which the Fund will invest. Any such changes could negatively impact the Fund s common shareholders. Legislation could also negatively impact the amount and tax characterization of dividends received by the Fund s common shareholders. Federal legislation has reduced the federal income tax rate on qualified dividend income to the rate applicable to long-term capital gains, which is generally 15% for individuals, provided a holding period requirement and certain other requirements are met. This reduced rate of tax on dividends is currently scheduled to revert to ordinary income tax rates for taxable years beginning after December 31, 2010, and the 15% federal income tax rate for long-term capital gains is scheduled to revert to 20% for such taxable years.

Recently the House of Representatives and the Senate passed substantially similar bills that, if enacted, would substantially revise some of the rules discussed in this Prospectus under Tax Matters , including with respect to withholding taxes, certification requirements and information reporting. These bills are generally consistent with a proposal made by the Obama Administration as part of its 2011 Fiscal Year Revenue Proposals. It cannot be predicted whether either of these bills will be enacted and, if enacted, in precisely what form. Prospective investors should consult their tax advisors regarding these bills.

Tax Risk of MLPs. The Fund s ability to meet its investment objective will depend partially on the amounts of taxable income, distributions and dividends it receives from the securities in which it will invest, a factor over which it has no control. The benefit the Fund will derive from its investment in MLPs is largely dependent on the MLP s being treated as partnerships for federal income tax purposes. As a partnership, an MLP has no federal income tax liability at the entity level. If, as a result of a change in current law or a change in an MLP s business, an MLP were to be treated as a corporation for federal income tax purposes, it would be subject to federal income tax on its income at the graduated tax rates applicable to corporations (currently a maximum rate of 35%). In addition, if an MLP were to be classified as a corporation for federal income tax purposes, the amount of cash available for distribution by it would be reduced and distributions received by the Fund from it would be taxed under federal income tax laws applicable to corporate distributions (as dividend income, return of capital, or capital gain).

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Therefore, treatment of MLPs as corporations for federal income tax purposes would result in a reduction in the after-tax return to the Fund, likely causing a reduction in the value of the Fund s common shares.

Deferred Tax Risks of MLPs. As a limited partner or member in the MLPs in which the Fund will invest, the Fund will be required to include in its taxable income its allocable share of income, gains, losses, deductions, and credits from those MLPs, regardless of whether they distribute any cash to the Fund. Historically, a significant portion of the income from MLPs has been offset by tax deductions. The Fund will incur a current tax liability on its allocable share of an MLP s income and gains that is not offset by tax deductions, losses and credits, or its net operating loss carryforwards, if any. The portion, if any, of a distribution received by the Fund from an MLP that is offset by the MLP s tax deductions, losses or credits will be treated as a tax-advantaged return of capital. However, those distributions will reduce the Fund s adjusted tax basis in the equity securities of the MLP, which will result in an increase in the amount of gain (or decrease in the amount of loss) that will be recognized by the Fund for tax purposes upon the sale of any such equity securities or upon subsequent distributions in respect of such equity securities. The percentage of an MLP s income and gains that is offset by tax deductions, losses and credits will fluctuate over time for various reasons. A significant slowdown in acquisition activity or capital spending by MLPs held in the Fund s portfolio could result in a reduction of accelerated depreciation generated by new acquisitions, which may result in increased current tax liability for the Fund.

The Fund will accrue deferred income taxes for its future tax liability associated with that portion of MLP distributions considered to be a tax-advantaged return of capital, as well as for its future tax liability associated with the capital appreciation of its investments. Upon the Fund s sale of an MLP security, the Fund may be liable for previously deferred taxes. The Fund will rely to some extent on information provided by MLPs, which is not necessarily timely, to estimate deferred tax liability for purposes of financial statement reporting and determining its net asset value. From time to time, the Fund will modify its estimates or assumptions regarding its deferred tax liability as new information becomes available.

Limitations on Use of Net Operating Loss. In the event that the Fund experiences an ownership change for purposes of Section 382 of the Internal Revenue Code of 1986, as amended, (the Code), which generally is any change in ownership of more than 50% the Fund s common stock over a three-year period, the Fund s ability to use net operating loss and capital loss carryovers to offset future taxable income will be substantially limited. Although the Fund does not expect that this offering of Common Shares should constitute an ownership change for purposes of Section 382 of the Code, it is possible that future issuances or sales of Common Stock or other securities, or certain other direct or indirect changes in ownership may result in an ownership change.

See Tax Matters.

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Risks Associated with an Investment in Non-U.S. Companies

Non-U.S. Securities Risk. Investing in securities of non-U.S. issuers involves certain risks not involved in domestic investments, including, but not limited to: fluctuations in currency exchange rates; future foreign economic, financial, political and social developments; different legal systems; the possible imposition of exchange controls or other foreign governmental laws or restrictions; lower trading volume; greater price volatility and illiquidity; different trading and settlement practices; less governmental supervision; high and volatile rates of inflation; fluctuating interest rates; less publicly available information; and different accounting, auditing and financial recordkeeping standards and requirements. See Principal Risks of the Fund Risks Associated with an Investment in Non-U.S. Companies Non-U.S. Securities Risk.

Non-U.S. Currency Risk. Because the Fund may invest in securities denominated or quoted in non-U.S. currencies, changes in the non-U.S. currency/U.S. dollar exchange rate may affect the value of the Fund s securities and the unrealized appreciation or depreciation of its investments. See Principal Risks of the Fund Risks Associated with an Investment in Non-U.S. Companies Non-U.S. Currency Risk.

Currency Hedging Risk. The Fund may in the future hedge against currency risk resulting from investing in non-U.S. MLPs and Other Natural Resources Companies valued in non-U.S. currencies. Currency hedging transactions in which the Fund may engage include buying or selling options or futures or entering into other foreign currency transactions including forward foreign currency contracts, currency swaps or options on currency and currency futures and other derivatives transactions. Hedging transactions can be expensive and have risks, including the imperfect correlation between the value of such instruments and the underlying assets, the possible default of the other party to the transaction or the illiquidity of the derivative instruments. The use of hedging transactions may result in losses greater than if they had not been used, may require the Fund to sell or purchase portfolio securities at inopportune times or for prices other than current market values, may limit the amount of appreciation the Fund can realize on an investment, or may cause the Fund to hold a security that the Fund might otherwise sell. The use of hedging transactions may result in the Fund s incurring losses as a result of matters beyond the Fund s control. See Principal Risks of the Fund Risks Associated with an Investment in Non-U.S. Companies Currency Hedging Risk.

Emerging Markets Risk. Emerging markets may be subject to economic, social and political risks not applicable to instruments of developed market issuers, such as repatriation, exchange control or other monetary restrictions, taxation risks, and special considerations due to limited publicly available information, less stringent regulatory standards, and lack of uniformity in accounting. See Principal Risks of the Fund Risks Associated with an Investment in Non-U.S. Companies Emerging Markets Risk.

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Interest Rate Risk

The costs associated with any leverage used by the Fund are likely to increase when interest rates rise. Accordingly, the market price of the Fund s common shares may decline when interest rates rise. See Principal Risks of the Fund Interest Rate Risk.

Legal and Regulatory Risk

Legal and regulatory changes could occur during the term of the Fund that may adversely affect the Fund. See Principal Risks of the Fund Legal and Regulatory Risk.

Interest Rate Hedging Risk

The Fund may from time to time hedge against interest rate risk resulting from the Fund s portfolio holdings and any financial leverage it may incur. Interest rate transactions the Fund may use for hedging purposes will expose the Fund to certain risks that differ from the risks associated with its portfolio holdings. There are economic costs of hedging reflected in the price of interest rate swaps, caps and similar techniques, the cost of which can be significant. In addition, the Fund s success in using hedging instruments is subject to the Investment Adviser s ability to correctly predict changes in the relationships of such hedging instruments to the Fund s leverage risk, and there can be no assurance that the Investment Adviser s judgment in this respect will be accurate. See Principal Risks of the Fund Interest Rate Hedging Risk.

Arbitrage Risk

A part of the Investment Adviser s investment operations may involve spread positions between two or more securities, or derivatives positions including commodities hedging positions, or a combination of the foregoing. The Investment Adviser s trading operations also may involve arbitraging between two securities or commodities, between the security, commodity and related options or derivatives markets, between spot and futures or forward markets, and/or any combination of the above. To the extent the price relationships between such positions remain constant, no gain or loss on the positions will occur. These offsetting positions entail substantial risk that the price differential could change unfavorably, causing a loss to the position. See Principal Risks of the Fund Arbitrage Risk.

Equity Securities Risk

Master limited partnership common units and other equity securities of MLPs and Other Natural Resources Companies can be affected by macroeconomic, political, global and other factors affecting the stock market in general, expectations of interest rates, investor sentiment towards MLPs or the natural resources sector, changes in a particular company s financial condition, or the unfavorable or unanticipated poor performance of a particular MLP or Other Natural Resources Company (which, in the case of an MLP, is generally measured in terms of distributable cash flow). Prices of common units and other equity securities of individual MLPs and Other Natural Resources

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Companies can also be affected by fundamentals unique to the partnership or company, including earnings power and coverage ratios. See Principal Risks of the Fund Equity Securities Risk.

MLP Subordinated Units. Master limited partnership subordinated units are not typically listed on an exchange or publicly traded.

Holders of MLP subordinated units are entitled to receive a distribution only after the minimum quarterly distribution (the MQD) has been paid to holders of common units, but prior to payment of incentive distributions to the general partner or managing member. Master limited partnership subordinated units generally do not provide arrearage rights. Most MLP subordinated units are convertible into common units after the passage of a specified period of time or upon the achievement by the MLP of specified financial goals. See Principal Risks of the Fund Equity Securities Risk MLP Subordinated Units.

General Partner and Managing Member Interests. General partner and managing member interests are not publicly traded, though they may be owned by publicly traded entities such as GP MLPs. A holder of general partner or managing member interests can be liable in certain circumstances for amounts greater than the amount of the holder s investment. In addition, while a general partner or managing member s incentive distribution rights can mean that general partners and managing members have higher distribution growth prospects than their underlying MLPs, these incentive distribution payments would decline at a greater rate than the decline rate in quarterly distributions to common or subordinated unit holders in the event of a reduction in the MLP s quarterly distribution. A general partner or managing member interest can be redeemed by the MLP if the MLP unit holders choose to remove the general partner, typically by a supermajority vote of the limited partners or members. See Principal Risks of the Fund Equity Securities Risk General Partner and Managing Member Interest.

Small-Cap and Mid-Cap Company Risk

Certain of the MLPs and Other Natural Resources Companies in which the Fund may invest may have small or medium-sized market capitalizations (small-cap and mid-cap companies, respectively). Investing in the securities of small-cap or mid-cap MLPs and Other Natural Resources Companies presents some particular investment risks. These MLPs and Other Natural Resources Companies may have limited product lines and markets, as well as shorter operating histories, less experienced management and more limited financial resources than larger MLPs and Other Natural Resources Companies, and may be more vulnerable to adverse general market or economic developments. Stocks of these MLPs and Other Natural Resources Companies may be less liquid than those of larger MLPs and Other Natural Resources Companies, and may experience greater price fluctuations than larger MLPs and Other Natural Resources Companies. In addition, small-cap or mid-cap company securities may not be widely followed by investors, which may result in reduced demand. See Principal Risks of the Fund Small-Cap and Mid-Cap Company Risk.

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Leverage Risk

The Fund may use leverage through the issuance of preferred shares, commercial paper or notes, other forms of borrowing or both. The use of leverage, which can be described as exposure to changes in price at a ratio greater than the amount of equity invested, either through the issuance of preferred shares, borrowing or other forms of market exposure, magnifies both the favorable and unfavorable effects of price movements in the investments made by the Fund. Insofar as the Fund employs leverage in its investment operations, the Fund will be subject to increased risk of loss. See Principal Risks of the Fund Leverage Risk.

Fully-Collateralized Borrowing Risk. The Fund has entered into a fully-collateralized borrowing arrangement with Credit Suisse in which the collateral maintained in a segregated account exceeds the amount borrowed. If the Fund is unable to repay the loan, the lender may realize upon the collateral. Such arrangements are also subject to interest rate risk. See Principal Risks of the Fund Leverage Risk Fully-Collateralized Borrowing Risk and Principal Risks of the Fund Interest Rate Risk.

Preferred Share Risk. Preferred share risk is the risk associated with the issuance of preferred shares to leverage the common shares. If the Fund issues preferred shares, the net asset value and market value of the common shares will be more volatile, and the yield to the holders of common shares will tend to fluctuate with changes in the shorter-term dividend rates on the preferred shares.

In addition, the Fund will pay (and the holders of common shares will bear) all costs and expenses relating to the issuance and ongoing maintenance of the preferred shares, including higher advisory fees.

Similarly, any decline in the net asset value of the Fund s investments will be borne entirely by the holders of common shares. Therefore, if the market value of the Fund s portfolio declines, the leverage will result in a greater decrease in net asset value to the holders of common shares than if the Fund were not leveraged. This greater net asset value decrease will also tend to cause a greater decline in the market price for the common shares.

See Principal Risks of the Fund Leverage Risk Preferred Share Risk.

Preferred Shareholders May Have Disproportionate Influence over the Fund. If preferred shares are issued, holders of preferred shares may have differing interests than holders of common shares and holders of preferred shares may at times have disproportionate influence over the Fund s affairs. If preferred shares are issued, holders of preferred shares, voting separately as a single class, would have the right to elect two members of the Board of Trustees at all times. The remaining members of the Board of Trustees would be elected by holders of common shares and preferred shares, voting as a single class. See Principal Risks of the Fund Leverage Risk Preferred Shareholders May Have Disproportionate Influence over the Fund.

Credit Facility. The Fund may enter into definitive agreements with respect to a credit facility. The Fund may negotiate with commercial

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banks to arrange a credit facility pursuant to which the Fund would be entitled to borrow an amount equal to approximately 33 1/3% of the Fund s Managed Assets (*i.e.*, 50% of the Fund s net assets attributable to the Fund s common shares). Any such borrowings would constitute financial leverage. Such a facility is not expected to be convertible into any other securities of the Fund. Any outstanding amounts are expected to be prepayable by the Fund prior to final maturity without significant penalty, and there are not expected to be any sinking fund or mandatory retirement provisions. Outstanding amounts would be payable at maturity or such earlier times as required by the agreement. The Fund may be required to prepay outstanding amounts under a facility or incur a penalty rate of interest in the event of the occurrence of certain events of default. The Fund would be expected to indemnify the lenders under the facility against liabilities they may incur in connection with the facility. The Fund may be required to pay commitment fees under the terms of any such facility. With the use of borrowings, there is a risk that the interest rates paid by the Fund on the amount it borrows will be higher than the return on the Fund s investments.

Portfolio Guidelines of Rating Agencies. In order to obtain and maintain the required ratings of loans from a credit facility, the Fund will be required to comply with investment quality, diversification and other guidelines established by Moody s and/or S&P or the credit facility. See Principal Risks of the Fund Leverage Risk Portfolio Guidelines of Rating Agencies.

Securities Lending Risk

The Fund may lend its portfolio securities (up to a maximum of one-third of its Managed Assets) to banks or dealers which meet the creditworthiness standards established by the Board of Trustees of the Fund. Securities lending is subject to the risk that loaned securities may not be available to the Fund on a timely basis and the Fund may, therefore, lose the opportunity to sell the securities at a desirable price. Any loss in the market price of securities loaned by the Fund that occurs during the term of the loan would be borne by the Fund and would adversely affect the Fund s performance. Also, there may be delays in recovery, or no recovery, of securities loaned or even a loss of rights in the collateral should the borrower of the securities fail financially while the loan is outstanding. These risks may be greater for non-U.S. securities. See Principal Risks of the Fund Securities Lending Risk.

Non-Diversification Risk

The Fund is a non-diversified, closed-end management investment company under the 1940 Act. The Fund may invest a relatively high percentage of its assets in a limited number of issuers. To the extent the Fund invests a relatively high percentage of the Fund s assets in the securities of a limited number of issuers, the Fund may be more susceptible than a more widely diversified investment company to any single economic, political or regulatory occurrence. See Principal Risks of the Fund Non-Diversification Risk.

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Valuation Risk

Market prices may not be readily available for certain of the Fund s investments, and the value of such investments will ordinarily be determined based on fair valuations determined by the Board of Trustees or its designee pursuant to procedures adopted by the Board of Trustees. Restrictions on resale or the absence of a liquid secondary market may adversely affect the Fund s ability to determine its net asset value. The sale price of securities that are not readily marketable may be lower or higher than the Fund s most recent determination of their fair value. See Principal Risks of the Fund Valuation Risk.

When determining the fair value of an asset, the Investment Adviser will seek to determine the price that the Fund might reasonably expect to receive from the current sale of that asset in an arm s length transaction. Fair value pricing, however, involves judgments that are inherently subjective and inexact, since fair valuation procedures are used only when it is not possible to be sure what value should be attributed to a particular asset or when an event will affect the market price of an asset and to what extent. As a result, there can be no assurance that fair value pricing will reflect actual market value and it is possible that the fair value determined for a security will be materially different from the value that actually could be or is realized upon the sale of that asset. See Net Asset Value.

Portfolio Turnover Risk

The Fund anticipates that its annual portfolio turnover rate will be approximately 25%, but that rate may vary greatly from year to year. A higher portfolio turnover rate results in correspondingly greater brokerage commissions and other transactional expenses that are borne by the Fund. Principal Risks of the Fund Portfolio Turnover Risk.

Strategic Transactions Risk

The Fund may, but is not required to, write, purchase or sell put or call options on securities, equity or fixed-income indices or other instruments, write, purchase or sell futures contracts or options on futures, or enter into various transactions such as swaps, caps, floors or collars (collectively, Strategic Transactions). The Fund may engage in Strategic Transactions, including the purchase and sale of derivative investments such as exchange-listed and over-the-counter put and call options on securities, equity, fixed income and interest rate indices, and other financial instruments, and may enter into various interest rate transactions such as swaps, caps, floors or collars or credit transactions and credit default swaps and invest in forward contracts. The Fund also may purchase derivative investments that combine features of these instruments. The use of derivatives has risks, including the imperfect correlation between the value of such instruments and the underlying assets, the possible default of the other party to the transaction or illiquidity of the derivative investments. Furthermore, the ability to successfully use these techniques depends on the Fund s ability to predict pertinent market movements, which cannot be assured. Thus, their use may result in losses greater than if they had not been used, may require the Fund to sell or

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purchase portfolio securities at inopportune times or for prices other than current market values, may limit the amount of appreciation the Fund can realize on an investment or may cause the Fund to hold a security that it might otherwise sell. Additionally, amounts paid by the Fund as premiums and cash, or other assets held in margin accounts with respect to derivative transactions, are not otherwise available to the Fund for investment purposes.

The Fund may write covered call options. As the writer of a covered call option, the Fund gives up the opportunity during the option s life to profit from increases in the market value of the security covering the call option above the sum of the premium and the strike price of the call, but the Fund retains the risk of loss should the price of the underlying security decline.

The Fund may also write uncovered call options (*i.e.*, where the Fund does not own the underlying security or index) to a limited extent. Similar to a naked short sale, writing an uncovered call creates the risk of an unlimited loss, in that the price of the underlying security could theoretically increase without limit, thus increasing the cost of buying those securities to cover the call option if it is exercised before it expires. There can be no assurance that the securities necessary to cover the call option will be available for purchase. Purchasing securities to cover an uncovered call option can itself cause the price of the securities to rise, further exacerbating the loss.

The writer of an option has no control over the time when it may be required to fulfill its obligation as a writer of the option. Once an option writer has received an exercise notice, it cannot effect a closing purchase transaction in order to terminate its obligation under the option and must deliver the underlying security at the exercise price. There can be no assurance that a liquid market will exist when the Fund seeks to close out an option position. If trading were suspended in an option purchased by the Fund, the Fund would not be able to close out the option. If the Fund were unable to close out a covered call option that the Fund had written on a security, the Fund would not be able to sell the underlying security unless the option expired without exercise. If the Fund were unable to close out an uncovered call option that the Fund had written on a security, the Fund retains the risk of a price increase in the underlying security until the Fund purchases the security or the option expires without exercise.

See Principal Risks of the Fund Strategic Transactions Risk.

Convertible Instrument Risk

The Fund may invest in convertible instruments. A convertible instrument is a bond, debenture, note, preferred stock or other security that may be converted into or exchanged for a prescribed amount of common shares of the same or a different issuer within a particular period of time at a specified price or formula.

Convertible debt instruments have characteristics of both fixed income and equity investments. Convertible instruments are subject both to the stock market risk associated with equity securities and to the credit and interest rate risks associated with fixed-income securities. As the market price of the equity security underlying a

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convertible instrument falls, the convertible instrument tends to trade on the basis of its yield and other fixed-income characteristics. As the market price of such equity security rises, the convertible security tends to trade on the basis of its equity conversion features. See Principal Risks of the Fund Convertible Instrument Risk.

Short Sales Risk

Short selling involves selling securities which may or may not be owned and borrowing the same securities for delivery to the purchaser, with an obligation to replace the borrowed securities at a later date. Short selling allows the short seller to profit from declines in market prices to the extent such declines exceed the transaction costs and the costs of borrowing the securities. A naked short sale creates the risk of an unlimited loss because the price of the underlying security could theoretically increase without limit, thus increasing the cost of buying those securities to cover the short position. There can be no assurance that the securities necessary to cover a short position will be available for purchase. Purchasing securities to close out the short position can itself cause the price of the securities to rise, further exacerbating the loss. See Principal Risks of the Fund Short Sales Risk.

Inflation Risk

Inflation risk is the risk that the value of assets or income from investment will be worth less in the future as inflation decreases the value of money. As inflation increases, the real value of the Fund s common shares and dividends can decline. See Principal Risks of the Fund Inflation Risk.

Debt Securities Risks

Debt securities are subject to many of the risks described elsewhere in this section. In addition, they are subject to credit risk, prepayment risk and, depending on their quality, other special risks. See Principal Risks of the Fund Debt Securities Risks.

Credit Risk. An issuer of a debt security may be unable to make interest payments and repay principal. The Fund could lose money if the issuer of a debt obligation is, or is perceived to be, unable or unwilling to make timely principal and/or interest payments, or to otherwise honor its obligations. The downgrade of a security may further decrease its value. See Principal Risks of the Fund Debt Securities Risks Credit Risk.

Below Investment Grade and Unrated Debt Securities Risk. Below investment grade debt securities in which the Fund may invest are rated from B3 to Ba1 by Moody s, from B- to BB+ by Fitch or S&P, or comparably rated by another rating agency. Below investment grade and unrated debt securities generally pay a premium above the yields of U.S. government securities or debt securities of investment grade issuers because they are subject to greater risks than these securities. These risks, which reflect their speculative character, include the following: greater yield and price volatility; greater credit risk and risk of default; potentially greater sensitivity to general economic or industry conditions; potential lack of attractive resale opportunities (illiquidity); and additional expenses to seek recovery

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from issuers who default. See Principal Risks of the Fund Debt Securities Risk Below Investment Grade and Unrated Debt Securities Risk.

Reinvestment Risk. Certain debt instruments, particularly below investment grade securities, may contain call or redemption provisions which would allow the issuer of the debt instrument to prepay principal prior to the debt instrument s stated maturity. This is also sometimes known as prepayment risk. Prepayment risk is greater during a falling interest rate environment as issuers can reduce their cost of capital by refinancing higher yielding debt instruments with lower yielding debt instruments. An issuer may also elect to refinance its debt instruments with lower yielding debt instruments if the credit standing of the issuer improves. To the extent debt securities in the Fund s portfolio are called or redeemed, the Fund may be forced to reinvest in lower yielding securities. See Principal Risks of the Fund Debt Securities Risks Reinvestment Risk.

ETN and ETF Risk

An exchange traded note (ETN) or exchange traded fund (ETF) that is based on a specific index may not be able to replicate and maintain exactly the composition and relative weighting of securities in the index. An ETN or ETF also incurs certain expenses not incurred by its applicable index. The market value of an ETN or ETF share may differ from its net asset value; the share may trade at a premium or discount to its net asset value, which may be due to, among other things, differences in the supply and demand in the market for the share and the supply and demand in the market for the underlying assets of the ETN or ETF. See Principal Risks of the Fund ETN and ETF Risk.

Terrorism and Market Disruption Risk

The terrorist attacks on September 11, 2001 had a disruptive effect on the U.S. economy and securities markets. United States military and related action in Iraq and Afghanistan is ongoing and events in the Middle East could have significant, continuing adverse effects on the U.S. economy in general and the natural resources sector in particular. Global political and economic instability could affect an MLP s or an Other Natural Resources Company s operations in unpredictable ways, including through disruptions of natural resources supplies and markets and the resulting volatility in commodity prices. The U.S. government has issued warnings that natural resources assets, specifically pipeline infrastructure and production, transmission and distribution facilities, may be future targets of terrorist activities. In addition, changes in the insurance markets have made certain types of insurance more difficult, if not impossible, to obtain and have generally resulted in increased premium costs. See Principal Risks of the Fund Terrorism and Market Disruption Risk.

Market Volatility

The residential housing sector in the United States has been under considerable pressure during the past two years with home prices nationwide down 15% to 20% on average and nearly twice that in certain regions. Residential mortgage delinquencies and foreclosures

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have increased over this time and have, in turn, led to widespread selling in the mortgage-related market and put downward pressure on the prices of many securities, including many of our investments and the price of our common shares. Additionally, the federal rescue of Freddie Mac, Fannie Mae and American International Group, as well as the filing of bankruptcy by Lehman Brothers Holdings, Inc. and the concern that other financial institutions are also experiencing severe economic distress and that the global financial system is under stress have led to significant market volatility and thus further increase the illiquidity of our investment. See Principal Risks of the Fund Market Volatility.

Investment Management Risk

The Fund s portfolio is subject to investment management risk because it will be actively managed. The Investment Adviser will apply investment techniques and risk analyses in making investment decisions for the Fund, but there can be no guarantee that they will produce the desired results. See Principal Risks of the Fund Investment Management Risk.

Dependence on Key Personnel of the Investment Adviser

The Fund is dependent upon the Investment Adviser s key personnel for its future success and upon their access to certain individuals and investments in the natural resources industry. In particular, the Fund will depend on the diligence, skill and network of business contacts of the personnel of the Investment Adviser and its portfolio manager, who will evaluate, negotiate, structure, close and monitor the Fund s investments. The portfolio manager does not have a long-term employment contract with the Investment Adviser, although he does have an equity interest and other financial incentives to remain with the firm. See Principal Risks of the Fund Dependence on Key Personnel of the Investment Adviser.

Conflicts of Interest with the Investment Adviser

Conflicts of interest may arise because the Investment Adviser and its affiliates generally will be carrying on substantial investment activities for other clients, including, but not limited to, the Affiliated Funds, in which the Fund will have no interest. The Investment Adviser or its affiliates may have financial incentives to favor certain of such accounts over the Fund. Any of their proprietary accounts and other customer accounts may compete with the Fund for specific trades. Notwithstanding these potential conflicts of interest, the Fund s Board of Trustees and officers have a fiduciary obligation to act in the Fund s best interest. See Principal Risks of the Fund Conflicts of Interest with the Investment Adviser.

Recent Developments

Legal Proceedings. On February 10, 2009, a putative class action lawsuit was filed in the United States District Court, Northern District of Texas, by Terri Morse Bachow on behalf of all persons who purchased shares of the Fund between September 1, 2008 and December 19, 2008, against the Advisor, Swank Capital, LLC, Jerry V. Swank, Mark W. Fordyce, Brian R. Bruce, Ronald P. Trout and Edward N. McMillan alleging violations of Sections 10(b) of the Securities Exchange Act of 1934 (the Exchange Act) by Mr.

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Swank and Mr. Fordyce, violations of Section 20(a) of the Exchange Act by Swank Capital, LLC, Mr. Swank, Mr. Fordyce, Mr. Bruce, Mr. Trout, and Mr. McMillan, and violations of Section 36(b) of the Investment Company Act of 1940 by Swank Capital, LLC. The complaint seeks an unspecified amount in compensatory damages, actual damages, and fees and expenses incurred in the lawsuit. The plaintiff s claims relate to the treatment and valuation of a deferred tax asset carried by the Fund under FASB Accounting Standards Codification No. 740, Income Taxes (formerly FASB Statement of Financial Accounting Standards No. 109). Plaintiffs claimed that the Fund's net asset value per share was inflated as a result of an alleged failure to apply a valuation allowance to its deferred tax asset. The alleged inflation was eliminated following disclosure by the Fund that its net asset value per share had decreased $3.49 per share as a result of a review of the Fund's accounting treatment of its deferred tax asset and the consequential write-off of that asset. Consequently, the Fund's closing price on the NYSE dropped from $7.40 per share to $3.81 per share over the course of two trading days.

Defendants filed a motion to dismiss the complaint and the court granted in part and denied in part the motion to dismiss. The court dismissed all claims under Section 20(a) of the Exchange Act and Section 36(b) of the 1940 Act but did not dismiss the claim under Section 10(b) of the Exchange Act against Mr. Swank and Mr. Fordyce. On May 17, 2010, the Fund entered into a Stipulation and Agreement of Settlement in the lawsuit. The settlement is contingent on court approval and provides for, among other things, dismissal of the lawsuit with prejudice, the granting of broad releases of the named defendants, the Fund and all affiliated entities and a payment to the plaintiffs by the Fund s insurance carrier of $3.6 million, which would include payment of any attorneys fees for plaintiffs counsel.

The Fund anticipates that the entire settlement amount will be paid by its insurers and that the Fund will not incur any further costs or liability from this settlement. On May 17, 2010, the lead plaintiff and defendants Mr. Swank and Mr. Fordyce filed a joint motion seeking preliminary approval by the court of the settlement and approval of a form of notice to potential settlement class members. On June 28, 2010, the court entered an order certifying a settlement class and set a settlement fairness hearing on September 13, 2010 at 9:30 a.m.

Under the Fund s organizational documents, its officers and trustees, including Mr. Swank, are entitled to indemnification against certain liabilities arising out of the performance of their duties to the Fund, and this indemnification obligation may extend to costs and/or liabilities resulting from the above-described action. As of June 30, 2010, the Fund has accrued and paid approximately $500,000 in expenses relating to the indemnification of its officers and trustees relating to this proceeding. The Fund does not expect any significant increase in these expenses going forward.

Transfer Agent and Dividend-Disbursing Agent

Under a transfer agency and service agreement among Computershare Trust Company, N.A., Computershare Inc. and the Fund, Computershare Trust Company, N.A. serves as the Fund s transfer agent, registrar and administrator of its dividend reinvestment plan, and

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Computershare Inc. serves as dividend disbursing agent and may act on behalf of Computershare Trust Company, N.A. in providing certain of the services covered by the agreement. See Other Service Providers.

Custodian

U.S. Bank National Association serves as the custodian of the Fund s securities and other assets. See Other Service Providers.

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SUMMARY OF FUND EXPENSES

The following tables are intended to assist you in understanding the various costs and expenses directly or indirectly associated with investing in the Fund s common shares as a percentage of net assets attributable to common shares. Amounts are for the current fiscal year after giving effect to anticipated net proceeds of an offering, assuming that the Fund incurs the estimated offering expenses.

The following table assumes the Fund has borrowed in the amount equal to 33 1/3% of the Fund s Managed Assets (*i.e.*, 50% of its net assets attributable to the Fund s common shares) and shows the Fund s expenses as a percentage of net assets attributable to its common shares.

Shareholder Transaction Expenses:	
Sales Load Paid by Investors (as a percentage of offering price)[1]	%
Offering Expenses Borne by the Fund (as a percentage of offering price)[1]	%
Dividend Reinvestment Plan Fees[2]	

	Percentage of Net Assets Attributable to Common Shares (Assumes Leverage is Used)[3][4]	
Annual Expenses:		
Management Fees	1.88	%
Interest Payments on Borrowed Funds[3]	0.40	%
Other Expenses[5]	1.06	%
Total Annual Expenses	3.34	%

(1) In the event that the common shares to which this Prospectus relates are sold to or through underwriters, a corresponding Prospectus Supplement will disclose these percentages.

(2) Investors who hold shares in a dividend reinvestment account and request a sale of shares through the dividend reinvestment plan agent are subject to a $15.00 sales fee and pay a brokerage commission of $0.12 per share sold.

(3) Assumes a cost on leveraging of 0.79%. This rate is an estimate and may differ based on varying market conditions that may exist when Leverage Instruments are issued or other borrowing commences and depending on the type of leverage used. If the Fund leverages in an amount greater than 33 1/3% of Managed Assets, this amount could increase.

(4) The Fund currently borrows money, however, at times the Fund may not borrow or otherwise use leverage. Consequently, the table presented below in this footnote also shows the Fund s expenses as a percentage of the same amount of net assets attributable to its common shares, but unlike the table above, assumes that the Fund does not borrow money. Consequently, the table below does not reflect any interest on borrowed funds or other costs and expenses of borrowing. The footnotes used in the table below correspond to the footnotes appearing below this footnote (4). In accordance with these assumptions, the Fund s expenses would be as follows:

	Percentage of Net Assets Attributable to Common Shares (Assumes No Leverage is Used)
Annual Expenses:	
Management Fees	*1.25%*
Interest Payments on Borrowed Funds	*None*
Other Expenses(5)	*1.00%*
Total Annual Expenses	*2.25%*

(5) The costs of this offering are not included as an Annual Expense in the expenses shown in this table, but

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are included in the Shareholder Transaction Expense table above. Other Expenses are based on estimated amounts for the current fiscal year, and include the following expenses associated with dividends paid on short sales: 0.01% (assuming leverage is used) and 0.007% (assuming no leverage is used). Please see footnote (1) above.

The purpose of the table and the example is to assist prospective investors in understanding the various costs and expenses that an investor in the Fund will bear directly or indirectly.

Example

As required by relevant SEC regulations, the following example illustrates the expenses that an investor would pay on a $1,000 investment in the Fund s common shares, assuming total annual expenses of 3.27% of net assets attributable to the Fund s common shares except as indicated above, a 5.00% sales load, estimated offering expenses of 1.00% per share, the Fund issues Leverage Instruments in an amount equal to 33 1/3% of Managed Assets (*i.e.*, 50% of net assets attributable to the Fund s common shares), and a 5% annual return:

1 Year	3 Years	5 Years	10 Years
$92	$156	$223	$401

THE EXAMPLE SHOULD NOT BE CONSIDERED A REPRESENTATION OF FUTURE EXPENSES OR RETURNS. ACTUAL EXPENSES MAY BE GREATER OR LESS THAN THOSE SHOWN. Moreover, the Fund s actual rate of return may be greater or less than the hypothetical 5% return shown in the example. The example assumes that the estimated Other Expenses set out in the Annual Expenses table are accurate and that all dividends and distributions are reinvested at net asset value. In the event that the Fund does not use any leverage, an investor would pay the following expenses based on the assumptions in the example and total annual expenses of 2.25% of net assets attributable to the Fund s Common Shares: 1 Year, $81; 3 Years, $126; 5 Years, $173; and 10 Years, $303. For additional information with respect to the Fund s expenses, see Management of the Fund.

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FINANCIAL HIGHLIGHTS

The selected data below sets forth the per share operating performance and ratios for the periods presented. The financial information was derived from and should be read in conjunction with the Financial Statements of the Fund and Notes thereto, which are incorporated by reference into this Prospectus Supplement from the Fund s Annual Report to Shareholders for the fiscal year ended November 30, 2009. The financial information for the fiscal years ended November 30, 2009 and November 30, 2008 and for the period from August 27, 2007 (commencement of operations) to November 30, 2007 has been audited by Deloitte & Touche LLP, the Fund s independent registered public accounting firm, whose unqualified report on such Financial Statements is incorporated by reference into this Prospectus Supplement.

	Year Ended November 30, 2009	Year Ended November 30, 2008	Period from August 27, 2007[1] through November 30, 2007
Per Common Share Data[2]			
Net Asset Value, beginning of period	$3.98	$18.17	$
Public offering price			20.00
Underwriting discounts and offering costs on issuance of Common Shares	(0.01)		(0.94)
Income from Investment Operations:			
Net Investment Income	1.09	1.15	0.30
Net realized and unrealized gain (loss) on investments	1.69	(14.05)	(0.89)
Total increase (decrease) from investment operations	2.78	(12.90)	(0.59)
Less Distributions to Common Shareholders:			
Net Investment Income			
Return of Capital	(1.01)	(1.29)	(0.30)
Total distributions to common shareholders	(1.01)	(1.29)	(0.30)
Net Asset Value, end of period	$5.74	$3.98	$18.17
Per Common Share market value, end of period	$7.37	$10.36	$16.71
Total Investment Return Based on Market Value	(16.89)%	(31.18)%	(14.84)%[3]
Supplemental Data and Ratios			
Net assets applicable to common shareholders, end of period (000 s)	$64,511	$37,779	$159,103
Ratio of expenses (including current and deferred income tax benefit) to average net assets before waiver[4][5]	4.32 %	5.18 %	(4.53)%
Ratio of expenses (including current and deferred income tax benefit) to average net assets after waiver[4][5]	3.74 %	4.75 %	(5.18)%
Ratio of expenses (excluding current and deferred income tax benefit) to average net assets before waiver[4][5]	4.32 %	2.99 %	2.69 %
Ratio of expenses (excluding current and deferred income tax benefit) to average net assets after waiver[4][5]	3.74 %	2.56 %	2.04 %
Ratio of net investment income to average net assets before waiver[4][5][6]	0.22 %	(1.93)%	(0.48)%

Ratio of net investment income to average net assets after waiver[(4)(5)(6)]	0.80 %	(1.49)%	0.17 %
Ratio of net investment income to average net assets after current and deferred income tax benefit, before waiver[(4)(5)]	0.22 %	(4.12)%	6.74 %
Ratio of net investment income to average net assets after current and deferred income tax benefit, after waiver[(4)(5)]	0.80 %	(3.69)%	7.39 %
Portfolio turnover rate	526.39 %	95.78 %	15.15 %

(1) Commencement of Operations

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

(3) Not Annualized. Total investment return is calculated assuming a purchase of common stock at the initial public offering price and a sale at the closing price on the last day of the period reported. The calculation also assumes reinvestment of dividends at actual prices pursuant to the Company s dividend reinvestment plan. Total investment return does not reflect brokerage commissions.

(4) Annualized for periods less than one full year.

(5) For the year ended November 30, 2009, the Company accrued $0 in net current and deferred tax expense. For the year ended November 30, 2008, the Company accrued $3,153,649 in net current and deferred tax expense. For the period from August 27, 2007 through November 30, 2007, the Company accrued $3,153,649 in net current and deferred income tax benefit.

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

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THE FUND

The Cushing MLP Total Return Fund was formed as a Delaware statutory trust on May 23, 2007 and is a non-diversified, closed-end management investment company registered under the 1940 Act. The Fund s principal office is located at 3300 Oak Lawn Avenue, Suite 650, Dallas, TX 75219, and its telephone number is (214) 692-6334. You may call toll-free (800) 662-7232 to request information or make shareholder inquiries.

The Cushing name originates from a city in Oklahoma of the same name that was a center for the exploration, production and storage of crude oil during the early 20th century. Cushing, Oklahoma, with its large amount of energy infrastructure assets, is currently a major storage and trading clearing hub for crude oil and refined products in the United States.

USE OF PROCEEDS

The Fund anticipates that it will be able to invest substantially all of the net proceeds of an offering in accordance with its investment objective and policies within approximately two weeks after completion of an offering. Prior to the time the Fund is fully invested, the proceeds of the offering may temporarily be invested in cash, cash equivalents, or in debt securities that are rated AA or higher. Income received by the Fund from these temporary investments would likely be less than returns sought pursuant to the Fund s investment objective and policies.

INVESTMENT OBJECTIVE AND POLICIES

The Fund s investment objective is to obtain a high after-tax total return from a combination of capital appreciation and current income. The Fund seeks to achieve its investment objective by investing, under normal market conditions, at least 80% of its net assets, plus any borrowings for investment purposes, in MLP investments (the 80% policy). There can be no assurance that the Fund s investment objective will be achieved. The Fund intends to focus its investments in MLPs with operations in the development, production, processing, refining, transportation, storage and marketing of natural resources.

The Fund will generally seek to invest in 20 to 30 issuers with generally no more than 10% of Managed Assets in any one issue, and no more than 15% of Managed Assets in any one issuer (for purposes of this limitation, the issuer includes both the MLP or limited liability company, as well as 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 and proprietary research to seek to identify the most attractive MLPs and will seek to invest in MLPs that have distribution growth prospects that, in the Investment Adviser s view, are high relative to comparable MLPs and which are not fully reflected in current pricing. The Investment Adviser believes that the MLPs most likely to offer such attractive investment characteristics are those that are relatively small and have proven and motivated management teams that are able to develop projects organically (greenfield or internally developed) and/or to successfully find, acquire and integrate assets and companies that enhance value to shareholders. As part of the Fund s 80% policy, the Investment Adviser will also seek to invest in 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 current yield of the Fund will be lower than it would be under a more diversified investment approach. The Investment Adviser will seek to invest in IPOs and secondary market issuances, PIPE transactions and private transactions, including pre-acquisition and pre-IPO equity issuances and investments in private companies.

The Fund seeks to achieve its investment objective by investing, under normal market conditions, at least 80% of its net assets, plus any borrowings for investment purposes, in MLP investments. Entities commonly referred to as MLPs are taxed as partnerships for 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. For purposes of the Fund s 80% policy, MLP investments

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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 MLP derivative securities.

The Fund may invest up to 50% of its Managed Assets in securities of MLPs and Other Natural Resources Companies that are not publicly traded, or that are otherwise restricted securities. For purposes of this limitation, restricted securities include (i) registered securities of public companies subject to a lock-up period greater than 30 days, (ii) unregistered securities of public companies with registration rights until such securities are registered for resale by the Fund or until they become freely tradable with the passage of time, and (iii) securities of companies that have no class of registered or publicly offered securities (privately held companies). The Fund does not intend to invest more than 25% of its Managed Assets in securities of privately held companies.

The Fund may invest up to 20% of its net assets, plus any borrowings for investment purposes, in securities of companies that are not MLPs, including Other Natural Resources Companies, and U.S. and non-U.S. issuers that may not constitute Other Natural Resources Companies. These investments may include securities such as partnership interests, limited liability company interests or units, trust units, common stock, preferred stock, convertible securities, warrants and depositary receipts, debt securities, ETNs (typically, unsecured, unsubordinated debt securities that trade on a securities exchange and are designed to replicate the returns of market benchmarks minus applicable fees), and securities issued by investment companies registered under the 1940 Act including ETFs. The Investment Adviser anticipates that the Fund will generally invest in ETFs or ETNs that focus their investments on the energy, natural resources, utility, real estate or banking industries.

The Fund may invest up to 20% of its Managed Assets in debt securities of MLPs, Other Natural Resources Companies and other issuers. Any securities issued by MLPs, including debt securities, will count towards the Fund s 80% policy.

Each percentage limitation applicable to the Fund s portfolio described in this Prospectus applies only at the time of investment in the asset to which the percentage limitation applies, and the Fund will not be required to sell securities due to subsequent changes in the value of the securities it owns. The Fund may invest in companies of any market capitalization.

At the time of this offering, the Fund does not intend to invest directly in commodities, although the Fund s investments in some MLPs will expose it to risks similar to risks arising from investing in commodities.

The Fund may, but is not required to, write, purchase or sell put or call options on securities, equity or fixed-income indices or other instruments, write, purchase or sell futures contracts or options on futures, or enter into other Strategic Transactions.

The Fund may also engage in short sales to generate additional return. This practice allows the short seller to profit from declines in market prices to the extent such declines exceed the transaction costs and the costs of borrowing the securities.

The Fund s investment objective and percentage parameters, including its 80% 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.

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THE FUND S INVESTMENTS

Description of MLPs

Master limited partnerships are formed as limited partnerships or limited liability companies and taxed as partnerships for 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 specified 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 control 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 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.

MLPs are typically structured such that common units and general partner interests have first priority to receive the MQD. Common and general partner interests also accrue arrearages in distributions to the extent the MQD is not paid. Once common units and general partner interests have been paid, subordinated units generally receive distributions; however, subordinated units generally do not accrue arrearages. The subordinated units are normally owned by the owners or affiliates of the general partner and convert on a one for one basis into common units, generally in three to five years after the MLP s initial public offering or after certain distribution levels have been exceeded. Distributable cash in excess of the MQD is distributed to both common and subordinated units generally on a pro rata basis. The general partner is also normally eligible to receive incentive distributions if the general partner operates the business in a manner which results in payment of per unit distributions that exceed threshold levels above the MQD. As the general partner increases cash distributions to the limited partners, the general partner receives an increasingly higher percentage of the incremental cash distributions. A common arrangement provides that the general partner can reach a tier where it receives 50% of every incremental dollar distributed by the MLP. These incentive distributions encourage the general partner to increase the partnership s cash flow and raise the quarterly cash distribution by pursuing steady cash flow investment opportunities, streamlining costs and acquiring assets. Such results benefit all security holders of the MLP.

Sector Outlook

General. The Investment Adviser believes that MLPs play a vital role in the movement of energy resources. Many MLPs own midstream energy infrastructure assets used to transport, process, and store natural gas, natural gas liquids, crude oil, and refined petroleum products. Crude oil is gathered, shipped, or trucked from producers (suppliers) and transported through pipelines to storage/terminal facilities, refined into petroleum products, and ultimately to end users. While there are a number of contract structures with varying degrees of commodity price sensitivity in the Investment Adviser s experience, these activities are usually fee-based in nature, in which case revenues are simply a function of throughput and a dollar rate per unit. Consequently, cash flows typically have minimal direct commodity price sensitivity, although they may frequently be exposed to indirect commodity risk. See Principal Risks of the Fund MLP and Other Natural Resources Company Risks Commodity Price Risk. Generally, in the natural gas and natural gas liquids value chain, natural gas is gathered in the field and transported via pipelines to a central processing facility where the natural gas liquids are separated from the residue natural gas. The residue gas is then shipped to

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end users, and the raw natural gas liquids go to a fractionation facility. The raw natural gas liquids mix is separated into its different components (ethane, propane, butane, etc.) and then delivered to end use markets.

MLP operations are often referred to in the context of the following business segments or subsectors:

Pipeline MLPs. Pipeline MLPs are common carrier transporters of natural gas, natural gas liquids (primarily propane, ethane, butane and natural gasoline), crude oil or refined petroleum products (gasoline, diesel fuel and jet fuel). Pipeline MLPs may also operate ancillary businesses such as storage and marketing of such products. Revenue is derived from capacity and transportation fees. Historically, in the Investment Adviser s view, pipeline output has been less exposed to cyclical economic forces due in large part to its low cost structure and government-regulated nature. In addition, pipeline MLPs do not have much direct commodity price exposure (as opposed to indirect exposure) because they do not own the product being shipped.

Processing MLPs. Processing MLPs include gatherers and processors of natural gas as well as providers of natural gas liquid transportation, fractionation and storage services. Revenue is typically derived from providing services to natural gas producers, which require treatment or processing before their natural gas commodity can be marketed to utilities and other end user markets. Revenue for the processor is often fee based, although it is not uncommon to have some participation in the prices of the natural gas and natural gas liquids commodities for a portion of revenue.

Exploration and Production MLPs (E&P MLPs). E&P MLPs include MLPs that are engaged in the exploration, development, production and acquisition of crude oil and natural gas properties. E&P MLP cash flows generally depend on the volume of crude oil and natural gas produced and the realized prices received for crude oil and natural gas sales.

Propane MLPs. Propane MLPs include MLPs that are distributors of propane to end-users for space and water heating. Revenue is typically derived from the resale of the commodity at a margin over wholesale cost. The ability to maintain margin is often a key to profitability. Propane serves approximately 3% of the household energy needs in the United States, largely for homes beyond the geographic reach of natural gas distribution pipelines. Approximately 70% of annual cash flow can be earned during the winter heating season (October through March).

Coal MLPs. Coal MLPs include MLPs that own, lease and manage coal reserves. Revenue is typically derived from production and sale of coal or from royalty payments related to leases to coal producers. Electricity generation is the primary use of coal in the United States. Demand for electricity and supply of alternative fuels to generators are usually the primary drivers of coal demand. Coal MLPs are subject to operating and production risks, such as: the MLP or a lessee meeting necessary production volumes; federal, state and local laws and regulations that may limit the ability to produce coal; the MLPs ability to manage production costs and pay mining reclamation costs; and the effect on demand that the EPA s standards set in the Clean Air Act have on coal end-users.

Marine Shipping MLPs. Marine Shipping MLPs include MLPs that are primarily marine transporters of natural gas, natural gas liquids, crude oil or refined petroleum products. Marine shipping MLPs typically derive revenue from charging customers for the transportation of these products utilizing the MLPs vessels. Transportation services are typically provided pursuant to a charter or contract, the terms of which vary depending on, for example, the length of use of a particular vessel, the amount of cargo transported, the number of voyages made, the parties operating a vessel or other factors.

Investment Characteristics. The Investment Adviser believes that the following are characteristics of MLPs that make them attractive investments:

Many MLPs are utility-like in nature and have relatively stable, predictable cash flows.

MLPs provide services which help meet the largely inelastic demand of U.S. energy consumers. In its International Energy Outlook 2008, the U.S. Energy Information Administration projects 1.6% annual growth for worldwide energy demand through 2030.

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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 FERC or by state regulatory commissions. High barriers to entry may protect the business model of some MLPs, since construction of the physical assets typically owned by these MLPs 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 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 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.

Master limited partnerships are pass-through entities and do not pay federal income taxes at the entity level. In general, a portion of their distribution payments is treated as a return of capital.

In addition to their growth potential, MLP investments are currently offering higher yields than some investments, such as utilities and REITs. 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 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.

Sector Growth. Historically, MLP cash flow and distribution growth has come primarily from two sources, acquisitions and organic (internal) expansion projects, which have also contributed to growth in market capitalization. Much of this growth came from MLPs acquiring midstream assets from utilities, natural gas pipeline companies, and major integrated oil companies.

The Investment Adviser believes that acquisitions will continue to play an important role in driving growth. It estimates that less than one third of all MLP-qualifying midstream assets in the U.S. are currently owned by public MLPs. However, the Investment Adviser believes organic (or internally developed) growth projects, which generally are more visible and predictable, will play an increasingly important role in driving future growth.

Securities

MLP Equity Securities. Equity securities issued by MLPs typically consist of common and subordinated units (which represent the limited partner or member interests) and a general partner or managing member interest.

Common Units. The common units of many MLPs are listed and traded on national securities exchanges, including the NYSE, the American Stock Exchange (the AMEX) and the NASDAQ Stock Market (the NASDAQ). The Fund will typically purchase such common units through open market transactions and underwritten offerings, but may also acquire common units through direct placements and privately negotiated transactions. Holders of MLP common units typically have very limited control and voting rights. Holders of such common units are typically entitled to receive the MQD, including arrearage rights, from the issuer. Generally, an MLP must pay (or set aside for payment) the MQD to holders of common units before any distributions may be paid to subordinated unit holders. In addition, incentive distributions are typically not paid to the general partner or managing member unless the quarterly distributions on the common units exceed specified threshold levels above the MQD. In the event of a liquidation, common unit holders are intended to have a

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preference to the remaining assets of the issuer over holders of subordinated units. Master limited partnerships also issue different classes of common units that may have different voting, trading, and distribution rights. The Fund may invest in different classes of common units.

Subordinated Units. Subordinated units, which, like common units, represent limited partner or member interests, are not typically listed on an exchange or publicly traded. The Fund will typically purchase outstanding subordinated units through negotiated transactions directly with holders of such units or newly-issued subordinated units directly from the issuer. Holders of such subordinated units are generally entitled to receive a distribution only after the MQD and any arrearages from prior quarters have been paid to holders of common units. Holders of subordinated units typically have the right to receive distributions before any incentive distributions are payable to the general partner or managing member. Subordinated units generally do not provide arrearage rights. Most MLP subordinated units are convertible into common units after the passage of a specified period of time or upon the achievement by the issuer of specified financial goals. Master limited partnerships also issue different classes of subordinated units that may have different voting, trading, and distribution rights. The Fund may invest in different classes of subordinated units.

General Partner or Managing Member Interests. The general partner or managing member interest in MLPs or limited liability companies is typically retained by the original sponsors of an MLP or limited liability company, such as its founders, corporate partners and entities that sell assets to the MLP or limited liability company. The holder of the general partner or managing member interest can be liable in certain circumstances for amounts greater than the amount of the holder s investment in the general partner or managing member. General partner or managing member interests often confer direct board participation rights in, and in many cases control over the operations of, the MLP. General partner or managing member interests can be privately held or owned by publicly traded entities. General partner or managing member interests receive cash distributions, typically in an amount of up to 2% of available cash, which is contractually defined in the partnership or limited liability company agreement. In addition, holders of general partner or managing member interests typically receive incentive distribution rights, which provide them with an increasing share of the entity s aggregate cash distributions upon the payment of per common unit distributions that exceed specified threshold levels above the MQD. Due to the incentive distribution rights, GP MLPs have higher distribution growth prospects than their underlying MLPs, but quarterly incentive distribution payments would also decline at a greater rate than the decline rate in quarterly distributions to common and subordinated unit holders in the event of a reduction in the MLP s quarterly distribution. The ability of the limited partners or members to remove the general partner or managing member without cause is typically very limited. In addition, some MLPs permit the holder of incentive distribution rights to reset, under specified circumstances, the incentive distribution levels and receive compensation in exchange for the distribution rights given up in the reset.

I-Shares. I-Shares represent an ownership interest issued by an MLP affiliate. The MLP affiliate uses the proceeds from the sale of I-Shares to purchase limited partnership interests in the MLP in the form of I-units. Thus, I-Shares represent an indirect limited partner interest in the MLP. I-units have features similar to MLP common units in terms of voting rights, liquidation preference and distribution. I-Shares differ from MLP common units primarily in that instead of receiving cash distributions, holders of I-Shares will receive distributions of additional I-Shares in an amount equal to the cash distributions received by common unit holders. I-Shares are traded on the NYSE or the AMEX. For purposes of the Fund s 80% policy, securities that are derivatives of interests in MLPs are I-Shares or other derivative securities that have economic characteristics of MLP securities.

Other Equity Securities. The Fund may invest in equity securities of issuers other than MLPs, including common stocks of Other Natural Resources Companies and issuers engaged in other sectors, including the finance and real estate sectors. Such issuers may be organized and/or taxed as corporations and therefore may not offer the advantageous tax characteristics of MLP units.

Debt Securities. The Fund may invest in debt securities rated, at the time of investment, at least (i) B3 by Moody s, (ii) B- by S&P or Fitch, or (iii) a comparable rating by another rating agency, provided, however,

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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. See Appendix A Ratings of Investments.

Non-U.S. Securities. The Fund may invest in non-U.S. securities, including, among other things, non-U.S. securities represented by 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.

Investment Practices

In addition to holding the portfolio investments described above, the Fund may, but is not required to, use the following investment practices:

Use of Derivatives. The Fund may use derivative investments to hedge certain risks such as overall market, interest rate and commodity price risks. The Fund may engage in various interest rate and currency hedging transactions, including buying or selling options or futures, entering into other transactions including forward contracts, swaps or options on futures and other derivatives transactions. The Fund has claimed exclusion from the definition of the term commodity pool operator adopted by the CFTC and the National Futures Association, which regulate trading in the futures markets. Therefore, the Fund is not subject to commodity pool operator registration and regulation under the Commodity Exchange Act.

The Fund may engage in Strategic Transactions. The Fund generally seeks to use these transactions to manage its effective interest rate exposure, including the effective yield paid on any leverage used by the Fund, protect against possible adverse changes in the market value of the securities held in or to be purchased for its portfolio, or otherwise protect the value of its portfolio. See Principal Risks of the Fund Strategic Transactions Risk for a more complete discussion of these transactions and their risks.

In addition, the Fund may engage in transactions intended to hedge the currency risk to which it may be exposed. Currency hedging transactions in which the Fund may engage include buying or selling options or futures or entering into other foreign currency transactions including forward foreign currency contracts, currency swaps or options on currency and currency futures and other derivatives transactions. Hedging transactions can be expensive and have risks, including the imperfect correlation between the value of such instruments and the underlying assets, the possible default of the other party to the transaction or illiquidity of the derivative instruments. Furthermore, the ability to successfully use hedging transactions depends on the Investment Adviser s ability to predict pertinent market movements, which cannot be assured. See Principal Risks of the Fund Risks Associated with an Investment in Non-U.S. Companies Currency Hedging Risk.

The Fund may also sell short Treasury securities to hedge its interest rate exposure. When shorting Treasury securities, the loss is limited to the principal amount that is contractually required to be repaid at maturity and the interest expense that must be paid at the specified times. See Principal Risks of the Fund Short Sales Risk.

Use of Arbitrage and Other Strategies. The Fund may use short sales, arbitrage and other strategies to try to generate additional return. As part of such strategies, the Fund may engage in paired long-short trades to arbitrage pricing disparities in securities issued by MLPs and Other Natural Resources Companies, write (or sell) covered call options on the securities of MLPs and Other Natural Resources Companies or other securities held in its portfolio, write (or sell) uncovered call options on the securities of MLPs and Other Natural Resources Companies, purchase call options or enter into swap contracts to increase its exposure to MLPs and Other Natural Resources Companies, or sell securities short. With a long position, the Fund purchases a stock outright, but with a short position, it would sell a security that it does not own and must borrow to meet its settlement obligations. The Fund will realize a profit or incur a loss from a short position depending on whether the value of the underlying stock decreases or increases, respectively, between the time the stock is sold and when the Fund replaces the borrowed security. To increase its exposure to certain issuers, the Fund may purchase call options or use swap agreements. The Fund expects to use these strategies on a limited basis. See Principal Risks of the Fund Short Sales Risk and Principal Risks of the Fund Strategic Transactions Risk.

Portfolio Turnover. The Fund anticipates that its annual portfolio turnover rate will be approximately 25%, but that rate may vary greatly from year to year. Portfolio turnover rate is not considered a limiting factor in the Investment Adviser s execution of investment decisions. A higher portfolio turnover rate results in correspondingly greater brokerage commissions and other transactional expenses that are borne by the Fund.

Use of Leverage

On October 19, 2007, the Fund entered into a fully-collateralized borrowing arrangement with Credit Suisse. Proceeds from the borrowing arrangement are used to execute the Fund s investment objective. The borrowing arrangement is collateralized with investments held in a segregated account for the benefit of Credit Suisse at the Fund s custodian, which collateral exceeds the amount borrowed.

The Fund may also seek to enhance its total returns through the issuance of preferred shares and other Leverage Instruments, in each case within the applicable limits of the 1940 Act. The Fund may leverage through borrowings in an aggregate amount of up to approximately 33 1/3% of its Managed Assets (*i.e.* 50% of its net assets attributable to the Fund s common shares).

The Fund may leverage through the issuance of preferred shares or other means, and at such times total leverage of the Fund is generally expected to be in the range of 20% to 50% of the Fund s Managed Assets (*i.e.*, 25% to 100% of its net assets attributable to the Fund s common shares). The Fund may borrow from banks and other financial institutions.

The use of leverage creates risks and involves special considerations. See Principal Risks of the Fund Leverage Risk, Interest Rate Risk and Fully-Collateralized Borrowing Risk. To the extent that the Fund uses leverage, it expects to utilize hedging techniques such as swaps and caps on a portion of its leverage to mitigate potential interest rate risk. See Principal Risks of the Fund Interest Rate Hedging Risk.

Delaware trust law authorizes the Fund, without prior approval of its common shareholders, to borrow money. In this regard, the Fund may issue notes or other evidence of indebtedness (including bank borrowings or commercial paper) and may secure any such borrowings by mortgaging, pledging or otherwise subjecting as security its assets. In connection with such borrowing, the Fund may be required to maintain minimum average balances with the lender or to pay a commitment or other fee to maintain a line of credit. Any such requirements will increase the cost of borrowing over the stated interest rate. Except as set forth below, under the requirements of the 1940 Act the Fund, immediately after any borrowings, must have asset coverage of at least 300% (33 1/3% of its Managed Assets, or 50% of its net assets attributable to the Fund s common shares). With respect to borrowings, asset coverage means the ratio which the value of the Fund s total assets, less all liabilities and indebtedness not represented by senior securities (as defined in the 1940 Act), bears to the aggregate amount of such borrowing represented by senior securities issued by the Fund.

The rights of the Fund s lenders to receive interest on and repayment of principal of borrowings will be senior to those of the Fund s common shareholders, and the terms of any such borrowings may contain provisions which limit certain of the Fund s activities, including the payment of dividends to the Fund s common shareholders in certain circumstances. Under the 1940 Act, the Fund may not declare any dividend or other distribution on any class of its shares, or purchase any such shares, unless its aggregate indebtedness has, at the time of the declaration of any such dividend or distribution, or at the time of any such purchase, an asset coverage of at least 300% after declaring the amount of such dividend, distribution or purchase price, as the case may be. Further, the 1940 Act does (in certain circumstances) grant the Fund s lenders certain voting rights in the event of default in the payment of interest on or repayment of principal. Subject to its ability to liquidate its relatively illiquid portfolio, the Fund intends to repay borrowings. A borrowing will likely be ranked senior or equal to all of the Fund s other existing and future borrowings.

The following types of borrowings are not subject to the asset coverage limitation under the 1940 Act: fully-collateralized borrowings held in a segregated account by the Fund s custodian, temporary borrowings

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not exceeding 5% of the Fund s total assets and any evidence of indebtedness in consideration of a loan, extension or renewal thereof that is privately arranged and not intended for public distribution.

Certain types of borrowings may result in the Fund s being subject to covenants in credit agreements relating to asset coverage and portfolio composition requirements. The Fund may be subject to certain restrictions on investments imposed by guidelines of one or more rating agencies, which may issue ratings for the Leverage Instruments issued by the Fund. These guidelines may impose asset coverage or portfolio composition requirements that are more stringent than those imposed by the 1940 Act. It is not anticipated that these covenants or guidelines will impede the Investment Adviser from managing the Fund s portfolio in accordance with the Fund s investment objective and policies.

Under the 1940 Act, the Fund is not permitted to issue preferred shares unless immediately after such issuance the value of its total assets is at least 200% of the liquidation value of the outstanding preferred shares (*i.e.*, the liquidation value may not exceed 50% of the Fund s total assets). In addition, the Fund is not permitted to declare any cash dividend or other distribution on its common shares unless, at the time of such declaration, the value of its total assets is at least 200% of such liquidation value. If the Fund issues preferred shares, it intends, to the extent possible, to purchase or redeem it from time to time to the extent necessary in order to maintain asset coverage on such preferred shares of at least 200%. In addition, as a condition to obtaining ratings on the preferred shares, the terms of any preferred shares issued are expected to include asset coverage maintenance provisions which will require the redemption of the preferred shares in the event of non-compliance by the Fund and may also prohibit dividends and other distributions on the Fund s common shares in such circumstances. In order to meet redemption requirements, the Fund may have to liquidate portfolio securities. Such liquidations and redemptions would cause the Fund to incur related transaction costs and could result in capital losses to the Fund. If the Fund has preferred shares outstanding, two of its Trustees will be elected by the holders of preferred shares as a class. The Fund s remaining Trustees will be elected by holders of its common shares and preferred shares voting together as a single class. In the event the Fund fails to pay dividends on its preferred shares for two years, holders of preferred shares would be entitled to elect a majority of its Trustees.

The Fund may also borrow money as a temporary measure for extraordinary or emergency purposes, including the payment of dividends and the settlement of securities transactions that otherwise might require untimely dispositions of its securities.

Credit Facility

The Fund may enter into definitive agreements with respect to a credit facility. The Fund may negotiate with commercial banks to arrange a credit facility pursuant to which the Fund would be entitled to borrow an amount equal to approximately one third 33 1/3% of its Managed Assets (*i.e.* 50% of the Fund s net assets attributable to the Fund s common shares). Any such borrowings would constitute financial leverage. Such a facility is not expected to be convertible into any other securities of the Fund. Any outstanding amounts are expected to be prepayable by the Fund prior to final maturity without significant penalty, and there are not expected to be any sinking fund or mandatory retirement provisions. Outstanding amounts would be payable at maturity or such earlier times as required by the agreement. The Fund may be required to prepay outstanding amounts under a facility or incur a penalty rate of interest in the event of the occurrence of certain events of default. The Fund would be expected to indemnify the lenders under the facility against liabilities they may incur in connection with the facility. The Fund may be required to pay commitment fees under the terms of any such facility. With the use of borrowings, there is a risk that the interest rates paid by the Fund on the amount it borrows will be higher than the return on the Fund s investments.

In addition, the Fund expects that any such credit facility would contain covenants that, among other things, likely will limit the Fund s ability to: (i) pay distributions in certain circumstances, (ii) incur additional debt, and (iii) change its fundamental investment policies and engage in certain transactions, including mergers and consolidations. In addition, it may contain a covenant requiring asset coverage ratios in addition to those required by the 1940 Act. The Fund may be required to pledge its assets and to maintain a portion of its assets in cash or high-grade securities as a reserve against interest or principal payments and expenses. The Fund expects that any credit facility would have customary covenant, negative covenant and default provisions. There can be no assurance that the Fund will enter into an agreement for a credit facility on terms and

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conditions representative of the foregoing or that additional material terms will not apply. In addition, any such credit facility may in the future be replaced or refinanced by one or more credit facilities having substantially different terms or by the issuance of preferred shares.

Effects of Leverage

The Fund may use leverage through fully-collateralized borrowing arrangements, the issuance of preferred shares, commercial paper or notes, other forms of borrowing or both. The amount of the leverage utilized by the Fund may vary over time. As of May 12, 2010, there was approximately $54.9 million outstanding under the Fund s fully-collateralized borrowing arrangement with Credit Suisse. Assuming the utilization of leverage in the amount of 33 1/3% of the Fund s Managed Assets (*i.e.*, 50% of its net assets attributable to the Fund s Common Shares) and an annual interest rate of 0.63% on borrowings payable on such leverage based on market rates as of May 12, 2010, the annual return that the Fund must earn (net of expenses) in order to cover such interest expense is 0.40%. The Fund s actual cost of leverage will be based on market rates, which may vary over time, and such actual costs of leverage may be higher or lower than that assumed in the previous example.

The following table is designed to assist the investor in understanding the effects of leverage by illustrating the effect on the return to a holder of the Fund s Common Shares of leverage in the amount of approximately 33 1/3% of the Fund s Managed Assets (*i.e.*, 50% of its net assets attributable to the Fund s Common Shares), assuming hypothetical annual returns of the Fund s portfolio of minus 10% to plus 10%. As the table shows, leverage generally increases the return to holders of Common Shares when portfolio return is positive and greater than the cost of leverage and decreases the return when the portfolio return is negative or less than the cost of leverage. The figures appearing in the table are hypothetical and actual returns may be greater or less than those appearing in the table. See Principal Risks of the Fund.

Assumed Portfolio Total Return (Net of Expenses)	(10)%	(5)%	0 %	5 %	10 %
Common Share Total Return	(15.40)%	(7.90)%	(0.40)%	7.10 %	14.60 %

Common Share total return is composed of two elements: Distributions on Common Shares paid by the Fund (the amount of which is largely determined by the Fund s net investment income after paying dividends or interest on its outstanding leverage) and gains or losses on the value of the securities the Fund owns. As required by SEC rules, the table above assumes that the Fund is more likely to suffer capital losses than to enjoy capital appreciation. For example, to assume a total return of 0%, the Fund must assume that the distributions it receives on its investments are entirely offset by losses in the value of those securities.

Lending of Portfolio Securities

The Fund may lend its portfolio securities to broker-dealers and banks. Any such loan must be continuously secured by collateral in cash or cash equivalents maintained on a current basis in an amount at least equal to 102% of the value of the securities loaned. The Fund would continue to receive the equivalent of the interest or dividends paid by the issuer on the securities loaned and would also receive an additional return that may be in the form of a fixed fee or a percentage of the collateral. The Fund may pay reasonable fees for services in arranging these loans. The Fund would have the right to call the loan and obtain the securities loaned at any time on notice of not more than five (5) business days. The Fund would not have the right to vote the securities during the existence of the loan but would call the loan to permit voting of the securities, if, in the Investment Adviser s judgment, a material event requiring a shareholder vote would otherwise occur before the loans were repaid. In the event of bankruptcy or other default of the borrower, the Fund could experience both delays in liquidating the loan collateral or recovering the loaned securities and losses, including (a) possible decline in the value of the collateral or in the value of the securities loaned during the period while the Fund seeks to enforce its rights to the collateral or loaned securities, (b) possible subnormal levels of income and lack of access to income during this period, and (c) expenses of enforcing its rights.

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PRINCIPAL RISKS OF THE FUND

General

Risk is inherent in all investing. The following discussion summarizes some of the risks that a potential investor should consider before deciding to purchase the Fund s common shares.

Limited Operating and Trading History. The Fund was formed as a Delaware statutory trust on May 23, 2007 and is a non-diversified, closed-end management investment company. The Fund commenced operations on August 27, 2007. Being a recently organized company, the Fund is subject to all of the business risks and uncertainties associated with any new business, including the risk that the Fund will not achieve its investment objective and that the value of an investment in the Fund could decline substantially.

Investment and Market Risk. An investment in the Fund s common shares is subject to investment risk, including the possible loss of an investor s entire investment. An investment in the Fund s common shares represents an indirect investment in the securities owned by the Fund, some of which will be traded on a national securities exchange or in the over-the-counter markets. The value of the securities in the Fund s portfolio, like other market investments, may move up or down, sometimes rapidly and unpredictably. The value of the securities in which the Fund invests will affect the value of its common shares. The Fund s common shares at any point in time may be worth less than at the time of original investment, even after taking into account the reinvestment of the Fund s dividends. The Fund is primarily a long-term investment vehicle and should not be used for short-term trading. An investment in the Fund s common shares is not intended to constitute a complete investment program and should not be viewed as such.

Market Discount From Net Asset Value Risk. Shares of closed-end funds frequently trade at discounts to their net asset value. This characteristic is a risk separate and distinct from the risk that the Fund s net asset value could decrease as a result of its investment activities and may be greater for investors expecting to sell their shares in a relatively short period following completion of this offering. The net asset value of the Fund s common shares will be reduced immediately following the offering as a result of the payment of certain offering costs. Although the value of the Fund s net assets is generally considered by market participants in determining whether to purchase or sell shares, whether investors will realize gains or losses upon the sale of the Fund s common shares will depend entirely upon whether the market price of its common shares at the time of sale is above or below the investor s purchase price for the Fund s common shares. Because the market price of the Fund s common shares will be affected by factors such as net asset value, dividend or distribution levels (which are dependent, in part, on expenses), supply of and demand for the Fund s common shares, stability of dividends or distributions, trading volume of the Fund s common shares, general market and economic conditions, and other factors beyond the control of the Fund, the Fund cannot predict whether its common shares will trade at, below or above net asset value or at, below or above the initial public offering price. The Fund s common shares have in the past traded below their net asset value.

The Fund s common shares have recently been trading at a substantial premium to NAV per share which may not be sustainable. If the common shares are trading at a premium to net asset value at the time you purchase common shares, the NAV per share of the common shares purchased will be less than the purchase price paid. Please see Price Range of Common Shares in this Prospectus for further information about the historical NAV, share prices and premium or discount to NAV of the Fund s common shares.

Recent Economic Events. While the U.S. and global markets had experienced extreme volatility and disruption for an extended period of time, the third and fourth quarters of 2009 and the first quarter of 2010 witnessed more stabilized economic activity as expectations for an economic recovery increased. However, risks to a robust resumption of growth persist: a weak consumer weighed down by too much debt and increasing joblessness, the growing size of the federal budget deficit and national debt, and the threat of inflation. A return to unfavorable economic conditions or sustained economic slowdown may place downward pressure on oil and natural gas prices and may adversely affect the ability of MLPs to sustain their historical distribution levels, which in turn, may adversely affect the Fund s ability to sustain distributions at historical levels. MLPs that have historically relied heavily on outside capital to fund their growth have been impacted by the contraction in the capital markets. The continued recovery of the MLP sector is dependent on several factors, including the recovery of the financial sector, the general economy and the commodity markets.

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2011 U.S. Federal Budget. The proposed U.S. federal budget for fiscal year 2011 calls for the elimination of approximately $40 billion in tax incentives widely used by oil, gas and coal companies and the imposition of new fees on certain energy producers. The elimination of such tax incentives and imposition of such fees could adversely affect MLPs and Other Natural Resources Companies in which the Fund invests and/or the natural resources sector generally.

Sector Concentration Risk

Under normal market conditions, and once the proceeds of each offering are fully invested in accordance with its investment objective, the Fund will have at least 80% of its net assets, plus any borrowings for investment purposes, invested in MLP investments, which operate primarily in the natural resources sector. There are risks inherent in the natural resources sector and the businesses of MLPs and Other Natural Resources Companies, including those described below.

MLP and Other Natural Resources Company Risks

Commodity Price Risk. The return on the Fund s investments in MLPs and Other Natural Resources Companies will be dependent on the operating margins received and cash flows generated by those companies from 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. These operating margins and cash flows may fluctuate widely in response to a variety of factors, including global and domestic economic conditions, weather conditions, natural disasters, the supply and price of imported natural resources, political instability, conservation efforts and governmental regulation. Natural resources commodity prices have been very volatile in the past and such volatility is expected to continue. 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 other 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 operating results of companies in the broader natural resources sector are cyclical, with fluctuations in commodity prices and demand for commodities driven by a variety of factors. 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. The profitability of MLPs and Other Natural Resources Companies, particularly those involved in processing, gathering and pipeline transportation, may be materially impacted by the volume of natural gas or other energy commodities available for transportation, processing, storage or distribution. 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 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. Factors that could lead to a sustained decrease in market demand include a recession or other adverse economic conditions, an increase in the market price of the underlying commodity that is not, or is not expected to be, merely a short-term increase, higher taxes or other regulatory actions that increase costs, or a shift in consumer demand for such products. Demand may also be adversely affected by consumer sentiment with respect to global warming and by state or federal legislation intended to promote the use of alternative energy sources.

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

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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. In addition, acquisition or expansion projects may not perform as anticipated. A significant slowdown in merger and acquisition activity in the natural resources sector could reduce the growth rate of cash flows received by the Fund from MLPs and Other Natural Resources Companies that grow through acquisitions.

Competition Risk. The natural resources sector is highly competitive. The MLPs and Other Natural Resources Companies in which the Fund will invest will face substantial competition from other companies, many of which will have greater financial, technological, human and other resources, in acquiring natural resources assets, obtaining and retaining customers and contracts and hiring and retaining qualified personnel. Larger companies may be able to pay more for assets and may have a greater ability to continue their operations during periods of low commodity prices. 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, such as Hurricane Ivan in 2004, Hurricanes Katrina and Rita in 2005 and Hurricane Ike in 2008, 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 the limited partners or members, on the other hand, including those arising from incentive distribution payments or corporate opportunities.

Sub-Sector Specific Risk. 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. Companies that own interstate pipelines that transport natural gas, natural gas liquids, crude oil or refined petroleum products are subject to regulation by FERC with respect to the tariff rates they may charge for transportation services. An adverse determination by FERC with respect to the tariff rates of such a company could have a material adverse effect on its business, financial condition, results of operations and cash flows of those companies and their ability to pay cash distributions or dividends. In addition, FERC has a tax allowance policy, which permits such companies to include in their cost of service an income tax allowance to the extent that

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their owners have an actual or potential tax liability on the income generated by them. If FERC s income tax allowance policy were to change in the future to disallow a material portion of the income tax allowance taken by such interstate pipeline companies, it would adversely impact the maximum tariff rates that such companies are permitted to charge for their transportation services, which would in turn adversely affect the results of operations and cash flows of those companies and their ability to pay cash distributions or dividends to their unit holders or shareholders.

Gathering and processing. Gathering and processing companies are subject to natural declines in the production of oil and natural gas fields, which utilize their gathering and processing facilities as a way to market their production, prolonged declines in the price of natural gas or crude oil, which curtails drilling activity and therefore production, and declines in the prices of natural gas liquids and refined petroleum products, which cause lower processing margins. In addition, some gathering and processing contracts subject the gathering or processing company to direct commodities price risk.

Exploration and production. Exploration, development and production companies are particularly vulnerable to declines in the demand for and prices of crude oil and natural gas. Reductions in prices for crude oil and natural gas can cause a given reservoir to become uneconomic for continued production earlier than it would if prices were higher, resulting in the plugging and abandonment of, and cessation of production from, that reservoir. In addition, lower commodity prices not only reduce revenues but also can result in substantial downward adjustments in reserve estimates. The accuracy of any reserve estimate is a function of the quality of available data, the accuracy of assumptions regarding future commodity prices and future exploration and development costs and engineering and geological interpretations and judgments. Different reserve engineers may make different estimates of reserve quantities and related revenue based on the same data. Actual oil and gas prices, development expenditures and operating expenses will vary from those assumed in reserve estimates, and these variances may be significant. Any significant variance from the assumptions used could result in the actual quantity of reserves and future net cash flow being materially different from those estimated in reserve reports. In addition, results of drilling, testing and production and changes in prices after the date of reserve estimates may result in downward revisions to such estimates. Substantial downward adjustments in reserve estimates could have a material adverse effect on a given exploration and production company s financial position and results of operations. In addition, due to natural declines in reserves and production, exploration and production companies must economically find or acquire and develop additional reserves in order to maintain and grow their revenues and distributions.

Propane. Propane companies are subject to earnings variability based upon weather patterns in the locations where they operate and increases in the wholesale price of propane which reduce profit margins. In addition, propane companies are facing increased competition due to the growing availability of natural gas, fuel oil and alternative energy sources for residential heating.

Coal. Coal companies are subject to declines in the demand for and prices of coal. Demand variability can be based on weather conditions, the strength of the domestic economy, the level of coal stockpiles in their customer base, and the prices of competing sources of fuel for electric generation. They are also subject to supply variability based on geological conditions that reduce the productivity of mining operations, the availability of regulatory permits for mining activities and the availability of coal that meets the standards of the Clean Air Act. Demand and prices for coal may also be affected by current and proposed regulatory limitations on emissions from coal-fired power plants and the facilities of other coal end users. Such limitations may reduce demand for the coal produced and transported by coal companies. Certain coal companies could face declining revenues if they are unable to acquire additional coal reserves or other mineral reserves that are economically recoverable.

Marine shipping. Marine shipping companies are subject to supply of and demand for, and level of consumption of, natural gas, liquefied natural gas, crude oil, refined petroleum products and liquefied petroleum gases in the supply areas and market areas they serve, which affect the demand for marine shipping services and therefore charter rates. Shipping companies vessels and cargoes are also subject to the risk of being damaged or lost due to marine disasters, extreme weather, mechanical failures, grounding, fire, explosions, collisions, human error, piracy, war and terrorism. Some vessels may also require replacement or significant capital improvements earlier than otherwise required due to changing regulatory standards. Shipping companies or their ships may be chartered in any country and the Fund s investments in such issuers may be subject to risks similar to risks related to investments in non-U.S. securities.

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. The amount of cash that any individual MLP or Other Natural Resources Company can distribute to its investors, including the Fund, will depend on the amount of cash it generates from operations, which will vary from quarter to quarter depending on factors affecting the natural resources sector generally and the particular business lines of the issuer. Available cash will also depend on the MLP s or Other Natural Resources Company s operating costs, capital expenditures, debt service requirements, acquisition costs (if any), fluctuations in working capital needs and other factors. The cash that an MLP will have available for distribution will also depend on the incentive distributions payable to its general partner or managing member in connection with distributions paid to its equity investors.

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. Such regulation can change over time in both scope and intensity. For example, a particular by-product may be declared hazardous by a regulatory agency and unexpectedly increase production costs. Various governmental authorities have the power to enforce compliance with these regulations and the permits issued under them, and violators are subject to administrative, civil and criminal penalties, including civil fines, injunctions or both. Stricter laws, regulations or enforcement policies could be enacted in the future which would likely increase compliance costs and may adversely affect the financial performance of MLPs and Other Natural Resources Companies.

Specifically, the operations of wells, gathering systems, pipelines, refineries and other facilities are subject to stringent and complex federal, state and local environmental laws and regulations. These include, for example:

- the federal Clean Air Act and comparable state laws and regulations that impose obligations related to air emissions;
- the federal Clean Water Act and comparable state laws and regulations that impose obligations related to discharges of pollutants into regulated bodies of water;
- the federal Resource Conservation and Recovery Act (RCRA) and comparable state laws and regulations that impose requirements for the handling and disposal of waste from facilities; and
- the federal Comprehensive Environmental Response, Compensation and Liability Act of 1980 (CERCLA), also known as Superfund, and comparable state laws and regulations that regulate the cleanup of hazardous substances that may have been released at properties currently or previously owned or operated by MLPs and Other Natural Resources Companies or at locations to which they have sent waste for disposal.

Failure to comply with these laws and regulations may trigger a variety of administrative, civil and criminal enforcement measures, including the assessment of monetary penalties, the imposition of remedial requirements, and the issuance of orders enjoining future operations. Certain environmental statutes, including

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RCRA, CERCLA, the federal Oil Pollution Act and analogous state laws and regulations, impose strict, joint and several liability for costs required to clean up and restore sites where hazardous substances have been disposed of or otherwise released. Moreover, it is not uncommon for neighboring landowners and other third parties to file claims for personal injury and property damage allegedly caused by the release of hazardous substances or other waste products into the environment.

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.

Proposals for voluntary initiatives and mandatory controls are being discussed both in the United States and worldwide to reduce emissions of greenhouse gases such as carbon dioxide, a by-product of burning fossil fuels, and methane, the major constituent of natural gas, which many scientists and policymakers believe contribute to global climate change. These measures, if adopted, could result in increased costs to certain companies in which the Fund may invest to operate and maintain Natural Resources facilities and administer and manage a greenhouse gas emissions program.

In the wake of a recent Supreme Court decision holding that the Environmental Protection Agency (EPA) has some legal authority to deal with climate change under the Clean Air Act, the federal government announced on May 14, 2007 that the EPA and the Departments of Transportation, Energy, and Agriculture would jointly write regulations to cut gasoline use and control greenhouse gas emissions from cars and trucks. These measures if adopted could reduce demand for energy or raise prices, which may adversely affect the total return of certain of the Fund s investments.

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. These risks could result in substantial losses due to personal injury or loss of life, severe damage to and destruction of property and equipment and pollution or other environmental damage, and may result in the curtailment or suspension of their related operations. Not all MLPs or Other Natural Resources Companies are fully insured against all risks inherent to their businesses. 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.

Risks Associated with an Investment in IPOs

Securities purchased in IPOs are often subject to the general risks associated with investments in companies with small market capitalizations, and typically to a heightened degree. Securities issued in IPOs have no trading history, and information about the companies may be available for very limited periods. In addition, the prices of securities sold in an IPO may be highly volatile. At any particular time or from time to time, the

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Fund may not be able to invest in IPOs, or to invest to the extent desired, because, for example, only a small portion (if any) of the securities being offered in an IPO may be available to the Fund. In addition, under certain market conditions, a relatively small number of companies may issue securities in IPOs. The investment performance of the Fund during periods when it is unable to invest significantly or at all in IPOs may be lower than during periods when it is able to do so.

IPO securities may be volatile, and the Fund cannot predict whether investments in IPOs will be successful. As the Fund grows in size, the positive effect of IPO investments on the Fund may decrease.

Risks Associated with an Investment in PIPE Transactions

PIPE investors purchase securities directly from a publicly traded company in a private placement transaction, typically at a discount to the market price of the company s common stock. Because the sale of the securities is not registered under the Securities Act of 1933, as amended (the Securities Act), the securities are restricted and cannot be immediately resold by the investors into the public markets. Accordingly, the company typically agrees as part of the PIPE deal to register the restricted securities with the SEC. PIPE securities may be deemed illiquid.

Privately Held Company Risk

Investing in privately held companies involves risk. For example, privately held companies are not subject to SEC reporting requirements, are not required to maintain their accounting records in accordance with generally accepted accounting principles, and are not required to maintain effective internal controls over financial reporting. As a result, the Investment Adviser may not have timely or accurate information about the business, financial condition and results of operations of the privately held companies in which the Fund invests. In addition, the securities of privately held companies are generally illiquid, and entail the risks described under Liquidity Risk below.

Liquidity Risk

The investments made by the Fund, including investments in MLPs, may be illiquid and consequently the Fund may not be able to sell such investments at prices that reflect the Investment Adviser s assessment of their value, the amount paid for such investments by the Fund or at prices approximating the value at which the Fund is carrying the securities on its books. Furthermore, the nature of the Fund s investments may require a long holding period prior to profitability.

Although the equity securities of the MLPs and Other Natural Resources Companies in which the Fund invests generally trade on major stock exchanges, certain securities may trade less frequently, particularly those with smaller capitalizations. Securities with limited trading volumes may display volatile or erratic price movements. Investment of the Fund s capital in securities that are less actively traded or over time experience decreased trading volume may restrict the Fund s ability to take advantage of other market opportunities.

The Fund also expects to invest in unregistered or otherwise restricted securities. Unregistered securities are securities that cannot be sold publicly in the United States without registration under the Securities Act, unless an exemption from such registration is available. Restricted securities may be more difficult to value and the Fund may have difficulty disposing of such assets either in a timely manner or for a reasonable price. In order to dispose of an unregistered security, the Fund, where it has contractual rights to do so, may have to cause such security to be registered. A considerable period may elapse between the time the decision is made to sell the security and the time the security is registered so that the Fund could sell it. Contractual restrictions on the resale of securities vary in length and scope and are generally the result of a negotiation between the issuer and acquiror of the securities. The Fund would, in either case, bear the risks of any downward price fluctuation during that period. The difficulties and delays associated with selling restricted securities could result in the Fund s inability to realize a favorable price upon disposition of such securities, and at times might make disposition of such securities impossible.

Tax Risks

In addition to other risk considerations, an investment in the Fund s common shares will involve certain tax risks, including, but not limited to, the risks summarized below and discussed in more detail elsewhere in this Prospectus. Tax matters are complicated, and the foreign and U.S. federal, state and local tax consequences of the purchase and ownership of the Fund s common shares will depend on the facts of each investor s situation. Prospective investors are encouraged to consult their own tax advisors regarding the specific tax consequences that may affect such investors.

Tax Law Changes. Changes in tax laws, regulations or interpretations of those laws or regulations in the future could adversely affect the Fund or the MLPs or Other Natural Resources Companies in which the Fund will invest. Any such changes could negatively impact the Fund s common shareholders. Legislation could also negatively impact the amount and tax characterization of dividends received by the Fund s common shareholders. Federal legislation has reduced the federal income tax rate on qualified dividend income to the rate applicable to long-term capital gains, which is generally 15% for individuals, provided a holding period requirement and certain other requirements are met. This reduced rate of tax on dividends is currently scheduled to revert to ordinary income tax rates for taxable years beginning after December 31, 2010, and the 15% federal income tax rate for long-term capital gains is scheduled to revert to 20% for such taxable years.

Recently the House of Representatives and the Senate passed substantially similar bills that, if enacted, would substantially revise some of the rules discussed in this Prospectus under Tax Matters , including with respect to withholding taxes, certification requirements and information reporting. These bills are generally consistent with a proposal made by the Obama Administration as part of its 2011 Fiscal Year Revenue Proposals. It cannot be predicted whether either of these bills will be enacted and, if enacted, in precisely what form. Prospective investors should consult their tax advisors regarding these bills.

Tax Risk of MLPs. The Fund s ability to meet its investment objective will depend partially on the amounts of taxable income, distributions and dividends it receives from the securities in which it will invest, a factor over which it has no control. The benefit the Fund will derive from its investment in MLPs is largely dependent on the MLPs being treated as partnerships for federal income tax purposes. As a partnership, an MLP has no federal income tax liability at the entity level. If, as a result of a change in current law or a change in an MLP s business, an MLP were to be treated as a corporation for federal income tax purposes, it would be subject to federal income tax on its income at the graduated tax rates applicable to corporations (currently a maximum rate of 35%). In addition, if an MLP were to be classified as a corporation for federal income tax purposes, the amount of cash available for distribution by it would be reduced and distributions received by the Fund from it would be taxed under federal income tax laws applicable to corporate distributions (as dividend income, return of capital, or capital gain). Therefore, treatment of MLPs as corporations for federal income tax purposes would result in a reduction in the after-tax return to the Fund, likely causing a reduction in the value of the Fund s common shares.

Deferred Tax Risks of MLPs. As a limited partner or member in the MLPs in which the Fund will invest, the Fund will be required to include in its taxable income its allocable share of income, gains, losses, deductions, and credits from those MLPs, regardless of whether they distribute any cash to the Fund. Historically, a significant portion of the income from MLPs has been offset by tax deductions. The Fund will incur a current tax liability on its allocable share of an MLP s income and gains that is not offset by tax deductions, losses and credits, or its net operating loss carryforwards, if any. The portion, if any, of a distribution received by the Fund from an MLP that is offset by the MLP s tax deductions, losses or credits will be treated as a tax-advantaged return of capital. However, those distributions will reduce the Fund s adjusted tax basis in the equity securities of the MLP, which will result in an increase in the amount of gain (or decrease in the amount of loss) that will be recognized by the Fund for tax purposes upon the sale of any such equity securities or upon subsequent distributions in respect of such equity securities. The percentage of an MLP s income and gains that is offset by tax deductions, losses and credits will fluctuate over time for various reasons. A significant slowdown in acquisition activity or capital spending by MLPs held in the Fund s portfolio could result in a reduction of accelerated depreciation generated by new acquisitions, which may result in increased current tax liability for the Fund.

The Fund will accrue deferred income taxes for its future tax liability associated with that portion of MLP distributions considered to be a tax-advantaged return of capital, as well as for its future tax liability associated with the capital appreciation of its investments. Upon the Fund s sale of an MLP security, the Fund may be liable for previously deferred taxes. The Fund will rely to some extent on information provided by MLPs, which is not necessarily timely, to estimate deferred tax liability for purposes of financial statement reporting and determining its net asset value. From time to time, the Fund will modify its estimates or assumptions regarding its deferred tax liability as new information becomes available.

Tax Risks of Corporations. The Fund also intends to invest in companies that are classified as corporations for federal income tax purposes. Any distributions received by the Fund from these companies will be taxed under federal income tax laws applicable to corporate distributions (as dividend income, return of capital or capital gain). The amount of a corporate distribution taxable to the Fund as a dividend will depend upon the earnings and profits of the company making the distribution. Historically, the types of corporate Other Natural Resources Companies in which the Fund intends to invest generally have paid dividends to their equity holders in excess of earnings and profits. However, the earnings and profits of an Other Natural Resources Company will fluctuate over time for a variety of reasons, including those discussed in this Prospectus. An increase in a corporation s earnings and profits may result in a greater proportion of its corporate distributions being treated as a taxable dividend, resulting in an increased current tax liability to the Fund. In addition, the Fund may invest in PFICs. As a result of an investment in a PFIC, the Fund may be subject to an interest charge and additional taxes or, if it makes a certain election, may be required to recognize taxable income related to such investment prior to its receipt of the corresponding cash.

Deferred Tax Risks of Investing in the Fund s Common Shares. A reduction in the percentage of the distributions received by the Fund that are offset by tax deductions, losses or credits, or an increase in its portfolio turnover, will reduce that portion of its common share dividend treated as a tax-advantaged return of capital and increase that portion treated as dividend income, resulting in lower after-tax dividends to its common shareholders.

Limitations on Use of Net Operating Loss. In the event that the Fund experience an ownership change for purposes of Section 382 of the Code, which generally is any change in ownership of more than 50% the Fund s common stock over a three-year period, the Fund s ability to use net operating loss and capital loss carryovers to offset future taxable income will be substantially limited. Although the Fund does not expect that this offering of common shares should constitute an ownership change for purposes of Section 382 of the Code, it is possible that future issuances or sales of common shares or other securities, or certain other direct or indirect changes in ownership may result in an ownership change.

See Tax Matters.

Risks Associated with an Investment in Non-U.S. Companies

Non-U.S. Securities Risk. Investing in securities of non-U.S. issuers involves certain risks not involved in domestic investments, including, but not limited to: fluctuations in currency exchange rates; future foreign economic, financial, political and social developments; different legal systems; the possible imposition of exchange controls or other foreign governmental laws or restrictions; lower trading volume; greater price volatility and illiquidity; different trading and settlement practices; less governmental supervision; high and volatile rates of inflation; fluctuating interest rates; less publicly available information; and different accounting, auditing and financial recordkeeping standards and requirements.

Non-U.S. Currency Risk. Because the Fund may invest in securities denominated or quoted in non-U.S. currencies, changes in the non-U.S. currency/U.S. dollar exchange rate may affect the value of the Fund s securities and the unrealized appreciation or depreciation of its investments.

Currency Hedging Risk. The Fund may in the future hedge against currency risk resulting from investing in non-U.S. MLPs and Other Natural Resources Companies valued in non-U.S. currencies. Currency hedging transactions in which the Fund may engage include buying or selling options or futures or entering into other foreign currency transactions including forward foreign currency contracts, currency swaps or options on currency and currency futures and other derivatives transactions. Hedging transactions can be expensive and have risks, including the imperfect correlation between the value of such instruments and the underlying assets, the possible default of the other party to the transaction or the illiquidity of the derivative instruments. Furthermore, the ability to successfully use hedging transactions depends on the Investment Adviser s ability to predict pertinent market movements, which cannot be assured. Thus, the use of hedging transactions may result in losses greater than if they had not been used, may require the Fund to sell or purchase portfolio securities at inopportune times or for prices other than current market values, may limit the

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amount of appreciation the Fund can realize on an investment, or may cause the Fund to hold a security that the Fund might otherwise sell. The use of hedging transactions may result in the Fund incurring losses as a result of matters beyond the Fund s control. For example losses may be incurred because of the imposition of exchange controls, the suspension of settlements or the Fund s inability to deliver or receive a specified currency.

Emerging Markets Risk. Investments in emerging markets instruments, while generally providing greater potential opportunity for capital appreciation and higher yields than investments in more developed market instruments, may also involve greater risk. Emerging markets may be subject to economic, social and political risks not applicable to instruments of developed market issuers, such as repatriation, exchange control or other monetary restrictions, taxation risks, and special considerations due to limited publicly available information, less stringent regulatory standards, and lack of uniformity in accounting.

With respect to certain countries, there is a possibility of expropriation, confiscatory taxation, imposition of withholding or other taxes on dividends, interest, capital gains or other income, limitations on the removal of funds or other assets of the Fund, political or social instability or diplomatic developments that could affect investments in those countries. An issuer of securities may be domiciled in a country other than the country in whose currency the instrument is denominated. The values and relative yields of investments in the securities markets of different countries, and their associated risks, are expected to change independently of each other.

Interest Rate Risk

The costs associated with any leverage used by the Fund are likely to increase when interest rates rise. Accordingly, the market price of the Fund s common shares may decline when interest rates rise.

Legal and Regulatory Risk

Legal, tax and regulatory changes could occur during the term of the Fund that may adversely affect the Fund. The regulatory environment for closed-end funds is evolving, and changes in the regulation of closed-end funds may adversely affect the value of investments held by the Fund and the ability of the Fund to obtain the leverage it might otherwise obtain or to pursue its trading strategy. In addition, the securities and futures markets are subject to comprehensive statutes, regulations and margin requirements. The SEC, other regulators and self-regulatory organizations and exchanges are authorized to take extraordinary actions in the event of market emergencies. The regulation of derivatives transactions and funds that engage in such transactions is an evolving area of law and is subject to modification by governmental and judicial action. The effect of any future regulatory change on the Fund could be substantial and adverse.

Interest Rate Hedging Risk

The Fund may from time to time hedge against interest rate risk resulting from the Fund s portfolio holdings and any financial leverage it may incur. Interest rate transactions the Fund may use for hedging purposes will expose the Fund to certain risks that differ from the risks associated with its portfolio holdings. There are economic costs of hedging reflected in the price of interest rate swaps, caps and similar techniques, the cost of which can be significant. In addition, the Fund s success in using hedging instruments is subject to the Investment Adviser s ability to correctly predict changes in the relationships of such hedging instruments to the Fund s leverage risk, and there can be no assurance that the Investment Adviser s judgment in this respect will be accurate. Depending on the state of interest rates in general, the Fund s use of interest rate hedging instruments could enhance or decrease investment company taxable income available to the holders of its common shares. To the extent there is a decline in interest rates, the value of interest rate swaps or caps could decline, and result in a decline in the net asset value of the Fund s common shares. In addition, if the counterparty to an interest rate swap or cap defaults, the Fund would not be able to use the anticipated net receipts under the interest rate swap or cap to offset its cost of financial leverage.

Arbitrage Risk

A part of the Investment Adviser s investment operations may involve spread positions between two or more securities, or derivatives positions including commodities hedging positions, or a combination of the foregoing. The Investment Adviser s trading operations also may involve arbitraging between two securities or commodities, between the security, commodity and related options or derivatives markets, between spot and

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futures or forward markets, and/or any combination of the above. To the extent the price relationships between such positions remain constant, no gain or loss on the positions will occur. These offsetting positions entail substantial risk that the price differential could change unfavorably, causing a loss to the position.

Equity Securities Risk

Master limited partnership common units and other equity securities of MLPs and Other Natural Resources Companies can be affected by macroeconomic, political, global and other factors affecting the stock market in general, expectations of interest rates, investor sentiment towards MLPs or the natural resources sector, changes in a particular company s financial condition, or the unfavorable or unanticipated poor performance of a particular MLP or Other Natural Resources Company (which, in the case of an MLP, is generally measured in terms of distributable cash flow). Prices of common units and other equity securities of individual MLPs and Other Natural Resources Companies can also be affected by fundamentals unique to the partnership or company, including earnings power and coverage ratios.

MLP Subordinated Units. Master limited partnership subordinated units are not typically listed on an exchange or publicly traded. Holders of MLP subordinated units are entitled to receive a distribution only after the MQD has been paid to holders of common units, but prior to payment of incentive distributions to the general partner or managing member. Master limited partnership subordinated units generally do not provide arrearage rights. Most MLP subordinated units are convertible into common units after the passage of a specified period of time or upon the achievement by the MLP of specified financial goals.

General Partner and Managing Member Interests. General partner and managing member interests are not publicly traded, though they may be owned by publicly traded entities such as GP MLPs. A holder of general partner or managing member interests can be liable in certain circumstances for amounts greater than the amount of the holder s investment. In addition, while a general partner or managing member s incentive distribution rights can mean that general partners and managing members have higher distribution growth prospects than their underlying MLPs, these incentive distribution payments would decline at a greater rate than the decline rate in quarterly distributions to common or subordinated unit holders in the event of a reduction in the MLP s quarterly distribution. A general partner or managing member interest can be redeemed by the MLP if the MLP unit holders choose to remove the general partner, typically by a supermajority vote of the limited partners or members.

Small-Cap and Mid-Cap Company Risk

Certain of the MLPs and Other Natural Resources Companies in which the Fund may invest may have small or medium-sized market capitalizations (small-cap and mid-cap companies, respectively). Investing in the securities of small-cap or mid-cap MLPs and Other Natural Resources Companies presents some particular investment risks. These MLPs and Other Natural Resources Companies may have limited product lines and markets, as well as shorter operating histories, less experienced management and more limited financial resources than larger MLPs and Other Natural Resources Companies, and may be more vulnerable to adverse general market or economic developments. Stocks of these MLPs and Other Natural Resources Companies may be less liquid than those of larger MLPs and Other Natural Resources Companies, and may experience greater price fluctuations than larger MLPs and Other Natural Resources Companies. In addition, small-cap or mid-cap company securities may not be widely followed by investors, which may result in reduced demand.

Leverage Risk

The Fund may use leverage through fully-collateralized borrowing arrangements, the issuance of preferred shares, commercial paper or notes, other forms of borrowing or both. The use of leverage, which can be described as exposure to changes in price at a ratio greater than the amount of equity invested, either through the issuance of preferred shares, borrowing or other forms of market exposure, magnifies both the favorable and unfavorable effects of price movements in the investments made by the Fund. Insofar as the Fund employs leverage in its investment operations, the Fund will be subject to increased risk of loss.

Leverage creates a greater risk of loss, as well as potential for more gain, for the Fund s common shares than if leverage is not used. Preferred shares or debt issued by the Fund would have complete priority upon distribution of assets over common shares. Depending on the type of leverage involved, the Fund s use of

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financial leverage may require the approval of its Board of Trustees. The Fund expects to invest the net proceeds derived from any leveraging according to the investment objective and policies described in this Prospectus. So long as the Fund s portfolio is invested in securities that provide a higher rate of return than the dividend rate or interest rate of the Leverage Instrument or other borrowing arrangements, after taking its related expenses into consideration, the leverage will cause the Fund s common shareholders to receive a higher rate of income than if it were not leveraged. There is no assurance that the Fund will continue to utilize leverage or, if leverage is utilized, that it will be successful in enhancing the level of the Fund s total return. The net asset value of the Fund s common shares will be reduced by the fees and issuance costs of any leverage.

Leverage creates risk for holders of the Fund s common shares, including the likelihood of greater volatility of net asset value and market price of the shares. Risk of fluctuations in dividend rates or interest rates on Leverage Instruments or other borrowing arrangements may affect the return to the holders of the Fund s common shares. To the extent the return on securities purchased with funds received from the use of leverage exceeds the cost of leverage (including increased expenses to the Fund), the Fund s total return will be greater than if leverage had not been used. Conversely, if the return derived from such securities is less than the cost of leverage (including increased expenses to the Fund), the Fund s total return will be less than if leverage had not been used, and therefore, the amount available for distribution to the Fund s common shareholders will be reduced. In the latter case, the Investment Adviser in its best judgment nevertheless may determine to maintain the Fund s leveraged position if it expects that the benefits to the Fund s common shareholders of so doing will outweigh the current reduced return. Under normal market conditions, the Fund anticipates that it will be able to invest the proceeds from leverage at a higher rate than the costs of leverage (including increased expenses to the Fund), which would enhance returns to the Fund s common shareholders. The fees paid to the Investment Adviser will be calculated on the basis of the Fund s Managed Assets, which include proceeds from Leverage Instruments and other borrowings. During periods in which the Fund uses financial leverage, the investment management fee payable to the Investment Adviser will be higher than if the Fund did not use a leveraged capital structure. Consequently, the Fund and the Investment Adviser may have differing interests in determining whether to leverage the Fund s assets. The Board of Trustees will monitor the Fund s use of leverage and this potential conflict.

Fully-Collateralized Borrowing Risk. The Fund has entered into a fully-collateralized borrowing arrangement with Credit Suisse. Proceeds from the borrowing arrangement are used to execute the Fund s investment objective. The borrowing arrangement is collateralized with investments held in a segregated account for the benefit of Credit Suisse at the Fund s custodian, which collateral exceeds the amount borrowed. If the Fund is unable to repay the loan, the lender may realize upon the collateral pledged by the Fund. Such arrangements are also subject to interest rate risk. See Principal Risks of the Fund Interest Rate Risk.

Preferred Share Risk. Preferred share risk is the risk associated with the issuance of the preferred shares to leverage the common shares. If the Fund issues preferred shares, the net asset value and market value of the common shares will be more volatile, and the yield to the holders of common shares will tend to fluctuate with changes in the shorter-term dividend rates on the preferred shares. If the dividend rate on the preferred shares approaches the net rate of return on the Fund s investment portfolio, the benefit of leverage to the holders of the common shares would be reduced. If the dividend rate on the preferred shares exceeds the net rate of return on the Fund s portfolio, the leverage will result in a lower rate of return to the holders of common shares than if the Fund had not issued preferred shares.

In addition, the Fund will pay (and the holders of common shares will bear) all costs and expenses relating to the issuance and ongoing maintenance of the preferred shares, including higher advisory fees. Accordingly, the Fund cannot assure you that the issuance of preferred shares will result in a higher yield or return to the holders of the common shares. Costs of the offering of preferred shares will be borne immediately by the Fund s common shareholders and result in a reduction of net asset value of the common shares.

Similarly, any decline in the net asset value of the Fund s investments will be borne entirely by the holders of common shares. Therefore, if the market value of the Fund s portfolio declines, the leverage will result in a greater decrease in net asset value to the holders of common shares than if the Fund were not

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leveraged. This greater net asset value decrease will also tend to cause a greater decline in the market price for the common shares. The Fund might be in danger of failing to maintain the required asset coverage of the preferred shares or of losing its ratings on the preferred shares or, in an extreme case, the Fund s current investment income might not be sufficient to meet the dividend requirements on the preferred shares. In order to counteract such an event, the Fund might need to liquidate investments in order to fund a redemption of some or all of the preferred shares. Liquidation at times of low municipal bond prices may result in capital loss and may reduce returns to the holders of common shares.

Preferred Shareholders May Have Disproportionate Influence over the Fund. If preferred shares are issued, holders of preferred shares may have differing interests than holders of common shares and holders of preferred shares may at times have disproportionate influence over the Fund s affairs. If preferred shares are issued, holders of preferred shares, voting separately as a single class, would have the right to elect two members of the Board of Trustees at all times. The remaining members of the Board of Trustees would be elected by holders of common shares and preferred shares, voting as a single class. The 1940 Act also requires that, in addition to any approval by shareholders that might otherwise be required, the approval of the holders of a majority of any outstanding preferred shares, voting separately as a class, would be required to (i) adopt any plan of reorganization that would adversely affect the preferred shares and (ii) take any action requiring a vote of security holders under Section 13(a) of the 1940 Act, including, among other things, changes in the Fund s subclassification as a closed-end fund or changes in its fundamental investment restrictions.

Credit Facility. The Fund may enter into definitive agreements with respect to a credit facility. The Fund may negotiate with commercial banks to arrange a credit facility pursuant to which the Fund would be entitled to borrow an amount equal to approximately 33 1/3% of the Fund s Managed Assets (*i.e.* 50% of the Fund s net assets attributable to the Fund s common shares). Any such borrowings would constitute financial leverage. Such a facility is not expected to be convertible into any other securities of the Fund. Any outstanding amounts are expected to be prepayable by the Fund prior to final maturity without significant penalty, and there are not expected to be any sinking fund or mandatory retirement provisions. Outstanding amounts would be payable at maturity or such earlier times as required by the agreement. The Fund may be required to prepay outstanding amounts under a facility or incur a penalty rate of interest in the event of the occurrence of certain events of default. The Fund would be expected to indemnify the lenders under the facility against liabilities they may incur in connection with the facility. The Fund may be required to pay commitment fees under the terms of any such facility. With the use of borrowings, there is a risk that the interest rates paid by the Fund on the amount it borrows will be higher than the return on the Fund s investments.

The Fund expects that such a credit facility would contain covenants that, among other things, likely will limit the Fund s ability to: (i) pay dividends in certain circumstances, (ii) incur additional debt and (iii) change its fundamental investment policies and engage in certain transactions, including mergers and consolidations. In addition, it may contain a covenant requiring asset coverage ratios in addition to those required by the 1940 Act. The Fund may be required to pledge its assets and to maintain a portion of its assets in cash or high-grade securities as a reserve against interest or principal payments and expenses. The Fund expects that any credit facility would have customary covenant, negative covenant and default provisions. There can be no assurance that the Fund will enter into an agreement for a credit facility on terms and conditions representative of the foregoing or that additional material terms will not apply. In addition, if entered into, any such credit facility may in the future be replaced or refinanced by one or more credit facilities having substantially different terms or by the issuance of preferred shares.

Portfolio Guidelines of Rating Agencies. In order to obtain and maintain the required ratings of loans from a credit facility, the Fund will be required to comply with investment quality, diversification and other guidelines established by Moody s and/or S&P or the credit facility, respectively. Such guidelines will likely be more restrictive than the restrictions otherwise applicable to the Fund as described in this Prospectus. The Fund does not anticipate that such guidelines would have a material adverse effect on the Fund s holders of common shares or its ability to achieve its investment objective. No minimum rating is required for the issuance of preferred shares by the Fund. Moody s and S&P would receive fees in connection with their ratings issuances.

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Securities Lending Risk

The Fund may lend its portfolio securities (up to a maximum of one-third of its Managed Assets) to banks or dealers which meet the creditworthiness standards established by the Board of Trustees of the Fund. Securities lending is subject to the risk that loaned securities may not be available to the Fund on a timely basis and the Fund may, therefore, lose the opportunity to sell the securities at a desirable price. Any loss in the market price of securities loaned by the Fund that occurs during the term of the loan would be borne by the Fund and would adversely affect the Fund s performance. Also, there may be delays in recovery, or no recovery, of securities loaned or even a loss of rights in the collateral should the borrower of the securities fail financially while the loan is outstanding. These risks may be greater for non-U.S. securities.

Non-Diversification Risk

The Fund is a non-diversified, closed-end management investment company under the 1940 Act. The Fund may invest a relatively high percentage of its assets in a limited number of issuers. To the extent the Fund invests a relatively high percentage of the Fund s assets in the securities of a limited number of issuers, the Fund may be more susceptible than a more widely diversified investment company to any single economic, political or regulatory occurrence.

Valuation Risk

Market prices may not be readily available for certain of the Fund s investments, and the value of such investments will ordinarily be determined based on fair valuations determined by the Board of Trustees or its designee pursuant to procedures adopted by the Board of Trustees. Restrictions on resale or the absence of a liquid secondary market may adversely affect the Fund s ability to determine its net asset value. The sale price of securities that are not readily marketable may be lower or higher than the Fund s most recent determination of their fair value.

Additionally, the value of these securities typically requires more reliance on the judgment of the Investment Adviser than that required for securities for which there is an active trading market. Due to the difficulty in valuing these securities and the absence of an active trading market for these investments, the Fund may not be able to realize these securities true value or may have to delay their sale in order to do so.

When determining the fair value of an asset, the Investment Adviser will seek to determine the price that the Fund might reasonably expect to receive from the current sale of that asset in an arm s length transaction. Fair value pricing, however, involves judgments that are inherently subjective and inexact, since fair valuation procedures are used only when it is not possible to be sure what value should be attributed to a particular asset or when an event will affect the market price of an asset and to what extent. As a result, there can be no assurance that fair value pricing will reflect actual market value and it is possible that the fair value determined for a security will be materially different from the value that actually could be or is realized upon the sale of that asset. See Net Asset Value.

Portfolio Turnover Risk

The Fund anticipates that its annual portfolio turnover rate will be approximately 25%, but that rate may vary greatly from year to year. Portfolio turnover rate is not considered a limiting factor in the Investment Adviser s execution of investment decisions. A higher portfolio turnover rate results in correspondingly greater brokerage commissions and other transactional expenses that are borne by the Fund.

Strategic Transactions Risk

The Fund may engage in Strategic Transactions, including the purchase and sale of derivative investments such as exchange-listed and over-the-counter put and call options on securities, equity, fixed income and interest rate indices, and other financial instruments, and may enter into various interest rate transactions such as swaps, caps, floors or collars or credit transactions and credit default swaps and invest in forward contracts. The Fund also may purchase derivative investments that combine features of these instruments. The use of derivatives has risks, including the imperfect correlation between the value of such instruments and the underlying assets, the possible default of the other party to the transaction or illiquidity of the derivative investments. Furthermore, the ability to successfully use these techniques depends on the Fund s ability to

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predict pertinent market movements, which cannot be assured. Thus, their use may result in losses greater than if they had not been used, may require the Fund to sell or purchase portfolio securities at inopportune times or for prices other than current market values, may limit the amount of appreciation the Fund can realize on an investment or may cause the Fund to hold a security that it might otherwise sell. Additionally, amounts paid by the Fund as premiums and cash, or other assets held in margin accounts with respect to derivative transactions, are not otherwise available to the Fund for investment purposes.

The Fund may write covered call options. As the writer of a covered call option, the Fund gives up the opportunity during the option s life to profit from increases in the market value of the security covering the call option above the sum of the premium and the strike price of the call, but the Fund retains the risk of loss should the price of the underlying security decline.

The Fund may also write uncovered call options (*i.e.*, where the Fund does not own the underlying security or index) to a limited extent. Similar to a naked short sale, writing an uncovered call creates the risk of an unlimited loss, in that the price of the underlying security could theoretically increase without limit, thus increasing the cost of buying those securities to cover the call option if it is exercised before it expires. There can be no assurance that the securities necessary to cover the call option will be available for purchase. Purchasing securities to cover an uncovered call option can itself cause the price of the securities to rise, further exacerbating the loss.

The writer of an option has no control over the time when it may be required to fulfill its obligation as a writer of the option. Once an option writer has received an exercise notice, it cannot effect a closing purchase transaction in order to terminate its obligation under the option and must deliver the underlying security at the exercise price. There can be no assurance that a liquid market will exist when the Fund seeks to close out an option position. If trading were suspended in an option purchased by the Fund, the Fund would not be able to close out the option. If the Fund were unable to close out a covered call option that the Fund had written on a security, the Fund would not be able to sell the underlying security unless the option expired without exercise. If the Fund were unable to close out an uncovered call option that the Fund had written on a security, the Fund retains the risk of a price increase in the underlying security until the Fund purchases the security or the option expires without exercise.

Depending on whether the Fund would be entitled to receive net payments from the counterparty on a swap or cap, which in turn would depend on the general state of short-term interest rates at that point in time, a default by a counterparty could negatively impact the performance of the Fund s common shares. In addition, at the time an interest rate swap or cap transaction reaches its scheduled termination date, there is a risk that the Fund would not be able to obtain a replacement transaction or that the terms of the replacement would not be as favorable as on the expiring transaction. If this occurs, it could have a negative impact on the performance of the Fund s common shares. If the Fund fails to maintain any required asset coverage ratios in connection with any use by the Fund of Leverage Instruments, the Fund may be required to redeem or prepay some or all of the Leverage Instruments. Such redemption or prepayment would likely result in the Fund s seeking to terminate early all or a portion of any swap or cap transactions. Early termination of a swap could result in a termination payment by or to the Fund. Early termination of a cap could result in a termination payment to the Fund.

The Fund intends to segregate liquid assets against or otherwise cover its future obligations under such swap or cap transactions, in order to provide that its future commitments for which the Fund has not segregated liquid assets against or otherwise covered, together with any outstanding Leverage Instruments, will not exceed the applicable limits of the 1940 Act. In addition, such transactions and other use of Leverage Instruments by the Fund will be subject to the asset coverage requirements of the 1940 Act.

The use of interest rate swaps and caps is a highly specialized activity that involves investment techniques and risks different from those associated with ordinary portfolio security transactions. Depending on market conditions in general, the Fund s use of swaps or caps could enhance or harm the overall performance of its common shares. For example, the Fund may use interest rate swaps and caps in connection with any use by the Fund of Leverage Instruments and other borrowing arrangements. To the extent there is a decline in interest rates, the value of the interest rate swap or cap could decline, and could result in a decline in the net asset value of the Fund s common shares. In addition, if short-term interest rates are lower than the Fund s

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fixed rate of payment on the interest rate swap, the swap will reduce common shares net earnings. Buying interest rate caps could decrease the net earnings of the Fund s common shares in the event that the premium paid by the Fund to the counterparty exceeds the additional amount the Fund would have been required to pay had the Fund not entered into the cap agreement.

Interest rate swaps and caps do not involve the delivery of securities or other underlying assets or principal. Accordingly, the risk of loss with respect to interest rate swaps is limited to the net amount of interest payments that the Fund is contractually obligated to make. If the counterparty defaults, the Fund would not be able to use the anticipated net receipts under the swap or cap to offset any declines in the value of the Fund s portfolio assets being hedged or the increase in its cost of financial leverage. Depending on whether the Fund would be entitled to receive net payments from the counterparty on the swap or cap, which in turn would depend on the general state of the market rates at that point in time, such a default could negatively impact the performance of the Fund s common shares.

The Fund may invest in forward contracts entered into directly with banks, financial institutions and other dealers acting as principal. Forward contracts may not be liquid in all circumstances, so that in volatile markets, the Fund to the extent it wishes to do so may not be able to close out a position by taking another position equal and opposite to such position on a timely basis or without incurring a sizeable loss. Closing transactions with respect to forward contracts usually are effected with the counterparty who is a party to the original forward contract and generally require the consent of such trader. There can be no assurance that the Fund will be able to close out its obligations.

There are no limitations on daily price moves in forward contracts. Banks and other financial institutions with which the Fund may maintain accounts may require the Fund to deposit margin with respect to such trading. Banks are not required to continue to make markets in forward contracts. There have been periods during which certain banks have refused to quote prices for such forward contracts or have quoted prices with an unusually wide spread between the price at which the bank is prepared to buy and that at which it is prepared to sell. Trading of forward contracts through banks is not regulated by any U.S. governmental agency. The Fund will be subject to the risk of bank failure and the inability of, or refusal by, a bank to perform with respect to such contracts.

Convertible Instrument Risk

The Fund may invest in convertible instruments. A convertible instrument is a bond, debenture, note, preferred stock or other security that may be converted into or exchanged for a prescribed amount of common shares of the same or a different issuer within a particular period of time at a specified price or formula. Convertible debt instruments have characteristics of both fixed income and equity investments. Convertible instruments are subject both to the stock market risk associated with equity securities and to the credit and interest rate risks associated with fixed-income securities. As the market price of the equity security underlying a convertible instrument falls, the convertible instrument tends to trade on the basis of its yield and other fixed-income characteristics. As the market price of such equity security rises, the convertible security tends to trade on the basis of its equity conversion features. The Fund may invest in convertible instruments that have varying conversion values. Convertible instruments are typically issued at prices that represent a premium to their conversion value. Accordingly, the value of a convertible instruments increases (or decreases) as the price of the underlying equity security increases (or decreases). If a convertible instrument held by the Fund is called for redemption, the Fund will be required to permit the issuer to redeem the instrument, or convert it into the underlying stock, and will hold the stock to the extent the Investment Adviser determines that such equity investment is consistent with the investment objective of the Fund.

Short Sales Risk

Short selling involves selling securities which may or may not be owned and borrowing the same securities for delivery to the purchaser, with an obligation to replace the borrowed securities at a later date. Short selling allows the short seller to profit from declines in market prices to the extent such declines exceed the transaction costs and the costs of borrowing the securities. A naked short sale creates the risk of an unlimited loss because the price of the underlying security could theoretically increase without limit, thus increasing the cost of buying those securities to cover the short position. There can be no assurance that the securities necessary to cover a short position will be available for purchase. Purchasing securities to close out the short position can itself cause the price of the securities to rise, further exacerbating the loss.

The Fund s obligation to replace the borrowed security will be secured by collateral deposited with the broker-dealer, usually cash, U.S. government securities or other liquid securities similar to those borrowed. The Fund also will be 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 current market value of the security sold short. Depending on arrangements made with the broker-dealer from which the Fund borrowed the security regarding payment over of any payments received by the Fund on such security, the Fund may not receive any payments (including interest) on the Fund s collateral deposited with such broker-dealer.

Inflation Risk

Inflation risk is the risk that the value of assets or income from investment will be worth less in the future as inflation decreases the value of money. As inflation increases, the real value of the Fund s common shares and dividends can decline.

Debt Securities Risks

Debt securities are subject to many of the risks described elsewhere in this section. In addition, they are subject to credit risk, prepayment risk and, depending on their quality, other special risks.

Credit Risk. An issuer of a debt security may be unable to make interest payments and repay principal. The Fund could lose money if the issuer of a debt obligation is, or is perceived to be, unable or unwilling to make timely principal and/or interest payments, or to otherwise honor its obligations. The downgrade of a security may further decrease its value.

Below Investment Grade and Unrated Debt Securities Risk. Below investment grade debt securities in which the Fund may invest are rated from B3 to Ba1 by Moody s, from B- to BB+ by Fitch or S&P, or comparably rated by another rating agency. Below investment grade and unrated debt securities generally pay a premium above the yields of U.S. government securities or debt securities of investment grade issuers because they are subject to greater risks than these securities. These risks, which reflect their speculative character, include the following: greater yield and price volatility; greater credit risk and risk of default; potentially greater sensitivity to general economic or industry conditions; potential lack of attractive resale opportunities (illiquidity); and additional expenses to seek recovery from issuers who default.

In addition, the prices of these below investment grade and unrated debt securities are more sensitive to negative developments, such as a decline in the issuer s revenues, downturns in profitability in the natural resources industry or a general economic downturn, than are the prices of higher-grade securities. Below investment grade and unrated debt securities tend to be less liquid than investment grade securities and the market for below investment grade and unrated debt securities could contract further under adverse market or economic conditions. In such a scenario, it may be more difficult for the Fund to sell these securities in a timely manner or for as high a price as could be realized if such securities were more widely traded. The market value of below investment grade and unrated debt securities may be more volatile than the market value of investment grade securities and generally tends to reflect the market s perception of the creditworthiness of the issuer and short-term market developments to a greater extent than investment grade securities, which primarily reflect fluctuations in general levels of interest rates. In the event of a default by a below investment grade or unrated debt security held in the Fund s portfolio in the payment of principal or interest, the Fund may incur additional expense to the extent the Fund is required to seek recovery of such principal or interest.

For a description of the ratings categories of certain rating agencies, see Appendix A to this Prospectus.

Reinvestment Risk. Certain debt instruments, particularly below investment grade securities, may contain call or redemption provisions which would allow the issuer of the debt instrument to prepay principal prior to the debt instrument s stated maturity. This is also sometimes known as prepayment risk. Prepayment risk is greater during a falling interest rate environment as issuers can reduce their cost of capital by refinancing

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higher yielding debt instruments with lower yielding debt instruments. An issuer may also elect to refinance its debt instruments with lower yielding debt instruments if the credit standing of the issuer improves. To the extent debt securities in the Fund s portfolio are called or redeemed, the Fund may be forced to reinvest in lower yielding securities.

ETN and ETF Risk

An ETN or ETF that is based on a specific index may not be able to replicate and maintain exactly the composition and relative weighting of securities in the index. An ETN or ETF also incurs certain expenses not incurred by its applicable index. The market value of an ETN or ETF share may differ from its net asset value; the share may trade at a premium or discount to its net asset value, which may be due to, among other things, differences in the supply and demand in the market for the share and the supply and demand in the market for the underlying assets of the ETN or ETF. In addition, certain securities that are part of the index tracked by an ETN or ETF may, at times, be unavailable, which may impede the ETN s or ETF s ability to track its index. An ETF that uses leverage can, at times, be relatively illiquid, which can affect whether its share price approximates net asset value. As a result of using leverage, an ETF is subject to the risk of failure in the futures and options markets it uses to obtain leverage and the risk that a counterparty will default on its obligations, which can result in a loss to the Fund. Although an ETN is a debt security, it is unlike a typical bond, in that there are no periodic interest payments and principal is not protected.

Terrorism and Market Disruption Risk

The terrorist attacks on September 11, 2001 had a disruptive effect on the U.S. economy and securities markets. United States military and related action in Iraq and Afghanistan is ongoing and events in the Middle East could have significant, continuing adverse effects on the U.S. economy in general and the natural resources sector in particular. Global political and economic instability could affect an MLP s or an Other Natural Resources Company s operations in unpredictable ways, including through disruptions of natural resources supplies and markets and the resulting volatility in commodity prices. The U.S. government has issued warnings that natural resources assets, specifically pipeline infrastructure and production, transmission and distribution facilities, may be future targets of terrorist activities. In addition, changes in the insurance markets have made certain types of insurance more difficult, if not impossible, to obtain and have generally resulted in increased premium costs.

Market Volatility

The residential housing sector in the United States has been under considerable pressure during the past two years with home prices nationwide down 15% to 20% on average and nearly twice that in certain regions. Residential mortgage delinquencies and foreclosures have increased over this time and have, in turn, led to widespread selling in the mortgage-related market and put downward pressure on the prices of many securities, including many of our investments and the price of our common shares. Additionally, the federal rescue of Freddie Mac, Fannie Mae and American International Group, as well as the filing of bankruptcy by Lehman Brothers Holdings, Inc. and the concern that other financial institutions are also experiencing severe economic distress and that the global financial system is under stress have led to significant market volatility and thus further increase the illiquidity of our investments, particularly our thinly-capitalized investments. The current financial market situation, as well as various social, political, and psychological tensions in the United States and around the world, may continue to contribute to increased market volatility, may have long-term effects on the U.S. and worldwide financial markets (and in particular the housing and mortgage markets); and may cause further economic uncertainties or deterioration in the United States and worldwide. The Investment Adviser does not know how long the financial markets will continue to be affected by these events and cannot predict the effects of these or similar events in the future on the U.S. economy and securities markets in our portfolio. Given the risks described above, an investment in our common shares may not be appropriate for all prospective investors. A prospective investor should carefully consider his or her ability to assume these risks before making an investment in the Fund.

Investment Management Risk

The Fund s portfolio is subject to investment management risk because it will be actively managed. The Investment Adviser will apply investment techniques and risk analyses in making investment decisions for the Fund, but there can be no guarantee that they will produce the desired results.

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The decisions with respect to the management of the Fund are made exclusively by the Investment Adviser, subject to the oversight of the Board of Trustees. Investors have no right or power to take part in the management of the Fund. The Investment Adviser also is responsible for all of the trading and investment decisions of the Fund. In the event of the withdrawal or bankruptcy of the Investment Adviser, generally the affairs of the Fund will be wound-up and its assets will be liquidated.

Dependence on Key Personnel of the Investment Adviser

The Fund is dependent upon the Investment Adviser s key personnel for its future success and upon their access to certain individuals and investments in the natural resources industry. In particular, the Fund will depend on the diligence, skill and network of business contacts of the personnel of the Investment Adviser and its portfolio managers, who will evaluate, negotiate, structure, close and monitor the Fund s investments. The portfolio managers do not have long-term employment contracts with the Investment Adviser, although they do have equity interests and other financial incentives to remain with the firm. For a description of the Investment Adviser, see Management of the Fund Investment Adviser. The Fund will also depend on the senior management of the Investment Adviser, including particularly Jerry V. Swank. The departure of Mr. Swank or another of the Investment Adviser s senior management could have a material adverse effect on the Fund s ability to achieve its investment objective. In addition, the Fund can offer no assurance that the Investment Adviser will remain its investment adviser, or that the Fund will continue to have access to the Investment Adviser s industry contacts and deal flow.

Conflicts of Interest with the Investment Adviser

Conflicts of interest may arise because the Investment Adviser and its affiliates generally will be carrying on substantial investment activities for other clients, including, but not limited to, the Affiliated Funds, in which the Fund will have no interest. The Investment Adviser or its affiliates may have financial incentives to favor certain of such accounts over the Fund. Any of their proprietary accounts and other customer accounts may compete with the Fund for specific trades. The Investment Adviser or its affiliates may buy or sell securities for the Fund which differ from securities bought or sold for other accounts and customers, even though their investment objectives and policies may be similar to the Fund s. Situations may occur when the Fund could be disadvantaged because of the investment activities conducted by the Investment Adviser and its affiliates for their other accounts. Such situations may be based on, among other things, legal or internal restrictions on the combined size of positions that may be taken for the Fund and the other accounts, limiting the size of the Fund s position, or the difficulty of liquidating an investment for the Fund and the other accounts where the market cannot absorb the sale of the combined position. Notwithstanding these potential conflicts of interest, the Fund s Board of Trustees and officers have a fiduciary obligation to act in the Fund s best interest.

The Fund s investment opportunities may be limited by affiliations of the Investment Adviser or its affiliates with MLPs and Other Natural Resources Companies. Additionally, to the extent that the Investment Adviser sources and structures private investments in MLPs and Other Natural Resources Companies, certain employees of the Investment Adviser may become aware of actions planned by MLPs and Other Natural Resources Companies, such as acquisitions that may not be announced to the public. It is possible that the Fund could be precluded from investing in an MLP or an Other Natural Resources Company about which the Investment Adviser has material non-public information; however, it is the Investment Adviser s intention to ensure that any material non-public information available to certain of the Investment Adviser s employees not be shared with those employees responsible for the purchase and sale of publicly traded MLP or Other Natural Resources Company securities.

The Investment Adviser manages several Affiliated Funds. Some of the Affiliated Funds have investment objectives that are similar to or overlap with the Fund. Further, the Investment Adviser may at some time in the future manage other investment funds with the same investment objective as the Fund.

The Investment Adviser and its affiliates generally will be carrying on substantial investment activities for other clients, including, but not limited to, the Affiliated Funds, in which the Fund will have no interest. Investment decisions for the Fund are made independently from those of such other clients; however, from time to time, the same investment decision may be made for more than one fund or account. When two or more clients advised by the Investment Adviser or its affiliates seek to purchase or sell the same publicly

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traded securities, the securities actually purchased or sold will be allocated among the clients on a good faith equitable basis by the Investment Adviser in its discretion in accordance with the clients various investment objectives and procedures adopted by the Investment Adviser and approved by the Fund s Board of Trustees. In some cases, this system may adversely affect the price or size of the position the Fund may obtain.

The Fund s investment opportunities may be limited by investment opportunities in the MLPs and Other Natural Resources Companies that the Investment Adviser is evaluating for the Affiliated Funds. To the extent a potential investment is appropriate for the Fund and one or more of the Affiliated Funds, the Investment Adviser will need to fairly allocate that investment to the Fund or an Affiliated Fund, or both, depending on its allocation procedures and applicable law related to combined or joint transactions. There may occur an attractive limited investment opportunity suitable for the Fund in which the Fund cannot invest under the particular allocation method being used for that investment.

Under the 1940 Act, the Fund and its Affiliated Funds may be precluded from co-investing in certain private placements of securities. Except as permitted by law or positions of the staff of the SEC, the Investment Adviser will not co-invest its other clients assets in private transactions in which the Fund invests. To the extent the Fund is precluded from co-investing, the Investment Adviser will allocate private investment opportunities among its clients, including but not limited to the Fund and the Affiliated Funds, based on allocation policies that take into account several suitability factors, including the size of the investment opportunity, the amount each client has available for investment and the client s investment objectives. These allocation policies may result in the allocation of investment opportunities to an Affiliated Fund rather than to the Fund.

The management fee payable to the Investment Adviser is based on the value of the Fund s Managed Assets, as periodically determined. A significant percentage of the Fund s Managed Assets may be illiquid securities acquired in private transactions for which market quotations will not be readily available. Although the Fund will adopt valuation procedures designed to determine valuations of illiquid securities in a manner that reflects their fair value, there typically is a range of possible prices that may be established for each individual security. Senior management of the Investment Adviser, the Fund s Board of Trustees and its Valuation Committee will participate in the valuation of its securities. See Net Asset Value.

Skadden, Arps, Slate, Meagher & Flom LLP, counsel to the Fund in this offering, also represents the Investment Adviser. Such counsel does not purport to represent the separate interests of the investors and has assumed no obligation to do so. Accordingly, the investors have not had the benefit of independent counsel in the structuring of the Fund or determination of the relative interests, rights and obligations of the Fund s investment adviser and the investors.

INVESTMENT RESTRICTIONS

Except as described below, the Fund, as a fundamental policy, may not, without the approval of the holders of a majority of the outstanding voting securities of the Fund:

(1) Purchase or sell real estate unless acquired as a result of ownership of securities or other instruments, provided that this restriction does not prevent the Fund from investing in issuers which invest, deal, or otherwise engage in transactions in real estate or interests in real estate, or investing in securities that are secured by real estate or interests in real estate.

(2) Concentrate the Fund s investments in a particular industry, as that term is used in the 1940 Act, and as interpreted, modified or otherwise permitted by regulatory authority having jurisdiction from time to time; provided, however, that the Fund will, in normal circumstances, invest more than 25% of its assets in the natural resources industry, including MLPs operating in such industry, and may invest to an unlimited degree in securities issued or guaranteed by the U.S. Government or any of its agencies or instrumentalities.

(3) Borrow money or issue senior securities, except to the extent permitted by the 1940 Act, or any rules, exemptions or interpretations under the 1940 Act that may be adopted, granted or issued by the SEC or its staff. See The Fund s Investments Use of Leverage and Principal Risks of the Fund Leverage Risk.

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(4) Make loans to other persons except (a) through the lending of the Fund s portfolio securities, (b) through the purchase of debt obligations, loan participations and/or engaging in direct corporate loans in accordance with the Fund s investment objective and policies, and (c) to the extent the entry into a repurchase agreement is deemed to be a loan. The Fund may also make loans to other investment companies to the extent permitted by the 1940 Act, or any rules, exemptions or interpretations under the 1940 Act that may be adopted, granted or issued by the SEC or its staff.

(5) Act as an underwriter except to the extent that, in connection with the disposition of portfolio securities, the Fund may be deemed to be an underwriter under applicable securities laws.

(6) Purchase or sell physical commodities and commodity contracts, except that it may: (i) enter into futures contracts and options on commodities in accordance with applicable law; and (ii) purchase or sell physical commodities that it acquires as a result of ownership of securities or other instruments. The Fund will not consider stock index, currency and other financial futures contracts, swaps, or hybrid instruments to be commodities for purposes of this investment policy.

The rest of the Fund s investment policies, including its investment objective described under Investment Objective and Policies, are considered non-fundamental and may be changed by the Board of Trustees without the approval of the holders of a majority of voting securities, provided that common shareholders receive at least 60 days prior written notice of any change.

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MANAGEMENT OF THE FUND

Board of Trustees of the Fund

The Board of Trustees of the Fund provides broad oversight over the operations and affairs of the Fund and protects the interests of shareholders. The Board of Trustees has overall responsibility to manage and control the business affairs of the Fund, including the complete and exclusive authority to establish policies regarding the management, conduct and operation of the Fund s business. The names and ages of the Trustees and officers of the Fund, the year each was first elected or appointed to office, their principal business occupations during the last five years, the number of funds overseen by each Trustee and other directorships or trusteeships they hold are shown below. The business address of the Fund, its Trustees and officers is 3300 Oak Lawn Avenue, Suite 650, Dallas, Texas 75219.

Name and Year of Birth	Position with Fund	Term of Office and Length of Time Served[(1)]	Principal Occupation(s) During Past Five Years	Number of Portfolios in Fund Complex Overseen by Trustee	Other Directorships/ Trusteeships Held
INTERESTED TRUSTEE					
Jerry V. Swank (1951)*	Trustee, Chairman of the Board, Chief Executive Officer, and President	Trustee since 2007	Managing Partner of the Investment Adviser and portfolio manager of the Fund (2007 to present).	1	None
NON-INTERESTED TRUSTEES					
Brian R. Bruce (1955)	Trustee and Chairman of the Audit Committee	Trustee since 2007	Chief Executive Officer, Hillcrest Asset Management, LLC (2008 to present) (registered investment adviser) Director of Southern Methodist University s Encap Investment & LCM Group Alternative Asset Management Center (2006 to present); and Chief Investment Officer of Panagora Asset Management, Inc. (1999 to 2007) (investment management company).	1	CM Advisers Family of Funds (2 series) and Dreman Contrarian Funds (2 series)

Ronald P. Trout (1939)	Trustee and Chairman of the Nominating, Corporate Governance and Compensation Committee.	Trustee since 2007	Retired. A founding partner and Senior Vice President of Hourglass Capital Management, Inc. (1989 to 2002) (investment management company).	1	Dorchester Minerals LP (acquisition, ownership and administration of natural gas and crude oil royalty, net profits and leasehold interests in the U.S.)

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Name and Year of Birth	Position with Fund	Term of Office and Length of Time Served(1)	Principal Occupation(s) During Past Five Years	Number of Portfolios in Fund Complex Overseen by Trustee	Other Directorships/ Trusteeships Held
Edward N. McMillan (1947)	Lead Non-Interested Trustee	Trustee since 2007	Retired.	1	None

(1) After a Trustee s initial term, each Trustee is expected to serve a three-year term concurrent with the class of Trustees for which he serves. Mr. Bruce was re-elected in 2008 and is expected to stand for re-election in 2011. Messrs. McMillan and Swank were re-elected in 2009 and are expected to stand for re-election in 2012, and Mr. Trout is standing for re-election in 2010.

* Mr. Swank is an interested person of the Fund, as defined under the 1940 Act, by virtue of his position as Managing Partner of the Investment Adviser.

Name and Year of Birth	Position with Fund	Term of Office and Length of Time Served	Principal Occupation(s) During Past Five Years
OFFICERS WHO ARE NOT TRUSTEES			
John Alban (1963)			