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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

CORNERSTONE TOTAL RETURN FUND, INC.

JUNE 30, 2021

This update contains the following two documents:

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

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LETTER FROM THE FUND'S PRESIDENT

July 30, 2021

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, 2021. At the end of the period, the Fund's net assets were \$619.4 million and the Net Asset Value per share ("NAV") was \$9.95. The share price closed at \$11.35. After reflecting the reinvestment of monthly distributions totaling \$0.92 per share, the Fund achieved a total investment return at market value of 9.47% for the period ended June 30, 2021.

Economic and Market Summary

The \$900 billion stimulus at the end of 2020 combined with the \$1.9 trillion relief package signed in early March equated to nearly 14% of U.S. gross domestic product. In light of the significant fiscal stimulus, some Federal Reserve officials indicated they are eager to start shrinking their monthly purchases of \$120 billion in Treasury and mortgage securities as inflation heats up, although Fed Chairman Jerome Powell suggested that he was in no hurry to do so. Economic signals were mixed at the beginning of the year as weather-related and supply-chain-related disruptions affected U.S. companies but a solid launch of a vaccination campaign and historic fiscal stimulus measures propelled the stock market to new records. The employment situation continued to improve, with slower job growth at the beginning of the year followed by accelerating growth toward the midpoint. Employers added 850,000 jobs in June, the biggest gain in 10 months, and wages rose briskly, both signs of robust demand for workers. However, job growth lagged broader economic growth earlier this spring, with the economy adding 583,000 jobs in May and 269,000 in April. By the middle of the year, the U.S. economy was still about 7 million jobs below pre-pandemic levels and some analysts expected that impediments to employment growth could be long-lasting. Although the unemployment rate has improved this year, wage growth has not kept up with other labor metrics and there is concern that inflation will exacerbate the situation. Stock market indices ended the first half of the year at or near record highs, continuing sustained growth started in the second quarter of 2020.

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 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

LETTER FROM THE FUND'S PRESIDENT (CONCLUDED)

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 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 in recent history, stockholders may find that reinvestments through the plan provide potential advantages worth considering.

Outlook

In its latest outlook, the International Monetary Fund said that access to vaccines had become the "principal fault line" for the world economy, separating emerging markets and low-income countries, which are grappling with surging infections, from advanced economies. The economy continues to grow rapidly due to low interest rates, almost \$3 trillion in federal stimulus spending, greater vaccine availability, and increased consumer spending stemming from positive sentiment. Economists expect the economy to continue growing solidly over the coming year, fueled by job gains, pent-up savings and continued fiscal support. In the longer term, they foresee the expansion gradually cooling down to a more stable post-pandemic pace. The pace of the expansion domestically will depend on the percentage of Americans that get vaccinated which will influence the restrictions placed on businesses in the second half of the year. The more contagious and damaging Delta variant of Covid-19 is causing many government decision makers to return to mask mandates and other pandemic restrictions from months ago. As supply constraints drive up prices, one area of concern is inflation, although the Fed has indicated it believes it will likely be a short-term issue.

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

**CORNERSTONE TOTAL
RETURN FUND, INC.**

**SEMI-ANNUAL REPORT
JUNE 30, 2021
(UNAUDITED)**

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CORNERSTONE TOTAL RETURN FUND, INC.
PORTFOLIO SUMMARY – AS OF JUNE 30, 2021 (UNAUDITED)

SECTOR ALLOCATION

Sector	Percent of Net Assets
Information Technology	21.0
Health Care	13.1
Closed-End Funds	12.0
Consumer Discretionary	11.0
Communication Services	10.5
Financials	10.1
Industrials	8.4
Consumer Staples	5.0
Exchange-Traded Funds	2.2
Utilities	2.2
Real Estate	1.5
Materials	1.5
Energy	0.8
Other	0.7

TOP TEN HOLDINGS, BY ISSUER

Rank	Holding	Sector	Percent of Net Assets
1	Amazon.com, Inc.	Consumer Discretionary	5.7
2	Apple Inc.	Information Technology	4.9
3	Microsoft Corporation	Information Technology	3.8
4	Alphabet Inc. - Class C	Communication Services	3.8
5	Berkshire Hathaway Inc. - Class B	Financials	2.5
6	Facebook, Inc. - Class A	Communication Services	2.2
7	Adams Diversified Equity Fund, Inc.	Closed-End Funds	2.2
8	JPMorgan Chase & Co.	Financials	2.2
9	NVIDIA Corporation	Information Technology	2.0
10	Royce Value Trust, Inc.	Closed-End Funds	1.9

CORNERSTONE TOTAL RETURN FUND, INC.
SCHEDULE OF INVESTMENTS – JUNE 30, 2021 (UNAUDITED) (CONTINUED)

Description	No. of Shares	Value	Description	No. of Shares	Value
INCOME & PREFERRED STOCK (CONTINUED)			COMMUNICATION SERVICES (CONTINUED)		
LMP Capital and Income Fund Inc.	83,680	\$ 1,206,666	Facebook, Inc. - Class A *	40,000	\$ 13,908,400
Nuveen Tax-Advantaged Dividend Growth Fund	14,695	236,149	Netflix, Inc. *	11,000	5,810,310
		<u>2,235,485</u>	Twitter, Inc. *	24,000	1,651,440
			Walt Disney Company (The) *	35,000	<u>6,151,950</u>
NATURAL RESOURCES — 0.31%					<u>64,608,353</u>
Adams Natural Resources Fund, Inc.	52,980	858,276	CONSUMER DISCRETIONARY — 11.04%		
First Trust Energy Infrastructure Fund	79,854	<u>1,089,209</u>	Amazon.com, Inc. *	10,200	35,089,632
		<u>1,947,485</u>	Booking Holdings Inc. *	1,000	2,188,090
			Dollar General Corporation	7,000	1,514,730
OPTION ARBITRAGE/OPTIONS STRATEGIES — 0.26%			eBay Inc.	20,000	1,404,200
Virtus Dividend, Interest & Premium Strategy Fund	107,900	<u>1,626,053</u>	General Motors Company *	36,000	2,130,120
			Hilton Worldwide Holdings Inc. *	5,000	603,100
SECTOR EQUITY — 0.36%			Lowe's Companies, Inc.	21,000	4,073,370
Gabelli Healthcare & Wellness ^{Rx} Trust (The)	121,212	1,636,362	NIKE, Inc. - Class B	36,000	5,561,640
GAMCO Natural Resources, Gold & Income Trust	62,094	339,654	Ross Stores, Inc.	10,000	1,240,000
Nuveen Real Asset Income and Growth Fund	14,717	<u>236,502</u>	Starbucks Corporation	35,000	3,913,350
		<u>2,212,518</u>	Target Corporation	12,000	2,900,880
			Tesla, Inc. *	8,000	5,437,600
UTILITY — 0.41%			TJX Companies, Inc. (The)	34,600	<u>2,332,732</u>
Macquarie Global Infrastructure Total Return Fund Inc.	111,077	<u>2,563,657</u>			<u>68,389,444</u>
			CONSUMER STAPLES — 5.04%		
TOTAL CLOSED-END FUNDS			Coca-Cola Company (The)	112,000	6,060,320
		<u>74,333,002</u>	Colgate-Palmolive Company	25,000	2,033,750
COMMUNICATION SERVICES — 10.43%			Constellation Brands, Inc. - Class A	5,000	1,169,450
Activision Blizzard, Inc.	24,000	2,290,560	Costco Wholesale Corporation	14,000	5,539,380
Alphabet Inc. - Class C *	9,400	23,559,408	Estée Lauder Companies Inc. (The) - Class A	7,000	2,226,560
Charter Communications, Inc. - Class A *	5,300	3,823,685	Kroger Co. (The)	20,000	766,200
Comcast Corporation - Class A	130,000	7,412,600	Monster Beverage Corporation *	12,000	1,096,200

See accompanying notes to financial statements.

CORNERSTONE TOTAL RETURN FUND, INC.
SCHEDULE OF INVESTMENTS – JUNE 30, 2021 (UNAUDITED) (CONTINUED)

Description	No. of Shares	Value	Description	No. of Shares	Value
CONSUMER STAPLES (CONTINUED)			FINANCIALS (CONTINUED)		
Philip Morris International Inc.	45,000	\$ 4,459,950	Intercontinental Exchange, Inc.	6,000	\$ 712,200
Sysco Corporation	15,000	1,166,250	JPMorgan Chase & Co.	87,000	13,531,980
Walgreens Boots Alliance, Inc.	20,000	1,052,200	Moody's Corporation	3,000	1,087,110
Walmart Inc.	40,000	5,640,800	Morgan Stanley Progressive Corporation (The)	38,000	3,484,220
		<u>31,211,060</u>	S&P Global Inc.	14,000	1,374,940
			T. Rowe Price Group, Inc.	5,000	2,052,250
ENERGY — 0.79%			Wells Fargo & Company	4,000	791,880
Exxon Mobil Corporation	40,000	2,523,200		60,000	<u>2,717,400</u>
Kinder Morgan, Inc.	58,000	1,057,340			<u>62,737,120</u>
Schlumberger Limited	42,000	1,344,420			
		<u>4,924,960</u>	HEALTH CARE — 13.09%		
EXCHANGE-TRADED FUNDS — 2.21%			Abbott Laboratories	17,000	1,970,810
Energy Select Sector SPDR® Fund (The)	50,000	2,693,500	AbbVie Inc.	54,000	6,082,560
iShares Core S&P 500 ETF	10,000	4,299,200	Agilent Technologies, Inc.	7,000	1,034,670
SPDR S&P 500® ETF Trust	7,000	2,996,420	Amgen Inc.	5,000	1,218,750
Technology Select Sector SPDR® Fund (The)	25,000	3,691,500	Anthem, Inc.	6,000	2,290,800
		<u>13,680,620</u>	Biogen Inc. *	6,000	2,077,620
FINANCIALS — 10.13%			Boston Scientific Corporation *	42,000	1,795,920
Allstate Corporation (The)	8,000	1,043,520	Bristol-Myers Squibb Company	65,000	4,343,300
American Express Company	12,000	1,982,760	Centene Corporation *	18,000	1,312,740
Aon plc - Class A	5,000	1,193,800	Cigna Corporation	12,000	2,844,840
Bank of America Corporation	110,000	4,535,300	CVS Health Corporation	32,000	2,670,080
Bank of New York Mellon Corporation (The)	15,000	768,450	DexCom, Inc. *	1,000	427,000
Berkshire Hathaway Inc. - Class B *	55,000	15,285,600	Edwards Lifesciences Corporation *	13,000	1,346,410
Charles Schwab Corporation (The)	30,000	2,184,300	Eli Lilly and Company	25,000	5,738,000
Chubb Limited	7,500	1,192,050	HCA Healthcare, Inc.	9,000	1,860,660
Citigroup Inc.	60,000	4,245,000	Humana Inc.	4,000	1,770,880
Goldman Sachs Group, Inc. (The)	12,000	4,554,360	IDEXX Laboratories, Inc. *	2,000	1,263,100
			IQVIA Holdings Inc. *	7,000	1,696,240
			Johnson & Johnson	28,000	4,612,720
			McKesson Corporation	5,000	956,200

See accompanying notes to financial statements.

CORNERSTONE TOTAL RETURN FUND, INC.
SCHEDULE OF INVESTMENTS – JUNE 30, 2021 (UNAUDITED) (CONTINUED)

Description	No. of Shares	Value	Description	No. of Shares	Value
HEALTH CARE (CONTINUED)			INDUSTRIALS (CONTINUED)		
Medtronic plc	40,000	\$ 4,965,200	Stanley Black & Decker, Inc.	5,000	\$ 1,024,950
Merck & Co., Inc.	53,000	4,121,810	TransDigm Group Incorporated *	2,000	1,294,580
Organon & Co. *	5,300	160,378	Union Pacific Corporation	20,000	4,398,600
Stryker Corporation	10,000	2,597,300	United Parcel Service, Inc. - Class B	28,600	5,947,942
Thermo Fisher Scientific Inc.	14,000	7,062,580	Waste Management, Inc.	11,000	1,541,210
UnitedHealth Group Incorporated	28,000	11,212,320			<u>52,123,562</u>
Vertex Pharmaceuticals Incorporated *	7,000	1,411,410	INFORMATION TECHNOLOGY — 20.98%		
Zimmer Biomet Holdings, Inc.	14,000	2,251,480	Accenture plc - Class A	7,000	2,063,530
		<u>81,095,778</u>	Adobe Inc. *	6,000	3,513,840
INDUSTRIALS — 8.41%			Advanced Micro Devices, Inc. *	36,000	3,381,480
Boeing Company (The) *	16,000	3,832,960	Apple Inc.	221,000	30,268,160
Caterpillar Inc.	16,000	3,482,080	Applied Materials, Inc.	18,000	2,563,200
Cintas Corporation	3,000	1,146,000	Autodesk, Inc. *	8,000	2,335,200
CSX Corporation	60,000	1,924,800	Cisco Systems, Inc.	43,000	2,279,000
Deere & Company	9,000	3,174,390	Fidelity National Information Services, Inc.	18,000	2,550,060
Eaton Corporation plc	12,000	1,778,160	Fiserv, Inc. *	16,000	1,710,240
Emerson Electric Co.	18,000	1,732,320	HP Inc.	14,000	422,660
FedEx Corporation	9,000	2,684,970	Intel Corporation	106,000	5,950,840
General Dynamics Corporation	7,000	1,317,820	Intuit Inc.	9,000	4,411,530
Honeywell International Inc.	25,000	5,483,750	Lam Research Corporation	4,000	2,602,800
Johnson Controls International plc	20,000	1,372,600	Mastercard Incorporated - Class A	18,000	6,571,620
Lockheed Martin Corporation	7,000	2,648,450	Microsoft Corporation	87,000	23,568,300
Norfolk Southern Corporation	11,000	2,919,510	NVIDIA Corporation	15,700	12,561,570
Northrop Grumman Corporation	5,000	1,817,150	Oracle Corporation	50,000	3,892,000
Roper Technologies, Inc.	3,500	1,645,700	PayPal Holdings, Inc. *	12,000	3,497,760
Southwest Airlines Co. *	18,000	955,620	QUALCOMM Incorporated	22,000	3,144,460
			Texas Instruments Incorporated	10,000	1,923,000
			Visa, Inc. - Class A	46,000	10,755,720
					<u>129,966,970</u>

See accompanying notes to financial statements.

CORNERSTONE TOTAL RETURN FUND, INC.
SCHEDULE OF INVESTMENTS – JUNE 30, 2021 (UNAUDITED) (CONCLUDED)

Description	No. of Shares	Value	Description	No. of Shares	Value
MATERIALS — 1.46%			SHORT-TERM INVESTMENT — 0.46%		
Air Products and Chemicals, Inc.	6,000	\$ 1,726,080	MONEY MARKET FUND — 0.46%		
Ball Corporation	7,000	567,140	Fidelity Institutional Money Market Government Portfolio - Class I, 0.01% ^		
Ecolab Inc.	7,000	1,441,790	(cost - \$2,820,348)	2,820,348	\$ 2,820,348
Freeport-McMoRan Inc.	50,000	1,855,500	TOTAL INVESTMENTS — 99.79%		
Newmont Corporation	24,000	1,521,120	(cost - \$508,836,769)		618,129,780
Sherwin-Williams Company (The)	7,000	1,907,150	OTHER ASSETS IN EXCESS OF LIABILITIES — 0.21%		
		<u>9,018,780</u>			1,315,402
REAL ESTATE — 1.55%			NET ASSETS — 100.00%		
American Tower Corporation	13,000	3,511,820			<u>\$ 619,445,182</u>
Digital Realty Trust, Inc.	8,000	1,203,680	* Non-income producing security.		
Equinix, Inc.	3,000	2,407,800	^ The rate shown is the 7-day effective yield as of June 30, 2021.		
Public Storage	5,000	1,503,450			
SBA Communications Corporation	3,000	956,100			
		<u>9,582,850</u>			
UTILITIES — 2.20%					
American Water Works Company, Inc.	5,000	770,650			
Duke Energy Corporation	22,000	2,171,840			
Eversource Energy	11,000	882,640			
Exelon Corporation	25,300	1,121,043			
NextEra Energy, Inc.	56,000	4,103,680			
Public Service Enterprise Group Incorporated	11,000	657,140			
Sempra Energy	9,000	1,192,320			
Southern Company (The)	30,000	1,815,300			
Xcel Energy Inc.	14,000	922,320			
		<u>13,636,933</u>			
TOTAL EQUITY SECURITIES					
(cost - \$506,016,421)		<u>615,309,432</u>			

See accompanying notes to financial statements.

CORNERSTONE TOTAL RETURN FUND, INC.
STATEMENT OF ASSETS AND LIABILITIES – JUNE 30, 2021 (UNAUDITED)

ASSETS

Investments, at value (cost – \$508,836,769) (Notes B and C)	\$618,129,780
Cash	6
Receivables:	
Investments sold	2,396,892
Dividends	290,004
Prepaid expenses	<u>25,240</u>
Total Assets	<u>620,841,922</u>

LIABILITIES

Payables:	
Investments purchased	724,237
Investment management fees (Note D)	503,907
Administration and fund accounting fees (Note D)	43,796
Directors' fees and expenses	43,654
Other accrued expenses	<u>81,146</u>
Total Liabilities	<u>1,396,740</u>

NET ASSETS (applicable to 62,226,333 shares of common stock) \$619,445,182

NET ASSET VALUE PER SHARE (\$619,445,182 ÷ 62,226,333) \$ 9.95

NET ASSETS CONSISTS OF

Common stock, \$0.01 par value; 62,226,333 shares issued and outstanding (100,000,000 shares authorized)	\$ 622,263
Paid-in capital	509,695,383
Accumulated earnings	<u>109,127,536</u>
Net assets applicable to shares outstanding	<u>\$619,445,182</u>

CORNERSTONE TOTAL RETURN FUND, INC.**STATEMENT OF OPERATIONS – FOR THE SIX MONTHS ENDED JUNE 30, 2021 (UNAUDITED)**

INVESTMENT INCOME

Income:

Dividends	\$ <u>3,817,992</u>
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Expenses:

Investment management fees (Note D)	2,185,069
Administration and fund accounting fees (Note D)	129,553
Directors' fees and expenses	88,543
Printing	36,255
Legal and audit fees	26,388
Custodian fees	24,684
Transfer agent fees	22,052
Insurance	9,263
Stock exchange listing fees	8,549
Miscellaneous	<u>13,885</u>
Total Expenses	<u>2,544,241</u>

Net Investment Income	<u>1,273,751</u>
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NET REALIZED AND UNREALIZED GAIN ON INVESTMENTS

Net realized gain from investments	40,364,870
Long-term capital gain distributions from regulated investment companies	72,434
Net change in unrealized appreciation/(depreciation) in value of investments	<u>10,384,864</u>
Net realized and unrealized gain on investments	<u>50,822,168</u>

NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS	<u>\$ 52,095,919</u>
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CORNERSTONE TOTAL RETURN FUND, INC.
STATEMENTS OF CHANGES IN NET ASSETS

	For the Six Months Ended June 30, 2021 <u>(Unaudited)</u>	For the Year Ended December 31, 2020 <u></u>
INCREASE IN NET ASSETS		
Operations:		
Net investment income	\$ 1,273,751	\$ 1,622,979
Net realized gain from investments	40,437,304	22,476,011
Net change in unrealized appreciation/ (depreciation) in value of investments	<u>10,384,864</u>	<u>26,666,179</u>
Net increase in net assets resulting from operations	<u>52,095,919</u>	<u>50,765,169</u>
Distributions to stockholders (Note B):		
From earnings	(40,962,984)	(24,708,045)
Return-of-capital	<u>(199,011)</u>	<u>(61,975,382)</u>
Total distributions to stockholders	<u>(41,161,995)</u>	<u>(86,683,427)</u>
Common stock transactions:		
Proceeds from rights offering of 20,584,726 and 0 shares of newly issued common stock, respectively	210,581,747	—
Offering expenses associated with rights offering	(197,277)	(3,277)
Proceeds from 698,010 and 1,453,119 shares newly issued in reinvestment of dividends and distributions, respectively	6,753,154	13,419,598
Payments for 0 and 251,900 shares repurchased, respectively	<u>—</u>	<u>(1,684,048)</u>
Net increase in net assets from common stock transactions	<u>217,137,624</u>	<u>11,732,273</u>
Total increase/(decrease) in net assets	<u>228,071,548</u>	<u>(24,185,985)</u>
NET ASSETS		
Beginning of period	<u>391,373,634</u>	<u>415,559,619</u>
End of period	<u>\$619,445,182</u>	<u>\$391,373,634</u>

See accompanying notes to financial statements.

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, 2021 (Unaudited)	For the Years Ended December 31,				
		2020	2019	2018	2017	2016
PER SHARE OPERATING PERFORMANCE						
Net asset value, beginning of period	\$ 9.56	\$ 10.46	\$ 10.15	\$ 13.18	\$ 13.04	\$ 15.05
Net investment income #	0.02	0.04	0.10	0.10	0.13	0.15
Net realized and unrealized gain/(loss) on investments	0.96	1.21	2.59	(0.94)	2.40	0.83
Net increase/(decrease) in net assets resulting from operations	0.98	1.25	2.69	(0.84)	2.54	0.98
Dividends and distributions to stockholders:						
Net investment income	(0.03)	(0.04)	(0.10)	(0.10)	(0.12)	(0.15)
Net realized capital gains	(0.89)	(0.58)	(0.43)	(0.32)	(1.33)	(1.08)
Return-of-capital	(0.00) ⁺	(1.54)	(1.85)	(2.34)	(1.30)	(2.12)
Total dividends and distributions to stockholders	(0.92)	(2.16)	(2.38)	(2.76)	(2.75)	(3.35)
Common stock transactions:						
Anti-dilutive effect due to shares issued:						
Rights offering	0.33	—	—	0.57	0.35	0.36
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	0.33	0.01	0.00 ⁺	0.57	0.35	0.36
Net asset value, end of period	\$ 9.95	\$ 9.56	\$ 10.46	\$ 10.15	\$ 13.18	\$ 13.04
Market value, end of period	\$ 11.35	\$ 11.40	\$ 10.99	\$ 11.11	\$ 15.29	\$ 15.07
Total investment return ^(a)	9.47% ^(b)	30.70%	23.68%	(8.89)%	25.13%	13.88%
RATIOS/SUPPLEMENTAL DATA						
Net assets, end of period (000 omitted)	\$619,445	\$391,374	\$415,560	\$389,231	\$293,792	\$170,337
Ratio of net expenses to average net assets ^(c)	1.16% ^(d)	1.19%	1.17% ^(e)	1.18%	1.22%	1.33%
Ratio of net investment income to average net assets ^(f)	0.58% ^(d)	0.43%	0.96% ^(e)	0.86%	0.99%	1.12%
Portfolio turnover rate	59% ^(b)	104%	46%	57%	71%	64%

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.

New Regulation: On December 3, 2020, the U.S. Securities and Exchange Commission (the “SEC”) adopted new rule 2a-5 under the Investment Company Act of 1940, as amended (the “1940 Act”), which establishes a framework for fund valuation practices and clarifies how the board of directors of a fund can satisfy its valuation obligations under the 1940 Act. The SEC provided an eighteen-month transition period beginning on the effective date of rule 2a-5 (March 8, 2021) until its compliance date (September 8, 2022). Management is currently evaluating the impact to the financial statement disclosures, if any.

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, 2021, 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, 2021, 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.

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, 2021, 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 2018 through 2020, and for the six months ended June 30, 2021. 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.

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 Fund’s investments and the inputs used as of June 30, 2021 in valuing the investments carried at value:

Valuation Inputs	Investments in Securities	Other Financial Instruments*
Level 1 – Quoted Prices		
Equity Securities	\$ 615,309,432	\$ —
Short-Term Investment	2,820,348	—
Level 2 – Other Significant		
Observable Inputs	—	—
Level 3 – Significant		
Unobservable Inputs	—	—
Total	<u>\$ 618,129,780</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, 2021.

NOTE D. AGREEMENTS WITH AFFILIATES

At June 30, 2021, 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, 2021, Cornerstone earned \$2,185,069 for investment management services.

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

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, 2021, Ultimus earned \$129,553 as fund accounting agent and administrator.

NOTE E. INVESTMENT IN SECURITIES

For the six months ended June 30, 2021, purchases and sales of securities, other than short-term investments, were \$443,711,607 and \$265,526,369, respectively.

NOTE F. SHARES OF COMMON STOCK

The Fund has 100,000,000 shares of common stock authorized and 62,226,333 shares issued and outstanding at June 30, 2021. Transactions in common stock for the six months ended June 30, 2021 were as follows:

Shares at beginning of period	40,943,597
Shares newly issued from rights offering	20,584,726
Shares issued in reinvestment of dividends and distributions	<u>698,010</u>
Shares at end of period	<u>62,226,333</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 periods ended June 30, 2021 and December 31, 2020 was as follows:

	June 30, 2021	December 31, 2020
Ordinary Income	\$ 1,273,751	\$ 5,222,627
Long-Term Capital Gains	39,689,233	19,485,418
Return-of-Capital	<u>199,011</u>	<u>61,975,382</u>
Total Distributions	<u>\$ 41,161,995</u>	<u>\$ 86,683,427</u>

At December 31, 2020, the components of accumulated earnings on a tax basis for the Fund were as follows:

Net unrealized appreciation	\$ 97,990,962
Total accumulated earnings	<u>\$ 97,990,962</u>

The following information is computed on a tax basis for each item as of June 30, 2021:

Cost of portfolio investments	\$ 509,005,882
Gross unrealized appreciation	\$ 113,613,922
Gross unrealized depreciation	<u>(4,490,024)</u>
Net unrealized appreciation	<u>\$ 109,123,898</u>

RESULTS OF ANNUAL MEETING OF STOCKHOLDERS (UNAUDITED)

On April 6, 2021, the Annual Meeting of Stockholders of the Fund was held and the following matter was voted upon based on 41,043,608 shares of common stock outstanding on the record date of February 16, 2021:

(1) To approve the election of eight Directors to hold office until the year 2022 Annual Meeting of Stockholders.

<u>Name of Directors</u>	<u>For</u>	<u>Withheld</u>
Ralph W. Bradshaw	22,452,328	406,236
Robert E. Dean	22,192,491	666,073
Marcia E. Malzahn	22,096,541	762,023
Frank J. Maresca	21,322,404	1,536,160
Matthew W. Morris	22,223,897	634,667
Scott B. Rogers	22,186,670	671,894
Andrew A. Strauss	22,289,620	568,944
Glenn W. Wilcox, Sr.	22,374,109	484,455

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 6201 15th Avenue, Brooklyn, NY 11219. 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 temporary curtailment or suspension of purchase

DESCRIPTION OF DIVIDEND REINVESTMENT PLAN (UNAUDITED) (CONCLUDED)

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 participant's 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 participant's 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 their shares through the Agent. Shares may be sold via the internet at www.astfinancial.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, 6201 15th Avenue, Brooklyn, NY 11219. There is a commission of \$0.05 per share.

All correspondence concerning the Plan should be directed to the Agent at 6201 15th Avenue, Brooklyn, NY 11219. Certain transactions can be performed online at www.astfinancial.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.

CORNERSTONE TOTAL RETURN FUND, INC.