Form **8937**
(December 2011)
Department of the Treasury
Internal Revenue Service

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

OMB No. 1545-2224

Part I Reporting Issuer

1 Issuer's name THE CUSHING ROYALTY AND INCOME FUND		**2** Issuer's employer identification number (EIN) 45-2909232
3 Name of contact for additional information ANGELA A. TER MAAT	**4** Telephone No. of contact 414-287-3013	**5** Email address of contact angela.termaat@usbank.com
6 Number and street (or P.O. box if mail is not delivered to street address) of contact 777 EAST WISCONSIN AVENUE 5TH FLOOR		**7** City, town, or post office, state, and Zip code of contact MILWAUKEE, WISCONSIN, 53202
8 Date of action 03/20/13	**9** Classification and description NONTAXABLE RETURN OF CAPITAL DISTRIBUTION	

10 CUSIP number 23164R104	**11** Serial number(s)	**12** Ticker symbol SRF	**13** Account number(s)

Part II Organizational Action

Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ THE CUSHING ROYALTY AND INCOME FUND PAID A NONTAXABLE RETURN OF CAPITAL DISTRIBUTION ON 03/20/13 TO SHAREHOLDERS OF RECORD ON 02/28/13. THE ESTIMATED PERCENT OF THE NONTAXABLE RETURN OF CAPITAL DISTRIBUTION PAID TO SHAREHOLDERS ON 03/20/13 IS 100 PERCENT OF THE TOTAL AMOUNT OF DIVIDEND.

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ THE TOTAL NONTAXABLE RETURN OF CAPITAL PORTION OF THE DIVIDEND PAID TO SHAREHOLDERS OF RECORD ON 02/28/13 WAS 0.5000 PER SHARE.

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ THE BASIS OF SHAREHOLDERS OF RECORD ON 02/28/13 IS LOWERED BY THE PER SHARE AMOUNT OF .5000 REFERENCED ABOVE. THE RATE WAS DETERMINED IN ACCORDANCE WITH IRC SECTION 301 AND SECTION 316.

Part II **Organizational Action** (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ IRC 301,316

18 Can any resulting loss be recognized? ▶ NO LOSS CAN BE RECOGNIZED BY THE SHAREHOLDERS OF RECORD ON 02/28/13 FOR THE NONTAXABLE RETURN OF CAPITAL DISTRIBUTION RECEIVED.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ THE INFORMATION PROVIDED ABOVE WILL BE PROVIDED ON THE SHAREHOLDERS 2013 1099 DIV STATEMENT BOX 3.

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Signature ▶ Date ▶

Print your name ▶ Title ▶

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
Firm's name ▶			Firm's EIN ▶	
Firm's address ▶			Phone no.	

Send Form 8937 (including accompanying statements) to: Department of the Treasury, Internal Revenue Service, Ogden, UT 84201-0054