COHEN & STEERS REIT & PREFERRED INCOME FUND INC
Form N-CSR
March 04, 2016

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM N-CSR

CERTIFIED SHAREHOLDER REPORT OF REGISTERED MANAGEMENT INVESTMENT COMPANIES

Investment Company Act file number 811-21326

Cohen & Steers REIT and Preferred Income Fund, Inc.
(Exact name of registrant as specified in charter)

280 Park Avenue, New York, NY (Address of principal executive offices)	10017 (Zip code)

Tina M. Payne

Cohen & Steers Capital Management, Inc.

280 Park Avenue

New York, New York 10017
(Name and address of agent for service)

Registrant s telephone number, including area code: (212) 832-3232

Date of fiscal year end: December 31

Date of reporting period: December 31, 2015

Item 1. Reports to Stockholders.

COHEN & STEERS REIT AND PREFERRED INCOME FUND, INC.

To Our Shareholders:

We would like to share with you our report for the year ended December 31, 2015. The net asset value (NAV) at that date was $21.63 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 $18.44.

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

	Six Months Ended December 31, 2015	Year Ended December 31, 2015
Cohen & Steers REIT and Preferred Income Fund at NAV[a]	10.10%	8.45%
Cohen & Steers REIT and Preferred Income Fund at Market Value[a]	9.86%	5.26%
FTSE NAREIT Equity REIT Index[b]	9.40%	3.20%
BofA Merrill Lynch Fixed-Rate Preferred Securities Index[b]	5.25%	7.58%
Blended Benchmark 50% FTSE NAREIT Equity REIT Index/50% BofA Merrill Lynch Fixed-Rate Preferred Securities Index[b]	7.41%	5.58%
S&P 500 Index[b]	0.15%	1.38%

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.

[a] 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.

[b] The FTSE NAREIT Equity REIT Index contains all tax-qualified REITs except timber and infrastructure REITs with more than 50% of total assets in qualifying real estate assets other than mortgages secured by real property that also meet minimum size and liquidity criteria. 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. The S&P 500 Index is an unmanaged index of 500 large-capitalization stocks that is frequently used as a general measure of U.S. stock market performance. Benchmark returns are shown for comparative purposes only and may not be representative of the Fund's portfolio. The Fund's

benchmarks do not include below-investment grade securities.

COHEN & STEERS REIT AND PREFERRED INCOME FUND, INC.

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.

Market Review

The year was a challenging period for equities, as investors reacted to signs of economic deceleration in China, falling commodity prices and slowing global growth generally. In the U.S. the prospect for an interest-rate hike by the Federal Reserve (the Fed) occasionally upset markets although when the Fed finally raised rates off of near-zero in December by 0.25%, investors seemed to take it in stride. The Fed's unanimous vote was based on steady U.S. economic growth and low unemployment, but showed concern for low inflation and the impact of the strong dollar on exports and manufacturing.

In this environment, U.S. REITs, which have a strong domestic orientation, had a positive total return and outperformed the broader U.S. market, aided by continued strength in real estate fundamentals. Throughout the year, REITs generally exceeded or met the market's high earnings expectations, and many raised their guidance. Meanwhile, acquisition activity continued to confirm high property valuation levels, also helping REIT shares recover from their mid-year lows.

Preferred Securities Also Advanced

Preferred securities had positive returns in 2015. Preferreds, which generally offer the highest income rates in the investment-grade universe, outperformed Treasuries and corporate bonds by wide margins. They were even stronger compared with high-yield debt, reflecting preferreds' relative insulation from the weakness in commodities, energy and other cyclical sectors that weighed on high yield in the period. By contrast, the preferreds universe is heavily represented by issues from banks and insurance companies, which generally have relatively little direct exposure to energy and materials companies.

Fund Performance

The Fund had a positive total return in the year and outperformed its blended benchmark on an NAV basis but underperformed based on market price. Our overweight and stock selection in the apartment sector contributed positively to relative performance. Apartment landlords were one of the top-performing property sectors in the year, overcoming concerns about rising supply as household formation continued to support demand.

The Fund's overweight in self storage REITs, which likewise had sizable share-price gains, also aided performance. Demand for self storage has continued to outstrip very limited new supply, driving strong same-store sales growth for these companies.

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Stock selection in the regional mall sector was a positive contributor as well, reflecting our preference for owners of high-quality properties. In an uncertain retail environment, companies focused on Class A properties and outlet centers in desirable locations advanced, while landlords that predominately operate Class B malls had significant declines.

Our underweight in the hotel sector also helped performance, as it was the poorest-performing property type in the period. Hotels struggled amid moderating economic growth in the U.S. and abroad, with a strong dollar also dampening demand due to slowing tourism. Rising supply in certain large markets also weighed on returns. Factors that detracted from relative performance included stock selection in the industrial and shopping center sectors.

The Fund's allocation to preferred securities had a good absolute total return, although it underperformed the broad preferreds universe as measured by the BofA Merrill Lynch Fixed-Rate Preferred Securities Index. Favorable security selection in the brokerage sector was more than countered by underperformance among our insurance, utilities and real estate issues on a total-return basis.

Impact of Derivatives on Fund Performance

The Fund used derivatives in the form of options with the intention of enhancing total returns and reducing overall volatility, as well as forward foreign currency exchange contracts for managing currency risk on certain Fund positions denominated in foreign currencies. These contracts did not have a material effect on the Fund's total return during the 12-month period ended December 31, 2015.

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, 2015.

COHEN & STEERS REIT AND PREFERRED INCOME FUND, INC.

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 the report. 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 securities, listed infrastructure, commodities and natural resource equities, as well as preferred securities and other income solutions.

COHEN & STEERS REIT AND PREFERRED INCOME FUND, INC.

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 net income available for shareholders. As of December 31, 2015, 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 expiring in 2017, 2018 and 2019[c] (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[a,b]

Leverage (as a % of managed assets)	25%
% Fixed Rate	85%
% Variable Rate	15%
Weighted Average Rate on Financing	1.9%[c]
Weighted Average Term on Financing	5.3 years[c]

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.

[a] Data as of December 31, 2015. Information is subject to change.

[b] See Note 7 in Notes to Financial Statements.

[c] On February 24, 2015, the Fund amended its credit agreement to extend the fixed rate financing terms by three years expiring in 2020, 2021 and 2022. The weighted average rate on financing does not include the three year extension and will increase as the extended fixed-rate tranches become effective. The weighted average term on financing includes the three year extension.

COHEN & STEERS REIT AND PREFERRED INCOME FUND, INC.

December 31, 2015
Top Ten Holdings[a]
(Unaudited)

Security	Value	% of Managed Assets
Simon Property Group	$68,550,016	5.0
Equity Residential	44,174,376	3.2
Extra Space Storage	38,516,808	2.8
Vornado Realty Trust	36,872,945	2.7
SL Green Realty Corp.	28,465,424	2.1
Essex Property Trust	25,716,943	1.9
UDR	25,289,569	1.8
Host Hotels & Resorts	24,601,433	1.8
Omega Healthcare Investors	24,122,558	1.7
Equinix	23,947,359	1.7

[a] 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

(Based on Managed Assets)
(Unaudited)

COHEN & STEERS REIT AND PREFERRED INCOME FUND, INC.

SCHEDULE OF INVESTMENTS

December 31, 2015

		Number of Shares	Value
COMMON STOCK REAL ESTATE	65.6%		
DIVERSIFIED	4.4%		
American Assets Trust[a]		214,357	$ 8,220,591
Vornado Realty Trust[a,b]		368,877	36,872,945
			45,093,536
HEALTH CARE	6.3%		
HCP[a]		400,847	15,328,389
Healthcare Trust of America, Class A[a,b]		549,593	14,822,523
Omega Healthcare Investors[a,b]		689,610	24,122,558
Physicians Realty Trust[a]		611,314	10,306,754
			64,580,224
HOTEL	3.5%		
Host Hotels & Resorts[a,b]		1,603,744	24,601,433
Sunstone Hotel Investors[a,b]		919,017	11,478,522
			36,079,955
OFFICE	6.3%		
Douglas Emmett[a,b]		308,082	9,605,997
Kilroy Realty Corp.[a,b]		296,048	18,733,917
PS Business Parks		90,942	7,951,059
SL Green Realty Corp.[a,b]		251,951	28,465,424
			64,756,397
RESIDENTIAL	14.3%		
APARTMENT	12.9%		
Apartment Investment & Management Co.[a,b]		386,748	15,481,523
Equity Residential[a,b]		541,419	44,174,376
Essex Property Trust[a,b]		107,418	25,716,943
Mid-America Apartment Communities[a]		167,228	15,185,975
Starwood Waypoint Residential Trust[a,b]		306,079	6,929,629
UDR[a,b]		673,132	25,289,569
			132,778,015
MANUFACTURED HOME	1.4%		
Sun Communities[a]		213,633	14,640,269
TOTAL RESIDENTIAL			147,418,284

See accompanying notes to financial statements.

COHEN & STEERS REIT AND PREFERRED INCOME FUND, INC.

SCHEDULE OF INVESTMENTS (Continued)

December 31, 2015

		Number of Shares	Value	
SELF STORAGE	6.9%			
CubeSmart[a,b]		770,854	$ 23,603,550	
Extra Space Storage[a,b]		436,649	38,516,808	
Sovran Self Storage[a,b]		83,299	8,938,816	
			71,059,174	
SHOPPING CENTERS	19.3%			
COMMUNITY CENTER	5.7%			
DDR Corp.[a,b]		949,842	15,995,339	
Ramco-Gershenson Properties Trust[a,b]		557,383	9,258,132	
Regency Centers Corp.[a,b]		317,295	21,614,135	
Retail Properties of America, Class A[a,b]		836,509	12,355,238	
			59,222,844	
FREE STANDING	2.9%			
National Retail Properties[a]		409,272	16,391,344	
Spirit Realty Capital[a]		1,299,599	13,021,982	&n