

Edgar Filing: ClearBridge Energy MLP Total Return Fund Inc. - Form N-2/A

ClearBridge Energy MLP Total Return Fund Inc.
Form N-2/A
October 31, 2013

As filed with the Securities and Exchange Commission on October 31, 2013

Securities Act Registration No. 333-191067

Investment Company Registration No. 811-22693

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM N-2
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933 x

Pre-Effective Amendment No. 1

Post-Effective Amendment No. "

and/or

REGISTRATION STATEMENT UNDER
THE INVESTMENT COMPANY ACT OF 1940 x

Amendment No. 7

ClearBridge Energy MLP Total Return Fund Inc.

(Exact Name of Registrant as Specified in Charter)

620 Eighth Avenue, 49th Floor

New York, New York 10018

(Address of Principal Executive Offices)

(888) 777-0102

(Registrant's Telephone Number, Including Area Code)

Kenneth D. Fuller

Legg Mason & Co., LLC

620 Eighth Avenue, 49th Floor

New York, New York 10018

(Name and Address of Agent for Service)

Copies to:

Sarah E. Cogan, Esq.

Simpson Thacher & Bartlett LLP

425 Lexington Avenue

New York, NY 10017

Robert I. Frenkel, Esq.

Legg Mason & Co., LLC

100 First Stamford Place

Stamford, CT 06902

Approximate Date of Proposed Public Offering: As soon as practicable after the effective date of this Registration Statement.

Edgar Filing: ClearBridge Energy MLP Total Return Fund Inc. - Form N-2/A

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

It is proposed that this filing will become effective (check appropriate box) when declared effective pursuant to section 8(c)

CALCULATION OF REGISTRATION FEE UNDER THE SECURITIES ACT OF 1933

Title of Securities Being Registered	Amount Being Registered⁽¹⁾	Proposed Maximum Aggregate Offering Price⁽²⁾	Amount of Registration Fee
Common Stock, \$0.001 par value		\$300,000,000	\$40,920 ⁽³⁾

- (1) There are being registered hereunder a presently indeterminate number of shares of common stock to be offered on an immediate, continuous or delayed basis.
- (2) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(o) under the Securities Act of 1933. In no event will the aggregate initial offering price of all securities offered from time to time pursuant to the prospectus included as a part of this Registration Statement exceed \$300,000,000.
- (3) Previously paid.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that the Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such dates as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

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

Subject to Completion Dated , 2013

PRELIMINARY BASE PROSPECTUS

\$300,000,000

ClearBridge Energy MLP Total Return Fund Inc.

Common Stock

The Fund. ClearBridge Energy MLP Total Return Fund Inc. (the Fund) is a non-diversified, closed-end management investment company.

Investment Objective. The Fund's investment objective is to provide a high level of total return, consisting of cash distributions and capital appreciation. There can be no assurance that the Fund will achieve its investment objective.

Investment Strategies. The Fund seeks to achieve its objective by investing primarily in energy master limited partnerships (MLPs).

Portfolio Contents. Under normal market conditions, the Fund will invest at least 80% of its Managed Assets (as defined below) in energy MLPs (the 80% policy). For purposes of the 80% policy, the Fund considers investments in MLPs to include investments that offer economic exposure to public and private MLPs in the form of MLP equity securities, securities of entities holding primarily general partner or managing member interests in MLPs, securities that are derivatives of interests in MLPs, including I-Shares, exchange-traded funds that primarily hold MLP interests and debt securities of MLPs. Energy entities are engaged in the business of exploring, developing, producing, gathering, transporting, processing, storing, refining, distributing, mining or marketing natural gas, natural gas liquids (including propane), crude oil, refined petroleum products or coal. Please see The Fund's Investments for a more detailed discussion of the Fund's potential investments.

The Fund's shares of common stock (Common Stock) are listed on the New York Stock Exchange (NYSE) under the trading or ticker symbol CTR. The net asset value of our Common Stock at the close of business on October 28, 2013 was \$22.83 per share, and the last sale price per share of our Common Stock on the NYSE on that date was \$22.53. Shares of closed-end funds often trade at a discount from net asset value.

Offering. The Fund may offer, from time to time, in one or more offerings, our Common Stock, which we also refer to as our securities, at prices and on terms to be set forth in one or more Prospectus Supplements to this Prospectus.

We may offer and sell our securities to or through underwriters, through dealers or agents that we designate from time to time, directly to purchasers, through at-the-market offerings or through a combination of these methods. If an offering of securities involves any underwriters, dealers or agents, then the applicable Prospectus Supplement will name the underwriters, dealers or agents and will provide information regarding any applicable purchase price, fee, commission or discount arrangements made with those underwriters, dealers or agents or the basis upon which such amount may be calculated. See Plan of Distribution. We may not sell any of our securities through agents, underwriters or dealers without delivery of a Prospectus Supplement describing the method and terms of the offering of our securities.

(continued on following page)

Investing in the Fund's securities involves certain risks. You could lose some or all of your investment. See Risks beginning on page 59 of this Prospectus and any Prospectus Supplement.

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

Prospectus dated _____, 2013.

(continued from previous page)

Tax Matters. Entities commonly referred to as MLPs 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), in order to be taxed as partnerships for United States federal income tax purposes.

The Fund is treated as a regular corporation, or a C corporation, for United States federal income tax purposes and, as a result, unlike most investment companies, is subject to corporate income tax to the extent the Fund recognizes taxable income. Any taxes paid by the Fund will reduce the amount available to pay distributions to holders of Common Stock (Common Stockholders), and therefore investors in the Fund will likely receive lower distributions than if they invested directly in MLPs. Given the Fund's concentration in MLPs, the Fund is not eligible to be treated as a regulated investment company under the Code. The types of MLPs in which the Fund intends to invest historically have made cash distributions to limited partners or members that exceed the amount of taxable income allocable to limited partners or members due to a variety of factors, including significant non-cash deductions such as depreciation and depletion, although there can be no assurance that they will continue to do so. If the cash distributions exceed the taxable income reported in a particular tax year, the excess cash distributions would not be taxed as income to the Fund in that tax year but rather would be treated as a return of capital for United States federal income tax purposes to the extent of the Fund's basis in its MLP units. Similarly, the Fund expects to distribute cash in excess of its earnings and profits to Common Stockholders which may be treated as a return of capital to the extent of the Common Stockholders' cost basis in the Fund's Common Stock. As a result, the Fund's Common Stockholders should expect to receive distributions that are generally tax-deferred and represent a return of capital, although no assurance can be given in this regard. For tax purposes, a return of capital generally represents a return of a Common Stockholder's initial investment in the Fund rather than a distribution of the Fund's earnings. Any distribution received by Common Stockholders that is treated as a return of capital generally will result in a reduction in basis in their shares, which may increase the capital gain, or reduce the capital loss, realized upon the sale of such shares. As a result, a Common Stockholder that receives a return of capital distribution may be required to pay tax on a sale of shares even if such Common Stockholder sells such shares for less than the amount of such Common Stockholder's initial investment. In addition, the Fund may have more corporate income tax expense than expected, which will result in less cash available to distribute to Common Stockholders.

Leverage. The Fund may seek to enhance the level of its cash distributions to holders of Common Stock through the use of leverage. The Fund currently uses leverage through borrowings and may in the future continue to use leverage through borrowings, including loans from certain financial institutions and/or the issuance of debt securities (collectively, Borrowings), in an aggregate amount of up to ~~33~~³³% of the Fund's total assets immediately after such Borrowings. Furthermore, the Fund may use leverage through the issuance of preferred stock (Preferred Stock) in an aggregate amount of up to 50% of the Fund's total assets immediately after such issuance. Currently, the Fund has no intention to issue Preferred Stock. As of May 31, 2013, we had outstanding senior secured notes and a revolving credit facility with a financial institution in place under which we had Borrowings representing approximately 23.0% of our Managed Assets. Managed Assets means net assets plus the amount of any Borrowings and assets attributable to any Preferred Stock that may be outstanding. The Fund may increase its Borrowings after the completion of any offering of Common Shares pursuant to this Prospectus and any Prospectus Supplement up to 33 ¹/₃% of the Fund's Managed Assets at the time of Borrowing after taking into account the offering of additional Common Shares. Our Common Stock is junior in liquidation and distribution rights to our senior secured notes and our existing credit facility. See Use of Leverage Effects of Leverage, Risk Factors Leverage Risk and Description of Shares.

For more information on the Fund's investment strategies, see The Fund's Investments and Risks.

Investment Manager and Subadviser. Legg Mason Partners Fund Advisor, LLC (LMPFA), the Fund's investment manager, supervises the day-to-day management of the Fund's portfolio by ClearBridge Investments, LLC (f/k/a ClearBridge Advisors, LLC) (ClearBridge) and provides administrative and management services to the Fund. As of September 30, 2013, LMPFA's total assets under management were approximately \$211.5 billion.

(continued from previous page)

ClearBridge, the Fund's subadviser, is responsible for the day-to-day portfolio management of the Fund, subject to the supervision of the Fund's Board of Directors and LMPFA. As of September 30, 2013, ClearBridge's total assets under management were approximately \$77.3 billion.

This Prospectus is part of a registration statement that we have filed with the Securities and Exchange Commission (the "SEC"), using the shelf registration process. Under the shelf registration process, we may offer, from time to time, separately or together in one or more offerings, the securities described in this Prospectus. The securities may be offered at prices and on terms described in one or more supplements to this Prospectus. This Prospectus provides you with a general description of the securities that we may offer. Each time we use this Prospectus to offer securities, we will provide a Prospectus Supplement that will contain specific information about the terms of that offering. The Prospectus Supplement may also add, update or change information contained in this Prospectus. This Prospectus, together with any Prospectus Supplement, sets forth concisely the information about us that a prospective investor ought to know before investing. You should read this Prospectus and the related Prospectus Supplement before deciding whether to invest and retain them for future reference. A Statement of Additional Information, dated _____, 2013 (the "SAI"), containing additional information about us, has been filed with the SEC and is incorporated by reference in its entirety into this Prospectus. You may request a free copy of the SAI (the table of contents of which is on page 100 of this Prospectus), annual and semi-annual reports to stockholders (when available), and additional information about the Fund by calling (888) 777-0102, by writing to the Fund at 620 Eighth Avenue, 49th Floor, New York, NY 10018 or visiting the Fund's website (<http://www.lmcef.com>). The information contained in, or accessed through, the Fund's website is not part of this Prospectus. You may also obtain a copy of the SAI (and other information regarding the Fund) from the SEC's Public Reference Room in Washington, D.C. Information relating to the Public Reference Room may be obtained by calling the SEC at (202) 551-8090. Such materials, as well as the Fund's annual and semi-annual reports (when available) and other information regarding the Fund, are also available on the SEC's website (<http://www.sec.gov>). You may also e-mail requests for these documents to publicinfo@sec.gov or make a request in writing to the SEC's Public Reference Room, 100 F Street, N.E., Washington, D.C. 20549-0102.

Shares of common stock of closed-end investment companies, like ours, frequently trade at discounts to their net asset values. If our common stock trades at a discount to our net asset value, the risk of loss may increase for purchasers of our Common Stock, especially for those investors who expect to sell their Common Stock in a relatively short period after purchasing shares in this offering. See Risk Factors Market Discount from Net Asset Value Risk.

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

TABLE OF CONTENTS

	Page
<u>Prospectus Summary</u>	1
<u>Summary of Fund Expenses</u>	41
<u>Financial Highlights</u>	43
<u>Senior Securities</u>	44
<u>The Fund</u>	45
<u>Use of Proceeds</u>	45
<u>Market and Net Asset Value Information</u>	45
<u>The Fund's Investments</u>	46
<u>Use of Leverage</u>	56
<u>Risks</u>	59
<u>Management of the Fund</u>	77
<u>Net Asset Value</u>	81
<u>Distributions</u>	83
<u>Dividend Reinvestment Plan</u>	84
<u>Description of Shares</u>	86
<u>Certain Provisions in the Articles of Incorporation and By-Laws</u>	88
<u>Repurchase of Fund Shares</u>	92
<u>Certain United States Federal Income Tax Considerations</u>	92
<u>Plan of Distribution</u>	98
<u>Custodian and Transfer Agent</u>	101
<u>Legal Opinions</u>	101
<u>Table of Contents of the Statement of Additional Information</u>	102

You should rely only on the information contained or incorporated by reference in this Prospectus and any related Prospectus Supplement. 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. We are not making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted or where the person making the offer or sale is not qualified to do so or to any person to whom it is not permitted to make such offer or sale. You should assume that the information appearing in this Prospectus and any Prospectus Supplement is accurate only as of the respective dates on their front covers, regardless of the time of delivery of this Prospectus, any Prospectus Supplement, or any sale of our securities. Our business, financial condition, results of operations and prospects may have changed since that date.

PROSPECTUS SUMMARY

This is only a summary. This summary does not contain all of the information that you should consider before investing in the Fund's Common Stock. You should review the more detailed information contained elsewhere in this Prospectus, any related Prospectus Supplements and in the Statement of Additional Information (the SAI), especially the information under the heading Risks. Unless otherwise indicated or the content otherwise requires, references to we, us and our refer to ClearBridge Energy MLP Total Return Fund Inc.

The Fund

ClearBridge Energy MLP Total Return Fund Inc. (the Fund) is a non-diversified, closed-end management investment company.

The Offering

The Fund may offer, from time to time, in one or more offerings, up to \$300,000,000 of our common stock (Common Stock), which we also refer to as our securities, at prices and on terms to be set forth in one or more prospectus supplements (each, a Prospectus Supplement) to this Prospectus. We may offer and sell our securities to or through underwriters, through dealers or agents that we designate from time to time, directly to purchasers, through at-the-market offerings or through a combination of these methods. If an offering of securities involves any underwriters, dealers or agents, then the applicable Prospectus Supplement will name the underwriters, dealers or agents and will provide information regarding any applicable purchase price, fee, commission or discount arrangements made with those underwriters, dealers or agents or the basis upon which such amount may be calculated. See Plan of Distribution. We may not sell any of our securities through agents, underwriters or dealers without delivery of a Prospectus Supplement describing the method and terms of the offering of our securities.

Use of Proceeds

Unless otherwise specified in a Prospectus Supplement, the Fund intends to invest the net proceeds of any offering of securities in accordance with its investment objective and policies as stated herein. It is currently anticipated that the Fund will be able to invest substantially all of the net proceeds of an offering of securities in accordance with its investment objective and policies within three months after the completion of any such offering. Pending such investment, it is anticipated that the proceeds will be invested in U.S. government securities or high quality, short-term money market securities.

Who May Want to Invest

Investors should consider their financial situations and needs, other investments, investment goals, investment experience, time horizons, liquidity needs and risk tolerance before investing in the Fund. An investment in the Fund is not appropriate for all investors, and the Fund is not intended to be a complete investment program. The Fund is designed as a long-term investment and not as a trading vehicle. The Fund may be an appropriate investment for investors who are seeking:

A portfolio of energy master limited partnerships (MLPs) with a focus on MLPs with higher distribution growth rates;

The opportunity for attractive tax-deferred distributions with a combined emphasis on capital appreciation;

Simplified tax reporting compared to direct investments in MLPs;

Potential diversification of their overall investment portfolio; and

Security selection through the professional, active management of ClearBridge Investments, LLC (f/k/a ClearBridge Advisors, LLC) (ClearBridge).

An MLP's total return consists of two parts: distributions paid and capital appreciation. Presently, ClearBridge believes certain investors place too much emphasis on current distribution rates and do not effectively value an MLP's prospects for distribution growth. MLPs' distribution growth rates have historically varied widely, a trend that ClearBridge believes will continue in the future. ClearBridge also believes that distribution growth is the primary driver for MLP investment capital appreciation. A focus on MLP's with higher distribution growth rates, therefore, can help the Fund deliver attractive current distributions and offer the potential for above-average total returns.

Furthermore, ClearBridge believes that energy MLPs present an attractive investment opportunity. MLPs combine the tax benefits associated with limited partnerships with the liquidity of publicly traded securities. The types of MLPs in which the Fund intends to invest historically have made cash distributions to limited partners or members that exceed the amount of taxable income allocable to limited partners or members due to a variety of factors, including significant non-cash deductions, such as depreciation and depletion, although there can be no assurance that they will continue to do so. If the cash distributions exceed the taxable income reported in a particular tax year, the excess cash distributions would not be taxed as income to the Fund in that tax year but rather would be treated as a return of capital for United States federal income tax purposes to the extent of the Fund's basis in its MLP units. Similarly, the Fund expects to distribute cash in excess of its earnings and profits to holders of Common Stock (the Common Stockholders) which may be treated as a return of capital to the extent of the Common Stockholders' cost basis in the Fund's Common Stock. As a result, the Fund's Common Stockholders should expect to receive distributions that are generally tax-deferred and represent a return of capital, although no assurance can be given in this regard. This will result in a reduction in basis in their shares, which may increase the capital gain, or reduce capital loss, realized upon sale of such shares. In addition, the Fund may have more corporate income tax expense than expected, which will result in less cash available to distribute to Common Stockholders.

Investment Objective

The Fund's investment objective is to provide a high level of total return, consisting of cash distributions and capital appreciation. There can be no assurance that the Fund will achieve its investment objective.

Investment Strategies

Under normal market conditions, the Fund will invest at least 80% of its Managed Assets (as defined below) in energy MLPs (the 80%

policy). For purposes of the 80% policy, the Fund considers investments in MLPs to include investments that offer economic exposure to public and private MLPs in the form of MLP equity securities, securities of entities holding primarily general partner or managing member interests in MLPs, securities that are derivatives of interests in MLPs, including I-Shares, exchange-traded funds that primarily hold MLP interests and debt securities of MLPs. Energy entities are engaged in the business of exploring, developing, producing, gathering, transporting, processing, storing, refining, distributing, mining or marketing natural gas, natural gas liquids (including propane), crude oil, refined petroleum products or coal.

ClearBridge continues to believe that certain investors place too much emphasis on current distribution rates and do not effectively value an MLP's prospects for distribution growth. MLPs' distribution growth rates have historically varied widely, a trend that ClearBridge believes will continue in the future. ClearBridge also believes that distribution growth is the primary driver for MLP investment capital appreciation. A focus on MLPs with higher distribution growth rates, therefore, can help the Fund deliver attractive current distributions and offer the potential for above average total returns.

The Fund may invest up to 20% of its Managed Assets in securities of issuers that are not MLPs. This 20% allocation may be in any of the securities described in this Prospectus and the SAI, including securities of non-MLP companies engaged primarily in the energy sector. Such issuers may be treated as corporations for United States federal income tax purposes and, therefore, may not offer the tax benefits of investing in MLPs described in this Prospectus.

The Fund may invest up to 30% of its Managed Assets in unregistered or otherwise restricted securities. Restricted securities are securities that are unregistered, held by control persons of the issuer or subject to contractual restrictions on resale. In connection with its investments in restricted securities generally, the Fund may invest up to 15% of its Managed Assets in restricted securities issued by non-public companies.

The Fund may invest up to 20% of its Managed Assets in debt securities of MLPs and other issuers, including both investment grade debt securities and debt securities rated below investment grade (that is, rated Ba or lower by Moody's Investors Service, Inc. (Moody's), BB+ or lower by Standard & Poor's Ratings Group (S&P) or Fitch Ratings (Fitch), comparably rated by another nationally recognized statistical rating organization (NRSRO), or, if unrated, as determined by ClearBridge to be of comparable credit quality). Securities rated below investment grade are commonly called high yield or junk bonds and are considered predominantly speculative with respect to the issuer's capacity to pay interest and repay principal according to the terms of the obligation and involve major risk exposure to adverse conditions.

Managed Assets means net assets plus the amount of any Borrowings (as defined below) and assets attributable to any preferred stock (Preferred Stock) that may be outstanding. For as long as Energy MLP is in the name of the Fund, the Fund will invest at least 80% of its Managed Assets in energy MLPs. The Fund may not change its policy to invest at least 80% of its Managed Assets in energy MLPs unless it provides stockholders with at least 60 days written notice of such change.

For a more complete discussion of the Fund's portfolio composition, see The Fund's Investments.

The Fund's Investments

Master Limited Partnerships. Entities commonly referred to as MLPs are generally organized under state law as limited partnerships or limited liability companies. The Fund intends to primarily invest in MLPs receiving partnership taxation treatment under the Internal Revenue Code of 1986, as amended (the Code), and whose interests or units are traded on securities exchanges like shares of corporate stock. To be treated as a partnership for United States federal income tax purposes, an MLP whose units are traded on a securities exchange must receive at least 90% of its gross income from qualifying sources such as interest, dividends, real estate rents, gain from the sale or disposition of real property, income and gain from mineral or natural resources activities, income and gain from the transportation or storage of certain fuels, and, in certain circumstances, income and gain from commodities or futures, forwards and options with respect to commodities. Mineral or natural resources activities include exploration, development, production, processing, mining, refining, marketing and transportation (including pipelines) of oil and gas, minerals, geothermal energy, fertilizer, timber or industrial source carbon dioxide. An MLP consists of a general partner and limited partners (or in the case of MLPs organized as limited liability companies, a managing member and members). The general partner or managing member typically controls the operations and management of the MLP and has an ownership stake in the MLP. 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. The MLPs themselves generally do not pay United States 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/or natural resources sectors.

MLP Equity Securities. Equity securities issued by MLPs currently consist of common units, subordinated units and preferred units.

MLP Common Units. MLP common units are typically listed and traded on national securities exchanges, including the New York Stock Exchange (the NYSE) and the NASDAQ Stock Market (NASDAQ). The Fund typically purchases MLP common units

through open market transactions, but may also acquire MLP common units through direct placements. Holders of MLP common units have limited control and voting rights. Holders of MLP common units are typically entitled to receive a minimum quarterly distribution (MQD), including arrearage rights, from the issuer.

MLP Subordinated Units. MLP subordinated units are not typically listed on an exchange or publicly traded. The Fund typically purchases MLP subordinated units through negotiated transactions directly with affiliates of MLPs and institutional holders of such units or purchases newly-issued subordinated units directly from MLPs. Holders of MLP subordinated units are entitled to receive MQDs after payments to holders of common units have been satisfied and prior to incentive distributions to the general partner or managing member. MLP subordinated units 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.

MLP Preferred Units. MLP preferred units are not typically listed on an exchange or publicly traded. The Fund typically purchases MLP preferred units through negotiated transactions directly with MLPs, affiliates of MLPs and institutional holders of such units. Holders of MLP preferred units can be entitled to a wide range of voting and other rights, depending on the structure of each separate security.

Other Equity Securities. The Fund may invest in equity securities issued by affiliates of MLPs, including the general partners or managing members of MLPs. Such issuers may be organized and/or taxed as corporations and therefore may not offer the advantageous tax characteristics of MLP units. The Fund intends to purchase equity securities through market transactions, but may also acquire equity securities through direct placements.

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 interest in an MLP limited partnership interest. I-units generally have similar features as MLP common units in terms of voting rights and distribution but often may be subordinated in liquidation rights. I-Shares themselves have limited voting rights and are similar in that respect to MLP common units. 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. The tax treatment of the distributions of additional I-Shares received (which are generally tax-free) will depend upon the particular terms of the investment, including the issuer of the I-Shares and the tax status of such issuer.

MLP General Partner or Managing Member Interests. The general partner or managing member interest in MLPs is typically retained by the original sponsors of an MLP, such as its founders, corporate

partners and entities that sell assets to the MLP. 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 (IDRs), which provide them with an increasing share of the entity's aggregate cash distributions upon the payment of common unit distributions that exceed specified threshold levels above the MQD. Due to the IDRs, general partners of 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 IDRs to reset, under specified circumstances, the incentive distribution levels and receive compensation in exchange for the distribution rights given up in the reset.

Non-MLP Equity Securities. The Fund may invest in common and preferred stock, convertible securities, warrants and depository receipts of companies that are organized as corporations, limited liability companies or limited partnerships.

Restricted Securities. The Fund may invest up to 30% of its Managed Assets in unregistered or otherwise restricted securities. Restricted securities are securities that are unregistered or subject to contractual or other legal restrictions on resale. The Fund typically acquires restricted securities in directly negotiated transactions.

In connection with its investments in restricted securities generally, the Fund may invest up to 15% of its Managed Assets in restricted securities issued by non-public companies. In some instances, such an investment may be made with the expectation that the assets of such non-public company will be contributed to a newly-formed MLP or sold to or merged with an existing MLP in the future.

Debt Securities. The Fund may invest up to 20% of its Managed Assets in debt securities of MLPs and other issuers, including both investment grade debt securities and debt securities rated below investment grade. Securities rated below investment grade are commonly called high yield or junk bonds. The Fund may invest in debt securities without regard for their maturity. See Risks Below Investment Grade (High Yield or Junk Bond) Securities Risk.

Royalty Trusts. The Fund may invest in royalty trusts. However, such investments do not count towards the Fund's 80% policy. Royalty trusts are publicly traded investment vehicles that gather income on royalties and pay out almost all cash flows to stockholders as distributions. Royalty trusts typically have no physical operations and no management or employees. Typically royalty trusts own the rights to royalties on the production and sales of a natural resource, including oil, gas, minerals and timber. As these deplete, production and cash flows steadily decline, which may decrease distribution rates. Royalty trusts are, in some respects, similar to certain MLPs and include risks similar to those MLPs.

Other Sector Investments. The Fund may invest in MLPs or MLP affiliates in other sectors of the economy. For instance, the Fund may invest in entities operating in the natural resources sector including companies principally engaged in owning or developing non-energy natural resources (including timber and minerals) and industrial materials, or supplying goods or services to such companies. Additionally, the Fund may invest in MLPs that focus on developing infrastructure assets.

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

Non-Diversification. The Fund may invest up to 15% of its Managed Assets, at the time of purchase, in securities of any single issuer.

Comparison with Direct Investment in MLPs

The Fund seeks to provide an efficient vehicle through which the Fund's Common Stockholders may invest in energy MLPs. An investment in the Fund offers investors several advantages as compared to direct investments in MLPs, including the following:

Simplified tax reporting. Investors in the Fund, while gaining exposure to multiple MLPs, will receive a single Form 1099, while direct MLP investors receive Schedules K-1 from each MLP in which they are invested. Also, direct MLP investors may be required to file state income tax returns for each state in which the MLP operates, while investors in the Fund are not required to file state income tax returns in any state in which they are not otherwise required to file tax returns. However, since the MLPs in which the Fund invests generally will not deliver their Schedules K-1 to the Fund until after the Fund must deliver Forms 1099 to its Common Stockholders, if the Schedules K-1 received by the Fund show that the Fund has miscalculated its income attributable to any such MLPs, the Fund may have to send corrected Forms 1099 to its Common Stockholders, which may result in a Common Stockholder being required to request an extension to file its tax return or to amend a previously filed tax return.

Access to investments typically unavailable to retail investors. In addition to publicly traded MLPs, the Fund may invest in MLPs through direct placements. Direct placements may offer the potential for increased returns, but are usually available only to institutional investors. These investments may entail greater risks than investments in publicly traded MLPs.

Favorable tax treatment. Distributions from the Fund are generally tax-deferred although no assurance can be given in this regard. To the extent that distributions exceed the Fund's earnings and profits, distributions are generally not treated as taxable income for the investor. Instead, the Fund's Common Stockholders will experience a reduction in bases in their shares, which may increase the capital gain, or reduce capital loss, realized upon sale of such shares. See "Certain United States Federal Income Tax Considerations and Risks Tax Risks of Investing in Equity Securities of MLPs."

Potential for inclusion in IRAs and other retirement accounts. Because distributions are not considered unrelated business taxable income (UBTI), IRAs, 401(k) plans and other employee benefit plans may invest in the Fund.

Suitable for corporate investments and investment companies. Subject to certain holding period and other requirements, any distributions by the Fund that may be taxable as dividends (i.e., distributions out of the Fund's current or accumulated earnings and profits) generally will be eligible for the dividends received deduction in the case of corporate stockholders and generally will be treated as qualified dividend income eligible for reduced rates of taxation for stockholders taxed as individuals. In addition, the Fund's Common Stock dividends will be treated as qualifying income for each of the Fund's Common Stockholders that is an investment company (including mutual funds) that has elected to be taxed as a regulated investment company. In contrast, income received directly by such investment companies from MLPs may not be treated as qualifying income by such investment companies.

Investors in the Fund are subject to the management fees and other expenses of investing in the Fund. Investors investing directly in an MLP do not have to bear these costs.

Leverage

The Fund may seek to enhance the level of its cash distributions to holders of Common Stock through the use of leverage. The Fund currently uses leverage through borrowings and may in the future continue to use leverage through borrowing, including loans from certain financial institutions and/or the issuance of debt securities (collectively, Borrowings) in an aggregate amount of up to 33 1/3% of the Fund's total assets immediately after such Borrowings. In addition, the Fund may enter into investment management techniques that have similar effects as leverage, but which are not subject to the foregoing 33 1/3% limitation so long as the Fund has covered its commitment with respect to such techniques by segregating liquid

assets, entering into offsetting transactions or owning positions covering its obligations. Furthermore, the Fund may use leverage through the issuance of Preferred Stock in an aggregate amount of up to 50% of the Fund's total assets immediately after such issuance. The Fund may not use leverage at all times, and the amount of leverage may vary depending upon a number of factors, including Legg Mason Partners Fund Advisor, LLC's (LMPFA) and ClearBridge's outlook for the market and the costs that the Fund would incur as a result of such leverage. There is no assurance that the Fund's leveraging strategy will be successful.

Borrowings (and any Preferred Stock) have seniority over Common Stock. Any Borrowings and Preferred Stock (if issued) leverage investments in Common Stock. Common Stockholders bear the costs associated with any Borrowings, and if the Fund issues Preferred Stock, Common Stockholders bear the offering costs of the Preferred Stock issuance. The Board of Directors of the Fund may authorize the use of leverage through Borrowings and Preferred Stock without the approval of the Common Stockholders.

During periods when the Fund is using leverage through Borrowings or the issuance of Preferred Stock, the fees paid to LMPFA and ClearBridge for advisory services will be higher than if the Fund did not use leverage because the fees paid will be calculated on the basis of the Fund's Managed Assets, which includes the principal amount of the Borrowings and any assets attributable to the issuance of Preferred Stock. This means that LMPFA and ClearBridge have a financial incentive to increase the Fund's use of leverage. See [Use of Leverage](#) and [Risks Leverage Risk](#).

As of May 31, 2013, we had outstanding senior secured notes and a revolving credit facility with a financial institution in place under which we had Borrowings representing approximately 23.0% of our Managed Assets. The Borrowings rank senior to our Common Stock. Under current market conditions, the Fund intends to continue to utilize leverage principally through Borrowings in an amount up to 20-25% of its Managed Assets. The Fund has no current intention to issue Preferred Stock, but circumstances may arise such that the Fund may choose to issue Preferred Stock.

Tax Considerations

Taxation. Entities commonly referred to as MLPs 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, in order to be taxed as partnerships for United States federal income tax purposes. The Fund intends to invest primarily in MLPs that are taxed as partnerships for United States federal income tax purposes, and, except for purposes of the 80% policy, references in this Prospectus to MLPs include only MLPs that are so taxed.

The Fund is treated as a regular corporation, or a C corporation, for United States federal income tax purposes. Accordingly, the Fund incurs federal and applicable state corporate taxes on its taxable

income which will decrease the amount available to pay distributions to Common Stockholders, and therefore investors in the Fund will likely receive lower distributions than if they invested directly in MLPs. The types of MLPs in which the Fund intends to invest historically have made cash distributions to limited partners or members that exceed the amount of taxable income allocable to limited partners or members, due to a variety of factors, including significant non-cash deductions, such as depreciation and depletion, although there can be no assurance that they will continue to do so. If the cash distributions exceed the taxable income reported in a particular tax year, the excess cash distributions would not be taxed as income to the Fund in that tax year but rather would be treated as a return of capital for United States federal income tax purposes to the extent of the Fund's basis in its MLP units. See Certain United States Federal Income Tax Considerations.

Stockholder tax features. The Fund expects to pay cash distributions to its Common Stockholders in excess of its taxable income per share, although no assurance can be given in this regard. If the Fund distributes cash from current or accumulated earnings and profits as computed for United States federal income tax purposes, such distributions will generally be taxable to Common Stockholders to the extent of such earnings and profits in the current period as dividend income for United States federal income tax purposes. Subject to certain holding period and other requirements, such dividend income will generally be eligible for the dividends received deduction in the case of corporate stockholders and will generally be treated as qualified dividend income eligible for reduced rates of taxation for stockholders taxed as individuals. If the Fund's distributions exceed its current and accumulated earnings and profits as computed for United States federal income tax purposes, such excess distributions will constitute a non-taxable return of capital to the extent of a Common Stockholder's basis in such holder's Common Stock and will result in a reduction of such basis. To the extent that excess exceeds a Common Stockholder's basis in such holder's Common Stock, the excess will be taxed as capital gain. The Fund expects that a significant portion of its distributions to its Common Stockholders will constitute a non-taxable return of capital and will reduce their bases in the Common Stock. Upon the sale of Common Stock, a Common Stockholder generally will recognize capital gain or loss measured by the difference between the sale proceeds received by the Fund's Common Stockholder and the holder's United States federal income tax basis in the Common Stock sold, as adjusted to reflect returns of capital.

Derivatives

Generally, derivatives are financial contracts whose value depends upon, or is derived from, the value of an underlying asset, reference rate or index, and may relate to individual debt or equity instruments, interest rates, currencies or currency exchange rates, commodities, related indexes and other assets. The Fund may enter into derivative transactions, such as interest rate swaps, options contracts, futures

contracts, forward contracts, options on futures contracts and indexed securities for investment, hedging and risk management purposes; provided that the Fund's exposure to derivative instruments, as measured by the total notional amount of all such instruments, will not exceed 33 1/3% of its Managed Assets. To the extent that the security or index underlying the derivative or synthetic instrument is or is composed of securities of energy MLPs, the Fund will include such derivative and synthetic instruments, at market value, for the purposes of the Fund's 80% policy. The Fund may sell certain securities short.

Certain portfolio management techniques, such as writing futures contracts, engaging in short sales or writing options on portfolio securities, may be considered senior securities for the purposes of the Investment Company Act of 1940, as amended (the "1940 Act"), unless appropriate steps are taken to segregate the Fund's assets or otherwise cover its obligations. ClearBridge intends to cover the Fund's commitment with respect to such techniques should the Fund enter into or engage in one or more of such techniques. To the extent the Fund uses such techniques, the Fund expects to cover its commitment with respect to such techniques by segregating liquid assets, entering into offsetting transactions or owning positions covering its obligations, the instrument will not be considered a senior security for the purposes of the 1940 Act. The Fund may cover such transactions using other methods currently or in the future permitted under the 1940 Act, the rules and regulations thereunder or orders issued by the Securities and Exchange Commission ("SEC") thereunder. For these purposes, interpretations and guidance provided by the SEC staff may be taken into account when deemed appropriate by the Fund. These segregation and coverage requirements could result in the Fund maintaining securities positions that it would otherwise liquidate, segregating assets at a time when it might be disadvantageous to do so or otherwise restricting portfolio management. Such segregation and coverage requirements will not limit or offset losses on related positions.

Derivative instruments can be illiquid, may disproportionately increase losses, and may have a potentially large impact on Fund performance. See "The Fund's Investments Additional Investment Activities Derivatives and Risks Derivatives Risk."

Distributions

Under normal market conditions, the Fund intends to distribute substantially all of the Fund's distributable cash flow received as cash distributions from MLPs, interest payments received on debt securities owned by the Fund and other payments on securities owned by the Fund, less Fund expenses.

As of the date of this Prospectus, we have paid distributions to Common Stockholders every fiscal quarter since inception. Cumulative distributions paid since inception total \$1.64 per share (inclusive of the distribution paid to our Common Stockholders on August 30, 2013). We intend to continue to pay quarterly

distributions to our Common Stockholders. Payment of future distributions is subject to approval by our Board of Directors, as well as meeting the covenants under our credit facilities and the asset coverage requirements of the 1940 Act. See Distributions.

Unless a Common Stockholder elects to receive distributions in cash (i.e., opt out), all Common Stock distributions will be automatically reinvested in additional shares of Common Stock under the Fund's Dividend Reinvestment Plan. See Distributions and Dividend Reinvestment Plan.

Investment Manager

LMPFA is the Fund's investment manager. LMPFA, a wholly-owned subsidiary of Legg Mason Inc. (Legg Mason), is a registered investment adviser and supervises the day-to-day management of the Fund's portfolio by ClearBridge. In addition, LMPFA performs administrative and management services necessary for the operation of the Fund, such as (1) supervising the overall administration of the Fund, including negotiation of contracts and fees with and the monitoring of performance and billings of the Fund's transfer agent, stockholder servicing agents, custodian and other independent contractors or agents; (2) providing certain compliance, Fund accounting, regulatory reporting and tax reporting services; (3) preparing or participating in the preparation of Board materials, registration statements, proxy statements and reports and other communications to stockholders; (4) maintaining the Fund's existence and (5) during such times as shares are publicly offered, maintaining the registration and qualification of the Fund's shares under federal and state laws. As of September 30, 2013, LMPFA's total assets under management were approximately \$211.5 billion. Legg Mason is a global asset management firm. As of September 30, 2013, Legg Mason's asset management operation had aggregate assets under management of approximately \$656.0 billion.

LMPFA receives an annual fee, payable monthly, in an amount equal to 1.00% of the Fund's average daily Managed Assets.

Subadviser

ClearBridge is the Fund's subadviser. ClearBridge, a wholly-owned subsidiary of Legg Mason, is a registered investment adviser and is responsible for the day-to-day portfolio management of the Fund subject to the supervision of the Fund's Board of Directors and LMPFA. As of September 30, 2013, ClearBridge's total assets under management were approximately \$77.3 billion.

ClearBridge receives an annual subadvisory fee, payable monthly, from LMPFA in an amount equal to 70% of the management fee paid to LMPFA. No advisory fee is paid by the Fund directly to ClearBridge. See Management of the Fund.

Listing and Symbol

The Fund's shares of Common Stock are listed on the New York Stock Exchange (NYSE) under the trading or ticker symbol CTR. The net asset value of our Common Stock at the close of business on October 28, 2013 was \$22.83 per share, and the last sale price per share of our Common Stock on the NYSE on that date was \$22.53.

Custodian and Transfer Agent

State Street Bank and Trust Company LLC serves as custodian of the Fund's assets. American Stock Transfer & Trust Company LLC serves as the Fund's transfer agent. See Custodian and Transfer Agent.

Special Risk Considerations

An investment in the Fund's securities involves various material risks. The following are the principal risks of investing in the Fund.

Limited History of Operations. The Fund commenced operations on June 26, 2012 as a non-diversified, closed-end management investment company and has a limited history of operations and public trading.

Investment and Market Risk. An investment in the Fund is subject to investment risk, including the possible loss of the entire amount that you invest. Your investment in securities represents an indirect investment in MLPs and other securities owned by the Fund, most of which could be purchased directly. The value of the Fund's portfolio securities may move up or down, sometimes rapidly and unpredictably. At any point in time, your securities may be worth less than your original investment.

Risks of Investing in MLP Units. An investment in MLP units involves risks that differ from a similar investment in equity securities, such as common stock, of a corporation. Holders of MLP units have the rights typically afforded to limited partners in a limited partnership. As compared to common stockholders of a corporation, holders of MLP units have more limited control and limited rights to vote on matters affecting the partnership. Holders of MLP units are also exposed to the risk that they will be required to repay amounts to the MLP that are wrongfully distributed to them. There are certain tax risks associated with an investment in MLP units (described further below). Additionally, conflicts of interest may exist among common unit holders, subordinated unit holders and the general partner or managing member of an MLP; for example a conflict may arise as a result of incentive distribution payments.

Tax Risks of Investing in Equity Securities of MLPs. Much of the benefit the Fund derives from its investment in equity securities of MLPs is a result of MLPs generally being treated as partnerships for United States federal income tax purposes. Partnerships do not pay United States federal income tax at the partnership level. Rather, each partner of a partnership, in computing its United States federal income tax liability, will include its allocable share of the partnership's income, gains, losses, deductions and expenses. A change in current tax law, a change in the business of a given MLP, or a change in the types of income earned by a given MLP, could result in an MLP being treated as a corporation for United States federal income tax purposes, which would result in such MLP being required to pay United States federal income tax on its taxable income. The classification of an MLP as a corporation for United States federal income tax purposes would have the effect of reducing the amount of cash available for distribution by the MLP and causing any such

distributions received by the Fund to be taxed as dividend income to the extent of the MLP's current or accumulated earnings and profits. Thus, if any of the MLPs owned by the Fund were treated as corporations for United States federal income tax purposes, the after-tax return to the Fund with respect to its investment in such MLPs would be materially reduced, which could cause a substantial decline in the value of the Common Stock.

In addition, the potential tax benefit to the Fund of investing in MLPs depends in part on the particular MLP securities selected, and whether any distributions paid by such MLPs are treated as a return of capital (as opposed to currently taxable income). Accordingly, the Fund relies on ClearBridge to select MLP securities that provide distributions in excess of allocable taxable income. If ClearBridge fails to do so, a greater portion of the distributions received by the Fund may b