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**Directors and Corporate Officers**

Ralph W. Bradshaw	Chairman of the Board of Directors and President
Daniel W. Bradshaw	Director and Assistant Secretary
Joshua G. Bradshaw	Director and Assistant Secretary
Robert E. Dean	Director
Marcia E. Malzahn	Director
Frank J. Maresca	Director
Matthew W. Morris	Director
Scott B. Rogers	Director
Andrew A. Strauss	Director
Rachel L. McNabb	Chief Compliance Officer
Hoyt M. Peters	Secretary and Assistant Treasurer
Brian J. Lutes	Treasurer

**Investment Manager**

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Suite 250  
Asheville, NC 28803

**Stock Transfer Agent and Registrar**

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**Administrator**

Ultimus Fund Solutions, LLC  
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**Independent Registered Public Accounting Firm**

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1350 Euclid Avenue Suite 800  
Cleveland, OH 44115

**Custodian**

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Cincinnati, OH 45202

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New York, NY 10020

**Executive Offices**

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For stockholder inquiries, please call toll-free (866) 668-6558

Please visit us on the web at  
[www.cornerstonetotalreturnfund.com](http://www.cornerstonetotalreturnfund.com)

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**CORNERSTONE TOTAL  
RETURN FUND, INC.****JUNE 30, 2023**

This update contains the following two documents:

- Letter to Stockholders
- Semi-Annual Report to Stockholders

**CRF**  

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**LISTED**  

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**NYSE AMERICAN**

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August 4, 2023

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, 2023. At the end of the period, the Fund’s net assets were \$717.8 million and the Net Asset Value per share (“NAV”) was \$6.77. The share price closed at \$8.00. After reflecting the reinvestment of monthly distributions totaling \$0.71 per share, the Fund achieved a total investment return at market value of 25.52% for the period ended June 30, 2023.

### **Economic and Market Summary**

A number of economists projected at the outset of the year that the economy would enter a recession by midyear. Because of rising interest rates and inflation, consumers, employees, and businesses have all experienced difficulties over the past year. After a brief dip last year, however, the rate of economic growth has remained positive. In the second quarter of this year, the annual growth rate of the gross domestic product was 2.4%, which was higher than the annual growth rate of 2.0% seen in the first quarter. Solid growth increases the likelihood of a gentle landing, which occurs when inflation approaches the Federal Reserve’s (the “Fed”) 2% target without triggering a recession. Although the Fed raised interest rates four times already in 2023, economists expect at least one and possible two more increases this year. Fed chair, Jerome Powell, stated that any additional rate increases would depend on whether inflation and economic growth declined in accordance with official projections. Despite the recent decline in the rate of job creation, the expansion of the labor market has remained a leading indicator of economic health. During the first half of this year, payrolls increased by an average of 278,000 per month, a significant deceleration from the 400,000 average monthly gains last year. As the economy continues to recover from the pandemic, the unemployment rate has remained at or near record lows. The most recent employment and wage data contribute to the growing body of evidence indicating that the economy has not slowed as much as Fed policymakers had anticipated. Despite the fact that the health of banks was a concern in March due to a series of bank failures, the financial sector, largely shook off these events as investors calculated that the systemic risk was minimal. The energy sector performed poorly as energy prices declined through the year. The information technology sector performed well during the first half of the year, although most of the gains were concentrated in a few key stocks.

### **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, please 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 will 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

## LETTER TO STOCKHOLDERS (CONCLUDED)

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 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

According to economists, there is a significant possibility that the U.S. economy will slow down in the second half of this year as the Fed's interest rate increases take effect, consumers deplete their pandemic savings, and student loan repayments resume. Positive macroeconomic indicators such as unemployment, wage growth, and moderating inflation make predictions about the economy's future less certain. Several significant pieces of legislation passed during the first two years of the Biden administration are beginning to have a positive impact on the economy. A 2021 infrastructure law enables annual spending of approximately 0.25% of GDP on highways, ports, power plants, and other infrastructure projects. Subsidies for electric vehicles, renewable energy, and semiconductors appear to have spurred a surge in private-sector investment. Expenditure on manufacturing facilities is up 70% in real terms this year compared to pre-pandemic levels, setting a record. Even if inflation declines in the short-term, it is uncertain how low it will go if the number of unfilled jobs continues to vastly exceed the number of available employees. According to some estimates, the unemployment rate would have to remain above 4.3% for some time in order to achieve the Fed's inflation objective. In order to mitigate the impact of future interest rate hikes, some analysts predicted that the Fed could shift its inflation objective from a fixed 2.0% to a range of 2.0%-2.9%. As inflation falls from historic highs and the labor market remains constrained, the likelihood of a gentle landing increases.

The Fund's Board of Directors, its officers, and its investment adviser appreciate your ongoing support and are 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.



Joshua G. Bradshaw  
Portfolio Manager



Daniel W. Bradshaw  
Portfolio Manager

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**CORNERSTONE TOTAL RETURN FUND, INC.**  
**PORTFOLIO SUMMARY – AS OF JUNE 30, 2023 (UNAUDITED)**

**SECTOR ALLOCATION**

Sector	Percent of Net Assets
Information Technology	22.5
Closed-End Funds	13.6
Health Care	12.5
Financials	10.6
Consumer Discretionary	8.8
Communication Services	7.4
Industrials	7.0
Consumer Staples	5.7
Exchange-Traded Funds	4.3
Utilities	2.4
Energy	2.4
Real Estate	1.2
Materials	0.9
Other	0.7

**TOP TEN HOLDINGS, BY ISSUER**

Holding	Sector	Percent of Net Assets
1. Apple Inc.	Information Technology	7.0%
2. Microsoft Corporation	Information Technology	5.7%
3. Alphabet Inc. - Class C	Communication Services	3.5%
4. Amazon.com, Inc.	Consumer Discretionary	3.4%
5. NVIDIA Corporation	Information Technology	2.7%
6. Technology Select Sector SPDR <sup>®</sup> Fund (The)	Exchange-Traded Funds	2.2%
7. Tesla, Inc.	Consumer Discretionary	1.9%
8. Invesco QQQ Trust <sup>SM</sup> , Series 1	Exchange-Traded Funds	1.8%
9. UnitedHealth Group Incorporated	Health Care	1.6%
10. Meta Platforms, Inc. - Class A	Communication Services	1.5%

**CORNERSTONE TOTAL RETURN FUND, INC.**  
**SCHEDULE OF INVESTMENTS – JUNE 30, 2023 (UNAUDITED)**

Description	No. of Shares	Value	Description	No. of Shares	Value
<b>EQUITY SECURITIES — 99.35%</b>			<b>ENERGY MLP FUNDS — 0.30%</b>		
<b>CLOSED-END FUNDS — 13.64%</b>					
<b>CONVERTIBLE SECURITY FUNDS — 0.25%</b>					
Bancroft Fund Ltd.	5,767	\$ 98,558	ClearBridge MLP and Midstream Total Return Fund Inc.	15,176	\$ 481,534
Ellsworth Growth and Income Fund Ltd.	24,453	210,296	First Trust MLP and Energy Income Fund	15,849	122,196
Virtus Convertible & Income Fund	123,798	430,817	Goldman Sachs MLP and Energy Renaissance Fund	27,967	438,802
Virtus Convertible & Income Fund II	110,686	344,233	Kayne Anderson Energy Infrastructure Fund, Inc.	61,200	498,168
Virtus Diversified Income & Convertible Fund	25,838	516,243	Kayne Anderson NextGen Energy & Infrastructure, Inc.	52,466	372,509
Virtus Equity & Convertible Income Fund	9,612	203,294	PIMCO Energy and Tactical Credit Opportunities Fund	12,102	190,728
		<u>1,803,441</u>	Tortoise Energy Infrastructure Corp.	2,209	64,171
<b>DEVELOPED MARKET — 0.03%</b>					<u>2,168,108</u>
Japan Smaller Capitalization Fund, Inc.	27,717	199,562	<b>GLOBAL — 0.71%</b>		
<b>DIVERSIFIED EQUITY — 3.81%</b>			abrdn Global Dynamic Dividend Fund	17,513	167,074
Adams Diversified Equity Fund, Inc.	573,486	9,640,300	abrdn Total Dynamic Dividend Fund	3,920	32,379
Eaton Vance Tax-Advantaged Dividend Income Fund	115,622	2,630,400	Clough Global Dividend and Income Fund	37,280	206,904
Gabelli Dividend & Income Trust (The)	326,780	6,904,862	Clough Global Equity Fund	31,911	199,125
General American Investors Company, Inc.	132,569	5,530,779	Clough Global Opportunities Fund	66,660	333,967
Liberty All-Star <sup>®</sup> Growth Fund	126,078	682,082	Eaton Vance Tax-Advantaged Global Dividend Income Fund	115,599	1,930,502
Royce Value Trust	93,847	1,295,089	Eaton Vance Tax-Advantaged Global Dividend Opportunities Fund	41,803	959,797
Tri-Continental Corporation	22,655	621,200			
		<u>27,304,712</u>			
<b>EMERGING MARKETS — 0.04%</b>					
Morgan Stanley India Investment Fund, Inc.	13,831	299,718			

See accompanying notes to financial statements.

**CORNERSTONE TOTAL RETURN FUND, INC.**  
**SCHEDULE OF INVESTMENTS – JUNE 30, 2023 (UNAUDITED) (CONTINUED)**

Description	No. of Shares	Value	Description	No. of Shares	Value
<b>GLOBAL (CONTINUED)</b>			<b>OPTION ARBITRAGE/OPTIONS STRATEGIES — 2.37%</b>		
Gabelli Global Small and Mid Cap Value Trust (The)	3,966	\$ 47,527	BlackRock Enhanced Global Dividend Trust	150,048	\$ 1,510,983
GDL Fund (The)	82,960	650,821	Eaton Vance Enhanced Equity Income Fund	21,140	348,599
John Hancock Tax-Advantaged Global Shareholder			Eaton Vance Enhanced Equity Income Fund II	208,043	3,721,889
Yield Fund	9,684	45,418	Eaton Vance Risk-Managed Diversified Equity Income Fund	56,787	466,789
Lazard Global Total Return and Income Fund, Inc.	24,642	384,662	Eaton Vance Tax-Managed Buy-Write Income Fund	60,680	842,845
Miller/Howard High Income Equity Fund	7,636	77,353	Eaton Vance Tax-Managed Buy-Write Opportunities Fund	170,293	2,176,345
Royce Global Value Trust	5,172	47,789	Eaton Vance Tax-Managed Diversified Equity Income Fund	29,000	361,340
		<u>5,083,318</u>	Eaton Vance Tax-Managed Global Buy-Write Opportunities Fund	118,831	976,791
<b>INCOME &amp; PREFERRED STOCK — 0.39%</b>			Eaton Vance Tax-Managed Global Diversified Equity Income Fund	212,322	1,681,590
Calamos Long/Short Equity & Dynamic Income Trust	79,155	1,224,528	First Trust Enhanced Equity Income Fund	9,469	165,992
LMP Capital and Income Fund Inc.	117,455	1,504,599	Nuveen Core Equity Alpha Fund	18,862	240,679
RiverNorth Opportunities Fund, Inc.	8,901	101,827	Nuveen Dow 30 <sup>SM</sup> Dynamic Overwrite Fund	94,968	1,339,998
		<u>2,830,954</u>	Nuveen S&P 500 Dynamic Overwrite Fund	8,617	135,115
<b>NATURAL RESOURCES — 0.85%</b>			Virtus Dividend, Interest & Premium Strategy Fund	246,011	3,003,794
Adams Natural Resources Fund, Inc.	221,888	4,619,708	Voya Global Equity Dividend and Premium Opportunity Fund	3,112	15,996
First Trust Energy Income and Growth Fund	36,123	503,193			<u>16,988,745</u>
NXG NextGen Infrastructure Income Fund	24,318	935,027			
Tortoise Energy Independence Fund, Inc.	2,130	61,238			
		<u>6,119,166</u>			

See accompanying notes to financial statements.

**CORNERSTONE TOTAL RETURN FUND, INC.**  
**SCHEDULE OF INVESTMENTS – JUNE 30, 2023 (UNAUDITED) (CONTINUED)**

Description	No. of Shares	Value	Description	No. of Shares	Value
<b>REAL ESTATE — 0.52%</b>			<b>UTILITY — 0.59%</b>		
Cohen & Steers Quality Income Realty Fund, Inc.	149,405	\$ 1,733,098	abrdrn Global Infrastructure Income Fund	100,493	\$ 1,787,770
Cohen & Steers Real Estate Opportunities and Income Fund	58,222	802,299	Allspring Utilities and High Income Fund	5,906	59,769
Cohen & Steers Total Return Realty Fund, Inc.	29,502	336,913	BlackRock Utilities, Infrastructure & Power Opportunities Trust	7,637	168,319
Neuberger Berman Real Estate Securities Income Fund Inc.	91,950	279,528	Cohen & Steers Infrastructure Fund, Inc.	91,170	2,153,436
Nuveen Real Estate Income Fund	76,268	566,671	Macquarie/First Trust Global Infrastructure/Utilities Dividend & Income Fund	9,545	74,451
		<u>3,718,509</u>			<u>4,243,745</u>
<b>SECTOR EQUITY — 3.78%</b>			<b>TOTAL CLOSED-END FUNDS</b>		
BlackRock Innovation & Growth Trust	1,118,032	8,776,552			<u>97,910,217</u>
Gabelli Healthcare & WellnessRx Trust (The)	122,937	1,224,453	<b>COMMUNICATION SERVICES — 7.43%</b>		
GAMCO Natural Resources, Gold & Income Trust	45,169	226,748	Alphabet Inc. - Class C *	210,800	25,500,476
Neuberger Berman Next Generation Connectivity Fund Inc.	646,466	7,052,944	AT&T Inc.	54,100	862,895
Nuveen Real Asset Income and Growth Fund	299,287	3,417,858	Comcast Corporation - Class A	136,000	5,650,800
Tekla Healthcare Investors	132,947	2,266,746	Meta Platforms, Inc. - Class A *	37,700	10,819,146
Tekla Healthcare Opportunities Fund	95,846	1,827,783	Netflix, Inc. *	8,200	3,612,018
Tekla Life Sciences Investors	168,200	2,277,428	T-Mobile US, Inc. *	15,900	2,208,510
Virtus Artificial Intelligence & Technology Opportunities Fund	4,333	79,727	Verizon Communications Inc.	51,000	1,896,690
		<u>27,150,239</u>	Walt Disney Company (The) *	30,800	2,749,824
					<u>53,300,359</u>
			<b>CONSUMER DISCRETIONARY — 8.81%</b>		
			Amazon.com, Inc. *	188,400	24,559,824
			Booking Holdings Inc. *	700	1,890,231
			Chipotle Mexican Grill, Inc. *	400	855,600
			eBay Inc.	12,200	545,218

See accompanying notes to financial statements.



**CORNERSTONE TOTAL RETURN FUND, INC.**  
**SCHEDULE OF INVESTMENTS – JUNE 30, 2023 (UNAUDITED) (CONTINUED)**

Description	No. of Shares	Value	Description	No. of Shares	Value
<b>CONSUMER DISCRETIONARY (CONTINUED)</b>			<b>ENERGY — 2.37%</b>		
Ford Motor Company	47,000	\$ 711,110	Chevron Corporation	17,700	\$ 2,785,095
General Motors Company	31,300	1,206,928	ConocoPhillips	22,300	2,310,503
Hilton Worldwide Holdings Inc.	7,400	1,077,070	Devon Energy Corporation	22,000	1,063,480
Home Depot, Inc. (The)	13,500	4,193,640	EOG Resources, Inc.	5,800	663,752
Lowe's Companies, Inc.	11,800	2,663,260	Exxon Mobil Corporation	20,000	2,145,000
Marriott International, Inc. - Class A	6,900	1,267,461	Hess Corporation	2,000	271,900
McDonald's Corporation	9,100	2,715,531	Kinder Morgan, Inc. - Class P	75,000	1,291,500
NIKE, Inc. - Class B	21,700	2,395,029	Marathon Petroleum Corporation	12,300	1,434,180
Ross Stores, Inc.	9,100	1,020,383	Occidental Petroleum Corporation	22,700	1,334,760
Starbucks Corporation	13,600	1,347,216	Phillips 66	3,100	295,678
Target Corporation	6,600	870,540	Pioneer Natural Resources Company	4,300	890,874
Tesla, Inc. *	52,400	13,716,748	Schlumberger Limited	27,500	1,350,800
TJX Companies, Inc. (The)	26,200	2,221,498	Valero Energy Corporation	5,800	680,340
		<u>63,257,287</u>	Williams Companies, Inc. (The)	15,000	489,450
<b>CONSUMER STAPLES — 5.74%</b>					<u>17,007,312</u>
Coca-Cola Company (The)	102,700	6,184,594	<b>EXCHANGE-TRADED FUNDS — 4.34%</b>		
Colgate-Palmolive Company	11,600	893,664	Energy Select Sector SPDR® Fund (The)	30,000	2,435,100
Costco Wholesale Corporation	10,600	5,706,828	Invesco QQQ Trust <sup>SM</sup> , Series 1	34,800	12,855,816
Dollar General Corporation	7,000	1,188,460	Technology Select Sector SPDR® Fund (The)	91,100	15,838,646
Hershey Company (The)	5,600	1,398,320			<u>31,129,562</u>
Mondelēz International, Inc. - Class A	26,000	1,896,440	<b>FINANCIALS — 10.62%</b>		
Monster Beverage Corporation *	30,600	1,757,664	American Express Company	14,800	2,578,160
PepsiCo, Inc.	22,900	4,241,538	Aon plc - Class A	8,000	2,761,600
Philip Morris International Inc.	41,100	4,012,182	Arthur J. Gallagher & Co.	1,200	263,484
Procter & Gamble Company (The)	43,000	6,524,820	Bank of America Corporation	170,600	4,894,514
Walmart Inc.	47,200	7,418,896	Bank of New York Mellon Corporation (The)	27,000	1,202,040
		<u>41,223,406</u>			

See accompanying notes to financial statements.

**CORNERSTONE TOTAL RETURN FUND, INC.**  
**SCHEDULE OF INVESTMENTS – JUNE 30, 2023 (UNAUDITED) (CONTINUED)**

Description	No. of Shares	Value	Description	No. of Shares	Value
<b>FINANCIALS (CONTINUED)</b>			<b>HEALTH CARE (CONTINUED)</b>		
Berkshire Hathaway Inc. - Class B *	23,800	\$ 8,115,800	Danaher Corporation	17,300	\$ 4,152,000
BlackRock, Inc.	3,000	2,073,420	DexCom, Inc. *	9,000	1,156,590
Charles Schwab Corporation (The)	41,100	2,329,548	Elevance Health, Inc.	9,000	3,998,610
Chubb Limited	4,800	924,288	Eli Lilly and Company	15,700	7,362,986
Citigroup Inc.	23,500	1,081,940	Gilead Sciences, Inc.	45,000	3,468,150
Fiserv, Inc. *	8,000	1,009,200	HCA Healthcare, Inc.	8,000	2,427,840
Goldman Sachs Group, Inc. (The)	8,000	2,580,320	Humana Inc.	4,000	1,788,520
JPMorgan Chase & Co.	60,800	8,842,752	Intuitive Surgical, Inc. *	4,400	1,504,536
Marsh & McLennan Companies, Inc.	5,900	1,109,672	IQVIA Holdings Inc. *	7,000	1,573,390
Mastercard Incorporated - Class A	18,000	7,079,400	Johnson & Johnson	42,300	7,001,496
Moody's Corporation	6,000	2,086,320	McKesson Corporation	3,000	1,281,930
Morgan Stanley	50,100	4,278,540	Medtronic plc	15,800	1,391,980
PayPal Holdings, Inc. *	35,000	2,335,550	Merck & Co., Inc.	60,000	6,923,400
Progressive Corporation (The)	22,000	2,912,140	Pfizer Inc.	90,700	3,326,876
S&P Global Inc.	11,200	4,489,968	Regeneron Pharmaceuticals, Inc. *	1,100	790,394
Visa, Inc. - Class A	42,700	10,140,396	Stryker Corporation	4,400	1,342,396
Wells Fargo & Company	74,300	3,171,124	Thermo Fisher Scientific Inc.	7,400	3,860,950
		<u>76,260,176</u>	UnitedHealth Group Incorporated	23,303	11,200,354
<b>HEALTH CARE — 12.48%</b>			Vertex Pharmaceuticals Incorporated *	3,300	1,161,303
Abbott Laboratories	26,700	2,910,834	Zoetis Inc.	5,500	<u>947,155</u>
AbbVie Inc.	27,800	3,745,494			<u>89,590,761</u>
Amgen Inc.	6,600	1,465,332	<b>INDUSTRIALS — 6.98%</b>		
Becton, Dickinson and Company	3,300	871,233	Boeing Company (The) *	20,000	4,223,200
Biogen Inc. *	6,000	1,709,100	Caterpillar Inc.	1,500	369,075
Boston Scientific Corporation *	42,000	2,271,780	CSX Corporation	90,000	3,069,000
Bristol-Myers Squibb Company	67,400	4,310,230	Cummins Inc.	6,000	1,470,960
Centene Corporation *	18,000	1,214,100	Deere & Company	5,000	2,025,950
Cigna Group (The)	12,000	3,367,200	Eaton Corporation plc	17,000	3,418,700
CVS Health Corporation	15,400	1,064,602	General Dynamics Corporation	7,000	1,506,050
			General Electric Company	3,100	340,535
			Honeywell International Inc.	31,500	6,536,250

See accompanying notes to financial statements.

**CORNERSTONE TOTAL RETURN FUND, INC.**  
**SCHEDULE OF INVESTMENTS – JUNE 30, 2023 (UNAUDITED) (CONTINUED)**

Description	No. of Shares	Value	Description	No. of Shares	Value
<b>INDUSTRIALS (CONTINUED)</b>			<b>INFORMATION TECHNOLOGY (CONTINUED)</b>		
Illinois Tool Works Inc.	10,000	\$ 2,501,600	Oracle Corporation	20,000	\$ 2,381,800
Lockheed Martin Corporation	10,000	4,603,800	QUALCOMM Incorporated	19,100	2,273,664
Norfolk Southern Corporation	11,000	2,494,360	Roper Technologies, Inc.	1,900	913,520
Northrop Grumman Corporation	400	182,320	Salesforce, Inc. *	17,900	3,781,554
Raytheon Technologies Corporation	51,800	5,074,328	ServiceNow, Inc. *	3,300	1,854,501
TransDigm Group Incorporated	2,000	1,788,340	Synopsys, Inc. *	2,600	1,132,066
Union Pacific Corporation	26,000	5,320,120	Texas Instruments Incorporated	15,400	2,772,308
United Parcel Service, Inc. - Class B	28,000	5,019,000			<u>161,133,581</u>
Waste Management, Inc.	1,100	190,762	<b>MATERIALS — 0.92%</b>		
		<u>50,134,350</u>	Air Products and Chemicals, Inc.	800	239,624
<b>INFORMATION TECHNOLOGY — 22.45%</b>			Albemarle Corporation	2,200	490,798
Accenture plc - Class A	10,300	3,178,374	Corteva, Inc.	13,000	744,900
Adobe Inc. *	8,400	4,107,516	DuPont de Nemours, Inc.	8,500	607,240
Advanced Micro Devices, Inc. *	27,200	3,098,352	Freeport-McMoRan Inc.	26,600	1,064,000
Analog Devices, Inc.	8,800	1,714,328	Linde plc	9,000	3,429,720
Apple Inc.	257,300	49,908,481			<u>6,576,282</u>
Applied Materials, Inc.	15,600	2,254,824	<b>REAL ESTATE — 1.18%</b>		
Autodesk, Inc. *	4,000	818,440	AvalonBay Communities, Inc.	6,000	1,135,620
Broadcom Inc.	7,100	6,158,753	CBRE Group, Inc. - Class A *	13,000	1,049,230
Cadence Design Systems, Inc. *	4,400	1,031,888	Digital Realty Trust, Inc.	3,000	341,610
Cisco Systems, Inc.	65,000	3,363,100	Equinix, Inc.	3,000	2,351,820
Intel Corporation	70,800	2,367,552	Extra Space Storage Inc.	1,000	148,850
International Business Machines Corporation	15,400	2,060,674	Prologis, Inc.	8,500	1,042,355
Intuit Inc.	5,000	2,290,950	Public Storage	5,000	1,459,400
KLA Corporation	2,200	1,067,044	SBA Communications Corporation - Class A	4,000	927,040
Lam Research Corporation	2,000	1,285,720			<u>8,455,925</u>
Micron Technology, Inc.	18,700	1,180,157	<b>UTILITIES — 2.39%</b>		
Microsoft Corporation	120,200	40,932,907	American Electric Power Company, Inc.	8,300	698,860
NVIDIA Corporation	45,400	19,205,108	American Water Works Company, Inc.	5,000	713,750
			Consolidated Edison, Inc.	13,000	1,175,200

See accompanying notes to financial statements.

**CORNERSTONE TOTAL RETURN FUND, INC.**  
**SCHEDULE OF INVESTMENTS – JUNE 30, 2023 (UNAUDITED) (CONCLUDED)**

Description	No. of Shares	Value	Description	No. of Shares	Value
<b>UTILITIES (CONTINUED)</b>			<b>SHORT-TERM INVESTMENT — 0.67%</b>		
Constellation Energy Corporation	8,433	\$ 772,041	<b>MONEY MARKET FUND — 0.67%</b>		
Dominion Energy, Inc.	23,700	1,227,423	Fidelity Institutional Money Market Government Portfolio - Class I, 4.99% ^		
Duke Energy Corporation	13,900	1,247,386	(cost - \$4,783,510)	4,783,510	\$ 4,783,510
Edison International	10,900	757,005	<b>TOTAL INVESTMENTS — 100.02%</b>		
Exelon Corporation	40,300	1,641,822	(cost - \$615,921,222)		<u>717,951,102</u>
NextEra Energy, Inc.	37,200	2,760,240	<b>LIABILITIES IN EXCESS OF OTHER ASSETS — (0.02%)</b>		
PG&E Corporation *	22,600	390,528			<u>(156,274)</u>
Public Service Enterprise Group Incorporated	14,100	882,801	<b>NET ASSETS — 100.00%</b>		
Sempra Energy	12,000	1,747,080			<u>\$717,794,828</u>
Southern Company (The)	20,200	1,419,050			
WEC Energy Group, Inc.	8,900	785,336			
Xcel Energy Inc.	15,600	969,852			
		<u>17,188,374</u>			
<b>TOTAL EQUITY SECURITIES</b>					
(cost - \$611,137,712)		<u>713,167,592</u>			
			* Non-income producing security.		
			^ The rate shown is the 7-day effective yield as of June 30, 2023.		
			plc Public Limited Company		

See accompanying notes to financial statements.

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**CORNERSTONE TOTAL RETURN FUND, INC.**  
**STATEMENT OF ASSETS AND LIABILITIES – JUNE 30, 2023 (UNAUDITED)**

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**ASSETS**

Investments, at value (cost – \$615,921,222) (Notes B and C)	\$ 717,951,102
Receivables:	
Investments sold	1,135,325
Dividends	507,587
Prepaid expenses	<u>32,749</u>
Total Assets	<u>719,626,763</u>

**LIABILITIES**

Payables:	
Investments purchased	1,036,162
Investment management fees (Note D)	576,368
Administration and fund accounting fees (Note D)	59,830
Directors' fees and expenses	60,076
Other accrued expenses	<u>99,499</u>
Total Liabilities	<u>1,831,935</u>

NET ASSETS (applicable to 106,005,758 shares of common stock) \$ 717,794,828

NET ASSET VALUE PER SHARE ( $\$717,794,828 \div 106,005,758$ ) \$ 6.77

**NET ASSETS CONSISTS OF**

Common stock, \$0.01 par value; 106,005,758 shares issued and outstanding (1,000,000,000 shares authorized)	\$ 1,060,058
Paid-in capital	616,427,247
Accumulated earnings	<u>100,307,523</u>
Net assets applicable to shares outstanding	<u>\$ 717,794,828</u>

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**CORNERSTONE TOTAL RETURN FUND, INC.****STATEMENT OF OPERATIONS – FOR THE SIX MONTHS ENDED JUNE 30, 2023 (UNAUDITED)**

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**INVESTMENT INCOME**

## Income:

Dividends	<u>\$ 6,840,563</u>
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## Expenses:

Investment management fees (Note D)	3,328,428
Administration and fund accounting fees (Note D)	181,288
Directors' fees and expenses	126,086
Printing	88,340
Custodian fees	37,668
Legal and audit fees	25,583
Transfer agent fees	24,352
Insurance	13,698
Stock exchange listing fees	7,968
Miscellaneous	<u>14,741</u>
Total Expenses	<u>3,848,152</u>

Net Investment Income	<u>2,992,411</u>
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**NET REALIZED AND UNREALIZED GAIN ON INVESTMENTS**

Net realized gain from investments	26,886,804
Long-term capital gain distributions from regulated investment companies	11,093
Net change in unrealized appreciation/(depreciation) in value of investments	<u>98,262,027</u>
Net realized and unrealized gain on investments	<u>125,159,924</u>

NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS	<u>\$ 128,152,335</u>
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**CORNERSTONE TOTAL RETURN FUND, INC.**  
**STATEMENTS OF CHANGES IN NET ASSETS**

	For the Six Months Ended June 30, 2023 <u>(Unaudited)</u>	For the Year Ended December 31, 2022 <u></u>
<b>INCREASE IN NET ASSETS</b>		
Operations:		
Net investment income	\$ 2,992,411	\$ 1,969,023
Net realized gain from investments	26,897,897	15,659,369
Net change in unrealized appreciation/ (depreciation) in value of investments	<u>98,262,027</u>	<u>(138,858,870)</u>
Net increase (decrease) in net assets resulting from operations	<u>128,152,335</u>	<u>(121,230,478)</u>
Distributions to stockholders (Note B):		
From earnings	(28,718,259)	(20,086,120)
Return-of-capital	<u>(44,389,753)</u>	<u>(149,640,606)</u>
Total distributions to stockholders	<u>(73,108,012)</u>	<u>(169,726,726)</u>
Common stock transactions:		
Proceeds from rights offering of 0 and 32,028,301 shares of newly issued common stock, respectively	—	254,624,993
Offering expenses associated with rights offering	—	(355,197)
Proceeds from 3,691,259 and 6,988,803 shares newly issued in reinvestment of dividends and distributions, respectively	<u>23,839,521</u>	<u>50,383,185</u>
Net increase in net assets from common stock transactions	<u>23,839,521</u>	<u>304,652,981</u>
Total increase in net assets	<u>78,883,844</u>	<u>13,695,777</u>
<b>NET ASSETS</b>		
Beginning of period	<u>638,910,984</u>	<u>625,215,207</u>
End of period	<u>\$717,794,828</u>	<u>\$638,910,984</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, 2022 (Unaudited)	For the Years Ended December 31,				
		2022	2021	2020	2019	2018
<b>PER SHARE OPERATING PERFORMANCE</b>						
Net asset value, beginning of period	\$ 6.24	\$ 9.88	\$ 9.56	\$ 10.46	\$ 10.15	\$ 13.18
Net investment income #	0.03	0.02	0.01	0.04	0.10	0.10
Net realized and unrealized gain/(loss) on investments	1.21	(2.00)	1.82	1.21	2.59	(0.94)
Net increase/(decrease) in net assets resulting from operations	1.24	(1.98)	1.83	1.25	2.69	(0.84)
Dividends and distributions to stockholders:						
Net investment income	(0.03)	(0.03)	(0.01)	(0.04)	(0.10)	(0.10)
Net realized capital gains	(0.25)	(0.22)	(1.12)	(0.58)	(0.43)	(0.32)
Return-of-capital	(0.43)	(1.83)	(0.71)	(1.54)	(1.85)	(2.34)
Total dividends and distributions to stockholders	(0.71)	(2.08)	(1.84)	(2.16)	(2.38)	(2.76)
Common stock transactions:						
Anti-dilutive effect due to shares issued:						
Rights offering	—	0.42	0.33	—	—	0.57
Reinvestment of dividends and distributions	0.00 <sup>+</sup>	0.00 <sup>+</sup>	0.00 <sup>+</sup>	0.00 <sup>+</sup>	0.00 <sup>+</sup>	0.00 <sup>+</sup>
Common stock repurchases	—	—	—	0.01	—	0.00 <sup>+</sup>
Total common stock transactions	—	0.42	0.33	0.01	0.00 <sup>+</sup>	0.57
Net asset value, end of period	\$ 6.77	\$ 6.24	\$ 9.88	\$ 9.56	\$ 10.46	\$ 10.15
Market value, end of period	\$ 8.00	\$ 7.10	\$ 13.75	\$ 11.40	\$ 10.99	\$ 11.11
Total investment return <sup>(a)</sup>	25.52% <sup>(b)</sup>	(32.11)%	45.50%	30.70%	23.68%	(8.89)%
<b>RATIOS/SUPPLEMENTAL DATA</b>						
Net assets, end of period (000 omitted)	\$717,795	\$638,911	\$625,215	\$391,374	\$415,560	\$389,231
Ratio of net expenses to average net assets <sup>(c)</sup>	1.16% <sup>(d)</sup>	1.15%	1.15%	1.19%	1.17% <sup>(e)</sup>	1.18%
Ratio of net investment income to average net assets <sup>(f)</sup>	0.90% <sup>(d)</sup>	0.31%	0.17%	0.43%	0.96%	0.86%
Portfolio turnover rate	32% <sup>(b)</sup>	49%	77%	104%	46%	57%

# 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 investment companies in which the Fund invests.

(d) Not 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%, annualized, 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 (the “1940 Act”), 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 of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of increase (decrease) in net assets from operations during the reporting period. 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, 2023, 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, 2023, 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.

The Fund holds certain investments which pay distributions to their stockholders based upon available funds from operations. It is possible for these dividends to exceed the underlying investments' taxable earnings and profits resulting in the excess portion of such dividends being designated as a return of capital. Distributions received from investments in securities that represent a return of capital or long-term capital gains are treated as a reduction of the cost of investments or as a realized gain, respectively.

**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, 2023, 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 2020 through 2022, and for the six months ended June 30, 2023. 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.

Securities or other assets that are not publicly traded or for which a market price is not otherwise readily available will be valued at a price that reflects such security's fair value, as determined by the Investment Manager and ratified by the Board in accordance with the Fund's Policy for Valuation of Portfolio Securities. In making such fair value determinations, the Investment Manager is required to consider all appropriate factors relevant to the value of securities for which other pricing sources are not available or reliable as described above. No single method exists for determining fair value, because fair value depends upon the circumstances of each individual case. As a general principle, the current fair value of a security being valued would be the amount that the Fund might reasonably expect to receive upon the current sale. Methods that are in accordance with this principle may, for example, be based on (i) a multiple of earnings; (ii) a discount from market prices of a similar freely traded security (including a derivative security or a basket of securities traded on other markets, exchanges or among dealers); or (iii) yield to maturity with respect to debit issues, or a combination of these and other methods. Fair-value pricing is permitted if, in the Investment Manager's opinion, the validity of market quotations appears to be questionable based on factors such as evidence of a thin market in the security based on a small number of quotations, a significant event occurs after the close of a market but before the Fund's NAV calculation that may affect a security's value, or the Investment Manager is aware of any other data that calls into question the reliability of market quotations.

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

The following is a summary of the Fund's investments and the inputs used as of June 30, 2023, in valuing the investments carried at value:

Valuation Inputs	Investments in Securities	Other Financial Instruments*
Level 1 – Quoted Prices		
Equity Securities	\$ 713,167,592	\$ —
Short-Term Investment	4,783,510	—
Level 2 – Other Significant Observable Inputs	—	—
Level 3 – Significant Unobservable Inputs	—	—
Total	\$ 717,951,102	\$ —

\* 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, 2023.

**NOTE D. AGREEMENTS WITH AFFILIATES**

At June 30, 2023, 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, 2023, Cornerstone earned \$3,328,428 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 Securities and Exchange Commission ("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, 2023, Ultimus earned \$181,288 as fund accounting agent and administrator

**NOTE E. INVESTMENT IN SECURITIES**

For the six months ended June 30, 2023, purchases and sales of securities, other than short-term investments, were \$217,152,855 and \$263,657,838, respectively.

**NOTE F. SHARES OF COMMON STOCK**

The Fund has 1,000,000,000 shares of common stock authorized and 106,005,758 shares issued and outstanding at June 30, 2023. Transactions in common stock for the six months ended June 30, 2023, were as follows:

Shares at beginning of period	102,314,499
Shares newly issued from rights offering	—
Shares issued in reinvestment of dividends and distributions	3,691,259
Shares at end of period	106,005,758

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

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**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, 2023 and December 31, 2022 was as follows:

	<b>June 30, 2023</b>	<b>December 31, 2022</b>
Ordinary Income	\$ 2,992,411	\$ 4,928,395
Long-Term Capital Gains	25,725,848	15,157,725
Return-of-Capital	<u>44,389,753</u>	<u>149,640,606</u>
Total Distributions	<u>\$ 73,108,012</u>	<u>\$ 169,726,726</u>

At December 31, 2022, the components of accumulated earnings on a tax basis for the Fund were as follows:

Net unrealized appreciation	<u>\$ 873,447</u>
Total accumulated earnings	<u>\$ 873,447</u>

The following information is computed on a tax basis for each item as of June 30, 2023:

Cost of portfolio investments	<u>\$617,643,579</u>
Gross unrealized appreciation	\$ 119,171,038
Gross unrealized depreciation	<u>(18,863,515)</u>
Net unrealized appreciation	<u>\$ 100,307,523</u>

## RESULTS OF ANNUAL MEETING OF STOCKHOLDERS (UNAUDITED)

On April 11, 2023, the Annual Meeting of Stockholders of the Fund was held and the following matter was voted upon based on 102,931,514 shares of common stock outstanding on the record date of February 15, 2023:

(1) To approve the election of nine directors to hold office until the year 2024 Annual Meeting of Stockholders.

<u>Name of Directors</u>	<u>For</u>	<u>Withheld</u>
Daniel W. Bradshaw	59,114,769	2,796,208
Joshua G. Bradshaw	59,071,167	2,839,810
Ralph W. Bradshaw	59,322,560	2,588,417
Robert E. Dean	59,389,691	2,521,286
Marcia E. Malzahn	59,504,921	2,406,056
Frank J. Maresca	59,412,877	2,498,100
Matthew W. Morris	59,443,942	2,467,035
Scott B. Rogers	59,405,842	2,505,135
Andrew A. Strauss	59,372,653	2,538,324

## INVESTMENT MANAGEMENT AGREEMENT APPROVAL DISCLOSURE (UNAUDITED)

The Board of Directors (the “Board”) of Cornerstone Total Return Fund, Inc. (the “Fund”), including those members of the Board who are not “interested persons,” as such term is defined by the 1940 Act (the “Independent Directors”), considers the approval of the continuation of the Investment Management Agreement (the “Agreement”) between Cornerstone Advisors, LLC (the “Investment Manager”) and the Fund on an annual basis. The most recent approval of the continuation of the Agreement occurred at an in-person meeting of the Board held on February 10, 2023.

The Board requested and received extensive materials and information from the Investment Manager to assist them in considering the approval of the continuance of the Agreement. Based on the Board’s review of the materials and information as well as discussions with management of the Investment Manager, the Board determined that the approval of the continuation of the Agreement was consistent with the best interests of the Fund and its stockholders. The Board decided that the continuation of the Agreement would enable the Fund to continue to receive high quality services at a cost that is appropriate, reasonable, and in the best interests of the Fund and its stockholders. The Board made these determinations on the basis of the following factors, among others: (1) the nature, extent, and quality of the services provided by the Investment Manager; (2) the cost to the Investment Manager for providing such services, with special attention to the Investment Manager’s profitability (and whether the Investment Manager realizes any economies of scale); (3) the direct and indirect benefits received by the Investment Manager from its relationship with the Fund and the other investment companies advised by the Investment Manager; and (4) comparative information as to the management fees, expense ratios and performance of other similarly situated closed-end investment companies.

In response to a questionnaire distributed by Fund counsel to the Investment Manager in accordance with Section 15(c) of the 1940 Act, as amended, the Investment Manager provided certain information

to the independent members of the Board in advance of the meeting held on February 10, 2023. The materials provided by the Investment Manager described the services offered by the Investment Manager to the Fund and included an overview of the Investment Manager’s investment philosophy, management style and plan, including the Investment Manager’s extensive knowledge and experience in the closed-end fund industry. The Board noted that the Investment Manager provides quarterly reviews of the performance of the Fund and the Investment Manager’s services for the Fund. The Board also discussed the experience and knowledge of the Investment Manager with respect to managing the Fund’s monthly distribution policy and the extent to which such policy contributes to the market’s positive valuation of the Fund.

The Board also reviewed and discussed a comparison of the Fund’s performance for the one-year, three-year, five-year and since inception periods ending November 30, 2022 with the performance of comparable closed-end funds for the same periods and a comparison of the Fund’s expense ratios and management fees with those of comparable funds. Additionally, the Investment Manager presented an analysis of its profitability based on its contractual relationship with the Fund and the other investment companies advised by the Investment Manager.

The Board carefully evaluated this information, taking into consideration many factors including the overall high quality of the personnel, operations, financial condition, investment management capabilities, methodologies, and performance of the Investment Manager. The Independent Directors met in executive session to discuss the information provided and was advised by independent legal counsel with respect to their deliberations and their duties when considering the Agreement’s continuance. Based on their review of the information requested and provided, the Independent Directors determined that: (i) the Investment Manager is expected to continue to provide a high-caliber quality of service to the Fund for the benefit of its stockholders; (ii) the Fund’s performance was satisfactory; (iii) the management

## **INVESTMENT MANAGEMENT AGREEMENT APPROVAL DISCLOSURE (UNAUDITED)**

### **(CONCLUDED)**

fees payable to the Investment Manager under the Agreement, in light of the services to be provided, were not unreasonable; and (iv) the Investment Manager's estimated profitability with respect to the Fund was not excessive. The Independent Directors concluded that the Fund's fee structure was not unreasonable and that the renewal of the Agreement with respect to the Fund was in the best interests of its stockholders. In considering the Agreement's renewal, the Independent Directors considered a variety of factors, including those discussed above, and also considered other factors (including conditions and trends prevailing generally in the economy and the securities markets). The Independent Directors did not identify any one factor as determinative, and each Independent Director may have weighed each factor differently. The Independent Directors' noted that their conclusions may be based in part on the Board's ongoing regular review of the Fund's performance and operations throughout the year. Accordingly, in light of the above considerations and such other factors and information it considered relevant, the Board by a unanimous vote (including a separate vote of the Independent Directors) approved the continuance of the Agreement with respect to the Fund.



## DESCRIPTION OF DIVIDEND REINVESTMENT PLAN (UNAUDITED)

Cornerstone Total Return Fund, Inc. (the “Fund”) operates a Dividend Reinvestment Plan (the “Plan”), administered by Equiniti 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 is necessary to comply with applicable provisions of

## DESCRIPTION OF DIVIDEND REINVESTMENT PLAN (UNAUDITED) (CONCLUDED)

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 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 their shares through the Agent. Shares may be sold via the internet at [www.equiniti.com](http://www.equiniti.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 Equiniti 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.equiniti.com](http://www.equiniti.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](http://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](http://www.sec.gov) or on the Fund's website at [www.cornerstonetotalreturnfund.com](http://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](http://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](http://www.cornerstonetotalreturnfund.com).

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*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.*

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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.**