

SECURITIES AND EXCHANGE COMMISSION

FORM N-Q

Quarterly schedule of portfolio holdings of registered management investment company filed on Form N-Q

Filing Date: **2010-06-01** | Period of Report: **2010-03-31**  
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FILER

**COHEN & STEERS REALTY INCOME FUND INC**

CIK: **1041917** | IRS No.: **000000000** | State of Incorporation: **MD** | Fiscal Year End: **1231**  
Type: **N-Q** | Act: **40** | File No.: **811-08287** | Film No.: **10869342**

Mailing Address  
280 PARK AVE  
10TH FLOOR  
NEW YORK NY 10017

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NEW YORK NY 10017  
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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM N-Q

QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED  
MANAGEMENT INVESTMENT COMPANY

Investment Company Act file number 811-08287

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

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

Francis C. Poli  
280 Park Avenue  
New York, NY 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: March 31, 2010

Item 1. Schedule of Investments

COHEN & STEERS REALTY INCOME FUND, INC.

SCHEDULE OF INVESTMENTS  
March 31, 2010 (Unaudited)

	<u>Number of Shares</u>	<u>Value</u>
COMMON STOCK 95.0%		
FINANCIAL-BANK 0.2%		
SJB Escrow Corp., Class A, 144A (a),(b),(c),(d)	44,900	\$ 898,000
REAL ESTATE 94.8%		
DIVERSIFIED 4.9%		

Forest City Enterprises (d)	367,952	5,302,188
Lexington Realty Trust	505,215	3,288,950
Vornado Realty Trust	180,644	13,674,751
		<u>22,265,889</u>
HEALTH CARE 10.5%		
Assisted Living Concepts (d)	72,760	2,389,438
Brookdale Senior Living (d)	421,353	8,776,783
Emeritus Corp. (d)	59,185	1,204,415
HCP	346,454	11,432,982
LTC Properties	122,410	3,312,415
Nationwide Health Properties	185,633	6,525,000
Omega Healthcare Investors	167,200	3,258,728
Senior Housing Properties Trust	204,499	4,529,653
Ventas	140,006	6,647,485
		<u>48,076,899</u>
HOTEL 8.7%		
Chesapeake Lodging Trust (d)	119,020	2,317,319
Gaylord Entertainment Co. (d)	120,802	3,538,290
Hersha Hospitality Trust	796,605	4,126,414
Hospitality Properties Trust	286,187	6,854,179
Host Hotels & Resorts	1,214,272	17,789,085
Strategic Hotels & Resorts (d)	158,100	671,925
Sunstone Hotel Investors (d)	431,718	4,822,290
		<u>40,119,502</u>

	<u>Number of Shares</u>	<u>Value</u>
INDUSTRIAL 5.3%		
EastGroup Properties	112,338	\$ 4,239,636
ProLogis	1,430,532	18,883,023
Segro PLC (United Kingdom)	228,655	1,108,960
		<u>24,231,619</u>
OFFICE 11.3%		
BioMed Realty Trust	66,047	1,092,417
Boston Properties	178,955	13,500,365
BR Properties SA (Brazil)(d)	320,482	2,328,353
Brookfield Properties Corp.	158,704	2,437,694
Douglas Emmett	214,090	3,290,563
DuPont Fabros Technology	97,854	2,112,668
Kilroy Realty Corp.	78,440	2,419,090
Liberty Property Trust	268,428	9,110,446
Mack-Cali Realty Corp.	162,488	5,727,702
SL Green Realty Corp.	171,751	9,836,180
		<u>51,855,478</u>
OFFICE/INDUSTRIAL 1.2%		

	<u>Number of Shares</u>	<u>Value</u>
<b>RESIDENTIAL 15.1%</b>		
<b>APARTMENT 13.7%</b>		
Apartment Investment & Management Co.	252,224	\$ 4,643,444
Associated Estates Realty Corp.	345,508	4,764,555
AvalonBay Communities	102,776	8,874,708
BRE Properties	187,500	6,703,125
Camden Property Trust	159,953	6,658,843
Colonial Properties Trust	243,817	3,140,363
Education Realty Trust	392,340	2,252,032
Equity Residential	265,536	10,395,734
Melcor Developments Ltd. (Canada)	203,113	2,315,806
Post Properties	160,471	3,533,572
UDR	467,039	8,238,568
Unite Group PLC (United Kingdom) <sup>(d)</sup>	288,885	1,131,466
		<u>62,652,216</u>
<b>MANUFACTURED HOME 1.4%</b>		
Equity Lifestyle Properties	94,329	5,082,446
Parkbridge Lifestyles Communities (Canada) <sup>(d)</sup>	269,444	1,472,372
		<u>6,554,818</u>
<b>TOTAL RESIDENTIAL</b>		<u>69,207,034</u>
<b>SELF STORAGE 8.2%</b>		
Extra Space Storage	258,035	3,271,884
Public Storage	276,100	25,398,439
Sovran Self Storage	132,696	4,625,782
U-Store-It Trust	615,235	4,429,692
		<u>37,725,797</u>

	<u>Number of Shares</u>	<u>Value</u>
<b>SHOPPING CENTER 23.5%</b>		
<b>COMMUNITY CENTER 10.7%</b>		
Developers Diversified Realty Corp.	628,241	\$ 7,645,693
Federal Realty Investment Trust	126,006	9,174,497
Kimco Realty Corp.	682,244	10,670,296
Ramco-Gershenson Properties Trust	300,162	3,379,824
Regency Centers Corp.	232,969	8,729,349
Urstadt Biddle Properties	203,010	3,209,588
Weingarten Realty Investors	300,722	6,483,566

		49,292,813
<b>REGIONAL MALL 12.8%</b>		
Macerich Co.	234,375	8,978,906
Simon Property Group	590,856	49,572,819
		<u>58,551,725</u>
<b>TOTAL SHOPPING CENTER</b>		
		<u>107,844,538</u>
<b>SPECIALTY 6.1%</b>		
Digital Realty Trust	65,001	3,523,054
Plum Creek Timber Co.	220,451	8,577,748
Rayonier	257,190	11,684,142
Weyerhaeuser Co.	93,600	4,237,272
		<u>28,022,216</u>
<b>TOTAL REAL ESTATE</b>		
		<u>434,843,885</u>
<b>TOTAL COMMON STOCK (Identified cost-\$314,131,470)</b>		
		<u>435,741,885</u>
<b>PREFERRED SECURITIES-\$25 PAR VALUE 3.9%</b>		
<b>DIVERSIFIED 1.4%</b>		
Capital Lease Funding, 8.125%, Series A	100,000	2,471,000
Forest City Enterprises, 7.375%	60,000	1,290,000
Lexington Realty Trust, 6.50%, Series C (\$50 par value)	35,950	1,356,753
Lexington Realty Trust, 7.55%, Series D	59,250	1,318,313
		<u>6,436,066</u>

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	<u>Number of Shares</u>	<u>Value</u>
<b>HOTEL 0.3%</b>		
Ashford Hospitality Trust, 8.45%, Series D	58,000	\$ 1,278,320
<b>OFFICE 0.3%</b>		
Maguire Properties, 7.625%, Series A (d)	100,020	1,505,301
<b>OFFICE/INDUSTRIAL 0.2%</b>		
PS Business Parks, 7.375%, Series O	44,475	1,069,179
<b>RESIDENTIAL-APARTMENT 0.3%</b>		
Alexandria Real Estate Equities, 7.00%, Series D	60,000	1,366,200
<b>SHOPPING CENTER 1.1%</b>		
<b>COMMUNITY CENTER 0.6%</b>		
Developers Diversified Realty Corp., 8.00%, Series G	110,000	2,648,800
<b>REGIONAL MALL 0.5%</b>		
CBL & Associates Properties, 7.375%, Series D	99,992	2,132,829
<b>TOTAL SHOPPING CENTER</b>		
		<u>4,781,629</u>
<b>SPECIALTY 0.3%</b>		
Entertainment Properties Trust, 9.00%, Series E	50,000	1,306,000
<b>TOTAL PREFERRED SECURITIES-\$25 PAR VALUE</b>		
(Identified cost-\$14,127,860)		<u>17,742,695</u>
<b>SHORT-TERM INVESTMENTS 2.3%</b>		
<b>MONEY MARKET FUNDS</b>		
Federated Government Obligations Fund, 0.02% <sup>(e)</sup>	5,250,038	5,250,038

State Street Institutional Liquid Reserves Fund, 0.13% <sup>(e)</sup>	5,250,193	5,250,193
TOTAL SHORT-TERM INVESTMENTS (Identified cost-\$10,500,231)		10,500,231
TOTAL INVESTMENTS (Identified cost-\$338,759,561)	101.2%	463,984,811
LIABILITIES IN EXCESS OF OTHER ASSETS	(1.2)	(5,596,094)
NET ASSETS	100.0%	\$ 458,388,717

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

- (a) Illiquid security. Aggregate holdings equal 0.2% of net assets of the Fund.
- (b) Fair valued security. This security has been valued at its fair value as determined in good faith under procedures established by and under the general supervision of the Fund's Board of Directors. Aggregate fair value securities represent 0.2% of net assets of the Fund.
- (c) Resale is restricted to qualified institutional investors. Aggregate holdings equal 0.2% of net assets of the Fund.
- (d) Non-income producing security.
- (e) Rate quoted represents the seven day yield of the fund.

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## Cohen & Steers Realty Income Fund, Inc.

### NOTES TO FINANCIAL STATEMENTS

**Note 1. Portfolio Valuation:** Investments in securities that are listed on the New York Stock Exchange are valued, except as indicated below, at the last sale price reflected at the close of the New York Stock Exchange on the business day as of which such value is being determined. If there has been no sale on such day, the securities are valued at the mean of the closing bid and asked prices for the day or, if no asked price is available, at the bid price. Exchange traded options are valued at their last sale price as of the close of options trading on applicable exchanges. In the absence of a last sale, options are valued at the average of the quoted bid and asked prices as of the close of business. Over-the-counter options quotations are provided by the respective counterparty.

Securities not listed on the New York Stock Exchange 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 on the business day as of which such value is being determined as reflected on the tape at the close of the exchange representing the principal market for such securities. 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 foreign securities 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 advisor) to be over-the-counter, are valued at the official closing prices as reported by sources as the Board of Directors deem appropriate to reflect their fair market value. If there has been no sale on such day, the securities are valued at the mean of the closing bid and asked prices for the day, or if no asked price is available, at the bid price. However, certain fixed-income securities may be valued on the basis of prices provided by a pricing service when such prices are believed by the Board of Directors to reflect the fair market value of such securities.

Securities for which market prices are unavailable, or securities for which the advisor determines that the bid and/or asked price does not reflect market value, will be valued at fair value pursuant to procedures approved by the Fund's Board of Directors. Circumstances in which market prices may be unavailable include, but are not limited to, when trading in a security is suspended, the exchange on which the security is traded is subject 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.

**Cohen & Steers Realty Income Fund, Inc.**

**NOTES TO FINANCIAL STATEMENTS - (Continued)**

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

Fair value is defined as the price that the Fund would receive to sell an investment or 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 are not necessarily an indication of the risk associated with investing in those securities.

The following is a summary of the inputs used as of March 31, 2010 in valuing the Fund's investments carried at value:

	<b>Total</b>	<b>Quoted Prices In Active Market for Identical Assets (Level 1)</b>	<b>Significant Other Observable Inputs (Level 2)</b>	<b>Significant Unobservable Inputs (Level 3)</b>
Common Stock -Financial - Bank	\$ 898,000	\$ –	\$ –	\$ 898,000
Common Stock – Real Estate	434,843,885	434,843,885	–	–
Preferred Securities - \$25 Par Value	17,742,695	17,742,695	–	–
Money Market Funds	10,500,231	–	10,500,231	–
<b>Total Investments</b>	<b>\$ 463,984,811</b>	<b>\$ 452,586,580</b>	<b>\$ 10,500,231</b>	<b>\$ 898,000</b>

**NOTES TO FINANCIAL STATEMENTS - (Continued)**

Following is a reconciliation of investments in which significant unobservable inputs (Level 3) were used in determining fair value:

	<b>Investments in Securities</b>
Balance as of December 31, 2009	\$ —
Net purchases	898,000
Balance as of March 31, 2010	\$ 898,000

Investments classified as Level 3 infrequently trade and have significant unobservable inputs. The Level 3 common stock has been fair valued utilizing inputs and assumptions which include book value, recent comparables in similar securities, as well as liquidity and market risk factors.

**Note 2. Income Tax Information**

As of March 31, 2010, the federal tax cost and net unrealized appreciation on securities were as follows:

Cost for federal income tax purposes	\$ 338,759,561
Gross unrealized appreciation	\$ 125,906,738
Gross unrealized depreciation	(681,488)
Net unrealized appreciation	\$ 125,225,250

**Item 2. Controls and Procedures**

- (a) The registrant's principal executive officer and principal financial officer have concluded that the registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940) are effective based on their evaluation of these disclosure controls and procedures required by Rule 30a-3(b) under the Investment Company Act of 1940 and Rule 13a-15(b) or 15d-15(b) under the Securities Exchange Act as of a date within 90 days of the filing of this report.
- (b) During the last fiscal quarter, there were no changes in the registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the Investment Company Act of 1940) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

**Item 3. Exhibits.**

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

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.



**COHEN & STEERS REALTY INCOME FUND, INC.**

By: /s/ Adam M. Derechin

Name: Adam M. Derechin

Title: President

Date: June 1, 2010

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

By: /s/ Adam M. Derechin

Name: Adam M. Derechin

Title: President and principal executive officer

Date: June 1, 2010

By: /s/ James Giallanza

Name: James Giallanza

Title: Treasurer and principal financial officer

**EXHIBIT 3(a)**  
**RULE 30a-2(a) CERTIFICATIONS**

I, Adam M. Derechin, certify that:

1. I have reviewed this report on Form N-Q of Cohen & Steers Realty Income Fund, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the schedules of investments included in this report fairly present in all material respects the investments of the registrant as of the end of the fiscal quarter for which the report is filed;
4. The registrant' s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940) and internal control over financial reporting (as defined in Rule 30-a-3(d) under the Investment Company Act of 1940) for the registrant and have:
  - (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) evaluated the effectiveness of the registrant' s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of a date within 90 days prior to the filing date of this report based on such evaluation; and
  - (d) disclosed in this report any change in the registrant' s internal control over financial reporting that occurred during the registrant' s most  

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recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant' s internal control over financial reporting; and
5. The registrant' s other certifying officer(s) and I have disclosed to the registrant' s auditors and the audit committee of the registrant' s board of directors (or persons performing the equivalent functions):
  - (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant' s ability to record, process, summarize, and report financial information; and
  - (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant' s internal control over financial reporting.

/s/ Adam M. Derechin

Adam M. Derechin

President and principal executive officer

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**EXHIBIT 3(a)**  
**RULE 30a-2(a) CERTIFICATIONS**

I, James Giallanza, certify that:

1. I have reviewed this report on Form N-Q of Cohen & Steers Realty Income Fund, Inc.;
  2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
  3. Based on my knowledge, the schedules of investments included in this report fairly present in all material respects the investments of the registrant as of the end of the fiscal quarter for which the report is filed;
  4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940) and internal control over financial reporting (as defined in Rule 30-a-3(d) under the Investment Company Act of 1940) for the registrant and have:
    - (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    - (b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    - (c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of a date within 90 days prior to the filing date of this report based on such evaluation; and
- 
- (d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
  5. The registrant's other certifying officer(s) and I have disclosed to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
    - (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize, and report financial information; and

- (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant' s internal control over financial reporting.

Date: June 1, 2010

/s/ James Giallanza

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James Giallanza

Treasurer and principal financial officer

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