COHEN & STEERS REIT & PREFERRED INCOME FUND INC
Form N-CSRS
August 28, 2009

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	10017
(Address of principal executive offices)	(Zip code)

Adam M. Derechin

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: June 30, 2009

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 six months ended June 30, 2009. The net asset value at that date was $8.18 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 net asset value; at period end, the Fund's closing price on the NYSE was $7.33. The total returns, including income, for the Fund and the comparative benchmarks were:

	Six Months Ended June 30, 2009
Cohen & Steers REIT and Preferred Income Fund at Market Value[a]	27.83%
Cohen & Steers REIT and Preferred Income Fund at Net Asset Value[a]	4.14%
FTSE NAREIT Equity REIT Index[b]	12.21%
S&P 500 Index[b]	3.16%
Merrill Lynch Fixed Rate Preferred Index[b]	2.71%
Blended benchmark 50% FTSE NAREIT Equity REIT Index, 50% Merrill Lynch Fixed Rate Preferred Index[b]	4.49%

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 the issuance of preferred shares and borrowings under a credit agreement.

Investment Review

U.S. real estate securities declined in the six-month period, although they were subject to strong swings in sentiment and performance. REITs entered 2009 with positive momentum from December's rally but quickly sold off as concerns about the economy and banking system took a disproportionate toll on the asset class. The new administration's proposed stimulus package failed to ignite markets when details suggested that the spending would occur slowly.

[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 FTSE NAREIT Equity REIT Index is an unmanaged, market-capitalization-weighted index of all publicly traded REITs that invest predominantly in the equity ownership of real estate. The index is designed to reflect the performance of all publicly traded equity REITs as a whole. The S&P 500 Index is an unmanaged index of common stocks that is frequently used as a general measure of stock market performance. The Merrill Lynch Fixed Rate Preferred Index is an unmanaged index of preferred securities.

COHEN & STEERS REIT AND PREFERRED INCOME FUND, INC.

Property stocks continued their downward trend in February as investors reacted unfavorably to the proposed budget and the lack of specifics on how the government would address the banking crisis. In this environment, real estate securities were positively correlated with troubled financial institutions. Citigroup jump-started a broad market rally on March 9 when it announced that it expected to be profitable for the first two months of 2009.

Recapitalization comes to the United States

In late March, mall owner Simon Property Group and warehouse operator AMB Property recapitalized, raising $1.2 billion and $500 million, respectively, in the capital markets to strengthen their balance sheets and meet debt maturities. The capital raisings, which followed the earlier success of Australian and U.K. property companies, reassured investors that REITs would survive the current economic downturn and, in a growing number of instances, thrive. In total, U.S. REITs raised $16.8 billion between March and June. Cohen & Steers was instrumental in several capital raisings, and was a cornerstone investor in many of them.

The second quarter saw a continued rally in the broad equity markets but with a distinct acceleration and outperformance by real estate securities (REITs rose 28.9% in the quarter, compared with a total return of 15.9% for the S&P 500 Index). Re-equitization lifted property shares and also encouraged the REIT unsecured bond market; spreads tightened and the market reopened as an additional capital source. Investors were undeterred by General Growth Properties' bankruptcy, as the company's plight had been telegraphed for months. We did not have a position in the company during the period.

REIT performance leveled off from April's blistering pace, although the stream of recapitalizations continued. While earlier capital raisings focused on strengthening balance sheets and meeting debt maturities, some of the more recent activity was undertaken with an eye toward distressed acquisition opportunities, notably Simon, which raised an additional $1.7 billion for that stated purpose.

Preferreds had positive returns

Concerns about the economy and financial system also pushed preferred securities (which had a total return of +2.7% for the six months, as measured by the Merrill Lynch Fixed Rate Preferred Index) to multi-year lows in the first quarter. The preferred market is composed primarily of obligations of financial issuers, many of which have suffered significantly in the economic and financial system crisis. However, preferreds staged a recovery that began in March and continued into the second quarter, as well-received government initiatives, access to capital markets and a positive outlook for bank earnings provided a lift. Real estate preferred securities (+14.8% for the six months, as measured by the Merrill Lynch REIT Preferred Index) also bounced off multi-year lows in early March and had a sizable outperformance for the year to date. Re-equitization lifted both common and preferred REIT shares and also encouraged the REIT unsecured bond market.

COHEN & STEERS REIT AND PREFERRED INCOME FUND, INC.

Fund performance

The Fund employs leverage as part of a yield-enhancement strategy. While leverage can increase total return in rising markets, it can have the opposite effect in declining markets. In the first quarter, leverage magnified the Fund's negative return, while in the second quarter when many markets and asset classes rose sharply it boosted performance. For the full six months, leverage enhanced the Fund's total return.

The Fund outperformed its benchmarks for the period, aided by its allocation to preferred securities, which posted strong returns in both absolute terms and compared with the broad preferred and equity markets. In addition to favorable preferred security selection (due in part to an overweight in the stronger-performing over-the-counter preferred market), performance benefited from our asset allocation strategy. The Fund maintained a weight of greater than 50% in the preferred asset class during the period, which helped its return exceed a 50/50 blend of preferreds and REIT equities. Our underweight in troubled shopping center REIT common stocks (which had a total return of 24.2% within the index) also contributed to performance, as did our underweights in the diversified (22.1%) and industrial (25.5%) sectors, along with stock selection and underweights within offices (12.9%) and health care (12.6%).

Factors that detracted from performance included the Fund's stock selection in regional mall REITs (+0.4%), where we were underweight a REIT that saw a significant increase following its recapitalization. Our underweight in hotel REITs (+7.9%) also hindered relative return; the Fund did not fully participate in the share price appreciation of several hotel companies that recapitalized in the second quarter. Stock selection in apartment REITs (13.8%) also dampened returns. The Fund's holdings of certain utility preferreds, which did not rise as much as other issues in the recent updraft, detracted from performance, as did its holdings of certain financial preferreds that did not recover as strongly as the overall market.

The Fund's market price had a positive return in the period, rising 27.8%. This reflected a narrowing in closed-end funds' discounts to their underlying net asset values. Discounts for most funds reached historically wide levels in 2008, but narrowed considerably in the first half of 2009.

Investment Outlook

We are closely monitoring the flow of economic data, and it is our view that the economy will surprise to the upside later this year, possibly in the fourth quarter, and follow through into 2010.

REIT capital raisings will likely resume again later this year after June's pause, as companies continue to take advantage of a receptive market. We had expected to see increased instances of distressed selling at this point in the deleveraging cycle, but the greater access to capital has given private property owners and their lenders time to explore alternatives. We continue to believe that phase will come, and that companies with the balance sheet capacity will be in a position to play offense when these buying opportunities present themselves. As such, these companies and those fundamentally positioned for a better-than-expected recovery remain our primary focus.

COHEN & STEERS REIT AND PREFERRED INCOME FUND, INC.

Although it is our view that corporate and REIT preferreds can rise from current levels in six to 12 months, while providing attractive income along the way, we expect to see periods of price volatility as investors react to economic and corporate earnings news. Believing that a full recovery in preferreds from the recent historical lows could take time and be subject to the path of economic recovery, we favor a high income component in the total return equation and look for more substantial capital gains over the longer term.

Sincerely,

MARTIN COHEN

Co-chairman

ROBERT H. STEERS

Co-chairman

JOSEPH M. HARVEY

Portfolio Manager

WILLIAM F. SCAPELL

Portfolio Manager

THOMAS N. BOHJALIAN

Portfolio Manager

The views and opinions in the preceding commentary are subject to change. 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 any of our funds, visit cohenandsteers.com, where you will find daily net asset values, fund fact sheets and portfolio highlights. You can also access newsletters, education tools and market updates covering the global real estate, listed infrastructure, utilities, large cap value 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.

COHEN & STEERS REIT AND PREFERRED INCOME FUND, INC.

Our Leverage Strategy
(Unaudited)

Our leverage strategy utilizes a combination of auction market preferred shares (AMPS) and borrowings up to the maximum permitted by the 1940 Act to provide additional capital for the Fund, with an objective of increasing the net income available for shareholders. As of June 30, 2009, leverage represented 42% of the Fund's managed assets, with AMPS and borrowings each representing 23% and 19%, respectively.

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. Considering that AMPS have variable dividend rates and borrowings have variable interest rate payments, we seek to lock in those rates on a significant portion 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, as of June 30, 2009, we have fixed the rate on 61% of our borrowings at an average interest rate of 3.6% for an average remaining period of 4.2 years (when we first entered into the swaps, the average term was 5.6 years). 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 a portion of the Fund's leveraging costs for the term of the swap agreements partially protects the Fund's expenses from an increase in short-term interest rates.

Leverage Facts[a]

Leverage (as a % of managed assets)	42%
% Fixed Rate	61%
% Variable Rate	39%
Weighted Average Rate on Swaps	3.6%
Weighted Average Term on Swaps	4.2 years
Current Rate on AMPS[b]	1.6%
Current Rate on Debt[c]	1.4%

The Fund intends 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 common 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 a realized investment yield that is greater than the total cost of leverage, the leverage strategy will produce higher current net investment income for the common shareholders. On the other hand, to the extent that the total cost of leverage exceeds the incremental income gained from employing such leverage, the common 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 common shareholders. Specifically, in an up market, leverage will typically generate greater capital appreciation than if the Fund was 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 at times of adverse economic conditions which may result in capital losses potentially reducing returns to common 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 June 30, 2009. Information subject to change.

[b] See Note 5 in Notes to Financial Statements.

[c] See Note 6 in Notes to Financial Statements.

COHEN & STEERS REIT AND PREFERRED INCOME FUND, INC.

JUNE 30, 2009

Top Ten Holdings[a]
(Unaudited)

Security	Value	% of Managed Assets
Simon Property Group	$ 24,525,835	3.6%
Boston Properties	17,457,055	2.6
Vornado Realty Trust	16,590,223	2.4
HSBC Capital Funding LP, 10.176%, due 12/29/49, 144A	13,080,474	1.9
Public Storage	12,898,251	1.9
Mack-Cali Realty Corp.	12,758,584	1.9
HCP	11,324,572	1.7
Rabobank Nederland, 11.00%, due 12/29/49, 144A	11,153,190	1.6
Centaur Funding Corp., 9.08%, due 4/21/20, 144A	10,460,355	1.5
Host Hotels & Resorts	10,342,999	1.5

[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

June 30, 2009 (Unaudited)

		Number of Shares	Value
COMMON STOCK	69.6%		
DIVERSIFIED	5.6%		
Brookfield Properties Corp.		221,900	$ 1,768,543
Lexington Realty Trust		415,500	1,412,700
Vornado Realty Trust[a]		368,426	16,590,223
Washington REIT[b]		101,700	2,275,029
			22,046,495
HEALTH CARE	11.0%		
Brookdale Senior Living		194,700	1,896,378
Cogdell Spencer[b]		476,447	2,043,958
HCP		534,430	11,324,572
Health Care REIT[b]		238,250	8,124,325
LTC Properties[b]		70,741	1,446,653
Nationwide Health Properties[b]		247,610	6,373,481
Omega Healthcare Investors[b]		264,826	4,110,100
Ventas[b]		278,140	8,305,260
			43,624,727
HOTEL	3.2%		
Hospitality Properties Trust		209,402	2,489,790
Host Hotels & Resorts		1,232,777	10,342,999
			12,832,789
INDUSTRIAL	4.1%		
AMB Property Corp.		270,186	5,082,199
EastGroup Properties[b]		61,478	2,030,003
ProLogis		1,105,867	8,913,288
			16,025,490
MORTGAGE	0.9%		
Chimera Investment Corp.[b]		530,200	1,850,398
MFA Financial[b]		242,200	1,676,024
			3,526,422

See accompanying notes to financial statements.

COHEN & STEERS REIT AND PREFERRED INCOME FUND, INC.

SCHEDULE OF INVESTMENTS (Continued)

June 30, 2009 (Unaudited)

		Number of Shares	Value
OFFICE	14.3%		
BioMed Realty Trust		449,180	$ 4,595,111
Boston Properties[a]		365,976	17,457,055
Brandywine Realty Trust		405,003	3,017,272
Highwoods Properties		212,918	4,762,976
Kilroy Realty Corp.[b]		225,577	4,633,352
Liberty Property Trust[b]		297,307	6,849,953
Mack-Cali Realty Corp.		559,587	12,758,584
SL Green Realty Corp.		103,770	2,380,484
			56,454,787
OFFICE/INDUSTRIAL	0.5%		
PS Business Parks[b]		37,800	1,831,032
RESIDENTIAL	10.2%		
APARTMENT	9.6%		
American Campus Communities[b]		175,348	3,889,219
Apartment Investment & Management Co.		494,507	4,376,387
AvalonBay Communities[b]		85,177	4,764,801
Camden Property Trust		107,300	2,961,480
Education Realty Trust		392,447	1,683,598
Equity Residential		390,399	8,678,570
Home Properties[b]		148,598	5,067,192
UDR		626,880	6,475,670
			37,896,917
MANUFACTURED HOME	0.6%		
Equity Lifestyle Properties		69,000	2,565,420
TOTAL RESIDENTIAL			40,462,337
SELF STORAGE	5.4%		
Extra Space Storage[b]		291,500	2,434,025
Public Storage[b]		196,980	12,898,251
Sovran Self Storage[b]		174,204	4,285,418
U-Store-It Trust		353,000	1,729,700
			21,347,394

See accompanying notes to financial statements.

COHEN & STEERS REIT AND PREFERRED INCOME FUND, INC.

SCHEDULE OF INVESTMENTS (Continued)

June 30, 2009 (Unaudited)

		Number of Shares	Value
SHOPPING CENTER	14.4%		
COMMUNITY CENTER	6.0%		
Federal Realty Investment Trust[b]		110,132	$ 5,674,001
Inland Real Estate Corp.[b]		404,959	2,834,713
Kimco Realty Corp.		476,128	4,785,086
Regency Centers Corp.		141,938	4,955,056
Weingarten Realty Investors		385,007	5,586,451
			23,835,307
FREE STANDING	0.5%		
National Retail Properties[b]		112,838	1,957,739
REGIONAL MALL	7.9%		
CBL & Associates Properties		292,066	1,574,236
Macerich Co.[a]		294,398	5,184,349
Simon Property Group[a]		476,878	24,525,835
			31,284,420
TOTAL SHOPPING CENTER			57,077,466
TOTAL COMMON STOCK (Identified cost $317,592,786)			275,228,939
PREFERRED SECURITIES $25 PAR VALUE	40.9%		
BANK	3.8%		
BAC Capital Trust XII, 6.875%, due 8/2/55, Series C[b]		95,137	1,740,056
Bank of America Corp., 8.20%		88,000	1,738,000
Bank of America Corp., 8.625%, Series MER[b]		140,000	2,839,200
Citigroup Capital VIII, 6.95%, due 9/15/31 (TruPS)		60,048	930,143
Cobank ACB, 7.00%, 144A, ($50 par value)[c,d]		120,000	3,736,920
JPMorgan Chase Capital XXVI, 8.00%, due 5/15/48, Series Z[b]		99,375	2,493,319
Wachovia Capital Trust X, 7.85%, due 12/1/67[b]		68,425	1,529,299
			15,006,937
BANK FOREIGN	8.6%		
Barclays Bank PLC, 8.125%[b]		460,550	9,510,357
Deutsche Bank Contingent Capital Trust II, 6.55%[b]		157,634	2,834,259
Deutsche Bank Contingent Capital Trust III, 7.60%[b]		235,000	4,638,900
HSBC Holdings PLC, 8.125%[b]		170,000	4,044,300

See accompanying notes to financial statements.

COHEN & STEERS REIT AND PREFERRED INCOME FUND, INC.

SCHEDULE OF INVESTMENTS (Continued)

June 30, 2009 (Unaudited)

		Number of Shares	Value
Santander Finance Preferred, 6.50%[b]		98,010	$ 1,764,180
Santander Finance Preferred, 6.80%[b]		474,955	9,190,379
Santander Finance Preferred, 4.00%, Series 6 (FRN)[b]		171,490	1,929,263
			33,911,638
ELECTRIC INTEGRATED	3.0%		
Dominion Resources, 8.375%, due 6/15/64, Series A		248,000	6,294,240
Entergy Texas, 7.875%, due 6/1/39[b]		100,000	2,519,000
FPC Capital I, 7.10%, due 5/13/39, Series A (QUIPS)[b]		121,150	2,950,002
			11,763,242
ENERGY INTEGRATED OIL & GAS	0.5%		
Nexen, 7.35%, due 11/1/43, Series B[b]		100,469	2,060,619
FINANCE	2.6%		
INVESTMENT ADVISORY SERVICES	0.8%		
Ameriprise Financial, 7.75%, due 6/15/39		135,225	2,922,550
INVESTMENT BANKER/BROKER	0.9%		
Bear Stearns Capital Trust III, 7.80%, 5/15/31[b]		70,000	1,655,500
Morgan Stanley Capital Trust III, 6.25%[b]		99,962	1,919,271
			3,574,771
INVESTMENT BANKER/BROKER FOREIGN	0.5%		
Credit Suisse Guernsey, 7.90%[b]		90,000	2,019,600
MORTGAGE LOAN/BROKER	0.4%		
Countrywide Capital IV, 6.75%, due 4/1/33		50,000	822,500
Countrywide Capital V, 7.00%, due 11/1/36[b]		50,000	853,000
			1,675,500
TOTAL FINANCE			10,192,421
GAS DISTRIBUTION	0.7%		
Southwest Gas Capital Trust II, 7.70%, due 9/15/43[b]		123,289	2,979,895
INSURANCE	8.0%		
LIFE/HEALTH INSURANCE FOREIGN	0.5%		
Prudential PLC, 6.50%, Series A[b]		100,000	1,785,000

See accompanying notes to financial statements.

COHEN & STEERS REIT AND PREFERRED INCOME FUND, INC.

SCHEDULE OF INVESTMENTS (Continued)

June 30, 2009 (Unaudited)

		Number of Shares	Value
MULTI-LINE	0.5%		
MetLife, 6.50%, Series B[b]		90,000	$ 1,849,500
MULTI-LINE FOREIGN	4.0%		
Allianz SE, 8.375%[b]		400,000	8,980,000
ING Groep N.V., 7.375%[b]		328,300	5,810,910
ING Groep N.V., 8.50%[b]		61,353	1,193,316
			15,984,226
PROPERTY CASUALTY	0.2%		
Berkley W R Capital Trust II, 6.75%, due 7/26/45[b]		33,093	741,283
PROPERTY CASUALTY FOREIGN	1.4%		
Arch Capital Group Ltd., 8.00%[b]		160,000	3,513,600
Arch Capital Group Ltd., 7.875%, Series B[b]		100,443	2,054,059
			5,567,659
REINSURANCE FOREIGN	1.4%		
Aspen Insurance Holdings Ltd., 7.401%, Series A[b]		160,000	2,561,600
Axis Capital Holdings Ltd., 7.50%, Series B ($100 par value)		40,000	3,035,000
			5,596,600
TOTAL INSURANCE			31,524,268
MEDIA DIVERSIFIED SERVICES	3.3%		
Comcast Corp., 6.625%, due 5/15/56[b]		150,060	3,238,295
Comcast Corp., 7.00%, due 9/15/55, Series B[b]		350,094	7,999,648
Viacom, 6.85%, due 12/5/55[b]		87,013	1,807,260
			13,045,203
REAL ESTATE	8.7%		
DIVERSIFIED	1.5%		
Duke Realty Corp., 6.95%, Series M[b]		100,000	1,372,000
Duke Realty Corp., 7.25%, Series N[b]		133,400	1,931,632
Duke Realty Corp., 8.375%, Series O[b]		100,004	1,756,070
Vornado Realty Trust, 6.75%, Series H[b]		56,100	1,033,923
			6,093,625

See accompanying notes to financial statements.

COHEN & STEERS REIT AND PREFERRED INCOME FUND, INC.

SCHEDULE OF INVESTMENTS (Continued)

June 30, 2009 (Unaudited)

		Number of Shares	Value
HEALTH CARE	0.9%		
Omega Healthcare Investors, 8.375%, Series D[b]		159,669	$ 3,432,884
INDUSTRIAL	0.2%		
First Industrial Realty Trust, 7.25%, Series J[b]		75,350	862,004
OFFICE	0.5%		
BioMed Realty Trust, 7.375%, Series A[b]		55,000	958,100
SL Green Realty Corp., 7.625%, Series C[b]		70,000	1,155,000
			2,113,100
OFFICE/INDUSTRIAL	1.0%		
PS Business Parks, 7.00%, Series H[b]		108,864	2,008,541
PS Business Parks, 7.95%, Series K[b]		83,500	1,720,100
			3,728,641
RESIDENTIAL APARTMENT	0.9%		
Apartment Investment & Management Co., 8.00%, Series V[b]		101,000	1,767,500
Apartment Investment & Management Co., 7.875%, Series Y[b]		110,000	1,871,100
			3,638,600
SELF STORAGE	0.8%		
Public Storage, 7.25%, Series I[b]		70,007	1,513,551
Public Storage, 7.25%, Series K[b]		80,035	1,768,774
			3,282,325
SHOPPING CENTER COMMUNITY CENTER	2.6%		
Developers Diversified Realty Corp., 7.50%, Series I[b]		53,603	601,426
Kimco Realty Corp., 7.75%, Series G[b]		134,996	2,787,667
Regency Centers Corp., 7.25%, Series D[b]		140,000	2,668,400
Saul Centers, 8.00%, Series A[b]		60,000	1,206,000
Weingarten Realty Investors, 6.50%, Series F[b]		182,540	2,853,100
			10,116,593
SPECIALTY	0.3%		
Digital Realty Trust, 7.875%, Series B[b]		46,900	977,865
TOTAL REAL ESTATE			34,245,637

See accompanying notes to financial statements.

COHEN & STEERS REIT AND PREFERRED INCOME FUND, INC.

SCHEDULE OF INVESTMENTS (Continued)

June 30, 2009 (Unaudited)

		Number of Shares	Value
TELECOMMUNICATIONS SERVICES	1.5%		
Telephone & Data Systems, 7.60%, due 12/1/41, Series A[b]		217,505	$ 4,469,728
United States Cellular Corp., 7.50%, due 6/15/34[b]		72,400	1,475,512
			5,945,240
UTILITIES	0.2%		
Xcel Energy, 7.60%[b]		40,000	1,013,200
TOTAL PREFERRED SECURITIES $25 PAR VALUE (Identified cost $195,659,209)			161,688,300
PREFERRED SECURITIES CAPITAL SECURITIES	60.3%		
BANK	16.0%		
AgFirst Farm Credit Bank, 6.585%, due 6/29/49, 144A[c]		3,000,000	1,835,157
AgFirst Farm Credit Bank, 7.30%, due 10/14/49, 144A[c,d]		18,000,000	8,753,130
Astoria Capital Trust I, 9.75%, due 11/1/29, Series B[d]		10,000,000	9,661,030
Bank of America Corp., 8.00%, due 12/29/49[b]		2,000,000	1,672,746
Bank of America Corp., 8.125%, due 12/29/49[b]		4,500,000	3,763,980
Citigroup, 8.5%, due 5/22/19[b]		2,000,000	2,037,854
CoBank ACB, 7.875%, due 4/16/18, 144A[c]		2,250,000	2,158,436
CoBank ACB, 11.00%, Series C, 144A[c]		100,000	4,788,850
JP Morgan Chase Capital XVIII, 6.45%, due 8/1/66, Series R		3,600,000	3,042,367
JPMorgan Chase & Co., 7.90%, due 4/29/49[b]		10,000,000	8,775,300
PNC Preferred Funding Trust I, 8.70%, due 12/31/49, 144A[c]		8,600,000	7,068,744
Sovereign Capital Trust VI, 7.908%, due 6/13/36[b]		4,250,000	3,193,450
Wells Fargo Capital XIII, 7.70%, due 12/29/49[b]		2,000,000	1,661,270
Wells Fargo & Co, 7.98%, due 2/28/49[b]		5,750,000	4,779,504
			63,191,818
BANK FOREIGN	12.5%		
Barclays Bank PLC, 6.278%, due 12/31/49		8,000,000	4,520,000
Barclays Bank PLC, 7.434%, due 9/29/49, 144A[c]		6,180,000	4,146,304
Barclays Bank PLC, 7.70%, due 4/25/49, 144A[c]		4,250,000	3,540,879
BBVA International Preferred SA, 5.919%, due 12/18/49[b]		5,000,000	2,954,000
BNP Paribas, 7.195%, due 12/31/49, 144A[c]		6,000,000	4,390,644
HSBC Capital Funding LP, 10.176%, due 12/29/49, 144A[c]		12,430,000	13,080,474

See accompanying notes to financial statements.

COHEN & STEERS REIT AND PREFERRED INCOME FUND, INC.

SCHEDULE OF INVESTMENTS (Continued)

June 30, 2009 (Unaudited)

		Number of Shares	Value
Natixis, 10.00%, due 4/29/49, 144A[c]		3,000,000	$ 1,802,343
Rabobank Nederland, 11.00%, due 12/29/49, 144A[c]		10,000,000	11,153,190
Standard Chartered PLC, 7.014%, due 12/30/49, 144A[c]		5,500,000	3,914,499
			49,502,333
ELECTRIC INTEGRATED	2.3%		
Dominion Resources Capital Trust I, 7.83%, due 12/1/27[b]		3,714,000	3,639,983
DPL Capital Trust II, 8.125%, due 9/1/31		3,000,000	2,742,234
FPL Group Capital, 7.30%, due 9/1/67, Series D[b]		3,000,000	2,553,708
			8,935,925
FINANCE	7.0%		
CREDIT CARD	1.8%		
American Express Co., 6.80%, due 9/1/66[b]		2,500,000	1,802,333
Capital One Bank, 8.80%, due 7/15/19		2,500,000	2,558,292
Capital One Capital III, 7.686%, due 8/15/36[b]		4,000,000	2,840,596
			7,201,221
DIVERSIFIED FINANCIAL SERVICES	2.1%		
ZFS Finance USA Trust II, 6.45%, due 12/15/65, 144A[c]		10,500,000	8,085,000
INVESTMENT BANKER/BROKER	3.1%		
Goldman Sachs Capital I, 6.345%, due 2/15/34[b]		3,000,000	2,426,964
Goldman Sachs Capital II, 5.793%, due 12/29/49[b]		5,892,000	3,593,001
Schwab Capital Trust I, 7.50%, due 11/15/37		7,500,000	6,269,467
			12,289,432
TOTAL FINANCE			27,575,653
FOOD	2.4%		
Dairy Farmers of America, 7.875%, 144A[c,d]		75,000	4,978,125
HJ Heinz Finance Co, 8.00%, due 7/15/13, 144A[c]		50	4,712,500
			9,690,625
GAS UTILITIES	1.3%		
Southern Union Co., 7.20%, due 11/1/66[b]		7,500,000	5,137,500

See accompanying notes to financial statements.

COHEN & STEERS REIT AND PREFERRED INCOME FUND, INC.

SCHEDULE OF INVESTMENTS (Continued)

June 30, 2009 (Unaudited)

		Number of Shares	Value
INSURANCE	13.6%		
LIFE/HEALTH INSURANCE	1.0%		
Great-West Life & Annuity Insurance Co., 7.153%, due 5/16/46, 144A[c]		5,000,000	$ 3,854,860
MULTI-LINE	8.6%		
AXA SA, 6.379%, due 12/14/49, 144A[c]		2,000,000	1,283,108
AXA SA, 6.463%, due 12/31/49, 144A[c]		4,000,000	2,523,856
AXA SA, 8.60%, due 12/15/30[b]		5,000,000	4,695,175
Catlin Insurance Co., 7.249%, due 12/1/49, 144A[c]		4,000,000	2,242,732
ING Capital Funding Trust III, 8.439%, due 12/30/49[b]		12,972,000	8,174,734
MetLife, 10.75%, due 8/1/69		5,000,000	4,999,050
MetLife Capital Trust X, 9.25%,due 4/8/38, 144A[c]		7,000,000	6,244,329
Old Mutual Capital Funding, 8.00%, due 5/29/49, (Eurobond)		2,000,000	1,240,000
USF&G Capital, 8.312%, due 7/1/46, 144A[c]		3,845,000	2,622,313
			34,025,297
PROPERTY CASUALTY	4.0%		
ACE Capital Trust II, 9.70%, due 4/1/30[b]		3,910,000	3,568,012
Liberty Mutual Group, 7.00%, due 3/15/37, 144A[c]		8,000,000	4,597,120
Liberty Mutual Group, 7.80%, due 3/15/37, 144A[c]		7,500,000	4,207,620
Liberty Mutual Group, 10.75%, due 6/15/58, 144A[c]		5,000,000	3,606,025
			15,978,777
TOTAL INSURANCE			53,858,934
PIPELINES	2.6%		
Enbridge Energy Partners LP, 8.05%, due 10/1/37[b]		6,000,000	4,385,928
Enterprise Products Operating LP, 8.375%, due 8/1/66[b]		7,500,000	6,044,985
			10,430,913
TELECOMMUNICATION SERVICES	2.6%		
Centaur Funding Corp., 9.08%, due 4/21/20, 144A[c]		12,954	10,460,355
TOTAL PREFERRED SECURITIES CAPITAL SECURITIES (Identified cost $281,336,775)			238,784,056

See accompanying notes to financial statements.

COHEN & STEERS REIT AND PREFERRED INCOME FUND, INC.

SCHEDULE OF INVESTMENTS (Continued)

June 30, 2009 (Unaudited)

		Principal Amount	Value
CORPORATE BOND	1.0%		
INSURANCE LIFE/HEALTH			
Pacific Life Insurance Co., 9.25%, due 6/15/39, 144A[c] (Identified cost $3,998,080)		$ 4,000,000	$ 3,891,689
		Number of Shares	
SHORT-TERM INVESTMENT	2.0%		
MONEY MARKET FUND			
Dreyfus Treasury Cash Management Fund, 0.001%[e] (Identified cost $7,975,416)		7,975,416	7,975,416
TOTAL INVESTMENTS (Identified cost $806,562,266)	173.8%		687,568,400
LIABILITIES IN EXCESS OF OTHER ASSETS	(33.4)%		(131,962,796)
LIQUIDATION VALUE OF PREFERRED SHARES	(40.4)%		(160,000,000)
NET ASSETS APPLICABLE TO COMMON SHARES (Equivalent to $8.18 per share based on 48,357,578 shares of common stock outstanding)	100.0%		$ 395,605,604

Glossary of Portfolio Abbreviations

FRN Floating Rate Note

QUIPS Quarterly Income Preferred Securities

REIT Real Estate Investment Trust

TruPS Trust Preferred Securities

Note: Percentages indicated are based on the net assets applicable to common shares of the Fund.

[a] A portion of the security is segregated as collateral for interest rate swap transactions: $28,713,500 has been segregated as collateral.

[b] A portion or all of the security is pledged in connection with the revolving credit agreement: $310,224,073 has been pledged as collateral.

[c] Resale is restricted to qualified institutional investors. Aggregate holdings equal 33.8% of net assets applicable to common shares of the Fund.

[d] Illiquid security. Aggregate holdings equal 6.9% of net assets applicable to common shares of the Fund.

[e] Rate quoted represents the seven day yield of the fund.

See accompanying notes to financial statements.

COHEN & STEERS REIT AND PREFERRED INCOME FUND, INC.

SCHEDULE OF INVESTMENTS (Continued)

June 30, 2009 (Unaudited)

Interest rate swaps outstanding at June 30, 2009 are as follows:

Counterparty	Notional Amount	Fixed Rate Payable	Floating Rate[a] (reset monthly) Receivable	Termination Date	Unrealized Depreciation
Merrill Lynch Derivative Products AG	$ 45,000,000	3.510%	0.315%	December 22, 2012	$ (1,957,151)
Royal Bank of Canada	$ 60,000,000	3.653%	0.319%	July 17, 2013	(2,823,023)
Royal Bank of Canada	$ 70,000,000	3.615%	0.308%	March 29, 2014	(2,789,198)
					$ (7,569,372)

[a] Based on LIBOR (London Interbank Offered Rate). Represents rates in effect at June 30, 2009.

See accompanying notes to financial statements.

COHEN & STEERS REIT AND PREFERRED INCOME FUND, INC.

STATEMENT OF ASSETS AND LIABILITIES

June 30, 2009 (Unaudited)

ASSETS:	
Investments in securities, at value (Identified cost $806,562,266)	$ 687,568,400
Cash (includes $2,110,000 pledged as collateral for open swap positions)	2,174,228
Receivable for:	
Dividends and interest	5,444,628
Investment securities sold	2,496,793
Other assets	55,016
Total Assets	697,739,065
LIABILITIES:	
Unrealized depreciation on interest rate swap transactions	7,569,372
Payable for:	
Revolving credit agreement	127,700,000
Investment securities purchased	4,999,050
Dividends declared on common shares	1,132,088
Investment management fees	364,368
Dividends declared on preferred shares	119,735
Administration fees	33,634
Interest expense	9,640
Directors' fees	1,791
Other liabilities	203,783
Total Liabilities	142,133,461
LIQUIDATION VALUE OF PREFERRED SHARES	160,000,000
TOTAL NET ASSETS APPLICABLE TO COMMON SHARES	$ 395,605,604
NET ASSETS consist of:	
Paid-in-capital	$ 936,875,874
Dividends in excess of net investment income	(3,203,877)
Accumulated net realized loss	(411,501,673)
Net unrealized depreciation	(126,564,720)
	$ 395,605,604
NET ASSET VALUE PER COMMON SHARE:	
($395,605,604 ÷ 48,357,578 shares outstanding)	$ 8.18
MARKET PRICE PER COMMON SHARE	$ 7.33
MARKET PRICE DISCOUNT TO NET ASSET VALUE PER COMMON SHARE	(10.42)%

See accompanying notes to financial statements.

COHEN & STEERS REIT AND PREFERRED INCOME FUND, INC.

STATEMENT OF OPERATIONS

For the Six Months Ended June 30, 2009 (Unaudited)

Investment Income:	
Dividend income (net of $2,643 of foreign withholding tax)	$ 12,649,738
Interest income	10,442,149
Total Income	23,091,887
Expenses:	
Line of credit fees	2,318,477
Investment management fees	1,887,711
Interest expense	389,849
Administration fees	272,930
Preferred remarketing fee	196,496
Shareholder reporting expenses	85,301
Professional fees	74,708
Custodian fees and expenses	73,328
Directors' fees and expenses	25,702
Transfer agent fees and expenses	11,992
Registration and filing fees	10,145
Miscellaneous	108,232
Total Expenses	5,454,871
Net Investment Income	17,637,016
Net Realized and Unrealized Gain (Loss):	
Net realized gain (loss) on:	
Investments	(158,428,836)
Options	468,330
Foreign currency transactions	1,050
Interest rate swap transactions	(4,264,171)
Net realized loss	(162,223,627)
Net change in unrealized depreciation on:	
Investments	145,559,704
Foreign currency translations	1,198
Interest rate swap transactions	5,982,250
Net change in unrealized depreciation	151,543,152
Net realized and unrealized loss	(10,680,475)
Net Increase in Net Assets Resulting from Operations	6,956,541
Less Dividends to Preferred Shareholders	(1,510,919)
Net Increase in Net Assets from Operations Applicable to Common Shares	$ 5,445,622

See accompanying notes to financial statements.

COHEN & STEERS REIT AND PREFERRED INCOME FUND, INC.

STATEMENT OF CHANGES IN NET ASSETS (Unaudited)

	For the Six Months Ended June 30, 2009	For the Year Ended December 31, 2008
Change in Net Assets Applicable to Common Shares:		
From Operations:		
Net investment income	$ 17,637,016	$ 77,027,299
Net realized loss	(162,223,627)	(250,495,522)
Net change in unrealized appreciation (depreciation)	151,543,152	(331,938,561)
Net increase (decrease) in net assets resulting from operations	6,956,541	(505,406,784)
Less dividends and distributions to preferred shareholders from net investment income	(1,510,919)	(25,066,568)
Net increase (decrease) in net assets from operations applicable to common shares	5,445,622	(530,473,352)
Less Dividends and Distributions to Common Shareholders from:		
Net investment income	(21,156,441)	(42,203,575)
Tax return of capital		(73,713,647)
Total dividends and distributions to common shareholders	(21,156,441)	(115,917,222)
Capital Stock Transactions:		
Increase in net assets from Fund share transactions		2,072,364
Total decrease in net assets applicable to common shares	(15,710,819)	(644,318,210)
Net Assets Applicable to Common Shares:		
Beginning of period	411,316,423	1,055,634,633
End of period[a]	$ 395,605,604	$ 411,316,423

[a] Includes dividends in excess of net investment income and undistributed net investment income of $3,203,877 and $1,826,467, respectively.

See accompanying notes to financial statements.

COHEN & STEERS REIT AND PREFERRED INCOME FUND, INC.

STATEMENT OF CASH FLOWS

For the Six Months Ended June 30, 2009 (Unaudited)

Increase in Cash:	
Cash Flows from Operating Activities:	
Net increase in net assets resulting from operations	$ 6,956,541
Adjustments to reconcile net increase in net assets from operations to net cash provided by operating activities:	
Purchases of long-term investments	(293,103,283)
Net purchases, sales and maturities of short-term investments	8,776,284
Net amortization/accretion of premium (discount)	121,687
Tax adjustments	4,994,128
Proceeds from sales and maturities of long-term investments	261,001,044
Net decrease in interest receivable, receivable for investment securities sold and other assets	2,506,310
Net increase in payable for investment securities purchased, accrued expenses and other payables	4,446,802
Net change in unrealized appreciation on investments	(145,559,704)
Net change in unrealized appreciation on interest rate swaps	(5,982,250)
Net realized loss from investments	158,428,836
Cash provided by operating activities	2,586,395
Cash Flows from Financing Activities:	
Net decrease in preferred shares outstanding	(94,000,000)
Net increase in payable for revolving credit agreement	115,700,000
Distributions paid on preferred shares	(1,510,919)
Distributions paid on common shares	(21,156,441)
Increase in payable to common shareholders	79,280
Decrease in payable to preferred shareholders	(157,439)
Cash used for financing activities	(1,045,519)
Increase in cash	1,540,876
Cash at beginning of period (including foreign currency)	633,352
Cash at end of period (including foreign currency)	$ 2,174,228

See accompanying notes to financial statements.

COHEN & STEERS REIT AND PREFERRED INCOME FUND, INC.

FINANCIAL HIGHLIGHTS (Unaudited)

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

Per Share Operating Performance:	For the Six Months Ended June 30, 2009	For the Year Ended December 31, 2008	2007	2006	2005	2004
Net asset value per common share, beginning of period	$ 8.51	$ 21.88	$ 32.02	$ 28.25	$ 30.11	$ 26.68
Income from investment operations:						
Net investment income	0.36	1.54	2.03	1.92	1.76[a]	1.87
Net realized and unrealized gain (loss)	(0.22)	(11.99)	(7.56)	6.61	0.31	3.97
Total income (loss) from investment operations	0.14	(10.45)	(5.53)	8.53	2.07	5.84
Less dividends and distributions to preferred shareholders from:						
Net investment income	(0.03)	(0.52)	(0.46)	(0.35)	(0.27)	(0.17)
Net realized gain			(0.36)	(0.39)	(0.24)	(0.05)
Total dividends and distributions to preferred shareholders	(0.03)	(0.52)	(0.82)	(0.74)	(0.51)	(0.22)
Total from investment operations applicable to common shares	0.11	(10.97)	(6.35)	7.79	1.56	5.62
Less: Preferred share offering cost adjustment						0.01
Offering costs charged to paid-in capital preferred shares						(0.02)
Total offering costs						(0.01)
Anti-dilutive effect from the issuance of reinvested common shares		0.00[b]				
Less dividends and distributions to common shareholders from:						
Net investment income	(0.44)	(0.87)	(1.61)	(1.60)	(1.48)	(1.43)
Net realized gain			(1.30)	(1.66)	(1.34)	(0.46)
Tax return of capital		(1.53)	(0.88)	(0.76)	(0.60)	(0.29)
Total dividends and distributions to common shareholders	(0.44)	(2.40)	(3.79)	(4.02)	(3.42)	(2.18)
Net increase (decrease) in net asset value per common share	(0.33)	(13.37)	(10.14)	3.77	(1.86)	3.43
Net asset value, per common share, end of period	$ 8.18	$ 8.51	$ 21.88	$ 32.02	$ 28.25	$ 30.11
Market value, per common share, end of period	$ 7.33	$ 6.21	$ 18.90	$ 31.00	$ 25.85	$ 27.18

Net asset value total return[c]	4.14%[d]	53.42%	20.00%	29.40%	6.52%	22.94%
Market value return[c]	27.83%[d]	60.65%	28.62%	36.91%	7.98%	14.32%

See accompanying notes to financial statements.

COHEN & STEERS REIT AND PREFERRED INCOME FUND, INC.

FINANCIAL HIGHLIGHTS (Unaudited) (Continued)

Ratios/Supplemental Data:	For the Six Months Ended June 30, 2009	For the Year Ended December 31, 2008	2007	2006	2005	2004
Net assets applicable to common shares, end of period (in millions)	$ 395.6	$ 411.3	$ 1,055.6	$ 1,545.0	$ 1,363.3	$ 1,453.0
Ratio of expenses to average daily net assets applicable to common shares[e]	3.36%[f]	1.72%	1.27%	1.25%	1.27%	1.29%
Ratio of expenses to average daily net assets applicable to common shares (excluding interest expense)[e]	3.12%[f]	1.70%				
Ratio of net investment income to average daily net assets applicable to common shares[e]	10.86%[f]	9.06%	6.34%	5.92%	6.03%	6.62%
Ratio of expenses to average daily managed assets[e,g]	1.88%[f]	0.98%	0.84%	0.84%	0.84%	0.85%
Portfolio turnover rate	45%[d]	53%	52%	34%	20%	9%
Preferred Shares/Revolving Credit Agreement:						
Liquidation value, end of period (in 000's)	$ 160,000	$ 254,000	$ 726,000	$ 726,000	$ 726,000	$ 726,000
Total shares outstanding (in 000's)	6	10	29	29	29	29
Asset coverage ratio for revolving credit agreement	535%	5,644%				
Asset coverage per $1,000 for revolving credit agreement	$ 5,351	$ 56,443				
Asset coverage ratio for auction market preferred shares[h]	238%	255%	245%	313%	288%	300%
Asset coverage per share for auction market preferred shares[h]	$ 59,500	$ 63,750	$ 61,351	$ 78,204	$ 71,946	$ 75,034
Liquidation preference per share	$ 25,000	$ 25,000	$ 25,000	$ 25,000	$ 25,000	$ 25,000
Average market value per share[i]	$ 25,000	$ 25,000	$ 25,000	$ 25,000	$ 25,000	$ 25,000

[a] Calculation based on average shares outstanding.

[b] Amount is less than $0.005.

[c] Total market value return is computed based upon the New York Stock Exchange market price of the Fund's shares and excludes the effects of brokerage commissions. Total net asset value return measures the changes in value over the period indicated, taking into account dividends as reinvested. Dividends and distributions, if any, are assumed for purposes of these calculations, to be reinvested at prices obtained under the Fund's dividend reinvestment plan.

[d] Not annualized.

[e] Ratios do not reflect dividend payments to preferred shareholders.

[f] Annualized.

[g] Average daily managed assets represent net assets applicable to common shares plus liquidation preference of preferred shares and the outstanding balance of the revolving credit agreement.

[h] Includes the effect of the outstanding borrowings from the revolving credit agreement.

[i] Based on weekly prices.

See accompanying notes to financial statements.

COHEN & STEERS REIT AND PREFERRED INCOME FUND, INC.

NOTES TO FINANCIAL STATEMENTS (Unaudited)

Note 1. Significant Accounting Policies

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

The following is a summary of significant accounting policies consistently followed by the Fund in the preparation of its financial statements. The policies are in conformity with accounting principles generally accepted in the United States of America (GAAP). The preparation of the financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. Actual results could differ from those estimates.

Portfolio Valuation: Investments in securities that are listed on the New York Stock Exchange are valued, except as indicated below, at the last sale price reflected at the close of the New York Stock Exchange on the business day as of which such value is being determined. If there has been no sale on such day, the securities are valued at the mean of the closing bid and asked prices for the day or, if no asked price is available, at the bid price. Exchange traded options are valued at their last sale price as of the close of options trading on applicable exchanges. In the absence of a last sale, options are valued at the average of the quoted bid and asked prices as of the close of business. Over-the-counter options quotations are provided by the respective counterparty.

Securities not listed on the New York Stock Exchange but listed on other domestic or foreign securities exchanges or admitted to trading on the National Association of Securities Dealers Automated Quotations, Inc. (Nasdaq) national market system are valued in a similar manner. Securities traded on more than one securities exchange are valued at the last sale price on the business day as of which such value is being determined as reflected on the tape at the close of the exchange representing the principal market for such securities.

Readily marketable securities traded in the over-the-counter market, including listed securities whose primary market is believed by Cohen & Steers Capital Management, Inc. (the investment manager) to be over-the-counter are valued at the official closing prices as reported by Nasdaq, the Pink Sheets, or such other comparable sources as the Board of Directors deem appropriate to reflect their fair market value. If there has been no sale on such day, the securities are valued at the mean of the closing bid and asked prices for the day, or if no asked price is available, at the bid price. However, certain fixed-income securities may be valued on the basis of prices provided by a pricing service when such prices are believed by the Board of Directors to reflect the fair market value of such securities. Where securities are traded on more than one exchange and also over-the-counter, the securities will generally be valued using the quotations the Board of Directors believes most closely reflect the value of such securities. Interest rate swaps are valued utilizing quotes received from an outside pricing service.

Portfolio securities primarily traded on foreign markets are generally valued at the closing values of such securities on their respective exchanges or if after the close of the foreign markets, but prior to the close of business

COHEN & STEERS REIT AND PREFERRED INCOME FUND, INC.

NOTES TO FINANCIAL STATEMENTS (Unaudited) (Continued)

on the day the securities are being valued, market conditions change significantly, certain foreign securities may be fair valued pursuant to procedures established by the Board of Directors.

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

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

Short-term debt securities, which have a maturity date of 60 days or less, are valued at amortized cost, which approximates value.

The Fund adopted Financial Accounting Standards Board Statement of Financial Accounting Standards No. 157, "Fair Value Measurements" ("FAS 157"), effective January 1, 2008. In accordance with FAS 157, fair value is defined as the price that the Fund would receive to sell an investment or pay to transfer a liability in an orderly transaction with an independent buyer in the principal market, or in the absence of a principal market the most advantageous market for the investment or liability. FAS 157 establishes a single definition of fair value, creates a three-tier hierarchy as a framework for measuring fair value based on inputs used to value the Fund's investments, and requires additional disclosure about fair value. The hierarchy of inputs is summarized below.

Level 1 quoted prices in active markets for identical investments

Level 2 other significant observable inputs (including quoted prices for similar investments, interest rates, prepayment speeds, credit risk, etc.)

Level 3 significant unobservable inputs (including the Fund's own assumptions in determining the fair value of investments)

The Fund adopted Financial Accounting Standards Board Statement of Financial Accounting Standards Staff Position No. 157-4 "Determining Fair Value When the Volume and Level of Activity for the Asset or Liability Have Significantly Decreased and Identifying Transactions That Are Not Orderly" ("FSP 157-4"), effective June 15, 2009. FSP 157-4 provides additional guidance for estimating fair value in accordance with FAS 157, when the volume and level of activity for the asset or liability have significantly decreased as well as guidance on identifying circumstances that indicate a transaction is not orderly.

COHEN & STEERS REIT AND PREFERRED INCOME FUND, INC.

NOTES TO FINANCIAL STATEMENTS (Unaudited) (Continued)

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

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

		Fair Value Measurements at June 30, 2009 Using		
	Total	Quoted Prices In Active Market for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Common Stock	$ 275,228,939	$ 275,228,939	$	$
Preferred Securities $25 Par Value Bank	15,006,937	11,270,017		3,736,920
Preferred Securities $25 Par Value Electric-Integrated	11,763,242	5,469,002	6,294,240	
Preferred Securities $25 Par Value Finance	10,192,421	7,269,871	2,922,550	
Preferred Securities $25 Par Value Insurance	31,524,268	28,489,268	3,035,000	
Preferred Securities $25 Par Value Other Industries	93,201,432	93,201,432		
Preferred Securities Capital Securities Food	9,690,625		4,712,500	4,978,125
Preferred Securities Capital Securities Bank Foreign	49,502,333		44,982,333	4,520,000
Preferred Securities Capital Securities Insurance	53,858,934		48,859,884	4,999,050
Preferred Securities Capital Securities Other Industries	125,732,164		125,732,164	
Corporate Bonds	3,891,689		3,891,689	
Money Market Funds	7,975,416		7,975,416	
Total Investments	$ 687,568,400	$ 420,928,529	$ 248,405,776	$ 18,234,095
Other Financial Instruments*	$ (7,569,372)		$ (7,569,372)	

* Other financial instruments are interest rate swap contracts.

COHEN & STEERS REIT AND PREFERRED INCOME FUND, INC.

NOTES TO FINANCIAL STATEMENTS (Unaudited) (Continued)

Following is a reconciliation of investments in which significant unobservable inputs (Level 3) were used in determining fair value:

	Investments in Securities
Balance as of December 31, 2008	$ 24,596,427
Accrued discounts	246
Realized loss	(2,143,718)
Change in unrealized appreciation	3,684,945
Net purchases	2,556,550
Transfers out of level 3	(10,460,355)
Balance as of June 30, 2009	$ 18,234,095

Security Transactions and Investment Income: Security transactions are recorded on trade date. Realized gains and losses on investments sold are recorded on the basis of identified cost. Interest income is recorded on the accrual basis. Discounts are accreted and premiums are amortized over the life of the respective securities. Dividend income is recorded on the ex-dividend date except for certain dividends on foreign securities, which are recorded as soon as the Fund is informed after the ex-dividend date. The Fund records distributions received in excess of income from underlying investments as a reduction of cost of investments and/or realized gain. Such amounts are based on estimates if actual amounts are not available, and actual amounts of income, realized gain and return of capital may differ from the estimated amounts. The Fund adjusts the estimated amounts of the components of distributions (and consequently its net investment income) as an increase to unrealized appreciation/(depreciation) and realized gain/(loss) on investments as necessary once the issuers provide information about the actual composition of the distributions.

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

Foreign Currency Translations: The books and records of the Fund are maintained in U.S. dollars as follows: (1) the foreign currency market value of investment securities, other assets and liabilities and foreign currency contracts are translated at the exchange rates prevailing at the end of the period; and (2) purchases, sales,

COHEN & STEERS REIT AND PREFERRED INCOME FUND, INC.

NOTES TO FINANCIAL STATEMENTS (Unaudited) (Continued)

income and expenses are translated at the exchange rates prevailing on the respective dates of such transactions. The resultant exchange gains and losses are recorded as realized and unrealized gain/loss on foreign exchange transactions. Pursuant to U.S. federal income tax regulations, certain foreign exchange gains/losses included in realized and unrealized gain/loss are included in or are a reduction of ordinary income for federal income tax purposes. The Fund does not isolate that portion of the results of operations arising as a result of changes in the foreign exchange rates from the changes in the market prices of the securities.

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

Interest Rate Swaps: The Fund uses interest rate swaps in connection with the sale of preferred shares and borrowing under its credit agreement. The interest rate swaps are intended to reduce the risk that an increase in short-term interest rates could have on the performance of the Fund's common shares as a result of the floating rate structure of the preferred shares and the credit agreement. In these interest rate swaps, the Fund agrees to pay the other party to the interest rate swap (which is known as the counterparty) a fixed rate payment in exchange for the counterparty agreeing to pay the Fund a variable rate payment that is intended to approximate the Fund's variable rate payment obligation on the preferred shares and the credit agreement. The payment obligation is based on the notional amount of the swap. Depending on the state of interest rates in general, the use of interest rate swaps could enhance or harm the overall performance of the common shares. The market value of interest rate swaps is based on pricing models that consider the time value of money, volatility, the current market and contractual prices of the underlying financial instrument. Unrealized appreciation is reported as an asset and unrealized depreciation is reported as a liability on the Statement of Assets and Liabilities. The change in value of swaps, including the accrual of periodic amounts of interest to be paid or received on swaps, is reported as unrealized appreciation or depreciation in the Statement of Operations. A realized gain or loss is recorded upon payment or receipt of a periodic payment or termination of swap agreements. Swap agreements involve, to varying degrees, elements of market and counterparty risk, and exposure to loss in excess of the related amounts reflected in the Statement of Assets and Liabilities. The Fund's maximum risk of loss from counterparty credit risk is the discounted net value of the cash flows to be received from or paid to the counterparty over the contract's remaining life, to the extent that such amount is positive.

For each swap counterparty, the Fund entered into an International Swap Dealers Association Inc. Master Agreement and related annexes thereto ("ISDAs") which sets forth the general terms and conditions of the Fund's swap transactions. During 2008, the Fund notified Merrill Lynch Derivatives Product AG ("MLDP") and Royal Bank of Canada ("RBC") that it breached certain terms and conditions of its ISDAs. MLDP has required that the

COHEN & STEERS REIT AND PREFERRED INCOME FUND, INC.

NOTES TO FINANCIAL STATEMENTS (Unaudited) (Continued)

Fund post collateral. The collateral amount is determined by the approximate unrealized depreciation of a particular swap transaction on each valuation date. As of June 30, 2009, this amount was $2,110,000 and was pledged in cash by the Fund to MLDP.

At June 30, 2009, the Fund continues to operate under the existing terms of all of its various ISDAs, including those with MLDP and RBC. However, MLDP and RBC reserve any and all rights to take any future action with respect to such events, including termination of outstanding swap transactions; termination or renegotiation of the ISDAs; posting of collateral in the form of cash or U.S. Treasury securities representing the unrealized depreciation on outstanding interest rate swap transactions or continuation under the current terms of the ISDAs. Any action resulting in the early termination of an interest rate swap transaction would cause the Fund to realize any market depreciation that existed on such transaction. In addition to realizing such losses, the early termination of a swap transaction may generate additional expenses for the Fund.

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

Distributions paid by the Fund are subject to recharacterization for tax purposes. Based upon the results of operations for the six months ended June 30, 2009, the investment manager considers it likely that a portion of the dividends to common shareholders will be reclassified to return of capital upon the final determination of the Fund's taxable income for the year.

Series M7, Series T7, Series W7, Series TH7 and Series F7 preferred shares pay dividends based on a variable interest rate set at auctions, normally held every seven days. The dividends are declared and recorded for the subsequent seven day period on the auction date. In most instances, dividends are payable every seven days, on the first business day following the end of the dividend period.

Series T28, Series TH28, Series W28A, Series W28B and Series W28C preferred shares pay dividends based on a variable interest rate set at auctions, normally held every 28 days. The dividends are declared and recorded for the subsequent 28 day period on the auction date. In most instances, dividends are payable every 28 days, on the first business day following the end of the dividend period.

Income Taxes: It is the policy of the Fund to continue to qualify as a regulated investment company, if such qualification is in the best interest of the shareholders, by complying with the requirements of Subchapter M of the Internal Revenue Code applicable to regulated investment companies, and by distributing substantially all of its taxable earnings to its shareholders. Accordingly, no provision for federal income or excise tax is necessary. The Fund has adopted the provisions of FASB Interpretation No. 48, Accounting for Uncertainty in Income Taxes

COHEN & STEERS REIT AND PREFERRED INCOME FUND, INC.

NOTES TO FINANCIAL STATEMENTS (Unaudited) (Continued)

(FIN 48). FIN 48 clarifies the accounting for income taxes by prescribing the minimum recognition threshold a tax position must meet before being recognized in the financial statements. An assessment of the Fund's tax positions has been made and it has been determined that there is no impact to the Fund's financial statements. Each of the Fund's federal tax returns for the prior three fiscal years remains subject to examination by the Internal Revenue Service.

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

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

For the services under the investment management agreement, the Fund pays the investment manager an investment management fee, accrued daily and paid monthly, at an annual rate of 0.65% of the Fund's average daily managed asset value. Managed asset value is the net asset value of the common shares plus the liquidation preference of the preferred shares and/or the amount of any loan outstanding.

Administration Fees: The Fund has entered into an administration agreement with the investment manager under which the investment manager performs certain administrative functions for the Fund and receives a fee, accrued daily and paid monthly, at the annual rate of 0.06% of the Fund's average daily managed assets up to $1 billion, 0.04% of the Fund's average daily managed assets in excess of $1 billion up to $1.5 billion and 0.02% of the Fund's average daily managed assets in excess of $1.5 billion. For the six months ended June 30, 2009, the Fund incurred $174,250 in administration fees. Additionally, the Fund pays State Street Bank and Trust Company as sub-administrator under a fund accounting and administration agreement.

Directors' and Officers' Fees: Certain directors and officers of the Fund are also directors, officers, and/or employees of the investment manager. The Fund does not pay compensation to any affiliated directors and officers except for the Chief Compliance Officer, who received $4,558 from the Fund for the six months ended June 30, 2009.

Note 3. Purchases and Sales of Securities

Purchases and sales of securities, excluding short-term investments, for the six months ended June 30, 2009, totaled $287,272,217 and $257,267,609, respectively.

COHEN & STEERS REIT AND PREFERRED INCOME FUND, INC.

NOTES TO FINANCIAL STATEMENTS (Unaudited) (Continued)

Transactions in options written during the six months ended June 30, 2009, were as follows:

	Number of Contracts	Premium
Options outstanding at December 31, 2008		$
Options written	488,245	598,225
Options expired	(486,281)	(404,443)
Options terminated in closing transactions	(1,123)	(139,252)
Options exercised	(841)	(54,530)
Options outstanding at June 30, 2009		$

Note 4. Income Tax Information

As of June 30, 2009, the federal tax cost and net unrealized depreciation on securities were as follows:

Gross unrealized appreciation	$ 32,736,120
Gross unrealized depreciation	(151,729,986)
Net unrealized depreciation	$ (118,993,866)
Cost for federal income tax purposes	$ 806,562,266

As of December 31, 2008, the Fund had a net capital loss carryforward of $245,930,479, which will expire on December 31, 2016. This carryforward may be used to offset future capital gains to the extent provided by regulations.

Note 5. Capital Stock

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

During the six months ended June 30, 2009 and the year ended December 31, 2008, the Fund issued 0 and 105,912 shares of common stock, respectively, for the reinvestment of dividends.

On June 12, 2008, the Board of Directors approved the delegation of its authority to management to effect repurchases, pursuant to management's discretion and subject to market conditions and investment considerations, of up to 10% of the Fund's outstanding common shares ("Share Repurchase Program") through the fiscal year ended December 31, 2008. On December 17, 2008, the Board of Directors authorized the continuation of the Share Repurchase Program through fiscal year ending December 31, 2009. During the six months ended June 30, 2009, and the year ended December 31, 2008, the Fund did not effect any repurchases.

The Fund's articles of incorporation authorize the issuance of Fund preferred shares, par value $0.001 per share, in one or more classes or series, with rights as determined by the Board of Directors, by action of the Board of Directors without the approval of the common shareholders.

COHEN & STEERS REIT AND PREFERRED INCOME FUND, INC.

NOTES TO FINANCIAL STATEMENTS (Unaudited) (Continued)

Preferred shares are senior to the Fund's common shares and will rank on a parity with shares of any other series of preferred shares, and with shares of any other series of preferred stock of the Fund, as to the payment of dividends and the distribution of assets upon liquidation. If the Fund does not timely cure a failure to (1) maintain a discounted value of its portfolio equal to the preferred shares basic maintenance amount, (2) maintain the 1940 Act preferred shares asset coverage, or (3) file a required certificate related to asset coverage on time, the preferred shares will be subject to a mandatory redemption at the redemption price of $25,000 per share plus an amount equal to accumulated but unpaid dividends thereon to the date fixed for redemption. To the extent permitted under the 1940 Act and Maryland Law, the Fund at its option may without consent of the holders of preferred shares, redeem preferred shares having a dividend period of one year or less, in whole, or in part, on the business day after the last day of such dividend period upon not less than 15 calendar days and not more than 40 calendar days prior to notice. The optional redemption price is $25,000 per share plus an amount equal to accumulated but unpaid dividends thereon to the date fixed for redemption.

The Fund's common shares and preferred shares have equal voting rights of one vote per share and vote together as a single class, except in certain circumstances regarding the election of directors. In addition, the affirmative vote of the holders of a majority, as defined in the 1940 Act, of the outstanding preferred shares shall be required to (1) approve any plan of reorganization that would adversely affect the preferred shares and (2) approve any matter that materially and adversely affects the rights, preferences, or powers of that series.

The following table reflects the preferred shares issued and outstanding in the amount of $160,000,000 as of June 30, 2009, along with the range of dividend rates paid during the six months ended June 30, 2009:

	Value	Range
Auction market preferred shares, Series M7, ($25,000 liquidation value, $0.001 par value, 723 shares issued and outstanding)	$ 18,075,000	1.49%-1.69%
Auction market preferred shares, Series T7, ($25,000 liquidation value, $0.001 par value, 723 shares issued and outstanding)	$ 18,075,000	1.49%-1.70%
Auction market preferred shares, Series T28, ($25,000 liquidation value, $0.001 par value, 449 shares issued and outstanding)	$ 11,225,000	1.56%-1.77%
Auction market preferred shares, Series W7, ($25,000 liquidation value, $0.001 par value, 723 shares issued and outstanding)	$ 18,075,000	1.48%-1.70%
Auction market preferred shares, Series W28A, ($25,000 liquidation value, $0.001 par value, 617 shares issued and outstanding)	$ 15,425,000	1.56%-1.77%

COHEN & STEERS REIT AND PREFERRED INCOME FUND, INC.

NOTES TO FINANCIAL STATEMENTS (Unaudited) (Continued)

	Value	Range
Auction market preferred shares, Series W28B, ($25,000 liquidation value, $0.001 par value, 617 shares issued and outstanding)	$ 15,425,000	1.57%-1.81%
Auction market preferred shares, Series W28C, ($25,000 liquidation value, $0.001 par value, 617 shares issued and outstanding)	$ 15,425,000	1.56%-1.77%
Auction market preferred shares, Series TH7, ($25,000 liquidation value, $0.001 par value, 723 shares issued and outstanding)	$ 18,075,000	1.49%-1.71%
Auction market preferred shares, Series TH28, ($25,000 liquidation value, $0.001 par value, 485 shares issued and outstanding)	$ 12,125,000	1.57%-1.80%
Auction market preferred shares, Series F7, ($25,000 liquidation value, $0.001 par value, 723 shares issued and outstanding)	$ 18,075,000	1.49%-1.71%

The Articles Supplementary (the "Articles") creating each series of Auction Market Preferred Shares ("AMPS") provide for dividends to be paid at either the rate set in the current auction, or at the maximum rate as defined in the Articles if sufficient clearing bids for the AMPS are not received in the current auction. Beginning on February 13, 2008, sufficient clearing bids were not received for the auctions for the AMPS series of the Fund, and therefore, the maximum rates were declared on the respective AMPS series. Based upon the current ratings of the AMPS, the maximum rate for shares of a series will be the greater of 125% of LIBOR or 125 basis points plus LIBOR.

An existing owner of AMPS may sell, transfer or dispose of AMPS only in an auction, pursuant to a bid or sell order in accordance with the auction procedures, or outside an auction, to or through a broker-dealer. Existing holders will be able to sell all of the AMPS that are the subject of their submitted sell orders only if there are bidders willing to purchase those AMPS in the auction. An auction fails when there is an insufficient number of bidders. A failed auction is not a default. Dividends continue to be paid on the AMPS at the maximum rate rather than an auction rate. Broker-dealers, which have been appointed by the Fund to serve as dealers for the auctions, may submit a bid in an auction to avoid an auction failure, but are not obligated to do so. Due to liquidity concerns in the market, most broker-dealers have decided not to submit bids to purchase AMPS.

The AMPS continue to be rated Aaa by Moody's Investor Services and AAA by Standard & Poor's. In addition, the Fund continues to meet certain specified asset coverage tests required by the rating agencies as well as the 200% asset coverage test with respect to AMPS set forth in the Investment Company Act of 1940, as amended.

During the six months ended June 30, 2009 and the year ended December 31, 2008, the Fund redeemed $94,000,000 and $472,000,000, respectively, of its outstanding preferred shares at a redemption price of $25,000 per

COHEN & STEERS REIT AND PREFERRED INCOME FUND, INC.

NOTES TO FINANCIAL STATEMENTS (Unaudited) (Continued)

share plus accrued but unpaid dividends. The partial redemption of the preferred shares was made on a pro rata basis across all preferred series. Redemptions were allocated among participating broker/dealers by the Depository Trust Company using a predetermined methodology and each broker/dealer allocated the redeemed shares to the underlying beneficiaries according to its own procedures.

The redemption amount and details for the six months ended June 30, 2009 are:

Series	Shares Outstanding 12/31/08	Number of Shares Redeemed	Shares Outstanding 6/30/09	Total Value 12/31/08	Amount Redeemed	Total Value 6/30/09
M7	1,148	425	723	$ 28,700,000	$ 10,625,000	$ 18,075,000
T7	1,148	425	723	28,700,000	10,625,000	18,075,000
T28	713	264	449	17,825,000	6,600,000	11,225,000
W7	1,148	425	723	28,700,000	10,625,000	18,075,000
W28A	979	362	617	24,475,000	9,050,000	15,425,000
W28B	979	362	617	24,475,000	9,050,000	15,425,000
W28C	979	362	617	24,475,000	9,050,000	15,425,000
TH7	1,148	425	723	28,700,000	10,625,000	18,075,000
TH28	770	285	485	19,250,000	7,125,000	12,125,000
F7	1,148	425	723	28,700,000	10,625,000	18,075,000
				$ 254,000,000	$ 94,000,000	$ 160,000,000

The redemption amount and details for the year ended December 31, 2008 are:

Series	Shares Outstanding 12/31/07	Number of Shares Redeemed	Shares Outstanding 12/31/08	Total Value 12/31/07	Amount Redeemed	Total Value 12/31/08
M7	3,280	2,132	1,148	$ 82,000,000	$ 53,300,000	$ 28,700,000
T7	3,280	2,132	1,148	82,000,000	53,300,000	28,700,000
T28	2,040	1,327	713	51,000,000	33,175,000	17,825,000
W7	3,280	2,132	1,148	82,000,000	53,300,000	28,700,000
W28A	2,800	1,821	979	70,000,000	45,525,000	24,475,000
W28B	2,800	1,821	979	70,000,000	45,525,000	24,475,000
W28C	2,800	1,821	979	70,000,000	45,525,000	24,475,000
TH7	3,280	2,132	1,148	82,000,000	53,300,000	28,700,000
TH28	2,200	1,430	770	55,000,000	35,750,000	19,250,000
F7	3,280	2,132	1,148	82,000,000	53,300,000	28,700,000
				$ 726,000,000	$ 472,000,000	$