

Flaherty & Crumrine/Claymore Total Return Fund

FLC
LISTED
NYSE

AS OF 1/31/2012

FUND OVERVIEW

| | |
|--|-------------------------|
| Market Price | \$19.20 |
| NAV ² | \$18.03 |
| Premium/(Discount) ³ | 6.49% |
| Average 30-Day Volume | 30,113 |
| Current Distribution Rate ⁴ | 8.72% |
| Dividend Per Share ⁵ | \$0.13950 |
| Leverage ⁶ | 34.21% |
| Expense Ratio (Common Shares) ⁷ | 1.31% |
| Inception ¹ | 8/26/2003 |
| Inception NAV | \$23.88 |
| Inception Price | \$25.00 |
| NYSE Ticker | FLC |
| CUSIP | 338479108 |
| Email | frc@guggenheimfunds.com |
| NAV Ticker | XFLCX |
| Website | fcclaymore.com |

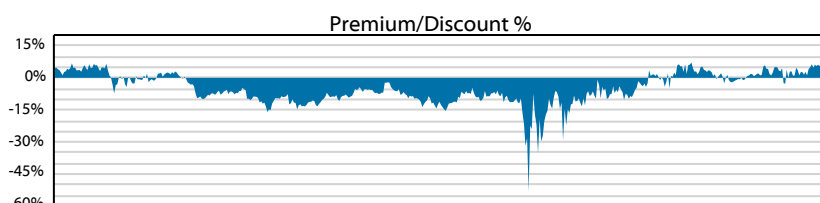
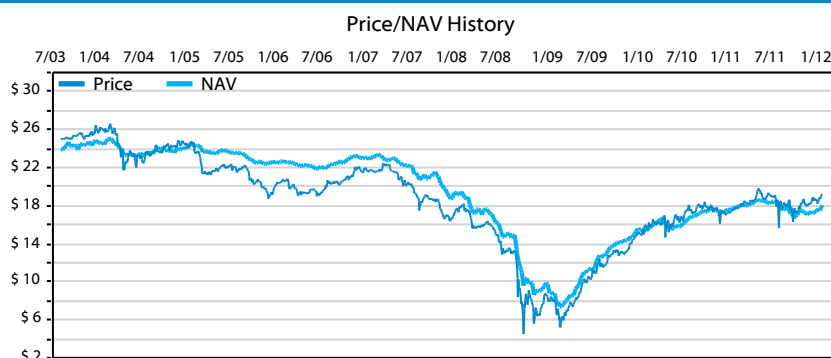
PERFORMANCE HISTORY as of 1/31/2012

| | Market Price | NAV |
|---------------------|--------------|---------|
| 2012 YTD | 3.42% | 4.78% |
| 1 Year | 20.49% | 12.28% |
| 3 Year | 46.44% | 39.85% |
| 5 Year | 8.57% | 5.13% |
| 10 Year | N/A | N/A |
| Since Inception | 6.50% | 5.63% |
| 2011 | 19.09% | 9.33% |
| 2010 | 29.49% | 27.83% |
| 2009 | 107.94% | 77.55% |
| 2008 | -45.57% | -43.89% |
| 2007 | -15.08% | -11.39% |
| 2006 | 20.93% | 9.03% |
| 2005 | -16.05% | 1.33% |
| 2004 | 4.00% | 6.99% |
| 2003 (Partial Year) | 4.88% | 3.97% |

Performance data quoted represents past performance, which is no guarantee of future results, and current performance may be lower or higher than the figures shown. Since Inception returns assume a purchase of common shares at the initial offering price of \$25.00 per share for market price returns or initial net asset value (NAV) of \$23.88 per share for NAV returns. Returns for periods of less than one year are not annualized. All distributions are assumed to be reinvested either in accordance with the dividend reinvestment plan (DRIP) for market price returns or NAV for NAV returns. Until the DRIP price is available from the Plan Agent, the market price returns reflect the reinvestment at the closing market price on the last business day of the month. Once the DRIP is available around mid-month, the market price returns are updated to reflect reinvestment at the DRIP price.

INVESTMENT OBJECTIVE

The Fund's investment objective is to provide high current income for holders of its common stock. The Fund's secondary investment objective is capital appreciation.

PRICE HISTORY as of 1/31/2012

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

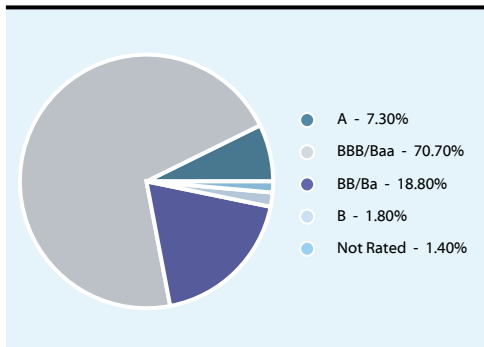
SECTOR CONCENTRATION as of 12/31/2011

| | |
|-----------|-------|
| Bank | 38.6% |
| Utility | 25.8% |
| Insurance | 25.1% |
| Energy | 5.2% |
| Finance | 2.2% |
| REIT | 0.1% |
| Misc | 3% |

TOP 10 ISSUERS as of 12/31/2011

| | |
|--------------------------|------|
| Liberty Mutual Group | 5.2% |
| Banco Santander | 4.4% |
| Capital One Financial | 4% |
| Metlife | 4% |
| HSBC Plc | 3.3% |
| Georgia Power | 3% |
| Unum Group | 2.9% |
| Enbridge Energy Partners | 2.8% |
| Wells Fargo | 2.6% |
| Axis Capital | 2.4% |

CREDIT QUALITY as of 12/31/2011



Bonds with a credit rating of Ba or lower are considered below investment grade. "Not Rated" includes options, common stock and unrated securities by Moody's. Ratings are subject to change. This data is subject to change on a daily basis.

CONTACT INFORMATION

For questions, contact:

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Flaherty & Crumrine Incorporated. The preferred securities market is a complex one for the individual investor or average investment advisor to effectively navigate. Flaherty & Crumrine was formed in 1983 with the express intention of managing portfolios of preferred securities for institutional investors. The firm has experience in managing leveraged and hedged preferred securities funds dating back to 1991. Through its experience in the preferred securities markets, Flaherty & Crumrine has developed the expertise necessary to implement the portfolio and interest rate management strategies necessary in seeking to obtain the highest sustainable income.

¹ Based on prospectus information ² NAV for this Fund is computed weekly and at month-end. ³ Premium/Discount is based upon the prior day's market price and the last computed NAV. ⁴ Latest declared monthly dividend per share annualized and divided by the current share price. To the extent any portion of the current distribution is estimated to be sourced from something other than income, such as return of capital, the source would be disclosed on a Section 19a-1 letter located under the "Fund News" section of the "News & Literature" section of the Fund's website. The distribution rate may include net investment income, capital gains and/or return of capital. The distribution rate alone is not indicative of Fund performance. ⁵ Monthly Dividend per share is subject to change. The distribution amount may include net investment income, capital gains and/or return of capital. The distribution amount alone is not indicative of Fund performance. ⁶ As a percentage of total assets. This figure is calculated on a weekly basis. ⁷ Ratio of average operating expenses excluding interest expense to average net assets available to common stockholders. Expense ratios are annualized. All data as of 1/31/2012 or otherwise noted. Data is subject to change on a daily basis and represents a percentage of the Fund's total holdings, excluding cash. The securities mentioned are provided for informational purposes only and should not be deemed as a recommendation to buy or sell.

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

NOT FDIC INSURED • NOT BANK GUARANTEED • MAY LOSE VALUE

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