

COHEN & STEERS

Annual Report December 31, 2011

# Cohen & Steers Total Return Realty Fund

COHEN & STEERS  
TOTAL RETURN REALTY FUND  
280 PARK AVENUE  
NEW YORK, NY 10017

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# COHEN & STEERS TOTAL RETURN REALTY FUND, INC.

To Our Shareholders:

We would like to share with you our report for the year ended December 31, 2011. The net asset value (NAV) at that date was \$12.30 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 \$11.91.

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

	<u>Six Months Ended December 31, 2011</u>	<u>Year Ended December 31, 2011</u>
Cohen & Steers Total Return Realty Fund at Market <sup>a</sup> . . .	-10.79%	-14.13%
Cohen & Steers Total Return Realty Fund at NAV <sup>a</sup> . . . .	-3.85%	5.91%
FTSE NAREIT Equity REIT Index <sup>b</sup> . . . . .	-1.73%	8.29%
S&P 500 Index <sup>b</sup> . . . . .	-3.69%	2.11%
Blended benchmark—80% FTSE NAREIT Equity REIT Index, 20% BofA Merrill Lynch REIT Preferred Index <sup>b</sup> . . . . .	0.07%	9.47%

*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.*

## Managed Distribution Policy

Cohen & Steers Total Return Realty Fund, Inc. (the "Fund"), acting in accordance with an exemptive order received from the Securities and Exchange Commission and with approval of its Board of Directors (the "Board"), adopted a managed distribution policy under which the Fund intends to include long-term capital gains, where applicable, as part of the regular quarterly cash distributions to its shareholders (the "Plan"). The Plan will give the Fund greater flexibility to realize long-term capital gains and to distribute those gains on a regular quarterly basis. In accordance with the Plan, the Fund currently distributes \$0.22 per share on a quarterly basis.

The Fund may pay distributions in excess of the Fund's investment company taxable income and 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.

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

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

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Shareholders should not draw any conclusions about the Fund's investment performance from the amount of these distributions or from the terms of the Fund's Plan. The Fund's total return performance on net asset value is presented in the table above as well as the financial highlights table.

The Plan provides that the Board may amend or terminate the Plan at any time without prior notice to Fund shareholders; however, at this time, there are no reasonably foreseeable circumstances that might cause the termination. The termination of the Plan could have the effect of creating a trading discount (if the Fund's stock is trading at or above net asset value) or widening an existing trading discount.

*The Fund implements fair value pricing when the daily change in a specific U.S. market index exceeds a predetermined percentage. Fair value pricing adjusts the valuation of certain non-U.S. holdings to account for such index change following the close of foreign markets. This standard practice has been adopted by a majority of the fund industry. In the event fair value pricing is implemented on the first and/or last day of a performance measurement period, the Fund's return may diverge from the relative performance of its benchmark index, which does not use fair value pricing. An investor cannot invest directly in an index.*

## Investment Review

U.S. real estate securities overcame macro headwinds in 2011 to advance and significantly outperform the broader U.S. equity market. REITs trended upward through July, aided by a steady improvement in real estate fundamentals and low and declining financing costs. However, August brought severe volatility to REITs and broader global capital markets as investors reacted to unsettling developments; the U.S. economy suddenly appeared vulnerable to recession, Standard & Poor's issued its first U.S. credit rating downgrade, Europe's sovereign debt crisis began to spread to the so-called "core" and China's growth trajectory was beginning to slow.

While REITs struggled into September, the group generated fourth-quarter returns large enough to end the year with a gain. Fears of recession eased as late-period U.S. economic data stabilized and demonstrated moderate improvement; in Europe, fiscal and monetary authorities seemed to get a temporary handle on the region's formidable debt problems. Meanwhile, REITs reported third quarter earnings that generally met or exceeded expectations. They also continued to demonstrate ready access to capital, via equity and bond offerings and the refinancing of bank lines with improved terms.

Performance by property type varied widely. The self storage sector (total return of +35.2%<sup>o</sup> in the index) was a standout, benefiting from accelerating cash flow growth driven by improving broader fundamentals, coupled with taking market share from smaller private operators. Apartment owners (+15.1%) also outperformed; fundamentals were aided by improving employment trends among a younger demographic that typically has a higher-than-average propensity to rent.

The gain in regional malls (+22.0%) was driven by a strong return from Simon Property Group, which owns high-quality malls and outlet centers in desirable locations. Certain lower-quality mall owners struggled; this performance reflected a wider sector trend in which companies with the better assets and stronger balance sheets outperformed their peers.

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<sup>o</sup> Sector returns as measured by the FTSE NAREIT Equity REIT Index.

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Shopping center REITs (–0.7%) were among the underperformers. Compared with mall owners, who focus on higher income demographics, shopping centers tend to be susceptible to the broader issues of limited job and wage growth. The office sector (–0.8%) was restrained by declines in companies focused on suburban properties, where demand has been lackluster. Good performers included companies with office properties concentrated on the east and west coasts. Industrial property companies (–5.2%) declined as ProLogis, which is 80% of the sector, was hindered by slowing global growth. The company's large presence in Europe was also a liability.

## *REIT preferred securities also advanced*

Preferred securities issued by REITs had a total return of +12.1% in the period as measured by the BofA Merrill Lynch REIT Preferred Index. The group was aided by the factors that lifted real estate common shares and by demand for quality income in a low-yield environment.

## *Fund performance*

The Fund had a positive total return in the period on a NAV basis, although its market price declined after rising 71% in 2010.

The Fund underperformed its blended benchmark in the period on a NAV basis. It was ahead of that benchmark through July, but lost ground in August due to an allocation that continued to favor companies with greater cyclical sensitivity. Economically sensitive stocks were hit the hardest in the market's sudden reversal. We adjusted our cyclical leaning downward to produce a more balanced portfolio reflective of slower economic growth, and with primarily downside tail risks.

From a sector standpoint, our overweight and stock selection in the hotel sector (–14.3% return in the index) detracted from performance. The group was highly sensitive to economic expectations on both the up and down sides, but ended the year with a loss. Stock selection in the shopping center and apartment sectors also hindered relative returns.

Performance benefited from our stock selection and underweight in office REITs, where we did not own or were underweight companies with secondary assets. Stock selection in the regional mall sector also helped performance; our preference was for owners of high-quality properties. The Fund's allocation to REIT preferred securities had a gain but underperformed the broader REIT preferred market.

## **Investment Outlook**

We expect GDP growth of between 1% and 2% in 2012, with modest but steady gains in employment. This should support continued gradual improvement in real estate fundamentals, given low new supply in most sectors. In this environment, we seek to identify markets with above-average employment (and income) trends. And in an election year that should present opportunities and risks, we will monitor how the results might affect employment in the financial and health care industries, and the Washington, D.C. market generally.

In terms of sector positioning, we like high-quality retail owners with portfolios able to thrive despite disintermediation from e-commerce or the potential loss of major tenants (e.g., Sears). We favor urban office owners that we believe should benefit from the growth of the technology, media and life science employment in markets such as San Francisco, Boston and New York. We expect that apartment companies will continue to benefit from positive demographic trends—the key 20-30 year old population

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group is expanding twice as fast as other segments. We remain underweight suburban offices, secondary retail and health care properties.

With regard to REIT preferreds, we note that bond yields are at or near historic lows, and that the Federal Reserve is likely to hold interest rates steady until 2013. In such an environment, demand for the 7–8% yields offered by the mostly investment-grade group is likely to provide relative stability to total returns in the year ahead. For the near term, given recent appreciation, we look for much of the total return from REIT preferreds to be in the form of income returns.

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. 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.*

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For more information about any of our funds, visit [cohenandsteers.com](http://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.

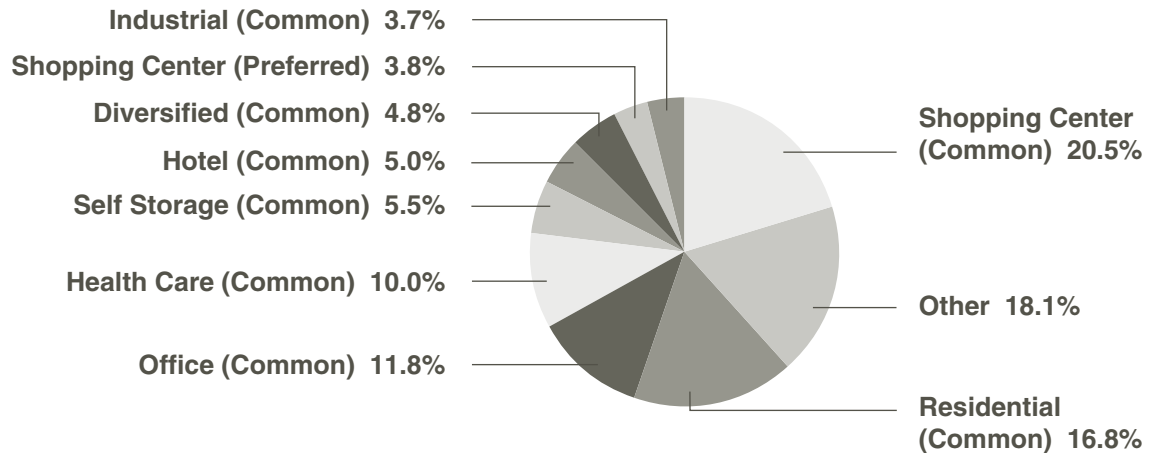
In addition, our Web site contains comprehensive information about our firm, including our most recent press releases, profiles of our senior investment professionals and an overview of our investment approach.

# COHEN & STEERS TOTAL RETURN REALTY FUND, INC.

DECEMBER 31, 2011  
 Top Ten Holdings  
 (Unaudited)

<u>Security</u>	<u>Value</u>	<u>% of Net Assets</u>
Simon Property Group .....	\$12,540,318	10.7%
Equity Residential .....	6,920,077	5.9
HCP .....	4,724,760	4.0
Boston Properties .....	4,249,932	3.6
Vornado Realty Trust .....	3,605,656	3.1
Ventas .....	3,566,470	3.0
Public Storage .....	3,546,517	3.0
ProLogis .....	3,386,571	2.9
AvalonBay Communities .....	3,170,707	2.7
Apartment Investment & Management Co. ....	2,355,790	2.0

Sector Breakdown  
 (Based on Net Assets)  
 (Unaudited)



# COHEN & STEERS TOTAL RETURN REALTY FUND, INC.

## SCHEDULE OF INVESTMENTS December 31, 2011

		<u>Number of Shares</u>	<u>Value</u>
COMMON STOCK—REAL ESTATE	79.7%		
DIVERSIFIED	4.8%		
American Assets Trust . . . . .		69,052	\$ 1,416,256
Lexington Realty Trust . . . . .		78,826	590,407
Vornado Realty Trust . . . . .		46,912	<u>3,605,656</u>
			<u>5,612,319</u>
HEALTH CARE	10.0%		
Cogdell Spencer . . . . .		47,738	202,887
HCP . . . . .		114,042	4,724,760
Healthcare Realty Trust . . . . .		47,600	884,884
LTC Properties . . . . .		10,100	311,686
Senior Housing Properties Trust . . . . .		91,848	2,061,069
Ventas . . . . .		64,692	<u>3,566,470</u>
			<u>11,751,756</u>
HOTEL	5.0%		
Hersha Hospitality Trust . . . . .		162,319	792,117
Host Hotels & Resorts . . . . .		119,891	1,770,790
Hyatt Hotels Corp., Class A <sup>a</sup> . . . . .		40,557	1,526,565
RLJ Lodging Trust . . . . .		35,148	591,541
Starwood Hotels & Resorts Worldwide . . . . .		23,800	<u>1,141,686</u>
			<u>5,822,699</u>
INDUSTRIAL	3.7%		
First Industrial Realty Trust <sup>a</sup> . . . . .		90,605	926,889
ProLogis . . . . .		118,453	<u>3,386,571</u>
			<u>4,313,460</u>
OFFICE	11.8%		
Alexandria Real Estate Equities . . . . .		21,686	1,495,683
BioMed Realty Trust . . . . .		31,722	573,534
Boston Properties . . . . .		42,670	4,249,932
Douglas Emmett . . . . .		65,100	1,187,424
Hudson Pacific Properties . . . . .		65,974	934,192
Kilroy Realty Corp. . . . .		24,238	922,741
Liberty Property Trust . . . . .		47,762	1,474,890
Mack-Cali Realty Corp. . . . .		24,326	649,261
SL Green Realty Corp. . . . .		35,062	<u>2,336,532</u>
			<u>13,824,189</u>

See accompanying notes to financial statements.

# COHEN & STEERS TOTAL RETURN REALTY FUND, INC.

## SCHEDULE OF INVESTMENTS—(Continued) December 31, 2011

		<u>Number of Shares</u>	<u>Value</u>
RESIDENTIAL	16.8%		
APARTMENT	15.7%		
Apartment Investment & Management Co. . . . .		102,828	\$ 2,355,790
Associated Estates Realty Corp. . . . .		35,918	572,892
AvalonBay Communities . . . . .		24,278	3,170,707
BRE Properties . . . . .		18,107	914,041
Education Realty Trust . . . . .		85,568	875,361
Equity Residential . . . . .		121,341	6,920,077
Essex Property Trust . . . . .		8,600	1,208,386
Post Properties . . . . .		13,499	590,176
UDR . . . . .		71,568	<u>1,796,357</u>
			<u>18,403,787</u>
MANUFACTURED HOME	1.1%		
Equity Lifestyle Properties . . . . .		18,106	<u>1,207,489</u>
TOTAL RESIDENTIAL . . . . .			<u>19,611,276</u>
SELF STORAGE	5.5%		
CubeSmart . . . . .		147,621	1,570,687
Extra Space Storage . . . . .		31,437	761,719
Public Storage . . . . .		26,376	3,546,517
Sovran Self Storage . . . . .		14,200	<u>605,914</u>
			<u>6,484,837</u>
SHOPPING CENTER	20.5%		
COMMUNITY CENTER	7.0%		
Acadia Realty Trust . . . . .		74,898	1,508,446
DDR Corp. . . . .		70,409	856,878
Federal Realty Investment Trust . . . . .		20,459	1,856,654
Kimco Realty Corp. . . . .		108,064	1,754,959
Ramco-Gershenson Properties Trust . . . . .		52,400	515,092
Regency Centers Corp. . . . .		46,033	<u>1,731,761</u>
			<u>8,223,790</u>

See accompanying notes to financial statements.

# COHEN & STEERS TOTAL RETURN REALTY FUND, INC.

## SCHEDULE OF INVESTMENTS—(Continued) December 31, 2011

		<u>Number of Shares</u>	<u>Value</u>
REGIONAL MALL	13.5%		
General Growth Properties		103,947	\$ 1,561,284
Simon Property Group		97,257	12,540,318
Taubman Centers		27,761	<u>1,723,958</u>
			<u>15,825,560</u>
TOTAL SHOPPING CENTER			<u>24,049,350</u>
SPECIALTY	1.6%		
Digital Realty Trust		13,200	880,044
DuPont Fabros Technology		39,822	<u>964,489</u>
			<u>1,844,533</u>
TOTAL COMMON STOCK (Identified cost—\$69,682,116)			<u>93,314,419</u>
PREFERRED SECURITIES—\$25 PAR VALUE	16.3%		
BANK—FOREIGN	0.2%		
National Westminster Bank PLC, 7.76%, Series C		13,358	<u>224,014</u>
INSURANCE—MULTI-LINE—FOREIGN	0.2%		
ING Groep N.V., 7.375%		15,000	<u>276,450</u>
INTEGRATED TELECOMMUNICATIONS SERVICES	0.4%		
Qwest Corp., 7.50%, due 9/15/51		15,000	<u>396,000</u>
REAL ESTATE	15.5%		
DIVERSIFIED	3.6%		
Capital Lease Funding, 8.125%, Series A		20,000	480,600
Cousins Properties, 7.75%, Series A		26,725	644,072
DuPont Fabros Technology, 7.875%, Series A		20,000	502,200
DuPont Fabros Technology, 7.625%, Series B		10,000	249,400
Forest City Enterprises, 7.375%, Class A		38,000	860,320
Lexington Realty Trust, 6.50%, Series C (\$50 Par Value)		24,900	1,045,551
Lexington Realty Trust, 7.55%, Series D		16,500	<u>394,515</u>
			<u>4,176,658</u>
HEALTH CARE	0.3%		
Health Care REIT, 7.625%, Series F		14,100	<u>363,075</u>

See accompanying notes to financial statements.

# COHEN & STEERS TOTAL RETURN REALTY FUND, INC.

## SCHEDULE OF INVESTMENTS—(Continued) December 31, 2011

		Number of Shares	Value
HOTEL	3.0%		
Ashford Hospitality Trust, 9.00%, Series E . . . . .		30,000	\$ 730,500
Hersha Hospitality Trust, 8.00%, Series B . . . . .		25,000	552,500
Hospitality Properties Trust, 7.00%, Series C . . . . .		16,000	395,680
LaSalle Hotel Properties, 7.25%, Series G . . . . .		8,900	213,600
Pebblebrook Hotel Trust, 7.875%, Series A . . . . .		35,000	840,350
Sunstone Hotel Investors, 8.00%, Series A . . . . .		8,225	193,534
Sunstone Hotel Investors, 8.00%, Series D . . . . .		25,000	<u>566,250</u>
			<u>3,492,414</u>
INDUSTRIAL	0.8%		
First Potomac Realty Trust, 7.75%, Series A . . . . .		15,000	384,825
ProLogis, 6.75%, Series R . . . . .		25,000	<u>599,750</u>
			<u>984,575</u>
OFFICE	0.2%		
Parkway Properties, 8.00%, Series D . . . . .		10,000	<u>231,600</u>
OFFICE/INDUSTRIAL	0.6%		
PS Business Parks, 6.70%, Series P . . . . .		30,538	<u>761,618</u>
RESIDENTIAL	2.7%		
APARTMENT	2.1%		
Alexandria Real Estate Equities, 7.00%, Series D . . . . .		25,000	599,750
Apartment Investment & Management Co., 7.75%, Series U . . . . .		75,000	<u>1,879,500</u>
			<u>2,479,250</u>
MANUFACTURED HOME	0.6%		
Equity Lifestyle Properties, 8.034%, Series A . . . . .		28,000	<u>708,680</u>
TOTAL RESIDENTIAL . . . . .			<u>3,187,930</u>

See accompanying notes to financial statements.

# COHEN & STEERS TOTAL RETURN REALTY FUND, INC.

## SCHEDULE OF INVESTMENTS—(Continued) December 31, 2011

		<u>Number of Shares</u>	<u>Value</u>
SHOPPING CENTER	3.8%		
COMMUNITY CENTER	2.4%		
Cedar Shopping Centers, 8.875%, Series A . . . . .		25,000	\$ 594,250
DDR Corp., 7.375%, Series H . . . . .		19,900	482,575
Kite Realty Group Trust, 8.25%, Series A . . . . .		10,000	230,500
Ramco-Gershenson Properties Trust, 7.25%, Series D (\$50 Par Value)(Convertible) . . . . .		15,000	635,850
Saul Centers, 8.00%, Series A . . . . .		18,700	483,395
Urstadt Biddle Properties, 8.50%, Series C (\$100 Par Value) <sup>b</sup> . . . . .		4,000	<u>417,800</u>
			<u>2,844,370</u>
REGIONAL MALL	1.4%		
CBL & Associates Properties, 7.75%, Series C . . . . .		16,000	398,240
CBL & Associates Properties, 7.375%, Series D . . . . .		49,998	<u>1,183,953</u>
			<u>1,582,193</u>
TOTAL SHOPPING CENTER . . . . .			<u>4,426,563</u>
SPECIALTY	0.5%		
Entertainment Properties Trust, 9.00%, Series E . . . . .		20,000	<u>534,600</u>
TOTAL REAL ESTATE . . . . .			<u>18,159,033</u>
TOTAL PREFERRED SECURITIES—\$25 PAR VALUE (Identified cost—\$17,993,498) . . . . .			<u>19,055,497</u>
PREFERRED SECURITIES—CAPITAL SECURITIES	1.0%		
BANK	0.5%		
Farm Credit Bank of Texas, 10.00%, due 12/15/20, (\$1,000 Par Value) Series I . . . . .		500	<u>585,312</u>
FINANCE—CREDIT CARD	0.5%		
Capital One Capital VI, 8.875%, due 5/15/40 . . . . .		500,000	<u>521,446</u>
TOTAL PREFERRED SECURITIES—CAPITAL SECURITIES (Identified cost—\$1,002,494) . . . . .			<u>1,106,758</u>

See accompanying notes to financial statements.

# COHEN & STEERS TOTAL RETURN REALTY FUND, INC.

## SCHEDULE OF INVESTMENTS—(Continued) December 31, 2011

		<u>Principal Amount</u>	<u>Value</u>
CORPORATE BONDS	1.4%		
REAL ESTATE			
OFFICE	0.4%		
BR Properties SA, 9.00%, due 10/29/49, 144A (Brazil) <sup>b,c</sup> . . . . .		\$ 500,000	\$ 505,000
SHOPPING CENTER	1.0%		
BR Malls International Finance Ltd., 8.50%, due 1/29/49, 144A (Brazil) <sup>b,c</sup> . . . . .		500,000	517,500
General Shopping Finance Ltd., 10.00%, due 11/29/49, 144A <sup>c</sup> . . . . .		620,000	<u>621,550</u>
			<u>1,139,050</u>
TOTAL CORPORATE BONDS (Identified cost—\$1,620,000) . . . . .			<u>1,644,050</u>
		<u>Number of Shares</u>	
SHORT-TERM INVESTMENTS	2.2%		
MONEY MARKET FUNDS			
BlackRock Liquidity Funds: FedFund, 0.01% <sup>d</sup> . . . . .		1,300,031	1,300,031
Federated Government Obligations Fund, 0.01% <sup>d</sup> . . . . .		1,300,023	<u>1,300,023</u>
TOTAL SHORT-TERM INVESTMENTS (Identified cost—\$2,600,054) . . . . .			<u>2,600,054</u>
TOTAL INVESTMENTS (Identified cost—\$92,898,162) . . . . .	100.6%		117,720,778
LIABILITIES IN EXCESS OF OTHER ASSETS . . . . .	(0.6)		<u>(700,658)</u>
NET ASSETS (Equivalent to \$12.30 per share based on 9,511,857 shares of common stock outstanding) . . . . .	<u>100.0%</u>		<u>\$117,020,120</u>

### Glossary of Portfolio Abbreviation

REIT	Real Estate Investment Trust
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Note: Percentages indicated are based on the net assets of the Fund.

<sup>a</sup> Non-income producing security.

<sup>b</sup> Illiquid security. Aggregate holdings equal 1.2% of net assets of the Fund.

<sup>c</sup> Resale is restricted to qualified institutional investors. Aggregate holdings equal 1.4% of net assets of the Fund, of which 0.9% are illiquid.

<sup>d</sup> Rate quoted represents the seven day yield of the fund.

See accompanying notes to financial statements.

# COHEN & STEERS TOTAL RETURN REALTY FUND, INC.

## STATEMENT OF ASSETS AND LIABILITIES

December 31, 2011

### ASSETS:

Investments in securities, at value (Identified cost—\$92,898,162) . . . . .	\$117,720,778
Cash . . . . .	46,422
Receivable for:	
Dividends and interest . . . . .	564,802
Investment securities sold . . . . .	564,312
Other assets . . . . .	<u>2,241</u>
Total Assets . . . . .	<u>118,898,555</u>

### LIABILITIES:

Payable for:	
Investment securities purchased . . . . .	1,507,502
Dividends declared . . . . .	227,172
Investment advisory fees . . . . .	68,387
Other liabilities . . . . .	<u>75,374</u>
Total Liabilities . . . . .	<u>1,878,435</u>

NET ASSETS . . . . . \$117,020,120

### NET ASSETS consist of:

Paid-in capital . . . . .	\$ 91,782,301
Accumulated undistributed net investment income . . . . .	289,439
Accumulated undistributed net realized gain . . . . .	125,764
Net unrealized appreciation . . . . .	<u>24,822,616</u>
	<u>\$117,020,120</u>

### NET ASSET VALUE PER COMMON SHARE:

(\$117,020,120 ÷ 9,511,857 shares outstanding) . . . . . \$ 12.30

MARKET PRICE PER SHARE . . . . . \$ 11.91

MARKET PRICE DISCOUNT TO NET ASSET VALUE PER SHARE . . . . . (3.17)%

See accompanying notes to financial statements.

# COHEN & STEERS TOTAL RETURN REALTY FUND, INC.

## STATEMENT OF OPERATIONS For the Year Ended December 31, 2011

Investment Income:	
Dividend income . . . . .	\$ 3,018,501
Interest income (net of \$1,575 of foreign withholding tax) . . . . .	211,353
Total Income . . . . .	<u>3,229,854</u>
Expenses:	
Investment advisory fees . . . . .	839,743
Professional fees . . . . .	75,155
Shareholder reporting expenses . . . . .	44,489
Custodian fees and expenses . . . . .	35,421
Administration fees . . . . .	26,325
Transfer agent fees and expenses . . . . .	24,100
Directors' fees and expenses . . . . .	11,372
Miscellaneous . . . . .	<u>39,639</u>
Total Expenses . . . . .	<u>1,096,244</u>
Net Investment Income . . . . .	<u>2,133,610</u>
Net Realized and Unrealized Gain (Loss):	
Net realized gain on investments . . . . .	7,145,778
Net change in unrealized appreciation . . . . .	<u>(2,599,041)</u>
Net realized and unrealized gain . . . . .	<u>4,546,737</u>
Net Increase in Net Assets Resulting from Operations . . . . .	<u><u>\$ 6,680,347</u></u>

See accompanying notes to financial statements.

# COHEN & STEERS TOTAL RETURN REALTY FUND, INC.

## STATEMENT OF CHANGES IN NET ASSETS

	For the Year Ended <u>December 31, 2011</u>	For the Year Ended <u>December 31, 2010</u>
Change in Net Assets:		
From Operations:		
Net investment income .....	\$ 2,133,610	\$ 2,285,155
Net realized gain .....	7,145,778	12,746,823
Net change in unrealized appreciation .....	<u>(2,599,041)</u>	<u>11,632,343</u>
Net increase in net assets resulting from operations .....	<u>6,680,347</u>	<u>26,664,321</u>
Dividends and Distributions to Shareholders from:		
Net investment income .....	(2,313,157)	(2,486,845)
Net realized gain .....	<u>(6,029,039)</u>	<u>(11,011,975)</u>
Total dividends and distributions to shareholders .....	<u>(8,342,196)</u>	<u>(13,498,820)</u>
Capital Stock Transactions:		
Increase in net assets from Fund share transactions .....	<u>814,661</u>	<u>1,032,376</u>
Total increase (decrease) in net assets .....	(847,188)	14,197,877
Net Assets:		
Beginning of year .....	<u>117,867,308</u>	<u>103,669,431</u>
End of year <sup>a</sup> .....	<u>\$117,020,120</u>	<u>\$117,867,308</u>

<sup>a</sup> Includes accumulated undistributed net investment income of \$289,439 and \$282,026, respectively.

See accompanying notes to financial statements.

# COHEN & STEERS TOTAL RETURN REALTY FUND, INC.

## FINANCIAL HIGHLIGHTS

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

Per Share Operating Performance:	For the Year Ended December 31,				
	2011	2010	2009	2008	2007
Net asset value, beginning of year . . . . .	\$ 12.48	\$11.06	\$ 8.45	\$ 13.93	\$ 19.74
Income from investment operations:					
Net investment income . . . . .	0.24	0.29	0.36	0.44	0.52 <sup>a</sup>
Net realized and unrealized gain (loss) . . . . .	0.46	2.56	2.78	(4.58)	(3.64)
Total income (loss) from investment operations . . . . .	0.70	2.85	3.14	(4.14)	(3.12)
Less dividends and distributions to shareholders from:					
Net investment income . . . . .	(0.24)	(0.27)	(0.37)	(0.41)	(0.52)
Net realized gain . . . . .	(0.64)	(1.17)	—	(0.18)	(1.52)
Tax return of capital . . . . .	—	—	(0.16)	(0.76)	(0.65)
Total dividends and distributions to shareholders . . . . .	(0.88)	(1.44)	(0.53)	(1.35)	(2.69)
Anti-dilutive effect from the issuance of shares . . . . .	0.00 <sup>b</sup>	0.01	0.00 <sup>b</sup>	0.01	—
Net increase (decrease) in net asset value . . . . .	(0.18)	1.42	2.61	(5.48)	(5.81)
Net asset value, end of year . . . . .	\$ 12.30	\$12.48	\$11.06	\$ 8.45	\$ 13.93
Market value, end of year . . . . .	\$ 11.91	\$14.88	\$ 9.68	\$ 7.35	\$ 13.19
Total net asset value return <sup>c</sup> . . . . .	5.91% <sup>d</sup>	25.41% <sup>d</sup>	40.21%	-32.15%	-15.92%
Total market value return <sup>c</sup> . . . . .	-14.13%	71.12%	41.08%	-37.72%	-22.60%
<b>Ratios/Supplemental Data:</b>					
Net assets, end of year (in millions) . . . . .	\$ 117.0	\$117.9	\$103.7	\$ 79.1	\$ 128.8
Ratio of expenses to average daily net assets . . . . .	0.91%	0.96%	1.13%	1.00%	0.92%
Ratio of net investment income to average daily net assets . . . . .	1.78%	1.99%	3.79%	3.62%	2.48%
Portfolio turnover rate . . . . .	72%	101%	101%	33%	29%

<sup>a</sup> 5.6% of net investment income was attributable to a special dividend paid by Boston Properties.

<sup>b</sup> Amount is less than \$0.005.

<sup>c</sup> 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.

<sup>d</sup> Does not reflect adjustments in accordance with accounting principles generally accepted in the United States of America. The net asset value for financial reporting purposes and the returns based upon those net asset values differ from the net asset value and returns reported on December 31, 2010.

See accompanying notes to financial statements.

# COHEN & STEERS TOTAL RETURN REALTY FUND, INC.

## NOTES TO FINANCIAL STATEMENTS

### Note 1. Significant Accounting Policies

Cohen & Steers Total Return Realty Fund, Inc. (the Fund) was incorporated under the laws of the State of Maryland on September 4, 1992 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 total return.

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 on such 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 when such prices are believed by Cohen & Steers Capital Management, Inc. (the advisor), pursuant to delegation by the Board of Directors, to reflect the fair market value.

Securities not listed on the New York Stock Exchange but listed on other domestic or foreign securities exchanges are valued in a similar manner. Securities traded on more than one securities exchange are valued at the last sale price 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. If after the close of a foreign market, but prior to the close of business on the day the securities are being valued, market conditions change significantly, certain foreign securities may be fair valued pursuant to procedures established by the Board of Directors.

Readily marketable securities traded in the over-the-counter market, including listed securities whose primary market is believed by the advisor to be over-the-counter, are valued at the official closing prices as reported by 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 on such 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 advisor, pursuant to delegation by the Board of Directors, to reflect the fair market value of such securities.

Securities for which market prices are unavailable, or securities for which the advisor determines that the bid and/or asked price or a counterparty valuation 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

# COHEN & STEERS TOTAL RETURN REALTY FUND, INC.

## NOTES TO FINANCIAL STATEMENTS—(Continued)

market prices may be unavailable include, but are not limited to, when trading in a security is suspended, the exchange on which the security is traded is subject to an unscheduled close or disruption or material events occur after the close of the exchange on which the security is principally traded. In these circumstances, the Fund determines fair value in a manner that fairly reflects the market value of the security on the valuation date based on consideration of any information or factors it deems appropriate. These may include, but are not limited to, recent transactions in comparable securities, information relating to the specific security and developments in the markets.

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

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. The hierarchy of inputs that are used in determining the fair value of the Fund's investments is summarized below.

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

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

The following is a summary of the inputs used as of December 31, 2011 in valuing the Fund's investments carried at value:

	Total	Quoted Prices In Active Market for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Common Stock . . . . .	\$ 93,314,419	\$ 93,314,419	\$ —	\$ —
Preferred Securities—\$25 Par Value . . . . .	19,055,497	19,055,497	—	—
Preferred Securities— Capital Securities . . . . .	1,106,758	—	1,106,758	—
Corporate Bonds— Real Estate—Office . . . . .	505,000	—	505,000	—

# COHEN & STEERS TOTAL RETURN REALTY FUND, INC.

## NOTES TO FINANCIAL STATEMENTS—(Continued)

	<u>Total</u>	<u>Quoted Prices In Active Market for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Corporate Bonds—				
Real Estate—				
Shopping Center . . . . .	\$ 1,139,050	\$ —	\$ 517,500	\$621,550
Money Market Funds . . . . .	<u>2,600,054</u>	<u>—</u>	<u>2,600,054</u>	<u>—</u>
Total Investments . . . . .	<u>\$117,720,778</u>	<u>\$112,369,916</u>	<u>\$4,729,312</u>	<u>\$621,550</u>

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

	<u>Total Investments in Securities</u>	<u>Common Stock</u>	<u>Corporate Bonds— Real Estate— Office</u>	<u>Corporate Bonds— Real Estate— Shopping Center</u>
Balance as of December 31, 2010 . . . . .	\$ 725,500	\$ 228,000	\$ 497,500	\$ —
Transfers into Level 3 . . . . .	621,550	—	—	621,550
Transfers out of Level 3 . . . . .	(505,000)	—	(505,000)	—
Sales . . . . .	(221,462)	(221,462)	—	—
Realized loss . . . . .	(6,538)	(6,538)	—	—
Change in unrealized appreciation . . . . .	<u>7,500</u>	<u>—</u>	<u>7,500</u>	<u>—</u>
Balance as of December 31, 2011 . . . . .	<u>\$ 621,550</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$621,550</u>

The change in unrealized appreciation (depreciation) attributable to securities owned on December 31, 2011 which were valued using significant unobservable inputs (Level 3) amounted to approximately \$1,550.

Investments classified as Level 3 infrequently trade and have significant unobservable inputs. The Level 3 corporate bonds have been valued utilizing an independent broker quote. Transfers are recognized at the end of the period.

*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

# COHEN & STEERS TOTAL RETURN REALTY FUND, INC.

## NOTES TO FINANCIAL STATEMENTS—(Continued)

reduction of cost of investments and/or an increase in 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 writes covered call options on a security and may write put or call options on an index and put options on a security with the intention of earning option premiums. Option premiums may increase the Fund's realized gains and therefore may help increase distributable income. 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 on the option to the extent of the premiums received. Premiums received from writing options which are exercised or closed, are added to or offset against the proceeds or amount paid on the transaction to determine the realized gain or loss. If a put option on a security is exercised, the premium reduces the cost basis of the security purchased by the Fund. If a call option is exercised, the call premium is added to the proceeds of the security sold to determine its 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, 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.

*Dividends and Distributions to Shareholders:* Dividends from net investment income and capital gain distributions are determined in accordance with U.S. federal income tax regulations, which may differ from GAAP. Dividends from net investment income, if any, are declared and paid quarterly. Net

# COHEN & STEERS TOTAL RETURN REALTY FUND, INC.

## NOTES TO FINANCIAL STATEMENTS—(Continued)

realized capital gains, unless offset by any available capital loss carryforward, are typically distributed to shareholders at least annually. Dividends and distributions to shareholders are recorded on the ex-dividend date and are automatically reinvested in full and fractional shares of the Fund in accordance with the Fund's Reinvestment Plan unless the shareholder has elected to have them paid in cash.

On December 13, 2011, the Fund's Board of Directors announced that the Fund implemented a managed distribution policy in accordance with exemptive relief issued by the Securities and Exchange Commission. This policy gives the Fund greater flexibility to realize long-term capital gains throughout the year and to distribute those gains on a more regular basis to shareholders. Therefore, regular quarterly distributions throughout the year may include a portion of estimated realized long-term capital gains, along with net investment income, short-term capital gains and return of capital, which is not taxable. In accordance with the relief, the Fund is required to adhere to certain conditions in order to distribute long-term capital gains during the year.

For the year ended December 31, 2011, the Fund paid distributions from both net investment income and net realized capital gains.

*Income Taxes:* It is the policy of the Fund to continue to qualify as a regulated investment company, if such qualification is in the best interest of the shareholders, by complying with the requirements of Subchapter M of the Internal Revenue Code applicable to regulated investment companies, and by distributing substantially all of its taxable earnings to its shareholders. Accordingly, no provision for federal income or excise tax is necessary. Dividend and interest income from holdings in non-U.S. securities is recorded net of non-U.S. taxes paid. Management has analyzed the Fund's tax positions taken on federal income tax returns as well as its tax positions in non-U.S. jurisdictions where it trades for all open tax years and has concluded that as of December 31, 2011, no additional provisions for income tax would be required in the Fund's financial statements. The Fund's tax positions for the tax years for which the applicable statutes of limitations have not expired are subject to examination by the Internal Revenue Service, state departments of revenue and by foreign tax authorities.

### **Note 2. Investment Advisory Fees and Other Transactions with Affiliates**

*Investment Advisory Fees:* The advisor serves as the Fund's investment advisor pursuant to an investment advisory agreement (the investment advisory agreement). Under the terms of the investment advisory agreement, the advisor 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 advisory agreement, the Fund pays the advisor an investment advisory fee, accrued daily and paid monthly, at an annual rate of 0.70% of the Fund's average daily net assets.

*Directors' and Officers' Fees:* Certain directors and officers of the Fund are also directors, officers, and/or employees of the advisor. The Fund does not pay compensation to directors and officers affiliated with the advisor except for the Chief Compliance Officer, who received compensation from the advisor that was reimbursed by the Fund in the amount of \$1,945 for the year ended December 31, 2011.

# COHEN & STEERS TOTAL RETURN REALTY FUND, INC.

## NOTES TO FINANCIAL STATEMENTS—(Continued)

### Note 3. Purchases and Sales of Securities

Purchases and sales of securities, excluding short-term investments, for the year ended December 31, 2011, totaled \$86,416,766 and \$89,249,290, respectively.

Transactions in options written during the year ended December 31, 2011, were as follows:

	<u>Number of Contracts</u>	<u>Premium</u>
Options outstanding at December 31, 2010 . . . . .	—	\$ —
Options written . . . . .	167	584,500
Options exercised . . . . .	<u>(167)</u>	<u>(584,500)</u>
Options outstanding at December 31, 2011 . . . . .	<u>—</u>	<u>\$ —</u>

### Note 4. Income Tax Information

The tax character of dividends and distributions paid was as follows:

	<u>For the Year Ended December 31,</u>	
	<u>2011</u>	<u>2010</u>
Ordinary income . . . . .	\$2,313,157	\$ 7,921,692
Long-term capital gain . . . . .	<u>6,029,039</u>	<u>5,577,128</u>
Total dividends and distributions . . . . .	<u>\$8,342,196</u>	<u>\$13,498,820</u>

As of December 31, 2011, the tax-basis components of accumulated earnings and the federal tax cost were as follows:

Cost for federal income tax purposes . . . . .	<u>\$93,910,369</u>
Gross unrealized appreciation . . . . .	\$24,242,534
Gross unrealized depreciation . . . . .	<u>(432,125)</u>
Net unrealized appreciation . . . . .	<u>\$23,810,409</u>
Undistributed long-term capital gains . . . . .	<u>\$ 1,153,020</u>

As of December 31, 2011, the Fund had temporary book/tax differences primarily attributable to wash sales on portfolio securities and permanent book/tax differences primarily attributable to prior year REIT adjustments. To reflect reclassifications arising from the permanent differences, paid-in capital was charged \$28,037, accumulated net realized gain was charged \$158,923 and accumulated undistributed net investment income was credited \$186,960. Net assets were not affected by this reclassification.

# COHEN & STEERS TOTAL RETURN REALTY FUND, INC.

## NOTES TO FINANCIAL STATEMENTS—(Continued)

### 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 years ended December 31, 2011 and December 31, 2010, the Fund issued 64,667 and 73,011 shares of common stock, respectively, for the reinvestment of dividends.

On December 14, 2011, the Board of Directors approved the continuation of the delegation of its authority to management to effect repurchases, pursuant to management's discretion and subject to market conditions and investment considerations, of up to 10% of the Fund's common shares outstanding ("Share Repurchase Program") as of January 1, 2012 through the fiscal year ended December 31, 2012. During the years ended December 31, 2011 and December 31, 2010, the Fund did not effect any repurchases.

### Note 6. Derivative Investments

The Fund held written options contracts during the year ended December 31, 2011. The volume of activity for written options for the year ended December 31, 2011 is summarized in Note 3.

### Note 7. Other

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

### Note 8. New Accounting Pronouncement

In May 2011, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update No. 2011-04, "Fair Value Measurements and Disclosures (Topic 820)—Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs" ("ASU 2011-04"). ASU 2011-04 clarifies the application of existing fair value measurement requirements, changes certain principles related to measuring fair value, and requires additional disclosures about fair value measurements.

Required disclosures are expanded under the new guidance, especially for fair value measurements that are categorized within Level 3 of the fair value hierarchy, for which quantitative information about the unobservable inputs used, and a narrative description of the valuation processes in place and sensitivity of recurring Level 3 measurements to changes in unobservable inputs will be required.

# COHEN & STEERS TOTAL RETURN REALTY FUND, INC.

## NOTES TO FINANCIAL STATEMENTS—(Continued)

Management is currently evaluating the impact the adoption of this pronouncement will have on the Fund's financial statements. ASU 2011-04 is effective for fiscal years and interim periods beginning after December 15, 2011.

### Note 9. Subsequent Events

Events and transactions occurring after December 31, 2011 and through the date that the financial statements were issued, have been evaluated in the preparation of the financial statements and no additional disclosure is required.

# COHEN & STEERS TOTAL RETURN REALTY FUND, INC.

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of  
Cohen & Steers Total Return Realty Fund, Inc.

In our opinion, the accompanying statement of assets and liabilities, including the schedule of investments, and the related statements of operations and of changes in net assets and the financial highlights present fairly, in all material respects, the financial position of Cohen & Steers Total Return Realty Fund, Inc. (the "Fund") at December 31, 2011, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period then ended and the financial highlights for each of the five years in the period then ended, in conformity with accounting principles generally accepted in the United States of America. These financial statements and financial highlights (hereafter referred to as "financial statements") are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these financial statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits, which included confirmation of securities at December 31, 2011 by correspondence with the custodian and brokers, provide a reasonable basis for our opinion.

PricewaterhouseCoopers LLP  
New York, New York  
February 23, 2012

# COHEN & STEERS TOTAL RETURN REALTY FUND, INC.

## AVERAGE ANNUAL TOTAL RETURNS (Periods ended December 31, 2011) (Unaudited)

Based on Net Asset Value				Based on Market Value			
One Year	Five Years	Ten Years	Since Inception (09/27/93)	One Year	Five Years	Ten Years	Since Inception (09/27/93)
5.91%	1.22%	9.74%	9.74%	-14.13%	-0.01%	9.23%	9.12%

*The performance data quoted represent past performance. Past performance is no guarantee of future results. The investment return will vary and the principal value of an investment will fluctuate and shares, if sold, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. Current total returns of the Fund can be obtained by visiting our Web site at [cohenandsteers.com](http://cohenandsteers.com).*

### TAX INFORMATION—2011 (Unaudited)

Pursuant to the Jobs and Growth Relief Reconciliation Act of 2003, the Fund designates qualified dividend income of \$160,868. Additionally, 2.5% of the ordinary dividends qualified for the dividends received deduction available to corporations. Also, the Fund designates a long-term capital gain distribution of \$6,029,039 at the 15% rate.

### REINVESTMENT PLAN

The Fund has a dividend reinvestment plan commonly referred to as an “opt-out” plan (the “Plan”). Each common shareholder who participates in the Plan will have all distributions of dividends and capital gains (“Dividends”) automatically reinvested in additional common shares by Computershare as agent (the “Plan Agent”). Effective January 1, 2012, Computershare acquired certain lines of business from The Bank of New York Mellon, who acted as plan agent prior to such date. All terms and conditions of the Plan remain unchanged. Shareholders who elect not to participate in the Plan will receive all Dividends in cash paid by check mailed directly to the shareholder of record (or if the shares are held in street or other nominee name, then to the nominee) by the Plan Agent, as dividend disbursing agent. Shareholders whose common shares are held in the name of a broker or nominee should contact the broker or nominee to determine whether and how they may participate in the Plan.

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

The Plan Agent will receive cash from the Fund with which to buy common shares in the open market if, on the Dividend payment date, the net asset value (“NAV”) per share exceeds the market price per share plus estimated brokerage commissions on that date. The Plan Agent will receive the Dividend in newly issued common shares of the Fund if, on the Dividend payment date, the market price per share plus estimated brokerage commissions equals or exceeds the NAV per share of the

# COHEN & STEERS TOTAL RETURN REALTY FUND, INC.

Fund on that date. The number of shares to be issued will be computed at a per share rate equal to the greater of (i) the NAV or (ii) 95% of the closing market price per share on the payment date.

If the market price per share is less than the NAV on a Dividend payment date, the Plan Agent will have until the last business day before the next ex-dividend date for the common stock, but in no event more than 30 days after the Dividend payment date (as the case may be, the "Purchase Period"), to invest the Dividend amount in shares acquired in open market purchases. If at the close of business on any day during the Purchase Period on which NAV is calculated, the NAV equals or is less than the market price per share plus estimated brokerage commissions, the Plan Agent will cease making open market purchases and the uninvested portion of such Dividends shall be filled through the issuance of new shares of common stock from the Fund at the price set forth in the immediately preceding paragraph.

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

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

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

## OTHER INFORMATION

A description of the policies and procedures that the Fund uses to determine how to vote proxies relating to portfolio securities is available (i) without charge, upon request, by calling 800-330-7348, (ii) on our Web site at [cohenandsteers.com](http://cohenandsteers.com) or (iii) on the Securities and Exchange Commission's 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 by August 31 of each year (i) without charge, upon request, by calling 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 800-330-7348, or (ii) on the SEC's Web site at <http://www.sec.gov>. In addition, the Forms N-Q may be reviewed and copied at the SEC's Public Reference Room in Washington, DC. Information on the operation of the Public Reference Room may be obtained by calling 800-SEC-0330.

Please note that the distributions paid by the Fund to shareholders are subject to recharacterization for tax purposes and are taxable up to the amount of the Fund's investment company taxable income and net realized gains. Distributions in excess of the Fund's net investment company taxable income

# COHEN & STEERS TOTAL RETURN REALTY FUND, INC.

and realized gains are a return of capital distributed from the Fund's assets. To the extent this occurs, the Fund's shareholders of record will be notified of the estimated amount of capital returned to shareholders for each such distribution and this information will also be available at [cohenandsteers.com](http://cohenandsteers.com). The final tax treatment of all distributions is reported to shareholders on their 1099-DIV forms, which are mailed after the close of each calendar year. Distributions of capital decrease the Fund's total assets and, therefore, could have the effect of increasing the Fund's expense ratio. In addition, in order to make these distributions, the Fund may have to sell portfolio securities at a less than opportune time.

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

## *Change to Investment Policy*

The Board of Directors approved revisions to the ratings criteria for determining whether a security is deemed investment grade or below investment grade. The determination of whether a security is deemed investment grade or below investment grade will be determined at the time of investment. A security will be considered to be investment grade if it is rated as such by one nationally recognized statistical rating organization (NRSRO) (for example minimum Baa3 or BBB- by Moody's or S&P) or, if unrated, is judged to be investment grade by the advisor.

# COHEN & STEERS TOTAL RETURN REALTY FUND, INC.

## MANAGEMENT OF THE FUND

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

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

<u>Name, Address<sup>1</sup> and Age</u>	<u>Position(s) Held with Fund</u>	<u>Term of Office<sup>2</sup></u>	<u>Principal Occupation During At Least the Past 5 Years (Including Other Directorships Held)</u>	<u>Number of Funds Within Fund Complex Overseen by Director (Including the Fund)</u>	<u>Length of Time Served<sup>3</sup></u>
<i>Interested Director<sup>4</sup></i>					
Robert H. Steers . . . . Age: 58	Director and Co-Chairman	Until next election of directors	Co-Chairman and Co-Chief Executive Officer of Cohen & Steers Capital Management, Inc. (the Advisor) since 2003 and its parent, Cohen & Steers, Inc. since 2004. Vice President of Cohen & Steers Securities, LLC.	19	1991 to present
Martin Cohen . . . . . Age: 63	Director and Co-Chairman	Until next election of directors	Co-Chairman and Co-Chief Executive Officer of the Advisor since 2003 and Cohen & Steers, Inc. since 2004. Prior to that, President of the Advisor; Vice President of Cohen & Steers Securities, LLC.	19	1991 to present
<i>Disinterested Directors</i>					
Michael G. Clark . . . . Age: 46	Director	Until next election of directors	From May 2006 to June 2011, President and Chief Executive Officer of DWS Funds and Managing Director of Deutsche Asset Management.	19	June 2011 to present

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# COHEN & STEERS TOTAL RETURN REALTY FUND, INC.

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<u>Name, Address<sup>1</sup> and Age</u>	<u>Position(s) Held with Fund</u>	<u>Term of Office<sup>2</sup></u>	<u>Principal Occupation During At Least the Past 5 Years (Including Other Directorships Held)</u>	<u>Number of Funds Within Fund Complex Overseen by Director (Including the Fund)</u>	<u>Length of Time Served<sup>3</sup></u>
Bonnie Cohen <sup>5</sup> . . . . . Age: 69	Director	Until next election of directors	Consultant. Board Member, United States Department of Defense Business Board since 2010; Advisory Board member, Posse Foundation since 2004; Trustee, H. Rubenstein Foundation since 1996; Trustee, District of Columbia Public Libraries since 2004; Board member Teluride Mountain Film Festival since 2010; Former Director, Reis, Inc. (real estate analytics firm) from 2003 to 2009; Former member of the Investment Committee, The Moriah Fund from 2002 to 2008; Former Board member, Foundation for Arts and Preservations in Embassies from 2001 to 2009; Former Under Secretary of State for Management, United States Department of State, 1996-2000.	19	2001 to present
George Grossman . . . Age: 58	Director	Until next election of directors	Attorney-at-law	19	1993 to present
Richard E. Kroon . . . . Age: 69	Director	Until next election of directors	Member of Investment Committee, Monmouth University since 2004; Retired Chairman and Managing Partner of Sprout Group venture capital funds, then an affiliate of Donaldson, Lufkin and Jenrette Securities Corporation from 1981 to 2001. Former chairman of the National Venture Capital Association for the year 2000.	19	2004 to present

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# COHEN & STEERS TOTAL RETURN REALTY FUND, INC.

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<u>Name, Address<sup>1</sup> and Age</u>	<u>Position(s) Held with Fund</u>	<u>Term of Office<sup>2</sup></u>	<u>Principal Occupation During At Least the Past 5 Years (Including Other Directorships Held)</u>	<u>Number of Funds Within Fund Complex Overseen by Director (Including the Fund)</u>	<u>Length of Time Served<sup>3</sup></u>
Richard J. Norman . . . Age: 68	Director	Until next election of directors	Private Investor. Member, District of Columbia Department of Corrections Chaplains Corps from 2008 to February 2010; Member, Montgomery County, Maryland Department of Corrections Chaplains Corp since February 2010; Special Representative, Salvation Army World Service Organization (SAWSO) since 2010; Advisory Board Member, The Salvation Army since 1985; Financial Education Fund Chair, The Foundation Board of Maryland Public Television since 2009; Former President, Executive Committee, Chair of Investment Committee, The Foundation Board of Maryland Public Television from 1997 to 2008. Prior thereto, Investment Representative of Morgan Stanley Dean Witter from 1966 to 2000.	19	2001 to present
Frank K. Ross . . . . . Age: 68	Director	Until next election of directors	Visiting Professor of Accounting, Howard University School of Business since 2004; Board member and Audit Committee Chair and Human Resources and Compensation Committee Member, Pepco Holdings, Inc. (electric utility) since 2004. Formerly, Midatlantic Area Managing Partner for Assurance Services at KPMG LLP and Managing Partner of its Washington, DC offices from 1977 to 2003.	19	2004 to present

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# COHEN & STEERS TOTAL RETURN REALTY FUND, INC.

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<u>Name, Address<sup>1</sup> and Age</u>	<u>Position(s) Held with Fund</u>	<u>Term of Office<sup>2</sup></u>	<u>Principal Occupation During At Least the Past 5 Years (Including Other Directorships Held)</u>	<u>Number of Funds Within Fund Complex Overseen by Director (Including the Fund)</u>	<u>Length of Time Served<sup>3</sup></u>
Willard H. Smith Jr. . . Age: 75	Director	— <sup>6</sup>	Board member, Essex Property Trust, Inc. since 1996; Former Board member, Realty Income Corporation from 1996 to 2009; Former Board member, Highwoods Property Trust from 1996 to 2005; Former Board member, Crest Net Lease, Inc. from 1999 to 2009 Formerly, Managing Director at Merrill Lynch & Co., Equity Capital Markets Division, from 1983 to 1995.	19	1996 to present
C. Edward Ward Jr. . . Age: 65	Director	Until next election of directors	Member of The Board of Trustees of Manhattan College, Riverdale, New York since 2004. Formerly Director of closed-end fund management for the New York Stock Exchange, where he worked from 1979 to 2004.	19	2004 to present

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

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

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

<sup>4</sup> “Interested person”, as defined in the 1940 Act, of the fund because of affiliation with CSCM (Interested Directors).

<sup>5</sup> Martin Cohen and Bonnie Cohen are not related.

<sup>6</sup> Effective December 31, 2011, Willard H. Smith, Jr. retired from the Board of Directors in accordance with the mandatory retirement policy.

# COHEN & STEERS TOTAL RETURN REALTY FUND, INC.

The officers of the fund (other than Messrs. Cohen and Steers, whose biographies are provided above), their address, their ages and their principal occupations for at least the past five years are set forth below.

<u>Name, Address and Age<sup>1</sup></u>	<u>Position(s) Held with Fund</u>	<u>Principal Occupation During At Least the Past 5 Years</u>	<u>Length of Time Served<sup>2</sup></u>
Adam M. Derechin . . . . . Age: 47	President and Chief Executive Officer	Chief Operating Officer of CSCM (since 2003) and CNS (since 2004). Prior to that, Senior Vice President of CSCM and Vice President and Assistant Treasurer of the Cohen & Steers funds.	Since 2005
Joseph M. Harvey . . . . . Age: 48	Vice President	President and Chief Investment Officer of CSCM (since 2003) and President of CNS (since 2004). Prior to that, Senior Vice President and Director of Investment Research of CSCM.	Since 2004
William F. Scapell . . . . . Age: 44	Vice President	Senior Vice President of CSCM since 2003. Prior to that, chief strategist for preferred securities at Merrill Lynch & Co., Inc.	Since 2003
Thomas N. Bohjalian . . . . . Age: 46	Vice President	Senior Vice President of CSCM since 2006. Prior to that, Vice President of CSCM from 2003 through 2005. Prior thereto, Vice President at AEW Capital Management.	Since 2006
Yigal Jhirad . . . . . Age: 47	Vice President	Senior Vice President of CSCM since 2007. Prior to that, executive director at Morgan Stanley and head of prime brokerage equity product marketing responsible for developing and marketing quantitative and derivatives product to hedge funds.	Since 2007
Francis C. Poli . . . . . Age: 49	Secretary	Executive Vice President, Secretary and General Counsel of CSCM and CNS since March 2007. Prior thereto, General Counsel of Allianz Global Investors of America LP.	Since 2007
James Giallanza . . . . . Age: 45	Treasurer and Chief Financial Officer	Senior Vice President of CSCM since September 2006. Prior thereto, Deputy Head of the US Funds Administration and Treasurer & CFO of various mutual funds within the Legg Mason (formally Citigroup Asset Management) fund complex from August 2004 to September 2006; Director/Controller of the US wholesale business at UBS Global Asset Management (U.S.) from September 2001 to July 2004.	Since 2006

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# COHEN & STEERS TOTAL RETURN REALTY FUND, INC.

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<u>Name, Address and Age<sup>1</sup></u>	<u>Position(s) Held with Fund</u>	<u>Principal Occupation During At Least the Past 5 Years</u>	<u>Length of Time Served<sup>2</sup></u>
Lisa D. Phelan . . . . . Age: 43	Chief Compliance Officer	Senior Vice President and Director of Compliance of CSCM since 2007 and prior to that, Vice President since 2006. Chief Compliance Officer of CSSL since 2004. Prior to that, Compliance Officer of CSCM since 2004. Chief Compliance Officer, Avatar Associates & Overture Asset Managers, 2003-2004.	Since 2006

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

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

# COHEN & STEERS TOTAL RETURN REALTY FUND, INC.

## Cohen & Steers Privacy Policy

Facts	What Does Cohen & Steers Do With Your Personal Information?
Why?	Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.
What?	The types of personal information we collect and share depend on the product or service you have with us. This information can include: <ul style="list-style-type: none"> <li>• Social Security number and account balances</li> <li>• Transaction history and account transactions</li> <li>• Purchase history and wire transfer instructions</li> </ul>
How?	All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information; the reasons Cohen & Steers chooses to share; and whether you can limit this sharing.

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

Questions? Call 800.330.7348

# COHEN & STEERS TOTAL RETURN REALTY FUND, INC.

## Cohen & Steers Privacy Policy—(Continued)

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### Who we are

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Who is providing this notice?

Cohen & Steers Capital Management, Inc., Cohen & Steers Asia Limited, Cohen & Steers UK Limited, Cohen & Steers Europe SA, Cohen & Steers Securities, LLC, Cohen & Steers Private Funds, and Cohen & Steers Open and Closed-End Funds (collectively, “Cohen & Steers”).

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### What we do

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How does Cohen & Steers protect my personal information?

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

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How does Cohen & Steers collect my personal information?

We collect your personal information, for example, when you

- Open an account or buy securities from us
- Provide account information or give us your contact information
- Make deposits or withdrawals from your account

We also collect your personal information from other companies.

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Why can't I limit all sharing?

Federal law gives you the right to limit only

- sharing for affiliates' everyday business purposes—information about your creditworthiness
- affiliates from using your information to market to you
- sharing for non-affiliates to market to you

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

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### Definitions

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Affiliates

Companies related by common ownership or control. They can be financial and nonfinancial companies.

- *Cohen & Steers does not share with affiliates.*

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Non-affiliates

Companies not related by common ownership or control. They can be financial and nonfinancial companies.

- *Cohen & Steers does not share with non-affiliates so they can market to you.*

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Joint marketing

A formal agreement between nonaffiliated financial companies that together market financial products or services to you.

- *Cohen & Steers does not jointly market.*

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# COHEN & STEERS TOTAL RETURN REALTY FUND, INC.

## *Cohen & Steers Investment Solutions*

### **COHEN & STEERS GLOBAL REALTY SHARES**

- Designed for investors seeking total return, investing primarily in global real estate equity securities
- Symbols: CSFAX, CSFBX\*, CSFCX, CSSPX

### **COHEN & STEERS INSTITUTIONAL REALTY SHARES**

- Designed for institutional investors seeking total return, investing primarily in REITs
- Symbol: CSRIX

### **COHEN & STEERS REALTY INCOME FUND**

- Designed for investors seeking total return, investing primarily in real estate securities with an emphasis on both income and capital appreciation
- Symbols: CSEIX, CSBIX\*, CSCIX, CSDIX

### **COHEN & STEERS INTERNATIONAL REALTY FUND**

- Designed for investors seeking total return, investing primarily in international real estate securities
- Symbols: IRFAX, IRFCX, IRFIX

### **COHEN & STEERS**

#### **EMERGING MARKETS REAL ESTATE FUND**

- Designed for investors seeking total return, investing primarily in emerging market real estate securities
- Symbols: APFAX, APFCX, APFIX

### **COHEN & STEERS REALTY SHARES**

- Designed for investors seeking total return, investing primarily in REITs
- Symbol: CSRSX

Distributed by Cohen & Steers Securities, LLC.

### **COHEN & STEERS**

#### **INSTITUTIONAL GLOBAL REALTY SHARES**

- Designed for institutional investors seeking total return, investing primarily in global real estate securities
- Symbol: GRSIX

### **COHEN & STEERS GLOBAL INFRASTRUCTURE FUND**

- Designed for investors seeking total return, investing primarily in global infrastructure securities
- Symbols: CSUAX, CSUBX\*, CSUCX, CSUIX

### **COHEN & STEERS DIVIDEND VALUE FUND**

- Designed for investors seeking high current income and long-term growth of income and capital appreciation, investing primarily in dividend paying common stocks and preferred stocks
- Symbols: DVFAX, DVFCX, DVFIX

### **COHEN & STEERS**

#### **PREFERRED SECURITIES AND INCOME FUND**

- Designed for investors seeking total return (high current income and capital appreciation), investing primarily in preferred and debt securities
- Symbols: CPXAX, CPXCX, CPXIX

### **COHEN & STEERS REAL ASSETS FUND**

- Designed for investors seeking total return and the maximization of real returns during inflationary environments by investing primarily in real assets
- Symbols: RAPAX, RAPCX, RAPIX, RAPRX, RAPZX

### **COHEN & STEERS GLOBAL REALTY MAJORS ETF**

- Designed for investors who seek a relatively low-cost “passive” approach for investing in a portfolio of real estate equity securities of companies in a specified index
- Symbol: GRI

Distributed by ALPS Distributors, Inc.

### **iSHARES COHEN & STEERS**

#### **REALTY MAJORS INDEX FUND**

- Designed for investors who seek a relatively low-cost “passive” approach for investing in a portfolio of real estate equity securities of companies in a specified index
- Symbol: ICF

Distributed by SEI Investments Distribution Co.

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

*Please consider the investment objectives, risks, charges and expenses of the fund carefully before investing. A prospectus containing this and other information can be obtained by calling 800-330-7348 or by visiting [cohenandsteers.com](http://cohenandsteers.com). Please read the prospectus carefully before investing.*

# COHEN & STEERS TOTAL RETURN REALTY FUND, INC.

## OFFICERS AND DIRECTORS

Robert H. Steers  
Director and co-chairman

Martin Cohen  
Director and co-chairman

Michael G. Clark  
Director

Bonnie Cohen  
Director

George Grossman  
Director

Richard E. Kroon  
Director

Richard J. Norman  
Director

Frank K. Ross  
Director

Willard H. Smith Jr.  
Director

C. Edward Ward, Jr.  
Director

Adam M. Derechin  
President and chief executive officer

Joseph M. Harvey  
Vice president

William F. Scapell  
Vice president

Thomas N. Bohjalian  
Vice president

Yigal D. Jhirad  
Vice president

Francis C. Poli  
Secretary

James Giallanza  
Treasurer and chief financial officer

Lisa D. Phelan  
Chief compliance officer

## KEY INFORMATION

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

**Fund Administrator and Custodian**  
State Street Bank and Trust Company  
One Lincoln Street  
Boston, MA 02111

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

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

New York Stock Exchange Symbol: RFI  
Web site: [cohenandsteers.com](http://cohenandsteers.com)

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