COHEN & STEERS REIT & PREFERRED INCOME FUND INC
Form N-CSR
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM N-CSR

CERTIFIED SHAREHOLDER REPORT OF REGISTERED MANAGEMENT INVESTMENT COMPANIES

Investment Company Act file number 811-21326

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

280 Park Avenue, New York, NY (Address of principal executive offices)	10017 (Zip code)

Tina M. Payne

Cohen & Steers Capital Management, Inc.

280 Park Avenue

New York, New York 10017
(Name and address of agent for service)

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

Date of fiscal year end: December 31

Date of reporting period: December 31, 2012

Item 1. Reports to Stockholders.

COHEN & STEERS REIT AND PREFERRED INCOME FUND, INC.

To Our Shareholders:

We would like to share with you our report for the year ended December 31, 2012. The net asset value (NAV) at that date was $18.37 per common share. The Fund's common stock is traded on the New York Stock Exchange (NYSE) and its share price can differ from its NAV; at year end, the Fund's closing price on the NYSE was $16.99.

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

	Six Months Ended December 31, 2012	Year Ended December 31, 2012
Cohen & Steers REIT and Preferred Income Fund at NAV[a]	8.74%	28.45%
Cohen & Steers REIT and Preferred Income Fund at Market Value[a]	6.87%	28.79%
FTSE NAREIT Equity REIT Index[b]	2.74%	18.06%
BofA Merrill Lynch Fixed Rate Preferred Index[b]	3.99%	13.60%
Blended benchmark 50% FTSE NAREIT Equity REIT Index/ 50% BofA Merrill Lynch Fixed Rate Preferred Index[b]	3.40%	15.95%
S&P 500 Index[b]	5.95%	16.00%

The performance data quoted represent past performance. Past performance is no guarantee of future results. The investment return and the principal value of an investment will fluctuate and shares, if sold, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. Performance results reflect the effects of leverage, resulting from borrowings under a credit agreement. Current total returns of the Fund can be obtained by visiting our website at cohenandsteers.com. The Fund's returns assume the reinvestment of all dividends and distributions at prices obtained under the Fund's dividend reinvestment plan. Index performance does not reflect the deduction of any fees, taxes or expenses. An investor cannot invest directly in an index. Performance figures for periods shorter than one year are not annualized.

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

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

[b] The FTSE NAREIT Equity REIT Index is an unmanaged, market-capitalization-weighted index of all publicly traded REITs that invest predominantly in the equity ownership of real estate. The index is

designed to reflect the performance of all publicly traded equity REITs as a whole. The BofA Merrill Lynch Fixed Rate Preferred Index is an unmanaged index of preferred securities. The S&P 500 Index is an unmanaged index of common stocks that is frequently used as a general measure of stock market performance.

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The Fund makes regular quarterly distributions at a level rate (the "Policy"). Distributions paid by the Fund are subject to recharacterization for tax purposes and are taxable up to the amount of the Fund's investment company taxable income and net realized gains. As a result of the Policy, the Fund may pay distributions in excess of the Fund's investment company taxable income and realized gains. This excess would be a "return of capital" distributed from the Fund's assets. Distributions of capital decrease the Fund's total assets and, therefore, could have the effect of increasing the Fund's expense ratio. In addition, in order to make these distributions, the Fund may have to sell portfolio securities at a less than opportune time.

Investment Review

U.S. real estate securities had strong absolute performance in 2012 and outperformed the wider equity market for the fourth consecutive year. REITs continued to benefit from modest demand growth and scant new supply creation within a slowly recovering domestic economy. These fundamentals generally allowed for increases in rents that contributed to rising cash flows for landlords. Additionally, as the Federal Reserve kept interest rates low while expanding the monetary base, REITs' funding costs declined across the quality spectrum, resulting in improved balance sheets and greater access to capital. In this environment, a number of real estate companies were able to make accretive property acquisitions.

Performance was positive for all property types, led by industrial (total return of 31.3% in the index[c]), regional mall (28.2%) and shopping center (25.0%) owners. These sectors benefited from strong demand from retailers as consumer spending improved, aided by early signs of a recovery in the housing market.

The office sector (14.2%) was restrained by a softer demand outlook, particularly in Washington, D.C. and New York, which were overshadowed by uncertainty in the government and financial sectors, respectively. These worries also weighed on Vornado Realty in the diversified property sector (12.2%), as the company owns offices in both markets.

The apartment group (6.9%) underperformed after a strong run in recent years, as investors took profits in anticipation that an improving housing market could lessen the demand for rental units. Despite these concerns, operating fundamentals for apartments continued at a solid pace, as continued job growth and climbing rent and occupancy levels drove strong revenue growth.

In apartment news, Equity Residential and AvalonBay Communities announced in November that they would purchase apartment building owner Archstone in a $16.3 billion transaction. Expectations of an IPO by Archstone had weighed on the apartment sector. The deal removed this concern, but introduced a new overhang from the $3.8 billion in equity the companies will issue as part of the acquisition. Taking a long-term view, we believe the transaction will prove beneficial for both acquirers.

[c] Sector returns as measured by the FTSE NAREIT Equity REIT Index.

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Preferreds also advanced

Preferred securities performed well in 2012, both in absolute terms and as compared with other fixed-income categories. The group benefited from demand for above-average income in an environment of slow economic growth and historically low interest rates, as well as a general betterment in the credit fundamentals of many financial companies. Preferreds' strong performance also reflected technical price support; an already favorable supply/demand dynamic improved when the Federal Reserve released a banking supervision statement that opened the door to more significant call activity.

Redemptions continued, while new issuance accelerated

In June, the Federal Reserve released a much-anticipated notice laying out new proposed capital treatment rules. This enabled U.S. banks to take advantage of a special "regulatory call" window to redeem trust preferreds destined to lose their Tier 1 regulatory status. Call activity spiked in the window, with more than $30 billion redeemed by early September.

Federal Reserve guidance also provided the first clear indication of what types of preferreds would continue to offer Tier 1 capital treatment. Accordingly, with investors continuing to show strong interest in preferreds, U.S. banks began to issue in large sizes for the first time since 2008. Issuance appeared to be opportunistic, taking advantage of low market rates. To be sure, redemptions did not dry up; in October, Bank of America announced a $5.1 billion redemption of its preferreds, an example of a company removing higher-coupon securities that happened to be callable.

In terms of sector performance, bank and insurance company issues had the largest gains for the year, despite further compression of net interest margins (banks) and lower investment incomes (insurance) related to a low and relatively flat Treasury yield curve. Real estate, utilities and telecommunications preferreds had relatively modest gains. From a regional standpoint, dollar-denominated European preferreds were subject to wide swings in performance, but ended with a strong gain for the period.

Fund performance

The Fund had a positive total return for the period and outperformed its blended benchmark. The Fund's allocation to preferred securities was a key contributor to relative performance, with especially good returns from preferreds issued by financial companies. The Fund was well positioned to benefit from regulatory reform trends, having previously sold many callable hybrid preferreds that we expected to be redeemed. Instead, we favored securities with relatively high coupons and substantial call protection, including many out-of-index issues. As the preferred market shrank and credit spreads collapsed, these securities continued to rise since they could not be called. In addition, we had beneficial positions in certain European issuers, based on what we viewed as very attractive discounts.

Factors that helped performance within the Fund's REIT allocation included stock selection in the shopping center and office sectors, along with our overweights in the self storage (19.9% total return in the index) and industrial sectors. Our overweights and stock selection in the apartment and diversified sectors detracted from relative performance, as did our underweight in the health care property sector (20.4%).

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The Fund employs leverage as part of a yield-enhancement strategy. Leverage, which can increase total return in rising markets (just as it can have the opposite effect in declining markets), supported the Fund's performance for the year relative to its blended benchmark, which is not leveraged.

Impact of derivatives on Fund performance

Effective December 26, 2012, the Fund changed its approach to managing interest-rate risk inherent in its utilization of leverage. Going forward, the Fund will use a combination of fixed rate and variable rate financing to manage such risk. However, during the year, the Fund had utilized interest rate swap transactions to reduce such risk, which had a negative impact on the NAV and performance of the Fund.

The Fund also used derivatives in the form of forward foreign currency exchange contracts in order to manage currency risk on certain Fund positions denominated in foreign currencies. These contracts did not have a material effect on the Fund's total return for the period.

Investment Outlook

U.S. REITs continue to exhibit strong access to capital, and have been using this access to issue equity and debt at historically low rates. We believe the combination of continued low financing costs and very limited new supply will enable companies to see continued cash flow growth, as long as the economy remains on its path of modest expansion. In our view, slow but steady advances in GDP can prevail in 2013; however, with the tax-related portion of the "fiscal cliff" having been settled for now, federal spending negotiations will be a source of uncertainty and we are closely monitoring developments.

With most U.S. REITs trading near parity to net asset values, our focus is on companies with valuations that, in our view, do not reflect their strong cash flow growth potential. Among property sectors, we continue to like Class A malls, self-storage, well-positioned industrial assets and offices on the West Coast. We have also added incrementally to companies that we believe are likely to benefit from the housing recovery and potential cap-rate compression. Furthermore, we retain a favorable outlook on apartment REITs, as we believe that new-home construction will not be strong enough to absorb increasing demand for rental units, provided that job creation and household formation continue to improve.

Preferreds still offer attractive income

Across the broad preferred securities market, we believe yields are still attractive compared with other fixed-income classes, both in absolute terms and relative to historical credit spread relationships. Yields offered by preferreds generally exceed those offered by other investment-grade asset classes by a wider margin than they have historically; the spread to Treasuries remains well-wide of the historical norm. In addition, given wide credit spreads, the catalyst of much stronger financial-services regulation and a better economic backdrop suggests that improving credit fundamentals could lead to further spread tightening and good relative performance.

COHEN & STEERS REIT AND PREFERRED INCOME FUND, INC.

Sincerely,

MARTIN COHEN *Co-chairman*	ROBERT H. STEERS *Co-chairman*
JOSEPH M. HARVEY *Portfolio Manager*	WILLIAM F. SCAPELL *Portfolio Manager*
THOMAS N. BOHJALIAN *Portfolio Manager*	JASON YABLON *Portfolio Manager*

The views and opinions in the preceding commentary are subject to change and are as of the date of publication. There is no guarantee that any market forecast set forth in the commentary will be realized. This material represents an assessment of the market environment at a specific point in time, should not be relied upon as investment advice and is not intended to predict or depict performance of any investment.

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For more information about any of our funds, visit cohenandsteers.com, where you will find daily net asset values, fund fact sheets and portfolio highlights. You can also access newsletters, education tools and market updates covering the global real estate, commodities, global natural resource equities, listed infrastructure, utilities, large cap value and preferred securities sectors.

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

COHEN & STEERS REIT AND PREFERRED INCOME FUND, INC.

Our Leverage Strategy
(Unaudited)

Our current leverage strategy utilizes borrowings up to the maximum permitted by the Investment Company Act of 1940 to provide additional capital for the Fund, with an objective of increasing the net income available for shareholders. As of December 31, 2012, leverage represented 28% of the Fund's managed assets.

Effective December 26, 2012, the Fund changed its approach to managing interest rate risk inherent in its utilization of leverage, and now uses a combination of variable and fixed rate financing to reduce such risk. Prior to this date, the Fund had utilized interest rate swap transactions to seek to reduce the interest rate risk inherent in its utilization of leverage. Through a combination of variable and fixed rate financing, the Fund has locked in interest rates on a significant portion of this additional capital for periods of five, six and seven years (where we effectively reduce our variable rate obligation and lock in our fixed rate obligation over various terms). Specifically, as of December 31, 2012, we have fixed the rate on 85% of our borrowings at an average interest rate of 1.9% for an average remaining term of 5.3 years. Locking in a significant portion of our leveraging costs is designed to protect the dividend-paying ability of the Fund. The use of leverage increases the volatility of the Fund's net asset value in both up and down markets. However, we believe that locking in portions of the Fund's leveraging costs for the various terms partially protects the Fund's expenses from an increase in short-term interest rates.

Leverage Facts[a]

Leverage (as a % of managed assets)	28%
% Fixed Rate	85%
% Variable Rate	15%
Weighted Average Rate on Financing	1.9%
Weighted Average Term on Financing[b]	5.3 years

The Fund seeks to enhance its dividend yield through leverage. The use of leverage is a speculative technique and there are special risks and costs associated with leverage. The net asset value of the Fund's common shares may be reduced by the issuance and ongoing costs of leverage. So long as the Fund is able to invest in securities that produce an investment yield that is greater than the total cost of leverage, the leverage strategy will produce higher current net investment income for the common shareholders. On the other hand, to the extent that the total cost of leverage exceeds the incremental income gained from employing such leverage, the common shareholders would realize lower net investment income. In addition to the impact on net income, the use of leverage will have an effect of magnifying capital appreciation or depreciation for common shareholders. Specifically, in an up market, leverage will typically generate greater capital appreciation than if the Fund were not employing leverage. Conversely, in down markets, the use of leverage will generally result in greater capital depreciation than if the Fund had been unlevered. To the extent that the Fund is required or elects to reduce its leverage, the Fund may need to liquidate investments, including under adverse economic conditions which may result in capital losses potentially reducing returns to common shareholders. There can be no assurance that a leveraging strategy will be successful during any period in which it is employed.

[a] Data as of December 31, 2012. Information is subject to change.

[b] See Note 7 in Notes to Financial Statements.

COHEN & STEERS REIT AND PREFERRED INCOME FUND, INC.

December 31, 2012
Top Ten Holdings[a]
(Unaudited)

Security	Value	% of Managed Assets
Simon Property Group	$73,487,504	6.0
Ventas	34,716,390	2.8
Vornado Realty Trust	34,029,355	2.8
Prologis	33,768,466	2.7
Equity Residential	32,277,929	2.6
Public Storage	26,862,683	2.2
HCP	23,611,475	1.9
Centaur Funding Corp., 9.08%, due 4/21/20, 144A (Cayman Islands)	18,739,231	1.5
HSBC Capital Funding LP, 10.176%, due 12/12/49, 144A (Jersey)	17,282,520	1.4
American International Group, 8.175%, due 5/15/58, (FRN)	17,219,775	1.4

[a] Top ten holdings are determined on the basis of the value of individual securities held. The Fund may also hold positions in other types of securities issued by the companies listed above. See the Schedule of Investments for additional details on such other positions.

Sector Breakdown
(Based on Managed Assets)
(Unaudited)

COHEN & STEERS REIT AND PREFERRED INCOME FUND, INC.

SCHEDULE OF INVESTMENTS

December 31, 2012

		Number of Shares	Value
COMMON STOCK REAL ESTATE	65.9%		
DIVERSIFIED	5.4%		
American Assets Trust[a,b]		186,315	$ 5,203,778
Colony Financial		285,600	5,569,200
Forest City Enterprises, Class A[c]		190,000	3,068,500
Vornado Realty Trust[a,b]		424,942	34,029,355
			47,870,833
HEALTH CARE	7.3%		
HCP[a,b]		522,609	23,611,475
Healthcare Realty Trust[a]		265,799	6,381,834
Ventas[a,b]		536,409	34,716,390
			64,709,699
HOTEL	4.7%		
Hersha Hospitality Trust[a,b]		1,059,536	5,297,680
Host Hotels & Resorts[a,b]		689,611	10,806,204
Hyatt Hotels Corp., Class A[a,b,c]		176,749	6,817,209
Pebblebrook Hotel Trust		187,600	4,333,560
Starwood Hotels & Resorts Worldwide[a]		118,256	6,783,164
Strategic Hotels & Resorts Worldwide[a,c]		1,105,986	7,078,311
			41,116,128
INDUSTRIALS	4.7%		
DCT Industrial Trust[a]		766,400	4,973,936
First Industrial Realty Trust[c]		174,616	2,458,593
First Potomac Realty Trust		52,227	645,526
Prologis[a,b]		925,417	33,768,466
			41,846,521
OFFICE	8.5%		
Alexandria Real Estate Equities[a]		99,754	6,914,947
Boston Properties		137,835	14,584,321
Brookfield Office Properties (Canada)[a]		149,506	2,543,097
Corporate Office Properties Trust[a]		209,616	5,236,208
Douglas Emmett		382,532	8,912,996
Highwoods Properties[a]		242,500	8,111,625
Hudson Pacific Properties[a,b]		226,357	4,767,079
Kilroy Realty Corp.[a]		65,808	3,117,325
SL Green Realty Corp.[a,b]		215,014	16,480,823
Washington REIT		176,647	4,619,319
			75,287,740

See accompanying notes to financial statements.

COHEN & STEERS REIT AND PREFERRED INCOME FUND, INC.

SCHEDULE OF INVESTMENTS (Continued)

December 31, 2012

		Number of Shares	Value
OFFICE/INDUSTRIAL	0.5%		
PS Business Parks[a]		66,031	$ 4,290,694
RESIDENTIAL APARTMENT	12.1%		
American Campus Communities[a]			