

COHEN & STEERS UK LIMITED PILLAR 3 DISCLOSURES

Cohen & Steers UK Limited (the “Company”) is a private limited company incorporated in the England and Wales. Its immediate and ultimate holding company and controlling party is Cohen & Steers, Inc. (the “Parent”, and together with its subsidiaries, the “Cohen & Steers Group”), a public company incorporated in the United States of America. The Company’s principal activity is investment management. The Company focuses on research and investment advisory services related to European real estate securities.

The Company is authorized and regulated by the Financial Services Authority (“FSA”) and as such is subject to minimum regulatory capital requirements. The Capital Requirements Directive of the European Union established a revised regulatory capital framework across Europe governing the amount and nature of capital credit institutions and investment management firms must maintain. In the UK, the directive has been implemented by the FSA in its regulations through the General Prudential Sourcebook (“GENPRU”), the Prudential Sourcebook for banks, Building Societies and Investment Management Firms (“BIPRU”) and the Senior Management Arrangements, Systems and Controls Sourcebook (“SYSC”). The Company is categorized as a BIPRU limited licence firm by the FSA for capital purposes and is considered a Proportionality Tier Four firm for the purposes of the FSA’s Remuneration Code. The Company is not a member of a UK Consolidation Group and as such this document covers the Company on a solo basis.

The rules in BIPRU 11 set out the provisions for Pillar 3 disclosure. Pillar 3 requires disclosure of specified information about the underlying risk management and capital position, and other information. This document is designed to meet our Pillar 3 obligations.

The management of the Company determines its business strategy and risk appetite along with designing and implementing a risk management framework that recognizes the risks that the business faces. They also determine how those risks may be mitigated and assess on an ongoing basis the arrangements to manage those risks. Management meets no less than quarterly to discuss the forecasts for profitability and regulatory capital and risk management. The Company’s risks are managed through a framework of policy and procedures having regard to relevant laws, standards, principles and rules (including FSA principles and rules) with the aim of operating a defined and transparent risk management framework. These policies and procedures are updated as required.

Annually, the Board formally reviews the risks, controls and other risk mitigation arrangements and assesses their effectiveness through its Internal Capital Adequacy Assessment Process. Where management identifies the potential for material risks they model the financial impact of these risks as part of the business forecast and capital management process and conclude whether the amount of regulatory capital is adequate.

As discussed above the firm is a BIPRU limited licence firm and its capital requirements are the greater of:

- Its base capital requirement of €50,000; or
- The sum of its market and credit risk requirements; or
- Its Fixed Overhead Requirement.

The Company is small with a simple operational infrastructure. The Company follows the simplified method of calculating risk weights within the standardized approach to credit risk. Both credit risk and market risk are relatively small and considered to not be material. In practice the firm’s minimum capital requirements are determined by its Fixed Overhead Requirement. At 31 December 2010, the firm’s Fixed Overhead Requirement was calculated to be £460,000. The Company’s regulatory capital resources have exceeded its regulatory capital requirements at all times.

The Company's capital is summarized as follows:

EQUITY

(in thousands)

	December 31, 2010 (audited)	December 31, 2009 (audited)
Share capital	£1,500	£1,500
Accumulated profits	1,197	507
Total	<u>£2,697</u>	<u>£2,007</u>

The main features of the Company's capital resources for regulatory purposes as of December 31, 2010 are:

<u>Capital item</u>	<u>£'000</u>
Tier 1 capital less innovative tier 1 capital	<u>£2,697</u>
Total tier 2, innovative tier 1 and tier 3 capital	<u>0</u>
Deductions from tier 1 and tier 2 capital	<u>0</u>
Total capital resources, net of deductions	<u>£2,697</u>

REMUNERATION DISCLOSURES

In adherence with the FSA's implementation of the Capital Requirements Directive into its BIPRU Handbook, the Company makes the following disclosures with regards to its remuneration policy and other relevant remuneration information.

In being a limited licence firm, the Company is classified as a Proportionality Tier Four firm. The total number of employees in 2010 was six. Proportionality Tier Four firms are considered to be the lowest category from a risk perspective and as such, a number of the FSA's Remuneration Code requirements do not apply. Firms must consider their individual circumstances and be satisfied that risks related to remuneration must not be unduly increased.

The Company's Board has implemented a remuneration policy in line with those elements the FSA's Remuneration Code with which it is required to comply. The Company participates in the compensation programmes developed and administered by the Cohen & Steers Group. Such compensation programmes are designed to support the Company's business goals, discourage excessive risk taking by the Company's employees, and promote both short-term and long-term growth by attracting, motivating and retaining the talent needed by the Company to maintain and strengthen its position in the asset management business. The Company's remuneration policy includes a statement of management's philosophy that compensation should be performance-based, competitive, and for highly compensated employees, significantly equity-based. Compensation takes the form of annual base salary, annual incentive performance bonus (which may include both mandatory and optional annual incentive performance bonus awards), other equity awards, and other forms of compensation.

As permitted under the FSA's Remuneration Code for a Proportionally Tier Four firm, due to the relatively small size of the Company, it being closely held, and it being a wholly-owned member of the Cohen & Steers Group, the Company has not instituted a separate remuneration committee. The Company's remuneration policy has been determined without using an external consultant although provided high-level remuneration advice to the Parent.

The Company reviews compensation survey data from independent sources to help ensure that its remuneration programmes are competitive. The survey data covers companies with whom the Company competes for leadership talent. The Company does not aim to target compensation levels within a particular range related to levels provided by industry peers, but uses these comparisons as one factor in determining the total value of annual base salary, annual incentive performance bonus and other equity awards that fairly compensate employees when considered in combination. Bonuses are only paid in cash to employees if the Company can support payments, and equity awards are inherently linked to the Cohen & Steers Group's performance.

The Company believes that its systems and processes relating to remuneration do not pose a risk to either it or the industry based on the regulator's objectives.

The Company's Remuneration Code staff members are all members of senior management.

Their remuneration for YTD 2010 was as follows:

Salary, value of benefits, cash bonuses for year and pension contributions	£ 250,132
Number of shares in the Parent placed under award	4,744

The Company only operates in one business area.

Total Company remuneration for YTD 2010 was as follows:

Salary, value of benefits, cash bonuses for year and pension contributions	£1,047,497
Number of shares in the Parent placed under award	14,897