TORTOISE MLP FUND, INC.
Form N-CSR
January 21, 2015

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

FORM N-CSR

CERTIFIED SHAREHOLDER REPORT OF REGISTERED MANAGEMENT INVESTMENT COMPANIES

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)

Terry Matlack
Diane Bono
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: **November 30, 2014**

Item 1. Report to Stockholders.

Company at a Glance

Tortoise MLP Fund, Inc. (NYSE: NTG) offers a closed-end fund strategy of investing in energy infrastructure MLPs and their affiliates, with an emphasis on natural gas infrastructure MLPs.

Investment Focus

NTG seeks to provide stockholders with a high level of total return with an emphasis on current distributions. The fund focuses primarily on midstream energy infrastructure MLPs that engage in the business of transporting, gathering and processing and storing natural gas and natural gas liquids (NGLs).

Under normal circumstances, we invest at least 80 percent of NTG s total assets in MLP equity securities with at least 70 percent of total assets in natural gas infrastructure MLP equity securities. Of the total assets in the fund, we may invest as much as 50 percent in restricted securities, primarily through direct investments in securities of listed companies. We do not invest in privately held companies and limit our investment in any one security to 10 percent.

About Energy Infrastructure Master Limited Partnerships

MLPs are limited partnerships whose units trade on public exchanges such as the New York Stock Exchange (NYSE), the NYSE Alternext US and NASDAQ. Buying MLP units makes an investor a limited partner in the MLP. There are currently more than 100 MLPs in the market in industries related to energy and natural resources.

We primarily invest in MLPs and their affiliates in the energy infrastructure sector, with an emphasis on natural gas infrastructure MLPs. Energy infrastructure MLPs are engaged in the transportation, storage and processing of crude oil, natural gas and refined products from production points to the end users. Natural gas infrastructure MLPs are companies in which over 50 percent of their revenue, cash flow or assets are related to the operation of natural gas or NGL infrastructure assets. Our investments are primarily in midstream (mostly pipeline) operations, which typically produce steady cash flows with less exposure to commodity prices than many alternative investments in the broader energy industry. With the growth potential of this sector, along with our disciplined investment approach, we endeavor to generate a predictable and increasing distribution stream for our investors.

An NTG Investment Versus a Direct Investment in MLPs

We provide our stockholders an alternative to investing directly in MLPs and their affiliates. A direct MLP investment potentially offers an attractive distribution with a significant portion treated as return of capital, and a historically low correlation to returns on stocks and bonds. However, the tax characteristics of a direct MLP investment are generally undesirable for tax-exempt investors such as retirement plans. We are structured as a C Corporation accruing federal and state income taxes based on taxable earnings and profits. Because of this innovative structure, pioneered by Tortoise Capital Advisors, institutions and retirement accounts are able to join individual stockholders as investors in MLPs.

Additional features include:

The opportunity for tax deferred distributions and distribution growth;

Simplified tax reporting (investors receive a single 1099) compared to directly owning MLP units;

Appropriate for retirement and other tax exempt accounts;

Potential diversification of overall investment portfolio; and

Professional securities selection and active management by an experienced adviser.

December 31, 2014

Dear Fellow Stockholders,

The broad energy sector, including midstream natural gas MLPs, had a strong first three quarters of the fiscal year ending Nov. 30, 2014, benefiting from robust volumes of oil and natural gas being produced out of North American shales. However, energy stocks retreated significantly in the fourth quarter as investors reacted to the drop in crude oil prices. As can be the case in the short term, the market did not necessarily decipher quality, and energy-related stocks across the value chain were affected. As such, midstream MLPs also pulled back, but to a lesser extent, as they typically are not directly affected by commodity price volatility and tend to have more steady, fee-based revenues.

Factors pressuring oil prices included increasing global supply, particularly out of Libya, where production had been offline due to political strife, slowing global demand growth and a strengthening U.S. dollar. In addition, during the last week of the fund s fiscal year, oil prices fell sharply following the Organization of the Petroleum Exporting Countries (OPEC) Nov. 27 announcement that it would not cut current crude oil production levels. While this did not have much effect on the fund s 2014 fiscal year, it did impact its entry into fiscal 2015.

Despite the challenges in the energy sector, which emerged as the worst-performing sector for the fiscal year, broader equity market performance was solid during the same period, with the S&P 500 Index® reaching record highs. The U.S. economy expanded during the year, with a steady stream of upbeat economic data reflecting continued healthy domestic growth, although the global economy continued to struggle, with weakness particularly in Europe and Asia.

Master Limited Partnership Sector Review and Outlook

MLPs slightly underperformed the broader market for the fiscal year ending Nov. 30, 2014, with the Tortoise MLP Index® posting a 16.5 percent total return, as compared to the 16.9 percent return of the S&P 500 Index® for the same period. It also reflects a difficult fourth quarter, during which the Tortoise MLP Index® returned -8.3 percent. Midstream MLPs dramatically outperformed upstream MLPs during the year, as reflected by the Tortoise Midstream MLP Index s 22.0 percent return during the period compared to the Tortoise Upstream MLP Index s -18.1 percent return. This midstream relative outperformance was driven largely by the fundamental attributes of midstream MLPs; they own and operate essential, scarce and long-lived assets that fuel our economy and tend to offer recurring, fee-based revenues.

Natural gas production has been strong, despite lower prices as well, with volumes in 2014 reaching an estimated average 70.0 billion cubic feet per day (Bcf/d) for the lower 48 states, with 2015 production projected to grow an average 3.1 percent,[1] with the Marcellus being the predominant U.S. natural gas basin in this low-price environment. Total U.S. crude oil production has also remained robust, averaging an estimated 8.6 million barrels per day (MMbbl/d) in 2014, with production in 2015 projected to average 9.3 MMbbl/d.[1] MLP and pipeline companies have remained responsive to infrastructure needs, with new projects coming online. We project capital investment in MLP, pipeline and related organic growth projects from 2014 through 2016 of approximately $135 billion. Based off committed projects underway, we have high visibility to cash flow growth in 2015 and 2016. These capital expenditures are largely already supported by shipper commitments, including crude oil projects to debottleneck along the Gulf Coast refining complex and to add capacity out of the Permian basin. Additionally, there are natural gas projects to relieve takeaway constraints in the Northeast. We believe new projects will continue at a fairly constant pace for natural gas-related projects, but at a slower clip for crude oil-related projects if prices remain low.

Capital markets remained supportive of sector growth during the fiscal year, with MLPs raising approximately $40.9 billion in equity and $36.0 billion in debt offerings. There were 17 new MLP initial public offerings during the year, totaling approximately $5.7 billion, with five of those occurring in the final fiscal quarter. This activity occurred in each sector of the energy value chain.

Merger and acquisition (M&A) activity was a key driver during the fiscal year, with approximately $85 billion in MLP transactions. In addition, Kinder Morgan Inc. s (KMI) $70 billion acquisition of three affiliates: Kinder Morgan Energy Partners, L.P. (KMP), Kinder Morgan Management, LLC (KMR) and El Paso Pipeline Partners, L.P. (EPB), consolidated four publicly traded pipeline companies into one entity. All in, the total for all MLP and pipeline transactions was approximately $170 billion for the fiscal year.

Fund Performance Review

The fund s total assets increased from approximately $2.0 billion on Nov. 30, 2013 to approximately $2.3 billion at Nov. 30, 2014, primarily from net realized and unrealized gains on investments and $135 million in new leverage proceeds. The fund s fiscal 2014 market-based and NAV-based total returns were 9.1 percent and 13.1 percent respectively (including the reinvestment of distributions). As noted earlier, this performance reflects a difficult fourth quarter for the energy sector, when the fund s market-based and NAV-based returns were -4.3 percent and -7.4 percent, respectively.

We are disappointed with the fund s stock price performance this year and the resulting discount. All in, the fund s stock price relative to its NAV reflected a widening of the discount, ending the fiscal year at a 6.2 percent discount to NAV. We are undertaking some efforts that we believe may help improve investor sentiment and could perhaps start closing that gap. We continue to believe in the closed-end fund structure and believe NTG is fundamentally well-positioned for the long term, which is particularly relevant in today s environment. We plan to increase education, communication and outreach emphasizing the benefits of the closed-end fund structure and the long-term attractive risk-reward potential of the fund s strategy to both existing and potential stockholders. We will continue to work internally and with the fund board to explore other areas that may benefit market performance while maintaining our long-term, prudent approach to managing the fund.

(Unaudited)

As a means to help support the fund, we are providing distribution guidance where we are able, to help stockholders better understand our current thinking. As such, we currently expect NTG s total distributions to be at least $1.685 for fiscal year 2015. The fund paid its fourth fiscal quarter distribution of $0.42125 per common share ($1.685 annualized) to stockholders on Nov. 28, 2014, which is in line with last quarter s distribution and a 0.3 percent increase year over year. The distribution represented an annualized distribution rate of 6.0 percent based on the fund s fiscal year closing price of $27.97. The distribution payout coverage (distributable cash flow divided by distributions) for the fiscal year was 97.6 percent. For tax purposes, distributions to stockholders for 2014 were 8 percent return of capital and 92 percent qualified dividend income. The fund ended the fiscal year with leverage at 22.2 percent of total assets, a slight increase from last year.

Key Asset Performance Drivers

A number of factors influenced the fund s absolute and relative asset performance during the fiscal year and the fourth fiscal quarter.

The fund s focus on natural gas pipeline MLPs contributed positively to fiscal year absolute asset performance as build-out of pipeline takeaway capacity continues, particularly out of the prolific, gas-rich Marcellus. However, the fund s underweight exposure to Kinder Morgan affiliates that continued to perform well following the acquisition detracted on a relative basis, as well as certain holdings with natural gas liquids (NGL) price exposure, which declined along with crude oil prices.

As a result of its midstream focus, the fund also benefited on a relative basis from its lack of exposure to upstream MLPs that struggled in the wake of falling crude oil prices.

Crude oil pipeline MLPs that benefited from robust production helped in both absolute and relative terms for the fiscal year. These firms retracted as oil prices moved lower, in anticipation of decreased growth in volumes. This restrained performance in the later months of the year. However, the fund s focus on strategic assets in premier basins drove better relative performance in this group.

Refined product pipeline MLPs added positively to both absolute and relative performance during the fiscal year, as they benefited from strong fundamentals and expected drop down acquisitions, though they pulled back in the fourth quarter with the broader energy market.

Gathering and processing pipeline MLPs helped absolute results for the fiscal year, as their performance benefited from increased transport of NGLs. However, they detracted during the fourth quarter as gathering and processing MLPs did not keep pace with the broader MLP index.

Additional information about the fund s financial performance, distributions and leverage is available in the Key Financial Data and Management s Discussion sections of this report.

Concluding Thoughts

We remain confident in the long-term fundamentals of the fund s underlying investments. NTG s focus on quality midstream natural gas MLPs for the attractive attributes we addressed earlier has been firmly in place since its inception. We believe a portfolio providing exposure to essential midstream natural gas assets that are diversified through both location and the products they transport will help investors through this volatility. We also continue to believe that the fund s investment focus on quality, sustainable distributions and growth, while not bulletproof, positions the fund to deliver attractive long-term total return potential, anchored in current income. In particular, we remain steadfast in our belief in the long-term investment opportunity NTG offers, despite the current challenges in the energy market.

Sincerely,
The Managing Directors
Tortoise Capital Advisors, L.L.C.
The adviser to Tortoise MLP Fund, Inc.

The Tortoise MLP Index® is a float-adjusted, capitalization-weighted index of energy master limited partnerships (MLPs). The Tortoise Midstream MLP Index, a sub-index of the Tortoise MLP Index® is comprised of all constituents included in the following sub sectors: Crude Oil Pipelines, Gathering & Processing, Natural Gas Pipelines and Refined Products Pipelines. The Tortoise Upstream MLP Index is comprised of all constituents *included in the Tortoise MLP Index s Coal and Oil & Gas Productions sub sector indices. The S&P 500 Index® is an unmanaged market-value-weighted index of stocks, which is widely regarded as the standard for measuring large-cap U.S. stock market performance.*

Performance data quoted represents past performance: past performance does not guarantee future results. Like any other stock, total return and market value will fluctuate so that an investment, when sold, may be worth more or less than its original cost.

[1] Energy Information Administration, Dec. 2014

(Unaudited)

Key Financial Data *(Supplemental Unaudited Information)*

(dollar amounts in thousands unless otherwise indicated)

The information presented below regarding Distributable Cash Flow and Selected Financial Information is supplemental non-GAAP financial information, which we believe is meaningful to understanding our operating performance. The Distributable Cash Flow Ratios include the functional equivalent of EBITDA for non-investment companies, and we believe they are an important supplemental measure of performance and promote comparisons from period-to-period. This information is supplemental, is not inclusive of required financial disclosures (e.g. Total Expense Ratio), and should be read in conjunction with our full financial statements.

	Year Ended November 30,		2013	
	2013	2014	Q4(1)	Q1(1)
Total Income from Investments				
Distributions from master limited partnerships	$104,394	$108,422	$27,397	$25,350
Dividends paid in stock	5,617	3,832	1,270	1,302
Other income	359		359	
Total from investments	110,370	112,254	29,026	26,652
Operating Expenses Before Leverage Costs and Current Taxes				
Advisory fees, net of fees waived	14,656	18,507	3,807	3,978
Other operating expenses	1,287	1,384	315	348
	15,943	19,891	4,122	4,326
Distributable cash flow before leverage costs and current taxes	94,427	92,363	24,904	22,326
Leverage costs(2)	13,333	15,043	3,322	3,356
Current income tax expense(3)				
Distributable Cash Flow(4)	$ 81,094	$ 77,320	$21,582	$18,970
As a percent of average total assets(5)				
Total from investments	5.96%	5.11%	6.02%	5.48%
Operating expenses before leverage costs and current taxes	0.86%	0.90%	0.86%	0.89%
Distributable cash flow before leverage costs and current taxes	5.10%	4.21%	5.16%	4.59%
As a percent of average net assets(5)				
Total from investments	8.66%	7.99%	8.91%	8.30%
Operating expenses before leverage costs and current taxes	1.25%	1.42%	1.27%	1.35%
Leverage costs and current taxes	1.05%	1.07%	1.02%	1.05%
Distributable cash flow	6.36%	5.50%	6.62%	5.90%
Selected Financial Information				
Distributions paid on common stock	$ 78,346	$ 79,195	$19,740	$19,799
Distributions paid on common stock per share	1.67250	1.68500	0.42000	0.42125
Distribution coverage percentage for period(6)	103.5%	97.6%	109.3%	95.8%
Net realized gain (loss), net of income taxes, for the period	37,812	72,739	8,154	(3,159)
Total assets, end of period	1,956,493	2,282,922	1,956,493	1,988,207
Average total assets during period(7)	1,852,919	2,198,672	1,933,455	1,973,730
Leverage(8)	372,200	506,900	372,200	381,000
Leverage as a percent of total assets	19.0%	22.2%	19.0%	19.2%
Net unrealized appreciation, end of period	416,628	534,591	416,628	436,486
Net assets, end of period	1,315,866	1,401,926	1,315,866	1,308,440
Average net assets during period(9)	1,274,638	1,404,751	1,306,726	1,302,016
Net asset value per common share	28.00	29.83	28.00	27.84
Market value per common share	27.22	27.97	27.22	27.63
Shares outstanding (000 s)	47,000	47,000	47,000	47,000

(1) Q1 is the period from December through February. Q2 is the period from March through May. Q3 is the period from June through August. Q4 is the period from September through November.

(2) Leverage costs include interest expense, distributions to preferred stockholders and other recurring leverage expenses.

(3) Includes taxes paid on net investment income and foreign taxes, if any. Taxes related to realized gains are excluded from the calculation of Distributable Cash Flow (DCF).
(4) Net investment loss, before income taxes on the Statement of Operations is adjusted as follows to reconcile to DCF: increased by the return of capital on distributions, the value of paid-in-kind distributions and amortization of debt issuance costs; and decreased by current taxes paid on net investment income.
(5) Annualized for periods less than one full year.
(6) Distributable Cash Flow divided by distributions paid.
(7) Computed by averaging month-end values within each period.
(8) Leverage consists of senior notes, preferred stock and outstanding borrowings under the revolving credit facility.
(9) Computed by averaging daily net assets within each period.

Management s Discussion *(Unaudited)*

The information contained in this section should be read in conjunction with our Financial Statements and the Notes thereto. In addition, this report contains certain forward-looking statements. These statements include the plans and objectives of management for future operations and financial objectives and can be identified by the use of forward-looking terminology such as may, will, expect, intend, anticipate, estimate, or continue or the negative thereof or other variations thereon or comparabl terminology. These forward-looking statements are subject to the inherent uncertainties in predicting future results and conditions. Certain factors that could cause actual results and conditions to differ materially from those projected in these forward-looking statements are set forth in the Risk Factors section of our public filings with the SEC.

Overview

Tortoise MLP Fund, Inc. s (NTG) primary investment objective is to provide a high level of total return with an emphasis on current distributions paid to stockholders. We seek to provide our stockholders with an efficient vehicle to invest in a portfolio consisting primarily of energy infrastructure master limited partnerships (MLPs) and their affiliates, with an emphasis on natural gas infrastructure. Energy infrastructure MLPs own and operate a network of pipeline and energy-related logistical assets that transport, store, gather and process natural gas, natural gas liquids (NGLs), crude oil, refined petroleum products, and other resources or distribute, market, explore, develop or produce such commodities. Natural gas infrastructure MLPs are defined as companies engaged in such activities with over 50 percent of their revenue, cash flow or assets related to natural gas or NGL infrastructure assets.

While we are a registered investment company under the Investment Company Act of 1940, as amended (the 1940 Act), we are not a regulated investment company for federal tax purposes. Our distributions do not generate unrelated business taxable income (UBTI) and our stock may therefore be suitable for holding by pension funds, IRAs and mutual funds, as well as taxable accounts. We invest primarily in MLPs through private and public market purchases. MLPs are publicly traded partnerships whose equity interests are traded in the form of units on public exchanges, such as the NYSE or NASDAQ. Tortoise Capital Advisors, L.L.C. serves as our investment adviser.

Company Update

Total assets decreased approximately $181 million during 4th quarter 2014, primarily as a result of lower market values of our MLP investments. Distribution increases from our MLP investments were in-line with our expectations and asset-based expenses decreased slightly from the previous quarter. Leverage costs increased during the quarter due to additional leverage issued during the 4th quarter, while other operating expenses decreased slightly. Total leverage as a percent of total assets increased from 3rd quarter 2014 and we maintained our quarterly distribution of $0.42125 per share. Additional information on these events and results of our operations are discussed in more detail below.

Critical Accounting Policies

The financial statements are based on the selection and application of critical accounting policies, which require management to make significant estimates and assumptions. Critical accounting policies are those that are both important to the presentation of our financial condition and results of operations and require management s most difficult, complex, or subjective judgments. Our critical accounting policies are those applicable to the valuation of investments and certain revenue recognition matters as discussed in Note 2 in the Notes to Financial Statements.

Determining Distributions to Stockholders

Our portfolio generates cash flow from which we pay distributions to stockholders. Our Board of Directors has adopted a policy of declaring what it believes to be sustainable distributions. In determining distributions, our Board of Directors considers a number of current and anticipated factors, including, among others, distributable cash flow (DCF), realized and unrealized gains, leverage amounts and rates, current and deferred taxes payable, and potential volatility in returns from our investments and the overall market. While the Board considers many factors in determining distributions to stockholders, particular emphasis is given to DCF and distribution coverage. Distribution coverage is DCF divided by distributions paid to stockholders and is discussed in more detail below. Over the long-term, we expect to distribute substantially all of our DCF to holders of common stock. Our Board of Directors reviews the distribution rate quarterly and may adjust the quarterly distribution throughout the year.

Determining DCF

DCF is distributions received from investments, less expenses. The total distributions received from our investments include the amount we receive as cash distributions from MLPs, paid-in-kind distributions, and dividend and interest payments. The total expenses include current or anticipated operating expenses, leverage costs and current income taxes. Current income taxes include taxes paid on our net investment income in addition to foreign taxes, if any. Taxes incurred from realized gains on the sale of investments, expected tax benefits and deferred taxes are not included in DCF.

The Key Financial Data table discloses the calculation of DCF and should be read in conjunction with this discussion. The difference between distributions received from investments in the DCF calculation and total investment income as reported in the Statement of Operations, is reconciled as follows: the Statement of Operations, in conformity with U.S. generally accepted accounting principles (GAAP), recognizes distribution income from MLPs and common stock on their ex-dates, whereas the DCF calculation may reflect distribution income on their pay dates; GAAP recognizes that a significant portion of the cash distributions received from MLPs are characterized as a return of capital and therefore excluded from investment income, whereas the DCF calculation includes the return of capital; and distributions received from investments in the DCF

Management s Discussion *(Unaudited)*
(Continued)

calculation include the value of dividends paid-in-kind (additional stock or MLP units), whereas such amounts are not included as income for GAAP purposes, and includes distributions related to direct investments when the purchase price is reduced in lieu of receiving cash distributions. The treatment of expenses in the DCF calculation also differs from what is reported in the Statement of Operations. In addition to the total operating expenses, including fee waiver, as disclosed in the Statement of Operations, the DCF calculation reflects interest expense, distributions to preferred stockholders, other recurring leverage expenses, as well as taxes paid on net investment income. A reconciliation of Net Investment Loss, before Income Taxes to DCF is included below in Distributable Cash Flow.

Distributions Received from Investments

Our ability to generate cash is dependent on the ability of our portfolio of investments to generate cash flow from their operations. In order to maintain and grow distributions to our stockholders, we evaluate each holding based upon its contribution to our investment income, our expectation for its growth rate, and its risk relative to other potential investments.

We concentrate on MLPs we believe can expect an increasing demand for services from economic and population growth. We seek well-managed businesses with hard assets and stable recurring revenue streams. Our focus remains primarily on investing in fee-based service providers that operate long-haul, interstate pipelines. We further diversify among issuers, geographies and energy commodities to seek a distribution payment which approximates an investment directly in energy infrastructure MLPs. In addition, many crude/refined products and natural gas liquids pipeline companies are regulated and currently benefit from a tariff inflation escalation index of PPI + 2.65 percent. Over the long-term, we believe MLPs distributions will outpace inflation and interest rate increases, and produce positive real returns.

Total distributions received from our investments for the 4th quarter 2014 were approximately $28.9 million, representing a decrease of 0.3 percent as compared to 4th quarter 2013 and an increase of 0.8 percent as compared to 3rd quarter 2014. On an annualized basis, total distributions for the quarter equate to 4.89 percent of our average total assets for the quarter. These changes reflect increases in per share distribution rates on our MLP investments and the impact of various portfolio trading activity.

Expenses

We incur two types of expenses: (1) operating expenses, consisting primarily of the advisory fee, and (2) leverage costs. On a percentage basis, operating expenses before leverage costs were an annualized 0.90 percent of average total assets for the 4th quarter 2014, unchanged as compared to the 3rd quarter 2014 and an increase of 0.04 percent as compared to 4th quarter 2013. Advisory fees, net of fees waived, for the 4th quarter 2014 decreased 0.5 percent from 3rd quarter 2014. While the contractual advisory fee is 0.95 percent of average monthly managed assets, the Adviser waived an amount equal to 0.15 percent of average monthly managed assets during calendar year 2013 and has agreed to waive an amount equal to 0.10 percent of average monthly managed assets during calendar year 2014 and an amount equal to 0.05 percent of average monthly managed assets during calendar year 2015.

Leverage costs consist of two major components: (1) the direct interest expense on our senior notes and short-term credit facility, and (2) distributions to preferred stockholders. Other leverage expenses include rating agency fees and commitment fees. Total leverage costs for DCF purposes were approximately $4.0 million for the 4th quarter 2014, an increase of 1.3 percent as compared to the 3rd quarter 2014 due to increased leverage utilization during the 4th quarter.

The weighted average annual rate of our leverage at November 30, 2014 was 3.14 percent including balances on our bank credit facility which accrue interest at a variable rate equal to one-month LIBOR plus 1.125 percent. Our weighted average rate may vary in future periods as a result of changes in LIBOR, the utilization of our credit facility, and as our leverage matures or is redeemed. Additional information on our leverage is included in the Liquidity and Capital Resources discussion below.

Distributable Cash Flow

For 4th quarter 2014, our DCF was approximately $19.6 million, a decrease of 9.4 percent as compared to 4th quarter 2013 and an increase of 1.0 percent as compared to 3rd quarter 2014. The changes are the net result of changes in distributions and expenses as outlined above. We paid a distribution of $19.8 million, or $0.42125 per share, during the quarter. This represents an increase of $0.00125 per share as compared to 4th quarter 2013 and is unchanged from 3rd quarter 2014.

Our distribution coverage ratio was 98.8 percent for 4th quarter 2014, a decrease in the coverage ratio of 10.5 percent as compared to 4th quarter 2013 and an increase of 1.0 percent as compared to 3rd quarter 2014. Our goal is to pay what we believe to be sustainable distributions with any increases safely covered by earned DCF. A distribution coverage ratio of greater than 100 percent provides flexibility for on-going management of the portfolio, changes in leverage costs, the impact of taxes from realized gains and other expenses. An on-going distribution coverage ratio of less than 100 percent will, over time, erode the earning power of a portfolio and may lead to lower distributions.

Net investment loss before income taxes on the Statement of Operations is adjusted as follows to reconcile to DCF for fiscal year 2014 and 4th quarter 2014 (in thousands):

	FY 2014	4th Qtr 2014
Net Investment Loss, before Income Taxes	$ (38,037)	$ (9,219)
Adjustments to reconcile to DCF:		
Dividends paid in stock	3,832	571
Distributions characterized as return of capital	111,155	28,111
Amortization of debt issuance costs	370	95
DCF	$ 77,320	$19,558