Preferred Securities in 2013

Potential for High Income with Attractive Value
Legal Notes

Please consider the investment objectives, risks, charges and expenses of a fund carefully before investing. A summary prospectus and prospectus containing this and other information may be obtained from your financial advisor, or by calling 800.330.7348 or visiting cohenandsteers.com. Please read the summary prospectus or prospectus carefully before investing.

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

This presentation is for informational purposes, and reflects prevailing conditions and our judgment as of this date, which are subject to change. It does not constitute investment advice or a recommendation or offer. We consider the information in this presentation to be accurate, but we do not represent that it is complete or should be relied upon as the sole source of suitability for investment. There is no guarantee that any market forecast set forth in this presentation will be realized.

Risks of Investing in Preferred Securities

Investing in any market exposes investors to risks. In general, the risks of investing in preferred securities are similar to those of investing in bonds, including credit risk and interest-rate risk. As nearly all preferred securities have issuer call options, call risk and reinvestment risk are also important considerations. In addition, investors face equity-like risks, such as deferral or omission of distributions, subordination to bonds and other more senior debt, and higher corporate governance risks with limited voting rights.

The fund is classified as a “non-diversified” fund under the federal securities laws because it can invest in fewer individual companies than a diversified fund. However, the fund must meet certain diversification requirements under the U.S. tax laws.

Risks associated with preferred securities differ from risks inherent with other investments. In particular, in the event of bankruptcy, a company’s preferred securities are senior to common stock but subordinated to all other types of corporate debt. Throughout this presentation we will make comparisons of preferred securities to corporate bonds, municipal bonds and 10-Year Treasury bonds. It is important to note that corporate bonds sit higher in the capital structure than preferred securities, and therefore in the event of bankruptcy will be senior to the preferred securities. Municipal bonds are issued and backed by state and local governments and their agencies, and the interest from municipal securities is often free from both state and local income taxes. 10-Year Treasury bonds are issued by the U.S. government and are generally considered the safest of all bonds since they are backed by the full faith and credit of the U.S. government as to timely payment of principal and interest.

No representation or warranty is made as to the efficacy of any particular strategy or the actual returns that may be achieved.

Cohen & Steers Capital Management, Inc. (Cohen & Steers) is a registered investment advisory firm that provides investment management services to corporate retirement, public and union retirement plans, endowments, foundations and mutual funds.

Cohen & Steers Securities, LLC, distributor.
High Income and Good Relative Value

At December 31, 2012.

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Note: Yields shown on a yield-to-maturity basis.

(1) Average of the annual income rate using month-end index information from 12/31/2002–12/31/2012.
(2) BofA Merrill Lynch Fixed Rate Preferred Securities Index (Credit quality: BBB) tracks the performance of fixed-rate U.S. dollar-denominated preferred securities issued in the U.S. domestic market.
(3) BofA Merrill Lynch Corporate Master Index (Credit quality: A-) tracks the performance of U.S. dollar-denominated investment-grade corporate debt publicly issued in the U.S. domestic market.
(4) BofA Merrill Lynch Municipal Master Index (Credit quality: AA-) tracks the performance of U.S. dollar-denominated investment-grade tax-exempt debt publicly issued by U.S. states and territories, and their political subdivisions, in the U.S. domestic market.
(5) BofA Merrill Lynch High Yield Master Index (Credit quality: B+) tracks the performance of U.S. dollar-denominated below-investment-grade corporate debt publicly issued in the U.S. domestic market.
(6) The quotient of two bond or fixed income security’s yields that measures the percentage value of one security’s yield compared with the other. Falling current fixed income yield ratios compared with their long-term average indicates declining relative value of one security’s yield versus what it is being compared with.
Wide Yield Spreads Indicate Value

Yield Comparison: Preferred Securities vs. 10-Year Treasury History

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Note: Yields shown on a yield-to-maturity basis.
(1) BofA Merrill Lynch Fixed Rate Preferred Securities Index tracks the performance of fixed-rate U.S. dollar-denominated preferred securities issued in the U.S. domestic market.
(2) Index rating was single-A pre-crisis compared with BBB today.
(3) Treasury yields may rise in the future, and that could have a negative spillover effect on other fixed income securities with relatively narrow spreads over Treasurys. As shown in the chart, the spread between preferred securities and Treasurys is well above the long-term average. Preferred securities’ wide spreads to Treasurys may cushion the impact of a rising rate environment.

Source: Bloomberg.
Correlations Have Changed

The information presented above does not reflect the performance of any fund or other account managed or serviced by Cohen & Steers, and there is no guarantee that these asset classes will experience the type of performance reflected above. An investor cannot invest directly in an index.

Source: Morningstar.

Correlation coefficients are based on monthly data and measure the degree to which returns move together with the indexes. The correlation coefficient will vary from -1.0 (perfect negative correlation) to 1.0 (perfect positive correlation). The chart above is designed to illustrate that over long periods of time, preferred securities have had relatively low correlations with other major investment classes. The blue bars represent the ten years prior to the credit crisis, while the orange bars represent the ten years ended December 31, 2012. The rationale for using these time periods is to show how preferred securities have become far more credit-sensitive and far less interest rate-sensitive over the last ten years. This is illustrated by the increased correlation with high-yield and stocks, which are more sensitive to credit risk, and decreased correlation with investment-grade corporates, municipals, and treasuries, which are more sensitive to interest rate risk.

(1) BofA Merrill Lynch Corporate Master Index tracks the performance of U.S. dollar-denominated investment-grade corporate debt publicly issued in the U.S. domestic market.
(2) BofA Merrill Lynch Municipal Master Index tracks the performance of U.S. dollar-denominated investment-grade tax-exempt debt publicly issued by U.S. states and territories, and their political subdivisions, in the U.S. domestic market.
(3) BofA Merrill Lynch High Yield Master Index tracks the performance of U.S. dollar-denominated below-investment-grade corporate debt publicly issued in the U.S. domestic market.
(4) S&P 500 Index is an unmanaged index of 500 large-capitalization, publicly traded U.S. stocks representing a variety of industries.
Only Deeply Speculative High-Yield Bonds Offer Higher Income Rates

Current Yields of Investment-Grade Preferred Securities Compared with High-Yield Bonds

<table>
<thead>
<tr>
<th>Standard &amp; Poor’s Credit Ratings</th>
<th>Yield</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Investment-Grade</strong></td>
<td></td>
</tr>
<tr>
<td>Lower Medium</td>
<td></td>
</tr>
<tr>
<td>BBB+</td>
<td></td>
</tr>
<tr>
<td>BBB(1) Preferred Securities BBB Index(2)</td>
<td>6.2</td>
</tr>
<tr>
<td>BBB-</td>
<td></td>
</tr>
<tr>
<td>Speculative</td>
<td></td>
</tr>
<tr>
<td>BB+</td>
<td></td>
</tr>
<tr>
<td>BB High-Yield Bond BB Sub-Index(3)</td>
<td>5.1</td>
</tr>
<tr>
<td>BB-</td>
<td></td>
</tr>
<tr>
<td>Non-Investment-Grade</td>
<td></td>
</tr>
<tr>
<td>Highly Speculative</td>
<td></td>
</tr>
<tr>
<td>B+(1) High-Yield Bond B+ Index(4)</td>
<td>6.7</td>
</tr>
<tr>
<td>B High-Yield Bond B Sub-Index(3)</td>
<td>6.7</td>
</tr>
<tr>
<td>B-</td>
<td></td>
</tr>
<tr>
<td>Substantial Risk in Poor Standing</td>
<td></td>
</tr>
<tr>
<td>CCC High-Yield Bond CCC Sub-Index(3)</td>
<td>10.0</td>
</tr>
</tbody>
</table>

At December 31, 2012.

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Source: Morningstar.

Note: Yields shown on a yield-to-maturity basis.

(1) Weighted-average credit rating of total indexes.
(2) BofA Merrill Lynch Fixed Rate Preferred Securities Index tracks the performance of fixed-rate U.S. dollar-denominated preferred securities issued in the U.S. domestic market.
(3) Sub-index values derived from BofA Merrill Lynch High-Yield Master Index. As of 12/31/12, High-Yield Bond Sub-Index (BB) represents 40.7% of the main index; High-Yield Bond Sub-Index (B) represents 42.7% of the main index; High-Yield Bond Sub-Index (CCC) represents 16.0% of the main index.
(4) BofA Merrill Lynch High-Yield Master Index tracks the performance of U.S. dollar-denominated below-investment-grade corporate debt publicly issued in the U.S. domestic market.
Stronger Bank Balance Sheets May Be a Performance Catalyst

At December 31, 2012.

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Source: SNL and Cohen & Steers.


2. Bank stocks are represented by the KBW Bank Index which is a modified cap-weighted index consisting of 24 exchange-listed and National Market System stocks, representing national money center banks and leading regional institutions.

3. Broad equity market is represented by the S&P 500 Index which is an unmanaged index of 500 large-capitalization, publicly traded U.S. stocks representing a variety of industries. Investors cannot invest directly in an index.

Core capital is the minimum amount of capital that a bank or savings and loan company must have on hand in order to comply with Federal regulations. Higher core capital ratios have helped to strengthen banks’ balance sheets. As bank balance sheets strengthen, it becomes more likely that their credit quality improves resulting in stronger price performance for their common and preferred issuance than other sectors that may not be benefitting from these dynamics.

Bank Stocks versus Broad Equity Market—One Year Price Return

In 2012, bank stocks returned 16.8% more than broad equities.

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Institutional Investment Universe

The Lion’s Share of the Preferred Securities Market

Total Preferred Securities Market Size: $750B

- 25% Retail Preferreds
- 34% USD Institutional Preferreds
- 41% Non-USD Institutional Preferreds

- $25 par retail preferred securities are listed on the NYSE (exchange-traded)
- $1,000 par institutional preferred securities are traded over-the-counter (OTC)

At December 31, 2012.

Source: Bloomberg and Cohen & Steers and BofA Merrill Lynch Indexes.

(1) Based on par values of approximately 1,300 preferred securities, which include Tier 1, Tier 2, and subordinated debt instruments. Indexes included are: BofA Merrill Lynch Fixed Rate Preferred Securities Index tracks the performance of fixed-rate U.S. dollar-denominated preferred securities issued in the U.S. domestic market; BofA Merrill Lynch Capital Securities Index is a subset of the BofA Merrill Lynch U.S. Corporate Index including all fixed-to-floating rate, perpetual callable and capital securities; BofA Merrill Lynch Adjustable Rate Preferred Securities Index tracks investment grade floating rate preferred securities publicly issued in the U.S. domestic market; BofA Merrill Lynch REIT Preferred Securities Index is a subset of the BofA Merrill Lynch Fixed Rate Preferred Securities Index including all real estate investment trust issued preferred securities; BofA Merrill Lynch Japan Corporate Index tracks the performance of JPY denominated investment grade corporate, securitized and collateralized debt publicly issued in the Japanese domestic market; BofA Merrill Lynch Australia Corporate Index tracks the performance of AUD denominated investment grade corporate, securitized and collateralized debt publicly issued in the Australian domestic market; BofA Merrill Lynch Canada Corporate Index tracks the performance of CAD denominated investment grade corporate, securitized and collateralized debt publicly issued in the Canadian domestic market; BofA Merrill Lynch High Yield Master Bond Index monitors the performance of below investment grade U.S. dollar denominated corporate bonds publicly issued in the U.S. domestic market.
Stronger Performance Record for Institutional Versus Retail Preferred Securities

At December 31, 2012.

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Based on Cohen & Steers expectations.

(1) BofA Merrill Lynch Capital Securities Index is a subset of the BofA Merrill Lynch U.S. Corporate Index including all fixed-to-floating, perpetual callable and capital securities.

(2) BofA Merrill Lynch Fixed Rate Preferred Securities Index tracks the performance of fixed-rate U.S. dollar-denominated preferred securities issued in the U.S. domestic market.

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Institutional (OTC) Market Offers Different Issuers, Structures and Duration

2012 Transaction Examples

<table>
<thead>
<tr>
<th>Issuer Name</th>
<th>Market</th>
<th>Structure</th>
<th>Coupon</th>
<th>Call/Float</th>
<th>Ratings (Moody's/S&amp;P/Fitch)</th>
<th>Currency</th>
<th>Deal Size</th>
<th>Modified Duration(1) (years)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wells Fargo</td>
<td>Retail</td>
<td>Fixed Perpetual</td>
<td>5.20%</td>
<td>9/15/2017 (5 years)</td>
<td>Baa3/BBB+/BBB</td>
<td>USD</td>
<td>$750MM</td>
<td>18.6</td>
</tr>
<tr>
<td>DTE Energy Company</td>
<td>Retail</td>
<td>Fixed Sub Debt</td>
<td>5.25%</td>
<td>12/01/2017 (5 years)</td>
<td>Baa3/BBB-/BB+</td>
<td>USD</td>
<td>$200MM</td>
<td>18.6</td>
</tr>
<tr>
<td>PS Business Parks</td>
<td>Retail</td>
<td>Fixed Perpetual</td>
<td>5.75%</td>
<td>09/14/2017 (5 years)</td>
<td>Baa3/BBB-/NR</td>
<td>USD</td>
<td>$237.5MM</td>
<td>17.4</td>
</tr>
<tr>
<td>General Electric Capital Corp.</td>
<td>Institutional</td>
<td>Fixed/Float Perpetual</td>
<td>7.125%</td>
<td>6/15/2022 (10 years)</td>
<td>Baa1/AA-/NR</td>
<td>USD</td>
<td>$2.25B</td>
<td>6.8</td>
</tr>
<tr>
<td>Danske Bank</td>
<td>Institutional</td>
<td>Fixed/Float Sub Debt</td>
<td>7.125%</td>
<td>9/21/2017 (5 years)</td>
<td>NR/NR/BBB</td>
<td>USD</td>
<td>$1.0B</td>
<td>4.5</td>
</tr>
<tr>
<td>UBS</td>
<td>Institutional</td>
<td>Fixed CoCo Sub Debt</td>
<td>7.625%</td>
<td>08/17/2022 (10 years)</td>
<td>NR/BBB-/BBB-</td>
<td>USD</td>
<td>$2.0B</td>
<td>6.8</td>
</tr>
</tbody>
</table>

At December 31, 2012.
The securities listed above, may or may not be a holding of Cohen & Steers as of the date of this presentation. The mention of specific securities is not a recommendation or solicitation for any person to buy or hold a particular security and should not be relied upon as investment advice. For a complete list of the Cohen & Steers Preferred Securities and Income Fund, please visit our website at cohenandsteers.com.
Source: Cohen & Steers and Bloomberg.
The securities percentage of total market value of Cohen & Steers Preferred Securities and Income Fund at December 31, 2012 is General Electric Capital Corp. (1.52%) and UBS (1.84%). The Fund has a 0.00% market value of any securities not listed.
(1) Modified duration expresses measurable changes in the value of a security in response to a change in the interest rates. Values shown are in years assuming par value (or is not issue price of the security).
The Structure of a Preferred Security Can Significantly Change Its Duration

Hypothetical Examples

Security 1: Exchange-traded fixed rate; 7% coupon, callable in 2018 at par

Duration: 14.1

2013 2018 Call

Security 2: Institutional fixed-to-floating rate; 7% coupon, callable in 2023 at par (or resets to a floating rate in 2023)

Duration: 6.9

2013 2023 Call

Security 3: Floating rate security (quarterly coupon reset based on changes in LIBOR(1))

Duration: ~0

2013

Duration measures the price sensitivity of a fixed income or preferred security to changes in interest rates (or yields). The higher the duration, the greater the price change in response to a rise or fall in yield. The duration of a preferred security depends, in part, on how it is structured.

(1) LIBOR, London Interbank Offered Rate.
Preferred Securities Tailwinds Still Largely in Place

- Securities offering yields of 6%+ are rare
  - Global easing cycle continues, and inflation still modest

- Preferred security yield spreads still well wide of historical levels
  - Further credit improvements likely, and tightening potentially diminishes rate risk

- New tax code supportive of dividends
  - Tax rates of 18.8% and 23.8% (inclusive of “Obamacare”) well below ordinary income rates

- Supply picture less supportive, but opportunities abound
  - Total market likely to grow in 2013, but new “Basel III” structures have performed well

Institutional active management is essential due to rapidly changing environment

At December 31, 2012.
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Based on Cohen & Steers expectations.
Why the Cohen & Steers Preferred Securities and Income Fund?

- Potential for high current monthly income
- Diversification by sector, country and credit
- Active management of long-term credit and interest-rate risks

Our Investment Team Combines Industry Experience and Global Capabilities

- William Scapell, lead portfolio manager with 19 years experience
- Manages $6.3 billion in preferred securities
- Joined by team of analysts dedicated to asset class
- Offices located in New York, Seattle, London, Brussels, Hong Kong and Tokyo

Bill Scapell, Portfolio Manager

At December 31, 2012.

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