March 20, 2020

Closed-End Funds Update

Below is an update on how the current market volatility is impacting closed-end funds and guidelines around leverage.

Snapshot: Closed-End Fund Leverage

- **Unique feature**–One of the most salient features that distinguish closed-end funds from other pooled investment vehicles is the ability of closed-end funds to leverage their assets (that is, use borrowed money to buy additional assets) to enhance current income
- **Limits on leverage**–Pursuant to the Investment Company Act of 1940 (the “1940 Act”), closed-end funds can utilize leverage in an amount up to 33.3% of the fund’s total managed assets (net assets plus leverage) if debt or bank lines are used (or up to 50% if preferred stock is used). As it pertains to Cohen & Steers’ closed-end funds:
    - — If leverage exceeds 33.3% of a fund’s total managed assets, no additional leverage can be drawn down
- **Increased NAV Volatility**–If the underlying market is rising, leverage can enhance a closed-end fund’s price appreciation; but if the underlying market is falling, leverage can magnify the fund’s losses

Closed-End Fund Market During Coronavirus

There are 26 sectors in the closed-end fund market. No sector has been spared with most of the market volatility occurring in March.

Market Price Total Return
(as of March 20, 2020)

Select CEFs Sector	YTD (%)	MTD (%)
Real Estate	-45.9	-39.6
Infrastructure / Utility	-36.2	-28.3
Preferred Securities	-38.7	-33.1
MLPs	-73.3	-67.6

Full CEFs Market	YTD (%)	MTD (%)
Equity CEFs (ex. Non-U.S.)	-34.8	-29.0
Taxable Fixed Income	-30.3	-27.0
Municipal	-17.0	-18.2
All CEFs	**-27.6**	**-24.9**

Source: Bloomberg and Cohen & Steers.
Data quoted represents past performance which is no guarantee of future results. Returns are not annualized. The information presented above does not reflect the performance of any fund or other account managed or serviced by Cohen & Steers, and there is no guarantee that investors will experience the type of performance reflected above. There is no assurance that any historical trend illustrated above will be repeated in the future or any way to know in advance when such a trend might begin. Sector and market performance do not reflect the deduction of any fees, expenses or taxes.

Cohen & Steers Closed-End Fund Update

Along with the broader closed-end fund market, our closed-end funds have been negatively impacted year-to-date. Daily pricing, valuation and distribution rates can be found on cohenandsteers.com.

As a firm, we have prudently used leverage through all market cycles.

Over the past several weeks, Cohen & Steers MLP Income and Energy Opportunity Fund (MIE), has taken action to reduce its leverage. MIE has incurred costs to terminate its fixed rate borrowings based on the differential between the funds fixed rates and current variable rates. MIE reduced leverage previously, most recently in Fall 2019 when the industry saw broad forced liquidations for many midstream closed-end funds.

None of our other closed-end funds have taken action to reduce their leverage. Our closed-end funds continue to receive required oversight and remain compliant with the 1940 Act in regard to distributions. However, in volatile markets we may raise cash without paying down debt to reduce the portfolio’s volatility.

Current Leverage Ratios

As of March 20, 2020, several of our closed-end funds' leverage ratios exceeded 33.3%, which means that that these closed-end funds cannot draw down additional leverage.

Debt Coverage and Leverage Ratio
(as of March 20, 2020)

Fund Symbol	Debt Coverage[(1)]	Leverage Ratio (%)
RQI	3.21	31.1
RNP	3.12	32.1
UTF	2.84	35.2
PSF	2.73	36.7
LDP	2.65	37.7
MIE	3.61	27.7

Source: Bloomberg and Cohen & Steers.
(1) Fund may not draw additional principal from the line of credit if the Debt Coverage is below 3.00.

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Leverage represented as a percentage of each Fund's managed assets as of March 19, 2019. Leverage is created whenever a closed-end fund has investment exposure in excess of its net assets. The use of leverage is speculative and there are special risks and costs associated with leverage. The use of leverage increases the volatility of a Fund's net asset value in both up and down markets. The Funds seek to enhance their dividend yields through leverage but there is no guarantee that a Fund's leverage strategy will be successful.
The views and opinions in the preceding commentary are as of the date of publication and are subject to change without notice. There is no guarantee that any historical trend illustrated in this commentary will be repeated in the future, and there is no way to predict precisely when such a trend will begin. There is no guarantee that a market forecast made in this 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, is not intended to predict or depict performance of any investment and does not constitute a recommendation or an offer for a particular security. We consider the information in this presentation to be accurate, but we do not represent that it is complete or should be relied upon as the sole source of suitability for investment. Please consult with your investment, tax or legal adviser regarding your individual circumstances prior to investing.

Investors should consider the investment objectives, risks, charges and expenses of the fund carefully before investing. You can obtain the fund's most recent periodic reports, when available, and other regulatory filings by contacting your financial advisor or visiting cohenandsteers.com. These reports and other filings can also be found on the Securities and Exchange Commission's EDGAR Database. You should read these reports and other filings carefully before investing.

Risks of Investing in Closed-End Funds
Shares of many closed-end funds frequently trade at a discount from their asset value. The funds are subject to stock market risk, which is the risk that stock prices overall will decline over short or long periods, adversely affecting the value of an investment in a fund.

In general, the risks of investing **in preferred securities** are similar to those of investing in bonds, including credit risk and interest-rate risk. As nearly all preferred securities have issuer call options, call risk and reinvestment risk are also important considerations. In addition, investors face equity-like risks, such as deferral or omission of distributions, subordination to bonds and other more senior debt, and higher corporate governance risks with limited voting rights. Risks associated with preferred securities are different from risks inherent with other investments. In particular, in the event of bankruptcy, a company's preferred securities are senior to common stock but subordinated to all other types of corporate debt. Risks of investing in **REITs** are similar to those associated with direct investments in real estate securities, including (i) property values may fall due to increasing vacancies, declining rents resulting from economic, legal, tax, political or technological developments, lack of liquidity, limited diversification and sensitivity to certain economic factors such as interest rate changes and market recessions. **Global infrastructure securities** may be subject to regulation by various governmental authorities, such as rates charged to customers, operational or other mishaps, tariffs and changes in tax laws, regulatory policies and accounting standards**. Foreign securities** involve special risks, including currency fluctuation and lower liquidity. **An investment in MLPs** involves risks that differ from a similar investment in equity securities, such as common stock, of a corporation. Holders of equity securities issued by MLPs have the rights typically afforded to limited partners in a limited partnership. As compared to common shareholders of a corporation, holders of such equity securities have more limited control and limited rights to vote on matters affecting the partnership. There are certain tax risks associated with an investment in equity MLP units. MLPs are subject to significant regulation and may be adversely affected by changes in the regulatory environment, including the risk that an MLP could lose its tax status as a partnership.

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