
Directors and Corporate Officers

Ralph W. Bradshaw	Chairman of the Board of Directors and President
Robert E. Dean	Director
Marcia E. Malzahn	Director
Frank J. Maresca	Director
Matthew W. Morris	Director
Scott B. Rogers	Director
Andrew A. Strauss	Director
Glenn W. Wilcox, Sr.	Director
Rachel L. McNabb	Chief Compliance Officer
Hoyt M. Peters	Secretary and Assistant Treasurer
Theresa M. Bridge	Treasurer

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Please visit us on the web at
www.cornerstonetotalreturnfund.com

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CORNERSTONE TOTAL RETURN FUND, INC.

JUNE 30, 2020

This update contains the following two documents:

- Letter from the Fund's President
- Semi-Annual Report to Stockholders

Beginning on January 1, 2021, as permitted by regulations adopted by the U.S. Securities and Exchange Commission, paper copies of the Fund's stockholder reports like this one will no longer be sent by mail, unless you specifically request paper copies of the reports from the Fund or from your financial intermediary, such as a broker-dealer or bank. Instead, the reports will be made available on a website, and you will be notified by mail each time a report is posted and provided with a website link to access the report.

If you have already elected to receive stockholder reports electronically, you will not be affected by this change and you need not take any action. You may elect to receive stockholder reports and other communications from the Fund electronically by contacting the Fund at 1-866-668-6558 or, if you own these shares through a financial intermediary, by contacting your financial intermediary.

You may elect to receive all future reports in paper free of charge. You can inform the Fund that you wish to continue receiving paper copies of your stockholder reports by contacting the Fund at 1-866-668-6558. If you own shares through a financial intermediary, you may contact your financial intermediary or follow instructions included with this document to elect to continue to receive paper copies of your stockholder reports. Your election to receive reports in paper will apply to all funds held with the fund complex or at your financial intermediary.

LETTER FROM THE FUND'S PRESIDENT

July 30, 2020

Dear Fellow Stockholders:

Following is the semi-annual report for Cornerstone Total Return Fund, Inc. (the “Fund”) for the six-month period ended June 30, 2020. At the end of the period, the Fund’s net assets were \$363.2 million and the Net Asset Value per share (“NAV”) was \$9.03. The share price closed at \$10.05. After reflecting the reinvestment of monthly distributions totaling \$1.08 per share, the Fund achieved a total investment return at market value of 2.83% for the period ended June 30, 2020.

Economic and Market Summary

Although the stock market experienced significant volatility due to the effects of Covid-19 during the first half of 2020, the Federal Reserve Bank (the “Fed”) and Congress have moved swiftly to combat a war on two fronts, medical and economic. The Fed delivered significant monetary accommodation, pushing its balance sheet above \$7 trillion by the end of the second quarter. The Fed increased purchases of Treasury bonds and mortgage-backed securities and provided support via other activities. The Fed has indicated it would continue to support the economy through various programs and initiatives, but with interest rates near zero, the Fed’s most effective policy tool is essentially mooted. While the number of unemployment benefit claims in April were double those in March, economists anticipated that the rate of new applications would improve. While both the policy response and the market recovery have been dramatic, some of the near-term remedies may have exacerbated pre-Covid-19 underlying weaknesses. The Fed’s emergency lending facilities have driven corporate debt—already at record levels—even higher. In addition, gains in financial assets tend to benefit wealthier households but not lower-income tiers, which face greater economic distress. As the U.S. economy started to reopen in the second quarter, consumer sentiment improved significantly. Retail sales, after a drop in April of 16.4%, rebounded 17.2% in May, setting records in both directions. These reports support the view that stimulus helped alleviate economic hardships and helped the recovery in consumer spending. The Paycheck Protection Program, which was launched to help small businesses pay their employees for ten weeks during the quarantine period, ran out of funding at the beginning of April after disbursing more than \$349 billion. Congress quickly committed additional funds to the program and increased its disbursement capacity to \$669 billion. A potential signal of improving conditions was the fact that the program did not exhaust its second round of funding due to fewer requests than anticipated. Oil prices began falling at the beginning of the year and dropped significantly in April before recovering somewhat in May and June. Oil prices still have not recovered to pre-Covid levels but announced production cuts from OPEC and Russia may have an impact later in the year. Economic indicators were bleak during the middle of the Covid-19 lockdown but the second quarter has produced the best stock market returns in several decades.

Managed Distribution Policy

The Fund has maintained its policy of regular distributions to stockholders which continues to be popular with investors. These distributions are not tied to the Fund’s investment income and capital gains and do not represent yield or investment return on the Fund’s portfolio. The policy of maintaining regular monthly distributions is designed to enhance stockholder value by increasing liquidity for individual investors and providing greater flexibility to manage their investment in the Fund. As always, stockholders have the option of taking their distributions in cash or reinvesting them in shares of the Fund pursuant to the Fund’s reinvestment plan. The Board of Directors believes that the Fund’s distribution policy maintains a stable, high rate of distribution for stockholders. As always, the monthly distributions are reviewed and

LETTER FROM THE FUND'S PRESIDENT (CONTINUED)

approved by the Board throughout the year and are subject to change at their discretion. In addition, be sure to note the Fund's reinvestment plan which may provide additional benefit to participating stockholders, as explained further below. Please read the disclosure notes in the Fund's report for details on the Fund's distribution policy and reinvestment plan. As in previous years, stockholders receive a final determination of the total distribution attributable to income, capital gains, or return-of-capital after the end of each year. The allocation among these categories may vary greatly from year to year. In any given year, there is no guarantee that the Fund's investment returns will exceed the amount of the distributions. To the extent that the amount of distributions taken in cash exceeds the total net investment returns of the Fund, the assets of the Fund will decline. If the total net investment returns exceed the amount of cash distributions, the assets of the Fund will increase. In both cases, the Fund's individual stockholders have complete flexibility to take their distributions in cash or to reinvest in Fund shares through the Fund's reinvestment plan, and they can change this election as they desire.

Distribution Reinvestment Considerations

The Fund's distribution reinvestment plan may at times provide significant benefits to plan participants; therefore, stockholders should evaluate the advantages of reinvesting their distribution payments through the plan. Under the plan, the method for determining the number of newly issued shares received when distributions are reinvested is determined by dividing the amount of the distribution either by the Fund's last reported net asset value ("NAV") or by a price equal to the average closing price of the Fund over the five trading days preceding the payment date of the distribution, whichever is lower. When the Fund trades at a premium to its NAV, as it has at most times in recent history, stockholders may find that reinvestments through the plan provide potential advantages worth considering.

Outlook

The outcome for the rest of 2020 is highly dependent on the ability of the government to limit the extent of the virus in the U.S. and to continue to support businesses and citizens during the economic downturn. The Federal Open Market Committee indicated that the Fed expects a GDP contraction of 6.5% and an unemployment rate of 9.3% for 2020. However, expectations for 2021 include a positive GDP expansion of 5% and an unemployment rate of 6.3%. Meanwhile, the current near-zero federal funds rate is expected to remain stable through 2022. The future of the economic status of the U.S. is also dependent on the outcome of the development of a vaccine for Covid-19 and improved therapies for its treatment, on which several dozen companies are working. Medical experts have warned that sufficient quantities of a vaccine for the virus, once developed and approved, may not be available until 2021 at the earliest, but there are already promising signs from several drug trials that a successful vaccine candidate could be ready before the end of this year. Although the response of federal and state governments has been mixed, the stock market has responded positively to mitigation efforts and, we believe, the Fund is well positioned to take advantage of opportunities while staying aware of sudden down drafts in the stock market.

LETTER FROM THE FUND'S PRESIDENT (CONCLUDED)

The Fund's Board of Directors, its officers, and its investment adviser appreciate your ongoing support. We are all aware that investors have placed their trust in us. We know you have a choice, and we all remain committed to continuing to provide our service to you.



Ralph W. Bradshaw
President

In addition to historical information, this report contains forward-looking statements, which may concern, among other things, domestic and foreign markets, industry and economic trends and developments and government regulation and their potential impact on the Fund's investment portfolio. These statements are subject to risks and uncertainties and actual trends, developments and regulations in the future and their impact on the Fund could be materially different from those projected, anticipated or implied. The Fund has no obligation to update or revise forward-looking statements.

This Letter from the Fund's President is not a part of the Semi-Annual Report to Stockholders that follows.

**CORNERSTONE TOTAL
RETURN FUND, INC.**

**SEMI-ANNUAL REPORT
JUNE 30, 2020
(UNAUDITED)**

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CORNERSTONE TOTAL RETURN FUND, INC.
PORTFOLIO SUMMARY – AS OF JUNE 30, 2020 (UNAUDITED)

SECTOR ALLOCATION

Sector	Percent of Net Assets
Information Technology	24.4
Health Care	13.6
Closed-End Funds	12.5
Consumer Discretionary	10.5
Communication Services	9.0
Financials	8.1
Consumer Staples	6.4
Industrials	6.3
Utilities	2.8
Exchange-Traded Funds	2.7
Materials	1.7
Real Estate	0.7
Energy	0.5
Other	0.8

TOP TEN HOLDINGS, BY ISSUER

Holding	Sector	Percent of Net Assets
1. Microsoft Corporation	Information Technology	8.3
2. Amazon.com, Inc.	Consumer Discretionary	7.4
3. Apple Inc.	Information Technology	4.9
4. Facebook, Inc. - Class A	Communication Services	3.6
5. Johnson & Johnson	Health Care	2.5
6. Procter & Gamble Company (The)	Consumer Staples	2.3
7. UnitedHealth Group Incorporated	Health Care	1.9
8. Mastercard Incorporated - Class A	Information Technology	1.9
9. Comcast Corporation - Class A	Communication Services	1.7
10. General American Investors Company, Inc.	Closed-End Funds	1.7

CORNERSTONE TOTAL RETURN FUND, INC.
SCHEDULE OF INVESTMENTS – JUNE 30, 2020 (UNAUDITED)

Description	No. of Shares	Value	Description	No. of Shares	Value
EQUITY SECURITIES — 99.18%			EMERGING MARKETS — 0.76%		
CLOSED-END FUNDS — 12.48%			Aberdeen Emerging Markets Equity Income Fund, Inc.		
CORE — 2.02%				7,860	\$ 47,553
Adams Diversified Equity Fund, Inc.	31,502	\$ 469,695	Central and Eastern Europe Fund, Inc. (The)	22,550	470,844
General American Investors Company, Inc.	192,062	6,110,760	China Fund, Inc. (The)	32,501	725,747
Royce Micro-Cap Trust, Inc.	44,491	320,335	First Trust/Aberdeen Emerging Opportunity Fund	7,870	92,945
Source Capital, Inc.	13,209	436,997	Korea Fund, Inc. (The)	336	8,687
		<u>7,337,787</u>	Mexico Equity and Income Fund, Inc. (The)	735	5,637
DEVELOPED MARKET — 0.65%			Mexico Fund, Inc. (The)	4,170	40,894
Aberdeen Japan Equity Fund, Inc.	41,793	323,896	Morgan Stanley China A Share Fund, Inc.	47,860	933,749
European Equity Fund, Inc. (The)	13,745	114,358	Morgan Stanley India Investment Fund, Inc. *	6,080	98,739
First Trust Dynamic Europe Equity Income Fund	46,029	475,940	Taiwan Fund, Inc. (The)	7,376	156,445
Japan Smaller Capitalization Fund, Inc.	58,488	457,376	Templeton Dragon Fund, Inc.	9,328	188,239
New Germany Fund, Inc. (The)	18,723	284,215	Voya Emerging Markets High Dividend Equity Fund	1,171	<u>7,272</u>
New Ireland Fund, Inc. (The) *	31,563	244,613			<u>2,776,751</u>
Swiss Helvetia Fund, Inc. (The)	57,883	453,803	ENERGY MLP FUNDS — 1.73%		
		<u>2,354,201</u>	ClearBridge Energy Midstream Opportunity Fund Inc.	63,193	149,135
DIVERSIFIED EQUITY — 0.14%			ClearBridge MLP and Midstream Fund Inc.	111,100	354,409
Guggenheim Enhanced Equity Income Fund	52,225	283,582	ClearBridge MLP and Midstream Total Return Fund Inc.	53,203	144,180
Nuveen Tax-Advantaged Total Return Strategy Fund	64	516	First Trust MLP and Energy Income Fund	56,534	317,156
Sprott Focus Trust, Inc.	40,450	238,655	Goldman Sachs MLP and Energy Renaissance Fund	209,106	1,583,978
		<u>522,753</u>			

See accompanying notes to financial statements.

CORNERSTONE TOTAL RETURN FUND, INC.
SCHEDULE OF INVESTMENTS – JUNE 30, 2020 (UNAUDITED) (CONTINUED)

Description	No. of Shares	Value	Description	No. of Shares	Value
ENERGY MLP FUNDS (CONTINUED)			NATURAL RESOURCES — 1.54%		
Goldman Sachs MLP Income Opportunities Fund	148,627	\$ 1,423,847	BlackRock Energy and Resources Trust	161,106	\$ 1,164,796
Kayne Anderson Midstream/Energy Fund, Inc.	60,383	273,535	BlackRock Resources & Commodities Strategy Trust	501,825	3,076,187
Kayne Anderson MLP/Midstream Investment Company	140,529	741,993	First Trust Energy Income and Growth Fund	98,539	1,066,192
Neuberger Berman MLP and Energy Income Fund Inc.	326,948	961,227	First Trust Energy Infrastructure Fund	22,990	230,360
Salient Midstream & MLP Fund	18,400	75,992	Tortoise Pipeline & Energy Fund, Inc.	2,000	28,060
Tortoise Energy Infrastructure Corporation	17,000	272,510	Tortoise Power and Energy Infrastructure Fund, Inc.	4,490	40,545
		<u>6,297,962</u>			<u>5,606,140</u>
GLOBAL — 1.11%			OPTION ARBITRAGE/OPTION STRATEGIES — 0.10%		
Aberdeen Total Dynamic Dividend Fund	59,775	460,268	Madison Covered Call & Equity Strategy Fund	17,111	96,506
Clough Global Equity Fund	30,603	325,922	Voya Global Equity Dividend and Premium Opportunity Fund	54,793	264,650
Delaware Enhanced Global Dividend and Income Fund	7,900	63,832			<u>361,156</u>
Gabelli Global Small and Mid Cap Value Trust (The)	93,342	828,877	REAL ESTATE — 2.85%		
GDL Fund (The)	157,081	1,292,776	Aberdeen Global Premier Properties Fund	807,660	3,763,696
Voya Infrastructure, Industrials and Materials Fund	115,382	1,040,746	CBRE Clarion Global Real Estate Income Fund	828,915	4,948,622
		<u>4,012,421</u>	Nuveen Real Estate Income Fund	160,027	1,195,402
INCOME & PREFERRED STOCK — 0.19%			RMR Real Estate Income Fund	37,448	436,644
LMP Capital and Income Fund Inc.	67,900	679,679			<u>10,344,364</u>
			SECTOR EQUITY — 1.23%		
			Gabelli Healthcare & Wellness ^{Rx} Trust (The)	77,049	773,572
			GAMCO Global Gold, Natural Resources & Income Trust	217,054	746,666

See accompanying notes to financial statements.

CORNERSTONE TOTAL RETURN FUND, INC.
SCHEDULE OF INVESTMENTS – JUNE 30, 2020 (UNAUDITED) (CONTINUED)

Description	No. of Shares	Value	Description	No. of Shares	Value
SECTOR EQUITY (CONTINUED)			CONSUMER DISCRETIONARY (CONTINUED)		
GAMCO Natural Resources, Gold & Income Trust	113,823	\$ 547,489	NIKE, Inc. - Class B	25,000	\$ 2,451,250
Nuveen Real Asset Income and Growth Fund	109,896	1,283,584	Target Corporation	12,000	1,439,160
Tekla Healthcare Investors	2,000	42,660			<u>38,183,514</u>
Tekla Healthcare Opportunities Fund	59,592	<u>1,060,738</u>	CONSUMER STAPLES — 6.41%		
		<u>4,454,709</u>	Altria Group, Inc.	44,000	1,727,000
UTILITY — 0.16%			Colgate-Palmolive Company	20,000	1,465,200
Macquarie Global Infrastructure Total Return Fund Inc.	27,469	483,729	Costco Wholesale Corporation	14,000	4,244,940
Macquarie/First Trust Global Infrastructure/Utilities Dividend & Income Fund	11,300	<u>90,061</u>	Estée Lauder Companies, Inc. (The) - Class A	9,000	1,698,120
		<u>573,790</u>	Hershey Company (The)	4,000	518,480
TOTAL CLOSED-END FUNDS			Hormel Foods Corporation	14,000	675,780
		<u>45,321,713</u>	Kimberly-Clark Corporation	8,000	1,130,800
COMMUNICATION SERVICES — 8.95%			Kroger Co. (The)	20,000	677,000
Alphabet Inc. - Class C *	1,300	1,837,693	Mondelēz International, Inc. - Class A	33,000	1,687,290
AT&T Inc.	90,000	2,720,700	Monster Beverage Corporation *	14,000	970,480
Charter Communications, Inc. - Class A *	5,300	2,703,212	Procter & Gamble Company (The)	71,000	<u>8,489,470</u>
Comcast Corporation - Class A	158,000	6,158,840			<u>23,284,560</u>
Electronic Arts Inc. *	7,000	924,350	ENERGY — 0.52%		
Facebook, Inc. - Class A *	58,000	13,170,060	Exxon Mobil Corporation	42,000	<u>1,878,240</u>
Netflix, Inc. *	11,000	<u>5,005,440</u>	EXCHANGE-TRADED FUNDS — 2.72%		
		<u>32,520,295</u>	iShares Core S&P 500 ETF	15,000	4,645,350
CONSUMER DISCRETIONARY — 10.51%			SPDR S&P 500 ETF Trust	17,000	<u>5,242,120</u>
Amazon.com, Inc. *	9,700	26,760,554			<u>9,887,470</u>
Dollar General Corporation	7,000	1,333,570	FINANCIALS — 8.09%		
Home Depot, Inc. (The)	14,000	3,507,140	Aflac Incorporated	17,000	612,510
Lowe's Companies, Inc.	9,000	1,216,080	Allstate Corporation (The)	8,000	775,920
McDonald's Corporation	8,000	1,475,760	American Express Company	10,000	952,000
			Aon plc	7,000	1,348,200

See accompanying notes to financial statements.

CORNERSTONE TOTAL RETURN FUND, INC.
SCHEDULE OF INVESTMENTS – JUNE 30, 2020 (UNAUDITED) (CONTINUED)

Description	No. of Shares	Value	Description	No. of Shares	Value
FINANCIALS (CONTINUED)			HEALTH CARE (CONTINUED)		
Bank of America Corporation	125,000	\$ 2,968,750	UnitedHealth Group Incorporated	24,000	\$ 7,078,800
Berkshire Hathaway Inc. - Class B *	33,000	5,890,830	Vertex Pharmaceuticals Incorporated *	7,000	2,032,170
BlackRock, Inc.	4,000	2,176,360	Zoetis Inc.	12,000	1,644,480
Intercontinental Exchange, Inc.	13,000	1,190,800			<u>49,540,020</u>
JPMorgan Chase & Co.	38,000	3,574,280	INDUSTRIALS — 6.33%		
Marsh & McLennan Companies, Inc.	12,000	1,288,440	Cintas Corporation	3,000	799,080
Moody's Corporation	5,000	1,373,650	CSX Corporation	8,000	557,920
Morgan Stanley	20,000	966,000	Deere & Company	11,000	1,728,650
Progressive Corporation (The)	14,000	1,121,540	Emerson Electric Co.	14,000	868,420
S&P Global Inc.	8,000	2,635,840	General Dynamics Corporation	7,000	1,046,220
State Street Corporation	9,000	571,950	Honeywell International Inc.	11,000	1,590,490
T. Rowe Price Group, Inc.	6,000	741,000	IHS Markit Ltd.	10,000	755,000
Truist Financial Corporation	32,000	<u>1,201,600</u>	Ingersoll Rand Inc. *	7,059	198,499
		<u>29,389,670</u>	Lockheed Martin Corporation	10,000	3,649,200
HEALTH CARE — 13.64%			Norfolk Southern Corporation	3,000	526,710
Abbott Laboratories	20,000	1,828,600	Northrop Grumman Corporation	5,000	1,537,200
AbbVie Inc.	36,000	3,534,480	Republic Services, Inc.	10,000	820,500
Agilent Technologies, Inc.	7,000	618,590	Roper Technologies, Inc.	2,500	970,650
Baxter International Inc.	12,000	1,033,200	Trane Technologies plc	8,000	711,840
Biogen Inc. *	4,000	1,070,200	TransDigm Group Incorporated	1,200	530,460
Edwards Lifesciences Corporation *	15,000	1,036,650	Union Pacific Corporation	8,000	1,352,560
Gilead Sciences, Inc.	31,000	2,385,140	United Parcel Service, Inc. - Class B	28,600	3,179,748
Johnson & Johnson	64,000	9,000,320	Verisk Analytics, Inc.	4,000	680,800
McKesson Corporation	4,000	613,680	Waste Management, Inc.	14,000	<u>1,482,740</u>
Medtronic Public Limited Company	40,000	3,668,000			<u>22,986,687</u>
Merck & Co., Inc.	77,000	5,954,410	INFORMATION TECHNOLOGY — 24.42%		
Pfizer Inc.	80,000	2,616,000	Accenture plc - Class A	18,000	3,864,960
Stryker Corporation	10,000	1,801,900	Adobe Inc. *	11,000	4,788,410
Thermo Fisher Scientific Inc.	10,000	3,623,400	Apple Inc.	49,000	17,875,200

See accompanying notes to financial statements.

CORNERSTONE TOTAL RETURN FUND, INC.
SCHEDULE OF INVESTMENTS – JUNE 30, 2020 (UNAUDITED) (CONCLUDED)

Description	No. of Shares	Value	Description	No. of Shares	Value
INFORMATION TECHNOLOGY (CONTINUED)			UTILITIES (CONTINUED)		
Autodesk, Inc. *	5,000	\$ 1,195,950	Xcel Energy Inc.	14,000	\$ 875,000
Automatic Data Processing, Inc.	13,000	1,935,570			<u>10,005,320</u>
Fiserv, Inc. *	16,000	1,561,920	TOTAL EQUITY SECURITIES		<u>360,195,146</u>
Intel Corporation	100,000	5,983,000	(cost - \$301,926,962)		
Mastercard Incorporated - Class A	23,000	6,801,100	SHORT-TERM INVESTMENT — 0.89%		
Microsoft Corporation	147,400	29,997,374	MONEY MARKET FUND — 0.89%		
NVIDIA Corporation	14,000	5,318,740	Fidelity Institutional Money Market Government Portfolio - Class I, 0.06% ^		
Oracle Corporation	67,000	3,703,090	(cost - \$3,212,661)	3,212,661	<u>3,212,661</u>
Paychex, Inc.	11,000	833,250			
Visa, Inc. - Class A	25,000	<u>4,829,250</u>	TOTAL INVESTMENTS — 100.07%		
		<u>88,687,814</u>	(cost - \$305,139,623)		<u>363,407,807</u>
MATERIALS — 1.69%			LIABILITIES IN EXCESS OF OTHER ASSETS — (0.07%)		<u>(241,415)</u>
Air Products and Chemicals, Inc.	7,000	1,690,220			
Dow Inc.	14,273	581,767	NET ASSETS — 100.00%		<u>\$ 363,166,392</u>
Ecolab Inc.	8,000	1,591,600			
Newmont Corporation	18,000	1,111,320			
Sherwin-Williams Company (The)	2,000	<u>1,155,700</u>			
		<u>6,130,607</u>			
REAL ESTATE — 0.66%					
Equinix, Inc.	2,200	1,545,060			
SBA Communications Corporation	2,800	<u>834,176</u>			
		<u>2,379,236</u>			
UTILITIES — 2.76%					
Dominion Energy, Inc.	20,000	1,623,600			
Duke Energy Corporation	17,000	1,358,130			
Eversource Energy	8,000	666,160			
NextEra Energy, Inc.	12,000	2,882,040			
Public Service Enterprise Group Incorporated	13,000	639,080			
Sempra Energy	7,000	820,610			
Southern Company (The)	22,000	1,140,700			

* Non-income producing security.

^ The rate shown is the 7-day effective yield as of June 30, 2020.

CORNERSTONE TOTAL RETURN FUND, INC.
STATEMENT OF ASSETS AND LIABILITIES – JUNE 30, 2020 (UNAUDITED)

ASSETS

Investments, at value (cost – \$305,139,623) (Notes B and C)	\$363,407,807
Cash	4,240
Receivables:	
Investments sold	305,092
Dividends	337,470
Prepaid expenses	26,849
Total Assets	<u>364,081,458</u>

LIABILITIES

Payables:	
Investments purchased	487,391
Investment management fees (Note D)	297,853
Directors' fees and expenses	42,024
Administration fees (Note D)	29,986
Other accrued expenses	57,812
Total Liabilities	<u>915,066</u>

NET ASSETS (applicable to 40,236,340 shares of common stock) \$363,166,392

NET ASSET VALUE PER SHARE ($\$363,166,392 \div 40,236,340$) \$ 9.03

NET ASSETS CONSISTS OF

Common stock, \$0.01 par value; 40,236,340 shares issued and outstanding (100,000,000 shares authorized)	\$ 402,363
Paid-in capital	307,305,284
Accumulated earnings	<u>55,458,745</u>
Net assets applicable to shares outstanding	<u>\$363,166,392</u>

CORNERSTONE TOTAL RETURN FUND, INC.**STATEMENT OF OPERATIONS – FOR THE SIX MONTHS ENDED JUNE 30, 2020 (UNAUDITED)**

INVESTMENT INCOME

Income:

Dividends	\$ 4,192,550
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Expenses:

Investment management fees (Note D)	1,845,610
Administration and fund accounting fees (Note D)	116,208
Directors' fees and expenses	83,741
Printing	39,361
Custodian fees	29,848
Legal and audit fees	23,479
Transfer agent fees	16,951
Stock exchange listing fees	11,419
Insurance	9,846
Miscellaneous	<u>15,435</u>
Total Expenses	<u>2,191,898</u>

Net Investment Income	<u>2,000,652</u>
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NET REALIZED AND UNREALIZED GAIN/(Loss) ON INVESTMENTS

Net realized loss from investments	(2,516,758)
Long-term capital gain distributions from regulated investment companies	15,449
Net change in unrealized appreciation/(depreciation) in value of investments	<u>(13,973,784)</u>
Net realized and unrealized loss on investments	<u>(16,475,093)</u>

NET DECREASE IN NET ASSETS RESULTING FROM OPERATIONS	<u>\$ (14,474,441)</u>
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CORNERSTONE TOTAL RETURN FUND, INC.
STATEMENTS OF CHANGES IN NET ASSETS

	For the Six Months Ended June 30, 2020 <u>(Unaudited)</u>	For the Year Ended December 31, 2019 <u></u>
INCREASE/(DECREASE) IN NET ASSETS		
Operations:		
Net investment income	\$ 2,000,652	\$ 3,964,660
Net realized gain/(loss) from investments	(2,501,309)	16,689,673
Net change in unrealized appreciation/ (depreciation) in value of investments	<u>(13,973,784)</u>	<u>84,005,644</u>
Net increase/(decrease) in net assets resulting from operations	<u>(14,474,441)</u>	<u>104,659,977</u>
Distributions to stockholders (Note B):		
From earnings	(2,000,652)	(20,636,861)
Return-of-capital	<u>(41,011,785)</u>	<u>(72,269,142)</u>
Total distributions to stockholders	<u>(43,012,437)</u>	<u>(92,906,003)</u>
Common stock transactions:		
Offering expenses associated with rights offering	(3,277)	—
Proceeds from 745,862 and 1,378,617 shares newly issued in reinvestment of dividends and distributions, respectively	6,780,976	14,574,367
Payments for 251,900 and 0 shares repurchased, respectively	<u>(1,684,048)</u>	<u>—</u>
Net increase in net assets from common stock transactions	<u>5,093,651</u>	<u>14,574,367</u>
Total increase/(decrease) in net assets	<u>(52,393,227)</u>	<u>26,328,341</u>
NET ASSETS		
Beginning of period	<u>415,559,619</u>	<u>389,231,278</u>
End of period	<u>\$363,166,392</u>	<u>\$415,559,619</u>

CORNERSTONE TOTAL RETURN FUND, INC.**FINANCIAL HIGHLIGHTS**

Contained below is per share operating performance data for a share of common stock outstanding, total investment return, ratios to average net assets and other supplemental data for each period indicated. This information has been derived from information provided in the financial statements and market price data for the Fund's shares.

	For the Six Months Ended June 30, 2020 (Unaudited)	For the Years Ended December 31,				
		2019	2018	2017	2016	2015
PER SHARE OPERATING PERFORMANCE						
Net asset value, beginning of period	\$ 10.46	\$ 10.15	\$ 13.18	\$ 13.04	\$ 15.05	\$ 18.69
Net investment income #	0.05	0.10	0.10	0.13	0.15	0.14
Net realized and unrealized gain/(loss) on investments	(0.41)	2.59	(0.94)	2.40	0.83	(0.25)
Net increase/(decrease) in net assets resulting from operations	(0.36)	2.69	(0.84)	2.54	0.98	(0.11)
Dividends and distributions to stockholders:						
Net investment income	(0.05)	(0.10)	(0.10)	(0.12)	(0.15)	(0.14)
Net realized capital gains	—	(0.43)	(0.32)	(1.33)	(1.08)	(0.30)
Return-of-capital	(1.03)	(1.85)	(2.34)	(1.30)	(2.12)	(3.54)
Total dividends and distributions to stockholders	(1.08)	(2.38)	(2.76)	(2.75)	(3.35)	(3.98)
Common stock transactions:						
Anti-dilutive effect due to shares issued:						
Rights offering	—	—	0.57	0.35	0.36	0.45
Reinvestment of dividends and distributions	0.00 ⁺	0.00 ⁺	0.00 ⁺	0.00 ⁺	0.00 ⁺	0.00 ⁺
Common stock repurchases	0.01	—	0.00 ⁺	—	—	—
Total common stock transactions	0.01	0.00 ⁺	0.57	0.35	0.36	0.45
Net asset value, end of period	\$ 9.03	\$ 10.46	\$ 10.15	\$ 13.18	\$ 13.04	\$ 15.05
Market value, end of period	\$ 10.05	\$ 10.99	\$ 11.11	\$ 15.29	\$ 15.07	\$ 16.89
Total investment return ^(a)	2.83% ^(b)	23.68%	(8.89)%	25.13%	13.88%	10.28%
RATIOS/SUPPLEMENTAL DATA						
Net assets, end of period (000 omitted)	\$363,166	\$415,560	\$389,231	\$293,792	\$170,337	\$115,331
Ratio of net expenses to average net assets ^(c)	1.19% ^(d)	1.17% ^(e)	1.18%	1.22%	1.33%	1.35%
Ratio of net investment income to average net assets ^(f)	1.09% ^(d)	0.96% ^(e)	0.86%	0.99%	1.12%	0.86%
Portfolio turnover rate	51% ^(b)	46%	57%	71%	64%	53%

Based on average shares outstanding.

+ Amount rounds to less than \$0.01 per share.

(a) Total investment return at market value is based on the changes in market price of a share during the period and assumes reinvestment of dividends and distributions, if any, at actual prices pursuant to the Fund's dividend reinvestment plan. Total investment return does not reflect brokerage commissions.

(b) Not annualized.

(c) Expenses do not include expenses of investments companies in which the Fund invests.

(d) Annualized.

(e) Includes the reimbursement of proxy solicitation costs by the investment manager. If these costs had not been reimbursed by the investment manager, the ratio of expenses to average net assets would have been 1.19% for the year ended December 31, 2019.

(f) Recognition of net investment income by the Fund may be affected by the timing of the declaration of dividends, if any, by investment companies in which the Fund invests.

See accompanying notes to financial statements.

NOTE A. ORGANIZATION

Cornerstone Total Return Fund, Inc. (the “Fund”) was incorporated in New York on March 16, 1973 and commenced investment operations on May 15, 1973. Its investment objective is to seek capital appreciation with current income as a secondary objective. The Fund is registered under the Investment Company Act of 1940, as amended, as a closed-end, diversified management investment company. As an investment company, the Fund follows the accounting and reporting guidance of the Financial Accounting Standards Board (“FASB”) Accounting Standards Codification Topic 946, “Financial Services – Investment Companies.”

NOTE B. SIGNIFICANT ACCOUNTING POLICIES

Management Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (“GAAP”) requires management to make certain estimates and assumptions that may affect the reported amounts and disclosures in the financial statements. Actual results could differ from those estimates.

Subsequent Events: The Fund has evaluated the need for additional disclosures and/or adjustments resulting from subsequent events through the date its financial statements were issued. Based on this evaluation, no additional disclosures or adjustments were required to such financial statements.

Portfolio Valuation: Investments are stated at value in the accompanying financial statements. Readily marketable portfolio securities listed on the New York Stock Exchange (“NYSE”) are valued, except as indicated below, at the last sale price reflected on the consolidated tape at the close of the NYSE on the business day as of which such value is being determined. If there has been no sale on such day, the securities are valued at the mean of the closing bid and asked prices on such day. If no bid or asked prices are quoted on such day or if market prices may be unreliable because of events occurring after the close of trading, then

the security is valued by such method as the Board of Directors shall determine in good faith to reflect its fair market value. Readily marketable securities not listed on the NYSE but listed on other domestic or foreign securities exchanges are valued in a like manner. Portfolio securities traded on more than one securities exchange are valued at the last sale price on the business day as of which such value is being determined as reflected on the consolidated tape at the close of the exchange representing the principal market for such securities. Securities trading on the Nasdaq Stock Market, Inc. (“NASDAQ”) are valued at the NASDAQ Official Closing Price.

Readily marketable securities traded in the over-the-counter market, including listed securities whose primary market is believed by Cornerstone Advisors, LLC (the “Investment Manager” or “Cornerstone”) to be over-the-counter, are valued at the mean of the current bid and asked prices as reported by the NASDAQ or, in the case of securities not reported by the NASDAQ or a comparable source, as the Board of Directors deem appropriate to reflect their fair market value. Where securities are traded on more than one exchange and also over-the-counter, the securities will generally be valued using the quotations the Board of Directors believes reflect most closely the value of such securities. At June 30, 2020, the Fund held no securities valued in good faith by the Board of Directors.

The net asset value per share of the Fund is calculated weekly and on the last business day of the month with the exception of those days on which the NYSE is closed.

The Fund is exposed to financial market risks, including the valuations of its investment portfolio. During the six months ended June 30, 2020, the Fund did not invest in derivative instruments or engage in hedging activities.

Investment Transactions and Investment Income: Investment transactions are accounted for on the trade date. The cost of investments sold is determined by use of the specific identification

method for both financial reporting and income tax purposes. Interest income is recorded on an accrual basis; dividend income is recorded on the ex-dividend date.

Risks Associated with Investments in Other Closed-End Funds: Closed-end investment companies are subject to the risks of investing in the underlying securities. The Fund, as a holder of the securities of the closed-end investment company, will bear its pro rata portion of the closed-end investment company's expenses, including advisory fees. These expenses are in addition to the direct expenses of the Fund's own operations.

Taxes: No provision is made for U.S. federal income or excise taxes as it is the Fund's intention to continue to qualify as a regulated investment company and to make the requisite distributions to its stockholders which will be sufficient to relieve it from all or substantially all U.S. federal income and excise taxes.

The Accounting for Uncertainty in Income Taxes Topic of the FASB Accounting Standards Codification defines the threshold for recognizing the benefits of tax-return positions in the financial statements as "more-likely-than-not" to be sustained by the taxing authority and requires measurement of a tax position meeting the more-likely-than-not criterion, based on the largest benefit that is more than 50 percent likely to be realized. The Fund's policy is to classify interest and penalties associated with underpayment of federal and state income taxes, if any, as income tax expense on its Statement of Operations. As of June 30, 2020, the Fund does not have any interest or penalties associated with the under-payment of any income taxes. Management reviewed any uncertain tax positions for open tax years 2017 through 2019, and for the six months ended June 30, 2020. There was no material impact to the financial statements.

Distributions to Stockholders: Effective January 2002, the Fund initiated a fixed, monthly distribution to stockholders. On November 29, 2006, this distribution policy was updated to provide for

the annual resetting of the monthly distribution amount per share based on the Fund's net asset value on the last business day in each October. The terms of the distribution policy will be reviewed and approved at least annually by the Fund's Board of Directors and can be modified at their discretion. To the extent that these distributions exceed the current earnings of the Fund, the balance will be generated from sales of portfolio securities held by the Fund, which will either be short-term or long-term capital gains, or a tax-free return-of-capital. To the extent these distributions are not represented by net investment income and capital gains, they will not represent yield or investment return on the Fund's investment portfolio. The Fund plans to maintain this distribution policy even if regulatory requirements would make part of a return-of-capital, necessary to maintain the distribution, taxable to stockholders and to disclose that portion of the distribution that is classified as ordinary income. Although it has no current intention to do so, the Board may terminate this distribution policy at any time and such termination may have an adverse effect on the market price for the Fund's common shares. The Fund determines annually whether to distribute any net realized long-term capital gains in excess of net realized short-term capital losses, including capital loss carryovers, if any. To the extent that the Fund's taxable income in any calendar year exceeds the aggregate amount distributed pursuant to this distribution policy, an additional distribution may be made to avoid the payment of a 4% U.S. federal excise tax, and to the extent that the aggregate amount distributed in any calendar year exceeds the Fund's taxable income, the amount of that excess may constitute a return-of-capital for tax purposes. A return-of-capital distribution reduces the cost basis of an investor's shares in the Fund. Dividends and distributions to stockholders are recorded by the Fund on the ex-dividend date.

Managed Distribution Risk: Under the managed distribution policy, the Fund makes monthly distributions to stockholders at a rate that may include periodic distributions of its net income and

CORNERSTONE TOTAL RETURN FUND, INC.
NOTES TO FINANCIAL STATEMENTS (UNAUDITED) (CONTINUED)

net capital gains (“Net Earnings”), or from return-of-capital. If, for any fiscal year where total cash distributions exceeded Net Earnings (the “Excess”), the Excess would decrease the Fund’s total assets and, as a result, would have the likely effect of increasing the Fund’s expense ratio. There is a risk that the total Net Earnings from the Fund’s portfolio would not be great enough to offset the amount of cash distributions paid to Fund stockholders. If this were to be the case, the Fund’s assets would be depleted, and there is no guarantee that the Fund would be able to replace the assets. In addition, in order to make such distributions, the Fund may have to sell a portion of its investment portfolio at a time when independent investment judgment might not dictate such action. Furthermore, such assets used to make distributions will not be available for investment pursuant to the Fund’s investment objective.

NOTE C. FAIR VALUE

As required by the Fair Value Measurement and Disclosures Topic of the FASB Accounting Standards Codification, the Fund has performed an analysis of all assets and liabilities measured at fair value to determine the significance and character of all inputs to their fair value determination.

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into the following three broad categories:

- Level 1 – quoted unadjusted prices for identical instruments in active markets to which the Fund has access at the date of measurement.
- Level 2 – quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs and significant value drivers are observable in active markets. Level 2 inputs are those in markets for which there are few transactions, the prices are not current,

little public information exists or instances where prices vary substantially over time or among brokered market makers.

- Level 3 – model derived valuations in which one or more significant inputs or significant value drivers are unobservable. Unobservable inputs are those inputs that reflect the Fund’s own assumptions that market participants would use to price the asset or liability based on the best available information.

The following is a summary of the inputs used as of June 30, 2020 in valuing the Fund’s investments carried at value:

Valuation Inputs	Investments in Securities	Other Financial Instruments*
Level 1 – Quoted Prices		
Equity Securities	\$ 360,195,146	\$ —
Short-Term Investment	3,212,661	—
Level 2 – Other Significant Observable Inputs	—	—
Level 3 – Significant Unobservable Inputs	—	—
Total	<u>\$ 363,407,807</u>	<u>\$ —</u>

* Other financial instruments include futures, forwards and swap contracts, if any.

The breakdown of the Fund’s investments into major categories is disclosed in its Schedule of Investments.

The Fund did not have any assets or liabilities that were measured at fair value on a recurring basis using significant unobservable inputs (Level 3) at June 30, 2020.

NOTE D. AGREEMENTS WITH AFFILIATES

At June 30, 2020, certain officers of the Fund are also officers of Cornerstone or Ultimus Fund Solutions, LLC (“Ultimus”). Such officers are paid no fees by the Fund for serving as officers of the Fund.

Investment Management Agreement

Cornerstone serves as the Fund's Investment Manager with respect to all investments. As compensation for its investment management services, Cornerstone receives from the Fund an annual fee, calculated weekly and paid monthly, equal to 1.00% of the Fund's average weekly net assets. For the six months ended June 30, 2020, Cornerstone earned \$1,845,610 for investment management services.

Fund Accounting and Administration Agreement

Under the fund accounting and administration agreement with the Fund, Ultimus is responsible for generally managing the administrative affairs of the Fund, including supervising the preparation of reports to Stockholders, reports to and filings with the SEC and materials for meetings of the Board. Ultimus is also responsible for calculating the net asset value per share and maintaining the financial books and records of the Fund. Ultimus is entitled to receive a fee in accordance with the agreements. For the six months ended June 30, 2020, Ultimus earned \$116,208 as fund accounting agent and administrator.

NOTE E. INVESTMENT IN SECURITIES

For the six months ended June 30, 2020, purchases and sales of securities, other than short-term investments, were \$185,543,438 and \$220,961,789, respectively.

NOTE F. SHARES OF COMMON STOCK

The Fund has 100,000,000 shares of common stock authorized and 40,236,340 shares issued and outstanding at June 30, 2020. Transactions in common stock for the six months ended June 30, 2020 were as follows:

Shares at beginning of period	39,742,378
Shares issued in reinvestment of dividends and distributions	745,862
Shares repurchased	<u>(251,900)</u>
Shares at end of period	<u>40,236,340</u>

NOTE G. FEDERAL INCOME TAXES

Income and capital gains distributions are determined in accordance with federal income tax regulations, which may differ from GAAP. These differences are primarily due to differing treatments of losses deferred due to wash sales.

The tax character of dividends and distributions paid to stockholders during the year ended December 31, 2019 for the Fund was ordinary income of \$3,964,660, long-term capital gains of \$16,672,201 and return of capital of \$72,269,142.

At December 31, 2019, the components of accumulated deficit on a tax basis for the Fund were as follows:

Net unrealized appreciation	\$ 71,933,838
Total accumulated earnings	<u>\$ 71,933,838</u>

The following information is computed on a tax basis for each item as of June 30, 2020:

Cost of portfolio investments	<u>\$ 307,712,075</u>
Gross unrealized appreciation	\$ 65,852,851
Gross unrealized depreciation	<u>(10,157,119)</u>
Net unrealized appreciation	<u>\$ 55,695,732</u>

RESULTS OF ANNUAL MEETING OF STOCKHOLDERS (UNAUDITED)

On April 21, 2020, the Annual Meeting of Stockholders of the Fund was held and the following matter was voted upon based on 39,846,869 shares of common stock outstanding on the record date of February 18, 2020:

- (1) To approve the election of Messrs. Ralph W. Bradshaw, Robert E. Dean, Matthew W. Morris, Scott B. Rogers, Andrew A. Strauss, Glenn W. Wilcox, Sr. and Ms. Marcia E. Malzahn as directors to serve until the year 2021 Annual Meeting of Stockholders or thereafter until each of their successors are duly elected and qualified.

<u>Name of Directors</u>	<u>For</u>	<u>Withheld</u>
Ralph W. Bradshaw	29,939,300	1,612,288
Robert E. Dean	30,047,401	1,504,187
Marcia E. Malzahn	29,983,996	1,567,592
Matthew W. Morris	29,986,048	1,565,540
Scott B. Rogers	30,098,285	1,453,303
Andrew A. Strauss	30,069,857	1,481,731
Glenn W. Wilcox, Sr.	30,012,825	1,538,763

DESCRIPTION OF DIVIDEND REINVESTMENT PLAN (UNAUDITED)

Cornerstone Total Return Fund, Inc. (the “Fund”) operates a Dividend Reinvestment Plan (the “Plan”), administered by American Stock Transfer & Trust Company, LLC (the “Agent”), pursuant to which the Fund’s income dividends or capital gains or other distributions (each, a “Distribution” and collectively, “Distributions”), net of any applicable U.S. withholding tax, are reinvested in shares of the Fund.

Stockholders automatically participate in the Fund’s Plan, unless and until an election is made to withdraw from the Plan on behalf of such participating stockholder. Stockholders who do not wish to have Distributions automatically reinvested should so notify the Agent at P.O. Box 922, Wall Street Station, New York, New York 10269-0560. Under the Plan, the Fund’s Distributions to stockholders are reinvested in full and fractional shares as described below.

When the Fund declares a Distribution the Agent, on the stockholder’s behalf, will (i) receive additional authorized shares from the Fund either newly issued or repurchased from stockholders by the Fund and held as treasury stock (“Newly Issued Shares”) or (ii) purchase outstanding shares on the open market, on the NYSE American or elsewhere, with cash allocated to it by the Fund (“Open Market Purchases”).

The method for determining the number of Newly Issued Shares received when Distributions are reinvested will be determined by dividing the amount of the Distribution either by the Fund’s last reported net asset value per share or by a price equal to the average closing price of the Fund over the five trading days preceding the payment date of the Distribution, whichever is lower. However, if the last reported net asset value of the Fund’s shares is higher than the average closing price of the Fund over the five trading days preceding the payment date of the Distribution (i.e., the Fund is selling at a discount), shares may be acquired by the Agent in Open Market Purchases and allocated to the reinvesting stockholders based on the average cost of such Open Market Purchases. Upon notice from

the Fund, the Agent will receive the distribution in cash and will purchase shares of common stock in the open market, on the NYSE American or elsewhere, for the participants’ accounts, except that the Agent will endeavor to terminate purchases in the open market and cause the Fund to issue the remaining shares if, following the commencement of the purchases, the market value of the shares, including brokerage commissions, exceeds the net asset value at the time of valuation. These remaining shares will be issued by the Fund at a price equal to the net asset value at the time of valuation.

In a case where the Agent has terminated open market purchases and caused the issuance of remaining shares by the Fund, the number of shares received by the participant in respect of the cash dividend or distribution will be based on the weighted average of prices paid for shares purchased in the open market, including brokerage commissions, and the price at which the Fund issues the remaining shares. To the extent that the Agent is unable to terminate purchases in the open market before the Agent has completed its purchases, or remaining shares cannot be issued by the Fund because the Fund declared a dividend or distribution payable only in cash, and the market price exceeds the net asset value of the shares, the average share purchase price paid by the Agent may exceed the net asset value of the shares, resulting in the acquisition of fewer shares than if the dividend or distribution had been paid in shares issued by the Fund.

Whenever the Fund declares a Distribution and the last reported net asset value of the Fund’s shares is higher than its market price, the Agent will apply the amount of such Distribution payable to Plan participants of the Fund in Fund shares (less such Plan participant’s pro rata share of brokerage commissions incurred with respect to Open Market Purchases in connection with the reinvestment of such Distribution) to the purchase on the open market of Fund shares for such Plan participant’s account. Such purchases will be made on or after the payable date for such Distribution, and in no event more than 30 days after such date except where

DESCRIPTION OF DIVIDEND REINVESTMENT PLAN (UNAUDITED) (CONCLUDED)

temporary curtailment or suspension of purchase is necessary to comply with applicable provisions of federal securities laws. The Agent may aggregate a Plan participant's purchases with the purchases of other Plan participants, and the average price (including brokerage commissions) of all shares purchased by the Agent shall be the price per share allocable to each Plan participant.

Registered stockholders who do not wish to have their Distributions automatically reinvested should so notify the Fund in writing. If a stockholder has not elected to receive cash Distributions and the Agent does not receive notice of an election to receive cash Distributions prior to the record date of any Distribution, the stockholder will automatically receive such Distributions in additional shares.

Participants in the Plan may withdraw from the Plan by providing written notice to the Agent at least 30 days prior to the applicable Distribution payment date. The Agent will maintain all stockholder accounts in the Plan and furnish written confirmations of all transactions in the accounts, including information needed by stockholders for personal and tax records. The Agent will hold shares in the account of the Plan participant in non-certificated form in the name of the participant, and each stockholder's proxy will include those shares purchased pursuant to the Plan. The Agent will distribute all proxy solicitation materials to participating stockholders.

In the case of stockholders, such as banks, brokers or nominees, that hold shares for others who are beneficial owners participating in the Plan, the Agent will administer the Plan on the basis of the number of shares certified from time to time by the record stockholder as representing the total amount of shares registered in the stockholder's name and held for the account of beneficial owners participating in the Plan.

Neither the Agent nor the Fund shall have any responsibility or liability beyond the exercise of ordinary care for any action taken or omitted pursuant to the Plan, nor shall they have any duties, responsibilities or liabilities except such as expressly set forth herein. Neither shall they be liable hereunder for any act done in good faith or for any good faith omissions to act, including, without limitation, failure to terminate a participants account prior to receipt of written notice of his or her death or with respect to prices at which shares are purchased or sold for the participants account and the terms on which such purchases and sales are made, subject to applicable provisions of the federal securities laws.

The automatic reinvestment of Distributions will not relieve participants of any federal, state or local income tax that may be payable (or required to be withheld) on such Distributions. The Fund reserves the right to amend or terminate the Plan. There is no direct service charge to participants with regard to purchases in the Plan.

Participants may at any time sell some or all of their shares through the Agent. Shares may be sold via the internet at www.amstock.com or through the toll free number. Participants can also use the tear off portion attached to the bottom of their statement and mail the request to American Stock Transfer and Trust Company LLC, P.O. Box 922 Wall Street Station, New York, N.Y. 10269-0560. There is a fee of \$15.00 per transaction and commission of \$0.10 per share.

All correspondence concerning the Plan should be directed to the Agent at P.O. Box 922, Wall Street Station, New York, New York 10269-0560. Certain transactions can be performed online at www.amstock.com or by calling the toll-free number (866) 668-6558.

PROXY VOTING AND PORTFOLIO HOLDINGS INFORMATION (UNAUDITED)

The policies and procedures that the Fund uses to determine how to vote proxies relating to its portfolio securities are available:

- without charge, upon request, by calling toll-free (866) 668-6558; and
- on the website of the SEC, www.sec.gov.

Information regarding how the Fund voted proxies relating to portfolio securities during the most recent 12-month period ended June 30 is available without charge, upon request, by calling toll-free (866) 668-6558, and on the SEC's website at www.sec.gov or on the Fund's website at www.cornerstonetotalreturnfund.com (See Form N-PX).

The Fund files a complete schedule of its portfolio holdings for the first and third quarters of its fiscal year with the SEC as an exhibit to Form N-PORT. The Fund's Form N-PORT is available on the SEC's website at www.sec.gov.

SUMMARY OF GENERAL INFORMATION (UNAUDITED)

Cornerstone Total Return Fund, Inc. is a closed-end, diversified investment company whose shares trade on the NYSE American. Its investment objective is to seek capital appreciation with current income as a secondary objective. The Fund is managed by Cornerstone Advisors, LLC.

STOCKHOLDER INFORMATION (UNAUDITED)

The Fund is listed on the NYSE American (symbol "CRF"). The previous week's net asset value per share, market price, and related premium or discount are available on the Fund's website at www.cornerstonetotalreturnfund.com.

Notice is hereby given in accordance with Section 23(c) of the Investment Company Act of 1940, as amended, that Cornerstone Total Return Fund, Inc. may from time to time purchase shares of its common stock in the open market.

This report, including the financial statements herein, is sent to the stockholders of the Fund for their information. The financial information included herein is taken from the records of the Fund without examination by the independent registered public accountants who do not express an opinion thereon. It is not a prospectus, circular or representation intended for use in the purchase or sale of shares of the Fund or of any securities mentioned in the report.

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CORNERSTONE TOTAL RETURN FUND, INC.