

COHEN & STEERS TOTAL RETURN REALTY FUND INC

Form N-14 8C/A

February 12, 2014

As filed with the Securities and Exchange Commission on February 12, 2014

Securities Act Registration No. 333-193107

Investment Company Registration No. 811-07154

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM N-14

REGISTRATION STATEMENT

*UNDER*

*THE SECURITIES ACT OF 1933*

Pre-Effective Amendment No. 1

Post-Effective Amendment No.

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

(Exact Name of Registrant as Specified in Charter)

**280 Park Avenue**

**New York, New York 10017**

(Address of Principal Executive Offices)

**212-832-3232**

(Registrant's Telephone Number, including Area Code)

**Tina M. Payne, Esq.**

**Cohen & Steers, Inc.**

**280 Park Avenue**

**New York, New York 10017**

(Name and Address of Agent for Service)

*With Copies to:*

**Michael Doherty, Esq.**

**Ropes & Gray LLP**

**1211 Avenue of Americas**

**New York, New York 10036**

**CALCULATION OF REGISTRATION FEE UNDER THE SECURITIES ACT**

<b>Title of Securities Being Registered</b>	<b>Amount Being Registered</b>	<b>Proposed Maximum Offering Price Per Unit</b>	<b>Proposed Maximum Aggregate Offering Price</b>	<b>Amount of Registration Fee</b>
Common Shares, \$.001 par value	19,173,424 shares	\$12.53*	\$240,243,002.72	\$30,943.30

\* Estimated solely for the purpose of calculating the registration fee. Based on the Registrant's net asset value per share at the close of business on December 15, 2013.

**The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act or until the Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.**

**COHEN & STEERS DIVIDEND MAJORS FUND, INC.**

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

280 Park Avenue

New York, New York 10017

**Special Joint Meeting of Stockholders to be held April 24, 2014**

February [ ], 2014

Dear Stockholder:

You are being asked to vote on a proposed transaction related to Cohen & Steers Dividend Majors Fund, Inc. ( DVM or the Acquired Fund ) and Cohen & Steers Total Return Realty Fund, Inc. ( RFI or the Acquiring Fund and, together with DVM, the Funds and each a Fund ). Detailed information about the proposed transaction is contained in the enclosed materials.

The Boards of Directors have called a special joint meeting of stockholders (the Meeting ) for the Funds to be held on April 24, 2014, at 280 Park Avenue, 20<sup>th</sup> floor, New York, NY 10017 at 10:00 a.m., Eastern time, in order to vote on matters described in the attached Combined Proxy Statement/Prospectus, including (i) stockholders of DVM will be asked to consider and vote upon a proposal to approve an Agreement and Plan of Reorganization (the Agreement ) providing for the transfer of all of the assets of DVM to RFI in exchange for shares of common stock of RFI, the assumption by RFI of all of the liabilities of DVM, and the distribution of such RFI shares to the stockholders of DVM in complete liquidation of DVM, all as described in more detail in the attached Proxy/Prospectus (the Reorganization ); and (ii) stockholders of RFI will be asked to consider and vote upon a proposal to approve the issuance of additional shares of RFI common stock in connection with the Reorganization.

As part of the Reorganization, holders of common shares of DVM will be issued new common shares of RFI. Please note that the total net asset value ( NAV ) of these new shares will equal the NAV of the shares of DVM outstanding on the business day prior to closing of the Reorganization, less the costs of the Reorganization attributable to those common shares (although cash will be paid in lieu of fractional shares). Both Funds are publicly traded on the New York Stock Exchange ( NYSE ).

DVM is a closed-end, diversified management investment company and RFI is a closed-end, non-diversified management investment company. Each Fund's common stock is listed on the NYSE. The Funds have similar overall investment objectives and are managed by Cohen & Steers Capital Management, Inc.

The Boards believe that combining the Funds could benefit stockholders of each Fund by providing the potential for portfolio management efficiencies, a lower operating expense ratio and enhanced market liquidity for RFI's shares of common stock following the Reorganization. The stockholders of DVM will vote separately on the Reorganization.

**The Board of DVM recommends that stockholders of DVM vote FOR the proposed Reorganization.**

In addition, stockholders of RFI are separately being asked to approve the issuance of additional shares of RFI common stock in connection with the Reorganization. **The Board of RFI recommends that the stockholders of RFI vote FOR the issuance of additional shares of RFI common stock in connection with the Reorganization.**

If stockholders approve the Reorganization, and certain conditions are met, the Reorganization is expected to occur on or about June 20, 2014, but in any event no later than June 30, 2014. *If stockholders of DVM approve the*

*Reorganization and stockholders of RFI do not approve the issuance of additional shares of RFI common stock in connection with the Reorganization or vice versa, the Reorganization will not occur.*

Stockholders of RFI also are being asked to consider and approve an amendment to the Fund's charter to authorize the Board of Directors from time to time to amend the charter to increase or decrease the number of authorized shares of stock of any class or series without further action by the stockholders. *If approved, the Board of RFI has no current intention to increase or decrease the number of authorized shares of stock.* **The Board of RFI recommends that the stockholders of RFI vote FOR this amendment to RFI's charter.**

In addition, stockholders of RFI also are being asked to approve changes to certain fundamental investment policies of RFI, including (i) amending the Fund's fundamental investment policy with respect to making loans; (ii) converting to non-fundamental its current fundamental investment restriction regarding limits on the Fund's ability to enter into short sales of securities or maintain short positions; and (iii) converting to non-fundamental its current fundamental investment restriction regarding the purchase of securities on margin. *If approved, the Board of RFI has no current intention to change the way RFI is managed or with respect to the conversion to non-fundamental policies to approve changes to any of these investment policies.* **The Board of RFI recommends that the stockholders of RFI vote FOR each change to the fundamental investment policies of RFI.**

Your vote is very important to us regardless of the number of shares you own. Whether or not you plan to attend the Meeting in person, please read the Combined Proxy Statement/Prospectus and cast your vote promptly. To vote, simply date, sign and return the proxy card in the enclosed postage-paid envelope or follow the instructions on the proxy card for voting by touch-tone telephone or on the Internet.

It is important that your vote be received no later than the time of the Meeting.

Sincerely,

Adam M. Derechin

President of the Funds

**COHEN & STEERS DIVIDEND MAJORS FUND, INC.**

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

**IMPORTANT NEWS FOR STOCKHOLDERS**

The enclosed Combined Proxy Statement/Prospectus (the Proxy/Prospectus ) describes a proposal to reorganize Cohen & Steers Dividend Majors Fund, Inc. ( DVM or the Acquired Fund ) with and into Cohen & Steers Total Return Realty Fund, Inc. ( RFI and, collectively with the Acquired Fund, the Funds and each a Fund ), in accordance with the Maryland General Corporation Law (the Reorganization ), plus a related proposal to authorize the issuance of additional shares of RFI common stock in connection with the Reorganization, which would allow RFI to consummate the Reorganization. In addition, RFI s stockholders are being asked to vote on (i) a charter amendment to authorize the Board of Directors of RFI to amend the charter to increase or decrease the aggregate number of authorized shares of stock or the number of authorized shares of any class or series of stock without further action by the stockholders and (ii) changing certain fundamental investment policies.

While we encourage you to read the full text of the enclosed Proxy/Prospectus, the following is a brief overview of the proposed Reorganization and related proposals. Please refer to the more complete information contained elsewhere in the Proxy/Prospectus about the Reorganization.

**COMMON QUESTIONS YOU MAY HAVE ABOUT THE PROPOSED REORGANIZATION**

**Q: WHY IS THE MEETING BEING HELD?**

**A: *Stockholders of DVM:*** You are being asked to consider and vote upon a proposal to approve the Reorganization of DVM into RFI, a publicly traded closed-end management investment company that has an investment objective and investment policies that are substantially similar, but not identical, to those of DVM and that has the same investment manager, Cohen & Steers Capital Management, Inc. (the Investment Manager ), as DVM.

**The Board of DVM recommends that stockholders of DVM vote FOR the proposed Reorganization.**

***Stockholders of RFI:*** You are being asked to consider and vote on a proposal to approve the issuance of additional shares of common stock of RFI ( RFI Common Shares ) in connection with the Reorganization. **The Board of RFI recommends that the stockholders of RFI vote FOR the issuance of additional shares of RFI Common Shares in connection with the Reorganization.**

Stockholders of RFI also are being asked to consider and approve an amendment to the Fund s charter to authorize the Board of Directors from time to time to amend the charter to increase or decrease the number of authorized shares of stock of any class or series without further action by the stockholders. *If approved, the Board of RFI has no current intention to increase or decrease the number of authorized shares of stock.* **The Board of RFI recommends that the stockholders of RFI vote FOR this amendment to RFI s charter.**

In addition, stockholders of RFI also are being asked to approve changes to the fundamental investment policies of RFI, including (i) amending the Fund s fundamental investment policy with respect to making loans; (ii) converting to non-fundamental its current fundamental investment restriction regarding limits on the Fund s ability to enter into short sales of securities or maintain short positions; and (iii) converting to non-fundamental its current fundamental investment restriction regarding the purchase of securities on margin. *If approved, the Board of RFI has no current intention to change the way RFI is managed or with respect to the conversion to non-fundamental policies to approve changes to any of these investment policies.* **The Board of RFI recommends that the stockholders of RFI vote**

**FOR each change to the fundamental investment policies of RFI.**

**Q: WHY IS THE REORGANIZATION BEING RECOMMENDED?**

A: The Board of Directors of each Fund has determined that the Reorganization is in the best interests of each Fund and the stockholders of each Fund. In recommending the Reorganization, each Fund's Board, with the advice of counsel to each Fund's Independent Directors, considered a number of factors, including, but not limited to, the following:

the combined Fund is expected to have a lower total annual operating expense ratio than the Fund's total annual operating expense ratio as of June 30, 2013 beginning with the first year following the Reorganization;

the Funds have similar overall investment objectives and are managed by the Investment Manager;

current DVM investors will be able to invest in a Fund that focuses its investments in real estate companies rather than in a hybrid investment strategy;

the combined Fund's total annual operating expenses in future years is expected to be less than each Fund's current level because expenses of the combined Fund will be spread over a larger asset base; and

the combined Fund may have a substantially larger trading market for its common stock than either Fund has currently.

**Q: HOW WILL THE REORGANIZATION AFFECT MANAGEMENT FEES?**

A: Each Fund is party to an investment management agreement with the Investment Manager pursuant to which it pays a management fee to the Investment Manager for the services rendered by the Adviser. Stockholders of RFI will continue to pay a management fee of 0.70% of average net assets. Stockholders of DVM currently pay a management fee and administrative fee of 0.75% and 0.04% of average daily net assets, respectively. Stockholders of RFI do not currently pay an administrative fee. Stockholders of the combined Fund will pay a management fee of 0.70% of average daily net assets, and will also pay an administrative fee of 0.04% of average daily net assets. Even with the payment of an administrative fee to the Investment Manager, the combined Fund's total annual operating expenses are still estimated to be lower for the combined Fund beginning with the first year following the Reorganization.

**Q: ARE THE FUNDS' INVESTMENT OBJECTIVES AND POLICIES SIMILAR?**

A: The Funds have substantially similar investment objectives of high total return and similar investment policies. Each Fund focuses its investments in real estate companies, except DVM also invests a substantial portion of its assets in dividend paying large cap value securities. In addition, DVM is a diversified, closed-end investment



company and RFI is a non-diversified, closed-end investment company. Because RFI, as a non-diversified investment company, may invest in a smaller number of individual issuers or in larger proportions of the securities of a single industry than a diversified investment company, an investment in RFI presents greater potential non-diversification risk to you than an investment in a diversified company. If these securities were to decline in value, there could be a substantial loss of the investment. With a smaller number of issuers, there is the potential for more risk than holding a larger number of issuers, since changes in the financial condition or market status of a single issuer may cause greater fluctuation in total return and share price of a non-diversified fund.

Q: HOW WILL THE REORGANIZATION AFFECT ME?

A: Assuming stockholders of DVM approve the Reorganization and stockholders of RFI approve the issuance of additional RFI Common Shares, the assets and liabilities of DVM will be combined with the assets and liabilities of RFI and DVM will terminate its registration under the Investment Company Act of 1940, as amended (the 1940 Act ), and will dissolve pursuant to Maryland law.

*Stockholders of RFI:* You will remain a stockholder of RFI. Your currently issued and outstanding shares of RFI Common Shares will remain outstanding.

*Stockholders of DVM:* You will become a stockholder of RFI, a publicly traded company listed on the NYSE. You will receive newly-issued RFI Common Shares, the aggregate NAV (not the market value) of which will equal the aggregate NAV (not the market value) of the shares of DVM common stock you held on the business day prior to the Reorganization, less your share of the costs of the Reorganization (though you will receive cash for fractional shares of common stock).

**Q: WHAT HAPPENS IF THE REORGANIZATION IS NOT APPROVED BY STOCKHOLDERS OF DVM?**

**A:** The Reorganization will not be consummated unless Proposal 1 is approved by the stockholders of DVM. If the Reorganization is not approved, DVM will continue as a separate investment company, and its Board will consider such alternatives as it determines to be in the best interests of stockholders, including, possibly, re-proposing the Reorganization.

**Q: WHY IS THE VOTE OF STOCKHOLDERS OF RFI BEING SOLICITED IN CONNECTION WITH THE REORGANIZATION?**

**A:** Although RFI will continue its legal existence and operations after the Reorganization, the rules of the New York Stock Exchange ( NYSE ) (on which the RFI Common Shares are listed) require RFI s stockholders to approve the issuance of additional common shares in connection with the Reorganization because the number of RFI Common Shares to be issued in the Reorganization will be, upon issuance, in excess of 20 percent of the number of RFI Common Shares outstanding prior to the Reorganization.

**Q: WHAT HAPPENS IF THE STOCKHOLDERS OF RFI DO NOT APPROVE THE ISSUANCE OF ADDITIONAL COMMON SHARES IN CONNECTION WITH THE REORGANIZATION?**

**A:** If the issuance of additional RFI Common Shares is not approved, the Reorganization will not occur and RFI will continue its investment activities in the normal course. In addition, DVM will continue as a separate investment company, and its Board will consider such alternatives as it determines to be in the best interests of stockholders, including, possibly, re-proposing the Reorganization.

**Q: HOW WILL THE REORGANIZATION AFFECT FUND FEES AND EXPENSES?**

**A:** The total annual operating expense ratio of the combined Fund after the Reorganization is expected to be lower than the current total annual operating expense ratio of each Fund, because the fixed expenses of the combined Fund following the Reorganization will be spread over a larger asset base. The Board of each Fund believes that operating expenses of a larger combined Fund comprised of the assets of DVM and RFI would be less than the aggregate current expenses of the Funds operating separately, resulting in a lower total annual operating expense ratio for the combined Fund.

Under each Fund's investment management agreement, DVM and RFI pay the Investment Manager a management fee at an annual rate of 0.75% and 0.70%, respectively, of the Fund's average daily net assets. DVM also pays the Investment Manager an administrative fee of 0.04% of the Fund's average daily net assets. RFI does not currently pay an administrative fee. Following the Reorganization, RFI's management fee will stay the same, and it will begin paying an administrative fee of 0.04% to the Investment Manager. Even with the payment of an administrative fee to the Investment Manager, RFI's total annual operating expenses are still estimated to be lower for the combined Fund.

Q. WILL I HAVE TO PAY ANY U.S. FEDERAL INCOME TAXES AS A RESULT OF THE REORGANIZATION?

A. The Reorganization is intended to qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended. Assuming that the Reorganization of the Funds qualifies for

such treatment, you will generally not recognize a gain or loss for federal income tax purposes as a result of the Reorganization. A stockholder of DVM who receives cash in lieu of a fractional share of RFI stock potentially will recognize gain as a result, but not in excess of such cash, as discussed in more detail below. As a condition to the closing of the Reorganization, the Funds will each receive an opinion of counsel substantially to the effect that the Reorganization will qualify for such treatment. Opinions of counsel are not binding on the Internal Revenue Service or the courts. Although the Reorganization is expected to be tax-free for stockholders, it will potentially accelerate distributions to stockholders of DVM and RFI for the taxable period ending with the closing of the Reorganization. You should talk to your tax advisor about any state, local and other tax consequences of the Reorganization of your Fund. See Proposal 1 Information About the Proposed Reorganization Material U.S. Federal Income Tax Consequences.

**Q. WHEN IS THE REORGANIZATION EXPECTED TO HAPPEN?**

A. The Reorganization, if Proposals 1 and 2 are approved, is expected to occur on or about June 20, 2014, but in any event no later than June 30, 2014.

**Q. WHO WILL PAY THE EXPENSES OF THE REORGANIZATION?**

A. The expenses incurred in the Reorganization will be paid by each Fund in proportion to its net assets and are estimated to be \$287,500 (as of June 30, 2013, \$0.014 and \$0.012 per share for DVM and RFI, respectively).

**Q. HOW DOES THE BOARD RECOMMEND THAT I VOTE ON THE PROPOSALS?**

A. The Board of DVM, including the Directors who are not interested persons (as defined in the 1940 Act) of the Fund, recommends that you vote **FOR** the Reorganization.

The Board of RFI, including the Directors who are not interested persons (as defined in the 1940 Act) of the Fund, recommends that you vote **FOR** the issuance of additional RFI Common Shares in connection with the Reorganization. As noted above, if this proposal is not approved, but the proposal approving the Reorganization is approved by DVM stockholders, RFI will not be authorized to issue common stock to effect the Reorganization and, as a result, the Reorganization will not be able to be consummated.

In addition, the Board of RFI recommends that stockholders of RFI vote **FOR** a charter amendment to authorize the Board of Directors of RFI to amend the charter to increase or decrease the aggregate number of authorized shares of stock or the number of authorized shares of any class or series of stock without further action by the stockholders

The Board of RFI also recommends that stockholders of RFI vote **FOR** the proposed changes to RFI's fundamental investment policies. The proposed changes will not result in changes to the Fund's investment strategies, but will provide the Investment Manager with additional portfolio management flexibility in the future. If the changes are approved, in the future RFI could change its investment practices to adapt to changing circumstances without the need for RFI to incur the time and expense of seeking stockholder approval in order to make such changes.

**Q. WHO CAN VOTE ON THE PROPOSALS?**

A. If you owned shares of one of the Funds at the close of business on January 30, 2014, you are entitled to vote those shares, even if you are no longer a stockholder of your Fund. The Fund of which you are a stockholder is named on the proxy card included with the Proxy/Prospectus. If you owned shares in both Funds as of January 30, 2014, you may receive more than one proxy card. You may only vote on the proposals involving your Fund(s).

Q. I AM AN INVESTOR WHO HOLDS A SMALL NUMBER OF SHARES. WHY SHOULD I VOTE?

A. Your vote makes a difference. If many stockholders just like you do not vote their proxies, the Funds may not receive enough votes to go forward with the Meeting and may incur additional expenses as a result of additional solicitation efforts to encourage stockholders to return their proxies.

**Q. HOW CAN I VOTE?**

A. In addition to voting by mail by returning the enclosed proxy card(s), you may also authorize your vote by either touch-tone telephone or online via the Internet, as follows:

**To vote by touch-tone telephone:**

- (1) Read the Proxy/Prospectus and have your proxy card at hand.
- (2) Call the toll-free number that appears on your proxy card.
- (3) Enter the control number set out on the proxy card and follow the simple instructions.

**To vote by Internet:**

- (1) Read the Proxy/Prospectus and have your proxy card at hand.
- (2) Go to the website that appears on your proxy card.
- (3) Enter the control number set out on the proxy card and follow the simple instructions.

**Q. WHOM DO I CALL IF I HAVE QUESTIONS?**

A. If you need more information or have any questions on how to cast your vote, please call Broadridge Financial Solutions, Inc., the Funds proxy solicitor, at 855-601-2250.

---

**COHEN & STEERS DIVIDEND MAJORS FUND, INC.**

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

**NOTICE OF SPECIAL JOINT MEETING OF STOCKHOLDERS**

**To Be Held on April 24, 2014**

Please take notice that a Special Joint Meeting of Stockholders (the Meeting ) of each of the above-referenced Funds (the Funds ), will be held on April 24, 2014 at the offices of Cohen & Steers Capital Management, Inc., the Funds investment manager (the Investment Manager ), located at 280 Park Avenue, 20th floor, New York, NY 10017 at 10:00 a.m., Eastern time., for the following purposes:

- PROPOSAL 1: To approve an Agreement and Plan of Reorganization (the Agreement ) providing for the transfer of all of the assets of DVM to RFI in exchange for shares of common stock of RFI and the assumption by RFI of all of the liabilities of DVM, the distribution of such RFI shares to the stockholders of DVM in complete liquidation of DVM and deregistration of DVM as an investment company pursuant to the Investment Company Act of 1940, as amended (the 1940 Act ), all as described in more detail in the attached Proxy/Prospectus (the Reorganization ) (*for the stockholders of DVM only*);
- PROPOSAL 2: To approve the issuance of Shares of Common Stock in connection with the Reorganization (*for the stockholders of RFI only*);
- PROPOSAL 3: To approve a charter amendment to authorize the Board of Directors of RFI to amend the charter to increase or decrease the aggregate number of authorized shares of stock or the number of authorized shares of any class or series of stock without further action by the stockholders (*for the stockholders of RFI only*); and
- PROPOSAL 4: To approve the following fundamental policy changes for RFI (*for the stockholders of RFI only*):
- A. Amending the Fund s fundamental investment restriction with respect to making loans; and
  - B. Changing from fundamental to non-fundamental the Fund s investment restriction prohibiting making short sales of securities or maintaining a short position, unless at all times when a short position is open the Fund owns an equal amount of such securities or securities convertible into or exchangeable for, without payment of any further consideration, securities of the same issue as, and equal in amount to, the securities sold short ( short sales against the box ), and unless not more than 10% of the Fund s net assets (taken at market value) is held as collateral for such sales at any one time (it is the Fund s present intention to make such sales only for the purpose of deferring realization of gain or loss for Federal income tax purposes); and
  - C. Changing from fundamental to non-fundamental the Fund s investment restriction prohibiting purchasing securities on margin, except for such short-term credits as may be necessary for the clearance of transactions and except for borrowings permitted under its investment objective and policies.

The appointed proxies will vote in their discretion on any other business as may properly come before the Meeting or any adjournments or postponements thereof.

Stockholders of the Funds of record at the close of business on January 30, 2014 are entitled to vote at the Meeting and at any adjournments or postponements thereof.

By order of the Boards of Directors,  
Francis C. Poli  
Secretary of the Funds

February [ ], 2014

**YOUR VOTE IS IMPORTANT**

**We invite you to utilize the convenience of Internet voting at the site indicated on the enclosed proxy card(s).**

**While at that site you will be able to enroll in our electronic delivery program which will insure that you receive future mailings relating to annual meetings as quickly as possible and will help the Fund(s) save costs. Or you may indicate your voting instructions on the enclosed proxy card, sign and date it, and return it in the envelope provided, which needs no postage if mailed in the United States. In order to save the Fund(s) any additional expense of further solicitation, please vote your proxy promptly.**



***PROXY STATEMENT/PROSPECTUS***

**FEBRUARY [ ], 2014**

***PROXY STATEMENT FOR:***

**COHEN & STEERS DIVIDEND MAJORS FUND, INC.**

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

***PROSPECTUS FOR:***

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

280 Park Avenue

New York, New York 10017

(212) 832-3232

This Combined Proxy Statement and Prospectus (the Proxy/Prospectus ) is being furnished in connection with the solicitation of proxies by the Boards of Directors (each, a Board, and together, the Boards ) of Cohen & Steers Dividend Majors Fund, Inc. ( DVM ) and Cohen & Steers Total Return Realty Fund, Inc. ( RFI and, together with DVM, the Funds and each a Fund ) for a Joint Special Meeting of Stockholders of each Fund (the Meeting ). The Meeting will be held on April 24, 2014 at the offices of Cohen & Steers Capital Management, Inc., the Funds investment manager (the Investment Manager ), located at 280 Park Avenue, 20th floor, New York, NY 10017 at 10:00 a.m., Eastern time.

The stockholders of RFI and the stockholders of DVM have the right to vote on the proposals as summarized in the table below (the Proposals )

<b>Proposal</b>	<b>RFI Stockholders</b>	<b>DVM Stockholders</b>
<b>Proposal 1: Approval of an Agreement and Plan of Reorganization</b>		
<b>Proposal 2: Approval of the issuance of Shares of Common Stock in connection with the Reorganization</b>		
<b>Proposal 3: Approval of an Amendment to RFI s Charter</b>		
<b>Proposal 4: Approval of Certain Fundamental Policy Changes for RFI</b>		

The following provides a brief overview of the substance of each proposal to be considered at the Meeting:

**PROPOSAL 1:** To approve an Agreement and Plan of Reorganization (the Agreement ) providing for the transfer of all of the assets of DVM to RFI in exchange for shares of common stock of RFI and the assumption by RFI of all of the liabilities of DVM, the distribution of such RFI shares to the stockholders of DVM in complete liquidation of DVM and deregistration of DVM as an investment company pursuant to the Investment Company Act of 1940, as amended (the 1940 Act ), all as described in

more detail in this Proxy/Prospectus (the Reorganization ) *(for the stockholders of DVM only)*;

PROPOSAL 2: To approve the issuance of Shares of Common Stock in connection with the Reorganization *(for the stockholders of RFI only)*;

PROPOSAL 3: To approve a charter amendment to authorize the Board of Directors of RFI to amend the charter to increase or decrease the aggregate number of authorized shares of stock or the number of authorized shares of any class or series of stock without further action by the stockholders *(for the stockholders of RFI only)*; and

- PROPOSAL 4: To approve the following fundamental policy changes for RFI (*for the stockholders of RFI only*):
- A. Amending the Fund's fundamental investment restriction with respect to making loans; and
  - B. Changing from fundamental to non-fundamental the Fund's investment restriction prohibiting making short sales of securities or maintaining a short position, unless at all times when a short position is open the Fund owns an equal amount of such securities or securities convertible into or exchangeable for, without payment of any further consideration, securities of the same issue as, and equal in amount to, the securities sold short (short sales against the box), and unless not more than 10% of the Fund's net assets (taken at market value) is held as collateral for such sales at any one time (it is the Fund's present intention to make such sales only for the purpose of deferring realization of gain or loss for Federal income tax purposes); and
  - C. Changing from fundamental to non-fundamental the Fund's investment restriction prohibiting purchasing securities on margin, except for such short-term credits as may be necessary for the clearance of transactions and except for borrowings permitted under its investment objective and policies.

If Proposals 1 and 2 are approved and the Reorganization is consummated, as a result of the Reorganization, for each full (and fractional) share of common stock, par value \$0.001 per share, of DVM (DVM Common Shares) would, in effect, be exchanged for an equivalent dollar amount (to the nearest \$0.001) of full (and fractional) shares of common stock, par value \$0.001 per share, of RFI (RFI Common Shares), based on the net asset value of each Fund. Common stockholders of DVM will receive cash in lieu of fractional shares of RFI in an amount equal to the value of the fractional RFI Common Shares that the stockholder would otherwise have received in the Reorganization. Although RFI Common Shares received in the Reorganization will have the same total net asset value as DVM Common Shares held immediately before the Reorganization (after adjustment for fractional shares, as noted above), the market value of the RFI Common Shares received, based on their price on the New York Stock Exchange (the NYSE) immediately prior to the Reorganization, may be greater or less than the market value of DVM Common Shares exchanged in the Reorganization, based on the current market price for DVM Common Shares at the time of the Reorganization. All RFI Common Shares currently issued and outstanding will remain issued and outstanding following the Reorganization.

With respect to Proposals 1 and 2, the Reorganization will not be consummated unless the Reorganization is approved by the stockholders of DVM and the issuance of RFI Common Shares in connection with the Reorganization is approved by the stockholders of RFI. If stockholders of DVM approve the Reorganization and the stockholders of RFI do not approve the issuance of RFI Common Shares in connection with the Reorganization or vice versa, the Reorganization will not proceed and DVM and RFI will continue in operation as separate investment companies, and the Board of each Fund will separately consider such alternatives as it determines to be in the best interests of stockholders, including, possibly, re-proposing the Reorganization.

The Boards believe that combining the Funds could benefit stockholders of each Fund by providing the potential for portfolio management efficiencies, a lower total annual operating expense ratio and enhanced market liquidity for RFI Common Shares following the Reorganization.

In addition, stockholders of RFI also are being asked to consider and approve an amendment to the Fund's charter to authorize the Board of Directors from time to time to amend the charter to increase or decrease the number of authorized shares of stock of any class or series without further action by the stockholders. Stockholders of RFI also are being asked to approve changes to the fundamental investment policies of RFI, including (i) amending the Fund's fundamental investment policy with respect to making loans; (ii) converting to non-fundamental its current fundamental investment restriction regarding limits on the Fund's ability to enter



into short sales of securities or maintain short positions; and (iii) converting to non-fundamental its current fundamental investment restriction regarding the purchase securities on margin. Proposals 3 and 4 are not dependent on the approval of Proposals 1 and 2 and Proposals 3 and 4 are not dependent on each other.

DVM and RFI were incorporated in Maryland on September 13, 2004 and September 4, 1992, respectively. DVM is a closed-end, diversified management investment company and RFI is a closed-end, non-diversified management investment company. Each Fund's common stock is listed on the NYSE. The Funds have similar overall investment objectives and are managed by the Investment Manager. See Proposal 1 Comparison of Investment Objectives, Strategies and Principal Risks of Investing in the Funds in this Proxy/Prospectus.

The Reorganization will be effected pursuant to an Agreement and Plan of Reorganization, which is attached to this Proxy/Prospectus as Appendix A. The material terms and conditions of the Agreement and Plan of Reorganization are summarized in this Proxy/Prospectus. See Proposal 1 Information about the Proposed Reorganization The Agreement and Plan of Reorganization.

This Proxy/Prospectus serves as a prospectus for RFI Common Shares under the Securities Act of 1933, as amended (the Securities Act ), in connection with the issuance of RFI Common Shares in the Reorganization.

Assuming the stockholders of DVM approve the Reorganization and all other conditions to the consummation of the Reorganization are satisfied or waived, DVM and RFI will file articles of transfer (the Articles of Transfer ) with the State Department of Assessments and Taxation in Maryland (the SDAT ). The Reorganization will become effective when the SDAT accepts for record the Articles of Transfer or at such later time, which may not exceed 30 days after the Articles of Transfer are accepted for record, as specified in the Articles of Transfer. The date when the Articles of Transfer are accepted for record, or the later date, is referred to in this Proxy/Prospectus as the Closing Date. DVM, as soon as practical after the Closing Date, will terminate its registration under the 1940 Act and will thereafter be dissolved under Maryland law.

The Reorganization is being structured as a reorganization for federal income tax purposes that generally will be tax free. See Proposal 1 Information About the Proposed Reorganization Material U.S. Federal Income Tax Consequences. Stockholders should consult their tax advisors to determine the actual impact of the Reorganization on them in light of their individual tax circumstances.

You should retain this Proxy/Prospectus for future reference as it sets forth concisely information about the Funds that you should know before voting on the Proposals described herein.

A Statement of Additional Information ( SAI ) dated February [ ], 2014, which contains additional information about the Reorganization and the Funds, has been filed with the Securities and Exchange Commission (the SEC ). The SAI is incorporated by reference into this Proxy/Prospectus. You may receive free of charge a copy of the SAI or a Fund's Annual Report to Stockholders for the fiscal year ended December 31, 2012 and Semi-Annual Report to Stockholders for the six month period ended June 30, 2013, which highlight certain important information such as investment performance and expense and financial information, by visiting our website at [www.cohenandsteers.com](http://www.cohenandsteers.com), by calling 800-330-7348 or by writing a Fund at the address listed above.

In addition, you can copy and review this Proxy/Prospectus and the complete filing on Form N-14 containing the Proxy/Prospectus, and any of the other above-referenced documents, at the SEC's Public Reference Room in Washington, D.C. You may obtain information about the operation of the Public Reference Room by calling the SEC at (202) 551-8090. Reports and other information about each Fund are available on the EDGAR Database on the SEC's website at [www.sec.gov](http://www.sec.gov). You may also obtain copies of this information, after paying a duplicating fee, by electronic request at [publicinfo@sec.gov](mailto:publicinfo@sec.gov), or by writing the SEC at Public Reference Section, Securities and Exchange Commission, 100 F Street, N.E., Washington, D.C. 20549.



DVM and RFI common shares are listed on the NYSE under the symbols DVM and RFI, respectively. After the Closing, RFI Common Shares will continue to be listed on the NYSE under the symbol RFI. You also may inspect the Funds' stockholder reports, proxy materials and other information about the Funds at the NYSE.

The information contained herein concerning each Fund has been provided by, and is included herein in reliance upon, each respective Fund.

**THE SEC HAS NOT APPROVED OR DISAPPROVED THESE SECURITIES NOR PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROXY/PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.**

---

**TABLE OF CONTENTS**

	<b>Page</b>
<b><u>PROPOSAL 1 To Approve the Reorganization of DVM with and into RFI in Accordance with the Maryland General Corporation Law</u></b>	7
<u>Summary</u>	7
<u>Proposed Reorganization</u>	7
<u>Comparison of Investment Objectives, Strategies and Principal Risks of Investing in the Funds</u>	8
<u>Fees and Expenses</u>	10
<u>Comparison of Investment Objectives, Strategies and Principal Risks of Investing in the Funds</u>	11
<u>Investment Objectives, Strategies and Principal Risks</u>	11
<u>Additional Investment Activities</u>	15
<u>Risk Factors</u>	17
<u>Investment Restrictions</u>	25
<u>Information about the Proposed Reorganization</u>	26
<u>The Agreement and Plan of Reorganization</u>	26
<u>Reasons for the Reorganization and Board Considerations</u>	28
<u>Material U.S. Federal Income Tax Consequences</u>	29
<u>Portfolio Securities</u>	31
<u>Information about Management of the Funds</u>	32
<u>Information About Directors and Officers</u>	32
<u>Investment Manager</u>	38
<u>Codes of Ethics</u>	39
<u>Proxy Voting Policies</u>	39
<u>Portfolio Managers of the Funds</u>	40
<u>Additional Information about the Funds</u>	43
<u>Financial Highlights</u>	43
<u>Past Performance</u>	46
<u>Net Asset Value, Market Price and Premiums/Discounts</u>	46
<u>Capitalization</u>	48
<u>Portfolio Transactions</u>	48
<u>Dividends and Distributions</u>	49
<u>Distributions</u>	49
<u>Dividend Reinvestment Plans</u>	50
<u>Taxation</u>	51
<u>Taxation of the Fund</u>	51
<u>Distributions</u>	53
<u>Sale or Exchange of Fund Shares</u>	56
<u>Derivatives and Commodity-Related Investments</u>	56
<u>Original Issue Discount Securities</u>	58
<u>Certain High-Risk and High-Yield Securities</u>	59
<u>Investment in Non-U.S. Securities</u>	59
<u>Passive Foreign Investment Company</u>	59
<u>Foreign Currency Transactions</u>	59
<u>Investments in Securities of Uncertain Tax Character</u>	60
<u>REITs</u>	60
<u>Investments in Mortgage-Related Securities</u>	60



<u>Book-Tax Differences</u>	61
<u>Investments in Other Regulated Investment Companies</u>	61
<u>Tax-Exempt Stockholders</u>	61

	<b>Page</b>
<u>Tax Shelter Reporting</u>	62
<u>Backup Withholding</u>	62
<u>Foreign Stockholders</u>	62
<u>Stockholder Reporting Obligations with Respect to Foreign Bank and Financial Accounts</u>	65
<u>Other Reporting and Withholding Requirements</u>	65
<u>Other Taxation</u>	65
<u>Net Asset Value</u>	65
<u>Description of the Funds – Capital Stock</u>	66
<u>Common Shares</u>	66
<b><u>PROPOSAL 2 Issuance of Additional RFI Common Shares</u></b>	<b>69</b>
Required Vote	
Board Recommendation	
<b><u>PROPOSAL 3 Amendment to the Charter to Authorize the Board of Directors from Time to Time to Increase or Decrease the Number of Authorized Shares of Stock of the Fund</u></b>	<b>70</b>
Required Vote	
Board Recommendation	
<b><u>PROPOSAL 4 To Approve Certain Fundamental Policy Changes for RFI</u></b>	<b>71</b>
Required Vote	
Board Recommendation	
<u>Other Business</u>	74
<u>Submission of Stockholder Proposals</u>	74
<u>Stockholder Communications with the Boards</u>	74
<u>Voting Information</u>	74
<u>Proxy Solicitation</u>	76
<u>Quorum</u>	76
<u>Votes Required</u>	76
<u>Effect of Abstentions and Broker Non-Votes</u>	76
<u>Adjournments and Postponements</u>	76
<u>Record Date and Outstanding Shares</u>	77
<u>Service Providers</u>	77
<u>APPENDIX A:</u> AGREEMENT AND PLAN OF REORGANIZATION	A-1
<u>APPENDIX B:</u> PROXY VOTING POLICY	B-1
<u>APPENDIX C:</u> COMPARISON OF INVESTMENT OBJECTIVES AND PRINCIPAL INVESTMENT POLICIES AND RESTRICTIONS	C-1
<u>APPENDIX D:</u> S&P AND MOODY S RATINGS	D-1

## PROPOSAL 1

### TO APPROVE THE REORGANIZATION OF DVM WITH AND INTO RFI IN ACCORDANCE WITH THE MARYLAND GENERAL CORPORATION LAW

#### SUMMARY

*This summary is qualified in its entirety by reference to the additional information contained elsewhere in this Proxy/Prospectus and the Agreement and Plan of Reorganization, a form of which is attached to this Proxy/Prospectus as Appendix A.*

#### Proposed Reorganization

At a meeting held on December 10, 2013, the Funds' Boards, including the Directors who are not interested persons (as defined in the 1940 Act) of the Funds (the Independent Directors), considered and unanimously approved the Agreement and Plan of Reorganization (the Plan). As a result of the Reorganization:

DVM will transfer its assets to RFI in exchange for the assumption by RFI of all of the existing liabilities of DVM and for the issuance to DVM of RFI Common Shares to be distributed to stockholders of DVM in complete liquidation thereof; and

each full (and fractional) share of common stock, par value \$0.001 per share, of DVM would, in effect, be exchanged as of the Closing for an equivalent dollar amount (to the nearest \$0.001) of full shares of common stock, par value \$0.001 per share, of RFI, based on the net asset value of each Fund. Common stockholders of DVM will receive cash in lieu of fractional shares of RFI in an amount equal to the value of the fractional RFI Common Shares that the stockholder would otherwise have received in the Reorganization.

If the Reorganization is not approved by DVM stockholders or if stockholders of RFI do not approve the issuance of common stock to effect the Reorganization, DVM and RFI will continue as separate investment companies, and the Board of DVM will separately consider such alternatives as it determines to be in the best interests of stockholders, including, possibly, re-proposing the Reorganization.

For the reasons set forth below in Information About the Proposed Reorganization Reasons for the Reorganization and Board Considerations, the Board of each Fund, including the Independent Directors, have concluded that the Reorganization would be in the best interests of the Fund and its stockholders, and that the interests of Fund stockholders would not be diluted as a result of the Reorganization. **The Board of DVM, therefore, is hereby submitting the Reorganization to Fund stockholders and recommends that stockholders of DVM vote FOR the Reorganization.**

The Reorganization has been approved by the Board of DVM, including at least 75% of the Continuing Directors (as defined herein). Under DVM's charter, approval of the Reorganization requires the affirmative vote of the holders of a majority of the outstanding shares of common stock of the Fund. See Voting Information below. The stockholders of RFI are not required to vote separately on the Reorganization, although they must approve the issuance of RFI Common Shares in connection with the Reorganization in order for the Reorganization to be consummated. See Proposal 2 Issuance of Additional RFI Common Shares. If stockholders of DVM approve the Reorganization, and stockholders of RFI approve the related issuance of RFI Common Shares, the Reorganization is expected to occur on June 20, 2014, but in any event no later than June 30, 2014.

As a condition to completion of the Reorganization, the Funds will each have received an opinion of Ropes & Gray LLP substantially to the effect that the Reorganization will qualify as a reorganization for federal income tax purposes that generally will be tax free. Accordingly, no gain or loss is expected to be recognized by

the Funds or, generally, their stockholders as a direct result of the Reorganization. In addition, the tax basis of an Acquired Fund stockholder's shares is generally expected to carry over to the Acquiring Fund shares the stockholder receives in the Reorganization and the holding period of an Acquired Fund stockholder's shares of the Acquiring Fund is expected to be determined by including the period for which the stockholder held shares of the Acquired Fund exchanged therefore. For more information about the federal income tax consequences of the Reorganization, see Information about the Proposed Reorganization Material U.S. Federal Income Tax Consequences below.

### **Comparison of Investment Objectives, Strategies and Principal Risks of Investing in the Funds**

The Funds have similar investment objectives, which are, primarily, a high total return consisting of dividend income (for RFI, current income) and capital appreciation through investment in real estate securities, and additionally, for DVM, through investment in dividend paying large cap value common and preferred stock. DVM is a diversified, closed-end management investment company, while RFI is a non-diversified, closed-end management investment company. Because RFI, as a non-diversified investment company, may invest in a smaller number of individual issuers or in larger proportions of the securities of a single industry than a diversified investment company, an investment in RFI presents greater potential non-diversification risk to you than an investment in a diversified company. If these securities were to decline in value, there could be a substantial loss of the investment. With a smaller number of issuers, there is the potential for more risk than holding a larger number of issuers, since changes in the financial condition or market status of a single issuer may cause greater fluctuation in total return and share price of a non-diversified fund.

Each Fund focuses its investments in equity securities, including common stocks, preferred stocks and other equity securities, of U.S. real estate companies; however, DVM may also focus its investments in dividend paying large cap value common and preferred stock with the potential to offer the opportunity for long-term growth of income and capital appreciation. Each Fund is managed by the Investment Manager.

Under normal circumstances, DVM invests (i) at least 25%, but no more than 75%, of its total assets in common stocks issued by real estate companies, such as real estate investment trusts or REITs; and (ii) at least 25%, but no more than 75%, of its total assets in a portfolio of dividend paying large cap value common stocks and preferred stocks with the potential to offer the opportunity for long-term growth of income and capital appreciation, selected using a large cap dividend value strategy. The Investment Manager retains broad discretion to allocate DVM's investments between securities issued by real estate and large cap value companies in a manner it believes will best achieve DVM's investment objective. Under normal circumstances, RFI invests at least 75% of its total assets in the equity securities of real estate companies, including (i) common shares (including shares and units of beneficial interest of REITs), (ii) rights or warrants to purchase common shares, (iii) securities convertible into common shares where the conversion feature represents, in the Investment Manager's view, a significant element of the securities value, and (iv) preferred shares.

DVM and RFI each may invest up to 20% of its total assets in foreign securities. Each Fund generally will not invest more than 10% of its total assets in the securities of any issuer; however, RFI's policy is fundamental and may not be changed without a stockholder vote.

Each Fund may invest in preferred securities, except RFI may only invest up to 20% of its total assets in preferred securities and other fixed income securities issued by any type of company. RFI may also invest up to 25% of its total assets in debt securities issued by real estate companies. RFI may invest in unrated debt securities or in debt securities rated lower than BBB by Standard & Poor's (S&P) or lower than Baa by Moody's Investor Services (Moody's).

Each Fund may purchase and sell derivative instruments such as exchange-listed and over-the-counter put and call options on securities (including securities of investment companies and baskets of securities), indexes, and other financial instruments; purchase and sell financial futures contracts and options thereon, enter into



various interest rate transactions, such as swaps, caps, floors or collars or credit transactions; equity index, total returns and credit default swaps; forward contracts; and structured investments. In addition, the Funds may enter into various currency transactions, such as forward currency contracts, currency futures contracts, currency swaps and options on currency or currency futures. The Funds also may purchase and sell derivative instruments that combine features of these instruments.

DVM may invest a significant portion, but less than 25% of its total assets in securities issued by companies principally engaged in either the financial services or utilities industries. In addition, DVM may invest in illiquid securities without limit, while RFI may only invest up to 10% of its total assets in illiquid securities.

The fundamental investment restrictions to which the Funds are subject are similar but not identical. Stockholders of RFI are being asked to change certain fundamental policies, which require RFI stockholder approval to amend, as discussed in more detail in Proposal 4 below.

Because of their similar investment objectives and principal investment strategies, the Funds are subject to similar investment risks. Because each Fund concentrates its assets in the real estate industry, a Fund's investments will be closely linked to the performance of the real estate markets. Property values may fall due to increasing vacancies or declining rents resulting from economic, legal, cultural or technological developments. REIT prices also may drop because of the failure of borrowers to pay their loans and poor management. Many REITs utilize leverage, which increases investment risk and could adversely affect a REIT's operations and market value in periods of rising interest rates as well as risks normally associated with debt financing. In addition, there are specific risks associated with particular sectors of real estate investments such as retail, office, hotel, healthcare, and multifamily properties. DVM is subject to additional risks as a result of its investment in dividend paying large cap value securities. Dividend paying large cap value securities have historically generated higher average returns than fixed-income securities over the long-term, and also have experienced significantly more volatility in returns. Such securities may be more susceptible to adverse changes in market value due to issuer specific events or general movements in the equities markets. Prices of dividend paying large cap value securities fluctuate for many reasons, including (i) changes in investors' perceptions of the financial condition of an issuer; (ii) the general condition of the relevant stock market; or (iii) the occurrence of political or economic events affecting issuers. Securities in which DVM invests are structurally subordinated to preferred securities, bonds and other debt instruments in a company's capital structure in terms of priority to corporate income and assets, and, therefore, will be subject to greater risk than the preferred securities or debt instruments of such issuers. Finally, prices of dividend paying large cap value securities may be sensitive to rising interest rates as the costs of capital rise and borrowing costs increase.

When the Investment Manager believes that market or general economic conditions justify a temporary defensive position, each Fund may deviate from its investment objectives and invest all or any portion of its assets in investment grade debt securities, without regard to whether the issuer is a real estate company, or in the case of DVM, a dividend paying large cap value security. When and to the extent a Fund assumes a temporary defensive position, it may not pursue or achieve its investment objectives.

Neither Fund is intended to be a complete investment program, and there is no assurance that the Funds will achieve their investment objectives.

The preceding summary of the Funds' investment objectives and certain policies and related risks should be considered in conjunction with the discussion below under "Comparison of Investment Objectives, Strategies and Principal Risks of Investing in the Funds Investment Objectives, Strategies and Principal Risks, Additional Investment Activities, Risks and Investment Restrictions" which contains a more complete comparison of the Funds' investment objectives, strategies, policies and restrictions and related risks. The investment strategies, policies and restrictions of RFI will be the same for the combined Fund, including any changes approved by RFI's stockholders set forth in Proposals 3 and 4 below.





## Fees and Expenses

After the Reorganization, the combined Fund is anticipated to have a lower total annual operating expense ratio, than each Fund's total annual operating expense ratio individually prior to the Reorganization.

### Fee Table

The following table and example contain information about the change in operating expenses expected as a result of the Reorganization. The table sets forth (i) the fees and expenses, as a percentage of net assets as of June 30, 2013, for each Fund, and (ii) the pro forma fees and expenses, assuming the Reorganization had taken place on June 30, 2013. The fees and expenses are presented as a percentage of net assets. The annual operating expenses for each Fund reflect fixed expenses for a trailing 12-month period and variable expenses assuming each Fund's capital structure and asset levels as of June 30, 2013. The annual operating expenses of the Pro Forma Combined Fund are projections for a 12-month period, assuming each Fund's capital structure and asset levels as of June 30, 2013. These projections for the Pro Forma Combined Fund include the change in operating expenses expected as a result of the Reorganization, assuming the Pro Forma Combined Fund's capital structure and asset levels as of June 30, 2013.

	DVM	RFI	Pro Forma Combined Fund (RFI) <sup>1</sup>
<b>Stockholder Transaction Expenses</b>			
Sales Load ( <i>as a percentage of offering price</i> ) <sup>2</sup>	None	None	None
Dividend Reinvestment Plan Fees <sup>3</sup>	None	None	None
<b>Annual Expenses (<i>as a percentage of net assets attributable to common stock</i>)<sup>4</sup></b>			
Management Fees <sup>5</sup>	0.75%	0.70%	0.70%
Other Expenses	0.19%	0.24%	0.17% <sup>6</sup>
<b>Total Annual Fund Operating Expenses</b>	<b>0.94%</b>	<b>0.94%</b>	<b>0.87%</b>

1. The Pro Forma Combined Fund column assumes the proposed Reorganization was consummated on June 30, 2013.
2. Shares of the Funds' common stock are traded on the secondary market and, as such, transactions are not subject to sales charges, but may be subject to brokerage commissions or other charges. The table does not include any underwriting commissions paid by stockholders in the initial public offering of the common stock of each Fund.
3. Each participant in a Fund's DRIP pays a proportionate share of the brokerage commissions incurred with respect to open market purchases, if any, made by the Fund's Plan Agent (defined below).
4. Annual Expenses are stated as a percentage of net assets attributable to the Funds' shares of common stock.
5. Reflects the effective management fee rate paid by each Fund's common stockholders. DVM and RFI are each charged a management fee of 0.75% and 0.70%, respectively, of the Fund's average daily net assets, and the combined Fund will pay a contractual management fee of 0.70% of its average daily net assets.
6. Reflects an annual administrative fee of 0.04% of average daily net assets to be paid by the combined Fund to the Investment Manager. Prior to Closing, RFI did not pay an administrative fee to the Investment Manager.



*Expense Example*

The following example is intended to help you compare the costs of an investment in the combined Fund (RFI), after the Reorganization is consummated, with the costs of investing in a Fund before the Reorganization. The example is based on each Fund's Total Annual Fund Operating Expenses as set forth in the Fee Table, which are based on each Fund's actual expense ratio as of the year ended June 30, 2013 and assumes the assumptions set forth for the table above. An investor would pay the following expenses on a \$1,000 investment in shares of a Fund's common stock, assuming a 5% annual return on net asset value through the period and no changes to Total Annual Fund Operating Expenses for each Fund for years 1 through 10:

	<b>1 Year</b>	<b>3 Years</b>	<b>5 Years</b>	<b>10 Years</b>
DVM	\$ 10	\$ 30	\$ 52	\$ 115
RFI	\$ 10	\$ 30	\$ 52	\$ 115
Pro Forma Combined Fund	\$ 9	\$ 28	\$ 48	\$ 107

The example set forth above assumes the reinvestment of all dividends and distributions at net asset value. The example should not be considered a representation of past or future expenses or annual rates of return. Actual expenses or annual rates of return may be more or less than those assumed for purposes of the example.

## **COMPARISON OF INVESTMENT OBJECTIVES, STRATEGIES AND PRINCIPAL RISKS OF INVESTING IN THE FUNDS**

### **Investment Objectives, Strategies and Principal Risks**

The Funds have similar overall investment objectives. DVM's primary investment objective is high total return consisting of dividend income and capital appreciation. RFI's investment objective is high total return through investment in real estate securities. In pursuing total return, RFI seeks both current income and capital appreciation (realized and unrealized) and equally emphasizes both current income and capital appreciation. DVM is a diversified, closed-end management investment company and RFI is a non-diversified, closed-end management investment company. The Funds are both managed by the Investment Manager. For a more detailed comparison of the Funds investment objectives, strategies and principal risks, please see Appendix C.

Each Fund focuses its investments in equity securities, including common stocks, preferred stocks and other equity securities. Under normal market conditions, DVM invests (i) at least 25%, but no more than 75%, of its total assets in common stocks issued by real estate companies, such as REITs, and (ii) at least 25%, but no more than 75%, of its total assets in a portfolio of dividend yielding common stocks and preferred stocks that have the potential to offer the opportunity for long-term growth of income and capital appreciation. The Investment Manager retains broad discretion to allocate DVM's investments between securities issued by real estate and large cap value companies in a manner it believes will best achieve DVM's investment objective. Under normal market conditions, RFI invests at least 75% of its total assets in the equity securities of real estate companies. Such equity securities will consist of (i) common shares (including shares and units of beneficial interest of REITs), (ii) rights or warrants to purchase common shares, (iii) securities convertible into common shares where the conversion feature represents, in the investment adviser's view, a significant element of the securities' value, and (iv) preferred shares.

Each Fund may invest in preferred securities and other fixed income or debt securities issued by any type of company and may invest in non-investment grade preferred stock or debt securities, although the percentages vary by Fund. RFI may not invest more than 25% its assets in debt securities issued or guaranteed by real estate companies. RFI may invest in unrated debt securities or in debt securities rated lower than BBB by S&P or lower than Baa by Moody's. In

addition, under normal market conditions, RFI may invest up to 20% of its total assets in preferred securities and other fixed income securities issued by any type of company.

Each Fund may purchase and sell derivative instruments such as exchange-listed and over-the-counter put and call options on securities (including securities of investment companies and baskets of securities), indexes, and other financial instruments; purchase and sell financial futures contracts and options thereon, enter into various interest rate transactions, such as swaps, caps, floors or collars or credit transactions; equity index, total returns and credit default swaps; forward contracts; and structured investments. In addition, the Funds may enter into various currency transactions, such as forward currency contracts, currency futures contracts, currency swaps and options on currency or currency futures. The Funds also may purchase and sell derivative instruments that combine features of these instruments.

In making investment decisions with respect to common stocks and other equity securities, including securities of REITs in which DVM and RFI may invest, the Investment Manager adheres to a bottom-up, relative value investment process when selecting publicly traded real estate securities. To guide the portfolio construction process, the Investment Manager utilizes a proprietary valuation model that quantifies relative valuation of real estate securities based on price-to-net asset value (NAV), cash flow multiple/growth ratios and a Dividend Discount Model (DDM). Analysts incorporate both quantitative and qualitative analysis in their NAV, cash flow, growth and DDM estimates. The company research process includes an evaluation of management, strategy, property quality, financial strength and corporate structure. Judgments with respect to risk control, diversification, liquidity and other factors are considered along with the models' output and drive the portfolio managers' investment decisions.

In making investment decisions with respect to dividend yielding equity securities in which DVM invests, the Investment Manager first seeks to identify attractive businesses by industry through identification of key industry drivers and evaluation of each company's business model, market position and management team. Then a number of additional factors are reviewed to assess a company's dividend growth potential as well as the sustainability of that growth, including analysis of dividend history, free cash flow and dividend payout ratios. Once this fundamental research has been completed and the universe of companies has been narrowed, a dividend discount model is employed to determine the present value of a future stream of a company's dividend payments to identify stocks the investment manager believes are undervalued relative to their long-term growth prospects. This model assists in both quantifying discounts to target prices and determining individual stock and sector weightings.

In an effort to mitigate risk, the Investment Manager adheres to a sell discipline that helps to identify when to begin scaling out of a position that no longer meets its investment criteria. Considerations include changes in company management or strategy, changes in dividend policy, invalid investment thesis, stock price approaching target price, deterioration of company fundamentals or changing industry considerations. The risks associated with an actively managed strategy include the value of common stocks and other equity securities fluctuating in response to developments concerning the company, political and regulatory circumstances, the stock market and the economy. In the short term, stock prices can fluctuate dramatically in response to these developments. Different parts of the market and different types of equity securities can react differently to these developments. These developments can affect a single company, all companies within the same industry, economic sector or geographic region, or the stock market as a whole. Dividend-paying stocks may be particularly sensitive to changes in market interest rates, and prices may decline as rates rise.

In making investment decisions with respect to preferred securities and other fixed income securities in which each Fund invests, the Investment Manager seeks to select securities it views as undervalued on the basis of risk and return profiles. In making these determinations, the Investment Manager evaluates the fundamental characteristics of an issuer, including an issuer's creditworthiness, and also takes into account prevailing market factors. In analyzing credit quality, the Investment Manager considers not only fundamental analysis, but also an issuer's corporate and capital structure and the placement of the preferred or debt securities within that structure. The Investment Manager takes into account other factors, such as call and other structural features, event risk, the likely directions of ratings and relative value versus other income security classes, among others.



Each Fund generally will not invest more than 10% of its managed assets in the securities of one issuer. This issuer limitation is a fundamental policy for RFI, which means it may only be changed by a vote of stockholders.

The combined Fund will continue to employ the same principal investment strategies used by RFI. *Although RFI's stockholders are being asked to approve Proposal 4 to change certain fundamental investment policies, this will have no immediate effect on how RFI employs its principal investment strategies.*

Each Fund may invest in, among other things, the types of securities and instruments described below:

#### *Real Estate Companies*

Under normal market conditions, DVM invests at least 25%, but no more than 75%, of its total assets in equity securities issued by real estate companies, and RFI invests at least 75% of its assets in equity securities of real estate companies. Real estate companies may include REITs. For purposes of DVM's and RFI's investment policies, a real estate company is one that:

derives at least 50% of its revenues from the ownership, construction, financing, management or sale of commercial, industrial, or residential real estate and land; or

has at least 50% of its assets in such real estate.

Equity securities of real estate companies consist of:

common stocks (including REIT shares);

preferred stocks;

rights or warrants to purchase common and preferred stocks; and

securities convertible into common and preferred stocks where the conversion feature represents, in the Investment Manager's view, a significant element of the securities' value.

#### *Real Estate Investment Trusts*

A REIT is a company dedicated to owning, and usually operating, income producing real estate, or to financing real estate. REITs pool investors' funds for investment primarily in income producing real estate or real estate-related loans or interests. A REIT is not taxed on income distributed to stockholders if, among other things, it distributes to its stockholders substantially all of its taxable income (other than net capital gains) for each taxable year. As a result, REITs tend to pay relatively higher dividends than other types of companies and RFI intends to use these REIT dividends in an effort to meet the high current income goal of its investment objective. Dividends paid by REITs will not be eligible for the dividends received deduction and are generally not considered qualified dividend income eligible for reduced rates of taxation, each as discussed in more detail below in Additional Information about the Funds' Taxation.

REITs can generally be classified as equity REITs and mortgage REITs. Equity REITs, which invest the majority of their assets directly in real property, derive their income primarily from rents. Equity REITs can also realize capital gains by selling properties that have appreciated in value. Mortgage REITs, which invest the majority of their assets in real estate mortgages, derive their income primarily from interest payments. RFI does not currently intend to invest more than 10% of its assets in mortgage REITs.

*Foreign (Non-U.S.) Companies*

Each of DVM and RFI may invest up to 20% of its assets in securities of foreign issuers. DVM will not invest more than 10% of its assets in securities of issuers in emerging markets (or less developed countries).



Dividend income a Fund receives from foreign securities may not be eligible for the special tax treatment applicable to qualified dividend income. However, dividend income a Fund receives from securities of certain qualified foreign corporations (e.g., generally, foreign corporations incorporated in a possession of the United States or in certain countries with a qualifying comprehensive tax treaty with the United States, or the stock with respect to which such dividend is paid is readily tradable on an established securities market in the United States, but not including a foreign corporation which for the taxable year of the corporation in which the dividend was paid, or the preceding taxable year, is a passive foreign investment company, as defined in the Code) will be eligible for the special tax treatment applicable to qualified dividend income.

#### *Preferred Securities*

The Funds may invest, to varying degrees, in preferred securities issued by real estate companies, including REITs, and other types of issuers. There are two basic types of preferred securities. The first, sometimes referred to in this Proxy/Prospectus as traditional preferred securities, consists of preferred stock issued by an entity taxable as a corporation. Preferred stocks are considered equity securities. The second basic type is referred to in this Proxy/Prospectus as hybrid-preferred securities. Hybrid-preferred securities are usually issued by a trust or limited partnership and often represent preferred interests in subordinated debt instruments issued by a corporation for whose benefit the trust or partnership was established. Hybrid-preferred securities are considered debt securities. Preferred securities pay fixed or floating dividends to investors and have preference over common stock in the payment of dividends and in the liquidation of a company's assets. This means that a company must pay dividends on preferred stock before paying dividends on its common stock. Preferred stockholders usually have no right to vote for corporate directors or on other matters. The hybrid and REIT preferred securities in which the Funds invest do not qualify for the dividends received deduction (the DRD) and are not expected to provide significant benefits under the rules relating to qualified dividend income. As a result, any corporate stockholder who otherwise would qualify for the DRD, and any individual stockholder who otherwise would qualify to be taxed at long-term capital gain rates on qualified dividend income, should assume that none of the distributions the stockholder receives from a Fund attributable to hybrid or REIT preferred securities will qualify for the DRD or provide significant benefits under the rules relating to qualified dividend income. Distributions received from a Fund attributable to traditional preferred securities, other than those issued by REITs, generally would qualify for the DRD as to any corporate stockholder and generally would qualify to be taxed at long-term capital gains rates as to any individual stockholder.

#### *Debt Securities*

Each Fund may invest in debt securities issued by real estate companies, including REITs, utility companies and other types of issuers. The Fund's investments in debt securities may include investments in convertible debt securities, convertible preferred securities, corporate debt securities issued by domestic and non-U.S. corporations and government debt securities issued or guaranteed by the U.S. Government or its agencies or instrumentalities or a non-U.S. Government or its agencies or instrumentalities, such as mortgage debt securities. Convertible securities are exchangeable for common stock at a predetermined stock (the conversion price). Depending upon the relationship of the conversion price to the market value of the underlying securities, convertible securities may trade more like common stock than debt instruments.

#### *Common Stocks*

DVM may invest in dividend-paying equity securities that have the potential to offer the opportunity for long-term growth of income and capital appreciation. A value approach seeks to identify companies that appear to be undervalued by various measures and may be out of favor but have good prospects for capital appreciation and dividend growth. Common stocks represent the residual ownership interest in the issuer and holders of common stock are entitled to the income and increase in the value of the assets and business of the issuer after all of its debt obligations and obligations to preferred stockholders are satisfied. Common stocks generally have voting rights.

Common stocks fluctuate in price in response to many factors including historical and prospective

earnings of the issuer, the value of its assets, general economic conditions, interest rates, investor perceptions and market liquidity.

#### *Financial Services Company Securities*

DVM may invest a significant portion, but less than 25%, of its total assets in securities issued by companies principally engaged in the financial services industry. A company is principally engaged in financial services if it derives at least 50% of its consolidated revenues from providing financial services. Companies in the financial services sector include commercial banks, industrial banks, savings institutions, finance companies, diversified financial services companies, investment banking firms, securities brokerage houses, investment advisory companies, leasing companies, insurance companies and companies providing similar services.

#### *Utility Company Securities*

DVM may invest a significant portion, but less than 25%, of its total assets, in the securities of companies principally engaged in the utility industry. Utility companies derive at least 50% of their revenues from, or have at least 50% of their assets committed to, the generation, transmission, sale or distribution of electric energy; distribution, purification and treatment of water; production, transmission or distribution of natural gas; and provision of communications services, including cable television, satellite, microwave, telephone and other communications media.

#### *Lower-Rated Securities*

Each Fund is permitted to invest in preferred stock and debt securities rated below investment grade and equivalent unrated securities of comparable quality as determined by the Investment Manager. Securities rated non-investment grade (lower than BBB- by Standard & Poor's Ratings Group (S&P)) or lower than Baa3 by Moody's Investors Service, Inc. (Moody's)) are sometimes referred to as high yield or junk bonds. RFI may only invest in high yield securities that are rated CCC or higher by S&P, or rated Caa or higher by Moody's, or unrated securities determined by the Investment Manager to be of comparable quality. The issuers of these securities have a currently identifiable vulnerability to default and such issues may be in default or there may be present elements of danger with respect to principal or interest. The Funds will not invest in securities that are in default at the time of purchase. For a description of S&P and Moody's ratings, see Appendix D to this Proxy/Prospectus.

#### **Additional Investment Activities**

The Funds may, but are not required to, use various strategic transactions described below to seek to generate total return, facilitate portfolio management and mitigate risks. Although the Investment Manager may seek to use these kinds of transactions to further a Fund's investment objective(s), no assurance can be given that they will achieve this result.

#### *Derivatives Transactions*

The Funds may, but are not required to, use, without limit, various strategic transactions described below to seek to generate total return, facilitate portfolio management and mitigate risks. Although the Investment Manager may seek to use these kinds of transactions to further a Fund's investment objectives, no assurance can be given that they will achieve this result.

The Funds may enter into exchange-listed and over-the-counter put and call options on securities (including securities of investment companies and baskets of securities), indexes, and other financial instruments; purchase and sell financial futures contracts and options thereon; enter into various interest rate transactions, such as



swaps, caps, floors or collars or credit transactions; equity index, total return and credit default swaps; forward contracts; and structured investments. In addition, the Funds may enter into various currency transactions, such as forward currency contracts, currency futures contracts, currency swaps or options on currency or currency futures. The Funds also may purchase and sell derivative instruments that combine features of these instruments. The Funds may invest in other types of derivatives, structured and similar instruments which are not currently available but which may be developed in the future. Collectively, all of the above are referred to as Derivatives Transactions.

#### *Other Investment Companies*

Each Fund may invest in other investment companies to the extent permitted by Section 12(d)(1) of the 1940 Act. Each Fund may invest in other investment companies either during periods when it has large amounts of uninvested cash or during periods when there is a shortage of attractive opportunities in the market. As a stockholder in an investment company, a Fund would bear its ratable share of that investment company's expenses, and would remain subject to payment of the Fund's advisory and other fees and expenses with respect to assets so invested. Common stockholders would therefore be subject to duplicative expenses to the extent the Fund invests in other investment companies. The securities of other investment companies may also be leveraged and will therefore be subject to the same leverage risks to which the Fund is subject. Investment companies in which a Fund invests may have investment policies that differ from those of the Funds. In addition, to the extent a Fund invests in other investment companies not exclusively advised by the Investment Manager, the Fund will be dependent upon the investment and research abilities of persons other than the Investment Manager.

In accordance with Section 12(d)(1)(F) of the 1940 Act, a Fund may be limited in the amount the Fund and its affiliates, including the other funds, can invest in any one fund (a Portfolio Fund) to 3% of the Portfolio Fund's total outstanding stock. As a result, the Fund may hold a smaller position in a Portfolio Fund than if it were not subject to this restriction. To the extent required by the provisions of the 1940 Act, on any matter upon which Portfolio Fund stockholders are solicited to vote the Investment Manager may be required to vote Portfolio Fund shares in the same general proportion as shares held by other stockholders of the Portfolio Fund.

#### *Restricted and Illiquid Securities*

RFI may invest 10% of its assets in illiquid securities, and DVM does not have a limit. Illiquid securities include, but are not limited to, restricted securities (securities the disposition of which is restricted under the federal securities laws), securities that may only be resold pursuant to Rule 144A under the Securities Act but that are deemed to be illiquid, and repurchase agreements with maturities in excess of seven days. Each Fund's Board or its delegate has the ultimate authority to determine, to the extent permissible under the federal securities laws, which securities are liquid or illiquid for purposes of the Fund's investment limitations, if applicable. The Boards have delegated to the Investment Manager the day-to-day determination of the illiquidity of any security held by the Funds, although they have retained oversight and ultimate responsibility for such determinations. Although no definitive liquidity criteria are used, the Boards and/or the Investment Manager will consider factors such as (i) the nature of the market for a security (including the institutional private resale market; the frequency of trades and quotes for the security; the number of dealers willing to purchase or sell the security; the amount of time normally needed to dispose of the security; and the method of soliciting offers and the mechanics of transfer), (ii) the terms of certain securities or other instruments allowing for the disposition to a third party or the issuer thereof (e.g., certain repurchase obligations and demand instruments) and (iii) other permissible relevant factors.

#### *Other Investments*

Each Fund's cash reserves, held to provide sufficient flexibility to take advantage of new opportunities for investments and for other cash needs, are invested in money market instruments. Money market instruments in which each Fund may invest its cash reserves will generally consist of obligations issued or guaranteed by the



U.S. Government, its agencies or instrumentalities and such obligations that are subject to repurchase agreements and commercial paper.

#### *Temporary Defensive Position*

Upon the Investment Manager's recommendation, during periods of unusual adverse market condition and in order to keep a Fund's cash fully invested, a Fund may deviate from its investment objectives and invest all or any portion of its assets in, for both DVM and RFI, investment grade debt securities. In such a case, the Funds may not pursue or achieve their investment objectives.

#### **Risk Factors**

##### *Expenses*

After the Reorganization, the Acquiring Fund is expected to have a total annual operating expense ratio that is lower than both DVM and RFI's current total annual operating expense ratio. However, each Fund will incur expenses related to the Reorganization in proportion to their respective net assets and the Acquiring Fund may incur higher expenses for a period of time due to the expenses associated with the Reorganization prior to experiencing any savings or may never experience any savings if fixed costs increase or the value of the Acquiring Fund's assets decrease.

The Board of each Fund expects that its respective Fund's stockholders should realize lower operating expenses after the Reorganization than if the Reorganization did not occur after the expenses associated with the Reorganization have been paid. For the 12-month period ended June 30, 2013, the total annual operating expenses of DVM and RFI were 0.94% and 0.94%, respectively. The Funds estimate that after the Reorganization the total annual operating expenses for the Acquiring Fund will be 0.87% on a *pro forma* basis (assuming the Acquiring Fund's capital structure and asset levels as of June 30, 2013), representing a reduction in the total annual operating expenses of 0.07% for each of DVM and RFI. Even with the payment of an administrative fee to the Investment Manager, the Acquiring Fund's total annual operating expenses are still estimated to be lower for the combined Fund. There can be no assurance that future expenses will not increase or that any expense savings will be realized following the Reorganization.

The Funds will bear all expenses incurred in connection with the Reorganization, including, without limitation, the costs of printing, mailing, and soliciting proxies; accounting fees; registration fees of the SEC; and NYSE listing fees, which costs will be borne by the Funds in proportion to their respective net assets. It is estimated that the total costs of the Reorganization will be \$287,500 (as of June 30, 2013, \$0.014 and \$0.012 per share for DVM and RFI, respectively). Of the estimated total costs, approximately \$175,000 are expected to be borne by DVM, and \$112,500 are expected to be borne by RFI.

Neither the Funds nor the Investment Manager will pay any expenses of stockholders arising out of or in connection with the Reorganization (*e.g.*, expenses incurred by the stockholder as a result of attending the stockholder meeting, voting on the Reorganization or other proposals, or other action taken by the stockholder in connection with the Reorganization).

##### *Earnings and Distribution Rate*

The Acquiring Fund's earnings and distribution rate may change over time, and depending on market conditions, may be significantly higher or lower than each Fund's earning and distribution rate prior to the Reorganization. There can be no assurance that the Acquiring Fund's distributions will remain constant or not decline following the Reorganization.





A Fund's earnings and net investment income vary over time and depend on many factors, including its asset mix, portfolio turnover level, the movement of interest rates and general market conditions. There can be no assurance that the future earnings of a Fund, including the Acquiring Fund after the Reorganization, will remain constant or will not decline.

#### *Premium/Discount to NAV*

Common shares of closed-end investment companies, such as the Funds, have frequently traded at a discount from net asset value, or in some cases trade at a premium. Shares of closed-end investment companies, such as the Funds, may tend to trade on the basis of income yield on the market price of the shares, and the market price may also be affected by investor perceptions of each Fund or the Investment Manager, supply and demand for each Fund's shares, general market and economic conditions and changes in each Fund's distributions. As a result, the market price of each Fund's common shares may be greater or less than the net asset value per share. Since the commencement of each Fund's operations, each Fund's shares of common stock have traded in the market at prices that were generally below net asset value per share.

RFI Common Shares have recently been trading at a narrower discount to net asset value (*i.e.*, the market price of the Fund's common shares is below the Fund's net asset value per share) than that of DVM Common Shares. Depending on the relative discount or premium of the common shares of one Fund to the common shares of the other Fund at the time of the Reorganization, the discount of a Fund's common shares may widen or the premium of a Fund's common shares may narrow (*i.e.*, the market price of the common shares may decrease relative to NAV), which may result in the RFI Common Shares received by DVM stockholders and/or the Acquired Fund's common shares held by RFI stockholders following the Closing of the Reorganization having an aggregate market value that is less than the aggregate market value of DVM Common Shares that are exchanged in the Reorganization or than the market value of the RFI Common Shares prior to the Reorganization, respectively. There can be no assurance whether, after the Reorganization, the common shares of the Acquiring Fund will trade at, above or below NAV. In the Reorganization, stockholders of DVM will receive RFI Common Shares based on the relative net asset values (not the market values) of RFI Common Shares. The market value of the common shares of the Acquiring Fund after the Reorganization may be less than the market value of the common shares of DVM or RFI prior to the Reorganization.

#### **Investment Risks**

There is no guarantee that each Fund's common stock will not lose value. This means the stockholders of each Fund including the combined Fund could lose money. The following discussion describes the principal and certain other risks that may affect the Funds.

#### *Market Risk*

An investment in a Fund represents an indirect investment in the common stock, preferred securities and other securities owned by the Fund, substantially all of which are traded on a domestic or foreign securities exchange or in the over-the-counter markets. The value of these securities, like other investments, may move up or down, sometimes rapidly and unpredictably. A Fund's common stock, at any point in time, may be worth less than what was initially invested, even after taking into account the reinvestment of dividends and distributions.

#### *Risks of Securities Linked to the Real Estate Market*

Each Fund may invest in securities of real estate companies; however, because RFI concentrates its assets in the real estate industry, including REITs, an investment in RFI will be significantly impacted by the performance of the real estate market. RFI does not invest in real estate directly, but because of its policy of concentration in



the securities of companies in the real estate industry, the Fund also is subject to the risks associated with the direct ownership of real estate. These risks include:

declines in the value of real estate;

risks related to general and local economic conditions;

possible lack of availability of mortgage funds;

overbuilding;

extended vacancies of properties;

increased competition;

increases in property taxes and operating expenses;

changes in zoning laws;

losses due to costs resulting from the clean-up of environmental problems;

liability to third parties for damages resulting from environmental problems;

casualty or condemnation losses;

limitations on rents;

changes in neighborhood values and the appeal of properties to tenants;

changes in interest rates;

financial condition of tenants, buyers and sellers of real estate;

quality of maintenance, insurance and management services;

falling home prices;

failure of borrowers to repay their loans;

early payment or restricting of mortgage loans;

slower mortgage origination; and

rising construction costs.

Thus, the value of the Funds' common stock may change at different rates compared to the value of shares of a registered investment company with investments in a mix of different industries and will depend on the general condition of the economy. An economic downturn could have a material adverse effect on the real estate markets and on real estate companies in which the Fund invests, which in turn could result in the Fund not achieving its investment objectives.

Real property investments are subject to varying degrees of risk. The yields available from investments in real estate depend on the amount of income and capital appreciation generated by the related properties. Income and real estate values may also be adversely affected by such factors as applicable laws (*e.g.*, Americans with Disabilities Act and tax laws), interest rate levels and the availability of financing. If the properties do not generate sufficient income to meet operating expenses, including, where applicable, debt service, ground lease payments, tenant improvements, third-party leasing commissions and other capital expenditures, the income and ability of the real estate company to make payments of any interest and principal on its debt securities will be adversely affected. In addition, real property may be subject to the quality of credit extended and defaults by borrowers and tenants. The performance of the economy in each of the regions in which the real estate owned by a portfolio company is located affects occupancy, market rental rates and expenses and, consequently, has an impact on the income from such properties and their underlying values. The financial results of major local

employers also may have an impact on the cash flow and value of certain properties. In addition, real estate investments are relatively illiquid and, therefore, the ability of real estate companies to vary their portfolios promptly in response to changes in economic or other conditions is limited. A real estate company may also have joint venture investments in certain of its properties and, consequently, its ability to control decisions relating to such properties may be limited.

Real property investments are also subject to risks which are specific to the investment sector or type of property in which the real estate companies are investing. These risks include the following:

Retail Properties. Retail properties are affected by the overall health of the applicable economy. A retail property may be adversely affected by the growth of alternative forms of retailing, bankruptcy, decline in drawing power, departure or cessation of operations of an anchor tenant, a shift in consumer demand due to demographic changes, and/or changes in consumer preference (for example, to discount retailers) and spending patterns. A retail property may also be adversely affected if a significant tenant ceases operation at such location, voluntarily or otherwise. Certain tenants at retail properties may be entitled to terminate their leases if an anchor tenant ceases operations at such property.

Office Properties. Office properties generally require their owners to expend significant amounts for general capital improvements, tenant improvements and costs of reletting space. In addition, office properties that are not equipped to accommodate the needs of modern businesses may become functionally obsolete and thus noncompetitive. Office properties are affected by the overall health of the economy and other factors such as a down turn in the businesses operated by their tenants, obsolescence and non-competitiveness. The risks of such an adverse effect is increased if the property revenue is dependent on a single tenant or if there is a significant concentration of tenants in a particular business or industry.

Hotel Properties. The risks of hotel properties include, among other things, the necessity of a high level of continuing capital expenditures to keep necessary furniture, fixtures and equipment updated, competition from other hotels, increases in operating costs (which increases may not necessarily be offset in the future by increased room rates), dependence on business and commercial travelers and tourism, increases in fuel costs and other expenses of travel, changes to regulation of operating liquor and other licenses, and adverse effects of general and local economic conditions. Due to the fact that hotel rooms are generally rented for short periods of time, hotel properties tend to be more sensitive to adverse economic conditions and competition than many other commercial properties.

Also, hotels may be operated pursuant to franchise, management and operating agreements that may be terminable by the franchiser, the manager or the operator. Contrarily, it may be difficult to terminate an ineffective operator of a hotel property subsequent to a foreclosure of such property.

Healthcare Properties. Healthcare properties and healthcare providers are affected by several significant factors, including federal, state and local laws governing licenses, certification, adequacy of care, pharmaceutical distribution, rates, equipment, personnel and other factors regarding operations; continued availability of revenue from government reimbursement programs (primarily Medicaid and Medicare) and competition in terms of appearance, reputation, quality and cost of care with similar properties on a local and regional basis.

These governmental laws and regulations are subject to frequent and substantial changes resulting from legislation, adoption of rules and regulations, and administrative and judicial interpretations of existing law. Changes may also be applied retroactively and the timing of such changes cannot be predicted. The failure of any healthcare operator to comply with governmental laws and regulations may affect its ability to operate its facility or receive government reimbursement. In addition, in the event that a tenant is in default on its lease, a new operator or purchaser at a foreclosure sale will have to apply in its own right for all relevant licenses if such new operator does not already hold such licenses. There can be no assurance that such new licenses could be obtained,



and consequently, there can be no assurance that any healthcare property subject to foreclosure will be disposed of in a timely manner.

**Multifamily Properties.** The value and successful operation of a multifamily property may be affected by a number of factors such as the location of the property, the ability of management to provide adequate maintenance and insurance, types of services provided by the property, the level of mortgage rates, presence of competing properties, the relocation of tenants to new projects with better amenities, adverse economic conditions in the locale, the amount of rent charged and oversupply of units due to new construction. In addition, multifamily properties may be subject to rent control laws or other laws affecting such properties, which could impact the future cash flows of such properties.

**Insurance Issues.** Certain of the portfolio companies may, in connection with the issuance of securities, have disclosed that they carry comprehensive liability, fire, flood, earthquake, extended coverage and rental loss insurance with policy specifications, limits and deductibles customarily carried for similar properties. However such insurance is not uniform among the portfolio companies. Moreover, there are certain types of extraordinary losses that may be uninsurable, or not economically insurable. Certain of the properties may be located in areas that are subject to earthquake activity for which insurance may not be maintained. Should a property sustain damage as a result of an earthquake, even if the portfolio company maintains earthquake insurance, the portfolio company may incur substantial losses due to insurance deductibles, co-payments on insured losses or uninsured losses. Should any type of uninsured loss occur, the portfolio company could lose its investment in, and anticipated profits and cash flows from, a number of properties and, as a result, would impact a Fund's investment performance.

**Credit Risk.** Real estate companies may be highly leveraged and financial covenants may affect the ability of such companies to operate effectively. The portfolio companies are subject to risks normally associated with debt financing. If the principal payments of a real estate company's debt cannot be refinanced, extended or paid with proceeds from other capital transactions, such as new equity capital, the real estate company's cash flow may not be sufficient to repay all maturing debt outstanding. In addition, a portfolio company's obligation to comply with financial covenants, such as debt-to-asset ratios and secured debt-to-total asset ratios, and other contractual obligations may restrict a real estate company's range of operating activity. A portfolio company, therefore, may be limited from incurring additional indebtedness, selling its assets and engaging in mergers or making acquisitions which may be beneficial to the operation of the real estate company.

**Environmental Issues.** In connection with the ownership (direct or indirect), operation, management and development of real properties that may contain hazardous or toxic substances, a portfolio company may be considered an owner or operator of such properties or as having arranged for the disposal or treatment of hazardous or toxic substances and, therefore, may be potentially liable for removal or remediation costs, as well as certain other costs, including governmental fines and liabilities for injuries to persons and property. The existence of any such material environmental liability could have a material adverse effect on the results of operations and cash flow of any such portfolio company and, as a result, the amount available to make distributions on the shares could be reduced.

#### *REIT Tax Risk*

REITs are subject to a highly technical and complex set of provisions in the Code. It is possible that a Fund may invest in a real estate company which purports to be a REIT and that the company could fail to qualify as a REIT. In the event of any such unexpected failure to qualify as a REIT, the company would be subject to corporate-level taxation, significantly reducing the return to the Fund on its investment in such company. REITs could possibly fail to qualify for tax free pass-through of income under the Code, or to maintain their exemptions from registration under the 1940 Act. The general risks described above relating to the real estate markets may adversely affect a borrower's or a lessee's ability to meet its obligations to the REIT. In the event of a default by a borrower or lessee, the REIT may experience delays in enforcing its rights as a mortgagee or lessor and may





incur substantial costs associated with protecting its investments. In addition, REITs may be affected by changes to the tax laws.

*Common Stock Risk*

Each Fund may invest in equity securities, including common stock. While common stock has historically generated higher average returns than fixed income securities, common stock has also experienced significantly more volatility in those returns. An adverse event, such as an unfavorable earnings report, may depress the value of an issuer's common stock held by a Fund. Also, the price of common stock is sensitive to general movements in the stock market. A drop in the stock market may depress the price of common stock held by a Fund.

*Foreign Securities Risk*

Investments in such securities are particularly speculative. Investing in foreign securities involves certain risks not involved in domestic investments, including, but not limited to:

fluctuations in foreign exchange rates;

future foreign economic, financial, political and social developments;

different legal systems;

the possible imposition of exchange controls or other foreign governmental laws or restrictions;

lower trading volume;

much greater volatility and illiquidity of certain foreign securities markets;

different trading and settlement practices;

less governmental supervision;

regulation changes;

changes in currency exchange rates;

less publicly available information about companies due to less rigorous disclosure or accounting standards or regulatory practices;

high and volatile rates of inflation;

fluctuating interest rates; and

different accounting, auditing and financial record-keeping standards and requirements.

Investments in foreign securities, especially in emerging market countries, will expose a Fund to the direct or indirect consequences of political, social or economic changes in the countries that issue the securities or in which the issuers are located. Certain countries in which the Funds may invest, especially emerging market countries, have historically experienced, and may continue to experience, high rates of inflation, high interest rates, exchange rate fluctuations, large amounts of external debt, balance of payments and trade difficulties and extreme poverty and unemployment. Many of these countries are also characterized by political uncertainty and instability. The cost of servicing external debt will generally be adversely affected by rising international interest rates because many external debt obligations bear interest at rates which are adjusted based upon international interest rates. In addition, with respect to certain foreign countries, there is a risk of:

the possibility of expropriation of assets;

confiscatory taxation;

difficulty in obtaining or enforcing a court judgment;

economic, political or social instability; and

diplomatic developments that could affect investments in those countries.

In addition, individual foreign economies may differ favorably or unfavorably from the U.S. economy in such respects as:

growth of gross domestic product;

rates of inflation;

capital reinvestment;

resources;

self-sufficiency; and

balance of payments position.

Furthermore, certain investments in foreign securities also may be subject to foreign withholding taxes and dividend income a Fund receives from foreign securities may not be eligible for the reduced rates of taxation applicable to qualified dividend income.

Investing in securities of companies in emerging markets may entail special risks relating to potential political and economic instability and the risks of expropriation, nationalization, confiscation or the imposition of restrictions on foreign investment, the lack of hedging instruments, and on repatriation of capital invested. Emerging securities markets are substantially smaller, less developed, less liquid and more volatile than the major securities markets. The limited size of emerging securities markets and limited trading value compared to the volume of trading in U.S. securities could cause prices to be erratic for reasons apart from factors that affect the quality of the securities. For example, limited market size may cause prices to be unduly influenced by traders who control large positions. Adverse publicity and investors' perceptions, whether or not based on fundamental analysis, may decrease the value and liquidity of portfolio securities, especially in these markets. Many emerging market countries have experienced substantial, and in some periods extremely high, rates of inflation for many years. Inflation and rapid fluctuations in inflation rates and corresponding currency devaluations have had and may continue to have negative effects on the economies and securities markets of certain emerging market countries. Emerging market countries also may have less reliable custodial services and settlement practices.

As a result of these potential risks, the Investment Manager may determine that, notwithstanding otherwise favorable investment criteria, it may not be practicable or appropriate to invest in a particular country.

#### *Foreign Currency Risk*

Although each Fund reports its net asset value ( NAV ) and pays dividends in U.S. dollars, foreign securities often are purchased with, and make interest payments in, foreign currencies. Therefore, when DVM invests in foreign

securities, it is subject to foreign currency risk, which means that the Fund's NAV could decline as a result of changes in the exchange rates between foreign currencies and the U.S. dollar. Certain foreign countries may impose restrictions on the ability of issuers of foreign securities to make payment of principal and interest to investors located outside the country, due to blockage of foreign currency exchanges or otherwise.

*Interest Rate Risk*

Interest rate risk is the risk that fixed-income securities, such as preferred and debt securities, and to a lesser extent dividend-paying common stocks, will decline in value because of changes in market interest rates. When market interest rates rise, the market value of such securities generally will fall.

During periods of declining interest rates, an issuer may be able to exercise an option to prepay principal earlier than scheduled which is generally known as call or prepayment risk. If this occurs, a Fund may be forced to reinvest in lower yielding securities. This is known as reinvestment risk. Preferred and debt securities frequently have call features that allow the issuer to repurchase the security prior to its stated maturity. An issuer may redeem an obligation if the issuer can refinance the debt at a lower cost due to declining interest rates or an improvement in the credit standing of the issuer. During periods of rising interest rates, the average life of certain types of securities may be extended because of slower than expected principal payments. This may lock in a below market interest rate, increase the security's duration and reduce the value of the security. This is known as extension risk. Market interest rates for investment grade fixed-income securities in which a Fund will invest have recently declined significantly below the recent historical average rates for such securities. This decline may have increased the risk that these rates will rise in the future (which would cause the value of a Fund's net assets to decline) and the degree to which asset values may decline in such events; however, historical interest rate levels are not necessarily predictive of future interest rate levels.

#### *Tax Risk*

Each Fund's investment program and the tax treatment of Fund distributions may be affected by Internal Revenue Service (IRS) interpretations of the Code and future changes in tax laws and regulations. Changes in tax laws or regulations, or future interpretations of such laws or regulations, could adversely affect the Fund and the REITs in which the Fund invests.

#### *Restricted and Illiquid Securities Risk*

Illiquid securities are securities that are not readily marketable and may include some restricted securities, which are securities that may not be resold to the public without an effective registration statement under the Securities Act or, if they are unregistered, may be sold only in a privately negotiated transaction or pursuant to an exemption from registration. Illiquid investments involve the risk that the securities will not be able to be sold at the time desired by a Fund or at prices approximating the value at which the Fund is carrying the securities on its books.

Restricted securities may be sold only in privately negotiated transactions or in a public offering with respect to which a registration statement is in effect under the Securities Act. Where registration is required, a Fund may be obligated to pay all or part of the registration expenses and a considerable period may elapse between the time of the decision to sell and the time the Fund may be permitted to sell a security under an effective registration statement. If during such a period adverse market conditions were to develop, the Fund might obtain a less favorable price than that which prevailed when it decided to sell. For purposes of determining a Fund's NAV, illiquid securities will be priced at fair value as determined in good faith by the Board or its delegate.

#### *Non-Diversified Status*

RFI is classified as a non-diversified investment company under the 1940 Act, which means the Fund is not limited by the 1940 Act in the proportion of its assets that may be invested in the securities of a single issuer. However, RFI intends to conduct its operations so as to qualify as a regulated investment company for purposes of the Code, including with respect to the diversification requirements applicable to a regulated investment company under the Code (discussed below in *Additional Information about the Funds Taxation*).

Because RFI, as a non-diversified investment company, may invest in a smaller number of individual issuers or in larger proportions of the securities of a single industry than a diversified investment company, an investment in RFI presents greater potential non-diversification risk to you than an investment in a diversified company. If these securities were to decline in value, there could be a substantial loss of the investment. With a smaller number of issuers, there is the potential for more risk than holding a larger number of issuers, since changes in the financial

condition or market status of a single issuer may cause greater fluctuation in total return and share price of a non-diversified fund.

### *Anti-Takeover Provisions*

Certain provisions of each Fund's charter and By-Laws could have the effect of limiting the ability of other entities or persons to acquire control of the Fund or to modify its structure. The provisions may have the effect of depriving common stockholders of an opportunity to sell their shares at a premium over prevailing market prices and may have the effect of inhibiting conversion of the Fund to an open-end investment company. These include provisions for staggered terms of office for Directors, super-majority voting requirements for merger, consolidation, liquidation, termination and asset sale transactions, amendments to the charter and conversion to open-end status. For additional information about these provisions, see "Description of the Funds' Capital Stock - Special Voting Provisions" below.

### **Investment Restrictions**

The following restrictions, along with each Fund's investment objective(s), are each Fund's only fundamental policies—that is, policies that cannot be changed without the approval of the holders of a majority of the Fund's outstanding voting securities. As used in this Proxy/Prospectus, a majority of the Fund's outstanding voting securities means the lesser of (i) 67% of the shares represented at a meeting at which more than 50% of the outstanding shares are represented or (ii) more than 50% of the outstanding shares. Non-Fundamental policies may be changed by a Fund's Board without stockholder approval. If a percentage restriction set forth below is adhered to at the time a transaction is effected, later changes in percentage resulting from any cause other than actions by the Fund will not be considered a violation.

### *Fundamental Investment Restrictions*

The Funds' fundamental investment restrictions are substantially similar, except as noted below. Neither Fund may, without the approval of the holders of a majority of the Fund's outstanding voting securities:

1. Issue senior securities (including borrowing money for other than temporary purposes) except in conformity with the limits set forth in the 1940 Act; or pledge its assets other than to secure such issuances or borrowings or in connection with permitted investment strategies; provided that, notwithstanding the foregoing, the Fund may borrow up to an additional 5% of its total assets for temporary purposes;
2. Act as an underwriter of securities issued by other persons, except insofar as the Fund may be deemed an underwriter in connection with the disposition of securities;
3. Purchase or sell real estate, mortgages on real estate or commodities, except that the Fund may invest in securities of companies that deal in real estate or are engaged in the real estate business, including REITs, and securities secured by real estate or interests therein and the Fund may hold and sell real estate or mortgages on real estate acquired through default, liquidation, or other distributions of an interest in real estate as a result of the Fund's ownership of such securities;
4. Purchase or sell commodities or commodity futures contracts, except that DVM may invest in financial futures contracts, options thereon and such similar instruments; and
5. Pledge, mortgage or hypothecate its assets except in connection with permitted borrowings (*non-fundamental for DVM*).

In addition, DVM may not make any investment inconsistent with its classification as a diversified company under the 1940 Act. DVM may not invest more than 25% of its assets in securities of issuers in any one industry other than the real estate industry, with at least 25% of the Fund's assets being invested in the real estate industry. This limitation does not apply to obligations issued or guaranteed by the United States Government or by its agencies or

instrumentalities.



DVM may not make loans to other persons except through the lending of securities held by it (but not to exceed a value of one-third of total assets), through the use of repurchase agreements, and by the purchase of debt securities. RFI may not make loans except through the purchase of debt obligations in accordance with its investment objective and policies.

RFI may not purchase more than 10% of the voting securities of any issuer. In addition, RFI will not (i) participate on a joint and several basis in any securities trading account; (ii) invest in companies for the purpose of exercising control; (iii) make short sales of securities or maintain a short position, unless at all times when a short position is open the Fund owns an equal amount of such securities or securities convertible into or exchangeable for, without payment of any further consideration, securities of the same issue as, and equal in amount to, the securities sold short ( short sales against the box ), and unless not more than 10% of the Fund's net assets (taken at market value) is held as collateral for such sales at any one time (it is the Fund's present intention to make such sales only for the purpose of deferring realization of gain or loss for Federal income tax purposes); (iv) purchase securities on margin, except for such short-term credits as may be necessary for the clearance of transactions and except for borrowings permitted under its investment objective and policies; and (v) invest in interests in oil, gas, or other mineral exploration or development programs.

#### *Non-Fundamental Investment Restrictions*

DVM will not acquire or retain securities of any investment company, except that the Fund may (a) acquire securities of investment companies up to the limits permitted by Section 12(d)(1) of the 1940 Act, or any exemption granted under the 1940 Act, and (b) acquire securities of any investment company as part of a merger, consolidation or similar transaction;

#### *Portfolio Turnover*

For the fiscal years ended December 31, 2011 and 2012, the Funds' portfolio turnover rates were as follows:

	<b>2011</b>	<b>2012</b>
DVM	61%	59%
RFI	72%	65%

### **INFORMATION ABOUT THE PROPOSED REORGANIZATION**

#### **The Agreement and Plan of Reorganization**

The following is a summary of the material terms and conditions of the Agreement and Plan of Reorganization entered into between DVM and RFI. This summary is qualified in its entirety by reference to the Agreement and Plan of Reorganization attached as Appendix A to this Proxy/Prospectus. Under the Agreement and Plan of Reorganization, DVM will transfer its assets and liabilities to RFI at Closing. As part of the Reorganization, RFI shall issue RFI Common Shares to DVM with an aggregate net asset value equal to the net asset value of DVM, all valued as of 4:00 p.m. Eastern time on the business day prior to the Closing. DVM will distribute such RFI Common Shares to stockholders of DVM in the liquidation of DVM. In connection with the Reorganization, DVM will be deregistered as an investment company under the 1940 Act, its shares will be removed from listing on the NYSE and its registration under the Securities Exchange Act of 1934, as amended (the 1934 Act ) will be withdrawn and DVM will be dissolved. After the Reorganization, DVM will no longer exist and RFI will be the surviving corporation.

As a result of the Reorganization, each full (and fractional) outstanding DVM Common Share will, in effect, be exchanged for an equivalent dollar amount (to the nearest one tenth of one cent) of full (and fractional) RFI Common

Shares, based on the net asset value per share of each of the Funds at 4:00 p.m., Eastern time on the

business day before the Closing. Common stockholders of DVM will receive cash in lieu of fractional shares of RFI in an amount equal to the value of the fractional RFI Common Shares that the stockholder would otherwise have received in the Reorganization. No sales charge or fee of any kind will be charged to holders of DVM Common Shares in connection with their receipt of RFI Common Shares in the Reorganization.

From and after the Closing, RFI will possess all of the properties, assets, rights, privileges and powers, and shall be subject to all of the restrictions, liabilities, obligations, disabilities and duties, of RFI, all as provided under Maryland law.

Under Maryland law, stockholders of a corporation whose shares are traded publicly on a national securities exchange, such as DVM Common Shares and RFI Common Shares, are not entitled to demand the fair value of their shares upon a reorganization; therefore, the holders of DVM Common Shares and RFI Common Shares will be bound by the terms of the Reorganization, if approved. However, any holder of DVM Common Shares and RFI Common Shares may sell such shares on the NYSE at any time prior to the Reorganization.

The Agreement and Plan of Reorganization may be terminated, and the Reorganization abandoned, whether before or after approval by the Funds' stockholders, at any time prior to the Closing by resolution of either of the Funds' Boards, if circumstances should develop that, in the opinion of that Board, make proceeding with the Reorganization inadvisable with respect to the Fund it oversees.

Prior to the Reorganization, DVM shall have, and RFI currently intends to have, declared and paid a dividend or dividends which, together with all such previous dividends, shall have the effect of distributing to its stockholders substantially all of its net investment income that has accrued through the Closing, if any, and substantially all of its net capital gain (after reduction for capital loss carryforwards) realized through the Closing, if any.

The Agreement and Plan of Reorganization provides that either Fund may waive compliance with any of the terms or conditions therein for the benefit of that Fund, other than the requirements that: (a) the Agreement and Plan of Reorganization be approved by stockholders of DVM; and (b) DVM receives the opinion of Ropes & Gray LLP substantially to the effect that the transactions contemplated by the Agreement and Plan of Reorganization will constitute a reorganization for federal income tax purposes if, in the judgment of DVM's Board, after consultation with DVM's counsel, such waiver will not have a material adverse effect on the benefits intended to be provided by the Reorganization to the stockholders of DVM.

Under the Agreement and Plan of Reorganization, each Fund, out of its assets and property, will indemnify and hold harmless the other Fund and the Directors and officers of the other Fund from and against any and all losses, claims, damages, liabilities or expenses (including, without limitation, the payment of reasonable legal fees and reasonable costs of investigation) to which the other Fund and those Directors and officers may become subject, insofar as such loss, claim, damage, liability or expense (or actions with respect thereto) arises out of or is based on (a) any breach by the Fund of any of its representations, warranties, covenants or agreements set forth in the Agreement and Plan of Reorganization or (b) any act, error, omission, neglect, misstatement, materially misleading statement, breach of duty or other act wrongfully done or attempted to be committed by the Fund or the Directors or officers of the Fund prior to the Closing, provided that such indemnification by the Fund is not (i) in violation of any applicable law or (ii) otherwise prohibited as a result of any applicable order or decree issued by any governing regulatory authority or court of competent jurisdiction.

The Board of each Fund, including the Independent Directors, has determined, with respect to its Fund that the interests of that Fund's stockholders will not be diluted as a result of the Reorganization and that participation in the Reorganization is in the best interests of that Fund. All expenses incurred in connection with the Reorganization will be borne by the Funds in proportion to their respective net assets. Such expenses shall include, but not be limited to, all costs related to the preparation and distribution of this Proxy/Prospectus, proxy solicitation expenses, SEC

Edgar Filing: COHEN & STEERS TOTAL RETURN REALTY FUND INC - Form N-14 8C/A  
registration fees and NYSE listing fees.

With respect to DVM, approval of the Agreement and Plan of Reorganization will require the affirmative vote of a majority of the outstanding common shares of the Fund. See [Voting Information](#) below.

### **Reasons for the Reorganization and Board Considerations**

#### *Board Considerations*

At a meeting held on December 10, 2013, the Funds' Boards, including the Independent Directors, considered and unanimously approved the Agreement and Plan of Reorganization. In considering the Agreement and Plan of Reorganization, the Boards did not identify any single factor or information item as all-important or controlling. Following discussions, and based on its evaluation of all material factors to the Funds, including those described below, the Board of each Fund, including the Independent Directors, determined, with respect to its Fund,