

COHEN & STEERS

Cohen & Steers Preferred Securities and Income SMA Shares, Inc.

Semiannual Report April 30, 2019

Beginning on January 1, 2021, as permitted by regulations adopted by the U.S. Securities and Exchange Commission, paper copies of the Fund's annual and semi-annual shareholder reports will no longer be sent by mail, unless you specifically request paper copies of the reports. Instead, the reports will be made available on the Fund's website at www.cohenandsteers.com, and you will be notified by mail each time a report is posted and provided with a website link to access the report.

If you have already elected to receive shareholder reports electronically, you will not be affected by this change and you need not take any action. You may elect to receive shareholder reports and other communications from a Fund electronically anytime by contacting your program sponsor or, by signing up at www.cohenandsteers.com.

Beginning on January 1, 2019, you may elect to receive all future reports in paper free of charge. If you are a participant in a separately managed account program, you can contact your program sponsor or, you can call (800) 330-7348 to let the Fund know you wish to continue receiving paper copies of your shareholder reports.

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COHEN & STEERS PREFERRED SECURITIES AND INCOME SMA SHARES, INC.

To Our Shareholders:

We would like to share with you our report for the period March 1, 2019 (commencement of investment operations) through April 30, 2019. The total returns for Cohen & Steers Preferred Securities and Income SMA Shares, Inc. (the Fund) and its comparative benchmarks were:

	<u>For the Period March 1, 2019 (commencement of investment operations) through April 30, 2019</u>
Cohen & Steers Preferred Securities and Income SMA Shares	2.39%
Blended Benchmark—75% ICE BofAML US IG Institutional Capital Securities Index / 25% Bloomberg Barclays Developed Market Contingent Capital Index	2.92%
S&P 500 Index ^a	5.34%

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 redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. 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 net asset value (NAV). Shareholders should be aware that the Fund is managed within the context of separately managed account programs and not with the objective of matching or exceeding the Fund's stated indexes, which are used for Fund reporting purposes. As such, comparisons of the Fund's performance to that of the indicated indexes are not likely to be meaningful. An investor cannot invest directly in an index. Performance figures for periods shorter than one year are not annualized. Performance figures do not reflect the effect of fees and expenses associated with a separately managed account ("SMA") program or fees paid to the investment advisor for SMA advisory services. Such fees are paid directly or indirectly by the SMA program sponsor to the investment advisor. The investment advisor does not charge an advisory fee to the Fund. The investment advisor has contractually agreed to reimburse the Fund so that the total annual Fund operating expenses (excluding acquired fund fees and expenses, interest, taxes, extraordinary expenses, and other expenses approved by the Board of Directors) do not exceed 0.00%. This contractual agreement is currently expected to remain in place for the life of the Fund, can only be amended or terminated by agreement of the Fund's Board of Directors and the investment advisor and will terminate automatically in the event of termination of the investment advisory agreement between the Fund and the investment advisor.

^a The ICE BofAML US IG Institutional Capital Securities Index is a subset of the ICE BofAML US Corporate Index including all fixed-to-floating rate, perpetual callable and capital securities. The Bloomberg Barclays Developed Market Contingent Capital Index includes hybrid capital securities in developed markets with explicit equity conversion or write down loss absorption mechanisms that are based on an issuer's regulatory capital ratio or other explicit solvency-based triggers. The S&P 500 Index is an unmanaged index of 500 large-capitalization stocks that is frequently used as a general measure of U.S. stock market performance. Benchmark returns are shown for comparative purposes only and may not be representative of the Fund's portfolio.

COHEN & STEERS PREFERRED SECURITIES AND INCOME SMA SHARES, INC.

Market Review

The preferred and capital securities market generated a positive total return for the period beginning March 1, 2019 (commencement of investment operations) and ending April 30, 2019, amid a narrowing in risk premiums in the fixed income market. Investors were encouraged by renewed growth signals as the global economy appeared to be emerging from a soft patch, bolstered by China's economic stimulus measures as well as by central banks signaling dovish policies.

In the U.S., the job market remained firm and consumer spending showed resilience. European economic data saw improvement as well (although growth in the region remained modest), while concerns over Brexit diminished as the European Union granted the U.K. an extension until the end of October to work out its terms of departure. China's stimulus efforts begun in the fourth quarter of 2018 also appeared to be having a positive impact.

In a meaningful policy change from 2018, the U.S. Federal Reserve indicated that further monetary policy tightening was on hold, and that any decision to resume increases would be data dependent. The Fed also signaled it would end its balance sheet runoff later in 2019, sooner than generally expected. Meanwhile, the European Central Bank pushed out its expectations for monetary policy tightening. With inflation indicators generally in check, yields on 10-year German and Japanese sovereign bonds declined to their lowest levels since 2016 (with both close to zero through the period).

Fund Performance

The Fund had a positive total return in the two-month period, although it underperformed its blended benchmark.

Banks, a major issuer of preferred securities, had a solid absolute return. Banks' profit margins have continued to expand in the wake of a prolonged period of Fed rate hikes, which have resulted in loan rates rising more than deposit costs. Earnings reports for large U.S. banks in the period also showed that capital levels remained strong and non-performing loans were still minimal. Security selection in the banking sector detracted from the Fund's relative performance, in part due to holding an out-of-index security from a Spanish bank that had a modest decline.

The utilities sector was a top performer, aided by a decline in bond yields in the period. Security selection in utilities aided the Fund's relative return, led by an overweight in an issue from an Italian natural gas distribution company that rallied amid signs that the country was emerging from economic recession.

Impact of Derivatives on Fund Performance

The Fund used derivatives in the form of forward foreign currency exchange contracts for managing currency risk on certain Fund positions denominated in foreign currencies. The forward foreign currency exchange contracts did not have a material impact on the Fund's total return during the period March 1, 2019 (commencement of investment operations) through April 30, 2019.

COHEN & STEERS PREFERRED SECURITIES AND INCOME SMA SHARES, INC.

Sincerely,



WILLIAM F. SCAPELL
Portfolio Manager



ELAINE ZAHARIS-NIKAS
Portfolio Manager

The views and opinions in the preceding commentary are subject to change without notice and are as of the date of the report. 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.

Visit Cohen & Steers online at cohenandsteers.com

For more information about the Cohen & Steers family of mutual funds, visit cohenandsteers.com. Here you will find fund net asset values, fund fact sheets and portfolio highlights, as well as educational resources and timely market updates.

Our website also provides comprehensive information about Cohen & Steers, including our most recent press releases, profiles of our senior investment professionals and their investment approach to each asset class. The Cohen & Steers family of mutual funds specializes in liquid real assets, including real estate securities, listed infrastructure and natural resource equities, as well as preferred securities and other income solutions.

COHEN & STEERS PREFERRED SECURITIES AND INCOME SMA SHARES, INC.

Performance Review (Unaudited)

Average Annual Total Returns—For Period Ended April 30, 2019

	1 Year	5 Years	10 Years	Since Inception ^a
Fund	—	—	—	2.39%

The performance data quoted represent past performance. Past performance is no guarantee of future results. The investment return and 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. Performance information current to the most recent month end can be obtained by visiting our website at cohenandsteers.com. Total return assumes the reinvestment of all dividends and distributions at NAV. The performance graph and table do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares. During the periods presented above, the investment advisor waived fees and/or reimbursed expenses. Without this arrangement, performance would have been lower.

The annualized expense ratio as disclosed in the prospectus dated April 30, 2019, was 0.00%. The investment advisor has contractually agreed to reimburse the Fund so that the total annual Fund operating expenses (excluding acquired fund fees and expenses, interest, taxes, extraordinary expenses, and other expenses approved by the Board of Directors) do not exceed 0.00%. This contractual agreement is currently expected to remain in place for the life of the Fund, can only be amended or terminated by agreement of the Fund's Board of Directors and the investment advisor and will terminate automatically in the event of termination of the investment advisory agreement between the Fund and the investment advisor.

^a Commencement of investment operations is March 1, 2019.

COHEN & STEERS PREFERRED SECURITIES AND INCOME SMA SHARES, INC.

Expense Example (Unaudited)

As a shareholder of the Fund, you incur two types of costs: (1) transaction costs, including sales charges (loads) on purchase payments; and (2) ongoing costs including investment advisory fees; distribution and/or service (12b-1) fees; and other Fund expenses. This example is intended to help you understand your ongoing costs (in dollars) of investing in the Fund and to compare these costs with the ongoing costs of investing in other mutual funds.

The example is based on an investment of \$1,000 invested at the beginning of the period and held for the entire period March 1, 2019 (commencement of investment operations)—April 30, 2019.

Actual Expenses

The first line of the following table provides information about actual account values and expenses. You may use the information in this line, together with the amount you invested, to estimate the expenses that you paid over the period. Simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number in the first line under the heading entitled “Expenses Paid During Period” to estimate the expenses you paid on your account during this period.

Hypothetical Example for Comparison Purposes

The second line of the following table provides information about hypothetical account values and hypothetical expenses based on the Fund’s actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not the Fund’s actual return. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period. You may use this information to compare the ongoing cost of investing in the Fund and other funds. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of other funds.

Please note that the expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any transaction costs, such as sales charges (loads). Therefore, the second line of the table is useful in comparing ongoing costs only, and will not help you determine the relative total costs of owning different funds. In addition, if these transactional costs were included, your costs would have been higher.

COHEN & STEERS PREFERRED SECURITIES AND INCOME SMA SHARES, INC.

Expense Example (Unaudited)—(Continued)

	Beginning Account Value March 1, 2019 ^a	Ending Account Value April 30, 2019	Expenses Paid During Period March 1, 2019 ^a — April 30, 2019 ^b
Actual (2.39% return) ^c	\$1,000.00	\$1,023.90	\$0.00
Hypothetical (5% annual return before expenses) ^d	\$1,000.00	\$1,024.79	\$0.00

^a Commencement of investment operations.

^b Expenses are equal to the Fund's annualized expense ratio of 0.00% multiplied by the average account value over the period, multiplied by 61/365 (to reflect the fiscal period). The investment advisor does not charge an advisory fee to the Fund. The investment advisor has contractually agreed to reimburse the Fund so that the total annual Fund operating expenses (excluding acquired fund fees and expenses, interest, taxes, extraordinary expenses, and other expenses approved by the Board of Directors) do not exceed 0.00%. This contractual agreement is currently expected to remain in place for the life of the Fund, can only be amended or terminated by agreement of the Fund's Board of Directors and the investment advisor and will terminate automatically in the event of termination of the investment advisory agreement between the Fund and the investment advisor.

^c Actual expenses for the period March 1, 2019 (commencement of investment operations) through April 30, 2019.

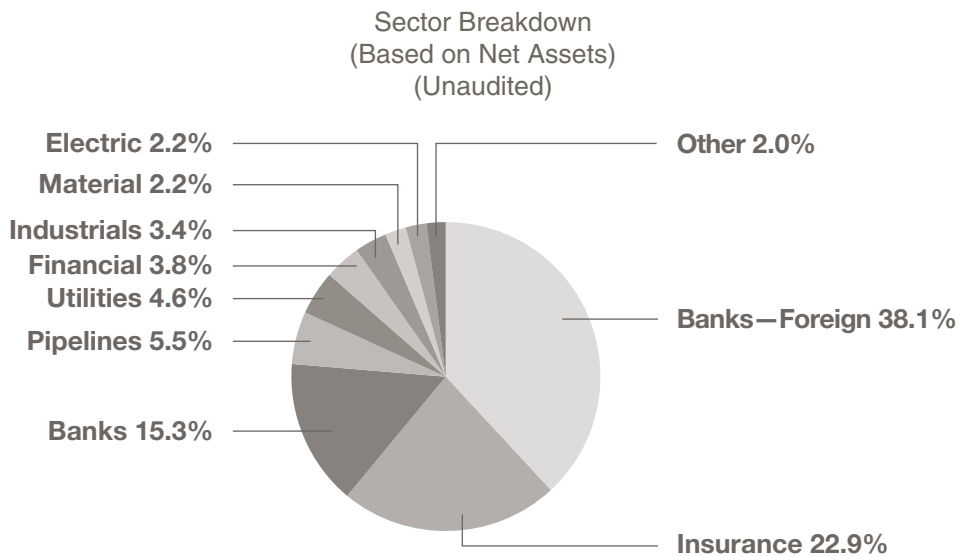
^d Hypothetical expenses if the class had been in existence from November 1, 2018 through April 30, 2019.

COHEN & STEERS PREFERRED SECURITIES AND INCOME SMA SHARES, INC.

April 30, 2019
 Top Ten Holdings^a
 (Unaudited)

<u>Security</u>	<u>Value</u>	<u>% of Net Assets</u>
General Electric Co., 5.00%, Series D	\$275,003	2.7
MetLife Capital Trust IV, 7.875%, due 12/15/37, 144A (TruPS)	249,338	2.5
Aegon NV, 5.625% (Netherlands)	236,540	2.3
Credit Agricole SA, 8.125%, 144A (France)	228,236	2.2
BHP Billiton Finance USA Ltd., 6.75%, due 10/19/75, 144A (Australia)	225,343	2.2
Enel SpA, 8.75%, due 9/24/73, 144A (Italy)	225,000	2.2
Credit Agricole SA, 7.875%, 144A (France)	217,739	2.1
Societe Generale SA, 8.00%, 144A (France)	216,925	2.1
BNP Paribas SA, 7.375%, 144A (France)	216,425	2.1
QBE Insurance Group Ltd., 6.75%, due 12/2/44 (Australia)	215,593	2.1

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



COHEN & STEERS PREFERRED SECURITIES AND INCOME SMA SHARES, INC.

SCHEDULE OF INVESTMENTS April 30, 2019 (Unaudited)

		<u>Shares</u>	<u>Value</u>
PREFERRED SECURITIES—\$25 PAR VALUE	6.3%		
FINANCIAL—DIVERSIFIED FINANCIAL SERVICES	3.9%		
Apollo Global Management LLC, 6.375% , Series Ba		8,200	\$ 206,148
Oaktree Capital Group LLC, 6.625%, Series Aa		7,336	185,968
			<u>392,116</u>
PIPELINES	2.4%		
Energy Transfer Operating LP, 7.625% to 8/15/23, Series Da,b . . .		7,800	193,596
Energy Transfer Operating LP, 7.60% to 5/15/24, Series Ea,b		2,050	50,983
			<u>244,579</u>
TOTAL PREFERRED SECURITIES—\$25 PAR VALUE (Identified cost—\$631,411)			<u>636,695</u>
		<u>Principal</u>	
		<u>Amount</u>	
PREFERRED SECURITIES—CAPITAL SECURITIES	91.8%		
BANKS	15.3%		
Bank of America Corp., 6.10% to 3/17/25, Series AA ^{a,b}		\$150,000	161,006
Bank of America Corp., 5.875% to 3/15/28, Series FF ^{a,b}		27,000	27,924
Bank of America Corp., 6.25% to 9/5/24, Series X ^{a,b}		175,000	188,674
Bank of America Corp., 6.50% to 10/23/24, Series Z ^{a,b}		75,000	82,196
Citigroup, Inc., 5.90% to 2/15/23 ^{a,b}		75,000	77,583
Citigroup, Inc., 6.125% to 11/15/20, Series R ^{a,b}		75,000	77,556
Citigroup, Inc., 6.25% to 8/15/26, Series T ^{a,b}		150,000	160,819
First Union Capital II, 7.95%, due 11/15/29, Series A		8,000	10,178
JPMorgan Chase & Co., 6.053%, (3 Month US LIBOR + 3.47%), Series I (FRN) ^{a,c}		75,000	75,524
JPMorgan Chase & Co., 6.75% to 2/1/24, Series S ^{a,b}		125,000	138,556
JPMorgan Chase & Co., 6.10% to 10/1/24, Series X ^{a,b}		125,000	132,891
SunTrust Banks, Inc., 5.125% to 12/15/27, Series H ^{a,b}		25,000	24,210
Wells Fargo & Co., 5.875% to 6/15/25, Series U ^{a,b}		100,000	108,087
Wells Fargo & Co., 6.381%, (3 Month US LIBOR + 3.77%), Series K (FRN) ^{a,c}		175,000	176,094
Wells Fargo Capital X, 5.95%, due 12/15/36, (TruPS)		100,000	112,799
			<u>1,554,097</u>
BANKS—FOREIGN	38.1%		
Bank of China Hong Kong Ltd., 5.90% to 9/14/23, 144A (Hong Kong) ^{a,b,d}		200,000	209,478

See accompanying notes to financial statements.

COHEN & STEERS PREFERRED SECURITIES AND INCOME SMA SHARES, INC.

SCHEDULE OF INVESTMENTS—(Continued) April 30, 2019 (Unaudited)

	Principal Amount	Value
Barclays PLC, 7.875% to 3/15/22 (United Kingdom) ^{a,b,e,f}	\$200,000	\$ 211,365
BNP Paribas SA, 7.375% to 8/19/25, 144A (France) ^{a,b,d,f}	200,000	216,425
BNP Paribas SA, 7.625% to 3/30/21, 144A (France) ^{a,b,d,f}	200,000	210,817
Credit Agricole SA, 7.875% to 1/23/24, 144A (France) ^{a,b,d,f}	200,000	217,739
Credit Agricole SA, 8.125% to 12/23/25, 144A (France) ^{a,b,d,f}	200,000	228,236
Credit Suisse Group AG, 7.50% to 12/11/23, 144A (Switzerland) ^{a,b,d,f}	200,000	214,722
Credit Suisse Group AG, 7.50% to 7/17/23, 144A (Switzerland) ^{a,b,d,f}	200,000	209,878
DNB Bank ASA, 6.50% to 3/26/22 (Norway) ^{a,b,e,f}	200,000	207,825
HSBC Holdings PLC, 6.375% to 3/30/25 (United Kingdom) ^{a,b,f}	200,000	208,675
HSBC Holdings PLC, 6.875% to 6/1/21 (United Kingdom) ^{a,b,f}	200,000	209,817
Lloyds Banking Group PLC, 7.50% to 6/27/24 (United Kingdom) ^{a,b,f}	200,000	210,500
Nationwide Building Society, 10.25% (United Kingdom) ^{a,e}	50,000	97,474
Royal Bank of Scotland Group PLC, 7.648% to 9/30/31 (United Kingdom) ^{a,b}	50,000	63,543
Royal Bank of Scotland Group PLC, 8.625% to 8/15/21 (United Kingdom) ^{a,b,f}	200,000	215,500
Societe Generale SA, 8.00% to 9/29/25, 144A (France) ^{a,b,d,f}	200,000	216,925
Stichting AK Rabobank Certificaten, 6.50% (Netherlands) ^{a,e}	75,000	101,247
Svenska Handelsbanken AB, 6.25% to 3/1/24, Series EMTN (Sweden) ^{a,b,e,f}	200,000	204,022
UBS Group Funding Switzerland AG, 6.875% to 8/7/25 (Switzerland) ^{a,b,e,f}	200,000	207,129
UBS Group Funding Switzerland AG, 7.125% to 8/10/21 (Switzerland) ^{a,b,e,f}	200,000	210,500
		<u>3,871,817</u>
ELECTRIC—INTEGRATED ELECTRIC—FOREIGN 2.2%		
Electricite de France SA, 5.00% to 1/22/26, Series EMTN (France) ^{a,b,e}	100,000	121,525
Electricite de France SA, 5.625% to 1/22/24, 144A (France) ^{a,b,d}	100,000	101,064
		<u>222,589</u>
INDUSTRIALS—DIVERSIFIED MANUFACTURING 2.7%		
General Electric Co., 5.00% to 1/21/21, Series Da ^b	290,000	275,003

See accompanying notes to financial statements.

COHEN & STEERS PREFERRED SECURITIES AND INCOME SMA SHARES, INC.

SCHEDULE OF INVESTMENTS—(Continued) April 30, 2019 (Unaudited)

		Principal Amount	Value
INSURANCE	22.4%		
LIFE/HEALTH INSURANCE	8.4%		
MetLife Capital Trust IV, 7.875%, due 12/15/37, 144A (TruPS) ^d . . .		\$200,000	\$ 249,338
MetLife, Inc., 5.25% to 6/15/20, Series C ^{a,b}		50,000	50,621
MetLife, Inc., 6.40%, due 12/15/36		50,000	55,366
MetLife, Inc., 10.75%, due 8/1/39		50,000	78,351
Prudential Financial, Inc., 5.20% to 3/15/24, due 3/15/44 ^b		50,000	50,993
Prudential Financial, Inc., 5.625% to 6/15/23, due 6/15/43 ^b		100,000	104,921
Prudential Financial, Inc., 5.875% to 9/15/22, due 9/15/42 ^b		100,000	106,401
Voya Financial, Inc., 5.65% to 5/15/23, due 5/15/53 ^b		100,000	100,422
Voya Financial, Inc., 6.125% to 9/15/23, Series A ^{a,b}		50,000	52,032
			<u>848,445</u>
LIFE/HEALTH INSURANCE—FOREIGN	7.5%		
Aegon NV, 5.625% to 4/15/29 (Netherlands) ^{a,b,e,f}		200,000	236,540
Dai-ichi Life Insurance Co., Ltd., 5.10% to 10/28/24, 144A (Japan) ^{a,b,d}		200,000	208,128
Dai-ichi Life Insurance Co., Ltd., 7.25% to 7/25/21, 144A (Japan) ^{a,b,d}		100,000	107,284
Nippon Life Insurance Co., 5.10% to 10/16/24, due 10/16/44, 144A (Japan) ^{b,d}		200,000	209,343
			<u>761,295</u>
MULTI-LINE	0.9%		
American International Group, Inc., 8.175% to 5/15/38, due 5/15/58 ^b		75,000	91,066
MULTI-LINE—FOREIGN	1.0%		
AXA SA, 8.60%, due 12/15/30 (France)		75,000	101,174
PROPERTY CASUALTY	0.5%		
Assurant, Inc., 7.00% to 3/27/28, due 3/27/48 ^b		50,000	51,086
PROPERTY CASUALTY—FOREIGN	4.1%		
Mitsui Sumitomo Insurance Co., Ltd., 4.95% to 3/6/29, 144A (Japan) ^{a,b,d}		200,000	204,678
QBE Insurance Group Ltd., 6.75% to 12/2/24, due 12/2/44 (Australia) ^{b,e}		200,000	215,593
			<u>420,271</u>
TOTAL INSURANCE			<u>2,273,337</u>

See accompanying notes to financial statements.

COHEN & STEERS PREFERRED SECURITIES AND INCOME SMA SHARES, INC.

SCHEDULE OF INVESTMENTS—(Continued) April 30, 2019 (Unaudited)

		Principal Amount	Value
INTEGRATED TELECOMMUNICATIONS SERVICES	1.2%		
Vodafone Group PLC, 7.00% to 1/4/29, due 4/4/79 (United Kingdom) ^b		\$120,000	\$ 126,289
MATERIAL—METALS & MINING	2.2%		
BHP Billiton Finance USA Ltd., 6.75% to 10/20/25, due 10/19/75, 144A (Australia) ^{b,d}		200,000	225,343
PIPELINES	3.1%		
Enbridge, Inc., 6.00% to 1/15/27, due 1/15/77, Series 16-A (Canada) ^b		50,000	50,146
Enbridge, Inc., 6.25% to 3/1/28, due 3/1/78 (Canada) ^b		50,000	50,812
Transcanada Trust, 5.625% to 5/20/75, due 5/20/75 (Canada) ^b ..		62,000	61,964
Transcanada Trust, 5.875% to 8/15/26, due 8/15/76, Series 16-A (Canada) ^b		150,000	153,812
			<u>316,734</u>
UTILITIES	4.6%		
ELECTRIC UTILITIES	0.6%		
NextEra Energy Capital Holdings, Inc., 5.65% to 5/1/29, due 5/1/79 ^b		60,000	61,086
ELECTRIC UTILITIES—FOREIGN	3.5%		
Emera, Inc., 6.75% to 6/15/26, due 6/15/76, Series 16-A (Canada) ^b		125,000	134,698
Enel SpA, 8.75% to 9/24/23, due 9/24/73, 144A (Italy) ^{b,d}		200,000	225,000
			<u>359,698</u>
MULTI-UTILITIES	0.5%		
NiSource, Inc., 5.65% to 6/15/23 ^{a,b}		50,000	50,218
TOTAL UTILITIES			<u>471,002</u>
TOTAL PREFERRED SECURITIES—CAPITAL SECURITIES (Identified cost—\$9,186,306)			<u>9,336,211</u>
CORPORATE BONDS	1.1%		
INDUSTRIALS—DIVERSIFIED MANUFACTURING	0.6%		
General Electric Co., 5.875%, due 1/14/38, Series MTN ..		60,000	64,918
INSURANCE—LIFE/HEALTH INSURANCE	0.5%		
Brighthouse Financial, Inc., 4.70%, due 6/22/47		60,000	49,386
TOTAL CORPORATE BONDS (Identified cost—\$112,618)			<u>114,304</u>

See accompanying notes to financial statements.

COHEN & STEERS PREFERRED SECURITIES AND INCOME SMA SHARES, INC.

SCHEDULE OF INVESTMENTS—(Continued) April 30, 2019 (Unaudited)

	Shares	Value
SHORT-TERM INVESTMENTS	1.8%	
MONEY MARKET FUNDS		
State Street Institutional Treasury Money Market Fund, Premier Class, 2.33% ^g	181,052	\$ 181,052
TOTAL SHORT-TERM INVESTMENTS (Identified cost—\$181,052)		<u>181,052</u>
TOTAL INVESTMENTS IN SECURITIES (Identified cost—\$10,111,387)	101.0%	10,268,262
LIABILITIES IN EXCESS OF OTHER ASSETS	(1.0)	(103,944)
NET ASSETS	<u>100.0%</u>	<u>\$10,164,318</u>

Forward Foreign Currency Exchange Contracts

Counterparty	Contracts to Deliver	In Exchange For	Settlement Date	Unrealized Appreciation (Depreciation)
Brown Brothers Harriman	GBP 74,144	USD 96,743	5/2/19	\$ 60
Brown Brothers Harriman	USD 96,648	GBP 74,144	5/2/19	36
Brown Brothers Harriman	EUR 111,012	USD 125,243	5/3/19	732
Brown Brothers Harriman	EUR 311,728	USD 350,883	5/3/19	1,248
Brown Brothers Harriman	EUR 203,896	USD 230,352	5/3/19	1,662
Brown Brothers Harriman	USD 245,208	EUR 218,732	5/3/19	122
Brown Brothers Harriman	USD 457,093	EUR 407,904	5/3/19	412
Brown Brothers Harriman	EUR 410,146	USD 460,844	6/4/19	(451)
Brown Brothers Harriman	GBP 76,469	USD 99,846	6/4/19	(45)
				<u>\$3,776</u>

Glossary of Portfolio Abbreviations

EMTN	Euro Medium Term Note
EUR	Euro Currency
FRN	Floating Rate Note
GBP	Great British Pound
LIBOR	London Interbank Offered Rate
MTN	Medium Term Note
TruPS	Trust Preferred Securities
USD	United States Dollar

See accompanying notes to financial statements.

COHEN & STEERS PREFERRED SECURITIES AND INCOME SMA SHARES, INC.

SCHEDULE OF INVESTMENTS—(Continued) April 30, 2019 (Unaudited)

Note: Percentages indicated are based on the net assets of the Fund.

- ^a Perpetual security. Perpetual securities have no stated maturity date, but they may be called/ redeemed by the issuer.
- ^b Security converts to floating rate after the indicated fixed-rate coupon period.
- ^c Variable rate. Rate shown is in effect at April 30, 2019.
- ^d Securities exempt from registration under Rule 144A of the Securities Act of 1933. These securities may only be resold to qualified institutional buyers. Aggregate holdings amounted to \$3,254,398 which represents 32.0% of the net assets of the Fund, of which 0.0% are illiquid.
- ^e Securities exempt from registration under Regulation S of the Securities Act of 1933. These securities are subject to resale restrictions. Aggregate holdings amounted to \$1,813,220 which represents 17.8% of the net assets of the Fund, of which 0.0% are illiquid.
- ^f Contingent Capital security (CoCo). CoCos are debt or preferred securities with loss absorption characteristics built into the terms of the security for the benefit of the issuer. Aggregate holdings amounted to \$3,636,615 or 35.8% of the net assets of the Fund.
- ^g Rate quoted represents the annualized seven-day yield.

<u>Country Summary</u>	<u>% of Net Assets</u>
United States	36.2
France	13.9
United Kingdom	13.2
Switzerland	8.3
Japan	7.2
Canada	4.4
Australia	4.3
Netherlands	3.3
Italy	2.2
Hong Kong	2.1
Norway	2.1
Sweden	2.0
Other	0.8
	<u>100.0</u>

See accompanying notes to financial statements.

COHEN & STEERS PREFERRED SECURITIES AND INCOME SMA SHARES, INC.

STATEMENT OF ASSETS AND LIABILITIES April 30, 2019 (Unaudited)

ASSETS:	
Investments in securities, at value (Identified cost—\$10,111,387)	\$10,268,262
Due from investment advisor	22,934
Unrealized appreciation on forward foreign currency exchange contracts	4,272
Receivable for dividends and interest	141,057
Total Assets	<u>10,436,525</u>
LIABILITIES:	
Due to custodian	5,100
Unrealized depreciation on forward foreign currency exchange contracts	496
Payable for:	
Investment securities purchased	176,328
Dividends declared	45,000
Directors' fees	586
Other liabilities	44,697
Total Liabilities	<u>272,207</u>
NET ASSETS (applicable to 1,000,000 shares of \$0.001 par value of common stock outstanding)	<u>\$10,164,318</u>
NET ASSET VALUE PER SHARE:	
(\$10,164,318 ÷ 1,000,000 shares outstanding)	<u>\$ 10.16</u>
NET ASSETS consist of:	
Paid-in capital	\$10,000,000
Total distributable earnings/(accumulated loss)	164,318
	<u>\$10,164,318</u>

See accompanying notes to financial statements.

COHEN & STEERS PREFERRED SECURITIES AND INCOME SMA SHARES, INC.

STATEMENT OF OPERATIONS For the Period March 1, 2019^a through April 30, 2019 (Unaudited)

Investment Income:	
Interest income	\$ 74,808
Dividend income	3,717
Total Investment Income	<u>78,525</u>
Expenses:	
Professional fees	19,083
Administration fees	10,596
Shareholder reporting expenses	5,014
Registration and filing fees	4,505
Custodian fees and expenses	3,005
Transfer agent fees and expenses	2,173
Directors' fees and expenses	586
Miscellaneous	1,671
Total Expenses	46,633
Reduction of Expenses (See Note 2)	(46,633)
Net Expenses	<u>—</u>
Net Investment Income (Loss)	<u>78,525</u>
Net Realized and Unrealized Gain (Loss):	
Net realized gain (loss) on:	
Investments in securities	(1,374)
Forward foreign currency exchange contracts	4,619
Foreign currency transactions	(81)
Net realized gain (loss)	<u>3,164</u>
Net change in unrealized appreciation (depreciation) on:	
Investments in securities	156,875
Forward foreign currency exchange contracts	3,776
Foreign currency translations	(22)
Net change in unrealized appreciation (depreciation)	<u>160,629</u>
Net Realized and Unrealized Gain (Loss)	<u>163,793</u>
Net Increase (Decrease) in Net Assets Resulting from Operations	<u>\$242,318</u>

^a Commencement of investment operations.

See accompanying notes to financial statements.

COHEN & STEERS PREFERRED SECURITIES AND INCOME SMA SHARES, INC.

STATEMENT OF CHANGES IN NET ASSETS (Unaudited)

	For the Period March 1, 2019 ^a through April 30, 2019
Change in Net Assets:	
From Operations:	
Net investment income (loss)	\$ 78,525
Net realized gain (loss)	3,164
Net change in unrealized appreciation (depreciation)	160,629
Net increase (decrease) in net assets resulting from operations	<u>242,318</u>
Distributions to Shareholders	<u>(78,000)</u>
Capital Stock Transactions:	
Increase (decrease) in net assets from Fund share transactions	<u>9,900,000</u>
Total increase (decrease) in net assets	10,064,318
Net Assets:	
Beginning of period	<u>100,000</u>
End of period	<u><u>\$10,164,318</u></u>

^a Commencement of investment operations.

See accompanying notes to financial statements.

COHEN & STEERS PREFERRED SECURITIES AND INCOME SMA SHARES, INC.

FINANCIAL HIGHLIGHTS (Unaudited)

The following table includes selected data for a 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.

	For the Period March 1, 2019 ^a through April 30, 2019
Per Share Operating Performance:	
Net asset value, beginning of period	\$10.00
Income (loss) from investment operations:	
Net investment income (loss) ^b	0.08
Net realized and unrealized gain (loss)	0.16
Total from investment operations	0.24
Less dividends to shareholders from:	
Net investment income	(0.08)
Total dividends to shareholders	(0.08)
Net increase in net asset value	0.16
Net asset value, end of period	\$10.16
Total return ^c	2.39% ^d
Ratios/Supplemental Data:	
Net assets, end of period (in millions)	\$10.2
Ratios to average daily net assets:	
Expenses (before expense reduction)	2.77% ^f
Expenses (net of expense reduction) ^e	0.00% ^f
Net investment income (loss) (before expense reduction)	1.90% ^f
Net investment income (loss) (net of expense reduction)	4.67% ^f
Portfolio turnover rate	6% ^d

^a Commencement of investment operations.

^b Calculation based on average shares outstanding.

^c Does not reflect sales charges, which would reduce return.

^d Not annualized.

^e The Fund's expenses have been contractually capped at 0.00%. See Note 2 in Notes to Financial Statements.

^f Annualized.

See accompanying notes to financial statements.

COHEN & STEERS PREFERRED SECURITIES AND INCOME SMA SHARES, INC.

NOTES TO FINANCIAL STATEMENTS (Unaudited)

Note 1. Organization and Significant Accounting Policies

Cohen & Steers Preferred Securities and Income SMA Shares, Inc. (the Fund) was incorporated under the laws of the State of Maryland on November 16, 2018 and is registered under the Investment Company Act of 1940 (the 1940 Act) as a non-diversified, open-end management investment company. The Fund's investment objective is total return. The Fund had no assets until January 8, 2019 when it sold 10,000 shares for \$100,000 to Cohen & Steers Capital Management, Inc. (the investment advisor). Investment operations commenced on March 1, 2019. Shares of the Fund are only offered to participants in separately managed account (SMA) programs and to certain non-program SMA clients that have an agreement with the investment advisor.

The following is a summary of significant accounting policies consistently followed by the Fund in the preparation of its financial statements. The Fund is an investment company and, accordingly, follows the investment company accounting and reporting guidance of the Financial Accounting Standards Board Accounting Standards Codification Topic (ASC) 946—Investment Companies. The accounting policies of the Fund 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 (NYSE) are valued, except as indicated below, at the last sale price reflected at the close of the NYSE 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 ask prices on such day or, if no ask price is available, at the bid price. Forward foreign currency contracts are valued daily at the prevailing forward exchange rate.

Securities not listed on the NYSE but listed on other domestic or foreign securities exchanges (including NASDAQ) are valued in a similar manner. Securities traded on more than one securities exchange are valued at the last sale price reflected at the close of the exchange representing the principal market for such securities on the business day as of which such value is being determined. If after the close of a foreign market, but prior to the close of business on the day the securities are being valued, market conditions change significantly, certain non-U.S. equity holdings may be fair valued pursuant to procedures established by the Board of Directors.

Readily marketable securities traded in the over-the-counter (OTC) market, including listed securities whose primary market is believed by the investment advisor to be OTC, are valued on the basis of prices provided by a third-party pricing service or third-party broker-dealers when such prices are believed by the investment advisor, pursuant to delegation by the Board of Directors, to reflect the fair value of such securities.

Fixed-income securities are valued on the basis of prices provided by a third-party pricing service or third-party broker-dealers when such prices are believed by the investment advisor, pursuant to delegation by the Board of Directors, to reflect the fair value of such securities. The pricing services or broker-dealers use multiple valuation techniques to determine fair value. In instances where sufficient market activity exists, the pricing services or broker-dealers may utilize a market-based approach

COHEN & STEERS PREFERRED SECURITIES AND INCOME SMA SHARES, INC.

NOTES TO FINANCIAL STATEMENTS (Unaudited)—(Continued)

through which quotes from market makers are used to determine fair value. In instances where sufficient market activity may not exist or is limited, the pricing services or broker-dealers also utilize proprietary valuation models which may consider market transactions in comparable securities and the various relationships between securities in determining fair value and/or characteristics such as benchmark yield curves, option-adjusted spreads, credit spreads, estimated default rates, coupon rates, anticipated timing of principal repayments, underlying collateral, and other unique security features which are then used to calculate the fair values.

Short-term debt securities with a maturity date of 60 days or less are valued at amortized cost, which approximates fair value. Investments in open-end mutual funds are valued at net asset value (NAV).

The policies and procedures approved by the Fund's Board of Directors delegate authority to make fair value determinations to the investment advisor, subject to the oversight of the Board of Directors. The investment advisor has established a valuation committee (Valuation Committee) to administer, implement and oversee the fair valuation process according to the policies and procedures approved annually by the Board of Directors. Among other things, these procedures allow the Fund to utilize independent pricing services, quotations from securities and financial instrument dealers and other market sources to determine fair value.

Securities for which market prices are unavailable, or securities for which the investment advisor determines that the bid and/or ask price or a counterparty valuation does not reflect market value, will be valued at fair value, as determined in good faith by the Valuation Committee, 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 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, but are not limited to, 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 NAV of Fund shares to differ from the NAV 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.

Fair value is defined as the price that the Fund would expect to receive upon the sale of an investment or expect to pay to transfer a liability in an orderly transaction with an independent buyer in the principal market or, in the absence of a principal market, the most advantageous market for the investment or liability. The hierarchy of inputs that are used in determining the fair value of the Fund's investments is summarized below.

- Level 1—quoted prices in active markets for identical investments
- Level 2—other significant observable inputs (including quoted prices for similar investments, interest rates, credit risk, etc.)

COHEN & STEERS PREFERRED SECURITIES AND INCOME SMA SHARES, INC.

NOTES TO FINANCIAL STATEMENTS (Unaudited)—(Continued)

- Level 3—significant unobservable inputs (including the Fund's own assumptions in determining the fair value of investments)

The inputs or methodology used for valuing investments may or may not be an indication of the risk associated with those investments. Changes in valuation techniques may result in transfers into or out of an assigned level within the disclosure hierarchy.

The following is a summary of the inputs used as of April 30, 2019 in valuing the Fund's investments carried at value:

	Total	Quoted Prices in Active Markets for Identical Investments (Level 1)	Other Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Preferred Securities—				
\$25 Par Value	\$ 636,695	\$636,695	\$ —	\$ —
Preferred Securities—				
Capital Securities	9,336,211	—	9,336,211	—
Corporate Bonds	114,304	—	114,304	—
Short-Term Investments	181,052	—	181,052	—
Total Investments in Securities ^a	<u>\$10,268,262</u>	<u>\$636,695</u>	<u>\$9,631,567</u>	<u>\$ —</u>
Forward Foreign Currency Exchange Contracts	\$ 4,272	\$ —	\$ 4,272	\$ —
Total Derivative Assets ^a	<u>\$ 4,272</u>	<u>\$ —</u>	<u>\$ 4,272</u>	<u>\$ —</u>
Forward Foreign Currency Exchange Contracts	\$ (496)	\$ —	\$ (496)	\$ —
Total Derivative Liabilities ^a	<u>\$ (496)</u>	<u>\$ —</u>	<u>\$ (496)</u>	<u>\$ —</u>

^a Portfolio holdings are disclosed individually on the Schedule of Investments.

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, which includes the amortization of premiums and accretion of discounts, is recorded on the accrual basis. Dividend income is recorded on the ex-dividend date, except for certain dividends on foreign securities, which are recorded as soon as the Fund is informed after the ex-dividend date.

Foreign Currency Translation: The books and records of the Fund are maintained in U.S. dollars. Investment securities and other assets and liabilities denominated in foreign currencies are translated into U.S. dollars based upon prevailing exchange rates on the date of valuation. Purchases and sales of investment securities and income and expense items denominated in foreign currencies are translated

COHEN & STEERS PREFERRED SECURITIES AND INCOME SMA SHARES, INC.

NOTES TO FINANCIAL STATEMENTS (Unaudited)—(Continued)

into U.S. dollars based upon prevailing exchange rates on the respective dates of such transactions. The Fund does not isolate that portion of the results of operations resulting from fluctuations in foreign exchange rates on investments from the fluctuations arising from changes in market prices of securities held. Such fluctuations are included with the net realized and unrealized gain or loss on investments.

Net realized foreign currency transaction gains or losses arise from sales of foreign currencies, (excluding gains and losses on forward foreign currency exchange contracts, which are presented separately, if any) currency gains or losses realized between the trade and settlement dates on securities transactions, and the difference between the amounts of dividends, interest, and foreign withholding taxes recorded on the Fund's books and the U.S. dollar equivalent of the amounts actually received or paid. Net unrealized foreign currency translation gains and losses arise from changes in the values of assets and liabilities, other than investments in securities, on the date of valuation, resulting from changes in exchange rates. Pursuant to U.S. federal income tax regulations, certain foreign currency gains/losses included in realized and unrealized gains/losses are included in or are a reduction of ordinary income for federal income tax purposes.

Forward Foreign Currency Exchange Contracts: The Fund enters into forward foreign currency exchange contracts to hedge the currency exposure associated with certain of its non-U.S. dollar denominated securities. A forward foreign currency exchange contract is a commitment between two parties to purchase or sell foreign currency at a set price on a future date. The market value of a forward foreign currency exchange contract fluctuates with changes in foreign currency exchange rates. These contracts are marked to market daily and the change in value is recorded by the Fund as unrealized appreciation and/or depreciation on forward foreign currency exchange contracts. Realized gains or losses equal to the difference between the value of the contract at the time it was opened and the value at the time it was closed are included in net realized gain or loss on forward foreign currency exchange contracts. For federal income tax purposes, the Fund has made an election to treat gains and losses from forward foreign currency exchange contracts as capital gains and losses.

Forward foreign currency exchange contracts involve elements of market risk in excess of the amounts reflected on the Statement of Assets and Liabilities. The Fund bears the risk of an unfavorable change in the foreign exchange rate underlying the contract. Risks may also arise upon entering these contracts from the potential inability of the counterparties to meet the terms of their contracts. In connection with these contracts, securities may be identified as collateral in accordance with the terms of the respective contracts.

Dividends and Distributions to Shareholders: 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. Dividends from net investment income, if any, are declared and paid monthly. Net realized capital gains, unless offset by any available capital loss carryforward, are typically distributed to shareholders at least annually. Dividends and distributions to shareholders are recorded on the ex-dividend date and are paid in cash. Dividends from net investment income are subject to recharacterization for tax purposes.

Income Taxes: It is the policy of the Fund to continue to qualify as a regulated investment company (RIC), 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

COHEN & STEERS PREFERRED SECURITIES AND INCOME SMA SHARES, INC.

NOTES TO FINANCIAL STATEMENTS (Unaudited)—(Continued)

distributing substantially all of its taxable earnings to its shareholders. Also, in order to avoid the payment of any federal excise taxes, the Fund will distribute substantially all of its net investment income and net realized gains on a calendar year basis. Accordingly, no provision for federal income or excise tax is necessary. Dividend and interest income from holdings in non-U.S. securities is recorded net of non-U.S. taxes paid. Management has analyzed the Fund's tax positions taken on federal and applicable state income tax returns as well as its tax positions in non-U.S. jurisdictions in which it trades for the current tax year and has concluded that as of April 30, 2019, no additional provisions for income tax are required in the Fund's financial statements. The Fund's tax positions for the current tax year for which the applicable statutes of limitations have not expired are subject to examination by the Internal Revenue Service, state departments of revenue and by foreign tax authorities.

Note 2. Investment Advisory Fees, Administration Fees and Other Transactions with Affiliates

Investment Advisory Fees: Cohen & Steers Capital Management, Inc. serves as the Fund's investment advisor pursuant to an investment advisory agreement (the investment advisory agreement). Under the terms of the investment advisory agreement, the investment advisor provides the Fund with day-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. The investment advisor is also responsible, under the investment advisory agreement, for the performance of certain administrative functions for the Fund.

For its services under the investment advisory agreement, the investment advisor receives no investment advisory or other fees from the Fund. This arrangement recognizes that shares of the Fund are only offered to participants in SMA programs (each, a Program Participant) who pay fees to program sponsors (each, a Sponsor) for the costs and expenses of the programs, including fees for investment advice, custody and portfolio execution, and to certain non-program SMA clients of the investment advisor. When a Program Participant, alone or with his or her Sponsor, elects to allocate assets in an SMA to an investment strategy managed or advised by the investment advisor, the investment advisor typically receives a fee from the Sponsor for providing such advisory services to the SMA, including with respect to assets that may be invested in the Fund. In certain cases, a Program Participant will pay a fee for investment advice directly to the investment advisor in its capacity as advisor to the Program Participant's SMA. Similarly, non-program SMA clients will pay fees directly to the investment advisor.

The investment advisor has contractually agreed to reimburse the Fund so that the total annual Fund operating expenses (excluding acquired fund fees and expenses, taxes, extraordinary expenses, and other expenses approved by the Board of Directors) do not exceed 0.00%. This contractual agreement is currently expected to remain in place for the life of the Fund, can only be terminated by agreement of the Fund's Board of Directors and the investment advisor, and will terminate automatically in the event of termination of the investment advisory agreement between the Fund and the investment advisor.

Administration Fees: The Fund has entered into an administration agreement with the investment advisor under which the investment advisor performs certain administrative functions for the Fund. For its services under the administration agreement, the investment advisor receives no fees from the Fund.

COHEN & STEERS PREFERRED SECURITIES AND INCOME SMA SHARES, INC.

NOTES TO FINANCIAL STATEMENTS (Unaudited)—(Continued)

Additionally, the Fund pays State Street Bank and Trust Company as co-administrator under a fund accounting and administration agreement.

Directors' and Officers' Fees: Certain directors and officers of the Fund are also directors, officers and/or employees of the investment advisor. The Fund does not pay compensation to directors and officers affiliated with the investment advisor except for the Chief Compliance Officer, who received compensation from the investment advisor, which was reimbursed by the Fund, in the amount of \$17 for the period from March 1, 2019 (commencement of investment operations) through April 30, 2019.

Other: As of April 30, 2019, the investment advisor and/or affiliated persons of the investment advisor owned 100% of the Fund's outstanding shares. Investment activities of these shareholders could have a significant impact on the Fund. In addition, a person who beneficially owns, either directly or indirectly, more than 25% of the voting securities of the Fund may be presumed to control the Fund. A control person could potentially control the outcome of any proposal submitted to shareholders for approval, including changes to the Fund's fundamental policies or terms of the investment advisory agreement with the investment advisor.

Note 3. Purchases and Sales of Securities

Purchases and sales of securities, excluding short-term investments, for the period March 1, 2019 (commencement of investment operations) through April 30, 2019, totaled \$10,529,682 and \$581,261, respectively.

Note 4. Derivative Investments

The following tables present the value of derivatives held at April 30, 2019 and the effect of derivatives held during the period March 1, 2019 (commencement of investment operations) through April 30, 2019, along with the respective location in the financial statements.

Statement of Assets and Liabilities

Derivatives	Assets		Liabilities	
	Location	Fair Value	Location	Fair Value
Foreign Exchange Risk:				
Forward Foreign Currency				
Exchange Contracts ^a	Unrealized appreciation	\$4,272	Unrealized depreciation	\$496

^a Forward foreign currency exchange contracts executed with Brown Brothers Harriman are not subject to a master netting arrangement or another similar agreement.

COHEN & STEERS PREFERRED SECURITIES AND INCOME SMA SHARES, INC.

NOTES TO FINANCIAL STATEMENTS (Unaudited)—(Continued)

Statement of Operations

Derivatives	Location	Realized Gain (Loss)	Change in Unrealized Appreciation (Depreciation)
Foreign Exchange Risk:			
Forward Foreign Currency			
Exchange Contracts . . .	Net Realized and Unrealized Gain (Loss)	\$4,619	\$3,776

The following summarizes the volume of the Fund's forward foreign currency exchange contracts activity for the period March 1, 2019 (commencement of investment operations) through April 30, 2019:

	Forward Foreign Currency Exchange Contracts
Average Notional Amount	\$504,158

Note 5. Income Tax Information

As of April 30, 2019, the federal tax cost and net unrealized appreciation (depreciation) in value of investments held were as follows:

Cost of investments in securities for federal income tax purposes . . .	<u>\$10,111,387</u>
Gross unrealized appreciation on investments	\$ 162,002
Gross unrealized depreciation on investments	(1,351)
Net unrealized appreciation (depreciation) on investments	<u>\$ 160,651</u>

Note 6. Capital Stock

The Fund is authorized to issue 100 million shares of capital stock, at a par value of \$0.001 per share. The Board of Directors of the Fund may increase or decrease the aggregate number of shares of common stock that the Fund has authority to issue. Transactions in Fund shares were as follows:

	For the Period March 1, 2019 ^a through April 30, 2019	
	Shares	Amount
Sold	990,000	\$9,900,000
Issued as reinvestment of dividends and distributions . . .	—	—
Redeemed	—	—
Net increase (decrease)	<u>990,000</u>	<u>\$9,900,000</u>

^a Commencement of investment operations

COHEN & STEERS PREFERRED SECURITIES AND INCOME SMA SHARES, INC.

NOTES TO FINANCIAL STATEMENTS (Unaudited)—(Continued)

Note 7. Other Risks

Non-Diversification Risk: As a “non-diversified” investment company, the Fund can invest in fewer individual companies than a diversified investment company. As a result, the Fund is more susceptible to any single political, regulatory or economic occurrence and to the financial condition of individual issuers in which it invests. The Fund’s relative lack of diversity may subject investors to greater risk of loss than a fund that has a diversified portfolio.

Preferred Securities Risk: Preferred securities are subject to credit risk, which is the risk that a security will decline in price, or the issuer of the security will fail to make dividend, interest or principal payments when due, because the issuer experiences a decline in its financial status. Preferred securities are also subject to interest rate risk and may decline in value because of changes in market interest rates. The Fund may be subject to a greater risk of rising interest rates than would normally be the case in an environment of low interest rates and the effect of potential government fiscal policy initiatives and resulting market reaction to those initiatives. In addition, an issuer may be permitted to defer or omit distributions. Preferred securities are also generally subordinated to bonds and other debt instruments in a company’s capital structure. During periods of declining interest rates, an issuer may be able to exercise an option to redeem (call) its issue at par earlier than scheduled, and the Fund may be forced to reinvest in lower yielding securities. Certain preferred securities may be substantially less liquid than many other securities, such as common stocks. Generally, preferred security holders have no voting rights with respect to the issuing company unless certain events occur. Certain preferred securities may give the issuers special redemption rights allowing the securities to be redeemed prior to a specified date if certain events occur, such as changes to tax or securities laws.

Contingent Capital Securities Risk: Contingent capital securities (sometimes referred to as “CoCos”) are debt or preferred securities with loss absorption characteristics built into the terms of the security, for example a mandatory conversion into common stock of the issuer under certain circumstances, such as the issuer’s capital ratio falling below a certain level. Since the common stock of the issuer may not pay a dividend, investors in these instruments could experience a reduced income rate, potentially to zero, and conversion would deepen the subordination of the investor, hence worsening the investor’s standing in a bankruptcy. Some CoCos provide for a reduction in the value or principal amount of the security under such circumstances. In addition, most CoCos are considered to be high yield or “junk” securities and are therefore subject to the risks of investing in below investment-grade securities.

Credit and Below-Investment-Grade Securities Risk: Preferred securities may be rated below investment-grade or may be unrated. Below-investment-grade securities, or equivalent unrated securities, which are commonly known as “high-yield bonds” or “junk bonds,” generally involve greater volatility of price and risk of loss of income and principal, and may be more susceptible to real or perceived adverse economic and competitive industry conditions than higher grade securities. It is reasonable to expect that any adverse economic conditions could disrupt the market for lower-rated securities, have an adverse impact on the value of those securities and adversely affect the ability of the issuers of those securities to repay principal and interest on those securities.

COHEN & STEERS PREFERRED SECURITIES AND INCOME SMA SHARES, INC.

NOTES TO FINANCIAL STATEMENTS (Unaudited)—(Continued)

Concentration Risk: Because the Fund invests at least 25% of its net assets in the financials sector, it will be more susceptible to adverse economic or regulatory occurrences affecting this sector, such as changes in interest rates, loan concentration and competition. In addition, the Fund will also be subject to the risks of investing in the individual industries and securities that comprise the financials sector, including the bank, diversified financials, real estate (including REITs) and insurance industries. To the extent that the Fund focuses its investments in other sectors or industries, such as (but not limited to) energy, industrials, utilities, pipelines, health care and telecommunications, the Fund will be subject to the risks associated with these particular sectors and industries. These sectors and industries may be adversely affected by, among others, changes in government regulation, world events and economic conditions.

Liquidity Risk: Liquidity risk is the risk that particular investments of the Fund may become difficult to sell or purchase. The market for certain investments may become less liquid or illiquid due to adverse changes in the conditions of a particular issuer or due to adverse market or economic conditions. In addition, dealer inventories of certain securities, which provide an indication of the ability of dealers to engage in “market making,” are at, or near, historic lows in relation to market size, which has the potential to increase price volatility in the fixed income markets in which the Fund invests. Federal banking regulations may also cause certain dealers to reduce their inventories of certain securities, which may further decrease the Fund’s ability to buy or sell such securities. As a result of this decreased liquidity, the Fund may have to accept a lower price to sell a security, sell other securities to raise cash, or give up an investment opportunity, any of which could have a negative effect on performance. Further, transactions in less liquid or illiquid securities may entail transaction costs that are higher than those for transactions in liquid securities.

Liquidity risk also includes the risk that market conditions or large shareholder redemptions may impact the ability of the Fund to meet redemption requests within required time periods. In order to meet such redemption requests, the fund may be forced to sell securities at inopportune times or prices.

Foreign (Non-U.S.) and Emerging Market Securities Risk: The Fund directly purchases securities of foreign issuers. Risks of investing in foreign securities, which can be expected to be greater for investments in emerging markets, include currency risks, future political and economic developments and possible imposition of foreign withholding taxes on income or proceeds payable on the securities. In addition, there may be less publicly available information about a foreign issuer than about a domestic issuer, and foreign issuers may not be subject to the same accounting, auditing and financial recordkeeping standards and requirements as domestic issuers. Moreover, securities of many foreign issuers and their markets may be less liquid and their prices more volatile than securities of comparable U.S. issuers.

Foreign Currency Risk: Although the Fund will report its NAV and pay dividends in U.S. dollars, foreign securities often are purchased with and make any dividend and interest payments in foreign currencies.

Therefore, the Fund’s investments in foreign securities will be subject to foreign currency risk, which means that the Fund’s NAV could decline solely as a result of changes in the exchange rates between foreign currencies and the U.S. dollar. Certain foreign countries may impose restrictions on the ability of issuers of foreign securities to make payment of principal, dividends and interest to investors

COHEN & STEERS PREFERRED SECURITIES AND INCOME SMA SHARES, INC.

NOTES TO FINANCIAL STATEMENTS (Unaudited)—(Continued)

located outside the country, due to blockage of foreign currency exchanges or otherwise. The Fund may, but is not required to, engage in various investments that are designed to hedge the Fund's foreign currency risks, and such investments are subject to the risks described under "Derivatives and Hedging Transactions Risk" below.

Derivatives and Hedging Transactions Risk: The Fund's use of derivatives, including for the purpose of hedging interest rate or foreign currency risks, presents risks different from, and possibly greater than, the risks associated with investing directly in traditional securities. Among the risks presented are counterparty risk, financial leverage risk, liquidity risk, OTC trading risk and tracking risk. The use of derivatives can lead to losses because of adverse movements in the price or value of the underlying asset, index or rate, which may be magnified by certain features of the derivatives.

Geopolitical Risk: Occurrence of global events similar to those in recent years, such as war, terrorist attacks, natural or environmental disasters, country instability, infectious disease epidemics, market instability, debt crises and downgrades, embargoes, tariffs, sanctions and other trade barriers and other governmental trade or market control programs, the potential exit of a country from its respective union and related geopolitical events, may result in market volatility and may have long-lasting impacts on both the U.S. and global financial markets. Additionally, those events, as well as other changes in foreign and domestic political and economic conditions, could adversely affect individual issuers or related groups of issuers, securities markets, interest rates, secondary trading, credit ratings, inflation, investor sentiment and other factors affecting the value of the Fund's investments.

On March 29, 2017, the United Kingdom (the "UK") formally notified the European Council of its intention to leave the EU and commenced the formal process of withdrawing from the EU (referred to as "Brexit"). Brexit has resulted in volatility in European and global markets and could have negative long-term impacts on financial markets in the UK and throughout Europe. There is considerable uncertainty about the potential consequences and precise timeframe for Brexit, how it will be conducted, how negotiations of trade agreements will proceed, and how the financial markets will react. As this process unfolds, markets may be further disrupted. Given the size and importance of the UK's economy, uncertainty about its legal, political and economic relationship with the remaining member states of the EU may continue to be a source of instability.

Growing tensions, including trade disputes, between the United States and other nations, or among foreign powers, and possible diplomatic, trade or other sanctions could adversely impact the global economy, financial markets and the Fund. The strengthening or weakening of the U.S. dollar relative to other currencies may, among other things, adversely affect the Fund's investments denominated in non-U.S. dollar currencies. It is difficult to predict when similar events affecting the U.S. or global financial markets may occur, the effects that such events may have, and the duration of those effects.

Regulatory Risk: The U.S. government has proposed and adopted multiple regulations that could have a long-lasting impact on the Fund and on the mutual fund industry in general. The SEC's final rules and amendments that modernize reporting and disclosure and require the implementation of a Liquidity Risk Management Program, along with other potential upcoming regulations, could, among other things, restrict the Fund's ability to engage in transactions, impact flows into the Fund and/or increase overall expenses of the Fund. In addition, the SEC, Congress, various exchanges and regulatory and self-regulatory authorities, both domestic and foreign, have undertaken reviews of the use of derivatives by

COHEN & STEERS PREFERRED SECURITIES AND INCOME SMA SHARES, INC.

NOTES TO FINANCIAL STATEMENTS (Unaudited)—(Continued)

registered investment companies, which could affect the nature and extent of derivatives used by the Fund. While the full extent of these regulations is still unclear, these regulations and actions may adversely affect both the Fund and the instruments in which the Fund invests as well as its ability to execute its investment strategy. Similarly, regulatory developments in other countries may have an unpredictable and adverse impact on the Fund.

LIBOR Risk: Many financial instruments may be tied to the London Interbank Offered Rate, or “LIBOR,” to determine payment obligations, financing terms, hedging strategies, or investment value. LIBOR is the offered rate for short-term Eurodollar deposits between major international banks. On July 27, 2017, the head of the UK Financial Conduct Authority announced a desire to phase out the use of LIBOR by the end of 2021. Regulators and industry working groups have suggested alternative reference rates, but global consensus is lacking and the process for amending existing contracts or instruments to transition away from LIBOR remains unclear. There also remains uncertainty and risk regarding the willingness and ability of issuers to include enhanced provisions in new and existing contracts or instruments. As such, the transition away from LIBOR may lead to increased volatility and illiquidity in markets that are tied to LIBOR, reduced values of LIBOR-related investments, and reduced effectiveness of hedging strategies, adversely affecting the Fund’s performance or NAV. In addition, the alternative reference rate may be an ineffective substitute resulting in prolonged adverse market conditions for the Fund.

This is not a complete list of risks that may affect the Fund. For additional information concerning the risks of investing in the Fund, please consult the Fund’s prospectus.

Note 8. Other

In the normal course of business, the Fund enters into contracts that provide general indemnifications. The Fund’s maximum exposure under these arrangements is dependent on claims that may be made against the Fund in the future and, therefore, cannot be estimated; however, based on experience, the risk of material loss from such claims is considered remote.

Note 9. New Accounting Guidance

In August 2018, the Financial Accounting Standards Board (FASB) issued a new Accounting Standards Update (ASU) No. 2018-13, “*Fair Value Measurement (Topic 820), Disclosure Framework Changes to the Disclosure Requirements for Fair Value Measurement*”. The amendments to ASU 2018-13 are intended to improve the effectiveness of disclosures in the notes to financial statements through modifications to disclosure requirements on fair value measurements. ASU 2018-13 is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2019, with early adoption permitted. The Fund has adopted the amended disclosures permissible under the update. The adoption had no effect on the Fund’s net assets or results of operations.

Note 10. Subsequent Events

Management has evaluated events and transactions occurring after April 30, 2019 through the date that the financial statements were issued, and had determined that no additional disclosure in the financial statements is required.

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OTHER INFORMATION

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 800-330-7348, (ii) on our website at cohenandsteers.com or (iii) on the SEC's website 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 by August 31 of each year (i) without charge, upon request, by calling 800-330-7348 or (ii) on the SEC's website at <http://www.sec.gov>.

The Fund is required to file its complete schedule of portfolio holdings with the SEC monthly on Form N-PORT, with every third month made available to the public by the SEC 60 days after the end of the Fund's fiscal quarter. The Fund's Form N-PORT will be available (i) without charge, upon request, by calling 800-330-7348 or (ii) on the SEC's website at <http://www.sec.gov>.

Please note that distributions paid by the Fund to shareholders 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. Distributions in excess of the Fund's investment company taxable income and net realized gains are a 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. The final tax treatment of all distributions is reported to shareholders on their 1099-DIV forms, which are mailed after the close of each calendar year. 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.

COHEN & STEERS PREFERRED SECURITIES AND INCOME SMA SHARES, INC.

Cohen & Steers Privacy Policy

Facts	What Does Cohen & Steers Do With Your Personal Information?
Why?	Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.
What?	The types of personal information we collect and share depend on the product or service you have with us. This information can include: <ul style="list-style-type: none"> • Social Security number and account balances • Transaction history and account transactions • Purchase history and wire transfer instructions
How?	All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information; the reasons Cohen & Steers chooses to share; and whether you can limit this sharing.

Reasons we can share your personal information	Does Cohen & Steers share?	Can you limit this sharing?
For our everyday business purposes— such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or reports to credit bureaus	Yes	No
For our marketing purposes— to offer our products and services to you	Yes	No
For joint marketing with other financial companies—	No	We don't share
For our affiliates' everyday business purposes— information about your transactions and experiences	No	We don't share
For our affiliates' everyday business purposes— information about your creditworthiness	No	We don't share
For our affiliates to market to you—	No	We don't share
For non-affiliates to market to you—	No	We don't share

Questions? Call 800.330.7348

COHEN & STEERS PREFERRED SECURITIES AND INCOME SMA SHARES, INC.

Cohen & Steers Privacy Policy—(Continued)

Who we are

Who is providing this notice?	Cohen & Steers Capital Management, Inc., Cohen & Steers Asia Limited, Cohen & Steers Japan, LLC, Cohen & Steers UK Limited, Cohen & Steers Securities, LLC, Cohen & Steers Private Funds and Cohen & Steers Open and Closed-End Funds (collectively, Cohen & Steers).
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What we do

How does Cohen & Steers protect my personal information?	To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings. We restrict access to your information to those employees who need it to perform their jobs, and also require companies that provide services on our behalf to protect your information.
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How does Cohen & Steers collect my personal information?	We collect your personal information, for example, when you: <ul style="list-style-type: none">• Open an account or buy securities from us• Provide account information or give us your contact information• Make deposits or withdrawals from your account We also collect your personal information from other companies.
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Why can't I limit all sharing?	Federal law gives you the right to limit only: <ul style="list-style-type: none">• sharing for affiliates' everyday business purposes—information about your creditworthiness• affiliates from using your information to market to you• sharing for non-affiliates to market to you State law and individual companies may give you additional rights to limit sharing.
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Definitions

Affiliates	Companies related by common ownership or control. They can be financial and nonfinancial companies. <ul style="list-style-type: none">• <i>Cohen & Steers does not share with affiliates.</i>
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Non-affiliates	Companies not related by common ownership or control. They can be financial and nonfinancial companies. <ul style="list-style-type: none">• <i>Cohen & Steers does not share with non-affiliates.</i>
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Joint marketing	A formal agreement between non-affiliated financial companies that together market financial products or services to you. <ul style="list-style-type: none">• <i>Cohen & Steers does not jointly market.</i>
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COHEN & STEERS PREFERRED SECURITIES AND INCOME SMA SHARES, INC.

OFFICERS AND DIRECTORS

Robert H. Steers
Director and Chairman
Joseph M. Harvey
Director and Vice President
Michael G. Clark
Director
George Grossman
Director
Dean A. Junkans
Director
Gerald J. Maginnis
Director
Jane F. Magpiong
Director
Daphne L. Richards
Director
C. Edward Ward, Jr.
Director
Adam M. Derechin
President and Chief Executive Officer
William F. Scapell
Vice President
Elaine Zaharis-Nikas
Vice President
Dana A. DeVivo
Secretary and Chief Legal Officer
James Giallanza
Chief Financial Officer
Albert Laskaj
Treasurer
Lisa D. Phelan
Chief Compliance Officer

KEY INFORMATION

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NASDAQ Symbol: Class A—PISHX
Website: cohenandsteers.com

This report is authorized for delivery only to shareholders of Cohen & Steers Preferred Securities and Income SMA Shares, Inc. unless accompanied or preceded by the delivery of a currently effective prospectus setting forth details of the Fund. Performance data quoted represent past performance. Past performance is no guarantee of future results and your investment may be worth more or less at the time you sell your shares.