

Cushing Energy Income Fund
Form N-Q
October 29, 2018

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

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

Investment Company Act file number 811-22593

The Cushing Energy Income Fund
(Exact name of registrant as specified in charter)

8117 Preston Road Suite 440
Dallas, TX 75225
(Address of principal executive offices) (Zip code)

Jerry V. Swank
8117 Preston Road Suite 440
Dallas, TX 75225
(Name and address of agent for service)

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

Date of fiscal year end: November 30

Date of reporting period: August 31, 2018

Item 1. Schedule of Investments.

The Cushing Energy Income
Fund
SCHEDULE OF
INVESTMENTS (Unaudited)

August 31, 2018

| | Fair | |
|---|--------------|--------|
| Common Stock Shares | Value | |
| - | | |
| 69.5% | | |
| Exploration & Production | | |
| - | | |
| 59.0% | | |
| Canada | | |
| - | | |
| 8.0% | | |
| Suncor Energy Inc. ⁽¹⁾ | \$ 1,416,468 | 34,397 |
| Vermilion Energy Inc. | 776,650 | 4,500 |
| France | | |
| - | | |
| 2.4% | | |
| Total S.A. ⁽¹⁾ | 646,222 | 10,300 |
| Netherlands | | |
| - | | |
| 4.8% | | |
| Royal Dutch Shell Plc ⁽¹⁾ | 1,303,361 | 10,981 |
| United Kingdom | | |
| - | | |
| 4.8% | | |
| BP Plc ⁽¹⁾ | 1,299,564 | 30,307 |

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| | | |
|--|--------|------------|
| United States | | |
| - | | |
| 39.0% | | |
| Anadarko Petroleum Corporation | 6,750 | 434,700 |
| Antero Resources Corporation ⁽¹⁾⁽²⁾ | 6,000 | 314,670 |
| Cabot Oil & Gas Corporation | 61,608 | 1,468,119 |
| Chevron Corporation ⁽¹⁾ | 11,110 | 1,316,091 |
| EOG Resources, Inc. ⁽¹⁾ | 12,289 | 1,451,864 |
| EQT Corporation ⁽¹⁾ | 11,100 | 566,322 |
| Extraction Oil & Gas, Inc. ⁽²⁾ | 47,321 | 546,557 |
| Noble Energy, Inc. | 28,578 | 849,338 |
| Occidental Petroleum Corporation | 10,901 | 870,663 |
| Parsley Energy, Inc. ⁽²⁾ | 48,302 | 1,341,346 |
| Pioneer Natural Resources Company ⁽¹⁾ | 6,558 | 1,145,683 |
| Whiting Petroleum Corporation ⁽²⁾ | 6,700 | 345,679 |
| | | 16,093,297 |
| General Partners | | |
| - | | |

10.5%

United
States

-

10.5%

ONEOK
Inc.⁽¹⁾ 20,400 1,344,564

Targa

Resources
Corporation⁽¹⁾ 27,026 1,537,885

2,882,449

Total

Common

Stocks \$ 18,975,746

(Cost

\$16,425,329)

MLP

Investments

and

Related

Companies

-

23.2%

Large

Cap

Diversified

-

4.7%

United

States

-

4.7%

Energy

Transfer
Partners,
L.P.⁽¹⁾ 36,832 \$ 1,281,562

Natural

Gas

Gatherers

&

Processors

-

6.5%

United

States

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| | |
|---------------------|-----------|
| - | |
| 6.5% | |
| DCP | |
| Midstream | |
| Partners, | 1,146,503 |
| L.P. ⁽¹⁾ | |
| EnLink | |
| Midstream | |
| Partners, | 623,000 |
| L.P. ⁽¹⁾ | |
| | 1,769,503 |
| Shipping | |
| - | |
| 5.9% | |
| Republic | |
| of | |
| the | |
| Marshall | |
| Islands | |
| - | |
| 5.9% | |
| GasLog | |
| Partners, | 1,085,068 |
| L.P. | |
| Golar | |
| LNG | |
| Partners, | 522,196 |
| L.P. | |
| | 1,607,264 |

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| | | |
|--|--------|--------------|
| Upstream | | |
| - | | |
| 6.1% | | |
| United States | | |
| - | | |
| 6.1% | | |
| Mid-Con Energy Partners, L.P. ⁽³⁾ | 16,279 | 176,744 |
| Viper Energy Partners, L.P. | 38,785 | 1,509,125 |
| | | 1,685,869 |
| Total MLP Investments and Related Companies (Cost \$5,267,334) | | \$ 6,344,198 |
| Preferred Stock | | |
| - | | |
| 1.6% | | |
| Large Cap Diversified | | |
| - | | |
| 1.6% | | |
| United States | | |
| - | | |
| 1.6% | | |
| Kinder Morgan, Inc. | 13,000 | \$ 434,330 |
| Total Preferred Stock (Cost \$609,722) | | \$ 434,330 |

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| | | |
|---|--------------|--|
| Fixed Income | | |
| - | | |
| 11.0% | | |
| Exploration & Production | | |
| - | | |
| 11.0% | | |
| United States | | |
| - | | |
| 11.0% | | |
| Bill Barrett Corporation, 500,000 7.000%, due 10/15/2022 | \$ 502,500 | |
| Continental Resources, Inc., 500,000 3.800%, due 06/01/2024 | 493,039 | |
| Murphy Oil Corporation, 600,000 5.875%, due 12/01/2042 | 541,977 | |
| QEP Resources, Inc., 1,000,000 5.625%, due 03/01/2026 | 960,000 | |
| Range Resources Corporation, 500,000 5.000%, due 03/15/2023 | 491,650 | |
| Total Fixed Income (Cost \$2,901,777) | \$ 2,989,166 | |

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| | | |
|---|----------------------|------------|
| Short-Term Investments | - | |
| Investment Companies | - | |
| | 3.3% | |
| United States | - | |
| | 3.3% | |
| Fidelity Government Portfolio Fund | 221,937 | \$ 221,937 |
| | - | |
| Institutional Class, | 1.82% ⁽⁴⁾ | |
| First American Prime Obligations Fund | 221,937 | 221,937 |
| | - | |
| Class Z, | 1.80% ⁽⁴⁾ | |
| Invesco Short-Term Government & Agency Portfolio | 221,938 | 221,938 |
| | - | |
| Institutional Class, | 1.85% ⁽⁴⁾ | |
| Morgan Stanley Institutional Liquidity Funds | 221,937 | 221,937 |
| | - | |
| Government Portfolio | - | |
| | - | |
| Institutional | | |

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| | |
|---|---------------|
| Class, 1.84% ⁽⁴⁾ | |
| Total Short-Term Investments | |
| - | \$ 887,749 |
| Investment Companies (Cost \$887,749) | |
| | |
| Total Investments | |
| - | \$ 29,631,189 |
| 108.6% (Cost \$26,091,911) | |
| Liabilities in Excess of Other Assets | (2,336,161) |
| - (8.6%) | |
| Net Assets Applicable to Common Stockholders | \$ 27,295,028 |
| - 100.0% | |

- All or a portion of these securities
- (1) are held as collateral pursuant to the loan agreement.
- (2) No distribution or dividend was made

during the
period
ended
August 31,
2018. As
such, it is
classified
as a
non-income
producing
security as
of August
31, 2018.

Restricted security. Fair
valued by the Adviser using
the Fund's valuation
procedures and
subsequently ratified by the
Board of Trustees. The
(3) position was acquired on
August 11, 2016 at
\$250,000 and the fair value
accounted for 0.65% of the
Fund's net assets at August
31, 2018.

Rate
reported is
(4) the current
yield as of
August 31,
2018.

Fair Value Measurements

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

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

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

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

| Description | Fair Value at August 31, 2018 | Fair Value Measurements at Reporting Date Using | | |
|---|-------------------------------------|--|---|--|
| | | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) |
| Assets | | | | |
| Equity Securities | | | | |
| Common Stock ^(a) | \$ 18,975,746 | \$ 18,975,746 | \$ - | \$ - |
| Master Limited Partnerships and Related Companies ^(a) | | | | |
| Preferred Stock ^(a) | 6,344,198 | 6,167,454 | 176,744 | - |
| Total Equity Securities | 25,754,274 | 25,577,530 | 176,744 | - |
| Notes | | | | |
| Senior Notes ^(a) | 2,989,166 | - | 2,989,166 | - |
| Total Notes | 2,989,166 | - | 2,989,166 | - |
| Other | | | | |
| Short Term Investments ^(a) | | | | |
| Total Other | 887,749 | 887,749 | - | - |
| Total Assets | \$ 29,631,189 | \$ 26,465,279 | \$ 3,165,910 | \$ - |

^(a) All other industry classifications are identified in the Schedule of Investments. The Fund did not hold Level 3 investments at any time during the period ended August 31, 2018.

Transfers into and out of each level are measured at fair value at the end of the period. There were no transfers between any levels during the period ended August 31, 2018.

Item 2. Controls and Procedures.

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

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

Item 3. Exhibits.

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

SIGNATURES

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

(Registrant) The Cushing Energy Income Fund

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

Date 10/25/2018

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

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

Date 10/25/2018

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

Date 10/25/2018

