

COHEN & STEERS REIT & PREFERRED INCOME FUND INC

Form N-30B-2

June 07, 2005

 COHEN & STEERS REIT AND PREFERRED INCOME FUND, INC.

April 27, 2005

To Our Shareholders:

We are pleased to submit to you our report for Cohen & Steers REIT & Preferred Income Fund for the quarter ended March 31, 2005. The net asset value at that date was \$27.49 per common share. The fund's common stock is traded on the New York Stock Exchange and its share price can differ from its net asset value; at quarter end, the fund's closing share price on the NYSE was \$24.95 per share. The fund has been in operation since June 24, 2003 and has delivered the following total returns (including income) compared to its relevant benchmarks:

	TOTAL RETURN, PERIOD ENDED 3/31/05			
	MARKET PRICE (a)		NET ASSET VALUE (a)	
	QUARTER	SINCE INCEPTION (b)	QUARTER	SINCE INCEPTION (b)
Cohen & Steers REIT & Preferred Income Fund.....	- 6.1%	15.0%	- 6.7%	32.7%
NAREIT Equity REIT Index(c).....	- 7.1%	47.2%	- 7.1%	47.2%
Merrill Lynch Fixed Rate Preferred Index(d).....	- 2.4%	6.1%	- 2.4%	6.1%

During the quarter, three monthly dividends of \$0.195 per share were paid to common shareholders. This represented an 11% increase from the monthly distribution rate paid in the previous quarter. In addition, three monthly dividends of \$0.195 per share were declared and will be paid on April 29, 2005, May 31, 2005 and June 30, 2005.

INVESTMENT REVIEW

The fund may invest up to 60% and no less than 40% of its assets in each of REIT common stocks, and corporate preferred securities. During the quarter the fund held roughly 55% of its assets in REIT common stocks, 43% in preferred securities, and 2% in corporate bonds. The fund continues to strive in its primary mission of delivering high current income through a mixed asset class portfolio that historically has exhibited low correlations and thus is designed to temper the volatility of returns.

 (a) As a closed-end investment company, the price of the fund's New York Stock Exchange-traded shares will be set by market forces and at times may deviate from the net asset value per share of the fund.
 (b) The fund commenced operations on June 27, 2003.
 (c) The NAREIT Equity REIT Index ('Equity REITs') is an unmanaged

market-capitalization-weighted index of all tax-qualified Equity REITs listed on the NYSE, AMEX, and the Nasdaq that have 75% or more of their gross invested book assets invested directly or indirectly in the equity ownership of real estate.

- (d) The Merrill Lynch Fixed Rate Preferred Index is an unmanaged index of preferred securities.

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Since its inception, the fund's REIT investments have generated significant net asset value growth for shareholders while also contributing to the fund's high level of investment income. However, REITs fared poorly in the first quarter, with the NAREIT Equity REIT Index returning - 7.1%. The preferred market also turned in a negative return in the quarter as bond yields rose, but with a total return of - 2.4% preferreds outperformed REITs.

Over the past several quarters we have focused on the rebound in real estate fundamentals when determining the outlook for real estate stocks. The performance of real estate stocks during the past two years, in our view, demonstrates that the market has come to appreciate the budding turnaround in property occupancies and rents.

More recently, however, forces outside the real estate industry have begun to shape the behavior of the REIT broader stock market. Headwinds have started to blow, perhaps not hard enough to endanger the U.S. economic and real estate recoveries, but sufficient enough, we believe, to slow their pace and generate upheaval in some segments of the economy.

The financial press has invoked a laundry list of concerns, including the trade deficit, the federal budget deficit, the over-consuming and financially stretched consumer, a housing bubble and fears of higher long-term interest rates. Our belief is that most of these are not immediately threatening. Our unease rests largely with rising oil prices and with the Federal Reserve's persistent monetary tightening. As the Fed reverses the accommodative monetary stance that returned the economy to a normal growth trajectory, we believe economic growth should moderate until these interest rate increases work their way through the system. The flattening yield curve (short-term and long-term interest rates almost equal) is hinting at this, as it typically does.

REIT share prices have fallen further than most of the broader market equity indexes, in an abrupt turnaround from last year. Health care, which had a - 11.2% total return, was the worst performing property sector in the first quarter -- not surprising given that, unlike most types of real estate, long lease terms tend to make this group more interest-rate-sensitive. The industrial and mixed office/industrial sectors, which returned - 10.5% and - 9.7%, respectively, were the next worst performing groups. Apparent profit taking in the first quarter made some of the best performing stocks last year the worst performers in the quarter. Self-storage was the best performing property type in the quarter with a 0.8% total return.

The fund's best performing investments during the quarter were in the office and industrial sectors, while the worst performing sector for the fund was the regional mall sector. Equity Office Properties and Mission West Properties were two of the fund's best performing holdings, contributing total returns of 5.2%

and 1.2%, respectively. Laggards during the quarter included Mills Corporation and Macerich Company, both regional mall companies, with total returns of - 16.1% and - 14.2%, respectively.

Our view of why REIT share prices declined during the quarter is distinct from popular perception, and hence our outlook for the future is different as well. The conventional wisdom surrounding REITs is that their outperformance compared to the broader markets during the past five years necessitates that they are now overvalued. Additionally, many believe that interest rates are a key determinant of REIT stock prices and that the rise in interest rates will cause REITs to underperform -- despite historical evidence to the contrary. Finally, many

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fear that a continual rise in interest rates will burst the real estate 'bubble' -- a condition which may exist in some overheated single-family housing markets but certainly not among commercial property types.

Our perspective is somewhat different. We believe REITs' substantial outperformance in 2004 resulted in many individuals and institutions being over-allocated to the REIT asset class at the beginning of 2005, precipitating some re-balancing of portfolios away from REITs. Many investors have reduced their REIT holdings, which we believe reflects the dispassionate, disciplined re-allocation by long-time REIT investors. Perhaps a more simple explanation is that, after strong returns, investors merely took profits, in a financial market environment that already was subject to overall poor investor sentiment.

The preferred market had a negative return over the quarter and followed bonds lower. In addition to rising bond yields, preferred performance also reflected a very negative tone to credit markets, sparked most immediately by a massive downward revision to General Motors' earnings forecast. GM's announcement, which was followed a couple weeks later by a withdrawal of earnings guidance for the year, revealed the extent of pressure in the auto sector. Elevated commodity prices, punishing competition and high fixed costs have together contributed to the negative industry trends.

Over the quarter negativism spread to other credit sectors and especially to the high yield market as the prospect for the giant auto manufacturers to be downgraded to 'junk' rose meaningfully. In addition, fears of leveraged buyouts and other creditor-unfriendly events rose over the quarter as the broader equity market continued to fare poorly.

It was a difficult quarter for preferreds, but our defensive posturing helped stem the decline as the fund's preferred holdings performed well relative to the preferred market overall. The fund's sizable investments in what we view as very high quality domestic and foreign bank issues were standout performers. A focus on playing defense in structure also paid off, as higher coupon issues across sectors generally performed better than the broader preferred market. With short rates rising and credit markets becoming much less friendly, we added to positions in floating rate securities of what we see as high quality companies. These investments were also among the fund's best performing positions in the quarter.

Auto-related holdings underperformed in the quarter. The fund held both GM and Ford securities, though in much lower weights than the benchmark index. Having reduced these investments substantially in recent months, they represented a little more than 1% of the fund's assets at the quarter end. Liberty Media securities were also poor performers. Liberty Media's credit ratings were downgraded following the company's announcement of a potential spin-off of certain assets and due to management's lack of conviction to maintaining its investment grade ratings.

INVESTMENT OUTLOOK

Many investors seem to be concerned that we are inevitably headed for a REIT bear market similar to the one that began in 1998. However, in early 1998, real estate fundamentals peaked after accelerating for six years. Buildings were full and a construction boom was underway. Valuations were excessive -- REITs traded at a 25%

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premium to the value of their underlying real estate assets -- and investor sentiment was positive. None of these conditions exist today, in our view.

We believe that investors may want to consider the environment REITs faced in the 1994 period. The Fed had aggressively raised short-term interest rates from 3% to 5.5% by year-end, removing the accommodative monetary stimulus that had jump-started the economy out of the early-1990s recession. The rate of GDP growth and job growth slowed from white-hot levels to more sustainable levels and the economic expansion was able to sustain itself for another six years as a result. As the stock market began to incorporate expectations for a slowing economy, REIT returns moderated in 1994, to just 3.2% (the S&P 500 returned 1.3% in 1994), after generating average annual total returns of 23% the prior three years. As the economy stabilized after this 'mid-course correction,' REITs went on to generate an average return of 24% annually for the next three years.

While the Fed's current tightening cycle will inevitably cause some dislocations, and while economic growth may slow somewhat in the near term, we believe we are still at the beginning of a recovery in most real estate markets. REIT earnings growth, in our view, may not accelerate as quickly, near-term, as the economy undergoes this correction, although we believe there will be continued healthy growth. Very little new construction is underway and replacement costs -- the long run determinant of real estate value -- will continue to rise with raw material costs. Vacancy rates are declining and effective rents are rising. REIT balance sheets in our view are in excellent shape. We therefore expect REITs to enjoy a strong period of internal growth, even without the benefit of new property acquisitions. In addition, we believe profitable acquisition and development opportunities exist for the skilled players who can access inexpensive capital.

By our estimates, REIT stocks are trading at approximately the value of their underlying assets. However, the most recent round of real estate asset sales would suggest that our estimates of asset value might be too low. It seems unusual at this stage in the cycle that REITs should trade at or below asset

value, when, as we believe, fundamentals are improving and growth opportunities are plentiful. As a result we believe that REIT investments will continue to deliver competitive total returns.

The direction of bond yields will, of course, continue to be an important driver of preferred security valuations. The resilience in the long end of the yield curve suggests that the market believes the Fed will contain inflation. We believe so, too, but both economic data and markets have been choppy, making fair value for Treasury yields exceedingly difficult to assess. Accordingly, we will continue to maintain a somewhat defensive interest rate posture in our preferred holdings.

We are also taking a more defensive stance on credit. While fundamentals in most sectors remain very good, there certainly are challenges in others. Notably, some cyclical and industrial companies, including the auto manufacturers, are facing very significant pressures. A lackluster equity market also means that the resurgence in corporate risk taking and creditor-unfriendly actions is likely to abide. These factors are likely to continue to exert pressure on credit markets. We will look to 'pick our spots' in the months to come but are focusing on higher credit quality for now.

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In summary, we retain a constructive perspective on the REIT market and generally expect preferreds to deliver returns mostly reflecting their attractive income rates, currently over 7% in the fund's portfolio. We believe that the fund's balance of REIT equities and corporate preferred securities will continue to provide attractive income, reduced net asset value volatility due to the low correlation between the two asset classes, and appealing long-term total returns for our shareholders.

Sincerely,

Martin Cohen
MARTIN COHEN
President

Robert H. Steers
ROBERT H. STEERS
Chairman

Joseph M. Harvey
JOSEPH M. HARVEY
Portfolio Manager

William F. Scapell
WILLIAM F. SCAPELL
Portfolio Manager

VISIT COHEN & STEERS ONLINE AT COHENANDSTEERS.COM

For more information about any of our funds, visit cohenandsteers.com, where you'll find daily net asset values, fund fact sheets and portfolio highlights. You can also access newsletters, education tools and market updates covering the REIT, utility and preferred securities sectors.

In addition, our Web site contains comprehensive information about our firm, including our most recent press releases, profiles of our senior investment professionals, and an overview of our investment approach.

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COHEN & STEERS REIT AND PREFERRED INCOME FUND, INC.

OUR LEVERAGE STRATEGY
(UNAUDITED)

While we do not attempt to predict what future interest rates will be, it has been our philosophy to utilize interest rate swap transactions to seek to reduce the interest rate risk inherent in our utilization of leverage. Our leverage strategy involves issuing auction market preferred shares (AMPS) to raise additional capital for the fund, with an objective of increasing the net income available for shareholders. As of March 31, 2005, AMPS represented 35% of the fund's managed net assets. Considering that AMPS have variable dividend rates, we seek to lock in the rate on a majority of this additional capital through interest rate swap agreements (where we effectively convert our variable rate obligation to a fixed rate obligation for the term of the swap agreements). Specifically, we have fixed the rate on 63% of our borrowings at an average interest rate of 3.66%, for an average remaining period of 3.7 years (when we first entered into the swaps, the average term was 5.3 years). By locking in a large portion of our leveraging costs, we have endeavored to adequately 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 a portion of the fund's leveraging costs for the term of the swap agreements partially protects the fund from any impact that an increase in short-term interest rates may have as a result of the use of leverage.

LEVERAGE FACTS (a)

Leverage (as % of managed net assets).....	35%
% Fixed Rate.....	63%
% Variable Rate.....	37%
Average Rate on Swaps.....	3.66%
Average Term on Swaps.....	3.7 years
Current Rate on AMPS.....	3.12%

(a) Data as of March 31, 2005. Information is subject to change.

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COHEN & STEERS REIT AND PREFERRED INCOME FUND, INC.

MARCH 31, 2005
TOP TEN HOLDINGS
(UNAUDITED)

SECURITY	MARKET VALUE	% OF MANAGED ASSETS
1. Equity Office Properties Trust.....	\$76,328,329	3.72%
2. Archstone-Smith Trust.....	66,224,565	3.23
3. Health Care Property Investors.....	66,173,665	3.22
4. Heritage Property Investment Trust.....	59,428,264	2.90
5. Health Care REIT.....	55,859,200	2.72
6. Mack-Cali Realty Corp.	50,798,825	2.48
7. Arden Realty.....	50,392,495	2.46
8. Glimcher Realty Trust.....	50,281,920	2.45
9. First Industrial Realty Trust.....	49,307,622	2.40
10. Liberty Property Trust.....	44,645,865	2.18

SECTOR BREAKDOWN
(Based on Managed Assets)
(Unaudited)

[CHART]

Other	9.00%
Mortgage	1.64%
Media	1.64%
Gas--Distribution	2.31%
Industrial	2.40%
Electric--Integrated	2.63%
Finance	4.94%
Diversified	5.26%
Bank	5.87%
Bank--Foreign	5.95%
Insurance	8.24%
Cash & Other Assets in Excess of Liabilities	1.63%
Office	19.56%
Residential Apartment	10.04%
Shopping Center	9.68%
Health Care	9.21%

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COHEN & STEERS REIT AND PREFERRED INCOME FUND, INC.

SCHEDULE OF INVESTMENTS
MARCH 31, 2005 (UNAUDITED)

		NUMBER OF SHARES	VALUE	DIVIDEND YIELD (a)
COMMON STOCK	83.36% (b)			
DIVERSIFIED	6.75%			
Capital Trust -- Class A.....		97,400	\$ 3,231,732	6.63%
Colonial Properties Trust.....		300,000	11,523,000	7.03
Crescent Real Estate Equities Co.....		1,064,000	17,385,760	9.18
iStar Financial.....		990,000	40,768,200	7.12
Vornado Realty Trust.....		239,100	16,562,457	4.39
			89,471,149	
HEALTH CARE	12.45%			
Health Care Property Investors(c)....		2,819,500	66,173,665	7.08
Healthcare Realty Trust.....		199,200	7,258,848	7.14
Health Care REIT.....		1,745,600	55,859,200	7.50
Nationwide Health Properties.....		1,362,200	27,530,062	7.32
Ventas.....		335,000	8,361,600	5.77
			165,183,375	
HOTEL	2.02%			
Hospitality Properties Trust.....		545,200	22,015,176	7.13
Strategic Hotel Capital.....		323,800	4,759,860	5.99
			26,775,036	
INDUSTRIAL	3.72%			
First Industrial Realty Trust.....		1,303,400	49,307,622	7.35
MORTGAGE	2.53%			
Newcastle Investment Corp.....		1,135,074	33,598,190	8.45

- (a) Dividend yield is computed by dividing the security's current annual dividend rate by the last sale price on the principal exchange, or market, on which such security trades.
- (b) Percentages indicated are based on the net assets applicable to common shares of the fund.
- (c) 75,000 shares segregated as collateral for interest rate swap transactions.

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SCHEDULE OF INVESTMENTS -- (CONTINUED)
 MARCH 31, 2005 (UNAUDITED)

		NUMBER OF SHARES	VALUE	DIVIDEND YIELD
		-----	-----	-----
OFFICE	24.37%			
Arden Realty.....		1,488,700	\$ 50,392,495	5.97%
Brandywine Realty Trust.....		787,800	22,373,520	6.20
CarrAmerica Realty Corp.....		942,300	29,729,565	6.34
CRT Properties.....		290,000	6,316,200	6.43
Equity Office Properties Trust.....		2,533,300	76,328,329	6.64
Highwoods Properties.....		910,200	24,411,564	6.34
HRPT Properties Trust.....		1,406,100	16,746,651	7.05
Mack-Cali Realty Corp.....		1,199,500	50,798,825	5.95
Maguire Properties.....		1,286,100	30,712,068	6.70
Prentiss Properties Trust.....		374,900	12,806,584	6.56
Reckson Associates Realty Corp.....		87,500	2,686,250	5.53

			323,302,051	

OFFICE/INDUSTRIAL	3.99%			
Liberty Property Trust.....		1,143,300	44,645,865	6.25
Mission West Properties.....		778,800	8,255,280	6.04

			52,901,145	

RESIDENTIAL -- APARTMENT	13.55%			
AMLI Residential Properties Trust....		590,400	16,171,056	7.01
Archstone-Smith Trust.....		1,941,500	66,224,565	5.04
Camden Property Trust.....		581,800	27,362,054	5.40
Education Realty Trust (a).....		368,800	6,133,144	--
GMH Communities Trust.....		604,200	7,075,182	7.77
Gables Residential Trust.....		1,186,100	39,497,130	7.24
Mid-America Apartment Communities....		349,000	12,738,500	6.41
Town & Country Trust.....		173,400	4,586,430	6.50

			179,788,061	

SELF STORAGE	1.08%			
Sovran Self Storage.....		222,200	8,805,786	6.11
U-Store-It Trust (a).....		315,800	5,494,920	--

			14,300,706	

 (a) Nonincome producing security.

 COHEN & STEERS REIT AND PREFERRED INCOME FUND, INC.

SCHEDULE OF INVESTMENTS -- (CONTINUED)
 MARCH 31, 2005 (UNAUDITED)

	NUMBER OF SHARES	VALUE	DIVIDEND YIELD
	-----	-----	-----
SHOPPING CENTER	12.90%		
COMMUNITY CENTER	8.24%		
Cedar Shopping Centers.....	400,000	\$ 5,696,000	6.32%
Heritage Property Investment Trust...	2,002,300	59,428,264	7.08
New Plan Excel Realty Trust.....	1,340,500	33,659,955	6.57
Ramco-Gershenson Properties Trust....	390,000	10,588,500	6.45

		109,372,719	

REGIONAL MALL	4.66%		
Glimcher Realty Trust.....	2,121,600	50,281,920	8.11
Macerich Co.....	215,200	11,465,856	4.88

		61,747,776	

TOTAL SHOPPING CENTER.....		171,120,495	

TOTAL COMMON STOCK			
(Identified			
cost -- \$916,539,030).....		1,105,747,830	

PREFERRED SECURITIES -- \$25 PAR VALUE	26.34%		
AUTOMOTIVE	0.26%		
DaimlerChrysler, 7.25% (CBTCS).....	26,008	642,658	7.34
DaimlerChrysler, 7.50% (CBTCS).....	38,800	956,032	7.61
Ford Motor Co., 8.00% (CORTS).....	80,000	1,907,200	8.39

		3,505,890	

BANK	2.64%		
ASBC Capital I, 7.625%, Series A			
(TOPrS).....	75,500	1,978,100	7.28
Cobank ACB, 7.00%, 144A(a).....	200,000	10,476,000	6.68
Colonial Capital Trust IV, 7.875%....	390,000	10,062,000	7.63
Countrywide Capital IV, 6.75%.....	71,100	1,786,032	6.73
First Republic Bank, 6.70%.....	200,000	5,060,000	6.65
Fleet Capital Trust VIII, 7.20%			
Series.....	87,900	2,268,699	6.97
HSBC USA, Series F.....	96,000	2,400,000	3.85
Old Second Bancorp Capital Trust I,			
7.80%.....	90,000	949,050	7.50

		34,979,881	

 (a) The fund prices this security at fair value using procedures approved by the fund's board of directors.

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SCHEDULE OF INVESTMENTS -- (CONTINUED)
 MARCH 31, 2005 (UNAUDITED)

	NUMBER OF SHARES	VALUE	DIVIDEND YIELD
	-----	-----	----
BANK -- FOREIGN			1.35%
Abbey National PLC, 7.375%, Series B.....	105,700	\$ 2,822,190	6.91%
Abbey National PLC, 7.375%, Series C.....	493,264	12,923,517	7.05
Northern Rock, 8.00%, Series.....	30,000	752,589	7.97
Royal Bank of Scotland Group, 7.25%, Series H.....	55,600	1,411,684	7.14

		17,909,980	

ELECTRIC -- INTEGRATED			1.49%
DTE Energy Trust II, 7.50%, due 6/01/44, Series.....	55,200	1,457,280	7.10
Energy East Capital Trust I, 8.25%...	61,000	1,598,200	7.87
Enterprise Capital Trust, 7.44%.....	116,000	2,905,800	7.43
NVP Capital III, 7.75%, due 9/30/38, Series.....	81,900	2,037,672	7.79
NVP Capital I, 8.20%, due 3/31/37, Series A (QUIPS).....	2,600	64,688	8.24
Northern States Power Co., 8.00%, Notes (PINES).....	41,700	1,116,309	7.47
PSEG Funding Trust II, 8.75% Series.....	199,900	5,481,258	7.98
Puget Sound Energy Capital Trust II, 8.40% (TOPrS).....	70,800	1,811,772	8.21
Southern California Edison, 7.23%, due 4/30/07, Series M.....	12,300	1,241,378	7.16
Virginia Power Capital Trust II, 7.375%, (TruPS).....	79,761	2,085,750	7.05

		19,800,107	

FINANCE			1.38%
MBNA Capital, 8.125%, Series D (TruPS).....	234,100	5,971,891	7.96
MBNA Capital, 8.10%, Series E			

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(TOPrs).....	166,300	4,293,866	7.84
Merrill Lynch & Co., Series 1 (FRN).....	320,000	8,102,400	3.59

		18,368,157	

GAS -- DISTRIBUTION	3.57%		
Dominion CNG Capital, 8.40%.....	78,700	2,054,070	7.47
Laclede Capital Trust I, 7.70% (TOPrs).....	56,300	1,517,285	7.14
Southern Union Co., 7.55%, Series C.....	1,040,000	27,778,400	7.07
Southwest Gas Capital Trust II, 7.70%.....	600,000	15,960,000	7.26

		47,309,755	

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COHEN & STEERS REIT AND PREFERRED INCOME FUND, INC.

SCHEDULE OF INVESTMENTS -- (CONTINUED)
MARCH 31, 2005 (UNAUDITED)

	NUMBER OF SHARES	VALUE	DIVIDEND YIELD
	-----	-----	-----
INSURANCE	2.85%		
LIFE/HEALTH INSURANCE	0.20%		
Lincoln National Capital V, 7.65%, Series E (TruPS).....	63,700	\$ 1,635,816	7.45%
Torchmark Capital Trust I, 7.75%.....	41,000	1,065,590	7.45

		2,701,406	

MULTI-LINE	0.79%		
ING Groep NV, 7.05% Series.....	241,600	6,199,456	6.87
ING Groep NV, 7.20% Series.....	165,700	4,281,688	6.97

		10,481,144	

PROPERTY/CASUALTY	1.01%		
ACE Ltd., 7.80%, Series C.....	389,300	10,125,693	7.50
St. Paul Capital Trust I, 7.60% (TruPS).....	125,130	3,198,323	7.43

		13,324,016	

REINSURANCE	0.17%		
Everest Re Capital Trust II, 6.20%, Series B.....	100,000	2,291,000	6.77

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REINSURANCE -- FOREIGN	0.68%			
PartnerRe Ltd., 6.75%, Series C.....		206,500	5,162,500	6.75
PartnerRe Ltd., 7.90%, Series D.....		54,000	1,333,800	6.58
RenaissanceRE Holdings Ltd., 8.10%, Series A.....		30,900	805,872	7.76
RenaissanceRE Holdings Ltd., 7.30%, Series B.....		65,900	1,700,220	7.07
			9,002,392	
TOTAL INSURANCE.....			37,799,958	
MEDIA	1.73%			
CABLE TELEVISION	0.91%			
Shaw Communications, 8.50%, Series B (COPrS).....		479,700	12,054,861	8.46
DIVERSIFIED SERVICES	0.82%			
AOL Time Warner, 7.625%, Series A-1 (CABCO).....		112,600	2,989,530	7.18
Liberty Media Corp., 8.75% (CBTCS)...		198,500	5,051,825	8.60
Liberty Media Corp., 8.75% (PPLUS)...		108,745	2,787,134	8.53
			10,828,489	
TOTAL MEDIA.....			22,883,350	

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SCHEDULE OF INVESTMENTS -- (CONTINUED)
MARCH 31, 2005 (UNAUDITED)

		NUMBER OF SHARES	VALUE	DIVIDEND YIELD
OIL -- EXPLORATION	1.19%			
Nexen, 7.35%, due 11/1/43, Series B.....		608,660	\$ 15,800,814	7.08%
REAL ESTATE	7.75%			
DIVERSIFIED	1.39%			
iStar Financial, 7.875%, Series E....		400,000	10,168,000	7.74
iStar Financial, 7.80%, Series F.....		243,600	6,297,060	7.54
iStar Financial, 7.65%, Series G.....		80,000	2,010,400	7.59
			18,475,460	

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HEALTH CARE	0.60%			
Health Care REIT, 7.875%, Series D...	100,000	2,505,000	7.86	
Health Care REIT, 7.625%, Series F...	10,000	250,000	7.62	
Omega Healthcare Investors, 8.375%, Series D.....	200,000	5,200,000	8.05	

		7,955,000		

HOTEL	0.18%			
Innkeepers USA Trust, 8.00%, Series C.....	93,500	2,346,850	7.97	

OFFICE	1.91%			
Cousins Properties, 7.75%, Series A.....	457,500	11,551,875	7.67	
Kilroy Realty Corp, 7.80%, Series E.....	100,000	2,515,000	7.75	
Maguire Properties, 7.625%, Series A.....	288,900	7,179,165	7.67	
SL Green Realty Corp., 7.625%, Series C.....	100,000	2,535,000	7.55	
SL Green Realty Corp., 7.875%, Series D.....	60,000	1,510,200	7.82	

		25,291,240		

RESIDENTIAL -- APARTMENT	1.98%			
Apartment Investment and Management Co., 8.00%, Series T.....	93,700	2,315,327	8.09	
Apartment Investment and Management Co., 8.00%, Series V.....	101,000	2,519,950	8.02	
Apartment Investment & Management Co., 7.875%, Series Y.....	110,000	2,722,500	7.95	
Associated Estates Realty Corp., 8.70%, Series B.....	40,000	1,024,000	8.50	
Mid-America Apartment Communities, 8.30%, Series H.....	690,600	17,748,420	8.07	

		26,330,197		

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COHEN & STEERS REIT AND PREFERRED INCOME FUND, INC.

SCHEDULE OF INVESTMENTS -- (CONTINUED)
MARCH 31, 2005 (UNAUDITED)

NUMBER OF SHARES	VALUE	DIVIDEND YIELD
-----	-----	-----

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SHOPPING CENTER	1.69%			
COMMUNITY CENTER	0.30%			
Developers Diversified Realty Corp., 7.50%, Series I.....		47,800	\$ 1,205,038	7.44%
Developers Diversified Realty Corp., 8.00%, Series G.....		38,700	999,621	7.74
Saul Centers, 8.00%, Series A.....		69,400	1,759,984	7.89

			3,964,643	

REGIONAL MALL	1.39%			
Glimcher Realty Trust, 8.75%, Series F.....		279,300	7,261,800	8.41
Glimcher Realty Trust, 8.125%, Series G.....		240,000	6,024,000	8.09
Mills Corp., 8.75%, Series E.....		197,600	5,161,312	8.37

			18,447,112	

TOTAL SHOPPING CENTER.....			22,411,755	

TOTAL REAL ESTATE.....			102,810,502	

TELECOMMUNICATION SERVICES	2.13%			
Centaur Funding Corp., 9.08% (a).....		13,908	17,851,210	7.07
Telephone & Data Systems, 7.60%, Series A.....		197,800	5,059,724	7.43
United States Cellular Corp., 7.50%, due 6/15/34, Series.....		201,500	5,275,270	7.16
Verizon South, 7.00%, Series F.....		3,300	84,018	6.87

			28,270,222	

TOTAL PREFERRED SECURITIES --\$25 PAR VALUE (Identified cost -- \$343,899,156).....			349,438,616	

 (a) The fund prices this security at fair value using procedures approved by the fund's board of directors.

 COHEN & STEERS REIT AND PREFERRED INCOME FUND, INC.

SCHEDULE OF INVESTMENTS -- (CONTINUED)
 MARCH 31, 2005 (UNAUDITED)

NUMBER

DIVIDEND

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	OF SHARES -----	VALUE -----	YIELD -----
PREFERRED SECURITIES -- CAPITAL TRUST	34.12%		
BANK	6.45%		
AgFirst Farm Credit Bank, 7.30%, due 10/14/49, 144A.....	29,100,000	\$ 30,558,376	6.95%
Astoria Capital Trust I, 9.75%, due 11/1/29, Series B.....	13,500,000	16,140,600	8.15
BankBoston Capital Trust II, 7.75%, due 12/15/26.....	1,500,000	1,604,948	7.24
BT Preferred Capital Trust II, 7.875%, due 2/25/27.....	1,000,000	1,089,923	7.23
First Tennessee Bank, Series 144A....	2,000	2,005,000	0.10
Great Western Financial Trust II, 8.206%, due 2/1/27, Series A.....	2,232,000	2,440,085	7.51
Roslyn Preferred Trust FRN, 4.78%, due 4/1/32, 144A.....	10,000,000	10,050,000	5.74
Roslyn Real Estate Asset Corp. FRN, 4.813%, due 9/30/08, Series D.....	100	10,075,000	6.15
Sky Financial Capital Trust I, 9.75%, due 5/1/30, Series B.....	3,000,000	3,554,100	7.88
Webster Capital Trust I, 9.36%, due 1/29/27, 144A.....	7,300,000	8,079,669	8.46
		----- 85,597,701 -----	
BANK -- FOREIGN	7.86%		
BNP Paribas Capital Trust V, 7.20%...	19,550,000	20,088,172	7.01
CA Preferred Fund Trust, 7.00% (Eurobond).....	25,200,000	25,797,492	6.84
HBOS Capital Funding LP, 6.85%.....	23,000,000	23,464,830	6.71
HSBC Capital Funding LP, 10.176%.....	9,680,000	14,915,718	6.60
RBS Capital Trust B, 6.80%.....	19,700,000	20,032,733	6.69
		----- 104,298,945 -----	
ELECTRIC -- INTEGRATED	2.58%		
Dominion Resources Capital Trust III, 8.40%, due 1/15/31.....	21,732,000	27,704,453	6.59
DPL Capital Trust, 8.125%, due 9/1/31.....	3,000,000	3,472,260	7.02
Enterprise Capital Trust II, due 6/30/28, Series B.....	3,000,000	2,986,815	3.80
		----- 34,163,528 -----	

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		NUMBER OF SHARES	VALUE	DIVIDEND YIELD
		-----	-----	-----
FINANCE	4.92%			
CREDIT CARD	0.51%			
MBNA Capital, 8.278%, due 12/1/26, Series A.....		6,200,000	\$ 6,760,127	7.59%

DIVERSIFIED FINANCIAL SERVICES	2.33%			
Old Mutual Capital Funding, 8.00%, due 5/29/49 (Eurobond).....		29,950,000	30,946,826	7.74

INVESTMENT BANKER/BROKER	1.04%			
Chase Capital I, 7.67%, due 12/1/06.....		2,519,000	2,708,056	7.13
JPM Capital Trust I, 7.54%, due 1/15/27.....		3,925,000	4,232,751	6.99
JPM Capital Trust II, 7.95%, due 2/27/07.....		6,400,000	6,892,909	7.38

			13,833,716	

MORTGAGE LOAN/BROKER	1.04%			
Countrywide Capital III, 8.05%, due 6/15/27, Series B (SKIS).....		11,285,000	13,718,170	6.62

TOTAL FINANCE.....			65,258,839	

FOOD	1.61%			
Dairy Farmers of America, 7.875%, 144A(a).....		135,000	13,708,170	7.76
Gruma S.A., 7.75%, due 12/29/49, 144A(a).....		8,000,000	7,658,152	8.10

			21,366,322	

INSURANCE	7.91%			
LIFE/HEALTH	0.34%			
AmerUS Capital, 8.85%, due 2/1/27, Series A.....		4,000,000	4,463,040	7.93

MULTI-LINE	6.55%			
AFC Capital Trust I, 8.207%, due 02/03/27, Series B.....		15,750,000	16,809,125	7.69
AXA, 7.10%, due 5/29/49 (Eurobond)...		26,500,000	27,306,925	6.89
GenAmerica Capital I, 8.525%, due 6/30/27.....		14,000,000	15,471,806	7.71
USF&G Capital, 8.312%, due 7/1/46....		3,845,000	4,588,696	6.96
Zurich Capital Trust I, 8.376%, due 6/1/37.....		20,712,000	22,655,262	7.66

			86,831,814	

(a) The fund prices this security at fair value using procedures approved by

CELLULAR TELECOMMUNICATIONS	0.08%		
Rogers Wireless Communications,			
8.00%, due 12/15/12, 144A.....		1,000,000	1,032,500

INSURANCE	1.98%		
Liberty Mutual Insurance, 7.697%,			
due 10/15/97.....		16,730,000	17,894,977
Oil Casualty Insurance, 8.00%,			
due 9/15/34, 144A.....		8,000,000	8,382,392

			26,277,369

INVESTMENT BANKER/BROKER	1.33%		
NBP Capital Trust III, 7.375%, due			
10/29/49.....		16,900,000	17,697,122

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COHEN & STEERS REIT AND PREFERRED INCOME FUND, INC.

SCHEDULE OF INVESTMENTS -- (CONTINUED)
MARCH 31, 2005 (UNAUDITED)

		PRINCIPAL AMOUNT	VALUE
		-----	-----
MEDIA	0.82%		
Liberty Media Corp., 8.25%, due			
2/1/30.....		\$ 7,250,000	\$ 7,371,227
Rogers Cable, 8.75%, due 5/1/32.....		3,000,000	3,495,000

			10,866,227

MEDICAL -- HOSPITALS	1.20%		
Columbia/HCA, 7.50%, due 11/15/95.....		16,534,000	15,946,778

REAL ESTATE			
0.39%			
BF Saul Real Estate Investment Trust,			
7.50%, due 3/1/14, 144A.....		5,000,000	5,212,500

TELEPHONE -- INTEGRATED	0.78%		
Citizens Communications Co., 9.00%,			
due 8/15/31.....		9,925,000	10,371,625

TOTAL CORPORATE BOND			
(Identified cost --			
\$112,185,205).....			111,341,122

COMMERCIAL PAPER	0.14%		

Prudential FDG Corp., 2.12%, due 04/01/05 (Identified cost -- \$1,860,000).....	1,860,000	1,860,000

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COHEN & STEERS REIT AND PREFERRED INCOME FUND, INC.

SCHEDULE OF INVESTMENTS -- (CONTINUED)
MARCH 31, 2005 (UNAUDITED)

		VALUE

TOTAL INVESTMENTS (Identified cost -- \$1,814,002,086).....	152.35%	\$2,020,936,492 (a)
OTHER ASSETS IN EXCESS OF LIABILITIES.....	2.38%	31,524,609
LIQUIDATION VALUE OF AUCTION MARKET PREFERRED SHARES: SERIES M7, SERIES T7, SERIES W7, SERIES F7 (Equivalent to \$25,000 per share based on 3,280 shares outstanding per class), SERIES TH7 (Equivalent to \$25,000 per share based on 5,480 shares outstanding), SERIES W28A, SERIES W28B, SERIES W28C (Equivalent to \$25,000 per share based on 2,800 shares outstanding per class), AND SERIES TH28 (Equivalent to \$25,000 per share based on 2,040 shares outstanding).....	(54.73%)	(726,000,000)
	-----	-----
NET ASSETS APPLICABLE TO COMMON SHARES (Equivalent to \$27.49 per share based on 48,251,666 shares of capital stock outstanding).....	100.00%	\$1,326,461,101
	-----	-----
	-----	-----

GLOSSARY OF PORTFOLIO ABBREVIATIONS

CABCO	Corporate Asset Backed Corporation
CBTCS	Corporate Backed Trust Certificates
COPrS	Canadian Origin Preferred Securities
CORTS	Corporate Backed Trust Securities
FRN	Floating Rate Note
PINES	Public Income Notes
PPLUS	Preferred Plus Trust
QUIPS	Quarterly Income Preferred Securities
SKIS	Subordinated Capital Income Securities
TOPrS	Trust Originated Preferred Securities
TruPS	Trust Preferred Securities

(a) At March 31, 2005, net unrealized appreciation was \$206,934,406 based on cost for federal income tax purposes of \$1,814,002,086. This consisted of aggregate gross unrealized appreciation on investments of \$212,791,160 and aggregate gross unrealized depreciation on investments of \$5,856,754.

COHEN & STEERS REIT AND PREFERRED INCOME FUND, INC.

SCHEDULE OF INVESTMENTS -- (CONTINUED)
MARCH 31, 2005 (UNAUDITED)

NOTE 1. INVESTMENTS IN INTEREST RATE SWAPS

The fund has entered into interest rate swap agreements with Merrill Lynch Derivative Products AG, UBS AG, and Royal Bank of Canada. Under the agreements the fund receives a floating rate and pays a respective fixed rate. The fund has segregated 75,000 shares of Health Care Property Investors as collateral for the interest rate swap transactions. Details of the swaps at March 31, 2005 are as follows:

COUNTERPARTY	NOTIONAL AMOUNT	FIXED RATE	FLOATING RATE (a) (RESET MONTHLY)	TERMINATION DATE
Merrill Lynch Derivative Products AG.....	\$43,625,000	3.3200%	2.850%	October 22, 2007
Merrill Lynch Derivative Products AG.....	\$58,500,000	3.2075%	2.716%	October 2, 2008
Merrill Lynch Derivative Products AG.....	\$20,000,000	3.4100%	2.800%	January 13, 2009
Royal Bank of Canada.....	\$58,125,000	3.3980%	2.850%	August 25, 2007
Royal Bank of Canada.....	\$43,250,000	3.4520%	2.820%	September 16, 2008
UBS AG.....	\$58,125,000	2.8325%	2.850%	August 25, 2006
UBS AG.....	\$58,125,000	3.9900%	1.840%	August 25, 2009
UBS AG.....	\$58,125,000	4.3975%	2.850%	August 25, 2010
UBS AG.....	\$58,125,000	4.5950%	2.850%	August 25, 2011

(a) Based on LIBOR (London Interbank Offered Rate). Represents rates in effect at March 31, 2005.

 COHEN & STEERS REIT AND PREFERRED INCOME FUND, INC.

FINANCIAL HIGHLIGHTS (a)
 MARCH 31, 2005 (UNAUDITED)

	TOTAL NET ASSETS	NET ASSET VALUE PER SHARE
	-----	-----
NET ASSET VALUE:		
Beginning of period: 12/31/04.....	\$1,452,986,456	\$30.11
Net investment income.....	\$ 21,244,412	\$ 0.43
Net realized and unrealized loss on investments and interest rate swap transactions.....	(114,696,248)	(2.36)
Distributions from net investment income to:		
Common shareholders.....	(28,227,225)	(0.59)
Preferred shareholders.....	(4,846,294)	(0.10)
	-----	-----
Net decrease in net asset value.....	(126,525,355)	(2.62)
	-----	-----
End of period: 3/31/2005.....	\$1,326,461,101	\$27.49
	-----	-----

 (a) Financial information included in this report has been taken from the records of the fund without examination by independent accountants.

 COHEN & STEERS REIT AND PREFERRED INCOME FUND, INC.

AVERAGE ANNUAL TOTAL RETURNS
 (PERIOD ENDED MARCH 31, 2005) (UNAUDITED)

BASED ON NET ASSET VALUE		BASED ON MARKET PRICE	
-----		-----	
ONE YEAR	SINCE INCEPTION (6/27/03)	ONE YEAR	SINCE INCEPTION (6/27/03)
-----	-----	-----	-----
3.28%	17.42%	1.37%	8.26%

The performance data quoted represent past performance. Past performance is no guarantee of future results. The rate of 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.

REINVESTMENT PLAN

We urge shareholders who want to take advantage of this plan and whose shares are held in 'Street Name' to consult your broker as soon as possible to determine if you must change registration into your own name to participate.

OTHER INFORMATION

Notice is hereby given in accordance with Section 23(c) of the Investment Company Act of 1940 that the fund may purchase, from time to time, shares of its common stock in the open market.

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 1-800-330-7348, (ii) on our Web site at cohenandsteers.com, or (iii) on the Securities and Exchange Commission's (SEC) Web site 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 (i) without charge upon request, by calling 1-800-330-7348, or (ii) on the SEC's Web site 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 1-800-330-7348, 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 1-800-SEC-0330.

Please note that the distributions paid by the fund to shareholders are subject to recharacterization for tax purposes. The final tax treatment of these distributions is reported to shareholders on their 1099-DIV forms, which are mailed to shareholders after the close of each fiscal year. As noted in the shareholder letter, the fund has adopted a level rate distribution policy. Under this policy, the fund will pay distributions in excess of the fund's net investment company taxable income and this excess will be a tax-free return of capital distributed from the fund's assets. The fund's shareholders of record will be notified of the estimated amount of capital returned to shareholders for each distribution and this information will also be available at cohenandsteers.com. Distributions

COHEN & STEERS REIT AND PREFERRED INCOME FUND, INC.

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.

PRIVACY POLICY *

In the course of doing business with Cohen & Steers, you may share personal

information with us. We are committed to maintaining the privacy of this information and recognize the importance of preventing unauthorized access to it. You may provide personal information on account applications and requests for forms or other literature (such as your address and social security number) and through account transactions with us (such as purchases, sales and account balances). You may also provide us with this information through written, electronic and telephone account inquiries.

We do not sell personal information about current and former customers to anyone, and we do not disclose it unless necessary to process a transaction, service an account or as otherwise required or permitted by law. For example, we may disclose information to companies that perform administrative or marketing services for Cohen & Steers, such as transfer agents, or printers that assist us in the distribution of investor materials. These organizations will use this information only for purposes of providing the required services or as otherwise may be required by law. We may also share personal information within the Cohen & Steers family of companies to provide you with additional information about our products and services.

We maintain physical, electronic and procedural safeguards to protect your personal information. Within Cohen & Steers, we restrict access to your personal information to those employees who need it to perform their jobs, such as servicing your account or informing you of new products and services.

The accuracy of your personal information is important. If you need to correct or update your personal or account information, please call us at 800-330-7348. We will be happy to review, correct or update your personal or account information.

* This privacy policy applies to the following Cohen & Steers companies: Cohen & Steers Capital Management, Inc., Cohen & Steers Securities, LLC, Cohen & Steers Capital Advisors, LLC and the Cohen & Steers Funds.

COHEN & STEERS REIT AND PREFERRED INCOME FUND, INC.

MEET THE COHEN & STEERS FAMILY OF OPEN-END FUNDS:

FOR TOTAL RETURN:

COHEN & STEERS

REALTY SHARES

DESIGNED FOR INVESTORS SEEKING MAXIMUM TOTAL
RETURN, INVESTING PRIMARILY IN REITS
SYMBOL: CSRSX

FOR HIGH CURRENT INMCOME:

FOR TOTAL RETURN:

COHEN & STEERS

INSTITUTIONAL REALTY SHARES

DESIGNED FOR INSTITUTIONAL INVESTORS SEEK
MAXIMUM TOTAL RETURN, INVESTING PRIMARILY
REITS
SYMBOL: CSRIX

FOR CAPITAL APPRECIATION:

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COHEN & STEERS

REALTY INCOME FUND

DESIGNED FOR INVESTORS SEEKING HIGH CURRENT
INCOME, INVESTING PRIMARILY IN REITS
SYMBOLS: CSEIX, CSBIX, CSCIX, CSDIX

FOR TOTAL RETURN:

COHEN & STEERS

INTERNATIONAL REALTY FUND

DESIGNED FOR INVESTORS SEEKING MAXIMUM TOTAL
RETURN, INVESTING PRIMARILY IN INTERNATIONAL
REAL ESTATE SECURITIES
SYMBOLS: IRFAX, IRFCX, IRFIX

COHEN & STEERS

REALTY FOCUS FUND

DESIGNED FOR INVESTORS SEEKING MAXIMUM CA
APPRECIATION, INVESTING IN A LIMITED NUMB
REITS AND OTHER REAL ESTATE SECURITIES
SYMBOLS: CSFAX, CSFBX, CSFCX, CSSPX

FOR TOTAL RETURN:

COHEN & STEERS

UTILITY FUND

DESIGNED FOR INVESTORS SEEKING MAXIMUM TO
RETURN, INVESTING PRIMARILY IN UTILITIES
SYMBOLS: CSUAX, CSUBX, CSUCX, CSUIX

FOR MORE INFORMATION ABOUT ANY COHEN & STEERS FUND
OR TO OBTAIN A PROSPECTUS PLEASE CONTACT US AT:
1-800-330-7348, OR VISIT OUR WEB SITE AT COHENANDSTEERS.COM

PLEASE CONSIDER THE INVESTMENT OBJECTIVES, RISKS, CHARGES AND EXPENSES OF THE
FUND CAREFULLY BEFORE INVESTING. THE PROSPECTUS CONTAINS THIS AND OTHER
INFORMATION ABOUT THE FUND.

PLEASE READ THE PROSPECTUS CAREFULLY BEFORE INVESTING.

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COHEN & STEERS REIT AND PREFERRED INCOME FUND, INC.

OFFICERS AND DIRECTORS

Robert H. Steers
Director and chairman

Martin Cohen
Director and president

Bonnie Cohen
Director

George Grossman
Director

Richard E. Kroon
Director

Richard J. Norman
Director

KEY INFORMATION

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Cohen & Steers Capital Management, Inc.
757 Third Avenue
New York, NY 10017
(212) 832-3232

FUND SUBADMINISTRATOR AND CUSTODIAN
State Street Bank and Trust Company
225 Franklin Street
Boston, MA 02110

TRANSFER AGENT -- COMMON SHARES
Equiserve Trust Company
250 Royall Street
Canton, MA 02021
(800) 426-5523

TRANSFER AGENT -- PREFERRED SHARES

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Director

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Willard H. Smith Jr.
Director

LEGAL COUNSEL
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C. Edward Ward, Jr.
Director

Adam Derechin
Vice president and assistant treasurer

New York Stock Exchange Symbol: RNP
Web site: cohenandsteers.com

Joseph M. Harvey
Vice president

This report is for shareholder information. This is a prospectus intended for use in the purchase or sale of fund shares. Past performance is of course no guarantee of future results and your investment may be worth more or less at the time you sell.

William F. Scapell
Vice president

Lawrence B. Stoller
Assistant secretary

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COHEN & STEERS

REIT AND PREFERRED INCOME FUND

QUARTERLY REPORT
MARCH 31, 2005

COHEN & STEERS
REIT AND PREFERRED INCOME FUND
757 THIRD AVENUE
NEW YORK, NY 10017

ANNOUNCING OUR NEW OPEN-END FUND, COHEN & STEERS INTERNATIONAL REALTY FUND