

COHEN & STEERS TOTAL RETURN REALTY FUND INC  
Form DEF 14A  
March 07, 2008

## SCHEDULE 14A

(Rule 14a-101)

### INFORMATION REQUIRED IN PROXY STATEMENT

#### SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the  
Securities Exchange Act of 1934

Filed by the Registrant  Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, For Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Under Rule 14a-12

**Cohen & Steers Advantage Income Realty Fund, Inc.**

**Cohen & Steers Closed-End Opportunity Fund, Inc.**

**Cohen & Steers Dividend Majors Fund, Inc.**

**Cohen & Steers Premium Income Realty Fund, Inc.**

**Cohen & Steers Quality Income Realty Fund, Inc.**

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

**Cohen & Steers Total Return Realty Income Fund, Inc.**

**Cohen & Steers Worldwide Realty Income Fund, Inc.**

(Name of Registrant as Specified in Its Charter)

(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.

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Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.

(1) Title of each class of securities to which transaction applies:

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(2) Aggregate number of securities to which transaction applies:

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(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

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(4) Proposed maximum aggregate value of transaction:

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(5) Total fee paid:

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Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

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(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

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(4) Date Filed:

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**Cohen & Steers Advantage Income Realty Fund, Inc.**

**Cohen & Steers Closed-End Opportunity Fund, Inc.**

**Cohen & Steers Dividend Majors Fund, Inc.**

**Cohen & Steers Premium Income Realty Fund, Inc.**

**Cohen & Steers Quality Income Realty Fund, Inc.**

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

**Cohen & Steers Total Return Realty Income Fund, Inc.**

**Cohen & Steers Worldwide Realty Income Fund, Inc.**

**280 Park Avenue, New York, New York 10017**

**(212) 832-3232**

## **NOTICE OF JOINT ANNUAL MEETING OF STOCKHOLDERS**

**April 17, 2008**

To the Stockholders of

Cohen & Steers Advantage Income Realty Fund, Inc. ( RLF )

Cohen & Steers Closed-End Opportunity Fund, Inc. ( FOF )

Cohen & Steers Dividend Majors Fund, Inc. ( DVM )

Cohen & Steers Premium Income Realty Fund, Inc. ( RPF )

Cohen & Steers Quality Income Realty Fund, Inc. ( RQI )

Cohen & Steers REIT and Preferred Income Fund, Inc. ( RNP )

Cohen & Steers Total Return Realty Income Fund, Inc. ( RFI )

Cohen & Steers Worldwide Realty Income Fund, Inc. ( RWF )

(each a Fund , and collectively, the Funds ):

NOTICE IS HEREBY GIVEN that the Joint Annual Meeting of Stockholders (the Meeting ) of the Funds will be held at the offices of the Funds, 280 Park Avenue, 10th Floor, New York, New York 10017, on April 17, 2008 at 10:00 a.m. New York City time, for the following purposes, all of which are more fully described in the accompanying Combined Proxy Statement dated March 7, 2008:

1. To elect three Directors of each Fund, to hold office for a term of three years and until their successors are duly elected and qualified; and
2. To transact such other business as may properly come before the Meeting or any adjournment thereof.

With respect to RPF, RQI, RNP and RWF, the holders of each Fund's Taxable Auction Market Preferred Shares, and with respect to RLF, the holders of the Fund's Auction Rate Cumulative Preferred Shares and Taxable Auction Market Preferred Shares (collectively, the Preferred Shares ), have equal voting rights with the holders of each Fund's common stock (i.e., one vote per share), and will vote together with the holders

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of common stock as a single class on the proposal to elect Bonnie Cohen and Richard E. Kroon as Directors and other business that may properly come before the Meeting. The holders of Preferred Shares, voting separately as a class, will vote for the election of one Director, Willard H. Smith Jr., who has been designated as representing the holders of each Fund's Preferred Shares (see Proposal One: Election of Directors).

The Directors have fixed the close of business on February 25, 2008 as the record date for the determination of stockholders entitled to notice of and to vote at the Meeting or any adjournment thereof. The enclosed proxy is being solicited on behalf of the Directors.

By order of the Boards of Directors,

Francis C. Poli

*Secretary*

New York, New York

March 7, 2008

### **YOUR VOTE IS IMPORTANT**

**Please indicate your voting instructions on the enclosed Proxy Card, sign and date it, and return it in the envelope provided, which needs no postage if mailed in the United States. In order to save the Fund(s) any additional expense of further solicitation, please mail your proxy promptly.**

**PROXY STATEMENT**

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**COMBINED PROXY STATEMENT**

**Cohen & Steers Advantage Income Realty Fund, Inc. ( RLF )**

**Cohen & Steers Closed-End Opportunity Fund, Inc. ( FOF )**

**Cohen & Steers Dividend Majors Fund, Inc. ( DVM )**

**Cohen & Steers Premium Income Realty Fund, Inc. ( RPF )**

**Cohen & Steers Quality Income Realty Fund, Inc. ( RQI )**

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

**Cohen & Steers Total Return Realty Income Fund, Inc. ( RFI )**

**Cohen & Steers Worldwide Realty Income Fund, Inc. ( RWF )**

**280 Park Avenue**

**New York, New York 10017**

**(212) 832-3232**

**JOINT ANNUAL MEETING OF STOCKHOLDERS**

**April 17, 2008**

**INTRODUCTION**

This Combined Proxy Statement is furnished in connection with the solicitation of proxies on behalf of the Board of Directors of the above listed entities, each a Maryland corporation (each a Fund, and together, the Funds), to be voted at the Joint Annual Meeting of Stockholders of the Funds, to be held at the offices of the Funds, 280 Park Avenue, 10th Floor, New York, New York 10017, on April 17, 2008 at 10:00 a.m. New York City time, and at any adjournments thereof (collectively, the Meeting). The solicitation will be by mail and the cost (including printing and mailing this Proxy Statement, Notice of Meeting and Proxy Card, as well as any necessary supplementary solicitation) will be borne by each Fund pursuant to the terms of its investment management agreement. In addition to soliciting proxies by mail, each Fund's officers or employees of the Funds' investment manager may solicit proxies by telephone. The Notice of Meeting, Proxy Statement and Proxy Card are being mailed to stockholders on or about March 7, 2008.

In accordance with each Fund's by-laws, the presence in person or by proxy of the holders of record of a majority of the shares of each Fund issued and outstanding and entitled to vote thereat shall constitute a quorum for such Fund at the Meeting. If a proposal is to be voted on by only one share class, a quorum of that class must be present at the Meeting in order for that proposal to be considered. If, however, a quorum shall not be present or represented at the Meeting or if fewer shares are present in person or by proxy than is the minimum required to take action with respect to any proposal presented at the Meeting, the holders of a majority of the shares of each Fund present in person or by proxy shall have the power to adjourn the Meeting from time to time, without notice other than announcement at the Meeting, until the requisite number of shares entitled to vote at the Meeting shall be present. At any adjourned Meeting, if the relevant quorum is subsequently constituted, any business may be transacted which might have been transacted at the Meeting as originally called. For purposes of determining the presence of a quorum for transacting business at the Meeting, abstentions and broker non-votes (that is, proxies from brokers or nominees indicating that they have not received instructions from the beneficial owner or other persons entitled to vote shares on a particular matter with respect to which the brokers or nominees do not have discretionary power) will be treated as shares that are present but which have not been voted. For this reason, abstentions and broker non-votes will have no effect on obtaining the requisite approval of the proposals.

*Although each Fund is a separate investment company that holds an annual meeting of stockholders, the Funds' Proxy Statements have been combined into this Combined Proxy Statement to reduce expenses to the Funds of soliciting proxies for the Meeting.*





The Boards of Directors has fixed the close of business on February 25, 2008 as the record date for the determination of stockholders entitled to notice of and to vote at the Meeting. The outstanding voting shares of each Fund as of February 25, 2008 consisted of:

<b>Fund</b>	<b>Shares of Common Stock</b>	<b>Shares of Preferred Stock</b>
RLF	26,322,285	11,800
FOF	27,177,653	0
DVM	12,805,250	0
RPF	31,719,932	15,040
RQI	38,924,510	17,360
RNP	48,251,666	29,040
RFI	9,249,159	0
RWF	15,580,640	6,120

each share being entitled to one vote and each fractional share being entitled to a proportional fractional share vote. All properly executed proxies received prior to the Meeting will be voted at the Meeting in accordance with the instructions marked thereon or as otherwise provided therein. Accordingly, unless instructions to the contrary are marked, proxies will be voted for the election of the Directors. Any stockholder may revoke his or her proxy at any time prior to exercise thereof by giving written notice to the Secretary of the Fund(s) at its offices at 280 Park Avenue, New York, New York 10017, or by signing another proxy of a later date or by personally casting his or her vote at the Meeting. Stockholders can vote only on matters affecting the Fund(s) in which they hold shares. Because the proposals in the Notice of Joint Annual Meeting are separate for each Fund, it is essential that stockholders who own shares in multiple Funds complete, date, sign and return each proxy card they receive.

**The most recent annual report of each Fund, including financial statements, has been previously mailed to that Fund's stockholders. If you have not received your report or would like to receive an additional copy free of charge, please contact Francis C. Poli, Secretary of the Funds, at 280 Park Avenue, New York, New York 10017, (800) 330-7348, and it will be sent promptly by first-class mail.**

#### PROPOSAL ONE

#### ELECTION OF DIRECTORS

For each Fund, at the Meeting, three Directors are nominated to be elected to serve for a term of three years and until their successors are duly elected and qualified. The nominees for Director are Bonnie Cohen, Richard E. Kroon and Willard H. Smith Jr, for terms to expire in 2011. It is the intention of the persons named in the enclosed proxy to nominate and vote in favor of the nominees. At the Meeting, with respect to FOF, DVM and RFI, the holders of each Fund's common stock will have equal voting rights (*i.e.*, one vote per share), and will vote as a single class on the election of Ms. Cohen and Messrs. Kroon and Smith. At the Meeting, with respect to RLF, RPF, RQI, RNP and RWF, the holders of each Fund's Preferred Shares will have equal voting rights with the holders of each Fund's common stock (*i.e.*, one vote per share), and will vote together with the holders of each Fund's common stock as a single class on the election of Ms. Cohen and Mr. Kroon. The holders of each Fund's Preferred Shares, voting separately as a class, to the exclusion of holders of the Fund's common stock, have the right to elect two Directors of each Fund, who are Martin Cohen and Willard H. Smith Jr. Mr. Smith is standing for re-election at the Meeting as his term expires in 2008. Mr. Cohen is not standing for re-election at the Meeting as his term does not expire until 2010. Each nominee also currently serves as Director of each of the twenty-two funds within the Cohen & Steers Fund Complex.

Each Fund's stockholders elected their Board of Directors to staggered terms at the respective Annual Meeting of Stockholders held on:

<b>Fund</b>	<b>Date of stockholder meeting electing Board of Directors to staggered terms</b>
RLF	April 24, 2002
FOF	April 19, 2007
DVM	April 27, 2006
RPF	April 24, 2003
RQI	April 24, 2003
RNP	April 29, 2004
RFI	April 27, 1994
RWF	April 27, 2006

Accordingly, the term of office of only a single class of Directors will expire in 2008. As a result of this system, only those Directors in any one class may be changed in any one year, and it would require two years or more to change a majority of the Board of Directors. This system of electing Directors, which may be regarded as an anti-takeover provision, may have the effect of maintaining the continuity of management and, thus, make it more difficult for each Fund's stockholders to change the majority of Directors.

The nominees have consented to serve as Directors. The Board of Directors of each Fund knows of no reason why a nominee would be unable to serve, but in the event of such unavailability, the proxies received will be voted for such substitute nominee as the Board of Directors may recommend.

#### Summary of Voting Rights on Proposal 1

		<b>Bonnie Cohen</b>	<b>Richard E. Kroon</b>	<b>Willard H. Smith</b>
RLF	Common	26,322,285	26,322,285	N/A
	Preferred	11,800	11,800	11,800
FOF	Common	27,177,653	27,177,653	27,177,653
DVM	Common	12,805,250	12,805,250	12,805,250
RPF	Common	31,719,932	31,719,932	N/A
	Preferred	15,040	15,040	15,040
RQI	Common	38,924,510	38,924,510	N/A
	Preferred	17,360	17,360	17,360
RNP	Common	48,251,666	48,251,666	N/A
	Preferred	29,040	29,040	29,040
RFI	Common	9,249,159	9,249,159	9,249,159
RWF	Common	15,580,640	15,580,640	N/A
	Preferred	6,120	6,120	6,120

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Certain information concerning Ms. Cohen and Messrs. Kroon and Smith and the other members of the Board of Directors, as reported to each Fund, is set forth as follows:

<b>Name, Address and Age*</b>	<b>Age</b>	<b>Position Held with Fund</b>	<b>Principal Occupation(s) During Past Five Years (Including Other Directorships Held)</b>	<b>Length of Time Served**</b>	<b>Term of Office</b>	<b>Number of Funds Within Fund Complex Overseen by Director (Including the Funds)</b>
<i>Disinterested Directors</i>						
Bonnie Cohen***	Age: 65	Director	Consultant; Director, Reis, Inc. (formerly Wellsford Real Property); Chair of the Board of Global Heritage Fund; Program member, The Moriah Fund; Advisory Committee member, The Posse Foundation; Board member, District of Columbia Public Libraries; Visiting Committee, Harvard Business School. Former Under Secretary of State for Management, United States Department of State, 1996-2000.	Since 2001	2011	22
George Grossman	Age: 54	Director	Attorney-at-Law.	Since 1993	2009	22
Richard E. Kroon	Age: 65	Director	Member of Investment Committee, Monmouth University; Retired Chairman and Managing Partner of Sprout Group venture capital funds, then an affiliate of Donaldson, Lufkin and Jenrette Securities Corporation. Former chairman of the National Venture Capital Association.	Since 2004	2011	22
Richard J. Norman	Age: 64	Director	Private Investor. Board of Directors of Maryland Public Television, Advisory Board Member of The Salvation Army. Prior thereto, Investment Representative of Morgan Stanley Dean Witter.	Since 2001	2010	22
Frank K. Ross	Age: 64	Director	Professor of Accounting, Howard University; Board member of Pepco Holdings, Inc. (electric utility). Formerly, Midatlantic Area Managing Partner for Audit and Risk Advisory Services at KPMG LLP and Managing Partner of its Washington, DC office.	Since 2004	2010	22
Willard H. Smith Jr.	Age: 71	Director	Board member of Essex Property Trust, Inc., Realty Income Corporation and Crest Net Lease, Inc. Managing Director at Merrill Lynch & Co., Equity Capital Markets Division, from 1983 to 1995.	Since 1996	2011	22
C. Edward Ward, Jr.	Age: 61	Director	Member of The Board of Trustees of Manhattan College, Riverdale, New York. Formerly head of closed-end fund listing for the New York Stock Exchange.	Since 2004	2009	22
<i>Interested Directors****</i>						
Martin Cohen	Age: 59			Since 1991	2010	22

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		Director, Co-Chairman	Co-Chairman and Co-Chief Executive Officer of the Advisor and CNS. Prior thereto, President of the Advisor.			
Robert H. Steers	Age: 54	Director, Co-Chairman	Co-Chairman and Co-Chief Executive Officer of the Advisor and CNS. Prior thereto, Chairman of the Advisor.	Since 1991	2009	22

\* The address of each Director is 280 Park Avenue, New York, NY 10017.

\*\* 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.

\*\*\* Martin Cohen and Bonnie Cohen are unrelated.

\*\*\*\* Interested person, as defined in the Investment Company Act of 1940, as amended (the Act), of each Fund (Interested Director) because of the affiliation with Cohen & Steers Capital Management, Inc., each Fund's investment manager (the Advisor), and its parent company, Cohen & Steers, Inc. (CNS).

If elected at the Meeting.

The Funds do not have policies with regard to the Directors' attendance at annual meetings and none of the Directors attended any Fund's 2007 annual meeting of stockholders.

During each Fund's fiscal year ended December 31, 2007, the Board of Directors met seven times. Each Director attended at least 75% of the aggregate number of meetings of the Board of Directors and the Committees for which he or she was a member. Each Fund maintains four standing Board Committees: the Audit Committee, the Nominating Committee, the Contract Review Committee and the Governance Committee of the Board of Directors. The Directors serving on each Committee are not interested persons of the Fund, as defined in Section 2(a)(19) of the Act (the Independent Directors), and otherwise satisfy the applicable standards for independence of a committee member of an investment company issuer under the federal securities laws and under applicable listing standards of the New York Stock Exchange. The members of the Nominating and Contract Review Committees are Ms. Cohen and Messrs. Kroon, Grossman, Norman, Ross, Smith and Ward. The members of the Governance Committee are Messrs. Norman, Ward and Smith. The members of the Audit Committee are Ms. Cohen and Messrs. Ross, Kroon and Grossman.

The Audit Committee of each Fund met five times during the fiscal year ended December 31, 2007 and operates pursuant to a written charter adopted by the Board. A current copy of the Audit Committee charter is not available on the Funds' website, but is attached as Exhibit A to this Combined Proxy Statement. The main function of each Audit Committee is to oversee the Fund's accounting and financial reporting policies and practices and its internal controls, including by assisting with the Board's oversight of the integrity of the Fund's financial statements, the Fund's compliance with legal and regulatory requirements, the selection, retention, qualifications and independence of the Fund's independent registered public accounting firm and the performance of the Fund's internal control systems and independent registered public accounting firm.

The Nominating Committee of each Fund, which met once during the fiscal year ended December 31, 2007, operates pursuant to a written charter adopted by the Board. A current copy of the Nominating Committee charter is not available on the Funds' website, but is attached as Exhibit B to this Combined Proxy Statement. The main functions of each Nominating Committee are to (i) identify individuals qualified to become Directors in the event that a position is vacated or created, (ii) select the Director nominees for the next annual meeting of stockholders and (iii) set any necessary standards or qualifications for service on the Board. The Nominating Committee will consider Director candidates recommended by stockholders, provided that any such stockholder recommendation is submitted in writing to the Fund, to the attention of the Secretary, at the address of the principal executive offices of the Fund and further provided that such recommendation includes all other information specified in the charter and complies with the procedures set forth in Appendix A thereto.

The Nominating Committee requires that Director candidates have a college degree or equivalent business experience. The Committee may take into account a wide variety of factors in considering Director candidates, including (but not limited to): (i) availability and commitment of a candidate to attend meetings and perform his or her responsibilities on the Board, (ii) relevant industry and related experience, (iii) educational background, (iv) financial and other relevant experience, (v) an assessment of the candidate's character, integrity, ability and judgment, (vi) whether or not the candidate serves on boards of, or is otherwise affiliated with, competing financial service organizations or their related mutual fund complexes, (vii) whether or not the candidate has any

relationships that might impair his or her independence and (viii) overall interplay of a candidate's experience, skill and knowledge with that of other Committee members. In identifying potential nominees for the Board, the Committee may consider candidates recommended by one or more of the following sources: (i) the Fund's current Directors, (ii) the Fund's officers, (iii) the Advisor, (iv) the Fund's stockholders (see above) and (v) any other source the Committee deems to be appropriate. The Committee may, but is not required to, retain a third party search firm at the Fund's expense to identify potential candidates.

The Contract Review Committee of each Fund met once during the fiscal year ended December 31, 2007 and operates pursuant to a written charter adopted by the Board. The main functions of each Contract Review Committee are to make recommendations to the Board of Directors after reviewing advisory and other contracts that the Fund has with the Advisor and to select third parties to provide evaluative reports and other information to the Board regarding the services provided by the Advisor.

The Governance Committee of each Fund met once during the fiscal year ended December 31, 2007 and operates pursuant to a written charter adopted by the Board. The main function of each Governance Committee is to assist the Board in the oversight of appropriate and effective governance of the Fund. The Governance Committee oversees, among other things, the structure and composition of the Board Committees, the size of the Board and the compensation of Independent Directors for service on the Board and any Board Committee and the process for securing insurance coverage for the Board.

### **Audit Committee Report**

The Audit Committee of each Fund has met with PricewaterhouseCoopers LLP, the Fund's independent registered public accounting firm, to discuss the scope of the audit engagement, review the Fund's financial statements, and discuss the statements and audit results with management. The Audit Committee discussed with PricewaterhouseCoopers LLP the matters required to be discussed by the Statement on Auditing Standards 61, received the written disclosures and the letter from PricewaterhouseCoopers LLP required by the Independence Standards Board Standard No. 1 and discussed with PricewaterhouseCoopers LLP the independent registered public accounting firm's independence. Based on these reviews and discussions, each Audit Committee recommended to the Board of Directors that the audited financial statements of the Fund be included in the Fund's annual report to stockholders for the last fiscal year for filing with the Securities and Exchange Commission.

February 21, 2008

Submitted by the Audit Committee of each Fund's Board of Directors

Bonnie Cohen

George Grossman

Richard E. Kroon

Frank K. Ross, Chairman

\* \* \*

As of February 25, 2008, the Directors and officers of each Fund as a group owned less than 1% of the outstanding securities of such Fund. To the knowledge of each Fund, no person owned of record or owned beneficially more than 5% of each Fund's common shares outstanding as of that date, except that Cede & Co., a nominee for participants in the Depository Trust Company, held of record:

Fund	Shares of common stock	Percentage of Fund's outstanding common stock	Shares of preferred stock	Percentage of Fund's outstanding preferred stock
RLF	26,322,285	99.79%	11,800	100%
FOF	27,177,653	99.79%	0	n/a
DVM	12,805,250	99.90%	0	n/a
RPF	31,719,932	99.72%	15,040	100%
RQI	38,924,510	99.74%	17,360	100%
RNP	48,251,666	99.81%	29,040	100%
RFI	9,249,159	96.79%	0	n/a
RWF	15,580,640	99.93%	6,120	100%

As of February 25, 2008, none of the Independent Directors nor any of their immediate family members owned any securities in the Advisor or any person directly or indirectly controlling, controlled by or under common control with the Advisor.

The following table provides information concerning the dollar range of each Fund's equity securities owned by each Director and the aggregate dollar range of securities owned in the Cohen & Steers Fund Complex by each Director as of February 25, 2008.

- A None
- B \$1 - \$10,000
- C \$10,001 - \$50,000
- D \$50,001 - \$100,000
- E Over \$100,000

	RLF	FOF	DVM	RPF	RQI	RNP	RFI	RWF	Aggregate Dollar Range of Equity Securities in the Cohen & Steers Fund Complex
Robert H. Steers*	E	A	E	D	E	E	E	A	E
Martin Cohen*	E	E	E	E	E	D	E	A	E
Bonnie Cohen	D	A	D	B	B	D	B	E	E
George Grossman	C	A	D	C	C	C	D	A	E
Richard E. Kroon	B	A	A	B	B	B	B	A	D
Richard J. Norman	D	D	C	D	C	C	D	C	E
Frank K. Ross	C	A	C	C	C	C	C	A	E
Willard H. Smith Jr.	C	A	A	D	C	C	C	A	E
C. Edward Ward, Jr.	B	B	B	B	B	B	B	B	D

\* Interested Directors.

**Compensation of Directors and Officers.** Independent Directors are paid by each Fund an annual retainer of \$4,500 and a fee of \$500 for each regular meeting attended and are reimbursed for the expenses of attendance at such meetings. For the fiscal year ended December 31, 2007, such fees and expenses totaled \$50,028.52, paid by each Fund.

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Additionally, the Audit Committee Chairman is paid \$15,000 per year in the aggregate for his service as Chairman of the Audit Committee of the Funds and of all of the Cohen & Steers funds, the Contract Review and



Governance Committee Chairmen are paid \$10,000 per year in the aggregate for their work in connection with the Funds and of all of the Cohen & Steers funds and the lead director is paid \$50,000 per year in the aggregate for his service as lead director of all of the Cohen & Steers funds.

The following table sets forth information regarding compensation of Directors by each Fund for the fiscal year ended December 31, 2007 and by the Cohen & Steers Fund Complex for the calendar year ended December 31, 2007. Officers of the Funds, other than the Chief Compliance Officer who receives less than \$60,000 from each Fund, and Interested Directors do not receive any compensation from the Funds or any fund in the Cohen & Steers Fund Complex. In the column headed Total Compensation to Directors by Fund Complex, the compensation paid to each Director represents the twenty-two funds that each Director served in the Cohen & Steers Fund Complex during 2007. The Directors do not receive any pension or retirement benefits from the Cohen & Steers Fund Complex.

### Compensation Table

Year Ended December 31, 2007

Name of Person, Position	Aggregate	Total
	Compensation each Fund	Compensation Paid to Directors by Fund Complex
Bonnie Cohen, Director	\$ 6,500	\$ 138,125
Martin Cohen*, Director and Co-Chairman	\$ 0	\$ 0
George Grossman, Director and Contract Review Committee Chairman	\$ 6,971	\$ 148,125
Richard E. Kroon, Director and Lead Independent Director	\$ 8,856	\$ 188,125
Richard J. Norman, Director and Governance Committee Chairman	\$ 6,971	\$ 148,125
Frank K. Ross, Director and Audit Committee Chairman	\$ 7,206	\$ 153,125
Willard H. Smith Jr., Director	\$ 6,500	\$ 138,125
Robert H. Steers*, Director and Co-Chairman	\$ 0	\$ 0
C. Edward Ward, Jr., Director	\$ 6,500	\$ 138,125

\* Interested Director.

**Section 16(a) Beneficial Ownership Reporting Compliance.** Section 16(a) of the Securities Exchange Act of 1934, as amended (the Exchange Act), and Section 30(h) of the Act, as applied to the Fund, require certain of the Funds' officers, Directors, the Advisor, affiliates of the Advisor, and persons who beneficially own more than 10% of a class of the Funds' outstanding securities to file reports of ownership of the Funds' securities and changes in such ownership with the Securities and Exchange Commission (the SEC). Those persons are required by SEC regulations to furnish the relevant Fund(s) with copies of all filings. To each Fund's knowledge, all of its officers and directors, the Advisor and its affiliates, certain holders of more than 10% of its common stock or preferred shares complied with all filing requirements under Section 16(a) of the Exchange Act and Section 30(h) of the Act during the fiscal year ended December 31, 2007.

**Each Board of Directors, including the Independent Directors, unanimously recommends that the stockholders of its Fund vote FOR the election of each nominee to serve as a Director of the Fund.**

### INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

For the fiscal year ended December 13, 2007, each Fund's Audit Committee selected PricewaterhouseCoopers LLP, an independent registered public accounting firm, to audit the accounts of the Fund. Their selection was ratified and approved by the vote, cast in person, of a majority of the Directors of the

Fund, including a majority of the Independent Directors who are independent as defined in the New York Stock Exchange listing standards. As of the date of this Combined Proxy Statement, each Fund's Audit Committee and Board had not yet met to select, ratify and approve the Fund's independent registered public accounting firm for the fiscal year ending December 31, 2008. Each Fund's Audit Committee and Board will meet prior to the Meeting, and it is anticipated that PricewaterhouseCoopers LLP will serve as each Fund's independent registered public accounting firm for its current fiscal year. A representative of the Funds' independent registered public accounting firm is expected to be available for the Meeting and to have the opportunity to make a statement and respond to appropriate questions from the Funds' stockholders. Each Audit Committee meetings at least twice a year with representatives of the Funds' independent registered public accounting firm to discuss the scope of their engagement and to review the financial statements of the Fund and the results of their examination thereof.

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