

MLP & Strategic Equity Fund Inc.
Form N-CSR
January 09, 2009

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 811-22040

Name of Fund: MLP & Strategic Equity Fund Inc. (MTP)

Fund Address: P.O. Box 9011
Princeton, NJ 08543-9011

Name and address of agent for service: Mitchell M. Cox, Chief Executive Officer, MLP & Strategic Equity Fund Inc.,
4 World Financial Center, 6th Floor, New York, New York 10080.

Registrant's telephone number, including area code: (877) 449-4742

Date of fiscal year end: 10/31/2008

Date of reporting period: 11/01/2007 – 10/31/2008

Item 1 – Report to Stockholders

MLP & Strategic Equity Fund Inc.
Annual Report
October 31, 2008

Fund Profile as of October 31, 2008

Fund Information

Symbol on New York Stock Exchange (NYSE)	MTP
Initial Offering Date	June 29, 2007
Yield on Closing Market Price as of October 31, 2008 (\$13.00)*	9.23%
Current Monthly Distribution per share of Common Stock**	\$.10
Current Annualized Distribution per share of Common Stock**	\$1.20

* Yield on closing market price is calculated by dividing the current annualized distribution per share by the closing market price. Past performance does not guarantee future results.

** The distribution is not constant and is subject to change. A substantial portion of the distribution may be deemed a tax return of capital or net realized gain at fiscal year end.

The table below summarizes the changes in the Fund's market price and net asset value for the twelve-month period:

	10/31/08(a)	10/31/07	Change(b)	High	Low
Market Price(c)	\$13.00	\$16.24	(19.95%)	\$16.67	\$7.00
Net Asset Value	\$11.70	\$18.06	(35.22%)	\$18.06	\$8.57

(a) For the year, the Common Stock of the Fund had a total investment return of (29.45%) based on net asset value per share and (12.82%) based on market price per share, assuming reinvestment of distributions. For the same period, the most commonly referenced index of publicly traded master limited partnership (MLP) securities had a total investment return of (23.65%) and has no expenses associated with performance.

(b) Does not include reinvestment of distributions.

(c) Primary Exchange Price, NYSE.

Portfolio Information

Ten Largest MLP & MLP Affiliates Holdings	Percent of Net Assets
Kinder Morgan Management LLC	8.0%
Plains All American Pipeline LP	7.6
Enterprise Products Partners LP	7.5
ONEOK Partners LP	6.6
Boardwalk Pipeline Partners LP	5.0
TEPPCO Partners LP	4.5
Nustar Energy LP	3.9
Energy Transfer Partners LP	3.7
Magellan Midstream Partners LP	3.7
Energy Transfer Equity LP	3.7

A Summary From Your Fund's Portfolio Managers

We are pleased to provide you with this shareholder report for MLP & Strategic Equity Fund Inc. The Fund is advised by IQ Investment Advisors LLC and sub-advised by Fiduciary Asset Management.

The investment objective of MLP & Strategic Equity Fund Inc. (the Fund) is to provide a high level of after-tax total return by investing substantially all of its net assets in a portfolio of publicly traded master limited partnerships (MLPs) operating in the energy infrastructure sector of the market. To enhance its returns, when market conditions are favorable, the Fund will enter into variable prepaid forward contracts (Forward Contracts), with terms of approximately one year, to sell particular equity securities that the Fund will strategically purchase with the proceeds of the Forward Contracts. At the maturity of the most recent contracts in 2008, market conditions were unfavorable and the Fund did not re-enter into the Forward Contracts.

For the annual period ended October 31, 2008, the Common Stock of the Fund had a total investment return as set forth in the table below, based on the change per share in net asset value from \$18.06 to \$11.70. For the same period, the Fund's most commonly referenced index of publicly-traded MLP securities had a total investment return as shown below. All of the Fund and index information presented includes the reinvestment of any dividends or distributions. Distribution information may be found in the Notes to Financial Statements, Note 6.

Period	Fund*	Commonly Referenced Index**	Difference
Fiscal year ended			
October 31, 2008	(29.45%)	(23.65%)	(5.80%)
Year to Date	(25.25%)	(20.98%)	(4.27%)
Inception through			
October 31, 2008	(32.11%)	(26.27%)	(5.84%)

* Fund performance is net of expenses.

** No expenses are associated with performance.

Despite relatively strong fundamentals, MLP valuations decoupled from business performance during the period, reflecting investor uncertainty in regards to the broader markets and the economy as a whole.

For more detail with regard to the Fund's total investment return based on a change in the per share market value of the Fund's Common Stock (as measured by the trading price of the Fund's shares on the New York Stock Exchange), please refer to the Financial Highlights section of this report.

In a press release dated September 29, 2008, the Fund indicated that due primarily to market conditions preventing the effective use of the Fund's Forward Contracts, the Fund no longer qualifies as a regulated investment company pursuant to Subchapter M of the Internal Revenue Code for the taxable year ended October 31, 2008. We do not believe that this event had any detrimental effect on the performance of the Fund this year.

As a closed-end fund, the Fund's shares may trade in the secondary market at a premium or discount to the Fund's net asset value. As a result, total investment returns based on changes in the market value of the Fund's Common Stock can vary significantly from total investment returns based on changes in the Fund's net asset value.

James Cunnane Jr. & Quinn Kiley
Portfolio Managers

December 3, 2008

Schedule of Investments as of October 31, 2008

Industry	Master Limited Partnerships & MLP Affiliates	Units Held	Value
Energy Equipment & Services	0.4%		
	Exterran Partners LP	42,997	\$ 646,675
Gas Utilities	1.9%		
	Spectra Energy Partners LP	161,986	3,255,919
Oil, Gas & Consumable Fuels	94.3%		
	Alliance Resource Partners LP	71,946	2,302,272
	Atlas Energy Resources LLC	127,086	2,807,330
	Atlas Pipeline Holdings LP	116,022	1,253,038
	Boardwalk Pipeline Partners LP	352,704	8,464,896
	BreitBurn Energy Partners LP		
	Common Units	103,430	1,162,553
	Buckeye Partners LP	127,413	5,100,342
	Copano Energy LLC Class E Units (a)(b)	11,804	259,537
	Copano Energy LLC Common Units	117,730	2,593,592
	Crosstex Energy LP	109,768	1,410,519
	DCP Midstream Partners LP	63,582	960,724
	Duncan Energy Partners LP	45,720	726,948
	EV Energy Partner LP	31,690	577,075
	Eagle Rock Energy Partners LP	161,055	1,636,319
	El Paso Pipeline Partners LP	253,769	4,506,937
	Enbridge Energy Management LLC (c)	117,215	4,406,112
	Enbridge Energy Partners LP	132,319	5,123,392
	Encore Energy Partners LP	61,616	1,092,452
	Energy Transfer Equity LP	304,457	6,241,368
	Energy Transfer Partners LP	163,373	6,343,774
	Enterprise Products Partners LP	526,525	12,847,210
	Genesis Energy LP	103,918	1,350,934
	Hiland Partners LP	21,027	547,964
	Holly Energy Partners LP	43,007	1,227,850
	Inergy LP	97,956	2,101,156
	Kinder Morgan Management LLC (c)	271,478	13,560,333
	Legacy Reserves LP	61,037	761,742
	Magellan Midstream Partners LP	175,803	6,293,747
	MarkWest Energy Partners LP	127,555	2,315,123
	Martin Midstream Partners LP	38,296	957,017
	Natural Resource Partners LP	127,512	2,999,082
	Nustar Energy LP	143,449	6,618,737
	ONEOK Partners LP	204,754	11,275,803
	OSG America LP	58,955	353,140
	Penn Virginia Resource Partners LP	101,786	1,873,880
	Pioneer Southwest Energy Partners LP	58,968	844,422
	Plains All American Pipeline LP	323,749	12,949,960
	Quicksilver Gas Services LP	53,561	602,561
	Regency Energy Partners LP	182,813	2,639,820

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Sunoco Logistics Partners LP	75,484	3,437,541
TC PipeLines LP	78,497	2,098,225
TEPPCO Partners LP	271,994	7,743,669
Targa Resources Partners LP	103,999	1,642,144
Teekay LNG Partners LP	87,963	1,583,334
Western Gas Partners LP	119,521	1,565,725
Williams Partners LP	118,850	2,508,923
Williams Pipeline Partners LP	75,586	1,150,419
Total Master Limited Partnerships & MLP Affiliates		
(Cost \$216,990,140) 96.6%		164,722,235

	Shares	
	Held	
Short-Term Securities		
SSgA Prime Money Market Fund, 2.20% (d)	4,191,959	4,191,959
Total Short-Term Securities		
(Cost \$4,191,959) 2.5%		4,191,959
Total Investments		
(Cost \$221,182,099) 99.1%		168,914,194
Other Assets Less Liabilities 0.9%		1,484,481
Net Assets 100.0%		\$ 170,398,675

* The cost and unrealized appreciation (depreciation) of investments as of October 31, 2008, as computed for federal income tax purposes, were as follows:

Aggregate cost	\$	216,310,847
Gross unrealized appreciation	\$	1,757,629
Gross unrealized depreciation		(49,154,282)
Net unrealized depreciation	\$	(47,396,653)

(a) Restricted securities as to resale, representing 0.2% of net assets were as follows:

Issue	Acquisition Date	Cost	Fair Value
Copano Energy LLC Class E Units	10/19/2007	\$ 375,013	\$ 259,537
Total		\$ 375,013	\$ 259,537

See Notes to Financial Statements, Note 1(a).

(b) Non-income producing security.

(c) Represents a pay-in-kind security, which may pay dividends in additional units.

(d) Represents the current yield as of October 31, 2008.

For Fund portfolio compliance purposes, the Fund's industry classifications refer to any one or more of the industry sub-classifications used by one or more widely recognized market indexes or ratings group indexes, and/or as defined by Fund management. This definition may not apply for the purposes of this report, which may combine industry sub-classifications for reporting ease. Industries are shown as a percent of net assets. These industry classifications are unaudited.

See Notes to Financial Statements.

Statement of Assets, Liabilities and Capital

As of October 31, 2008

Assets

Investments in unaffiliated securities, at value (identified cost \$221,182,099)	\$ 168,914,194
Dividends receivable	1,770,695
Prepaid expenses and other assets	10,971
Total assets	170,695,860

Liabilities

Payable to investment advisor	167,303
Accrued expenses	129,882
Total liabilities	297,185

Net Assets

Net assets	\$ 170,398,675
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Capital

Common Stock, par value \$.001 per share, 100,000,000 shares authorized	\$ 14,568
Paid-in capital in excess of par	256,217,917
Accumulated distributions in excess of investment income net	\$ (2,526,623)
Accumulated realized capital losses net	(31,039,282)
Unrealized depreciation net	(52,267,905)
Total accumulated losses net	(85,833,810)
Total Capital Equivalent to \$11.70 per share based on 14,567,662 shares	
of Common Stock outstanding (market price \$13.00)	\$ 170,398,675

See Notes to Financial Statements.

MLP & STRATEGIC EQUITY FUND INC.

OCTOBER 31, 2008

5

Statement of Operations

For the Year Ended October 31, 2008

Investment Income

Dividends from equity securities	\$	1,421,277
Dividends from money market investments		123,824
Total income		1,545,101

Expenses

Investment advisory fees	\$	2,456,524
Professional fees		162,449
Directors' fees and expenses		70,655
Custodian fees		57,078
Transfer agent fees		39,675
Accounting services		39,486
Listing fees		28,238
Printing and shareholder reports		27,181
Insurance		22,047
Other		10,582
Total expenses		2,913,915
Net investment loss before income taxes		(1,368,814)
State and local taxes		(3,570)
Deferred tax benefit, net of valuation allowance		
Net investment loss		(1,372,384)

Realized & Unrealized Gain (Loss) Net

Realized gain (loss) on:		
Investments - net		(147,023,121)
Variable prepaid forward contracts - net		115,328,018
Deferred tax benefit net of valuation allowance		
Net realized loss on investments and variable prepaid forward contracts		(31,695,103)
Change in unrealized appreciation/depreciation on:		
Investments - net		(79,358,878)
Variable prepaid forward contracts - net		37,296,064
Deferred tax benefit net of valuation allowance		
Net change in unrealized appreciation/depreciation on investments and variable prepaid forward contracts		(42,062,814)
Total realized and unrealized loss - net		(73,757,917)
Net Decrease in Net Assets Resulting from Operations	\$	(75,130,301)

See Notes to Financial Statements.

Statements of Changes in Net Assets

	For the Year Ended October 31, 2008	For the Period June 29, 2007 to October 31, 2007
Increase (Decrease) in Net Assets:		
Operations		
Investment income (loss) net	\$ (1,372,384)	\$ 538,532
Realized loss net	(31,695,103)	(425,768)
Change in unrealized appreciation/depreciation net	(42,062,814)	(10,205,091)
Net decrease in net assets resulting from operations	(75,130,301)	(10,092,327)
Dividends and Distributions to Shareholders		
Investment income net		(611,182)
Tax return of capital	(17,445,166)	(3,746,919)
Net decrease in net assets resulting from dividends and distributions to shareholders	(17,445,166)	(4,358,101)
Common Stock Transactions		
Proceeds from issuance of Common Stock		276,959,530
Value of shares issued to Common Stock shareholders in reinvestment of dividends and distributions	370,796	574,236
Offering costs resulting from issuance of Common Stock		(580,000)
Net increase in net assets resulting from Common Stock transactions	370,796	276,953,766
Net Assets		
Total increase (decrease) in net assets	(92,204,671)	262,503,338
Beginning of period	262,603,346	100,008
End of period*	\$ 170,398,675	\$ 262,603,346
* Accumulated distributions in excess of investment income (loss) net	\$ (2,526,623)	\$ (72,650)
Commencement of operations.		
See Notes to Financial Statements.		

MLP & STRATEGIC EQUITY FUND INC.

OCTOBER 31, 2008

7

Statement of Cash Flows

	For the Year Ended October 31, 2008
Cash Provided by Operating Activities	
Net decrease in net assets resulting from operations	\$ (75,130,301)
Adjustments to reconcile net decrease in net assets resulting from operations to net cash provided by operating activities:	
Decrease in receivables	18,635
Decrease in prepaid expenses and other assets	65,438
Decrease in payables and accrued expenses	(97,810)
Realized and unrealized loss net	88,000,217
Proceeds from sales of long-term securities	53,714,281
Purchases of long-term securities net	(41,397,582)
Net purchases of short-term investments	(1,425,216)
Cash provided by operating activities	23,747,662
Cash Used for Financing Activities	
Payments due to variable prepaid forward contracts	(6,211,950)
Offering costs reimbursed by the investment advisor	109,593
Distributions paid to shareholders	(17,645,305)
Cash used for financing activities	(23,747,662)
Cash	
Net increase in cash	
Cash at beginning of year	
Cash at end of year	\$
Non-Cash Financing Activities	
Securities delivered to settle variable prepaid forward contracts	\$ (723,257,324)
Reinvestment of distributions to shareholders	\$ 370,796
See Notes to Financial Statements.	

Financial Highlights

The following per share data and ratios have been derived from information provided in the financial statements.	For the Year Ended October 31, 2008	For the Period June 29, 2007(a) to October 31, 2007
Per Share Operating Performance		
Net asset value, beginning of period	\$ 18.06	\$ 19.10
Investment income (loss) net(b)	(.09)	.04
Realized and unrealized loss net	(5.07)	(.74)
Total from investment operations	(5.16)	(.70)
Less dividends and distributions from:		
Investment income net		(.03)
Tax return of capital	(1.20)	(.27)
Total dividends and distributions to Common Stock shareholders	(1.20)	(.30)
Offering costs resulting from the issuance of Common Stock		(.04)
Net asset value, end of period	\$ 11.70	\$ 18.06
Market price per share, end of period	\$ 13.00	\$ 16.24
Total Investment Return(c)		
Based on net asset value per share	(29.45%)	(3.77%)(d)
Based on market price per share	(12.82%)	(17.37%)(d)
Ratios to Average Net Assets		
Expenses	1.33%	1.35%(e)
Investment income (loss) net	(.62%)	.62%(e)
Supplemental Data		
Net assets, end of period (in thousands)	\$ 170,399	\$ 262,603
Portfolio turnover	5%	(f)

(a) Commencement of operations.

(b) Based on average shares outstanding.

(c) Total investment returns based on market value, which can be significantly greater or lesser than the net asset value, may result in substantially different returns. Total investment returns exclude the effects of sales charges.

(d) Aggregate total investment return.

(e) Annualized.

(f) Amount is less than 1%.

See Notes to Financial Statements.

Notes to Financial Statements

1. Significant Accounting Policies:

MLP & Strategic Equity Fund Inc. (the Fund) is registered under the Investment Company Act of 1940, as amended, as a diversified, closed-end management investment company. The Fund pursues its investment objective by investing substantially all of its net assets in publicly traded master limited partnerships (MLPs). To enhance its returns, the Fund normally enters into variable prepaid forward contracts (Forward Contracts) with terms of approximately one year, to sell particular equity securities that the Fund will strategically purchase with the proceeds of the Forward Contracts. Due to the market conditions, the Fund did not replace the expiring Forward Contracts during the current fiscal year ended October 31, 2008. Please see Note 1(e) for additional information. The Fund's financial statements are prepared in conformity with U.S. generally accepted accounting principles, which may require the use of management accruals and estimates. Actual results may differ from these estimates. All cash balances are invested on a daily basis in a money market fund. The Fund determines and makes available for publication the net asset value of its Common Stock on a daily basis. The Fund's Common Stock shares are listed on the New York Stock Exchange (NYSE) under the symbol MTP. The following is a summary of significant accounting policies followed by the Fund:

(a) Valuation of investments Portfolio securities that are held by the Fund that are traded on stock exchanges or the NASDAQ Global Market are valued at the last sale price or official close price on the exchange, as of the close of business on the day the securities are being valued or, lacking any sales, at the last available bid price for long positions, and at the last available asked price for short positions. In cases where securities are traded on more than one exchange, the securities are valued on the exchange designated as the primary market by or under the authority of the Board of Directors of the Fund. Long positions traded in the over-the-counter (OTC) market, NASDAQ Capital Market or Bulletin Board are valued at the last available bid price or yield equivalent obtained from one or more dealers or pricing services approved by the Board of Directors of the Fund. Short positions traded in the OTC market are valued at the last available asked price. Portfolio securities that are traded both in the OTC market and on an exchange are valued according to the broadest and most representative market. Other investments are valued at market value.

Exchange-traded options are valued at the mean between the last bid and ask prices at the close of the option market. Options traded in the OTC market are valued at the last asked price (options written) or the last bid price (options purchased). Swap agreements and variable prepaid forward contracts are valued based upon quoted fair valuations received daily by the Fund from a pricing service or counter-party. Financial futures contracts and options thereon, which are traded on exchanges, are valued at their last sale price as of the close of such exchanges. Valuation of short-term investment vehicles is generally based on the net asset value of the underlying investment vehicle or amortized cost.

The Fund may employ pricing services to provide certain securities prices for the Fund. Securities and assets for which market quotations are not readily available are valued at fair value as determined in good faith by or under the direction of the Board of Directors of the Fund, including valuations furnished by the pricing services retained by the Fund, which may use a matrix system for valuations. The procedures of a pricing service and its valuations are reviewed by the officers of the Fund under the general supervision of the Fund's Board of Directors. Such valuations and procedures will be reviewed periodically by the Board of Directors of the Fund.

Generally, trading in foreign securities, as well as U.S. government securities, money market instruments and certain fixed-income securities is substantially completed each day at various times prior to the close of business on the NYSE. The values of such securities used in computing the net asset value of the Fund's shares are determined as of such times. Foreign currency exchange rates will generally be determined as of the close of business on the NYSE. Occasionally, events affecting the values of such securities and such exchange rates may occur between the times at which they are determined and the close of business on the NYSE that may not be reflected in the computation of the Fund's net asset value. If events (for example, a company announcement, market volatility or a natural disaster) occur during such periods that are expected to materially affect the value of such securities, those securities will be valued at their fair value as determined in good faith by the Fund's Board of Directors or by the investment adviser using a pricing service and/or procedures approved by the Fund's Board of Directors.

(b) Master Limited Partnerships The Fund will purchase both domestic and international MLPs. The Fund's investment in MLPs may include ownership of MLP common units and MLP subordinated units. The Fund also may purchase MLP I-Shares (together with the MLPs, the MLP Entities). MLP I-Shares are pay-in-kind securities created as a means to facilitate institutional ownership of MLPs by simplifying the tax and administrative implications of the MLP structure.

