

COHEN & STEERS REIT & PREFERRED INCOME FUND INC  
Form N-CSRS  
August 23, 2005

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM N-CSR

CERTIFIED SHAREHOLDER REPORT OF REGISTERED MANAGEMENT INVESTMENT COMPANIES

Investment Company Act File Number: 811-21326

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

757 Third Avenue, New York, NY 10017  
(Address of principal executive offices) (Zip code)

Adam M. Derechin  
Cohen & Steers Capital Management, Inc.  
757 Third Avenue  
New York, New York 10017  
(Name and address of agent for service)

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

Date of fiscal year end: December 31

Date of reporting period: June 30, 2005

Item 1. Reports to Stockholders.

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COHEN & STEERS REIT AND PREFERRED INCOME FUND, INC.

July 28, 2005

To Our Shareholders:

We are pleased to submit to you our report for Cohen & Steers REIT and Preferred Income Fund for the quarter ended June 30, 2005. The net asset value at that date was \$30.34 per common share. The fund's common stock is traded on the New York Stock Exchange and its share price can differ from its net asset value; at quarter end, the fund's closing share price on the NYSE was \$27.05 per share. During the quarter ended June 30, 2005, the fund produced the following total returns (including income) compared to its relevant benchmarks:

TOTAL RETURN,  
PERIOD ENDED 6/30/05

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MARKET PRICE (a)      NET ASSET VALUE (a)  
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	QUARTER	YEAR TO DATE	QUARTER	YEAR TO DATE
	-----	-----	-----	-----
Cohen & Steers REIT & Preferred Income Fund.....	10.8%	4.0%	12.8%	5.3%
NAREIT Equity REIT Index(b).....	14.5%	6.4%	14.5%	6.4%
Merrill Lynch Fixed Rate Preferred Index(c).....	2.6%	0.1%	2.6%	0.1%

The asset mix of the fund at quarter-end consisted of approximately 56% REIT common stocks, 39% preferred securities, and 5% corporate bonds. During the quarter, three monthly distributions of \$0.195 per share were paid to common shareholders. In addition, three monthly distributions of \$0.195 per share were declared and will be paid on July 29, August 31, and September 30.(d)

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- (a) As a closed-end investment company, the price of the fund's New York Stock Exchange-traded shares will be set by market forces and at times may deviate from the net asset value per share of the fund.
  - (b) The NAREIT Equity REIT Index ('Equity REITs') 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 REITs as a whole.
  - (c) The Merrill Lynch Fixed Rate Preferred Index is an unmanaged index of preferred securities.
  - (d) Please note that distributions paid by the fund to shareholders are subject to recharacterization for tax purposes. The final tax treatment of these distributions is reported to shareholders after the close of each fiscal year on form 1099-DIV. To the extent the fund pays distributions in excess of its net investment company taxable income, this excess would be a tax-free return of capital distributed from the fund's assets. To the extent this occurs, the fund's shareholders of record would be notified of the approximate amount of capital returned for each such distribution. 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.

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COHEN & STEERS REIT AND PREFERRED INCOME FUND, INC.

INVESTMENT REVIEW

Both REIT common stocks and corporate preferred shares performed well in the second quarter, rebounding from weaker performance in the prior quarter, and driving a 12.8% total return for the fund.

During the quarter, continued momentum in the recovery of real estate fundamentals and REIT earnings, and a flurry of merger and buyout activity, drove REIT share prices to new highs. Buyout activity reached a crescendo in

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June as Catellus, Gables Residential and CRT Properties all announced that they were being acquired.

Consolidation activity has accelerated in the REIT sector over the past year, as seven sizeable REIT buyouts have been announced since August 2004. These buyouts, totaling approximately \$27 billion in value, included the retail, apartment, industrial and office property types. On average, the implied capitalization rate (the current income generated by these properties compared with the price paid for the investment) for these sales was 6.3%, consistent with the high quality single property transactions that we observe in the private marketplace but certainly lower than the capitalization rate regime that existed for many years. Finally, these deals were all struck at significant premiums to the pre-announcement target stock prices -- ranging from 7.2% to 33.4%.

Perhaps even more interesting for the rest of the REIT market, all of these deals were struck at prices above the commonly perceived value of the target company's real estate net asset value (NAV). In every instance, the deal price was greater than most, if not all the published analyst estimates of NAV. As a result, many Wall Street analysts who had been negative on the REIT sector for most of the previous three years, and who fostered a sense of disbelief among many investors, turned more positive on the REIT group, lowering their assumed capitalization rates and boosting their NAV estimates.

Although economic data points indicating a moderating pace of growth have become more common, we continue to believe that the economy is fundamentally healthy and that any short-term moderation in economic growth will not meaningfully disturb the forward momentum in occupancies and rents for most property types in most areas of the country. The fund's best performing REIT investments during the quarter were in the regional mall and health care sectors, which produced total returns of 21.4% and 17.4%, respectively. Our stock selection in apartment, office, shopping center and industrial sectors, as well as our overweight in the regional mall sector, were the most significant contributors to our relative performance in the quarter. The worst performing sector was the manufactured home sector, with a 7.2% total return.

Two of the fund's best-performing holdings for the quarter were Gables Residential, in the apartment sector, with a 31.9% return, and Macerich Company, a regional mall company, with a 27.2% return. Gables recently agreed to be acquired for \$43.50 per share in cash. Laggards during the quarter included Mission West Properties and American Financial Realty, both office companies, with total returns of -1.6% and 1.9%, respectively.

The preferred market performed well in the quarter as bond yields fell and credit markets regained footing. The negativity that pervaded in the credit markets in early 2005 dissipated in the second quarter as credit rating agencies lowered their ratings of Ford and General Motors to below investment grade. These long-awaited actions

finally brought traditional 'high yield' investors into the market, thereby stabilizing trading in many auto and auto-related issues. Stability in this important sector had a calming effect on the broader credit market.

The new issue calendar opened up, bringing attractively priced preferreds to a supply-starved market -- particularly in tax-advantaged issues. This was primarily as a result of new rules at Moody's, the credit rating agency, that enabled issuers to claim higher 'equity credit' (i.e., to treat more of the issue like equity, as opposed to debt) in financial strength measurements. Many of the new issues, such as two massive MetLife deals totaling \$2.1 billion, had specific dividend suspension triggers necessary for the company to obtain this more favorable ratings treatment. We expect complicated new language and structures to become the norm in this market, making value-added research even more important in the preferred market.

The fund's defensive posturing in preferreds, which helped performance in the first quarter, detracted from it in the second quarter. REIT preferreds were among the fund's standout performers. Fundamentals continued to improve for most property types, and ratings agencies continued to express a more positive view of the sector. In addition, certain non-callable bank and insurance issues rose meaningfully in value as long-term interest rates fell to their lowest levels so far this year. In a reverse of the prior quarter, interest-rate-defensive, high coupon and floating rate issues were among the fund's worst performers.

#### INVESTMENT OUTLOOK

In the mid to late 1990s, real estate company share prices as a group consistently traded at large premiums to NAV -- up to 30% for the REIT group as a whole. The public market's perception of the value and growth prospects of real estate assets was clearly ahead of that of the private market, and this enabled massive amounts of assets to flow from private to public ownership. REITs were, in fact, the marginal buyers of most large real estate assets during this time period, and REIT market capitalization expanded dramatically through IPOs and secondary offerings of existing companies.

Today, the public market and private market views of real estate value are much more closely aligned, as evidenced by the fact that most commentators see REIT valuations as closer than many had realized to private market NAV. This has profound implications for the way the real estate stock cycle will evolve, in our opinion.

We believe that assets will continue to flow from private to public hands as skilled public players seek out selective, strategic acquisition and development opportunities and as the moderate but steady and disciplined pace of IPO activity continues. Additionally, we think that current strong investor interest in REITs' investment attributes, as well as the improved outlook on the sector by analysts offer an attractive environment for companies to utilize secondary stock offerings in order to finance these activities. However, if private market values continue to be strong as well, as we expect, REIT equity issuance should not get out of hand as it did during the latter stages of the REIT stock cycle in the late 1990s. The large premiums to asset value that resulted in many instances in undisciplined equity issuance contributed significantly to the severity of the downturn in REIT share prices in 1998 and 1999.

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COHEN & STEERS REIT AND PREFERRED INCOME FUND, INC.

In our view, assets will continue to flow from public to private and from public to public -- as public companies that can neither create value for shareholders nor achieve an attractive valuation are taken private or merged into other public companies. Again, the converging views of real estate asset value by both private and public capital markets, in conjunction with continued strong private market demand for real estate assets can potentially serve as a governor on REIT stock prices -- helping to guard against the massive discounts to asset value that persisted in late 1999 and 2000 in the aftermath of the REIT bear market.

Our investment strategy in both REIT stocks and preferreds is predicated on the belief that the U.S. economy will continue to grow. We have focused the REIT portfolio on those sectors that are benefiting most from the cyclical recovery in occupancies and rents: office, self storage, hotel and certain segments of the apartment market (including student housing). Steady economic growth should also help contain preferred security credit risks and minimize the potential for credit risk spreads to widen.

We also expect that the Federal Reserve is nearing the end of its monetary policy tightening cycle as economic growth moderates. We believe that inflation is well contained, and look for long-term bond yields to remain within their recent trading ranges. A low inflation environment should likely foster a low return environment. Accordingly, investor appetites for quality income should remain strong. However, because of the choppiness of bond markets in recent quarters, we have a slightly more defensive interest rate posture in our preferred holdings. We believe the growth-oriented nature of the fund's REIT equities is a natural hedge against the possibility of a 'hotter' economy than we expect.

In closing, while REIT share prices continue to perform well, and valuations inch higher, we believe that in a low return environment, with fundamentals improving and the interaction between private and public real estate increasing, REITs should continue to provide attractive investment returns. Preferreds, which offer what we believe is some of the highest high quality income available globally, also should remain in strong demand and should continue to perform well, in our view. The fund's balanced approach to REIT and preferred investing should

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COHEN & STEERS REIT AND PREFERRED INCOME FUND, INC.

provide attractive income and total return potential, while reducing portfolio volatility. We believe the fund is well positioned to continue to deliver these favorable attributes to investors.

Sincerely,

MARTIN COHEN  
MARTIN COHEN  
Co-chairman

ROBERT H. STEERS  
ROBERT H. STEERS  
Co-chairman

JOSEPH M. HARVEY  
JOSEPH M. HARVEY  
Portfolio Manager

JAMES S. CORL  
JAMES S. CORL  
Portfolio Manager

WILLIAM F. SCAPELL  
WILLIAM F. SCAPELL  
Portfolio Manager

VISIT COHEN & STEERS ONLINE AT COHENANDSTEERS.COM

For more information about any of our funds, visit [cohenandsteers.com](http://cohenandsteers.com), where you'll find daily net asset values, fund fact sheets and portfolio highlights. You can also access newsletters, education tools and market updates covering the REIT, utility 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.

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COHEN & STEERS REIT AND PREFERRED INCOME FUND, INC.

OUR LEVERAGE STRATEGY  
(UNAUDITED)

While we do not attempt to predict what future interest rates will be, it has been our philosophy to utilize interest rate swap transactions to seek to reduce the interest rate risk inherent in our utilization of leverage. Our leverage strategy involves issuing auction market preferred shares (AMPS) to raise additional capital for the fund, with an objective of increasing the net income available for shareholders. As of June 30, 2005, AMPS represented 33% of the fund's managed assets. Considering that AMPS have variable dividend rates, we seek to lock in the rate on a majority of this additional capital through interest rate swap agreements (where we effectively convert our variable rate obligation to a fixed rate obligation for the term of the swap agreements). Specifically, we have fixed the rate on 63% of our borrowings at an average interest rate of 3.66%, for an average remaining period of 3.5 years (when we first entered into the swaps, the average term was 5.3 years). By locking in a large portion of our leveraging costs, we have endeavored to adequately protect the dividend-paying ability of the fund. The use of leverage increases the volatility of the fund's net asset value in both up and down markets. However, we believe that locking in a portion of the fund's leveraging costs for the term of

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the swap agreements partially protects the fund from any impact that an increase in short-term interest rates may have as a result of the use of leverage.

LEVERAGE FACTS (a)

Leverage (as % of managed assets).....	33%
% Fixed Rate.....	63%
% Variable Rate.....	37%
Weighted Average Rate on Swaps.....	3.66%
Weighted Average Term on Swaps.....	3.5 years
Current Rate on AMPS.....	3.32%

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(a) Data as of June 30, 2005. Information is subject to change.  
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COHEN & STEERS REIT AND PREFERRED INCOME FUND, INC.  
JUNE 30, 2005  
TOP TEN HOLDINGS  
(UNAUDITED)

SECURITY(a) -----	MARKET VALUE -----	% OF MANAGED ASSETS -----
1. Equity Office Properties Trust.....	\$83,852,230	3.83%
2. Health Care REIT.....	65,791,664	3.00
3. Heritage Property Investment Trust.....	64,772,992	2.96
4. Health Care Property Investors.....	63,684,608	2.91
5. Archstone-Smith Trust.....	59,876,448	2.73
6. Mack-Cali Realty Corp.....	54,337,350	2.48
7. Arden Realty.....	53,563,426	2.45
8. Glimcher Realty Trust.....	50,910,150	2.32
9. Liberty Property Trust.....	50,659,623	2.31
10. First Industrial Realty Trust.....	42,848,610	1.96

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(a) All holdings listed are common stock.

SECTOR BREAKDOWN  
(Based on Managed Assets)  
(UNAUDITED)

[PIE CHART]

Office/Industrial	23.33%
Other	17.01%
Shopping Center	9.97%
Residential	9.48%
Health Care	9.40%
Insurance	8.82%
Bank -- Foreign	6.02%
Bank	5.55%
Diversified	4.87%
Finance	4.01%
Other Assets in Excess of Liabilities	1.54%

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COHEN & STEERS REIT AND PREFERRED INCOME FUND, INC.

SCHEDULE OF INVESTMENTS  
JUNE 30, 2005 (UNAUDITED)

	NUMBER OF SHARES	VALUE (NOTE 1)	DIVIDEND YIELD (a)
COMMON STOCK	83.13%		
DIVERSIFIED	5.96%		
Capital Trust -- Class A.....	500	\$ 16,705	6.58%
Colonial Properties Trust.....	300,000	13,200,000	6.14
Crescent Real Estate Equities Co....	636,900	11,941,875	8.00
iStar Financial.....	990,000	41,174,100	7.04
Spirit Finance Corp.....	150,800	1,771,900	6.47
Vornado Realty Trust.....	239,100	19,223,640	3.78
		87,328,220	
HEALTH CARE	12.41%		
Health Care Property Investors(b)...	2,355,200	63,684,608	6.21
Healthcare Realty Trust.....	256,400	9,899,604	6.79
Health Care REIT.....	1,745,600	65,791,664	6.58
Nationwide Health Properties.....	1,362,200	32,161,542	6.27
Ventas.....	335,000	10,117,000	4.77
		181,654,418	
HOTEL	2.90%		
DiamondRock Hospitality Co.....	565,600	6,391,280	6.11
Hospitality Properties Trust.....	545,200	24,026,964	6.54
Strategic Hotel Capital.....	671,500	12,087,000	4.89



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			----- 42,505,244 -----	
INDUSTRIAL	2.93%			
First Industrial Realty Trust.....		1,073,900	42,848,610	6.97
			-----	
MORTGAGE	2.34%			
Newcastle Investment Corp.....		1,135,074	34,222,481	8.29
			-----	

See accompanying notes to financial statements.

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COHEN & STEERS REIT AND PREFERRED INCOME FUND, INC.

SCHEDULE OF INVESTMENTS -- (CONTINUED)  
JUNE 30, 2005 (UNAUDITED)

		NUMBER OF SHARES	VALUE (NOTE 1)	DIVIDEND YIELD (a)
		-----	-----	-----
OFFICE	25.45%			
American Financial Realty Trust.....		1,047,600	\$ 16,112,088	7.02%
Arden Realty.....		1,488,700	53,563,426	5.61
Brandywine Realty Trust.....		787,800	24,146,070	5.74
CarrAmerica Realty Corp.....		935,700	33,853,626	5.53
CRT Properties.....		290,000	7,917,000	5.13
Equity Office Properties Trust.....		2,533,300	83,852,230	6.04
Highwoods Properties.....		910,200	27,087,552	5.71
HRPT Properties Trust.....		1,466,100	18,223,623	6.76
Mack-Cali Realty Corp.....		1,199,500	54,337,350	5.56
Maguire Properties.....		1,286,100	36,448,074	5.65
Prentiss Properties Trust.....		389,100	14,178,804	6.15
Reckson Associates Realty Corp.....		87,500	2,935,625	5.07
			----- 372,655,468 -----	
OFFICE/INDUSTRIAL	4.76%			
Duke Realty Corp.....		346,800	10,979,688	5.87
Liberty Property Trust.....		1,143,300	50,659,623	5.51
Mission West Properties.....		778,800	7,998,276	6.23
			----- 69,637,587 -----	
RESIDENTIAL -- APARTMENT	12.20%			
American Campus Communities.....		275,500	6,248,340	5.95
Apartment Investment & Management Co.....		135,100	5,528,292	5.87
AMLI Residential Properties Trust...		590,400	18,455,904	6.14

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Archstone-Smith Trust.....	1,550,400	59,876,448	4.45
Camden Property Trust.....	581,800	31,271,750	4.73
Education Realty Trust.....	399,300	7,307,190	6.50
GMH Communities Trust.....	604,200	8,368,170	6.57
Gables Residential Trust.....	225,100	9,731,073	5.57
Home Properties.....	257,900	11,094,858	5.86
Mid-America Apartment Communities...	349,000	15,851,580	5.15
Town & Country Trust.....	173,400	4,943,634	6.03
		-----	
		178,677,239	
		-----	

See accompanying notes to financial statements.

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COHEN & STEERS REIT AND PREFERRED INCOME FUND, INC.

SCHEDULE OF INVESTMENTS -- (CONTINUED)  
JUNE 30, 2005 (UNAUDITED)

	NUMBER OF SHARES	VALUE (NOTE 1)	DIVIDEND YIELD (a)
	-----	-----	-----
SELF STORAGE			1.19%
Extra Space Storage (Restricted) (c,d).....	94,500	\$ 1,286,476	6.69%
Sovran Self Storage.....	222,200	10,101,212	5.32
U-Store-It Trust.....	315,800	6,015,990	5.88
		-----	
		17,403,678	
		-----	
SHOPPING CENTER			12.99%
COMMUNITY CENTER			8.53%
Cedar Shopping Centers.....	400,000	5,900,000	6.10
Heritage Property Investment Trust.....	1,849,600	64,772,992	6.00
Inland Real Estate Corp.....	395,700	6,362,856	5.97
New Plan Excel Realty Trust.....	1,340,500	36,421,385	6.07
Ramco-Gershenson Properties Trust...	390,000	11,419,200	5.98
		-----	
		124,876,433	
		-----	
REGIONAL MALL			4.46%
Glimcher Realty Trust.....	1,834,600	50,910,150	6.92
Macerich Co.....	215,200	14,429,160	3.88
		-----	
		65,339,310	
		-----	
TOTAL SHOPPING CENTER.....		190,215,743	

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TOTAL COMMON STOCK			
(Identified			
cost -- \$909,549,438).....		1,217,148,688	
-----			
PREFERRED SECURITIES -- \$25 PAR			
VALUE	26.47%		
AUTOMOTIVE	0.16%		
DaimlerChrysler, 7.25% (CBTCS).....	26,208	668,304	7.10
DaimlerChrysler, 7.50% (CBTCS).....	40,500	1,048,545	7.26
Ford Motor Co., 8.00% (CORTS).....	26,400	600,600	8.79
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		2,317,449	
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See accompanying notes to financial statements.

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COHEN & STEERS REIT AND PREFERRED INCOME FUND, INC.

SCHEDULE OF INVESTMENTS -- (CONTINUED)  
 JUNE 30, 2005 (UNAUDITED)

	NUMBER OF SHARES	VALUE (NOTE 1)	DIVIDEND YIELD (a)
-----			
BANK			2.60%
ASBC Capital I, 7.625%, Series A (TOPrS).....	\$ 75,500	\$ 2,000,750	7.21%
Cobank ACB, 7.00%, 144A(c,f).....	200,000	10,282,000	6.81
Colonial Capital Trust IV, 7.875%...	390,000	10,179,000	7.55
Countrywide Capital IV, 6.75%.....	71,100	1,845,756	6.51
First Republic Bank, 6.70%.....	216,500	5,553,225	6.55
Fleet Capital Trust VIII, 7.20% Series.....	87,900	2,281,884	6.93
HSBC USA, Series F.....	46,000	1,141,720	3.91
JPM Chase Capital XVI, 6.35%, Series P.....	160,000	4,054,400	6.27
Old Second Bancorp Capital Trust I, 7.80%.....	62,150	674,328	7.19
-----			
		38,013,063	
-----			
BANK -- FOREIGN			1.03%
Abbey National PLC, 7.375%, Series C.....	493,264	12,982,708	6.99
Northern Rock, 8.00%, Series.....	30,000	752,400	7.97
Royal Bank of Scotland Group, 7.25%, Series H.....	55,600	1,428,920	7.04

		-----	
		15,164,028	
		-----	
ELECTRIC -- INTEGRATED	1.79%		
DTE Energy Trust II, 7.50%, due 6/01/44, Series.....	76,800	2,065,920	6.99
Energy East Capital Trust I, 8.25%.....	61,000	1,601,250	7.85
Entergy Arkansas, 7.40%, Series.....	10,205	1,056,218	7.15
Entergy Mississippi, 6.25%, Series.....	120,000	3,000,000	6.24
Enterprise Capital Trust, 7.44%.....	168,800	4,252,072	7.38
NVP Capital III, 7.75%, due 9/30/38, Series.....	81,900	2,053,233	7.74
NVP Capital I, 8.20%, due 3/31/37, Series A (QUIPS).....	2,600	65,000	8.20
Northern States Power Co., 8.00%, Notes (PINES).....	41,700	1,109,220	7.52
Pacific Gas & Electric, 7.04%, Series.....	22,000	574,750	6.74
PSEG Funding Trust II, 8.75% Series.....	199,900	5,417,290	8.08
Puget Sound Energy Capital Trust II, 8.40% (TOPrs).....	70,800	1,837,260	8.09
Sierra Pacific Power, 7.80%, Series 1.....	40,000	1,008,000	7.74
Virginia Power Capital Trust II, 7.375%, (TruPS).....	79,761	2,115,262	6.94
		-----	
		26,155,475	
		-----	

See accompanying notes to financial statements.

COHEN & STEERS REIT AND PREFERRED INCOME FUND, INC.

SCHEDULE OF INVESTMENTS -- (CONTINUED)  
JUNE 30, 2005 (UNAUDITED)

	NUMBER OF SHARES	VALUE (NOTE 1)	DIVIDEND YIELD (a)
	-----	-----	-----
FINANCE			0.96%
MBNA Capital, 8.125%, Series D (TruPS).....	234,100	\$ 6,241,106	7.61%
MBNA Capital, 8.10%, Series E (TOPrs).....	166,300	4,490,100	7.52
Merrill Lynch & Co.,			

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Series 1 (FRN).....	140,000	3,437,000	3.71
		-----	
		14,168,206	
		-----	
GAS -- DISTRIBUTION	3.21%		
Dominion CNG Capital, 8.40%.....	78,700	2,060,366	7.45
Laclede Capital Trust I, 7.70%			
(TOPrS).....	56,300	1,497,862	7.25
Southern Union Co., 7.55%,			
Series C(e).....	1,040,000	27,664,000	7.11
Southwest Gas Capital Trust II,			
7.70%.....	600,000	15,810,000	7.32
		-----	
		47,032,228	
		-----	
INSURANCE	4.58%		
LIFE/HEALTH INSURANCE	0.34%		
Principal Financial Group, 6.5180%,			
Series B.....	200,000	5,000,000	6.35
		-----	
		5,000,000	
		-----	
MULTI-LINE	2.80%		
Aegon NV.....	400,000	10,108,000	6.29
ING Groep NV, 7.05% Series.....	241,600	6,317,840	6.73
ING Groep NV, 7.20% Series.....	165,700	4,366,195	6.83
MetLife, 6.50%, Series B.....	800,000	20,144,000	6.47
		-----	
		40,936,035	
		-----	
PROPERTY/CASUALTY	0.71%		
ACE Ltd., 7.80%, Series C.....	389,300	10,433,240	7.28
		-----	
REINSURANCE	0.16%		
Everest Re Capital Trust II, 6.20%,			
Series B.....	100,000	2,379,000	6.52
		-----	
REINSURANCE -- FOREIGN	0.57%		
PartnerRe Ltd., 6.75%, Series C.....	206,500	5,265,750	6.63
PartnerRe Ltd., 7.90%, Series D.....	54,000	1,348,920	6.53
RenaissanceRE Holdings Ltd., 7.30%,			
Series B.....	65,900	1,728,557	6.98
		-----	
		8,343,227	
		-----	
TOTAL INSURANCE.....		67,091,502	
		-----	

See accompanying notes to financial statements.

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SCHEDULE OF INVESTMENTS -- (CONTINUED)  
 JUNE 30, 2005 (UNAUDITED)

		NUMBER OF SHARES	VALUE (NOTE 1)	DIVIDEND YIELD (a)
		-----	-----	-----
MEDIA	1.49%			
CABLE TELEVISION	0.83%			
Shaw Communications, 8.50%, Series B (COPrS).....		479,700	\$ 12,093,237	8.45%
			-----	
DIVERSIFIED SERVICES	0.66%			
AOL Time Warner, 7.625%, Series A-1 (CABCO).....		117,600	3,089,352	7.27
Liberty Media Corp., 8.75% (CBTCS).....		153,600	4,047,360	8.31
Liberty Media Corp., 8.75% (PPLUS).....		95,345	2,517,108	8.30
			-----	
			9,653,820	
			-----	
TOTAL MEDIA.....			21,747,057	
			-----	
OIL -- EXPLORATION	1.10%			
Nexen, 7.35%, due 11/1/43, Series B.....		608,660	16,050,364	6.98
			-----	
REAL ESTATE	7.44%			
DIVERSIFIED	1.32%			
Digital Realty Trust, 8.50%, Series A.....		29,000	751,535	8.22
iStar Financial, 7.875%, Series E...		400,000	10,314,000	7.64
iStar Financial, 7.80%, Series F....		243,600	6,236,160	7.62
iStar Financial, 7.65%, Series G....		80,000	2,040,000	7.49
			-----	
			19,341,695	
			-----	
HEALTH CARE	0.55%			
Health Care REIT, 7.875%, Series D.....		100,000	2,568,000	7.67
Health Care REIT, 7.625%, Series F.....		10,000	252,700	7.56
Omega Healthcare Investors, 8.375%, Series D.....		200,000	5,300,000	7.89
			-----	
			8,120,700	
			-----	
HOTEL	0.25%			
Eagle Hospitality Properties Trust, 8.25%, Series A.....		50,000	1,285,000	8.02
Innkeepers USA Trust, 8.00%, Series C.....		93,500	2,390,795	7.82
			-----	
			3,675,795	
			-----	

See accompanying notes to financial statements.

COHEN & STEERS REIT AND PREFERRED INCOME FUND, INC.

SCHEDULE OF INVESTMENTS -- (CONTINUED)  
 JUNE 30, 2005 (UNAUDITED)

	NUMBER OF SHARES	VALUE (NOTE 1)	DIVIDEND YIELD (a)
OFFICE			1.76%
Cousins Properties, 7.75%, Series A.....	457,500	\$ 11,757,750	7.55%
Kilroy Realty Corp, 7.80%, Series E.....	100,000	2,585,000	7.54
Maguire Properties, 7.625%, Series A.....	288,900	7,303,392	7.56
SL Green Realty Corp., 7.625%, Series C.....	100,000	2,560,000	7.46
SL Green Realty Corp., 7.875%, Series D.....	60,000	1,539,000	7.68
		25,745,142	
RESIDENTIAL -- APARTMENT			1.98%
Apartment Investment and Management Co., 8.00%, Series T.....	93,700	2,370,610	7.91
Apartment Investment and Management Co., 8.00%, Series V.....	101,000	2,565,400	7.87
Apartment Investment & Management Co., 7.875%, Series Y.....	110,000	2,761,000	7.85
Associated Estates Realty Corp., 8.70%, Series B.....	40,000	1,049,000	8.31
Hovnanian Enterprises, 7.625% Series.....	90,500	2,262,500	7.64
Mid-America Apartment Communities, 8.30%, Series H.....	690,600	17,955,600	8.00
		28,964,110	
SHOPPING CENTER			1.58%
COMMUNITY CENTER			0.28%
Developers Diversified Realty Corp., 8.00%, Series G.....	38,700	1,006,200	7.69
Developers Diversified Realty Corp., 7.50%, Series I.....	47,800	1,223,680	7.34
Saul Centers, 8.00%, Series A.....	69,400	1,817,586	7.64
		4,047,466	

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REGIONAL MALL	1.30%			
Glimcher Realty Trust, 8.75%, Series F.....		279,300	7,482,447	8.17
Glimcher Realty Trust, 8.125%, Series G.....		240,000	6,132,000	7.95
Mills Corp., 8.75%, Series E.....		197,600	5,354,960	8.08
			-----	
			18,969,407	
			-----	
TOTAL SHOPPING CENTER.....			23,016,873	
			-----	
TOTAL REAL ESTATE.....			108,864,315	
			-----	

See accompanying notes to financial statements.

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COHEN & STEERS REIT AND PREFERRED INCOME FUND, INC.

SCHEDULE OF INVESTMENTS -- (CONTINUED)  
JUNE 30, 2005 (UNAUDITED)

		NUMBER OF SHARES	VALUE (NOTE 1)	DIVIDEND YIELD (a)
		-----	-----	-----
TELECOMMUNICATION SERVICES	2.11%			
Centaur Funding Corp., 9.08%(c).....		15,954	\$ 20,366,219	7.11%
Telephone & Data Systems, 7.60%, Series A.....		197,800	5,093,350	7.38
United States Cellular Corp., 7.50%, due 6/15/34, Series.....		201,500	5,386,095	7.03
Verizon South, 7.00%, Series F.....		4,000	103,320	6.78
			-----	
			30,948,984	
			-----	
TOTAL PREFERRED SECURITIES -- \$25 PAR VALUE (Identified cost -- \$383,027,785).....			387,552,671	
			-----	
PREFERRED SECURITIES -- CAPITAL				
TRUST	35.96%			
BANK	5.71%			
AgFirst Farm Credit Bank, 7.30%, due 10/14/49, 144A(f).....		29,100,000	31,067,189	6.84
Astoria Capital Trust I, 9.75%, due 11/1/29, Series B.....		13,500,000	15,862,500	8.30
BankBoston Capital Trust II, 7.75%, due 12/15/26.....		1,500,000	1,615,718	7.19



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BT Preferred Capital Trust II, 7.875%, due 2/25/27.....	1,000,000	1,081,088	7.29
First Tennessee Bank, Series 144A(f).....	2,000	1,970,000	0.10
Great Western Financial Trust II, 8.206%, due 2/1/27, Series A.....	2,232,000	2,425,492	7.56
Roslyn Preferred Trust FRN, 4.78%, due 4/1/32, 144A(f).....	7,500,000	7,556,250	6.94
Roslyn Real Estate Asset Corp. FRN, 4.813%, due 9/30/08, Series D....	100	10,050,000	6.71
Sky Financial Capital Trust I, 9.75%, due 5/1/30, Series B.....	3,000,000	3,510,000	7.98
Webster Capital Trust I, 9.36%, due 1/29/27, 144A(f).....	7,300,000	8,483,980	8.05
		-----	
		83,622,217	
		-----	

See accompanying notes to financial statements.

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COHEN & STEERS REIT AND PREFERRED INCOME FUND, INC.  
SCHEDULE OF INVESTMENTS -- (CONTINUED)

JUNE 30, 2005 (UNAUDITED)

	NUMBER OF SHARES	VALUE (NOTE 1)	DIVIDEND YIELD (a)
	-----	-----	-----
BANK -- FOREIGN			7.99%
Barclays Bank PLC, 6.278%, Series 1 (ADR).....	3,000,000	\$ 3,097,500	6.08%
BNP Paribas Capital Trust V, 7.20%.....	19,550,000	20,398,196	6.90
CA Preferred Fund Trust, 7.00% (Eurobond).....	25,200,000	26,365,752	6.69
HBOS Capital Funding LP, 6.85%.....	25,000,000	25,919,475	6.61
HSBC Capital Funding LP, 10.176%....	9,680,000	15,536,119	6.34
RBS Capital Trust B, 6.80%.....	19,700,000	20,389,796	6.57
Royal Bank of Scotland Group PLC, 6.35%, Series N, (ADR).....	200,000	5,074,000	6.27
		-----	
		116,780,838	
		-----	
ELECTRIC -- INTEGRATED			2.36%
Dominion Resources Capital Trust III, 8.40%, due 1/15/31.....	21,732,000	28,008,289	6.52
DPL Capital Trust, 8.125%, due 9/1/31.....	3,000,000	3,551,754	6.87

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Enterprise Capital Trust II, due 6/30/28, Series B.....	3,000,000	2,974,974	3.81
		34,535,017	
FINANCE	5.02%		
CREDIT CARD	0.38%		
MBNA Capital, 8.278%, due 12/1/26, Series A.....	5,200,000	5,624,362	7.66
DIVERSIFIED FINANCIAL SERVICES	2.17%		
Old Mutual Capital Funding, 8.00%, due 5/29/49 (Eurobond).....	29,950,000	31,721,273	7.55
INVESTMENT BANKER/BROKER	1.51%		
JPM Capital Trust I, 7.54%, due 1/15/27.....	1,925,000	2,074,601	7.00
JPM Capital Trust II, 7.95%, due 2/27/07.....	1,900,000	2,064,899	7.32
NBP Capital Trust III, 7.375%, due 10/29/49.....	16,900,000	18,013,524	6.92
		22,153,024	
MORTGAGE LOAN/BROKER	0.96%		
Countrywide Capital III, 8.05%, due 6/15/27, Series B (SKIS).....	11,285,000	14,095,868	6.44
TOTAL FINANCE.....		73,594,527	

See accompanying notes to financial statements.

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COHEN & STEERS REIT AND PREFERRED INCOME FUND, INC.

SCHEDULE OF INVESTMENTS -- (CONTINUED)  
JUNE 30, 2005 (UNAUDITED)

	NUMBER OF SHARES	VALUE (NOTE 1)	DIVIDEND YIELD (a)
FOOD			
Dairy Farmers of America, 7.875%, 144A(c,f).....	135,000	\$ 13,324,163	7.98%
Gruma S.A., 7.75%, due 12/29/49, 144A(c,f).....	9,000,000	8,795,475	7.93
		22,119,638	

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INSURANCE	8.60%			
LIFE/HEALTH	1.68%			
AmerUS Capital, 8.85%, due 2/1/27, Series A.....		4,000,000	4,392,812	8.06
Liberty Mutual Insurance, 7.697%, due 10/15/97.....		18,230,000	20,197,345	6.95
			24,590,157	
MULTI-LINE	5.41%			
AFC Capital Trust I, 8.207%, due 02/03/27, Series B.....		15,750,000	17,929,517	7.21
AXA, 7.10%, due 5/29/49 (Eurobond).....		26,500,000	27,724,300	6.79
GenAmerica Capital I, 8.525%, due 6/30/27.....		9,000,000	10,007,469	7.67
Prudential PLC, 6.50%, due 6/29/49.....		3,000,000	3,026,223	7.63
USF&G Capital, 8.312%, due 7/1/46...		3,845,000	4,842,924	6.60
Zurich Capital Trust I, 8.376%, due 6/1/37.....		14,212,000	15,723,901	7.57
			79,254,334	
PROPERTY/CASUALTY	1.51%			
Oil Casualty Insurance, 8.00%, due 9/15/34, 144A(f).....		8,000,000	8,475,704	7.55
W.R. Berkley Capital Trust, 8.197%, due 12/15/45.....		13,100,000	13,605,765	7.90
			22,081,469	
TOTAL INSURANCE.....			125,925,960	
MEDICAL -- HOSPITALS	1.10%			
Columbia/HCA, 7.50%, due 11/15/95...		16,534,000	16,145,699	7.68
OIL COMPANY -- EXPLORATION AND PRODUCTION	0.76%			
Pemex Project Funding Master Trust, 7.75%, due 9/29/49.....		11,000,000	11,132,231	7.66
PIPELINES	1.78%			
K N Capital Trust I, 8.56%, due 4/15/27 (TruPS).....		9,513,000	10,429,235	7.81
K N Capital Trust III, 7.63%, due 4/15/28 (TruPS).....		13,330,000	15,648,180	6.50
			26,077,415	

See accompanying notes to financial statements.

COHEN & STEERS REIT AND PREFERRED INCOME FUND, INC.

SCHEDULE OF INVESTMENTS -- (CONTINUED)  
 JUNE 30, 2005 (UNAUDITED)

		NUMBER OF SHARES	VALUE (NOTE 1)	DIVIDEND YIELD (a)
		-----	-----	-----
REAL ESTATE	0.36%			
BF Saul Real Estate Investment Trust, 7.50%, due 3/1/14, 144A(f).....		5,000,000	5,200,000	7.21%
RETAIL	0.34%			
JC Penney Co., 7.625%, due 3/1/97...		5,000,000	5,000,000	7.63
TELECOMMUNICATION SERVICES	0.43%			
Telephone & Data Systems, 6.625%, due 3/31/45.....		249,852	6,231,309	6.66
TOTAL PREFERRED SECURITIES -- CAPITAL TRUST (Identified cost -- \$499,603,199).....			526,364,851	
			-----	
			PRINCIPAL AMOUNT	
			-----	
CORPORATE BOND	1.73%			
AUTOMOTIVE	0.23%			
Ford Motor Co., 9.98%, due 2/15/47.....		\$ 3,400,000	\$ 3,303,168	
CELLULAR TELECOMMUNICATIONS	0.07%			
Rogers Wireless Communications, 8.00%, due 12/15/12, 144A(f).....		1,000,000	1,082,500	
MEDIA	0.73%			
Liberty Media Corp., 8.25%, due 2/1/30.....		7,250,000	7,231,114	
Rogers Cable, 8.75%, due 5/1/32.....		3,000,000	3,420,000	
			10,651,114	
TELEPHONE -- INTEGRATED	0.70%			
Citizens Communications Co., 9.00%, due 8/15/31.....		9,925,000	10,222,750	
TOTAL CORPORATE BOND (Identified cost -- \$26,560,522).....			25,259,532	
			-----	

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COMMERCIAL PAPER	0.66%		
New Center Asset Trust, 2.20%, due			
07/01/05			
(Identified cost -- \$9,642,000).....		9,642,000	9,642,000
			-----

See accompanying notes to financial statements.

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COHEN & STEERS REIT AND PREFERRED INCOME FUND, INC.

SCHEDULE OF INVESTMENTS -- (CONTINUED)  
JUNE 30, 2005 (UNAUDITED)

		VALUE (NOTE 1)
		-----
TOTAL INVESTMENTS (Identified cost -- \$1,828,382,944).....	147.95%	\$2,165,967,742
OTHER ASSETS IN EXCESS OF LIABILITIES.....	1.64%	23,976,039
LIQUIDATION VALUE OF PREFERRED SHARES.....	(49.59)%	(726,000,000)
	-----	-----
NET ASSETS APPLICABLE TO COMMON SHARES (Equivalent to \$30.34 per share based on 48,251,666 shares of capital stock outstanding).....	100.00%	\$1,463,943,781
	-----	-----
	-----	-----

GLOSSARY OF PORTFOLIO ABBREVIATIONS

ADR	American Depositary Receipt
CABCO	Corporate Asset Backed Corporation
CBTCS	Corporate Backed Trust Certificates
COPrS	Canadian Origin Preferred Securities
CORTS	Corporate Backed Trust Securities
FRN	Floating Rate Note
PINES	Public Income Notes
PPLUS	Preferred Plus Trust
QUIPS	Quarterly Income Preferred Securities
SKIS	Subordinated Capital Income Securities
TOPrS	Trust Originated Preferred Securities
TruPS	Trust Preferred Securities

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

- (a) Dividend yield is computed by dividing the security's current annual dividend rate by its value on June 30, 2005. The current dividend rate does not reflect any potential reclassifications to capital gain or return of capital.
- (b) 75,000 shares segregated as collateral for interest rate swap transactions.
- (c) Fair valued security. Aggregate holdings equal 3.69% of net assets applicable to common shares.
- (d) Resale is restricted. Security acquired 6/20/05 at a cost of \$1,272,915; equals 0.09% of net assets applicable to common shares.
- (e) 74,000 shares segregated as collateral for interest rate swap transactions.
- (f) Resale is restricted to qualified institutional investors. Aggregate holdings equal 6.57% of net assets applicable to common shares.

See accompanying notes to financial statements.

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 COHEN & STEERS REIT AND PREFERRED INCOME FUND, INC.

STATEMENT OF ASSETS AND LIABILITIES  
 JUNE 30, 2005 (UNAUDITED)

ASSETS:

Investments in securities, at value (Identified cost -- \$1,828,382,944) (Note 1).....	\$2,165,967,742
Cash.....	4,567,803
Dividends and interest receivable.....	16,624,732
Receivable for investment securities sold.....	11,935,934
Unrealized appreciation on interest rate swap transactions (Notes 1 and 6).....	4,315,322
Other assets.....	37,164
	-----
Total Assets.....	2,203,448,697
	-----

LIABILITIES:

Payable for investment securities purchased.....	7,523,001
Unrealized depreciation on interest rate swap transactions (Notes 1 and 6).....	2,585,958
Payable to investment manager.....	1,160,911
Payable for dividends declared on preferred shares.....	1,122,342
Payable for dividends declared on common shares.....	820,894
Payable to administrator.....	76,816
Payable for directors fees.....	7,073
Other liabilities.....	207,921
	-----
Total Liabilities.....	13,504,916

LIQUIDATION VALUE OF PREFERRED SHARES:

Auction market preferred shares, Series M7, (\$25,000 liquidation value, \$0.001 par value, 3,280 shares issued and outstanding) (Notes 1 and 5)...	82,000,000
Auction market preferred shares, Series T7, (\$25,000 liquidation value, \$0.001 par value, 3,280 shares issued and outstanding) (Notes 1 and 5)...	82,000,000
Auction market preferred shares, Series W7, (\$25,000 liquidation value, \$0.001 par value, 3,280 shares issued and outstanding) (Notes 1 and 5)...	82,000,000
Auction market preferred shares, Series TH7, (\$25,000 liquidation value, \$0.001 par value, 3,280 shares issued and outstanding) (Notes 1 and 5)...	82,000,000
Auction market preferred shares, Series F7, (\$25,000 liquidation value, \$0.001 par value, 3,280 shares issued and outstanding) (Notes 1 and 5)...	82,000,000
Auction market preferred shares, Series T28, (\$25,000 liquidation value, \$0.001 par value, 2,040 shares issued and outstanding) (Notes 1 and 5)...	51,000,000
Auction market preferred shares, Series W28A, (\$25,000 liquidation value, \$0.001 par value, 2,800 shares issued and outstanding) (Notes 1 and 5)...	70,000,000

See accompanying notes to financial statements.

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COHEN & STEERS REIT AND PREFERRED INCOME FUND, INC.

STATEMENT OF ASSETS AND LIABILITIES -- (CONTINUED)  
JUNE 30, 2005 (UNAUDITED)

Auction market preferred shares, Series W28B, (\$25,000 liquidation value, \$0.001 par value, 2,800 shares issued and outstanding) (Notes 1 and 5)...	70,000,000
Auction market preferred shares, Series W28C, (\$25,000 liquidation value, \$0.001 par value, 2,800 shares issued and outstanding) (Notes 1 and 5)...	70,000,000
Auction market preferred shares, Series TH28, (\$25,000 liquidation value, \$0.001 par value, 2,200 shares issued and outstanding) (Notes 1 and 5)...	55,000,000
	726,000,000
TOTAL NET ASSETS APPLICABLE TO COMMON SHARES.....	\$1,463,943,781
TOTAL NET ASSETS APPLICABLE TO COMMON SHARES consist of:	
Common stock (\$0.001 par value, 48,251,666 shares	

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issued and outstanding).....	\$1,115,287,730
Dividends in excess of net investment income.....	(25,080,319)
Accumulated undistributed net realized gain on investments and interest rate swap transactions.....	34,422,208
Net unrealized appreciation on investments and interest rate swap transactions.....	339,314,162
	-----
	\$1,463,943,781
	-----
NET ASSET VALUE PER COMMON SHARE:	
(\$1,463,943,781 [div] 48,251,666 shares outstanding).....	\$ 30.34
	-----
MARKET PRICE PER COMMON SHARE.....	\$ 27.05
	-----
MARKET PRICE DISCOUNT TO NET ASSET VALUE PER COMMON SHARE.....	(10.84) %
	-----

See accompanying notes to financial statements.

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COHEN & STEERS REIT AND PREFERRED INCOME FUND, INC.

STATEMENT OF OPERATIONS  
FOR THE SIX MONTHS ENDED JUNE 30, 2005 (UNAUDITED)

Investment Income (Note 1):	
Dividend income (net of \$20,442 of foreign withholding tax).....	\$ 32,773,954
Interest income.....	18,474,314
	-----
Total Income.....	51,248,268
	-----
Expenses:	
Investment management fees (Note 2).....	6,798,143
Preferred remarketing fee.....	898,699
Administration fees (Note 2).....	601,412
Reports to shareholders.....	190,998
Custodian fees and expenses.....	78,916
Professional fees.....	61,463
Directors' fees and expenses (Note 2).....	25,619
Transfer agent fees and expenses.....	9,335
Miscellaneous.....	109,771
	-----



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Total Expenses.....	8,774,356
	-----
Net Investment Income.....	42,473,912
	-----
Net Realized and Unrealized Gain/(Loss) on Investments (Note 1):	
Net realized gain on investments.....	36,395,499
Net realized loss on interest rate swap transactions....	(1,956,650)
Net change in unrealized depreciation on investments....	(1,011,024)
Net change in unrealized appreciation on interest rate swap transactions.....	2,149,778
	-----
Net realized and unrealized gain on investments....	35,577,603
	-----
Net Increase Resulting from Operations.....	78,051,515
	-----
Less Dividends and Distributions to Preferred Shareholders from Net Investment Income.....	(10,639,740)
	-----
Net Increase in Net Assets from Operations Applicable to Common Shares.....	\$ 67,411,775
	-----
	-----

See accompanying notes to financial statements.

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COHEN & STEERS REIT AND PREFERRED INCOME FUND, INC.

STATEMENT OF CHANGES IN NET ASSETS APPLICABLE TO COMMON SHARES (UNAUDITED)

	FOR THE SIX MONTHS ENDED JUNE 30, 2005	FOR THE YEAR ENDED DECEMBER 31, 2004
	-----	-----
Change in Net Assets Applicable to Common Shares:		
From Operations:		
Net investment income.....	\$ 42,473,912	\$ 86,763,445
Net realized gain on investments and interest rate swap transactions.....	34,438,849	14,418,311
Net change in unrealized appreciation on investments and interest rate swap transactions.....	1,138,754	181,531,456
	-----	-----
Net increase resulting from operations.....	78,051,515	282,713,212
	-----	-----

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Less Dividends and Distributions to Preferred Shareholders from:		
Net investment income.....	(10,639,740)	(8,388,821)
Net realized gain on investments.....	--	(2,460,647)
	-----	-----
Total dividends and distributions to preferred shareholders.....	(10,639,740)	(10,849,468)
	-----	-----
	67,411,775	271,863,744
	-----	-----
Less Dividends and Distributions to Common Shareholders from:		
Net investment income.....	(56,454,450)	(68,817,130)
Net realized gain on investments.....	--	(22,427,735)
Tax return of capital.....	--	(14,185,027)
	-----	-----
Total dividends and distributions to common shareholders.....	(56,454,450)	(105,429,892)
	-----	-----
Capital Stock Transactions (Note 5):		
Increase in net assets from preferred offering cost adjustment.....	--	266,434
Decrease in net assets from underwriting commissions and offering expenses from issuance of preferred shares....	--	(901,651)
	-----	-----
Net decrease in net assets from capital stock transactions.....	--	(635,217)
	-----	-----
Total increase in net assets applicable to common shares.....	10,957,325	165,798,635
	-----	-----
Net Assets Applicable to Common Shares:		
Beginning of period.....	1,452,986,456	1,287,187,821
	-----	-----
End of period(a).....	\$1,463,943,781	\$1,452,986,456
	-----	-----

(a) Includes dividends in excess of net investment income of \$25,080,319 and \$460,041, respectively.

See accompanying notes to financial statements.

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COHEN & STEERS REIT AND PREFERRED INCOME FUND, INC.

FINANCIAL HIGHLIGHTS (UNAUDITED)

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

PER SHARE OPERATING PERFORMANCE:	FOR THE SIX MONTHS ENDED JUNE 30, 2005	FOR THE YEAR ENDED DECEMBER 31, 2004	FOR THE JUNE 27, THRO DECEMBE 2000
Net asset value per common share, beginning of period.....	\$30.11	\$26.68	\$23.
Income from investment operations:			
Net investment income.....	0.88 (b)	1.87	0.
Net realized and unrealized gain on investments.....	0.74	3.97	3.
Total income from investment operations.....	1.62	5.84	3.
Less dividends and distributions to preferred shareholders from:			
Net investment income.....	(0.22)	(0.17)	(0.
Net realized gain on investments.....	--	(0.05)	(0.
Total dividends and distributions to preferred shareholders.....	(0.22)	(0.22)	(0.
Total from investment operations applicable to common shares.....	1.40	5.62	3.
Less: Offering and organization costs charged to paid-in capital -- common shares.....	--	--	(0.
Offering and organization costs charged to paid-in capital -- preferred shares.....	--	(0.02)	(0.
Preferred offering cost adjustment.....	--	0.01	(0.
Dilutive effect of common share offering...	--	--	(0.
Total offering and organization costs.....	--	(0.01)	(0.
Less dividends and distributions to common shareholders from:			
Net investment income.....	(1.17)	(1.43)	(0.
Net realized gain on investments.....	--	(0.46)	(0.
Tax return of capital.....	--	(0.29)	(0.
Total dividends and distributions to common shareholders.....	(1.17)	(2.18)	(0.
Net increase in net asset value.....	\$ 0.23	\$ 3.43	\$ 2.

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Net asset value, per common share, end of period.....	\$30.34	\$30.11	\$26.
Market value, per common share, end of period.....	\$27.05	\$27.18	\$25.
Net asset value total return(c).....	5.32% (d)	22.94%	15.
Market value return(c).....	4.02% (d)	14.32%	7.

See accompanying notes to financial statements.

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COHEN & STEERS REIT AND PREFERRED INCOME FUND, INC.

FINANCIAL HIGHLIGHTS (UNAUDITED) -- (CONTINUED)

RATIOS/SUPPLEMENTAL DATA:	FOR THE SIX MONTHS ENDED JUNE 30, 2005	FOR THE YEAR ENDED DECEMBER 31, 2004	FOR THE JUNE 27, THRO DECEMBE 200
Net assets applicable to common shares, end of period (in millions).....	\$1,463.9	\$1,453.0	\$1,28
Ratio of expenses to average daily net assets applicable to common shares(e).....	1.28% (f)	1.29%	1
Ratio of net investment income to average daily net assets applicable to common shares(e)....	6.19% (f)	6.62%	5
Ratio of expenses to average daily managed assets(e).....	0.84% (f)	0.85%	0
Portfolio turnover rate.....	11.33% (d)	8.76%	7

PREFERRED SHARES:

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Liquidation value, end of period (in 000's).	\$726,000	\$726,000	\$671,
	-----	-----	-----
Total shares outstanding (in 000's).....	29	29	
	-----	-----	-----
Asset coverage per share.....	\$ 75,411	\$ 75,034	\$ 72,
	-----	-----	-----
Liquidation preference per share.....	\$ 25,000	\$ 25,000	\$ 25,
	-----	-----	-----
Average market value per share(g).....	\$ 25,000	\$ 25,000	\$ 25,
	-----	-----	-----

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- (a) Commencement of operations.
- (b) Calculation based on average shares outstanding.
- (c) Total market value return is computed based upon the New York Stock Exchange market price of the fund's shares and excludes the effects of brokerage commissions. Dividends and distributions, if any, are assumed for purposes of this calculation, to be reinvested at prices obtained under the fund's dividend reinvestment plan. Total net asset value return measures the changes in value over the period indicated, taking into account dividends and distributions as reinvested.
- (d) Not annualized.
- (e) Ratios do not reflect dividend payments to preferred shareholders.
- (f) Annualized.
- (g) Based on weekly prices.

See accompanying notes to financial statements.

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COHEN & STEERS REIT AND PREFERRED INCOME FUND, INC.

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES

Cohen & Steers REIT and Preferred Income Fund, Inc. (the fund) was incorporated under the laws of the State of Maryland on March 25, 2003 and is registered under the Investment Company Act of 1940, as amended, as a

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nondiversified, closed-end management investment company. The fund's investment objective is high current income.

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

**Portfolio Valuation:** Investments in securities that are listed on the New York Stock Exchange are valued, except as indicated below, at the last sale price reflected at the close of the New York Stock Exchange on the business day as of which such value is being determined. If there has been no sale on such day, the securities are valued at the mean of the closing bid and asked prices for the day or, if no asked price is available, at the bid price.

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

Readily marketable securities traded in the over-the-counter market, including listed securities whose primary market is believed by Cohen & Steers Capital Management, Inc. to be over-the-counter, but excluding securities admitted to trading on the Nasdaq National List, are valued at the official closing prices as reported by Nasdaq, the National Quotation Bureau, or such other comparable sources as the Board of Directors deem appropriate to reflect their fair market value. If there has been no sale on such day, the securities are valued at the mean of the closing bid and asked prices for the day, or if no asked price is available, at the bid price. However, certain fixed-income securities may be valued on the basis of prices provided by a pricing service when such prices are believed by the Board of Directors to reflect the fair market value of such securities. Where securities are traded on more than one exchange and also over-the-counter, the securities will generally be valued using the quotations the Board of Directors believes most closely reflect the value of such securities.

Securities for which market prices are unavailable will be valued at fair value pursuant to procedures approved by the fund's Board of Directors. Circumstances in which market prices may be unavailable include, but are not limited to, when trading in a security is suspended, the exchange on which the security is traded is subject

NOTES TO FINANCIAL STATEMENTS (UNAUDITED) -- (CONTINUED)

to an unscheduled close or disruption or material events occur after the close of the exchange on which the security is principally traded. In these circumstances, the fund determines fair value in a manner that fairly reflects the market value of the security on the valuation date based on consideration of any information or factors it deems appropriate. These may include recent transactions in comparable securities, information relating to the specific security and developments in the markets.

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

To the extent the fund holds securities that are primarily listed on foreign exchanges that trade on weekends or days when the fund does not price its shares, the value of the securities held in the fund may change on days when you will not be able to purchase or redeem fund shares.

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

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. Dividend income is recorded on the ex-dividend date. The fund records distributions received in excess of income from underlying investments as a reduction of cost of investments and/or realized gain. Such amounts are based on estimates if actual amounts are not available, and actual amounts of income, realized gain and return of capital may differ from the estimated amounts. The fund adjusts the estimated amounts of the components of distributions (and consequently its net investment income) as an increase to unrealized appreciation/(depreciation) and realized gain/(loss) on investments as necessary once the issuers provide information about the actual composition of the distributions.

Interest Rate Swaps: The fund uses interest rate swaps in connection with the sale of preferred shares. The interest rate swaps are intended to reduce or eliminate the risk that an increase in short-term interest rates could have on the performance of the fund's common shares as a result of the floating rate structure of the preferred shares. In these interest rate swaps, the fund agrees to pay the other party to the interest rate swap (which is known as the counterparty) a fixed rate payment in exchange for the counterparty agreeing to pay the fund a variable rate payment that is intended to approximate the fund's variable rate payment obligation on the preferred shares. The payment obligation is based on the notional amount of the swap. Depending on the state of interest rates in general, the use of interest rate swaps could enhance or harm the overall performance of the common shares. The market value of interest rate swaps is based on pricing models that consider the time value of money, volatility, the current market and contractual prices of the underlying financial instrument. Unrealized gains are reported as an asset and unrealized losses are reported as a liability on the Statement of Assets and Liabilities. The

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COHEN & STEERS REIT AND PREFERRED INCOME FUND, INC.

NOTES TO FINANCIAL STATEMENTS (UNAUDITED) -- (CONTINUED)

change in value of swaps, including the accrual of periodic amounts of interest to be paid or received on swaps, is reported as unrealized gains or losses in the Statement of Operations. A realized gain or loss is recorded upon payment or receipt of a periodic payment or termination of swap agreements. Swap agreements involve, to varying degrees, elements of market and counterparty risk, and exposure to loss in excess of the related amounts reflected in the Statement of Assets and Liabilities.

Dividends and Distributions to Shareholders: Dividends from net investment income are declared and paid to common shareholders monthly. Dividends and distributions to shareholders are recorded on the ex-dividend date.

Distributions paid by the fund are subject to recharacterization for tax purposes. Based upon the results of operations for the six months ended June 30, 2005, the investment manager considers it likely that a portion of the dividends will be reclassified to return of capital and distributions of net realized capital gains upon the final determination of the fund's taxable income for the year. Net realized capital gains, unless offset by any available capital loss carryforward, are distributed to shareholders annually.

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.

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

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

Federal Income Taxes: It is the policy of the fund 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.

NOTE 2. INVESTMENT MANAGEMENT FEES, ADMINISTRATION FEES AND OTHER TRANSACTIONS WITH AFFILIATES

Investment Management Fees: Cohen & Steers Capital Management, Inc. (the



investment manager) serves as the fund's investment manager pursuant to an investment management agreement (the management agreement). Under the terms of the management agreement, the investment manager provides the fund with day-

COHEN & STEERS REIT AND PREFERRED INCOME FUND, INC.

NOTES TO FINANCIAL STATEMENTS (UNAUDITED) -- (CONTINUED)

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 management agreement, the fund pays the investment manager a management fee, accrued daily and paid monthly at an annual rate of 0.65% of the fund's average daily managed asset value. Managed asset value is the net asset value of the common shares plus the liquidation preference of the preferred shares.

**Administration Fees:** The fund has entered into an administration agreement with the investment manager under which the investment manager performs certain administrative functions for the fund and receives a fee, accrued daily and paid monthly at the annual rate of 0.06% of the fund's average daily managed assets up to \$1 billion, 0.04% of the fund's average daily managed assets in excess of \$1 billion up to \$1.5 billion and 0.02% of the fund's average daily managed assets in excess of \$1.5 billion. For the six months ended June 30, 2005, the fund incurred \$457,115 in administration fees.

**Director's Fees:** Certain directors and officers of the fund are also directors, officers and/or employees of the investment manager. None of the directors and officers so affiliated received compensation from the fund for their services.

NOTE 3. PURCHASES AND SALES OF SECURITIES

Purchases and sales of securities, excluding short-term investments, for the six months ended June 30, 2005 totaled \$237,139,244 and \$256,553,132, respectively.

NOTE 4. INCOME TAX INFORMATION

At June 30, 2005 the cost of investments and net unrealized appreciation for federal income tax purposes were as follows:

Aggregate cost.....	\$1,828,382,944
	-----
Gross unrealized appreciation.....	\$ 341,958,202

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Gross unrealized depreciation.....	(4,373,404)
	-----
Net unrealized appreciation on investments.....	337,584,798
Net unrealized depreciation on interest rate swap transactions.....	1,729,364
	-----
Net unrealized appreciation.....	\$ 339,314,162
	-----
	-----

COHEN & STEERS REIT AND PREFERRED INCOME FUND, INC.

NOTES TO FINANCIAL STATEMENTS (UNAUDITED) -- (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 six months ended June 30, 2005, the fund issued no shares of common stock for the reinvestment of dividends.

On October 14, 2004, the fund issued 2,200 auction market preferred shares, Series TH28 (par value \$0.001). Proceeds paid to the fund amounted to \$54,098,349 after deduction of underwriting commissions and offering expenses of \$901,651. This issue has received a 'AAA/Aaa' rating from Standard & Poor's and Moody's.

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

The fund's common shares and preferred shares have equal voting rights of one vote per share and vote together as a single class. In addition, the

affirmative vote of the holders of a majority, as defined in the 1940 Act, of the outstanding preferred shares shall be required to (1) approve any plan of reorganization that would adversely affect the preferred shares and (2) approve any matter that materially and adversely affects the rights, preferences, or powers of that series.

COHEN & STEERS REIT AND PREFERRED INCOME FUND, INC.

NOTES TO FINANCIAL STATEMENTS (UNAUDITED) -- (CONTINUED)

NOTE 6. INVESTMENTS IN INTEREST RATE SWAPS

Interest rate swaps at June 30, 2005:

COUNTERPARTY	NOTIONAL AMOUNT	FIXED RATE	FLOATING RATE (a) (RESET MONTHLY)	TERMINATION DATE
Royal Bank of Canada.....	\$58,125,000	3.3980%	3.3143%	August 25, 2007
Royal Bank of Canada.....	\$43,250,000	3.4520%	3.2363%	September 16, 2008
UBS AG.....	\$58,125,000	2.8325%	3.3143%	August 25, 2006
UBS AG.....	\$58,125,000	3.9900%	3.3143%	August 25, 2009
UBS AG.....	\$58,125,000	4.3975%	3.3143%	August 25, 2010
UBS AG.....	\$58,125,000	4.5950%	3.3143%	August 25, 2011
Merrill Lynch Derivative Products AG.....	\$43,625,000	3.3200%	3.2800%	October 22, 2007
Merrill Lynch Derivative Products AG.....	\$58,500,000	3.2075%	3.1300%	October 2, 2008
Merrill Lynch Derivative Products AG.....	\$20,000,000	3.4100%	3.2100%	January 13, 2009

(a) Based on LIBOR (London Interbank Offered Rate). Represents rates in effect at June 30, 2005.

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 COHEN & STEERS REIT AND PREFERRED INCOME FUND, INC.

PROXY RESULTS (UNAUDITED)

During the six months ended June 30, 2005, Cohen & Steers REIT and Preferred Income Fund, Inc. shareholders voted on the following proposals at the annual meeting held on April 28, 2005. The description of each proposal and number of shares voted are as follows:

Common Shares

	SHARES VOTED FOR	AUTHORITY WITHHELD
To elect Directors		
Bonnie Cohen.....	44,626,190	701,709
Richard E. Kroon.....	44,641,412	686,487
C. Edward Ward, Jr.....	44,646,544	681,355

Preferred Shares

	SHARES VOTED FOR	AUTHORITY WITHHELD
To elect Directors		
Bonnie Cohen.....	21,675	153
Richard E. Kroon.....	21,675	153
Willard H. Smith Jr.....	21,675	153
C. Edward Ward, Jr.....	21,675	153

AVERAGE ANNUAL TOTAL RETURNS  
(PERIODS ENDED JUNE 30, 2005) (UNAUDITED)

BASED ON NET ASSET VALUE		BASED ON MARKET VALUE	
ONE YEAR	SINCE INCEPTION (6/27/03)	ONE YEAR	SINCE INCEPTION (6/27/03)
26.58%	22.20%	27.73%	12.81%

The performance data quoted represents 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 redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted.

REINVESTMENT PLAN

We urge shareholders who want to take advantage of this plan and whose shares are held in 'Street Name' to consult your broker as soon as possible to determine if you must change registration into your own name to participate.

OTHER INFORMATION

Notice is hereby given in accordance with Section 23(c) of the Investment Company Act of 1940 that the fund may purchase, from time to time, shares of its common stock in the open market.

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 1-800-330-7348, (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 (i) without charge, upon request, by calling 1-800-330-7348 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 1-800-330-7348, or (ii) on the SEC's website 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 1-800-SEC-0330.

Please note that the distributions paid by the fund to shareholders are subject to recharacterization for tax purposes. The final tax treatment of these distributions is reported to shareholders on their 1099-DIV forms, which are mailed to shareholders after the close of each fiscal year. The fund may pay distributions in excess of the fund's net investment company taxable income and this excess would be a tax-free 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). 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.

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COHEN & STEERS REIT AND PREFERRED INCOME FUND, INC.

MEET THE COHEN & STEERS FAMILY OF OPEN-END FUNDS:

FOR TOTAL RETURN:

COHEN & STEERS  
REALITY SHARES

DESIGNED FOR INVESTORS SEEKING MAXIMUM TOTAL  
RETURN, INVESTING PRIMARILY IN REITS  
SYMBOL: CSRSX

FOR HIGH CURRENT INCOME:

COHEN & STEERS  
REALTY INCOME FUND

DESIGNED FOR INVESTORS SEEKING HIGH CURRENT  
INCOME, INVESTING PRIMARILY IN REITS  
SYMBOLS: CSEIX, CSBIX, CSCIX, CSDIX

FOR TOTAL RETURN:

COHEN & STEERS  
INTERNATIONAL REALTY FUND

DESIGNED FOR INVESTORS SEEKING MAXIMUM TOTAL  
RETURN, INVESTING PRIMARILY IN INTERNATIONAL  
REAL ESTATE SECURITIES  
SYMBOLS: IRFAX, IRFCX, IRFIX

FOR MORE INFORMATION ABOUT ANY COHEN & STEERS FUND  
OR TO OBTAIN A PROSPECTUS PLEASE CONTACT US AT:  
1-800-330-7348, OR VISIT OUR WEB SITE AT COHENANDSTEERS.COM

PLEASE CONSIDER THE INVESTMENT OBJECTIVES, RISKS, CHARGES AND EXPENSES OF THE  
FUND CAREFULLY BEFORE INVESTING. THE PROSPECTUS CONTAINS THIS AND  
OTHER INFORMATION ABOUT THE FUND. PLEASE READ THE PROSPECTUS  
CAREFULLY BEFORE INVESTING.

FOR TOTAL RETURN:

COHEN & STEERS  
INSTITUTIONAL REALTY SHARES

DESIGNED FOR INSTITUTIONAL INVESTORS SEEK  
MAXIMUM TOTAL RETURN, INVESTING PRIMARILY  
REITS  
SYMBOL: CSRIX

FOR CAPITAL APPRECIATION:

COHEN & STEERS  
REALTY FOCUS FUND

DESIGNED FOR INVESTORS SEEKING MAXIMUM CA  
APPRECIATION, INVESTING IN A LIMITED NUMB  
REITS AND OTHER REAL ESTATE SECURITIES  
SYMBOLS: CSFAX, CSFBX, CSFCX, CSSPX

FOR TOTAL RETURN:

COHEN & STEERS  
UTILITY FUND

DESIGNED FOR INVESTORS SEEKING MAXIMUM TO  
RETURN, INVESTING PRIMARILY IN UTILITIES  
SYMBOLS: CSUAX, CSUBX, CSUCX, CSUIX

COHEN & STEERS REIT AND PREFERRED INCOME FUND, INC.

OFFICERS AND DIRECTORS

Robert H. Steers  
Director and co-chairman

Martin Cohen  
Director and co-chairman

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

James S. Corl  
Vice president

William F. Scapell  
Vice president

Lawrence B. Stoller  
Secretary

KEY INFORMATION

INVESTMENT MANAGER  
Cohen & Steers Capital Management, Inc.  
757 Third Avenue  
New York, NY 10017  
(212) 832-3232

FUND SUBADMINISTRATOR AND CUSTODIAN  
State Street Bank and Trust Company  
225 Franklin Street  
Boston, MA 02110

TRANSFER AGENT -- COMMON SHARES  
Computershare  
250 Royall Street  
Canton, MA 02021  
(800) 426-5523

TRANSFER AGENT -- PREFERRED SHARES  
The Bank of New York  
100 Church Street  
New York, NY 10007

LEGAL COUNSEL

Simpson Thacher & Bartlett LLP  
425 Lexington Avenue  
New York, NY 10017

New York Stock Exchange Symbol: RNP  
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 of course no guarantee of future results and your investment may be worth more or less at the time you sell.

Jay J. Chen  
Treasurer

John E. McLean  
Chief compliance officer and  
assistant secretary

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COHEN & STEERS  
REIT AND PREFERRED INCOME FUND

SEMIANNUAL REPORT  
JUNE 30, 2005

COHEN & STEERS  
REIT AND PREFERRED INCOME FUND  
757 THIRD AVENUE  
NEW YORK, NY 10017

Item 2. Code of Ethics.

Not applicable.

Item 3. Audit Committee Financial Expert.

Not applicable.

Item 4. Principal Accountant Fees and Services.

Not applicable.

Item 5. Audit Committee of Listed Registrants.

Not applicable.

Item 6. Schedule of Investments.

Included in Item 1 above.

Item 7. Disclosure of Proxy Voting Policies and Procedures for Closed-End  
Management Investment Companies.



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Not applicable.

Item 8. Portfolio Managers of Closed-End Investment Companies.

Not applicable.

Item 9. Purchases of Equity Securities by Closed-End Management Investment Company and Affiliated Purchasers.

None.

Item 10. Submission of Matters to a Vote of Security Holders.

None.

Item 11. Controls and Procedures.

(a) The registrant's principal executive officer and principal financial officer have concluded, based upon their evaluation of the registrant's disclosure controls and procedures as conducted

within 90 days of the filing date of this report, that these disclosure controls and procedures provide reasonable assurance that material information required to be disclosed by the registrant in the report it files or submits on Form N-CSR is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms and that such material information is accumulated and communicated to the registrant's management, including its principal executive officer and principal financial officer, as appropriate, in order to allow timely decisions regarding required disclosure.

(b) There were no changes in the registrant's internal control over financial reporting that occurred during the second fiscal quarter of the period covered by this report that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

Item 12. Exhibits.

(a) (1) Not applicable.

(a) (2) Certifications of principal executive officer and principal financial officer as required by Rule 30a-2(a) under the Investment Company Act of 1940.

(a) (3) Not applicable.

(b) Certifications of principal executive officer and principal financial officer as required by Rule 30a-2(b) under the Investment Company Act of 1940.

### SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be

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signed on its behalf by the undersigned, thereunto duly authorized.

COHEN & STEERS REIT AND PREFERRED INCOME FUND, INC.

By: /s/ Adam M. Derechin

-----  
Name: Adam M. Derechin  
Title: President and Chief Executive Officer

Date: August 23, 2005

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By: /s/ Adam M. Derechin

-----  
Name: Adam M. Derechin  
Title: President and Chief Executive Officer  
(principal executive officer)

By: /s/ Jay J. Chen

-----  
Name: Jay J. Chen  
Title: Treasurer  
(principal financial officer)

Date: August 23, 2005

STATEMENT OF DIFFERENCES

The division sign shall be expressed as.....[div]  
The section symbol shall be expressed as.....'SS'