

CORNERSTONE TOTAL RETURN FUND INC  
Form N-CSRS  
August 31, 2018

OMB APPROVAL

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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

**FORM N-CSR**

**CERTIFIED SHAREHOLDER REPORT OF REGISTERED  
MANAGEMENT INVESTMENT COMPANIES**

Investment Company Act file number 811-02363

Cornerstone Total Return Fund, Inc.

(Exact name of registrant as specified in charter)

225 Pictoria Drive, Suite 450 Cincinnati, OH 45246

(Address of principal executive offices) (Zip code)

Benjamin V. Mollozzi, Esq.

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Ultimus Fund Solutions, LLC 225 Pictoria Drive, Suite 450 Cincinnati, Ohio 45246

(Name and address of agent for service)

Registrant's telephone number, including area code: (513) 587-3400

Date of fiscal year end: December 31

Date of reporting period: June 30, 2018

Form N-CSR is to be used by management investment companies to file reports with the Commission not later than 10 days after the transmission to stockholders of any report that is required to be transmitted to stockholders under Rule 30e-1 under the Investment Company Act of 1940 (17 CFR 270.30e-1). The Commission may use the information provided on Form N-CSR in its regulatory, disclosure review, inspection, and policymaking roles.

A registrant is required to disclose the information specified by Form N-CSR, and the Commission will make this information public. A registrant is not required to respond to the collection of information contained in Form N-CSR unless the Form displays a currently valid Office of Management and Budget ("OMB") control number. Please direct comments concerning the accuracy of the information collection burden estimate and any suggestions for reducing the burden to the Secretary, Securities and Exchange Commission, 450 Fifth Street, NW, Washington, DC 20549-0609. The OMB has reviewed this collection of information under the clearance requirements of 44 U.S.C. § 3507.

**Cornerstone Total  
Return Fund, Inc.**

**Semi-Annual Report**

**June 30, 2018  
(Unaudited)**

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**Cornerstone Total Return Fund, Inc.**  
**Portfolio Summary – as of June 30, 2018 (unaudited)**

**SECTOR ALLOCATION**

Sector	Percent of Net Assets
Closed-End Funds	24.0
Information Technology	23.4
Health Care	11.8
Financials	11.3
Consumer Discretionary	11.3
Industrials	8.2
Energy	3.3
Consumer Staples	3.1
Materials	1.4
Utilities	0.7
Telecommunication Services	0.7
Other	0.8

**TOP TEN HOLDINGS, BY ISSUER**

Holding	Sector	Percent of Net Assets
1. Apple Inc.	Information Technology	4.3
2. Facebook, Inc. - Class A	Information Technology	4.3
3. Amazon.com, Inc.	Consumer Discretionary	4.0
4. JPMorgan Chase & Co.	Financials	2.9
5. Alphabet Inc. - Class C	Information Technology	2.9
6. Microsoft Corporation	Information Technology	2.6
7. Adams Diversified Equity Fund, Inc.	Closed-End Funds	2.4
8. Adams Natural Resources Fund, Inc.	Closed-End Funds	2.2
9. Tri-Continental Corporation	Closed-End Funds	1.9
10. UnitedHealth Group Incorporated	Health Care	1.9



**Cornerstone Total Return Fund, Inc.**  
**Schedule of Investments – June 30, 2018 (unaudited)**

Description	No. of Shares	Value
EQUITY SECURITIES — 99.24%		
CLOSED-END FUNDS — 23.97%		
CORE — 6.16%		
Adams Diversified Equity Fund, Inc.	419,651	\$6,471,018
Eagle Capital Growth Fund, Inc.	300	2,265
General American Investors Company, Inc.	129,575	4,449,606
Source Capital, Inc.	18,086	722,717
Tri-Continental Corporation	197,127	5,225,837
		16,871,443
DEVELOPED MARKET — 1.31%		
European Equity Fund, Inc. (The)	4,999	46,941
First Trust Dynamic Europe Equity Income Fund	31,355	506,070
Japan Smaller Capitalization Fund, Inc.	123,900	1,443,435
Morgan Stanley Asia-Pacific Fund, Inc.	53,904	920,680
New Germany Fund, Inc. (The)	8,755	159,691
New Ireland Fund, Inc. (The) *	43,689	510,287
		3,587,104
EMERGING MARKETS — 6.81%		
Central Europe, Russia and Turkey Fund, Inc. (The )	38,560	893,821
First Trust/Aberdeen Emerging Opportunity Fund	21,380	290,768
Herzfeld Caribbean Basin Fund Inc. (The) *	14,410	95,250
India Fund, Inc. (The)	111,217	2,702,573
Latin American Discovery Fund, Inc. (The)	26,840	256,054
Mexico Equity & Income Fund Inc.	43,514	449,500
Mexico Fund, Inc. (The)	64,379	974,698
Morgan Stanley China A Share Fund, Inc. *	141,062	3,255,711
Morgan Stanley Emerging Markets Fund, Inc.	131,397	2,133,887
Morgan Stanley India Investment Fund, Inc.	75,102	1,945,142
Taiwan Fund, Inc. (The)	11,721	235,826
Templeton Dragon Fund, Inc.	117,077	2,494,911
Templeton Emerging Markets Fund	199,366	2,932,674
		18,660,815
ENERGY MLP FUNDS — 0.03%		
Cushing Energy Income Fund (The)	8,605	79,682
GLOBAL — 1.80%		
Aberdeen Total Dynamic Dividend Fund	209,176	1,830,290
Gabelli Global Small and Mid Cap Value Trust (The) *	121,475	1,472,277
GDL Fund (The)	113,592	1,042,774
Royce Global Value Trust, Inc.	54,735	575,265
		4,920,606
GLOBAL INCOME — 0.10%		

BrandywineGLOBAL — Global Income Opportunities Fund Inc. 24,207 275,718

See accompanying notes to financial statements.



**Cornerstone Total Return Fund, Inc.**  
**Schedule of Investments – June 30, 2018 (unaudited) (continued)**

Description	No. of Shares	Value
<b>INCOME &amp; PREFERRED STOCK — 0.45%</b>		
Eagle Growth and Income Opportunities Fund	28,445	\$437,484
LMP Capital and Income Fund Inc.	61,407	789,080
		1,226,564
<b>LOAN PARTICIPATION — 0.08%</b>		
Invesco Senior Income Trust	12,032	51,497
Nuveen Floating Rate Income Opportunity Fund	17,310	180,197
		231,694
<b>NATURAL RESOURCES — 2.25%</b>		
Adams Natural Resources Fund, Inc.	300,702	6,041,103
BlackRock Resources & Commodities Strategy Trust	12,848	119,358
		6,160,461
<b>OPTION ARBITRAGE/OPTIONS STRATEGIES — 0.04%</b>		
Voya Asia Pacific High Dividend Equity Income Fund	10,248	102,480
<b>PACIFIC EX JAPAN — 0.04%</b>		
Korea Fund, Inc. (The)	3,066	116,692
<b>REAL ESTATE — 2.74%</b>		
Alpine Global Premier Properties Fund	54,148	345,464
CBRE Clarion Global Real Estate Income Fund	302,144	2,278,166
Cohen & Steers Preferred Securities and Income Fund, Inc.	162,505	3,155,847
RMR Real Estate Income Fund	94,097	1,721,034
		7,500,511
<b>SECTOR EQUITY — 1.13%</b>		
Gabelli Healthcare & Wellness <sup>Rx</sup> Trust	138,441	1,387,179
Nuveen Real Asset Income and Growth Fund	106,336	1,718,390
		3,105,569
<b>UTILITY — 1.03%</b>		
Gabelli Global Utility & Income Trust (The)	5,725	106,657
Macquarie Global Infrastructure Total Return Fund Inc.	119,888	2,702,275
		2,808,932
<b>TOTAL CLOSED-END FUNDS</b>		<b>65,648,271</b>
<b>CONSUMER DISCRETIONARY — 11.28%</b>		
Amazon.com, Inc. *	6,500	11,048,700
Carnival Corporation	7,000	401,170
Comcast Corporation - Class A	103,000	3,379,430
General Motors Company	30,000	1,182,000
Home Depot, Inc. (The)	25,000	4,877,500
Lowe's Companies, Inc.	9,000	860,130
McDonald's Corporation	16,600	2,601,054

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Netflix, Inc. *	9,000	3,522,870
Starbucks Corporation	30,000	1,465,500
TJX Companies, Inc. (The)	9,000	856,620
Twenty-First Century Fox, Inc.	8,500	418,795
Yum! Brands, Inc.	3,500	273,770
		30,887,539
CONSUMER STAPLES — 3.12%		
Altria Group, Inc.	29,000	1,646,910
British American Tobacco p.l.c. - ADR	7,364	371,514
Constellation Brands, Inc.	4,000	875,480
Costco Wholesale Corporation	7,000	1,462,860

See accompanying notes to financial statements.

**Cornerstone Total Return Fund, Inc.**  
**Schedule of Investments – June 30, 2018 (unaudited) (Continued)**

Description	No. of Shares	Value
<b>CONSUMER STAPLES (continued)</b>		
Estée Lauder Companies Inc. (The) - Class A	7,000	\$998,830
Lamb Weston Holdings, Inc.	1	68
Mondelēz International, Inc.	23,000	943,000
Sysco Corporation	12,000	819,480
Tyson Foods, Inc.	5,000	344,250
Walgreens Boots Alliance, Inc.	18,000	1,080,270
		8,542,662
<b>ENERGY — 3.28%</b>		
Chevron Corporation	25,000	3,160,750
Concho Resources Inc. *	2,000	276,700
ConocoPhillips	17,000	1,183,540
EOG Resources, Inc.	8,000	995,440
Exxon Mobil Corporation	25,000	2,068,250
Occidental Petroleum Corporation	10,900	912,112
Pioneer Natural Resources Company	2,000	378,480
		8,975,272
<b>FINANCIALS — 11.32%</b>		
Allstate Corporation (The)	8,000	730,160
American Express Company	16,000	1,568,000
Ameriprise Financial, Inc.	3,000	419,640
Aon plc	7,000	960,190
Bank of America Corporation	131,000	3,692,890
Bank of New York Mellon Corporation (The)	21,000	1,132,530
BlackRock, Inc. - Class A	3,000	1,497,120
Citigroup Inc.	48,700	3,259,004
Goldman Sachs Group, Inc. (The)	7,000	1,543,990
Intercontinental Exchange, Inc.	10,000	735,500
JPMorgan Chase & Co.	76,000	7,919,200
Marsh & McLennan Companies, Inc.	10,000	819,700
Moody's Corporation	4,000	682,240
Morgan Stanley	30,500	1,445,700
PNC Financial Services Group, Inc. (The)	10,000	1,351,000
S&P Global Inc.	6,000	1,223,340
SunTrust Banks, Inc.	8,000	528,160
U.S. Bancorp	30,000	1,500,600
		31,008,964
<b>HEALTH CARE — 11.86%</b>		
Abbott Laboratories	21,000	1,280,790
AbbVie Inc.	45,000	4,169,250
Aetna Inc.	7,000	1,284,500

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Allergan plc	1,900	316,768
Amgen Inc.	20,000	3,691,800
Baxter International Inc.	11,000	812,240
Becton, Dickinson and Company	5,000	1,197,800
Boston Scientific Corporation *	13,000	425,100
Celgene Corporation *	16,000	1,270,720
Cigna Corporation	5,000	849,750
CVS Health Corporation	22,000	1,415,700
Danaher Corporation	9,000	888,120
Eli Lilly and Company	17,000	1,450,610
Express Scripts Holding Company *	13,000	1,003,730
HCA Healthcare, Inc.	7,000	718,200
Johnson & Johnson	32,000	3,882,880
Stryker Corporation	6,000	1,013,160
Thermo Fisher Scientific Inc.	8,000	1,657,120
UnitedHealth Group Incorporated	21,000	5,152,140
		32,480,378

See accompanying notes to financial statements.

**Cornerstone Total Return Fund, Inc.**  
**Schedule of Investments – June 30, 2018 (unaudited) (Continued)**

Description	No. of Shares	Value
INDUSTRIALS — 8.19%		
3M Company	9,000	\$1,770,480
Boeing Company (The)	12,000	4,026,120
Caterpillar Inc.	11,000	1,492,370
CSX Corporation	20,900	1,333,002
Cummins Inc.	2,000	266,000
Delta Air Lines, Inc	15,000	743,100
FedEx Corporation	5,500	1,248,830
Deere & Company	6,000	838,800
Eaton Corporation plc	6,000	448,440
Honeywell International Inc.	11,000	1,584,550
Illinois Tool Works Inc.	6,500	900,510
Ingersoll-Rand Public Limited Company	4,000	358,920
Lockheed Martin Corporation	6,000	1,772,580
Republic Services, Inc.	4,000	273,440
Roper Technologies, Inc.	2,500	689,775
Southwest Airlines Co.	12,000	610,560
Union Pacific Corporation	16,000	2,266,880
United Parcel Service, Inc. - Class B	10,100	1,072,923
Waste Management, Inc.	9,000	