

Edgar Filing: Cohen & Steers Closed-End Opportunity Fund, Inc. - Form 40-17G

Cohen & Steers Closed-End Opportunity Fund, Inc.  
Form 40-17G  
January 16, 2015  
Cohen & Steers

280 Park Avenue

New York, NY 10017

January 16, 2015

Securities and Exchange Commission

Filing Desk

100 F. Street N.E.

Washington, D.C. 20549

Re: Joint Insured Fidelity Bond of:

Cohen & Steers Closed-End Opportunity Fund, Inc. (File No. 811-21948)  
Cohen & Steers Global Income Builder, Inc. (File No. 811-22057)  
Cohen & Steers Infrastructure Fund, Inc. (File No. 811-21485)  
Cohen & Steers Quality Income Realty Fund, Inc. (File No. 811-10481)  
Cohen & Steers REIT and Preferred Income Fund, Inc. (File No. 811-21326)  
Cohen & Steers Select Preferred and Income Fund, Inc. (File No. 811-22455)  
Cohen & Steers Total Return Realty Fund, Inc. (File No. 811-07154)  
Cohen & Steers Limited Duration Preferred and Income Fund, Inc. (File No. 811-22707)  
Cohen & Steers MLP Income and Energy Opportunity Fund, Inc. (File No. 811-22780)

Ladies and Gentlemen:

Enclosed for filing on behalf of the above-referenced registered investment management companies (the Funds) pursuant to Rule 17g-1 of the Investment Company Act of 1940, as amended, are the following documents:

- (i) A copy of the endorsement to the joint Fidelity Bond (the Bond), effective December 31, 2014, issued by St. Paul Fire and Marine Insurance Company insuring the Funds is attached as Exhibit 1;
- (ii) A copy of the joint Fidelity Bond Agreement between the joint insureds in accordance with Rule 17g-1(f) is attached as Exhibit 2;
- (iii) A copy of the resolutions of the Directors of each Board, a majority of whom are not interested persons of the Funds, approving the amount, type, form and coverage of the Bond and the portion of the premium to be paid by each Fund is attached as Exhibit 3; and

(iv) A Rule 17g-1 Minimum Amount of Bond worksheet, showing the amount of a single insured bond which each Fund would have to maintain, had it not been named as an insured under the joint Bond, is attached as Exhibit 4. The premiums for the bond will be appropriately paid from December 31, 2014 through December 31, 2015.

If there are any questions regarding this filing, please contact the undersigned at (212) 832-3232.

Very truly yours,

/s/ Tina M. Payne

Tina M. Payne  
Assistant Secretary

**IMPORTANT NOTICE - INDEPENDENT AGENT AND BROKER COMPENSATION**

**NO COVERAGE IS PROVIDED BY THIS NOTICE. THIS NOTICE DOES NOT AMEND ANY PROVISION OF YOUR POLICY. YOU SHOULD REVIEW YOUR ENTIRE POLICY CAREFULLY FOR COMPLETE INFORMATION ON THE COVERAGES PROVIDED AND TO DETERMINE YOUR RIGHTS AND DUTIES UNDER YOUR POLICY. PLEASE CONTACT YOUR AGENT OR BROKER IF YOU HAVE ANY QUESTIONS ABOUT THIS NOTICE OR ITS CONTENTS. IF THERE IS ANY CONFLICT BETWEEN YOUR POLICY AND THIS NOTICE, THE PROVISIONS OF YOUR POLICY PREVAIL.**

**For information about how Travelers compensates independent agents and brokers, please visit [www.travelers.com](http://www.travelers.com), call our toll-free telephone number, 1-866-904-8348, or you may request a written copy from Marketing at One Tower Square, 2GSA, Hartford, CT 06183.**

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better protects the interests of all parties;

helps Travelers to try to resolve losses or claims more quickly; and

often reduces the overall cost of a loss or claim - losses or claims reported more than five days after they happen cost on average 35% more than those reported earlier.

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### FAX

Use this number to report a loss, claim, or potential claim by fax toll free.

**1-888-460-6622**

### US MAIL

Use this address to report a loss, claim, or potential claim by US Mail.

**Bond-FPS Claims Department Travelers Mail Code NB08F 385 Washington Street Saint Paul, Minnesota  
55102**

### EMAIL

Use this address to report a loss, claim, or potential claim by email.

**[bfpcclaims@travelers.com](mailto:bfpcclaims@travelers.com)**

This is a general description of how to report a loss, claim, or potential claim under this policy or bond. This description does not replace or add to the terms of this policy or bond. The policy or bond alone determines the scope of coverage. Please read it carefully for complete information on coverage. Contact your agent or broker if you have any questions about coverage.

**INVESTMENT COMPANY BLANKET BOND**

**St. Paul Fire and Marine Insurance Company**

St. Paul, Minnesota 55102-1396 (A Stock Insurance Company, herein called Underwriter)

**DECLARATIONS BOND NO. ZBN-41M20437-14-N2**

**Item 1.** Name of Insured (herein called Insured):

Cohen & Steer Closed End Fund Complex

Principal Address:

280 Park Avenue, 10th Floor New York, NY 10017

Item 2. Bond Period from 12:01 a.m. on 12/31/14 to 12:01 a.m. on 12/31/15 the effective date of the termination or cancellation of the bond, standard time at the Principal Address as to each of said dates.

Item 3. Limit of Liability

Subject to Sections 9, 10, and 12 hereof:

	Limit of Liability	Deductible Amount
Insuring Agreement A - FIDELITY	\$10,100,000	\$25,000
Insuring Agreement B - AUDIT EXPENSE	\$50,000	\$5,000
Insuring Agreement C - PREMISES	\$10,100,000	\$25,000
Insuring Agreement D - TRANSIT	\$10,100,000	\$25,000
Insuring Agreement E - FORGERY OR ALTERATION	\$10,100,000	\$25,000
Insuring Agreement F - SECURITIES	\$10,100,000	\$25,000
Insuring Agreement G - COUNTERFEIT CURRENCY	\$10,100,000	\$25,000
Insuring Agreement H - STOP PAYMENT	\$25,000	\$5,000
Insuring Agreement I - UNCOLLECTIBLE ITEMS OF DEPOSIT	\$25,000	\$5,000
<b>OPTIONAL COVERAGES ADDED BY RIDER:</b>		
(J) Computer Systems	\$10,100,000	\$25,000
(K) Voice Initiated Transfer and	\$10,100,000	\$25,000
(L) Telefacsimile Transmissions	\$10,100,000	\$25,000
(M) Unauthorized Signature	\$25,000	\$5,000

If Not Covered is inserted above opposite any specified Insuring Agreement or Coverage, such Insuring Agreement or Coverage and any other reference thereto in this bond shall be deemed to be deleted therefrom.

Item 4. Offices or Premises Covered Offices acquired or established subsequent to the effective date of this bond are covered according to the terms of General Agreement A. All the Insured s offices or premises in existence at the time

this bond becomes effective are covered under this bond except the offices or premises located as follows: N/A

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Item 5. The liability of the Underwriter is subject to the terms of the following endorsements or riders attached hereto: Endorsements or Riders No. 1 through ICB010 - Ed. 07-04, ICB011 - Ed. 02-10, ICB012 - Ed. 07-04 ICB013 - Ed. 07-04, ICB014 - Ed. 07-04, ICB015 - Ed. 07-04 ICB016 - Ed. 07-04, ICB026 - Ed. 07-04, ICB030 - Ed. 07-04, ICB032 - Ed. 07-04, ICB057 - Ed. 04-05, MEL2899 - Ed. 05-05, MEL3274 - Ed. 07-05, MEL4734 - Ed. 11-06, MEL4862 - Ed. 01-07, MEL5855 - Ed. 06-08, MEL7428 - Ed. 04-10

Item 6. The Insured by the acceptance of this bond gives notice to the Underwriter terminating or canceling prior bonds or policy(ies) No.(s) ZBN-15R74846-13-N2 such termination or cancellation to be effective as of the time this bond becomes effective.

IN WITNESS WHEREOF, the Company has caused this bond to be signed by its President and Secretary and countersigned by a duly authorized representative of the Company.

**Countersigned: ST. PAUL FIRE AND MARINE INSURANCE COMPANY**

**Authorized Representative Countersigned At**

**Countersignature Date**

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## INVESTMENT COMPANY BLANKET BOND

**The Underwriter, in consideration of an agreed premium, and subject to the Declarations made a part hereof, the General Agreements, Conditions and Limitations and other terms of this bond, agrees with the Insured, in accordance with the Insuring Agreements hereof to which an amount of insurance is applicable as set forth in Item 3 of the Declarations and with respect to loss sustained by the Insured at any time but discovered during the Bond Period, to indemnify and hold harmless the Insured for:**

### INSURING AGREEMENTS

#### (A) FIDELITY

Loss resulting from any dishonest or fraudulent act(s), including Larceny or Embezzlement, committed by an Employee, committed anywhere and whether committed alone or in collusion with others, including loss of Property resulting from such acts of an Employee, which Property is held by the Insured for any purpose or in any capacity and whether so held gratuitously or not and whether or not the Insured is liable therefor.

Dishonest or fraudulent act(s) as used in this Insuring Agreement shall mean only dishonest or fraudulent act(s) committed by such Employee with the manifest intent:

- (a) to cause the Insured to sustain such loss; and
- (b) to obtain financial benefit for the Employee, or for any other Person or organization intended by the Employee to receive such benefit, other than salaries, commissions, fees, bonuses, promotions, awards, profit sharing, pensions or other employee benefits earned in the normal course of employment.

#### (B) AUDIT EXPENSE

Expense incurred by the Insured for that part of the costs of audits or examinations required by any governmental regulatory authority to be conducted either by such authority or by an independent accountant by reason of the discovery of loss sustained by the Insured through any dishonest or fraudulent act(s), including Larceny or Embezzlement, of any of the Employees. The total liability of the Underwriter for such expense by reason of such acts of any Employee or in which such Employee is concerned or implicated or with respect to any one audit or examination is limited to the amount stated opposite Audit Expense in Item 3 of the Declarations; it being understood, however, that such expense shall be deemed to be a loss sustained by the Insured through any dishonest or fraudulent act(s), including Larceny or Embezzlement, of one or more of the Employees, and the liability under this paragraph shall be in addition to the Limit of Liability stated in Insuring Agreement (A) in Item 3 of the Declarations.

#### (C) ON PREMISES

Loss of Property (occurring with or without negligence or violence) through robbery, burglary, Larceny, theft, holdup, or other fraudulent means, misplacement, mysterious unexplainable disappearance, damage thereto or destruction thereof, abstraction or removal from the possession, custody or control of the Insured, and loss of subscription, conversion, redemption or deposit privileges through the misplacement or loss of Property, while the Property is (or is supposed or believed by the Insured to be) lodged or deposited within any offices or premises located anywhere, except in an office listed in Item 4 of the Declarations or amendment thereof or in the mail or with a carrier for hire, other than an armored motor vehicle company, for the purpose of transportation.



Office and Equipment

- (1) loss of or damage to furnishings, fixtures, stationery, supplies or equipment, within any of the Insured's offices covered under this bond caused by Larceny or theft in, or by burglary, robbery or hold-up of, such office, or attempt thereat, or by vandalism or malicious mischief; or
- (2) loss through damage to any such office by Larceny or theft in, or by burglary, robbery or hold-up of, such office, or attempt thereat, or to the interior of any such office by vandalism or malicious mischief provided, in any event, that the Insured is the owner of such offices, furnishings, fixtures, stationery, supplies or equipment or is legally liable for such loss or damage always excepting, however, all loss or damage through fire.

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(D) IN TRANSIT

Loss of Property (occurring with or without negligence or violence) through robbery, Larceny, theft, hold-up, misplacement, mysterious unexplainable disappearance, being lost or otherwise made away with, damage thereto or destruction thereof, and loss of subscription, conversion, redemption or deposit privileges through the misplacement or loss of Property, while the Property is in transit anywhere in the custody of any person or persons acting as messenger, except while in the mail or with a carrier for hire, other than an armored motor vehicle company, for the purpose of transportation, such transit to begin immediately upon receipt of such Property by the transporting person or persons, and to end immediately upon delivery thereof at destination.

(E) FORGERY OR ALTERATION

Loss through Forgery or alteration of or on:

- (1) any bills of exchange, checks, drafts, acceptances, certificates of deposit, promissory notes, or other written promises, orders or directions to pay sums certain in money, due bills, money orders, warrants, orders upon public treasuries, letters of credit; or
- (2) other written instructions, advices or applications directed to the Insured, authorizing or acknowledging the transfer, payment, delivery or receipt of funds or Property, which instructions, advices or applications purport to have been signed or endorsed by any:
  - (a) customer of the Insured, or
  - (b) shareholder or subscriber to shares, whether certificated or uncertificated, of any Investment Company, or
  - (c) financial or banking institution or stockbroker,but which instructions, advices or applications either bear the forged signature or endorsement or have been altered without the knowledge and consent of such customer, shareholder or subscriber to shares, or financial or banking institution or stockbroker; or
- (3) withdrawal orders or receipts for the withdrawal of funds or Property, or receipts or certificates of deposit for Property and bearing the name of the Insured as issuer, or of another Investment Company for which the Insured acts as agent, excluding, however, any loss covered under Insuring Agreement (F) hereof whether or not coverage for Insuring Agreement (F) is provided for in the Declarations of this bond.

Any check or draft (a) made payable to a fictitious payee and endorsed in the name of such fictitious payee or (b) procured in a transaction with the maker or drawer thereof or with one acting as an agent of such maker or drawer or anyone impersonating another and made or drawn payable to the one so impersonated and endorsed by anyone other than the one impersonated, shall be deemed to be forged as to such endorsement.

Mechanically reproduced facsimile signatures are treated the same as handwritten signatures.

(F) SECURITIES

Loss sustained by the Insured, including loss sustained by reason of a violation of the constitution by-laws, rules or regulations of any Self Regulatory Organization of which the Insured is a member or which would have been imposed upon the Insured by the constitution, by-laws, rules or regulations of any Self Regulatory Organization if the Insured had been a member thereof,

- (1) through the Insured s having, in good faith and in the course of business, whether for its own account or for the account of others, in any representative, fiduciary, agency or any other capacity, either gratuitously or otherwise, purchased or otherwise acquired, accepted or received, or sold or delivered, or given any value, extended any credit or assumed any liability, on the faith of, or otherwise acted upon, any securities, documents or other written instruments which prove to have been:
  - (a) counterfeited, or
  - (b) forged as to the signature of any maker, drawer, issuer, endorser, assignor, lessee, transfer agent or registrar, acceptor, surety or guarantor or as to the signature of any person signing in any other capacity, or
  - (c) raised or otherwise altered, or lost, or stolen, or

(2) through the Insured s having, in good faith and in the course of business, guaranteed in writing or witnessed any signatures whether for valuable consideration or not and whether or not such guaranteeing or witnessing is ultra vires the Insured, upon any transfers, assignments, bills of sale, powers of attorney, guarantees, endorsements or other obligations upon or in connection with any securities, documents or other written instruments and which pass or purport to pass title to such securities, documents or other written instruments; excluding losses caused by Forgery or alteration of, on or in those instruments covered under Insuring Agreement (E) hereof.

Securities, documents or other written instruments shall be deemed to mean original (including original counterparts) negotiable or non-negotiable agreements which in and of themselves represent an equitable interest, ownership, or debt, including an assignment thereof, which instruments are, in the ordinary course of business, transferable by delivery of such agreements with any necessary endorsement or assignment.

The word counterfeited as used in this Insuring Agreement shall be deemed to mean any security, document or other written instrument which is intended to deceive and to be taken for an original.

Mechanically reproduced facsimile signatures are treated the same as handwritten signatures.

#### (G) COUNTERFEIT CURRENCY

Loss through the receipt by the Insured, in good faith, of any counterfeited money orders or altered paper currencies or coin of the United States of America or Canada issued or purporting to have been issued by the United States of America or Canada or issued pursuant to a United States of America or Canada statute for use as currency.

#### (H) STOP PAYMENT

Loss against any and all sums which the Insured shall become obligated to pay by reason of the liability imposed upon the Insured by law for damages:

For having either complied with or failed to comply with any written notice of any customer, shareholder or subscriber of the Insured or any Authorized Representative of such customer, shareholder or subscriber to stop payment of any check or draft made or drawn by such customer, shareholder or subscriber or any Authorized Representative of such customer, shareholder or subscriber, or

For having refused to pay any check or draft made or drawn by any customer, shareholder or subscriber of the Insured or any Authorized Representative of such customer, shareholder or subscriber.

#### (I) UNCOLLECTIBLE ITEMS OF DEPOSIT

Loss resulting from payments of dividends or fund shares, or withdrawals permitted from any customer s, shareholder s, or subscriber s account based upon Uncollectible Items of Deposit of a customer, shareholder or subscriber credited by the Insured or the Insured s agent to such customer s, shareholder s or subscriber s Mutual Fund Account; or loss resulting from an Item of Deposit processed through an Automated Clearing House which is reversed by the customer, shareholder or subscriber and deemed uncollectible by the Insured.

Loss includes dividends and interest accrued not to exceed 15% of the Uncollectible Items which are deposited.

This Insuring Agreement applies to all Mutual Funds with exchange privileges if all Fund(s) in the exchange program are insured by the Underwriter for Uncollectible Items of Deposit. Regardless of the number of transactions between Fund(s), the minimum number of days of deposit within the Fund(s) before withdrawal as declared in the Fund(s) prospectus shall begin from the date a deposit was first credited to any Insured Fund(s).

**GENERAL AGREEMENTS**

**A. ADDITIONAL OFFICES OR EMPLOYEES - CONSOLIDATION OR MERGER - NOTICE**

(1) If the Insured shall, while this bond is in force, establish any additional office or offices, such offices shall be automatically covered hereunder from the dates of their establishment, respectively. No notice to the Underwriter of an increase during any premium period in the number of offices or

in the number of Employees at any of the offices covered hereunder need be given and no additional premium need be paid for the remainder of such premium period.

(2) If an Investment Company, named as Insured herein, shall, while this bond is in force, merge or consolidate with, or purchase the assets of another institution, coverage for such acquisition shall apply automatically

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from the date of acquisition. The Insured shall notify the Underwriter of such acquisition within 60 days of said date, and an additional premium shall be computed only if such acquisition involves additional offices or employees.

#### B. WARRANTY

No statement made by or on behalf of the Insured, whether contained in the application or otherwise, shall be deemed to be a warranty of anything except that it is true to the best of the knowledge and belief of the person making the statement.

#### C. COURT COSTS AND ATTORNEYS FEES

(Applicable to all Insuring Agreements or Coverages now or hereafter forming part of this bond)

The Underwriter will indemnify the Insured against court costs and reasonable attorneys fees incurred and paid by the Insured in defense, whether or not successful, whether or not fully litigated on the merits and whether or not settled, of any suit or legal proceeding brought against the Insured to enforce the Insured's liability or alleged liability on account of any loss, claim or damage which, if established against the Insured, would constitute a loss sustained by the Insured covered under the terms of this bond provided, however, that with respect to Insuring Agreement (A) this indemnity shall apply only in the event that:

- (1) an Employee admits to being guilty of any dishonest or fraudulent act(s), including Larceny or Embezzlement;  
or
- (2) an Employee is adjudicated to be guilty of any dishonest or fraudulent act(s), including Larceny or Embezzlement;
- (3) in the absence of (1) or (2) above an arbitration panel agrees, after a review of an agreed statement of facts, that an Employee would be found guilty of dishonesty if such Employee were prosecuted.

The Insured shall promptly give notice to the Underwriter of any such suit or legal proceedings and at the request of the Underwriter shall furnish it with copies of all pleadings and other papers therein. At the Underwriter's election the Insured shall permit the Underwriter to conduct the defense of such suit or legal proceeding, in the Insured's name, through attorneys of the Underwriter's selection. In such event, the Insured shall give all reasonable information and assistance which the Underwriter shall deem necessary to the proper defense of such suit or legal proceeding.

If the amount of the Insured's liability or alleged liability is greater than the amount recoverable under this bond, or if a Deductible Amount is applicable, or both, the liability of the Underwriter under this General Agreement is limited to the proportion of court costs and attorneys fees incurred and paid by the Insured or by the Underwriter that the amount recoverable under this bond bears to the total of such amount plus the amount which is not so recoverable. Such indemnity shall be in addition to the Limit of Liability for the applicable Insuring Agreement or Coverage.

#### D. FORMER EMPLOYEE

Acts of an Employee, as defined in this bond, are covered under Insuring Agreement (A) only while the Employee is in the Insured's employ. Should loss involving a former Employee of the Insured be discovered subsequent to the termination of employment, coverage would still apply under Insuring Agreement (A) if the direct proximate cause of the loss occurred while the former Employee performed duties within the scope of his/her employment.

**THE FOREGOING INSURING AGREEMENTS AND GENERAL AGREEMENTS ARE SUBJECT  
TO THE FOLLOWING CONDITIONS AND LIMITATIONS:**

SECTION 1. DEFINITIONS

The following terms, as used in this bond have the respective meanings stated in this Section:

(a) Employee means:

- (1) any of the Insured's officers, partners, or employees, and
- (2) any of the officers or employees of any predecessor of the Insured whose principal assets are acquired by the Insured by consolidation or merger with, or purchase of assets or capital stock of, such predecessor, and

- (3) attorneys retained by the Insured to perform legal services for the Insured and the employees of such attorneys while such attorneys or employees of such attorneys are performing such services for the Insured, and**
- (4) guest students pursuing their studies or duties in any of the Insured's offices, and**
- (5) directors or trustees of the Insured, the investment advisor, underwriter (distributor), transfer agent, or shareholder accounting record keeper, or administrator authorized by written agreement to keep financial and/or other required records, but only while performing acts coming within the scope of the usual duties of an officer or employee or while acting as a member of any committee duly elected or appointed to examine or audit or have custody of or access to the Property of the Insured, and**
- (6) any individual or individuals assigned to perform the usual duties of an employee within the premises of the Insured, by contract, or by any agency furnishing temporary personnel on a contingent or part-time basis, and**
- (7) each natural person, partnership or corporation authorized by written agreement with the Insured to perform services as electronic data processor of checks or other accounting records of the Insured, but excluding any such processor who acts as transfer agent or in any other agency capacity in issuing checks, drafts or securities for the Insured, unless included under sub-section (9) hereof, and**
- (8) those persons so designated in Section 15, Central Handling of Securities, and**
- (9) any officer, partner, or Employee of:**
  - (a) an investment advisor,**
  - (b) an underwriter (distributor),**
  - (c) a transfer agent or shareholder accounting record-keeper, or**
  - (d) an administrator authorized by written agreement to keep financial and/or other required records, for an Investment Company named as Insured while performing acts coming within the scope of the usual duties of an officer or Employee of any investment Company named as Insured herein, or while acting as a member of any committee duly elected or appointed to examine or audit or have custody of or access to the Property of any such Investment Company, provided that only Employees or partners of a transfer agent, shareholder accounting record-keeper or administrator which is an affiliated person, as defined in the Investment Company Act of 1940, of an Investment Company named as Insured or is an affiliated person of the advisor, underwriter or administrator of such Investment Company, and which is not a bank, shall be included within the definition of Employee.**

Each employer of temporary personnel or processors as set forth in sub-sections (6) and (7) of Section 1(a) and their partners, officers and employees shall collectively be deemed to be one person for all the purposes of this



**bond, excepting, however, the last paragraph of Section 13.**

**Brokers, or other agents under contract or representatives of the same general character shall not be considered Employees.**

- (b) Property means money (i.e. currency, coin, bank notes, Federal Reserve notes), postage and revenue stamps, U.S. Savings Stamps, bullion, precious metals of all kinds and in any form and articles made therefrom, jewelry, watches, necklaces, bracelets, gems, precious and semi-precious stones, bonds, securities, evidences of debts, debentures, scrip, certificates, interim receipts, warrants, rights, puts, calls, straddles, spreads, transfers, coupons, drafts, bills of exchange, acceptances, notes, checks, withdrawal orders, money orders, warehouse receipts, bills of lading, conditional sales contracts, abstracts of title, insurance policies, deeds, mortgages under real estate and/or chattels and upon interests therein, and assignments of such policies, mortgages and instruments, and other valuable papers, including books of account and other records used by the Insured in the conduct of its business, and all other instruments similar to or in the nature of the foregoing including Electronic Representations of such instruments enumerated above (but excluding all data processing records) in which the Insured has an interest or in which the Insured acquired or should have acquired an interest by reason of a predecessor's declared financial condition at the time of the Insured's consolidation or merger with, or purchase of the principal assets of, such predecessor or which are held by the Insured for any purpose or in any capacity and whether so held gratuitously or not and whether or not the Insured is liable therefor.**
- (c) Forgery means the signing of the name of another with intent to deceive; it does not include the signing of one's own name with or without authority, in any capacity, for any purpose.**

- (d) **Larceny and Embezzlement** as it applies to any named Insured means those acts as set forth in Section 37 of the Investment Company Act of 1940.
- (e) **Items of Deposit** means any one or more checks and drafts. Items of Deposit shall not be deemed uncollectible until the Insured's collection procedures have failed.

## **SECTION 2. EXCLUSIONS**

### **THIS BOND, DOES NOT COVER:**

- (a) loss effected directly or indirectly by means of forgery or alteration of, on or in any instrument, except when covered by Insuring Agreement (A), (E), (F) or (G).
- (b) loss due to riot or civil commotion outside the United States of America and Canada; or loss due to military, naval or usurped power, war or insurrection unless such loss occurs in transit in the circumstances recited in Insuring Agreement (D), and unless, when such transit was initiated, there was no knowledge of such riot, civil commotion, military, naval or usurped power, war or insurrection on the part of any person acting for the Insured in initiating such transit.
- (c) loss, in time of peace or war, directly or indirectly caused by or resulting from the effects of nuclear fission or fusion or radioactivity; provided, however, that this paragraph shall not apply to loss resulting from industrial uses of nuclear energy.
- (d) loss resulting from any wrongful act or acts of any person who is a member of the Board of Directors of the Insured or a member of any equivalent body by whatsoever name known unless such person is also an Employee or an elected official, partial owner or partner of the Insured in some other capacity, nor, in any event, loss resulting from the act or acts of any person while acting in the capacity of a member of such Board or equivalent body.
- (e) loss resulting from the complete or partial non-payment of, or default upon, any loan or transaction in the nature of, or amounting to, a loan made by or obtained from the Insured or any of its partners, directors or Employees, whether authorized or unauthorized and whether procured in good faith or through trick, artifice fraud or false pretenses, unless such loss is covered under Insuring Agreement (A), (E) or (F).
- (f) loss resulting from any violation by the Insured or by any Employee:
- (1) of law regulating (a) the issuance, purchase or sale of securities, (b) securities transactions upon Security Exchanges or over the counter market, (c) Investment Companies, or (d) Investment Advisors, or
  - (2) of any rule or regulation made pursuant to any such law.

unless such loss, in the absence of such laws, rules or regulations, would be covered under Insuring Agreements (A) or (E).

- (g) **loss of Property or loss of privileges through the misplacement or loss of Property as set forth in Insuring Agreement (C) or (D) while the Property is in the custody of any armored motor vehicle company, unless such loss shall be in excess of the amount recovered or received by the Insured under (a) the Insured's contract with said armored motor vehicle company, (b) insurance carried by said armored motor vehicle company for the benefit of users of its service, and (c) all other insurance and indemnity in force in whatsoever form carried by or for the benefit of users of said armored motor vehicle company's service, and then this bond shall cover only such excess.**
  
- (h) **potential income, including but not limited to interest and dividends, not realized by the Insured because of a loss covered under this bond, except as included under Insuring Agreement (I).**
  
- (i) **all damages of any type for which the Insured is legally liable, except direct compensatory damages arising from a loss covered under this bond.**
  
- (j) **loss through the surrender of Property away from an office of the Insured as a result of a threat: (1) to do bodily harm to any person, except loss of Property in transit in the custody of any person acting as messenger provided that when such transit was initiated there was no knowledge by the Insured of any such threat, or**

- (2) to do damage to the premises or Property of the Insured, except when covered under Insuring Agreement (A).
- (k) all costs, fees and other expenses incurred by the Insured in establishing the existence of or amount of loss covered under this bond unless such indemnity is provided for under Insuring Agreement (B).
- (l) loss resulting from payments made or withdrawals from the account of a customer of the Insured, shareholder or subscriber to shares involving funds erroneously credited to such account, unless such payments are made to or withdrawn by such depositors or representative of such person, who is within the premises of the drawee bank of the Insured or within the office of the Insured at the time of such payment or withdrawal or unless such payment is covered under Insuring Agreement (A).
- (m) any loss resulting from Uncollectible Items of Deposit which are drawn from a financial institution outside the fifty states of the United States of America, District of Columbia, and territories and possessions of the United States of America, and Canada.

### **SECTION 3. ASSIGNMENT OF RIGHTS**

This bond does not afford coverage in favor of any Employers of temporary personnel or of processors as set forth in sub-sections (6) and (7) of Section 1(a) of this bond, as aforesaid, and upon payment to the Insured by the Underwriter on account of any loss through dishonest or fraudulent act(s) including Larceny or Embezzlement committed by any of the partners, officers or employees of such Employers, whether acting alone or in collusion with others, an assignment of such of the Insured's rights and causes of action as it may have against such Employers by reason of such acts so committed shall, to the extent of such payment, be given by the Insured to the Underwriter, and the Insured shall execute all papers necessary to secure to the Underwriter the rights herein provided for.

### **SECTION 4. LOSS - NOTICE - PROOF - LEGAL PROCEEDINGS**

This bond is for the use and benefit only of the Insured named in the Declarations and the Underwriter shall not be liable hereunder for loss sustained by anyone other than the Insured unless the Insured, in its sole discretion and at its option, shall include such loss in the Insured's proof of loss. At the earliest practicable moment after discovery of any loss hereunder the Insured shall give the Underwriter written notice thereof and shall also within six months after such discovery furnish to the Underwriter affirmative proof of loss with full particulars. If claim is made under this bond for loss of securities or shares, the Underwriter shall not be liable unless each of such securities or shares is identified in such proof of loss by a certificate or bond number or, where such securities or shares are uncertificated, by such identification means as agreed to by the Underwriter. The Underwriter shall have thirty days after notice and proof of loss within which to investigate the claim, but where the loss is clear and undisputed, settlement shall be made within forty-eight hours; and this shall apply notwithstanding the loss is made up wholly or in part of securities of which duplicates may be obtained. Legal proceedings for recovery of any loss hereunder shall not be brought prior to the expiration of sixty days after such proof of loss is filed with the Underwriter nor after the expiration of twenty-four months from the discovery of such loss, except that any action or proceedings to recover hereunder on account of any judgment against the Insured in any suit mentioned in General Agreement C or to recover attorneys' fees paid in any such suit, shall be begun within twenty-four months from the date upon which the judgment in such suit shall become final. If any limitation embodied in this bond is prohibited by any law controlling the construction hereof, such limitation shall be deemed to be amended so as to be equal to the minimum period of limitation

permitted by such law.

**Discovery occurs when the Insured:**

(a) becomes aware of facts, or

(b) receives written notice of an actual or potential claim by a third party which alleges that the Insured is liable under circumstances, which would cause a reasonable person to assume that a loss covered by the bond has been or will be incurred even though the exact amount or details of loss may not be then known.

#### **SECTION 5. VALUATION OF PROPERTY**

The value of any Property, except books of accounts or other records used by the Insured in the conduct of its business, for the loss of which a claim shall be made hereunder, shall be determined by the average market value of such Property on the business day next preceding the discovery of such loss; provided, however, that the value of any Property replaced by the Insured prior to the payment of claim therefor shall be the actual market value at the time of replacement; and further provided that in case of a loss or misplacement of interim certificates, warrants,

rights, or other securities, the production of which is necessary to the exercise of subscription, conversion, redemption or deposit privileges, the value thereof shall be the market value of such privileges immediately preceding the expiration thereof if said loss or misplacement is not discovered until after their expiration. If no market price is quoted for such Property or for such privileges, the value shall be fixed by agreement between the parties or by arbitration.

In case of any loss or damage to Property consisting of books of accounts or other records used by the Insured in the conduct of its business, the Underwriter shall be liable under this bond only if such books or records are actually reproduced and then for not more than the cost of blank books, blank pages or other materials plus the cost of labor for the actual transcription or copying of data which shall have been furnished by the Insured in order to reproduce such books and other records.

#### **SECTION 6. VALUATION OF PREMISES AND FURNISHINGS**

In case of damage to any office of the Insured, or loss of or damage to the furnishings, fixtures, stationery, supplies, equipment, safes or vaults therein, the Underwriter shall not be liable for more than the actual cash value thereof, or for more than the actual cost of their replacement or repair. The Underwriter may, at its election, pay such actual cash value or make such replacement or repair. If the underwriter and the Insured cannot agree upon such cash value or such cost of replacement or repair, such shall be determined by arbitration.

#### **SECTION 7. LOST SECURITIES**

If the Insured shall sustain a loss of securities the total value of which is in excess of the limit stated in Item 3 of the Declarations of this bond, the liability of the Underwriter shall be limited to payment for, or duplication of, securities having value equal to the limit stated in Item 3 of the Declarations of this bond.

If the Underwriter shall make payment to the Insured for any loss of securities, the Insured shall thereupon assign to the Underwriter all of the Insured's rights, title and interest in and to said securities.

With respect to securities the value of which do not exceed the Deductible Amount (at the time of the discovery of the loss) and for which the Underwriter may at its sole discretion and option and at the request of the Insured issue a Lost Instrument Bond or Bonds to effect replacement thereof, the Insured will pay the usual premium charged therefor and will indemnify the Underwriter against all loss or expense that the Underwriter may sustain because of the issuance of such Lost Instrument Bond or Bonds.

With respect to securities the value of which exceeds the Deductible Amount (at the time of discovery of the loss) and for which the Underwriter may issue or arrange for the issuance of a Lost Instrument Bond or Bonds to effect replacement thereof, the Insured agrees that it will pay as premium therefor a proportion of the usual premium charged therefor, said proportion being equal to the percentage that the Deductible Amount bears to the value of the securities upon discovery of the loss, and that it will indemnify the issuer of said Lost Instrument Bond or Bonds against all loss and expense that is not recoverable from the Underwriter under the terms and conditions of this Investment Company Blanket Bond subject to the Limit of Liability hereunder.

#### **SECTION 8. SALVAGE**

In case of recovery, whether made by the Insured or by the Underwriter, on account of any loss in excess of the Limit of Liability hereunder plus the Deductible Amount applicable to such loss, from any source other than suretyship, insurance, reinsurance, security or indemnity taken by or for the benefit of the Underwriter, the net amount of such recovery, less the actual costs and expenses of making same, shall be applied to reimburse the

**Insured in full for the excess portion of such loss, and the remainder, if any, shall be paid first in reimbursement of the Underwriter and thereafter in reimbursement of the Insured for that part of such loss within the Deductible Amount. The Insured shall execute all necessary papers to secure to the Underwriter the rights provided for herein.**

**SECTION 9. NON-REDUCTION AND NON - ACCUMULATION OF LIABILITY AND TOTAL LIABILITY**

**At all times prior to termination hereof, this bond shall continue in force for the limit stated in the applicable sections of Item 3 of the Declarations of this bond notwithstanding any previous loss for which the Underwriter may have paid or be liable to pay hereunder; PROVIDED, however, that regardless of the number of years this bond shall continue in force and the number or premiums which shall be payable or paid, the liability of the Underwriter under this bond with respect to all loss resulting from:**

- (a) any one act of burglary, robbery or holdup, or attempt thereat, in which no Partner or Employee is concerned or implicated shall be deemed to be one loss, or**
  
- (b) any one unintentional or negligent act on the part of any other person resulting in damage to or destruction or misplacement of Property, shall be deemed to be one loss, or**

- (c) all wrongful acts, other than those specified in (a) above, of any one person shall be deemed to be one loss, or
- (d) all wrongful acts, other than those specified in (a) above, of one or more persons (which dishonest act(s) or act(s) of Larceny or Embezzlement include, but are not limited to, the failure of an Employee to report such acts of others) whose dishonest act or acts intentionally or unintentionally, knowingly or unknowingly, directly or indirectly, aid or aids in any way, or permits the continuation of, the dishonest act or acts of any other person or persons shall be deemed to be one loss with the act or acts of the persons aided, or
- (e) any one casualty or event other than those specified in (a), (b), (c) or (d) preceding, shall be deemed to be one loss, and shall be limited to the applicable Limit of Liability stated in Item 3 of the Declarations of this bond irrespective of the total amount of such loss or losses and shall not be cumulative in amounts from year to year or from period to period.

Sub-section (c) is not applicable to any situation to which the language of sub-section (d) applies.

#### **SECTION 10. LIMIT OF LIABILITY**

With respect to any loss set forth in the PROVIDED clause of Section 9 of this bond which is recoverable or recovered in whole or in part under any other bonds or policies issued by the Underwriter to the Insured or to any predecessor in interest of the Insured and terminated or cancelled or allowed to expire and in which the period of discovery has not expired at the time any such loss thereunder is discovered, the total liability of the Underwriter under this bond and under other bonds or policies shall not exceed, in the aggregate, the amount carried hereunder on such loss or the amount available to the Insured under such other bonds or policies, as limited by the terms and conditions thereof, for any such loss if the latter amount be the larger.

#### **SECTION 11. OTHER INSURANCE**

If the Insured shall hold, as indemnity against any loss covered hereunder, any valid and enforceable insurance or suretyship, the Underwriter shall be liable hereunder only for such amount of such loss which is in excess of the amount of such other insurance or suretyship, not exceeding, however, the Limit of Liability of this bond applicable to such loss.

#### **SECTION 12. DEDUCTIBLE**

The Underwriter shall not be liable under any of the Insuring Agreements of this bond on account of loss as specified, respectively, in sub-sections (a), (b), (c), (d) and (e) of Section 9, NON-REDUCTION AND NON-ACCUMULATION OF LIABILITY AND TOTAL LIABILITY, unless the amount of such loss, after deducting the net amount of all reimbursement and/or recovery obtained or made by the Insured, other than from any bond or policy of insurance issued by an insurance company and covering such loss, or by the Underwriter on account thereof prior to payment by the Underwriter of such loss, shall exceed the Deductible Amount set forth in Item 3 of the Declarations hereof (herein called Deductible Amount), and then for such excess only, but in no event for more than the applicable Limit of Liability stated in Item 3 of the Declarations.

The Insured will bear, in addition to the Deductible Amount, premiums on Lost Instrument Bonds as set forth in Section 7.



**There shall be no deductible applicable to any loss under Insuring Agreement A sustained by any Investment Company named as Insured herein.**

### **SECTION 13. TERMINATION**

**The Underwriter may terminate this bond as an entirety by furnishing written notice specifying the termination date, which cannot be prior to 60 days after the receipt of such written notice by each Investment Company named as Insured and the Securities and Exchange Commission, Washington, D.C. The Insured may terminate this bond as an entirety by furnishing written notice to the Underwriter. When the Insured cancels, the Insured shall furnish written notice to the Securities and Exchange Commission, Washington, D.C., prior to 60 days before the effective date of the termination. The Underwriter shall notify all other Investment Companies named as Insured of the receipt of such termination notice and the termination cannot be effective prior to 60 days after receipt of written notice by all other Investment Companies. Premiums are earned until the termination date as set forth herein.**

**This Bond will terminate as to any one Insured immediately upon taking over of such Insured by a receiver or other liquidator or by State or Federal officials, or immediately upon the filing of a petition under any State or Federal statute relative to bankruptcy or reorganization of the Insured, or assignment for the benefit of creditors of the Insured, or immediately upon such Insured ceasing to exist, whether through merger into another entity, or by disposition of all of its assets.**

The Underwriter shall refund the unearned premium computed at short rates in accordance with the standard short rate cancellation tables if terminated by the Insured or pro rata if terminated for any other reason.

This Bond shall terminate:

- (a) as to any Employee as soon as any partner, officer or supervisory Employee of the Insured, who is not in collusion with such Employee, shall learn of any dishonest or fraudulent act(s), including Larceny or Embezzlement on the part of such Employee without prejudice to the loss of any Property then in transit in the custody of such Employee (see Section 16(d)), or
- (b) as to any Employee 60 days after receipt by each Insured and by the Securities and Exchange Commission of a written notice from the Underwriter of its desire to terminate this bond as to such Employee, or
- (c) as to any person, who is a partner, officer or employee of any Electronic Data Processor covered under this bond, from and after the time that the Insured or any partner or officer thereof not in collusion with such person shall have knowledge or information that such person has committed any dishonest or fraudulent act(s), including Larceny or Embezzlement in the service of the Insured or otherwise, whether such act be committed before or after the time this bond is effective.

#### **SECTION 14. RIGHTS AFTER TERMINATION OR CANCELLATION**

At any time prior to the termination or cancellation of this bond as an entirety, whether by the Insured or the Underwriter, the Insured may give the Underwriter notice that it desires under this bond an additional period of 12 months within which to discover loss sustained by the Insured prior to the effective date of such termination or cancellation and shall pay an additional premium therefor.

Upon receipt of such notice from the Insured, the Underwriter shall give its written consent thereto; provided, however, that such additional period of time shall terminate immediately:

- (a) on the effective date of any other insurance obtained by the Insured, its successor in business or any other party, replacing in whole or in part the insurance afforded by this bond, whether or not such other insurance provides coverage for loss sustained prior to its effective date, or
- (b) upon takeover of the Insured's business by any State or Federal official or agency, or by any receiver or liquidator, acting or appointed for this purpose without the necessity of the Underwriter giving notice of such termination. In the event that such additional period of time is terminated, as provided above, the Underwriter shall refund any unearned premium.

The right to purchase such additional period for the discovery of loss may not be exercised by any State or Federal official or agency, or by a receiver or liquidator, acting or appointed to take over the Insured's business for the operation or for the liquidation thereof or for any purpose.

#### **SECTION 15. CENTRAL HANDLING OF SECURITIES**

**Securities included in the system for the central handling of securities established and maintained by Depository Trust Company, Midwest Depository Trust Company, Pacific Securities Depository Trust Company, and Philadelphia Depository Trust Company, hereinafter called Corporations, to the extent of the Insured's interest therein as effected by the making of appropriate entries on the books and records of such Corporations shall be deemed to be Property.**

**The words Employee and Employees shall be deemed to include the officers, partners, clerks and other employees of the New York Stock Exchange, Boston Stock Exchange, Midwest Stock Exchange, Pacific Stock Exchange and Philadelphia Stock Exchange, hereinafter called Exchanges, and of the above named Corporations, and of any nominee in whose name is registered any security included within the systems for the central handling of securities established and maintained by such Corporations, and any employee or any recognized service company, while such officers, partners, clerks and other employees and employees of service companies perform services for such Corporations in the operation of such systems. For the purpose of the above definition a recognized service company shall be any company providing clerks or other personnel to the said Exchanges or Corporations on a contract basis.**

**The Underwriter shall not be liable on account of any loss(es) in connection with the central handling of securities within the systems established and maintained by such Corporations, unless such loss(es) shall be in excess of the amount(s) recoverable or recovered under any bond or policy of insurance indemnifying such Corporations against such loss(es), and then the Underwriter shall be liable hereunder only for the Insured's share of such excess loss(es), but in no event for more than the Limit of Liability applicable hereunder.**

For the purpose of determining the Insured's share of excess loss(es) it shall be deemed that the Insured has an interest in any certificate representing any security included within such systems equivalent to the interest the Insured then has in all certificates representing the same security included within such systems and that such Corporations shall use their best judgment in apportioning the amount(s) recoverable or recovered under any bond or policy of insurance indemnifying such Corporations against such loss(es) in connection with the central handling of securities within such systems among all those having an interest as recorded by appropriate entries in the books and records of such Corporations in Property involved in such loss(es) on the basis that each such interest shall share in the amount(s) so recoverable or recovered in the ratio that the value of each such interest bears to the total value all such interests and that the Insured's share of such excess loss(es) shall be the amount of the Insured's interest in such Property in excess of the amount(s) so apportioned to the Insured by such Corporations.

This bond does not afford coverage in favor of such Corporations or Exchanges or any nominee in whose name is registered any security included within the systems for the central handling of securities established and maintained by such Corporations, and upon payment to the Insured by the Underwriter on account of any loss(es) within the systems, an assignment of such of the Insured's rights and causes of action as it may have against such Corporations or Exchanges shall to the extent of such payment, be given by the Insured to the Underwriter, and the Insured shall execute all papers necessary to secure the Underwriter the rights provided for herein.

#### **SECTION 16. ADDITIONAL COMPANIES INCLUDED AS INSURED**

If more than one corporation, co-partnership or person or any combination of them be included as the Insured herein:

- (a) the total liability of the Underwriter hereunder for loss or losses sustained by any one or more or all of them shall not exceed the limit for which the Underwriter would be liable hereunder if all such loss were sustained by any one of them;
- (b) the one first named herein shall be deemed authorized to make, adjust and receive and enforce payment of all claims hereunder and shall be deemed to be the agent of the others for such purposes and for the giving or receiving of any notice required or permitted to be given by the terms hereof, provided that the Underwriter shall furnish each named Investment Company with a copy of the bond and with any amendment thereto, together with a copy of each formal filing of the settlement of each such claim prior to the execution of such settlement;
- (c) the Underwriter shall not be responsible for the proper application of any payment made hereunder to said first named Insured;
- (d) knowledge possessed or discovery made by any partner, officer or supervisory Employee of any Insured shall for the purposes of Section 4 and Section 13 of this bond constitute knowledge or discovery by all the Insured; and
- (e) if the first named Insured ceases for any reason to be covered under this bond, then the Insured next named shall thereafter be considered as the first, named Insured for the purposes of this bond.

**SECTION 17. NOTICE AND CHANGE OF CONTROL**

**Upon the Insured obtaining knowledge of a transfer of its outstanding voting securities which results in a change in control (as set forth in Section 2(a) (9) of the Investment Company Act of 1940) of the Insured, the Insured shall within thirty (30) days of such knowledge give written notice to the Underwriter setting forth:**

- (a) the names of the transferors and transferees (or the names of the beneficial owners if the voting securities are requested in another name), and**
- (b) the total number of voting securities owned by the transferors and the transferees (or the beneficial owners), both immediately before and after the transfer, and**
- (c) the total number of outstanding voting securities.**

**As used in this section, control means the power to exercise a controlling influence over the management or policies of the Insured.**

**Failing to give the required notice shall result in termination of coverage of this bond, effective upon the date of stock transfer for any loss in which any transferee is concerned or implicated.**

**Such notice is not required to be given in the case of an Insured which is an Investment Company.**

**SECTION 18. CHANGE OR MODIFICATION**

**This bond or any instrument amending or effecting same may not be changed or modified orally. No changes in or modification thereof shall be effective unless made by written endorsement issued to form a part hereof over the signature of the Underwriter's Authorized Representative. When a bond covers only one Investment Company no change or modification which would adversely affect the rights of the Investment Company shall be effective prior to 60 days after written notification has been furnished to the Securities and Exchange Commission, Washington, D.C., by the Insured or by the Underwriter. If more than one Investment Company is named as the Insured herein, the Underwriter shall give written notice to each Investment Company and to the Securities and Exchange Commission, Washington, D.C., not less than 60 days prior to the effective date of any change or modification which would adversely affect the rights of such Investment Company.**

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**ENDORSEMENT OR RIDER NO. 1 THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

*The following spaces preceded by an (\*) need not be completed if this endorsement or rider and the Bond or Policy have the same inception date.*

ATTACHED TO AND	DATE	
FORMING	ENDORSEMENT	* EFFECTIVE DATE OF ENDORSEMENT OR RIDER
	OR	
PART OF BOND OR	RIDER	
	EXECUTED	
POLICY NO.		12:01 A.M. STANDARD TIME AS SPECIFIED IN THE BOND OR POLICY
ZBN-41M20437-14-N2	01/08/15	12/31/14
* ISSUED TO		

**COHEN & STEERS CLOSED-END FUND COMPLEX**

**Named Insured Endorsement**

**It is agreed that:**

**1. From and after the time this rider becomes effective the Insured under the attached bond are:**  
**Cohen & Steers Limited Duration Preferred and Income Fund**

**Cohen & Steers MLP Income and Energy Opportunity Fund**

**Cohen & Steers Select Utility Fund, Inc.**

**Cohen & Steers Closed-End Opportunity Fund, Inc.**

**Cohen & Steers Global Income Builder, Inc.**

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

**Cohen & Steers REIT and Preferred Income Fund, Inc.**

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

**Cohen & Steers Select Preferred and Income Fund, Inc.**

**2.**

**The first named Insured shall act for itself and for each and all of the Insured for all the purposes of the attached bond.**

- 3. Knowledge possessed or discovery made by any Insured or by any partner or officer thereof shall for all the purposes of the attached bond constitute knowledge or discovery by all the Insured.**
- 4. If, prior to the termination of the attached bond in its entirety, the attached bond is terminated as to any Insured, there shall be no liability for any loss sustained by such Insured unless discovered before the time such termination as to such Insured becomes effective.**
- 5. The liability of the Underwriter for loss or losses sustained by any or all of the Insured shall not exceed the amount for which the Underwriter would be liable had all such loss or losses been sustained by any one of the Insured. Payment by the Underwriter to the first named Insured of loss sustained by any Insured shall fully release the Underwriter on account of such loss.**
- 6. If the first named Insured ceases for any reason to be covered under the attached bond, then the Insured next named shall thereafter be considered as the first named Insured for all the purposes of the attached bond.**

**Nothing herein contained shall be held to vary, alter, waive, or extend any of the terms, conditions, provisions, agreements or limitations of the above mentioned Bond or Policy, other than as above stated.**

**By**

**Authorized Representative**

**INSURED**

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**ENDORSEMENT OR RIDER NO. 2 THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**The following spaces preceded by an (\*) need not be completed if this endorsement or rider and the Bond or Policy have the same inception date.**

ATTACHED TO AND	DATE	
FORMING	ENDORSEMENT	* EFFECTIVE DATE OF ENDORSEMENT OR RIDER
	OR	
PART OF BOND OR	RIDER	
	EXECUTED	
POLICY NO.		12:01 A.M. LOCAL TIME AS SPECIFIED IN THE BOND OR POLICY
ZBN-41M20437-14-N2	01/08/15	12/31/14
* ISSUED TO		

**COHEN & STEERS CLOSED-END FUND COMPLEX**

**COMPUTER SYSTEMS**

**It is agreed that:**

**1. The attached bond is amended by adding an additional Insuring Agreement as follows:**

**INSURING AGREEMENT J COMPUTER SYSTEMS**

**Loss resulting directly from a fraudulent**

- (1) entry of data into, or**
  
- (2) change of data elements or program within, a Computer System listed in the SCHEDULE below, provided the fraudulent entry or change causes**
  - (a) Property to be transferred, paid or delivered,**
  
  - (b) an account of the Insured, or of its customer, to be added, deleted, debited or credited, or**
  
  - (c) an unauthorized account or a fictitious account to be debited or credited, and provided further, the fraudulent entry or change is made or caused by an individual acting with the manifest intent to**

- (i) **cause the Insured to sustain a loss, and**
- (ii) **obtain financial benefit for that individual or for other persons intended by that individual to receive financial benefit.**

**SCHEDULE**

**ALL SYSTEMS UTILIZED BY THE INSURED**

**2. As used in this Rider, Computer System means**

- (a) **computers with related peripheral components, including storage components, wherever located,**
- (b) **systems and applications software,**
- (c) **terminal devices, and**
- (d) **related communication networks**  
**by which data are electronically collected, transmitted, processed, stored and retrieved.**

**3. In addition to the exclusions in the attached bond, the following exclusions are applicable to the Computer Systems Insuring Agreement:**

- (a) **loss resulting directly or indirectly from the theft of confidential information, material or data; and**
- (b) **loss resulting directly or indirectly from entries or changes made by an individual authorized to have access to a Computer System who acts in good faith on instructions, unless such instructions are given to that individual by a software contractor (or by a partner, officer or employee thereof) authorized by the Insured to design, develop, prepare, supply, service, write or implement programs for the Insured's Computer System; and**

(c) loss discovered by the Insured before this Rider is executed or after coverage under this Rider terminates.  
**4. Solely with respect to the Computer Systems Insuring Agreement, the following replaces SECTION 9, NON-REDUCTION AND NON-ACCUMULATION OF LIABILITY AND TOTAL LIABILITY, (a) (e), of the CONDITIONS AND LIMITATIONS:**

- (a) all fraudulent activity of any one person, or in which any one person is implicated, whether or not that person is specifically identified, shall be deemed to be one loss, or
- (b) a series of losses involving unidentified persons but arising from the same method of operation shall be deemed to be one loss, and

**5. The following is added to the OPTIONAL COVERAGE ADDED BY RIDER section of Item 3. of the DECLARATIONS:**

	Limit of Liability	Deductible Amount
<b>Insuring Agreement J Computer Systems</b>	<b>\$ 10,100,000</b>	<b>\$ 25,000</b>

**6. The following is added to the CONDITIONS AND LIMITATIONS:**

If any loss is covered under the Computer Systems Insuring Agreement and any other Insuring Agreement or Coverage, the maximum amount payable for such loss shall not exceed the largest amount available under any one such Insuring Agreement or Coverage.

**7. The following is added to SECTION 13. TERMINATION of the CONDITIONS AND LIMITATIONS:**

Coverage under this Rider may also be terminated or canceled without canceling the bond as an entirety

- (a) 60 days after receipt by the Insured of written notice from the Underwriter of its desire to terminate or cancel coverage under this Rider, or
- (b) immediately upon receipt by the Underwriter of a written request from the Insured to terminate or cancel coverage under this Rider.

The Underwriter shall refund to the Insured the unearned premium for the coverage under this Rider. The refund shall be computed at short rates if this Rider be terminated or canceled or reduced by notice from, or at the instance of, the Insured.

Nothing herein contained shall be held to vary, alter, waive, or extend any of the terms, conditions, provisions, agreements or limitations of the above mentioned Bond or Policy, other than as above stated.

By

Authorized Representative

**INSURED**

ICB011 Rev.2-10

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**ENDORSEMENT OR RIDER NO. 3**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

*The following spaces preceded by an (\*) need not be completed if this endorsement or rider and the Bond or Policy have the same inception date.*

ATTACHED TO AND	DATE	
FORMING	ENDORSEMENT * EFFECTIVE DATE OF ENDORSEMENT OR RIDER	
PART OF BOND OR	OR	
POLICY NO.	RIDER	12:01 A.M. STANDARD TIME AS
ZBN-41M20437-14-N2	EXECUTED	SPECIFIED IN THE BOND OR POLICY
* ISSUED TO	01/08/15	12/31/14

**COHEN & STEERS CLOSED-END FUND COMPLEX**

**UNAUTHORIZED SIGNATURES**

**It is agreed that:**

**1. The attached bond is amended by inserting an additional Insuring Agreement as follows:**

**INSURING AGREEMENT M UNAUTHORIZED SIGNATURE**

- (A) Loss resulting directly from the Insured having accepted, paid or cashed any check or withdrawal order, draft, made or drawn on a customer's account which bears the signature or endorsement of one other than a person whose name and signature is on the application on file with the Insured as a signatory on such account.
  - (B) It shall be a condition precedent to the Insured's right of recovery under this Rider that the Insured shall have on file signatures of all persons who are authorized signatories on such account.
- 2. The total liability of the Underwriter under Insuring Agreement M is limited to the sum of TWENTY FIVE THOUSAND Dollars (\$25,000 ), it being understood, however, that such liability shall be part of and not in addition to the Limit of Liability stated in Item 3 of the Declarations of the attached bond or amendment thereof.**
- 3. With respect to coverage afforded under this Rider, the Deductible Amount shall be FIVE THOUSAND Dollars (\$5,000 ).**

**Nothing herein contained shall be held to vary, alter, waive, or extend any of the terms, conditions, provisions, agreements or limitations of the above mentioned Bond or Policy, other than as above stated.**

**By**

**Authorized Representative**

**INSURED**

ICB012 Ed. 7-04

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**ENDORSEMENT OR RIDER NO. 4**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

*The following spaces preceded by an (\*) need not be completed if this endorsement or rider and the Bond or Policy have the same inception date.*

ATTACHED TO AND	DATE	
FORMING	ENDORSEMENT * EFFECTIVE DATE OF ENDORSEMENT OR RIDER	
PART OF BOND OR	OR	
POLICY NO.	RIDER	12:01 A.M. STANDARD TIME AS
ZBN-41M20437-14-N2	EXECUTED	SPECIFIED IN THE BOND OR POLICY
* ISSUED TO	01/08/15	12/31/14

**COHEN & STEERS CLOSED-END FUND COMPLEX**

**TELEFACSIMILE TRANSACTIONS**

**It is agreed that:**

**1. The attached Bond is amended by adding an additional Insuring Agreement as follows:**

**INSURING AGREEMENT L TELEFACSIMILE TRANSACTIONS**

Loss caused by a Telefacsimile Transaction, where the request for such Telefacsimile Transaction is unauthorized or fraudulent and is made with the manifest intent to deceive; provided, that the entity which receives such request generally maintains and follows during the Bond Period all Designated Fax Procedures with respect to Telefacsimile Transactions. The isolated failure of such entity to maintain and follow a particular Designated Fax Procedure in a particular instance will not preclude coverage under this Insuring Agreement, subject to the exclusions herein and in the Bond.

**2. Definitions. The following terms used in this Insuring Agreement shall have the following meanings:**

- a. **Telefacsimile System** means a system of transmitting and reproducing fixed graphic material (as, for example, printing) by means of signals transmitted over telephone lines.
- b. **Telefacsimile Transaction** means any Fax Redemption, Fax Election, Fax Exchange, or Fax Purchase.
- c.

**Fax Redemption** means any redemption of shares issued by an Investment Company which is requested through a Telefacsimile System.

- d. **Fax Election** means any election concerning dividend options available to Fund shareholders which is requested through a Telefacsimile System.
- e. **Fax Exchange** means any exchange of shares in a registered account of one Fund into shares in an identically registered account of another Fund in the same complex pursuant to exchange privileges of the two Funds, which exchange is requested through a Telefacsimile System.
- f. **Fax Purchase** means any purchase of shares issued by an Investment Company which is requested through a Telefacsimile System.
- g. **Designated Fax Procedures** means the following procedures:
  - (1) **Retention**: All Telefacsimile Transaction requests shall be retained for at least six (6) months. Requests shall be capable of being retrieved and produced in legible form within a reasonable time after retrieval is requested.
  - (2) **Identity Test**: The identity of the sender in any request for a Telefacsimile Transaction shall be tested before executing that Telefacsimile Transaction, either by requiring the sender to include on the face of the request a unique identification number or to include key specific account information. Requests of Dealers must be on company letterhead and be signed by an authorized representative. Transactions by occasional users are to be verified by telephone confirmation.



- (3) **Contents:** A Telefacsimile Transaction shall not be executed unless the request for such Telefacsimile Transaction is dated and purports to have been signed by (a) any shareholder or subscriber to shares issued by a Fund, or (b) any financial or banking institution or stockbroker.
- (4) **Written Confirmation:** A written confirmation of each Telefacsimile Transaction shall be sent to the shareholder(s) to whose account such Telefacsimile Transaction relates, at the record address, by the end of the Insured's next regular processing cycle, but no later than five (5) business days following such Telefacsimile Transaction.

i. **Designated** means or refers to a written designation signed by a shareholder of record of a Fund, either in such shareholder's initial application for the purchase of Fund shares, with or without a Signature Guarantee, or in another document with a Signature Guarantee.

j. **Signature Guarantee** means a written guarantee of a signature, which guarantee is made by an Eligible Guarantor Institution as defined in Rule 17Ad-15(a)(2) under the Securities Exchange Act of 1934.

3. **Exclusions.** It is further understood and agreed that this Insuring Agreement shall not cover:

a. Any loss covered under Insuring Agreement A, Fidelity, of this Bond; and

b. Any loss resulting from:

- (1) Any Fax Redemption, where the proceeds of such redemption were requested to be paid or made payable to other than (a) the shareholder of record, or (b) a person Designated in the initial application or in writing at least one (1) day prior to such redemption to receive redemption proceeds, or (c) a bank account Designated in the initial application or in writing at least one (1) day prior to such redemption to receive redemption proceeds; or
- (2) Any Fax Redemption of Fund shares which had been improperly credited to a shareholder's account, where such shareholder (a) did not cause, directly or indirectly, such shares to be credited to such account, and (b) directly or indirectly received any proceeds or other benefit from such redemption; or
- (3) Any Fax Redemption from any account, where the proceeds of such redemption were requested to be sent to any address other than the record address or another address for such account which was designated (a) over the telephone or by telefacsimile at least fifteen (15) days prior to such redemption, or (b) in the initial application or in writing at least one (1) day prior to such redemption; or
- (4) The intentional failure to adhere to one or more Designated Fax Procedures; or

(5) The failure to pay for shares attempted to be purchased.

4. The Single Loss Limit of Liability under Insuring Agreement L is limited to the sum of TEN MILLION ONE HUNDRED THOUSAND Dollars (\$10,100,000 ) it being understood, however, that such liability shall be part of and not in addition to the Limit of Liability stated in Item 3 of the Declarations of the attached Bond or amendments thereof.

5. With respect to coverage afforded under this Rider the applicable Single loss Deductible Amount is TWENTY FIVE THOUSAND Dollars (\$25,000 ).

Nothing herein contained shall be held to vary, alter, waive, or extend any of the terms, conditions, provisions, agreements or limitations of the above mentioned Bond or Policy, other than as above stated.

By

Authorized Representative

INSURED

**ENDORSEMENT OR RIDER NO. 5 THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

*The following spaces preceded by an (\*) need not be completed if this endorsement or rider and the Bond or Policy have the same inception date.*

ATTACHED TO AND	DATE	
FORMING	ENDORSEMENT	* EFFECTIVE DATE OF ENDORSEMENT OR RIDER
PART OF BOND OR	OR	
POLICY NO.	RIDER	12:01 A.M. STANDARD TIME AS
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ZBN-41M20437-14-N2	01/08/15	12/31/14
* ISSUED TO		

**COHEN & STEERS CLOSED-END FUND COMPLEX**

**VOICE INITIATED TRANSACTIONS**

It is agreed that:

1. The attached bond is amended by inserting an additional Insuring Agreement as follows:

**INSURING AGREEMENT K - VOICE-INITIATED TRANSACTIONS**

Loss caused by a Voice-initiated Transaction, where the request for such Voice-initiated Transaction is unauthorized or fraudulent and is made with the manifest intent to deceive; provided, that the entity which receives such request generally maintains and follows during the Bond Period all Designated Procedures with respect to Voice-initiated Redemptions and the Designated Procedures described in paragraph 2f (1) and (3) of this Rider with respect to all other Voice-initiated Transactions. The isolated failure of such entity to maintain and follow a particular Designated Procedure in a particular instance will not preclude coverage under this Insuring Agreement, subject to the specific exclusions herein and in the Bond.

2. **Definitions.** The following terms used in this Insuring Agreement shall have the following meanings:

- a. **Voice-initiated Transaction** means any Voice-initiated Redemption, Voice-initiated Election, Voice-initiated Exchange, or Voice-initiated Purchase.
- b. **Voice-initiated Redemption** means any redemption of shares issued by an Investment Company which is requested by voice over the telephone.

- c. **Voice-initiated Election** means any election concerning dividend options available to Fund shareholders which is requested by voice over the telephone.
- d. **Voice-initiated Exchange** means any exchange of shares in a registered account of one Fund into shares in an identically registered account of another Fund in the same complex pursuant to exchange privileges of the two Funds, which exchange is requested by voice over the telephone.
- e. **Voice-initiated Purchase** means any purchase of shares issued by an Investment Company which is requested by voice over the telephone.
- f. **Designated Procedures** means the following procedures:
- (1) **Recordings**: All Voice-initiated Transaction requests shall be recorded, and the recordings shall be retained for at least six (6) months. Information contained on the recordings shall be capable of being retrieved and produced within a reasonable time after retrieval of specific information is requested, at a success rate of no less than 85%.
  - (2) **Identity Test**: The identity of the caller in any request for a Voice-initiated Redemption shall be tested before executing that Voice-initiated Redemption, either by requesting the caller to state a unique identification number or to furnish key specific account information.
  - (3) **Written Confirmation**: A written confirmation of each Voice-initiated Transaction and of each change of the record address of a Fund shareholder requested by voice over the telephone shall be mailed to the shareholder(s) to whose account such Voice-initiated Transaction or change of address relates, at the original record address (and, in the case of such change of address, at the changed record address) by the end of the Insured's next regular processing cycle, but no later than five (5) business days following such Voice-initiated Transaction or change of address.

- g. Investment Company or Fund** means an investment company registered under the Investment Company Act of 1940.
- h. Officially Designated** means or refers to a written designation signed by a shareholder of record of a Fund, either in such shareholder's initial application for the purchase of Fund shares, with or without a Signature Guarantee, or in another document with a Signature Guarantee.
- i. Signature Guarantee** means a written guarantee of a signature, which guarantee is made by a financial or banking institution whose deposits are insured by the Federal Deposit Insurance Corporation or by a broker which is a member of any national securities exchange registered under the Securities Exchange Act of 1934.
- 3. Exclusions.** It is further understood and agreed that this Insuring Agreement shall not cover:
- a. Any loss covered under Insuring Agreement A, Fidelity, of this Bond; and**
- b. Any loss resulting from:**
- (1) Any Voice-initiated Redemption, where the proceeds of such redemption were requested to be paid or made payable to other than (a) the shareholder of record, or (b) a person Officially Designated to receive redemption proceeds, or (c) a bank account Officially Designated to receive redemption proceeds; or**
  - (2) Any Voice-initiated Redemption of Fund shares which had been improperly credited to a shareholder's account, where such shareholder (a) did not cause, directly or indirectly, such shares to be credited to such account, and (b) directly or indirectly received any proceeds or other benefit from such redemption; or**
  - (3) Any Voice-initiated Redemption from any account, where the proceeds of such redemption were requested to be sent (a) to any address other than the record address for such account, or (b) to a record address for such account which was either (i) designated over the telephone fewer than thirty (30) days prior to such redemption, or (ii) designated in writing less than on (1) day prior to such redemption; or**
  - (4) The intentional failure to adhere to one or more Designated Procedures; or**
  - (5) The failure to pay for shares attempted to be purchased; or**
  - (6) Any Voice-initiated Transaction requested by voice over the telephone and received by an automated system which receives and converts such request to executable instructions.**

**4. The total liability of the Underwriter under Insuring Agreement K is limited to the sum of TEN MILLION ONE HUNDRED THOUSAND Dollars (\$10,100,000 ), it being understood, however, that such liability shall be part of and not in addition to the Limit of Liability stated in Item 3 of the Declarations of the attached bond or amendment thereof.**

**5. With respect to coverage afforded under this Rider the applicable Deductible Amount is TWENTY FIVE THOUSAND Dollars (\$25,000 ).**

**Nothing herein contained shall be held to vary, alter, waive, or extend any of the terms, conditions, provisions, agreements or limitations of the above mentioned Bond or Policy, other than as above stated.**

**By**

**Authorized Representative**

**INSURED**

**ENDORSEMENT OR RIDER NO. 6 THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

*The following spaces preceded by an (\*) need not be completed if this endorsement or rider and the Bond or Policy have the same inception date.*

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PART OF BOND OR	OR	
POLICY NO.	RIDER	12:01 A.M. STANDARD TIME AS
ZBN-41M20437-14-N2	EXECUTED	SPECIFIED IN THE BOND OR POLICY
* ISSUED TO	01/08/15	12/31/14

**COHEN & STEERS CLOSED-END FUND COMPLEX**

**Amend Definition of Employee (Exclude EDP Coverage for Computer Software or Programs)**

**It is agreed that:**

**1. Sub-section 7 of Section 1(a) in the Definition of Employee, is deleted and replaced by the following:**

**(7) each natural person, partnership or corporation authorized by written agreement with the Insured to perform services as electronic data processor of checks or other accounting records of the Insured (does not include the creating, preparing, modifying or maintaining the Insured's computer software or programs), but excluding any such processor who acts as transfer agent or in any other agency capacity in issuing checks, drafts or securities for the Insured, unless included under sub-section (9) hereof, and**

**Nothing herein contained shall be held to vary, alter, waive, or extend any of the terms, conditions, provisions, agreements or limitations of the above mentioned Bond or Policy, other than as above stated.**

**By**

**Authorized Representative**

**INSURED**

ICB015 Ed. 7-04

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**ENDORSEMENT OR RIDER NO. 7 THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

*The following spaces preceded by an (\*) need not be completed if this endorsement or rider and the Bond or Policy have the same inception date.*

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FORMING	ENDORSEMENT	* EFFECTIVE DATE OF ENDORSEMENT OR RIDER
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ZBN-41M20437-14-N2	EXECUTED	SPECIFIED IN THE BOND OR POLICY
* ISSUED TO	01/08/15	12/31/14

**COHEN & STEERS CLOSED-END FUND COMPLEX**

**DEFINITION OF INVESTMENT COMPANY**

**It is agreed that:**

**1. Section 1, Definitions, under General Agreements is amended to include the following paragraph:**

**(f) Investment Company means an investment company registered under the Investment Company Act of 1940 and as listed under the names of Insureds on the Declarations.**

**Nothing herein contained shall be held to vary, alter, waive, or extend any of the terms, conditions, provisions, agreements or limitations of the above mentioned Bond or Policy, other than as above stated.**

**By**

**Authorized Representative**

**INSURED**

ICB016 Ed. 7-04

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**ENDORSEMENT OR RIDER NO. 8 THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

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POLICY NO.	RIDER	12:01 A.M. STANDARD TIME AS
	EXECUTED	SPECIFIED IN THE BOND OR POLICY
ZBN-41M20437-14-N2	01/08/15	12/31/14
* ISSUED TO		

**COHEN & STEERS CLOSED-END FUND COMPLEX**

**ADD EXCLUSIONS (N) & (O)**

**It is agreed that:**

**1. Section 2, Exclusions, under General Agreements, is amended to include the following sub-sections:**

- (n) loss from the use of credit, debit, charge, access, convenience, identification, cash management or other cards, whether such cards were issued or purport to have been issued by the Insured or by anyone else, unless such loss is otherwise covered under Insuring Agreement A.**
- (o) the underwriter shall not be liable under the attached bond for loss due to liability imposed upon the Insured as a result of the unlawful disclosure of non-public material information by the Insured or any Employee, or as a result of any Employee acting upon such information, whether authorized or unauthorized.**

**Nothing herein contained shall be held to vary, alter, waive, or extend any of the terms, conditions, provisions, agreements or limitations of the above mentioned Bond or Policy, other than as above stated.**

**By**

**Authorized Representative**

**INSURED**

ICB026 Ed. 7-04

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**ENDORSEMENT OR RIDER NO. 9**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

*The following spaces preceded by an (\*) need not be completed if this endorsement or rider and the Bond or Policy have the same inception date.*

	DATE	
ATTACHED TO AND		
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PART OF BOND OR	OR	
POLICY NO.	RIDER	12:01 A.M. STANDARD TIME AS
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ZBN-41M20437-14-N2	01/08/15	12/31/14
* ISSUED TO		

**COHEN & STEERS CLOSED-END FUND COMPLEX**

**ERISA Rider**

**It is agreed that:**

1. **Employee** as used in the attached bond shall include any natural person who is a director or trustee of the Insured while such director or trustee is engaged in handling funds or other property of any Employee Welfare or Pension Benefit Plan owned, controlled or operated by the Insured or any natural person who is a trustee, manager, officer of employee of any such Plan.
2. **If the Bond, in accordance with the agreements, limitations and conditions thereof, covers loss sustained by two or more Employee Welfare or Pension Benefit Plans or sustained by any such Plan in addition to loss sustained by an Insured other than such Plan, it is the obligation of the Insured or the Plan Administrator(s) of such Plans under Regulations published by the Secretary of Labor Implementing Section 13 of the Welfare and Pension Plans Disclosure Act of 1958 to obtain under one or more bonds issued by one or more Insurers an amount of coverage for each such Plan at least equal to that which would be required if such Plans were bonded separately.**
3. **In compliance with the foregoing, payment by the Company in accordance with the agreements, limitations and conditions of the bond shall be held by the Insured, or, if more than one, by the Insured first named, for the use and benefit of any Employee Welfare or Pension Benefit Plan sustaining loss so covered and to the extent that such payment is in excess of the amount of coverage required by such Regulations to be carried by said Plan sustaining such loss, such excess shall be held for the use and benefit of any other such Plan also covered in the event that such other Plan discovers that it has**

**sustained loss covered thereunder.**

- 4. If money or other property of two or more Employee Welfare or Pension Benefit Plans covered under the bond is commingled, recovery for loss of such money or other property through fraudulent or dishonest acts of Employees shall be shared by such Plans on a pro rata basis in accordance with the amount for which each such Plan is required to carry bonding coverage in accordance with the applicable provisions of said Regulations.**
  
- 5. The Deductible Amount of this bond applicable to loss sustained by a Plan through acts committed by an Employee of the Plan shall be waived, but only up to an amount equal to the amount of coverage required to be carried by the Plan because of compliance with the provisions of the Employee Retirement Income Security Act of 1974.**

**Nothing herein contained shall be held to vary, alter, waive, or extend any of the terms, conditions, provisions, agreements or limitations of the above mentioned Bond or Policy, other than as above stated.**

**By**

**Authorized Representative**

**INSURED**

ICB030 Ed. 7-04

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**ENDORSEMENT OR RIDER NO. 10 THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

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**COHEN & STEERS CLOSED-END FUND COMPLEX**

**AMEND SECTION 4. - LOSS-NOTICE-PROOF - LEGAL PROCEEDINGS**

**It is agreed that:**

**1. The second sentence of Section 4. Loss-Notice-Proof-Legal Proceedings is deleted and replaced with:**

**At the earliest practical moment, not to exceed 60 days after discovery of any loss hereunder by the CEO, CFO, CCO, GL, RM or any functional equivalent of the Insured, the first Named Insured shall give the Underwriter written notice thereof and shall also within six months after such discovery furnish to the Underwriter proof of loss with full particulars.**

**Nothing herein contained shall be held to vary, alter, waive, or extend any of the terms, conditions, provisions, agreements or limitations of the above mentioned Bond or Policy, other than as above stated.**

**By**

**Authorized Representative**

**INSURED**

ICB032 Ed. 7-04

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**ENDORSEMENT OR RIDER NO. 11 THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

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POLICY NO.	RIDER	12:01 A.M. STANDARD TIME AS
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* ISSUED TO	01/08/15	12/31/14

**COHEN & STEERS CLOSED-END FUND COMPLEX**

**NEW YORK STATUTORY RIDER**

**1. The first paragraph of Section 13. TERMINATION under Conditions and Limitations is amended by adding the following:**

**Cancellation of this bond by the Underwriter is subject to the following provisions:**

**If the bond has been in effect for 60 days or less, it may be canceled by the Underwriter for any reason. Such cancellation shall be effective 60 days after the Underwriter mails a notice of cancellation to the first-named Insured at the mailing address shown in the bond. However, if the bond has been in effect for more than 60 days or is a renewal, then cancellation must be based on one of the followings grounds:**

- (A) non-payment of premium, however, that a notice of cancellation on this ground shall inform the insured of the amount due;**
- (B) conviction of crime arising out of acts increasing the hazard insured against;**
- (C) discovery of fraud or material misrepresentation in the obtaining of the bond or in the presentation of claim thereunder;**
- (D) after issuance of the bond or after the last renewal date, discovery of an act or omission, or a violation of any bond condition that substantially and materially increases the hazard Insured against, and which occurred subsequent to inception of the current bond period;**

- (E) material change in the nature or extent of the risk, occurring after issuance or last annual renewal anniversary date of the bond, which causes the risk of loss to be substantially and materially increased beyond that contemplated at the time the bond was issued or last renewed;**
- (F) the cancellation is required pursuant to a determination by the superintendent that continuation of the present premium volume of the Insurer would jeopardize the Insurer's solvency or be hazardous to the interest of the Insureds, the Insurer's creditors or the public;**
- (G) a determination by the superintendent that the continuation of the bond would violate, or would place the Insurer in violation of, any provision of the New York State Insurance laws.**
- (H) where the Insurer has reason to believe, in good faith and with sufficient cause, that there is a possible risk or danger that the Insured property will be destroyed by the Insured for the purpose of collecting the insurance proceeds, provided, however, that:**
  - (i) a notice of cancellation on this ground shall inform the Insured in plain language that the Insured must act within ten days if review by the Insurance Department of the State of New York of the ground for cancellation is desired, and**
  - (ii) notice of cancellation on this ground shall be provided simultaneously by the Insurer to the Insurance Department of the State of New York.**
  - (iii) upon written request of the Insured made to the Insurance Department of the State of New York within ten days from the Insured's receipt of notice of cancellation on this ground, the department shall undertake a review of the ground for cancellation to determine whether or not the Insurer has satisfied the criteria for cancellation specified in this subparagraph; if after such review the department finds not sufficient cause for cancellation on this ground, the notice of cancellation on this ground shall be deemed null and void.**

**Cancellation based on one of the above grounds shall be effective 60 days after the notice of cancellation is mailed or delivered to the Named Insured, at the address shown on the bond, and to its authorized agent or broker.**

- 2. If the Underwriter elects not to replace a bond at the termination of the Bond Period, it shall notify the Insured not more than 120 days nor less than 60 days before termination. If such notice is given late, the bond shall continue in effect for 60 days after such notice is given. The Aggregate Limit of Liability shall not be increased or reinstated. The notice not to replace shall be mailed to the Insured and its broker or agent.**
  
- 3. If the Underwriter elects to replace the bond, but with a change of limits, reduced coverage, increased deductible, additional exclusion, or upon increased premiums in excess of ten percent (exclusive of any premium increase as a result of experience rating), the Underwriter must mail written notice to the Insured and its agent or broker not more than 120 days nor less than 60 days before replacement. If such notice is given late, the replacement bond shall be in effect with the same terms, conditions and rates as the terminated bond for 60 days after such notice is given.**
  
- 4. The Underwriter may elect to simply notify the Insured that the bond will either be not renewed or renewed with different terms, conditions or rates. In this event, the Underwriter will inform the Insured that a second notice will be sent at a later date specifying the Underwriter's exact intention. The Underwriter shall inform the Insured that, in the meantime, coverage shall continue on the same terms, conditions and rates as the expiring bond until the expiration date of the bond or 60 days after the second notice is mailed or delivered, whichever is later.**

**Nothing herein contained shall be held to vary, alter, waive, or extend any of the terms, conditions, provisions, agreements or limitations of the above mentioned Bond or Policy, other than as above stated.**

**By**

**Authorized Representative**

**INSURED**



The following spaces preceded by an (\*) need not be completed if this endorsement or rider and the Bond or Policy have the same inception date.

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**COHEN & STEERS CLOSED-END FUND COMPLEX**

**AMEND DEFINITION OF EMPLOYEE MEL2899 Ed. 5/05 - For use with ICB005 Ed. 7/04**

**It is agreed that:**

**1. The following is added to Definition (a), Employee, of Section 1. - DEFINITIONS, of the CONDITIONS AND LIMITATIONS:**

**9.(e) Cohen & Steers Capital Management Inc. - Advisor,**

(f) Cohen & Steers Europe S.A.	- Sub Advisor
Cohen & Steers Asia Limited	- Sub Advisor
Cohen & Steers UK Limited	- Sub Advisor

**Nothing herein contained shall be held to vary, alter, waive, or extend any of the terms, conditions, provisions, agreements or limitations of the above mentioned Bond or Policy, other than as above stated.**

**By**

**Authorized Representative**

**INSURED**

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PART OF BOND OR POLICY NO.	ENDORSEMENT OR RIDER EXECUTED	12:01 A.M. LOCAL TIME AS SPECIFIED IN THE BOND OR POLICY
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<b>* ISSUED TO</b>		

**COHEN & STEERS CLOSED-END FUND COMPLEX**

**AMEND SECTION 13. - TERMINATION AS TO ANY EMPLOYEE MEL3274 Ed. 7-05**

**For use with ICB005 Ed. 7-04**

**It is agreed that:**

**1. Sub-sections (a), (b) & (c) of Section 13. TERMINATION under CONDITIONS AND LIMITATIONS, are deleted in their entirety, and the following is substituted in lieu thereof:**

**Upon the detection by any Insured that such Employee has committed any dishonest or fraudulent act(s) or theft, the Insured shall immediately remove such Employee from a position that may enable such**

**Employee to cause the Insured to suffer a loss by any subsequent dishonest or fraudulent act(s) or theft. The Insured, within forty-eight (48) hours of such detection, shall notify the Underwriter with full and complete particulars of the detected dishonest or fraudulent act(s) or theft.**

**For purposes of this section, detection occurs when any partner, officer, or supervisory Employee of any Insured, who is not in collusion with such (detected) Employee, becomes aware that the (detected) Employee has committed any dishonest or fraudulent act(s) or theft.**

**This Bond shall terminate as to any Employee by written notice to each Insured and to the Securities and Exchange Commission from the Underwriter of not less than sixty (60) days prior to the effective date of termination specified in such notice.**

**Nothing herein contained shall be held to vary, alter, waive, or extend any of the terms, conditions, provisions, agreements or limitations of the above mentioned Bond or Policy, other than as above stated.**

**By**

**Authorized Representative**

**INSURED**

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**COHEN & STEERS CLOSED-END FUND COMPLEX**

**AUTOMATIC INCREASE IN LIMITS MEL4734 Ed. 11-06 - For use with ICB005 Ed. 7-04**

**It is agreed that:**

**1. Section 10., Limit of Liability, is amended to include the following paragraph:**

**If the Insured shall, while this bond is in force, require an increase in limits to comply with SEC Reg. 17g-1, due to an increase in asset size of current Investment Companies insured under the bond or the addition of new Investment Companies, the Limit of Liability of this Bond shall automatically be increased to comply with this regulation without the payment of additional premium for the remainder of the premium period.**

**Nothing herein contained shall be held to vary, alter, waive, or extend any of the terms, conditions, provisions, agreements or limitations of the above mentioned Bond or Policy, other than as above stated.**

**By**

**Authorized Representative**

**INSURED**

The following spaces preceded by an (\*) need not be completed if this endorsement or rider and the Bond or Policy have the same inception date.

ATTACHED TO AND FORMING PART OF	DATE	ENDORSEMENT * EFFECTIVE DATE OF ENDORSEMENT OR RIDER
BOND OR POLICY NO.	OR RIDER	
	EXECUTED	12:01 A.M. LOCAL TIME AS SPECIFIED IN THE BOND OR POLICY
ZBN-41M20437-14-N2 * ISSUED TO	01/08/15	12/31/14

**COHEN & STEERS CLOSED-END FUND COMPLEX**

**JOINT LOSS PAYEE ENDORSEMENT**

MEL4862 Ed. 1/07

**It is agreed that:**

**1. At the written request of the Named Insured, any payment in satisfaction of loss covered by the attached bond involving Money or other Property in which PENNSYLVANIA PUBLIC SCHOOL EMPLOYEES RETIREMENT SYSTEM has an interest shall be paid by an instrument issued to the Named Insured and the above organization as joint loss-payees, subject to the following conditions and limitations:**

- a. The attached bond is for the sole use and benefit of the Named Insured as expressed herein. The organization named above shall not be considered as an Insured under the bond, nor shall it otherwise have any rights or benefits under said bond.**
  
  - b. Notwithstanding any payment made under the terms of this rider or the execution of more than one of such similar rider, the amount paid for any one loss occurrence or otherwise in accordance with the terms of this bond shall not exceed the limits of liability as set forth in the Declarations Page.**
  
  - c. Nothing herein is intended to alter the terms, conditions and limitations of the bond.**
- 2. Should this bond be canceled, reduced, non-renewed or restrictively modified by the Underwriter, the Underwriter will endeavor to give advance notice to the organization named above, but failure to do so shall not impair or delay the effectiveness of any such cancellation, reduction, non-renewal or restrictive modification.**
- 3. Should this bond be canceled or reduced, non-renewed or restrictively modified at the request of the Insured, the Underwriter will endeavor to notify the organization named above of such cancellation or reduction within**

**30 business days after receipt of such request, but failure to do so shall not impair or delay the effectiveness of such cancellation, non-renewal, reduction or restrictive modification.**

**Nothing herein contained shall be held to vary, alter, waive, or extend any of the terms, conditions, provisions, agreements or limitations of the above mentioned Bond or Policy, other than as above stated.**

**By**

**Authorized Representative**

**INSURED**

**The following spaces preceded by an (\*) need not be completed if this endorsement or rider and the Bond or Policy have the same inception date.**

ATTACHED TO AND FORMING PART OF	DATE ENDORSEMENT	* EFFECTIVE DATE OF ENDORSEMENT OR RIDER
BOND OR POLICY NO.	OR RIDER	
	EXECUTED	12:01 A.M. LOCAL TIME AS SPECIFIED IN THE BOND OR POLICY
ZBN-41M20437-14-N2 * ISSUED TO	01/08/15	12/31/14

**COHEN & STEERS CLOSED-END FUND COMPLEX**

**COUNTERFEIT CURRENCY COVERAGE FOR ANY COUNTRY - REPLACE INSURING**

**AGREEMENT G**

**MEL5855 Ed. 06/08**

**It is agreed that:**

**Insuring Agreement G, COUNTERFEIT CURRENCY, is replaced with the following:**

**COUNTERFEIT CURRENCY**

**(G) Loss through the receipt by the Insured, in good faith, of any counterfeited money orders or altered paper currencies or coin of any country.**

**Nothing herein contained shall be held to vary, alter, waive, or extend any of the terms, conditions, provisions, agreements or limitations of the above mentioned Bond or Policy, other than as above stated.**

**By**

**Authorized Representative**

**INSURED**

The following spaces preceded by an (\*) need not be completed if this endorsement or rider and the Bond or Policy have the same inception date.

		DATE
ATTACHED TO AND FORMING PART OF	ENDORSEMENT	* EFFECTIVE DATE OF ENDORSEMENT OR RIDER
BOND OR POLICY NO.	OR RIDER	
	EXECUTED	12:01 A.M. LOCAL TIME AS SPECIFIED IN THE BOND OR POLICY
ZBN-41M20437-14-N2	01/08/15	12/31/14
* ISSUED TO		

**COHEN & STEERS CLOSED-END FUND COMPLEX**

**REPLACE INSURING AGREEMENT (A) FIDELITY For use with ICB005 Ed. 7/04**

**MEL7428 Ed. 04/10**

**It is agreed that:**

**1. Insuring Agreement (A) Fidelity is replaced with the following:**

**(A) Loss resulting from any dishonest or fraudulent act(s), including Larceny or Embezzlement, committed by an Employee, committed anywhere and whether committed alone or in collusion with others, including loss of Property resulting from such acts of an Employee, which Property is held by the Insured for any purpose or in any capacity and whether so held gratuitously or not and whether or not the Insured is liable therefor.**

**Dishonest or fraudulent act(s) as used in this Insuring Agreement shall mean only dishonest or fraudulent act(s) committed by such Employee with the intent:**

- (a) to cause the Insured to sustain such loss, or**
- (b) to obtain financial benefit for the Employee or another person or organization.**

**Notwithstanding the foregoing, it is agreed that with regard to Loans and/or Trading this bond covers only loss resulting directly from dishonest or fraudulent acts committed by an Employee with the intent to cause the Insured to sustain such loss, and to obtain financial benefit for the Employee or another person or organization. However, where the proceeds of a fraud committed by an Employee involving Loans and/or Trading are actually received by persons with whom the Employee was acting in collusion, but said Employee fails to derive a financial benefit therefrom, such a loss will nevertheless be covered hereunder as if the Employee had obtained such benefit provided the Insured establishes that the Employee intended to participate therein.**

**As used in this Insuring Agreement, financial benefit does not include any employee benefits earned in the normal course of employment, including: salaries, commissions, fees, bonuses, promotions, awards, profit**



**sharing and pensions.**

**Trading** as used in this Insuring Agreement means trading or otherwise dealing in securities, commodities, futures, options, foreign or federal funds, currencies, foreign exchange or other means of exchange similar to or in the nature of the foregoing. .

**Loan** as used in this Insuring Agreement means any extension of credit by the Insured, any transaction creating a creditor relationship in favor of the Insured and any transaction by which the Insured assumes an existing creditor relationship

**Nothing herein contained shall be held to vary, alter, waive, or extend any of the terms, conditions, provisions, agreements or limitations of the above mentioned Bond or Policy, other than as above stated.**

**By**

**Authorized Representative**

**INSURED**

FIDELITY BOND AGREEMENT

This Agreement is made as of this 9<sup>th</sup> day of December, 2014 by and among Cohen & Steers Capital Management, Inc. (the Adviser ), Cohen & Steers Closed-End Opportunity Fund, Inc., Cohen & Steers Global Income Builder, Inc., Cohen & Steers Infrastructure Fund, Inc., Cohen & Steers Quality Income Realty Fund, Inc., Cohen & Steers REIT and Preferred Income Fund, Inc., Cohen & Steers Select Preferred and Income Fund, Inc., Cohen & Steers Total Return Realty Fund, Inc., Cohen & Steers Limited Duration Preferred and Income Fund, Inc. and Cohen & Steers MLP Income and Energy Opportunity Fund, Inc. (collectively, the Funds ).

WITNESSETH:

WHEREAS, each of the Funds are a registered investment company under the Investment Company Act of 1940 (the Act ); and

WHEREAS, the Adviser has agreed to provide certain administrative services to the Funds, including the purchase of a bond required by the Act and Rule 17g-1 promulgated thereunder pursuant to which the Funds and the Adviser are named insureds; and

WHEREAS, Rule 17g-1 requires that the named insureds under such a bond enter into an agreement with respect to certain matters.

NOW, THEREFORE, in consideration of the premises and the terms and provisions hereinafter set forth, the parties hereto agree as follows:

1. Procurement of Bond. The Adviser agrees to procure a Bond on behalf of the Funds from a reputable fidelity insurance company, designating the Adviser and the Funds as named insureds (the Bond ).
2. Amount. The Bond shall be in the amount based upon the total assets of each Fund, which are equal to or in excess of the minimum coverage required for each Fund under Rule 17g-1 and federal statutes and regulations.
3. Minimum Recovery. In the event recovery is received under the Bond as a result of a loss sustained by the Adviser or one or more of the Funds, each Fund shall receive an equitable and proportionate share of the recovery, which shall be at least equal to the amount that each Fund would have received had it provided and maintained a single insured bond with the minimum coverage required by Rule 17g-1(d)(1).
4. Term. The term of this Agreement shall be through December 31, 2015 and shall continue thereafter so long as the continuance is specifically approved annually by a majority of the independent directors of each Fund and a majority of the entire Board of Directors of each Fund.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed on the date first written above.

COHEN & STEERS CAPITAL MANAGEMENT, INC.

By: /s/ Tina M. Payne  
Tina M. Payne

Senior Vice President

COHEN & STEERS CLOSED END OPPORTUNITY  
FUND, INC.

By: /s/ Tina M. Payne  
Tina M. Payne

Assistant Secretary

COHEN & STEERS GLOBAL INCOME BUILDER,  
INC.

By: /s/ Tina M. Payne  
Tina M. Payne

Assistant Secretary

COHEN & STEERS INFRASTRUCTURE FUND, INC.

By: /s/ Tina M. Payne  
Tina M. Payne

Assistant Secretary

COHEN & STEERS QUALITY INCOME REALTY  
FUND, INC.

By: /s/ Tina M. Payne  
Tina M. Payne

Assistant Secretary

COHEN & STEERS REIT AND PREFERRED  
INCOME FUND, INC.

By: /s/ Tina M. Payne  
Tina M. Payne

Assistant Secretary

COHEN & STEERS SELECT PREFERRED AND  
INCOME FUND, INC.

By: /s/ Tina M. Payne  
Tina M. Payne

Assistant Secretary

COHEN & STEERS TOTAL RETURN REALTY  
FUND, INC.

By: /s/ Tina M. Payne  
Tina M. Payne

Assistant Secretary

COHEN & STEERS LIMITED DURATION  
PREFERRED AND INCOME FUND, INC.

By: /s/ Tina M. Payne  
Tina M. Payne

Assistant Secretary

COHEN & STEERS MLP INCOME AND ENERGY  
OPPORTUNITY FUND, INC.

By: /s/ Tina M. Payne  
Tina M. Payne

Assistant Secretary

**COHEN & STEERS CLOSED-END OPPORTUNITY FUND, INC.**

**COHEN & STEERS GLOBAL INCOME BUILDER, INC.**

**COHEN & STEERS INFRASTRUCTURE FUND, INC.**

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

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

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

**COHEN & STEERS TOTAL RETURN REALTY FUND, INC.**

**COHEN & STEERS LIMITED DURATION PREFERRED AND INCOME FUND, INC.**

**COHEN & STEERS MLP INCOME AND ENERGY OPPORTUNITY FUND, INC.**

**(collectively, the Funds )**

Certificate of Assistant Secretary

The undersigned, being the duly elected Assistant Secretary of the above-referenced Funds, each a Fund organized under the laws of the State of Maryland, hereby certifies that the following are the true and complete resolutions approved by the Board of Directors at a meeting held on December 9, 2014, and that said resolutions have not been revoked or amended and are now in full force and effect.

**RESOLVED**, that it is the determination of the Board, including a majority of the Independent Directors, that the joint insured fidelity bond among the closed-end registered Funds (the Closed-end Bond ) written by St. Paul Fire and Marine Insurance Company in the amount of \$10,100,000, insuring the Fund and the other parties named as insured parties under the Closed-end Bond (the Parties ) for covered acts or omissions of the Fund s officers and employees, in accordance with the requirements of Rule 17g-1 under the 1940 Act, is reasonable in form and amount after having given due consideration to all relevant factors including, but not limited to, the value of the aggregate assets of the Fund to which any such covered person may have access, the type and terms of the arrangements made for the custody and safekeeping of such assets and the nature of the securities in the Fund s portfolio; and

**RESOLVED**, that the Board, including a majority of the Independent Directors, hereby approves the payment by each Fund of the portion of the extension premium for coverage under the Closed-end Bond, as the case may be, in the amount described at this meeting, having given due consideration to all relevant factors including, but not limited to, the number of other Parties, the nature of the business activities of such other Parties, the amount of the relevant Bond, and the ratable allocation of the premium among all the relevant Parties and the extent to which the share of the premium allocated to such Fund is less than the premium the Fund would have had to pay if it had provided and maintained a single insured bond; and

**RESOLVED**, that each of the appropriate officers of the Fund hereby is authorized to take such actions as may be required to amend the Bonds to include in the coverage new funds advised, sub-advised or administered by CSCM or its affiliates, as of the date each is declared effective by the Securities and Exchange Commission (the SEC); and

**RESOLVED**, that each of the President, any Vice President, the Secretary, any Assistant Secretary and the Treasurer hereby is designated as the officer responsible for making all filings with the SEC and giving all notices on behalf of the Fund with respect to the Bonds required by paragraph (g) of Rule 17g-1 under the 1940 Act; and

**RESOLVED**, that the form, terms and conditions of each Joint Fidelity Bond Agreement (each an Agreement) between and among the Fund and the relevant Parties, substantially in the form discussed at this meeting, hereby are adopted and approved, and that each of the President, any Vice President, the Secretary, any Assistant Secretary and the Treasurer hereby is authorized and directed to execute and deliver the Agreement on behalf of the Fund with such changes therein as such officer determines is necessary or desirable, the execution thereof to be conclusive evidence of such determination; and

**RESOLVED**, that the actions taken by the appropriate officer or officers in respect of the matters referred to in the preceding resolutions hereby are ratified, adopted, and confirmed in all respects.

IN WITNESS WHEREOF, the undersigned has executed this certificate as Assistant Secretary of the above mentioned Funds on this 16<sup>th</sup> day of January, 2015.

/s/ Tina M. Payne  
Tina M. Payne  
Assistant Secretary

As of September 30, 2014

**Cohen & Steers Closed-End Opportunity Fund, Inc.**

Assets = \$397,310,063

Minimum Bond = \$750,000

**Cohen & Steers Global Income Builder, Inc.**

Assets = \$353,659,991

Minimum Bond = \$750,000

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

Assets = \$1,755,529,220

Minimum Bond = \$1,500,000

**Cohen & Steers REIT and Preferred Income Fund, Inc.**

Assets = \$1,299,078,599

Minimum Bond = \$1,250,000

**Cohen & Steers Infrastructure Fund, Inc.**

Assets = \$3,094,468,584

Minimum Bond = \$2,100,000

**Cohen & Steers Total Return Realty Fund, Inc.**

Assets = \$343,075,421

Minimum Bond = \$750,000

**Cohen & Steers Select Preferred and Income Fund, Inc.**

Assets = \$461,251,515

Minimum Bond = \$750,000

**Cohen & Steers Limited Duration Preferred and Income Fund, Inc.**

Assets = \$1,074,684,388

Minimum Bond = \$1,250,000

**Cohen & Steers MLP Income and Energy Opportunity Fund, Inc.**

Assets = \$859,518,933



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Minimum Bond = \$1,000,000

Please note that the bond contains an endorsement which allows for automatic increase in limits, as may be needed as a result of an increase in asset size or due to the addition of new Investment Companies. The increase will be automatic and without the payment of additional premiums for the remainder of the premium period.

1,631,535

Subtotal

17,814,117

17,814,117

Long-term investments:

Certificates of deposit

933,589

933,589

Corporate Notes/Bonds

4,071,934

4,071,934

Subtotal

5,005,523

5,005,523

Current Liabilities:

Accrued Consideration

(971,681

)

(971,681

)

Subtotal

(971,681

)

(971,681

)

Total

\$

643,246

\$

22,819,641

\$

(971,681

)

\$

22,491,206

December 31, 2011

	Level 1	Level 2	Level 3	Total Fair Value
<b>Cash equivalents:</b>				
Money Market funds	\$ 829,881	\$	\$	\$ 829,881
Subtotal	829,881			829,881
<b>Short-term investments:</b>				
Certificates of deposit		18,635,601		18,635,601
Subtotal		18,635,601		18,635,601
<b>Long-term investments:</b>				
Certificates of deposit		4,883,510		4,883,510
Subtotal		4,883,510		4,883,510
<b>Current Liabilities:</b>				
Accrued Consideration			(1,002,623)	(1,002,623)
Subtotal			(1,002,623)	(1,002,623)
<b>Total</b>	<b>\$ 829,881</b>	<b>\$ 23,519,111</b>	<b>\$ (1,002,623)</b>	<b>\$ 23,346,369</b>

The estimated fair value of remaining contingent consideration as of June 30, 2012 was approximately \$972,000, as noted above. The estimated fair value is considered a level 3 measurement because the probability weighted discounted cash flow methodology used to estimate fair value includes the use of significant unobservable inputs, primarily the contractual contingent consideration gross margin targets and assumed probabilities. There was not a significant change in either the estimated contingent consideration fair value or the fair value inputs during the first half of 2012. Any change in our estimated liability for contingent consideration will increase or decrease operating income in future periods.

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There were no transfers between levels during the six months ended June 30, 2012.

NOTE 13 SUBSEQUENT EVENTS

The Company has evaluated subsequent events through the date of this filing. We do not believe there are any material subsequent events which would require further disclosure.



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Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Overview

Communications Systems, Inc. provides physical connectivity infrastructure and services for global deployments of broadband networks through the following business units:

Suttle manufactures and markets copper and fiber connectivity systems, enclosure systems, xDSL filters and splitters, and active technologies for voice, data and video communications;

Transition Networks manufactures network interface devices (NIDs), media converters, network interface cards (NICs), Ethernet switches and other connectivity products that offer the ability to affordably integrate the benefits of fiber optics into any data network; and

JDL Technologies provides technology solutions including virtualization, managed services, wired and wireless network design and implementation services, and converged infrastructure configuration and deployment.

For the three months ended June 30, 2012, the Company had revenues of \$25.6 million and net income of \$972,000 or \$0.11 per diluted share compared to 2011 second quarter revenues of \$45.4 million and net income of \$4.1 million or \$0.48 per diluted share. For the six months ended June 30, 2012, the Company had revenues of \$49.8 million and net income of \$1,027,000 or \$0.12 per diluted share compared to 2011 six-month revenues of \$76.5 million and net income of \$6.6 million or \$0.78 per diluted share.

As the Company discussed in reporting its 2011 interim and full year results, its strong 2011 financial performance was bolstered by large projects in its Transition Networks and JDL business units, making year-over-year comparisons more challenging. The significant decrease in the revenue and net income for the three and six-month periods from the 2011 periods is primarily due to a large, one-time 2011 Transition Networks project that generated \$19.4 million of revenue in the 2011 second quarter. The Company continues to face a difficult 2012 economic environment, primarily related to lower government spending, which is affecting both its Transition Networks and JDL business units.

Excluding the revenues from this one-time project, Transition Networks 2012 second quarter revenues increased \$916,000 or 8% over the 2011 second quarter. Transition Networks is working to increase revenue in its focus markets, including the service provider market and continues to have success with Telcos that provide business Ethernet services. The July 2011 addition of Patapsco has helped to expand its capacity to serve the mobile backhaul space. The Company expects growth in this space and continues to invest in product development to support it.

JDL's 2012 revenues decreased 70.2% as it completed a large contract for the Broward Country School District in the third quarter of 2011. JDL continues to support this school district, and is working to acquire new school districts and universities and expanding its products and services to small- and medium-sized businesses to implement new technologies such as virtualization and migration to the cloud. In the second quarter, JDL received new orders from the 4th largest school district in the U.S., the Miami-Dade County Public School District (M-DCPS) to provide the hardware to M-DCPS for wireless connectivity.

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The improving housing market, especially for multi-tenant dwelling units, and Suttle's strong position within its customer base enabled it to increase revenues from its structured wiring products and to increase by \$1.3 million or 14% over the second quarter of 2011. Suttle is also having success penetrating new opportunities with copper and fiber connectivity products within its existing customer base as well as gaining new customers in Latin America, Europe and the Middle East. Suttle's Costa Rica facility is growing to support customers globally with production and has added engineering resources to support new product development. In the quarter, the Company used cash to build Suttle products to support new orders.

While the Company has reduced some general and administrative costs, it continues to invest in its business to target opportunities in its core markets as it pursues new opportunities in its global customer base and expands into new markets. The Company's ongoing implementation of its enterprise resource planning (ERP) system is proceeding well. This new system will standardize all of the Company business units on one system, bringing efficiencies to product development, manufacturing, delivering services and back office support.

Despite some near-term economic uncertainty in some areas such as government spending, the Company remains optimistic about its long-term prospects and will continue to invest in areas that will enable it to be successful in its target markets.

Forward-looking statements

In this report and, from time to time, in reports filed with the Securities and Exchange Commission, in press releases, and in other communications to shareholders or the investing public, the Company may make forward looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 concerning possible or anticipated future financial performance, business activities, plans, pending claims, investigations or litigation which are typically preceded by the words believes, expects, anticipates, intends or similar expressions. For these forward-looking statements, the Company claims the protection of the safe harbor for forward-looking statements contained in federal securities laws. Shareholders and the investing public should understand that these forward-looking statements are subject to risks and uncertainties that could cause actual performance, activities, anticipated results, outcomes or plans to differ significantly from those indicated in the forward-looking statements. These risks and uncertainties include, but are not limited to:

- our ability to manufacture and deliver our products to customers in the time frame these customers have specified;
- possible lower future sales to major telephone companies and other major customers;
- the introduction of competitive products and technologies;
- our ability to successfully control operating expenses in our business units;
- the general health of the telecom sector;
- the continuing worldwide financial downturn and sluggish economic conditions in certain market segments;
- our ability to successfully and profitably integrate our acquisitions, including our July 27, 2011 acquisition of Patapsco;
- delays in new product introductions;
- higher than expected expense related to new sales and marketing initiatives;
- unfavorable resolution of claims and litigation;
- availability of adequate supplies of raw materials and components;
- fuel prices;
- the dependence of our Transition Networks business unit on federal government spending;

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government funding of education technology spending; and  
 other factors discussed from time to time in the Company's filings with the Securities and Exchange Commission, including risk factors presented under Item 1A of the Company's most recently filed annual report on Form 10-K.

Three Months Ended June 30, 2012 Compared to  
Three Months Ended June 30, 2011

Consolidated sales decreased 44% in 2012 to \$25,561,000 compared to \$45,430,000 in 2011. Consolidated operating income in 2012 decreased to \$1,358,000 compared to \$7,253,000 in the second quarter of 2011. Net income in 2012 decreased to \$972,000 compared to \$4,085,000 in the second quarter of 2011.

**Suttle**

The Company realigned its business operations effective January 1, 2012 and as a result, the Austin Taylor operations are now included within the Suttle business unit. The Company has reclassified Austin Taylor's 2011 operations to conform to this presentation. Suttle sales increased 14% in the second quarter of 2012 to \$10,348,000 compared to \$9,050,000 in the same period of 2011 due to increases in new multi-dwelling unit construction in the US housing market and revenue from multiple new product contracts. Sales by customer groups in the second quarter of 2012 and 2011 were:

	<b>Suttle Sales by Customer Group</b>	
	<b>2012</b>	<b>2011</b>
Major telephone companies	\$ 7,735,000	\$ 5,760,000
Distributors	1,391,000	1,080,000
International	1,184,000	2,178,000
Other	38,000	32,000
	<b>\$ 10,348,000</b>	<b>\$ 9,050,000</b>

Suttle's sales by product groups in second quarter of 2012 and 2011 were:

	<b>Suttle Sales by Product Group</b>	
	<b>2012</b>	<b>2011</b>
Modular connecting products	\$ 3,242,000	\$ 2,711,000
Structured cabling products	4,203,000	2,460,000
DSL products	1,707,000	2,357,000
Other products	1,196,000	1,522,000
	<b>\$ 10,348,000</b>	<b>\$ 9,050,000</b>

Sales to the major telephone companies increased 34% in 2012 due to an increase in new multi-dwelling unit construction within the US housing market and revenue from multiple new product contracts. Sales to these customers accounted for 75% of Suttle's sales in the second quarter of 2012 compared to 64% of sales in 2011. Sales to distributors increased 29% in 2012 due to stronger demand for structured cabling products to support the increase in multi-dwelling unit construction. This customer segment accounted for 13% and 12% of sales in the second quarters of 2012 and 2011, respectively. International sales decreased 46% and accounted for 11% of Suttle's second quarter 2012 sales, due to reduction in DSL sales to a large customer.

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Modular connecting products sales have increased 20% due to an increase in new multi-dwelling unit construction in the US housing market. Sales of structured cabling products increased 71% due to an increase in new multi-dwelling unit construction market. Sales of DSL products decreased 28% due to the maturation of the U.S. DSL market and the order cycle of major customers.

Suttle's gross margin increased 22% in the second quarter of 2012 to \$2,497,000 compared to \$2,040,000 in the same period of 2011. Gross margin as a percentage of sales increased to 24% in 2012 from 23% in 2011 due to product mix changes. Selling, general and administrative expenses increased \$282,000 or 15% in the second quarter of 2012 compared to the same period in 2011, due to increased spending in the Company's technology development and market expansion initiatives. Suttle's operating income was \$292,000 in the second quarter of 2012 compared to an operating loss of \$1,155,000 in 2011 due to a goodwill impairment charge of \$1,272,000 in the second quarter of 2011.

**Transition Networks**

Transition Networks sales decreased 57% to \$14,030,000 in the second quarter of 2012 compared to \$32,378,000 in 2011 due to \$19,387,000 in revenue from a one-time large network upgrade project with a Fortune 500 company in the second quarter of 2011. Revenues excluding this major project increased 8% or \$1,039,000 as compared to the second quarter of 2011.

Second quarter sales by region are presented in the following table:

	Transition Networks Sales by Region	
	2012	2011
North America	\$ 10,614,000	\$ 29,082,000
Europe, Middle East, Africa ( EMEA )	1,328,000	1,497,000
Rest of world	2,088,000	1,799,000
	\$ 14,030,000	\$ 32,378,000

The following table summarizes Transition Networks' 2012 and 2011 second quarter sales by its major product groups:

	Transition Networks Sales by Product Group	
	2012	2011
Media converters	\$ 9,284,000	\$ 27,797,000
Ethernet switches	1,228,000	1,238,000
Ethernet adapters	336,000	605,000
Other products	3,182,000	2,738,000
	\$ 14,030,000	\$ 32,378,000

Sales in North America decreased 64% or \$18,468,000 due to a one-time large network upgrade project with a Fortune 500 company in the second quarter of 2011 noted above. This also caused the decrease in revenue from sales of media converters. International sales increased \$120,000, or 4%, due to increased project activity in the rest of world, specifically within south-east Asia.

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Gross margin on second quarter Transition Networks sales decreased 46% to \$7,801,000 in 2012 from \$14,538,000 in 2011. Gross margin as a percentage of sales increased to 56% in 2012 as compared to 45% in 2011 due to volume discounts given in 2011 for the large network upgrade project with a Fortune 500 company described above. Selling, general and administrative expenses decreased 6% to \$5,570,000 in 2012 compared to \$5,897,000 in 2011 due to cost reduction measures during the quarter. Operating income decreased to \$2,232,000 in 2012 compared to \$8,641,000 in 2011.

**JDL Technologies, Inc.**

JDL Technologies, Inc. sales decreased 70% to \$1,184,000 in the second quarter of 2012 compared to \$4,002,000 in 2011.

JDL's revenues by customer group were as follows:

	<b>JDL Revenue by Customer Group</b>	
	<b>2012</b>	<b>2011</b>
Broward County FL schools	\$ 701,000	\$ 3,833,000
All other	483,000	169,000
	<b>\$ 1,184,000</b>	<b>\$ 4,002,000</b>

Revenues earned in Broward County, Florida decreased \$3,132,000 or 82% in the second quarter 2012. In the first quarter of 2010, the Company received significant funding for federal government contract work. This contract work was of a long-term nature, and the Company completed these contracts during the quarter ended September 30, 2011. All other revenues increased \$314,000 due to JDL's concentrated effort to expand its market focus.

JDL gross margin decreased 81% to \$357,000 in the second quarter of 2012 compared to \$1,877,000 in the same period in 2011. Gross margin as a percentage of sales decreased to 30% in 2012 from 47% in 2011 due to purchasing discounts and rebates the Company was able to take advantage of during the prior year quarter. Selling, general and administrative expenses increased in 2012 to \$529,000 compared to \$488,000 in 2011 due to increased sales and marketing expenses as JDL has expanded its market focus. JDL reported an operating loss of \$172,000 in the second quarter of 2012 compared to operating income of \$1,389,000 in the same period of 2011.

**Other**

The Company's income before income taxes decreased to \$1,445,000 in 2012 compared to \$7,265,000 in 2011. The Company's effective income tax rate was 33% in 2012 and 44% in 2011. This effective rate differs from the standard rate of 35% due to state income taxes, provisions for interest charges, the release of valuation allowance placed on foreign net operating losses, and the effect of operations conducted in lower foreign tax rate jurisdictions.

Six Months Ended June 30, 2012 Compared to  
Six Months Ended June 30, 2011

Consolidated sales decreased 35% in 2012 to \$49,805,000 compared to \$76,452,000 in 2011. Consolidated operating income in 2012 decreased to \$1,488,000 compared to \$11,394,000 in the first six months of 2011. Net income in 2012 decreased to \$1,027,000 compared to \$6,643,000 in the first six months of 2011.

Table of Contents**Suttle**

The Company realigned its business operations effective January 1, 2012 and as a result, the Austin Taylor operations are now included within the Suttle business unit. The Company has reclassified Austin Taylor's 2011 operations to conform to this presentation. Suttle sales increased 6% in the first six months of 2012 to \$20,925,000 compared to \$19,737,000 in the same period of 2011. Sales by customer groups in the first six months of 2012 and 2011 were:

	<b>Suttle Sales by Customer Group</b>	
	<b>2012</b>	<b>2011</b>
Major telephone companies	\$ 15,185,000	\$ 12,635,000
Distributors	2,819,000	2,228,000
International	2,695,000	4,596,000
Other	226,000	278,000
	<b>\$ 20,925,000</b>	<b>\$ 19,737,000</b>

Suttle's sales by product groups in first six months of 2012 and 2011 were:

	<b>Suttle Sales by Product Group</b>	
	<b>2012</b>	<b>2011</b>
Modular connecting products	\$ 6,477,000	\$ 6,262,000
Structured cabling products	8,243,000	5,378,000
DSL products	3,612,000	5,316,000
Other products	2,593,000	2,781,000
	<b>\$ 20,925,000</b>	<b>\$ 19,737,000</b>

Sales to the major telephone companies increased 20% in 2012 due to an increase in new multi-dwelling unit construction in the US housing market and contribution from new product contracts. Sales to these customers accounted for 73% of Suttle's sales in the first six months of 2012 compared to 64% of sales in the same period in 2011. Sales to distributors increased 27% in 2012 primarily due to increase in activity in the US housing market. This customer segment accounted for 13% and 11% of sales in the first six months of 2012 and 2011, respectively. International sales decreased 41% and accounted for 13% of Suttle's first six months 2012 sales due to reduction in DSL sales to a large customer.

Modular connecting products sales have increased 3% due to an increase in new multi-dwelling unit construction in the US housing market. Sales of structured cabling products increased 53% due to increased construction activity in the multi-dwelling unit space in specific regions in the U.S. Sales of DSL products decreased 32% due to the maturation of the U.S. DSL market and order cycles of major customers.

Suttle's gross margin increased 13% in the first six months of 2012 to \$5,398,000 compared to \$4,765,000 in the same period of 2011. Gross margin as a percentage of sales increased to 26% in 2012 from 24% in 2011 due to product mix changes. Selling, general and administrative expenses increased \$531,000 or 13% in the first six months of 2012 compared to the same period in 2011, due to an increase in spending in the technology development and market expansion initiative. Suttle's operating income was \$825,000 in the first six months of 2012 compared to an operating loss of \$550,000 in 2011 due to a goodwill impairment charge of \$1,272,000 in the second quarter of 2011.

Table of Contents**Transition Networks**

Transition Networks sales decreased 45% to \$26,968,000 in the first six months of 2012 compared to \$48,934,000 in 2011 due to \$19,387,000 in revenue from a one-time large network upgrade project with a Fortune 500 company in the second quarter of 2011 and a slowdown in Federal Government spending.

First six months sales by region are presented in the following table:

	Transition Networks Sales by Region	
	2012	2011
North America	\$ 19,942,000	\$ 42,300,000
Europe, Middle East, Africa ( EMEA )	3,056,000	3,329,000
Rest of world	3,970,000	3,305,000
	\$ 26,968,000	\$ 48,934,000

The following table summarizes Transition Networks 2012 and 2011 first six months sales by its major product groups:

	Transition Networks Sales by Product Group	
	2012	2011
Media converters	\$ 17,968,000	\$ 39,426,000
Ethernet switches	2,447,000	2,274,000
Ethernet adapters	1,543,000	2,901,000
Other products	5,010,000	4,333,000
	\$ 26,968,000	\$ 48,934,000

Sales in North America decreased 53% or \$22,538,000 due to revenue from a one-time large network upgrade project with a Fortune 500 company in the second quarter of 2011 as noted above. This also caused the decrease in revenue from sales of media converters. Other vertical markets, especially the Federal Government market in the United States, continued to record lower revenue due to the slow down in government purchases resulting in project delays. International sales increased \$392,000, or 6% due to increased project activity in the rest of world, specifically within south-east Asia.

Gross margin on the first six months of Transition Networks sales decreased to \$14,611,000 in 2012 from \$23,515,000 in 2011. Gross margin as a percentage of sales increased to 54% in 2012, compared to 48% in the 2011 period, due to volume discounts in the prior year on an upgrade project with the Fortune 500 Company described above. Selling, general and administrative expenses remained flat at \$11,192,000 in 2012 compared to \$11,229,000 in 2011 due to cost reduction measures taken in the second quarter offset by additional administrative costs in our United Kingdom facility. Operating income decreased to \$3,419,000 in 2012 compared to \$12,285,000 in 2011.

**JDL Technologies, Inc.**

JDL Technologies, Inc. sales decreased 75% in the first six months of 2012 to \$1,913,000 compared to \$7,782,000 in 2011.

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JDL's revenues by customer group were as follows:

	<b>JDL Revenue by Customer Group</b>	
	<b>2012</b>	<b>2011</b>
Broward County FL schools	\$ 1,182,000	\$ 7,570,000
All other	731,000	212,000
	<b>\$ 1,913,000</b>	<b>\$ 7,782,000</b>

Revenues earned in Broward County FL decreased \$6,388,000 or 84% in 2012. In the first quarter of 2010, the Company received significant funding for federal government contract work. This contract work was of a long-term nature, and the Company completed these contracts during the quarter ended September 30, 2011. All other revenues increased \$519,000 due to JDL's concentrated effort to expand its market focus.

JDL gross margin decreased 83% to \$595,000 in the first six months of 2012 compared to \$3,505,000 in the same period in 2011. Gross margin as a percentage of sales decreased to 31% in 2012 from 45% in 2011 due to purchasing discounts and rebates the Company was able to take advantage of during the first half of the prior year. Selling, general and administrative expenses increased 11% in 2012 to \$1,114,000 compared to \$1,001,000 in 2011 due to increased sales and marketing expenses as JDL has expanded its market focus. JDL reported an operating loss of \$519,000 in the first six months of 2012 compared to operating income of \$2,504,000 in the same period of 2011.

**Other**

Income before income taxes decreased to \$1,539,000 in 2012 compared to \$11,425,000 in 2011. The Company's effective income tax rate was 33% in 2012 as compared to 42% in 2011. This effective rate was lower than the standard rate of 35% due to state income taxes, provisions for interest charges, the release of valuation allowance placed on foreign net operating losses, and the effect of operations conducted in lower foreign tax rate jurisdictions.

Liquidity and Capital Resources

As of June 30, 2012, the Company had approximately \$37,285,000 in cash, cash equivalents and investments. Of this amount, \$643,000 was invested in short-term money market funds that are not considered to be bank deposits and are not insured or guaranteed by the FDIC or other government agency. These money market funds seek to preserve the value of the investment at \$1.00 per share; however, it is possible to lose money investing in these funds. The remainder in cash and cash equivalents is operating cash and certificates of deposit, which are fully insured through the FDIC. The Company also had \$22,820,000 in investments consisting of certificates of deposit, commercial paper, corporate notes and bonds, and municipal bonds that are traded on the open market and are classified as available-for-sale at June 30, 2012.

The Company had current assets of approximately \$86,264,000 and current liabilities of \$12,862,000 at June 30, 2012 compared to current assets of \$89,946,000 and current liabilities of \$15,388,000 at December 31, 2011.

Cash flow used in operating activities was approximately \$4,831,000 in the first half of 2012 compared to \$4,017,000 used by operations in the same period of 2011. Significant working capital changes from December 31, 2011 to June 30, 2012 included a decrease in accrued compensation and benefits of \$2,527,000 related to the payment of the Company's annual and long term compensation during the first quarter and an increase in inventories of \$5,060,000 due to high production levels related to increased orders and new product initiatives within one of our business segments.



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Net cash used in investing activities was \$411,000 in the first half of 2012 compared to \$408,000 in cash provided in the same period of 2011. The Company continued to make capital investments and purchases of certificates of deposit and other marketable securities.

Net cash used by financing activities was \$2,812,000 in the first half of 2012 compared to \$2,575,000 in the same period of 2011. Cash dividends paid on common stock increased to \$2,639,000 in 2012 (\$0.32 per common share) from \$2,528,000 in 2011 (\$0.30 per common share). Proceeds from common stock issuances, principally shares sold to the Company's Employee Stock Ownership Plan and under the Company's Employee Stock Purchase Plan, totaled approximately \$220,000 in 2012 and \$126,000 in 2011. The Company purchased and retired 19,247 shares in 2012 and none in 2011. At June 30, 2012, Board of Director authority to purchase approximately 462,691 additional shares remained in effect.

The Company has a \$10,000,000 line of credit from Wells Fargo Bank. Interest on borrowings on the credit line is at LIBOR plus 1.1% (1.6% at June 30, 2012). There were no borrowings on the line of credit during the first six months of 2012 or 2011. The credit agreement expires October 31, 2013 and is secured by assets of the Company.

As part of the acquisition of the new Minnetonka headquarters building in July 2007, the Company assumed an outstanding mortgage of \$4,380,000. The mortgage is payable in monthly installments and carries an interest rate of 6.83%. The mortgage matures on March 1, 2016. Mortgage payments on principal totaled \$210,000 during 2012. The outstanding balance on the mortgage was \$1,792,000 at June 30, 2012.

In the opinion of management, based on the Company's current financial and operating position and projected future expenditures, sufficient funds are available to meet the Company's anticipated operating and capital expenditure needs.

Critical Accounting Policies

Our critical accounting policies, including the assumptions and judgments underlying them, are discussed in our 2011 Form 10-K in Note 1 Summary of Significant Accounting Policies included in our Consolidated Financial Statements. There were no significant changes to our critical accounting policies during the three months ended June 30, 2012.

The Company's accounting policies have been consistently applied in all material respects and disclose such matters as allowance for doubtful accounts, sales returns, inventory valuation, warranty expense, income taxes, revenue recognition, asset and goodwill impairment recognition and foreign currency translation. On an ongoing basis, we evaluate our estimates based on historical experience and on various other assumptions that we believe to be reasonable under the circumstances, the result of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Results may differ from these estimates due to actual outcomes being different from those on which we based our assumptions. Management reviews these estimates and judgments on an ongoing basis.

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Recently Issued Accounting Pronouncements

We do not believe there are any recently issued accounting standards that have not yet been adopted that would have a material impact on the Company's financial statements.

Item 3. Quantitative and Qualitative Disclosures about Market Risk.

The Company has no freestanding or embedded derivatives. The Company's policy is to not use freestanding derivatives and to not enter into contracts with terms that cannot be designated as normal purchases or sales.

The vast majority of our transactions are denominated in U.S. dollars; as such, fluctuations in foreign currency exchange rates have historically not been material to the Company. At June 30, 2012 our bank line of credit carried a variable interest rate based on LIBOR plus 1.1%.

Based on the Company's operations, in the opinion of management, no material future losses or exposure exist relative to market risk.

Item 4. Controls and Procedures

The Company carried out an evaluation, under the supervision and with the participation of its management, including the Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of the Company's disclosure controls and procedures (as defined in the Exchange Act Rule 13a-15(e)) as of the end of the period covered by this report. Based upon that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures are effective.

There was no change in the Company's internal control over financial reporting that occurred during the Company's most recently completed fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

Not Applicable.

Item 1A. Risk Factors

Not Applicable.

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In the three months ending June 30, 2012, the Company repurchased shares of stock as follows:

Period	ISSUER PURCHASES OF EQUITY SECURITIES			
	(a) Total Number of Shares (or Units) Purchased	(b) Average Price Paid per Share (or Unit)	(c) Total Number of Shares (or Units) Purchased as Part of Publicly Announced Plans or Programs	(d) Maximum Number (or Approximate Dollar Value) of Shares (or Units) that May Yet Be Purchased Under the Plans or Programs <sup>(1)</sup>
April 2012				481,938
May 2012				481,938
June 2012	19,247	\$10.76	19,247	462,691
Total	19,247	\$10.76	19,247	462,691

- (1) Shares represent remaining amount of a 500,000 share repurchase authorization approved by the Company's Board in October 2008 and publicly announced in November 2008.

Item 3. Defaults Upon Senior Securities

Not Applicable.

Item 4. Mine Safety Disclosures

Not Applicable.

Item 5. Other Information

Not Applicable.

Item 6. Exhibits.

The following exhibits are included herein:

- 31.1 Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (Rules 13a-14 and 15d-14 of the Exchange Act).
- 31.2 Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (Rules 13a-14 and 15d-14 of the Exchange Act).
- 32. Certifications pursuant Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. §1350).
- 99.1 Press Release dated August 8, 2012 announcing 2012 Second Quarter Results.

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Signatures

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

Communications Systems, Inc.

By /s/ William G. Schultz  
William G. Schultz  
President and Chief Executive Officer

Date: August 9, 2012

/s/ David T. McGraw  
David T. McGraw  
Chief Financial Officer

Date: August 9, 2012