

Flaherty & Crumrine Total Return Fund

December 2021

Investment Objective

The Fund's investment objective is to provide high current income consistent with preservation of capital.

Fund Yield and Distributions as of 12.31.21

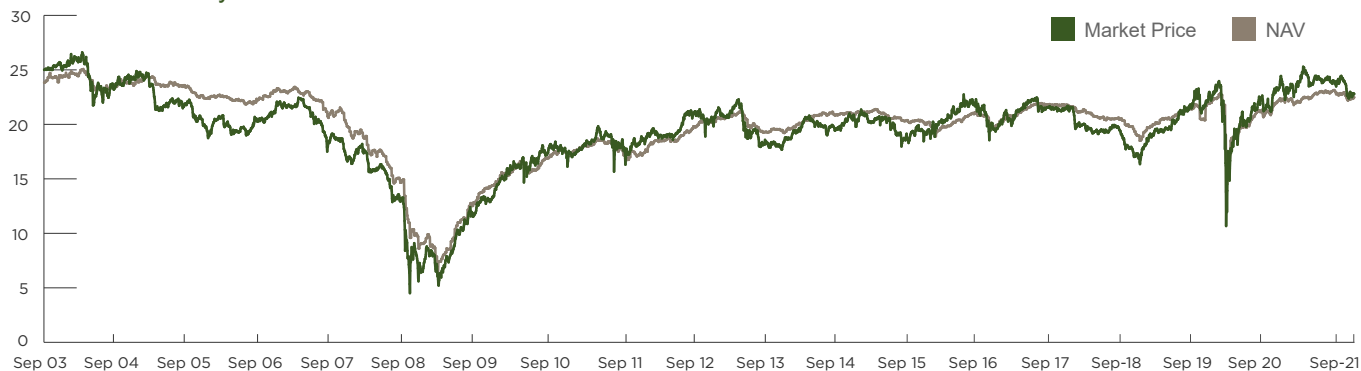
Current Distribution Rate ¹	6.82%
Monthly Dividend Per Share	\$0.12950
Record Date	December 23, 2021
Payable Date	December 31, 2021

¹ Latest declared monthly dividend per share annualized and divided by the December 31, 2021 price per share. The Fund's December 2021 distribution is comprised solely of net investment income. The distribution rate alone is not indicative of Fund performance. To the extent that any portion of the current distribution is estimated to be sourced from something other than income, such as return of capital, the source would be disclosed in a Section 19a-1 letter located under the "News & Literature" section of the Fund's website. Please note that the distribution classifications are preliminary and certain distributions may be re-classified at year end. Please refer to year-end tax documents for the final classifications of the Fund's distributions for a given year. ² All characteristics as a percentage of the fund's portfolio securities, which excludes cash. These percentages may differ from those used for the fund's compliance calculations, including the fund's prospectus, regulatory, and other investment limitations and policies, which may be based on net assets of the fund or other measurements, may include or exclude various categories of investments from those covered in the portfolio allocation categories shown here, and may be based on different classifications and measurements of the fund's investments and other criteria. ³ The closing price at which the Fund can be bought or sold on the exchange. ⁴ Per share dollar amount of the Fund, calculated by dividing the total value of all the securities in its portfolio, less any liabilities, by the number of Fund shares outstanding. ⁵ As a percentage of total assets. This figure is calculated on a weekly basis. ⁶ Annualized, excluding interest expense associated with the Fund's financial leverage strategy for the period ended November 30, 2020. ⁷ This does not reflect year-end results or actual tax categorization of Fund distributions. These percentages can, and do, change, perhaps significantly, depending on market conditions. Investors should consult their tax advisor regarding their personal situation. See accompanying notes to financial statements for the tax characterization of 2021 distributions.

Fund Overview and Characteristics² as of 12.31.21

Market Price ³	\$22.79
NAV ⁴	\$22.48
Premium/(Discount)	1.38%
Average 30 Day Volume	17,307
Net Assets	\$233,928,879
Leverage Outstanding	\$118,500,000
Total Leverage Ratio ⁵	33.6%
Expense Ratio ⁶	1.24%
Holdings Generating Qualified Dividend Income (QDI) for Individuals ⁷	67.4%
Fixed-to-Float Exposure	82%
Ticker	FLC
NAV Ticker	XFLCX
Inception Date	8/26/03
CUSIP	338479108

Price and NAV History as of 12.31.21*



Total Return as of 12.31.21

	Market Price	NAV
1 Year	3.11%	7.89%
3 Year	17.86%	14.22%
5 Year	10.48%	9.92%
10 Year	10.35%	10.86%
Since Inception*	8.44%	8.22%

*Since Inception of fund (8/26/2003). Past performance is not indicative of future results. Source: Morningstar

Performance data quoted represents past performance, which is no guarantee of future results, and current performance may be lower or higher than the figures shown. Since Inception returns assume a purchase of common shares at the initial offering price of \$20.00 per share for market price returns or initial net asset value (NAV) of \$19.10 per share for NAV returns. The NAV total return takes into account the fund's total annual expenses and does not reflect transaction charges. All distributions are assumed to be reinvested either in accordance with the dividend reinvestment plan (DRIP) for market price returns or NAV for NAV returns. Until the DRIP price is available from the Plan Agent, the market price returns reflect the reinvestment at the closing market price on the last business day of the month. Once the DRIP is available around mid-month, the market price returns are updated to reflect reinvestment at the DRIP price.

Top 10 Issuers as of 12.31.21

Security	Weight
MetLife	4.50%
Liberty Mutual Group	4.16%
Citigroup	3.89%
JPMorgan Chase	3.40%
Energy Transfer LP	3.10%
Morgan Stanley	2.98%
Wells Fargo & Company	2.96%
BNP Paribas	2.88%
Barclays Bank PLC	2.73%
Societe Generale	2.49%

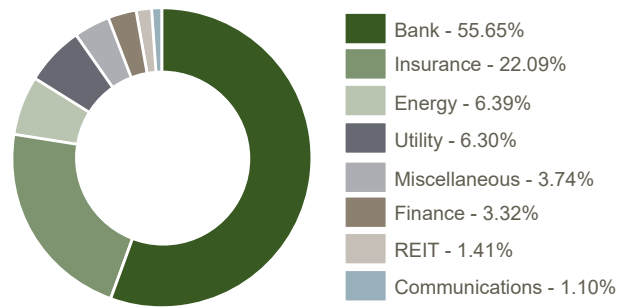
This data is subject to change on a daily basis. Each issuer may represent multiple issues.

Portfolio Managers

R. Eric Chadwick, CFA
Portfolio Manager and President
 19 Years Experience

Bradford S. Stone
Portfolio Manager, Executive Vice President and Chief Financial Officer
 32 Years Experience

Sector Allocation as of 12.31.21

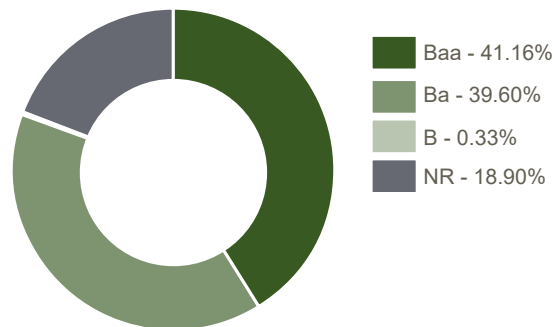


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About Flaherty & Crumrine

Founded in 1983, Flaherty & Crumrine is an independent, employee-controlled investment adviser and is one of the oldest and most experienced firms specializing in the management of preferred securities. Flaherty & Crumrine manages assets for clients including insurance companies, other institutions, and open-end and closed-end funds – with its first closed-end fund launched over 25 years ago.

Credit Quality as of 12.31.21



Credit quality, as rated by Moody's, is an assessment of the credit worthiness of an issuer of a security. Aaa is the highest rating; the obligor's capacity to meet its financial commitments is strong. As ratings decrease, the obligor is considered more speculative by market participants. Credit ratings apply only to the bonds and preferred securities in the portfolio and not to the shares of the fund which will fluctuate in value.

Geographic Breakdown as of 12.31.21

Country	Weight
United States	70.50%
United Kingdom	8.08%
France	5.73%
Spain	3.00%
Australia	2.93%
Bermuda	2.78%
Canada	2.76%
Switzerland	2.16%
Mexico	0.81%
Ireland	0.75%

This data is subject to change on a daily basis.

This material is not intended to be a recommendation or investment advice, does not constitute a solicitation to buy or sell securities, and is not provided in a fiduciary capacity. The information provided does not take into account the specific objectives or circumstances of any particular investor, or suggest any specific course of action. Investment decisions should be made based on an investor's objectives and circumstances and in consultation with his or her advisors.

Risk Considerations

*This information does not represent an offer to sell securities of the Fund nor is it soliciting an offer to buy securities of the Fund. There can be no assurance that the Fund will achieve its investment objective. The value of the Fund will fluctuate with the value of the underlying securities. Historically, closed-end funds often trade at a discount to their net asset value. Both the net asset value and the market value of shares of common stock may be subject to higher volatility and a decline in value. Certain risks are associated with the leveraging of common stock. An investment in the Fund includes, but is not limited to, risks and considerations such as: **Interest Rate Risk, Credit Risk, Investment and Market Risk, Management Risk, Hedging Risk, Leverage Risk, Concentration Risk, Inflation Risk, Anti-Takeover Provisions, Market Disruption, Subordination, Limited Voting Rights, Deferral Risk, Special Redemption Rights, Illiquidity and Tax Risks.** Please consider the Fund's investment objective and risks carefully before you invest. Preferred securities, which will constitute the principal portion of the Fund's assets, may be substantially less liquid than many other securities such as common stocks or Government Securities. At any particular time, a preferred security may not be actively traded in the secondary market, even though it may be listed on the New York Stock Exchange or other securities exchange. Many preferred securities currently outstanding are listed on the New York Stock Exchange, although secondary market transactions in preferred securities are frequently effected in the over-the-counter market, even in those preferred securities that are listed. The prices of illiquid securities may be more volatile than more actively traded securities and the absence of a liquid secondary market may adversely affect the ability of the Fund to buy or sell its preferred securities holdings at the times and prices desired and the ability of the Fund to determine its net asset value. The Fund will only purchase investment-grade securities or securities issued by companies whose senior debt is rated investment grade. Additionally, there is interest rate risk associated with the Fund. Changes in the level of interest rates are expected to affect the value of the Fund's portfolio holdings of fixed rate securities, and, under certain circumstances, its holdings of adjustable rate securities. Significant changes in the interest rate environment, as well as other factors, may cause the Fund's holding of preferred and debt securities to be redeemed by the issuers, thereby reducing the Fund's holdings of higher-income paying securities at a time when the Fund may be unable to acquire other securities paying comparable income rates with the redemption proceeds. The Fund may seek to enhance the level of the Fund's current income through the use of leverage. Certain risks are associated with the leveraging of common stock. Both the net asset value and the market value of shares of common stock may be subject to higher volatility and a decline in value.*

Flaherty & Crumrine Incorporated is the Fund's investment manager, Destra Capital Advisors, a registered investment advisor, is providing secondary market servicing for the fund.

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www.preferredincome.com

Not FDIC-Insured, Not Bank Guaranteed, May Lose Value

