

Cohen & Steers Select Preferred & Income Fund, Inc.  
Form N-CSRS  
September 08, 2016

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 811-22455

Cohen & Steers Select Preferred and 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: June 30, 2016

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**Item 1. Reports to Stockholders.**

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**COHEN & STEERS SELECT PREFERRED AND INCOME FUND, INC.**

To Our Shareholders:

We would like to share with you our report for the six months ended June 30, 2016. The net asset value (NAV) at that date was \$26.65 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 period end, the Fund's closing price on the NYSE was \$26.84.

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

	Six Months Ended June 30, 2016
Cohen & Steers Select Preferred and Income Fund at NAV <sup>a</sup>	3.71%
Cohen & Steers Select Preferred and Income Fund at Market Value <sup>a</sup>	12.17%
BofA Merrill Lynch Fixed-Rate Preferred Securities Index <sup>b</sup>	5.09%
Blended Benchmark 50% BofA Merrill Lynch U.S. Capital Securities Index/50% BofA Merrill Lynch Fixed-Rate Preferred Securities Index <sup>b</sup>	4.42%
Barclays Capital U.S. Aggregate Bond Index <sup>b</sup>	5.29%

*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](http://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.*

<sup>a</sup> As a closed-end investment company, the price of the Fund's NYSE-traded shares will be set by market forces and can deviate from the NAV per share of the Fund.

<sup>b</sup> The BofA Merrill Lynch Fixed-Rate Preferred Securities Index tracks the performance of fixed-rate U.S. dollar-denominated preferred securities issued in the U.S. domestic market. The BofA Merrill Lynch U.S. Capital Securities Index is a subset of the BofA Merrill Lynch U.S. Corporate Index including all fixed-to-floating rate, perpetual callable and capital securities. The Barclays Capital U.S. Aggregate Bond Index is a broad-market measure of the U.S. dollar-denominated investment-grade fixed-rate taxable bond market. The index includes Treasuries, government-related and corporate securities, mortgage-backed securities, asset-backed securities, and commercial mortgage-backed securities. Benchmark returns are shown for comparative purposes only and may not be representative of the Fund's portfolio. The Fund's benchmarks do not include below-investment-grade securities.

## **COHEN & STEERS SELECT PREFERRED AND INCOME FUND, INC.**

The Fund makes regular monthly 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 net 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.

### **Market Review**

Preferred securities had positive returns for the six-month period ended June 30, 2016, in a broadly favorable environment for fixed income securities. Conditions were initially difficult for credit-sensitive issues, amid plummeting oil prices and disappointing global economic data. As oil moved steadily up from mid-February lows and U.S. data firmed, these trends reversed, sending equity and debt markets higher.

The monetary policy backdrop was broadly supportive. The European Central Bank announced additional quantitative easing measures that went beyond expectations, and the U.S. Federal Reserve, which had modestly raised interest rates in late 2015, took a more dovish tone, citing global growth risks.

Preferreds were also supported by the ongoing improvements in the financial profiles of banks (the main issuers of preferreds), due to mandated higher capital levels. In June, U.S. banks passed the Federal Reserve's widely anticipated annual stress test, receiving passing marks for both the quantitative and qualitative parts of the tests. In a sign of the strength of banks' balance sheets, the Fed gave the banks permission to return more capital to shareholders.

Financial markets encountered turmoil late in the period when the U.K. electorate voted to withdraw from the European Union, contrary to expectations. The so-called Brexit news spurred a sharp selloff in global equity markets and a rally in assets perceived to be safe, including sovereign bonds, as investors weighed the global economic ramifications. Global equity markets bounced back in the week following Brexit as the initial shock wore off, but sovereign yields remained near historically low levels and in some cases were in negative territory.

### *Fund Performance*

The Fund had a positive total return in the period and outperformed its blended benchmark on a market price basis but underperformed on a NAV basis. Security selection in the banking sector detracted from relative performance, due largely to our out-of-index positions in certain European issues that underperformed. These included contingent capital securities (CoCos), a relatively new form of Tier 1 capital issued so far mainly by European banks.

## **COHEN & STEERS SELECT PREFERRED AND INCOME FUND, INC.**

As a group, CoCos had only a slightly positive return during the period. The group often, though not always, trades in sync with European bank stocks, which fell sharply in the first quarter and again following the Brexit vote.

From a general perspective, our early-year underweight in exchange-traded preferreds hindered relative performance, as the group outpaced the much broader market of over-the-counter (OTC) preferred issues. While positive for the period, the OTC market is geographically diverse and was more affected by the elevated European credit volatility that emerged in the period.

Factors that helped relative performance included our security selection in the insurance sector, where we did not own an issue from Chubb that had a significant decline. Our overweight and security selection in the real estate sector, which outpaced the wider preferreds market, modestly contributed to performance. Real Estate Investment Trust (REIT) preferred and common shares were aided by continued strong fundamentals for commercial real estate across most property types and REITs' perceived relative insulation from the U.K. and European economies. Elsewhere of note, we held issues from General Electric that also aided relative performance.

### *Impact of Leverage on Fund Performance*

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), significantly contributed to the Fund's performance during the six-month period ended June 30, 2016.

### *Impact of Derivatives on Fund Performance*

In connection with its use of leverage, the Fund pays interest on borrowings based on a floating rate under the terms of its credit agreement. To reduce the impact that an increase in interest rates could have on the performance of the Fund with respect to these borrowings, the Fund used interest rate swaps to exchange a significant portion of the floating rate payment for a fixed rate payment. During the six-month period ended June 30, 2016, the Fund's use of swaps significantly detracted from the Fund's performance.

The Fund also used derivatives in the form of currency options for hedging purposes, as well as forward foreign currency exchange contracts for managing currency risk on certain Fund positions denominated in foreign currencies. These contracts individually did not have a material effect on the Fund's total return during the six-month period ended June 30, 2016.

**COHEN & STEERS SELECT PREFERRED AND INCOME FUND, 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](http://cohenandsteers.com)

For more information about the Cohen & Steers family of mutual funds, visit [cohenandsteers.com](http://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 invests in major real asset categories including real estate securities, listed infrastructure, commodities and natural resource equities, as well as preferred securities and other income solutions.

**COHEN & STEERS SELECT PREFERRED AND 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 June 30, 2016, leverage represented 29% of the Fund's managed assets.

It has been our philosophy to utilize interest rate swap transactions to seek to reduce the interest rate risk inherent in our utilization of leverage. Considering that the Fund's borrowings have variable interest rate payments, we seek to lock in those rates on a significant portion of this additional capital through interest rate swap agreements (where we effectively convert our variable rate obligations to fixed rate obligations for the term of the swap agreements). 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 a portion of the Fund's leveraging costs for the term of the swap agreements partially protects the Fund's expenses from an increase in short-term interest rates.

Leverage Facts<sup>a,b</sup>

Leverage (as a % of managed assets)	29%
% Fixed Rate	78%
% Variable Rate	22%
Weighted Average Rate on Swaps	0.8%
Weighted Average Term on Swaps	4.3 years
Current Rate on Debt	1.3%

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 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 shareholders. On the other hand, to the extent that the total cost of leverage exceeds the incremental income gained from employing such leverage, 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 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 shareholders. There can be no assurance that a leveraging strategy will be successful during any period in which it is employed.

<sup>a</sup> Data as of June 30, 2016. Information is subject to change.

<sup>b</sup> See Note 7 in Notes to Financial Statements.

**COHEN & STEERS SELECT PREFERRED AND INCOME FUND, INC.**

June 30, 2016

Top Ten Holdings<sup>a</sup>  
(Unaudited)

Security	Value	% of Managed Assets
General Electric Co., 5.00%, Series D	\$16,508,427	3.7
Farm Credit Bank of Texas, 10.00%, Series I	11,878,125	2.6
HSBC Capital Funding LP, 10.176%, 144A (United Kingdom)	11,167,750	2.5
Rabobank Nederland, 11.00%, 144A (Netherlands)	10,885,875	2.4
Centaur Funding Corp., 9.08%, due 4/21/20, 144A (Cayman Islands)	8,871,094	2.0
Wells Fargo & Co., 7.98%, Series K	8,746,625	2.0
Emera, 6.75%, due 6/15/76, Series 16-A (Canada)	8,736,551	1.9
MetLife Capital Trust X, 9.25%, due 4/8/38, 144A	7,697,578	1.7
Meiji Yasuda Life Insurance Co., 5.20%, due 10/20/45, 144A (Japan)	7,571,025	1.7
JPMorgan Chase & Co., 6.75%, Series S	7,414,312	1.7

<sup>a</sup> 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 SELECT PREFERRED AND INCOME FUND, INC.**

## SCHEDULE OF INVESTMENTS†

June 30, 2016 (Unaudited)

		Number of Shares	Value
PREFERRED SECURITIES \$25 PAR VALUE	44.0%		
BANKS	16.0%		
Bank of America Corp., 6.20%, Series CC		79,557	\$ 2,088,371
Bank of America Corp., 6.00%, Series EE		94,000	2,447,760
Bank of America Corp., 6.50%, Series Y		129,755	3,518,956
BB&T Corp., 5.625%		43,625	1,151,700
Citigroup, 7.125%, Series J		79,953	2,303,446
Citigroup, 6.875%, Series K		83,175	2,366,329
Citigroup, 6.30%, Series S		90,602	2,419,073
Countrywide Capital IV, 6.75%, due 4/1/33		50,612	1,303,259
Farm Credit Bank of Texas, 6.75%, 144A <sup>a</sup>		40,000	4,173,752
Fifth Third Bancorp, 6.625%, Series I		37,119	1,125,819
First Niagara Financial Group, 8.625%, Series B		80,000	2,106,400
First Republic Bank, 5.50%		35,305	928,522
First Republic Bank, 5.50%, Series G		69,356	1,818,514
Huntington Bancshares, 6.25%, Series D		183,950	4,957,453
JPMorgan Chase & Co., 6.125%, Series Y		100,000	2,680,000
PNC Financial Services Group, 6.125%, Series P		80,000	2,423,200
PrivateBancorp, 7.125%, due 10/30/42		43,309	1,141,192
Regions Financial Corp., 6.375%, Series B		73,000	2,053,490
US Bancorp, 6.50%, Series F		51,433	1,584,136
Wells Fargo & Co., 6.625%		40,564	1,207,185
Wells Fargo & Co., 5.50%, Series X		100,000	2,578,000
Zions Bancorp, 7.90%, Series F		176,458	4,734,368
			51,110,925
BANKS FOREIGN	1.0%		

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HSBC Holdings PLC, 8.00%, Series 2 (United Kingdom)	60,000	1,591,800
National Westminster Bank PLC, 7.763%, Series C (United Kingdom)	55,355	1,440,891
		3,032,691
ELECTRIC	3.2%	
INTEGRATED ELECTRIC	1.7%	
DTE Energy Co., 5.375%, due 6/1/76, Series B	120,000	3,122,400
Integrus Holdings, 6.00%, due 8/1/73	87,832	2,376,953
		5,499,353

See accompanying notes to financial statements.

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**COHEN & STEERS SELECT PREFERRED AND INCOME FUND, INC.**SCHEDULE OF INVESTMENTS<sup>†</sup> (Continued)

June 30, 2016 (Unaudited)

		Number of Shares	Value
<b>REGULATED ELECTRIC</b>	<b>1.5%</b>		
Southern Co./The, 6.25%, due 10/15/75		172,000	\$ 4,795,360
<b>TOTAL ELECTRIC</b>			<b>10,294,713</b>
<b>FINANCIAL</b>	<b>4.8%</b>		
<b>DIVERSIFIED FINANCIAL SERVICES</b>	<b>1.5%</b>		
KKR & Co. LP, 6.75%, Series A		88,000	2,359,280
State Street Corp., 5.35%, Series G		92,375	2,479,345
			<b>4,838,625</b>
<b>INVESTMENT BANKER/BROKER</b>	<b>3.3%</b>		
Charles Schwab Corp./The, 5.95%, Series D		146,750	3,938,770
Morgan Stanley, 6.875%		123,526	3,550,137
Morgan Stanley, 6.375%, Series I		115,000	3,110,750
			<b>10,599,657</b>
<b>TOTAL FINANCIAL</b>			<b>15,438,282</b>
<b>INDUSTRIALS CHEMICALS</b>	<b>2.5%</b>		
CHS, 6.75%		72,040	2,053,140
CHS, 7.50%, Series 4		31,846	915,254
CHS, 7.10%, Series II		165,962	4,829,494
			<b>7,797,888</b>
<b>INSURANCE</b>	<b>5.8%</b>		
<b>MULTI-LINE</b>	<b>1.1%</b>		
Hartford Financial Services Group, 7.875%, due 4/15/42		41,793	1,316,898
WR Berkley Corp., 5.75%, due 6/1/56		89,350	2,267,703
			<b>3,584,601</b>
<b>MULTI-LINE FOREIGN</b>	<b>2.3%</b>		
ING Groep N.V., 7.05% (Netherlands)		99,064	2,612,318
ING Groep N.V., 7.20% (Netherlands)		50,000	1,317,000
PartnerRe Ltd., 6.50%, Series G (Bermuda)		79,000	2,289,420
PartnerRe Ltd., 7.25%, Series H (Bermuda)		36,671	1,104,897
			<b>7,323,635</b>
<b>PROPERTY CASUALTY FOREIGN</b>	<b>0.7%</b>		
		87,000	2,184,570

Validus Holdings Ltd., 5.875%,  
Series A (Bermuda)

See accompanying notes to financial statements.

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**COHEN & STEERS SELECT PREFERRED AND INCOME FUND, INC.**SCHEDULE OF INVESTMENTS<sup>†</sup> (Continued)

June 30, 2016 (Unaudited)

		Number of Shares	Value
<b>REINSURANCE</b>	<b>0.7%</b>		
Reinsurance Group of America, 5.75%, due 6/15/56		88,000	\$ 2,393,600
<b>REINSURANCE FOREIGN</b>	<b>1.0%</b>		
Aspen Insurance Holdings Ltd., 5.95% (Bermuda)		50,000	1,420,500
Aspen Insurance Holdings Ltd., 7.25% (Bermuda)		65,892	1,736,254
			3,156,754
<b>TOTAL INSURANCE</b>			<b>18,643,160</b>
<b>INTEGRATED TELECOMMUNICATIONS SERVICES</b>	<b>1.4%</b>		
Qwest Corp., 7.00%, due 4/1/52		58,323	1,518,148
Qwest Corp., 7.375%, due 6/1/51		80,495	2,142,777
Qwest Corp., 7.50%, due 9/15/51		35,000	904,050
			4,564,975
<b>REAL ESTATE DIVERSIFIED</b>	<b>5.7%</b> <b>2.8%</b>		
National Retail Properties, 6.625%, Series D		43,192	1,131,630
Retail Properties of America, 7.00%		79,500	2,083,695
VEREIT, 6.70%, Series F		170,372	4,412,635
Vornado Realty Trust, 6.625%, Series I		50,000	1,317,000
			8,944,960
<b>HOTEL</b>	<b>0.6%</b>		
Chesapeake Lodging Trust, 7.75%, Series A		75,000	1,977,750
<b>RESIDENTIAL MANUFACTURED HOME</b>	<b>0.8%</b>		
Equity Lifestyle Properties, 6.75%, Series C		47,378	1,254,096
UMH Properties, 8.25%, Series A		50,000	1,304,500
			2,558,596
<b>SHOPPING CENTERS</b>	<b>1.5%</b>		
<b>COMMUNITY CENTER</b>	<b>0.6%</b>		
WP GLIMCHER, 6.875%, Series I		69,100	1,791,072
<b>REGIONAL MALL</b>	<b>0.9%</b>		
CBL & Associates Properties, 7.375%, Series D		54,608	1,361,377

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CBL & Associates Properties, 6.625%, Series E	57,291	1,414,515
		2,775,892
TOTAL SHOPPING CENTERS		4,566,964
TOTAL REAL ESTATE		18,048,270

See accompanying notes to financial statements.

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**COHEN & STEERS SELECT PREFERRED AND INCOME FUND, INC.**SCHEDULE OF INVESTMENTS<sup>†</sup> (Continued)

June 30, 2016 (Unaudited)

		Number of Shares	Value
<b>TECHNOLOGY SOFTWARE</b>	<b>0.7%</b>		
eBay, 6.00%, due 2/1/56		87,200	\$ 2,316,904
<b>UTILITIES</b>	<b>2.9%</b>		
NextEra Energy Capital Holdings, 5.25%, due 6/1/76, Series K		128,861	3,310,439
SCE Trust III, 5.75%		41,100	1,191,900
SCE Trust IV, 5.375%, Series J		92,000	2,564,040
SCE Trust V, 5.45%, Series K		79,600	2,272,580
			9,338,959
<b>TOTAL PREFERRED SECURITIES \$25 PAR VALUE</b> (Identified cost \$129,032,077)			140,586,767
<b>PREFERRED SECURITIES CAPITAL SECURITIES</b>	<b>91.1%</b>		
<b>BANKS</b>	<b>28.0%</b>		
AgriBank FCB, 6.875%		26,000	2,743,814
Bank of America Corp., 6.30%, Series DD		2,400,000	2,556,000
Bank of America Corp., 6.50%, Series Z		6,314,000	6,732,302
Citigroup, 6.125%, Series R		2,026,000	2,058,923
Citigroup, 6.25%, Series T		3,850,000	3,960,687
Citigroup Capital III, 7.625%, due 12/1/36		4,115,000	5,271,237
CoBank ACB, 6.25%, 144A <sup>a</sup>		25,000	2,592,188
CoBank ACB, 6.125%, Series G		25,000	2,380,470
CoBank ACB, 6.25%, Series I		2,734,000	2,889,354
Countrywide Capital III, 8.05%, due 6/15/27, Series B <sup>b</sup>		1,815,000	2,305,607
Farm Credit Bank of Texas, 10.00%, Series I		10,000	11,878,125
Goldman Sachs Capital I, 6.345%, due 2/15/34		1,250,000	1,473,079
Huntington Bancshares, 8.50%, Series A (Convertible)		3,712	5,233,920
JPMorgan Chase & Co., 7.90%, Series I		6,075,000	6,204,094
		6,725,000	7,414,312



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JPMorgan Chase & Co., 6.75%, Series S		
JPMorgan Chase & Co., 5.30%, Series Z	2,100,000	2,097,375
PNC Financial Services Group, 6.75%	4,500,000	5,028,300
Sovereign Real Estate Investment Trust, 12.00%, 144A <sup>a</sup>	1,500	1,910,625
US Bancorp, 5.125%, Series I	1,253,000	1,290,590
Wells Fargo & Co., 7.98%, Series K	8,350,000	8,746,625

See accompanying notes to financial statements.

**COHEN & STEERS SELECT PREFERRED AND INCOME FUND, INC.**SCHEDULE OF INVESTMENTS<sup>†</sup> (Continued)

June 30, 2016 (Unaudited)

	Number of Shares	Value
Wells Fargo & Co., 5.875%, Series U	4,250,000	\$ 4,536,875
		89,304,502
<b>BANKS FOREIGN</b>	<b>23.8%</b>	
Allied Irish Banks PLC, 7.375%, Series EMTN (EUR) (Ireland)	1,800,000	1,763,337
Australia & New Zealand Banking Group Ltd./ United Kingdom, 6.75%, 144A (Australia) <sup>a</sup>	3,200,000	3,309,590
Banco Bilbao Vizcaya Argentaria SA, 8.875% (EUR) (Spain)	3,400,000	3,737,851
Banco Bilbao Vizcaya Argentaria SA, 9.00% (Spain)	2,200,000	2,200,860
Bank of Ireland, 7.375% (EUR) (Ireland)	2,000,000	2,065,977
Barclays PLC, 8.25% (United Kingdom)	3,193,000	3,135,207
BNP Paribas, 7.195%, 144A (France) <sup>a</sup>	1,950,000	2,110,875
BNP Paribas SA, 7.625%, 144A (France) <sup>a</sup>	2,200,000	2,205,500
Cooperatieve Rabobank UA, 6.625% (EUR) (Netherlands)	1,000,000	1,115,281
Credit Agricole SA, 8.125%, 144A (France) <sup>a</sup>	3,650,000	3,643,769
Credit Suisse Group AG, 7.50%, 144A (Switzerland) <sup>a</sup>	1,887,000	1,905,757
Dresdner Funding Trust I, 8.151%, due 6/30/31, 144A (Germany) <sup>a</sup>	3,007,869	3,513,191
HSBC Capital Funding LP, 10.176%, 144A (United Kingdom) <sup>a</sup>	7,750,000	11,167,750
HSBC Holdings PLC, 6.875% (United Kingdom)	2,800,000	2,793,000
	4,837,000	4,740,260

Lloyds Banking Group PLC, 7.50% (United Kingdom)		
Nationwide Building Society, 10.25%, due 12/6/99 (GBP) (United Kingdom)	2,460,000	4,055,080
Rabobank Nederland, 11.00%, 144A (Netherlands) <sup>a</sup>	9,100,000	10,885,875
Royal Bank of Scotland Group PLC, 7.50% (United Kingdom)	1,900,000	1,743,250
Royal Bank of Scotland Group PLC, 7.648% (United Kingdom)	2,277,000	2,698,245
Royal Bank of Scotland Group PLC, 8.00% (United Kingdom)	2,000,000	1,870,000
UBS Group AG, 6.875% (Switzerland)	2,800,000	2,747,500

See accompanying notes to financial statements.

**COHEN & STEERS SELECT PREFERRED AND INCOME FUND, INC.**SCHEDULE OF INVESTMENTS<sup>†</sup> (Continued)

June 30, 2016 (Unaudited)

		Number of Shares	Value
UBS Group AG, 7.00% (Switzerland)		1,000,000	\$ 1,017,436
UBS Group AG, 7.125% (Switzerland)		1,500,000	1,495,005
			75,920,596
FINANCIAL DIVERSIFIED FINANCIAL SERVICES	0.5%		
National Rural Utilities Cooperative Finance Corp., 5.25%, due 4/20/46		1,680,000	1,723,329
INDUSTRIALS DIVERSIFIED MANUFACTURING	5.2%		
General Electric Co., 5.00%, Series D		15,541,000	16,508,427
INSURANCE	24.4%		
LIFE/HEALTH INSURANCE	7.6%		
MetLife, 5.25%, Series C		2,598,000	2,585,010
MetLife Capital Trust IV, 7.875%, due 12/15/37, 144A <sup>a</sup>		5,450,000	6,526,375
MetLife Capital Trust X, 9.25%, due 4/8/38, 144A <sup>a</sup>		5,599,000	7,697,578
Prudential Financial, 5.625%, due 6/15/43		6,168,000	6,439,824
Prudential Financial, 5.875%, due 9/15/42		1,088,000	1,177,760
			24,426,547
LIFE/HEALTH INSURANCE FOREIGN	10.4%		
Cloverie PLC for Zurich Insurance Co., Ltd., 5.625%, due 6/24/46 (Ireland)		2,200,000	2,330,625
Demeter BV (Swiss Re Ltd.), 5.625%, due 8/15/52 (Netherlands)		2,000,000	2,041,320
Demeter BV (Swiss Re Ltd.), 5.75%, due 8/15/50 (Netherlands)		2,300,000	2,382,064
Fukoku Mutual Life Insurance Co., 5.00% (Japan)		1,000,000	1,057,300
La Mondiale Vie, 7.625% (France)		3,100,000	3,284,078
Meiji Yasuda Life Insurance Co., 5.20%, due 10/20/45,		6,900,000	7,571,025

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144A (Japan) <sup>a</sup> Nippon Life Insurance Co., 4.70%, due 1/20/46,		
144A (Japan) <sup>a</sup>	6,200,000	6,545,836
Nippon Life Insurance Co., 5.10%, due 10/16/44,		
144A (Japan) <sup>a</sup>	2,000,000	2,154,732
Prudential PLC, 7.75% (United Kingdom)	1,650,000	1,687,389
Sumitomo Life Insurance Co., 6.50%, due 9/20/73,		
144A (Japan) <sup>a</sup>	3,500,000	4,095,000
		33,149,369

See accompanying notes to financial statements.

**COHEN & STEERS SELECT PREFERRED AND INCOME FUND, INC.**SCHEDULE OF INVESTMENTS<sup>†</sup> (Continued)

June 30, 2016 (Unaudited)

		Number of Shares	Value
<b>MULTI-LINE FOREIGN</b>	<b>2.0%</b>		
AXA SA, 8.60%, due 12/15/30 (France)		1,400,000	\$ 1,925,000
AXA SA, 6.463%, 144A (France) <sup>a</sup>		2,250,000	2,348,887
Cloverie PLC, 8.25% (Switzerland)		2,000,000	2,171,750
			6,445,637
<b>PROPERTY CASUALTY</b>	<b>1.1%</b>		
Liberty Mutual Group, 7.80%, due 3/7/37, 144A <sup>a</sup>		3,200,000	3,496,000
<b>PROPERTY CASUALTY FOREIGN</b>	<b>2.1%</b>		
Mitsui Sumitomo Insurance Co., Ltd., 7.00%, due 3/15/72, 144A (Japan) <sup>a</sup>		1,100,000	1,321,375
QBE Insurance Group Ltd., 6.75%, due 12/2/44 (Australia)		2,051,000	2,197,134
QBE Insurance Group Ltd., 5.875%, due 6/17/46, Series EMTN (Australia)		1,600,000	1,630,389
RL Finance Bonds No. 3 PLC, 6.125%, due 11/13/28 (GBP) (United Kingdom)		900,000	1,229,576
Sompo Japan Nipponkoa Insurance, 5.325%, due 3/28/73, 144A (Japan) <sup>a</sup>		400,000	438,800
			6,817,274
<b>REINSURANCE FOREIGN</b>	<b>1.2%</b>		
Aquarius + Investments PLC, 8.25% (Switzerland)		3,510,000	3,726,265
<b>TOTAL INSURANCE</b>			<b>78,061,092</b>
<b>INTEGRATED TELECOMMUNICATIONS SERVICES</b>	<b>2.8%</b>		
Centaur Funding Corp., 9.08%, due 4/21/20, 144A (Cayman Islands) <sup>a</sup>		7,500	8,871,094
<b>MATERIAL METALS &amp; MINING</b>	<b>1.6%</b>		
BHP Billiton Finance USA Ltd., 6.75%, due 10/19/75, 144A (Australia) <sup>a</sup>		4,800,000	5,106,000
<b>PIPELINES</b>	<b>0.1%</b>		

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Transcanada Trust, 5.625%, due 5/20/75 (Canada)		390,000	360,750
UTILITIES	4.7%		
ELECTRIC UTILITIES	0.2%		
NextEra Energy Capital Holdings, 7.30%, due 9/1/67, Series D		632,000	605,140

See accompanying notes to financial statements.

**COHEN & STEERS SELECT PREFERRED AND INCOME FUND, INC.**SCHEDULE OF INVESTMENTS<sup>†</sup> (Continued)

June 30, 2016 (Unaudited)

		Number of Shares	Value
<b>ELECTRIC UTILITIES</b>	<b>4.5%</b>		
Emera, 6.75%, due 6/15/76, Series 16-A (Canada)		8,600,000	\$ 8,736,551
Enel SpA, 8.75%, due 9/24/73, 144A (Italy) <sup>a</sup>		5,047,000	5,759,889
			14,496,440
<b>TOTAL UTILITIES</b>			<b>15,101,580</b>
<b>TOTAL PREFERRED SECURITIES CAPITAL SECURITIES</b>			
(Identified cost \$273,902,341)			290,957,370
		Principal Amount	
<b>CORPORATE BONDS INSURANCE-PROPERTY CASUALTY</b>	<b>1.9%</b>		
Liberty Mutual Insurance, 7.697%, due 10/15/97, 144A <sup>a</sup>		\$ 4,829,000	6,191,290
<b>TOTAL CORPORATE BONDS</b>			<b>6,191,290</b>
(Identified cost \$4,343,371)			
		Number of Shares	
<b>SHORT-TERM INVESTMENTS MONEY MARKET FUNDS</b>	<b>1.0%</b>		
State Street Institutional Treasury Money Market Fund, 0.14% <sup>c</sup>		3,200,000	3,200,000
<b>TOTAL SHORT-TERM INVESTMENTS</b>			<b>3,200,000</b>
(Identified cost \$3,200,000)			
<b>TOTAL INVESTMENTS</b>			
(Identified cost \$410,477,789)	138.0%		440,935,427
<b>LIABILITIES IN EXCESS OF OTHER ASSETS</b>	<b>(38.0)</b>		<b>(121,441,096)</b>
<b>NET ASSETS (Equivalent to \$26.65 per share based on 11,990,329 shares of common stock outstanding)</b>	<b>100.0%</b>		<b>\$ 319,494,331</b>

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



† Securities held by the Fund are subject to a lien, granted to the lender, to the extent of the borrowing outstanding in connection with the Fund's revolving credit agreement.

<sup>a</sup> Resale is restricted to qualified institutional investors. Aggregate holdings equal 36.2% of the net assets of the Fund, of which 0.0% are illiquid.

See accompanying notes to financial statements.

**COHEN & STEERS SELECT PREFERRED AND INCOME FUND, INC.**SCHEDULE OF INVESTMENTS<sup>†</sup> (Continued)

June 30, 2016 (Unaudited)

<sup>b</sup> A portion of the security is segregated as collateral for open forward foreign currency exchange contracts. \$851,106 in aggregate has been segregated as collateral.

<sup>c</sup> Rate quoted represents the annualized seven-day yield of the Fund.

Centrally cleared interest rate swap contracts outstanding at June 30, 2016 were as follows:

Clearinghouse	Notional Amount	Fixed Rate Payable	Floating Rate (resets monthly) Receivable <sup>a</sup>	Termination Date	Unrealized Depreciation
CME Group, Inc.	\$33,000,000	1.049%	0.459%	October 29, 2019	\$ (446,521)
CME Group, Inc.	34,000,000	1.231%	0.459%	October 29, 2020	(706,079)
CME Group, Inc.	33,000,000	1.395%	0.459%	October 29, 2021	(935,600)
					\$(2,088,200)

<sup>a</sup> Based on LIBOR (London Interbank Offered Rate). Represents rates in effect at June 30, 2016.

Forward foreign currency exchange contracts outstanding at June 30, 2016 were as follows:

Counterparty	Contracts to Deliver	In Exchange For	Settlement Date	Unrealized Appreciation (Depreciation)
Brown Brothers Harriman	EUR 8,537,225	USD 9,515,839	7/5/16	\$ 41,655
Brown Brothers Harriman	GBP 4,467,372	USD 6,501,786	7/5/16	554,600
Brown Brothers Harriman	USD 5,973,189	GBP 4,467,372	7/5/16	(26,003)
Brown Brothers Harriman	USD 9,482,552	EUR 8,537,225	7/5/16	(8,368)
Brown Brothers Harriman	EUR 7,808,853	USD 8,681,266	8/2/16	6,530
Brown Brothers Harriman	GBP 3,945,994	USD 5,276,228	8/2/16	21,863
				\$ 590,277

## Glossary of Portfolio Abbreviations

EUR Euro Currency  
GBP Great British Pound

USD United States Dollar

See accompanying notes to financial statements.

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**COHEN & STEERS SELECT PREFERRED AND INCOME FUND, INC.**

## STATEMENT OF ASSETS AND LIABILITIES

June 30, 2016 (Unaudited)

**ASSETS:**

Investments in securities, at value (Identified cost \$410,477,789)	\$440,935,427
Cash	3,407,217
Cash collateral pledged for centrally cleared interest rate swap contracts	1,427,452
Foreign currency, at value (Identified cost \$12,835)	12,856
Receivable for:	
Dividends and interest	3,627,113
Investment securities sold	722,825
Unrealized appreciation on forward foreign currency exchange contracts	624,648
Other assets	16,620
<b>Total Assets</b>	<b>450,774,158</b>

**LIABILITIES:**

Unrealized depreciation on forward foreign currency exchange contracts	34,371
Payable for:	
Revolving credit agreement	129,000,000
Investment securities purchased	1,702,747
Investment management fees	257,175
Interest expense	134,649
Administration fees	18,370
Variation margin on centrally cleared interest rate swap contracts	15,498
Directors' fees	348
Other liabilities	116,669
<b>Total Liabilities</b>	<b>131,279,827</b>
<b>NET ASSETS</b>	<b>\$319,494,331</b>
NET ASSETS consist of:	
Paid-in capital	\$286,322,923
Dividends in excess of net investment income	(1,987,350)
Accumulated undistributed net realized gain	6,205,394
Net unrealized appreciation	28,953,364
	<b>\$319,494,331</b>

**NET ASSET VALUE PER SHARE:**

(\$319,494,331 ÷ 11,990,329 shares outstanding)	\$ 26.65
<b>MARKET PRICE PER SHARE</b>	<b>\$ 26.84</b>
<b>MARKET PRICE PREMIUM TO NET ASSET VALUE PER SHARE</b>	<b>0.71%</b>

See accompanying notes to financial statements.

**COHEN & STEERS SELECT PREFERRED AND INCOME FUND, INC.**

## STATEMENT OF OPERATIONS

For the Six Months Ended June 30, 2016 (Unaudited)

Investment Income:	
Interest income	\$ 8,294,174
Dividend income	5,534,543
Total Investment Income	13,828,717
Expenses:	
Investment management fees	1,542,267
Interest expense	807,079
Administration fees	149,850
Professional fees	46,712
Shareholder reporting expenses	29,420
Directors' fees and expenses	13,186
Transfer agent fees and expenses	11,670
Custodian fees and expenses	10,305
Miscellaneous	1,694
Total Expenses	2,612,183
Net Investment Income	11,216,534
Net Realized and Unrealized Gain (Loss):	
Net realized gain (loss) on:	
Investments	6,115,332
Written option contracts	(490,725)
Foreign currency transactions	153,530
Centrally cleared interest rate swap contracts	(406,628)
Net realized gain	5,371,509
Net change in unrealized appreciation (depreciation) on:	
Investments	(2,544,530)
Foreign currency translations	541,692
Centrally cleared interest rate swap contracts	(3,358,755)
Net change in unrealized appreciation (depreciation)	(5,361,593)
Net realized and unrealized gain (loss)	9,916
Net Increase in Net Assets Resulting from Operations	\$ 11,226,450

See accompanying notes to financial statements.

**COHEN & STEERS SELECT PREFERRED AND INCOME FUND, INC.**

## STATEMENT OF CHANGES IN NET ASSETS (Unaudited)

	For the Six Months Ended June 30, 2016	For the Year Ended December 31, 2015
Change in Net Assets:		
From Operations:		
Net investment income	\$ 11,216,534	\$ 23,474,074
Net realized gain	5,371,509	2,360,204
Net change in unrealized appreciation (depreciation)	(5,361,593)	(4,541,735)
Net increase in net assets resulting from operations	11,226,450	21,292,543
Dividends and Distributions to Shareholders from:		
Net investment income	(12,373,198)	(20,875,496)
Net realized gain		(5,429,162)
Total dividends and distributions to shareholders	(12,373,198)	(26,304,658)
Capital Stock Transactions:		
Increase in net assets from Fund share transactions	25,700	
Total decrease in net assets	(1,121,048)	(5,012,115)
Net Assets:		
Beginning of period	320,615,379	325,627,494
End of period <sup>a</sup>	\$ 319,494,331	\$ 320,615,379

<sup>a</sup> Includes dividends in excess of net investment income of \$1,987,350 and \$830,686, respectively.

See accompanying notes to financial statements.

**COHEN & STEERS SELECT PREFERRED AND INCOME FUND, INC.****STATEMENT OF CASH FLOWS**

For the Six Months Ended June 30, 2016 (Unaudited)

Decrease in Cash:	
Cash Flows from Operating Activities:	
Net increase in net assets resulting from operations	\$ 11,226,450
Adjustments to reconcile net increase in net assets resulting from operations to net cash provided by operating activities:	
Purchases of long-term investments	(159,318,335)
Net purchases, sales and maturities of short-term investments	3,717,475
Net amortization of premium investments	403,422
Proceeds from sales and maturities of long-term investments	158,429,502
Net decrease in dividends and interest receivable and other assets	287,400
Net decrease in cash collateral pledged for centrally cleared interest rate swap contracts	43,461
Net decrease in interest expense payable, accrued expenses and other liabilities	(14,334)
Net decrease in payable for variation margin on centrally cleared interest rate swap contracts	(128,430)
Net change in unrealized depreciation on investments	2,544,530
Net change in unrealized appreciation on forward foreign currency exchange contracts	(543,860)
Net realized gain on investments	(6,115,332)
Cash provided by operating activities	10,531,949
Cash Flows from Financing Activities:	
Dividends and distributions paid	(13,917,119)
Decrease in cash	(3,385,170)
Cash at beginning of period (including foreign currency)	6,805,243
Cash at end of period (including foreign currency)	\$ 3,420,073
Supplemental Disclosure of Cash Flow Information:	

During the six months ended June 30, 2016, interest paid was \$801,158.

During the six months ended June 30, 2016, reinvestment of dividends was \$25,700.

See accompanying notes to financial statements.





**COHEN & STEERS SELECT PREFERRED AND INCOME FUND, 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.

Per Share Operating Performance:	For the Six Months Ended		For the Year Ended December 31,			
	June 30, 2016	2015	2014	2013	2012	2011
Net asset value, beginning of period	\$ 26.74	\$27.16	\$26.21	\$27.11	\$22.60	\$23.74
Income (loss) from investment operations:						
Net investment income	0.94 <sup>a</sup>	1.96 <sup>a</sup>	2.07 <sup>a</sup>	2.05 <sup>a</sup>	2.08 <sup>a</sup>	2.03
Net realized and unrealized gain (loss)	0.00 <sup>b</sup>	(0.19)	1.44	(0.68)	4.73	(1.28)
Total from investment operations	0.94	1.77	3.51	1.37	6.81	0.75
Less dividends and distributions to shareholders from:						
Net investment income	(1.03)	(1.74)	(1.99)	(1.89)	(2.10)	(1.81)
Net realized gain		(0.45)	(0.57)	(0.39)	(0.20)	
Return of capital						(0.08)
Total dividends and distributions to shareholders	(1.03)	(2.19)	(2.56)	(2.28)	(2.30)	(1.89)
Offering costs charged to paid-in capital						(0.00) <sup>b</sup>

Anti-dilutive (dilutive) effect from the issuance of reinvested shares	0.00 <sup>b</sup>			0.00 <sup>b</sup>	0.00 <sup>b</sup>	(0.00) <sup>b</sup>
Anti-dilutive effect from the repurchase of shares				0.01		
Net increase (decrease) in net asset value	(0.09)	(0.42)	0.95	(0.90)	4.51	(1.14)
Net asset value, end of period	\$ 26.65	\$ 26.74	\$ 27.16	\$ 26.21	\$ 27.11	\$ 22.60
Market value, end of period	\$ 26.84	\$ 24.90	\$ 25.70	\$ 24.69	\$ 26.76	\$ 21.68
Total net asset value return <sup>c</sup>	3.71% <sup>d</sup>	7.40%	14.43%	5.66%	31.17%	3.20%
Total market value return <sup>c</sup>	12.17% <sup>d</sup>	5.69%	14.94%	0.83%	34.97%	5.35%

See accompanying notes to financial statements.

**COHEN & STEERS SELECT PREFERRED AND INCOME FUND, INC.**

## FINANCIAL HIGHLIGHTS (Unaudited) (Continued)

Ratios/Supplemental Data:	For the Six Months Ended	For the Year Ended December 31,				
	June 30, 2016	2015	2014	2013	2012	2011
Net assets, end of period (in millions)	\$ 319.5	\$320.6	\$325.6	\$314.2	\$325.7	\$271.4
Ratio of expenses to average daily net assets	1.67% <sup>e</sup>	1.60%	1.57%	1.60%	1.71%	1.78%
Ratio of expenses to average daily net assets (excluding interest expense)	1.16% <sup>e</sup>	1.19%	1.16%	1.17%	1.22%	1.28%
Ratio of net investment income to average daily net assets	7.18% <sup>e</sup>	7.22%	7.50%	7.56%	8.19%	8.57%
Ratio of expenses to average daily managed assets <sup>f</sup>	1.19% <sup>e</sup>	1.14%	1.13%	1.14%	1.20%	1.24%
Portfolio turnover rate	37% <sup>d</sup>	31%	28%	41%	42%	48%
Revolving Credit Agreement:						
Asset coverage ratio for credit agreement	348%	349%	352%	344%	353%	310%
Asset coverage per \$1,000 for credit agreement	\$ 3,477	\$3,485	\$3,524	\$3,436	\$3,525	\$3,104

<sup>a</sup> Calculation based on average shares outstanding.

- b Amount is less than \$0.005.
- c Total net asset value return measures the change in net asset value per share over the period indicated. Total market value return is computed based upon the Fund's NYSE market price per share and excludes the effects of brokerage commissions. Dividends and distributions are assumed, for purposes of these calculations, to be reinvested at prices obtained under the Fund's dividend reinvestment plan.
- d Not annualized.
- e Annualized.
- f Average daily managed assets represent net assets plus the outstanding balance of the revolving credit agreement.

See accompanying notes to financial statements.



## COHEN & STEERS SELECT PREFERRED AND INCOME FUND, INC.

### NOTES TO FINANCIAL STATEMENTS (Unaudited)

#### Note 1. Organization and Significant Accounting Policies

Cohen & Steers Select Preferred and Income Fund, Inc. (the Fund) was incorporated under the laws of the State of Maryland on August 16, 2010 and is registered under the Investment Company Act of 1940 (the 1940 Act) as a diversified, closed-end management investment company. The Fund's investment objective is high current income.

The following is a summary of significant accounting policies consistently followed by the Fund in the preparation of its financial statements. The Fund is an investment company and, accordingly, follows the investment company accounting and reporting guidance of the Financial Accounting Standards Board Accounting Standards Codification (ASC) Topic 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 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. Centrally cleared interest rate swaps are valued at the price determined by the relevant exchange or clearinghouse. Over-the-counter interest rate swaps are valued utilizing quotes received from a third-party pricing service. Over-the-counter options are valued based upon prices provided by the respective counterparty.

Securities not listed on the NYSE but listed on other domestic or foreign securities exchanges 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 market, including listed securities whose primary market is believed by Cohen & Steers Capital Management, Inc. (the investment manager) to be over-the-counter, are valued at the last sale price on the valuation date as reported by sources deemed appropriate by the Board of Directors to reflect their fair market value. If there has been no sale on such day, the securities are valued at the mean of the closing bid and ask prices on such day or, if no ask price is available, at the bid price. However, certain fixed-income securities may be 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 manager, pursuant to delegation by the Board of Directors, to reflect the fair market 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 through which quotes from market makers are used to determine fair value. In instances where sufficient market activity may not exist





**COHEN & STEERS SELECT PREFERRED AND INCOME FUND, INC.**

NOTES TO FINANCIAL STATEMENTS (Unaudited) (Continued)

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 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 their closing net asset value.

The policies and procedures approved by the Fund's Board of Directors delegate authority to make fair value determinations to the investment manager, subject to the oversight of the Board of Directors. The investment manager 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 manager 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 net asset value of Fund shares to differ from the net asset value that would be calculated using market quotations. Fair value pricing involves subjective judgments and it is possible that the fair value determined for a security may be materially different than the value that could be realized upon the sale of that security.

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.)

- 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 securities may or may not be an indication of the risk associated with investing in those securities.

**COHEN & STEERS SELECT PREFERRED AND INCOME FUND, INC.**

## NOTES TO FINANCIAL STATEMENTS (Unaudited) (Continued)

For movements between the levels within the fair value hierarchy, the Fund has adopted a policy of recognizing the transfer at the end of the period in which the underlying event causing the movement occurred. Changes in valuation techniques may result in transfers into or out of an assigned level within the disclosure hierarchy. There were no transfers between Level 1 and Level 2 investments as of June 30, 2016.

The following is a summary of the inputs used as of June 30, 2016 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)
<b>Preferred Securities</b>				
<b>\$25 Par Value:</b>				
Banks	\$ 51,110,925	\$ 46,937,173	\$ 4,173,752	\$
Electric Integrated				
Electric	5,499,353	3,122,400	2,376,953	
Other				
Industries	83,976,489	83,976,489		
<b>Preferred Securities</b>				
<b>Capital Securities:</b>				
Banks	89,304,502	5,233,920	84,070,582	
Other				
Industries	201,652,868		201,652,868	
Corporate				
Bonds	6,191,290		6,191,290	
Short-Term				
Investments	3,200,000		3,200,000	
Total				
Investments <sup>a</sup>	\$440,935,427	\$ 139,269,982		