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Annual Report December 31, 2014
Cohen & Steers REIT and Preferred Income Fund
To Our Shareholders:

We would like to share with you our report for the year ended December 31, 2014. The net asset value (NAV) at that date was $21.62 per common share. The Fund’s common stock is traded on the New York Stock Exchange (NYSE) and its share price can differ from its NAV; at year end, the Fund’s closing price on the NYSE was $18.99.

The total returns, including income, for the Fund and its comparative benchmarks were:

<table>
<thead>
<tr>
<th></th>
<th>Six Months Ended December 31, 2014</th>
<th>Year Ended December 31, 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cohen &amp; Steers REIT and Preferred Income Fund at NAV&lt;sup&gt;a&lt;/sup&gt;</td>
<td>8.62%</td>
<td>29.87%</td>
</tr>
<tr>
<td>Cohen &amp; Steers REIT and Preferred Income Fund at Market Value&lt;sup&gt;a&lt;/sup&gt;</td>
<td>9.16%</td>
<td>29.91%</td>
</tr>
<tr>
<td>FTSE NAREIT Equity REIT Index&lt;sup&gt;b&lt;/sup&gt;</td>
<td>10.61%</td>
<td>30.14%</td>
</tr>
<tr>
<td>BofA Merrill Lynch Fixed-Rate Preferred Securities Index&lt;sup&gt;b&lt;/sup&gt;</td>
<td>3.03%</td>
<td>15.44%</td>
</tr>
<tr>
<td>Blended Benchmark—50% FTSE NAREIT Equity REIT Index/50% BofA Merrill Lynch Fixed-Rate Preferred Securities Index&lt;sup&gt;b&lt;/sup&gt;</td>
<td>6.88%</td>
<td>22.73%</td>
</tr>
<tr>
<td>S&amp;P 500 Index&lt;sup&gt;b&lt;/sup&gt;</td>
<td>6.12%</td>
<td>13.69%</td>
</tr>
</tbody>
</table>

The performance data quoted represent past performance. Past performance is no guarantee of future results. The investment return and the principal value of an investment will fluctuate and shares, if sold, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. Performance results reflect the effects of leverage, resulting from borrowings under a credit agreement. Current total returns of the Fund can be obtained by visiting our website at cohenandsteers.com. The Fund’s returns assume the reinvestment of all dividends and distributions at prices obtained under the Fund’s dividend reinvestment plan. Index performance does not reflect the deduction of any fees, taxes or expenses. An investor cannot invest directly in an index. Performance figures for periods shorter than one year are not annualized.

<sup>a</sup> As a closed-end investment company, the price of the Fund’s NYSE-traded shares will be set by market forces and can deviate from the NAV per share of the Fund.

<sup>b</sup> The FTSE NAREIT Equity REIT Index is an unmanaged, market-capitalization-weighted index of all publicly traded REITs that invest predominantly in the equity ownership of real estate. The index is designed to reflect the performance of all publicly traded equity REITs as a whole. The BofA Merrill Lynch Fixed-Rate Preferred Securities Index tracks the performance of fixed-rate U.S. dollar denominated preferred securities issued in the U.S. domestic market. Qualifying securities must be rated investment-grade (based on an average of Moody’s S&P and Fitch) and must have an investment-grade-rated country of risk (based on an average of Moody’s, S&P and Fitch foreign currency long-term sovereign debt ratings). The S&P 500 Index is an unmanaged index of 500 large-cap stocks that is frequently used as a general measure of stock market performance.
The Fund implements fair value pricing when the daily change in a specific U.S. market index exceeds a predetermined percentage. Fair value pricing adjusts the valuation of certain non-U.S. equity holdings to account for such index change following the close of foreign markets. This standard practice has been adopted by a majority of the fund industry. In the event fair value pricing is implemented on the first and/or last day of a performance measurement period, the Fund’s return may diverge from the relative performance of its benchmark, which does not use fair value pricing.

The Fund makes regular quarterly distributions at a level rate (the Policy). Distributions paid by the Fund are subject to recharacterization for tax purposes and are taxable up to the amount of the Fund’s investment company taxable income and net realized gains. As a result of the Policy, the Fund may pay distributions in excess of the Fund’s investment company taxable income and net realized gains. This excess would be a return of capital distributed from the Fund’s assets. Distributions of capital decrease the Fund’s total assets and, therefore, could have the effect of increasing the Fund’s expense ratio. In addition, in order to make these distributions, the Fund may have to sell portfolio securities at a less than opportune time.

Investment Review

U.S. real estate investment trusts (REITs) rallied from a disappointing year in 2013 to post their best annual returns since 2006. Improving economic growth led to strengthening fundamentals across all property types, while a decline in Treasury yields from already low levels led to better investor sentiment toward higher-yielding equities. Earnings reports from commercial real estate companies announced throughout the year generally met or exceeded expectations, sustaining the group’s outperformance of the broader equity market.

Property Sector Returns Were Broadly in Double Digits

Returns were positive across all property types. Apartment REITs (39.7% total return) did particularly well amid strong job gains and relatively modest new supply. The regional mall sector (32.6%) was also resilient, benefiting in part from merger and acquisition activity. Mall owner Glimcher Realty had a large gain on a buyout offer from Washington Prime, which was formed in May as a spin off from Simon Property Group.

Health care property companies (33.1%) were also a top performer. While the group’s growth rates were not as robust compared with many other sectors, investors found favor in health care’s visible income streams in an environment of low interest rates. Hotels (32.5%) had a healthy gain. Earnings were generally supportive, although there was some lowered guidance related to softening demand outside of the U.S.

Self storage owners (31.5%), as with REITs broadly, continued to benefit from strong demand and muted new supply. In the office sector (25.9%), asset values and rent-growth expectations continued to improve, particularly in New York City and certain West Coast markets. In news, late in the year, Paramount Group had the largest REIT initial public offering in U.S. history, in a deal that raised nearly $2.5 billion. The company focuses on New York City but also owns offices in Washington, D.C. and San Francisco.
Industrial real estate companies (21.0%) underperformed the index but still registered a strong absolute gain. The sector was one property type that was restrained, relatively speaking, by concerns of higher supply. The free standing retail sector (9.3%) also trailed the wider REIT market, due to a decline in the shares of American Realty Capital Properties, which reported an overstatement of its first-half 2014 cash flow.

Preferred Securities Also Rallied

The BofA Merrill Lynch Fixed-Rate Preferred Securities Index gained 15.4% in 2014. Low and declining sovereign yields provided a global tailwind to financial assets with perceived sensitivity to interest rates. Preferred securities and investment-grade corporate bonds had attractive absolute returns in this environment, with preferreds faring somewhat better. Preferred securities strongly outpaced high-yield bonds, which entered the year with historically high valuations and came under pressure as oil prices rapidly declined. Energy companies account for a material portion of the high-yield market and had been its fastest-growing segment.

Within the preferreds market, $25 par exchange-traded securities outperformed preferreds traded over-the-counter (OTC), consistent with the exchange-traded group’s higher average duration and sensitivity to movements in interest rates. In terms of sector performance, preferreds issued by banks, the largest issuers of these securities, performed approximately in line with the index. Earnings reports from banks, while soft in terms of revenue growth and profit margins, remained good from a credit perspective. Banks continued to build their capital bases thanks in part to continued moderation of bad debt charges, which in the U.S. have fallen to levels comparable with those existing before the financial crisis. Bolstered to meet new regulatory requirements, bank capital levels have grown to exceed pre-crisis levels.

Real estate preferreds were a standout segment, rising more than 20% for the year. The group benefited from the strong industry fundamentals that helped lift REITs’ common shares in the period.

Fund Performance

The Fund had a positive total return for the year and outperformed its blended benchmark based on both NAV and market price. Factors that helped relative performance included stock selection in the regional mall sector, where we had a beneficial overweight in Glimcher Realty when its share price rallied on the buyout news. We believed that the quality of the company’s assets was not being fully recognized by the market. Stock selection in the health care and apartment sectors also aided performance. In addition, we were underweight American Realty Capital Properties in the free standing retail sector. Factors that detracted from relative returns included stock selection in the office sector and our overweight in industrial real estate companies.

Security selection within the preferred securities portion of the Fund detracted from relative performance. The Fund invested largely in higher-yielding lower-rated securities that we believe are more defensive with respect to interest-rate risk, but which generally underperformed amid declining long-term bond yields in the period.
Impact of Derivatives on Fund Performance

The Fund used derivatives in the form of options for hedging purposes, as well as forward foreign currency exchange contracts for managing currency risk on certain Fund positions denominated in foreign currencies. While the use of forward foreign currency contracts benefited performance, this was partially offset by the negative effect of options used for hedging purposes. Overall, these contracts did not have a material effect on the Fund’s total return during the 12-month period ended December 31, 2014.

Impact of Leverage on Fund Performance

The Fund employs leverage as part of a yield-enhancement strategy. Leverage, which can increase total return in rising markets (just as it can have the opposite effect in declining markets), significantly contributed to the Fund’s performance for the 12-month period ended December 31, 2014.

Investment Outlook

The U.S. economy appears to be on generally solid footing. With third-quarter 2014 GDP growth revised upward to 5%, the highest reading since 2003, positive U.S. employment trends may be sustainable at recent levels or even improve, with potential benefits accruing to REITs in terms of rising occupancies and rents. The dramatic fall in gasoline prices in 2014 may prove to be an economic bonus in 2015, by incrementally giving consumers more spending power in the new year.

We retain a focus on cyclically sensitive names. We continue to favor New York and West Coast offices, along with select retail, self storage and apartment REITs, based on our view of strengthening fundamentals. Within the self storage sector, we expect further upside to cash-flow growth amid strong demand and limited new supply. We maintain an overall favorable view of apartments. We believe employment growth and household formation trends should support multifamily occupancies and rents; however, the ability to buy homes should gradually improve in a better credit environment, which, along with rising supply, bears monitoring.

In terms of where we stand with performance and valuations, we believe U.S. REITs continue to offer positive risk-adjusted-return potential, as the prospect of higher asset values and cash flows in an improving economy should outweigh the likely return of higher short-term Treasury rates later in 2015. In general, we believe the improvement in real estate fundamentals and continued job growth can drive further gains in net asset values and improvements in cash-flow growth.

Regarding preferred securities, while we have a generally benign interest-rate outlook for the near term, we expect that Treasury yields may rise somewhat in the intermediate term as U.S. growth continues in 2015 and U.S. labor markets tighten. In this respect, we note that the high income that preferreds offer—substantially higher than is offered by most traditional fixed income assets—may help protect investors from a total-return standpoint over time, should demanded yields begin to rise.

In recent months, we have added to more rate-sensitive instruments, but continue to generally favor higher income and somewhat more stable value issues, for instance fixed-to-float structures with good amounts of call protection that can perform well in most rate environments. At the same time, we
have become somewhat more cautious in some credit markets, notably Europe, which faces deflation and political tensions caused by weak growth.

Sincerely,

ROBERT H. STEERS
Chairman

JOSEPH M. HARVEY
Portfolio Manager

WILLIAM F. SCAPELL
Portfolio Manager

THOMAS N. BOHJALIAN
Portfolio Manager

JASON YABLON
Portfolio Manager

The views and opinions in the preceding commentary are subject to change without notice and are as of the date of publication. There is no guarantee that any market forecast set forth in the commentary will be realized. This material represents an assessment of the market environment at a specific point in time, should not be relied upon as investment advice and is not intended to predict or depict performance of any investment.

Visit Cohen & Steers online at cohenandsteers.com

For more information about the Cohen & Steers family of mutual funds, visit cohenandsteers.com. Here you will find fund net asset values, fund fact sheets and portfolio highlights, as well as educational resources and timely market updates.

Our website also provides comprehensive information about Cohen & Steers, including our most recent press releases, profiles of our senior investment professionals and their investment approach to each asset class. The Cohen & Steers family of mutual funds invests in major real asset categories including real estate, infrastructure and commodities, along with preferred securities and other income solutions.
Our Leverage Strategy  
(Unaudited)

Our current leverage strategy utilizes borrowings up to the maximum permitted by the Investment Company Act of 1940 to provide additional capital for the Fund, with an objective of increasing the net income available for shareholders. As of December 31, 2014, leverage represented 25% of the Fund’s managed assets.

Through a combination of variable and fixed rate financing, the Fund has locked in interest rates on a significant portion of this additional capital for periods of five, six and seven years (where we effectively reduce our variable rate obligation and lock in our fixed rate obligation over various terms). Locking in a significant portion of our leveraging costs is designed to protect the dividend-paying ability of the Fund. The use of leverage increases the volatility of the Fund's net asset value in both up and down markets. However, we believe that locking in portions of the Fund's leveraging costs for the various terms partially protects the Fund's expenses from an increase in short-term interest rates.

Leverage Facts\textsuperscript{a,b}

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leverage (as a % of managed assets)</td>
<td>25%</td>
</tr>
<tr>
<td>% Fixed Rate</td>
<td>85%</td>
</tr>
<tr>
<td>% Variable Rate</td>
<td>15%</td>
</tr>
<tr>
<td>Weighted Average Rate on Financing</td>
<td>1.9%</td>
</tr>
<tr>
<td>Weighted Average Term on Financing</td>
<td>3.6 years</td>
</tr>
</tbody>
</table>

The Fund seeks to enhance its dividend yield through leverage. The use of leverage is a speculative technique and there are special risks and costs associated with leverage. The net asset value of the Fund's shares may be reduced by the issuance and ongoing costs of leverage. So long as the Fund is able to invest in securities that produce an investment yield that is greater than the total cost of leverage, the leverage strategy will produce higher current net investment income for shareholders. On the other hand, to the extent that the total cost of leverage exceeds the incremental income gained from employing such leverage, shareholders would realize lower net investment income. In addition to the impact on net income, the use of leverage will have an effect of magnifying capital appreciation or depreciation for shareholders. Specifically, in an up market, leverage will typically generate greater capital appreciation than if the Fund were not employing leverage. Conversely, in down markets, the use of leverage will generally result in greater capital depreciation than if the Fund had been unlevered. To the extent that the Fund is required or elects to reduce its leverage, the Fund may need to liquidate investments, including under adverse economic conditions which may result in capital losses potentially reducing returns to shareholders. There can be no assurance that a leveraging strategy will be successful during any period in which it is employed.

\textsuperscript{a} Data as of December 31, 2014. Information is subject to change.  
\textsuperscript{b} See Note 7 in Notes to Financial Statements.
### Top Ten Holdings

<table>
<thead>
<tr>
<th>Security</th>
<th>Value</th>
<th>% of Managed Assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Simon Property Group</td>
<td>$49,458,891</td>
<td>3.6</td>
</tr>
<tr>
<td>Equity Residential</td>
<td>46,667,623</td>
<td>3.4</td>
</tr>
<tr>
<td>SL Green Realty Corp.</td>
<td>30,546,840</td>
<td>2.2</td>
</tr>
<tr>
<td>Vornado Realty Trust</td>
<td>27,974,135</td>
<td>2.0</td>
</tr>
<tr>
<td>Health Care REIT</td>
<td>25,455,161</td>
<td>1.8</td>
</tr>
<tr>
<td>General Growth Properties</td>
<td>23,857,953</td>
<td>1.7</td>
</tr>
<tr>
<td>Essex Property Trust</td>
<td>22,192,559</td>
<td>1.6</td>
</tr>
<tr>
<td>Prologis</td>
<td>21,128,462</td>
<td>1.5</td>
</tr>
<tr>
<td>UDR</td>
<td>20,745,928</td>
<td>1.5</td>
</tr>
<tr>
<td>JPMorgan Chase &amp; Co., 7.90%, Series I</td>
<td>17,841,450</td>
<td>1.3</td>
</tr>
</tbody>
</table>

Top ten holdings are determined on the basis of the value of individual securities held. The Fund may also hold positions in other types of securities issued by the companies listed above. See the Schedule of Investments for additional details on such other positions.

### Sector Breakdown

- **Hotel (Common)**: 3.6%
- **Health Care (Common)**: 4.9%
- **Real Estate (Preferred)**: 5.2%
- **Office (Common)**: 9.4%
- **Banks—Foreign (Preferred)**: 10.7%
- **Insurance ( Preferred)**: 11.0%
- **Residential (Common)**: 11.0%
- **Shopping Centers (Common)**: 11.3%
- **Other**: 20.4%
- **Banks (Preferred)**: 12.5%

(Based on Managed Assets) (Unaudited)
## SCHEDULE OF INVESTMENTS
December 31, 2014

<table>
<thead>
<tr>
<th>COMMON STOCK—REAL ESTATE</th>
<th>Value</th>
<th>Diversified</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Shares</td>
<td></td>
<td>66.1%</td>
</tr>
<tr>
<td>American Assets Trust(^a)</td>
<td>175,367</td>
<td>$6,981,360</td>
</tr>
<tr>
<td>Gramercy Property Trust</td>
<td>1,019,485</td>
<td>7,034,446</td>
</tr>
<tr>
<td>Vornado Realty Trust(^a,b)</td>
<td>237,653</td>
<td>27,974,135</td>
</tr>
<tr>
<td></td>
<td></td>
<td>4.1%</td>
</tr>
<tr>
<td>Health Care</td>
<td>Value</td>
<td>6.5%</td>
</tr>
<tr>
<td>Number of Shares</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Aviv REIT(^a,b)</td>
<td>291,448</td>
<td>10,049,127</td>
</tr>
<tr>
<td>Health Care REIT(^a)</td>
<td>336,397</td>
<td>25,455,161</td>
</tr>
<tr>
<td>Healthcare Trust of America, Class A</td>
<td>402,380</td>
<td>10,840,117</td>
</tr>
<tr>
<td>Physicians Realty Trust</td>
<td>219,204</td>
<td>3,638,787</td>
</tr>
<tr>
<td>Ventas(^a,b)</td>
<td>242,093</td>
<td>17,358,068</td>
</tr>
<tr>
<td></td>
<td></td>
<td>41,989,941</td>
</tr>
<tr>
<td>Hotel</td>
<td>Value</td>
<td>4.8%</td>
</tr>
<tr>
<td>Number of Shares</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Belmond Ltd., Class A (Bermuda)(^c)</td>
<td>245,494</td>
<td>3,036,761</td>
</tr>
<tr>
<td>Extended Stay America</td>
<td>475,240</td>
<td>9,176,884</td>
</tr>
<tr>
<td>Host Hotels &amp; Resorts(^a,b)</td>
<td>589,585</td>
<td>14,014,435</td>
</tr>
<tr>
<td>Strategic Hotels &amp; Resorts(^a,b,c)</td>
<td>634,394</td>
<td>8,393,033</td>
</tr>
<tr>
<td>Sunstone Hotel Investors(^a,b)</td>
<td>913,025</td>
<td>15,074,043</td>
</tr>
<tr>
<td></td>
<td></td>
<td>49,695,156</td>
</tr>
<tr>
<td>Industrials</td>
<td>Value</td>
<td>3.7%</td>
</tr>
<tr>
<td>Number of Shares</td>
<td></td>
<td></td>
</tr>
<tr>
<td>First Industrial Realty Trust(^a,b)</td>
<td>174,616</td>
<td>3,590,105</td>
</tr>
<tr>
<td>Prologis(^a,b)</td>
<td>491,017</td>
<td>21,128,462</td>
</tr>
<tr>
<td>Rexford Industrial Realty</td>
<td>388,613</td>
<td>6,105,110</td>
</tr>
<tr>
<td>STAG Industrial</td>
<td>279,672</td>
<td>6,851,964</td>
</tr>
<tr>
<td></td>
<td></td>
<td>37,675,641</td>
</tr>
</tbody>
</table>

See accompanying notes to financial statements.
### OFFICE

<table>
<thead>
<tr>
<th>Number of Shares</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>BioMed Realty Trust&lt;sup&gt;a&lt;/sup&gt;</td>
<td>678,504 $14,614,976</td>
</tr>
<tr>
<td>Boston Properties&lt;sup&gt;a,b&lt;/sup&gt;</td>
<td>73,652 $9,478,276</td>
</tr>
<tr>
<td>Brandywine Realty Trust&lt;sup&gt;a&lt;/sup&gt;</td>
<td>685,266 $10,950,551</td>
</tr>
<tr>
<td>Douglas Emmett&lt;sup&gt;a,b&lt;/sup&gt;</td>
<td>382,532 $10,863,909</td>
</tr>
<tr>
<td>Empire State Realty Trust, Class A&lt;sup&gt;a&lt;/sup&gt;</td>
<td>435,908 $7,663,262</td>
</tr>
<tr>
<td>Equity Commonwealth&lt;sup&gt;a&lt;/sup&gt;</td>
<td>457,661 $11,748,158</td>
</tr>
<tr>
<td>Highwoods Properties&lt;sup&gt;a&lt;/sup&gt;</td>
<td>239,232 $10,593,193</td>
</tr>
<tr>
<td>Kilroy Realty Corp.&lt;sup&gt;a,b&lt;/sup&gt;</td>
<td>252,628 $17,449,016</td>
</tr>
<tr>
<td>Parkway Properties&lt;sup&gt;a,b&lt;/sup&gt;</td>
<td>299,577 $5,509,221</td>
</tr>
<tr>
<td>SL Green Realty Corp.&lt;sup&gt;a,b&lt;/sup&gt;</td>
<td>256,653 $30,546,840</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>129,417,402</strong></td>
</tr>
</tbody>
</table>

### RESIDENTIAL

<table>
<thead>
<tr>
<th>Number of Shares</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>American Homes 4 Rent, Class A&lt;sup&gt;a,b&lt;/sup&gt;</td>
<td>745,738 $12,699,918</td>
</tr>
<tr>
<td>Apartment Investment &amp; Management Co.&lt;sup&gt;a&lt;/sup&gt;</td>
<td>264,535 $9,827,476</td>
</tr>
<tr>
<td>AvalonBay Communities&lt;sup&gt;a&lt;/sup&gt;</td>
<td>65,019 $10,623,455</td>
</tr>
<tr>
<td>Equity Residential&lt;sup&gt;a,b&lt;/sup&gt;</td>
<td>649,605 $46,667,623</td>
</tr>
<tr>
<td>Essex Property Trust&lt;sup&gt;a&lt;/sup&gt;</td>
<td>107,418 $22,192,559</td>
</tr>
<tr>
<td>Home Properties</td>
<td>131,837 $8,648,507</td>
</tr>
<tr>
<td>Starwood Waypoint Residential Trust</td>
<td>306,079 $8,071,303</td>
</tr>
<tr>
<td>UDR&lt;sup&gt;a,b&lt;/sup&gt;</td>
<td>673,132 $20,745,928</td>
</tr>
<tr>
<td><strong>Total Residential</strong></td>
<td><strong>139,476,769</strong></td>
</tr>
</tbody>
</table>

### MANUFACTURED HOME

<table>
<thead>
<tr>
<th>Number of Shares</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sun Communities</td>
<td>213,633 $12,916,251</td>
</tr>
<tr>
<td><strong>Total Residential</strong></td>
<td><strong>152,393,020</strong></td>
</tr>
</tbody>
</table>

### SELF STORAGE

<table>
<thead>
<tr>
<th>Number of Shares</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>CubeSmart&lt;sup&gt;a,b&lt;/sup&gt;</td>
<td>675,221 $14,902,127</td>
</tr>
<tr>
<td>Extra Space Storage&lt;sup&gt;a,b&lt;/sup&gt;</td>
<td>280,696 $16,460,013</td>
</tr>
<tr>
<td>Sovran Self Storage&lt;sup&gt;a,b&lt;/sup&gt;</td>
<td>131,376 $11,458,615</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>42,820,755</strong></td>
</tr>
</tbody>
</table>

See accompanying notes to financial statements.
### SCHEDULE OF INVESTMENTS—(Continued)
December 31, 2014

<table>
<thead>
<tr>
<th>Shopping Centers</th>
<th>15.1%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Community Center</td>
<td>6.0%</td>
</tr>
<tr>
<td>DDR Corp.(^a)</td>
<td>949,842</td>
</tr>
<tr>
<td>Kimco Realty Corp.(^a,b)</td>
<td>551,716</td>
</tr>
<tr>
<td>Ramco-Gershenson Properties Trust(^a,b)</td>
<td>557,383</td>
</tr>
<tr>
<td>Regency Centers Corp.(^a,b)</td>
<td>249,571</td>
</tr>
<tr>
<td>Weingarten Realty Investors(^a,b)</td>
<td>125,586</td>
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<tr>
<td><strong>Total Shopping Centers</strong></td>
<td><strong>155,881,218</strong></td>
</tr>
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</table>

<table>
<thead>
<tr>
<th>Free Standing</th>
<th>0.5%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spirit Realty Capital</td>
<td>402,766</td>
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</table>

<table>
<thead>
<tr>
<th>Regional Mall</th>
<th>8.6%</th>
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</thead>
<tbody>
<tr>
<td>General Growth Properties(^a,b)</td>
<td>848,132</td>
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<tr>
<td>Macerich Co. (The)</td>
<td>118,968</td>
</tr>
<tr>
<td>Pennsylvania REIT</td>
<td>247,002</td>
</tr>
<tr>
<td>Simon Property Group(^a,b)</td>
<td>271,588</td>
</tr>
<tr>
<td><strong>Total Shopping Centers</strong></td>
<td><strong>155,881,218</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Specialty</th>
<th>0.5%</th>
</tr>
</thead>
<tbody>
<tr>
<td>CyrusOne(^a)</td>
<td>203,388</td>
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</table>

**Total Common Stock**  
(Identified cost—$471,322,588)  
682,817,732

See accompanying notes to financial statements.
<table>
<thead>
<tr>
<th>Preferred Securities—$25 Par Value</th>
<th>Number of Shares</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Banks</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>AgriBank FCB, 6.875%, ($100 Par Value) (^d)</td>
<td>38,000</td>
<td>$3,995,939</td>
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<tr>
<td>BB&amp;T Corp., 5.20%, Series F</td>
<td>69,981</td>
<td>$1,589,268</td>
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<tr>
<td>Capital One Financial Corp., 6.25%, Series C</td>
<td>202,803</td>
<td>$4,976,786</td>
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<tr>
<td>Citigroup, 6.875%, Series K (^a)</td>
<td>152,243</td>
<td>$4,046,619</td>
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<tr>
<td>CoBank ACB, 6.25%, 144A ($100 Par Value) (^a, e)</td>
<td>33,000</td>
<td>$3,342,283</td>
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<tr>
<td>CoBank ACB, 6.125%, Series G (^a)</td>
<td>46,500</td>
<td>$4,222,781</td>
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<tr>
<td>Countrywide Capital IV, 6.75%, due 4/1/33 (^a)</td>
<td>238,687</td>
<td>$6,048,329</td>
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<tr>
<td>Countrywide Capital V, 7.00%, due 11/1/36 (^a)</td>
<td>222,197</td>
<td>$5,721,573</td>
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<tr>
<td>Farm Credit Bank of Texas, 6.75%, 144A (^a, e)</td>
<td>63,000</td>
<td>$6,534,284</td>
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<tr>
<td>Fifth Third Bancorp, 6.625%, Series I</td>
<td>187,086</td>
<td>$5,113,060</td>
</tr>
<tr>
<td>Huntington Bancshares, 8.50%, Series A ($1,000 Par Value)(Convertible) (^a)</td>
<td>3,212</td>
<td>$4,271,960</td>
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<tr>
<td>JPMorgan Chase &amp; Co., 5.50%, Series O</td>
<td>135,021</td>
<td>$3,247,255</td>
</tr>
<tr>
<td>PNC Financial Services Group, 6.125% (^a)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Series Pa</td>
<td>192,500</td>
<td>$5,343,800</td>
</tr>
<tr>
<td>RBS Capital Funding Trust VII, 6.08%, Series G</td>
<td>140,000</td>
<td>$3,414,600</td>
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<tr>
<td>Regions Financial Corp., 6.375%, Series B</td>
<td>256,532</td>
<td>$6,515,913</td>
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<tr>
<td>SunTrust Banks, 5.875%, Series E</td>
<td>100,000</td>
<td>$2,401,100</td>
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<tr>
<td>US Bancorp, 6.50%, Series Fa</td>
<td>78,991</td>
<td>$2,326,285</td>
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<tr>
<td>Wells Fargo &amp; Co., 5.85% (^a)</td>
<td>339,617</td>
<td>$8,711,176</td>
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<tr>
<td>Wells Fargo &amp; Co., 6.625%</td>
<td>46,774</td>
<td>$1,297,511</td>
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<tr>
<td>Zions Bancorp, 7.90%, Series F (^a)</td>
<td>95,656</td>
<td>$2,601,843</td>
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<tr>
<td>Zions Bancorp, 6.30%, Series G</td>
<td>45,086</td>
<td>$1,164,121</td>
</tr>
</tbody>
</table>

| **Banks—Foreign** |                  |             |
| Barclays Bank PLC, 7.75%, Series IV (United Kingdom) | 100,000 | $2,595,000 |
| Barclays Bank PLC, 8.125%, Series V (United Kingdom) \(^a\) | 250,000 | $6,520,000 |
| HSBC Holdings PLC, 6.20%, Series A (United Kingdom) | 66,445 | $1,707,637 |
| National Westminster Bank PLC, 7.76%, Series C (United Kingdom) \(^a\) | 172,192 | $4,497,655 |

86,886,486

See accompanying notes to financial statements.
### Schedule of Investments—(Continued)

#### December 31, 2014

<table>
<thead>
<tr>
<th>Category</th>
<th>Number of Shares</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Diversified Financial Services</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>State Street Corp., 5.90%, Series D</td>
<td>77,730</td>
<td>$2,010,098</td>
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<tr>
<td><strong>Electric—Integrated</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Integrys Energy Group, 6.00%, due 8/1/73f</td>
<td>181,652</td>
<td>4,850,108</td>
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<tr>
<td>NextEra Energy Capital Holdings, 5.70%, due 3/1/72, Series G</td>
<td>32,132</td>
<td>791,733</td>
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<tr>
<td><strong>Finance—Investment Banker/Broker</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Goldman Sachs Group, 6.375%, Series K</td>
<td>150,192</td>
<td>3,892,977</td>
</tr>
<tr>
<td>Morgan Stanley, 6.875%a</td>
<td>339,231</td>
<td>9,026,937</td>
</tr>
<tr>
<td>Morgan Stanley, 6.375%, Series I</td>
<td>160,340</td>
<td>4,058,205</td>
</tr>
<tr>
<td><strong>Industrials—Chemicals</strong></td>
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<td></td>
</tr>
<tr>
<td>CHS, 6.75%a</td>
<td>210,453</td>
<td>5,349,715</td>
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<tr>
<td>CHS, 7.10%, Series IIa</td>
<td>238,768</td>
<td>6,270,048</td>
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<tr>
<td><strong>Insurance</strong></td>
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<tr>
<td><strong>Life/Health Insurance</strong></td>
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</tr>
<tr>
<td>Principal Financial Group, 6.518%, Series B (FRN)</td>
<td>72,226</td>
<td>1,856,208</td>
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<tr>
<td><strong>Life/Health Insurance—Foreign</strong></td>
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<tr>
<td>Aegon NV, 6.50% (Netherlands)</td>
<td>44,521</td>
<td>1,131,279</td>
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<tr>
<td><strong>Multi-Line</strong></td>
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<tr>
<td>American Financial Group, due 9/30/54</td>
<td>139,041</td>
<td>3,492,710</td>
</tr>
<tr>
<td>Hanover Insurance Group/The, 6.35%, due 3/30/53</td>
<td>78,400</td>
<td>1,960,000</td>
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<tr>
<td>Hartford Financial Services Group, 7.875%, due 4/15/42a</td>
<td>213,052</td>
<td>6,383,038</td>
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<tr>
<td>Kemper Corp., 7.375%, due 2/27/54</td>
<td>114,350</td>
<td>2,943,369</td>
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<tr>
<td>WR Berkley Corp., 5.625%, due 4/30/53</td>
<td>172,793</td>
<td>4,105,562</td>
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<tr>
<td><strong>Total</strong></td>
<td></td>
<td>18,884,679</td>
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See accompanying notes to financial statements.
## Schedule of Investments—(Continued)

December 31, 2014

<table>
<thead>
<tr>
<th>Multi-Line—Foreign</th>
<th>1.1%</th>
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<tbody>
<tr>
<td>ING Groep N.V., 7.05% (Netherlands)</td>
<td>149,060</td>
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<tr>
<td>ING Groep N.V., 7.375% (Netherlands)</td>
<td>294,873</td>
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<table>
<thead>
<tr>
<th>Reinsurance</th>
<th>0.4%</th>
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<tbody>
<tr>
<td>Reinsurance Group of America,</td>
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<tr>
<td>6.20%, due 9/15/42</td>
<td>140,000</td>
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<table>
<thead>
<tr>
<th>Reinsurance—Foreign</th>
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<tr>
<td>Aspen Insurance Holdings Ltd., 5.95% (Bermuda)</td>
<td>117,169</td>
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<tr>
<td>Aspen Insurance Holdings Ltd., 7.25% (Bermuda)</td>
<td>106,000</td>
</tr>
<tr>
<td>Axis Capital Holdings Ltd., 6.875%, Series C (Bermuda)</td>
<td>55,284</td>
</tr>
<tr>
<td></td>
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<tr>
<td>Total Insurance</td>
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</table>

<table>
<thead>
<tr>
<th>Integrated Telecommunications Services</th>
<th>0.4%</th>
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<tbody>
<tr>
<td>Qwest Corp., 6.125%, due 6/1/53a</td>
<td>105,000</td>
</tr>
<tr>
<td>Qwest Corp., 7.00%, due 4/1/52</td>
<td>78,395</td>
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<table>
<thead>
<tr>
<th>Real Estate</th>
<th>7.0%</th>
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</thead>
<tbody>
<tr>
<td>Diversified</td>
<td>1.6%</td>
</tr>
<tr>
<td>Coresite Realty Corp., 7.25%, Series A</td>
<td>79,200</td>
</tr>
<tr>
<td>Lexington Realty Trust, 6.50%, Series C ($50 Par Value)</td>
<td>95,536</td>
</tr>
<tr>
<td>National Retail Properties, 5.70%, Series E</td>
<td>73,266</td>
</tr>
<tr>
<td>NorthStar Realty Finance Corp., 8.50%, Series D</td>
<td>119,300</td>
</tr>
<tr>
<td>Wells Fargo Real Estate Investment Corp., 6.375%, Series A</td>
<td>207,536</td>
</tr>
<tr>
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</table>

<table>
<thead>
<tr>
<th>Finance</th>
<th>0.2%</th>
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<tbody>
<tr>
<td>iStar Financial, 7.80%, Series F</td>
<td>79,630</td>
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</tbody>
</table>

See accompanying notes to financial statements.
### SCHEDULE OF INVESTMENTS—(Continued)
December 31, 2014

<table>
<thead>
<tr>
<th>Category</th>
<th>Number of Shares</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>HOTEL</strong></td>
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</tr>
<tr>
<td>Hersha Hospitality Trust, 6.875%, Series C</td>
<td>134,345</td>
<td>$3,445,949</td>
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<tr>
<td>Hospitality Properties Trust, 7.125%, Series D</td>
<td>95,000</td>
<td>2,482,350</td>
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<tr>
<td>Pebblebrook Hotel Trust, 7.875%, Series A&lt;sup&gt;a,b&lt;/sup&gt;</td>
<td>100,000</td>
<td>2,593,500</td>
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<tr>
<td><strong>INDUSTRIALS</strong></td>
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<tr>
<td>Gramercy Property Trust, 7.125%, Series B</td>
<td>151,270</td>
<td>3,895,203</td>
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<tr>
<td>Monmouth Real Estate Investment Corp., 7.875%, Series B</td>
<td>87,500</td>
<td>2,287,250</td>
</tr>
<tr>
<td><strong>OFFICE</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>American Realty Capital Properties, 6.70%, Series Fa&lt;sup&gt;a&lt;/sup&gt;,b</td>
<td>323,710</td>
<td>7,396,773</td>
</tr>
<tr>
<td>Corporate Office Properties Trust, 7.375%, Series La&lt;sup&gt;a&lt;/sup&gt;,b</td>
<td>100,000</td>
<td>2,608,000</td>
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<tr>
<td><strong>RESIDENTIAL—MANUFACTURED HOME</strong></td>
<td></td>
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</tr>
<tr>
<td>Campus Crest Communities, 8.00%, Series A</td>
<td>94,068</td>
<td>2,388,386</td>
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<tr>
<td>Equity Lifestyle Properties, 6.75%, Series C</td>
<td>60,843</td>
<td>1,618,424</td>
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<tr>
<td><strong>SHOPPING CENTERS</strong></td>
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<td></td>
</tr>
<tr>
<td>Cedar Realty Trust, 7.25%, Series Ba</td>
<td>219,000</td>
<td>5,755,320</td>
</tr>
<tr>
<td>DDR Corp., 6.50%, Series J</td>
<td>60,000</td>
<td>1,528,200</td>
</tr>
<tr>
<td>Inland Real Estate Corp., 8.125%, Series A</td>
<td>135,000</td>
<td>3,554,550</td>
</tr>
<tr>
<td>Saul Centers, 6.875%, Series C</td>
<td>79,140</td>
<td>2,130,449</td>
</tr>
<tr>
<td>Weingarten Realty Investors, 6.50%, Series Fa</td>
<td>101,803</td>
<td>2,582,742</td>
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<tr>
<td><strong>REGIONAL MALL</strong></td>
<td></td>
<td></td>
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<tr>
<td>CBL &amp; Associates Properties, 7.375%, Series Da</td>
<td>324,982</td>
<td>8,189,546</td>
</tr>
<tr>
<td><strong>TOTAL SHOPPING CENTERS</strong></td>
<td></td>
<td>23,740,807</td>
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See accompanying notes to financial statements.
### SCHEDULE OF INVESTMENTS—(Continued)
#### December 31, 2014

<table>
<thead>
<tr>
<th>Specialty</th>
<th>Number of Shares</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>SPECIALTY</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Digital Realty Trust, 7.375%, Series H</td>
<td>60,000</td>
<td>$1,597,200</td>
</tr>
<tr>
<td><strong>TOTAL REAL ESTATE</strong></td>
<td></td>
<td>72,688,730</td>
</tr>
<tr>
<td><strong>SELF STORAGE</strong></td>
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<td></td>
</tr>
<tr>
<td>Public Storage, 5.375%, Series V</td>
<td>107,703</td>
<td>2,528,866</td>
</tr>
<tr>
<td><strong>TRANSPORT—MARINE—FOREIGN</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Seaspan Corp., 6.375%, due 4/30/19 (Hong Kong)</td>
<td>62,325</td>
<td>1,545,660</td>
</tr>
<tr>
<td>Seaspan Corp., 9.50%, Series C (Hong Kong)&lt;sup&gt;a&lt;/sup&gt;</td>
<td>40,786</td>
<td>1,091,025</td>
</tr>
<tr>
<td>Teekay Offshore Partners LP, 7.25%, Series A (Marshall Islands)</td>
<td>60,000</td>
<td>1,386,000</td>
</tr>
<tr>
<td><strong>UTILITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SCE Trust III, 5.75%</td>
<td>112,175</td>
<td>2,967,029</td>
</tr>
<tr>
<td><strong>TOTAL PREFERRED SECURITIES—$25 PAR VALUE</strong></td>
<td></td>
<td>269,622,187</td>
</tr>
<tr>
<td>(Identified cost—$250,881,379)</td>
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</tr>
<tr>
<td><strong>PREFERRED SECURITIES—CAPITAL SECURITIES</strong></td>
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<td></td>
</tr>
<tr>
<td><strong>BANKS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bank of America Corp., 6.25%, Series X</td>
<td>4,162,000</td>
<td>4,134,685</td>
</tr>
<tr>
<td>Bank of America Corp., 6.50%, Series Z</td>
<td>4,000,000</td>
<td>4,081,600</td>
</tr>
<tr>
<td>Citigroup Capital III, 7.625%, due 12/1/36&lt;sup&gt;a&lt;/sup&gt;</td>
<td>4,700,000</td>
<td>6,038,038</td>
</tr>
<tr>
<td>Farm Credit Bank of Texas, 10.00%, Series I&lt;sup&gt;a&lt;/sup&gt;</td>
<td>6,000</td>
<td>7,338,750</td>
</tr>
<tr>
<td>Goldman Sachs Capital I, 6.345%, due 2/15/34&lt;sup&gt;a&lt;/sup&gt;</td>
<td>3,250,000</td>
<td>3,877,575</td>
</tr>
<tr>
<td>Goldman Sachs Capital II, 4.00% (FRN)&lt;sup&gt;a&lt;/sup&gt;</td>
<td>3,340,000</td>
<td>2,471,600</td>
</tr>
<tr>
<td>JPMorgan Chase &amp; Co., 7.90%, Series I&lt;sup&gt;a,b&lt;/sup&gt;</td>
<td>16,500,000</td>
<td>17,841,450</td>
</tr>
<tr>
<td>JPMorgan Chase &amp; Co., 6.75%, Series S&lt;sup&gt;a&lt;/sup&gt;</td>
<td>5,900,000</td>
<td>6,254,000</td>
</tr>
<tr>
<td>JPMorgan Chase &amp; Co., 6.125%, Series U</td>
<td>1,900,000</td>
<td>1,904,731</td>
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<tr>
<td>JPMorgan Chase &amp; Co., 6.10%, Series X</td>
<td>3,700,000</td>
<td>3,700,000</td>
</tr>
<tr>
<td>PNC Financial Services Group, 6.75%&lt;sup&gt;a,b&lt;/sup&gt;</td>
<td>5,000,000</td>
<td>5,512,500</td>
</tr>
<tr>
<td>Wells Fargo &amp; Co, 5.90%, Series S</td>
<td>2,255,000</td>
<td>2,277,550</td>
</tr>
<tr>
<td>Wells Fargo &amp; Co., 7.98%, Series K&lt;sup&gt;a,b&lt;/sup&gt;</td>
<td>14,975,000</td>
<td>16,603,531</td>
</tr>
<tr>
<td>Zions Bancorp, 7.20%, Series J</td>
<td>3,997,000</td>
<td>4,220,752</td>
</tr>
<tr>
<td></td>
<td></td>
<td>86,256,762</td>
</tr>
</tbody>
</table>

See accompanying notes to financial statements.
<table>
<thead>
<tr>
<th>Number of Shares</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>2,474,000</td>
<td>$3,143,347</td>
</tr>
<tr>
<td>4,400,000</td>
<td>4,719,000</td>
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<tr>
<td>5,250,000</td>
<td>4,908,750</td>
</tr>
<tr>
<td>3,375,000</td>
<td>3,696,638</td>
</tr>
<tr>
<td>4,300,000</td>
<td>4,783,750</td>
</tr>
<tr>
<td>2,050,000</td>
<td>2,594,090</td>
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<tr>
<td>6,520,000</td>
<td>6,695,512</td>
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<tr>
<td>2,000,000</td>
<td>2,200,442</td>
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<tr>
<td>3,405,000</td>
<td>3,549,713</td>
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<tr>
<td>7,000,000</td>
<td>6,737,500</td>
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<tr>
<td>8,735,906</td>
<td>10,352,049</td>
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<td>3,300,000</td>
<td>3,329,281</td>
</tr>
<tr>
<td>8,442,000</td>
<td>12,747,420</td>
</tr>
<tr>
<td>4,400,000</td>
<td>4,449,500</td>
</tr>
<tr>
<td>1,800,000</td>
<td>1,818,000</td>
</tr>
<tr>
<td>7,366,000</td>
<td>7,513,320</td>
</tr>
<tr>
<td>4,790,000</td>
<td>9,443,213</td>
</tr>
<tr>
<td>3,600,000</td>
<td>3,575,066</td>
</tr>
<tr>
<td>3,000,000</td>
<td>3,292,500</td>
</tr>
</tbody>
</table>

See accompanying notes to financial statements.
### SCHEDULE OF INVESTMENTS—(Continued)
December 31, 2014

<table>
<thead>
<tr>
<th>Company</th>
<th>Interest</th>
<th>Number of Shares</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rabobank Nederland, 11.00%, 144A (Netherlands)a,e</td>
<td></td>
<td>5,800,000</td>
<td>$7,479,100</td>
</tr>
<tr>
<td>Royal Bank of Scotland Group PLC, 7.648% (United Kingdom)a</td>
<td></td>
<td>5,691,000</td>
<td>6,658,470</td>
</tr>
<tr>
<td>SMFG Preferred Capital, 9.50%, 144A (FRN) (Cayman Islands)a,e</td>
<td></td>
<td>2,500,000</td>
<td>3,043,750</td>
</tr>
<tr>
<td>Standard Chartered PLC, 7.014%, 144A (United Kingdom)a,e</td>
<td></td>
<td>2,250,000</td>
<td>2,437,110</td>
</tr>
<tr>
<td>UBS AG, 7.625%, due 8/17/22 (Switzerland)</td>
<td></td>
<td>1,750,000</td>
<td>2,063,429</td>
</tr>
</tbody>
</table>

**Finance** 2.4%

**Credit Card** 0.4%

- American Express Co., 5.20% ........................................ 4,600,000 4,696,214

**Diversified Financial Services** 2.0%

- General Electric Capital Corp., 7.125%, Series Aa,b .................. 11,800,000 13,776,500
- General Electric Capital Corp., 6.25%, Series Ba,b ................... 6,000,000 6,562,500

**Total Finance** .................................................................. 25,035,214

**Food** 0.7%

- Dairy Farmers of America, 7.875%, 144Ae,g ............................. 68,100 7,282,444

**Insurance** 10.4%

**Life/Health Insurance** 1.3%

- MetLife Capital Trust X, 9.25%, due 4/8/68, 144Aa,b,e ................ 9,315,000 13,367,025

**Life/Health Insurance—Foreign** 2.3%

- Dai-ichi Life Insurance Co. Ltd./The, 5.10%, 144A (Japan)e ........... 3,400,000 3,557,746
- Groupama SA, 6.375% (France) ........................................... 3,800,000 4,641,874
- La Mondiale Vie, 7.625% (France) ....................................... 5,700,000 6,209,437
- Nippon Life Insurance Co., 5.10%, due 10/16/44, 144A (Japan)e ........ 5,000,000 5,245,375
- Sumitomo Life Insurance Co, 6.50%, due 9/20/73, 144A (Japan)a,e ...... 3,800,000 4,265,675

**Total** .......................................................................... 23,920,107

See accompanying notes to financial statements.
## SCHEDULE OF INVESTMENTS—(Continued)
### December 31, 2014

<table>
<thead>
<tr>
<th>Category</th>
<th>Number of Shares</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>MULTI-LINE</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>American International Group, 8.175%, due 5/15/68, (FRN)a</td>
<td>9,223,000</td>
<td>$12,543,280</td>
</tr>
<tr>
<td>MetLife, 10.75%, due 8/1/69a</td>
<td>3,000,000</td>
<td>4,890,000</td>
</tr>
<tr>
<td><strong>MULTI-LINE—FOREIGN</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Aviva PLC, 8.25% (United Kingdom)</td>
<td>2,700,000</td>
<td>3,033,793</td>
</tr>
<tr>
<td>AXA SA, 8.60%, due 12/15/30 (France)a,b</td>
<td>1,800,000</td>
<td>2,449,852</td>
</tr>
<tr>
<td>AXA SA, 6.463%, 144A (France)a,e</td>
<td>4,050,000</td>
<td>4,282,875</td>
</tr>
<tr>
<td><strong>PROPERTY CASUALTY</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Farmers Exchange Capital III, 5.454%, due 10/15/54, 144Ae</td>
<td>2,800,000</td>
<td>2,913,897</td>
</tr>
<tr>
<td>Liberty Mutual Group, 7.80%, due 3/7/87, 144Aa,e</td>
<td>6,900,000</td>
<td>8,107,500</td>
</tr>
<tr>
<td><strong>PROPERTY CASUALTY—FOREIGN</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Atradius Finance BV, 5.25%, due 9/23/44 (Netherlands)</td>
<td>3,200,000</td>
<td>3,881,915</td>
</tr>
<tr>
<td>Mitsui Sumitomo Insurance Co., Ltd., 7.00%, due 3/15/72, 144Aa,e</td>
<td>3,750,000</td>
<td>4,319,111</td>
</tr>
<tr>
<td>QBE Insurance Group Ltd., 6.75%, due 12/2/44 (Australia)</td>
<td>4,503,000</td>
<td>4,531,103</td>
</tr>
<tr>
<td>RL Finance Bonds No. 2 PLC, 6.125%, due 11/30/43 (United Kingdom)</td>
<td>2,650,000</td>
<td>4,468,804</td>
</tr>
<tr>
<td><strong>REINSURANCE—FOREIGN</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Aquarius + Investments PLC, 8.25% (Switzerland)</td>
<td>6,000,000</td>
<td>6,622,500</td>
</tr>
<tr>
<td>Catlin Insurance Co., 7.249%, 144A (Bermuda)a,e</td>
<td>3,900,000</td>
<td>3,897,562</td>
</tr>
<tr>
<td>QBE Capital Funding III Ltd., 7.25%, due 5/24/41, 144A (Australia)a,e</td>
<td>3,800,000</td>
<td>4,147,324</td>
</tr>
<tr>
<td><strong>TOTAL INSURANCE</strong></td>
<td></td>
<td>107,376,648</td>
</tr>
</tbody>
</table>

See accompanying notes to financial statements.
## SCHEDULE OF INVESTMENTS—(Continued)
### December 31, 2014

<table>
<thead>
<tr>
<th>Description</th>
<th>Number of Shares</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>INTEGRATED TELECOMMUNICATION SERVICES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Centaur Funding Corp., 9.08%, due 4/21/20,</td>
<td>6,254</td>
<td>$7,856,587</td>
</tr>
<tr>
<td>144A (Cayman)a,e</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Embarq Corp., 7.995%, due 6/1/36</td>
<td>3,660,000</td>
<td>4,099,200</td>
</tr>
<tr>
<td><strong>PIPLINES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Enbridge Energy Partners LP, 8.05%,</td>
<td>7,700,000</td>
<td>8,373,750</td>
</tr>
<tr>
<td>due 10/1/37a</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Enterprise Products Operating LLC,</td>
<td>2,150,000</td>
<td>2,359,898</td>
</tr>
<tr>
<td>7.034%, due 1/15/68, Series B</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>UTILITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>ELECTRIC UTILITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FPL Group Capital, 7.30%, due 9/1/67,</td>
<td>5,200,000</td>
<td>5,567,359</td>
</tr>
<tr>
<td>Series Da</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>ELECTRIC UTILITIES—FOREIGN</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Enel SpA, 8.75%, due 9/24/73, 144A (Italy)a,e</td>
<td>7,010,000</td>
<td>8,175,413</td>
</tr>
<tr>
<td><strong>MULTI-UTILITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dominion Resources, 5.75%, due 10/1/54a</td>
<td>4,883,000</td>
<td>5,107,203</td>
</tr>
<tr>
<td>Dominion Resources, 7.50%, due 6/30/66,</td>
<td>3,720,000</td>
<td>3,933,900</td>
</tr>
<tr>
<td>Series Aa,b</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PPL Capital Funding, 6.70%, due 3/30/67,</td>
<td>3,000,000</td>
<td>2,994,030</td>
</tr>
<tr>
<td>Series A</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL UTILITIES</strong></td>
<td></td>
<td>25,777,905</td>
</tr>
<tr>
<td><strong>TOTAL PREFERRED SECURITIES—CAPITAL SECURITIES</strong></td>
<td></td>
<td>407,054,509</td>
</tr>
<tr>
<td>(Identified cost—$368,019,480)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

See accompanying notes to financial statements.
## Schedule of Investments—(Continued)
**December 31, 2014**

<table>
<thead>
<tr>
<th>Principal Amount</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Corporate Bonds</strong></td>
<td>1.0%</td>
</tr>
<tr>
<td><strong>Insurance—Property Casualty</strong></td>
<td>0.7%</td>
</tr>
<tr>
<td>Liberty Mutual Insurance, 7.697%, due 10/15/97, 144A</td>
<td>$5,250,000</td>
</tr>
<tr>
<td><strong>Integrated Telecommunications Services</strong></td>
<td>0.3%</td>
</tr>
<tr>
<td>Frontier Communications Corp., 9.00%, due 8/15/31a</td>
<td>3,000,000</td>
</tr>
<tr>
<td><strong>Total Corporate Bonds (Identified cost—$7,778,218)</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Purchased Option Contracts</strong></td>
<td>0.1%</td>
</tr>
<tr>
<td>iShares US Real Estate ETF, Put, USD Strike Price 75, expires 3/20/15</td>
<td>9,222</td>
</tr>
<tr>
<td><strong>Total Purchased Option Contracts (Identified cost—$2,427,000)</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Short-Term Investments</strong></td>
<td>0.2%</td>
</tr>
<tr>
<td><strong>Money Market Funds</strong></td>
<td></td>
</tr>
<tr>
<td>State Street Institutional Treasury Money Market Fund, 0.00%</td>
<td>1,500,000</td>
</tr>
<tr>
<td><strong>Total Short-Term Investments (Identified cost—$1,500,000)</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Total Investments (Identified cost—$1,101,928,665)</strong></td>
<td>132.9%</td>
</tr>
<tr>
<td><strong>Written Option Contracts</strong></td>
<td>(0.2)</td>
</tr>
<tr>
<td><strong>Liabilities in Excess of Other Assets</strong></td>
<td>(32.7)</td>
</tr>
<tr>
<td><strong>Net Assets (Equivalent to $21.62 per share based on 47,769,767 shares of common stock outstanding)</strong></td>
<td>100.0%</td>
</tr>
</tbody>
</table>

| Number of Contracts | 9,838,922 |
| Number of Shares    | 1,246,722 |

**Total Investments (Identified cost—$1,101,928,665)**: $1,372,080,072

**Written Option Contracts**: (1,729,217)

**Liabilities in Excess of Other Assets**: (337,660,594)

**Net Assets (Equivalent to $21.62 per share based on 47,769,767 shares of common stock outstanding)**: $1,032,690,261

See accompanying notes to financial statements.
Note: Percentages indicated are based on the net assets of the Fund.

a All or a portion of the security is pledged as collateral in connection with the Fund’s revolving credit agreement. $723,778,881 in aggregate has been pledged as collateral.

b A portion of the security has been rehypothecated in connection with the Fund’s revolving credit agreement. $312,866,607 in aggregate has been rehypothecated.

c Non-income producing security.

d All or a portion of the security is segregated as collateral in connection with written option contracts. $2,313,439 in aggregate has been segregated as collateral.

e Resale is restricted to qualified institutional investors. Aggregate holdings equal 16.0% of the net assets of the Fund, of which 0.7% are illiquid.

f A portion of the security is segregated as collateral for open forward foreign currency exchange contracts. $1,068,000 in aggregate has been segregated as collateral.

g Illiquid security. Aggregate holdings equal 0.7% of the net assets of the Fund.

h Rate quoted represents the annualized seven-day yield of the Fund.

See accompanying notes to financial statements.
Forward foreign currency exchange contracts outstanding at December 31, 2014 were as follows:

<table>
<thead>
<tr>
<th>Counterparty</th>
<th>Contracts to Deliver</th>
<th>In Exchange For</th>
<th>Settlement Date</th>
<th>Unrealized Appreciation (Depreciation)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brown Brothers Harriman</td>
<td>EUR 11,869,410</td>
<td>USD 14,800,964</td>
<td>1/5/15</td>
<td>$438,382</td>
</tr>
<tr>
<td>Brown Brothers Harriman</td>
<td>GBP 8,787,990</td>
<td>USD 13,755,727</td>
<td>1/5/15</td>
<td>58,756</td>
</tr>
<tr>
<td>Brown Brothers Harriman</td>
<td>USD 13,705,398</td>
<td>GBP 8,787,990</td>
<td>1/5/15</td>
<td>(8,427)</td>
</tr>
<tr>
<td>Brown Brothers Harriman</td>
<td>USD 14,359,731</td>
<td>EUR 11,869,410</td>
<td>1/5/15</td>
<td>2,851</td>
</tr>
<tr>
<td>Brown Brothers Harriman</td>
<td>EUR 11,785,370</td>
<td>USD 14,260,934</td>
<td>2/3/15</td>
<td>(4,365)</td>
</tr>
<tr>
<td>Brown Brothers Harriman</td>
<td>GBP 8,882,692</td>
<td>USD 13,848,552</td>
<td>2/3/15</td>
<td>7,137</td>
</tr>
</tbody>
</table>

$$\text{Unrealized Appreciation (Depreciation)} = \sum \text{Unrealized Appreciation (Depreciation)}$$

$$\text{Unrealized Appreciation (Depreciation)} = 438,382 + 58,756 - 8,427 + 2,851 - 4,365 + 7,137 = 494,334$$

Glossary of Portfolio Abbreviations

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>ETF</td>
<td>Exchange-Traded Fund</td>
</tr>
<tr>
<td>EUR</td>
<td>Euro Currency</td>
</tr>
<tr>
<td>FRN</td>
<td>Floating Rate Note</td>
</tr>
<tr>
<td>GBP</td>
<td>Great British Pound</td>
</tr>
<tr>
<td>REIT</td>
<td>Real Estate Investment Trust</td>
</tr>
<tr>
<td>USD</td>
<td>United States Dollar</td>
</tr>
</tbody>
</table>
# Statement of Assets and Liabilities

**December 31, 2014**

## Assets:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investments in securities, at value (Identified cost—$1,101,928,665)</td>
<td>$1,372,080,072</td>
</tr>
<tr>
<td>Cash</td>
<td>2,751,730</td>
</tr>
<tr>
<td>Receivable for:</td>
<td></td>
</tr>
<tr>
<td>Dividends and interest</td>
<td>9,527,656</td>
</tr>
<tr>
<td>Investment securities sold</td>
<td>1,311,105</td>
</tr>
<tr>
<td>Unrealized appreciation on forward foreign currency exchange contracts</td>
<td>507,126</td>
</tr>
<tr>
<td>Other assets</td>
<td>6,332</td>
</tr>
<tr>
<td>Total Assets</td>
<td>$1,386,184,021</td>
</tr>
</tbody>
</table>

## Liabilities:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unrealized depreciation on forward foreign currency exchange contracts</td>
<td>12,792</td>
</tr>
<tr>
<td>Payable for:</td>
<td></td>
</tr>
<tr>
<td>Revolving credit agreement</td>
<td>350,000,000</td>
</tr>
<tr>
<td>Written option contracts (Premiums received—$1,659,960)</td>
<td>1,729,217</td>
</tr>
<tr>
<td>Investment management fees</td>
<td>765,458</td>
</tr>
<tr>
<td>Dividends declared</td>
<td>684,035</td>
</tr>
<tr>
<td>Administration fees</td>
<td>64,091</td>
</tr>
<tr>
<td>Interest expense</td>
<td>35,998</td>
</tr>
<tr>
<td>Directors’ fees</td>
<td>364</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>201,805</td>
</tr>
<tr>
<td>Total Liabilities</td>
<td>$353,493,760</td>
</tr>
</tbody>
</table>

## Net Assets:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Assets</td>
<td>$1,032,690,261</td>
</tr>
</tbody>
</table>

## Net Assets Consist of:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paid-in capital</td>
<td>$834,056,750</td>
</tr>
<tr>
<td>Accumulated undistributed net investment income</td>
<td>2,459,875</td>
</tr>
<tr>
<td>Accumulated net realized loss</td>
<td>(74,362,690)</td>
</tr>
<tr>
<td>Net unrealized appreciation</td>
<td>270,536,326</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$1,032,690,261</td>
</tr>
</tbody>
</table>

## Net Asset Value Per Share:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>($1,032,690,261 ÷ 47,769,767 shares outstanding)</td>
<td>$21.62</td>
</tr>
</tbody>
</table>

## Market Price Per Share:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Market Price</strong></td>
<td>$18.99</td>
</tr>
</tbody>
</table>

## Market Price Discount to Net Asset Value Per Share:

<table>
<thead>
<tr>
<th>Description</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Market Price Discount</strong></td>
<td>(12.16)%</td>
</tr>
</tbody>
</table>

---

See accompanying notes to financial statements.
## Statement of Operations

For the Year Ended December 31, 2014

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Investment Income:</strong></td>
<td></td>
</tr>
<tr>
<td>Dividend income</td>
<td>$37,389,956</td>
</tr>
<tr>
<td>Interest income (net of $23,006 of foreign withholding tax)</td>
<td>25,169,812</td>
</tr>
<tr>
<td>Rehypothecation income</td>
<td>76,245</td>
</tr>
<tr>
<td><strong>Total Investment Income</strong></td>
<td>$62,636,013</td>
</tr>
<tr>
<td><strong>Expenses:</strong></td>
<td></td>
</tr>
<tr>
<td>Investment management fees</td>
<td>8,562,530</td>
</tr>
<tr>
<td>Interest expense</td>
<td>6,561,492</td>
</tr>
<tr>
<td>Administration fees</td>
<td>913,270</td>
</tr>
<tr>
<td>Custodian fees and expenses</td>
<td>133,373</td>
</tr>
<tr>
<td>Shareholder reporting expenses</td>
<td>125,958</td>
</tr>
<tr>
<td>Professional fees</td>
<td>92,864</td>
</tr>
<tr>
<td>Directors’ fees and expenses</td>
<td>49,735</td>
</tr>
<tr>
<td>Transfer agent fees and expenses</td>
<td>21,311</td>
</tr>
<tr>
<td>Registration and filing fees</td>
<td>8,749</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>96,814</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td>16,566,096</td>
</tr>
<tr>
<td><strong>Net Investment Income</strong></td>
<td>$46,069,917</td>
</tr>
<tr>
<td><strong>Net Realized and Unrealized Gain (Loss):</strong></td>
<td></td>
</tr>
<tr>
<td>Net realized gain (loss) on:</td>
<td></td>
</tr>
<tr>
<td>Investments</td>
<td>93,200,159</td>
</tr>
<tr>
<td>Written option contracts</td>
<td>57,682</td>
</tr>
<tr>
<td>Foreign currency transactions</td>
<td>2,368,649</td>
</tr>
<tr>
<td><strong>Net realized gain</strong></td>
<td>95,626,490</td>
</tr>
<tr>
<td>Net change in unrealized appreciation (depreciation) on:</td>
<td></td>
</tr>
<tr>
<td>Investments</td>
<td>97,717,025</td>
</tr>
<tr>
<td>Written option contracts</td>
<td>(39,600)</td>
</tr>
<tr>
<td>Foreign currency translations</td>
<td>669,673</td>
</tr>
<tr>
<td><strong>Net change in unrealized appreciation (depreciation)</strong></td>
<td>98,347,098</td>
</tr>
<tr>
<td><strong>Net realized and unrealized gain</strong></td>
<td>193,973,588</td>
</tr>
<tr>
<td><strong>Net Increase in Net Assets Resulting from Operations</strong></td>
<td>$240,043,505</td>
</tr>
</tbody>
</table>

---

See accompanying notes to financial statements.
# Statement of Changes in Net Assets

**Cohen & Steers REIT and Preferred Income Fund, Inc.**

## For the Year Ended December 31, 2014

### Change in Net Assets:

**From Operations:**

<table>
<thead>
<tr>
<th>Description</th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net investment income</td>
<td>$46,069,917</td>
<td>$39,816,974</td>
</tr>
<tr>
<td>Net realized gain</td>
<td>$95,626,490</td>
<td>$54,614,968</td>
</tr>
<tr>
<td><strong>Net change in unrealized appreciation (depreciation)</strong></td>
<td>$98,347,098</td>
<td>$(60,783,577)</td>
</tr>
<tr>
<td><strong>Net increase in net assets resulting from operations</strong></td>
<td>$240,043,505</td>
<td>$33,648,365</td>
</tr>
</tbody>
</table>

**Dividends to Shareholders from Net Investment Income**

<table>
<thead>
<tr>
<th>Description</th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td><em>(61,623,000)</em></td>
<td><em>(57,622,528)</em></td>
<td></td>
</tr>
</tbody>
</table>

**Capital Stock Transactions:**

<table>
<thead>
<tr>
<th>Description</th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Decrease in net assets from Fund share transactions</td>
<td>—</td>
<td><em>(4,871,290)</em></td>
</tr>
<tr>
<td><strong>Total increase (decrease) in net assets</strong></td>
<td>$178,420,505</td>
<td>$(28,845,453)</td>
</tr>
</tbody>
</table>

**Net Assets:**

<table>
<thead>
<tr>
<th>Description</th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning of year</td>
<td>$854,269,756</td>
<td>$883,115,209</td>
</tr>
<tr>
<td>End of yeara</td>
<td>$1,032,690,261</td>
<td>$854,269,756</td>
</tr>
</tbody>
</table>

---

*a* Includes accumulated undistributed net investment income of $2,459,875 and dividends in excess of net investment income of $165,204, respectively.

See accompanying notes to financial statements.
Decrease in Cash:

Cash Flows from Operating Activities:
Net increase in net assets resulting from operations ............... $ 240,043,505
Adjustments to reconcile net increase in net assets resulting from operations to net cash provided by operating activities:
  Purchases of long-term investments .............................. (705,836,879)
  Net purchases, sales and maturities of short-term investments .... 4,500,000
  Net amortization of premium ........................................ 645,364
  Proceeds from sales and maturities of long-term investments ....... 708,386,874
  Net increase in dividends and interest receivable and other assets .... (413,842)
  Net increase in interest expense payable, accrued expenses and other liabilities .................................................. 92,831
  Increase in premiums received from written option contracts ....... 1,602,278
  Net change in unrealized depreciation on written option contracts .... 39,600
  Net change in unrealized appreciation on investments ................ (97,717,025)
  Net change in unrealized appreciation on forward foreign currency exchange contracts .............................................. (721,499)
  Net realized gain on investments ..................................... (93,200,159)
Cash provided by operating activities .................................. 57,421,048

Cash Flows from Financing Activities:
Dividends paid ................................................................. (61,682,251)
Decrease in cash ............................................................... (4,261,203)
Cash at beginning of year .................................................... 7,012,933
Cash at end of year ............................................................. $ 2,751,730

Supplemental Disclosure of Cash Flow Information:
During year ended December 31, 2014, interest paid was $6,561,488.

See accompanying notes to financial statements.
**FINANCIAL HIGHLIGHTS**

The following table includes selected data for a share outstanding throughout each year and other performance information derived from the financial statements. It should be read in conjunction with the financial statements and notes thereto.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Net asset value, beginning of year</td>
<td>$ 17.88</td>
<td>$18.37</td>
<td>$15.34</td>
<td>$15.63</td>
<td>$12.83</td>
</tr>
<tr>
<td>Income (loss) from investment operations:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net investment income</td>
<td>0.96a</td>
<td>0.83a</td>
<td>0.95a</td>
<td>1.21</td>
<td>1.02</td>
</tr>
<tr>
<td>Net realized and unrealized gain (loss)</td>
<td>4.07b</td>
<td>(0.13)c</td>
<td>3.28</td>
<td>(0.30)</td>
<td>2.76</td>
</tr>
<tr>
<td>Total from investment operations</td>
<td>5.03</td>
<td>0.70</td>
<td>4.23</td>
<td>0.91</td>
<td>3.78</td>
</tr>
<tr>
<td>Less dividends to shareholders from:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net investment income</td>
<td>(1.29)</td>
<td>(1.20)</td>
<td>(1.20)</td>
<td>(1.20)</td>
<td>(1.00)</td>
</tr>
<tr>
<td>Total dividends to shareholders</td>
<td>(1.29)</td>
<td>(1.20)</td>
<td>(1.20)</td>
<td>(1.20)</td>
<td>(1.00)</td>
</tr>
<tr>
<td>Anti-dilutive effect from the issuance of reinvested shares</td>
<td></td>
<td></td>
<td></td>
<td>0.00d</td>
<td></td>
</tr>
<tr>
<td>Anti-dilutive effect from the repurchase of shares</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0.02</td>
</tr>
<tr>
<td>Net increase (decrease) in net asset value</td>
<td>3.74</td>
<td>(0.49)</td>
<td>3.03</td>
<td>(0.29)</td>
<td>2.80</td>
</tr>
<tr>
<td>Net asset value, end of year</td>
<td>$ 21.62</td>
<td>$17.88</td>
<td>$18.37</td>
<td>$15.34</td>
<td>$15.63</td>
</tr>
<tr>
<td>Market value, end of year</td>
<td>$ 18.99</td>
<td>$15.70</td>
<td>$16.99</td>
<td>$14.15</td>
<td>$14.29</td>
</tr>
<tr>
<td>Total net asset value return</td>
<td>29.87%</td>
<td>4.48%</td>
<td>28.45%</td>
<td>6.46%</td>
<td>31.63%</td>
</tr>
<tr>
<td>Total market value return</td>
<td>29.91%</td>
<td>-0.80%</td>
<td>28.79%</td>
<td>7.41%</td>
<td>49.18%</td>
</tr>
</tbody>
</table>

See accompanying notes to financial statements.
FINANCIAL HIGHLIGHTS—(Continued)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Net assets, end of year (in millions)</td>
<td>$1,032.7</td>
<td>$854.3</td>
<td>$883.1</td>
<td>$737.7</td>
<td>$750.9</td>
</tr>
<tr>
<td>Ratio of expenses to average daily net assets</td>
<td>1.71%</td>
<td>1.82%</td>
<td>1.63%</td>
<td>1.72%</td>
<td>1.87%</td>
</tr>
<tr>
<td>Ratio of expenses to average daily net assets (excluding interest expense)</td>
<td>1.03%</td>
<td>1.10%</td>
<td>1.10%</td>
<td>1.13%</td>
<td>1.22%</td>
</tr>
<tr>
<td>Ratio of net investment income to average daily net assets</td>
<td>4.76%</td>
<td>4.38%</td>
<td>5.45%</td>
<td>5.62%</td>
<td>6.08%</td>
</tr>
<tr>
<td>Ratio of expenses to average daily managed assets</td>
<td>1.26%</td>
<td>1.31%</td>
<td>1.15%</td>
<td>1.18%</td>
<td>1.26%</td>
</tr>
<tr>
<td>Portfolio turnover rate</td>
<td>54%</td>
<td>51%</td>
<td>49%</td>
<td>52%</td>
<td>66%</td>
</tr>
</tbody>
</table>

Revolving Credit Agreement:

<table>
<thead>
<tr>
<th>Asset coverage ratio for revolving credit agreement</th>
<th>395%</th>
<th>344%</th>
<th>352%</th>
<th>311%</th>
<th>315%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asset coverage per $1,000 for revolving credit agreement</td>
<td>$3,951</td>
<td>$3,441</td>
<td>$3,523</td>
<td>$3,108</td>
<td>$3,145</td>
</tr>
</tbody>
</table>

---

*a* Calculation based on average shares outstanding.

*b* Includes gains resulting from class action litigation payments on securities owned in prior years. Without these gains, the net realized and unrealized gains (losses) on investments per share would have been $3.99 and the total return on an NAV basis would have been 29.58%.

*c* Includes gains resulting from class action litigation payments on securities owned in prior years. Without these gains, the net realized and unrealized gains (losses) on investments per share would have been $(0.17) and the total return on an NAV basis would have been 4.33%.

*d* Amount is less than $0.005.

*e* Total net asset value return measures the change in net asset value per share over the period indicated. Total market value return is computed based upon the Fund’s NYSE market price per share and excludes the effects of brokerage commissions. Dividends and distributions are assumed, for purposes of these calculations, to be reinvested at prices obtained under the Fund’s dividend reinvestment plan.

*f* Average daily managed assets represent net assets plus the outstanding balance of the revolving credit agreement.

*g* For the period June 1, 2009 through June 15, 2010, the Fund utilized temporary relief from the Securities and Exchange Commission permitting the Fund to maintain 200% asset coverage.

See accompanying notes to financial statements.
Note 1. Organization and Significant Accounting Policies

Cohen & Steers REIT and Preferred Income Fund, Inc. (the Fund) was incorporated under the laws of the State of Maryland on March 25, 2003 and is registered under the Investment Company Act of 1940, as amended (the 1940 Act), as a diversified, closed-end management investment company. The Fund’s investment objective is high current income.

The following is a summary of significant accounting policies consistently followed by the Fund in the preparation of its financial statements. The Fund is an investment company and, accordingly, follows the investment company accounting and reporting guidance of the Financial Accounting Standards Board Accounting Standards Codification Topic 946—Investment Companies. The accounting policies of the Fund are in conformity with accounting principles generally accepted in the United States of America (GAAP). The preparation of the financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. Actual results could differ from those estimates.

Portfolio Valuation: Investments in securities that are listed on the NYSE are valued, except as indicated below, at the last sale price reflected at the close of the NYSE on the business day as of which such value is being determined. If there has been no sale on such day, the securities are valued at the mean of the closing bid and ask prices on such day or, if no ask price is available, at the bid price. Exchange-traded options are valued at their last sale price as of the close of options trading on applicable exchanges on the valuation date. In the absence of a sale on such day, options are valued at the average of the quoted bid and ask prices as of the close of business. Over-the-counter options are valued based upon prices provided by the respective counterparty. Forward contracts are valued daily at the prevailing forward exchange rate.

Securities not listed on the NYSE but listed on other domestic or foreign securities exchanges are valued in a similar manner. Securities traded on more than one securities exchange are valued at the last sale price reflected at the close of the exchange representing the principal market for such securities on the business day as of which such value is being determined. If after the close of a foreign market, but prior to the close of business on the day the securities are being valued, market conditions change significantly, certain non-U.S. equity holdings may be fair valued pursuant to procedures established by the Board of Directors.

Readily marketable securities traded in the over-the-counter market, including listed securities whose primary market is believed by Cohen & Steers Capital Management, Inc. (the investment manager) to be over-the-counter, are valued at the last sale price on the valuation date as reported by sources deemed appropriate by the Board of Directors to reflect their fair market value. If there has been no sale on such day, the securities are valued at the mean of the closing bid and ask prices on such day or, if no ask price is available, at the bid price. However, certain fixed-income securities may be valued on the basis of prices provided by a third-party pricing service or third-party broker-dealers when such prices are believed by the investment manager, pursuant to delegation by the Board of Directors, to reflect the fair market value of such securities. The pricing services or broker-dealers use multiple valuation techniques to determine fair value. In instances where sufficient market activity exists,
the pricing services or broker-dealers may utilize a market-based approach through which quotes from market makers are used to determine fair value. In instances where sufficient market activity may not exist or is limited, the pricing services or broker-dealers also utilize proprietary valuation models which may consider market transactions in comparable securities and the various relationships between securities in determining fair value and/or characteristics such as benchmark yield curves, option-adjusted spreads, credit spreads, estimated default rates, coupon rates, anticipated timing of principal repayments, underlying collateral, and other unique security features which are used to calculate the fair values.

Short-term debt securities with a maturity date of 60 days or less are valued at amortized cost, which approximates fair value. Investments in open-end mutual funds are valued at their closing net asset value.

The policies and procedures approved by the Fund’s Board of Directors delegate authority to make fair value determinations to the investment manager, subject to the oversight of the Board of Directors. The investment manager has established a valuation committee (Valuation Committee) to administer, implement and oversee the fair valuation process according to the policies and procedures approved annually by the Board of Directors. Among other things, these procedures allow the Fund to utilize independent pricing services, quotations from securities and financial instrument dealers and other market sources to determine fair value.

Securities for which market prices are unavailable, or securities for which the investment manager determines that the bid and/or ask price or a counterparty valuation does not reflect market value, will be valued at fair value, as determined in good faith by the Valuation Committee, pursuant to procedures approved by the Fund’s Board of Directors. Circumstances in which market prices may be unavailable include, but are not limited to, when trading in a security is suspended, the exchange on which the security is traded is subject to an unscheduled close or disruption or material events occur after the close of the exchange on which the security is principally traded. In these circumstances, the Fund determines fair value in a manner that fairly reflects the market value of the security on the valuation date based on consideration of any information or factors it deems appropriate. These may include, but are not limited to, recent transactions in comparable securities, information relating to the specific security and developments in the markets.

Foreign equity fair value pricing procedures utilized by the Fund may cause certain non-U.S. equity holdings to be valued on the basis of fair value factors provided by a pricing service to reflect any significant market movements between the time the Fund values such securities and the earlier closing of foreign markets.

The Fund’s use of fair value pricing may cause the net asset value of Fund shares to differ from the net asset value that would be calculated using market quotations. Fair value pricing involves subjective judgments and it is possible that the fair value determined for a security may be materially different than the value that could be realized upon the sale of that security.

Fair value is defined as the price that the Fund would expect to receive upon the sale of an investment or expect to pay to transfer a liability in an orderly transaction with an independent buyer in
the principal market or, in the absence of a principal market, the most advantageous market for the investment or liability. The hierarchy of inputs that are used in determining the fair value of the Fund’s investments is summarized below.

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

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

For movements between the levels within the fair value hierarchy, the Fund has adopted a policy of recognizing the transfer at the end of the period in which the underlying event causing the movement occurred. Changes in valuation techniques may result in transfers into or out of an assigned level within the disclosure hierarchy. There were no transfers between Level 1 and Level 2 securities as of December 31, 2014.

The following is a summary of the inputs used as of December 31, 2014 in valuing the Fund’s investments carried at value:

<table>
<thead>
<tr>
<th>Description</th>
<th>Total</th>
<th>Quoted Prices In Active Markets for Identical Assets (Level 1)</th>
<th>Other Significant Observable Inputs (Level 2)</th>
<th>Significant Unobservable Inputs (Level 3)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Common Stock</td>
<td>$682,817,732</td>
<td>$682,817,732</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Preferred Securities—$25 Par Value—Banks</td>
<td>86,886,486</td>
<td>68,791,199</td>
<td>18,095,287</td>
<td>—</td>
</tr>
<tr>
<td>Preferred Securities—$25 Par Value—Other Industries</td>
<td>182,735,701</td>
<td>182,735,701</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Preferred Securities—Capital Securities—Banks</td>
<td>86,256,762</td>
<td>—</td>
<td>78,918,012</td>
<td>7,338,750</td>
</tr>
<tr>
<td>Preferred Securities—Capital Securities—Food</td>
<td>7,282,444</td>
<td>—</td>
<td>—</td>
<td>7,282,444</td>
</tr>
<tr>
<td>Preferred Securities—Capital Securities—Other Industries</td>
<td>313,515,303</td>
<td>—</td>
<td>313,515,303</td>
<td>—</td>
</tr>
<tr>
<td>Corporate Bonds</td>
<td>9,838,922</td>
<td>—</td>
<td>9,838,922</td>
<td>—</td>
</tr>
<tr>
<td>Purchased Option Contracts</td>
<td>1,246,722</td>
<td>—</td>
<td>1,246,722</td>
<td>—</td>
</tr>
<tr>
<td>Short-Term Investments</td>
<td>1,500,000</td>
<td>—</td>
<td>1,500,000</td>
<td>—</td>
</tr>
<tr>
<td>Total Investments</td>
<td>$1,372,080,072</td>
<td>$934,344,632</td>
<td>$423,114,246</td>
<td>$14,621,194b</td>
</tr>
</tbody>
</table>
### Quoted Prices

<table>
<thead>
<tr>
<th>Description</th>
<th>Total</th>
<th>Quoted Prices in Active Markets for Identical Assets (Level 1)</th>
<th>Other Significant Observable Inputs (Level 2)</th>
<th>Significant Unobservable Inputs (Level 3)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Forward foreign currency exchange contracts</td>
<td>$507,126</td>
<td>$</td>
<td>$507,126</td>
<td>$</td>
</tr>
<tr>
<td>Total Appreciation in Other Financial Instruments&lt;sup&gt;a&lt;/sup&gt;</td>
<td>$507,126</td>
<td>$</td>
<td>$507,126</td>
<td>$</td>
</tr>
<tr>
<td>Forward foreign currency exchange contracts</td>
<td>$12,792</td>
<td></td>
<td>$12,792</td>
<td>$</td>
</tr>
<tr>
<td>Written option contracts</td>
<td>$1,729,217</td>
<td></td>
<td>$1,729,217</td>
<td>$</td>
</tr>
<tr>
<td>Total Depreciation in Other Financial Instruments&lt;sup&gt;a&lt;/sup&gt;</td>
<td>$1,742,009</td>
<td></td>
<td>$1,742,009</td>
<td>$</td>
</tr>
</tbody>
</table>

<sup>a</sup> Portfolio holdings are disclosed individually on the Schedule of Investments.

<sup>b</sup> Level 3 investments are valued by a third-party pricing service. The inputs for these securities are not readily available or cannot be reasonably estimated. A change in the significant unobservable inputs could result in a significantly lower or higher value in such Level 3 investments.
Following is a reconciliation of investments for which significant unobservable inputs (Level 3) were used in determining fair value:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance as of December 31, 2013</td>
<td>$ 20,824,973</td>
<td>$ 3,866,999</td>
<td>$ 5,329,812</td>
<td>$</td>
<td>$ 4,418,074</td>
<td>$ 7,210,088</td>
<td></td>
</tr>
<tr>
<td>Purchases</td>
<td>6,062,196</td>
<td>—</td>
<td>1,018,750</td>
<td>—</td>
<td>5,043,446</td>
<td>—</td>
<td></td>
</tr>
<tr>
<td>Amortization</td>
<td>(59)</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>(59)</td>
<td></td>
</tr>
<tr>
<td>Change in unrealized appreciation (depreciation)</td>
<td>1,378,796</td>
<td>1,138,965</td>
<td>185,722</td>
<td>—</td>
<td>(18,247)</td>
<td>72,356</td>
<td></td>
</tr>
<tr>
<td>Transfers in to Level 3&lt;sup&gt;a&lt;/sup&gt;</td>
<td>7,338,750</td>
<td>—</td>
<td>—</td>
<td>7,338,750</td>
<td>—</td>
<td>—</td>
<td></td>
</tr>
<tr>
<td>Transfers out of Level 3&lt;sup&gt;b&lt;/sup&gt;</td>
<td>(20,983,462)</td>
<td>(5,005,964)</td>
<td>(6,534,284)</td>
<td>—</td>
<td>(9,443,214)</td>
<td>—</td>
<td></td>
</tr>
<tr>
<td>Balance as of December 31, 2014</td>
<td>$ 14,621,194</td>
<td>$</td>
<td>$</td>
<td>$ 7,338,750</td>
<td>$</td>
<td>$ 7,282,444</td>
<td></td>
</tr>
</tbody>
</table>

The change in unrealized appreciation (depreciation) attributable to securities owned on December 31, 2014 which were valued using significant unobservable inputs (Level 3) amounted to $377,981.

<sup>a</sup> As of December 31, 2013, the Fund used significant observable inputs in determining the value of certain investments. As of December 31, 2014, the Fund used significant unobservable inputs in determining the value of the same investments.

<sup>b</sup> As of December 31, 2013, the Fund used significant unobservable inputs in determining the value of certain investments. As of December 31, 2014, the Fund used significant observable inputs in determining the value of the same investments.

Security Transactions and Investment Income: Security transactions are recorded on trade date. Realized gains and losses on investments sold are recorded on the basis of identified cost. Interest income is recorded on the accrual basis. Discounts are accreted and premiums are amortized over the life of the respective securities. Dividend income is recorded on the ex-dividend date, except for certain
dividends on foreign securities, which are recorded as soon as the Fund is informed after the ex-dividend date. Distributions from Real Estate Investment Trusts (REITs) are recorded as ordinary income, net realized capital gain or return of capital based on information reported by the REITs and management’s estimates of such amounts based on historical information. These estimates are adjusted when the actual source of distributions is disclosed by the REITs and actual amounts may differ from the estimated amounts.

Options: The Fund may purchase and write exchange-listed and over-the-counter put or call options on securities, stock indices and other financial instruments to enhance portfolio returns and reduce overall volatility.

When the Fund writes (sells) an option, an amount equal to the premium received by the Fund is recorded on the Statement of Assets and Liabilities as a liability. The amount of the liability is subsequently marked-to-market to reflect the current market value of the option written. When an option expires, the Fund realizes a gain on the option to the extent of the premium received. Premiums received from writing options which are exercised or closed are added to or offset against the proceeds or amount paid on the transaction to determine the realized gain or loss. If a put option on a security is exercised, the premium reduces the cost basis of the security purchased by the Fund. If a call option is exercised, the premium is added to the proceeds of the security sold to determine the realized gain or loss. The Fund, as writer of an option, bears the market risk of an unfavorable change in the price of the underlying index or security. Other risks include the possibility of an illiquid options market or the inability of the counterparties to fulfill their obligations under the contracts.

Put and call options purchased are accounted for in the same manner as portfolio securities. Premiums paid for purchasing options which expire are treated as realized losses. Premiums paid for purchasing options which are exercised or closed are added to the amounts paid or offset against the proceeds on the underlying investment transaction to determine the realized gain or loss when the underlying transaction is executed. The risk associated with purchasing an option is that the Fund pays a premium whether or not the option is exercised. Additionally, the Fund bears the risk of loss of the premium and change in market value should the counterparty not perform under the contract.

Foreign Currency Translation: The books and records of the Fund are maintained in U.S. dollars. Investment securities and other assets and liabilities denominated in foreign currencies are translated into U.S. dollars based upon prevailing exchange rates on the date of valuation. Purchases and sales of investment securities and income and expense items denominated in foreign currencies are translated into U.S. dollars based upon prevailing exchange rates on the respective dates of such transactions. The Fund does not isolate that portion of the results of operations resulting from fluctuations in foreign exchange rates on investments from the fluctuations arising from changes in market prices of securities held. Such fluctuations are included with the net realized and unrealized gain or loss on investments.

Net realized foreign exchange gains or losses arise from sales of foreign currencies, including gains and losses on forward foreign currency exchange contracts, currency gains or losses realized between the trade and settlement dates on securities transactions, and the difference between the amounts of dividends, interest, and foreign withholding taxes recorded on the Fund’s books and the U.S. dollar equivalent of the amounts actually received or paid. Net unrealized foreign exchange gains and losses arise from changes in the values of assets and liabilities, other than investments in securities,
on the date of valuation, resulting from changes in exchange rates. Pursuant to U.S. federal income tax regulations, certain foreign currency gains/losses included in realized and unrealized gains/losses are included in or are a reduction of ordinary income for federal income tax purposes.

Foreign Securities: The Fund directly purchases securities of foreign issuers. Investing in securities of foreign issuers involves special risks not typically associated with investing in securities of U.S. issuers. The risks include possible revaluation of currencies, the ability to repatriate funds, less complete financial information about companies and possible future adverse political and economic developments. Moreover, securities of many foreign issuers and their markets may be less liquid and their prices more volatile than securities of comparable U.S. issuers.

Forward Foreign Currency Exchange Contracts: The Fund enters into forward foreign currency exchange contracts to hedge the currency exposure associated with certain of its non-U.S. dollar denominated securities. A forward foreign currency exchange contract is a commitment between two parties to purchase or sell foreign currency at a set price on a future date. The market value of a forward foreign currency exchange contract fluctuates with changes in foreign currency exchange rates. These contracts are marked to market daily and the change in value is recorded by the Fund as unrealized appreciation and/or depreciation on foreign currency translations. Realized gains or losses equal to the difference between the value of the contract at the time it was opened and the value at the time it was closed are included in net realized gain or loss on foreign currency transactions. For federal income tax purposes, the Fund has made an election to treat gains and losses from forward foreign currency exchange contracts as capital gains and losses.

Forward foreign currency exchange contracts involve elements of market risk in excess of the amounts reflected on the Statement of Assets and Liabilities. The Fund bears the risk of an unfavorable change in the foreign exchange rate underlying the contract. Risks may also arise upon entering these contracts from the potential inability of the counterparties to meet the terms of their contracts. In connection with these contracts, securities may be identified as collateral in accordance with the terms of the respective contracts.

Dividends and Distributions to Shareholders: Dividends from net investment income and capital gain distributions are determined in accordance with U.S. federal income tax regulations, which may differ from GAAP. Dividends from net investment income, if any, are declared and paid quarterly. Net realized capital gains, unless offset by any available capital loss carryforward, are typically distributed to shareholders at least annually. Dividends and distributions to shareholders are recorded on the ex-dividend date and are automatically reinvested in full and fractional shares of the Fund in accordance with the Fund’s Reinvestment Plan, unless the shareholder has elected to have them paid in cash. Distributions paid by the Fund are subject to recharacterization for tax purposes.

Income Taxes: It is the policy of the Fund to continue to qualify as a regulated investment company, if such qualification is in the best interest of the shareholders, by complying with the requirements of Subchapter M of the Internal Revenue Code applicable to regulated investment companies, and by distributing substantially all of its taxable earnings to its shareholders. Accordingly, no provision for federal income or excise tax is necessary. Dividend and interest income from holdings in non-U.S. securities is recorded net of non-U.S. taxes paid. Management has analyzed the Fund’s tax positions taken on federal and applicable state income tax returns as well as its tax positions in non-U.S.
jurisdictions in which it trades for all open tax years and has concluded that as of December 31, 2014, no additional provisions for income tax are required in the Fund's financial statements. The Fund's tax positions for the tax years for which the applicable statutes of limitations have not expired are subject to examination by the Internal Revenue Service, state departments of revenue and by foreign tax authorities.

Note 2. Investment Management Fees, Administration Fees and Other Transactions with Affiliates

*Investment Management Fees:* The investment manager serves as the Fund’s investment manager pursuant to an investment management agreement (the investment management agreement). Under the terms of the investment management agreement, the investment manager provides the Fund with day-to-day investment decisions and generally manages the Fund’s investments in accordance with the stated policies of the Fund, subject to the supervision of the Board of Directors.

For the services provided to the Fund, the investment manager receives a fee, accrued daily and paid monthly, at the annual rate of 0.65% of the average daily managed assets of the Fund. Managed assets are equal to the net assets of the common shares plus the amount of any borrowings, used for leverage, outstanding.

*Administration Fees:* The Fund has entered into an administration agreement with the investment manager under which the investment manager performs certain administrative functions for the Fund and receives a fee, accrued daily and paid monthly, at the annual rate of 0.06% of the average daily managed assets of the Fund up to $1 billion, 0.04% of the average daily managed assets of the Fund in excess of $1 billion and up to $1.5 billion and 0.02% of the average daily managed assets of the Fund in excess of $1.5 billion. For the year ended December 31, 2014, the Fund incurred $726,925 in fees under this administration agreement. Additionally, the Fund pays State Street Bank and Trust Company as co-administrator under a fund accounting and administration agreement.

*Directors’ and Officers’ Fees:* Certain directors and officers of the Fund are also directors, officers and/or employees of the investment manager. The Fund does not pay compensation to directors and officers affiliated with the investment manager except for the Chief Compliance Officer, who received compensation from the investment manager, which was reimbursed by the Fund, in the amount of $15,107 for the year ended December 31, 2014.

Note 3. Purchases and Sales of Securities

Purchases and sales of securities, excluding short-term investments, for the year ended December 31, 2014, totaled $705,636,341 and $699,499,565, respectively.
Transactions in written option contracts during the year ended December 31, 2014, were as follows:

<table>
<thead>
<tr>
<th></th>
<th>Number of Contracts</th>
<th>Premiums</th>
</tr>
</thead>
<tbody>
<tr>
<td>Written option contracts</td>
<td>2,832</td>
<td>$57,682</td>
</tr>
<tr>
<td>outstanding at December 31, 2013 . . .</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Option contracts written</td>
<td>18,444</td>
<td>1,659,960</td>
</tr>
<tr>
<td>Option contracts expired</td>
<td>(2,832)</td>
<td>(57,682)</td>
</tr>
<tr>
<td>Written option contracts</td>
<td>18,444</td>
<td>$1,659,960</td>
</tr>
<tr>
<td>outstanding at December 31, 2014 . . .</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note 4. Derivative Investments

The following tables present the value of derivatives held at December 31, 2014 and the effect of derivatives held during the year ended December 31, 2014, along with the respective location in the financial statements. The volume of activity for written option contracts for the year ended December 31, 2014 is summarized in Note 3.

Statement of Assets and Liabilities

<table>
<thead>
<tr>
<th>Derivatives</th>
<th>Assets</th>
<th>Liabilities</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Location</td>
<td>Fair Value</td>
</tr>
<tr>
<td>Forward foreign currency exchange contracts(^a)</td>
<td>Unrealized appreciation</td>
<td>$507,126</td>
</tr>
<tr>
<td>Written option contracts</td>
<td>—</td>
<td>—</td>
</tr>
</tbody>
</table>

\(^a\)Forward foreign currency exchange contracts executed with Brown Brothers Harriman are not subject to a master netting arrangement or another similar agreement.

Statement of Operations

<table>
<thead>
<tr>
<th>Derivatives</th>
<th>Location</th>
<th>Realized Gain</th>
<th>Change in Unrealized Appreciation (Depreciation)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Forward foreign currency exchange contracts</td>
<td>Net Realized and Unrealized Gain (Loss)</td>
<td>$2,450,822</td>
<td>$721,499</td>
</tr>
<tr>
<td>Written option contracts</td>
<td>Net Realized and Unrealized Gain (Loss)</td>
<td>57,682</td>
<td>(39,600)</td>
</tr>
</tbody>
</table>
The following summarizes the volume of the Fund’s forward foreign currency exchange contracts activity during the year ended December 31, 2014:

<table>
<thead>
<tr>
<th>Forward Foreign Currency Exchange Contracts</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average Notional Amount</td>
</tr>
<tr>
<td>Ending Notional Amount</td>
</tr>
</tbody>
</table>

At December 31, 2014, the Fund’s derivative assets and liabilities (by type), which are subject to a master netting agreement, are as follows:

<table>
<thead>
<tr>
<th>Derivative Financial Instruments</th>
<th>Assets</th>
<th>Liabilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Written option contracts</td>
<td>$—</td>
<td>$1,729,217</td>
</tr>
</tbody>
</table>

The following table presents the Fund’s derivative liabilities by counterparty net of amounts available for offset under a master netting agreement and net of the related collateral pledged by the Fund, if any, as of December 31, 2014:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>BNP Paribas</td>
<td>$1,729,217</td>
<td>$—</td>
<td>$1,729,217</td>
</tr>
</tbody>
</table>

a In some instances, the actual collateral pledged may be more than amount shown.

b Net amount represents the net payable due to the counterparty in the event of default.

Note 5. Income Tax Information

The tax character of dividends paid was as follows:

| For the Year Ended December 31, |
|----------------------------------|-------------------------------|
|                                 | 2014                          | 2013                          |
| Ordinary income                 | $61,623,000                   | $57,622,528                   |
| Total dividends                  | $61,623,000                   | $57,622,528                   |
As of December 31, 2014, the tax-basis components of accumulated earnings and the federal tax cost were as follows:

<table>
<thead>
<tr>
<th>Component</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost for federal income tax purposes</td>
<td>$1,102,620,758</td>
</tr>
<tr>
<td>Gross unrealized appreciation</td>
<td>$ 276,203,352</td>
</tr>
<tr>
<td>Gross unrealized depreciation</td>
<td>(6,744,038)</td>
</tr>
<tr>
<td>Net unrealized appreciation</td>
<td>$ 269,459,314</td>
</tr>
</tbody>
</table>

As of December 31, 2014, the Fund had a net capital loss carryforward of $72,374,815, which may be used to offset future capital gains. These losses are comprised of short-term capital loss carryovers, which will expire on December 31, 2017. In addition, the Fund incurred net ordinary loss of $48,947, that it has elected to treat as arising in the following fiscal year.

During the year ended December 31, 2014, the Fund utilized net capital loss carryforwards of $95,605,533.

As of December 31, 2014, the Fund had temporary book/tax differences primarily attributable to wash sales on portfolio securities and certain fixed income securities and permanent book/tax differences primarily attributable to Fund distributions, certain fixed income securities and foreign currency transactions. To reflect reclassifications arising from the permanent differences, paid-in capital was charged $18,348,008, accumulated net realized loss was credited $169,846 and accumulated undistributed net investment income was credited $18,178,162. Net assets were not affected by this reclassification.

**Note 6. Capital Stock**

The Fund is authorized to issue 100 million shares of common stock at a par value of $0.001 per share.

During the years ended December 31, 2014 and December 31, 2013, the Fund did not issue any shares of common stock for the reinvestment of dividends.

On December 9, 2014, the Board of Directors approved the continuation of the delegation of its authority to management to effect repurchases, pursuant to management’s discretion and subject to market conditions and investment considerations, of up to 10% of the Fund’s common shares outstanding (Share Repurchase Program) from January 1, 2015 through December 31, 2015.

During the year ended December 31, 2014, the Fund did not effect any repurchases. During the year ended December 31, 2013, the Fund repurchased 305,767 Treasury shares of its common stock at an average price of $15.93 per share (including brokerage commissions) at a weighted average discount of 12.8%. These repurchases, which had a total cost of $4,871,290, resulted in an increase of $0.01 to the Fund’s net asset value per share.
Note 7. Borrowings

The Fund has entered into an amended and restated credit agreement (the credit agreement) with BNP Paribas Prime Brokerage International, Ltd. (BNPP) in which the Fund pays a monthly financing charge based on a combination of LIBOR-based variable and fixed rates. The commitment amount of the credit agreement is $350,000,000. The Fund also pays a fee of 0.55% per annum on the unused portion of the credit agreement. BNPP may not change certain terms of the credit agreement except upon 360 days’ notice; however, if the Fund exceeds certain net asset value triggers, BNPP may make such changes upon 60 days’ notice to the Fund. Also, if the Fund violates certain other conditions, the credit agreement may be terminated. The Fund is required to pledge portfolio securities as collateral in an amount up to two times the loan balance outstanding (or more depending on the terms of the credit agreement) and has granted a security interest in the securities pledged to, and in favor of, BNPP as security for the loan balance outstanding. If the Fund fails to meet certain requirements, or maintain other financial covenants required under the credit agreement, the Fund may be required to repay immediately, in part or in full, the loan balance outstanding under the credit agreement, necessitating the sale of portfolio securities at potentially inopportune times. The Fund may, upon prior written notice to BNPP, prepay all or a portion of the fixed and variable rate portions of the credit facility. The Fund may have to pay a breakage fee with respect to a prepayment of all or a portion of the fixed rate financing under the credit facility. The credit agreement also permits, subject to certain conditions, BNPP to rehypothecate portfolio securities pledged by the Fund up to the amount of the loan balance outstanding. The Fund continues to receive dividends and interest on rehypothecated securities. The Fund also has the right under the credit agreement to recall the rehypothecated securities from BNPP on demand. If BNPP fails to deliver the recalled security in a timely manner, the Fund will be compensated by BNPP for any fees or losses related to the failed delivery or, in the event a recalled security will not be returned by BNPP, the Fund, upon notice to BNPP, may reduce the loan balance outstanding by the amount of the recalled security failed to be returned. The Fund will receive a portion of the fees earned by BNPP in connection with the rehypothecation of portfolio securities.

As of December 31, 2014, the Fund had outstanding borrowings of $350,000,000. During the year ended December 31, 2014, the Fund borrowed an average daily balance of $350,000,000 at a weighted average borrowing cost of 1.9%. As of December 31, 2014, the aggregate value of rehypothecated securities, which are reflected as part of investments in securities on the Statement of Assets and Liabilities, was $312,866,607. The value of the outstanding borrowings under the credit agreement exceeded the value of the rehypothecated securities at December 31, 2014. During the year ended December 31, 2014, the Fund earned $76,245 in fees from rehypothecated securities.

Note 8. Other

In the normal course of business, the Fund enters into contracts that provide general indemnifications. The Fund’s maximum exposure under these arrangements is dependent on claims that may be made against the Fund in the future and, therefore, cannot be estimated; however, based on experience, the risk of material loss from such claims is considered remote.
Note 9. Subsequent Events

On February 23, 2015, the Board of Directors of the Fund approved an amendment to the credit agreement with BNPP to extend the maturity date of the fixed rate financing by 3 years (the amendment). The amendment will include a one-time arrangement fee. The terms and conditions under the amendment will be similar to the terms and conditions under the existing credit agreement as set forth in Note 7.

Management has evaluated events and transactions occurring after December 31, 2014 through the date that the financial statements were issued, and has determined that no additional disclosure in the financial statements is required.
To the Board of Directors and Shareholders of Cohen & Steers REIT and Preferred Income Fund, Inc.

In our opinion, the accompanying statement of assets and liabilities, including the schedule of investments, and the related statements of operations, of changes in net assets and of cash flows and the financial highlights present fairly, in all material respects, the financial position of Cohen & Steers REIT and Preferred Income Fund, Inc. (the “Fund”) at December 31, 2014, the results of its operations and its cash flows for the year then ended, the changes in its net assets for each of the two years in the period then ended and the financial highlights for each of the five years in the period then ended, in conformity with accounting principles generally accepted in the United States of America. These financial statements and financial highlights (hereafter referred to as “financial statements”) are the responsibility of the Fund’s management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these financial statements 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 are free of material misstatement. An audit 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, and evaluating the overall financial statement presentation. We believe that our audits, which included confirmation of securities at December 31, 2014 by correspondence with the custodian and brokers, provide a reasonable basis for our opinion.

PricewaterhouseCoopers LLP
New York, New York
February 25, 2015
The performance data quoted represent past performance. Past performance is no guarantee of future results. The investment return will vary and the principal value of an investment will fluctuate and shares, if sold, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. Performance results reflect the effect of leverage from utilization of borrowings under a credit agreement and/or from the issuance of preferred shares. Current total returns of the Fund can be obtained by visiting our website at cohenandsteers.com. The Fund's returns assume the reinvestment of all dividends and distributions at prices obtained under the Fund's dividend reinvestment plan.

TAX INFORMATION—2014 (Unaudited)

Pursuant to the Jobs and Growth Relief Reconciliation Act of 2003, the Fund designates qualified dividend income of $25,508,336. Additionally, 20.72% of the ordinary dividends qualified for the dividends received deduction available to corporations.

REINVESTMENT PLAN

The Fund has a dividend reinvestment plan commonly referred to as an “opt-out” plan (the Plan). Each common shareholder who participates in the Plan will have all distributions of dividends and capital gains (Dividends) automatically reinvested in additional common shares by Computershare as agent (the Plan Agent). Shareholders who elect not to participate in the Plan will receive all Dividends in cash paid by check mailed directly to the shareholder of record (or if the shares are held in street or other nominee name, then to the nominee) by the Plan Agent, as dividend disbursing agent. Shareholders whose common shares are held in the name of a broker or nominee should contact the broker or nominee to determine whether and how they may participate in the Plan.

The Plan Agent serves as agent for the shareholders in administering the Plan. After the Fund declares a Dividend, the Plan Agent will, as agent for the shareholders, either: (i) receive the cash payment and use it to buy common shares in the open market, on the NYSE or elsewhere, for the participants’ accounts or (ii) distribute newly issued common shares of the Fund on behalf of the participants.

The Plan Agent will receive cash from the Fund with which to buy common shares in the open market if, on the Dividend payment date, the net asset value (NAV) per share exceeds the market price per share plus estimated brokerage commissions on that date. The Plan Agent will receive the Dividend in newly issued common shares of the Fund if, on the Dividend payment date, the market price per share plus estimated brokerage commissions equals or exceeds the NAV per share of the Fund on that date. The number of shares to be issued will be computed at a per share rate equal to the greater of (i) the NAV or (ii) 95% of the closing market price per share on the payment date.
If the market price per share is less than the NAV on a Dividend payment date, the Plan Agent will have until the last business day before the next ex-dividend date for the common stock, but in no event more than 30 days after the Dividend payment date (as the case may be, the Purchase Period), to invest the Dividend amount in shares acquired in open market purchases. If at the close of business on any day during the Purchase Period on which NAV is calculated the NAV equals or is less than the market price per share plus estimated brokerage commissions, the Plan Agent will cease making open market purchases and the uninvested portion of such Dividends shall be filled through the issuance of new shares of common stock from the Fund at the price set forth in the immediately preceding paragraph.

Participants in the Plan may withdraw from the Plan upon notice to the Plan Agent. Such withdrawal will be effective immediately if received not less than ten days prior to a Dividend record date; otherwise, it will be effective for all subsequent Dividends. If any participant elects to have the Plan Agent sell all or part of his or her shares and remit the proceeds, the Plan Agent is authorized to deduct a $15.00 fee plus $0.10 per share brokerage commissions.

The Plan Agent's fees for the handling of reinvestment of Dividends will be paid by the Fund. However, each participant will pay a pro rata share of brokerage commissions incurred with respect to the Plan Agent’s open market purchases in connection with the reinvestment of Dividends. The automatic reinvestment of Dividends will not relieve participants of any income tax that may be payable or required to be withheld on such Dividends.

The Fund reserves the right to amend or terminate the Plan. All correspondence concerning the Plan should be directed to the Plan Agent at 800-432-8224.

OTHER INFORMATION

A description of the policies and procedures that the Fund uses to determine how to vote proxies relating to portfolio securities is available (i) without charge, upon request, by calling 800-330-7348, (ii) on our website at cohenandsteers.com or (iii) on the Securities and Exchange Commission’s (the SEC) website at http://www.sec.gov. In addition, the Fund’s proxy voting record for the most recent 12-month period ended June 30 is available by August 31 of each year (i) without charge, upon request, by calling 800-330-7348 or (ii) on the SEC’s website at http://www.sec.gov.

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 Forms N-Q are available (i) without charge, upon request, by calling 800-330-7348 or (ii) on the SEC’s website at http://www.sec.gov. In addition, the Forms N-Q may be reviewed and copied at the SEC’s Public Reference Room in Washington, DC. Information on the operation of the Public Reference Room may be obtained by calling 800-SEC-0330.

Please note that distributions paid by the Fund to shareholders are subject to recharacterization for tax purposes and are taxable up to the amount of the Fund’s investment company taxable income and net realized gains. Distributions in excess of the Fund’s investment company taxable income and net realized gains are a return of capital distributed from the Fund’s assets. To the extent this occurs, the Fund’s shareholders of record will be notified of the estimated amount of capital returned to shareholders for each such distribution and this information will also be available at cohenandsteers.com. The final tax treatment of all distributions is reported to shareholders on their 1099-DIV forms, which are mailed after the close of each calendar year. Distributions of capital decrease the Fund’s total assets.
and, therefore, could have the effect of increasing the Fund’s expense ratio. In addition, in order to make these distributions, the Fund may have to sell portfolio securities at a less than opportune time.

Notice is hereby given in accordance with Rule 23c-1 under the 1940 Act that the Fund may purchase, from time to time, shares of its common stock in the open market.

Election of Additional Director

Effective January 26, 2015, the Board of Directors has elected Dean Junkans as director of the Fund to serve until the annual meeting of stockholders in 2017 and until he or his successor is duly elected and qualified.

Prior to becoming a Director of various Cohen & Steers funds, Mr. Junkans was Chief Investment Officer at Wells Fargo Private Bank from 2004 to 2014, and also served as Chief Investment Officer of the Wealth, Brokerage and Retirement group at Wells Fargo & Company from 2011 to 2014. He is currently a member, and former Chair, of the Claritas Advisory Committee at the CFA Institute, and is also a board member and Investment Committee member of Bethel University Foundation. He was a member of the Board of Governors of the University of Wisconsin Foundation, River Falls, from 1996 to 2004, and is a U.S. Army Veteran.

Changes to Investment Policies

The Board of Directors of the Fund approved clarifying and amending changes to the Fund’s investment policies. These changes are effective January 15, 2015.

The Fund’s investment policy that limits its investment in debt securities to 20% of its total assets is being clarified to specify that investments in convertible preferred stock will not be considered debt securities for the purposes of the 20% limit on debt securities.

The Fund’s investment policy of investing at least 80% of its total assets in common stocks issued by real estate investment trusts and preferred securities is being clarified to specify that contingent capital securities (sometimes referred to as “CoCos”) and convertible preferred securities, which are types of hybrid preferred securities, are considered preferred securities for purposes of this policy.

Finally, the Fund’s investment policy limiting its investments in below investment grade securities to 20% of its total assets is being eliminated.

The changes in the Fund’s investment policies are being made to clarify the treatment of new products in the preferred securities space, to address the development of CoCos and convertible preferred securities, and to otherwise reflect changes in the Fund’s investment universe.

CoCos are debt or preferred securities with loss absorption characteristics. Some CoCos provide for mandatory conversion into common stock of the issuer under certain circumstances; others provide for a reduction in the par value or principal amount of the security. In addition to market and price risks, investors in these securities could experience a reduced income rate and any conversion would deepen the subordination of the investor and hence it’s standing in a bankruptcy. In addition, most CoCos are considered to be high yield or “junk” securities and are therefore subject to the risks of investing in below investment grade securities.
The Fund will not be limited in the percentage of its assets that may be invested in below investment grade (or unrated) securities. Investing in below investment grade securities, or equivalent unrated securities, generally involves greater price volatility and risk of loss of income and principal, and may be more susceptible to real or perceived adverse economic and competitive industry conditions than higher grade securities.
MANAGEMENT OF THE FUND

The business and affairs of the Fund are managed under the direction of the Board of Directors. The Board of Directors approves all significant agreements between the Fund and persons or companies furnishing services to it, including the Fund’s agreements with its investment manager, administrator, co-administrator, custodian and transfer agent. The management of the Fund’s day-to-day operations is delegated to its officers, the investment manager, administrator and co-administrator, subject always to the investment objective and policies of the Fund and to the general supervision of the Board of Directors.

The Board of Directors and officers of the Fund and their principal occupations during at least the past five years are set forth below. The statement of additional information (SAI) includes additional information about fund directors and is available, without charge, upon request by calling 800-330-7348.

<table>
<thead>
<tr>
<th>Name, Address(^1) and Age</th>
<th>Position(s) Held With Fund</th>
<th>Term of Office(^2)</th>
<th>Principal Occupation During At Least The Past 5 Years (Including Other Directorships Held)</th>
<th>Complex Overseen by Director (Including the Fund)</th>
<th>Number of Funds Within Fund</th>
<th>Length of Time Served(^3)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interested Directors(^4)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Robert H. Steers . . . .</td>
<td>Director and Chairman</td>
<td>Until next election of directors</td>
<td>Chief Executive Officer of Cohen &amp; Steers Capital Management, Inc. (CSCM or the Advisor) and its parent, Cohen &amp; Steers, Inc. (CNS) since 2014. Prior to that, Co-Chairman and Co-Chief Executive Officer of the Advisor since 2003 and CNS since 2004.</td>
<td>21 Since 1991</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Joseph M. Harvey . . .</td>
<td>Director and Vice President</td>
<td>Until next election of directors</td>
<td>President and Chief Investment Officer of CSCM since 2003 and President of CNS since 2004.</td>
<td>16 Since 2014</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Disinterested Directors</td>
<td></td>
<td></td>
<td>From May 2006 to June 2011, President and Chief Executive Officer of DWS Funds and Managing Director of Deutsche Asset Management.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Michael G. Clark . . .</td>
<td>Director</td>
<td>Until next election of directors</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

\(^1\) Address1

\(^2\) Position(s) Held With Fund

\(^3\) Term of Office

\(^4\) Number of Funds Within Fund

\(^5\) Complex Overseen by Director

\(^6\) Length of Time Served

(table continued on next page)
<table>
<thead>
<tr>
<th>Name, Address¹ and Age</th>
<th>Position(s) Held With Fund</th>
<th>Term of Office²</th>
<th>Principal Occupation During At Least The Past 5 Years (Including Other Directorships Held)</th>
<th>Number of Funds Within Fund Complex Overseen by Director (Including Other Directorships Held)</th>
<th>Length of Time Served³</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bonnie Cohen . . . . . .</td>
<td>Director</td>
<td>Until next election of directors</td>
<td>Consultant. Board Member, DC Public Library Foundation since 2012; President since 2014; Board Member, Telluride Mountain Film Festival since 2010; Trustee, H. Rubenstein Foundation since 1996; Trustee, District of Columbia Public Libraries since 2004.</td>
<td>21</td>
<td>Since 2001</td>
</tr>
<tr>
<td>George Grossman . . . . .</td>
<td>Director</td>
<td>Until next election of directors</td>
<td>Attorney-at-law.</td>
<td>21</td>
<td>Since 1993</td>
</tr>
<tr>
<td>Richard E. Kroon . . . . .</td>
<td>Director</td>
<td>Until next election of directors</td>
<td>Member of Investment Committee, Monmouth University since 2004; Former Director, Retired Chairman and Managing Partner of Sprout Group venture capital funds, then an affiliate of Donaldson, Lufkin and Jenrette Securities Corporation from 1981 to 2001. Former chairman of the National Venture Capital Association for the year 2000.</td>
<td>21</td>
<td>Since 2004</td>
</tr>
<tr>
<td>Richard J. Norman . . . . .</td>
<td>Director</td>
<td>Until next election of directors</td>
<td>Private Investor. Member, Montgomery County, Maryland Department of Corrections Volunteer Corps since February 2010; Liaison for Business Leadership, Salvation Army World Service Organization (SAWSO) since 2010; Advisory Board Member, The Salvation Army since 1985; Prior thereto, Investment Representative of Morgan Stanley Dean Witter from 1966 to 2000.</td>
<td>21</td>
<td>Since 2001</td>
</tr>
</tbody>
</table>
## Table of Directors

<table>
<thead>
<tr>
<th>Name, Address¹ and Age</th>
<th>Position(s) Held With Fund</th>
<th>Term of Office²</th>
<th>Principal Occupation During At Least The Past 5 Years (Including Other Directorships Held)</th>
<th>Number of Funds Within Fund Complex Overseen by Director (Including Other Directorships Held)</th>
<th>Length of Time Served³</th>
</tr>
</thead>
<tbody>
<tr>
<td>Frank K. Ross . . . . .</td>
<td>Director</td>
<td>Until next election of directors</td>
<td>Visiting Professor of Accounting and Director of the Center for Accounting Education at Howard University School of Business since 2004; Board member and member of Audit Committee (Chairman from 2007 to 2012) and Human Resources and Compensation Committee, Pepco Holdings, Inc. (electric utility) from 2004 to 2014; Formerly, Mid-Atlantic Area Managing Partner for Assurance Services at KPMG LLP and Managing Partner of its Washington, DC offices from 1977 to 2003.</td>
<td>21</td>
<td>Since 2004</td>
</tr>
<tr>
<td>C. Edward Ward Jr. . .</td>
<td>Director</td>
<td>Until next election of directors</td>
<td>Member of The Board of Trustees of Manhattan College, Riverdale, New York from 2004 to 2014. Formerly Director of closed-end fund management for the New York Stock Exchange, where he worked from 1979 to 2004.</td>
<td>21</td>
<td>Since 2004</td>
</tr>
</tbody>
</table>

¹ The address for each director is 280 Park Avenue, New York, NY 10017.

² On March 12, 2008, the Board of Directors adopted a mandatory retirement policy stating a Director must retire from the Board on December 31st of the year in which he or she turns 75 years of age.

³ The length of time served represents the year in which the director was first elected or appointed to any fund in the Cohen & Steers fund complex.

⁴ “Interested person”, as defined in the 1940 Act, of the Fund because of affiliation with CSCM (Interested Directors).
The officers of the Fund (other than Messrs. Steers and Harvey, whose biographies are provided above), their address, their ages and their principal occupations for at least the past five years are set forth below.

<table>
<thead>
<tr>
<th>Name, Address and Age</th>
<th>Position(s) Held With Fund</th>
<th>Principal Occupation During At Least the Past 5 Years</th>
<th>Length of Time Served</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adam M. Derechin . . .</td>
<td>President and Chief Executive Officer</td>
<td>Chief Operating Officer of C SCM since 2003 and CNS since 2004.</td>
<td>Since 2005</td>
</tr>
<tr>
<td>Age: 50</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>William F. Scapell . .</td>
<td>Vice President</td>
<td>Executive Vice President of C SCM since January 2014. Prior to that, Senior Vice President of C SCM since 2003.</td>
<td>Since 2003</td>
</tr>
<tr>
<td>Age: 46</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Thomas N. Bohjanian . .</td>
<td>Vice President</td>
<td>Executive Vice President of C SCM since 2012. Prior to that, Senior Vice President of the C SCM since 2006.</td>
<td>Since 2006</td>
</tr>
<tr>
<td>Age: 49</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Yigal D. Jhirad . . . .</td>
<td>Vice President</td>
<td>Senior Vice President of C SCM since 2007.</td>
<td>Since 2007</td>
</tr>
<tr>
<td>Age: 50</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Francis C. Poli . . . .</td>
<td>Secretary</td>
<td>Executive Vice President, Secretary and General Counsel of C SCM and CNS since March 2007.</td>
<td>Since 2007</td>
</tr>
<tr>
<td>Age: 52</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>James Giallanza . . . .</td>
<td>Treasurer and Chief Financial Officer</td>
<td>Executive Vice President of C SCM since January 2014. Prior to that, Senior Vice President of C SCM since 2006.</td>
<td>Since 2006</td>
</tr>
<tr>
<td>Age: 48</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Age: 46</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Heather Kaden . . . .</td>
<td>Deputy Chief Compliance Officer</td>
<td>Vice President of C SCM since 2010 and Compliance Officer of Cohen &amp; Steers UK, Limited since 2013. Prior to that, Senior Compliance Associate since 2007.</td>
<td>Since 2014</td>
</tr>
<tr>
<td>Age: 39</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*(table continued on next page)*
### Table

<table>
<thead>
<tr>
<th>Name, Address and Age¹</th>
<th>Position(s) Held With Fund</th>
<th>Principal Occupation During At Least the Past 5 Years</th>
<th>Length of Time Served²</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tina M. Payne . . . . . . . . . . .</td>
<td>Assistant Secretary</td>
<td>Senior Vice President and Associate General Counsel of CSCM since 2010. Prior to that, Vice President and Associate General Counsel since July 2007.</td>
<td>Since 2007</td>
</tr>
<tr>
<td>Age: 40</td>
<td>Vice President of CSCM since August 2008.</td>
<td>Since 2009</td>
<td></td>
</tr>
<tr>
<td>Neil Bloom . . . . . . . . . . .</td>
<td>Assistant Treasurer</td>
<td>Vice President of CSCM since August 2008.</td>
<td>Since 2009</td>
</tr>
<tr>
<td>Age: 44</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

¹ The address of each officer is 280 Park Avenue, New York, NY 10017.

² Officers serve one-year terms. The length of time served represents the year in which the officer was first elected to that position in any fund in the Cohen & Steers fund complex. All of the officers listed above are officers of one or more of the other funds in the complex.
### Facts

What Does Cohen & Steers Do With Your Personal Information?

### Why?

Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.

### What?

The types of personal information we collect and share depend on the product or service you have with us. This information can include:

- Social Security number and account balances
- Transaction history and account transactions
- Purchase history and wire transfer instructions

### How?

All financial companies need to share customers’ personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers’ personal information; the reasons Cohen & Steers chooses to share; and whether you can limit this sharing.

<table>
<thead>
<tr>
<th>Reasons we can share your personal information</th>
<th>Does Cohen &amp; Steers share?</th>
<th>Can you limit this sharing?</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>For our everyday business purposes</strong>—such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or reports to credit bureaus</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td><strong>For our marketing purposes</strong>—to offer our products and services to you</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td><strong>For joint marketing with other financial companies</strong>—</td>
<td>No</td>
<td>We don’t share</td>
</tr>
<tr>
<td><strong>For our affiliates’ everyday business purposes</strong>—information about your transactions and experiences</td>
<td>No</td>
<td>We don’t share</td>
</tr>
<tr>
<td><strong>For our affiliates’ everyday business purposes</strong>—information about your creditworthiness</td>
<td>No</td>
<td>We don’t share</td>
</tr>
<tr>
<td><strong>For our affiliates to market to you</strong>—</td>
<td>No</td>
<td>We don’t share</td>
</tr>
<tr>
<td><strong>For non-affiliates to market to you</strong>—</td>
<td>No</td>
<td>We don’t share</td>
</tr>
</tbody>
</table>

Questions? Call 800-330-7348
Cohen & Steers Privacy Policy—(Continued)

Who we are

Who is providing this notice?

What we do

How does Cohen & Steers protect my personal information?
To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings. We restrict access to your information to those employees who need it to perform their jobs, and also require companies that provide services on our behalf to protect your information.

How does Cohen & Steers collect my personal information?
We collect your personal information, for example, when you:
• Open an account or buy securities from us
• Provide account information or give us your contact information
• Make deposits or withdrawals from your account

We also collect your personal information from other companies.

Why can’t I limit all sharing?
Federal law gives you the right to limit only:
• sharing for affiliates’ everyday business purposes—information about your creditworthiness
• affiliates from using your information to market to you
• sharing for non-affiliates to market to you

State law and individual companies may give you additional rights to limit sharing.

Definitions

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Affiliates</td>
<td>Companies related by common ownership or control. They can be financial and nonfinancial companies.</td>
</tr>
<tr>
<td></td>
<td>• Cohen &amp; Steers does not share with affiliates.</td>
</tr>
<tr>
<td>Non-affiliates</td>
<td>Companies not related by common ownership or control. They can be financial and nonfinancial companies.</td>
</tr>
<tr>
<td></td>
<td>• Cohen &amp; Steers does not share with non-affiliates.</td>
</tr>
<tr>
<td>Joint marketing</td>
<td>A formal agreement between non-affiliated financial companies that together market financial products or services to you.</td>
</tr>
<tr>
<td></td>
<td>• Cohen &amp; Steers does not jointly market.</td>
</tr>
</tbody>
</table>
Cohen & Steers Investment Solutions

**COHEN & STEERS GLOBAL REALTY SHARES**
- Designed for investors seeking total return, investing primarily in global real estate equity securities
- Symbols: CSFA, CSFB*, CSFC, CSSP, GRBX, CSF

**COHEN & STEERS INSTITUTIONAL REALTY SHARES**
- Designed for institutional investors seeking total return, investing primarily in U.S. real estate securities
- Symbol: CSR

**COHEN & STEERS REAL ESTATE SECURITIES FUND**
- Designed for investors seeking total return, investing primarily in U.S. real estate securities
- Symbols: CSE, CSBI, CSC, CSIX, CIR

**COHEN & STEERS INTERNATIONAL REALTY FUND**
- Designed for investors seeking total return, investing primarily in international real estate securities
- Symbols: IR, IRFC, IR

**COHEN & STEERS REALITY SHARES**
- Designed for investors seeking total return, investing primarily in U.S. real estate securities
- Symbol: CSRE

**COHEN & STEERS INSTITUTIONAL GLOBAL REALTY SHARES**
- Designed for institutional investors seeking total return, investing primarily in global real estate securities
- Symbol: GRS

**COHEN & STEERS GLOBAL INFRASTRUCTURE FUND**
- Designed for investors seeking total return, investing primarily in infrastructure securities
- Symbols: CSU, CSUB*, CSUC, CSUX, CSUXZ

**COHEN & STEERS DIVIDEND VALUE FUND**
- Designed for investors seeking long-term growth of income and capital appreciation, investing primarily in dividend-paying common stocks and preferred stocks
- Symbols: DV, DVF, DVFZ

**COHEN & STEERS PREFERRED SECURITIES AND INCOME FUND**
- Designed for investors seeking total return (high current income and capital appreciation), investing primarily in preferred and debt securities
- Symbols: CPX, CPXC, CPX, CPF, CPZX

**COHEN & STEERS REAL ESTATE SECURITIES FUND**
- Designed for investors seeking total return, investing primarily in U.S. real estate securities
- Symbols: CSE, CSBI, CSC, CSIX, CIR

**COHEN & STEERS INTERNATIONAL REALTY FUND**
- Designed for investors seeking total return, investing primarily in international real estate securities
- Symbols: IR, IRFC, IR

**COHEN & STEERS REALITY SHARES**
- Designed for investors seeking total return, investing primarily in U.S. real estate securities
- Symbol: CSRE

**COHEN & STEERS INSTITUTIONAL GLOBAL REALTY SHARES**
- Designed for institutional investors seeking total return, investing primarily in global real estate securities
- Symbol: GRS

Distributed by Cohen & Steers Securities, LLC.

**COHEN & STEERS GLOBAL REALTY MAJORS ETF**
- Designed for investors who seek a relatively low-cost passive approach for investing in a portfolio of real estate equity securities of companies in a specified index
- Symbol: GRI

Distributed by ALPS Distributors, Inc.

**iSHARES COHEN & STEERS REALTORS MAJORS INDEX FUND**
- Designed for investors who seek a relatively low-cost passive approach for investing in a portfolio of real estate equity securities of companies in a specified index
- Symbol: ICF

Distributed by SEI Investments Distribution Co.

*Class B shares are no longer offered except through dividend reinvestment and permitted exchanges by existing Class B shareholders.

Please consider the investment objectives, risks, charges and expenses of the fund carefully before investing. A summary prospectus and prospectus containing this and other information can be obtained by calling 800-330-7348 or by visiting cohenandsteers.com. Please read the summary prospectus and prospectus carefully before investing.
OFFICERS AND DIRECTORS

Robert H. Steers
Director and Chairman
Joseph M. Harvey
Director and Vice President
Michael G. Clark
Director
Bonnie Cohen
Director
George Grossman
Director
Richard E. Kroon
Director
Richard J. Norman
Director
Frank K. Ross
Director
C. Edward Ward, Jr.
Director
Adam M. Derechin
President and Chief Executive Officer
William F. Scapell
Vice President
Thomas N. Bohjalian
Vice President
Yigal D. Jhirad
Vice President
Francis C. Poli
Secretary
James Giallanza
Treasurer and Chief Financial Officer
Lisa D. Phelan
Chief Compliance Officer
Heather Kaden
Deputy Chief Compliance Officer
Tina M. Payne
Assistant Secretary
Neil Bloom
Assistant Treasurer

KEY INFORMATION

Investment Manager
Cohen & Steers Capital Management, Inc.
280 Park Avenue
New York, NY 10017
(212) 832-3232

Co-administrator and Custodian
State Street Bank and Trust Company
One Lincoln Street
Boston, MA 02111

Transfer Agent
Computershare
480 Washington Boulevard
Jersey City, NJ 07310
(866) 227-0757

Legal Counsel
Ropes & Gray LLP
1211 Avenue of the Americas
New York, NY 10036

New York Stock Exchange Symbol: RNP
Website: cohenandsteers.com

This report is for shareholder information. This is not a prospectus intended for use in the purchase or sale of Fund shares. Performance data quoted represent past performance. Past performance is no guarantee of future results and your investment may be worth more or less at the time you sell your shares.