

Cohen & Steers Select Preferred & Income Fund, Inc.
Form N-CSRS
September 01, 2011

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM N-CSR

**CERTIFIED SHAREHOLDER REPORT OF REGISTERED
MANAGEMENT INVESTMENT COMPANIES**

Investment Company Act file number 811-22455

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

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

10017
(Zip code)

Adam M. Derechin

Cohen & Steers Capital Management, Inc.

280 Park Avenue

New York, New York 10017
(Name and address of agent for service)

Registrant's telephone number, including area code: (212) 832-3232

Date of fiscal year end: December 31

Date of reporting period: June 30, 2011

Item 1. Reports to Stockholders.

COHEN & STEERS SELECT PREFERRED AND INCOME FUND, INC.

To Our Shareholders:

We would like to share with you our report for the six months ended June 30, 2011. The net asset value (NAV) at that date was \$24.58 per common share. The Fund's common stock is traded on the New York Stock Exchange (NYSE) and its share price can differ from its NAV; at period end, the Fund's closing price on the NYSE was \$24.24.

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

	Six Months Ended June 30, 2011
Cohen & Steers Select Preferred and Income Fund at Market Value ^a	1.82%
Cohen & Steers Select Preferred and Income Fund at NAV ^a	7.98%
BofA Merrill Lynch Fixed Rate Preferred Index ^b	5.41%
Blended benchmark 50% BofA Merrill Lynch US Capital Securities Index/50% BofA Merrill Lynch Fixed Rate Preferred Index ^b	4.73%
S&P 500 Index ^b	6.02%

The performance data quoted represent past performance. Past performance is no guarantee of future results. The investment return and the principal value of an investment will fluctuate and shares, if sold, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. Performance results reflect the effects of leverage, resulting from borrowings under a credit agreement. Current total returns of the Fund can be obtained by visiting our Web site at cohenandsteers.com.

The Fund implements fair value pricing when the daily change in a specific U.S. market index exceeds a predetermined percentage. Fair value pricing adjusts the valuation of non-U.S. holdings to account for such index change following the close of foreign markets. This standard practice has been adopted by a majority of the fund industry to deter investors from arbitraging funds with a large percentage of non-U.S. holdings. In the event fair value pricing is implemented on the first and/or last day of a performance measurement period, the Fund's return may diverge from the relative performance of its benchmark index, which does not use fair value pricing. An investor cannot invest directly in an index.

^a As a closed-end investment company, the price of the Fund's NYSE-traded shares will be set by market forces and at times may deviate from the NAV per share of the Fund.

^b The BofA Merrill Lynch Fixed Rate Preferred Index is an unmanaged index of preferred securities. The BofA Merrill Lynch US Capital Securities Index is a subset of The BofA Merrill Lynch US Corporate Index including all fixed-to-floating rate, perpetual callable and capital securities. The S&P 500 Index is an unmanaged index of common stocks that is frequently used as a general measure of stock market performance.

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Please note that distributions paid by the Fund to shareholders are subject to recharacterization for tax purposes and are taxable up to the amount of the Fund's investment company taxable income and net realized gains. Distributions in excess of the Fund's investment company taxable income and realized gains are a return of capital distributed from the Fund's assets.

Investment Review

Preferred securities had a positive total return in the six-month period ended June 30, 2011. The group performed well in the first few months of the year amid good earnings reports from the important financial sector and signs of an improving economy. However, macro conditions became more challenging: U.S. economic data began to disappoint, while markets again focused on Europe's sovereign debt problems and China's attempts to cool its growth. Preferreds nonetheless added to their year-to-date gains in the second quarter, when a flight to safety drove Treasury yields lower, to the benefit of fixed income assets broadly.

Preferreds within the financial sector modestly trailed the index. U.S. banks reported better-than-expected improvements in credit quality and capital ratios, although revenue trends generally remained weak, in part reflecting slow loan growth. Bank stocks also faced regulatory uncertainty: global capital requirements remained unclear, as did the profitability of certain business lines and even the possibility of dividing banking and capital markets operations in the U.K., for instance.

New contingent capital securities were greeted with healthy demand

A significant development in the preferred market in the period was the large, successful issuance of contingent capital securities (so-called "CoCos"). Markets focused more on this emerging asset class after Credit Suisse priced its large public deal at 7.875%. This type of preferred may convert into common shares if a company's core Tier 1 capital ratio falls below a certain level (in the case of Credit Suisse, a relatively high 7%). With many existing preferreds destined to lose their Tier 1 status under Basel 3, issuers may increasingly use CoCos as an alternative source of equity-like capital.

Regulatory par call risk emerged

In May, regional bank Fifth Third exercised a par call on a trust preferred trading at a premium via "special event" language, taking the market by surprise. This awakened many to the risk that certain bank preferreds may be subject to near-term par calls as a result of changes to bank regulations. In this particular case, the issuer could call the security at par anytime following a proposed change of this nature. (Typically, there is a short, specified window in which to call such an issue after a special event.)

Insurance and real estate preferreds outperformed

Insurance preferreds outperformed the index amid increased visibility on the potential redemption of existing issues. With rating agencies now providing less "equity credit" for more debt-like preferred securities, insurance companies may find these issues to be relatively expensive financing. Investors bid up securities that might be redeemed or that could benefit from less overall supply in the sector.

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REIT preferreds also outperformed, reflecting a steady improvement in real estate fundamentals, low and declining capital costs and an increasing number of transactions that revealed rising property values. Preferreds issued by telecommunications and utility companies were not as strong, but still generated positive returns.

Fund performance

The Fund had a positive total return in the period and outperformed its benchmark based on NAV. Security selection was favorable across most sectors, led by the banking group. Good performers included a potential Basel 3 compliant Tier 1 security issued by Intesa Sanpaolo; it received a lift as markets focused more on the nascent asset class. Farm Credit Bank, a high-coupon preferred that we consider defensive, also contributed to performance. In the telecommunications sector, we had an out-of-index position in Centaur Funding and an overweight in Qwest that performed well.

Other factors that helped relative performance included our overweight in the real estate sector and general underweight in banking preferreds. In addition, we had positioned the Fund defensively relative to regulatory par call risk and outperformed as markets focused on that risk.

Securities that detracted included an overweight in a MetLife preferred that underperformed the index. Our underweight in the finance sector also modestly hindered relative returns.

The Fund employs leverage as part of a yield-enhancement strategy. Leverage, which can increase total return in rising markets (just as it can have the opposite effect in declining markets), enhanced the Fund's performance for the period compared with its benchmarks, which are not leveraged.

Our primary focus was on income

The Fund's return based on market price was positive, but lower than its NAV return. However, we met our primary investment objective of providing high current income. The Fund paid six distributions during the six months, and its distribution yield at the end of the period was 8.1% (based on the annualized distribution rate in the period and the June 30, 2001 market price).

Investment Outlook

The most recent readings on global developed economies have led us to take a somewhat more cautious approach for instance, by reducing our allocation to banks that we believe are more vulnerable to a global slowdown. We have also increased allocations to less cyclical industries, including utilities and telecommunications companies.

We recognize that weak housing markets and government austerity programs have continued to weigh on growth, but still believe that the U.S. economy will not return to a recession. In the current environment, as growth may remain slower than in recent quarters, the Federal Reserve may delay interest rate hikes longer than previously expected, which would likely support preferreds and other fixed income classes.

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Slower growth and uncertainties in Europe have made us more selective and generally more cautious in our investments. Nonetheless, preferred income spreads over government and corporate bonds remain well above average, and fundamentals continue to improve for many issuers. In addition, preferreds should remain an attractive alternative to other sources of income, many of which offer yields at or near all-time lows. We continue to see scope for good performance in the months ahead, but also believe active management will remain important to delivering value.

We expect new supply of preferreds to continue to arise mostly from non-bank issuers, in the U.S. and abroad, including REITs and other non-financial companies. Banks will likely remain on the sidelines until there is more regulatory clarity. We will continue to look for value in transactions priced around the globe and across various currencies.

COHEN & STEERS SELECT PREFERRED AND INCOME FUND, INC.

Sincerely,

MARTIN COHEN

Co-chairman

ROBERT H. STEERS

Co-chairman

JOSEPH M. HARVEY

Portfolio Manager

WILLIAM F. SCAPELL

Portfolio Manager

The views and opinions in the preceding commentary are subject to change. There is no guarantee that any market forecast set forth in the commentary will be realized. This material represents an assessment of the market environment at a specific point in time, should not be relied upon as investment advice and is not intended to predict or depict performance of any investment.

Visit Cohen & Steers online at cohenandsteers.com

For more information about any of our funds, visit cohenandsteers.com, where you will find daily net asset values, fund fact sheets and portfolio highlights. You can also access newsletters, education tools and market updates covering the global real estate, listed infrastructure, utilities, large cap value and preferred securities sectors.

In addition, our Web site contains comprehensive information about our firm, including our most recent press releases, profiles of our senior investment professionals and an overview of our investment approach.

COHEN & STEERS SELECT PREFERRED AND INCOME FUND, INC.Our Leverage Strategy
(Unaudited)

Our current leverage strategy utilizes borrowings up to the maximum permitted by the 1940 Act to provide additional capital for the Fund, with an objective of increasing the net income available for shareholders. As of June 30, 2011, leverage represented 30% of the Fund's managed assets.

It has been our philosophy to utilize interest rate swap transactions to seek to reduce the interest rate risk inherent in our utilization of leverage. Considering that borrowings have variable interest rate payments, we seek to lock in those rates on a significant portion of this additional capital through interest rate swap agreements (where we effectively convert our variable rate obligation to a fixed rate obligation for the term of the swap agreements). Specifically, as of June 30, 2011, we have fixed the rate on 85% of our borrowings at an average interest rate of 1.6% for an average remaining period of 3.1 years (when we first entered into the swaps, the average term was 3.5 years). Locking in a significant portion of our leveraging costs is designed to protect the dividend-paying ability of the Fund. The use of leverage increases the volatility of the Fund's net asset value in both up and down markets. However, we believe that locking in a portion of the Fund's leveraging costs for the term of the swap agreements partially protects the Fund's expenses from an increase in short-term interest rates although the strategy will increase expenses when the rate on the Fund's borrowings is below the weighted average rate on the swaps.

Leverage Facts^a

Leverage (as a % of managed assets)	30%
% Fixed Rate	85%
% Variable Rate	15%
Weighted Average Rate on Swaps	1.6%
	3.1
Weighted Average Term on Swaps	years
Current Rate on Borrowings ^b	1.1%

The Fund seeks to enhance its dividend yield through leverage. The use of leverage is a speculative technique and there are special risks and costs associated with leverage. The net asset value of the Fund's common shares may be reduced by the issuance and ongoing costs of leverage. So long as the Fund is able to invest in securities that produce a realized investment yield that is greater than the total cost of leverage, the leverage strategy will produce higher current net investment income for the common shareholders. On the other hand, to the extent that the total cost of leverage exceeds the incremental income gained from employing such leverage, the common shareholders would realize lower net investment income. In addition to the impact on net income, the use of leverage will have an effect of magnifying capital appreciation or depreciation for common shareholders. Specifically, in an up market, leverage will typically generate greater capital appreciation than if the Fund was not employing leverage. Conversely, in down markets, the use of leverage will generally result in greater capital depreciation than if the Fund had been unlevered. To the extent that the Fund is required or elects to reduce its leverage, the Fund may need to liquidate investments, including under adverse economic conditions which may result in capital losses potentially reducing returns to common shareholders. There can be no assurance that a leveraging strategy will be successful during any period in which it is employed.

^a Data as of June 30, 2011. Information is subject to change.

^b See Note 6 in Notes to Financial Statements.

COHEN & STEERS SELECT PREFERRED AND INCOME FUND, INC.

June 30, 2011

Top Ten Holdings^a
(Unaudited)

Security	Value	% of Managed Assets
JP Morgan Chase & Co., 7.90%, due 4/29/49, Series I (FRN)	\$ 12,932,940	3.1%
Wells Fargo & Co., 7.50%, Series L (Convertible)	12,423,200	2.9
Wells Fargo & Co., 7.98%, due 3/29/49, Series K (FRN)	11,555,250	2.7
Farm Credit Bank of Texas, 10.00%, due 12/15/20, Series I	11,431,250	2.7
Centaur Funding Corp., 9.08%, due 4/21/20, 144A	11,406,250	2.7
Qwest Corp., 7.375%, due 6/1/51	10,015,200	2.4
Citigroup Capital VIII, 6.95%, due 9/15/31, (TruPS)	9,728,130	2.3
Prudential PLC, 7.75%, due 6/23/16	8,220,000	1.9
Bank of America Corp., 8.125%, due 12/29/49, Series M (FRN)	7,998,534	1.9
MetLife Capital Trust X, 9.25%, due 4/8/38, 144A	7,656,250	1.8

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

Sector Breakdown(Based on Managed Assets)
(Unaudited)

COHEN & STEERS SELECT PREFERRED AND INCOME FUND, INC.

SCHEDULE OF INVESTMENTS

June 30, 2011 (Unaudited)

		Number of Shares	Value
PREFERRED SECURITIES \$25 PAR VALUE	59.6%		
BANK	12.7%		
Ally Financial, 7.35%, due 8/8/32		70,000	\$ 1,667,400
Ally Financial, 7.375%, due 12/16/44		109,169	2,577,480
BAC Capital Trust II, 7.00%, due 2/1/32, Series V ^a		45,000	1,130,850
Citigroup Capital VIII, 6.95%, due 9/15/31, (TruPS) ^a		389,905	9,728,130
Citigroup Capital XIII, 7.875%, due 10/30/40 ^a		75,000	2,083,500
CoBank ACB, 7.00%, 144A (\$50 Par Value) ^{b,c}		75,000	3,421,875
Fifth Third Capital Trust V, 7.25%, due 8/15/67 ^a		46,000	1,161,500
Fifth Third Capital Trust VI, 7.25%, due 11/15/67, (FRN) ^a		90,000	2,275,200
Fleet Capital Trust VIII, 7.20%, due 3/15/32		37,900	948,637
KeyCorp, 7.75%, due 12/31/49, Series A (\$100 Par Value)(Convertible) ^a		20,308	2,274,496
KeyCorp Capital IX, 6.75%, due 12/15/66 ^a		99,900	2,526,471
KeyCorp Capital VIII, 7.00%, due 6/15/66 ^a		41,463	1,050,258
Regions Financing Trust III, 8.875%, due 6/15/78 ^a		133,983	3,407,187
Zions Bancorp, 9.50%, due 12/29/49, Series C ^a		125,000	3,267,500
			37,520,484
BANK FOREIGN	6.4%		
Barclays Bank PLC, 7.75%, Series IV ^a		266,755	6,850,269
Barclays Bank PLC, 8.125%, Series V ^a		70,000	1,843,800
Deutsche Bank Contingent Capital Trust III, 7.60% ^a		98,000	2,522,520
HSBC Holdings PLC, 8.00%, Series II		45,085	1,225,861
Lloyds Banking Group PLC, 7.75%, due 7/15/50 ^a		61,328	1,585,329
National Westminster Bank PLC, 7.76%, Series C ^a		199,668	4,716,158

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		18,743,937
ELECTRIC INTEGRATED	0.4%	
FPC Capital I, 7.10%, due 5/13/39, Series A (QUIPS)		1,318,789
FINANCE	5.0%	
INVESTMENT BANKER/BROKER	1.8%	
GMAC Capital Trust I, 8.125%, due 2/15/40, Series II ^a		5,120,000
		200,000

See accompanying notes to financial statements.

COHEN & STEERS SELECT PREFERRED AND INCOME FUND, INC.

SCHEDULE OF INVESTMENTS (Continued)

June 30, 2011 (Unaudited)

		Number of Shares	Value
MORTGAGE LOAN/BROKER	3.2%		
Countrywide Capital IV, 6.75%, due 4/1/33 ^a		175,050	\$ 4,332,488
Countrywide Capital V, 7.00%, due 11/1/36 ^a		206,445	5,144,609
			9,477,097
TOTAL FINANCE			14,597,097
INSURANCE	9.0%		
LIFE/HEALTH INSURANCE FOREIGN	1.3%		
Aegon NV, 6.875%		50,000	1,198,000
Aegon NV, 7.25%		110,000	2,752,200
			3,950,200
MULTI-LINE	1.4%		
American International Group, 7.70%, due 12/18/62 ^a		164,203	4,114,927
MULTI-LINE FOREIGN	3.4%		
Allianz SE, 8.375%		130,000	3,412,500
ING Groep N.V., 7.375% ^a		110,000	2,717,000
ING Groep N.V., 8.50% ^a		147,688	3,845,796
			9,975,296
REINSURANCE FOREIGN	2.9%		
Arch Capital Group Ltd., 7.875%, Series B ^a		53,275	1,353,185
Axis Capital Holdings Ltd., 7.50%, Series B (\$100 par value)		25,700	2,507,356
Endurance Specialty Holdings Ltd., 7.50%, Series B ^a		90,000	