

TORTOISE MLP FUND, INC.

Form N-Q

April 30, 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 **811-22409**

**Tortoise MLP Fund, Inc.**

(Exact name of registrant as specified in charter)

**11550 Ash Street, Suite 300, Leawood, KS 66211**

(Address of principal executive offices) (Zip code)

**Diane Bono**

**P. Bradley Adams**

**11550 Ash Street, Suite 300, Leawood, KS 66211**

(Name and address of agent for service)

**913-981-1020**

Registrant's telephone number, including area code

Date of fiscal year end: **November 30**

Date of reporting period: **February 28, 2018**

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**Tortoise MLP Fund, Inc.****Schedule of Investments** (unaudited)

February 28, 2018

	Shares	Fair Value
<b>Master Limited Partnerships — 157.7%</b>		
<b>Crude Oil Pipelines — 27.4%</b>		
<b>United States — 27.4%</b>		
Andeavor Logistics LP	1,570,298	\$ 72,987,451
BP Midstream Partners LP	713,172	13,593,058
Enbridge Energy Partners, L.P.	3,731,879	46,685,806
Plains All American Pipeline, L.P.	2,991,043	63,111,007
Shell Midstream Partners, L.P.	673,672	16,201,812
		212,579,134
<b>Natural Gas/Natural Gas Liquids Pipelines — 50.7%</b>		
<b>United States — 50.7%</b>		
Dominion Energy Midstream Partners, LP	959,719	24,184,919
Energy Transfer Partners, L.P.	7,068,994	128,726,381
Enterprise Products Partners L.P.	4,400,403	111,858,244
EQT Midstream Partners, LP	803,112	49,407,450
Spectra Energy Partners, LP	747,202	29,357,567
Tallgrass Energy Partners, LP	1,308,009	50,162,145
		393,696,706
<b>Natural Gas Gathering/Processing — 48.7%</b>		
<b>United States — 48.7%</b>		
Antero Midstream Partners LP	986,395	25,754,773
DCP Midstream, LP	1,009,365	36,175,642
EnLink Midstream Partners, LP	3,383,588	49,400,385
MPLX LP	2,433,963	84,044,742
Noble Midstream Partners LP	155,562	7,498,088
Rice Midstream Partners LP	1,133,910	21,555,629
Western Gas Partners, LP	1,773,256	82,545,067
Williams Partners L.P.	1,965,491	71,229,394
		378,203,720
<b>Refined Product Pipelines — 30.9%</b>		
<b>United States — 30.9%</b>		
Buckeye Partners, L.P.	1,473,394	66,008,051
Holly Energy Partners, L.P.	1,010,104	29,697,058
Holly Energy Partners, L.P. <sup>(2)</sup>	839,374	23,569,622
Magellan Midstream Partners, L.P.	869,301	54,296,541
NuStar Energy L.P.	793,760	17,415,094
Phillips 66 Partners LP	848,518	41,696,175
Valero Energy Partners LP	187,891	7,239,440
		239,921,981
Total Master Limited Partnerships (Cost \$1,192,112,461)		1,224,401,541
<b>Common Stock — 5.6%</b>		
<b>Natural Gas/Natural Gas Liquids Pipelines — 5.6%</b>		
<b>United States — 5.6%</b>		
ONEOK, Inc. (Cost \$40,369,910)	773,963	43,597,336
<b>Preferred Stock — 3.1%</b>		
<b>Crude Oil Pipelines — 0.5%</b>		
<b>United States — 0.5%</b>		
SemGroup Corporation, 7.000% <sup>(2)(3)</sup>	3,763	3,650,427
<b>Natural Gas Gathering/Processing — 1.8%</b>		
<b>United States — 1.8%</b>		
Targa Resources Corp., 9.500% <sup>(2)(3)</sup>	12,252	13,565,563
<b>Oil and Gas Production — 0.8%</b>		
<b>United States — 0.8%</b>		
Anadarko Petroleum Corporation, 7.500%, 06/07/2018	199,500	6,483,750
Total Preferred Stock (Cost \$22,615,965)		23,699,740

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<b>Short-Term Investment — 0.0%</b>		
<b>United States Investment Company — 0.0%</b>		
Invesco Government & Agency Portfolio — Institutional Class, 1.30% <sup>(4)</sup> (Cost \$120,702)	120,702	120,702
<b>Total Investments — 166.4%</b>		
<b>(Cost \$1,255,219,038)</b>		1,291,819,319
<b>Other Assets and Liabilities — (0.0)%</b>		(136,905 )
<b>Deferred Tax Liability — (9.6)%</b>		(74,911,459 )
<b>Credit Facility Borrowings — (6.0)%</b>		(46,400,000 )
<b>Senior Notes — (36.6)%</b>		(284,000,000 )
<b>Mandatory Redeemable Preferred Stock at Liquidation Value — (14.2)%</b>		(110,000,000 )
<b>Total Net Assets Applicable to Common Stockholders — 100.0%</b>		\$ 776,370,955

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

(2) Restricted securities have a total fair value of \$40,785,612, which represents 5.3% of net assets.

(3) Securities have been valued by using significant unobservable inputs in accordance with fair value procedures.

(4) Rate indicated is the current yield as of February 28, 2018.

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Various inputs are used in determining the fair value of the Company's investments and financial instruments. These inputs are summarized in the three broad levels listed below:

Level 1 — quoted prices in active markets for identical investments

Level 2 — other significant observable inputs (including quoted prices for similar investments, market corroborated inputs, etc.)

Level 3 — significant unobservable inputs (including the Company'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.

The following table provides the fair value measurements of applicable assets and liabilities by level within the fair value hierarchy as of February 28, 2018. These assets and liabilities are measured on a recurring basis.

Description	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
Investments:				
Master Limited Partnerships <sup>(a)</sup>	\$ 1,200,831,919	\$ 23,569,622	\$ —	\$ 1,224,401,541
Common Stock <sup>(a)</sup>	43,597,336	—	—	43,597,336
Preferred Stock <sup>(a)</sup>	6,483,750	—	17,215,990	23,699,740
Short-Term Investment <sup>(b)</sup>	120,702	—	—	120,702
<b>Total Assets</b>	<b>\$ 1,251,033,707</b>	<b>\$ 23,569,622</b>	<b>\$ 17,215,990</b>	<b>\$ 1,291,819,319</b>

(a) All other industry classifications are identified in the Schedule of Investments.

(b) Short-term investment is a sweep investment for cash balances.

The Company utilizes the beginning of reporting period method for determining transfers between levels. During the period ended February 28, 2018, Phillips 66 Partners LP common units held by the Company in the amount of \$25,020,763 were transferred from Level 2 to Level 1 when they converted into registered and unrestricted common units of Phillips 66 Partners LP. There were no other transfers between levels for the Company during the period ended February 28, 2018.

### Security Valuation

In general, and where applicable, the Company uses readily available market quotations based upon the last updated sales price from the principal market to determine fair value. The Company primarily owns securities that are listed on a securities exchange or are traded in the over-the-counter market. The Company values those securities at their last sale price on that exchange or over-the-counter market on the valuation date. If the security is listed on more than one exchange, the Company uses the price from the exchange that it considers to be the principal exchange on which the security is traded. Securities listed on the NASDAQ are valued at the NASDAQ Official Closing Price, which may not necessarily represent the last sale price. If there has been no sale on such exchange or over-the-counter market on such day, the security is valued at the mean between the last bid price and last ask price on such day. These securities are categorized as Level 1 in the fair value hierarchy.

Restricted securities are subject to statutory or contractual restrictions on their public resale, which may make it more difficult to obtain a valuation and may limit the Company's ability to dispose of them. Investments in private placement securities and other securities for which market quotations are not readily available are valued in good faith by using fair value procedures. Such fair value procedures consider factors such as discounts to publicly traded issues, time until conversion date, securities with similar yields, quality, type of issue, coupon, duration and rating. If events occur that affect the value of the Company's portfolio securities before the net asset value has been calculated (a "significant event"), the portfolio securities so affected are generally priced using fair value procedures.

An equity security of a publicly traded company acquired in a private placement transaction without registration under the Securities Act of 1933, as amended (the "1933 Act"), is subject to restrictions on resale that can affect the security's liquidity and fair value. If such a security is convertible into publicly traded common shares, the security generally will be valued at the common share market price adjusted by a percentage discount due to the restrictions and categorized as Level 2 in the fair value hierarchy. To the extent that such securities are convertible or otherwise become freely tradable within a time frame that may be reasonably determined, an amortization schedule may be used to determine the discount. If the security has characteristics that are dissimilar to the class of security that trades on the open market, the security will generally be valued and categorized as Level 3 in the fair value hierarchy.

Unobservable inputs are used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity. Unobservable inputs reflect the Company's own beliefs about the assumptions that market participants would use in pricing the asset or liability (including assumptions about risk). Unobservable inputs are developed based on the best information available in the circumstances, which might include the Company's own data. The Company's own data is adjusted if information is reasonably available without undue cost and effort that indicates that market participants would use different assumptions. Due to the inherent uncertainty of valuations of such investments, the fair values may differ significantly from the values that would have been used had an active market existed.

Exchange-traded options are valued at the last reported sale price on any exchange on which they trade. If no sales are reported on any exchange on the measurement date, exchange-traded options are valued at the mean between the last highest bid and last lowest asked prices obtained as of the closing of the exchanges on which the option is traded. The value of Flexible Exchange Options (FLEX Options) are determined (i) by an evaluated price as determined by a third-party valuation service; or (ii) by using a quotation provided by a broker-dealer.

The Company generally values debt securities at evaluated bid prices obtained from an independent third-party valuation service that utilizes a pricing matrix based upon yield data for securities with similar characteristics, or based on a direct written broker-dealer quotation from a dealer who has made a market in the security. Debt securities with 60 days or less to maturity at time of purchase are valued on the basis of amortized cost, which approximates market value.

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The following tables present the Company's assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the period ended February 28, 2018:

### Preferred Stock

Balance — beginning of year	\$ 13,174,382
Purchases	3,763,000
Return of capital	—
Sales	—
Total realized gains	—
Change in unrealized gain/loss	278,608
Balance — end of year	\$ 17,215,990

Change in unrealized gain/loss on investments  
still held at February 28, 2018 \$ 278,608

Certain of the Company's investments are restricted and are valued as determined in accordance with fair value procedures. The following table shows the principal amount or shares, acquisition date(s), acquisition cost, fair value and the percent of net assets which the securities comprise at February 28, 2018.

Investment Security	Investment Type	Shares	Acquisition Date	Acquisition Cost	Fair Value	Fair Value as Percent of Net Assets
Holly Energy Partners, L.P.	Master Limited Partnership	839,374	02/06/18	\$ 24,954,589	\$23,569,622	3.0 %
SemGroup Corporation, 7.000%	Preferred Stock	3,763	01/19/18	3,763,000	3,650,427	0.5
Targa Resources Corp., 9.500%	Preferred Stock	12,252	03/16/16	10,848,405	13,565,563	1.8
				\$ 39,565,994	\$40,785,612	5.3 %

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**Item 2. Controls and Procedures.**

The registrant's Chief Executive Officer, Principal Financial Officer and Treasurer has concluded that the registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940 (the "1940 Act")) are effective as of a date within 90 days of the filing date of this report, based on the evaluation of these controls and procedures required by Rule 30a-3(b) under the 1940 Act and Rule 13a-15(b) or 15d-15(b) under the Securities Exchange Act of 1934, as amended.

a)

There were no changes in the Registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the act) that occurred during the Registrant's last fiscal quarter that has materially affected, or is reasonably likely to materially affect,

b) the Registrant's internal control over financial reporting.

**Item 3. Exhibits.**

Certification for the principal executive officer and principal financial officer of the registrant as required by Rule 30a-2(a) under the 1940 Act (17 CFR 270.30a-2(a)) is filed herewith.

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**SIGNATURES**

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

Date: April 30, 2018

**Tortoise MLP Fund, Inc.**

By: */s/ P. Bradley Adams*

P. Bradley Adams

Chief Executive Officer, Principal Financial Officer and Treasurer

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

Date: April 30, 2018

**Tortoise MLP Fund, Inc.**

By: */s/ P. Bradley Adams*

P. Bradley Adams

Chief Executive Officer, Principal Financial Officer and Treasurer