

PAN AMERICAN SILVER CORP
Form 6-K
March 03, 2017

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 6-K

**REPORT OF FOREIGN PRIVATE ISSUER PURSUANT TO RULE 13a-16 OR 15d-16 UNDER THE
SECURITIES EXCHANGE ACT OF 1934**

For the month of March, 2017

Commission File Number 000-13727

PAN AMERICAN SILVER CORP.

(Translation of registrant's name into English)

1500-625 HOWE STREET
VANCOUVER BC CANADA V6C 2T6
(Address of principal executive office)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F [] Form 40-F [X]

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1): []

Note: Regulation S-T Rule 101(b)(1) only permits the submission in paper of a Form 6-K if submitted solely to provide an attached annual report to security holders.

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7): []

Note: Regulation S-T Rule 101(b)(7) only permits the submission in paper of a Form 6-K if submitted to furnish a report or other document that the registrant foreign private issuer must furnish and make public under the laws of the jurisdiction in which the registrant is incorporated, domiciled or legally organized (the registrant's "home country"), or under the rules of the home country exchange on which the registrant's securities are traded, as long as the report or other document is not a press release, is not required to be and has not been distributed to the registrant's security holders, and, if discussing a material event, has already been the subject of a Form 6-K submission or other Commission filing on EDGAR.

Exhibit

99.1 Notice of Meeting and Record Date

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Pan American Silver Corp.

Date: March 2, 2017

By: /s/ Delaney Fisher

Name: Delaney Fisher

Title: Vice President, Legal Affairs and Corporate Secretary

SEC 1815 (04-09) **Persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.**

/TD>

JPMorgan Chase:

\$5,880,000

JPMorgan Chase & Company, 7.90%, Series 1

6,812,997*(1)

KeyCorp:

1,250

KeyCorp, 7.75% Pfd., Series A

159,141*

Lloyds Banking Group PLC:

\$1,000,000

Lloyds Banking Group PLC, 6.657%, 144A****

907,500**(3)

M&T Bank Corp:

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\$2,700,000

M&T Bank Corporation, 6.875%, 144A****

2,836,747*

Morgan Stanley:

11,250

Morgan Stanley Capital Trust VI, 6.60% Pfd. 02/01/46

285,469 7,500

Morgan Stanley Capital Trust VII, 6.60% Pfd.

189,825

PNC Financial Services:

39,995

PNC Financial Services, 6.6285%⁽⁶⁾ Adj. Rate Pfd., Series L

1,038,770*⁽¹⁾ \$200,000

PNC Preferred Funding Trust III, 8.70%, 144A****

203,516

Sovereign Bancorp:

3,000

Sovereign REIT, 12.00% Pfd., Series A, 144A****

3,917,622

Wells Fargo:

\$600,000

First Union Capital II, 7.95% 11/15/29

743,371⁽¹⁾ 3,015

Wells Fargo & Company, 7.50% Pfd., Series L

3,824,151*⁽¹⁾ 198,700

Wells Fargo & Company, 8.00% Pfd., Series J

5,774,719*⁽¹⁾

Zions Bancorporation:

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125,000

Zions Bancorporation, 7.90% Pfd., Series F

3,593,750* 45,000

Zions Bancorporation, 9.50% Pfd., Series C

1,163,250* 101,791,099

Financial Services 2.1%

Credit Suisse Group:

\$2,180,000

Claudius, Ltd. - Credit Suisse AG, 7.875%, Series B, 144A****

2,324,425⁽³⁾

Flaherty & Crumrine Total Return Fund Incorporated

PORTFOLIO OF INVESTMENTS (Continued)

February 28, 2013 (Unaudited)

| Shares/\$ Par | | Value |
|---|---|-----------------------------------|
| Preferred Securities (Continued) | | |
| Financial Services (Continued) | | |
| | General Electric Capital Corp: | |
| \$ 1,550,000 | General Electric Capital Corp., 7.125%, Series A | \$ 1,793,090* |
| | HSBC PLC: | |
| 94,897 | HSBC Finance Corporation, 6.36% Pfd., Series B | 2,432,352* |
| | | 6,549,867 |
| Insurance 24.6% | | |
| | Ace Ltd.: | |
| \$ 1,550,000 | Ace Capital Trust II, 9.70% 04/01/30 | 2,259,125 ⁽¹⁾⁽²⁾⁽³⁾ |
| | Aon Corporation: | |
| \$ 1,875,000 | AON Corp, 8.205% 01/01/27 | 2,409,210 |
| | Arch Capital Group: | |
| 26,512 | Arch Capital Group, Ltd., 6.75% Pfd., Series C | 728,881 ^{** (1)(3)} |
| | AXA SA: | |
| \$ 1,016,000 | AXA SA, 6.379%, 144A**** | 1,016,000 ^{** (1)(2)(3)} |
| \$ 250,000 | AXA SA, 8.60% 12/15/30 | 322,271 ⁽³⁾ |
| | Axis Capital: | |
| 333,650 | Axis Capital Holdings, 6.875% Pfd., Series C | 9,269,297 ^{** (1)(3)} |
| | Delphi Financial: | |
| 160,000 | Delphi Financial Group, 7.376% Pfd. 05/15/37 | 4,015,008 ⁽¹⁾ |
| | Endurance Specialty Holdings: | |
| 35,000 | Endurance Specialty Holdings, 7.50% Pfd. | 940,538 ^{** (3)} |
| | Everest Re Group: | |
| 8,932 | Everest Re Capital Trust II, 6.20% Pfd., Series B | 227,333 |
| \$ 6,314,000 | Everest Re Holdings, 6.60% 05/15/37 | 6,463,958 ⁽¹⁾⁽²⁾ |
| | Liberty Mutual Group: | |
| \$ 8,300,000 | Liberty Mutual Group, 10.75% 06/15/58, 144A**** | 12,719,750 ⁽¹⁾⁽²⁾ |
| | Lincoln National Corp: | |
| \$ 260,000 | Lincoln National Corporation, 7.00% 05/17/66 | 265,850 |
| | MetLife: | |
| \$ 888,000 | MetLife Capital Trust IV, 7.875% 12/15/37, 144A**** | 1,105,560 ⁽¹⁾ |
| \$ 5,335,000 | MetLife Capital Trust X, 9.25% 04/08/38, 144A**** | 7,388,975 ⁽¹⁾ |
| \$ 2,855,000 | MetLife, Inc., 10.75% 08/01/39 | 4,403,838 ⁽¹⁾⁽²⁾ |
| | PartnerRe Ltd.: | |
| 31,000 | PartnerRe Ltd., 7.250% Pfd., Series E | 862,730 ^{** (3)} |
| | Principal Financial: | |
| 10,500 | Principal Financial Group, 5.563% Pfd., Series A | 1,047,375* |
| 75,000 | Principal Financial Group, 6.518% Pfd., Series B | 2,048,438 ^{* (1)} |

Flaherty & Crumrine Total Return Fund Incorporated

PORTFOLIO OF INVESTMENTS (Continued)

February 28, 2013 (Unaudited)

| Shares/\$ Par | | Value |
|---|--|--------------------------------|
| Preferred Securities (Continued) | | |
| Insurance (Continued) | | |
| | Prudential Financial: | |
| \$ 1,000,000 | Prudential Financial Inc., 5.625% 06/15/43 | \$ 1,045,000 ⁽¹⁾ |
| | QBE Capital Funding: | |
| \$ 1,400,000 | QBE Capital Funding III Ltd., 7.25% 05/24/41, 144A**** | 1,465,264 ⁽¹⁾⁽³⁾ |
| | Renaissancere Holdings: | |
| 15,067 | Renaissancere Holdings Ltd, 6.60% Pfd. | 383,003** ⁽³⁾ |
| | StanCorp Financial Group: | |
| \$ 2,365,000 | StanCorp Financial Group, 6.90% 06/01/67 | 2,406,388 ⁽¹⁾ |
| | The Travelers Companies: | |
| \$ 3,184,800 | USF&G Capital, 8.312% 07/01/46, 144A**** | 4,143,301 ⁽¹⁾⁽²⁾ |
| | XL Group PLC: | |
| \$ 8,250,000 | XL Capital Ltd., 6.50%, Series E | 8,085,000 ⁽¹⁾⁽²⁾⁽³⁾ |
| | | 75,022,093 |
| Utilities 18.0% | | |
| | Alabama Power: | |
| 6,050 | Alabama Power Company, 6.45% Pfd. | 173,371* ⁽¹⁾ |
| | Baltimore Gas & Electric: | |
| 33,700 | Baltimore Gas & Electric Company, 6.70% Pfd., Series 1993 | 3,468,994* ⁽¹⁾ |
| | Commonwealth Edison: | |
| \$ 3,160,000 | COMED Financing III, 6.35% 03/15/33 | 3,318,000 ⁽¹⁾⁽²⁾ |
| | Constellation Energy: | |
| 20,170 | Constellation Energy Group, 8.625% Pfd. 06/15/63, Series A | 522,403 ⁽¹⁾ |
| | Dominion Resources: | |
| \$ 3,500,000 | Dominion Resources, Inc., 7.50% 06/30/66 | 3,888,052 ⁽¹⁾⁽²⁾ |
| | Entergy Arkansas: | |
| 83,000 | Entergy Arkansas, Inc., 6.45% Pfd. | 2,113,910* ⁽¹⁾ |
| | Entergy Louisiana: | |
| 59,850 | Entergy Louisiana, Inc., 6.95% Pfd. | 5,996,222* ⁽¹⁾ |
| | Georgia Power: | |
| 70,791 | Georgia Power Company, 6.50% Pfd., Series 2007A | 7,921,959* ⁽¹⁾ |
| | Indianapolis Power & Light: | |
| 17,800 | Indianapolis Power & Light Company, 5.65% Pfd. | 1,790,013* ⁽¹⁾ |
| | Interstate Power & Light: | |
| 94,721 | Interstate Power & Light Company, 8.375% Pfd., Series B | 2,382,830* |
| | Nextera Energy: | |
| \$ 2,897,000 | FPL Group Capital, Inc., 6.65% 06/15/67 | 3,102,678 ⁽¹⁾⁽²⁾ |
| \$ 1,975,000 | FPL Group Capital, Inc., 7.30% 09/01/67, Series D | 2,233,911 ⁽¹⁾⁽²⁾ |

Flaherty & Crumrine Total Return Fund Incorporated

PORTFOLIO OF INVESTMENTS (Continued)

February 28, 2013 (Unaudited)

| Shares/\$ Par | | Value |
|---|---|--------------------------------|
| Preferred Securities (Continued) | | |
| Utilities (Continued) | | |
| | PECO Energy: | |
| \$ 3,600,000 | PECO Energy Capital Trust IV, 5.75% 06/15/33 | \$ 3,618,166 ⁽¹⁾⁽²⁾ |
| | PPL Corp: | |
| \$ 3,450,000 | PPL Capital Funding, 6.70% 03/30/67, Series A | 3,668,885 ⁽¹⁾⁽²⁾ |
| | Puget Energy: | |
| \$ 5,175,000 | Puget Sound Energy, Inc., 6.974% 06/01/67 | 5,652,733 ⁽¹⁾⁽²⁾ |
| | Southern California Edison: | |
| 46,460 | Southern California Edison, 6.50% Pfd., Series D | 4,936,375 ^{*(1)} |
| | | 54,788,502 |
| Energy 4.7% | | |
| | Enbridge Energy Partners: | |
| \$ 7,050,000 | Enbridge Energy Partners LP, 8.05% 10/01/37 | 7,974,206 ⁽¹⁾⁽²⁾ |
| | Enterprise Products Partners: | |
| \$ 5,550,000 | Enterprise Products Partners, 8.375% 08/01/66, Series A | 6,345,637 ⁽¹⁾⁽²⁾ |
| | | 14,319,843 |
| Real Estate Investment Trust (REIT) 1.1% | | |
| | CommonWealth REIT: | |
| 7,500 | CommonWealth REIT, 7.25% Pfd. | 190,961 |
| | Duke Realty Corp: | |
| 8,000 | Duke Realty Corp, 6.50% Pfd. | 201,940 |
| 21,000 | Duke Realty Corp, 6.60% Pfd. | 536,157 |
| | PS Business Parks: | |
| 56,000 | PS Business Parks, Inc., 6.45% Pfd. | 1,489,253 |
| 35,000 | PS Business Parks, Inc., 6.875% Pfd., Series R | 932,750 |
| | | 3,351,061 |
| Miscellaneous Industries 2.2% | | |
| | Ocean Spray Cranberries: | |
| 37,400 | Ocean Spray Cranberries, Inc., 6.25% Pfd., 144A**** | 3,446,646* |
| | Stanley Black & Decker: | |
| 24,012 | Stanley Black & Decker, Inc., 5.75% Pfd. 07/25/52 | 627,470 ⁽¹⁾ |
| | Textron, Inc.: | |
| \$ 2,850,000 | Textron Financial Corporation, 6.00% 02/15/67, 144A**** | 2,622,000 |
| | | 6,696,116 |
| | Total Preferred Securities (Cost \$250,775,303) | 262,518,581 |

Flaherty & Crumrine Total Return Fund Incorporated

PORTFOLIO OF INVESTMENTS (Continued)

February 28, 2013 (Unaudited)

| Shares/\$ Par | | Value |
|--|--|-----------------------------|
| Corporate Debt Securities 11.8% | | |
| Banking 4.6% | | |
| | First Niagara Financial Group: | |
| \$ 300,000 | First Niagara Financial Group, Inc., 7.25% 12/15/21, Sub Notes | \$ 359,342 |
| | Goldman Sachs Group: | |
| \$ 6,338,900 | Goldman Sachs Group, 6.75% 10/01/37, Sub Notes | 7,210,011 ⁽¹⁾⁽²⁾ |
| | Morgan Stanley: | |
| \$ 1,600,000 | Morgan Stanley, 6.375% 07/24/42 | 1,961,651 ⁽¹⁾⁽²⁾ |
| | Regions Financial: | |
| \$ 3,741,000 | Regions Financial Corporation, 7.375% 12/10/37, Sub Notes | 4,171,215 ⁽¹⁾⁽²⁾ |
| | Texas Capital Bancshares: | |
| 20,600 | Texas Capital Bancshares Inc., 6.50% 09/21/42 | 520,150 |
| | | 14,222,369 |
| Financial Services 0.5% | | |
| | Affiliated Managers Group: | |
| 27,895 | Affiliated Managers Group, Inc., 6.375% 08/15/42 | 731,170 |
| | Lehman Brothers: | |
| \$ 4,726,012 | Lehman Brothers, Guaranteed Note, Variable Rate, 5.843% 12/16/16, 144A**** | 649,165 ⁽⁴⁾⁽⁵⁾ |
| | Raymond James Financial: | |
| 3,264 | Raymond James Financial, 6.90% 03/15/42 | 91,106 |
| | | 1,471,441 |
| Insurance 3.9% | | |
| | Liberty Mutual Group: | |
| \$ 3,000,000 | Liberty Mutual Insurance, 7.697% 10/15/97, 144A**** | 3,323,736 ⁽¹⁾⁽²⁾ |
| | Unum Group: | |
| \$ 7,000,000 | UnumProvident Corporation, 7.25% 03/15/28 | 8,514,247 ⁽¹⁾⁽²⁾ |
| | | 11,837,983 |
| Utilities 0.7% | | |
| | Energy Transfer Equity: | |
| \$ 1,600,000 | Southern Union Company, 8.25% 11/15/29 | 2,049,067 ⁽¹⁾⁽²⁾ |
| | | 2,049,067 |
| Energy 1.0% | | |
| | Nexen, Inc.: | |
| 120,475 | Nexen, Inc., 7.35% 11/01/43 | 3,049,523 ⁽³⁾ |
| | | 3,049,523 |

Flaherty & Crumrine Total Return Fund Incorporated

PORTFOLIO OF INVESTMENTS (Continued)

February 28, 2013 (Unaudited)

| Shares/\$ Par | | Value |
|--|--|-----------------------------|
| Corporate Debt Securities (Continued) | | |
| | Real Estate Investment Trust (REIT) 0.1% | |
| | CommonWealth REIT: | |
| 12,500 | CommonWealth REIT, 7.50% 11/15/19 | \$ 267,019 |
| | | 267,019 |
| | Miscellaneous Industries 1.0% | |
| | Pulte Group Inc.: | |
| 25,844 | Pulte Homes, Inc., 7.375% 06/01/46 | 654,176 |
| \$ 2,160,000 | Pulte Homes, Inc., 7.875% 06/15/32 | 2,392,200 ⁽¹⁾⁽²⁾ |
| | | 3,046,376 |
| | Total Corporate Debt Securities | |
| | (Cost \$31,782,999) | 35,943,778 |
| | Common Stock 0.3% | |
| | Banking 0.2% | |
| | CIT Group: | |
| 13,500 | CIT Group, Inc. | 565,110* |
| | | 565,110 |
| | Utilities 0.1% | |
| | Exelon Corp: | |
| 11,750 | Exelon Corporation | 364,133* |
| | | 364,133 |
| | Total Common Stock | |
| | (Cost \$3,031,124) | 929,243 |
| | Money Market Fund 0.1% | |
| | BlackRock Liquidity Funds: | |
| 304,435 | T-Fund | 304,435 |
| | Total Money Market Fund | |
| | (Cost \$304,435) | 304,435 |
| | Total Investments (Cost \$285,893,861***) | 98.3% 299,696,037 |
| | Other Assets And Liabilities (Net) | 1.7% 5,140,328 |
| | Total Managed Assets | 100.0% \$ 304,836,365 |

| | |
|---|-----------------------|
| Loan Principal Balance | (101,300,000) |
| Total Net Assets Available To Common Stock | \$ 203,536,365 |

Flaherty & Crumrine Total Return Fund Incorporated

PORTFOLIO OF INVESTMENTS (Continued)

February 28, 2013 (Unaudited)

- * 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 February 28, 2013, these securities amounted to \$61,931,569 or 20.3% 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 \$189,964,835 at February 28, 2013.
 - (2) All or a portion of this security has been rehypothecated. The total value of such securities was \$96,958,685 at February 28, 2013.
 - (3) Foreign Issuer.
 - (4) Illiquid.
 - (5) Valued at fair value as determined in good faith by or under the direction of the Board of Directors as of February 28, 2013.
 - (6) Represents the rate in effect as of the reporting date.
- Non-income producing.
The issuer has filed for bankruptcy protection. As a result, the Fund may not be able to recover the principal invested and also does not expect to receive income on this security going forward.
The percentage shown for each investment category is the total value of that category as a percentage of total managed assets.

ABBREVIATIONS:

Pfd. Preferred Securities
REIT Real Estate Investment Trust

Flaherty & Crumrine Total Return Fund Incorporated

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE TO COMMON STOCK⁽¹⁾

For the period from December 1, 2012 through February 28, 2013 (Unaudited)

| | Value |
|--|---------------------|
| OPERATIONS: | |
| Net investment income | \$ 3,928,168 |
| Net realized gain/(loss) on investments sold during the period | 474,175 |
| Change in net unrealized appreciation/depreciation of investments | 4,390,213 |
| Net increase in net assets resulting from operations | 8,792,556 |
| DISTRIBUTIONS: | |
| Dividends paid from net investment income to Common Stock Shareholders ⁽²⁾ | (4,872,392) |
| Total Distributions to Common Stock Shareholders | (4,872,392) |
| FUND SHARE TRANSACTIONS: | |
| Increase from shares issued under the Dividend Reinvestment and Cash Purchase Plan | 262,457 |
| Net increase in net assets available to Common Stock resulting from Fund share transactions | 262,457 |
| NET INCREASE IN NET ASSETS AVAILABLE TO COMMON STOCK FOR THE PERIOD | \$ 4,182,621 |
| NET ASSETS AVAILABLE TO COMMON STOCK: | |
| Beginning of period | \$ 199,353,744 |
| Net increase in net assets during the period | 4,182,621 |
| End of period | \$ 203,536,365 |

(1) These tables summarize the three months ended February 28, 2013 and should be read in conjunction with the Fund's audited financial statements, including footnotes, in its Annual Report dated November 30, 2012.

(2) May include income earned, but not paid out, in prior fiscal year.

Flaherty & Crumrine Total Return Fund Incorporated

FINANCIAL HIGHLIGHTS⁽¹⁾**For the period from December 1, 2012 through February 28, 2013 (Unaudited)****For a Common Stock share outstanding throughout the period****PER SHARE OPERATING PERFORMANCE:**

| | |
|--------------------------------------|----------|
| Net asset value, beginning of period | \$ 20.19 |
|--------------------------------------|----------|

INVESTMENT OPERATIONS:

| | |
|-----------------------|------|
| Net investment income | 0.40 |
|-----------------------|------|

| | |
|---|------|
| Net realized and unrealized gain/(loss) on investments. | 0.48 |
|---|------|

| | |
|----------------------------------|------|
| Total from investment operations | 0.88 |
|----------------------------------|------|

DISTRIBUTIONS TO COMMON STOCK SHAREHOLDERS:

| | |
|----------------------------|--------|
| From net investment income | (0.49) |
|----------------------------|--------|

| | |
|--|--------|
| Total distributions to Common Stock Shareholders | (0.49) |
|--|--------|

| | |
|--------------------------------|----------|
| Net asset value, end of period | \$ 20.58 |
|--------------------------------|----------|

| | |
|-----------------------------|----------|
| Market value, end of period | \$ 20.77 |
|-----------------------------|----------|

| | |
|--|-----------|
| Common Stock shares outstanding, end of period | 9,888,145 |
|--|-----------|

RATIOS TO AVERAGE NET ASSETS AVAILABLE TO COMMON STOCK SHAREHOLDERS:

| | |
|-----------------------|--------|
| Net investment income | 7.90%* |
|-----------------------|--------|

| | |
|---|--------|
| Operating expenses including interest expense | 1.84%* |
|---|--------|

| | |
|---|--------|
| Operating expenses excluding interest expense | 1.30%* |
|---|--------|

SUPPLEMENTAL DATA:

| | |
|-------------------------|------|
| Portfolio turnover rate | 6%** |
|-------------------------|------|

| | |
|---|------------|
| Total managed assets, end of period (in 000 \$) | \$ 304,836 |
|---|------------|

| | |
|--|--------|
| Ratio of operating expenses including interest expense to total managed assets | 1.23%* |
|--|--------|

| | |
|--|--------|
| Ratio of operating expenses excluding interest expense to total managed assets | 0.87%* |
|--|--------|

(1) These tables summarize the three months ended February 28, 2013 and should be read in conjunction with the Fund's audited financial statements, including footnotes, in its Annual Report dated November 30, 2012.

* Annualized.

** Not annualized.

The net investment income ratios reflect 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, 2012 | \$ 0.2210 | \$ 20.19 | \$ 20.14 | \$ 20.19 |
| January 31, 2013 | 0.1360 | 20.52 | 21.33 | 20.52 |
| February 28, 2013 | 0.1360 | 20.58 | 20.77 | 20.58 |

- ⁽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 February 28, 2013, the aggregate cost of securities for federal income tax purposes was \$290,812,373, the aggregate gross unrealized appreciation for all securities in which there is an excess of value over tax cost was \$31,392,594 and the aggregate gross unrealized depreciation for all securities in which there is an excess of tax cost over value was \$22,508,930.

2. Additional Accounting Standards

Fair Value Measurements: The Fund has performed an analysis of all existing investments and derivative instruments 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. A summary of the inputs used to value the Fund's investments as of February 28, 2013 is as follows:

| | Total Value at February 28, 2013 | Level 1 Quoted Price | Level 2 Significant Observable Inputs | Level 3 Significant Unobservable Inputs |
|-------------------------------------|--|----------------------------|--|--|
| Preferred Securities | | | | |
| Banking | \$ 101,791,099 | \$ 73,895,222 | \$ 27,877,377 | \$ 18,500 |
| Financial Services | 6,549,867 | 4,225,442 | 2,324,425 | |
| Insurance | 75,022,093 | 49,474,193 | 25,547,900 | |
| Utilities | 54,788,502 | 15,798,759 | 38,989,743 | |
| Energy | 14,319,843 | 14,319,843 | | |
| Real Estate Investment Trust (REIT) | 3,351,061 | 3,351,061 | | |
| Miscellaneous Industries | 6,696,116 | 627,470 | 6,068,646 | |
| Corporate Debt Securities | 35,943,778 | 14,484,806 | 20,809,807 | 649,165 |
| Common Stock | | | | |
| Banking | 565,110 | 565,110 | | |
| Utilities | 364,133 | 364,133 | | |
| Money Market Fund | 304,435 | 304,435 | | |
| Total Investments | \$ 299,696,037 | \$ 177,410,474 | \$ 121,617,898 | \$ 667,665 |

Flaherty & Crumrine Total Return Fund Incorporated

NOTES TO FINANCIAL STATEMENTS (Unaudited) (Continued)

During the reporting period, there were no transfers into Level 1 from Level 2. During the reporting period, securities with an aggregate market value of \$2,668,750 were transferred into Level 2 from Level 1. The securities were transferred because of a reduction in the amount of observable market data, resulting from: a decrease in market activity for the securities, reduced availability of quoted prices for the securities, or de-listing of securities from a national securities exchange that resulted in a material decrease in activity.

The fair values of the Fund's investments are generally based on market information and quotes received from brokers or independent pricing services approved by the Board and 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 participant in the markets.

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.

The following is a reconciliation of Level 3 investments for which significant unobservable inputs were used to determine fair value:

| | | Preferred Securities | | Corporate Debt |
|--|-------------------|----------------------|--------------------|----------------|
| | Total Investments | Banking | Financial Services | Securities |
| Balance as of 11/30/12 | \$ 2,698,326 | \$ 18,500 | \$ 2,151,930 | \$ 527,896 |
| Accrued discounts/premiums | | | | |
| Realized gain/(loss) | | | | |
| Change in unrealized appreciation/(depreciation) | 121,269 | | | 121,269 |
| Purchases | | | | |
| Sales | (2,151,930) | | (2,151,930) | |
| Transfers in | | | | |
| Transfers out | | | | |
| Balance as of 2/28/13 | \$ 667,655 | \$ 18,500 | \$ | \$ 649,165 |

For the three months ended February 28, 2013, total change in unrealized gain/(loss) on Level 3 securities still held at period-end and included in the change in net assets was \$121,269.

NOTES TO FINANCIAL STATEMENTS (Unaudited) (Continued)

The following table summarizes the valuation techniques used and unobservable inputs developed to determine the fair value of Level 3 investments:

| Category | Fair Value at 2/28/13 | Valuation Technique | Unobservable Input | Input Range (Wgt Avg) |
|-----------------------------|-----------------------|---------------------|------------------------------------|-----------------------|
| Preferred Securities | | | | |
| Banking | \$ 15,000 | Bankruptcy recovery | Credit/Structure-specific recovery | 0.00%-0.50% (0.15%) |
| | 3,500 | Bankruptcy recovery | Credit/Structure-specific recovery | 0.00%-0.50% (0.05%) |
| Corporate Debt Securities | 649,165 | Bankruptcy recovery | Credit/Structure-specific recovery | 10%-20% (13%) |

The significant unobservable inputs used in the fair value measurement technique for bankruptcy recovery are based on recovery analysis that is specific to the security being valued, including the level of subordination and structural features of the security, and the current status of any bankruptcy or liquidation proceedings. Observable market trades in bankruptcy claims are utilized by management, when available, to assess the appropriateness of valuations, although the frequency of trading depends on the specific credit and seniority of the claim. Expected recoveries in bankruptcy by security type and industry do not tend to deviate much from historical recovery rates, which are very low (sometimes zero) for preferred securities and more moderate for senior debt. Significant changes in these inputs would result in a significantly higher or lower fair value measurement.

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Directors

Donald F. Crumrine, CFA

Chairman of the Board

David Gale

Morgan Gust

Karen H. Hogan

Robert F. Wulf, CFA

Officers

Donald F. Crumrine, CFA

Chief Executive Officer

Robert M. Ettinger, CFA

President

R. Eric Chadwick, CFA

Chief Financial Officer,

Vice President and Treasurer

Chad C. Conwell

Chief Compliance Officer,

Vice President and Secretary

Bradford S. Stone

Vice President and

Assistant Treasurer

Laurie C. Lodolo

Assistant Compliance Officer,

Assistant Treasurer and

Assistant Secretary

Linda M. Puchalski

Assistant Treasurer

Investment Adviser

Flaherty & Crumrine Incorporated

e-mail: flaherty@pfdincome.com

Servicing Agent

Destra Capital Investments LLC

1-866-233-4001

Questions concerning your shares of Flaherty & Crumrine Total Return Fund?

If your shares are held in a Brokerage Account, contact your Broker.

If you have physical possession of your shares in certificate form, contact the Fund's Transfer Agent
BNY Mellon Investment Servicing

P.O. Box 358035

Pittsburgh, PA 15252-8035 1-866-351-7446

This report is sent to shareholders of Flaherty & Crumrine Total Return Fund Incorporated for their information. 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 this report.

Quarterly

Report

February 28, 2013

www.preferredincome.com

Item 2. Controls and Procedures.

- (a) The registrant's principal executive and principal financial officers, or persons performing similar functions, have concluded that the registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940, as amended (the 1940 Act) (17 CFR 270.30a-3(c))) are effective, as of a date within 90 days of the filing date of the report that includes the disclosure required by this paragraph, based on their evaluation of these controls and procedures required by Rule 30a-3(b) under the 1940 Act (17 CFR 270.30a-3(b)) and Rules 13a-15(b) or 15d-15(b) under the Securities Exchange Act of 1934, as amended (17 CFR 240.13a-15(b) or 240.15d-15(b)).

- (b) There were no changes in the registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the 1940 Act (17 CFR 270.30a-3(d))) that occurred during the registrant's last fiscal quarter that have materially affected, or are reasonably likely to materially affect, the registrant's internal control over financial reporting.

Item 3. Exhibits.

Certifications pursuant to Rule 30a-2(a) under the 1940 Act and Section 302 of the Sarbanes-Oxley Act of 2002 are attached hereto.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

(Registrant) Flaherty & Crumrine Total Return Fund Incorporated

By (Signature and Title)* /s/ Donald F. Crumrine
Donald F. Crumrine, Director, Chairman of the Board and Chief
Executive Officer
(principal executive officer)

Date 4/19/2013

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By (Signature and Title)* /s/ Donald F. Crumrine
Donald F. Crumrine, Director, Chairman of the Board and Chief
Executive Officer
(principal executive officer)

Date 4/19/2013

By (Signature and Title)* /s/ R. Eric Chadwick
R. Eric Chadwick, Chief Financial Officer, Treasurer and Vice
President
(principal financial officer)

Date 4/19/2013

* Print the name and title of each signing officer under his or her signature.