Part I Reporting Issuer

1 Issuer’s name
SALIENT MIDSTREAM & MLP FUND

2 Issuer’s employer identification number (EIN)
45-4968620

3 Name of contact for additional information
SALIENT PARTNERS, LP

4 Telephone No. of contact
1-800-809-0525

5 Email address of contact
mlpinfo@salientpartners.com

6 Number and street (or P.O. box if mail is not delivered to street address) of contact
3435 STELZER ROAD

7 City, town, or post office, state, and Zip code of contact
COLUMBUS, OH 43219

8 Date of action
12/03/2012

9 Classification and description
REGULATED INVESTMENT COMPANY (RIC) SHARES

10 CUSIP number
79471V105

11 Serial number(s)
NA

12 Ticker symbol
SMM

13 Account number(s)
NA

Part II Organizational Action

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 SALIENT MIDSTREAM & MLP FUND (THE “FUND”) PAID ITS QUARTERLY DISTRIBUTION OF $0.33 PER SHARE ON 12/03/2012 TO STOCKHOLDERS OF RECORD ON 11/19/2012. THE FUND ESTIMATES 100% OF THIS DISTRIBUTION WILL BE TREATED AS A RETURN OF CAPITAL.

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 FUND ESTIMATES 100% OF THE $0.33 PER SHARE DISTRIBUTION TO BE A RETURN OF CAPITAL.

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 EACH STOCKHOLDER OF RECORD ON 11/19/2012 SHALL BE REDUCED BY THE $0.33 PER SHARE DISTRIBUTED ON 12/03/2012. THIS AMOUNT WAS DETERMINED IN ACCORDANCE WITH IRC SECTIONS 301 AND 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 SECTIONS 301 AND 316.

18  Can any resulting loss be recognized? ► A LOSS WOULD NOT BE RECOGNIZED AS PART OF THIS DISTRIBUTION. THE BASIS OF EACH STOCKHOLDER OF RECORD WOULD NEED TO BE ADJUSTED BY THE AMOUNT OF THE DISTRIBUTION WHICH WOULD AFFECT REALIZED GAIN OR LOSS RECOGNIZED ON THE DISPOSITION OF FUND SHARES.

19  Provide any other information necessary to implement the adjustment, such as the reportable tax year ► THE FINAL AMOUNT DETERMINED TO BE A RETURN OF CAPITAL SHALL BE REPORTED TO EACH STOCKHOLDER OF RECORD ON THEIR 2012 IRS FORM 1099-DIV.

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 ► JOHN E. PRICE  Title ► PRINCIPAL FINANCIAL OFFICER

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.