



# BOULDER

TOTAL RETURN FUND, INC.

ANNUAL REPORT

BOULDER FUNDS



■ 11.30.09  
■ NYSE SYMBOL · BTF



## TABLE OF CONTENTS



1	Letter from the Advisers
4	Financial Data
5	Portfolio of Investments
9	Statement of Assets and Liabilities
10	Statement of Operations
11	Statements of Changes in Net Assets
12	Financial Highlights
15	Notes to Financial Statements
26	Report of Independent Registered Public Accounting Firm
27	Summary of Dividend Reinvestment Plan
28	Additional Information
30	Directors and Officers



Dear Shareholder:

The Boulder Total Return Fund (BTF) had a total return on its market price of 38.4% for the fiscal year ending 11/30/09. The total return on its net asset value (NAV) was 19.8%, compared to the S&P 500 Index which had a total return of 25.4% for the year ending 11/30/2009. The Fund's discount narrowed from -27.8% on 11/30/08 to a discount of -16.6% on 11/30/09, explaining the superior performance of its market price compared to its performance on NAV. Performance of the Fund's assets is best judged by looking at NAV performance, even though the performance of market price is what shareholders realize. This is the second consecutive year BTF's NAV has underperformed the S&P 500. However, in the 10 years BIA/SIA have been advisers, BTF has outperformed the S&P 500 seven out of the ten years. The cumulative annualized return of BTF since 1999 has been 4.4% vs. 0.0% for the S&P 500. Since August 1999, an investment in BTF's NAV has turned \$10,000 into \$15,581, while \$10,000 invested in the S&P would still be worth approximately \$10,000. Shareholders are better off by 56% having invested in BTF.

<b>Cumulative Returns</b>	<b>3 Months Ended 11/30/09</b>	<b>6 Months Ended 11/30/09</b>	<b>One Year Ended 11/30/09</b>	<b>Three Years* Ended 11/30/09</b>	<b>Five Years* Ended 11/30/09</b>	<b>Since August 1999**</b>
Boulder Total Return Fund (NAV)	6.4%	21.1%	19.8%	-7.5%	-0.4%	4.4%
S&P 500 Index	7.9%	20.5%	25.4%	-5.8%	0.7%	0.0%
Dow Jones Industrial Average	9.7%	23.5%	21.1%	-2.7%	2.5%	1.8%
NASDAQ Composite	7.0%	21.4%	41.1%	-3.2%	1.3%	-1.8%

*The total returns for BTF in the table above do not include the affect of dilution on non-participating shareholders from the 7/2003 rights offering. If the affect of dilution is included, the annualized return since August 1999 would be 1.7%.*

\* Annualized

\*\* Annualized since August 1999, when the current Advisers became investment advisers to the Fund.

Two primary drivers in BTF's performance in 2009 were two of its large holdings: Berkshire Hathaway and Walmart, which were largely responsible for BTF's underperformance.

For the Fund's fiscal year, Berkshire Hathaway had a total return of -3.3%, far behind the S&P 500, which returned 25.4%. Since Berkshire currently makes up 37.4% of the Fund's total assets, its performance is key for the Fund. For the 3-year period ending 12/31/09, Berkshire had a total return of -9.1% vs. the S&P 500 which had a total return of -5.6%. Berkshire is currently trading around \$100,000 per share, which is somewhere around 1.3 or 1.4 times its conservatively calculated book value. Historically, this is



on the low end of the book value totem pole from where Berkshire typically trades. You may have heard Ben Graham's saying, "the market is a voting machine in the short-term, but a weighing machine in the long-term." As for the voting, with all the day traders and program trading, there are some out there voting thousands of times – every day! As for the weighing machine, the market may want to invest in a new weighing machine. Buffett announced the largest acquisition in Berkshire Hathaway's fabled history: Burlington Northern Santa Fe Railroad, a \$34 billion company. While hopping this train uses up most of Berkshire's investable cash hoard, it also puts Berkshire on the tracks to increase its earning power. It's like adding another locomotive to Berkshire's already long and diversified train of companies. Only on Berkshire's train, each company is its own locomotive, earning money independently of the others. The only drag on the Berkshire train was the caboose full of cash it had been dragging around while looking for an investment. The caboose of cash has been replaced by an "economic caboose." A slower US economy is a drag on almost all US businesses. Nonetheless, recently this cash earned virtually nothing. But exchanging the caboose full of cash for Burlington Northern will help speed up the rate at which Berkshire's book value grows.

Walmart had a total return (including dividends) of -0.5% for the year. Walmart was 7.5% of the Fund's total assets at calendar year-end. While Walmart was one of the Fund's top performers in 2008, it was near the bottom of large cap stocks in terms of performance in 2009. Nonetheless, Walmart's earnings relative to its stock price are reasonable and it remains a well run company with bright outlooks. If you've never shopped at Walmart, you should try it. You'll save some money.

So, between Berkshire and Walmart, over 40% of the Fund's investments had negative returns in 2009. We bought these companies because of their long-term viability, profitability, strong management, potential for increased earnings, and strong market shares. In our view, none of these things have changed, so we are happy holding them. It should be expected that even strong, profitable, well run companies may experience periods of under-performance versus the overall market for a year or two, or even longer.

How did the Fund achieve a 19.8% total return? YUM! Brands, which represents 14.6% of the Fund's assets, had a total return of 34% in fiscal 2009. BTF had some very strong returns in other securities during the year, including Midland Holdings (up 142%), Cheung Kong Holdings (up 37%), Caterpillar (up 48%), Heineken (up 48%), and all of the closed-end funds that we bought. Some of these returns were a reflection of the very low starting point a year ago after the market had taken a dive. This is a good example of the benefits of being a long-term investor: not selling everything at the market lows.



From December 1, 2008 through March 9, 2009 (about the first fiscal quarter of 2009 for BTF), the S&P 500 Index fell 17%, from 816 to 676. Less than 3 weeks later, the S&P 500 had rebounded all the way back above 832. This was an increase of 23% in the market in less than 3 weeks! Was this a “dead-cat bounce” or had we seen the market bottom? The answer was totally irrelevant. The question should have been “how are stocks valued?” Timing the markets is nearly impossible. The example above is proof. But buying fairly or under-valued stocks is not impossible. While we did buy some stocks from January 2009 all the way through April while the market was at its lows, we didn’t buy enough.

The Fund holds cash and “cash-equivalents” totaling slightly over \$18 million, or about 7% of the Fund’s assets. The markets recuperated from the March 2009 lows so fast and so furiously, we don’t expect a repeat performance in 2010. The markets have had quite a ride upward over the past 8 months. Stocks seem to be more fully valued based on earnings, but the economy is not out of the woods quite yet. Unemployment could remain high for quite some time. A high foreclosure rate in the housing market will also temper potential rebounds. We’ve tried to make investments that will perform reasonably well even in a topsy-turvy economy. In any case, among our top investment rules are: (1) Don’t lose what we already have, (2) Invest in companies we understand with good margins, good management, and a reasonable use of debt and (3) Invest more money in our best ideas. The S&P 500 Index is trading around 1,100 which is about 20 times earnings. This is on the high end of where the S&P 500 has historically traded. So for the time being, we’re probably more likely to hold onto the cash we have unless we find something intriguing.

Sincerely,

Stewart R. Horejsi  
Stewart Investment Advisers  
Barbados, W.I.

Carl D. Johns  
Boulder Investment Advisers, LLC  
Boulder, Colorado

January 14, 2010

*Our website at [www.boulderfunds.net](http://www.boulderfunds.net) is an excellent source for information on the Fund. One of the features on the website is the ability to sign up for electronic delivery of stockholder information. Through electronic delivery, you can enjoy the convenience of receiving and viewing stockholder communications, such as annual reports, distribution information and proxy statements online in addition to, but more quickly than, the hard copies you currently receive in the mail. To enroll, simply go to [www.boulderfunds.net/enotify.htm](http://www.boulderfunds.net/enotify.htm). You will also find information about the Boulder Total Return Fund’s sister fund – the Boulder Growth & Income Fund – on the website.*



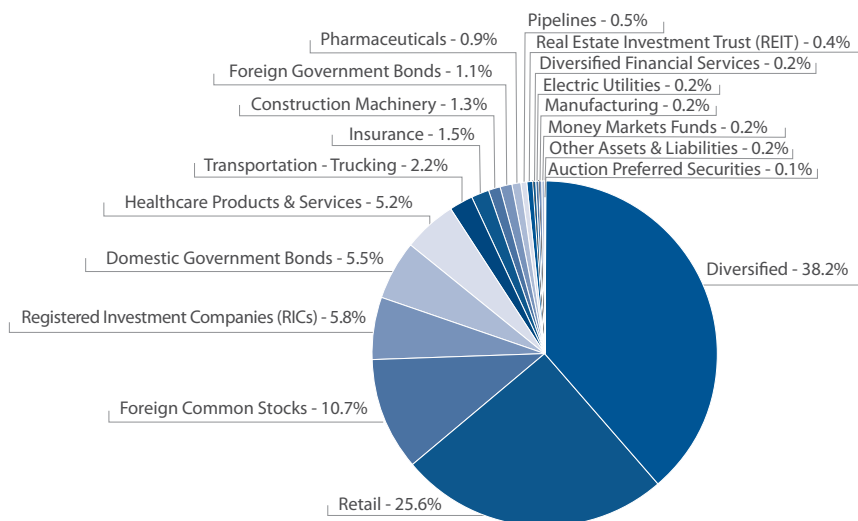
	Per Share of Common Stock		
	Net Asset Value	NYSE Closing Price	Dividend Paid
11/30/2008	\$ 12.70	\$ 9.17	\$ 0.000
12/31/2008	12.71	9.86	0.000
1/31/2009	11.21	9.30	0.000
2/28/2009	9.57	7.75	0.000
3/31/2009	10.68	8.07	0.000
4/30/2009	12.27	9.40	0.000
5/31/2009	12.56	9.54	0.000
6/30/2009	12.36	9.42	0.000
7/31/2009	13.90	10.76	0.000
8/31/2009	14.30	11.47	0.000
9/30/2009	14.66	12.01	0.000
10/31/2009	14.43	12.00	0.000
11/30/2009	15.21	12.69	0.000



The Boulder Total Return Fund was ranked #1 in Lipper Closed-End Equity Fund Performance for the year ended December 31, 2000 by Lipper Inc.

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### INVESTMENTS AS A % OF NET ASSETS AVAILABLE TO COMMON AND PREFERRED STOCK





November 30, 2009

Shares	Description	Value (Note 1)
<b>LONG TERM INVESTMENTS 94.1%</b>		
<b>DOMESTIC COMMON STOCKS 82.2%</b>		
<b>Construction Machinery 1.3%</b>		
60,000	Caterpillar, Inc.	\$ 3,503,400
<b>Diversified 38.2%</b>		
690	Berkshire Hathaway, Inc., Class A*	69,414,000
9,200	Berkshire Hathaway, Inc., Class B*	30,847,600
		<u>100,261,600</u>
<b>Diversified Financial Services 0.2%</b>		
5,700	Franklin Resources, Inc.	615,771
<b>Electric Utilities 0.2%</b>		
17,500	Black Hills Corp.	412,475
<b>Healthcare Products &amp; Services 5.2%</b>		
216,000	Johnson & Johnson	13,573,440
<b>Insurance 1.5%</b>		
120,000	First American Corp.	3,806,400
<b>Manufacturing 0.2%</b>		
8,000	3M Co.	619,520
<b>Pharmaceuticals 0.9%</b>		
123,300	Pfizer, Inc.	2,240,361
<b>Pipelines 0.5%</b>		
15,000	Boardwalk Pipeline Partners L.P.	423,450
9,200	Energy Transfer Partners L.P.	398,268
13,700	Enterprise Products Partners L.P.	408,123
		<u>1,229,841</u>
<b>Real Estate Investment Trust (REIT) 0.4%</b>		
75,000	Redwood Trust, Inc.	1,077,750
<b>Registered Investment Companies (RICs) 5.8%</b>		
576,250	Cohen & Steers REIT and Utility Income Fund, Inc.	5,537,763
348,000	Cohen & Steers Select Utility Fund, Inc.	4,903,320
341,549	Flaherty & Crumrine/Claymore Preferred Securities Income Fund, Inc.	4,320,595
45,077	Flaherty & Crumrine/Claymore Total Return Fund, Inc.	591,410
		<u>15,353,088</u>

See accompanying notes to financial statements.



Shares	Description	Value (Note 1)
<b>Retail 25.6%</b>		
72,500	The Home Depot, Inc.	\$ 1,983,600
177,000	Walgreen Co.	6,883,530
370,000	Wal-Mart Stores, Inc.	20,183,500
1,085,000	Yum! Brands, Inc.	38,267,950
		<hr/> 67,318,580
<b>Transportation - Trucking 2.2%</b>		
60,000	Burlington Northern Santa Fe Corp.	5,898,000
TOTAL DOMESTIC COMMON STOCKS (Cost \$136,608,494)		
		<hr/> <hr/> 215,910,226
<b>FOREIGN COMMON STOCKS 10.7%</b>		
<b>Hong Kong 4.6%</b>		
515,000	Cheung Kong Holdings, Ltd.	6,472,346
10,500	Guoco Group, Ltd.	122,002
500,000	Henderson Investment, Ltd.	38,064
104,500	Henderson Land Development Co., Ltd.	737,563
6,156,000	Midland Holdings, Ltd.	4,599,098
		<hr/> 11,969,073
<b>Japan 0.0%<sup>(1)</sup></b>		
340	New City Residence Investment Corp.* <sup>(2)(3)</sup>	786
<b>Netherlands 2.6%</b>		
60,000	Heineken Holding NV	2,472,597
95,117	Heineken NV	4,473,204
		<hr/> 6,945,801
<b>New Zealand 1.3%</b>		
4,601,836	Kiwi Income Property Trust	3,395,192
<b>Turkey 0.0%<sup>(1)</sup></b>		
57,183	Dogus GE Gayrimenkul Yatirim Ortakligi A.S.*	32,930
<b>United Kingdom 2.2%</b>		
75,000	Diageo PLC, Sponsored ADR	5,070,750
20,000	GlaxoSmithKline PLC, Sponsored ADR	829,400
		<hr/> 5,900,150
TOTAL FOREIGN COMMON STOCKS (Cost \$24,024,841)		
		<hr/> <hr/> 28,243,932

See accompanying notes to financial statements.

# PORTFOLIO OF INVESTMENTS



November 30, 2009

Shares/ Principal Amount	Description	Value (Note 1)
<b>AUCTION PREFERRED SECURITIES 0.1%</b>		
8	Neuberger Berman Real Estate Securities Income Fund, Inc., Series C <sup>(2)</sup>	\$ <u>188,000</u>
TOTAL AUCTION PREFERRED SECURITIES (Cost \$200,021)		<u><u>188,000</u></u>
<b>FOREIGN GOVERNMENT BONDS 1.1%</b>		
3,863,000 NZD	New Zealand Bond, 6.00% due 11/15/2011	<u>2,791,147</u>
TOTAL FOREIGN GOVERNMENT BONDS (Amortized Cost \$2,929,665)		<u><u>2,791,147</u></u>
<b>TOTAL LONG TERM INVESTMENTS</b> (Cost \$163,763,021)		<u><u>247,133,305</u></u>
<b>SHORT TERM INVESTMENTS 5.7%</b>		
<b>DOMESTIC GOVERNMENT BONDS 5.5%</b>		
\$14,500,000	United States Treasury Bills, 0.030% due 12/31/2009	<u>14,499,637</u>
TOTAL DOMESTIC GOVERNMENT BONDS (Amortized Cost \$14,499,637)		<u><u>14,499,637</u></u>
<b>MONEY MARKET FUNDS 0.2%</b>		
454,976	Dreyfus Treasury Cash Management Money Market Fund, Institutional Class, 7-Day Yield – 0.00004%	<u>454,976</u>
TOTAL MONEY MARKET FUNDS (Cost \$454,976)		<u><u>454,976</u></u>
<b>TOTAL SHORT TERM INVESTMENTS</b> (Cost \$14,954,613)		<u><u>14,954,613</u></u>

See accompanying notes to financial statements.



	Value (Note 1)
<b>TOTAL INVESTMENTS 99.8%</b> (Cost \$178,717,634)	\$ 262,087,918
<b>OTHER ASSETS AND LIABILITIES 0.2%</b>	<u>464,844</u>
<b>TOTAL NET ASSETS AVAILABLE TO COMMON AND PREFERRED STOCK 100.0%</b>	<u>262,552,762</u>
<b>AUCTION MARKET PREFERRED STOCK (AMPS) REDEMPTION VALUE</b>	<u>(74,900,000)</u>
<b>TOTAL NET ASSETS AVAILABLE TO COMMON STOCK</b>	<u>\$ 187,652,762</u>

\* *Non-income producing security.*

<sup>(1)</sup> *Less than 0.05% of Total Net Assets Available to Common and Preferred Stock.*

<sup>(2)</sup> *Fair valued security under procedures established by the Fund's Board of Directors. Total market of fair valued securities as of November 30, 2009 is \$188,786, or 0.07% of Total Net Assets Available to Common and Preferred Stock.*

<sup>(3)</sup> *On October 9, 2008, the company declared bankruptcy.*

*Percentages are stated as a percent of the Total Net Assets Available to Common and Preferred Stock.*

*Common Abbreviations:*

*ADR - American Depositary Receipt*

*A.S. - Anonim Sirketi (Turkish: Joint Stock Company)*

*L.P. - Limited Partnership*

*Ltd. - Limited*

*NV - Naamloze Vennootchap is the Dutch term for a public limited liability corporation*

*NZD - New Zealand Dollar*

*PLC - Public Limited Company*

*For Fund compliance purposes, the Fund's industry and/or geography classifications refer to any one of the industry/geography sub-classifications used by one or more widely recognized market indexes, and/or as defined by Fund Management. This definition may not apply for purposes of this report, which may combine industry/geography sub-classifications for reporting ease. Industries/geographies are shown as a percent of net assets available to common and preferred shares. These industry/geography classifications are unaudited.*

*See accompanying notes to financial statements.*

# STATEMENT OF ASSETS AND LIABILITIES



November 30, 2009

## ASSETS:

Investments, at value (Cost \$178,717,634) (Note 1)	\$ 262,087,918
Foreign currency, at value (Cost \$3,684,908)	3,591,033
Dividends and interest receivable	178,588
Prepaid expenses and other assets	9,297
<u>Total Assets</u>	<u>265,866,836</u>

## LIABILITIES:

Payable for investments purchased	2,873,775
Investment co-advisory fees payable (Note 2)	271,302
Administration and co-administration fees payable (Note 2)	56,499
Legal and audit fees payable	48,298
Accumulated undeclared dividends on Taxable Auction Market Preferred Stock (Note 5)	18,551
Printing fees payable	12,179
Directors' fees and expenses payable (Note 2)	1,678
Accrued expenses and other payables	31,792
<u>Total Liabilities</u>	<u>3,314,074</u>

**FUND TOTAL NET ASSETS** \$ 262,552,762

## TAXABLE AUCTION MARKET PREFERRED STOCK:

\$0.01 par value, 10,000,000 shares authorized, 749 shares outstanding, liquidation preference of \$100,000 per share (Note 5)	74,900,000
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**TOTAL NET ASSETS (APPLICABLE TO  
COMMON STOCKHOLDERS)** \$ 187,652,762

## NET ASSETS (APPLICABLE TO COMMON STOCKHOLDERS)

### CONSIST OF:

Par value of common stock (Note 4)	\$ 123,387
Paid-in capital in excess of par value of common stock	123,504,144
Accumulated net realized loss on investments sold, foreign currency related transactions, and preferred stock transactions	(19,314,407)
Net unrealized appreciation on investments and foreign currency related transactions	83,339,638

**NET ASSETS (APPLICABLE TO COMMON STOCKHOLDERS)** \$ 187,652,762

Net Asset Value, \$187,652,762/12,338,660 common stock outstanding	\$ 15.21
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See accompanying notes to financial statements.



## STATEMENT OF OPERATIONS

For the Year Ended November 30, 2009

### INVESTMENT INCOME:

Dividends (net of foreign withholding tax of \$18,651)	\$	4,276,362
Interest and other income		73,047
<u>Total Investment Income</u>		<u>4,349,409</u>

### EXPENSES:

Investment co-advisory fee (Note 2)		2,912,318
Administration and co-administration fees (Note 2)		626,511
Preferred stock broker commissions and auction agent fees		95,607
Directors' fees and expenses (Note 2)		92,029
Legal and audit fees		57,539
Insurance expense		48,751
Printing fees		41,759
Custody fees		21,822
Transfer agency fees		16,499
Other		84,798
<u>Total Expenses</u>		<u>3,997,633</u>
<u>Net Investment Income</u>		<u>351,776</u>

### REALIZED AND UNREALIZED GAIN/(LOSS) ON INVESTMENTS:

Net realized loss on:		
Investment securities		(10,121,433)
Foreign currency related transactions		(310,201)
		<u>(10,431,634)</u>
Net change in unrealized appreciation of:		
Investment securities		41,847,944
Foreign currency related transactions		63,803
		<u>41,911,747</u>

**NET REALIZED AND UNREALIZED GAIN ON INVESTMENTS:** 31,480,113

### PREFERRED STOCK TRANSACTIONS:

Distributions from tax return of capital		(1,303,824)
Discount on redemption of Taxable Auction Market		
Preferred Stock (Note 5)		392,000
<u>Total Preferred Stock Transactions</u>		<u>(911,824)</u>

### NET INCREASE IN NET ASSETS RESULTING

<b>FROM OPERATIONS</b>	\$	<b>30,920,065</b>
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See accompanying notes to financial statements.

# STATEMENTS OF CHANGES IN NET ASSETS



	For the Year Ended November 30, 2009	For the Year Ended November 30, 2008
<b>OPERATIONS:</b>		
Net investment income	\$ 351,776	\$ 1,683,670
Net realized loss on investments	(10,431,634)	(10,172,497)
Net change in unrealized appreciation/ (depreciation) on investments and foreign currency transactions	41,911,747	(103,024,638)
Net Increase/(Decrease) in Net Assets Resulting from Operations	31,831,889	(111,513,465)
<b>PREFERRED STOCK TRANSACTIONS (NOTE 5):</b>		
Distributions from net investment income	-	(822,246)
Distributions from tax return of capital	(1,303,824)	(2,568,738)
Discount on redemption of Taxable Auction Market Preferred Stock	392,000	-
Total Preferred Stock Transactions	(911,824)	(3,390,984)
Net Increase/(Decrease) in Net Assets Resulting from Operations Applicable to Common Stockholders	30,920,065	(114,904,449)
<b>DISTRIBUTIONS: COMMON STOCK (NOTE 9)</b>		
From net investment income	-	(1,303,416)
From net realized capital gains	-	(448,908)
From tax return of capital	-	(34,486,321)
Total Distributions: Common Stock	-	(36,238,645)
Net Increase/(Decrease) in Net Assets	30,920,065	(151,143,094)
<b>REDEMPTION OF TAXABLE AUCTION MARKET PREFERRED STOCK (par value)</b>		
	(2,600,000)	-
<b>NET ASSETS:</b>		
Beginning of year	234,232,697	385,375,791
End of year (including undistributed net investment income of \$0 and \$0, respectively)	262,552,762	234,232,697
Taxable Auction Market Preferred Stock Redemption Value	(74,900,000)	(77,500,000)
Net Assets Applicable to Common Stockholders	\$ 187,652,762	\$ 156,732,697

See accompanying notes to financial statements.



Contained below is selected data for a share of common stock outstanding, total investment return, ratios to average net assets and other supplemental data for the period indicated. This information has been determined based upon information provided in the financial statements and market price data for the Fund's shares.

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## OPERATING PERFORMANCE:

Net Asset Value - Beginning of Year

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### Income/(Loss) from Investment Operations

Net investment income<sup>(a)</sup>

Net realized and unrealized gain/(loss) on investments

Total from Investment Operations

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### Preferred Stock Transactions

Dividends paid from net investment income<sup>(a)</sup>

Distributions paid from net realized capital gains<sup>(a)</sup>

Distributions paid from tax return of capital<sup>(a)</sup>

Change in accumulated undeclared dividends on AMPS\*

Discount on redemption of Taxable Auction Market Preferred Stock

Total Preferred Stock Transactions

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Net Increase/(Decrease) from Operations Applicable to Common Stock

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### Distributions: Common Stock

Dividends paid from net investment income

Distributions paid from net realized capital gains

Distributions paid from tax return of capital

Total Distributions Paid to Common Stockholders

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Net Increase/(Decrease) in Net Asset Value

Common Share Net Asset Value - End of Year

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Common Share Market Value - End of Year

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Total Return, Common Share Net Asset Value<sup>(b)</sup>

Total Return, Common Share Market Value<sup>(b)</sup>

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## RATIOS TO AVERAGE NET ASSETS AVAILABLE TO COMMON STOCKHOLDERS:<sup>(c)</sup>

Net Operating Expenses

Net Investment Income/(Loss)

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## SUPPLEMENTAL DATA:

Portfolio Turnover Rate

Net Assets Applicable to Common Stockholders, End of Year (000s)

Number of Common Shares Outstanding - End of Year (000s)

Ratio of Operating Expenses to Total Average Net Assets including AMPS\*

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\* Taxable Auction Market Preferred Stock ("AMPS").

<sup>(a)</sup> Calculated based on the average number of common shares outstanding during each fiscal year.

<sup>(b)</sup> Total return based on per share net asset value reflects the effects of changes in net asset value on the performance of the Fund during each fiscal period. Total return based on per share market value assumes the purchase of common stock at the market price on the first day and sales of common stock at the market price on the last day of the period indicated.

# FINANCIAL HIGHLIGHTS

For a Common Share Outstanding Throughout Each Period.

For the Years Ended November 30,					
2009	2008	2007	2006	2005	
\$ 12.70	\$ 24.95	\$ 23.64	\$ 21.02	\$ 19.91	
0.03	0.14	0.35	0.30	0.15	
2.56	(9.18)	2.34	3.37	1.17	
2.59	(9.04)	2.69	3.67	1.32	
–	(0.06)	(0.26)	(0.04)	(0.05)	
–	–	(0.09)	(0.27)	(0.15)	
(0.11)	(0.21)	–	–	–	
–	–	–	–	(0.01)	
0.03	–	–	–	–	
(0.08)	(0.27)	(0.35)	(0.31)	(0.21)	
2.51	(9.31)	2.34	3.36	1.11	
–	(0.11)	(0.19)	(0.17)	–	
–	(0.04)	(0.84)	(0.57)	–	
–	(2.79)	–	–	–	
–	(2.94)	(1.03)	(0.74)	–	
2.51	(12.25)	1.31	2.62	1.11	
\$ 15.21	\$ 12.70	\$ 24.95	\$ 23.64	\$ 21.02	
\$ 12.69	\$ 9.17	\$ 22.70	\$ 21.59	\$ 17.57	
19.8%	(40.3)%	10.4%	17.4%	5.6%	
38.4%	(52.6)%	10.0%	28.2%	0.7%	
2.53%	2.22%	2.07%	2.21%	2.24%	
0.22%	(0.70)%	0.04%	1.06%	0.71%	
12%	6%	28%	23%	32%	
\$ 187,653	\$ 156,733	\$ 307,876	\$ 291,662	\$ 259,363	
12,339	12,339	12,339	12,339	12,339	
1.70%	1.69%	1.65%	1.71%	1.72%	

Dividends and distributions, if any, are assumed to be reinvested at prices obtained under the Fund's distribution reinvestment plan. Results represent past performance and do not guarantee future results. Current returns may be lower or higher than the performance data quoted

(c) Expense ratios do not include the effect of distributions to preferred stockholders. The net investment income ratios reflect income net of operating expenses and payments and change in undeclared dividends to AMPS stockholders.

See accompanying notes to financial statements.



The table below sets out information with respect to Taxable Auction Market Preferred Stock currently outstanding.<sup>(1)</sup>

	Liquidation Value (000)	Total Shares Outstanding (000)	Asset Coverage Per Share <sup>(2)</sup>	Involuntary Liquidating Preference Per Share <sup>(3)</sup>	Average Market Value Per Share <sup>(3)</sup>
11/30/09	\$ 74,900	0.749	\$ 350,563	\$ 100,000	\$ 100,000
11/30/08	77,500	0.775	302,273	100,000	100,000
11/30/07	77,500	0.775	497,949	100,000	100,000
11/30/06	77,500	0.775	476,367	100,000	100,000
11/30/05	77,500	0.775	434,662	100,000	100,000

<sup>(1)</sup> See Note 5 in Notes to Financial Statements.

<sup>(2)</sup> Calculated by subtracting the Fund's total liabilities (excluding accumulated unpaid distributions on Preferred Shares) from the Fund's total assets and dividing by the number of AMPS outstanding.

<sup>(3)</sup> Excludes accumulated undeclared dividends.

See accompanying notes to financial statements.



November 30, 2009

## ■ ■ NOTE 1. ■ ■ SIGNIFICANT ACCOUNTING POLICIES

Boulder Total Return Fund, Inc. (the "Fund"), is a diversified, closed-end management company organized as a Maryland corporation and is registered with the Securities and Exchange Commission ("SEC") under the Investment Company Act of 1940, as amended (the "1940 Act"). The policies described below are followed consistently by the Fund in the preparation of its financial statements in conformity with generally accepted accounting principles in the United States of America ("GAAP").

**Portfolio Valuation:** The net asset value of the Fund's common shares is determined by the Fund's co-administrator no less frequently than on the last business day of each week and month. It is determined by dividing the value of the Fund's net assets attributable to common stock by the number of common shares outstanding. The value of the Fund's net assets attributable to common shares is deemed to equal the value of the Fund's total assets less (i) the Fund's liabilities and (ii) the aggregate liquidation value of the outstanding Taxable Auction Market Preferred Stock. Securities listed on a national securities exchange are valued on the basis of the last sale on such exchange or the NASDAQ Official Close Price on the day of valuation. In the absence of sales of listed securities and with respect to securities for which the most recent sale prices are not deemed to represent fair market value, and unlisted securities (other than money market instruments), securities are valued at the mean between the closing bid and asked prices, or based on a matrix system which utilizes information (such as credit ratings, yields and maturities) from independent sources. Investments for which market quotations are not readily available or do not otherwise accurately reflect the fair value of the investment are valued at fair value as determined in good faith by or under the direction of the Board of Directors of the Fund, including reference to valuations of other securities which are considered comparable in quality, maturity and type. Investments in money market instruments, which mature in 60 days or less at the time of purchase, are valued at amortized cost.

The Fund has adopted the Financial Accounting Standards Board ("FASB") Accounting Standards Codification™ ("ASC"), issued in June 2009. The Fund follows the provisions of ASC 820, "Fair Value Measurements and Disclosures" ("ASC 820"). In accordance with ASC 820, fair value is defined as the price that the Fund would receive upon selling an investment in a timely transaction to an independent buyer in the principal or most advantageous market of the investment. Under certain circumstances, fair value may equal the mean between the bid and asked prices. ASC 820 established a three-tier hierarchy to maximize the use of observable market data and minimize the use of unobservable inputs and to establish classification of fair value measurements for disclosure purposes. Inputs refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk, for example, the risk inherent in a particular valuation technique used to measure fair value including such a pricing model and/or the risk inherent in the inputs to the valuation technique. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from sources indepen-



dent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances.

The three-tier hierarchy of inputs is summarized in the three broad Levels listed below.

- Level 1—quoted prices in active markets for identical investments
- Level 2—significant observable inputs (including quoted prices for similar investments, interest rates, prepayment speeds, credit risk, etc.)
- Level 3—significant unobservable inputs (including the Fund's own assumptions in determining the fair value of investments)

The Fund utilized the following fair value techniques: discounted future cash flow models, weighted average of last available trade prices, multi-dimensional relational pricing model, and underlying security.

The following is a summary of the inputs used as of November 30, 2009 in valuing the Fund's investments carried at fair value:

Investments in Securities at Value	Level 1 - Quoted Prices	Level 2 - Significant Observable Inputs	Level 3 - Significant Unobservable Inputs	Total
Domestic Common Stocks	\$ 215,910,226	\$ -	\$ -	\$ 215,910,226
Foreign Common Stocks	28,243,146	-	786	28,243,932
Auction Preferred Securities	-	188,000	-	188,000
Foreign Government Bonds	-	2,791,147	-	2,791,147
Short Term Investments	14,954,613	-	-	14,954,613
<b>Total</b>	<b>\$ 259,107,985</b>	<b>\$ 2,979,147</b>	<b>\$ 786</b>	<b>\$ 262,087,918</b>

The following is a reconciliation of assets in which significant unobservable inputs (Level 3) were used in determining fair value:

Investments in Securities at Value	Balance as of 12/1/2008	Realized gain/(loss)	Change in unrealized depreciation	Net purchases/ (sales)	Transfer in and/or out of Level 3	Balance as of 11/30/2009
Foreign Common Stocks	\$ 14,764	\$ -	\$ (13,978)	\$ -	\$ -	\$ 786
<b>Total</b>	<b>\$ 14,764</b>	<b>\$ -</b>	<b>\$ (13,978)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 786</b>



November 30, 2009

Net unrealized depreciation, shown on the reconciliation of Level 3 securities, is included in the Statement of Operations in Net change in unrealized appreciation of investment securities. Additionally, the Net change in unrealized depreciation for all Level 3 securities still held as of November 30, 2009, is included on the Statement of Operations in Net change in unrealized appreciation of investment securities.

**Securities Transactions and Investment Income:** Securities transactions are recorded as of the trade date. Realized gains and losses from securities sold are recorded on the identified cost basis. Dividend income is recorded on ex-dividend dates. Interest income is recorded using the interest method.

The actual amounts of dividend income and return of capital received from investments in real estate investment trusts ("REITS") and registered investment companies ("RICs") at calendar year-end are determined after the end of the fiscal year. The Fund therefore estimates these amounts for accounting purposes until the actual characterization of REIT and RIC distributions is known. During the year ended November 30, 2009, the Fund received dividends from REITs of \$112,500 and RICs of \$965,028. It is estimated that \$182,987 of these dividends were return of capital.

**Foreign Currency Translation:** The books and records of the Fund are maintained in U.S. dollars. Foreign currencies, investments and other assets and liabilities denominated in foreign currencies are translated in U.S. dollars at the exchange rate prevailing at the end of the period, and purchases and sales of investment securities, income and expenses transacted in foreign currencies are translated at the exchange rate on the dates of such transactions.

Foreign currency related transactions reflected in the Statement Operations result from fluctuations in exchange rates between trade date and settlement date on securities transactions, foreign currency transactions and the difference between amounts of interest and dividends recorded on the books of the Fund and the amounts actually received. The realized and unrealized currency fluctuation component of investments is included in Net realized loss on investment securities and Net change in unrealized appreciation on investment securities, respectively, in the Statement of Operations.

**Repurchase Agreements:** The Fund may engage in repurchase agreement transactions. The Fund's management reviews and approves periodically the eligibility of the banks and dealers with which the Fund enters into repurchase agreement transactions. The value of the collateral underlying such transactions is at least equal at all times to the total amount of the repurchase obligations, including interest. The Fund maintains possession of the collateral and, in the event of counterparty default, the Fund has the right to use the collateral to offset losses incurred. There is the possibility of loss to the Fund in the event the Fund is delayed or prevented from exercising its rights to dispose of the collateral securities. The Fund had no outstanding repurchase agreements as of November 30, 2009.



**Lending of Portfolio Securities:** The Fund may participate in securities lending arrangements. To do so, the Fund would engage a lending agent to loan securities to qualified brokers and dealers in exchange for negotiated lenders' fees. As of November 30, 2009, the Fund was not participating in any securities lending arrangements.

**Dividends and Distributions to Stockholders:** Dividends to common stockholders will be declared in such a manner as to avoid the imposition of the 4% excise tax described in "Federal Income Taxes" below. The stockholders of Taxable Auction Market Preferred Stock ("AMPS") are entitled to receive cumulative cash dividends as declared by the Fund's Board of Directors. Distributions to stockholders are recorded on the ex-dividend date. Any net realized short-term capital gains will be distributed to stockholders at least annually. Any net realized long-term capital gains may be distributed to stockholders at least annually or may be retained by the Fund as determined by the Fund's Board of Directors. Capital gains retained by the Fund are subject to tax at the corporate tax rate. Subject to the Fund qualifying as a registered investment company, any taxes paid by the Fund on such net realized long-term gains may be used by the Fund's stockholders as a credit against their own tax liabilities.

Prior to November 10, 2008, it was the policy of the Fund to declare quarterly and pay monthly distributions to common stockholders (the "Policy"). In an effort to maintain a stable distribution amount, the Fund could have paid distributions consisting of net investment income, realized capital gains and tax return of capital. Tax return of capital should not be considered yield by investors in the Fund. To the extent stockholders receive a tax return of capital they are required to adjust their cost basis by the same amount upon the sale of their Fund shares. The composition of the Fund's distributions, if any, for the calendar year 2009 will be reported to Fund stockholders on IRS Form 1099-DIV. The Fund may pay distributions in excess of those required to avoid excise tax or to satisfy the requirements of Subchapter M of the Internal Revenue Code. Distributions to common stockholders are recorded on the ex-date. Net realized capital gains, if any, will be offset to the extent of any available capital loss carryforwards.

The Fund's Policy was suspended, as approved by the Board of Directors, at the regular meeting held November 10, 2008.

**Use of Estimates:** The preparation of financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from those estimates.

**Indemnifications:** Like many other companies, the Fund's organizational documents provide that its officers and directors are indemnified against certain liabilities arising out of the performance of their duties to the Fund. In addition, both in some of its principal service contracts and in the normal course of its business, the Fund enters into contracts that provide indemnifications to other parties for certain types of losses or liabilities. The Fund's maximum exposure under these arrangements is unknown as this could involve future claims against the Fund.



November 30, 2009

**Federal Income Taxes:** For federal income tax purposes, the Fund currently qualifies, and intends to remain qualified, as a regulated investment company under the provisions of subchapter M of the Internal Revenue Code by distributing substantially all of its earnings to its stockholders. Accordingly, no provision for federal income or excise taxes has been made.

Income and capital gain distributions are determined and characterized in accordance with income tax regulations, which may differ from U.S. GAAP. These differences are primarily due to (1) differing treatments of income and gains on various investment securities held by the Fund, including temporary differences, (2) the attribution of expenses against certain components of taxable investment income, and (3) federal regulations requiring proportional allocation of income and gains to all classes of stockholders. The Code imposes a 4% nondeductible excise tax on the Fund to the extent the Fund does not distribute by the end of any calendar year at least (1) 98% of the sum of its net investment income for that year and its capital gains (both long-term and short-term) for its fiscal year and (2) certain undistributed amounts from previous years.

The Fund follows ASC 740 "Income Taxes" ("ASC 740"), which requires that the financial statement effects of a tax position taken or expected to be taken in a tax return be recognized in the financial statements when it is more likely than not, based on the technical merits, that the position will be sustained upon examination. Management has concluded that the Fund has taken no uncertain tax positions that require adjustment to the financial statements to comply with the provisions of ASC 740. The Fund files income tax returns in the U.S. federal jurisdiction and Colorado. The statute of limitations on the Fund's federal tax filings remains open for the fiscal years ended November 30, 2005 through November 30, 2009. The statute of limitation on the Fund's state tax filings remains open for the fiscal years ended November 30, 2004 through November 30, 2009.

■ ■ NOTE 2. ■ ■ **INVESTMENT CO-ADVISORY FEES, DIRECTORS' FEES, CO-ADMINISTRATION FEE, CUSTODY FEE AND TRANSFER AGENT FEE**

Boulder Investment Advisers, L.L.C. ("BIA") and Stewart Investment Advisers ("SIA") serve as the Fund's co-investment advisers (the "Advisers"). The Fund pays the Advisers a monthly fee at an annual rate of 1.25% of the value of the Fund's average monthly net assets plus principal amount of leverage, if any. At the February 9, 2009 Board of Directors meeting, the Advisers agreed to a waiver of advisory fees such that, in the future, the advisory fees would be calculated at the annual rate of 1.25% on assets up to \$400 million, 1.10% on assets between \$400-\$600 million and 1.00% on assets exceeding \$600 million. This fee waiver has a one year term and is renewable annually at the option of the Advisers. The waiver is not subject to recapture. As the Fund's assets did not exceed \$400 million at any time during the fiscal year ended November 30, 2009, there was no fee waiver for that period. The equity owners of BIA are Evergreen Atlantic, LLC, a Colorado limited liability company ("EALLC"), and the Lola Brown Trust No. 1B (the "Lola Trust"), each



of which is considered to be an “affiliated person” of the Fund as that term is defined in the 1940 Act. Stewart West Indies Trading Company, Ltd. is a Barbados international business company doing business as Stewart Investment Advisers. SIA receives a monthly fee equal to 75% of the fees earned by the Advisers, and BIA receives 25% of the fees earned by the Advisers. The equity owner of SIA is the Stewart West Indies Trust, considered to be an “affiliated person” of the Fund as that term is defined in the 1940 Act.

Fund Administrative Services, LLC (“FAS”) serves as the Fund’s co-administrator. Under the Administration Agreement, FAS provides certain administrative and executive management services to the Fund. The Fund pays FAS a monthly fee calculated at an annual rate of 0.20% of the value of the Fund’s average monthly net assets plus leverage up to \$250 million; 0.18% of the Fund’s average monthly net assets plus leverage on the next \$150 million; and, 0.15% on the value of the Fund’s average monthly net assets plus leverage over \$400 million. The equity owners of FAS are EALLC and the Lola Trust.

ALPS Fund Services, Inc. (“ALPS”) serves as the Fund’s co-administrator. As compensation for its services, ALPS receives certain out-of-pocket expenses and asset-based fees, which are accrued daily and paid monthly. Fees paid to ALPS are calculated based on combined assets of the Fund, the Boulder Growth & Income Fund, Inc., The Denali Fund Inc., and First Opportunity Fund, Inc. (the “Fund Group”). ALPS receives the greater of the following, based on combined assets of the Fund Group: an annual minimum of \$460,000, or an annualized fee of 0.045% on assets up to \$1 billion, an annualized fee of 0.03% on assets between \$1 and \$3 billion, and an annualized fee of 0.02% on assets above \$3 billion.

The Fund pays each Director who is not a director, officer, employee, or affiliate of the Advisers or FAS a fee of \$8,000 per annum, plus \$4,000 for each in-person meeting of the Board of Directors and \$500 for each telephone meeting. In addition, the Chairman of the Board and the Chairman of the Audit Committee receive \$1,000 per meeting and each member of the Audit Committee receives \$500 per meeting. The Fund will also reimburse all non-interested Directors for travel and out-of-pocket expenses incurred in connection with such meetings.

Bank of New York Mellon (“BNY Mellon”) serves as the Fund’s custodian and as compensation for BNY Mellon’s services the Fund pays BNY Mellon a monthly fee plus certain out-of-pocket expenses.

PNC Global Investment Servicing (“PNC GIS”) serves as the Fund’s Common Stock Servicing Agent (transfer agent), dividend-paying agent and registrar, and as compensation for PNC GIS’s services as such, the Fund pays PNC GIS a monthly fee plus certain out-of-pocket expenses.

Deutsche Bank Trust Company Americas (“Auction Agent”), a wholly owned subsidiary of Deutsche Bank AG, serves as the Fund’s Preferred Stock transfer agent, registrar, dividend disbursing agent and redemption agent.



**NOTE 3. SECURITIES TRANSACTIONS**

Purchases and sales of securities, excluding short term securities during the year ended November 30, 2009 were \$26,432,108 and \$26,091,312, respectively.

On November 30, 2009, based on cost of \$178,729,783 for federal income tax purposes, aggregate gross unrealized appreciation for all securities in which there is an excess of value over tax cost was \$91,345,038 and aggregate gross unrealized depreciation for all securities in which there is an excess of tax cost over value was \$7,986,903, resulting in net unrealized appreciation of \$83,358,135.

**NOTE 4. CAPITAL**

At November 30, 2009, 240,000,000 of \$0.01 par value Common Stock were authorized, of which 12,338,660 were outstanding.

Transactions in common stock were as follows:

	For the Year Ended November 30, 2009	For the Year Ended November 30, 2008
Common stock outstanding – beginning of period	12,338,660	12,338,660
Common stock issued as reinvestment of dividends	–	–
Common stock outstanding – end of period	12,338,660	12,338,660

**NOTE 5. TAXABLE AUCTION MARKET PREFERRED STOCK**

The Fund's Articles of Incorporation authorize the issuance of up to 10,000,000 shares of \$0.01 par value preferred stock. On August 15, 2000, the Fund's 775 shares of Money Market Cumulative Preferred Stock™ were retired and 775 shares of Taxable Auction Market Preferred Stock ("AMPS") were issued. AMPS is senior to the common stock and results in the financial leveraging of the common stock. Such leveraging tends to magnify both the risks and opportunities to common stockholders. Dividends on shares of AMPS are cumulative. The Fund's AMPS have a liquidation preference of \$100,000 per share, plus any accumulated unpaid distributions, whether or not earned or declared by the Fund but excluding interest thereon ("Liquidation Value") and have no set retirement date. The Fund retired 26 shares of AMPS during the fiscal year, with a total par value of \$2,600,000. Those shares were purchased at a discount, an average price of \$84,923 per share, resulting in a realized discount of \$392,000.

An auction of the AMPS is generally held every 28 days. Existing stockholders may submit an order to hold, bid or sell shares on each auction date. AMPS stockholders may also trade shares in the secondary market. In February 2008, the auction market across almost all closed-end funds became illiquid resulting in failed auctions for the Fund's AMPS. A failed auction is not an event of default for the Fund but it has a negative impact on the liquidity of the AMPS. A failed auction occurs when there are more sellers of a fund's AMPS



than buyers. It is impossible to predict how long this imbalance will last. A successful auction for the Fund's AMPS may not occur for some time, if ever, and even if liquidity does resume, holders of AMPS may not have the ability to sell the AMPS at their liquidation preference. As such, the Fund continues to pay dividends on the AMPS at the maximum rate, set forth in the Fund's Articles Supplementary, the governing document for the AMPS. The Fund's maximum rate is set at the greater of 1.25% of 30-day LIBOR or 30-day LIBOR plus 125 basis points.

The Fund may redeem its AMPS, in whole or in part, on the second business day preceding any distribution payment date at Liquidation Value. The Fund is also subject to certain restrictions relating to the AMPS. Specifically, the Fund is required under the 1940 Act to maintain an asset coverage with respect to the AMPS of 200% or greater. The Fund is also required to maintain certain coverage amounts for Standard & Poor's and Moody's ("rating agencies"). Failure to comply with these restrictions could preclude the Fund from declaring any distributions to common stockholders or repurchasing common shares and/or could trigger the mandatory redemption of AMPS at Liquidation Value. The Fund was in compliance with these requirements as of November 30, 2009. The holders of AMPS are entitled to one vote per share and will vote with holders of common shares as a single class, except that the AMPS holders will vote separately as a class on certain matters, as required by law or the Fund's charter. The holders of the AMPS, voting as a separate class, are entitled at all times to elect two Directors of the Fund, and to elect a majority of the Directors of the Fund if the Fund fails to pay distributions on AMPS for two consecutive years.

In connection with the settlement of each AMPS auction, the Fund pays, through the Auction Agent, a service fee to each participating broker-dealer based upon the aggregate liquidation preference of the AMPS held by the broker-dealer's customers. Prior to February 19, 2009 the Fund paid at an annual rate of 0.25% and upon this date the annual rate was reduced to 0.05% until further notice from the Fund. These fees are paid for failed auctions as well.

On November 30, 2009, 749 shares of AMPS were outstanding at the annual rate of 1.49%. The dividend rate, as set by the auction process, is generally expected to vary with short-term interest rates. These rates may vary in a manner unrelated to the income received on the Fund's assets, which could have either a beneficial or detrimental impact on net investment income and gains available to common stockholders. While the Fund expects to earn a higher return on its assets than the cost associated with the AMPS, including expenses, there can be no assurance that such results will be attained.

#### ■ ■ NOTE 6. ■ ■ PORTFOLIO INVESTMENTS, CONCENTRATION AND INVESTMENT QUALITY

The Fund operates as a "diversified" management investment company, as defined in the 1940 Act. Under this definition, at least 75% of the value of the Fund's total assets must at the time of investment consist of cash and cash items (including receivables), U.S. Government securities, securities of other investment companies, and other securities limited



November 30, 2009

in respect of any one issuer to an amount not greater in value than 5% of the value of the Fund's total assets (at the time of purchase) and to not more than 10% of the voting securities of a single issuer. This limit does not apply, however, to 25% of the Fund's assets, which may be invested in a single issuer. A more concentrated portfolio may cause the Fund's net asset value to be more volatile and thus may subject stockholders to more risk. The Fund may hold a substantial position (up to 25% of its assets) in the common stock of a single issuer. As of November 30, 2009, the Fund held more than 25% of its assets in Berkshire Hathaway, Inc., as a direct result of the market appreciation of the issuer since the time of purchase. Thus, the volatility of the Fund's common stock, and the Fund's net assets value and its performance in general, depends disproportionately more on the performance of this single issuer than that of a more diversified fund.

The Fund intends to concentrate its common stock investments in a few issuers and to take large positions in those issuers. As a result, the Fund is subject to a greater risk of loss than a fund that diversifies its investments more broadly. Taking larger positions is also likely to increase the volatility of the Fund's net asset value reflecting fluctuation in the value of its large holdings. Under normal market conditions, the Fund intends to invest in a portfolio of common stocks. The portion of the Fund's assets invested in each can vary depending on market conditions. The term "common stocks" includes both stocks acquired primarily for their appreciation potential and stocks acquired for their income potential, such as dividend-paying RICs and REITs. The term "income securities" includes bonds, U.S. Government securities, notes, bills, debentures, preferred stocks, convertible securities, bank debt obligations, repurchase agreements and short-term money market obligations.

The Fund has no restrictions on its ability to invest in foreign securities. Investment in non-U.S. issuers may involve unique risks compared to investing in securities of U.S. issuers. These risks may include, but are not limited to: (i) less information about non-U.S. issuers or markets may be available due to less rigorous disclosure, accounting standards or regulatory practices; (ii) many non-U.S. markets are smaller, less liquid and more volatile thus, in a changing market, the Advisers may not be able to sell the Fund's portfolio securities at times, in amounts and at prices they consider reasonable; (iii) currency exchange rates or controls may adversely affect the value of the Fund's investments; (iv) the economies of non-U.S. countries may grow at slower rates than expected or may experience downturns or recessions; and, (v) withholdings and other non-U.S. taxes may decrease the Fund's return.

#### ■ ■ NOTE 7. ■ ■ SIGNIFICANT STOCKHOLDERS

On November 30, 2009, trusts and other entities affiliated with Stewart R. Horejsi and the Horejsi family owned 4,956,149 shares of Common Stock of the Fund, representing approximately 40.17% of the total Fund shares. Stewart R. Horejsi is the primary portfolio manager for SIA and is the Fund's primary portfolio manager. He is responsible for the day-to-day strategic management of the Fund.



■ ■ NOTE 8. ■ ■ SHARE REPURCHASE PROGRAM

In accordance with Section 23(c) of the 1940 Act, the Fund may from time to time effect redemptions and/or repurchases of its AMPS and/or its common stock, in the open market or through private transactions; at the option of the Board of Directors and upon such terms as the Directors shall determine.

For the year ended November 30, 2009 the Fund purchased 26 AMPS at a discount and retired them at par value. The Fund did not repurchase any common stock for the year ended November 30, 2009.

■ ■ NOTE 9. ■ ■ TAX BASIS DISTRIBUTIONS

As determined on November 30, 2009, permanent differences resulting primarily from different book and tax accounting for gains and losses on foreign currency and certain other investments were reclassified at fiscal year-end. These reclassifications had no effect on net increase in net assets resulting from operations, net assets applicable to common stockholders or net asset value per common share outstanding.

Ordinary income and long-term capital gains are allocated to common stockholders after payment of the available amounts on any outstanding AMPS. To the extent that the amount distributed to common stockholders exceeds the amount of available ordinary income and long-term capital gains after allocation to any outstanding AMPS, these distributions are treated as a tax return of capital. Additionally, to the extent that the amount distributed on any outstanding AMPS exceeds the amount of available ordinary income and long-term capital gains, these distributions are treated as a tax return of capital.

Permanent book and tax basis differences of \$(351,776), \$39,056 and \$312,720 were reclassified at November 30, 2009 among undistributed net investment income, accumulated net realized losses on investments and paid-in-capital, respectively, for the Fund. Included in the amounts reclassified was a net operating loss offset to paid-in-capital of \$197,366.

The tax character of distributions paid during the years ended November 30, 2009 and November 30, 2008 was as follows:

	Year Ended November 2009	Year Ended November 2008
Distributions paid from:		
Ordinary Income	\$ 0	\$ 2,125,662
Long-Term Capital Gain	0	448,908
Tax Return of Capital	1,303,824	37,055,059
	<u>\$ 1,303,824</u>	<u>\$ 39,629,629</u>

As of November 30, 2009, the Fund had available for tax purposes unused capital loss carryovers totaling \$19,302,258, of which \$9,445,971 expires November 30, 2016 and \$9,856,287 expires November 30, 2017.



November 30, 2009

As of November 30, 2009, the components of distributable earnings (accumulated losses) on a U.S. federal income tax basis were as follows:

Accumulated Capital Losses	\$ (19,302,258)
Unrealized Appreciation	\$ 83,327,489
	\$ 64,025,231

The difference between book and tax basis distributable earnings is attributable primarily to temporary differences related to mark to market of passive foreign investment companies and partnership book and tax differences.

## NOTE 10. OTHER INFORMATION

**Rights Offerings:** The Fund, like other closed-end funds, may at times raise cash for investment by issuing a fixed number of shares through one or more public offerings, including rights offerings. Proceeds from any such offerings will be used to further the investment objectives of the Fund.

## NOTE 11. RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

In June 2009, the FASB issued ASC 105 (formerly FASB Statement 168), Generally Accepted Accounting Principles, establishing the FASB Accounting Standards Codification™ (ASC) as the source of authoritative GAAP to be applied by nongovernmental entities. FASB ASC 105 is effective for annual and interim periods ending after September 15, 2009, and the Fund has updated its references to GAAP in this report in accordance with the provisions of this pronouncement. The implementation of FASB ASC 105 did not have a material effect on its financial position or results of operations.

In April 2009, the FASB issued FASB ASC 820-10-65 (formerly FASB Staff Position No. FAS 157-4), Determining Fair Value When the Volume and Level of Activity for the Asset or Liability Have Significantly Decreased and Identifying Transactions That Are Not Orderly. This standard applies to all assets and liabilities within the scope of accounting pronouncements that require or permit fair value measurements, with certain defined exceptions, and provides additional guidance for estimating fair value when the volume and level of activity for the asset or liability have significantly decreased. ASC 820-10-65 is effective for interim reporting periods ending after June 15, 2009. The implementation of ASC 820-10-65 did not have a material effect on the Fund's financial position or results of operations.

## NOTE 12. SUBSEQUENT EVENTS

Management has performed a review for subsequent events through January 26, 2010, the date this report was issued. There were no reportable events for the Fund as a result of their review.



November 30, 2009

To the Stockholders and Board of Directors of Boulder Total Return Fund, Inc.:

We have audited the accompanying statement of assets and liabilities of Boulder Total Return Fund, Inc., including the portfolio of investments, as of November 30, 2009, and the related statement of operations for the year then ended, the statement of changes in net assets for each of the two years in the period then ended, and the financial highlights for each of the four years in the period then ended. These financial statements and financial highlights are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits. The financial highlights of Boulder Total Return Fund, Inc. for the year ended November 30, 2005 were audited by other auditors whose report, dated January 13, 2006, expressed an unqualified opinion on such financial highlights.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. The Fund is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. Our procedures included confirmation of securities owned as of November 30, 2009, by correspondence with the custodian and brokers. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of Boulder Total Return Fund, Inc. as of November 30, 2009, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period then ended, and its financial highlights for each of the four years in the period then ended, in conformity with accounting principles generally accepted in the United States of America.

January 26, 2010  
Denver, Colorado



November 30, 2009

Registered holders ("Common Stockholders") of common shares (the "Common Shares") are automatically enrolled (the "Participants") in the Fund's Dividend Reinvestment Plan (the "Plan") whereupon all distributions of income, capital gains or managed distributions ("Distributions") are automatically reinvested in additional Common Shares. Common Stockholders who elect to not participate in the Plan will receive all distributions in cash paid by check in U.S. dollars mailed directly to the stockholders of record (or if the shares are held in street name or other nominee name, then the nominee) by the custodian, as dividend disbursing agent.

PNC Global Investment Servicing (the "Agent") serves as Agent for each Participant in administering the Plan. After the Fund declares a Distribution, if (1) the net asset value per Common Share is equal to or less than the market price per Common Share plus estimated brokerage commissions on the payment date for a Distribution, Participants will be issued Common Shares at the higher of net asset value per Common Share or 95% of the market price per Common Share on the payment date; or if (2) the net asset value per Common Share exceeds the market price plus estimated brokerage commissions on the payment date for a Distribution, the Agent shall apply the amount of such Distribution to purchase Common Shares on the open market and Participants will receive the equivalent in Common Shares valued at the weighted average market price (including brokerage commissions) determined as of the time of the purchase (generally, following the payment date of the Distribution). If, before the Agent has completed its purchases, the market price plus estimated brokerage commissions exceeds the net asset value of the Common Shares as of the payment date, the purchase price paid by the Agent may exceed the net asset value of the Common Shares, resulting in the acquisition of fewer Common Shares than if such Distribution had been paid in Common Shares issued by the Fund. If the Agent is unable to invest the full Distribution amount in purchases in the open market or if the market discount shifts to a market premium during the purchase period than the Agent may cease making purchases in the open market the instant the Agent is notified of a market premium and may invest the uninvested portion of the Distribution in newly issued Common Shares at the net asset value per Common Share at the close of business provided that, if the net asset value is less than or equal to 95% of the then current market price per Common Share, the dollar amount of the Distribution will be divided by 95% of the market price on the payment date. The Fund will not issue Common Shares under the Plan below net asset value.

There is no charge to Participants for reinvesting Distributions, except for certain brokerage commissions, as described below. The Agent's fees for the handling of the reinvestment of Distributions will be paid by the Fund. There will be no brokerage commissions charged with respect to shares issued directly by the Fund. However, each Participant will pay a pro rata share of brokerage commissions incurred with respect to the Agent's open market purchase in connection with the reinvestment of Distributions. The automatic reinvestment of Distributions will not relieve Participants of any federal income tax that may be payable on such Distributions.

The Fund reserves the right to amend or terminate the Plan upon 90 days' written notice to Common Stockholders of the Fund.

Participants in the Plan may (i) request a certificate, (ii) request to sell their shares, or (iii) withdraw from the Plan upon written notice to the Agent or by telephone in accordance with the specific procedures and will receive certificates for whole Common Shares and cash for fractional Common Shares.

All correspondence concerning the Plan should be directed to the Agent, PNC Global Investment Servicing, P.O. Box 43027, Providence, RI 02940-3027. To receive a full copy of the Fund's Dividend Reinvestment Plan, please contact the Agent at 1-800-331-1710.



**Portfolio Information.** The Fund files its complete schedule of portfolio holdings with the SEC for the first and third quarters of each fiscal year on Form N-Q. The Fund's Form N-Q is available (1) on the Fund's website located at <http://www.boulderfunds.net>; (2) on the SEC's website at <http://www.sec.gov>; or (3) for review and copying at the SEC's Public Reference Room ("PRR") in Washington, DC. Information regarding the operation of the PRR may be obtained by calling 1-800-SEC-0330.

**Proxy Information.** The policies and procedures used to determine how to vote proxies relating to portfolio securities held by the Fund are available on the Fund's website located at <http://www.boulderfunds.net>. Information regarding how the Fund voted proxies relating to portfolio securities during the most recent twelve-month period ended June 30 is available at <http://www.sec.gov>.

**Senior Officer Code of Ethics.** The Fund files a copy of its code of ethics that applies to the registrant's principal executive officer, principal financial officer or controller, or persons performing similar functions (the "Senior Officer Code of Ethics"), with the SEC as an exhibit to its annual report on Form N-CSR. The Fund's Senior Officer Code of Ethics is available on the Fund's website located at <http://www.boulderfunds.net>.

**Privacy Statement.** Pursuant to SEC Regulation S-P (Privacy of Consumer Financial Information) the Directors of the Fund have established the following policy regarding information about the Fund's stockholders. We consider all stockholder data to be private and confidential, and we hold ourselves to the highest standards in its safekeeping and use.

General Statement. The Fund may collect nonpublic information (e.g., your name, address, email address, Social Security Number, Fund holdings (collectively, "Personal Information")) about stockholders from transactions in Fund shares. The Fund will not release Personal Information about current or former stockholders (except as permitted by law) unless one of the following conditions is met: (i) we receive your prior written consent; (ii) we believe the recipient to be you or your authorized representative; (iii) to service or support the business functions of the Fund (as explained in more detail below), or (iv) we are required by law to release Personal Information to the recipient. The Fund has not and will not in the future give or sell Personal Information about its current or former stockholders to any company, individual, or group (except as permitted by law) and as otherwise provided in this policy.

In the future, the Fund may make certain electronic services available to its stockholders and may solicit your email address and contact you by email, telephone or US mail regarding the availability of such services. The Fund may also contact stockholders by email, telephone or US mail in connection with these services, such as to confirm enrollment in electronic stockholders communications or to update your Personal Information. In no event will the Fund transmit your Personal Information via email without your consent.



November 30, 2009

Use of Personal Information. The Fund will only use Personal Information (i) as necessary to service or maintain stockholder accounts in the ordinary course of business and (ii) to support business functions of the Fund and its affiliated businesses. This means that the Fund may share certain Personal Information, only as permitted by law, with affiliated businesses of the Fund, and that such information may be used for non-Fund-related solicitation. When Personal Information is shared with the Fund's business affiliates, the Fund may do so without providing you the option of preventing these types of disclosures as permitted by law.

Safeguards regarding Personal Information. Internally, we also restrict access to Personal Information to those who have a specific need for the records. We maintain physical, electronic, and procedural safeguards that comply with Federal standards to guard Personal Information. Any doubts about the confidentiality of Personal Information, as required by law, are resolved in favor of confidentiality.

**Tax Information.** Since all of the distributions made by the Fund during the fiscal year ended November 30, 2009 were tax return of capital, none qualify for the dividend received deduction available to stockholders.

The amount of long-term capital gains paid for the fiscal year ended November 30, 2009 was \$0.

For the fiscal year ended November 30, 2009, none of the distributions paid qualify for the 15% dividend tax rate.



Set forth in the following table is information about the Directors of the Fund, together with their address, age, position with the Fund, term of office, length of time served and principal occupation during the last five years.

## INDEPENDENT DIRECTORS

<b>Name, Address*, Age</b>	<b>Position, Length of Term Served, and Term of Office</b>	<b>Principal Occupation(s) and Other Directorships held During the Past Five Years</b>	<b>Number of Funds in Fund Complex Overseen by Director<sup>1</sup></b>
Joel W. Looney Chairman Age: 48	Director of the Fund (Class II) since 2001.	Partner (since 1999), Financial Management Group, LLC (investment adviser); Director and Chairman (since 2007), The Denali Fund Inc.; Director (since 2002) and Chairman (since 2003), Boulder Growth & Income Fund, Inc.; Director and Chairman (since 2003), First Opportunity Fund, Inc.	4
Dr. Dean L. Jacobson Age: 71	Director of the Fund (Class I) since 2004.	Founder and President (since 1989), Forensic Engineering, Inc. (engineering investigations); Professor Emeritus (since 1997), Arizona State University; Director (since 2007), The Denali Fund Inc.; Director (since 2006) Boulder Growth & Income Fund, Inc.; Director (since 2003), First Opportunity Fund, Inc.	4
Richard I. Barr Age: 72	Director of the Fund (Class III) since 1999. Chairman of the Board since 2003.	Retired (since 2001). Manager (1963-2001), Advantage Sales and Marketing, Inc. (food brokerage); Director (since 2007), The Denali Fund Inc.; Director (since 2002), Boulder Growth & Income Fund, Inc.; Director (since 2001), First Opportunity Fund, Inc.	4



INTERESTED DIRECTORS\*\*

Name, Address*, Age	Position, Length of Term Served, and Term of Office	Principal Occupation(s) and Other Directorships held During the Past Five Years	Number of Funds in Fund Complex Overseen by Director†
Susan L. Ciciora Age: 45	Director of the Fund (Class III) since 2001.	Trustee, Lola Brown Trust No. 1B (since 1994) and the Ernest Horejsi Trust No. 1B (since 1992); Director (since 1997), Horejsi Charitable Foundation, Inc. (private charitable foundation); Director (since 2007), The Denali Fund Inc.; Director (since 2006), Boulder Growth & Income Fund, Inc.; Director (since 2003), First Opportunity Fund, Inc.	4
John S. Horejsi Age: 42	Director of the Fund (Class I) since 2006.	Director (since 1997), Horejsi Charitable Foundation (private charitable foundation); Director (since 2007), The Denali Fund Inc.; Director (since 2004), Boulder Growth & Income Fund, Inc.; Director (since 2006), First Opportunity Fund, Inc.	4

\* Unless otherwise specified, the Directors' respective addresses are c/o Boulder Total Return Fund, Inc., 2344 Spruce Street, Suite A, Boulder, Colorado 80302.

† Includes the Fund, The Denali Fund Inc., Boulder Growth & Income Fund, Inc., and First Opportunity Fund, Inc.

\*\* Ms. Ciciora and Mr. Horejsi each are an "interested person" as a result of the extent of their beneficial ownership of Fund shares and by virtue of their indirect beneficial ownership of BIA and FAS.



The names of the executive officers of the Fund are listed in the table below. Each officer was elected to office by the Board at a meeting held on February 9, 2009. This table shows certain additional information. Each officer will hold such office until a successor has been elected by the Board of Directors of the Fund.

<b>Name, Address*, Age</b>	<b>Position, Length of Term Served, and Term of Office</b>	<b>Principal Occupation(s) and Other Directorships held During the Past Five Years</b>
Stephen C. Miller Age: 57	President of the Fund since 1999. Director of the Fund from 1999 through 2004. Appointed annually.	President and General Counsel (since 1999), Boulder Investment Advisers LLC; Manager (since 1999), Fund Administrative Services LLC; Vice President (since 1998), Stewart Investment Advisers; President (since 2002) and Director (2002-2004), Boulder Growth & Income Fund, Inc.; President (since 2003) and Director and Chairman (2003), First Opportunity Fund, Inc.; President (since 2007), The Denali Fund Inc.; officer of various other entities affiliated with the Horejsi family; Of Counsel (since 1991), Krassa & Miller, LLC.
Carl D. Johns Age: 46	Chief Financial Officer, Chief Accounting Officer, Vice President and Treasurer of the Fund since 1999. Appointed annually.	Vice President and Treasurer (since 1999), Boulder Investment Advisers LLC; Assistant Manager (since 1999), Fund Administrative Services LLC; Chief Financial Officer, Chief Accounting Officer, Vice President and Treasurer (since 2002), Boulder Growth & Income Fund, Inc.; Vice President, Chief Financial Officer and Chief Accounting Officer (since 2003), First Opportunity Fund, Inc.; Chief Financial Officer, Chief Accounting Officer, Vice President and Treasurer (since 2007), The Denali Fund Inc.
Joel L. Terwilliger Age: 41	Chief Compliance Officer of the Fund since 2007. Appointed annually.	Associate General Counsel (since 2006) and Chief Compliance Officer (since 2007), Boulder Investment Advisers LLC, Stewart Investment Advisers, Fund Administrative Services LLC, Boulder Growth & Income Fund, Inc., First Opportunity Fund, Inc.; Chief Compliance Officer (since 2007), The Denali Fund Inc.; Senior Associate/Managing Counsel (2002-2006), Great-West Life & Annuity Insurance Company.



November 30, 2009

Name, Address*, Age	Position, Length of Term Served, and Term of Office	Principal Occupation(s) and Other Directorships held During the Past Five Years
Stephanie J. Kelley Age: 53	Secretary since 2000. Appointed annually.	Secretary (since 2002), Boulder Growth & Income Fund, Inc.; Secretary (since 2003), First Opportunity Fund, Inc.; Secretary (since 2007), The Denali Fund Inc.; Assistant Secretary and Assistant Treasurer of various other entities affiliated with the Horejsi family.
Nicole L. Murphey Age: 32	Vice President (since 2008) and Assistant Secretary since 2000. Appointed Annually.	Vice President (since 2008) and Assistant Secretary (since 2002), Boulder Growth & Income Fund, Inc.; Vice President (since 2008) and Assistant Secretary (since 2003), First Opportunity Fund, Inc.; Vice President (since 2008) and Assistant Secretary (since 2007), The Denali Fund, Inc.

\* Unless otherwise specified, the Officers' respective addresses are c/o BoulderTotal Return Fund, Inc., 2344 Spruce Street, Suite A, Boulder, Colorado 80302.

The Fund's president has certified to the New York Stock Exchange that, as of November 30, 2008, he was not aware of any violation by the Fund of applicable NYSE corporate governance listing standards. The Fund's reports to the Securities and Exchange Commission on Form N-CSR contain certifications by the Fund's principal executive officer and principal financial officer that relate to the Fund's disclosure in such reports and that are required by rule 30a-2(3) under the Investment Company Act.





**Directors**

Richard I. Barr  
Susan L. Ciciora  
John S. Horejsi  
Dr. Dean L. Jacobson  
Joel W. Looney

**Co-Investment  
Advisers**

Stewart Investment Advisers  
Boulder Investment Advisers, LLC  
2344 Spruce Street, Suite A  
Boulder, CO 80302

**Co-Administrator**

Fund Administrative Services, LLC  
2344 Spruce Street, Suite A  
Boulder, CO 80302

**Co-Administrator**

ALPS Fund Services, Inc.  
1290 Broadway, Suite 1100  
Denver, CO 80203

**Custodian**

Bank of New York Mellon  
One Wall Street  
New York, NY 10286

**Stock Transfer Agent**

PNC Global Investment Servicing  
P.O. Box 43027  
Providence, RI 02940-3027

**Independent  
Registered Public  
Accounting Firm**

Deloitte & Touche LLP  
555 17th Street, Suite 3600  
Denver, CO 80202

**Legal Counsel**

Paul, Hastings, Janofsky & Walker LLP  
515 South Flower Street  
Twenty-Fifth Floor  
Los Angeles, CA 90071

*Statistics and projections in this report are derived from sources deemed to be reliable but cannot be regarded as a representation of future results of the Fund. This report is prepared for the general information of stockholders and is not a prospectus, circular or representation intended for use in the purchase or sale of shares of the Fund or of any securities mentioned in this report.*

**BOULDER TOTAL RETURN FUND, INC.**  
P.O. Box 43027  
Providence, RI 02940-3027