

COHEN & STEERS TOTAL RETURN REALTY FUND INC
Form N-Q
May 27, 2015

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

FORM N-Q

**QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED
MANAGEMENT INVESTMENT COMPANY**

Investment Company Act file number 811-07154

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

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

10017
(Zip code)

Tina M. Payne
280 Park Avenue
New York, NY 10017
(Name and address of agent for service)

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

Date of fiscal year end: December 31

Date of reporting period: March 31, 2015

Item 1. Schedule of Investments

COHEN & STEERS TOTAL RETURN REALTY FUND, INC.

SCHEDULE OF INVESTMENTS

March 31, 2015 (Unaudited)

| | Number of Shares | Value |
|---------------------------------------|---------------------|--------------|
| COMMON STOCK REAL ESTATE 79.6% | | |
| DIVERSIFIED 5.4% | | |
| American Assets Trust | 113,637 | \$ 4,918,209 |
| Forest City Enterprises, Class A(a) | 78,359 | 1,999,722 |
| Gramercy Property Trust | 104,060 | 2,920,964 |
| Vornado Realty Trust | 97,408 | 10,909,696 |
| | | 20,748,591 |
| HEALTH CARE 7.4% | | |
| Aviv REIT | 159,490 | 5,821,385 |
| Health Care REIT | 27,690 | 2,142,098 |
| Healthcare Trust of America, Class A | 117,195 | 3,265,053 |
| Omega Healthcare Investors | 120,395 | 4,884,425 |
| Physicians Realty Trust | 136,464 | 2,403,131 |
| Ventas | 134,839 | 9,845,944 |
| | | 28,362,036 |
| HOTEL 6.0% | | |
| Belmond Ltd., Class A (Bermuda)(a) | 129,764 | 1,593,502 |
| DiamondRock Hospitality Co. | 170,130 | 2,403,937 |
| Extended Stay America | 98,963 | 1,932,747 |
| Hersha Hospitality Trust | 188,014 | 1,216,450 |
| Hilton Worldwide Holdings(a) | 86,372 | 2,558,339 |
| Host Hotels & Resorts | 97,143 | 1,960,346 |
| La Quinta Holdings(a) | 44,812 | 1,061,148 |
| Strategic Hotels & Resorts(a) | 393,981 | 4,897,184 |
| Sunstone Hotel Investors | 322,788 | 5,380,876 |
| | | 23,004,529 |
| INDUSTRIALS 5.7% | | |
| First Industrial Realty Trust | 115,763 | 2,480,801 |
| Prologis | 282,277 | 12,295,986 |
| QTS Realty Trust, Class A | 69,064 | 2,514,620 |
| Rexford Industrial Realty | 126,098 | 1,993,609 |
| STAG Industrial | 103,509 | 2,434,532 |
| | | 21,719,548 |
| OFFICE 15.6% | | |
| BioMed Realty Trust | 203,635 | 4,614,369 |
| Boston Properties | 28,115 | 3,949,595 |
| Brandywine Realty Trust | 149,567 | 2,390,081 |
| Corporate Office Properties Trust | 80,723 | 2,371,642 |

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| | Number of Shares | Value |
|---------------------------------------|---------------------|-------------------|
| Douglas Emmett | 153,826 | \$ 4,585,553 |
| Empire State Realty Trust, Class A | 215,474 | 4,053,066 |
| Equity Commonwealth | 136,671 | 3,628,615 |
| Highwoods Properties | 102,470 | 4,691,077 |
| Hudson Pacific Properties | 51,801 | 1,719,275 |
| Kilroy Realty Corp. | 97,842 | 7,452,625 |
| Liberty Property Trust | 88,300 | 3,152,310 |
| Parkway Properties | 201,572 | 3,497,274 |
| PS Business Parks | 8,903 | 739,305 |
| SL Green Realty Corp. | 99,062 | 12,717,580 |
| | | 59,562,367 |
| RESIDENTIAL 14.8% | | |
| APARTMENT 14.2% | | |
| American Homes 4 Rent, Class A | 142,399 | 2,356,704 |
| Apartment Investment & Management Co. | 147,341 | 5,799,342 |
| AvalonBay Communities | 10,178 | 1,773,517 |
| Equity Residential | 272,521 | 21,218,485 |
| Essex Property Trust | 40,569 | 9,326,813 |
| Home Properties | 44,570 | 3,088,255 |
| UDR | 310,380 | 10,562,231 |
| | | 54,125,347 |
| MANUFACTURED HOME 0.6% | | |
| Sun Communities | 35,425 | 2,363,556 |
| TOTAL RESIDENTIAL | | 56,488,903 |
| SELF STORAGE 5.3% | | |
| CubeSmart | 268,881 | 6,493,476 |
| Extra Space Storage | 72,604 | 4,905,852 |
| Public Storage | 22,827 | 4,500,115 |
| Sovran Self Storage | 46,554 | 4,373,283 |
| | | 20,272,726 |
| SHOPPING CENTERS 18.7% | | |
| COMMUNITY CENTER 7.1% | | |
| Brixmor Property Group | 123,312 | 3,273,934 |
| DDR Corp. | 246,607 | 4,591,822 |
| Kimco Realty Corp. | 102,956 | 2,764,369 |
| Ramco-Gershenson Properties Trust | 152,315 | 2,833,059 |
| Regency Centers Corp. | 86,645 | 5,895,326 |
| Retail Properties of America, Class A | 112,551 | 1,804,192 |
| Urban Edge Properties | 48,704 | 1,154,285 |

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| | Number of Shares | Value |
|---|---------------------|--------------|
| Weingarten Realty Investors | 85,612 | \$ 3,080,320 |
| WP GLIMCHER | 96,935 | 1,612,029 |
| | | 27,009,336 |
| FREE STANDING 1.2% | | |
| Spirit Realty Capital | 395,688 | 4,779,911 |
| REGIONAL MALL 10.4% | | |
| General Growth Properties | 139,596 | 4,125,062 |
| Macerich Co. (The) | 42,471 | 3,581,579 |
| Pennsylvania REIT | 79,992 | 1,858,214 |
| Simon Property Group | 138,883 | 27,171,070 |
| Taubman Centers | 41,566 | 3,205,986 |
| | | 39,941,911 |
| TOTAL SHOPPING CENTERS | | 71,731,158 |
| SPECIALTY 0.7% | | |
| CyrusOne | 86,218 | 2,683,104 |
| TOTAL COMMON STOCK (Identified cost \$207,588,515) | | 304,572,962 |
| PREFERRED SECURITIES \$25 PAR VALUE 16.2% | | |
| BANKS 0.5% | | |
| First Republic Bank, 5.625% | 40,000 | 1,003,200 |
| Regions Financial Corp., 6.375%, Series B | 40,000 | 1,036,800 |
| | | 2,040,000 |
| BANKS FOREIGN 0.1% | | |
| National Westminster Bank PLC, 7.76%, Series C (United Kingdom) | 13,358 | 347,308 |
| FINANCE INVESTMENT BANKER/BROKER 0.3% | | |
| Morgan Stanley, 6.375%, Series I | 40,000 | 1,041,600 |
| INDUSTRIALS CHEMICALS 0.2% | | |
| CHS, 6.75% | 30,000 | 780,600 |
| INSURANCE MULTI-LINE FOREIGN 0.3% | | |
| ING Groep N.V., 7.375% (Netherlands) | 40,000 | 1,030,000 |
| REAL ESTATE 14.8% | | |
| DIVERSIFIED 4.2% | | |
| Colony Financial, 8.50%, Series A | 49,220 | 1,309,252 |
| DuPont Fabros Technology, 7.875%, Series A | 40,000 | 1,024,400 |
| DuPont Fabros Technology, 7.625%, Series B | 40,000 | 1,030,000 |
| EPR Properties, 6.625%, Series F | 50,000 | 1,300,000 |

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| | Number of Shares | Value |
|--|---------------------|------------|
| Lexington Realty Trust, 6.50%, Series C (\$50 Par Value) | 11,300 | \$ 556,242 |
| National Retail Properties, 6.625%, Series D | 124,000 | 3,256,240 |
| National Retail Properties, 5.70%, Series E | 24,000 | 598,800 |
| NorthStar Realty Finance Corp., 8.50%, Series D | 17,500 | 455,700 |
| NorthStar Realty Finance Corp., 8.75%, Series E | 73,800 | 1,948,320 |
| PS Business Parks, 5.75%, Series U | 55,139 | 1,348,700 |
| Urstadt Biddle Properties, 7.125%, Series F | 20,000 | 530,200 |
| Vornado Realty Trust, 6.625%, Series I | 30,796 | 780,987 |
| Vornado Realty Trust, 5.70%, Series K | 30,000 | 747,300 |
| Wells Fargo Real Estate Investment Corp., 6.375%, Series A | 50,135 | 1,304,513 |
| | | 16,190,654 |
| FINANCE 0.4% | | |
| iStar Financial, 7.50%, Series I | 67,101 | 1,660,079 |
| HEALTH CARE 0.4% | | |
| Health Care REIT, 6.50%, Series J | 58,400 | 1,566,288 |
| HOTEL 1.6% | | |
| Ashford Hospitality Trust, 8.45%, Series D | 19,350 | 497,682 |
| Ashford Hospitality Trust, 9.00%, Series E | 20,000 | 532,000 |
| Chesapeake Lodging Trust, 7.75%, Series A | 20,000 | 527,000 |
| Hersha Hospitality Trust, 8.00%, Series B | 45,000 | 1,172,250 |
| Hospitality Properties Trust, 7.125%, Series D | 38,600 | 1,021,356 |
| LaSalle Hotel Properties, 6.375%, Series I | 25,000 | 630,000 |
| Pebblebrook Hotel Trust, 7.875%, Series A | 35,000 | 909,650 |
| Sunstone Hotel Investors, 8.00%, Series D | 25,000 | 652,500 |
| | | 5,942,438 |
| INDUSTRIALS 0.2% | | |
| First Potomac Realty Trust, 7.75%, Series A | 15,000 | 384,825 |
| Monmouth Real Estate Investment Corp., 7.875%, Series B | 20,000 | 535,000 |
| | | 919,825 |
| OFFICE 2.0% | | |
| American Realty Capital Properties, 6.70%, Series F | 152,647 | 3,602,469 |
| Corporate Office Properties Trust, 7.375%, Series L | 28,428 | 746,235 |
| Hudson Pacific Properties, 8.375%, Series B | 8,500 | 222,275 |
| Kilroy Realty Corp., 6.875%, Series G | 75,000 | 1,942,500 |
| SL Green Realty Corp., 6.50%, Series I | 40,000 | 1,050,000 |
| | | 7,563,479 |

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| | Number of Shares | Value |
|---|---------------------|-------------------|
| RESIDENTIAL 0.5% | | |
| APARTMENT 0.2% | | |
| Apartment Investment & Management Co., 6.875% | 23,456 | \$ 627,682 |
| MANUFACTURED HOME 0.3% | | |
| Campus Crest Communities, 8.00%, Series A | 24,650 | 624,385 |
| Equity Lifestyle Properties, 6.75%, Series C | 23,971 | 635,231 |
| | | 1,259,616 |
| TOTAL RESIDENTIAL | | 1,887,298 |
| SELF STORAGE 1.0% | | |
| Public Storage, 5.875%, Series A | 59,075 | 1,505,231 |
| Public Storage, 6.35%, Series R | 50,000 | 1,326,000 |
| Public Storage, 6.375%, Series Y | 34,000 | 913,920 |
| | | 3,745,151 |
| SHOPPING CENTERS 3.8% | | |
| COMMUNITY CENTER 2.1% | | |
| Cedar Realty Trust, 7.25%, Series B | 20,000 | 512,600 |
| DDR Corp., 6.50%, Series J | 77,100 | 1,969,134 |
| DDR Corp., 6.25%, Series K | 20,697 | 528,808 |
| Kimco Realty Corp., 6.90%, Series H | 60,000 | 1,536,600 |
| Kite Realty Group Trust, 8.25%, Series A | 35,000 | 910,175 |
| WP GLIMCHER, 8.125%, Series G | 79,989 | 2,004,125 |
| WP GLIMCHER, 7.50%, Series H | 19,000 | 504,450 |
| | | 7,965,892 |
| FREE STANDING 0.3% | | |
| Realty Income Corp., 6.625%, Series F | 36,479 | 963,775 |
| REGIONAL MALL 1.4% | | |
| CBL & Associates Properties, 7.375%, Series D | 63,830 | 1,612,346 |
| General Growth Properties, 6.375%, Series A | 50,000 | 1,275,000 |
| Pennsylvania REIT, 8.25%, Series A | 25,000 | 662,500 |
| Taubman Centers, 6.50%, Series J | 33,470 | 864,195 |
| Taubman Centers, 6.25%, Series K | 39,613 | 997,059 |
| | | 5,411,100 |
| TOTAL SHOPPING CENTERS | | 14,340,767 |
| SPECIALTY 0.7% | | |
| Digital Realty Trust, 7.00%, Series E | 15,000 | 390,750 |

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| | Number of Shares | Value |
|---|---------------------|-------------------|
| Digital Realty Trust, 7.375%, Series H | 88,000 | \$ 2,429,680 |
| | | 2,820,430 |
| TOTAL REAL ESTATE | | 56,636,409 |
| TOTAL PREFERRED SECURITIES \$25 PAR VALUE (Identified cost \$59,531,076) | | 61,875,917 |
| PREFERRED SECURITIES CAPITAL SECURITIES 3.3% | | |
| BANKS 0.5% | | |
| Bank of America Corp., 6.50%, Series Z | 1,000,000 | 1,060,000 |
| Farm Credit Bank of Texas, 10.00%, Series I | 500 | 624,844 |
| | | 1,684,844 |
| BANKS FOREIGN 1.6% | | |
| Banco Bilbao Vizcaya Argentaria SA, 9.00% (Spain) | 400,000 | 436,000 |
| Barclays PLC, 8.25% (United Kingdom) | 1,000,000 | 1,073,416 |
| Credit Agricole SA, 7.875%, 144A (France)(b) | 400,000 | 424,868 |
| Deutsche Bank AG, 7.50% (Germany) | 1,000,000 | 1,018,750 |
| Dresdner Funding Trust I, 8.151%, due 6/30/31, 144A (Germany)(b) | 500,000 | 623,125 |
| Lloyds Banking Group PLC, 7.50% (United Kingdom) | 1,000,000 | 1,065,000 |
| Royal Bank of Scotland Group PLC, 7.648% (United Kingdom) | 1,000,000 | 1,265,000 |
| | | 5,906,159 |
| FINANCE DIVERSIFIED FINANCIAL SERVICES 0.1% | | |
| UBS Group AG, 7.00% (Switzerland) | 200,000 | 208,120 |
| UBS Group AG, 7.125% (Switzerland) | 200,000 | 210,050 |
| | | 418,170 |
| INSURANCE 0.6% | | |
| LIFE/HEALTH INSURANCE FOREIGN 0.1% | | |
| La Mondiale Vie, 7.625% (France) | 500,000 | 555,312 |
| MULTI-LINE FOREIGN 0.3% | | |
| AXA SA, 6.463%, 144A (France)(b) | 1,000,000 | 1,070,000 |
| PROPERTY CASUALTY FOREIGN 0.2% | | |
| QBE Insurance Group Ltd., 6.75%, due 12/2/44 (Australia) | 606,000 | 655,995 |
| TOTAL INSURANCE | | 2,281,307 |
| INTEGRATED TELECOMMUNICATIONS SERVICES 0.3% | | |
| Embarq Corp., 7.995%, due 6/1/36 | 1,000,000 | 1,191,600 |

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| | Number of Shares | Value |
|--|---------------------|-----------------------|
| UTILITIES ELECTRIC UTILITIES FOREIGN 0.2% | | |
| Enel SpA, 8.75%, due 9/24/73, 144A (Italy)(b) | 750,000 | \$ 906,356 |
| TOTAL PREFERRED SECURITIES CAPITAL SECURITIES (Identified cost \$11,662,918) | | 12,388,436 |
| | Principal Amount | |
| CORPORATE BONDS INSURANCE 0.1% | | |
| Liberty Mutual Insurance, 7.697%, due 10/15/97, 144A(b) | \$ 375,000 | 491,036 |
| TOTAL CORPORATE BONDS (Identified cost \$345,008) | | 491,036 |
| SHORT-TERM INVESTMENTS 0.5% | | |
| MONEY MARKET FUNDS | | |
| State Street Institutional Treasury Money Market Fund, 0.00%(c) | 1,900,000 | 1,900,000 |
| TOTAL SHORT-TERM INVESTMENTS (Identified cost \$1,900,000) | | 1,900,000 |
| TOTAL INVESTMENTS (Identified cost \$281,027,517) | 99.7% | 381,228,351 |
| OTHER ASSETS IN EXCESS OF LIABILITIES | 0.3 | 1,215,031 |
| NET ASSETS (Equivalent to \$14.63 per share based on 26,135,469 shares of common stock outstanding) | 100.0% | \$ 382,443,382 |

Glossary of Portfolio Abbreviations

REIT

Real Estate Investment Trust

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

(a) Non-income producing security.

(b) Resale is restricted to qualified institutional investors. Aggregate holdings equal 0.9% of the net assets of the Fund.

(c) Rate quoted represents the annualized seven-day yield of the Fund.

Cohen & Steers Total Return Realty Fund, Inc.

NOTES TO SCHEDULE OF INVESTMENTS (Unaudited)

Note 1. Portfolio Valuation

Investments in securities that are listed on the New York Stock Exchange (NYSE) are valued, except as indicated below, at the last sale price reflected at the close of the NYSE on the business day as of which such value is being determined. If there has been no sale on such day, the securities are valued at the mean of the closing bid and ask prices on such day or, if no ask price is available, at the bid price. Exchange traded options are valued at their last sale price as of the close of options trading on applicable exchanges on the valuation date. In the absence of a last sale price on such day, options are valued at the average of the quoted bid and ask prices as of the close of business. Over-the-counter options are valued based upon prices provided by the respective counterparty.

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

Readily marketable securities traded in the over-the-counter market, including listed securities whose primary market is believed by Cohen & Steers Capital Management, Inc. (the investment advisor) to be over-the-counter, are valued at the last sale price on the valuation date as reported by sources deemed appropriate by the Board of Directors to reflect their fair market value. If there has been no sale on such day, the securities are valued at the mean of the closing bid and ask prices on such day or, if no ask price is available, at the bid price. However, certain fixed-income securities may be valued on the basis of prices provided by a third-party pricing service or third-party broker dealers when such prices are believed by the investment advisor, pursuant to delegation by the Board of Directors, to reflect the fair market value of such securities. The pricing services or broker-dealers use multiple valuation techniques to determine fair value. In instances where sufficient market activity exists, the pricing services or broker-dealers may utilize a market-based approach through which quotes from market makers are used to determine fair value. In instances where sufficient market activity may not exist or is limited, the pricing services or broker-dealers also utilize proprietary valuation models which may consider market transactions in comparable securities and the various relationships between securities in determining fair value and/or characteristics such as benchmark yield curves, option-adjusted spreads, credit spreads, estimated default rates, coupon rates, anticipated timing of principal repayments, underlying collateral, and other unique security features which are used to calculate the fair values.

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

Cohen & Steers Total Return Realty Fund, Inc.

NOTES TO SCHEDULE OF INVESTMENTS (Unaudited) (Continued)

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

Securities for which market prices are unavailable, or securities for which the investment advisor determines that the bid and/or ask price or a counterparty valuation does not reflect market value, will be valued at fair value, as determined in good faith by the Valuation Committee, pursuant to procedures approved by the Fund's Board of Directors. Circumstances in which market prices may be unavailable include, but are not limited to, when trading in a security is suspended, the exchange on which the security is traded is subject to an unscheduled close or disruption or material events occur after the close of the exchange on which the security is principally traded. In these circumstances, the Fund determines fair value in a manner that fairly reflects the market value of the security on the valuation date based on consideration of any information or factors it deems appropriate. These may include, but are not limited to, recent transactions in comparable securities, information relating to the specific security and developments in the markets.

Foreign equity fair value pricing procedures utilized by the Fund may cause certain non-U.S. equity holdings to be fair valued on the basis of fair value factors provided by a pricing service to reflect any significant market movements between the time the Fund values such securities and the earlier closing of foreign markets.

The Fund's use of fair value pricing may cause the net asset value of Fund shares to differ from the net asset value that would be calculated using market quotations. Fair value pricing involves subjective judgments and it is possible that the fair value determined for a security may be materially different than the value that could be realized upon the sale of that security.

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

- Level 1 quoted prices in active markets for identical investments
- Level 2 other significant observable inputs (including quoted prices for similar investments, interest rates, credit risk, etc.)
- Level 3 significant unobservable inputs (including the Fund's own assumptions in determining the fair value of investments)

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

Cohen & Steers Total Return Realty Fund, Inc.

NOTES TO SCHEDULE OF INVESTMENTS (Unaudited) (Continued)

For movements between the levels within the fair value hierarchy, the Fund has adopted a policy of recognizing the transfer at the end of the period in which the underlying event causing the movement occurred. Changes in valuation techniques may result in transfers into or out of an assigned level within the disclosure hierarchy. There were no transfers between Level 1 and Level 2 securities as of March 31, 2015.

The following is a summary of the inputs used as of March 31, 2015 in valuing the Fund's investments carried at value:

| | Total | Quoted Prices In Active Markets for Identical Investments (Level 1) | Other Significant Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) |
|---|-----------------------|---|---|--|
| Common Stock | \$ 304,572,962 | \$ 304,572,962 | \$ | \$ |
| Preferred Securities - \$25 Par Value | 61,875,917 | 61,875,917 | | |
| Preferred Securities - Capital Securities: | | | | |
| Banks | 1,684,844 | | 1,060,000 | 624,844 |
| Other Industries | 10,703,592 | | 10,703,592 | |
| Corporate Bonds | 491,036 | | 491,036 | |
| Money Market Funds | 1,900,000 | | 1,900,000 | |
| Total Investments(a) | \$ 381,228,351 | \$ 366,448,879 | \$ 14,154,628 | \$ 624,844 |

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

(b) Level 3 investments are valued by a third-party pricing service. The inputs for these securities are not readily available or cannot be reasonably estimated. A change in the significant unobservable inputs could result in a significantly lower or higher value in such Level 3 investments.

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

| | Total Investments in Securities |
|--|------------------------------------|
| Balance as of December 31, 2014 | \$ 611,562 |
| Change in unrealized appreciation (depreciation) | 13,282 |
| Balance as of March 31, 2015 | \$ 624,844 |

The change in unrealized appreciation (depreciation) attributable to securities owned on March 31, 2015 which were valued using significant unobservable inputs (Level 3) amounted to \$13,282.

Cohen & Steers Total Return Realty Fund, Inc.

NOTES TO SCHEDULE OF INVESTMENTS (Unaudited) (Continued)

Note 2. Income Tax Information

As of March 31, 2015, the federal tax cost and net unrealized appreciation and depreciation in value of securities held were as follows:

| | | |
|--------------------------------------|----|-------------|
| Cost for federal income tax purposes | \$ | 281,027,517 |
| Gross unrealized appreciation | \$ | 100,738,218 |
| Gross unrealized depreciation | | (537,384) |
| Net unrealized appreciation | \$ | 100,200,834 |

Item 2. Controls and Procedures

(a) The registrant's principal executive officer and principal financial officer have concluded that the registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940) are effective based on their evaluation of these disclosure controls and procedures required by Rule 30a-3(b) under the Investment Company Act of 1940 and Rule 13a-15(b) or 15d-15(b) under the Securities Exchange Act as of a date within 90 days of the filing of this report.

(b) During the last fiscal quarter, there were no changes in the registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the Investment Company Act of 1940) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

Item 3. Exhibits

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

SIGNATURES

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

COHEN & STEERS TOTAL RETURN REALTY FUND, INC.

By: /s/ Adam M. Derechin
Name: Adam M. Derechin
Title: President

Date: May 27, 2015

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

By: /s/ Adam M. Derechin
Name: Adam M. Derechin
Title: President and Principal Executive Officer

By: /s/ James Giallanza
Name: James Giallanza
Title: Treasurer and Principal Financial Officer

Date: May 27, 2015
