

Virtus Total Return Fund Inc.
Form N-30B-2
October 30, 2018

QUARTERLY REPORT

Not FDIC Insured

No Bank Guarantee

May Lose Value

August 31, 2018

FUND DISTRIBUTIONS AND MANAGED DISTRIBUTION PLAN

The Board of Directors (the Board, or the Directors) of Virtus Total Return Fund Inc. (the Fund) adopted a Managed Distribution Plan (the Plan) which provides for the Fund to make a quarterly distribution rate of \$0.361 per share. Under the terms of the Plan, the Fund seeks to maintain a consistent distribution level that may be paid in part or in full from net investment income, realized capital gains, and a return of capital, or a combination thereof.

If the Fund estimates that it has distributed more than its income and capital gains in a particular period, a portion of your distribution may be a return of capital. A return of capital may occur, for example, when some or all of the money that you invested in the Fund is paid back to you. A return of capital distribution does not necessarily reflect the Fund's investment performance and should not be confused with yield or income.

To the extent that the Fund uses capital gains and/or return of capital to supplement its investment income, you should not draw any conclusions about the Fund's investment performance from the amount of the Fund's distributions or from the terms of the Fund's Managed Distribution Plan.

The amounts and sources of distributions reported in Section 19(a) notices of the Investment Company Act of 1940 are only estimates and are not being provided for tax reporting purposes. The actual amounts and sources of the amounts for tax reporting purposes will depend upon the Fund's investment experience during the remainder of its fiscal year and may be subject to changes based on tax regulations. The Fund will send shareholders a Form 1099-DIV for the calendar year that will tell you how to report distributions for federal income tax purposes.

The Board may amend, suspend or terminate the Managed Distribution Plan at any time, without prior notice to shareholders, if it deems such action to be in the best interest of the Fund and its shareholders.

Information on the Fund is available through the closed-end fund section on the web at www.Virtus.com. Section 19(a) notices are posted on the website at: <https://www.virtus.com/our-products/closed-end-fund-details/ZF>.

MESSAGE TO SHAREHOLDERS

Dear Virtus Total Return Fund Inc. Shareholder:

Enclosed is the quarterly report for the Virtus Total Return Fund Inc. (ZF) for the period ended August 31, 2018.

For the three months ended August 31, 2018, the fund's net NAV increased 2.80%, including \$0.3610 in reinvested distributions, and its market price increased 0.61%. The options overlay strategy contributed 1.29% to the fund's NAV return during the period.

During the same period, the fund's composite benchmark, consisting of 60% FTSE Developed Core Infrastructure 50/50 Index (net) and 40% Bloomberg Barclays U.S. Aggregate Bond Index, increased 1.83%, including reinvested dividends. Performance of the composite's underlying indices over this period included a loss of 0.28% for the equity index and a gain of 0.02% for the fixed income index.

We announced in October that Rampart Investment Management has been appointed a subadviser to manage the fund's options overlay strategy and that Rampart's Chief Investment Officer, Warun Kumar, was added as a portfolio manager to the fund. Mr. Kumar previously managed the strategy through Newfleet Asset Management. Additional information is contained in the press release located on the fund's web page at www.virtus.com.

On behalf of Virtus Investment Partners and our affiliated portfolio managers, I thank you for your investment. Should you have any questions or require support, the Virtus customer service team is ready to assist at 1-866-270-7788 or through the closed-end fund section of our website, www.virtus.com.

Sincerely,

George R. Aylward

President, Chief Executive Officer, and Trustee

Virtus Total Return Fund Inc.

October 2018

Performance data quoted represents past results. Past performance is no guarantee of future results and current performance may be higher or lower than performance shown above. Any market index referenced herein is unmanaged; its returns do not reflect any fees, expenses, or sales charges; and is not available for direct investment.

MESSAGE TO SHAREHOLDERS (Continued)

Equity Securities: The market price of equity securities may be adversely affected by financial market, industry, or issuer-specific events. Focus on a particular style or on small or medium-sized companies may enhance that risk.

Credit & Interest: Debt securities are subject to various risks, the most prominent of which are credit and interest rate risk. The issuer of a debt security may fail to make interest and/or principal payments. Values of debt securities may rise or fall in response to changes in interest rates, and this risk may be enhanced with longer-term maturities.

Options Overlay: The options overlay strategy may not be successful in achieving its objective of increasing distributable income while limiting the risk of loss and, in periods of significant moves in the S&P 500® Index, has resulted and, in the future, may result in losses for investors.

Foreign Investing: Investing internationally involves additional risks such as currency, political, accounting, economic, and market risk.

High Yield-High Risk Fixed Income Securities: There is a greater level of credit risk and price volatility involved with high yield securities than investment grade securities.

Industry/Sector Concentration: A fund that focuses its investments in a particular industry or sector will be more sensitive to conditions that affect that industry or sector than a non-concentrated fund.

ABS/MBS: Changes in interest rates can cause both extension and prepayment risks for asset- and mortgage-backed securities. These securities are also subject to risks associated with the repayment of underlying collateral.

Leveraged Loans: Loans may be unsecured or not fully collateralized, may be subject to restrictions on resale and/or trade infrequently on the secondary market. Loans can carry significant credit and call risk, can be difficult to value and have longer settlement times than other investments, which can make loans relatively illiquid at times.

Leverage: When a fund leverages its portfolio, the value of its shares may be more volatile and all other risks may be compounded.

Market Price/NAV: At the time of purchase and/or sale, an investor's shares may have a market value that is above or below the fund's NAV, which may increase the investor's risk of loss.

Fundamental Risk of Investing: There can be no assurance that the Fund will achieve its investment objectives. An investment in the shares of the Fund is subject to the risk of loss of principal; shares may decrease in value.

VIRTUS TOTAL RETURN FUND INC.**SCHEDULE OF INVESTMENTS****AUGUST 31, 2018 (Unaudited)**

(\$ reported in thousands)

Portfolio Holdings Summary Weightings

The following table presents the portfolio holdings within certain sectors as a percentage of total investments net of written options at August 31, 2018.

| | | |
|-------------------------------------|-----|------|
| Common Stocks | | 61% |
| Utilities | 27% | |
| Industrials | 17 | |
| Energy | 11 | |
| All other Common Stocks | 6 | |
| Corporate Bonds and Notes | | 18% |
| Financials | 4 | |
| Energy | 4 | |
| All other Corporate Bonds and Notes | 10 | |
| Leveraged Loans | | 6 |
| Mortgage-Backed Securities | | 5 |
| Foreign Government Securities | | 4 |
| Other | | 6 |
| Total | | 100% |

| | PAR VALUE | VALUE |
|---|-----------|--------------|
| U.S. GOVERNMENT SECURITIES 2.7% | | |
| U.S. Treasury Note | | |
| 1.875%, 2/28/22 | \$ 2,180 | \$ 2,118 |
| 2.375%, 1/31/23 | 1,970 | 1,940 |
| 2.000%, 2/15/25 | 965 | 919 |
| 2.250%, 8/15/27 ⁽¹⁵⁾ | 1,500 | 1,428 |
| TOTAL U.S. GOVERNMENT SECURITIES | | |
| (Identified Cost \$6,402) | | 6,405 |
| FOREIGN GOVERNMENT SECURITIES 4.8% | | |
| Argentine Republic Series NY | | |
| 8.280%, 12/31/33 | 967 | 808 |
| Bolivarian Republic of Venezuela | | |
| RegS, | | |
| 8.250%, 10/13/24 ⁽⁴⁾⁽⁷⁾ | 610 | 156 |

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| | | |
|--|------------------------|--------------|
| RegS, 7.650%, 4/21/25 ⁽⁴⁾⁽⁷⁾ | 830 | 203 |
| 9.375%, 1/13/34 ⁽⁷⁾ | 225 | 60 |
| | PAR VALUE | VALUE |
| FOREIGN GOVERNMENT SECURITIES (continued) | | |
| Dominican Republic | | |
| 144A, 6.875%, 1/29/26 ⁽³⁾ | \$ 165 | \$ 177 |
| 144A, 6.000%, 7/19/28 ⁽³⁾ | 455 | 463 |
| Federal Republic of Nigeria | | |
| 12.500%, 1/22/26 | 120,000 ^{NGN} | 294 |
| 144A, 6.500%, 11/28/27 ⁽³⁾ | 310 | 288 |
| Federative Republic of Brazil | | |
| 12.500%, 1/5/22 | 1,500 ^{BRL} | 409 |
| Notas do Tesouro Nacional Series F, 10.000%, 1/1/25 | 450 ^{BRL} | 104 |
| Kingdom of Bahrain | | |
| 144A, 7.000%, 10/12/28 ⁽³⁾ | 580 | 542 |
| Kingdom of Jordan | | |
| 144A, 5.750%, 1/31/27 ⁽³⁾ | 265 | 247 |

See Notes to Schedule of Investments

VIRTUS TOTAL RETURN FUND INC.**SCHEDULE OF INVESTMENTS (Continued)****AUGUST 31, 2018 (Unaudited)**

(\$ reported in thousands)

| | PAR VALUE | VALUE |
|--|--------------------------|---------------|
| FOREIGN GOVERNMENT SECURITIES (continued) | | |
| Kingdom of Morocco | | |
| 144A, 5.500%, 12/11/42 ⁽³⁾⁽¹⁵⁾ | \$ 600 | \$ 636 |
| Provincia de Buenos Aires | | |
| 144A, 7.875%, 6/15/27 ⁽³⁾ | 275 | 199 |
| Republic of Angola | | |
| 144A, 9.375%, 5/8/48 ⁽³⁾ | 200 | 201 |
| Republic of Chile | | |
| 5.500%, 8/5/20 | 240,500 ^{CLP} | 364 |
| Republic of Colombia | | |
| 4.375%, 3/21/23 | 1,106,000 ^{COP} | 343 |
| Republic of Costa Rica | | |
| 144A, 7.000%, 4/4/44 ⁽³⁾ | 440 | 419 |
| Republic of Ecuador | | |
| 144A, 8.875%, 10/23/27 ⁽³⁾ | 200 | 182 |
| Republic of Indonesia | | |
| FR70, 8.375%, 3/15/24 | 7,065,000 ^{IDR} | 484 |
| 144A, 8.500%, 10/12/35 ⁽³⁾ | 495 | 690 |
| Republic of Philippines | | |
| 9.500%, 2/2/30 | 420 | 621 |
| Republic of South Africa | | |
| Series 2023, 7.750%, 2/28/23 | 4,500 ^{ZAR} | 299 |
| 5.650%, 9/27/47 | 390 | 348 |
| Republic of Turkey | | |
| 4.875%, 10/9/26 | 615 | 480 |
| Russian Federation Series 6216 6.700%, 5/15/19 | 29,440 ^{RUB} | 435 |
| Sultanate of Oman | | |
| 144A, 5.375%, 3/8/27 ⁽³⁾⁽¹⁵⁾ | 625 | 595 |
| Ukraine | | |
| 144A, 7.750%, 9/1/23 ⁽³⁾ | 195 | 189 |
| 144A, 7.750%, 9/1/26 ⁽³⁾ | 835 | 768 |
| United Mexican States | | |
| Series M, 6.500%, 6/9/22 | 5,044 ^{MXN} | 252 |
| 4.150%, 3/28/27 | 265 | 261 |
| TOTAL FOREIGN GOVERNMENT SECURITIES | | |
| (Identified Cost \$13,437) | | 11,517 |

| | PAR VALUE | VALUE |
|--|-----------|-------|
| MORTGAGE-BACKED SECURITIES 6.7% | | |
| Agency 0.4% | | |

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| | | | |
|---------------------------------------|----|-----|--------|
| Federal National Mortgage Association | | | |
| Pool #MA3088, 4.000%, 8/1/47 | \$ | 488 | \$ 497 |
| Pool #MA3121, 4.000%, 9/1/47 | | 534 | 544 |

1,041

Non-Agency 6.3%

| | | | |
|---|--|-----|-----|
| American Homes 4 Rent Trust | | | |
| 2014-SFR2, C 144A, 4.705%, 10/17/36 ⁽³⁾ | | 390 | 405 |
| 2015-SFR2, C 144A, 4.691%, 10/17/45 ⁽³⁾ | | 340 | 355 |
| 2015-SFR1, A 144A, 3.467%, 4/17/52 ⁽³⁾ | | 169 | 168 |
| Ameriquest Mortgage Securities, Inc. Pass-Through Certificates, 2003-AR3, M4, (3 month LIBOR + 5.850%) 3.329%, 6/25/33 ⁽²⁾ | | 109 | 108 |
| AMSR Trust | | | |
| 2016-SFR1, C 144A, (1 month LIBOR + 2.250%) 4.310%, 11/17/33 ⁽²⁾⁽³⁾ | | 245 | 245 |
| 2016-SFR1, D 144A, (1 month LIBOR + 2.400%) 4.460%, 11/17/33 ⁽²⁾⁽³⁾ | | 385 | 387 |
| Angel Oak Mortgage Trust I LLC 2018-2, A1 144A, 3.674%, 7/27/48 ⁽²⁾⁽³⁾ | | 126 | 126 |
| Aventura Mall Trust 2013-AVM, C 144A, 3.867%, 12/5/32 ⁽²⁾⁽³⁾ | | 215 | 218 |
| Banc of America Funding Trust | | | |
| 2004-D, 5A1, 3.643%, 1/25/35 ⁽²⁾ | | 83 | 78 |
| 2005-1, 1A1, 5.500%, 2/25/35 | | 10 | 10 |

See Notes to Schedule of Investments

VIRTUS TOTAL RETURN FUND INC.**SCHEDULE OF INVESTMENTS (Continued)****AUGUST 31, 2018 (Unaudited)**

(\$ reported in thousands)

| | PAR VALUE | VALUE |
|---|------------------|--------------|
| MORTGAGE-BACKED SECURITIES (continued) | | |
| Non-Agency (continued) | | |
| Bank of America (Merrill Lynch Countrywide) Alternative Loan Trust 2004-22CB, 1A1 6.000%, 10/25/34 | \$ 97 | \$ 100 |
| Bayview Opportunity Master Fund IVa Trust 2016-SPL1, B1 144A, 4.250%, 4/28/55 ⁽³⁾ | 400 | 407 |
| 2017-SPL5, B1 144A, 4.000%, 6/28/57 ⁽²⁾⁽³⁾ | 310 | 313 |
| Caesars Palace Las Vegas Trust 2017-VICI, C 144A, 4.138%, 10/15/34 ⁽³⁾ | 245 | 247 |
| Citigroup Commercial Mortgage Trust 2016-SMPL, A 144A, 2.228%, 9/10/31 ⁽³⁾ | 440 | 440 |
| Citigroup Mortgage Loan Trust, Inc. 2015-A, A1 144A, 3.500%, 6/25/58 ⁽²⁾⁽³⁾ | 78 | 78 |
| Cold Storage Trust 2017-ICE3, A 144A, (1 month LIBOR + 1.000%) 3.063%, 4/15/36 ⁽²⁾⁽³⁾ | 665 | 667 |
| Colony Starwood Homes Trust 2016-2A, C 144A, (1 month LIBOR + 2.150%) 4.213%, 12/17/33 ⁽²⁾⁽³⁾ | 505 | 507 |
| COLT Mortgage Loan Trust Funding LLC 2017-1, A3 144A, 3.074%, 5/27/47 ⁽²⁾⁽³⁾ | 45 | 45 |
| Credit Suisse Commercial Mortgage-Backed Trust 2006-8, 3A1 6.000%, 10/25/21 | 34 | 31 |
| Credit Suisse First Boston Mortgage Securities Corp. 2003-AR30, 5A1 3.914%, 1/25/34 ⁽²⁾ | 112 | 116 |
| | PAR VALUE | VALUE |
| Non-Agency (continued) | | |
| Deephaven Residential Mortgage Trust 2017-1A, A2 144A, 2.928%, 12/26/46 ⁽²⁾⁽³⁾ | \$ 40 | \$ 39 |
| GAHR Commercial Mortgage Trust 2015-NRF, CFX 144A, 3.495%, 12/15/34 ⁽²⁾⁽³⁾ | 140 | 140 |
| Galton Funding Mortgage Trust 2017-1, A21 144A, 3.500%, 7/25/56 ⁽²⁾⁽³⁾ | 181 | 179 |
| 2018-1, A23 144A, 3.500%, 11/25/57 ⁽²⁾⁽³⁾ | 226 | 222 |

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|---|-----|-----|
| GSAA Home Equity Trust 2005-12, AF3W 4.999%, 9/25/35 ⁽²⁾ | 33 | 33 |
| Home Equity Loan Trust 2007-HSA3, AI4 6.110%, 6/25/37 ⁽²⁾ | 123 | 123 |
| Home Equity Mortgage Trust 2005-2, M7, (3 month LIBOR + 1.680%) 3.745%, 7/25/35 ⁽²⁾ | 80 | 79 |
| Homeward Opportunities Fund I Trust 2018-1, A1 144A, 3.766%, 6/25/48 ⁽²⁾⁽³⁾ | 376 | 376 |
| JPMorgan Chase (Bear Stearns) Alternate Loan Trust 2004-5, 3A1 4.239%, 6/25/34 ⁽²⁾ | 266 | 271 |
| JPMorgan Chase Mortgage Trust 2014-5, B2 144A, 2.988%, 10/25/29 ⁽²⁾⁽³⁾ | 137 | 129 |
| 2016-1, M2 144A, 3.750%, 4/25/45 ⁽²⁾⁽³⁾ | 311 | 307 |
| 2016-2, M2 144A, 3.750%, 12/25/45 ⁽²⁾⁽³⁾ | 336 | 331 |
| 2017-3, 2A2 144A, 2.500%, 8/25/47 ⁽²⁾⁽³⁾ | 190 | 182 |
| 2017-5, A1 144A, 3.172%, 10/26/48 ⁽²⁾⁽³⁾ | 441 | 436 |
| 2017-4, A3 144A, 3.500%, 11/25/48 ⁽²⁾⁽³⁾ | 88 | 86 |

See Notes to Schedule of Investments

VIRTUS TOTAL RETURN FUND INC.**SCHEDULE OF INVESTMENTS (Continued)****AUGUST 31, 2018 (Unaudited)**

(\$ reported in thousands)

| | PAR VALUE | VALUE |
|--|------------------|--------------|
| MORTGAGE-BACKED SECURITIES (continued) | | |
| Non-Agency (continued) | | |
| MASTR Alternative Loan Trust 2004-4, 6A1 5.500%, 4/25/34 | \$ 59 | \$ 61 |
| Motel 6 Trust 2017-MTL6, A 144A, (1 month LIBOR + 0.920%) 2.983%, 8/15/34 ⁽²⁾⁽³⁾ | 660 | 660 |
| New Residential Mortgage Loan Trust | | |
| 2014-1A, A 144A, 3.750%, 1/25/54 ⁽²⁾⁽³⁾ | 115 | 115 |
| 2016-3A, A1 144A, 3.750%, 9/25/56 ⁽²⁾⁽³⁾ | 160 | 161 |
| 2016-4A, B1A 144A, 4.500%, 11/25/56 ⁽²⁾⁽³⁾ | 597 | 612 |
| 2017-2A, A3 144A, 4.000%, 3/25/57 ⁽²⁾⁽³⁾ | 170 | 172 |
| Oak Hill Advisors Residential Loan Trust 2017-NPL2, A1 144A, 3.000%, 7/25/57 ⁽³⁾ | 360 | 354 |
| One Market Plaza Trust 2017-1MKT, A 144A, 3.614%, 2/10/32 ⁽³⁾ | 355 | 355 |
| Pretium Mortgage Credit Partners I LLC 2017-NPL5, A1 144A, 3.327%, 12/30/32 ⁽²⁾⁽³⁾ | 90 | 89 |
| Progress Residential Trust | | |
| 2017-SFR1, B 144A, 3.017%, 8/17/34 ⁽³⁾ | 150 | 146 |
| 2018-SFR2, B 144A, 3.841%, 8/17/35 ⁽³⁾ | 125 | 125 |
| RCO Mortgage LLC 2017-1, A1 144A, 3.375%, 8/25/22 ⁽³⁾ | 313 | 311 |
| Resecuritization Pass-Through Trust 2005-8R, A5 6.000%, 10/25/34 | 49 | 50 |
| Residential Asset Mortgage Products Trust 2004-SL4, A3 6.500%, 7/25/32 | 48 | 48 |
| | PAR VALUE | VALUE |
| Non-Agency (continued) | | |
| Residential Asset Securitization Trust 2005-A1, A3 5.500%, 4/25/35 | \$ 107 | \$ 110 |
| Towd Point Mortgage Trust | | |
| 2015-1, A2 144A, 3.250%, 10/25/53 ⁽²⁾⁽³⁾ | 220 | 218 |
| 2015-6, M1 144A, 3.750%, 4/25/55 ⁽²⁾⁽³⁾ | 300 | 300 |
| 2015-5, A2 144A, 3.500%, 5/25/55 ⁽²⁾⁽³⁾ | 160 | 159 |
| 2017-1, M1 144A, 3.750%, 10/25/56 ⁽²⁾⁽³⁾ | 185 | 184 |
| 2017-6, A2 144A, 3.000%, 10/25/57 ⁽²⁾⁽³⁾ | 150 | 141 |

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| | | |
|---|-------|---------------|
| 2015-2, 1M1 144A, 3.250%, 11/25/60 ⁽²⁾⁽³⁾ | 1,065 | 1,034 |
| Tricon American Homes Trust | | |
| 2016-SFR1, C 144A, 3.487%, 11/17/33 ⁽³⁾ | 635 | 626 |
| 2017-SFR1, A 144A, 2.716%, 9/17/34 ⁽³⁾ | 105 | 102 |
| Vericrest Opportunity Loan Trust LX LLC 2017-NPL7, A1 144A, 3.250%, 6/25/47 ⁽³⁾ | 132 | 131 |
| Vericrest Opportunity Loan Trust LXIII LLC | | |
| 2017-NP10, A1 144A, 3.000%, 10/25/47 ⁽³⁾ | 62 | 61 |
| Vericrest Opportunity Loan Trust LXIV LLC | | |
| 2017-NP11, A1 144A, 3.375%, 10/25/47 ⁽³⁾ | 618 | 615 |
| Wells Fargo Commercial Mortgage Trust 2015-LC20, B 3.719%, 4/15/50 | 185 | 181 |
| | | 15,105 |
| TOTAL MORTGAGE-BACKED SECURITIES | | |
| (Identified Cost \$16,342) | | 16,146 |

See Notes to Schedule of Investments

VIRTUS TOTAL RETURN FUND INC.**SCHEDULE OF INVESTMENTS (Continued)****AUGUST 31, 2018 (Unaudited)**

(\$ reported in thousands)

| | PAR VALUE | VALUE |
|---|------------------|--------------|
| ASSET-BACKED SECURITIES 2.9% | | |
| Automobiles 1.3% | | |
| ACC Trust 2018-1, B 144A, 4.820%, 5/20/21 ⁽³⁾ | \$ 255 | \$ 255 |
| Capital Auto Receivables Asset Trust 2017-1, D 144A, 3.150%, 2/20/25 ⁽³⁾ | 380 | 377 |
| CarNow Auto Receivables Trust 2016-1A, D 144A, 7.340%, 11/15/21 ⁽³⁾ | 175 | 176 |
| Chrysler Capital Auto Receivables Trust 2016-BA, D 144A, 3.510%, 9/15/23 ⁽³⁾ | 385 | 382 |
| Exeter Automobile Receivables Trust 2015-2A, C 144A, 3.900%, 3/15/21 ⁽³⁾ | 185 | 186 |
| 2016-3A, B 144A, 2.840%, 8/16/21 ⁽³⁾ | 440 | 440 |
| Flagship Credit Auto Trust 2015-1, D 144A, 5.260%, 7/15/21 ⁽³⁾ | 415 | 422 |
| 2014-1, E 144A, 5.710%, 8/16/21 ⁽³⁾ | 150 | 151 |
| GLS Auto Receivables Trust 2017-1A, B 144A, 2.980%, 12/15/21 ⁽³⁾ | 455 | 452 |
| 2017-1A, C 144A, 3.500%, 7/15/22 ⁽³⁾ | 455 | 453 |
| | | 3,294 |
| Other 1.6% | | |
| Aqua Finance Trust 2017-A, A 144A, 3.720%, 11/15/35 ⁽³⁾ | 366 | 359 |
| CLUB Credit Trust 2017-P1, B 144A, 3.560%, 9/15/23 ⁽³⁾ | 305 | 304 |
| Conn's Receivables Funding LLC 2017-B, B 144A, 4.520%, 4/15/21 ⁽³⁾ | 380 | 383 |
| DB Master Finance LLC 2017-1A, A2I 144A, 3.629%, 11/20/47 ⁽³⁾ | 377 | 371 |
| Drug Royalty III LP 1 2016-1A, A 144A, 3.979%, 4/15/27 ⁽³⁾ | 248 | 248 |
| | PAR VALUE | VALUE |
| Other (continued) | | |
| HOA Funding LLC 2014-1A, A2 144A, 4.846%, 8/20/44 ⁽³⁾ | \$ 414 | \$ 407 |
| Mariner Finance Issuance Trust 2017-AA, A 144A, 3.620%, 2/20/29 ⁽³⁾ | 260 | 261 |
| | 315 | 314 |

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|---|-----|--------------|
| Oportun Funding VIII LLC 2018-A, A 144A, 3.610%, 3/8/24 ⁽³⁾ | | |
| Prosper Marketplace Issuance Trust 2018-1A, A 144A, 3.110%, 6/17/24 ⁽³⁾ | 235 | 235 |
| TGIF Funding LLC 2017-1A, A2 144A, 6.202%, 4/30/47 ⁽³⁾ | 439 | 439 |
| Upstart Securitization Trust 2018-1, B 144A, 3.887%, 8/20/25 ⁽³⁾ | 260 | 259 |
| VSE VOI Mortgage LLC 2016-A, A 144A, 2.540%, 7/20/33 ⁽³⁾ | 231 | 225 |
| | | 3,805 |
| TOTAL ASSET-BACKED SECURITIES | | |
| (Identified Cost \$7,115) | | 7,099 |
| CORPORATE BONDS AND NOTES 24.6% | | |
| Consumer Discretionary 3.7% | | |
| American Axle & Manufacturing, Inc. 6.250%, 3/15/26 | 15 | 15 |
| Beazer Homes USA, Inc. 6.750%, 3/15/25 | 210 | 196 |
| 5.875%, 10/15/27 | 155 | 132 |
| Boyd Gaming Corp. 6.000%, 8/15/26 | 75 | 76 |
| Caesars Resort Collection LLC 144A, 5.250%, 10/15/25 ⁽³⁾ | 175 | 167 |
| Cequel Communications Holdings I LLC 144A, 7.500%, 4/1/28 ⁽³⁾ | 255 | 266 |
| Charter Communications Operating LLC 4.500%, 2/1/24 | 195 | 197 |
| 4.908%, 7/23/25 ⁽¹⁵⁾ | 385 | 393 |

See Notes to Schedule of Investments

VIRTUS TOTAL RETURN FUND INC.**SCHEDULE OF INVESTMENTS (Continued)****AUGUST 31, 2018 (Unaudited)**

(\$ reported in thousands)

| | PAR VALUE | VALUE |
|---|------------------|--------------|
| CORPORATE BONDS AND NOTES (continued) | | |
| Consumer Discretionary (continued) | | |
| Clear Channel Worldwide Holdings, Inc. Series B 7.625%, 3/15/20 | \$ 320 | \$ 321 |
| CSC Holdings LLC 5.250%, 6/1/24 | 335 | 325 |
| Discovery Communications LLC 3.950%, 3/20/28 | 365 | 347 |
| DISH DBS Corp. 5.875%, 7/15/22 | 195 | 187 |
| 7.750%, 7/1/26 | 190 | 171 |
| Dollar Tree, Inc. 4.000%, 5/15/25 | 185 | 183 |
| Downstream Development Authority of The Quapaw Tribe of Oklahoma 144A, 10.500%, 2/15/23 ⁽³⁾ | 110 | 110 |
| frontdoor, Inc. 144A, 6.750%, 8/15/26 ⁽³⁾ | 225 | 230 |
| Gateway Casinos & Entertainment Ltd. 144A, 8.250%, 3/1/24 ⁽³⁾ | 265 | 281 |
| GLP Capital LP 5.250%, 6/1/25 | 225 | 234 |
| Graham Holdings Co. 144A, 5.750%, 6/1/26 ⁽³⁾ | 340 | 348 |
| Hilton Domestic Operating Co., Inc. 144A, 5.125%, 5/1/26 ⁽³⁾ | 275 | 275 |
| iHeartCommunications, Inc. 9.000%, 12/15/19 ⁽⁷⁾ | 115 | 85 |
| Lear Corp. 3.800%, 9/15/27 | 400 | 377 |
| Lennar Corp. 4.750%, 11/29/27 | 275 | 262 |
| M/I Homes, Inc. 5.625%, 8/1/25 | 255 | 239 |
| Marriott Ownership Resorts, Inc. 144A, 6.500%, 9/15/26 ⁽³⁾ | 245 | 250 |
| McGraw-Hill Global Education Holdings LLC 144A, 7.875%, 5/15/24 ⁽³⁾ | 260 | 229 |
| MDC Holdings, Inc. 5.500%, 1/15/24 | 125 | 124 |
| | PAR VALUE | VALUE |
| Consumer Discretionary (continued) | | |
| Meredith Corp. 144A, 6.875%, 2/1/26 ⁽³⁾ | \$ 185 | \$ 187 |
| | 310 | 312 |

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| | | |
|--|-----|-------|
| MGM Resorts International | | |
| 5.750%, 6/15/25 | | |
| Neiman Marcus Group Ltd. 144A, 8.000%, 10/15/21 ⁽³⁾ | 165 | 112 |
| QVC, Inc. | | |
| 5.125%, 7/2/22 ⁽¹⁵⁾ | 365 | 372 |
| Scientific Games International, Inc. | | |
| 6.625%, 5/15/21 | 320 | 317 |
| Tenneco, Inc. | | |
| 5.000%, 7/15/26 | 340 | 302 |
| Viking Cruises Ltd. 144A, 5.875%, 9/15/27 ⁽³⁾ | 315 | 310 |
| Vista Outdoor, Inc. | | |
| 5.875%, 10/1/23 | 315 | 309 |
| Weekley Homes LLC | | |
| 6.625%, 8/15/25 | 325 | 307 |
| William Lyon Homes, Inc. | | |
| 144A, 6.000%, 9/1/23 ⁽³⁾ | 345 | 333 |
| | | 8,881 |

Consumer Staples 0.7%

| | | |
|--|-----|-------|
| Albertsons s Cos., LLC | | |
| 5.750%, 3/15/25 | 85 | 77 |
| Bacardi Ltd. 144A, 4.700%, 5/15/28 ⁽³⁾ | 310 | 309 |
| BAT Capital Corp. 144A, 3.557%, 8/15/27 ⁽³⁾ | 178 | 167 |
| CVS Health Corp. | | |
| 4.300%, 3/25/28 | 370 | 367 |
| Kronos Acquisition Holdings, Inc. | | |
| 144A, 9.000%, 8/15/23 ⁽³⁾ | 285 | 261 |
| Safeway, Inc. | | |
| 7.250%, 2/1/31 | 220 | 209 |
| Sigma Finance Netherlands BV | | |
| 144A, 4.875%, 3/27/28 ⁽³⁾ | 295 | 288 |
| Tops Holding LLC | | |
| 144A, | | |
| 8.000%, 6/15/22 ⁽³⁾⁽⁷⁾ | 245 | 142 |
| | | 1,820 |

See Notes to Schedule of Investments

VIRTUS TOTAL RETURN FUND INC.**SCHEDULE OF INVESTMENTS (Continued)****AUGUST 31, 2018 (Unaudited)**

(\$ reported in thousands)

| | PAR VALUE | VALUE |
|---|------------------|--------------|
| CORPORATE BONDS AND NOTES (continued) | | |
| Energy 5.0% | | |
| Alta Mesa Holdings LP | | |
| 7.875%, 12/15/24 | \$ 210 | \$ 206 |
| American Midstream Partners LP | | |
| 144A, 9.250%, 12/15/21 ⁽³⁾ | 195 | 193 |
| Anadarko Finance Co. Series B | | |
| 7.500%, 5/1/31 | 165 | 207 |
| Blue Racer Midstream LLC 144A, 6.625%, 7/15/26 ⁽³⁾ | 335 | 338 |
| Bristow Group, Inc. | | |
| 144A, 8.750%, 3/1/23 ⁽³⁾ | 115 | 110 |
| Callon Petroleum Co. | | |
| 6.125%, 10/1/24 | 278 | 284 |
| Cheniere Corpus Christi Holdings LLC | | |
| 7.000%, 6/30/24 | 360 | 398 |
| Chesapeake Energy Corp. | | |
| 8.000%, 6/15/27 | 320 | 324 |
| Citgo Holding, Inc. 144A, 10.750%, 2/15/20 ⁽³⁾ | 235 | 251 |
| Continental Resources, Inc. | | |
| 4.500%, 4/15/23 | 185 | 189 |
| Denbury Resources, Inc. | | |
| 144A, 9.250%, 3/31/22 ⁽³⁾ | 224 | 239 |
| 144A, 7.500%, 2/15/24 ⁽³⁾ | 125 | 127 |
| Ecopetrol S.A. | | |
| 5.375%, 6/26/26 ⁽¹⁵⁾ | 410 | 423 |
| Encana Corp. | | |
| 8.125%, 9/15/30 ⁽¹⁵⁾ | 220 | 284 |
| Energy Transfer Equity LP | | |
| 5.875%, 1/15/24 | 400 | 425 |
| Energy Transfer Partners LP | | |
| 5.000%, 10/1/22 | 120 | 124 |
| EP Energy LLC | | |
| 6.375%, 6/15/23 | 95 | 60 |
| 144A, 9.375%, 5/1/24 ⁽³⁾ | 105 | 83 |
| 144A, 8.000%, 11/29/24 ⁽³⁾ | 235 | 236 |
| Geopark Ltd. 144A, 6.500%, 9/21/24 ⁽³⁾ | 380 | 379 |
| HollyFrontier Corp. | | |
| 5.875%, 4/1/26 ⁽¹⁵⁾ | 415 | 447 |
| | 310 | 305 |

Jagged Peak Energy LLC
144A, 5.875%, 5/1/26⁽³⁾

| | PAR VALUE | VALUE |
|---|-----------|--------|
| Energy (continued) | | |
| KazMunayGas National Co. JSC 144A, 4.750%, 4/19/27 ⁽³⁾ | \$ 425 | \$ 423 |
| Kinder Morgan, Inc. 7.750%, 1/15/32 ⁽¹⁵⁾ | 500 | 620 |
| Lukoil International Finance BV 144A, 4.563%, 4/24/23 ⁽³⁾ | 225 | 221 |
| MPLX LP 4.000%, 3/15/28 | 156 | 151 |
| Nabors Industries, Inc. 5.500%, 1/15/23 | 240 | 239 |
| Odebrecht Offshore Drilling Finance Ltd. PIK Interest Capitalization, 6.720% interest, 1.000% capitalization 144A, 7.720%, 12/1/26 ⁽³⁾⁽¹⁸⁾ | 166 | 45 |
| Odebrecht Oil & Gas Finance Ltd. 144A, 0.000% ⁽³⁾⁽¹⁶⁾⁽¹⁷⁾ | 26 | (9) |
| Petrobras Global Finance BV 7.375%, 1/17/27 | 670 | 664 |
| Petroleos de Venezuela S.A. 144A, 6.000%, 5/16/24 ⁽³⁾⁽⁷⁾ | 665 | 126 |
| Petroleos Mexicanos 4.875%, 1/24/22 ⁽¹⁵⁾ | 330 | 332 |
| 6.500%, 6/2/41 ⁽¹⁵⁾ | 330 | 302 |
| Range Resources Corp. 4.875%, 5/15/25 | 395 | 378 |
| Rosneft Oil Co. 144A, 4.199%, 3/6/22 ⁽³⁾⁽⁶⁾ | 440 | 427 |
| Sanchez Energy Corp. 144A, 7.250%, 2/15/23 ⁽³⁾ | 105 | 102 |
| Seven Generations Energy Ltd. 144A, 5.375%, 9/30/25 ⁽³⁾ | 335 | 325 |
| State Oil Co. of the Azerbaijan Republic RegS 6.950%, 3/18/30 ⁽⁴⁾ | 345 | 364 |
| Sunoco LP 144A, 5.500%, 2/15/26 ⁽³⁾ | 105 | 101 |
| 144A, 5.875%, 3/15/28 ⁽³⁾ | 90 | 86 |

See Notes to Schedule of Investments

VIRTUS TOTAL RETURN FUND INC.**SCHEDULE OF INVESTMENTS (Continued)****AUGUST 31, 2018 (Unaudited)**

(\$ reported in thousands)

| | PAR VALUE | VALUE |
|--|------------------|--------------|
| CORPORATE BONDS AND NOTES (continued) | | |
| Energy (continued) | | |
| Targa Resources Partners LP 144A, 5.875%, 4/15/26 ⁽³⁾ | \$ 285 | \$ 292 |
| Transocean, Inc. 144A, 9.000%, 7/15/23 ⁽³⁾ | 170 | 183 |
| 6.800%, 3/15/38 | 130 | 107 |
| USA Compression Partners LP 144A, 6.875%, 4/1/26 ⁽³⁾ | 255 | 263 |
| Vine Oil & Gas LP 144A, 8.750%, 4/15/23 ⁽³⁾ | 270 | 261 |
| Weatherford International Ltd. 9.875%, 2/15/24 | 115 | 109 |
| YPF S.A. 144A, 6.950%, 7/21/27 ⁽³⁾ | 385 | 315 |
| | | 12,068 |
| Financials 5.3% | | |
| Acrisure LLC 144A, 7.000%, 11/15/25 ⁽³⁾ | 370 | 355 |
| AerCap Ireland Capital DAC 3.650%, 7/21/27 | 380 | 352 |
| Allstate Corp. (The) Series B 5.750%, 8/15/53 ⁽⁵⁾⁽¹⁵⁾ | 394 | 411 |
| Ares Capital Corp. 3.500%, 2/10/23 | 155 | 149 |
| Athene Holding Ltd. 4.125%, 1/12/28 ⁽¹⁵⁾ | 375 | 352 |
| Australia & New Zealand Banking Group Ltd. 144A, 4.400%, 5/19/26 ⁽³⁾⁽¹⁵⁾ | 400 | 396 |
| Aviation Capital Group LLC 144A, 3.500%, 11/1/27 ⁽³⁾ | 305 | 281 |
| Banco Bilbao Vizcaya Argentaria Bancomer S.A. 144A, 6.500%, 3/10/21 ⁽³⁾⁽¹⁵⁾ | 350 | 366 |
| 144A, 5.125%, 1/18/33 ⁽³⁾ | 360 | 329 |
| Banco de Bogota S.A. 144A, 6.250%, 5/12/26 ⁽³⁾⁽¹⁵⁾ | 505 | 525 |
| | PAR VALUE | VALUE |
| Financials (continued) | | |
| Bancolombia S.A. 5.125%, 9/11/22 | \$ 360 | \$ 368 |

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| | | |
|--|-----|-----|
| Bank of Montreal 3.803%, 12/15/32 | 210 | 197 |
| Brighthouse Financial, Inc. 3.700%, 6/22/27 ⁽¹⁵⁾ | 425 | 379 |
| BrightSphere Investment Group plc 4.800%, 7/27/26 ⁽¹⁵⁾ | 315 | 307 |
| Capital One Financial Corp. 3.750%, 7/28/26 ⁽¹⁵⁾ | 460 | 432 |
| Discover Bank 4.682%, 8/9/28 | 350 | 350 |
| Drawbridge Special Opportunities Fund LP 144A, 5.000%, 8/1/21 ⁽³⁾⁽¹⁵⁾ | 350 | 352 |
| E*TRADE Financial Corp. 4.500%, 6/20/28 | 400 | 404 |
| Fairfax Financial Holdings Ltd. 144A, 4.850%, 4/17/28 ⁽³⁾ | 360 | 360 |
| FS Investment Corp. 4.750%, 5/15/22 ⁽¹⁵⁾ | 310 | 309 |
| Goldman Sachs Group, Inc. (The), (3 month LIBOR + 1.170%) 3.484%, 5/15/26 ⁽²⁾ | 315 | 313 |
| Grupo de Inversiones Suramericana S.A. 144A, 5.500%, 4/29/26 ⁽³⁾⁽¹⁵⁾ | 475 | 491 |
| Guanay Finance Ltd. 144A, 6.000%, 12/15/20 ⁽³⁾ | 280 | 280 |
| ICAHN Enterprises LP 6.375%, 12/15/25 | 390 | 395 |
| Jefferies Financial Group, Inc. 5.500%, 10/18/23 | 220 | 229 |
| Jefferies Group LLC 4.850%, 1/15/27 | 50 | 50 |
| Kazakhstan Temir Zholy Finance BV 144A, 6.950%, 7/10/42 ⁽³⁾⁽¹⁵⁾ | 335 | 367 |

See Notes to Schedule of Investments

VIRTUS TOTAL RETURN FUND INC.**SCHEDULE OF INVESTMENTS (Continued)****AUGUST 31, 2018 (Unaudited)**

(\$ reported in thousands)

| | PAR VALUE | VALUE |
|---|------------------|--------------|
| CORPORATE BONDS AND NOTES (continued) | | |
| Financials (continued) | | |
| Lincoln National Corp., (3 month LIBOR + 2.040%) 4.388%, 4/20/67 ⁽²⁾⁽⁵⁾⁽¹⁵⁾ | \$ 130 | \$ 120 |
| Navient Corp. 6.750%, 6/25/25 | 205 | 204 |
| Prudential Financial, Inc. 5.875%, 9/15/42 ⁽¹⁵⁾ | 275 | 293 |
| Santander Holdings USA, Inc. 4.400%, 7/13/27 | 375 | 365 |
| Springleaf Finance Corp. 6.875%, 3/15/25 | 125 | 125 |
| 7.125%, 3/15/26 | 105 | 104 |
| Synchrony Financial 3.950%, 12/1/27 | 655 | 597 |
| Teachers Insurance & Annuity Association of America 144A, 4.375%, 9/15/54 ⁽³⁾⁽¹⁵⁾ | 160 | 160 |
| Tempo Acquisition LLC 144A, 6.750%, 6/1/25 ⁽³⁾ | 335 | 326 |
| Turkiye Vakiflar Bankasi TAO 144A, 5.625%, 5/30/22 ⁽³⁾ | 305 | 224 |
| Voya Financial, Inc. 5.650%, 5/15/53 ⁽¹⁵⁾ | 285 | 285 |
| Wells Fargo & Co. Series S 5.900% ⁽¹⁵⁾⁽¹⁷⁾ | 900 | 913 |
| | | 12,815 |
| Health Care 2.0% | | |
| Anthem, Inc. 3.650%, 12/1/27 | 99 | 94 |
| Avantor, Inc. 144A, 6.000%, 10/1/24 ⁽³⁾ | 150 | 152 |
| 144A, 9.000%, 10/1/25 ⁽³⁾ | 250 | 258 |
| Bausch Health Cos., Inc. 144A, 7.500%, 7/15/21 ⁽³⁾ | 70 | 71 |
| 144A, 5.625%, 12/1/21 ⁽³⁾ | 65 | 64 |
| 144A, 6.500%, 3/15/22 ⁽³⁾ | 30 | 31 |
| 144A, 7.000%, 3/15/24 ⁽³⁾ | 20 | 21 |
| 144A, 5.500%, 11/1/25 ⁽³⁾ | 125 | 125 |
| 144A, 9.250%, 4/1/26 ⁽³⁾ | 90 | 96 |

| | PAR VALUE | VALUE |
|--|-----------|--------|
| Health Care (continued) | | |
| Bayer US Finance II LLC | | |
| 144A, (3 month LIBOR + 1.010%) | | |
| 3.345%, 12/15/23 ⁽²⁾⁽³⁾ | \$ 200 | \$ 202 |
| 144A, 3.875%, 12/15/23 ⁽³⁾ | 265 | 265 |
| Becton Dickinson & Co. | | |
| 3.700%, 6/6/27 | 400 | 383 |
| Centene Corp. 144A, 5.375%, 6/1/26 ⁽³⁾ | 90 | 93 |
| Concordia International Corp. 144A, 9.000%, 4/1/22 ⁽³⁾ | 120 | 109 |
| DJO Finco, Inc. 144A, 8.125%, 6/15/21 ⁽³⁾ | 130 | 134 |
| Eagle Holding Co. II, LLC PIK Interest Capitalization, 144A, | | |
| 7.625%, 5/15/22 ⁽³⁾⁽¹²⁾ | 170 | 172 |
| Endo Dac 144A, 6.000%, 7/15/23 ⁽³⁾⁽¹⁵⁾ | 320 | 275 |
| Envision Healthcare Corp. | | |
| 144A, 6.250%, 12/1/24 ⁽³⁾ | 95 | 102 |
| HCA, Inc. | | |
| 5.375%, 2/1/25 | 205 | 207 |
| HLF Financing S.a.r.l. LLC | | |
| 144A, 7.250%, 8/15/26 ⁽³⁾ | 310 | 314 |
| MPH Acquisition Holdings LLC | | |
| 144A, 7.125%, 6/1/24 ⁽³⁾ | 120 | 124 |
| Mylan NV | | |
| 3.950%, 6/15/26 | 335 | 318 |
| Ortho-Clinical Diagnostics, Inc. | | |
| 144A, 6.625%, 5/15/22 ⁽³⁾ | 145 | 142 |
| Surgery Center Holdings, Inc. 144A, 8.875%, 4/15/21 ⁽³⁾ | 245 | 255 |
| 144A, 6.750%, 7/1/25 ⁽³⁾ | 40 | 39 |
| Tenet Healthcare Corp. | | |
| 8.125%, 4/1/22 | 110 | 116 |
| 7.000%, 8/1/25 | 195 | 195 |
| Teva Pharmaceutical Finance Netherlands III BV | | |
| 3.150%, 10/1/26 | 200 | 166 |
| 6.750%, 3/1/28 | 200 | 209 |

See Notes to Schedule of Investments

VIRTUS TOTAL RETURN FUND INC.**SCHEDULE OF INVESTMENTS (Continued)****AUGUST 31, 2018 (Unaudited)**

(\$ reported in thousands)

| | PAR VALUE | VALUE |
|--|------------------|--------------|
| CORPORATE BONDS AND NOTES (continued) | | |
| Health Care (continued) | | |
| West Street Merger Sub, Inc. 144A, 6.375%, 9/1/25 ⁽³⁾ | \$ 185 | \$ 181 |
| | | 4,913 |
| Industrials 1.8% | | |
| Ashtead Capital, Inc. 144A, 4.375%, 8/15/27 ⁽³⁾ | 390 | 376 |
| Bombardier, Inc. 144A, 6.125%, 1/15/23 ⁽³⁾ | 240 | 242 |
| British Airways Pass-Through-Trust 2013-1, B 144A, 5.625%, 6/20/20 ⁽³⁾⁽¹⁵⁾ | 27 | 27 |
| CNH Industrial N.V. 4.500%, 8/15/23 | 318 | 325 |
| 3.850%, 11/15/27 | 200 | 192 |
| DP World Ltd. 144A, 6.850%, 7/2/37 ⁽³⁾ | 310 | 364 |
| Hulk Finance Corp. 144A, 7.000%, 6/1/26 ⁽³⁾ | 280 | 269 |
| Latam Finance Ltd. 144A, 6.875%, 4/11/24 ⁽³⁾ | 370 | 361 |
| New Enterprise Stone & Lime Co., Inc. 144A, 10.125%, 4/1/22 ⁽³⁾ | 30 | 32 |
| Oshkosh Corp. 4.600%, 5/15/28 | 413 | 414 |
| Pitney Bowes, Inc. 4.375%, 5/15/22 | 433 | 395 |
| Titan Acquisition Ltd. 144A, 7.750%, 4/15/26 ⁽³⁾ | 180 | 155 |
| Topaz Marine S.A. 144A, 9.125%, 7/26/22 ⁽³⁾ | 240 | 243 |
| TransDigm, Inc. 6.500%, 7/15/24 | 210 | 213 |
| 6.500%, 5/15/25 | 130 | 132 |
| US Airways 2012-1 Class B Pass-Through Trust 8.000%, 10/1/19 | 290 | 303 |
| Wrangler Buyer Corp. 144A, 6.000%, 10/1/25 ⁽³⁾ | 275 | 265 |
| | | 4,308 |
| | PAR VALUE | VALUE |

Information Technology 1.1%

| | | |
|--|-------|-------|
| Banff Merger Sub, Inc. 144A, 9.750%, 9/1/26 ⁽³⁾ | \$ 35 | \$ 35 |
| Broadcom Corp. 3.125%, 1/15/25 | 405 | 375 |
| CDK Global, Inc. 5.875%, 6/15/26 | 310 | 318 |
| Citrix Systems, Inc. 4.500%, 12/1/27 ⁽¹⁵⁾ | 365 | 355 |
| Dell International LLC 144A, 5.450%, 6/15/23 ⁽³⁾ | 55 | 58 |
| 144A, 8.100%, 7/15/36 ⁽³⁾ | 110 | 130 |
| Everi Payments, Inc. 144A, 7.500%, 12/15/25 ⁽³⁾ | 85 | 87 |
| Jabil, Inc. 3.950%, 1/12/28 ⁽¹⁵⁾ | 375 | 358 |
| Rackspace Hosting, Inc. 144A, 8.625%, 11/15/24 ⁽³⁾ | 115 | 113 |
| Radiate Holdco LLC 144A, 6.875%, 2/15/23 ⁽³⁾ | 50 | 48 |
| 144A, 6.625%, 2/15/25 ⁽³⁾ | 310 | 290 |
| ViaSat, Inc. 144A, 5.625%, 9/15/25 ⁽³⁾ | 150 | 141 |
| VMware, Inc. 3.900%, 8/21/27 | 257 | 243 |
| | | 2,551 |

Materials 2.3%

| | | |
|---|-----|-----|
| AK Steel Corp. 7.500%, 7/15/23 | 60 | 63 |
| Alpek SAB de C.V. 144A, 5.375%, 8/8/23 ⁽³⁾ | 400 | 408 |
| Anglo American Capital plc 144A, 4.000%, 9/11/27 ⁽³⁾⁽¹⁵⁾ | 475 | 438 |
| ArcelorMittal 6.125%, 6/1/25 | 325 | 354 |
| BHP Billiton Finance USA Ltd. 144A, 6.750%, 10/19/75 ⁽³⁾⁽⁵⁾⁽¹⁵⁾ | 400 | 439 |
| Equate Petrochemical BV 144A, 4.250%, 11/3/26 ⁽³⁾ | 315 | 310 |
| Fibria Overseas Finance Ltd. 4.000%, 1/14/25 | 421 | 387 |

See Notes to Schedule of Investments

VIRTUS TOTAL RETURN FUND INC.**SCHEDULE OF INVESTMENTS (Continued)****AUGUST 31, 2018 (Unaudited)**

(\$ reported in thousands)

| | PAR VALUE | VALUE |
|--|------------------|--------------|
| CORPORATE BONDS AND NOTES (continued) | | |
| Materials (continued) | | |
| FMG Resources August 2006 Pty Ltd. 144A, 5.125%, 3/15/23 ⁽³⁾ | \$ 190 | \$ 186 |
| Hexion, Inc. 6.625%, 4/15/20 | 200 | 189 |
| INEOS Group Holdings S.A. 144A, 5.625%, 8/1/24 ⁽³⁾ | 300 | 296 |
| James Hardie International Finance DAC 144A, 5.000%, 1/15/28 ⁽³⁾⁽¹⁵⁾ | 375 | 352 |
| Kraton Polymers LLC 144A, 7.000%, 4/15/25 ⁽³⁾ | 190 | 196 |
| NOVA Chemicals Corp. 144A, 4.875%, 6/1/24 ⁽³⁾⁽¹⁵⁾ | 125 | 122 |
| 144A, 5.000%, 5/1/25 ⁽³⁾⁽¹⁵⁾ | 185 | 179 |
| Platform Specialty Products Corp. 144A, 5.875%, 12/1/25 ⁽³⁾ | 315 | 313 |
| PQ Corp. 144A, 5.750%, 12/15/25 ⁽³⁾ | 110 | 108 |
| Rusal Capital Designated Activity Co. 144A, 5.125%, 2/2/22 ⁽³⁾ | 315 | 198 |
| Syngenta Finance N.V. 144A, 4.441%, 4/24/23 ⁽³⁾ | 200 | 201 |
| 144A, 4.892%, 4/24/25 ⁽³⁾ | 200 | 199 |
| Teck Resources Ltd. 144A, 8.500%, 6/1/24 ⁽³⁾ | 75 | 82 |
| Trident Merger Sub, Inc. 144A, 6.625%, 11/1/25 ⁽³⁾ | 190 | 180 |
| United States Steel Corp. 6.250%, 3/15/26 | 285 | 284 |
| | | 5,484 |
| Real Estate 0.8% | | |
| EPR Properties 4.750%, 12/15/26 | 175 | 173 |
| 4.500%, 6/1/27 | 200 | 193 |
| Healthcare Trust of America Holdings LP 3.750%, 7/1/27 | 190 | 181 |
| | PAR VALUE | VALUE |
| Real Estate (continued) | | |
| Hospitality Properties Trust 4.950%, 2/15/27 | \$ 80 | \$ 79 |

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| | | |
|--------------------------------|-----|-------|
| 4.375%, 2/15/30 | 215 | 200 |
| LifeStorage LP | | |
| 3.875%, 12/15/27 | 150 | 143 |
| MPT Operating Partnership LP | | |
| 5.500%, 5/1/24 | 250 | 253 |
| 5.000%, 10/15/27 | 150 | 147 |
| Physicians Realty LP | | |
| 4.300%, 3/15/27 | 265 | 258 |
| Select Income REIT | | |
| 4.500%, 2/1/25 ⁽¹⁵⁾ | 345 | 335 |
| Welltower, Inc. | | |
| 4.250%, 4/15/28 | 90 | 90 |
| | | 2,052 |

Telecommunication Services 1.5%

| | | |
|---|----------------------|-----|
| Altice Luxembourg S.A. | | |
| 144A, 7.625%, 2/15/25 ⁽³⁾ | 200 | 185 |
| America Movil SAB de C.V. | | |
| 6.450%, 12/5/22 | 2,000 ^{MXN} | 95 |
| AT&T, Inc. | | |
| (3 month LIBOR + 1.180%) | | |
| 3.204%, 6/12/24 ⁽²⁾ | 125 | 125 |
| 5.250%, 3/1/37 | 50 | 50 |
| 4.800%, 6/15/44 ⁽¹⁵⁾ | 185 | 168 |
| CenturyLink, Inc. Series Y 7.500%, 4/1/24 | 190 | 203 |
| Cincinnati Bell, Inc. | | |
| 144A, 7.000%, 7/15/24 ⁽³⁾ | 345 | 304 |
| Digicel Group Ltd. 144A, 8.250%, 9/30/20 ⁽³⁾ | 300 | 226 |
| Frontier Communications Corp. | | |
| 8.500%, 4/15/20 | 115 | 116 |
| 7.625%, 4/15/24 | 365 | 230 |
| 144A, 8.500%, 4/1/26 ⁽³⁾ | 100 | 94 |
| Sprint Corp. | | |
| 7.875%, 9/15/23 | 100 | 108 |
| 7.625%, 3/1/26 | 110 | 115 |
| Sprint Spectrum Co. LLC | | |
| 144A, | | |
| 5.152%, 3/20/28 ⁽³⁾⁽¹⁵⁾ | 385 | 385 |
| T-Mobile USA, Inc. | | |
| 4.500%, 2/1/26 | 320 | 305 |

See Notes to Schedule of Investments

VIRTUS TOTAL RETURN FUND INC.**SCHEDULE OF INVESTMENTS (Continued)****AUGUST 31, 2018 (Unaudited)**

(\$ reported in thousands)

| | PAR VALUE | VALUE |
|--|-----------|----------------|
| CORPORATE BONDS AND NOTES (continued) | | |
| Telecommunication Services (continued) | | |
| Telenet Finance Luxembourg Notes S.a.r.l. 144A, 5.500%, 3/1/28 ⁽³⁾ | \$ 400 | \$ 374 |
| West Corp. 144A, 8.500%, 10/15/25 ⁽³⁾ | 115 | 105 |
| Windstream Services LLC 144A, 10.500%, 6/30/24 ⁽³⁾ | 140 | 112 |
| 144A, 8.625%, 10/31/25 ⁽³⁾ | 235 | 219 |
| | | 3,519 |
| Utilities 0.4% | | |
| Eskom Holdings SOC Ltd. 144A, 7.125%, 2/11/25 ⁽³⁾ | 200 | 189 |
| Ferrellgas Partners LP 8.625%, 6/15/20 | 50 | 49 |
| Perusahaan Listrik Negara PT 144A, 4.125%, 5/15/27 ⁽³⁾ | 390 | 368 |
| TerraForm Power Operating LLC 144A, 5.000%, 1/31/28 ⁽³⁾ | 280 | 262 |
| Texas Competitive Electric Holdings Co. 144A, 11.500%, 10/1/20 ⁽³⁾⁽¹⁰⁾ | 125 | ⁽⁹⁾ |
| Vistra Operations Co., LLC 144A, 5.500%, 9/1/26 ⁽³⁾ | 40 | 41 |
| | | 909 |
| TOTAL CORPORATE BONDS AND NOTES | | |
| (Identified Cost \$61,246) | | 59,320 |
| LEVERAGED LOANS⁽²⁾ 7.9% | | |
| Aerospace 0.2% | | |
| TransDigm, Inc. Tranche F, (1 month LIBOR + 2.500%) 4.576%, 6/9/23 | 380 | 379 |
| Tranche E, (1 month LIBOR + 2.500%) 4.576%, 5/30/25 | 55 | 55 |
| | | 434 |

| | PAR VALUE | VALUE |
|---|-----------|--------|
| Chemicals 0.2% | | |
| New Arclin U.S. Holding Corp. First Lien, (3 month LIBOR + 3.500%) 5.834%, 2/14/24 | \$ 149 | \$ 149 |
| Omnova Solutions, Inc. Tranche B-2, (1 month LIBOR + 3.250%) 5.326%, 8/25/23 | 336 | 337 |
| | | 486 |
| Consumer Durables 0.1% | | |
| Global Appliance, Inc. Tranche B, (1 month LIBOR + 4.000%) 6.080%, 9/29/24 | 263 | 262 |
| Consumer Non-Durables 0.4% | | |
| American Greetings Corp., (1 month LIBOR + 4.500%) 6.576%, 4/6/24 | 190 | 190 |
| Coty, Inc. Tranche B, (1 month LIBOR + 2.250%) 4.333%, 4/7/25 | 20 | 19 |
| Energizer Holdings, Inc. Tranche B, (3 month LIBOR + 2.250%) 0.000%, 6/20/25 ⁽¹¹⁾ | 65 | 65 |
| Herbalife Nutrition Ltd. Tranche B, (1 month LIBOR + 3.250%) 5.326%, 8/18/25 | 55 | 55 |
| Kronos Acquisition Intermediate, Inc., (1 month LIBOR + 4.000%) 6.065%, 5/15/23 | 128 | 127 |
| Parfums Holdings Co., Inc. First Lien, (3 month LIBOR + 4.750%) 7.063%, 6/30/24 | 149 | 150 |
| Rodan & Fields LLC, (1 month LIBOR + 4.000%) 6.063%, 6/16/25 | 310 | 312 |
| | | 918 |

See Notes to Schedule of Investments

VIRTUS TOTAL RETURN FUND INC.**SCHEDULE OF INVESTMENTS (Continued)****AUGUST 31, 2018 (Unaudited)**

(\$ reported in thousands)

| | PAR VALUE | VALUE |
|--|------------------|--------------|
| LEVERAGED LOANS (continued) | | |
| Energy 0.3% | | |
| California Resources Corp., (1 month LIBOR + 10.375%) 12.440%, 12/31/21 | \$ 95 | \$ 105 |
| Chesapeake Energy Corp. Tranche A, (1 month LIBOR + 7.500%) 9.576%, 8/23/21 | 29 | 30 |
| Medallion Midland Acquisition LLC, (1 month LIBOR + 3.250%) 5.326%, 10/30/24 | 204 | 202 |
| Seadrill Operating LP, (3 month LIBOR + 6.000%) 8.334%, 2/21/21 | 125 | 116 |
| Traverse Midstream Partners LLC, (3 month LIBOR + 4.000%) 6.340%, 9/27/24 | 220 | 221 |
| | | 674 |
| Financial 0.5% | | |
| Asurion LLC Tranche B-2, Second Lien, (1 month LIBOR + 6.500%) 8.576%, 8/4/25 | 381 | 392 |
| Blackhawk Network Holdings, Inc. First Lien, (2 month LIBOR + 3.000%) 5.183%, 6/15/25 | 255 | 256 |
| Ditech Holding Corp. Tranche B, (1 month LIBOR + 6.000%) 8.076%, 6/30/22 | 318 | 301 |
| Franklin Square Holdings LP, (3 month LIBOR + 2.500%) 4.625%, 8/1/25 | 45 | 45 |
| Genworth Holdings, Inc., (1 month LIBOR + 4.500%) 6.567%, 3/7/23 | 20 | 20 |
| | PAR VALUE | VALUE |
| Financial (continued) | | |
| iStar, Inc., (1 month LIBOR + 2.750%) 4.829%, 6/28/23 | \$ 265 | \$ 265 |

1,279

Food and Drug 0.1%

| | | |
|---|-----|-----|
| Albertson's LLC Tranche B-4, (1 month LIBOR + 2.750%) | | |
| 4.826%, 8/25/21 | 352 | 351 |

Food/Tobacco 0.1%

| | | |
|--|-----|-----|
| Chobani LLC First Lien, (1 month LIBOR + 3.500%) | | |
| 5.576%, 10/10/23 | 170 | 161 |
| H-Food Holdings, LLC, (1 month LIBOR + 3.000%) | | |
| 5.065%, 5/23/25 | 40 | 40 |
| JBS USA Lux S.A., (3 month LIBOR + 2.500%) | | |
| 4.835%, 10/30/22 | 69 | 69 |

270

Forest Prod/Containers 0.1%

| | | |
|--|-----|-----|
| Anchor Glass Container Corp. Second Lien, (1 month LIBOR + 7.750%) | | |
| 9.814%, 12/7/24 | 129 | 84 |
| Berlin Packaging LLC First Lien, (1 month LIBOR + 3.000%) | | |
| 5.170%, 11/7/25 | 125 | 125 |

209

Gaming/Leisure 0.8%

| | | |
|---|-----|-----|
| Affinity Gaming, (1 month LIBOR + 3.250%) | | |
| 5.326%, 7/1/23 | 291 | 290 |
| Aristocrat Leisure Ltd. Tranche B-3, (2 month LIBOR + 1.750%) | | |
| 4.098%, 10/19/24 | 502 | 501 |

See Notes to Schedule of Investments

VIRTUS TOTAL RETURN FUND INC.**SCHEDULE OF INVESTMENTS (Continued)****AUGUST 31, 2018 (Unaudited)**

(\$ reported in thousands)

| | PAR VALUE | VALUE |
|---|------------------|--------------|
| LEVERAGED LOANS (continued) | | |
| Gaming/Leisure (continued) | | |
| Everi Payments, Inc. Tranche B, (1 month LIBOR + 3.000%) 5.076%, 5/9/24 | \$ 109 | \$ 109 |
| Gateway Casinos & Entertainment Ltd., (3 month LIBOR + 3.000%) 5.473%, 12/1/23 | 110 | 110 |
| Playa Resorts Holding B.V., (1 month LIBOR + 2.750%) 4.830%, 4/29/24 | 318 | 315 |
| Scientific Games International, Inc. Tranche B-5, (1 month LIBOR + 2.750%) 4.826%, 8/14/24 | 65 | 65 |
| Seminole Tribe of Florida 2018 Replacement, Tranche B, (1 month LIBOR + 1.750%) 3.826%, 7/8/24 | 228 | 229 |
| Stars Group Holdings B.V., (3 month LIBOR + 3.500%) 5.831%, 7/10/25 | 70 | 71 |
| UFC Holdings LLC First Lien, (1 month LIBOR + 3.250%) 5.330%, 8/18/23 | 181 | 182 |
| | | 1,872 |
| Healthcare 0.3% | | |
| 21st Century Oncology, Inc. Tranche B, (3 month LIBOR + 6.125%) 8.465%, 1/16/23 | 32 | 30 |
| AHP Health Partners, Inc., (1 month LIBOR + 4.500%) 6.576%, 6/30/25 | 190 | 191 |
| Auris LuxCo Tranche B, First Lien, (3 month LIBOR + 3.750%) 0.000%, 7/24/25 ⁽¹¹⁾ | 30 | 30 |
| | PAR VALUE | VALUE |
| Healthcare (continued) | | |
| Bausch Health Cos., Inc., (1 month LIBOR + 3.000%) | \$ 40 | \$ 40 |

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| | | |
|--|-----|-----|
| 5.081%, 6/2/25 | | |
| CHG Healthcare Services, Inc. First Lien, (3 month LIBOR + 3.000%) | | |
| 5.209%, 6/7/23 | 70 | 70 |
| Ortho-Clinical Diagnostics, Inc., (1 month LIBOR + 3.250%) | | |
| 5.316%, 6/30/25 | 255 | 255 |
| Verscend Holding Corp. Tranche B, (3 month LIBOR + 4.500%) | | |
| 0.000%, 8/27/25 ⁽¹¹⁾ | 130 | 131 |
| | | 747 |

Housing 0.5%

| | | |
|--|-----|-------|
| 84 Lumber Co. Tranche B-1, (1 month LIBOR + 5.250%) | | |
| 7.315%, 10/25/23 | 285 | 287 |
| American Builders & Contractors Supply Co., Inc. Tranche B-2, (1 month LIBOR + 2.000%) | | |
| 4.076%, 10/31/23 | 379 | 377 |
| Capital Automotive LP Tranche B, Second Lien, (1 month LIBOR + 6.000%) | | |
| 8.076%, 3/24/25 | 131 | 134 |
| CPG International LLC, (3 month LIBOR + 3.750%) | | |
| 6.251%, 5/5/24 | 223 | 224 |
| GGP, Inc. Tranche B, (3 month LIBOR + 2.500%) | | |
| 0.000%, 5/7/25 ⁽¹¹⁾ | 135 | 134 |
| | | 1,156 |

See Notes to Schedule of Investments

VIRTUS TOTAL RETURN FUND INC.**SCHEDULE OF INVESTMENTS (Continued)****AUGUST 31, 2018 (Unaudited)**

(\$ reported in thousands)

| | PAR VALUE | VALUE |
|--|------------------|--------------|
| LEVERAGED LOANS (continued) | | |
| Information Technology 0.9% | | |
| Applied Systems, Inc. Second Lien, (3 month LIBOR + 7.000%) 9.334%, 9/19/25 | \$ 40 | \$ 41 |
| BMC Software Finance, Inc., (3 month LIBOR + 4.250%) 0.000%, 9/1/25 ⁽¹¹⁾ | 320 | 320 |
| Intralinks, Inc. First Lien, (1 month LIBOR + 4.000%) 6.080%, 11/14/24 | 132 | 132 |
| Kronos, Inc. First Lien, (3 month LIBOR + 3.000%) 5.252%, 11/1/23 | 374 | 375 |
| Second Lien, (3 month LIBOR + 8.250%) 10.593%, 11/1/24 | 126 | 129 |
| Presidio Holdings, Inc. Tranche B , (3 month LIBOR + 2.750%) 4.999%, 2/2/24 | 375 | 375 |
| Renaissance Holding Corp. First Lien, (3 month LIBOR + 3.250%) 5.584%, 5/30/25 | 380 | 378 |
| SS&C Technologies Holdings, Inc. Tranche B-3, (1 month LIBOR + 2.250%) 4.326%, 4/16/25 | 382 | 382 |
| Tranche B-4, (1 month LIBOR + 2.250%) 4.326%, 4/16/25 | 149 | 149 |
| | | 2,281 |
| Manufacturing 0.4% | | |
| Accudyne Industries Borrower S.C.A., (1 month LIBOR + 3.000%) 5.076%, 8/18/24 | 232 | 233 |
| | PAR VALUE | VALUE |
| Manufacturing (continued) | | |
| CPI Acquisition, Inc. First Lien, (3 month LIBOR + 4.500%) 6.839%, 8/17/22 | \$ 492 | \$ 324 |

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| | | |
|---|-----|-----|
| Deliver Buyer, Inc., (3 month LIBOR + 5.000%) 7.313%, 5/1/24 | 160 | 160 |
| Filtration Group Corp., (1 month LIBOR + 3.000%) 5.076%, 3/29/25 | 274 | 275 |

992

Media/Telecom Cable/Wireless Video 0.2%

| | | |
|--|-----|-----|
| Alice US Finance I Corp. 2017 Refinancing, (1 month LIBOR + 2.250%) 4.326%, 7/28/25 | 190 | 189 |
|--|-----|-----|

| | | |
|--|-----|-----|
| Telenet Financing USD LLC, (1 month LIBOR + 2.250%) 4.313%, 8/15/26 | 190 | 188 |
|--|-----|-----|

377

Media/Telecom Diversified Media 0.1%

| | | |
|---|-----|-----|
| Crown Finance US, Inc., (1 month LIBOR + 2.500%) 4.576%, 2/28/25 | 339 | 338 |
|---|-----|-----|

Media/Telecom Telecommunications 0.6%

| | | |
|--|-----|-----|
| CenturyLink, Inc. Tranche B, (1 month LIBOR + 2.750%) 4.826%, 1/31/25 | 419 | 413 |
|--|-----|-----|

| | | |
|--|----|----|
| Securus Technologies Holdings, Inc. (3 month LIBOR + 4.500%) 0.000%, 11/1/24 ⁽¹¹⁾ | 52 | 52 |
|--|----|----|

| | | |
|---|-----|-----|
| First Lien, (1 month LIBOR + 4.500%) 6.576%, 11/1/24 | 251 | 251 |
|---|-----|-----|

| | | |
|---|-----|-----|
| Second Lien, (1 month LIBOR + 8.250%) 10.326%, 11/1/25 | 175 | 175 |
|---|-----|-----|

See Notes to Schedule of Investments

VIRTUS TOTAL RETURN FUND INC.**SCHEDULE OF INVESTMENTS (Continued)****AUGUST 31, 2018 (Unaudited)**

(\$ reported in thousands)

| | PAR VALUE | VALUE |
|---|------------------|--------------|
| LEVERAGED LOANS (continued) | | |
| Media/Telecom Telecommunications (continued) | | |
| TDC A/S, (3 month LIBOR + 3.500%) 0.000%, 6/4/25 ⁽¹¹⁾ | \$ 105 | \$ 106 |
| West Corp. Tranche B-1, (1 month LIBOR + 3.500%) 5.576%, 10/10/24 | 115 | 114 |
| Tranche B, (1 month LIBOR + 4.000%) 6.076%, 10/10/24 | 213 | 211 |
| | | 1,322 |
| Metals/Minerals 0.3% | | |
| Contura Energy, Inc., (1 month LIBOR + 5.000%) 7.080%, 3/18/24 | 219 | 220 |
| Covia Holdings Corp., (3 month LIBOR + 3.750%) 6.050%, 6/1/25 | 350 | 345 |
| Graftech International Ltd., (1 month LIBOR + 3.500%) 5.576%, 2/12/25 | 250 | 251 |
| | | 816 |
| Retail 0.1% | | |
| Neiman Marcus Group Ltd. LLC, (1 month LIBOR + 3.250%) 5.330%, 10/25/20 | 273 | 253 |
| Service 1.2% | | |
| Advantage Sales & Marketing, Inc. Tranche B-2, First Lien, (1 month LIBOR + 3.250%) 5.326%, 7/23/21 | 193 | 182 |
| Second Lien, (1 month LIBOR + 6.500%) 8.576%, 7/25/22 | 227 | 187 |
| | PAR VALUE | VALUE |
| Service (continued) Hoya Midco LLC First Lien, (1 month LIBOR + 3.500%) | \$ 200 | \$ 198 |

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| | | |
|---|-----|-------|
| 5.576%, 6/30/24 | | |
| Laureate Education, Inc., (1 month LIBOR + 3.500%) | | |
| 5.576%, 4/26/24 | 200 | 200 |
| NAB Holdings LLC 2018 Refinancing, (3 month LIBOR + 3.000%) | | |
| 5.334%, 7/1/24 | 383 | 382 |
| One Call Corp. First Lien, (1 month LIBOR + 5.250%) | | |
| 7.313%, 11/27/22 | 201 | 191 |
| PI UK Holdco II Ltd. Tranche B-1, (1 month LIBOR + 3.500%) | | |
| 5.576%, 1/3/25 | 389 | 387 |
| Red Ventures LLC First Lien, (1 month LIBOR + 4.000%) | | |
| 6.076%, 11/8/24 | 356 | 360 |
| Sedgwick Claims Management Services, Inc. Second Lien, (3 month LIBOR + 5.750%) | | |
| 7.944%, 2/28/22 | 430 | 431 |
| SSH Group Holdings, Inc. First Lien, (3 month LIBOR + 4.250%) | | |
| 6.590%, 7/30/25 | 170 | 172 |
| TKC Holdings, Inc. First Lien, (1 month LIBOR + 3.750%) 5.830%, 2/1/23 | 188 | 188 |
| | | 2,878 |
| Transportation Automotive 0.1% | | |
| Navistar, Inc. Tranche B, (1 month LIBOR + 3.500%) | | |
| 5.580%, 11/6/24 | 318 | 319 |

See Notes to Schedule of Investments

VIRTUS TOTAL RETURN FUND INC.**SCHEDULE OF INVESTMENTS (Continued)****AUGUST 31, 2018 (Unaudited)**

(\$ reported in thousands)

| | PAR VALUE | VALUE |
|---|--------------------|---------------|
| LEVERAGED LOANS (continued) | | |
| Utility 0.4% | | |
| APLP Holdings LP, (1 month LIBOR + 3.000%) 5.076%, 4/13/23 | \$ 112 | \$ 112 |
| Brookfield WEC Holdings, Inc. First Lien, (1 month LIBOR + 3.750%) 5.826%, 8/1/25 | 225 | 226 |
| Second Lien, (1 month LIBOR + 6.750%) 8.826%, 8/3/26 | 130 | 132 |
| Talen Energy Supply LLC, (1 month LIBOR + 4.000%) 6.076%, 4/15/24 | 177 | 178 |
| Vistra Operations Co., LLC (1 month LIBOR + 2.000%) 4.076%, 8/4/23 | 184 | 183 |
| (1 month LIBOR + 2.000%) 4.068%, 12/31/25 | 95 | 95 |
| | | 926 |
| TOTAL LEVERAGED LOANS (Identified Cost \$19,380) | | 19,160 |
| SHARES | | |
| PREFERRED STOCKS 1.3% | | |
| Financials 1.1% | | |
| Huntington Bancshares, Inc. Series E, 5.700% | 335 ⁽⁸⁾ | 334 |
| JPMorgan Chase & Co. Series Z, 5.300% ⁽¹⁵⁾ | 415 ⁽⁸⁾ | 424 |
| KeyCorp Series D, 5.000% | 80 ⁽⁸⁾ | 79 |
| M&T Bank Corp. Series F, 5.125% ⁽¹⁵⁾ | 375 ⁽⁸⁾ | 373 |
| MetLife, Inc. Series D, 5.875% | 173 ⁽⁸⁾ | 179 |
| PNC Financial Services Group, Inc. (The) Series R, 4.850% ⁽¹⁵⁾ | 305 ⁽⁸⁾ | 305 |
| PNC Financial Services Group, Inc. (The) Series S, 5.000% ⁽¹⁵⁾ | 395 ⁽⁸⁾ | 395 |
| | SHARES | VALUE |
| Financials (continued) | | |
| Zions Bancorp 6.950% | 17,485 | \$ 515 |
| | | 2,604 |
| Industrials 0.2% | | |
| General Electric Co. Series D, 5.000% ⁽¹⁵⁾ | 657 ⁽⁸⁾ | 647 |

TOTAL PREFERRED STOCKS**(Identified Cost \$3,247)****3,251****COMMON STOCKS 82.1%****Energy 14.8%**

| | | |
|--------------------------------------|---------|--------|
| Antero Midstream GP LP | 113,210 | 1,912 |
| Cheniere Energy, Inc. ⁽¹⁾ | 56,335 | 3,771 |
| Enbridge, Inc. | 100,434 | 3,432 |
| Frontera Energy Corp. ⁽¹⁾ | 1,636 | 23 |
| Kinder Morgan, Inc. | 276,956 | 4,902 |
| ONEOK, Inc. | 56,425 | 3,719 |
| Pembina Pipeline Corp. | 126,695 | 4,321 |
| Targa Resources Corp. | 42,310 | 2,330 |
| TransCanada Corp. | 150,538 | 6,413 |
| Williams Cos., Inc. (The) | 166,289 | 4,920 |
| | | 35,743 |

Industrials 22.2%

| | | |
|------------------------|-----------|--------|
| Aena SME SA | 40,649 | 7,196 |
| Aeroports de Paris | 8,960 | 1,969 |
| Atlantia SpA | 212,724 | 4,432 |
| CSX Corp. | 85,470 | 6,338 |
| East Japan Railway Co. | 34,820 | 3,151 |
| Norfolk Southern Corp. | 24,810 | 4,313 |
| Sydney Airport | 776,515 | 4,025 |
| Transurban Group | 1,303,570 | 11,302 |
| Union Pacific Corp. | 33,530 | 5,050 |
| Vinci SA | 61,355 | 5,880 |
| | | 53,656 |

Real Estate 8.0%

| | | |
|----------------------------------|--------|--------|
| American Tower Corp. | 70,945 | 10,579 |
| Crown Castle International Corp. | 75,580 | 8,619 |
| | | 19,198 |

Telecommunication Services 1.3%

| | | |
|--------------------|---------|-------|
| Cellnex Telecom SA | 123,285 | 3,165 |
|--------------------|---------|-------|

See Notes to Schedule of Investments

VIRTUS TOTAL RETURN FUND INC.**SCHEDULE OF INVESTMENTS (Continued)****AUGUST 31, 2018 (Unaudited)**

(\$ reported in thousands)

| | SHARES | VALUE |
|---|---------------|-------------------------------|
| COMMON STOCKS (continued) | | |
| Utilities 35.8% | | |
| American Electric Power Co., Inc. | 88,810 | \$ 6,370 |
| American Water Works Co., Inc. | 46,185 | 4,043 |
| Atmos Energy Corp. | 44,405 | 4,096 |
| CMS Energy Corp. | 68,530 | 3,374 |
| Dominion Energy, Inc. | 93,513 | 6,618 |
| DTE Energy Co. | 43,190 | 4,800 |
| Emera, Inc. | 85,215 | 2,696 |
| Enel SpA | 420,730 | 2,080 |
| Engie SA | 146,325 | 2,145 |
| Evergy, Inc. | 87,667 | 5,001 |
| Fortis, Inc. | 101,750 | 3,331 |
| Iberdrola SA | 379,038 | 2,826 |
| National Grid plc | 188,125 | 1,976 |
| NextEra Energy, Inc. | 72,320 | 12,302 |
| NiSource, Inc. | 114,235 | 3,092 |
| Orsted A/S | 50,870 | 3,216 |
| Public Service Enterprise Group, Inc. | 76,730 | 4,017 |
| Sempra Energy | 62,995 | 7,312 |
| Spire, Inc. | 29,065 | 2,167 |
| Xcel Energy, Inc. | 105,645 | 5,076 |
| | | 86,538 |
| TOTAL COMMON STOCKS | | |
| (Identified Cost \$186,861) | | 198,300 |
| RIGHTS 0.0% | | |
| Vistra Energy Corp. ⁽¹⁶⁾ | 2,084 | 1 |
| TOTAL RIGHTS | | |
| (Identified Cost \$2) | | 1 |
| TOTAL LONG-TERM INVESTMENTS 133.0% | | |
| (Identified Cost \$314,032) | | 321,199⁽¹³⁾ |
| SHORT-TERM INVESTMENTS 1.8% | | |
| Purchased Options 0.1% | | |
| (See the open purchased options table on page 23 for the detailed information.) | | |
| TOTAL PURCHASED OPTIONS 0.1% | | |
| (Premiums Paid \$510) | | 257 |
| | SHARES | VALUE |
| Money Market Mutual Fund 1.7% | | |

| | | |
|---|-----------|------------------|
| Dreyfus Government Cash Management Fund Institutional | | |
| Shares (seven-day effective yield 1.840%)(14) | 3,999,977 | \$ 4,000(13) |
| TOTAL SHORT-TERM INVESTMENTS | | |
| (Identified Cost \$4,510) | | 4,257 |
| TOTAL INVESTMENTS BEFORE WRITTEN OPTIONS 134.8% | | |
| (Identified Cost \$318,542) | | 325,456 |
| WRITTEN OPTIONS (0.3)% | | |
| (See the open written options table on page 23 for the detailed information.) | | |
| TOTAL WRITTEN OPTIONS (0.3)% | | |
| (Premiums Received \$1,056) | | (646) |
| TOTAL INVESTMENTS NET OF WRITTEN OPTIONS 134.5% | | |
| (Identified Cost \$317,486) | | 324,810 |
| Other assets and liabilities, net (34.5)% | | (83,413) |
| NET ASSETS 100.0% | | \$241,397 |

Abbreviations:

LIBOR London Interbank Offered Rate

PIK Payment-in-Kind Security

REIT Real Estate Investment Trust

Footnote Legend:

(1) Non-income producing.

(2) Variable rate security. Rate disclosed is as of August 31, 2018. For leveraged loans, the rate shown may represent a weighted average interest rate. Information in parenthesis represents benchmark and reference rate for each security. Certain variable rate securities are not based on a published reference rate and spread but are determined by the issuer or agent and are based on current market conditions, or, for mortgage-backed securities, are impacted by the individual mortgages which are paying off over time. These securities do not indicate a reference rate and spread in their descriptions.

See Notes to Schedule of Investments

VIRTUS TOTAL RETURN FUND INC.

SCHEDULE OF INVESTMENTS (Continued)

AUGUST 31, 2018 (Unaudited)

(\$ reported in thousands)

- (3) Security exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be resold in transactions exempt from registration, normally to qualified institutional buyers. At August 31, 2018, these securities amounted to a value of \$54,440 or 22.6% of net assets.
- (4) Regulation S security. Security is offered and sold outside of the United States, therefore, it is exempt from registration with the SEC under Rules 903 and 904 of the Securities Act of 1933.
- (5) Interest payments may be deferred.
- (6) This Note was issued for the sole purpose of funding a leveraged loan between the issuer and the borrower. As the credit risk for this security lies solely with the borrower, the name represented here is that of the borrower.
- (7) Security in default, no interest payments are being received during the bankruptcy proceedings.
- (8) Value shown as par value.
- (9) Amounts are less than \$500 (not reported in 000s).
- (10) Security valued at fair value as determined in good faith by or under the direction of the Trustees. This security is disclosed as a Level 3 security in the Fair Value Hierarchy table located after the Schedule of Investments.
- (11) This loan will settle after August 31, 2018, at which time the interest rate, based on the LIBOR and the agreed upon spread on trade date, will be reflected.
- (12) 100% of the income received was in cash.
- (13) All or a portion of the portfolio segregated as collateral for borrowings.
- (14) Shares of this fund are publicly offered, and its prospectus and annual report are publicly available.
- (15) All or a portion of the security is segregated as collateral for written options.
- (16) The value of this security was determined using significant unobservable inputs and is reported as a Level 3 security in the Fair Value Hierarchy table located at the end of the Schedule of Investments.
- (17) No contractual maturity date.
- (18) 87% of the income received was cash and 13% was PIK.

Foreign Currencies:

BRL Brazilian Real
 CLP Chilean Peso
 COP Colombian Peso
 IDR Indonesian Rupiah
 MXN Mexican Peso
 NGN Nigerian Naira
 RUB Russian Ruble
 ZAR South African Rand

Country Weightings

| | |
|---------------|-----|
| United States | 67% |
| Canada | 7 |
| Australia | 5 |
| Spain | 4 |

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| | |
|---------|------|
| France | 3 |
| Italy | 2 |
| Denmark | 1 |
| Other | 11 |
| Total | 100% |

% of total investments net of written options as of August 31, 2018.

See Notes to Schedule of Investments

VIRTUS TOTAL RETURN FUND INC.**SCHEDULE OF INVESTMENTS (Continued)****AUGUST 31, 2018 (Unaudited)**

(\$ reported in thousands)

Open Purchased Options contracts as of August 31, 2018, were as follows:

| Description of Options | Number of Contracts | Contract Notional Amount | Strike Price ⁽¹⁾ | Expiration Date | Value |
|----------------------------|---------------------|--------------------------|-----------------------------|-----------------|--------|
| Call Options | | | | | |
| S&P 500 [®] Index | 409 | \$ 122,700 | \$ 3,000 | 9/4/18 | \$ 2 |
| S&P 500 [®] Index | 554 | 165,646 | 2,990 | 9/5/18 | 5 |
| S&P 500 [®] Index | 132 | 39,534 | 2,995 | 9/7/18 | 3 |
| S&P 500 [®] Index | 442 | 133,926 | 3,030 | 9/10/18 | 1 |
| S&P 500 [®] Index | 603 | 182,709 | 3,030 | 9/12/18 | 2 |
| S&P 500 [®] Index | 132 | 40,128 | 3,040 | 9/14/18 | 7 |
| | | | | | 20 |
| Put Options | | | | | |
| S&P 500 [®] Index | 409 | 110,430 | 2,700 | 9/4/18 | 9 |
| S&P 500 [®] Index | 554 | 150,688 | 2,720 | 9/5/18 | 33 |
| S&P 500 [®] Index | 132 | 36,168 | 2,740 | 9/7/18 | 12 |
| S&P 500 [®] Index | 442 | 121,771 | 2,755 | 9/10/18 | 56 |
| S&P 500 [®] Index | 603 | 166,428 | 2,760 | 9/12/18 | 94 |
| S&P 500 [®] Index | 132 | 36,432 | 2,760 | 9/14/18 | 33 |
| | | | | | 237 |
| Total Purchased Options | | | | | \$ 257 |

Open Written Options contracts as of August 31, 2018, were as follows:

| Description of Options | Number of Contracts | Contract Notional Amount | Strike Price ⁽¹⁾ | Expiration Date | Value |
|----------------------------|---------------------|--------------------------|-----------------------------|-----------------|--------|
| Call Options | | | | | |
| S&P 500 [®] Index | 409 | \$ 120,042 | \$ 2,935 | 9/4/18 | \$ (7) |
| S&P 500 [®] Index | 554 | 162,322 | 2,930 | 9/5/18 | (57) |
| S&P 500 [®] Index | 132 | 38,874 | 2,945 | 9/7/18 | (13) |
| S&P 500 [®] Index | 442 | 131,274 | 2,970 | 9/10/18 | (24) |
| S&P 500 [®] Index | 603 | 179,393 | 2,975 | 9/12/18 | (42) |

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| | | | | | |
|-----------------------|-----|---------|-------|---------|----------|
| S&P 500® Index | 132 | 39,468 | 2,990 | 9/14/18 | (9) |
| | | | | | (152) |
| Put Options | | | | | |
| S&P 500® Index | 409 | 113,089 | 2,765 | 9/4/18 | (12) |
| S&P 500® Index | 554 | 154,012 | 2,780 | 9/5/18 | (25) |
| S&P 500® Index | 132 | 36,828 | 2,790 | 9/7/18 | (16) |
| S&P 500® Index | 442 | 124,423 | 2,815 | 9/10/18 | (134) |
| S&P 500® Index | 603 | 169,745 | 2,815 | 9/12/18 | (253) |
| S&P 500® Index | 132 | 37,092 | 2,810 | 9/14/18 | (54) |
| | | | | | (494) |
| Total Written Options | | | | | \$ (646) |

Footnote Legend:

⁽¹⁾ Strike price not reported in thousands.

See Notes to Schedule of Investments

VIRTUS TOTAL RETURN FUND INC.**SCHEDULE OF INVESTMENTS (Continued)****AUGUST 31, 2018 (Unaudited)**

(\$ reported in thousands)

The following table provides a summary of inputs used to value the Fund's investments as of August 31, 2018 (See Security Valuation Note 2A in the Notes to Financial Statements):

| | Total Value at August 31, 2018 | Level 1 Quoted Prices | Level 2 Significant Observable Inputs | Level 3 Significant Unobservable Inputs |
|---|-----------------------------------|--------------------------|--|--|
| Debt Securities: | | | | |
| Asset-Backed Securities | \$ 7,099 | \$ | \$ 7,099 | \$ |
| Corporate Bonds and Notes | 59,320 | | 59,320 | * |
| Foreign Government Securities | 11,517 | | 11,517 | |
| Leveraged Loans | 19,160 | | 19,160 | |
| Mortgage-Backed Securities | 16,146 | | 16,146 | |
| U.S. Government Securities | 6,405 | | 6,405 | |
| Equity Securities: | | | | |
| Common Stocks | 198,300 | 186,998 | 11,302 | |
| Preferred Stocks | 3,251 | 515 | 2,736 | |
| Rights | 1 | | | 1 |
| Money Market Mutual Fund | 4,000 | 4,000 | | |
| Purchased Options | 257 | 160 | 97 | |
| Total Investments before Written Options | \$ 325,456 | \$ 191,673 | \$ 133,782 | \$ 1 |
| Liabilities: | | | | |
| Written Options | \$ (646) | \$ (646) | \$ | \$ |
| Total Investments Net of Written Options | \$ 324,810 | \$ 191,027 | \$ 133,782 | \$ 1 |

* Amount is less than \$500.

Securities held by the Fund with an end of period value of \$7,176 were transferred from Level 2 to Level 1 based on our valuation procedures for non-U.S. securities. There were no other transfers between Level 1, Level 2, or Level 3 related to securities held at August 31, 2018.

Some of the Fund's investments that were categorized as Level 3 were valued utilizing third party pricing information without adjustment. Such valuations are based on unobservable inputs. A significant change in third party information could result in a significantly lower or higher value of Level 3 investments.

Management has determined that the amount of Level 3 securities compared to total net assets is de minimis; therefore, the rollforward of Level 3 securities and assumptions are not shown for the period ended August 31, 2018.

See Notes to Schedule of Investments

VIRTUS TOTAL RETURN FUND INC.**FINANCIAL HIGHLIGHTS (Unaudited)****AUGUST 31, 2018**

(Reported in thousands except for the per share amounts)

| | Total Net Assets | Net Asset Value per share |
|---|------------------|------------------------------|
| Beginning of period: November 30, 2017 | \$ 289,580 | \$ 13.45 |
| Net investment income (loss)* | \$ 5,486 | \$ 0.25 |
| Net realized and unrealized gain (loss) on investments | (30,355) | (1.41) |
| Dividends from net investment income and distributions from net long-term and short-term capital gains** | (23,314) | (1.08) |
| Net increase (decrease) in net assets/net asset value | (48,183) | (2.24) |
| End of period: August 31, 2018 | \$ 241,397 | \$ 11.21 |

* Calculated based on average shares outstanding.

** Please note that the tax status of our distributions is determined at the end of the taxable year. However, based on interim data as of August 31, 2018, we estimate that 20.2% of distributions will represent net investment income, 7.3% will represent long-term capital gains and 72.5% will represent return of capital. Also refer to inside front cover for information on the Managed Distribution Plan.

See Notes to Schedule of Investments

VIRTUS TOTAL RETURN FUND INC.

NOTES TO SCHEDULE OF INVESTMENTS

AUGUST 31, 2018 (Unaudited)

Note 1 Significant Accounting Policies

The Trust is an investment company that follows the accounting and reporting guidance of Accounting Standards Codification Topic 946 applicable to Investment Companies.

The following is a summary of significant accounting policies consistently followed by the Fund in the preparation of its financial statements and, for derivatives, included in Note 2 below. The preparation of financial statements in conformity with U.S. generally accepted accounting principles (U.S. GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of increases and decreases in net assets from operations during the reporting period. Actual results could differ from those estimates, and those differences could be significant.

A. Security Valuation

Security valuation procedures for the Fund, which include nightly price variance, as well as back-testing items such as bi-weekly unchanged price, monthly secondary source and transaction analysis, have been approved by the Board of Directors of the Fund (the Board , or the Directors). All internally fair valued securities are approved by a valuation committee appointed by the Board (the Valuation Committee). The Valuation Committee is comprised of certain members of management as identified to the Board and convenes independently from portfolio management. All internally fair valued securities are updated daily and reviewed in detail by the Valuation Committee monthly unless changes occur within the period. The Valuation Committee reviews the validity of any model inputs and any changes to the model. Fair valuations are reviewed by the Board at least quarterly.

The Fund utilizes a fair value hierarchy which prioritizes the inputs to valuation techniques used to measure fair value into three broad levels. The Fund's policy is to recognize transfers between levels at the end of the reporting period.

Level 1 quoted prices in active markets for identical securities (security types generally include listed equities).

Level 2 prices determined using other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.).

Level 3 prices determined using significant unobservable inputs (including the Valuation Committee's own assumptions in determining the fair value of investments).

A description of the valuation techniques applied to the Fund's major categories of assets and liabilities measured at fair value on a recurring basis is as follows:

Equity securities are valued at the official closing price (typically last sale) on the exchange on which the securities are primarily traded or, if no closing price is available, at the last bid price and are categorized as Level 1 in the hierarchy. Restricted equity securities and private placements that are illiquid, or are internally fair valued by the Valuation Committee, are generally categorized as Level 3 in the hierarchy.

Certain non-U.S. securities may be fair valued in cases where closing prices are not readily available or are deemed not reflective of readily available market prices. For example, significant events (such as movement in the U.S. securities market or other

VIRTUS TOTAL RETURN FUND INC.

NOTES TO SCHEDULE OF INVESTMENTS (Continued)

AUGUST 31, 2018 (Unaudited)

regional and local developments) may occur between the time that non-U.S. markets close (where the security is principally traded) and the time that the Fund calculates its net asset value (NAV) (at the close of regular trading on the New York Stock Exchange (NYSE), generally 4 p.m. Eastern time) that may impact the value of securities traded in these non-U.S. markets. In such cases the Fund fair values non-U.S. securities using an independent pricing service which considers the correlation of the trading patterns of the non-U.S. security to the intraday trading in the U.S. markets for investments such as ADRs, financial futures, exchange-traded funds, and certain indexes, as well as prices for similar securities. Such fair valuations are categorized as Level 2 in the hierarchy. Because the frequency of significant events is not predictable, fair valuation of certain non-U.S. common stocks may occur on a frequent basis.

Debt securities, including restricted securities, are valued based on evaluated quotations received from independent pricing services or from dealers who make markets in such securities. For most bond types, the pricing service utilizes matrix pricing that considers one or more of the following factors: yield or price of bonds of comparable quality, coupon, maturity, current cash flows, type, and current day trade information, as well as dealer-supplied prices. These valuations are generally categorized as Level 2 in the hierarchy. Structured debt instruments, such as mortgage-backed and asset-backed securities, may also incorporate collateral analysis and utilize cash flow models for valuation and are generally categorized as Level 2 in the hierarchy. Pricing services do not provide pricing for all securities and therefore indicative bids from dealers are utilized which are based on pricing models used by market makers in the security and are generally categorized as Level 2 in the hierarchy. Debt securities that are internally fair valued by the Valuation Committee are generally categorized as Level 3 in the hierarchy.

Claims are valued by brokers based on pricing models that take into account, among other factors, both cash and non-cash assets. The valuation is derived from expected cash flow of the claims and the non-cash assets, which include all real estate, private equity or other securities within the estate. To the extent that these inputs are observable, the values of the claims are categorized as Level 2. To the extent that these inputs are unobservable, the values are categorized as Level 3.

Listed derivatives, such as options, that are actively traded are valued based on quoted prices from the exchange and are categorized as Level 1 in the hierarchy. Over-the-counter derivative contracts, which include forward currency contracts and equity-linked instruments, do not require material subjectivity as pricing inputs are observed from actively quoted markets and are categorized as Level 2 in the hierarchy.

Investments in open-end mutual funds are valued at NAV. Investments in closed-end funds are valued as of the close of regular trading on the NYSE each business day. Both are categorized as Level 1 in the hierarchy.

A summary of the inputs used to value the Fund's net assets by each major security type is disclosed at the end of the Schedule of Investments for the Fund. The inputs or methodologies used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

B. When-issued Purchases and Forward Commitments (Delayed-Delivery)

The Fund may engage in when-issued or forward commitment transactions. Securities purchased on a when-issued or forward commitment basis are also known as delayed

VIRTUS TOTAL RETURN FUND INC.

NOTES TO SCHEDULE OF INVESTMENTS (Continued)

AUGUST 31, 2018 (Unaudited)

delivery transactions. Delayed delivery transactions involve a commitment by the Fund to purchase or sell a security at a future date (ordinarily up to 90 days later). Delayed delivery enables the Fund to lock in what is believed to be an attractive price or yield on a particular security for a period of time, regardless of future changes in interest rates. The Fund records delayed delivery securities on the trade date. The Fund maintains collateral for the securities purchased. Securities purchased on a when-issued or forward commitment basis begin earning interest on the settlement date.

C. Leveraged Loans

The Fund may invest in direct debt instruments which are interests in amounts owed by a corporate, governmental, or other borrower to lenders or lending syndicates. Leveraged Loans are generally non-investment grade and often involve borrowers that are highly leveraged. The Fund may invest in obligations of borrowers who are in bankruptcy proceedings. Leveraged loans are typically senior in the corporate capital structure of the borrower. A loan is often administered by a bank or other financial institution (the lender) that acts as agent for all holders. The agent administers the terms of the loan, as specified in the leveraged loan. The Fund's investments in loans may be in the form of participations in loans or assignments of all or a portion of loans from third parties. When investing in loan participations, the Fund has the right to receive payments of principal, interest and any fees to which it is entitled only from the lender selling the loan participation and only upon receipt by the lender of payments from the borrower. The Fund generally has no right to enforce compliance with the terms of the leveraged loan with the borrower. As a result, the Fund may be subject to the credit risk of both the borrower and the lender that is selling the leveraged loan. When the Fund purchases assignments from lenders it acquires direct rights against the borrower on the loan.

The Fund may invest in multiple series or tranches of a loan, which may have varying terms and carry different associated risks. Leveraged loans may involve foreign borrowers and investments may be denominated in foreign currencies. Direct indebtedness of emerging countries involves a risk that the government entities responsible for the repayment of the debt may be unable, or unwilling, to pay the principal and interest when due.

The leveraged loans have floating rate loan interests which generally pay interest at rates that are periodically determined by reference to a base lending rate plus a premium. The base lending rates are generally LIBOR, the prime rate offered by one or more U.S. banks or the certificate of deposit rate. When a leveraged loan is purchased the Fund may pay an assignment fee. On an ongoing basis, the Fund may receive a commitment fee based on the undrawn portion of the underlying line of credit portion of a leveraged loan. Prepayment penalty fees are received upon the prepayment of a leveraged loan by a borrower. Prepayment penalty, facility, commitment, consent and amendment fees are recorded to income as earned or paid.

Note 2 Derivative Financial Instruments and Transactions

Disclosures about derivative instruments and hedging activities are intended to enable investors to understand how and why the Fund uses derivatives, how derivatives are accounted for, and how derivative instruments affect the Fund's results of operations and financial position. Summarized below are such disclosures and accounting policies for each specific type of derivative instrument used by the Fund.

VIRTUS TOTAL RETURN FUND INC.

NOTES TO SCHEDULE OF INVESTMENTS (Continued)

AUGUST 31, 2018 (Unaudited)

A. Options contracts

An options contract provides the purchaser with the right, but not the obligation, to buy (call option) or sell (put option) a financial instrument at an agreed-upon price. The Fund pursues an option income strategy whereby it purchases and sells out-of-the money puts and calls, creating an options spread designed to generate a consistent level of option cash flow which should result in additional yield. The Fund is subject to equity price risk in the normal course of pursuing its investment objectives.

When the Fund purchases an option, it pays a premium and an amount equal to that premium is recorded as an asset. When the Fund writes an option, it receives a premium and an amount equal to that premium is recorded as a liability. The asset or liability is adjusted daily to reflect the current market value of the option. Holdings of the Fund designated as collateral for outstanding written options are noted in the Schedule of Investments.

If an option expires unexercised, the Fund realizes a gain or loss to the extent of the premium received or paid. If an option is exercised, the premium received or paid is recorded as an adjustment to the proceeds from the sale or the cost basis of the purchase. The difference between the premium and the amount received or paid on effecting a closing purchase or sale transaction is also treated as a realized gain or loss.

The risk in writing call options is that the Fund gives up the opportunity for profit if the market price of the security increases and the option is exercised. The risk in writing put options is that the Fund may incur a loss if the market price of the security decreases and the option is exercised. The risk in buying options is that the Fund pays a premium whether or not the option is exercised. The use of such instruments may involve certain additional risks as a result of unanticipated movements in the market. Writers (sellers) of options are normally subject to unlimited risk of loss, as the seller will be obligated to deliver or take delivery of the security at a predetermined price which may, upon exercise of the option, be significantly different from the then-market value. However, the Fund may limit its risk of loss when writing an option by purchasing an option similar to the one that is sold, except for the fact it is further out of the money.

The Fund invested in derivative instruments during the fiscal period in the form of writing put/call options and buying put/call options on the S&P 500® Index. The primary risk associated with these derivative instruments is equity risk.

For the period ended August 31, 2018, the average daily premiums paid by the Fund for purchased options were \$474, and the average daily premiums received by the Fund for written options were \$973.

Note 3 Illiquid and Restricted Securities

(\$ reported in thousands)

Investments are generally considered illiquid if they cannot be disposed of within seven days in the ordinary course of business at the approximate amount at which such securities have been valued by the Fund. Additionally, the following information is also considered in determining liquidity: the frequency of trades and quotes for the

investment, whether the investment is listed for trading on a recognized domestic exchange and/or whether two or more brokers are willing to purchase or sell the security at a comparable price, the extent of market making activity in the investment and the nature of the market for investment.

VIRTUS TOTAL RETURN FUND INC.

NOTES TO SCHEDULE OF INVESTMENTS (Continued)

AUGUST 31, 2018 (Unaudited)

Restricted securities are not registered under the Securities Act of 1933, as amended (the "1933 Act"). Generally, 144A securities are excluded from this category, except where defined as illiquid.

The Fund will bear any costs, including those involved in registration under the 1933 Act, in connection with the disposition of such securities.

The Fund held securities considered to be illiquid at August 31, 2018, with an aggregate value of \$1 representing 0.0% of the Fund's net assets.

At August 31, 2018, the Fund did not hold any securities that were restricted.

Note 4 Credit Risk and Asset Concentrations

In countries with limited or developing markets, investments may present greater risks than in more developed markets and the prices of such investments may be volatile. The consequences of political, social or economic changes in these markets may have disruptive effects on the market prices of these investments and the income they generate, as well as the Fund's ability to repatriate such amounts.

High-yield/high-risk securities typically entail greater price volatility and/or principal and interest rate risk. There is a greater chance that an issuer will not be able to make principal and interest payments on time. Analysis of the creditworthiness of issuers of high-yield/high-risk securities may be complex, and as a result, it may be more difficult for the Adviser and/or subadviser to accurately predict risk.

The Fund may invest a high percentage of its assets in specific sectors of the market in the pursuit of its investment objective. Fluctuations in these sectors of concentration may have a greater impact on the Fund, positive or negative, than if the Fund did not concentrate its investments in such sectors.

The Fund borrows through its line of credit for the purpose of leveraging its portfolio. While leverage presents opportunities for increasing the Fund's total return, it also has the effect of potentially increasing losses. Accordingly, any event which adversely affects the value of an investment held by the Fund would be magnified to the extent the Fund is leveraged.

Note 5 Regulatory Matters and Litigation

From time to time, the Fund, the Fund's Adviser and/or subadvisers, and/or their respective affiliates may be involved in litigation and arbitration as well as examinations and investigations by various regulatory bodies, including the SEC, involving compliance with, among other things, securities laws, client investment guidelines, laws governing the activities of broker-dealers and other laws and regulations affecting their products and other activities. At this time, the Adviser believes that the outcomes of such matters are not likely, either individually or in aggregate, to be material to these financial statements.

Note 6 Recent Accounting Pronouncement

In March 2017, the Financial Accounting Standards Board issued an Accounting Standards Update, ASU 2017-08, Receivables - Nonrefundable Fees and Other Costs (Subtopic 310-20), Premium Amortization on Purchased Callable Debt Securities (the ASU) which amends the amortization period for certain purchased callable debt securities held at a premium, shortening such period to the earliest call date. The ASU does not require any accounting change for debt securities held at a discount; the discount continues to be amortized to maturity. The ASU is effective for fiscal years, and interim periods within those

VIRTUS TOTAL RETURN FUND INC.

NOTES TO SCHEDULE OF INVESTMENTS (Continued)

AUGUST 31, 2018 (Unaudited)

fiscal years, beginning after December 15, 2018. At this time, management is evaluating the implications of these changes on the financial statements.

Note 7 Subsequent Events

Management has evaluated the impact of all subsequent events on the Fund through the date the Schedule of Investments was filed, and has determined that the following subsequent event requires recognition or disclosure in these Notes to Schedule of Investments.

Effective October 15, 2018, Rampart Investment Management, an investment management affiliate of Virtus Investment Partners that specializes in options strategies, has been appointed as an additional investment subadviser to manage the existing options overlay strategy on the Fund. Warun Kumar, chief investment officer, Rampart, who previously managed the strategy through Newfleet Asset Management, has been added as a portfolio manager to the Fund.

CERTIFICATION

The Fund's Chief Executive Officer (CEO) will file the required annual CEO certification regarding compliance with the NYSE's listing standards no more than 30 days after the Fund's annual shareholder meeting. The Fund has included the certifications of the Fund's CEO and Principal Financial Officer required by Section 302 of the Sarbanes-Oxley Act in the Fund's Form N-CSR filed with the SEC for the period of this report.

KEY INFORMATION

Shareholder Relations: 1-866-270-7788

For general information and literature, as well as updates on net asset value, share price, major industry groups and other key information.

REINVESTMENT PLAN

The Automatic Reinvestment and Cash Purchase Plan (the Plan) offers shareholders a convenient way to acquire additional shares of the Fund. Registered holders will be automatically placed in the Plan. If shares are held at a brokerage firm, contact your broker about participation in the Plan.

REPURCHASE OF SECURITIES

Notice is hereby given in accordance with Section 23(c) of the 1940 Act that the Fund may from time to time purchase its shares of common stock in the open market when Fund shares are trading at a discount from their net asset value.

PROXY VOTING INFORMATION (FORM N-PX)

The Adviser and subadvisers vote proxies relating to portfolio securities in accordance with procedures that have been approved by the Fund's Board. You may obtain a description of these procedures, along with information regarding how the Fund voted proxies during the most recent 12-month period ended June 30, free of charge, by calling toll-free 1-866-270-7788. This information is also available through the SEC's website at <http://www.sec.gov>.

FORM N-Q INFORMATION

The Fund files a complete schedule of portfolio holdings with the SEC for the first and third quarters of each fiscal year on Form N-Q. Form N-Q is available on the SEC's website at <http://www.sec.gov>. Form N-Q may be reviewed and copied at the SEC's Public Reference Room. Information on the operation of the SEC's Public Reference Room can be obtained by calling toll-free 1-800-SEC-0330.

VIRTUS TOTAL RETURN FUND INC.

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Board of Directors

George R. Aylward

Philip R. McLoughlin, Chairman

William R. Moyer

James M. Oates

James B. Rogers, Jr.

R. Keith Walton

Brian T. Zino

William H. Wright II, Advisory Member

Officers

George R. Aylward, President and Chief Executive Officer

Francis G. Waltman, Executive Vice President

W. Patrick Bradley, Executive Vice President, Chief Financial Officer, and Treasurer

Nancy J. Engberg, Senior Vice President and Chief Compliance Officer

William Renahan, Vice President, Chief Legal Officer, and Secretary

Investment Adviser

Virtus Investment Advisers, Inc.

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Administrator

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Custodian

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How to Contact Us

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Website **www.Virtus.com**

This report is transmitted to the shareholders of Virtus Total Return Fund Inc. for their information. This is not a prospectus, circular, or representation intended for use in the purchase of shares of the Fund or any securities mentioned in this report.

For more information about
Virtus Closed-End Funds, please
contact us at **1-866-270-7788**
or **closedendfunds@virtus.com**
or visit **Virtus.com**.

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