

PORTFOLIO OF INVESTMENTS**August 31, 2019 (Unaudited)**

<u>Shares/\$ Par</u>		<u>Value</u>
Preferred Stock & Hybrid Preferred Securities^s — 75.6%		
Banking — 41.3%		
\$ 2,550,000	Bank of America Corporation, 5.875% to 03/15/28 then 3ML + 2.931%, Series FF . . . \$	2,774,655 ^{*(1)(2)}
\$ 1,400,000	BB&T Corporation, 4.80% to 09/01/24 then T5Y + 3.003%	1,412,250 ^{*(1)(2)}
	Citigroup, Inc.:	
\$ 355,000	5.875% to 03/27/20 then 3ML + 4.059%, Series O	358,229 ^{*(2)}
\$ 1,120,000	5.95% to 05/15/25 then 3ML + 3.905%, Series P	1,199,358 ^{*(2)}
227,619	6.875% to 11/15/23 then 3ML + 4.13%, Series K	6,373,332 ^{*(1)(2)}
155,338	7.125% to 09/30/23 then 3ML + 4.04%, Series J	4,451,987 ^{*(1)(2)}
	Citizens Financial Group, Inc.:	
50,000	6.35% to 04/06/24 then 3ML + 3.642%, Series D	1,397,455 ^{*(1)(2)}
\$ 1,300,000	6.375% to 04/06/24 then 3ML + 3.157%, Series C	1,360,476 ^{*(1)(2)(3)}
	CoBank ACB:	
9,984	6.125%, Series G, 144A****	1,013,376 ^{*(2)}
17,500	6.20% to 01/01/25 then 3ML + 3.744%, Series H, 144A****	1,874,250 ^{*(2)}
25,000	6.25% to 10/01/22 then 3ML + 4.557%, Series F, 144A****	2,650,000 ^{*(1)(2)}
\$ 609,000	6.25% to 10/01/26 then 3ML + 4.66%, Series I, 144A****	656,198 ^{*(2)}
	Fifth Third Bancorp:	
68,236	6.00%, Series A	1,843,396 ^{*(1)(2)}
307,717	6.625% to 12/31/23 then 3ML + 3.71%, Series I	8,691,836 ^{*(1)(2)}
	First Horizon National Corporation:	
875	First Tennessee Bank, 3ML + 0.85%, min 3.75%, 3.75% ⁽⁴⁾ , 144A****	647,500 ^{*(2)}
3	FT Real Estate Securities Company, 9.50% 03/31/31, 144A****	3,915,000
	Goldman Sachs Group:	
\$ 2,700,000	5.00% to 11/10/22 then 3ML + 2.874%, Series P	2,675,417 ^{*(1)(2)(3)}
\$ 830,000	5.50% to 08/10/24 then T5Y + 3.623%, Series Q	870,438 ^{*(2)}
\$ 285,000	3ML + 3.884%, 6.065% ⁽⁴⁾ , Series L	285,713 ^{*(2)}
57,668	6.375% to 05/10/24 then 3ML + 3.55%, Series K	1,598,736 ^{*(1)(2)}
	HSBC Holdings PLC:	
\$ 1,400,000	HSBC Capital Funding LP, 10.176% to 06/30/30 then 3ML + 4.98%, 144A****	2,259,642 ⁽¹⁾⁽²⁾⁽³⁾⁽⁵⁾
	Huntington Bancshares, Inc.:	
140,000	6.25%, Series D	3,722,880 ^{*(1)(2)}
\$ 1,400,000	5.70% to 04/15/23 then 3ML + 2.88%, Series E	1,416,751 ^{*(1)(2)(3)}
	JPMorgan Chase & Company:	
\$ 465,000	5.00% to 08/01/24 then SOFRRATE + 3.38%, Series FF	483,019 ^{*(2)}
\$ 5,021,000	3ML + 3.47%, 5.7358% ⁽⁴⁾ , Series I	5,054,741 ^{*(1)(2)(3)}
\$ 750,000	6.00% to 08/01/23 then 3ML + 3.30%, Series R	799,286 ^{*(1)(2)}
\$ 4,791,000	6.75% to 02/01/24 then 3ML + 3.78%, Series S	5,339,402 ^{*(1)(2)}
122,200	KeyCorp, 6.125% to 12/15/26 then 3ML + 3.892%, Series E	3,470,749 ^{*(1)(2)}
\$ 2,250,000	Lloyds TSB Bank PLC, 12.00% to 12/16/24 then 3ML + 11.756%, 144A****	2,717,156 ⁽²⁾⁽⁵⁾
\$ 3,500,000	M&T Bank Corporation, 6.45% to 02/15/24 then 3ML + 3.61%, Series E	3,800,003 ^{*(1)(2)(3)}
21,000	Merchants Bancorp, 6.00% to 10/01/24 then 3ML + 4.569%, Series B	544,845 ^{*(2)}
	Morgan Stanley:	
213,700	5.85% to 04/15/27 then 3ML + 3.491%, Series K	5,786,996 ^{*(1)(2)}
89,000	6.875% to 01/15/24 then 3ML + 3.94%, Series F	2,497,340 ^{*(1)(2)}
86,900	7.125% to 10/15/23 then 3ML + 4.32%, Series E	2,481,456 ^{*(1)(2)}

PORTFOLIO OF INVESTMENTS (Continued)**August 31, 2019 (Unaudited)**

<u>Shares/\$ Par</u>		<u>Value</u>
Preferred Stock & Hybrid Preferred Securities — (Continued)		
Banking — (Continued)		
235,200	New York Community Bancorp, Inc., 6.375% to 03/17/27 then 3ML + 3.821%, Series A	\$ 6,624,361 ^{*(1)(2)}
23,066	People's United Financial, Inc., 5.625% to 12/15/26 then 3ML + 4.02%, Series A . PNC Financial Services Group, Inc.:	636,506 ^{*(2)}
350,226	6.125% to 05/01/22 then 3ML + 4.067%, Series P	9,635,593 ^{*(1)(2)}
\$ 2,850,000	6.75% to 08/01/21 then 3ML + 3.678%, Series O	3,069,878 ^{*(1)(2)}
127,400	Regions Financial Corporation, 5.70% to 08/15/29 then 3ML + 3.148%, Series C. Sovereign Bancorp:	3,524,203 ^{*(1)(2)}
3,000	Sovereign REIT, 12.00%, Series A, 144A****	3,270,645 ⁽²⁾
\$ 500,000	State Street Corporation: 5.625% to 12/15/23 then 3ML + 2.539%, Series H	513,260 ^{*(2)}
157,400	5.90% to 03/15/24 then 3ML + 3.108%, Series D	4,237,602 ^{*(1)(2)}
13,416	Sterling Bancorp, 6.50%, Series A	375,581 ^{*(2)}
53,848	Synovus Financial Corporation, 5.875% to 07/01/24 then T5Y + 4.127%, Series E	1,428,184 ^{*(2)}
21,000	TriState Capital Holdings, Inc., 6.375% to 07/01/26 then 3ML + 4.088%, Series B	564,165 ^{*(2)}
39,000	Valley National Bancorp, 5.50% to 09/30/22 then 3ML + 3.578%, Series B	1,008,345 ^{*(2)}
	Wells Fargo & Company:	
24,700	5.625%, Series Y	659,292 ^{*(2)}
325	7.50%, Series L	473,154 ^{*(2)}
81,100	5.85% to 09/15/23 then 3ML + 3.09%, Series Q	2,142,159 ^{*(1)(2)}
\$ 1,250,000	5.875% to 06/15/25 then 3ML + 3.99%, Series U	1,379,556 ^{*(1)(2)(3)}
\$ 1,458,000	3ML + 3.77%, 6.1803% ⁽⁴⁾ , Series K	1,470,758 ^{*(1)(2)(3)}
106,200	6.625% to 03/15/24 then 3ML + 3.69%, Series R	2,964,573 ^{*(1)(2)}
	Zions Bancorporation:	
5,000	6.30% to 03/15/23 then 3ML + 4.24%, Series G	137,825 ^{*(2)}
\$ 1,800,000	7.20% to 09/15/23 then 3ML + 4.44%, Series J	1,945,287 ^{*(1)(2)}
		<u>132,484,795</u>
Financial Services — 1.0%		
\$ 640,000	E*TRADE Financial Corporation, 5.30% to 03/15/23 then 3ML + 3.16%, Series B General Motors Financial Company:	634,058 ^{*(1)(2)(3)}
\$ 610,000	5.75% to 09/30/27 then 3ML + 3.598%, Series A	568,227 ^{*(1)(2)(3)}
\$ 1,000,000	6.50% to 09/30/28 then 3ML + 3.436%, Series B	983,480 ^{*(1)(2)(3)}
9,928	National Rural Utilities Cooperative Finance Corporation, 5.50% 05/15/64	277,612
29,000	Stifel Financial Corp., 6.25%, Series B	790,685 ^{*(2)}
		<u>3,254,062</u>
Insurance — 19.5%		
	Allstate Corporation:	
70,800	5.10%, Series H	1,850,358 ^{*(1)(2)(3)}
78,889	6.625%, Series E	2,010,092 ^{*(1)(2)}
\$ 2,150,000	American International Group, Inc., 8.175% to 05/15/38 then 3ML + 4.195%, 05/15/58	2,884,268 ⁽¹⁾⁽³⁾
\$ 1,290,000	Aon Corporation, 8.205% 01/01/27	1,613,661 ⁽¹⁾⁽³⁾

Flaherty & Crumrine Total Return Fund Incorporated
PORTFOLIO OF INVESTMENTS (Continued)
August 31, 2019 (Unaudited)

Shares/\$ Par	Value
Preferred Stock & Hybrid Preferred Securities — (Continued)	
Insurance — (Continued)	
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	Arch Capital Group, Ltd.:
16,000	5.25%, Series E \$ 401,040 ^{**} (2)(5)
14,200	5.45%, Series F 363,023 ^{**} (2)(5)
	Aspen Insurance Holdings Ltd.:
25,000	5.625% 653,875 ^{**} (2)(5)
9,000	5.95% to 07/01/23 then 3ML + 4.06% 248,760 ^{**} (2)(5)
120,000	Athene Holding Ltd., 6.35% to 06/30/29 then 3ML + 4.253%, Series A 3,402,600 ^{**} (1)(2)(5)
\$ 620,000	AXA SA, 6.379% to 12/14/36 then 3ML + 2.256%, 144A ^{****} 720,964 ^{**} (1)(2)(3)(5)
5,000	Axis Capital Holdings Ltd., 5.50%, Series E 127,775 ^{**} (2)(5)
	Chubb Ltd.:
\$ 1,550,000	Ace Capital Trust II, 9.70% 04/01/30 2,279,895 ⁽¹⁾⁽³⁾
224,200	Delphi Financial Group, 3ML + 3.19%, 5.3481% ⁽⁴⁾ 05/15/37 5,100,550 ⁽¹⁾⁽³⁾
61,000	Enstar Group Ltd., 7.00% to 09/01/28 then 3ML + 4.015%, Series D 1,636,783 ^{**} (1)(2)(5)
\$ 1,519,000	Everest Reinsurance Holdings, 3ML + 2.385%, 4.5431% ⁽⁴⁾ 05/15/37 1,384,713 ⁽¹⁾⁽³⁾
239	Hartford Financial Services Group, Inc., 7.875% to 04/15/22 then 3ML + 5.596%, 04/15/42 6,963
\$ 6,351,000	Liberty Mutual Group, 7.80% 03/15/37, 144A ^{****} 8,044,145 ⁽¹⁾⁽³⁾
	MetLife, Inc.:
\$ 5,335,000	9.25% 04/08/38, 144A ^{****} 7,584,209 ⁽¹⁾⁽³⁾
\$ 4,130,000	10.75% 08/01/39 6,657,002 ⁽¹⁾⁽³⁾
\$ 577,000	MetLife Capital Trust IV, 7.875% 12/15/37, 144A ^{****} 750,094 ⁽¹⁾⁽³⁾
	PartnerRe Ltd.:
26,750	5.875%, Series I 699,646 ^{**} (1)(2)(5)
13,839	6.50%, Series G 373,861 ^{**} (1)(2)(5)
98,547	7.25%, Series H 2,674,566 ^{**} (1)(2)(5)
\$ 704,000	Prudential Financial, Inc., 5.625% to 06/15/23 then 3ML + 3.92%, 06/15/43 755,719 ⁽¹⁾⁽³⁾
24,400	RenaissanceRe Holdings Ltd., 5.75%, Series F 645,226 ^{**} (2)(5)
	Unum Group:
\$ 5,803,000	Provident Financing Trust I, 7.405% 03/15/38 6,610,168 ⁽¹⁾
33,000	Voya Financial, Inc., 5.35% to 09/15/29 then T5Y + 3.21%, Series B 904,613 ^{*(2)}
	XL Group Limited:
\$ 2,000,000	Catlin Insurance Company Ltd., 3ML + 2.975%, 5.2775% ⁽⁴⁾ , 144A ^{****} 1,993,040 ⁽¹⁾⁽²⁾⁽³⁾⁽⁵⁾
	62,377,609
Utilities — 5.1%	
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57,000	Algonquin Power & Utilities Corporation, 6.20% to 07/01/24 then 3ML + 4.01%, 07/01/79, Series 2019-A 1,579,613 ⁽⁵⁾
\$ 900,000	CenterPoint Energy, Inc., 6.125% to 09/01/23 then 3ML + 3.27%, Series A 943,394 ^{*(1)(2)}
	Commonwealth Edison:
\$ 3,394,000	COMED Financing III, 6.35% 03/15/33 3,764,196 ⁽¹⁾⁽³⁾
9,189	Dominion Energy, Inc., 5.25% 07/30/76, Series A 244,450 ⁽¹⁾
\$ 2,940,000	Emera, Inc., 6.75% to 06/15/26 then 3ML + 5.44%, 06/15/76, Series 2016A 3,201,719 ⁽¹⁾⁽³⁾⁽⁵⁾

PORTFOLIO OF INVESTMENTS (Continued)**August 31, 2019 (Unaudited)**

<u>Shares/\$ Par</u>		<u>Value</u>
Preferred Stock & Hybrid Preferred Securities — (Continued)		
Utilities — (Continued)		
17,800	Indianapolis Power & Light Company, 5.65%	\$ 1,841,739 ^{*(1)(2)}
94,233	Integrus Energy Group, Inc., 6.00% to 08/01/23 then 3ML + 3.22%, 08/01/73	2,558,426 ⁽¹⁾⁽³⁾
	NiSource, Inc.:	
\$ 440,000	5.65% to 06/15/23 then T5Y + 2.843%, Series A	438,035 ^{*(2)}
40,000	6.50% to 03/15/24 then T5Y + 3.632%, Series B	1,104,500 ^{*(1)(2)}
	Southern California Edison:	
30,000	SCE Trust V, 5.45% to 03/15/26 then 3ML + 3.79%, Series K	746,850 ^{*(1)(2)}
		<u>16,422,922</u>
Energy — 5.1%		
	DCP Midstream LP:	
\$ 1,550,000	7.375% to 12/15/22 then 3ML + 5.148%, Series A	1,486,481 ⁽¹⁾⁽²⁾⁽³⁾
5,200	7.875% to 06/15/23 then 3ML + 4.919%, Series B	125,026 ⁽²⁾
\$ 750,000	DCP Midstream LLC, 5.85% to 05/21/23 then 3ML + 3.85%, 05/21/43, 144A****	697,500
\$ 1,500,000	Enbridge, Inc., 6.00% to 01/15/27 then 3ML + 3.89%, 01/15/77	1,572,720 ⁽¹⁾⁽³⁾⁽⁵⁾
	Energy Transfer LP:	
	Energy Transfer Operating LP:	
164,330	7.375% to 05/15/23 then 3ML + 4.53%, Series C	3,960,764 ⁽¹⁾⁽²⁾
130,000	7.60% to 05/15/24 then 3ML + 5.161%, Series E	3,255,525 ⁽¹⁾⁽²⁾
2,100	7.625% to 08/15/23 then 3ML + 4.738%, Series D	51,713 ⁽²⁾
\$ 1,000,000	Enterprise Products Operating L.P., 5.25% to 08/16/27 then 3ML + 3.033%, 08/16/77, Series E	989,020 ⁽¹⁾⁽³⁾
45,500	NuStar Logistics LP, 3ML + 6.734%, 9.0374% ⁽⁴⁾ 01/15/43	1,181,180 ⁽¹⁾⁽³⁾
	Transcanada Pipelines, Ltd.:	
\$ 1,500,000	5.30% to 03/15/27 then 3ML + 3.208%, 03/15/77, Series 2017-A	1,491,030 ⁽¹⁾⁽³⁾⁽⁵⁾
\$ 1,500,000	5.875% to 08/15/26 then 3ML + 4.64%, 08/15/76, Series 2016-A	1,584,780 ⁽¹⁾⁽³⁾⁽⁵⁾
		<u>16,395,739</u>
Communication — 0.3%		
\$ 900,000	Vodafone Group PLC, 7.00% to 04/04/29 then SW5 + 4.873%, 04/04/79	1,028,654 ⁽⁵⁾
		<u>1,028,654</u>
Real Estate Investment Trust (REIT) — 0.1%		
4,540	Annaly Capital Management, Inc., 6.95% to 09/30/22 then 3ML + 4.993%, Series F	116,792 ⁽²⁾
12,315	National Retail Properties, Inc., 5.20%, Series F	311,508 ⁽²⁾
		<u>428,300</u>
Miscellaneous Industries — 3.2%		
	BHP Billiton Limited:	
\$ 600,000	BHP Billiton Finance U.S.A., Ltd., 6.75% to 10/19/25 then SW5 + 5.093%, 10/19/75, 144A****	703,632 ⁽⁵⁾
\$ 718,000	General Electric Company, 5.00% to 01/21/21 then 3ML + 3.33%, Series D	652,676 ^{*(1)(2)}

Flaherty & Crumrine Total Return Fund Incorporated
PORTFOLIO OF INVESTMENTS (Continued)
August 31, 2019 (Unaudited)

Shares/\$ Par	Value
Preferred Stock & Hybrid Preferred Securities – (Continued)	
Miscellaneous Industries – (Continued)	
Land O' Lakes, Inc.:	
\$ 1,500,000 7.00%, Series C, 144A****	\$ 1,427,813*(2)
\$ 4,350,000 7.25%, Series B, 144A****	4,246,688*(2)
34,700 Ocean Spray Cranberries, Inc., 6.25%, 144A****	3,053,600*(2)
	10,084,409
Total Preferred Stock & Hybrid Preferred Securities	
(Cost \$224,874,013)	242,476,490
Contingent Capital Securities† – 18.7%	
Banking – 16.9%	
Australia & New Zealand Banking Group Ltd., 6.75% to 06/15/26 then ISDA5 + 5.168%, 144A****	
\$ 2,550,000	2,819,929**(1)(2)(3)(5)
Banco Bilbao Vizcaya Argentaria SA:	
\$ 3,000,000 6.125% to 11/16/27 then SW5 + 3.87%	2,826,449**(1)(2)(5)
\$ 1,000,000 6.50% to 03/05/25 then T5Y + 5.192%, Series 9	1,014,500**(2)(5)
Banco Mercantil del Norte SA:	
\$ 492,000 7.50% to 06/27/29 then T10Y + 5.47%, 144A****	492,620**(2)(5)
\$ 710,000 7.625% to 01/06/28 then T10Y + 5.353%, 144A****	712,875**(2)(5)
Barclays Bank PLC:	
\$ 1,110,000 7.75% to 09/15/23 then SW5 + 4.842%	1,134,380**(1)(2)(5)
\$ 3,220,000 7.875% to 03/15/22 then SW5 + 6.772%, 144A****	3,357,010**(1)(2)(5)
\$ 2,035,000 8.00% to 06/15/24 then T5Y + 5.672%	2,117,956**(1)(2)(5)
BNP Paribas:	
\$ 560,000 7.00% to 08/16/28 then SW5 + 3.98%, 144A****	609,503**(2)(5)
\$ 7,830,000 7.375% to 08/19/25 then SW5 + 5.15%, 144A****	8,707,781**(1)(2)(5)
\$ 2,000,000 7.625% to 03/30/21 then SW5 + 6.314%, 144A****	2,115,700**(1)(2)(3)(5)
\$ 395,000 Credit Agricole SA, 7.875% to 01/23/24 then SW5 + 4.898%, 144A****	437,778**(2)(5)
Credit Suisse Group AG:	
\$ 1,500,000 6.375% to 08/21/26 then T5Y + 4.822%, 144A****	1,553,250**(2)(5)
\$ 1,000,000 7.25% to 09/12/25 then SW5 + 4.332%, 144A****	1,065,395**(1)(2)(5)
\$ 1,100,000 7.50% to 07/17/23 then SW5 + 4.60%, 144A****	1,172,397**(1)(2)(3)(5)
HSBC Holdings PLC:	
\$ 500,000 6.00% to 05/22/27 then ISDA5 + 3.746%	502,010**(2)(5)
\$ 4,265,000 6.50% to 03/23/28 then ISDA5 + 3.606%	4,386,979**(1)(2)(3)(5)
\$ 1,370,000 6.875% to 06/01/21 then ISDA5 + 5.514%	1,435,897**(1)(2)(3)(5)
\$ 2,750,000 Lloyds Banking Group PLC, 7.50% to 09/27/25 then SW5 + 4.496%	2,848,600**(2)(5)
\$ 730,000 Macquarie Bank Ltd., 6.125% to 03/08/27 then SW5 + 3.703%, 144A****	735,679**(2)(5)
\$ 6,000,000 Societe Generale SA, 6.75% to 04/06/28 then SW5 + 3.929%, 144A****	6,072,900**(1)(2)(3)(5)
Standard Chartered PLC:	
\$ 3,510,000 7.50% to 04/02/22 then SW5 + 6.301%, 144A****	3,681,113**(1)(2)(3)(5)
\$ 1,500,000 7.75% to 04/02/23 then SW5 + 5.723%, 144A****	1,606,073**(1)(2)(3)(5)

PORTFOLIO OF INVESTMENTS (Continued)

August 31, 2019 (Unaudited)

<u>Shares/\$ Par</u>	<u>Value</u>
Corporate Capital Securities — (Continued)	
Banking — (Continued)	
\$ 2,500,000 UBS Group Funding Switzerland AG, 7.000% to 01/31/24 then SW5 + 4.344%, 144A****	\$ 2,653,125 ^{*(2)(5)}
	<u>54,059,899</u>
Insurance — 1.8%	
\$ 5,300,000 QBE Insurance Group Ltd., 7.50% to 11/24/23 then SW10 + 6.03%, 11/24/43, 144A****	5,924,181 ⁽¹⁾⁽³⁾⁽⁵⁾
	<u>5,924,181</u>
Total Contingent Capital Securities	
(Cost \$57,820,225)	<u>59,984,080</u>
Corporate Debt Securities^s — 4.8%	
Banking — 1.5%	
175,067 Texas Capital Bancshares Inc., 6.50% 09/21/42, Sub Notes	4,585,005 ⁽¹⁾
10,900 Zions Bancorporation, 6.95% to 09/15/23 then 3ML + 3.89%, 09/15/28, Sub Notes	312,761
	<u>4,897,766</u>
Insurance — 1.5%	
\$ 3,000,000 Liberty Mutual Insurance, 7.697% 10/15/97, 144A****	4,625,305 ⁽¹⁾⁽³⁾
	<u>4,625,305</u>
Energy — 0.4%	
\$ 940,000 Energy Transfer LP: Energy Transfer Operating LP, 8.25% 11/15/29	1,232,995 ⁽¹⁾⁽³⁾
	<u>1,232,995</u>
Communication — 0.6%	
Qwest Corporation:	
29,941 6.50% 09/01/56	748,375
41,820 6.75% 06/15/57	1,059,878
	<u>1,808,253</u>
Miscellaneous Industries — 0.8%	
\$ 2,160,000 Pulte Group, Inc., 7.875% 06/15/32	2,656,800 ⁽¹⁾⁽³⁾
	<u>2,656,800</u>
Total Corporate Debt Securities	
(Cost \$12,531,787)	<u>15,221,119</u>
Money Market Fund — 0.3%	
1,088,104 BlackRock Liquidity Funds: T-Fund, Institutional Class	1,088,104
Total Money Market Fund	
(Cost \$1,088,104)	<u>1,088,104</u>

Flaherty & Crumrine Total Return Fund Incorporated

PORTFOLIO OF INVESTMENTS (Continued)
August 31, 2019 (Unaudited)

		Value
Total Investments (Cost \$296,314,129 ^{***})	99.4%	\$ 318,769,793
Other Assets And Liabilities (Net)	0.6%	1,868,985
Total Managed Assets	100.0% [‡]	\$ 320,638,778
Loan Principal Balance		(107,900,000)
Total Net Assets Available To Common Stock		\$ 212,738,778

§ Date shown is maturity date unless referencing the end of the fixed-rate period of a fixed-to-floating rate security.

* Securities eligible for the Dividends Received Deduction and distributing Qualified Dividend Income.

** Securities distributing Qualified Dividend Income only.

*** Aggregate cost of securities held.

**** Securities exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be resold in transactions exempt from registration to qualified institutional buyers. At August 31, 2019, these securities amounted to \$96,568,066 or 30.1% of total managed assets.

(1) All or a portion of this security is pledged as collateral for the Fund's loan. The total value of such securities was \$202,979,304 at August 31, 2019.

(2) Perpetual security with no stated maturity date.

(3) All or a portion of this security has been rehypothecated. The total value of such securities was \$94,471,741 at August 31, 2019.

(4) Represents the rate in effect as of the reporting date.

(5) Foreign Issuer.

† A Contingent Capital Security is a hybrid security with contractual loss-absorption characteristics.

‡ The percentage shown for each investment category is the total value of that category as a percentage of total managed assets.

ABBREVIATIONS:

3ML	— 3-Month ICE LIBOR USD A/360
ISDA5	— 5-year USD ICE Swap Semiannual 30/360
SOFRRATE	— Secured Overnight Funding Rate, Federal Reserve Bank of New York
SW5	— 5-year USD Swap Semiannual 30/360
SW10	— 10-year USD Swap Semiannual 30/360
T5Y	— Federal Reserve H.15 5-Yr Constant Maturity Treasury Semiannual yield
T10Y	— Federal Reserve H.15 10-Yr Constant Maturity Treasury Semiannual yield

FINANCIAL HIGHLIGHTS⁽¹⁾

For the period December 1, 2018 through August 31, 2019 (Unaudited)

For a Common Stock share outstanding throughout the period

PER SHARE OPERATING PERFORMANCE:

Net asset value, beginning of period	\$ 19.10
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INVESTMENT OPERATIONS:

Net investment income	0.97
Net realized and unrealized gain/(loss) on investments	2.33
Total from investment operations	<u>3.30</u>

DISTRIBUTIONS TO COMMON STOCK SHAREHOLDERS:

From net investment income	(1.04)
Total distributions to Common Stock Shareholders	<u>(1.04)</u>
Net asset value, end of period	<u>\$ 21.36</u>
Market value, end of period	<u>\$ 21.45</u>
Common Stock shares outstanding, end of period	<u>9,961,483</u>

RATIOS TO AVERAGE NET ASSETS AVAILABLE TO COMMON STOCK SHAREHOLDERS:

Net investment income†	6.36%*
Operating expenses including interest expense	3.03%*
Operating expenses excluding interest expense	1.28%*

SUPPLEMENTAL DATA: ††

Portfolio turnover rate	13%**
Total managed assets, end of period (in 000's)	\$ 320,639
Ratio of operating expenses including interest expense to average total managed assets	1.97%*
Ratio of operating expenses excluding interest expense to average total managed assets	0.83%*

⁽¹⁾ These tables summarize the nine months ended August 31, 2019 and should be read in conjunction with the Fund's audited financial statements, including notes to the financial statements, in its Annual Report dated November 30, 2018.

* Annualized.

** Not annualized.

† The net investment income ratio reflects income net of operating expenses, including interest expense.

†† Information presented under heading Supplemental Data includes loan principal balance.

Flaherty & Crumrine Total Return Fund Incorporated

FINANCIAL HIGHLIGHTS (Continued)
Per Share of Common Stock (Unaudited)

	Total Dividends Paid	Net Asset Value	NYSE Closing Price	Dividend Reinvestment Price⁽¹⁾
December 31, 2018	\$0.1190	\$18.62	\$17.21	\$17.26
January 31, 2019	0.1150	19.73	18.60	18.68
February 28, 2019	0.1150	19.89	18.96	19.14
March 29, 2019	0.1150	20.12	19.22	19.40
April 30, 2019	0.1150	20.54	19.43	19.52
May 31, 2019	0.1150	20.45	19.70	19.65
June 28, 2019	0.1150	20.81	20.28	20.38
July 31, 2019	0.1150	21.19	20.98	21.17
August 30, 2019	0.1150	21.36	21.45	21.36

⁽¹⁾ Whenever the net asset value per share of the Fund's Common Stock is less than or equal to the market price per share on the reinvestment date, new shares issued will be valued at the higher of net asset value or 95% of the then current market price. Otherwise, the reinvestment shares of Common Stock will be purchased in the open market.

NOTES TO FINANCIAL STATEMENTS (Unaudited)

1. Aggregate Information for Federal Income Tax Purposes

At August 31, 2019, the aggregate cost of securities for federal income tax purposes was \$301,161,193, the aggregate gross unrealized appreciation for all securities in which there was an excess of value over tax cost was \$24,276,534 and the aggregate gross unrealized depreciation for all securities in which there was an excess of tax cost over value was \$6,667,934.

2. Additional Accounting Standards

Fair Value Measurements: The Fund has analyzed all existing investments to determine the significance and character of all inputs to their fair value determination. The levels of fair value inputs used to measure the Fund's investments are characterized into a fair value hierarchy. Where inputs for an asset or liability fall into more than one level in the fair value hierarchy, the investment is classified in its entirety based on the lowest level input that is significant to that investment's valuation. The three levels of the fair value hierarchy are described below:

- Level 1 – quoted prices in active markets for identical securities
- Level 2 – other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.)
- Level 3 – significant unobservable inputs (including the Fund's own assumptions in determining the fair value of investments)

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. Transfers in and out of levels are recognized at market value at the end of the period.

NOTES TO FINANCIAL STATEMENTS (Unaudited) (Continued)

A summary of the inputs used to value the Fund's investments as of August 31, 2019 is as follows:

	Total Value at August 31, 2019	Level 1 Quoted Price	Level 2 Significant Observable Inputs	Level 3 Significant Unobservable Inputs
Preferred Stock & Hybrid Preferred Securities				
Banking	\$ 132,484,795	\$ 109,092,418	\$ 23,392,377	\$ —
Financial Services	3,254,062	3,254,062	—	—
Insurance	62,377,609	36,623,513	25,754,096	—
Utilities	16,422,922	8,258,561	8,164,361	—
Energy	16,395,739	15,698,239	697,500	—
Communication	1,028,654	1,028,654	—	—
Real Estate Investment Trust (REIT)	428,300	428,300	—	—
Miscellaneous Industries	10,084,409	1,356,308	8,728,101	—
Contingent Capital Securities				
Banking	54,059,899	53,347,024	712,875	—
Insurance	5,924,181	—	5,924,181	—
Corporate Debt Securities				
Banking	4,897,766	4,897,766	—	—
Insurance	4,625,305	—	4,625,305	—
Energy	1,232,995	—	1,232,995	—
Communication	1,808,253	1,808,253	—	—
Miscellaneous Industries	2,656,800	—	2,656,800	—
Money Market Fund	1,088,104	1,088,104	—	—
Total Investments	<u>\$ 318,769,793</u>	<u>\$ 236,881,202</u>	<u>\$ 81,888,591</u>	<u>\$ —</u>

During the reporting period, there were no transfers into Level 1 from Level 2 or into Level 2 from Level 1. During the reporting period, there were no transfers into or out of Level 3.

The fair values of the Fund's investments are generally based on market information and quotes received from brokers or independent pricing services that are approved by the Board of Directors and are unaffiliated with the Adviser. To assess the continuing appropriateness of security valuations, management, in consultation with the Adviser, regularly compares current prices to prior prices, prices across comparable securities, actual sale prices for securities in the Fund's portfolio, and market information obtained by the Adviser as a function of being an active market participant.

NOTES TO FINANCIAL STATEMENTS (Unaudited) (Continued)

Securities with quotes that are based on actual trades or actionable bids and offers with a sufficient level of activity on or near the measurement date are classified as Level 1. Securities that are priced using quotes derived from implied values, indicative bids and offers, or a limited number of actual trades—or the same information for securities that are similar in many respects to those being valued—are classified as Level 2. If market information is not available for securities being valued, or materially-comparable securities, then those securities are classified as Level 3. In considering market information, management evaluates changes in liquidity, willingness of a broker to execute at the quoted price, the depth and consistency of prices from pricing services, and the existence of observable trades in the market.