

Investing





COHEN
& STEERS

Investing

is our business
in our business
for our **future**

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Our firm

Dedicated to the pursuit of excellence in everything we do, Cohen & Steers is the leading global investment manager specializing in real assets and alternative income, focused on delivering attractive returns, income and diversification.

Founded
1986

Public since
2004

NYSE
CNS

Employees
347



Our evolution

1986

Founding

First investment manager dedicated to listed real estate
U.S. Real Estate

1991

First fund

Launched Cohen & Steers Realty Shares, our flagship open-end U.S. REIT mutual fund

2003

Strategy expansion

Global Real Estate
Global Listed Infrastructure
Preferred Securities

2004

Public listing

Traded on the New York Stock Exchange (ticker: CNS)

2005–2006

Globalization

Opened offices in London and Hong Kong

2009

Investment leadership

Led initiative to recapitalize REITs in the wake of the financial crisis

2011–2020

Going deeper

Added Macro Strategy, Quantitative Research, Asset Allocation and ESG teams; opened offices in Tokyo and Dublin

Real Assets Multi-Strategy
Low Duration Preferreds
Alternative Income
Natural Resource Equities
Next Generation Real Estate
Digital Infrastructure

Assets under management (AUM)

Investment strategy

\$ billions

Listed real assets

U.S. real estate	\$32.8
Global/non-U.S. real estate	\$15.2
Global listed infrastructure	\$6.7

Alternative income solutions

Preferred and income securities	\$23.2
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Other portfolios	\$2.0
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Investment vehicle

\$ billions

Open-end funds	\$35.2
Advisory	\$17.6
Sub-advisory	\$15.6
Closed-end funds	\$11.5

\$79.9 billion
Total AUM

Strategies outperforming their benchmarks
% of AUM

84%
1 year

99%
3 year

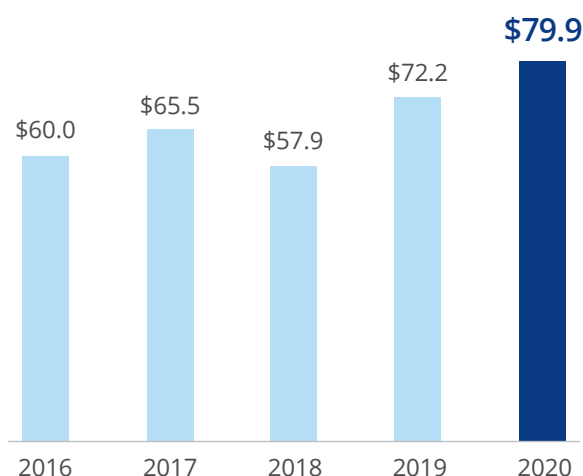
99%
5 year

100%
10 year

Five-year history

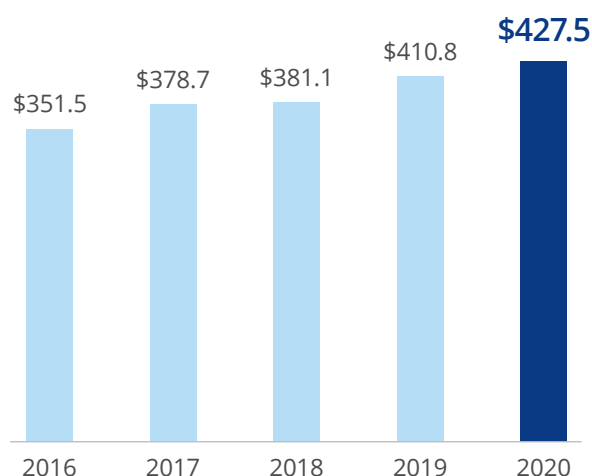
Assets under management

\$ billions at December 31



Revenue

\$ millions for the years ended December 31



TO OUR SHAREHOLDERS

Investing

With the wind in our faces, our teams came together in 2020 under historic societal and economic conditions to deliver record results—a culmination of investments in our strategies, our capabilities and our people.

To build on that momentum and capitalize on opportunities, we are enhancing our strategic plan amid a major shift in asset allocations, driven by reflationary government policies and evolving investor needs, that we believe will likely benefit real assets.

Investing **is** our business

Viewing the world through an investor's lens

Periods of adversity are when companies show their true colors. Some, whether by choice or necessity, look to cut costs, pull back and defend the bottom line. Others, backed by discipline, financial strength and confidence in their strategic plan, see opportunity to invest and sow the seeds for future growth.

For the people of Cohen & Steers, investing is more than a profession. It's a mindset that guides everything we do, both in our portfolios and in our business. It informs where we allocate capital, how we manage risk, and why we believe in the specialist model. It provides resolve in times of uncertainty. And it keeps us focused on our mission of delivering results for our clients.

This investment-driven culture has been central to our 34-year staying power in an industry where a shrinking number of active managers are gaining market share by delivering consistent outperformance and a clear value proposition. Amid the tremendous human and economic hardships of 2020, our values continued to guide us, sustaining our commitment to investing in each other and in our business.



Martin Cohen
Chairman



Robert H. Steers
Chief Executive Officer



Joseph M. Harvey
President

Investing in our business

Executing our strategic plan for growth

In 2015, at a moment of truth for our industry, we laid out our strategy for continued growth, committing to a plan of action to deliver “more for less”—more excess returns and advice for clients at median or better costs. We believe we have fulfilled our promise by deploying significant resources and executing major initiatives across the company.

Our multi-year Alpha Mining project—designed to identify new sources of alpha for generating greater excess returns, more consistently—has provided a North Star for our investment teams, reinforcing our fundamental research capabilities with quantitative strategies, alternative data sets and portfolio optimization tools.

We have continued to invest in our people, providing leadership opportunities for emerging talent and adding new expertise. We have also taken steps to better align our global distribution efforts by bringing together our institutional and wealth management teams under new, unified leadership, consistent with the convergence of models across channels. We are pleased with the early results and see great potential in this collaboration and optimization of resources.

We have developed a full array of investment strategies that build on our core areas of expertise, incubating new strategies while optimizing our existing product lineup. We have also improved the

delivery of our strategies, broadening our reach to more investors across the Americas, Europe, the Middle East and Asia Pacific.

These investments have increasingly paid off, culminating in 2020 with record revenue and operating income and an industry-leading 14.9% organic growth rate in assets under management (AUM)—all in the face of a uniquely challenging environment for our asset classes and for client interaction.

Seeing growing returns on our past investments

Real assets significantly trailed the equity market’s technology-fueled performance in 2020, as social distancing, business interruptions, travel suspensions and reduced energy demand directly impacted certain sectors of real estate, infrastructure, energy and commodities. Still, demand for our strategies remained strong, as investors sought to capitalize on opportunistic price declines in real assets and to enhance fixed income allocations with preferred securities.

Against this backdrop, we achieved a record \$10.8 billion of net inflows, growing AUM to \$79.9 billion. Moreover, our growth was broad based, with nearly every region, strategy and distribution channel contributing to record-breaking results—an important sign of progress in our efforts to further broaden investor access to our strategies. Gross inflows of \$27.4 billion surpassed our previous record by more than 60%, supported by our expanded distribution. And the launch of the Cohen & Steers Tax-Advantaged Preferred Securities and Income Fund was the

most successful closed-end fund IPO in our history, raising \$2.1 billion in new assets, including leverage. Including this IPO, preferreds generated over 40% of our net inflows in 2020, driven by demand for income amid historically low bond yields.

This success drew from many aspects of our strategy and execution: dedicated relationship teams, competitive pricing, an emphasis on investor education, high-conviction portfolios and, most importantly, continued investment outperformance.

As measured by AUM, 84% of our strategies outperformed their respective benchmarks on a 1-year basis, and nearly 100% outperformed on a 3-, 5- and 10-year basis. In open-end funds, 90% of our AUM ended the year rated 4 or 5 stars by Morningstar, a critical threshold for inclusion on distributor platforms.

The success we achieved in 2020 is a testament to the talent, strength and commitment of our people, who executed with excellence under unprecedented conditions. In managing through our professional and personal challenges together, we came to appreciate and understand each other better than we ever could have under normal circumstances. Our commitment to a strong and inclusive culture was recognized by *Pensions & Investments*, which named Cohen & Steers one of the Best Places to Work in Money Management based on an industrywide survey of employees.

Investing for our future

Positioning for waves of change

As the world continues to find its footing as the pandemic eases, we believe government policies, technology and evolving investor needs are converging to drive new opportunities in real assets, creating a sense of urgency amid a massive shift in asset allocations. At the end of 2020, over 70% of our AUM was in the real assets subset of alternatives, where we believe investor demand is currently the strongest.

Aggressive fiscal stimulus and equally aggressive central banks are driving global economic recovery expectations while creating ripe conditions for higher long-term inflation and rising interest rates. We believe real assets are likely to be beneficiaries of growing investor demand for inflation protection, uncorrelated returns and income with growth potential.

Meanwhile, although the potential for rising interest rates may create short-term headwinds for fixed income, our low-duration preferred strategy could be well positioned. We believe preferreds can continue to offer an attractive alternative income solution for investors in a low-yield world.

The surge in e-commerce and the rapidly growing 5G economy are creating openings for thematic, secular-driven portfolios that target the intersection of real estate, infrastructure and technology. With office and retail landlords potentially facing multi-year challenges, we see a major opportunity to help real estate investors rework their portfolios, adding allocations to new-economy property types and dynamically allocating to both listed and private markets.

We are also seeing growing investor interest in infrastructure allocations, driven by opportunities arising from decades of underinvestment in infrastructure assets, the digitalization of economies, decarbonization and infrastructure-focused stimulus plans. We expect to add to what is already a large infrastructure team and a growing range of strategies.

Furthermore, the health crisis has led to increasing awareness of the effect that social policies—together with environmental and governance (ESG) factors—can have in driving sustainable growth and shareholder value. To go deeper in this area, we plan to add a head of ESG investing, whose responsibilities will span investment process integration and engagement, product development and client engagement.

In a world where many financial assets are highly priced, real assets are historically cheap compared with equities. In sum, we believe the fundamental and asset allocation case for real assets has never been stronger.

Leading the way forward

Our achievements in 2020 helped validate the past investments we have made. With a great performance track record and a strong brand, we believe we are well positioned due to rising allocations to real assets, shifts from passive strategies to outperforming active managers, and increasing decision-making by centralized asset allocators, including outsourced chief investment officer (OCIO) providers.

However, 2020 was also a reminder not to take anything for granted. We will continue to enhance our investment in our strategic plan:

- 1. Promote a culture of excellence**, fostering an inclusive environment that values innovation, conviction, teamwork and continuous improvement—qualities we believe are critical to sustaining strong investment performance and organic growth.
- 2. Focus on specialized asset classes** where we believe allocations are needed and where the strength of our platform can provide a competitive advantage.
- 3. Support continuity** in our management and investment teams through clear succession planning, equity ownership and a sharp focus on talent development.
- 4. Innovate with differentiated solutions** that address client needs for total return, diversification, income, liquidity and inflation protection.
- 5. Maintain financial strength** to weather challenging market conditions and provide the capital to seed new strategies and pursue growth opportunities.

With these priorities in mind, we are committed to expanding our real assets investment capabilities. For example, we see opportunities in renewables, clean energy and sustainable real estate. We have seeded strategies in next-generation real estate,

digital infrastructure, real assets debt and a balanced real assets multi-strategy portfolio with lower expected volatility. We also continue to develop more concentrated “focus” versions of our key strategies that have higher excess return potential.

We believe that delivery of our real assets and alternative income capabilities through strategically allocated and custom solutions will become more in demand. Accordingly, we plan to expand our multi-strategy research and asset allocation capabilities.

We also see an opportunity to expand our platform into private real estate, as more clients are looking to us to deploy strategies in both listed and private markets. Our real estate expertise puts us in a strong position to deliver value within this broader investment universe through portfolios that can capitalize on alpha potential across the liquidity and risk spectrum.

As always, our most important investments are the ones we make in our people. As part of our culture of succession planning, we will continue to provide leadership opportunities at all levels for those who consistently demonstrate excellence. This tradition

carries on in 2021, with Jason Yablon assuming leadership of our U.S. REIT team, in partnership with Mat Kirschner, as Tom Bohjalian transitions to a well-earned retirement.

As we look to strengthen our teams, we believe a wide range of ideas, experience and background is critical to our success. We are committed to continuous improvement through the strategies that underpin our four pillars of diversity and inclusion: education to build awareness; leadership to hold every employee accountable; recruitment to attract diverse candidate pools; and engagement to support employees who build inclusive resource groups.

We believe in the merits of these investments because we believe in our strategies, we believe in our team and we believe the future of Cohen & Steers is bright.



Martin Cohen
Chairman



Robert H. Steers
Chief Executive Officer



Joseph M. Harvey
President

Financial highlights

In 2020, Cohen & Steers achieved record revenues and AUM, benefiting from our investment outperformance and growing investor interest in our asset classes, with nearly every region, strategy and distribution channel contributing to inflows.

11

consecutive years
of revenue growth

11%

increase in AUM

\$11B

in net inflows

Earnings

- Revenues were \$428 million in 2020, a 4.1% increase from 2019
- Net income attributable to common stockholders was \$1.57 per diluted share (\$2.57 as adjusted⁽¹⁾), compared with \$2.79 (\$2.57 as adjusted⁽¹⁾) in 2019
- Operating margin declined to 22.2% (39.6% as adjusted⁽¹⁾), from 39.0% (39.6% as adjusted⁽¹⁾) in 2019
- Sequential declines in GAAP net income and operating margin were due to a rights offering for Cohen & Steers Quality Income Realty Fund and the IPO of Cohen & Steers Tax-Advantaged Preferred Securities and Income Fund

Dividend payments

- Paid regular quarterly dividends of \$0.39 per share in 2020, an increase of 8.3% compared with \$0.36 in 2019
- Paid a special dividend of \$1 per share in December 2020, bringing aggregate special dividends paid since our IPO in 2004 to \$14 per share

AUM

- AUM at year end was \$79.9 billion, an increase of \$7.7 billion from 2019
- AUM growth consisted of \$10.8 billion of net inflows (vs. \$3.7 billion in 2019) and \$0.3 billion of market appreciation, partially offset by \$3.3 billion of distributions
- Organic AUM growth was 14.9%, compared with 6.5% in 2019
- Average AUM was \$69.2 billion, compared with \$67.3 billion in 2019

Balance sheet

- No debt
- \$143 million in cash, cash equivalents, U.S. Treasuries and seed investments, compared with \$204 million at the end of 2019

Key strategy highlights

\$ millions

	U.S. real estate	Preferred securities	Global/non-U.S. real estate	Global listed infrastructure
Net inflows (outflows)	\$4,636	\$5,151	\$1,686	(\$725)
Market appreciation (depreciation)	(\$574)	\$1,172	\$102	(\$423)
Distributions	(\$2,282)	(\$696)	(\$83)	(\$199)
Change in AUM	+5.8%	+31.9%	+12.6%	-16.7%

(1) The term "as adjusted" is used to identify non-GAAP financial information. See pages 34-35 of the Form 10-K, "Non-GAAP Reconciliations," for reconciliations to the most directly comparable U.S. GAAP financial measures.

Our culture and values

Cohen & Steers is committed to pursuing excellence and fostering a culture of inclusion that respects and welcomes all employees. We believe each person's background and life experiences bring valuable perspectives that result in our ability to make better investment decisions for our clients.

Excellence guides how we deliver superior performance for our clients, fueled by a collaborative spirit and the drive to continually exceed.

Innovation is how we advance, forged by continuous improvement to build investment solutions that provide long-term results.

Focus characterizes how we operate, using a disciplined investment approach that leverages our history of specialization to deliver total returns, outperformance, income and diversification.

Inclusive defines how we foster teamwork and engage with clients, with an entrepreneurial culture that welcomes new ideas and varied perspectives.



Our four pillars of diversity and inclusion



Education

We build awareness about how our differences make us stronger and contribute to better decision-making. We believe it is important to create space for constructive and open dialogue to support continuous improvement in promoting inclusivity. We also provide practical resources for increasing cultural competency and respect for all.



Leadership

Leaders at every level are accountable for creating a supportive environment that values authenticity and teamwork. In developing our next generation of leaders, we help them carry forward inclusive practices that strengthen our culture. We also strive to make our leadership teams representative of the diversity at Cohen & Steers.



Recruitment

We are committed to strategies for addressing the significant underrepresentation of women and people of color in our industry, particularly in leadership positions. We partner with talent development and recruitment organizations to engage with more diverse candidate pools for open roles across our firm, including internships.



Engagement

We encourage and support inclusive employee-led resource groups that advance how we address business and community challenges. These employee initiatives help engage the diverse talent throughout the firm to strengthen our culture and our communities.

Form 10-K

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UNITED STATES SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-K

(Mark One)

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934 FOR THE FISCAL YEAR ENDED December 31, 2020
OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934 FOR THE TRANSITION PERIOD FROM TO
Commission File No. 001-32236

COHEN & STEERS, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or Other Jurisdiction of
Incorporation or Organization)

14-1904657
(I.R.S. Employer
Identification No.)

280 Park Avenue, New York, NY 10017

(Address of Principal Executive Offices and Zip Code)

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

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$.01 par value	CNS	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act:

None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer", "smaller reporting company", and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer	<input checked="" type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
Accelerated filer	<input type="checkbox"/>	Emerging growth company	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. Yes ☒ No ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act.) Yes ☐ No ☒

The aggregate market value of the voting common stock held by non-affiliates of the Registrant as of June 30, 2020 was approximately \$1.7 billion. There is no non-voting common stock of the Registrant outstanding.

As of February 22, 2021, there were 48,229,251 shares of the Registrant's common stock outstanding.

Documents Incorporated by Reference

Portions of the definitive Proxy Statement of Cohen & Steers, Inc. (the Proxy Statement) to be filed pursuant to Regulation 14A of the general rules and regulations of the Securities Exchange Act of 1934, as amended, for the 2021 annual meeting of stockholders scheduled to be held on May 6, 2021 are incorporated by reference into Part III of this Form 10-K.

COHEN & STEERS, INC. AND SUBSIDIARIES

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PART I

Item 1. Business

Overview

Cohen & Steers, founded in 1986, is a global investment manager specializing in liquid real assets, including real estate securities, listed infrastructure and natural resource equities, as well as preferred securities and other income solutions. Headquartered in New York City, with offices in London, Dublin, Hong Kong and Tokyo, we serve institutional and individual investors around the world.

Cohen & Steers, Inc. (CNS) was organized as a Delaware corporation on March 17, 2004. CNS is the holding company for its direct and indirect subsidiaries, including Cohen & Steers Capital Management, Inc. (CSCM), Cohen & Steers Securities, LLC (CSS), Cohen & Steers Asia Limited (CSAL), Cohen & Steers UK Limited (CSUK), Cohen & Steers Japan Limited (CSJL) and Cohen & Steers Ireland Limited (CSIL). CNS and its subsidiaries are collectively referred to as the Company, we, us or our.

Our revenue is derived from fees received from our clients, including fees for managing or subadvising client accounts, as well as investment advisory, administration, distribution and service fees received from Company-sponsored open-end and closed-end funds. Our fees are based on contractually specified rates applied to the value of the assets we manage and, in certain cases, investment performance. Our revenue fluctuates with changes in the total value of our assets under management, which may occur as a result of market appreciation and depreciation, contributions or withdrawals from investor accounts and distributions. This revenue is recognized over the period that the assets are managed.

Investment Vehicles

We manage three types of investment vehicles: institutional accounts, open-end funds and closed-end funds.

Institutional Accounts

Institutional accounts for which we serve as investment adviser represent portfolios of securities we manage for institutional clients. We manage the assets in each institutional account in accordance with the investment requirements of that client as set forth in such client's investment management agreement and investment guidelines. The investment management agreements with our institutional account clients are generally terminable at any time.

Advisory assets, which represent accounts for which we have been appointed as the investment manager, are included in our institutional account assets under management. As investment adviser, we are responsible to oversee certain daily activities and manage the assets in the account while adhering to the specified investment objectives.

Subadvisory assets, which generally represent commingled investment vehicles for which we have been appointed as a subadvisor by the investment manager of that investment vehicle, are also included in our institutional account assets under management. As subadvisor, we are responsible for managing all or a portion of the vehicle's investments and to oversee certain daily activities, while the investment adviser oversees our performance as subadvisor; the vehicle sponsor is responsible for decisions regarding the amount, timing and whether to pay distributions from the investment vehicle to its beneficial owners. Subadvisory assets also include assets of third parties for which we provide model portfolios. We regularly provide the investment manager of that investment vehicle with a model portfolio of securities in accordance with the investment objectives of that client as set forth in such client's investment advisory agreement and investment guidelines. These investment advisory agreements are generally terminable at will with 30 days' notice.

Open-end Funds

The U.S. and non-U.S. open-end funds that we sponsor and for which we serve as investment adviser offer and issue new shares continuously as assets are invested and redeem shares when assets are withdrawn. The share price for purchases and redemptions of shares of each of the open-end funds is determined by each fund's net asset value, which is calculated at the end of each business day. The net asset value per share is the current value of a fund's assets less liabilities, divided by the fund's total shares outstanding.

The investment advisory fees that we receive from the U.S. and non-U.S. open-end funds that we sponsor and for which we serve as investment adviser vary based on each fund's investment strategy, fees charged by other comparable funds and the market in which the fund is offered. In addition, we receive a separate fee for providing administrative services to certain open-end funds at a rate that is designed to reimburse us for the cost of providing these services. The monthly investment advisory fee and administration fee, if applicable, paid by the open-end funds are based on contractual fee rates applied to each fund's average daily assets under management.

Our investment advisory and administration agreements with the U.S. registered open-end funds that we sponsor and for which we serve as investment adviser are generally terminable upon a vote of a majority of the fund's board of directors on 60 days' notice, and each investment advisory and administration agreement, including the fees payable thereunder, is subject to annual approval by a majority of the directors of the fund's board who are not "interested persons," as defined by the Investment Company Act of 1940 (the Investment Company Act), following the initial two-year term.

Our investment advisory and administration agreements with the non-U.S. open-end funds that we sponsor and for which we serve as investment adviser are generally terminable at will with 90 days' notice.

Open-end funds also include assets of third parties for which we provide model portfolios. We regularly provide the investment manager of that investment vehicle with a model portfolio of securities in accordance with the investment objectives of that vehicle as set forth in such vehicle's investment advisory agreement and investment guidelines. These investment advisory agreements are generally terminable at will with 30-90 days' notice. The monthly investment advisory fee paid by the model portfolios are based on contractual fee rates applied to the portfolio's average or period end assets under management.

Closed-end Funds

The closed-end funds for which we serve as investment adviser are registered investment companies that have issued a fixed number of shares through public offerings. These shares are listed on the New York Stock Exchange and cannot be redeemed by the fund's shareholders. The trading price of the shares is determined by supply and demand in the marketplace, and, as a result, the shares may trade at a premium or discount to the net asset value of the fund.

The investment advisory fees that we receive from the closed-end funds for which we serve as investment adviser vary based on each fund's investment strategy, fees charged by other comparable funds and prevailing market conditions at the time each closed-end fund initially offered its shares to the public. In addition, we receive a separate fee for providing administration services to certain of the closed-end funds at a rate that is designed to reimburse us for the cost of providing these services. The closed-end funds pay us a monthly investment advisory fee and an administration fee, if applicable, based on a contractual fee rate applied to the fund's average daily assets under management.

Our investment advisory and administration agreements with each closed-end fund for which we serve as investment adviser are generally terminable upon a vote of a majority of the fund's board of directors on 60 days' notice and each investment advisory and administration agreement, including the fees payable thereunder, is subject to annual approval by a majority of the directors of the fund's board who are not "interested persons," as defined by the Investment Company Act, following the initial two-year term.

Our Investment Strategies

Each of our investment strategies is overseen by a specialist team, each of which is led by a portfolio manager or a team of portfolio managers, supported by dedicated analysts. These personnel are located in our New York, London and Hong Kong offices. Each team executes fundamentally driven, actively managed investment strategies and has a well-defined process that includes top-down macroeconomic and bottom-up fundamental research and portfolio management elements. Environmental, social and governance (ESG) is integrated into our investment process. We combine our internal research and company interactions with other industry data to form a comprehensive view that is expressed both explicitly and implicitly in our investment decisions. We believe companies that integrate ESG considerations into their strategic plans and operations can enhance long-term shareholder value and mitigate potential risks. Our specialist teams are subject to multiple levels of oversight and support from the President, Chief Investment Officer, Chief Administrative Officer-Investments, Investment Risk Committee, Investment Operating Committee and Legal and Compliance Department. Some of our strategies may involve multiple asset classes and are overseen by our Asset Allocation Strategy Group and Chief Investment Officer.

Below is a summary of our core investment strategies:

U.S. Real Estate Securities includes a wide range of strategies distinguished by concentration, risk profile and income objective, as well as thematic portfolios designed to provide targeted allocations to specific sectors within the investable real estate universe. Each strategy invests in a portfolio of common stocks and other securities issued by U.S. real estate companies, including real estate investment trusts (REITs) and similar REIT-like entities. These strategies are managed by our dedicated U.S. real estate securities investment team and draw on the broad expertise of our global real estate analysts and portfolio managers. Investment objectives include total return, capital appreciation and income.

Preferred Securities and Low Duration Preferred Securities invests in diversified portfolios of preferred and debt securities issued by U.S. and non-U.S. companies. The preferred securities are issued by banks, insurance companies, REITs and other diversified financial institutions, as well as utility, energy, pipeline and telecommunications companies. A consistent investment process underlies both our total return preferred securities strategy and our low duration preferred securities strategy, which seek income and capital preservation.

Global/International Real Estate Securities includes a wide range of strategies distinguished by geography, concentration, risk profile and income objective, designed to provide allocation exposure to listed real estate globally. Each strategy invests in a portfolio of common stocks and other securities issued by real estate companies, including REITs and similar REIT-like entities. These strategies draw on the expertise of our integrated global real estate securities investment team. Investment objectives include total return, capital appreciation and income.

Global Listed Infrastructure invests in a diversified portfolio of U.S. and non-U.S. securities issued by infrastructure companies such as utilities, pipelines, toll roads, airports, railroads, marine ports and communications companies located in developed and emerging markets. The investment objective is total return with a balance of capital appreciation and income.

Real Assets Multi-Strategy invests in a diversified multi-strategy portfolio of listed companies and securities that generally own or are backed by tangible real assets, including real estate securities, global listed infrastructure, commodities and natural resource equities, with the objective of achieving attractive total returns over the long term, while providing diversification and maximizing the potential for real returns in periods of rising inflation.

Midstream Energy and MLPs invests in a diversified portfolio of energy-related master limited partnerships (MLPs) and securities of companies that derive at least 50% of their revenues or operating income from the exploration, production, gathering, transportation, processing, storage, refining, distribution or marketing of natural gas, natural gas liquids (including propane), crude oil, refined petroleum products, coal or and other energy resources. The investment objective is total return with a balance of capital appreciation and income.

Global Natural Resource Equities invests in companies involved in the production, extraction, or processing of commodities and natural resources. Specifically, the strategy invests in energy producers, metals and mining companies and agriculture-based businesses. The investment objective is total return.

In addition, we offer variations on these strategies that may combine multiple strategies in a single portfolio. Individual portfolios may be customized to comply with client-specific guidelines, benchmarks or risk profiles. Strategies offered in closed-end funds typically use leverage.

Our Distribution Network

Our distribution network encompasses two major channels, wealth management and institutional. Our wealth management channel includes registered investment advisers, wirehouses, independent and regional broker dealers and bank trusts. Our institutional channel includes sovereign wealth funds, corporate plans, insurance companies and public funds, including defined benefit and defined contribution plans, as well as other financial institutions that access our investment management services directly or through consultants and other intermediaries.

Competition

We compete with a large number of global and U.S. investment managers, commercial banks, broker-dealers, insurance companies and other financial institutions. Many competing firms are parts of larger financial services companies and attract business through numerous channels, including retail banking, investment banking and underwriting contacts, insurance agencies and broker-dealers.

Our direct competitors in wealth management are other fund and exchange-traded-fund (ETF) sponsors, including large nationally recognized investment management firms that have more diverse product offerings and smaller boutique firms that specialize in particular asset classes. We also compete against managers that manage separate-account portfolios for high-net-worth clients. In the institutional channel, we compete with several investment managers offering similar products and services, from boutique establishments to major commercial and investment banks.

Performance, price and brand are our principal sources of competition. Prospective clients will typically base their decisions to invest, or continue to invest, with us on our ability to generate returns in excess of a benchmark and the cost of doing so. We are evaluated based on our performance and our fees relative to our competitors. In addition, individual fund shareholders may also base their decision on the ability to access the funds we manage through a particular distribution channel.

As interest in real assets continues to increase, we may face increased competition from other managers that are competing for the same client base that we target and serve. Financial intermediaries that offer our products to their clients may also offer competing products. Many of our competitors have greater brand name recognition and more extensive client bases than we do, which could be to our disadvantage. In addition, our larger competitors have more resources and may have more capacity to expand their product offerings and distribution channels and capture market share through ongoing business relationships and extensive marketing efforts. However, compared to our larger competitors, we may be able to grow our business at a faster rate from a relatively smaller asset base and shift resources in response to changing market conditions more quickly.

Regulation

We are subject to regulation under U.S. federal and state laws, as well as applicable laws in the other jurisdictions in which we do business or offer our products and services. Violation of applicable laws or regulations could result in fines, temporary or permanent prohibition of engagement in certain activities, reputational harm and loss of clients, suspension of personnel or revocation of their regulatory licenses, suspension or termination of investment adviser and/or broker-dealer registrations, or other sanctions and penalties.

CSCM, a New York-based subsidiary, is a registered investment adviser with the U.S. Securities and Exchange Commission (the SEC) and is an approved investment manager with the Luxembourg Commission de Surveillance du Secteur Financier (the CSSF), the Central Bank of Ireland (CBI) and the Korean Financial Services Commission. CSCM has also obtained exemptions from registration that allow it to provide investment management services to institutions in Australia and Canada. CSCM is a registered commodity trading adviser and a registered commodity pool operator with the Commodities Futures Trading Commission (the CFTC) and is a member of the National Futures Association (the NFA), a futures industry self-regulatory organization. The CFTC and NFA regulate futures contracts, swaps, and various other financial instruments in which certain of the Company's clients may invest.

CSUK, our UK-based subsidiary, is a registered investment adviser with the SEC and the United Kingdom Financial Conduct Authority and is an approved investment manager with the CSSF, and is registered as a third-country firm with the Belgium Financial Services Market Authority (FSMA). CSUK is subject to the Financial Services and Markets Act 2000, which regulates, among other things, certain liquidity and capital resources requirements. Such requirements may limit our ability to withdraw capital from CSUK. CSUK is also subject to substantially similar regulations to certain pan-European regulations, including the Directive on Markets in Financial Instruments repealing Directive 2004/39/EC (MiFID II) and the Regulation on Markets in Financial Instruments (MiFIR), as well as the Capital Requirements Directive. MiFID II and MiFIR regulate the provision of investment services throughout the European Economic Area and the Capital Requirements Directive regulates capital requirements.

CSAL, our Hong Kong-based subsidiary, is a registered investment adviser with the SEC and the Hong Kong Securities and Futures Commission (the SFC) and is an approved investment manager with the CSSF and the CBI. CSAL is subject to the Securities and Futures Ordinance (the SFO), which regulates, among other things, offers of investments to the public and the licensing of intermediaries. CSAL and its employees conducting any of the regulated activities specified in the SFO are required to be licensed with the SFC and are subject to the rules, codes and guidelines issued by the SFC.

In their capacity as U.S. registered investment advisers, CSCM, CSUK and CSAL are subject to the rules and regulations of the Investment Advisers Act of 1940 (the Advisers Act). The Advisers Act imposes numerous obligations on registered investment advisers, including recordkeeping, operational and marketing requirements, disclosure obligations and prohibitions on fraudulent activities. In addition, our subsidiaries that serve as investment adviser or subadvisor to U.S.

registered funds are subject to the Investment Company Act, which imposes additional governance, compliance, reporting and fiduciary obligations.

CSJL, our Japan-based subsidiary, is a financial instruments operator (discretionary investment management and investment advisory and agency) registered with the Financial Services Agency of Japan and the Kanto Local Finance Bureau and is subject to the Financial Instruments and Exchange Act. CSJL supports the marketing, client service and business development activities of the Company and may serve as an intermediary for investment products managed by other affiliates.

CSIL, our Irish subsidiary, is an Undertakings for Collective Investment in Transferable Securities (UCITS) management company regulated and approved by the CBI effective May 22, 2020 with permission to provide individual portfolio management and investment advice in accordance with the European Communities (UCITS) Regulations, 2011, and as such provides substantive oversight of investment, marketing and client service activities. As a result, CSIL is subject to certain aspects of MiFID II.

CSS, a New York-based subsidiary, is a registered broker-dealer regulated by the SEC, the Financial Industry Regulatory Authority and other federal and state agencies. CSS is subject to regulations governing, among other things, sales practices, capital structure and recordkeeping. CSS is also subject to the SEC's net capital rule, which specifies minimum net capital levels for registered broker-dealers and is designed to enforce minimum standards for the general financial condition and liquidity of broker-dealers. Under certain circumstances, this rule may limit our ability to withdraw capital and receive dividends from CSS.

Because of the global and integrated nature of our business, regulation applicable to an affiliate in one jurisdiction may affect the operation of affiliates in others or require compliance at a group level.

Human Capital

As a leading specialty manager in real assets and alternative income, our people are our most important asset. Human Capital strategies and initiatives are critical to our long-term success by attracting and retaining our talent.

Employees

As of December 31, 2020, we had 347 full-time employees.

Diversity and Inclusion

We believe that workplace diversity and an inclusive culture strengthens our ability to deliver the best results for our clients. Our employees from around the world represent a variety of cultures, backgrounds, experiences, and talents. We draw upon these attributes to produce innovative solutions for the clients we serve and enrich the professional experience of all our employees. An inclusive culture in which our employees are encouraged to contribute their unique perspectives is imperative to our role as a leading global investment manager. Our diversity and inclusion strategy consist of four pillars: Education, Leadership, Recruitment and Engagement.

- Education - We seek to build awareness and understanding to strengthen our culture of inclusion and support.
- Leadership - We hold our leaders accountable for fostering an inclusive culture as they develop the next generation of leaders. This accountability extends to all employees in creating an environment built on respect.
- Recruitment - We recognize there is significant underrepresentation of women and people of color in our industry, especially in leadership roles. Our recruiting partners are expected to present diverse candidate pools for our open positions, providing opportunities to hire the best talent to help us excel in all areas of our business.
- Engagement - We support our employees who build resource groups that foster an inclusive culture and encourage everyone at the firm to help solve business and community challenges. Examples include ongoing volunteerism, green initiatives and a women's exchange for sharing ideas and experiences.

We were recently recognized as a "Best Place to Work in Money Management" by Pensions & Investments ("P&I"), the international newspaper of money management. The 2020 award was part of P&I's ninth-annual survey and recognition program, which seeks to identify the best employers in the money management industry. This achievement recognized the strength of our culture, which is defined by the hard work, dedication, and commitment to excellence and inclusion by everyone at the Company.

Available Information

We file annual, quarterly and current reports, proxy statements and all amendments to these reports and other information with the SEC, which are available on the SEC website at www.sec.gov. We make available free of charge on or through our website at www.cohenandsteers.com our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and all amendments to those reports as soon as reasonably practicable after such reports are electronically filed with or furnished to the SEC.

Item 1A. Risk Factors

Risks Related to our Business

Our business, operations, and investments are subject to risks associated with and arising from epidemic diseases, such as the ongoing global outbreak of the novel coronavirus, or COVID-19.

Capital, equity, and credit markets, as well as the real estate and real property markets, have experienced and may continue to experience ongoing volatility and dislocations as a result of the COVID-19 pandemic. The full scope and duration of the social, market, and economic fallout from the COVID-19 pandemic remains difficult to predict, and these conditions could worsen dramatically from those already experienced, including the possibility of a steep and prolonged economic downturn or global recession. Various parts of the globe experienced a resurgence in COVID-19 cases during the fourth quarter of 2020 which continued into 2021, a period during which newly detected variants of the disease also spread to several countries, leading to the re-implementation of lockdowns and other restrictions. A further resurgence of COVID-19, or an outbreak of any new, more virulent or more transmissible variants or mutations of the disease or other viral pathogens or epidemic diseases in any region could trigger broader and more severe health crises, market and economic turbulence, and governmental restrictions for a sustained period of time.

If we were to experience a sustained decline in the performance of the portfolios and strategies we manage as a result of negative market, financial, and economic conditions caused by the COVID-19 pandemic, our assets under management and the fees we earn in future periods could be adversely impacted. In addition, these market declines and disruptions could significantly reduce the demand for, and availability of, our investment products and services, and contribute to redemptions and withdrawals from our funds and the loss of institutional separate account clients, which could have a material adverse effect on our revenue and net income. Any actual or anticipated reduction in our profitability could impair our future dividend capacity and cash management policies and have a significant negative impact on the market price of our common stock.

Epidemic diseases such as the COVID-19 pandemic also pose continuing risk that we and our third-party intermediaries, service providers, and key vendors may be unable to provide services or conduct business activities or critical operations at full capacity for a period of time, including due to the spread of a disease or virus or restrictions or shutdowns that are requested or mandated by governmental authorities. These conditions could lead to operational issues and interruptions for the Company and certain of our products, require us to incur significant additional costs, and negatively impact our business. Both we and our third-party intermediaries, service providers, and key vendors are also subject to a heightened risk of cyberattacks or other privacy or data security incidents due to the ongoing remote working environment and prevalent use of virtual communication platforms.

Epidemic diseases such as the COVID-19 pandemic also present a significant threat to our employees' safety and welfare. Our key employees or executive officers may become sick or otherwise unable to perform their duties for an extended period of time. Precautionary measures we have taken to help minimize these risks during the COVID-19 pandemic, including our general implementation of a "work-from-home" operating environment, could negatively affect our business, particularly our "client-facing" operations, as well as employee productivity and human capital resources generally. In addition, continuing to carry out these precautionary measures, or implementing and carrying out additional precautionary or protective measures to respond to conditions or comply with regulations that have resulted or may result from the COVID-19 pandemic or other epidemic diseases, including rules and regulations applicable to any reopening or reuse of our offices, may result in the incurrence of significant additional costs and expenses by us and reduce our profitability.

Further, any re-entry of employees to the workplace or other use of our offices under pandemic or similar conditions, or resumption of other "in-person" business activities such as client meetings and business travel, may expose us to heightened risk of litigation. Such litigation may include claims of contraction of COVID-19 or other illnesses in the workplace or claims related to workplace safety, privacy, employment, or anti-discrimination laws and regulations. The threat or occurrence of any such litigation, or the circumstances giving rise to any such litigation, may consume significant amounts of our management's time and resources, result in regulatory investigation or sanction, increase our costs and expenses and reduce our profitability, as well as cause reputational harm.

A decline in the absolute or relative performance or value of real estate securities, or the attractiveness of real estate portfolios or investment strategies, would have an adverse effect on the assets we manage and our revenue.

As of December 31, 2020, approximately 60.1% of the assets we managed were concentrated in real estate securities. Real estate securities and real property investments owned by the issuers of real estate securities are subject to varying degrees of risk that could affect investment performance. Returns on investments in real estate securities depend on the amount of income and capital appreciation or loss realized by the underlying real property. Income and real estate values may

be adversely affected by, among other things, unfavorable changes to tax laws and other laws and regulations applicable to real estate securities, the cost of compliance with applicable laws and regulations, interest rates, the availability of financing, the creditworthiness of tenants, and the limited ability of issuers of real estate securities to vary their portfolios promptly in response to changes in market conditions. The financial performance and underlying valuations of certain areas of the real estate market, including without limitation office and retail shopping locations, residential rental property, and real estate concentrated in urban areas, were severely affected and may continue to be affected by the fallout from the COVID-19 pandemic. If the underlying properties do not generate sufficient income to pay for ongoing operating expenses, the income and the ability of an issuer of real estate securities to pay interest and principal on debt securities or any dividends on common or preferred stocks will be adversely affected. A decline in the performance or value of real estate securities would have an adverse effect on the assets we manage and reduce the fees we earn and our revenue.

Our growth and the execution of our real estate investment strategy may be constrained by the size and number of real estate securities issuers, as well as REIT ownership restrictions.

Investments in real estate securities continue to play an important role in our overall investment strategy. Our ability to fully utilize our investment capacity and continue to increase our ownership of real estate securities depends, in part, on growth in the size and number of issuers in the real estate securities market, particularly in the U.S. Limited growth, or any consolidation activity in the real estate sector, could limit or reduce the number of investment opportunities otherwise available to us. In addition, increased competition for investment opportunities due to large amounts of available capital dedicated to real estate strategies, or a real or perceived trend towards merger and acquisition activity in the sector, could affect real estate valuations and prices. A limited number of investment targets could adversely impact our ability to make new investments based on fundamental valuations or at all, impair the full utilization of our overall investment capacity, and otherwise negatively affect our investment strategy.

Our ability to increase our ownership, or maintain existing levels of ownership, may also be constrained by REIT ownership limits, which limit the percentage ownership of a REIT's outstanding capital stock, common stock, and/or preferred stock. REIT charters generally grant a REIT the right to unilaterally reduce any ownership amount that it deems to be in violation of its ownership limits. Such charters do not typically provide for the elimination of such right even in the event a REIT has previously provided waivers from such limits or acknowledgements that ownership levels do not violate such limits. To the extent these ownership restrictions prevent us from acquiring new or additional real estate securities, or force us to reduce existing ownership amounts, our revenue and our ability to invest available assets and increase the assets we manage could be negatively affected.

A decline in the absolute or relative performance or value of preferred securities, or the attractiveness of preferred securities portfolios or investment strategies, would have an adverse effect on the assets we manage and our revenue.

The amount of assets we manage in our preferred securities strategies has grown significantly in recent years. As of December 31, 2020, approximately 29.0% of our total assets under management, including 14.1% in the Cohen & Steers Preferred Securities and Income Fund alone, was concentrated in these strategies. Our preferred securities investments are subject to varying degrees of market, contractual, financial, regulatory, and other risks that could affect investment performance and attractiveness, including risks related to interest rates, counterparty credit, income and distributions, and applicable tax treatment. Certain components of our preferred securities portfolios may also be subject to risks related to the expected discontinuation of the London Interbank Offered Rate, or "LIBOR," and uncertainty around the identification and use of alternative reference rates. See "The expected discontinuation of LIBOR, and uncertainty around the identification and use of alternative reference rates, may adversely affect the value of certain LIBOR-based assets we manage and expose us to additional risks." Further, to the extent limitations may arise in the overall supply of preferred securities investments at attractive prices or at all, whether due to performance concerns about the asset class, shifts in market trends or investor preferences, redemptions, or decreased volume of new issuances, our ability to deploy our available investment capacity may become constrained. A decline in the performance or value of preferred securities, or diminishment in the attractiveness or availability of preferred securities investments, would have an adverse effect on the assets we manage, limit our ability to increase and invest assets in these strategies, and reduce the fees we earn and our revenue.

A significant portion of our revenue for 2020 was derived from a single institutional client.

As of December 31, 2020, our largest institutional client, Daiwa Asset Management, which held most of its assets in U.S. REIT strategies subadvised by us in Japan, represented approximately 6.7% of our total revenue for 2020. As of December 31, 2020, approximately 27.9% of the institutional account assets we managed, and approximately 11.6% of our total assets under management were derived from this client. Investor demand for the products we subadvise for this client

can be affected by, among other things, changes in the distributions paid by those products, the strength of the Japanese yen compared to the currencies in which the assets held in those products are denominated, and the market and regulatory environment in the Japanese mutual fund market. Changes in the distribution rates could decrease investor demand for these products, resulting in outflows of assets subadvised by us which would negatively impact our revenue and adversely affect our financial condition.

Seed investments made to support the launch of new strategies and products may expose us to potential losses on invested capital.

Our success is partially dependent on our ability to develop, launch, market, and manage new investment strategies and products. From time to time, we support the launch of new investment strategies and products by making seed investments in those strategies and products. Numerous risks and uncertainties are associated with all stages of the seed investment product life cycle, including investment performance, market risks, shifting client or market preferences, the introduction of competing products, compliance with regulatory requirements, and, in some cases, potentially illiquid investments and/or contractual lock-up or other restrictions on our ability to withdraw capital. Seed investments in new strategies and products utilize capital that would otherwise be available for other corporate purposes and expose us to potential capital losses, against which we may not hedge entirely. To the extent we realize losses on our seed investments, our earnings and financial condition may be adversely impacted.

The loss of any members of our senior management team or our failure to manage executive succession could have a material adverse effect on our business.

The success of our business depends largely on the experience, expertise and continued service of our executive management team. The loss of any members of our senior management team, or our failure to adequately prepare for the succession and retention of our executive management team or to effectively implement executive succession plans, could materially adversely affect our business, strategic initiatives and financial condition. While we have succession plans in place for members of our executive management team, and continue to review and update those plans, there is no guarantee that their implementation or execution will operate as intended or otherwise be effective. In addition, we do not carry “key person” or similar insurance that would provide us with proceeds in the event of the death or disability of any of the members of our management team.

On February 21, 2021, our company experienced a significant transition in executive leadership roles and responsibilities when Robert H. Steers, our co-founder, Chief Executive Officer and a member of our board of directors, took a medical leave of absence. In connection with Mr. Steers’ leave of absence, our board of directors appointed Joseph M. Harvey, our President and a member of our board of directors, as Acting Chief Executive Officer. The effectiveness of this transition, and any further transition, could have a significant impact on our business.

Regulations restricting the use of commission credits to pay for research have increased, and may continue to increase, our operating expenses.

On behalf of our clients, we make decisions to buy and sell securities, select broker-dealers to execute trades, and negotiate brokerage commission rates. In connection with these transactions and subject to best execution, we receive commission credits to pay for eligible research and services from broker-dealers and other eligible service providers. As a result of regulations in the European Union, we eliminated the use of commission credits to pay for research and eligible services for accounts where we had obligations directly within the scope of MiFID II (together with substantially similar national rules of the U.K. and implementing rules and regulations). Our operating expenses include payment for research and eligible services for these accounts.

Depending on the evolution of market practices and regulatory developments, we may elect to pay for research and expenses globally, subject to applicable SEC regulations, which would further increase our operating expenses.

We face substantial competition in all aspects of our business.

The investment management industry is highly competitive, and investors are increasingly fee sensitive. We compete against a large number of investment products offered by other investment management companies, investment dealers, banks, and insurance companies, and many institutions we compete with have greater financial resources than us. We compete with these firms on the basis of investment performance, diversity of products, distribution capability, scope and quality of services, reputation, and the ability to develop new investment strategies and products to meet the changing needs of investors.

Our actively managed investment strategies compete not only against other active strategies but also against similarly positioned passive strategies. The continuing shift in market demand toward index funds and other passive strategies, and the growing availability of investment options to meet these demands, reduces opportunities for active managers and may accelerate fee compression. In the event that competitors charge lower fees for substantially similar products, we may be forced to compete on the basis of price in order to attract and retain clients. In order to maintain our current fee structure in a competitive environment, we must be able to provide clients with investment returns and service commensurate with the level of fees we charge. To the extent current or potential clients decide to invest in products sponsored by our competitors, the sales of our products as well as our market share, revenue, and net income could decline.

The inability to access clients through third-party intermediaries could have a material adverse effect on our business.

A significant portion of the assets we manage is attributable to the distribution of our products through third-party intermediaries. Our ability to distribute our products is highly dependent on access to the client bases and product platforms of international, national and regional securities firms, investment advisory firms, banks, insurance companies, defined contribution plan administrators, and other intermediaries, which generally offer competing investment products that could limit the distribution of our products. In addition, our separate account business, subadvisory, and model delivery services depend in part on recommendations by consultants, financial planners, and other professional advisors, as well as our existing clients.

The structure and terms of the distribution arrangements with intermediaries, including fees or rebates paid by us or our funds to intermediaries to assist with distribution efforts, and the ability of our funds to participate in these intermediary platforms are subject to changes driven by market competition and regulatory developments. Our existing relationships with third-party intermediaries and access to new intermediaries could be adversely affected by continued consolidation within the financial services industry. Consolidation may result in increased distribution costs, a reduction in the number of third parties distributing our investment products, or increased competition to access third-party distribution channels. There can be no assurance that we will be able to retain access to these channels. Loss of any of these third-party distribution channels, or changes to their structure and terms, or any reduction in our ability to access clients and investors through existing and new distribution channels, could adversely affect our business.

Our growth could be adversely affected if we are unable to manage the costs or realize the anticipated benefits associated with the expansion of our business.

Our growth strategy continues to involve expanding our business and diversifying our investment management business to include products and services outside of investments in real estate securities. As part of the implementation of our strategy, we have emphasized the development of broader real assets strategies and have expanded our geographical presence and capabilities as well as product and service offerings outside the U.S. As a result, our fixed costs and other expenses have increased to support the development and launch of new strategies and products, to expand the availability and marketability of our existing strategies and products, to grow our potential client base, and to enhance our infrastructure, including additional office space, technology, operations, and personnel.

Developing and implementing new investment strategies and products may require significant upfront management time and attention, the hiring of highly-compensated personnel, seed capital commitments, and other financial resources, including potential subsidies of operating expenses for an extended period of time, as well as ongoing marketing and other support. The success of our business strategy and future growth is contingent upon our ability to continue to support and invest in the development of new strategies and products, to generate sufficient assets under management and fee revenue at the levels and within the timeframe anticipated in order to support the compensation and other costs and expenses underlying such new strategies and products, to expand the availability of our existing strategies and products, and to successfully manage multiple offices and navigate legal and regulatory systems both domestically and internationally. The upfront and ongoing costs of adequately supporting such growth and initiatives will have an effect on our operating margin and other financial results.

Our clients may withdraw or reduce the amount of assets we manage or otherwise change the terms of our relationship, which could have an adverse impact on our revenue.

Our institutional clients, and firms with which we have strategic alliances, may terminate their relationship with us, reduce the amount of assets we manage, shift their assets to other types of accounts with different fee structures, or renegotiate the fees we charge them for any number of reasons, including investment performance, redemptions by beneficial owners of funds we manage or subadvise, actual or perceived competition between the accounts we subadvise and our proprietary investment products, changes in the key members of an investment team, changes in prevailing interest rates, and

financial market performance. Certain investors in the funds we manage hold their shares indirectly through platforms sponsored by financial institutions that have the authority to make investment and asset allocation decisions on behalf of such investors. Decisions by investors to redeem assets may require selling investments at a disadvantageous time or price, which could negatively affect the amount of our assets under management or our ability to continue to pursue certain investment strategies. In a declining market or in conditions of poor relative or absolute performance, the pace of redemptions and withdrawals and the loss of institutional and individual separate account clients could accelerate. The occurrence of any of these events could have a material adverse effect on our revenue.

Limitations on our ability to utilize leverage in the closed-end funds we sponsor could reduce our assets under management and revenue.

Certain of the closed-end funds sponsored by us utilize leverage in the form of bank financing, which in the aggregate amounted to approximately \$3.0 billion as of December 31, 2020. To the extent any closed-end fund sponsored by us elects or is required by regulation or the terms of its bank financing to reduce leverage, such fund may need to liquidate its investments. Reducing leverage or liquidating investments during adverse market conditions would reduce the Company's assets under management and revenue.

We could incur financial losses, reputational harm and regulatory penalties if we fail to implement effective information security policies and procedures.

Our business is dependent on the effectiveness of our information and cyber security policies and procedures to protect our network and telecommunications systems and the data that reside in or are transmitted through such systems. As part of our normal operations, we maintain and transmit confidential information about our employees and clients' portfolios as well as proprietary information relating to our business operations. We maintain a system of internal controls designed to provide reasonable assurance that fraudulent activity, including misappropriation of our assets, fraudulent financial reporting, and unauthorized access to sensitive or confidential information is either prevented or timely detected and remediated. However, our technology systems may still be vulnerable to unauthorized access or may be corrupted by cyberattacks, computer viruses or other malicious software code, or authorized persons could inadvertently or intentionally release confidential or proprietary information. The nature of these threats is constantly evolving and becoming increasingly sophisticated. Although we take precautions to password protect and encrypt our employees' mobile electronic devices, if such devices are stolen, misplaced or left unattended, they may become vulnerable to hacking or other unauthorized use, creating a possible security risk. Like other companies, we have experienced, and will continue to experience, ongoing cyber security threats and attacks. During 2020, we experienced a cyber incident which did not materially impact our operations and has subsequently been addressed. There can be no assurance that our efforts to maintain and monitor the security and integrity of our information technology systems will be effective at all times.

Any breach or other failure of our or certain other parties' technology systems, including those systems of service providers, key vendors, and third parties with whom we do business, could result in the loss of valuable information, liability for stolen assets or information, remediation costs to repair damage caused by the incident, additional security costs to mitigate against future incidents, regulatory penalties, and litigation costs resulting from the incident. In addition, our increased use of mobile and cloud technologies could increase these and other operational risks, and any failure by mobile or cloud technology service providers to adequately safeguard their systems could disrupt our operations and result in misappropriation, corruption, or loss of confidential or proprietary information.

For many companies, remote work arrangements resulting from the COVID-19 pandemic have made their network and communication systems more vulnerable to cyberattacks and incursions, and there has been an overall increase in both the frequency and severity of cyber incidents as such vulnerabilities have been exploited. Our remote work environment subjects us to heightened risk of cyberattacks, unauthorized access, or other privacy or data security incidents, both directly as well as indirectly through third-party intermediaries, service providers, and key vendors that have access or other connections to our systems.

Loss of confidential client information could harm our reputation, result in the termination of contracts by our existing clients, and subject us to litigation or liability under laws and agreements that protect confidential and personal data, resulting in increased costs and/or loss of revenues. We maintain a cyber insurance policy to help mitigate against any potential losses relating to information security breaches. However, such insurance may only partially reimburse us for our losses, if at all, and if a claim is successful and exceeds or is not covered by our insurance policy, we may be required to pay a substantial amount to satisfy such successful claim.

The expected discontinuation of LIBOR, and uncertainty around the identification and use of alternative reference rates, may adversely affect the value of certain LIBOR-based assets we manage and expose us to additional risks.

LIBOR is the offered rate for short-term Eurodollar deposits between major international banks. LIBOR is used as a reference rate for various financial instruments, products and contracts globally to determine payment obligations, financing terms, hedging strategies, or investment value. In 2017, the UK Financial Conduct Authority, which regulates LIBOR, announced that the continuation of LIBOR cannot be guaranteed after the end of calendar 2021. In November 2020, the ICE Benchmark Administration, the administrator of LIBOR, announced a plan to extend the date as of which most U.S. LIBOR values would cease being computed from December 31, 2021 to June 30, 2023. Regulators and industry working groups have suggested alternative reference rates, but global consensus has not been achieved, and the potential for further regulatory changes addressing the use of LIBOR remains unclear.

Any market transition away from LIBOR in its current form will be complex and introduce a number of risks for us, our clients, and the financial services industry more widely. These include legal implementation risks, as extensive changes to documentation for new and existing clients and transactions may be required, financial risks arising from any changes in the valuation of financial instruments linked to benchmarks, pricing risks, as changes to benchmarks could impact pricing mechanisms on some instruments, operational risks due to the potential requirement to adapt information technology systems, trade reporting infrastructure and operational processes, and relationship risks relating to client communications and engagement during the transition away from LIBOR or other financial benchmarks currently utilized. The transition away from LIBOR may lead to increased volatility and illiquidity in markets and investments tied to LIBOR, and any alternative reference rate may be an ineffective substitute resulting in prolonged adverse market conditions, which would negatively impact our investments and which may result in the reduced effectiveness of our hedging strategies.

Failure to maintain adequate business continuity plans could have a material adverse effect on the Company and its products.

Significant portions of our business operations and those of our critical third-party service providers are concentrated in a few geographic areas, including New York and New Jersey. Critical operations that are geographically concentrated in New York include portfolio management, trading operations, information technology, investment administration, and portfolio accounting services for our products as well as corporate accounting systems. Should we, or any of our critical service providers, experience a significant local or regional disaster or other significant business disruption, our ability to remain operational will depend in part on the safety and availability of our personnel, our office facilities, and the proper functioning of our network, telecommunication, and other related systems and operations. We have backup systems and contingency plans, but we cannot ensure that they will be adequate under all circumstances or that material interruptions and disruptions will not occur. In addition, we rely to varying degrees on outside vendors for disaster recovery support, and we cannot guarantee that these vendors will be able to perform in an adequate and timely manner. Failure by us, or any of our critical service providers, to maintain up-to-date business continuity plans, including system backup facilities, would impede our ability to operate in the event of a significant business disruption, which could result in financial losses to the Company and our clients and investors.

We could experience loss of client relationships if our reputation is harmed.

Our reputation is important to the success of our business. We believe that the Cohen & Steers brand has been, and continues to be, well received globally both in our industry and with our clients, reflecting the fact that our brand, like our business, is based in part on trust and confidence. Our reputation may be harmed by a number of factors, including, but not limited to, poor investment performance, operational failures, cyber incidents, negative publicity, claims, or disputes arising from our management of COVID-19 or other pandemic conditions, the dissemination by current or former clients of unfavorable opinions about our services, changes in key members of an investment team or changes in our senior management, and the imposition of legal or regulatory sanctions or penalties in connection with our business activities. If our reputation is harmed, existing clients and investors may reduce amounts held in, or withdraw entirely from, funds or accounts that we manage, or funds or accounts may terminate their relationship with us. In addition, reputational harm may cause us to lose current employees and we may be unable to attract new ones with similar qualifications or skills, which could negatively affect our operations. If we fail to address, or appear to fail to address, successfully and promptly, the underlying causes of any reputational harm, we may be unsuccessful in repairing any damage to our reputation and our future business prospects would likely be affected, and the loss of client relationships could reduce our assets under management, revenue and earnings.

The failure of a key vendor to fulfill its obligations to the Company could have a material adverse effect on the Company and its products.

We depend on a number of key vendors for various fund administration, fund and corporate accounting, custody and transfer agent services, information technology services, market data, and other operational needs. The failure or inability of the Company to establish backup for key services or the failure of any key vendor to fulfill its obligations for any reason, including those that may be beyond our or such vendor's control, could lead to operational issues for the Company and certain of its products, which could result in financial losses for the Company and its clients.

Risks Related to our Common Stock

A significant portion of our common stock is owned or controlled by our Chief Executive Officer and our Chairman and their respective family members, which may limit the ability of other stockholders to influence the affairs of the Company.

Our Chief Executive Officer and a member of his family beneficially owned or controlled approximately 24.6% of our common stock as of December 31, 2020. In addition, our Chairman and a member of his family beneficially owned or controlled approximately 20.4% of our common stock as of December 31, 2020. Such levels of ownership or control create the ability to meaningfully influence, among other things:

- the election of members of our board of directors, thereby indirectly influencing the management and affairs of the Company;
- the outcome of matters submitted to a vote of our stockholders; and
- any unsolicited acquisition of us and, consequently, potentially adversely affect the market price of our common stock or prevent our stockholders from realizing a premium on their shares.

The interests of one or more of such persons may differ from those of other stockholders in instances where, for example, management compensation is being determined or where an unsolicited acquisition of us could result in a change in our management. The concentration of beneficial ownership in such persons may limit the ability of our other stockholders to influence the affairs of the Company.

We may change our dividend policy at any time and there is no guarantee that we will pay dividends in the future.

Although we have a long history of paying regular and special cash dividends, there is no guarantee or requirement that we pay cash dividends in the future. Our dividend policy may change at any time without notice to our stockholders. The declaration and amount of any future dividends will be at the discretion of our board of directors and in accordance with applicable law and only after taking into account various factors that our board of directors deems relevant, including our financial condition, results of operations, cash flows and liquidity, current and anticipated cash needs and capital requirements, and potential alternative uses of cash. As a result, we cannot assure you that we will pay dividends at any rate or at all.

A sale of a substantial number of shares of our common stock may adversely affect the market price of our common stock, and the issuance of additional shares will dilute your percentage ownership in the Company.

A sale of a substantial number of shares of our common stock in the public market, or the perception that such sale may occur, could adversely affect the market price of our common stock. Our Chief Executive Officer and our Chairman, together with certain of their respective family members, beneficially owned or controlled 11,746,364 shares and 9,728,847 shares, respectively, of our common stock as of December 31, 2020. Any of such persons may sell shares of our common stock in the open market, subject to any restrictions imposed by U.S. federal securities laws on sales by affiliates.

In connection with our initial public offering in 2004, we entered into a Registration Rights Agreement with our Chief Executive Officer and our Chairman and certain trust entities controlled by certain of their respective family members that requires us to register under the Securities Act of 1933, as amended, shares of our common stock (and other securities convertible into or exchangeable or exercisable for shares of common stock) held by them under certain circumstances. In May 2018, we filed a Registration Statement on Form S-3 covering (i) the resale of up to an aggregate of 22,911,757 shares owned or controlled by our Chief Executive Officer and our Chairman and certain other persons and (ii) the offer and sale of an indeterminate number of shares by us to the public. The sale of a substantial number of shares of our common stock may adversely affect the market price of our common stock, and any additional shares that we issue will dilute your percentage ownership in the Company.

Anti-takeover provisions in our charter documents and Delaware law may delay or prevent a change in control of us, which could decrease the trading price of our common stock.

Our certificate of incorporation and bylaws and Delaware law contain certain anti-takeover provisions that could have the effect of making it more difficult for a third party to acquire, or of discouraging a third party from attempting to acquire, control of the Company without negotiating with our board of directors. Such provisions could limit the price that certain investors might be willing to pay in the future for the Company's common stock. Certain of these provisions allow the Company to issue preferred stock with rights more senior to those of our common stock, impose various procedural and other requirements that could make it more difficult for stockholders to effect certain corporate actions, and set forth rules about how stockholders may present proposals or nominate directors for election at annual meetings.

We believe these provisions protect our stockholders from coercive or other unfair takeover tactics by requiring potential acquirers to negotiate with our board of directors and by providing our board of directors with more time to assess acquisition proposals. However, these provisions apply even if an acquisition proposal may be considered beneficial by some stockholders and could have the effect of delaying or preventing an acquisition. In the event that our board of directors determines that a potential business combination transaction would be beneficial to the Company and its stockholders, such stockholders may elect to sell their shares in the Company and the trading price of our common stock could decrease.

Legal and Regulatory Risks

We may be adversely impacted by legal and regulatory changes in the U.S. and internationally.

We operate in a highly regulated industry and are subject to new regulations and revisions to, and evolving interpretations of, existing regulations in the U.S. and internationally. In recent years, regulators in the U.S. and abroad have increased oversight of the financial services industry, which may result in regulation that increases the Company's cost of conducting its business and maintaining its global compliance standards or limit or change the Company's current or prospective business.

U.S. regulatory agencies have proposed and adopted multiple regulations that could impact the mutual fund industry. The SEC's final rules and amendments that modernize reporting and disclosure, along with other potential upcoming regulations, could, among other things, restrict the funds we manage from engaging in certain transactions, impact flows, and/or increase expenses as well as compliance costs.

In Europe, rules and regulations under MiFID II and MiFIR, along with substantially similar national rules of the U.K. and implementing rules and regulations, have had, and will continue to have, direct and indirect effects on our operations in Europe, including increased costs for investment research and increased compliance, disclosure, reporting, and other obligations. In addition, European and international regulations and rules around environmental, social, and governance disclosures are expected to have direct and indirect effects on our global operations, including increased costs for increased compliance through disclosure and reporting, among other obligations.

There has been an increase in data and privacy regulations globally. In addition to the European Union's General Data Protection Regulation (GDPR), U.S. state data breach and privacy legislation, including the California Consumer Privacy Act, have come into effect requiring us to comply with stringent requirements, and we expect that there will be further regulation and legislation that will come into effect in the future that will require us to comprehensively review our systems and processes and may result in additional costs.

The U.K.'s exit from the European Union on January 31, 2020 (referred to as Brexit) and end of the transition period on December 31, 2020 may continue to disrupt our business operations and impact our reported financial results as well as the liquidity and value of our investments. Brexit has caused significant geo-political and legal uncertainty and market volatility in the U.K. and elsewhere, which may continue during continued negotiations between the U.K. and Europe. CSUK's ability to market and provide its services or serve as a distributor of financial products within the European Union could be restricted temporarily or in the long term as a result of Brexit. Our contingency plans for Brexit require the cooperation of counterparties or a regulator of financial services to make timely arrangements. While we believe it is in the best interests of counterparties and regulators to cooperate, we cannot guarantee that counterparties or regulators will cooperate or the timeliness of their cooperation. Our operating expenses have increased as we implement our plan to continue to market and provide our services and distribute our products in the short and/or long term.

The expected discontinuation of LIBOR and uncertainty around the identification and use of alternative reference rates introduces a number of risks for us, our clients, and the financial services industry more widely. See "The expected discontinuation of LIBOR, and uncertainty around the identification and use of alternative reference rates, may adversely affect the value of certain LIBOR-based assets we manage and expose us to additional risks."

Although the full extent of the foregoing regulatory changes is still unclear, they may affect our business operations and increase our operating expenses.

Our involvement in legal proceedings could adversely affect our results of operations and financial condition.

Many aspects of our business involve risks of legal liability. Claims against us may arise in the ordinary course of business, including employment-related claims, and from time to time, we may receive subpoenas or other requests for information from various U.S. and non-U.S. governmental or regulatory authorities and third parties in connection with certain industry-wide, company-specific, or other investigations or proceedings. In addition, certain funds we manage may become subject to lawsuits, any of which could potentially impact the investment returns of the applicable fund.

We carry insurance in amounts and under terms that we believe are appropriate to cover potential liabilities related to litigation. However, we cannot guarantee that our insurance will cover all liabilities and losses to which we may be exposed, or that our insurance policies will continue to be available at acceptable terms and fees. As our insurance policies are due for renewal, we may need to assume higher deductibles or pay higher premiums, which would increase our expenses and reduce our net income.

The tax treatment of certain of our funds involves the interpretation of complex provisions of U.S. federal income tax law for which no precedent may be available and may be subject to potential legislative, judicial or administrative change and differing interpretations, possibly on a retroactive basis.

The U.S. federal income tax treatment of certain of our funds depends in some instances on determinations of fact and interpretations of complex provisions of U.S. federal income tax law for which no clear precedent or authority may be available. U.S. federal income tax rules are constantly under review by the IRS and the U.S. Department of the Treasury, frequently resulting in revised interpretations of established concepts, statutory changes, revisions to regulations, and other modifications and interpretations. Recent and ongoing changes to U.S. federal income tax laws and interpretations thereof could cause us to change our investments and commitments, affect the tax considerations of an investment in us and our funds, and change the character or treatment of portions of our income. In addition, the Company may be required to make certain assumptions when electing a particular tax treatment. It is possible that the IRS could assert successfully that the assumptions made by us do not satisfy the technical requirements of the Internal Revenue Code and/or Treasury Regulations and could require items of income, gain, deduction, loss or credit, including interest deductions, be adjusted, reallocated, or disallowed in a manner that adversely affects us and our clients.

Item 1B. Unresolved Staff Comments

The Company has no unresolved SEC staff comments.

Item 2. Properties

Our principal executive office is located in leased office space at 280 Park Avenue, New York, New York. In addition, we have leased office space in London, Dublin, Hong Kong and Tokyo.

Item 3. Legal Proceedings

From time to time, we may become involved in legal matters relating to claims arising in the ordinary course of our business. There are currently no such matters pending that we believe could have a material effect on our consolidated results of operations, cash flows or financial condition. In addition, from time to time, we may receive subpoenas or other requests for information from various U.S. federal and state governmental authorities, domestic and international regulatory authorities and third parties in connection with certain industry-wide inquiries or other investigations or legal proceedings. It is our policy to cooperate fully with such requests.

Item 4. Mine Safety Disclosures

Not applicable.

PART II

Item 5. Market for Registrant’s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Our common stock is listed on the New York Stock Exchange (NYSE) and is traded under the symbol “CNS”. As of February 22, 2021, there were 39 holders of record of our common stock. Holders of record include institutional and omnibus accounts that hold common stock on behalf of numerous underlying beneficial owners.

Payment of any dividends to our common stockholders is subject to the approval of our Board of Directors. When determining whether to pay a dividend, we take into account general economic and business conditions, our strategic plans, our financial results and condition, contractual, legal and regulatory restrictions on the payment of dividends by us and our subsidiaries and such other factors deemed relevant. On February 25, 2021, we declared a quarterly cash dividend on our common stock in the amount of \$0.45 per share.

Issuer Purchases of Equity Securities

During the three months ended December 31, 2020, we did not make any purchases of our equity securities that are registered pursuant to Section 12(b) of the Securities Exchange Act of 1934.

Recent Sales of Unregistered Securities

None.

Item 6. Selected Financial Data

The selected consolidated financial data, together with other information presented below, should be read in conjunction with our consolidated financial statements and the notes to those statements and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” included in this Annual Report on Form 10-K.

Selected Consolidated Financial and Other Data

(in thousands, except per share data)

	As of and For the Years Ended December 31,				
	2020	2019	2018	2017	2016
Consolidated Statements of Operations					
Total revenue	\$ 427,536	\$ 410,830	\$ 381,111	\$ 378,696 ⁽¹⁾	\$ 351,497 ⁽¹⁾
Total expenses	332,479	250,696	234,073	223,950 ⁽¹⁾	215,986 ⁽¹⁾
Operating income	95,057	160,134	147,038	154,746	135,511
Total non-operating income (loss)	(1,670)	27,415	(3,259)	5,654	7,892
Income before provision for income taxes	93,387	187,549	143,779	160,400	143,403
Provision for income taxes	18,222	40,565	34,257	67,914 ⁽²⁾	50,593 ⁽²⁾
Net income	75,165	146,984	109,522	92,486	92,810
Less: Net (income) loss attributable to redeemable noncontrolling interests	1,419	(12,363)	4,374	(547)	126
Net income attributable to common stockholders	\$ 76,584	\$ 134,621	\$ 113,896	\$ 91,939	\$ 92,936
Earnings per share attributable to common stockholders					
Basic	\$ 1.60	\$ 2.85	\$ 2.43	\$ 1.98	\$ 2.02
Diluted	\$ 1.57	\$ 2.79	\$ 2.40	\$ 1.96	\$ 2.00
Cash dividends declared per share					
Quarterly	\$ 1.56	\$ 1.44	\$ 1.32	\$ 1.12	\$ 1.04
Special	\$ 1.00	\$ 2.00	\$ 2.50	\$ 1.00	\$ 0.50
Consolidated Statements of Financial Condition					
Cash and cash equivalents	\$ 41,232	\$ 101,352	\$ 92,733	\$ 193,452	\$ 183,234
Investments	154,978	155,213	224,932	108,106	54,544
Total assets	348,453	402,419	481,039	410,125	333,728
Total liabilities	123,549	135,304	144,201	86,794	67,061
Redeemable noncontrolling interests	50,665	53,412	114,192	47,795	853
Total stockholders’ equity	174,239	213,703	222,646	275,536	265,814
Other Data (in millions)					
Assets under management (AUM) by investment vehicle: ⁽³⁾					
Institutional accounts	\$ 33,255	\$ 31,813	\$ 27,148	\$ 30,896	\$ 29,848
Open-end funds	35,160	30,725	22,295	25,188	21,177
Closed-end funds	11,493	9,644	8,410	9,406	8,963
Total AUM	\$ 79,908	\$ 72,182	\$ 57,853	\$ 65,490	\$ 59,988

(1) Amounts have been recast to reflect the Company’s adoption of the revenue recognition accounting standard on January 1, 2018.

(2) Amounts for 2017 and 2016 reflect the higher U.S. federal statutory rate before it was lowered to 21.0% due to the Tax Cuts and Jobs Act.

(3) Amounts prior to 2019 have been recast to include model-based portfolios which were previously classified as assets under advisement.

Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations

This Annual Report on Form 10-K and other documents filed by us contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, which reflect management’s current views with respect to, among other things, our operations and financial performance and the impact of the ongoing COVID-19 pandemic on the current economic environment and our business. You can identify these forward-looking statements by the use of words such as “outlook,” “believes,” “expects,” “potential,” “may,” “should,” “seeks,” “predicts,” “intends,” “plans,” “estimates,” “anticipates” or the negative versions of these words or other comparable words. Such forward-looking statements are subject to various risks and uncertainties. Accordingly, there are or will be important factors that could cause actual outcomes or results to differ materially from those indicated in these forward-looking statements. We believe that these factors include, but are not limited to, the risks described in Item 1A. Risk Factors of this Annual Report on Form 10-K. These factors are not exhaustive and should be read in conjunction with the other cautionary statements that are included in this Annual Report on Form 10-K. We undertake no obligation to publicly update or review any forward-looking statement, whether as a result of new information, future developments or otherwise.

Cohen & Steers, Inc. (CNS), a Delaware corporation formed in 2004, and its subsidiaries are collectively referred to as the Company, we, us or our.

Executive Overview

General

We are a global investment manager specializing in liquid real assets, including real estate securities, listed infrastructure and natural resource equities, as well as preferred securities and other income solutions. Founded in 1986, we are headquartered in New York City, with offices in London, Dublin, Hong Kong and Tokyo.

Our primary investment strategies include U.S. real estate securities, preferred securities and low duration preferred securities, global/international real estate securities, global listed infrastructure, real assets multi-strategy, midstream energy and MLPs, and global natural resource equities. Our strategies seek to achieve a variety of investment objectives for different risk profiles and are actively managed by specialist teams of investment professionals who employ fundamental-driven research and portfolio management processes. We offer our strategies through a variety of investment vehicles, including U.S. and non-U.S. registered funds and other commingled vehicles, separate accounts, and subadvised portfolios.

Our distribution network encompasses two major channels, wealth management and institutional. Our wealth management channel includes registered investment advisers, wirehouses, independent and regional broker dealers and bank trusts. Our institutional channel includes sovereign wealth funds, corporate plans, insurance companies and public funds, including defined benefit and defined contribution plans, as well as other financial institutions that access our investment management services directly or through consultants and other intermediaries.

Our revenue is derived from fees received from our clients, including fees for managing or subadvising client accounts as well as investment advisory, administration, distribution and service fees received from Company-sponsored open-end and closed-end funds. Our fees are based on contractually specified rates applied to the value of the assets we manage and, in certain cases, investment performance. Our revenue fluctuates with changes in the total value of our assets under management, which may occur as a result of market appreciation and depreciation, contributions or withdrawals from investor accounts and distributions. This revenue is recognized over the period that the assets are managed.

A majority of our revenue, 92.4%, 92.1% and 91.8% for the years ended December 31, 2020, 2019 and 2018, respectively, was derived from investment advisory and administration fees for providing asset management services to institutional accounts as well as open-end funds and closed-end funds sponsored by the Company.

COVID-19

We are continuously managing and evaluating our strategy and response to the COVID-19 pandemic. During the first quarter of 2020, we activated our Business Continuity Plan and the majority of our employees worldwide continue to work from home and will do so for the foreseeable future. Ongoing business operations, including investment, trading, finance, operational and client service capabilities have not been materially impacted as a result of the ongoing COVID-19 pandemic; however, there is no assurance that they will not be impacted in future periods. We have also altered our travel policy, suspending all domestic and international air travel, and are leveraging our IT infrastructure to conduct virtual meetings with

both internal and external parties. We remain focused on managing our clients' portfolios while maintaining the safety of our employees, families and communities.

The full scope and duration of the social, market and economic fallout from the COVID-19 pandemic is impossible to predict, and conditions emanating from the outbreak could worsen from those already experienced, including the possibility of a steep and prolonged economic downturn or global recession. Please refer to Part I - Item 1A Risk Factors for additional information regarding the effect on our business COVID-19 has had and may continue to have.

Assets Under Management

By Investment Vehicle

(in millions)

	Years Ended December 31,		
	2020	2019	2018 ⁽¹⁾
<u>Institutional Accounts</u>			
Assets under management, beginning of period	\$ 31,813	\$ 27,148	\$ 30,896
Inflows	7,192	3,993	2,814
Outflows	(4,418)	(4,908)	(3,558)
Net inflows (outflows)	2,774	(915)	(744)
Market appreciation (depreciation)	53	6,873	(1,074)
Distributions	(1,385)	(1,306)	(1,962)
Transfers	—	13	32
Total increase (decrease)	1,442	4,665	(3,748)
Assets under management, end of period	\$ 33,255	\$ 31,813	\$ 27,148
Percentage of total assets under management	41.6 %	44.1 %	46.9 %
Average assets under management	\$ 29,883	\$ 30,301	\$ 28,893
<u>Open-end Funds</u>			
Assets under management, beginning of period	\$ 30,725	\$ 22,295	\$ 25,188
Inflows	17,556	12,484	8,963
Outflows	(12,135)	(7,745)	(9,411)
Net inflows (outflows)	5,421	4,739	(448)
Market appreciation (depreciation)	405	5,881	(1,302)
Distributions	(1,391)	(2,177)	(1,111)
Transfers	—	(13)	(32)
Total increase (decrease)	4,435	8,430	(2,893)
Assets under management, end of period	\$ 35,160	\$ 30,725	\$ 22,295
Percentage of total assets under management	44.0 %	42.6 %	38.5 %
Average assets under management	\$ 30,152	\$ 27,595	\$ 24,276
<u>Closed-end Funds</u>			
Assets under management, beginning of period	\$ 9,644	\$ 8,410	\$ 9,406
Inflows	2,652	5	12
Outflows	(89)	(80)	—
Net inflows (outflows)	2,563	(75)	12
Market appreciation (depreciation)	(197)	1,823	(496)
Distributions	(517)	(514)	(512)
Total increase (decrease)	1,849	1,234	(996)
Assets under management, end of period	\$ 11,493	\$ 9,644	\$ 8,410
Percentage of total assets under management	14.4 %	13.4 %	14.5 %
Average assets under management	\$ 9,140	\$ 9,381	\$ 9,012
<u>Total</u>			
Assets under management, beginning of period	\$ 72,182	\$ 57,853	\$ 65,490
Inflows	27,400	16,482	11,789
Outflows	(16,642)	(12,733)	(12,969)
Net inflows (outflows)	10,758	3,749	(1,180)
Market appreciation (depreciation)	261	14,577	(2,872)
Distributions	(3,293)	(3,997)	(3,585)
Total increase (decrease)	7,726	14,329	(7,637)
Assets under management, end of period	\$ 79,908	\$ 72,182	\$ 57,853
Average assets under management	\$ 69,175	\$ 67,277	\$ 62,181

(1) Amounts have been recast to include model-based portfolios which were previously classified as assets under advisement.

Assets Under Management - Institutional Accounts

By Account Type

(in millions)

	Years Ended December 31,		
	2020	2019	2018 ⁽¹⁾
Advisory			
Assets under management, beginning of period	\$ 15,669	\$ 12,065	\$ 11,341
Inflows	4,324	1,918	2,101
Outflows	(2,771)	(1,351)	(925)
Net inflows (outflows)	1,553	567	1,176
Market appreciation (depreciation)	406	3,032	(484)
Transfers	—	5	32
Total increase (decrease)	1,959	3,604	724
Assets under management, end of period	\$ 17,628	\$ 15,669	\$ 12,065
Percentage of institutional assets under management	53.0 %	49.3 %	44.4 %
Average assets under management	\$ 15,650	\$ 14,752	\$ 11,804
Japan Subadvisory			
Assets under management, beginning of period	\$ 10,323	\$ 9,288	\$ 12,672
Inflows	1,601	942	144
Outflows	(626)	(1,076)	(1,250)
Net inflows (outflows)	975	(134)	(1,106)
Market appreciation (depreciation)	(193)	2,475	(316)
Distributions	(1,385)	(1,306)	(1,962)
Total increase (decrease)	(603)	1,035	(3,384)
Assets under management, end of period	\$ 9,720	\$ 10,323	\$ 9,288
Percentage of institutional assets under management	29.2 %	32.4 %	34.2 %
Average assets under management	\$ 9,014	\$ 9,954	\$ 10,608
Subadvisory Excluding Japan			
Assets under management, beginning of period	\$ 5,821	\$ 5,795	\$ 6,883
Inflows	1,267	1,133	569
Outflows	(1,021)	(2,481)	(1,383)
Net inflows (outflows)	246	(1,348)	(814)
Market appreciation (depreciation)	(160)	1,366	(274)
Transfers	—	8	—
Total increase (decrease)	86	26	(1,088)
Assets under management, end of period	\$ 5,907	\$ 5,821	\$ 5,795
Percentage of institutional assets under management	17.8 %	18.3 %	21.3 %
Average assets under management	\$ 5,219	\$ 5,595	\$ 6,481
Total Institutional Accounts			
Assets under management, beginning of period	\$ 31,813	\$ 27,148	\$ 30,896
Inflows	7,192	3,993	2,814
Outflows	(4,418)	(4,908)	(3,558)
Net inflows (outflows)	2,774	(915)	(744)
Market appreciation (depreciation)	53	6,873	(1,074)
Distributions	(1,385)	(1,306)	(1,962)
Transfers	—	13	32
Total increase (decrease)	1,442	4,665	(3,748)
Assets under management, end of period	\$ 33,255	\$ 31,813	\$ 27,148
Average assets under management	\$ 29,883	\$ 30,301	\$ 28,893

(1) Amounts have been recast to include model-based portfolios which were previously classified as assets under advisement.

Assets Under Management

By Investment Strategy

(in millions)

	Years Ended December 31,		
	2020	2019	2018 ⁽¹⁾
U.S. Real Estate			
Assets under management, beginning of period	\$ 31,024	\$ 24,627	\$ 29,241
Inflows	11,114	7,298	4,488
Outflows	(6,478)	(5,363)	(5,158)
Net inflows (outflows)	4,636	1,935	(670)
Market appreciation (depreciation)	(574)	7,346	(1,151)
Distributions	(2,282)	(2,886)	(2,561)
Transfers	23	2	(232)
Total increase (decrease)	1,803	6,397	(4,614)
Assets under management, end of period	\$ 32,827	\$ 31,024	\$ 24,627
Percentage of total assets under management	41.1 %	43.0 %	42.6 %
Average assets under management	\$ 28,972	\$ 29,117	\$ 26,605
Preferred Securities			
Assets under management, beginning of period	\$ 17,581	\$ 13,068	\$ 14,435
Inflows	10,979	5,726	4,503
Outflows	(5,828)	(3,041)	(4,723)
Net inflows (outflows)	5,151	2,685	(220)
Market appreciation (depreciation)	1,172	2,406	(803)
Distributions	(696)	(597)	(560)
Transfers	(23)	19	216
Total increase (decrease)	5,604	4,513	(1,367)
Assets under management, end of period	\$ 23,185	\$ 17,581	\$ 13,068
Percentage of total assets under management	29.0 %	24.4 %	22.6 %
Average assets under management	\$ 18,278	\$ 15,702	\$ 14,237
Global/International Real Estate			
Assets under management, beginning of period	\$ 13,509	\$ 11,047	\$ 11,194
Inflows	4,122	2,541	1,975
Outflows	(2,436)	(2,714)	(1,669)
Net inflows (outflows)	1,686	(173)	306
Market appreciation (depreciation)	102	2,887	(254)
Distributions	(83)	(252)	(199)
Total increase (decrease)	1,705	2,462	(147)
Assets under management, end of period	\$ 15,214	\$ 13,509	\$ 11,047
Percentage of total assets under management	19.0 %	18.7 %	19.1 %
Average assets under management	\$ 13,193	\$ 12,718	\$ 11,341

(1) Amounts have been recast to include model-based portfolios which were previously classified as assets under advisement.

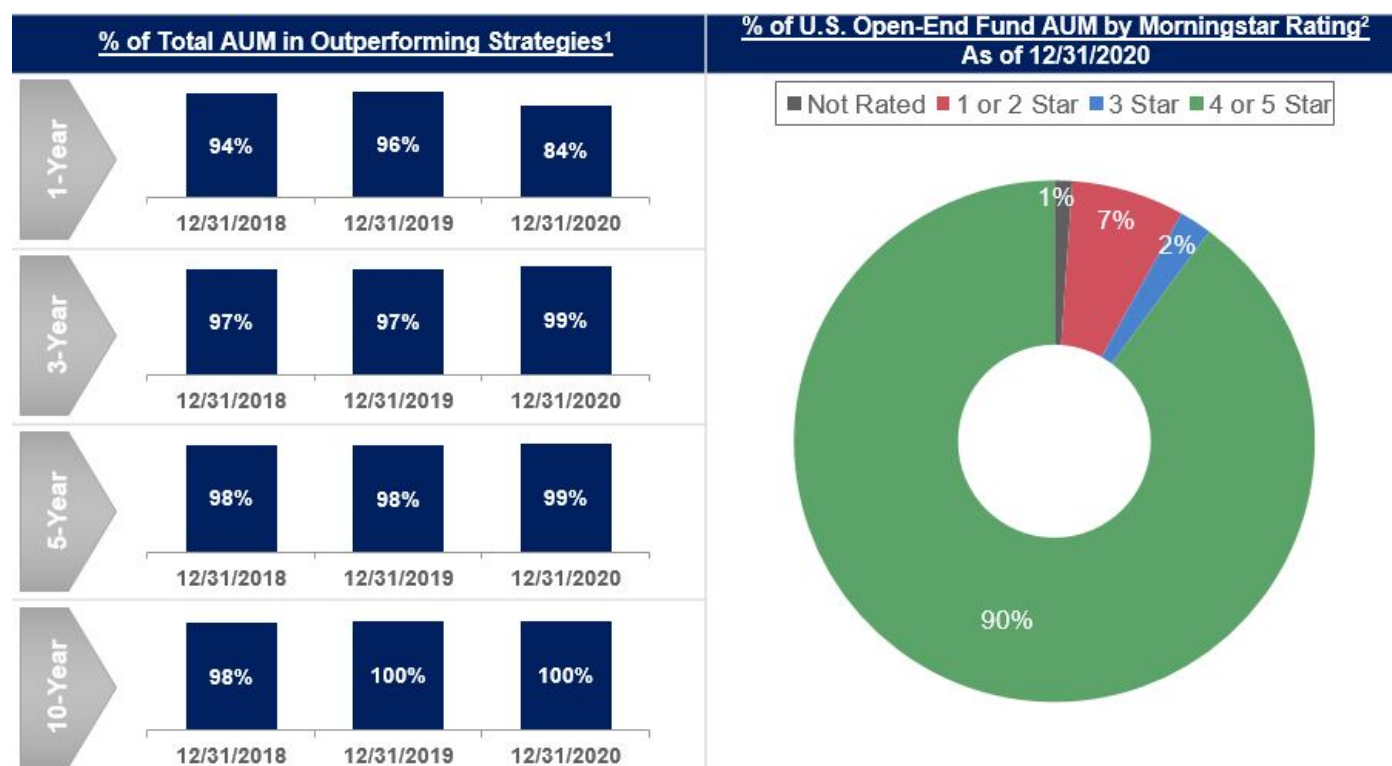
Assets Under Management

By Investment Strategy - continued
(in millions)

	Years Ended December 31,		
	2020	2019	2018 ⁽¹⁾
Global Listed Infrastructure			
Assets under management, beginning of period	\$ 8,076	\$ 6,517	\$ 6,982
Inflows	997	713	601
Outflows	(1,722)	(699)	(448)
Net inflows (outflows)	(725)	14	153
Market appreciation (depreciation)	(423)	1,520	(419)
Distributions	(199)	(201)	(199)
Transfers	—	226	—
Total increase (decrease)	(1,347)	1,559	(465)
Assets under management, end of period	\$ 6,729	\$ 8,076	\$ 6,517
Percentage of total assets under management	8.4 %	11.2 %	11.3 %
Average assets under management	\$ 6,972	\$ 7,455	\$ 6,924
Other			
Assets under management, beginning of period	\$ 1,992	\$ 2,594	\$ 3,638
Inflows	188	204	222
Outflows	(178)	(916)	(971)
Net inflows (outflows)	10	(712)	(749)
Market appreciation (depreciation)	(16)	418	(245)
Distributions	(33)	(61)	(66)
Transfers	—	(247)	16
Total increase (decrease)	(39)	(602)	(1,044)
Assets under management, end of period	\$ 1,953	\$ 1,992	\$ 2,594
Percentage of total assets under management	2.4 %	2.8 %	4.5 %
Average assets under management	\$ 1,760	\$ 2,285	\$ 3,075
Total			
Assets under management, beginning of period	\$ 72,182	\$ 57,853	\$ 65,490
Inflows	27,400	16,482	11,789
Outflows	(16,642)	(12,733)	(12,969)
Net inflows (outflows)	10,758	3,749	(1,180)
Market appreciation (depreciation)	261	14,577	(2,872)
Distributions	(3,293)	(3,997)	(3,585)
Total increase (decrease)	7,726	14,329	(7,637)
Assets under management, end of period	\$ 79,908	\$ 72,182	\$ 57,853
Average assets under management	\$ 69,175	\$ 67,277	\$ 62,182

(1) Amounts have been recast to include model-based portfolios which were previously classified as assets under advisement.

Investment Performance as of December 31, 2020



- (1) Past performance is no guarantee of future results. Outperformance is determined by comparing the annualized investment performance of each investment strategy to the performance of specified reference benchmarks. Investment performance in excess of the performance of the benchmark is considered outperformance. The investment performance calculation of each investment strategy is based on all active accounts and investment models pursuing similar investment objectives. For accounts, actual investment performance is measured gross of fees and net of withholding taxes. For investment models, for which actual investment performance does not exist, the investment performance of a composite of accounts pursuing comparable investment objectives is used as a proxy for actual investment performance. The performance of the specified reference benchmark for each account and investment model is measured net of withholding taxes, where applicable. This is not investment advice and may not be construed as sales or marketing material for any financial product or service sponsored or provided by Cohen & Steers.
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Changes in Assets Under Management - 2020 Compared with 2019

Assets under management at December 31, 2020 increased 10.7% to \$79.9 billion from \$72.2 billion at December 31, 2019. The increase was due to net inflows of \$10.8 billion and market appreciation of \$261 million, which recovered from \$15.3 billion of market depreciation in the first quarter of 2020, partially offset by distributions of \$3.3 billion. Net inflows included \$5.2 billion into preferred securities and \$4.6 billion into U.S. real estate. Market appreciation included \$1.2 billion from preferred securities, partially offset by market depreciation of \$574 million from U.S. real estate and \$423 million from global listed infrastructure. Distributions included \$2.3 billion from U.S. real estate and \$696 million from preferred securities. Our overall organic growth rate was 14.9% for the year ended December 31, 2020, compared with 6.5% for the

year ended December 31, 2019. The organic growth rate represents the ratio of net flows for the year to the beginning assets under management of the respective period.

Average assets under management for the year ended December 31, 2020 increased 2.8% to \$69.2 billion from \$67.3 billion for the year ended December 31, 2019.

Institutional accounts

Assets under management in institutional accounts at December 31, 2020, which represented 41.6% of total assets under management, increased 4.5% to \$33.3 billion from \$31.8 billion at December 31, 2019. The increase was due to net inflows of \$2.8 billion and market appreciation of \$53 million, partially offset by distributions of \$1.4 billion. Net inflows included \$1.9 billion into global/international real estate and \$1.6 billion into U.S. real estate, partially offset by net outflows of \$662 million from global listed infrastructure. Distributions included \$1.4 billion from U.S. real estate. Our organic growth rate for institutional accounts was 8.7% for the year ended December 31, 2020, compared with organic decay of 3.4% for the year ended December 31, 2019.

Average assets under management for institutional accounts for the year ended December 31, 2020 decreased 1.4% to \$29.9 billion from \$30.3 billion for the year ended December 31, 2019.

Assets under management in institutional advisory accounts at December 31, 2020, which represented 53.0% of institutional assets under management, increased 12.5% to \$17.6 billion from \$15.7 billion at December 31, 2019. The increase was due to net inflows of \$1.6 billion and market appreciation of \$406 million. Net inflows included \$1.3 billion into global/international real estate and \$699 million into U.S. real estate, partially offset by net outflows of \$565 million from global listed infrastructure. Market appreciation included \$265 million from global/international real estate and \$196 million from preferred securities. Our organic growth rate for institutional advisory accounts was 9.9% for the year ended December 31, 2020, compared with 4.7% for the year ended December 31, 2019.

Average assets under management for institutional advisory accounts for the year ended December 31, 2020 increased 6.1% to \$15.7 billion from \$14.8 billion for the year ended December 31, 2019.

Assets under management in Japan subadvisory accounts at December 31, 2020, which represented 29.2% of institutional assets under management, decreased 5.8% to \$9.7 billion from \$10.3 billion at December 31, 2019. The decrease was due to market depreciation of \$193 million and distributions of \$1.4 billion, partially offset by net inflows of \$975 million. Net inflows included \$913 million into U.S. real estate. Market depreciation included \$237 million from U.S. real estate, partially offset by market appreciation of \$41 million from global/international real estate. Distributions included \$1.4 billion from U.S. real estate. Our organic growth rate for Japan subadvisory accounts was 9.4% for the year ended December 31, 2020, compared with organic decay of 1.4% for the year ended December 31, 2019.

Average assets under management for Japan subadvisory accounts for the year ended December 31, 2020 decreased 9.4% to \$9.0 billion from \$10.0 billion for the year ended December 31, 2019.

Assets under management in institutional subadvisory accounts excluding Japan at December 31, 2020, which represented 17.8% of institutional assets under management, increased 1.5% to \$5.9 billion from \$5.8 billion at December 31, 2019. The increase was due to net inflows of \$246 million, partially offset by market depreciation of \$160 million. Net inflows included \$368 million into global/international real estate, partially offset by net outflows of \$90 million from global listed infrastructure. Market depreciation included \$109 million from global/international real estate. Our organic growth rate for institutional subadvisory accounts excluding Japan was 4.2% for the year ended December 31, 2020, compared with organic decay of 23.3% for the year ended December 31, 2019.

Average assets under management for institutional subadvisory accounts excluding Japan for the year ended December 31, 2020 decreased 6.7% to \$5.2 billion from \$5.6 billion for the year ended December 31, 2019.

Open-end funds

Assets under management in open-end funds at December 31, 2020, which represented 44.0% of total assets under management, increased 14.4% to \$35.2 billion from \$30.7 billion at December 31, 2019. The increase was due to net inflows of \$5.4 billion and market appreciation of \$405 million, partially offset by distributions of \$1.4 billion. Net inflows included \$3.0 billion into preferred securities and \$2.5 billion into U.S. real estate. Market appreciation included \$851 million from preferred securities, partially offset by market depreciation of \$260 million from U.S. real estate, \$95 million from global/international real estate and \$81 million from global listed infrastructure. Distributions included \$742 million from U.S. real

estate and \$578 million from preferred securities. Our organic growth rate for open-end funds was 17.6% for the year ended December 31, 2020, compared with 21.3% for the year ended December 31, 2019.

Average assets under management for open-end funds for the year ended December 31, 2020 increased 9.3% to \$30.2 billion from \$27.6 billion for the year ended December 31, 2019.

Closed-end funds

Assets under management in closed-end funds at December 31, 2020, which represented 14.4% of total assets under management, increased 19.2% to \$11.5 billion from \$9.6 billion at December 31, 2019. The increase was due to net inflows of \$2.6 billion, partially offset by market depreciation of \$197 million and distributions of \$517 million. Net inflows included \$2.1 billion from the Company's initial public offering of the Cohen & Steers Tax-Advantaged Preferred Securities and Income Fund (PTA) and \$526 million from the Cohen & Steers Quality Income Realty Fund, Inc. (RQI) rights offering. Our organic growth rate for closed-end funds was 26.6% for the year ended December 31, 2020, compared with organic decay of 0.9% for the year ended December 31, 2019.

Average assets under management for closed-end funds for the year ended December 31, 2020 decreased 2.6% to \$9.1 billion from \$9.4 billion for the year ended December 31, 2019.

Changes in Assets Under Management - 2019 Compared with 2018

Assets under management at December 31, 2019 increased 24.8% to \$72.2 billion from \$57.9 billion at December 31, 2018. The increase was due to net inflows of \$3.7 billion and market appreciation of \$14.6 billion, partially offset by distributions of \$4.0 billion. Net inflows included \$2.7 billion into preferred securities and \$1.9 billion into U.S. real estate, partially offset by net outflows of \$676 million from large cap value (which is included in "Other" in the table on pages 23-24). Market appreciation included \$7.3 billion from U.S. real estate, \$2.9 billion from global/international real estate, \$2.4 billion from preferred securities and \$1.5 billion from global listed infrastructure. Distributions included \$2.9 billion from U.S. real estate and \$597 million from preferred securities. Our overall organic growth rate was 6.5% for the year ended December 31, 2019, compared with organic decay of 1.8% for the year ended December 31, 2018.

Average assets under management for the year ended December 31, 2019 increased 8.2% to \$67.3 billion from \$62.2 billion for the year ended December 31, 2018.

Institutional accounts

Assets under management in institutional accounts at December 31, 2019, which represented 44.1% of total assets under management, increased 17.2% to \$31.8 billion from \$27.1 billion at December 31, 2018. The increase was due to market appreciation of \$6.9 billion, partially offset by net outflows of \$915 million and distributions of \$1.3 billion. Net outflows included \$510 million from large cap value (which is included in "Other" in the table on pages 23-24) and \$356 million from preferred securities, partially offset by net inflows of \$231 million into U.S. real estate. Market appreciation included \$3.0 billion from U.S. real estate and \$2.4 billion from global/international real estate. Distributions included \$1.2 billion from U.S. real estate. Our organic decay rate for institutional accounts was 3.4% for the year ended December 31, 2019, compared with 2.4% for the year ended December 31, 2018.

Average assets under management for institutional accounts for the year ended December 31, 2019 increased 4.9% to \$30.3 billion from \$28.9 billion for the year ended December 31, 2018.

Assets under management in institutional advisory accounts at December 31, 2019, which represented 49.3% of institutional assets under management, increased 29.9% to \$15.7 billion from \$12.1 billion at December 31, 2018. The increase was due to net inflows of \$567 million and market appreciation of \$3.0 billion. Net inflows included \$592 million into global/international real estate and \$124 million into U.S. real estate, partially offset by net outflows of \$92 million from large cap value (which is included in "Other" in the table on pages 23-24) and \$69 million from global listed infrastructure. Market appreciation included \$1.1 billion from global/international real estate, \$803 million from U.S. real estate and \$512 million from global listed infrastructure. Our organic growth rate for institutional advisory accounts was 4.7% for the year ended December 31, 2019, compared with 10.4% for the year ended December 31, 2018.

Average assets under management for institutional advisory accounts for the year ended December 31, 2019 increased 25.0% to \$14.8 billion from \$11.8 billion for the year ended December 31, 2018.

Assets under management in Japan subadvisory accounts at December 31, 2019, which represented 32.4% of institutional assets under management, increased 11.1% to \$10.3 billion from \$9.3 billion at December 31, 2018. The increase was due to market appreciation of \$2.5 billion, partially offset by net outflows of \$134 million and distributions of \$1.3 billion. Net outflows included \$180 million from preferred securities and \$104 million from global/international real estate, partially offset by net inflows of \$152 million into U.S. real estate. Market appreciation included \$1.9 billion from U.S. real estate and \$445 million from global/international real estate. Distributions included \$1.2 billion from U.S. real estate. Our organic decay rate for Japan subadvisory accounts was 1.4% for the year ended December 31, 2019, compared with 8.7% for the year ended December 31, 2018.

Average assets under management for Japan subadvisory accounts for the year ended December 31, 2019 decreased 6.2% to \$10.0 billion from \$10.6 billion for the year ended December 31, 2018.

Assets under management in institutional subadvisory accounts excluding Japan at December 31, 2019, which represented 18.3% of institutional assets under management, were \$5.8 billion at both December 31, 2019 and 2018 as net outflows were offset by market appreciation. Our organic decay rate for institutional subadvisory accounts excluding Japan was 23.3% for the year ended December 31, 2019, compared with 11.8% for the year ended December 31, 2018.

Average assets under management for institutional subadvisory accounts excluding Japan for the year ended December 31, 2019 decreased 13.7% to \$5.6 billion from \$6.5 billion for the year ended December 31, 2018.

Open-end funds

Assets under management in open-end funds at December 31, 2019, which represented 42.6% of total assets under management, increased 37.8% to \$30.7 billion from \$22.3 billion at December 31, 2018. The increase was due to net inflows of \$4.7 billion and market appreciation of \$5.9 billion, partially offset by distributions of \$2.2 billion. Net inflows included \$3.0 billion into preferred securities and \$1.7 billion into U.S. real estate. Market appreciation included \$3.7 billion from U.S. real estate and \$1.6 billion from preferred securities. Distributions included \$1.5 billion from U.S. real estate and \$478 million from preferred securities. Our organic growth rate for open-end funds was 21.3% for the year ended December 31, 2019, compared with organic decay of 1.8% for the year ended December 31, 2018.

Average assets under management for open-end funds for the year ended December 31, 2019 increased 13.7% to \$27.6 billion from \$24.3 billion for the year ended December 31, 2018.

Closed-end funds

Assets under management in closed-end funds at December 31, 2019, which represented 13.4% of total assets under management, increased 14.7% to \$9.6 billion from \$8.4 billion at December 31, 2018. The increase was due to market appreciation of \$1.8 billion, partially offset by net outflows of \$75 million related to decreases in certain funds' outstanding leverage and distributions of \$514 million. Our organic decay rate for closed-end funds was 0.9% for the year ended December 31, 2019, compared with an organic growth rate of 0.1% for the year ended December 31, 2018.

Average assets under management for closed-end funds for the year ended December 31, 2019 increased 4.1% to \$9.4 billion from \$9.0 billion for the year ended December 31, 2018.

Summary of Operating Information

	Years Ended December 31,		
	2020	2019	2018
<i>(in thousands, except percentages and per share data)</i>			
U.S. GAAP			
Revenue	\$ 427,536	\$ 410,830	\$ 381,111
Expenses ⁽¹⁾	\$ 332,479	\$ 250,696	\$ 234,073
Operating income (loss)	\$ 95,057	\$ 160,134	\$ 147,038
Non-operating income (loss)	\$ (1,670)	\$ 27,415	\$ (3,259)
Net income attributable to common stockholders	\$ 76,584	\$ 134,621	\$ 113,896
Diluted earnings per share	\$ 1.57	\$ 2.79	\$ 2.40
Operating margin	22.2 %	39.0 %	38.6 %
As Adjusted ⁽²⁾			
Net income attributable to common stockholders	\$ 125,291	\$ 124,360	\$ 113,849
Diluted earnings per share	\$ 2.57	\$ 2.57	\$ 2.40
Operating margin	39.6 %	39.6 %	39.1 %

(1) Includes expenses of \$60.6 million associated with the initial public offering of PTA for the year ended December 31, 2020.

(2) The “As Adjusted” amounts represent non-GAAP financial measures. Refer to pages 34-35 for reconciliations to the most directly comparable U.S. GAAP financial measures.

U.S. GAAP

2020 Compared with 2019

Revenue

	Years Ended December 31,			
	2020	2019	\$ Change	% Change
<i>(in thousands)</i>				
Institutional accounts	\$ 115,876	\$ 110,346	\$ 5,530	5.0 %
Open-end funds	201,135	187,730	13,405	7.1 %
Closed-end funds	78,026	80,502	(2,476)	(3.1)%
Investment advisory and administration fees	395,037	378,578	16,459	4.3 %
Distribution and service fees	30,134	30,048	86	0.3 %
Other	2,365	2,204	161	7.3 %
Total revenue	\$ 427,536	\$ 410,830	\$ 16,706	4.1 %

Revenue for the year ended December 31, 2020 increased primarily attributable to higher average assets under management in open-end funds and the recognition of \$7.7 million of performance fees from certain institutional accounts, partially offset by lower average assets under management in institutional accounts and closed-end funds.

- Total investment advisory revenue compared with average assets under management in institutional accounts implied an annual effective fee rate of 38.8 bps and 36.4 bps for the years ended December 31, 2020 and 2019, respectively. The increase in the annual effective fee rate is primarily due to higher performance fees in 2020.
- Total investment advisory and administration revenue compared with average assets under management in open-end funds implied an annual effective fee rate of 66.7 bps and 68.0 bps for the years ended December 31, 2020 and 2019, respectively. The decrease in the annual effective fee rate is primarily due to the full year impact of a reduction of the investment advisory fee rate resulting from imposition of an expense cap effective July 1, 2019 by Cohen & Steers Realty Shares, Inc.
- Total investment advisory and administration revenue compared with average assets under management in closed-end funds implied an annual effective fee rate of 85.4 bps and 85.8 bps for the years ended December 31, 2020 and 2019, respectively. In 2021, the annual effective fee rate is expected to increase as a result of the initial public offering of PTA, which concluded on October 27, 2020.

Expenses

(in thousands)	Years Ended December 31,		\$ Change	% Change
	2020	2019		
Employee compensation and benefits	\$ 156,457	\$ 143,431	\$ 13,026	9.1 %
Distribution and service fees	115,084	55,237	59,847	108.3 %
General and administrative	56,286	47,632	8,654	18.2 %
Depreciation and amortization	4,652	4,396	256	5.8 %
Total expenses	<u>\$ 332,479</u>	<u>\$ 250,696</u>	<u>\$ 81,783</u>	32.6 %

Employee compensation and benefits for the year ended December 31, 2020 increased primarily due to higher salaries of \$3.7 million, an increase in incentive compensation of \$3.4 million, an increase in severance expenses of \$1.8 million, higher payroll taxes of \$1.2 million and commissions of \$1.1 million.

Distribution and service fees expense for the year ended December 31, 2020 increased primarily due to costs associated with the initial public offering of PTA of \$57.8 million.

General and administrative expenses for the year ended December 31, 2020 increased primarily due to costs associated with the RQI rights offering of \$11.7 million, partially offset by lower travel and entertainment expenses of \$3.3 million.

Operating Margin

Operating margin for the year ended December 31, 2020 decreased to 22.2% from 39.0% for the year ended December 31, 2019. The decrease was primarily due to higher expenses associated with the initial public offering of PTA and the RQI rights offering for the year ended December 31, 2020. Operating margin represents the ratio of operating income to revenue.

Non-operating Income (Loss)

(in thousands)	Years Ended December 31,					
	2020			2019		
	Seed Investments	Other	Total	Seed Investments	Other	Total
Interest and dividend income—net	\$ 2,358	\$ 1,004	\$ 3,362	\$ 3,052	\$ 3,664	\$ 6,716
Gain (loss) from investments—net	(4,116)	—	(4,116)	21,673	—	21,673
Foreign currency gains (losses)—net	(399)	(517)	(916)	381	(1,355)	(974)
Total non-operating income (loss)	<u>\$ (2,157) ⁽¹⁾</u>	<u>\$ 487</u>	<u>\$ (1,670)</u>	<u>\$ 25,106 ⁽¹⁾</u>	<u>\$ 2,309</u>	<u>\$ 27,415</u>

(1) Seed investments included net loss of \$1.4 million and net income of \$12.4 million attributable to third-party interests for the years ended December 31, 2020 and 2019, respectively.

Income Taxes

(in thousands, except percentages)	Years Ended December 31,		\$ Change	% Change
	2020	2019		
Income tax expense	\$ 18,222	\$ 40,565	\$ (22,343)	(55.1)%
Effective tax rate	19.2 %	23.2 %		

The effective tax rate for the year ended December 31, 2020 differed from the U.S. federal statutory rate of 21.0% primarily due to state, local and foreign taxes as well as the effect of certain permanent differences, the most significant of which related to limitations on the deductibility of executive compensation. These were more than offset by discrete tax items, primarily related to the appreciated value of restricted stock units delivered in January 2020. The effective tax rate for the year ended December 31, 2019 differed from the U.S. federal statutory rate of 21.0% primarily due to state, local and foreign taxes, partially offset by the reversal of certain liabilities associated with unrecognized tax benefits, the release of a portion of the valuation allowance associated with unrealized gains on the Company's seed investments and a discrete tax item related to the appreciated value of restricted stock units delivered in January 2019.

2019 Compared with 2018

Revenue

(in thousands)	Years Ended December 31,		\$ Change	% Change
	2019	2018 ⁽¹⁾		
Institutional accounts	\$ 110,346	\$ 104,327	\$ 6,019	5.8 %
Open-end funds	187,730	168,273	19,457	11.6 %
Closed-end funds	80,502	77,270	3,232	4.2 %
Investment advisory and administration fees	378,578	349,870	28,708	8.2 %
Distribution and service fees	30,048	29,090	958	3.3 %
Other	2,204	2,151	53	2.5 %
Total revenue	<u>\$ 410,830</u>	<u>\$ 381,111</u>	<u>\$ 29,719</u>	7.8 %

(1) Amounts related to model-based portfolios were reclassified from other (previously reported as portfolio consulting and other) to investment advisory and administration fees.

Revenue for the year ended December 31, 2019 increased primarily attributable to higher average assets under management in all three investment vehicles.

- Total investment advisory revenue compared with average assets under management in institutional accounts implied an annual effective fee rate of 36.4 bps and 36.1 bps for the years ended December 31, 2019 and 2018, respectively.
- Total investment advisory and administration revenue compared with average assets under management in open-end funds implied an annual effective fee rate of 68.0 bps and 69.3 bps for the years ended December 31, 2019 and 2018, respectively. The decrease in the annual effective fee rate is primarily due to a reduction of the investment advisory fee rate and higher fund reimbursements related to the imposition of an expense cap effective July 1, 2019 by Cohen & Steers Realty Shares, Inc.
- Total investment advisory and administration revenue compared with average assets under management in closed-end funds implied an annual effective fee rate of 85.8 bps and 85.7 bps for the years ended December 31, 2019 and 2018, respectively.

Expenses

(in thousands)	Years Ended December 31,		\$ Change	% Change
	2019	2018		
Employee compensation and benefits	\$ 143,431	\$ 131,292	\$ 12,139	9.2 %
Distribution and service fees	55,237	50,043	5,194	10.4 %
General and administrative	47,632	48,265	(633)	(1.3)%
Depreciation and amortization	4,396	4,473	(77)	(1.7)%
Total expenses	<u>\$ 250,696</u>	<u>\$ 234,073</u>	<u>\$ 16,623</u>	7.1 %

Employee compensation and benefits for the year ended December 31, 2019 increased primarily due to higher incentive compensation of \$4.8 million, higher amortization of restricted stock units of \$3.5 million and higher salaries of \$2.0 million.

Distribution and service fees expense for the year ended December 31, 2019 increased primarily due to higher average assets under management in U.S. open-end funds of approximately \$3.8 million and an increase in sub-transfer agent fees on certain assets by one of the Company's intermediaries of approximately \$2.3 million, partially offset by the impact of redemptions from a higher cost intermediary of approximately \$1.0 million.

General and administrative expenses for the year ended December 31, 2019 decreased primarily due to expenses of approximately \$871,000 associated with the evaluation of a potential business transaction that the Company did not pursue that were included in the year ended December 31, 2018, partially offset by costs associated with the RQI rights offering of approximately \$346,000 as well as higher professional fees of approximately \$100,000 for the year ended December 31, 2019.

Operating Margin

Operating margin for the year ended December 31, 2019 increased to 39.0% from 38.6% for the year ended December 31, 2018.

Non-operating Income (Loss)

	Years Ended December 31,					
	2019			2018		
	Seed Investments	Other	Total	Seed Investments	Other	Total
(in thousands)						
Interest and dividend income—net . . .	\$ 3,052	\$ 3,664	\$ 6,716	\$ 6,754	\$ 3,672	\$ 10,426
Gain (loss) from investments—net . . .	21,673	—	21,673	(14,264)	—	(14,264)
Foreign currency gains (losses)—net . .	381	(1,355)	(974)	(1,702)	2,281	579
Total non-operating income (loss) . .	<u>\$ 25,106</u> ⁽¹⁾	<u>\$ 2,309</u>	<u>\$ 27,415</u>	<u>\$ (9,212)</u> ⁽¹⁾	<u>\$ 5,953</u>	<u>\$ (3,259)</u>

(1) Amounts included net income of \$12.4 million and net loss of \$4.4 million attributable to third-party interests for the years ended December 31, 2019 and 2018, respectively.

Income Taxes

	Years Ended December 31,			
	2019	2018	\$ Change	% Change
(in thousands, except percentages)				
Income tax expense	\$ 40,565	\$ 34,257	\$ 6,308	18.4 %
Effective tax rate	23.2 %	23.1 %		

The effective tax rate for the year ended December 31, 2019 differed from the U.S. federal statutory rate of 21.0% primarily due to state, local and foreign taxes, partially offset by the reversal of certain liabilities associated with unrecognized tax benefits, the release of a portion of the valuation allowance associated with unrealized gains on the Company's seed investments and a discrete tax item related to the appreciated value of restricted stock units delivered in January 2019. The effective tax rate for the year ended December 31, 2018 differed from the U.S. federal statutory rate of 21.0% primarily due to state, local and foreign taxes, partially offset by the reversal of certain liabilities associated with unrecognized tax benefits, a discrete tax item related to the appreciated value of restricted stock units delivered in January 2018 and an adjustment to the Company's transition tax liability in connection with the Tax Cuts and Jobs Act (the Tax Act).

As Adjusted

The term “As Adjusted” is used to identify non-GAAP financial information in the discussion below. Refer to pages 34-35 for reconciliations to the most directly comparable U.S. GAAP financial measures.

2020 Compared with 2019

Revenue

Revenue, as adjusted, for the year ended December 31, 2020 was \$427.8 million, compared with \$410.4 million for the year ended December 31, 2019.

Revenue, as adjusted, excluded the consolidation of certain of our seed investments for both years.

Expenses

Expenses, as adjusted, for the year ended December 31, 2020 were \$258.4 million, compared with \$247.7 million for the year ended December 31, 2019.

Expenses, as adjusted, excluded the following:

- The consolidation of certain of our seed investments for both years;
- Amounts related to the accelerated vesting of certain restricted stock units for both years;
- Costs associated with the initial public offering of PTA for the year ended December 31, 2020;
- Costs associated with the RQI rights offering for both years; and
- Other non-recurring expenses for the year ended December 31, 2020.

Operating Margin

Operating margin, as adjusted, was 39.6% for both years ended December 31, 2020 and 2019.

Non-operating Income

Non-operating income, as adjusted, for the year ended December 31, 2020 was \$1.4 million, compared with \$4.2 million for the year ended December 31, 2019.

Non-operating income, as adjusted, excluded the following for both years:

- Results from our seed investments; and
- Net foreign currency exchange gains and losses associated with U.S. dollar-denominated assets held by certain foreign subsidiaries.

Income Taxes

The effective tax rate, as adjusted, for the year ended December 31, 2020 was 26.7%, compared with 25.5% for the year ended December 31, 2019.

The effective tax rate, as adjusted, excluded the tax effects associated with non-GAAP adjustments as well as discrete tax items for both years.

2019 Compared with 2018

Revenue

Revenue, as adjusted, for the year ended December 31, 2019 was \$410.4 million, compared with \$380.4 million for the year ended December 31, 2018.

Revenue, as adjusted, excluded the consolidation of certain of our seed investments for both years.

Expenses

Expenses, as adjusted, for the year ended December 31, 2019 were \$247.7 million, compared with \$231.8 million for the year ended December 31, 2018.

Expenses, as adjusted, excluded the following:

- The consolidation of certain of our seed investments for both years;
- Amounts related to the accelerated vesting of certain restricted stock units for the year ended December 31, 2019;
- Costs associated with the RQI rights offering for the year ended December 31, 2019; and
- Expenses associated with the evaluation of a potential business transaction that we did not pursue for the year ended December 31, 2018.

Operating Margin

Operating margin, as adjusted, for the year ended December 31, 2019 was 39.6%, compared with 39.1% for the year ended December 31, 2018.

Non-operating Income

Non-operating income, as adjusted, for the year ended December 31, 2019 was \$4.2 million, compared with \$3.7 million for the year ended December 31, 2018.

Non-operating income, as adjusted, excluded the following for both years:

- Results from our seed investments; and
- Net foreign currency exchange gains and losses associated with U.S. dollar-denominated assets held by certain foreign subsidiaries.

Income Taxes

The effective tax rate, as adjusted, for the year ended December 31, 2019 was 25.5%, compared with 25.3% for the year ended December 31, 2018.

The effective tax rate, as adjusted, excluded the tax effects associated with non-GAAP adjustments as well as discrete tax items for both years.

Non-GAAP Reconciliations

Management believes that use of these non-GAAP financial measures enhances the evaluation of our results, as they provide greater transparency into our operating performance. In addition, these non-GAAP financial measures are used to prepare our internal management reports and are used by management in evaluating our business.

While we believe that this non-GAAP financial information is useful in evaluating our results and operating performance, this information should be considered as supplemental in nature and not as a substitute for the related financial information prepared in accordance with U.S. GAAP.

Reconciliation of U.S. GAAP Net Income Attributable to Common Stockholders and U.S. GAAP Earnings per Share to Net Income Attributable to Common Stockholders, As Adjusted, and Earnings per Share, As Adjusted

	Years Ended December 31,		
	2020	2019	2018
<i>(in thousands, except per share data)</i>			
Net income attributable to common stockholders, U.S. GAAP	\$ 76,584	\$ 134,621	\$ 113,896
Seed investments ⁽¹⁾	1,443	(11,858)	5,552
Accelerated vesting of restricted stock units	774	1,344	—
Initial public offering costs ⁽²⁾	60,559	—	—
Rights offering costs ⁽³⁾	11,859	346	—
Other non-recurring expenses ⁽⁴⁾	500	—	871
Foreign currency exchange (gains) losses—net ⁽⁵⁾	871	1,909	(2,270)
Tax adjustments ⁽⁶⁾	(27,299)	(2,002)	(4,200)
Net income attributable to common stockholders, as adjusted	<u>\$ 125,291</u>	<u>\$ 124,360</u>	<u>\$ 113,849</u>
Diluted weighted average shares outstanding	48,676	48,297	47,381
Diluted earnings per share, U.S. GAAP	\$ 1.57	\$ 2.79	\$ 2.40
Seed investments	0.03	(0.25)	0.12
Accelerated vesting of restricted stock units	0.02	0.02	—
Initial public offering costs	1.24	—	—
Rights offering costs	0.24	0.01	—
Other non-recurring expenses	0.01	—	0.02
Foreign currency exchange (gains) losses—net	0.02	0.04	(0.05)
Tax adjustments	(0.56)	(0.04)	(0.09)
Diluted earnings per share, as adjusted	<u>\$ 2.57</u>	<u>\$ 2.57</u>	<u>\$ 2.40</u>

(1) Represents amounts related to the deconsolidation of seed investments in Company-sponsored funds as well as non-operating (income) loss from seed investments that were not consolidated.

(2) Represents costs associated with the initial public offering of PTA. Costs are summarized in the following table:

Employee compensation and benefits	\$ 1,317	\$ —	\$ —
Distribution and service fees	57,818	—	—
General and administrative	1,424	—	—
Initial public offering costs	<u>\$ 60,559</u>	<u>\$ —</u>	<u>\$ —</u>

(3) Represents costs associated with the RQI rights offering which were recorded in general and administrative expense in 2020 and 2019.

(4) Represents non-recurring expenses which were recorded in distribution and service fees in 2020 and expenses associated with the evaluation of a potential business transaction that the Company did not pursue which were recorded in general and administrative expense in 2018.

(5) Represents net foreign currency exchange (gains) losses associated with U.S. dollar-denominated assets held by certain foreign subsidiaries.

(6) Tax adjustments are summarized in the following table:

Discrete tax items	\$ (10,180)	\$ (2,040)	\$ (4,417)
Tax-effect of non-GAAP adjustments	(17,119)	38	217
Total tax adjustments	<u>\$ (27,299)</u>	<u>\$ (2,002)</u>	<u>\$ (4,200)</u>

Reconciliation of U.S. GAAP Operating Income and U.S. GAAP Operating Margin to Operating Income, As Adjusted and Operating Margin, As Adjusted

	Years Ended December 31,		
	2020	2019	2018
<i>(in thousands, except percentages)</i>			
Revenue, U.S. GAAP	\$ 427,536	\$ 410,830	\$ 381,111
Seed investments ⁽¹⁾	281	(438)	(694)
Revenue, as adjusted	\$ 427,817	\$ 410,392	\$ 380,417
Expenses, U.S. GAAP	\$ 332,479	\$ 250,696	\$ 234,073
Seed investments ⁽¹⁾	(424)	(1,323)	(1,408)
Accelerated vesting of restricted stock units	(774)	(1,344)	—
Initial public offering costs ⁽²⁾	(60,559)	—	—
Rights offering costs ⁽³⁾	(11,859)	(346)	—
Other non-recurring expenses ⁽⁴⁾	(500)	—	(871)
Expenses, as adjusted	\$ 258,363	\$ 247,683	\$ 231,794
Operating income, U.S. GAAP	\$ 95,057	\$ 160,134	\$ 147,038
Seed investments ⁽¹⁾	705	885	714
Accelerated vesting of restricted stock units	774	1,344	—
Initial public offering costs ⁽²⁾	60,559	—	—
Rights offering costs ⁽³⁾	11,859	346	—
Other non-recurring expenses ⁽⁴⁾	500	—	871
Operating income, as adjusted	\$ 169,454	\$ 162,709	\$ 148,623
Operating margin, U.S. GAAP	22.2 %	39.0 %	38.6 %
Operating margin, as adjusted	39.6 %	39.6 %	39.1 %

(1) Represents amounts related to the deconsolidation of seed investments in Company-sponsored funds.

(2) Represents costs associated with the initial public offering of PTA. Costs are summarized in the following table:

Employee compensation and benefits	\$ 1,317	\$ —	\$ —
Distribution and service fees	57,818	—	—
General and administrative	1,424	—	—
Initial public offering costs	\$ 60,559	\$ —	\$ —

(3) Represents costs associated with the RQI rights offering which were recorded in general and administrative expense in 2020 and 2019.

(4) Represents non-recurring expenses which were recorded in distribution and service fees in 2020 and expenses associated with the evaluation of a potential business transaction that the Company did not pursue which were recorded in general and administrative expense in 2018.

Reconciliation of U.S. GAAP Non-operating Income (Loss) to Non-operating Income (Loss), As Adjusted

	Years Ended December 31,		
	2020	2019	2018
<i>(in thousands)</i>			
Non-operating income (loss), U.S. GAAP	\$ (1,670)	\$ 27,415	\$ (3,259)
Seed investments ⁽¹⁾	2,157	(25,106)	9,212
Foreign currency exchange (gains) losses—net ⁽²⁾	871	1,909	(2,270)
Non-operating income (loss), as adjusted	\$ 1,358	\$ 4,218	\$ 3,683

(1) Represents amounts related to the deconsolidation of seed investments in Company-sponsored funds as well as non-operating (income) loss from seed investments that were not consolidated.

(2) Represents net foreign currency exchange (gains) losses associated with U.S. dollar-denominated assets held by certain foreign subsidiaries.

Changes in Financial Condition, Liquidity and Capital Resources

Our principal objectives are to maintain a capital structure that supports our business strategies and to maintain the appropriate amount of liquidity at all times. Furthermore, we currently expect cash flows from operations to be more than adequate to fund our present and reasonably foreseeable future commitments for investing and financing activities.

Net Liquid Assets

Our current financial condition is highly liquid, primarily comprising cash and cash equivalents, U.S. Treasury securities, seed investments and other current assets. Liquid assets are reduced by current liabilities, which are generally defined as obligations due within one year (together, net liquid assets). The Company does not currently have any outstanding debt.

The table below summarizes net liquid assets:

<i>(in thousands)</i>	December 31, 2020	December 31, 2019
Cash and cash equivalents	\$ 41,232	\$ 101,352
U.S. Treasury securities	41,648	49,807
Seed investments—net	60,083	53,130
Current assets	70,208	59,927
Current liabilities	(93,870)	(85,274)
Net liquid assets	<u>\$ 119,301</u>	<u>\$ 178,942</u>

Cash and cash equivalents

Cash and cash equivalents are on deposit with several highly rated financial institutions and include short-term, highly-liquid investments, which are readily convertible into cash and have original maturities of three months or less. The decrease in cash and cash equivalents compared with 2019 was primarily due to the payment of expenses of \$60.6 million associated with the initial public offering of PTA and \$12.0 million associated with the RQI rights offering. Cash and cash equivalents reflected special cash dividends of \$1.00 per share, or \$47.8 million, and \$2.00 per share, or \$94.5 million, paid on December 3, 2020 and 2019, respectively.

U.S. Treasury securities

U.S. Treasury securities are directly issued by the U.S. government and classified as held to maturity, with original maturities ranging from 6 to 24 months.

Seed investments—net

Seed investments are primarily comprised of investments in Company-sponsored funds that we do not consolidate, our pro-rata share of the net assets of the funds that we do consolidate, and listed securities held for the purpose of establishing performance track records. Seed investments are recorded at fair value, are generally traded in active markets on major exchanges and can typically be liquidated within a normal settlement cycle. Seed investments are presented net of redeemable noncontrolling interests.

Current assets

Current assets primarily represent investment advisory and administration fees receivable. At December 31, 2020, institutional accounts comprised 55.6% of total accounts receivable, while open-end and closed-end funds, together, comprised 44.0% of total accounts receivable. We perform a review of our receivables on an ongoing basis in order to assess collectibility and, based on our analysis at December 31, 2020, there was no allowance for uncollectible accounts required.

Current liabilities

Current liabilities are generally defined as obligations due within one year, which include accrued compensation, distribution and service fees payable, operating lease payments, certain income taxes payable, and other liabilities and accrued expenses.

Cash flows

Our cash flows generally result from the operating activities of our business, with investment advisory and administration fees being the most significant contributor.

The table below summarizes cash flows:

<i>(in thousands)</i>	Years Ended December 31,		
	2020	2019	2018
Cash Flow Data:			
Net cash provided by (used in) operating activities	\$ 89,186	\$ 141,445	\$ 72,598
Net cash provided by (used in) investing activities	(1,770)	35,949	(53,194)
Net cash provided by (used in) financing activities	(148,895)	(170,130)	(118,110)
Net increase (decrease) in cash and cash equivalents	(61,479)	7,264	(98,706)
Effect of foreign exchange rate changes on cash and cash equivalents	1,359	1,355	(2,013)
Cash and cash equivalents, beginning of the period	101,352	92,733	193,452
Cash and cash equivalents, end of the period	<u>\$ 41,232</u>	<u>\$ 101,352</u>	<u>\$ 92,733</u>

We expect that cash flows provided by operating activities will continue to serve as our principal source of working capital in the near future.

In 2020, cash and cash equivalents decreased by \$61.5 million, excluding the effect of foreign exchange rate changes. The decrease in cash was primarily due to the payment of expenses of \$60.6 million associated with the initial public offering of PTA and \$12.0 million associated with the RQI rights offering for the year ended December 31, 2020. Net cash provided by operating activities was \$89.2 million. Cash flows from operating activities primarily consisted of net income adjusted for certain non-cash items and changes in assets and liabilities. Net cash used in investing activities was \$1.8 million, which included \$71.0 million of investment purchases, partially offset by \$71.7 million of proceeds from the sales and maturities of investments. Sales and maturities of investments included maturities of U.S. Treasury securities of \$58.4 million. Purchases of investments included purchases of U.S. Treasury securities of \$50.0 million. Net cash used in financing activities was \$148.9 million, including dividends paid to stockholders of \$122.5 million, which included a special dividend of \$47.8 million paid on December 1, 2020, repurchases of common stock to satisfy employee withholding tax obligations on the vesting and delivery of restricted stock units of \$25.9 million, as well as distributions to redeemable noncontrolling interests of \$6.0 million, partially offset by contributions from redeemable noncontrolling interests of \$4.7 million.

In 2019, cash and cash equivalents increased by \$7.3 million, excluding the effect of foreign exchange rate changes. Net cash provided by operating activities was \$141.4 million. Cash flows from operating activities primarily consisted of net income adjusted for certain non-cash items and changes in assets and liabilities. Net cash provided by investing activities was \$35.9 million, which included \$89.6 million of proceeds from the sales and maturities of investments, partially offset by \$50.9 million of investment purchases. Sales and maturities of investments included maturities of U.S. Treasury securities of \$33.3 million and sales of Company-sponsored funds of \$37.3 million. Purchases of investments included purchases of U.S. Treasury securities of \$32.9 million. Net cash used in financing activities was \$170.1 million, including dividends paid to stockholders of \$162.7 million, which included a special dividend of \$94.5 million paid on December 3, 2019, repurchases of common stock to satisfy employee withholding tax obligations on the vesting and delivery of restricted stock units of \$10.4 million, as well as distributions to redeemable noncontrolling interests of \$43.5 million, partially offset by contributions from redeemable noncontrolling interests of \$45.7 million.

In 2018, cash and cash equivalents decreased by \$98.7 million, excluding the effect of foreign exchange rate changes. Net cash provided by operating activities was \$72.6 million. Cash flows from operating activities primarily consisted of net income adjusted for certain non-cash items and changes in assets and liabilities. Net cash used in investing activities was \$53.2 million, which included \$63.6 million of investment purchases, including the seeding of five new track record accounts and investment of \$49.5 million into U.S. Treasury securities, partially offset by \$13.8 million of proceeds from the sale of investments. Net cash used in financing activities was \$118.1 million, including dividends paid to stockholders of \$178.9 million, which included a special dividend of \$116.9 million paid on December 3, 2018, repurchases of common stock to satisfy employee withholding tax obligations on the vesting and delivery of restricted stock units of \$10.6 million, as well as distributions to redeemable noncontrolling interests of \$10.9 million, partially offset by contributions from redeemable noncontrolling interests of \$81.6 million.

Net Capital Requirements

We continually monitor and evaluate the adequacy of our capital. We have consistently maintained net capital in excess of the regulatory requirements for Cohen & Steers Securities, LLC (CSS), our registered broker-dealer, as prescribed by the Securities and Exchange Commission (SEC). At December 31, 2020, CSS had net capital of approximately \$4.3 million, which exceeded its minimum regulatory capital requirement by approximately \$4.1 million. The SEC's Uniform Net Capital Rule 15c3-1 imposes certain requirements that may have the effect of prohibiting a broker-dealer from distributing or withdrawing capital and requiring prior notice to the SEC for certain withdrawals of capital. During 2020, Cohen & Steers Capital Management, Inc. (CSCM), its parent, made a capital contribution of \$2.0 million to CSS.

Cohen & Steers Asia Limited (CSAL) is subject to regulation by the Hong Kong Securities and Futures Commission. At December 31, 2020, CSAL had regulatory capital of approximately \$5.0 million, which exceeded its minimum regulatory capital requirement by approximately \$4.6 million. During 2020, CSAL paid dividends in the amount of approximately \$12.9 million to its parent, CSCM.

Cohen & Steers UK Limited (CSUK) is subject to regulation by the United Kingdom Financial Conduct Authority. At December 31, 2020, CSUK had regulatory capital of approximately \$28.9 million, which exceeded its minimum regulatory capital requirement by approximately \$23.6 million. During 2020, CSUK paid a dividend in the amount of approximately \$14.8 million to its parent, Cohen & Steers, Inc. (CNS).

Cohen & Steers Ireland Limited (CSIL) is subject to regulation by the Central Bank of Ireland. At December 31, 2020, CSIL had regulatory capital of approximately \$2.9 million, which exceeded its minimum regulatory capital requirement by approximately \$2.6 million. During 2020, CNS, its parent, made a capital contribution of \$2.9 million to CSIL.

CSJL is registered with the Financial Services Agency of Japan and the Kanto Local Finance Bureau and is subject to the Financial Instruments and Exchange Act. In accordance with its license, CSJL is required to maintain regulatory capital, as defined, of approximately \$630,000. At December 31, 2020, CSJL had stated capital in excess of this requirement.

We believe that our cash and cash equivalents and cash flows from operations will be more than adequate to meet our anticipated capital requirements and other obligations as they become due.

Dividends

Subject to the approval of our Board of Directors, we anticipate paying dividends. When determining whether to pay a dividend, we take into account general economic and business conditions, our strategic plans, our results of operations and financial condition, contractual, legal and regulatory restrictions on the payment of dividends, if any, by us and our subsidiaries and such other factors deemed relevant.

On February 25, 2021, the Company declared a quarterly dividend on its common stock in the amount of \$0.45 per share. This dividend will be payable on March 18, 2021 to stockholders of record at the close of business on March 8, 2021.

Investment Commitments

We have committed to co-invest up to \$5.1 million alongside Cohen & Steers Global Realty Partners III-TE, L.P. (GRP-TE). At December 31, 2020, we have funded approximately \$3.8 million of this commitment. Our co-investment alongside GRP-TE is illiquid and is anticipated to be invested for the life of the fund. The timing of the funding of the unfunded portion of our commitment is currently unknown, as the drawdown of our commitment is contingent on the timing of drawdowns by the underlying funds in which GRP-TE invests. The unfunded portion of this commitment is not recorded on our consolidated statements of financial condition.

Contractual Obligations and Contingencies

The following table summarizes our contractual obligations at December 31, 2020:

<i>(in thousands)</i>	2021	2022	2023	2024	2025	2026 and after	Total
Operating leases	\$ 12,173	\$ 11,875	\$ 11,428	\$ 966	\$ —	\$ —	\$ 36,442
Purchase obligations	2,405	1,845	1,026	699	677	339	6,991
Other liability	665	665	1,246	1,662	2,077	—	6,315
Total	<u>\$ 15,243</u>	<u>\$ 14,385</u>	<u>\$ 13,700</u>	<u>\$ 3,327</u>	<u>\$ 2,754</u>	<u>\$ 339</u>	<u>\$ 49,748</u>

Operating Leases

Operating leases generally consist of noncancellable long-term leases for office space and certain information technology equipment.

Purchase Obligations

Purchase obligations represent executory contracts, which are either noncancellable or cancellable with a penalty. The Company's obligations primarily reflected standard service contracts for market data.

Other Liability

Other liability consists of the transition tax liability based on the cumulative undistributed earnings and profits of our foreign subsidiaries in connection with the enactment of the Tax Act in 2017. This tax liability, paid over eight years on an interest-free basis, is included as part of income tax payable on our consolidated statement of financial condition.

Contingencies

Due to the uncertainty with respect the timing of future cash flows associated with unrecognized tax benefits at December 31, 2020, the Company is unable to make reasonably reliable estimates of the period of cash settlement with the respective taxing authorities. Therefore, \$13.6 million of gross unrecognized tax benefits have been excluded from the contractual obligations table above. See Note 14 to the consolidated financial statements for additional disclosures related to income taxes.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements that have, or are reasonably likely to have, a material current or future effect on our financial condition, results of operations, liquidity or capital resources.

Critical Accounting Policies and Estimates

A thorough understanding of our accounting policies is essential when reviewing our reported results of operations and our financial condition. The preparation of our consolidated financial statements in accordance with accounting principles generally accepted in the United States of America requires us to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the dates of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting periods. Management believes the estimates used in preparing the consolidated financial statements are reasonable and prudent. Actual results could differ from those estimates due to factors we cannot fully predict including the extent of the impact on the Company's business from the ongoing COVID-19 pandemic.

Our significant accounting policies are disclosed in Note 2 to the consolidated financial statements and should be read in conjunction with the summarized information below. Management considers the following accounting policies critical to an informed review of our consolidated financial statements as they require management to make certain judgments about matters that may be uncertain at the time the policies were applied or the estimates determined.

Consolidation of Company-sponsored Funds

The Company evaluates its investments in Company-sponsored funds at inception and thereafter, if there is a reconsideration event, in order to determine whether to apply the variable interest entity (VIE) model or the voting interest entity (VOE) model. This evaluation involves the use of judgment and analysis on an entity by entity basis. In performing

this analysis, we consider the legal structure of the entity, management fees earned by the Company and the nature of the ownership interest and rights of interest holders in the entity, including the Company. If we determine that the entity is a VIE, we must then assess whether the Company absorbs a majority of the VIEs expected variability in which case it is deemed to be the primary beneficiary of the VIE. The Company consolidates VIEs for which it is deemed to be the primary beneficiary. The Company consolidates VIEs if we own a majority of the voting interest in the entity or when the Company is the general partner of the fund and the limited partners do not have substantive kick-out or participating rights. Amounts attributable to third parties in the funds that we consolidate are recorded in redeemable noncontrolling interests on the consolidated statements of financial condition and net (income) loss attributable to redeemable noncontrolling interests on the consolidated statements of operations.

Investments

Our investments are classified as equity investments at fair value, trading investments, held-to-maturity investments or equity method investments at the time of purchase and re-evaluated on an ongoing basis and at the date of each consolidated statement of financial condition. Investments classified as equity investments at fair value represent equity securities held within the consolidated Company-sponsored funds, individual equity securities held directly for the purposes of establishing performance track records and seed investments in Company-sponsored open-end funds where the Company has neither control nor the ability to exercise significant influence. Investments classified as trading investments represent debt securities held within the consolidated Company-sponsored funds and individual debt securities held directly for the purposes of establishing performance track records. Held-to-maturity investments represent corporate investments in U.S. Treasury securities recorded at amortized cost. Equity method investments represent seed investments in Company-sponsored funds in which the Company owns between 20-50% of the outstanding voting interests or when it is determined that the Company is able to exercise significant influence but not control over the investments.

Fair Value

The majority of our investments are carried at fair value or amounts that approximate fair value on our consolidated statement of financial condition with the periodic mark-to-market included directly in earnings. Fair value is the price that would be received to sell an asset or transfer a liability in an orderly transaction between market participants at the measurement date. Assets and liabilities reported at fair value are classified and disclosed in a fair value hierarchy based on whether the inputs to the valuation techniques are observable or unobservable. The classification within the hierarchy is determined based on the lowest level of input that is significant to the fair value measurement:

Level 1 - Unadjusted quoted prices for identical instruments in active markets.

Level 2 - Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs and significant value drivers are observable.

Level 3 - Valuations derived from valuation techniques in which significant inputs or significant value drivers are unobservable.

Income Taxes

We operate globally through our subsidiaries and therefore must allocate our income, expenses, and earnings taking into account various laws and regulations. Our tax provision represents an estimate of the total liability that we have incurred as a result of our operations. Each year we file tax returns and settle our tax liabilities which may be subject to audit by the taxing authorities. The determination of our annual provision is subject to judgments and estimates and the actual results may vary from the amounts reported in our consolidated financial statements. Accordingly, we recognize additions to, or reductions of, income tax expense during reporting periods that may pertain to prior period provisions as our estimated liabilities are revised and actual tax returns and audits, if any, are settled. Such adjustments are recognized in the discrete quarterly period in which they are determined.

In addition, we record current and deferred tax consequences of all transactions that have been recognized in the consolidated financial statements in accordance with the provisions of the enacted tax laws. Deferred tax assets are recognized for temporary differences that will result in deductible amounts in future years at tax rates that are expected to apply in those years. Deferred tax liabilities are recognized for temporary differences that will result in taxable income in future years at tax rates that are expected to apply in those years. We record a valuation allowance, when necessary, to reduce deferred tax assets to an amount that more likely than not will be realized.

The calculation of our tax liabilities involves uncertainties in the application of complex tax laws and regulations in several jurisdictions across our global operations. In accordance with Accounting Standards Codification Topic 740, *Income*

Taxes (ASC 740), a tax benefit from an uncertain tax position may be recognized when it is more likely than not that the position will be sustained upon examination, including resolutions of any related appeals or litigation processes, on the basis of the technical merits.

We record unrecognized tax benefits as liabilities in accordance with ASC 740 and adjust these liabilities when our judgment changes as a result of the evaluation of new information not previously available. Because of the complexity of some of these uncertainties, the ultimate resolution may differ from our current estimate of the unrecognized tax benefit liabilities. These differences are reflected as increases or decreases in income tax expense in the period in which new information becomes available.

Recently Issued Accounting Pronouncements

See discussion of Recently Issued Accounting Pronouncements in Note 2 of the consolidated financial statements.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

In the normal course of our business, we are exposed to risk as a result of changes in interest and currency rates, securities markets and general economic fluctuations, which may have an adverse impact on the value of our investments. While markets have recovered since the first quarter of 2020, the impact and ongoing uncertainty related to the COVID-19 pandemic continued into the end of 2020.

Seed Investments—net

Our seed investments are primarily comprised of investments in Company-sponsored funds that we do not consolidate, our pro-rata share of the net assets of the funds that we do consolidate, and listed securities held for the purpose of establishing performance track records. Seed investments are recorded at fair value, are generally traded in active markets on major exchanges and can typically be liquidated within a normal settlement cycle.

Our seed investments are subject to price risk. We may mitigate this by entering into derivative contracts to economically hedge a portion of our risk. The following table summarizes the effect that a ten percent increase or decrease in prices would have on the carrying value of our seed investments, which are presented net of redeemable noncontrolling interests, as of December 31, 2020 (in thousands):

	Carrying Value	Notional Value - Hedges	Net Carrying Value	Net Carrying Value Assuming a 10% increase	Net Carrying Value Assuming a 10% decrease
Seed investments—net	\$ 60,083	\$ (27,286)	\$ 32,797	\$ 36,077	\$ 29,517

A majority of our revenue—92.4%, 92.1% and 91.8% for the years ended December 31, 2020, 2019 and 2018, respectively—was derived from investment advisory and administration agreements with our clients. Under these agreements, the investment advisory and administration fee we receive is based on the market value of the assets we manage. Accordingly, a decline in the prices of securities generally, and real estate securities in particular, attributable to market conditions including inflation, interest rate changes and a general economic downturn, may cause our revenue and income to decline by causing the value of the assets we manage to decrease, which would result in lower investment advisory and administration fees; or by causing our clients to withdraw funds in favor of investments that they perceive as offering greater opportunity or lower risk or cost, which would also result in lower investment advisory and administration fees.

The economic environment may also preclude us from increasing the assets we manage in closed-end funds. The market conditions for these offerings may not be as favorable in the future, which could adversely impact our ability to grow the assets we manage and realize higher fee revenue associated with such growth. Depending on market conditions, the closed-end funds we manage may increase or decrease their leverage in order to maintain the funds' target leverage ratios, thereby increasing or decreasing the assets we manage.

As of December 31, 2020, 60.1% and 29.0% of the assets we managed were concentrated in real estate and preferred securities, respectively. A change in interest rates or prolonged economic downturn could have a negative impact on the valuation of real estate and preferred securities in our clients' portfolios, reduce our revenue, and impact our ability to increase assets in our open-end funds or offer new funds.

Item 8. Financial Statements and Supplementary Data

The report of our independent registered public accounting firm and financial statements listed in the accompanying index are included in Item 15 of this Annual Report on Form 10-K. See the Index to Financial Statements on page F-1.

Item 9. Changes in and Disagreements With Accountants on Accounting and Financial Disclosure

There have been no disagreements on accounting and financial disclosure matters.

Item 9A. Controls and Procedures

We maintain disclosure controls and procedures (as that term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the Exchange Act)) that are designed to ensure that information required to be disclosed in our reports under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms, and that such information is accumulated and communicated to our management, including our Acting Chief Executive Officer and our Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosures. Any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives.

Our management, including our Acting Chief Executive Officer and our Chief Financial Officer, has evaluated the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Exchange Act) as of December 31, 2020. Based on that evaluation and subject to the foregoing, our Acting Chief Executive Officer and our Chief Financial Officer have concluded that our disclosure controls and procedures as of December 31, 2020 were effective to accomplish their objectives at a reasonable assurance level.

There has been no change in our internal control over financial reporting that occurred during the three months ended December 31, 2020 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting. We have not experienced any material impact to our internal control over financial reporting related to the COVID-19 pandemic.

Management's report on internal control over financial reporting is located on page F-2 of this Annual Report on Form 10-K and Deloitte & Touche LLP's report on the effectiveness of our internal control over financial reporting is located on page F-3.

Item 9B. Other Information

None.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

The information regarding directors and executive officers set forth under the headings “Nominee Information” and “Other Executive Officers” of the Proxy Statement is incorporated by reference herein.

The information regarding our Code of Business Conduct and Ethics and committees of our Board of Directors under the headings “Corporate Governance” and “Board Meetings and Committees” in the Proxy Statement is incorporated by reference herein.

Item 11. Executive Compensation

The information contained under the headings “Executive Compensation”, “Board Meetings and Committees” and “Report of the Compensation Committee” of the Proxy Statement is incorporated by reference herein.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The information under the headings “Ownership of Cohen & Steers Common Stock” and “Equity Compensation Plan Information” of the Proxy Statement is incorporated by reference herein.

Item 13. Certain Relationships and Related Transactions, and Director Independence

The information under the headings “Certain Relationships and Related Transactions” and “Corporate Governance” of the Proxy Statement is incorporated by reference herein.

Item 14. Principal Accountant Fees and Services

The information regarding our independent registered public accounting firm fees and services set forth under the heading “Ratification of the Appointment of Independent Registered Public Accounting Firm” of the Proxy Statement is incorporated by reference herein.

PART IV

Item 15. Exhibits and Financial Statement Schedules

- (a) 1 Financial Statements
Included herein at pages F-1 through F-32.
- 2 Financial Data Schedules
All schedules have been omitted because they are not applicable, not required, or the information required is included in the financial statements or notes thereto.
- 3 Exhibits

The agreements and other documents filed as exhibits to this report are not intended to provide factual information or other disclosure other than with respect to the terms of the agreements or other documents themselves, and you should not rely on them for that purpose. In particular, any representations and warranties made by us in these agreements or other documents were made solely within the specific context of the relevant agreement or document and may not describe the actual state of affairs as of the date they were made or at any other time.

Exhibit Number	Description
3.1	— Form of Amended and Restated Certificate of Incorporation of the Company (1)
3.2	— Form of Amended and Restated Bylaws of the Company (2)
4.1	— Specimen Common Stock Certificate (6)
4.2	— Form of Registration Rights Agreement among the Company, Martin Cohen, Robert H. Steers, The Martin Cohen 1998 Family Trust and Robert H. Steers Family Trust (1)
4.3	— Description of the Registrant's Securities (9)
10.1	— Form of Employment Agreement between Cohen & Steers Capital Management, Inc. and Robert H. Steers* (1)
10.2	— Amended and Restated Cohen & Steers, Inc. Stock Incentive Plan* (7)
10.3	— Amended and Restated Cohen & Steers, Inc. Annual Incentive Plan* (3)
10.4	— Amended and Restated Cohen & Steers, Inc. Employee Stock Purchase Plan* (3)
10.5	— Form of Restricted Stock Unit Agreement for the issuance of awards pursuant to the Amended and Restated Cohen & Steers, Inc. Stock Incentive Plan* (4)
10.6	— Amendment to Employment Agreement between Cohen & Steers Capital Management, Inc. and Robert H. Steers* (5)
10.7	— Form of Mandatory Deferral Program Restricted Stock Unit Agreement for the issuance of awards pursuant to the Amended and Restated Cohen & Steers, Inc. Stock Incentive Plan (8)
21.1	— Subsidiaries of the Company (filed herewith)
23.1	— Consent of Deloitte & Touche LLP (filed herewith)
24.1	— Powers of Attorney (included on signature page hereto)
31.1	— Certification of the Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed herewith)
31.2	— Certification of the Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed herewith)
32.1	— Certification of the Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (furnished herewith)
32.2	— Certification of the Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (furnished herewith)
101	— The following financial statements from the Company's Annual Report on Form 10-K for the year ended December 31, 2020 formatted in Inline XBRL (eXtensible Business Reporting Language): (i) the Consolidated Statements of Financial Condition, (ii) the Consolidated Statements of Operations, (iii) the Consolidated Statements of Comprehensive Income, (iv) the Consolidated Statements of Changes in Stockholders' Equity and Redeemable Noncontrolling Interests, (v) the Consolidated Statements of Cash Flows, and (vi) the Notes to the Consolidated Financial Statements.
104	— Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

- (1) Incorporated by reference to the Company's Registration Statement on Form S-1, as amended, originally filed with the Securities and Exchange Commission on March 30, 2004.
- (2) Incorporated by reference to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2008.
- (3) Incorporated by reference to the Company's Current Report on Form 8-K filed on May 13, 2013.
- (4) Incorporated by reference to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2015.
- (5) Incorporated by reference to the Company's Annual Report on Form 10-K for the year ended December 31, 2007.
- (6) Incorporated by reference to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2015.
- (7) Incorporated by reference to the Company's Current Report on Form 8-K for the May 10, 2017.
- (8) Incorporated by reference to the Company's Annual Report on Form 10-K for the year ended December 31, 2017.
- (9) Incorporated by reference to the Company's Annual Report on Form 10-K for the year ended December 31, 2019.

* Denotes compensatory plan.

Item 16. Form 10-K Summary

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Company has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

COHEN & STEERS, INC.

By: /s/ JOSEPH M. HARVEY

JOSEPH M. HARVEY
President, Director and Acting Chief Executive Officer

February 26, 2021

Each of the officers and directors of Cohen & Steers, Inc. whose signature appears below, in so signing, also makes, constitutes and appoints Joseph M. Harvey, acting alone, his or her true and lawful attorney-in-fact, with full power and substitution, for him or her in any and all capacities, to execute and cause to be filed with the Securities and Exchange Commission any and all amendments to the Annual Report on Form 10-K, with exhibits thereto and other documents connected therewith and to perform any acts necessary to be done in order to file such documents, and hereby ratifies and confirms all that said attorney-in-fact or his substitute or substitutes may do or cause to be done by virtue hereof.

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

Signature	Title	Date
<u>/s/ MARTIN COHEN</u> Martin Cohen	Chairman and Director	February 26, 2021
<u>/s/ JOSEPH M. HARVEY</u> Joseph M. Harvey	President, Director and Acting Chief Executive Officer (Principal Executive Officer)	February 26, 2021
<u>/s/ PETER L. RHEIN</u> Peter L. Rhein	Director	February 26, 2021
<u>/s/ RICHARD P. SIMON</u> Richard P. Simon	Director	February 26, 2021
<u>/s/ EDMOND D. VILLANI</u> Edmond D. Villani	Director	February 26, 2021
<u>/s/ FRANK CONNOR</u> Frank Connor	Director	February 26, 2021
<u>/s/ REENA AGGARWAL</u> Reena Aggarwal	Director	February 26, 2021
<u>/s/ DASHA SMITH</u> Dasha Smith	Director	February 26, 2021
<u>/s/ MATTHEW S. STADLER</u> Matthew S. Stadler	Chief Financial Officer (Principal Financial Officer)	February 26, 2021
<u>/s/ ELENA DULIK</u> Elena Dulik	Chief Accounting Officer (Principal Accounting Officer)	February 26, 2021

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COHEN & STEERS, INC.
MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

The management of Cohen & Steers, Inc. (the Company) is responsible for establishing and maintaining adequate internal control over financial reporting. The Company's internal control system is designed to provide reasonable assurance to the Company's management and Board of Directors regarding the reliability of financial reporting and the preparation of published financial statements in accordance with accounting principles generally accepted in the United States of America. All internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

The Company's internal control over financial reporting (1) includes policies and procedures that pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect transactions and dispositions of assets; (2) provides reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with accounting principles generally accepted in the United States of America, and that receipts and expenditures are being made only in accordance with authorizations of management and the directors of the Company; (3) and provides reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the Company's financial statements.

The Company's management assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2020. In making this assessment, it used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission in *Internal Control-Integrated Framework (2013)*. Based on its assessment, our management believes that, as of December 31, 2020, the Company's internal control over financial reporting is effective based on those criteria.

The Company's independent registered public accounting firm that audited the accompanying Consolidated Financial Statements has issued an attestation report on the effectiveness of the Company's internal control over financial reporting. Their report appears on the following page.

February 26, 2021

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholders and Board of Directors of Cohen & Steers, Inc.

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated statements of financial condition of Cohen & Steers, Inc. and subsidiaries (the "Company") as of December 31, 2020 and 2019, the related consolidated statements of operations, comprehensive income, changes in stockholders' equity and redeemable noncontrolling interests, and cash flows for each of the three years in the period ended December 31, 2020 and the related notes (collectively referred to as the "financial statements"). We also have audited the Company's internal control over financial reporting as of December 31, 2020, based on criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2020 and 2019, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2020, in conformity with accounting principles generally accepted in the United States of America. Also, in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2020, based on criteria established in Internal Control - Integrated Framework (2013) issued by COSO.

Basis for Opinions

The Company's management is responsible for these financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on these financial statements and an opinion on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCOAB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the financial statements included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures to respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current-period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that (1) relates to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of the critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Income Taxes - Refer to Note 14 to the consolidated financial statements

Unrecognized Tax Benefits

Critical Audit Matter Description

As discussed in Note 14 to the consolidated financial statements, as of December 31, 2020, the Company had \$13.6 million of gross unrecognized tax benefits.

The Company records unrecognized tax benefits as liabilities in accordance with Accounting Standards Codification Topic 740, Income Taxes (ASC 740) and adjusts these liabilities when its judgment changes as a result of the evaluation of new information not previously available. Because of the complexity of some of these uncertainties, the ultimate resolution may differ from the Company's current estimates of the unrecognized tax benefit liabilities. These differences are reflected as increases or decreases in income tax expense in the period in which new information becomes available.

We identified the evaluation of the Company's unrecognized tax benefits as a critical audit matter because the calculation of these tax liabilities involves dealing with uncertainties in the application of complex tax laws and regulations in a multitude of jurisdictions across the Company's global operations. Tax laws and regulations are subject to change in jurisdictions where the Company operates, coupled with uncertainty associated with interpretations of applicable tax law provisions.

In accordance with ASC 740, a tax benefit from an uncertain tax position may be recognized when it is more likely than not that the position will be sustained upon examination, including resolutions of any related appeals or litigation processes, on the basis of the technical merits. Auditing management's analysis of its uncertain tax positions and resulting unrecognized income tax benefits required a high degree of auditor judgment due to limited publicly available information regarding resolution of litigation appeals in different jurisdictions and absence of clarifying guidance from government agencies, resulting in an increased extent of effort to evaluate management's analysis, including the need to involve our income tax specialists.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to the evaluation of unrecognized income tax benefits included the following, among others:

- We tested the effectiveness of controls that address the risks of material misstatement relating to uncertain tax positions.
- We, with the support of our income tax specialists, evaluated the recognition, measurement and accuracy of unrecognized income tax benefits. Our procedures included but were not limited to:
 - On a sample basis, inspected the Company's analysis of uncertain income tax positions and examined the reasonableness of the assumptions and calculations the Company used to develop the related unrecognized income tax benefit amounts by position and jurisdiction.
 - On a sample basis, tested the roll forward of unrecognized tax benefits from the prior year.
 - For sampled positions, obtained the Company's supporting documentation to assess the technical tax merit, the more-likely-than-not recognition, and measurement thresholds, and examined interpretation and application of relevant tax laws in the Company's recognition determination.

- Evaluated the Company’s income tax disclosures concerning these matters included in Note 14 to the consolidated financial statements.
- Tested whether selected unrecognized tax benefits were consistent with evidence obtained in other areas of the audit.
- Based on company specific activities, performed completeness test of uncertain tax positions identified.
- For those uncertain tax positions which have not been effectively settled, we inspected whether management had appropriately considered new information that could significantly change the recognition, measurement, or disclosure of the uncertain tax positions.

/s/ DELOITTE & TOUCHE LLP

New York, New York

February 26, 2021

We have served as the Company’s auditor since 2003.

COHEN & STEERS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION
(in thousands, except share data)

	December 31, 2020	December 31, 2019
ASSETS		
Cash and cash equivalents	\$ 41,232	\$ 101,352
Investments (\$80,743 and \$82,829) ⁽¹⁾	154,978	155,213
Accounts receivable	69,680	59,101
Due from brokers (\$223 and \$1,743) ⁽¹⁾	5,125	1,743
Property and equipment—net	10,341	12,486
Operating lease right-of-use assets	31,203	38,440
Goodwill and intangible assets—net	20,495	19,560
Deferred income tax asset—net	6,995	7,091
Other assets (\$637 and \$1,041) ⁽¹⁾	8,404	7,433
Total assets	<u>\$ 348,453</u>	<u>\$ 402,419</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities:		
Accrued compensation	\$ 52,056	\$ 48,105
Distribution and service fees payable	7,748	7,318
Operating lease liabilities	34,926	43,349
Income tax payable	12,672	22,194
Due to brokers (\$128 and \$366) ⁽¹⁾	501	366
Other liabilities and accrued expenses (\$326 and \$784) ⁽¹⁾	15,646	13,972
Total liabilities	<u>123,549</u>	<u>135,304</u>
Commitments and contingencies (See Note 13)		
Redeemable noncontrolling interests	<u>50,665</u>	<u>53,412</u>
Stockholders' equity:		
Common stock, \$0.01 par value; 500,000,000 shares authorized; 53,462,621 and 52,580,246 shares issued at December 31, 2020 and 2019, respectively	535	527
Additional paid-in capital	670,142	636,788
Accumulated deficit	(291,542)	(242,461)
Accumulated other comprehensive income (loss), net of tax	(4,134)	(6,326)
Less: Treasury stock, at cost, 5,674,510 and 5,329,820 shares at December 31, 2020 and 2019, respectively	<u>(200,762)</u>	<u>(174,825)</u>
Total stockholders' equity	<u>174,239</u>	<u>213,703</u>
Total liabilities and stockholders' equity	<u>\$ 348,453</u>	<u>\$ 402,419</u>

(1) Asset and liability amounts in parentheses represent the aggregated balances at December 31, 2020 and 2019 attributable to variable interest entities consolidated by the Company. Refer to Note 4 for further discussion.

See notes to consolidated financial statements

COHEN & STEERS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except per share data)

	Years Ended December 31,		
	2020	2019	2018 ⁽¹⁾
Revenue:			
Investment advisory and administration fees	\$ 395,037	\$ 378,578	\$ 349,870
Distribution and service fees	30,134	30,048	29,090
Other	2,365	2,204	2,151
Total revenue	427,536	410,830	381,111
Expenses:			
Employee compensation and benefits	156,457	143,431	131,292
Distribution and service fees	115,084	55,237	50,043
General and administrative	56,286	47,632	48,265
Depreciation and amortization	4,652	4,396	4,473
Total expenses	332,479	250,696	234,073
Operating income (loss)	95,057	160,134	147,038
Non-operating income (loss):			
Interest and dividend income—net	3,362	6,716	10,426
Gain (loss) from investments—net	(4,116)	21,673	(14,264)
Foreign currency gain (loss)—net	(916)	(974)	579
Total non-operating income (loss)	(1,670)	27,415	(3,259)
Income before provision for income taxes	93,387	187,549	143,779
Provision for income taxes	18,222	40,565	34,257
Net income	75,165	146,984	109,522
Less: Net (income) loss attributable to redeemable noncontrolling interests	1,419	(12,363)	4,374
Net income attributable to common stockholders	\$ 76,584	\$ 134,621	\$ 113,896
Earnings per share attributable to common stockholders:			
Basic	\$ 1.60	\$ 2.85	\$ 2.43
Diluted	\$ 1.57	\$ 2.79	\$ 2.40
Weighted average shares outstanding:			
Basic	47,800	47,273	46,794
Diluted	48,676	48,297	47,381

(1) Revenue amounts related to model-based portfolios were reclassified from other (previously reported as portfolio consulting and other) to investment advisory and administration fees.

See notes to consolidated financial statements

COHEN & STEERS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(in thousands)

	Years Ended December 31,		
	2020	2019	2018
Net income	\$ 75,165	\$ 146,984	\$ 109,522
Less: Net (income) loss attributable to redeemable noncontrolling interests	1,419	(12,363)	4,374
Net income attributable to common stockholders	76,584	134,621	113,896
Other comprehensive income (loss), net of tax:			
Foreign currency translation gain (loss)	2,192	997	(2,557)
Total comprehensive income attributable to common stockholders	<u>\$ 78,776</u>	<u>\$ 135,618</u>	<u>\$ 111,339</u>

See notes to consolidated financial statements

COHEN & STEERS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY AND
REDEEMABLE NONCONTROLLING INTERESTS
(in thousands)

	Common Stock	Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss), Net of Tax	Treasury Stock	Total Stockholders' Equity	Redeemable Noncontrolling Interests	Shares of Common Stock, Net
January 1, 2018	\$ 511	\$570,486	\$ (137,972)	\$ (3,671)	\$(153,818)	\$ 275,536	\$ 47,795	46,315
Cumulative-effect adjustment, net of tax, due to the adoption of the new financial instruments accounting standard	—	—	1,095	(1,095)	—	—	—	—
Dividends (\$3.82 per share)	—	—	(185,423)	—	—	(185,423)	—	—
Issuance of common stock	7	696	—	—	—	703	—	714
Repurchase of common stock	—	—	—	—	(10,599)	(10,599)	—	(261)
Issuance of restricted stock units—net	—	7,170	—	—	—	7,170	—	—
Amortization of restricted stock units	—	23,984	—	—	—	23,984	—	—
Forfeitures of restricted stock units	—	(64)	—	—	—	(64)	—	—
Net income (loss)	—	—	113,896	—	—	113,896	(4,374)	—
Other comprehensive income (loss), net of tax	—	—	—	(2,557)	—	(2,557)	—	—
Net contributions (distributions) attributable to redeemable noncontrolling interests	—	—	—	—	—	—	70,771	—
December 31, 2018	\$ 518	\$602,272	\$ (208,404)	\$ (7,323)	\$(164,417)	\$ 222,646	\$ 114,192	46,768
Dividends (\$3.44 per share)	—	—	(168,678)	—	—	(168,678)	—	—
Issuance of common stock	9	861	—	—	—	870	—	762
Repurchase of common stock	—	—	—	—	(10,408)	(10,408)	—	(280)
Issuance of restricted stock units—net	—	7,039	—	—	—	7,039	—	—
Amortization of restricted stock units	—	26,883	—	—	—	26,883	—	—
Forfeitures of restricted stock units	—	(267)	—	—	—	(267)	—	—
Net income (loss)	—	—	134,621	—	—	134,621	12,363	—
Other comprehensive income (loss), net of tax	—	—	—	997	—	997	—	—
Net contributions (distributions) attributable to redeemable noncontrolling interests	—	—	—	—	—	—	2,242	—
Net consolidation (deconsolidation) of Company-sponsored funds	—	—	—	—	—	—	(75,385)	—
December 31, 2019	\$ 527	\$636,788	\$ (242,461)	\$ (6,326)	\$(174,825)	\$ 213,703	\$ 53,412	47,250
Dividends (\$2.56 per share)	—	—	(125,665)	—	—	(125,665)	—	—
Issuance of common stock	8	1,002	—	—	—	1,010	—	883
Repurchase of common stock	—	—	—	—	(25,937)	(25,937)	—	(345)
Issuance of restricted stock units—net	—	3,865	—	—	—	3,865	—	—
Amortization of restricted stock units	—	28,740	—	—	—	28,740	—	—
Forfeitures of restricted stock units	—	(253)	—	—	—	(253)	—	—
Net income (loss)	—	—	76,584	—	—	76,584	(1,419)	—
Other comprehensive income (loss), net of tax	—	—	—	2,192	—	2,192	—	—
Net contributions (distributions) attributable to redeemable noncontrolling interests	—	—	—	—	—	—	(1,328)	—
December 31, 2020	\$ 535	\$670,142	\$ (291,542)	\$ (4,134)	\$(200,762)	\$ 174,239	\$ 50,665	47,788

See notes to consolidated financial statements

COHEN & STEERS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

	Years Ended December 31,		
	2020	2019	2018 ⁽¹⁾
Cash flows from operating activities:			
Net income	\$ 75,165	\$ 146,984	\$ 109,522
Adjustments to reconcile net income to net cash provided by (used in) operating activities:			
Stock-based compensation expense—net	29,337	27,811	24,626
Amortization of deferred commissions	1,701	1,079	1,559
Depreciation and amortization	4,652	4,396	4,473
Amortization of right-of-use assets	10,128	10,048	9,364
Amortization (accretion) of premium (discount) on held-to-maturity investments	(208)	(493)	(246)
(Gain) loss from investments—net	4,116	(21,673)	14,264
Deferred income taxes	107	96	(1,373)
Foreign currency (gain) loss	(1,269)	9	211
Changes in operating assets and liabilities:			
Accounts receivable	(9,310)	(8,729)	3,262
Due from brokers	(3,382)	989	(7,811)
Deferred commissions	(1,474)	(1,628)	(982)
Investments	(3,605)	(13,997)	(81,182)
Other assets	(771)	(120)	(2,689)
Accrued compensation	3,951	4,420	2,341
Distribution and service fees payable	430	(1,175)	2,262
Operating lease liabilities	(11,314)	(10,955)	(9,542)
Due to brokers	135	45	1,839
Income tax payable	(9,640)	3,531	(1,229)
Other liabilities and accrued expenses	437	807	3,929
Net cash provided by (used in) operating activities	89,186	141,445	72,598
Cash flows from investing activities:			
Proceeds from redemptions of equity method investments	6	52	37
Purchases of investments	(70,963)	(50,943)	(63,557)
Proceeds from sales and maturities of investments	71,689	89,592	13,796
Purchases of property and equipment	(2,502)	(2,752)	(3,470)
Net cash provided by (used in) investing activities	(1,770)	35,949	(53,194)
Cash flows from financing activities:			
Issuance of common stock—net	859	741	597
Repurchase of common stock	(25,937)	(10,408)	(10,599)
Dividends to stockholders	(122,489)	(162,705)	(178,879)
Distributions to redeemable noncontrolling interests	(6,024)	(43,483)	(10,862)
Contributions from redeemable noncontrolling interests	4,696	45,725	81,633
Net cash provided by (used in) financing activities	(148,895)	(170,130)	(118,110)
Net increase (decrease) in cash and cash equivalents	(61,479)	7,264	(98,706)
Effect of foreign exchange rate changes on cash and cash equivalents	1,359	1,355	(2,013)
Cash and cash equivalents, beginning of the year	101,352	92,733	193,452
Cash and cash equivalents, end of the year	<u>\$ 41,232</u>	<u>\$ 101,352</u>	<u>\$ 92,733</u>

(1) Certain amounts have been recast to reflect the Company's adoption of the lease accounting standard on January 1, 2019.

See notes to consolidated financial statements

COHEN & STEERS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS—(Continued)

Supplemental disclosures of cash flow information:

For the year ended December 31, 2020, 2019 and 2018, the Company paid taxes, net of tax refunds, of approximately \$27,719,000, \$37,036,000 and \$36,795,000, respectively.

Supplemental disclosures of non-cash investing and financing activities:

In connection with its stock incentive plan, the Company recorded restricted stock unit dividend equivalents, net of forfeitures, in the amount of approximately \$3,176,000, \$5,973,000 and \$6,544,000 for the years ended December 31, 2020, 2019 and 2018, respectively. These amounts are included in the issuance of restricted stock units and dividends in the consolidated statements of changes in stockholders' equity.

Effective September 1, 2019, the Company's proportionate ownership interest in the Cohen & Steers Preferred Securities and Income SMA Shares, Inc. (PISH) decreased and the Company reclassified its ownership interest to equity method investments. Accordingly, the Company deconsolidated the assets and liabilities of PISH resulting in a non-cash reduction of approximately \$7,181,000 from investments and redeemable noncontrolling interests to remove amounts attributable to third-party investors in PISH. Effective November 1, 2019, the Company's proportionate ownership interest in PISH fell below 20% and, as a result, the Company recorded a non-cash reclassification of approximately \$5,370,000, from equity method investments into equity investments at fair value until the Company sold its remaining interest in PISH in December 2019.

Effective January 1, 2019, the Company's proportionate ownership interest in the Cohen & Steers SICAV Global Preferred Securities Fund (SICAV Preferred) decreased and the Company reclassified its ownership interest to equity investments at fair value. Accordingly, the Company deconsolidated the assets and liabilities of SICAV Preferred resulting in a non-cash reduction of approximately \$114,192,000 from investments and redeemable noncontrolling interests to remove amounts attributable to third-party investors in SICAV Preferred.

For the year ended December 31, 2019, the Company's proportionate ownership interest in the Cohen & Steers SICAV Global Real Estate Fund (SICAV GRE) increased. Accordingly, the Company consolidated the assets and liabilities and the results of operations of SICAV GRE, resulting in a non-cash increase of approximately \$45,988,000 to investments and redeemable noncontrolling interests to record amounts attributable to third-party investors in SICAV GRE from equity investments at fair value.

For the year ended December 31, 2018, the Company's proportionate ownership interest in the Cohen & Steers Funds ICAV (ICAV), an Irish alternative investment fund, increased and, as a result, the Company consolidated the assets and liabilities and the results of operations of ICAV, resulting in a non-cash increase of approximately \$6,411,000 to investments and redeemable noncontrolling interests to record amounts attributable to third-party investors in ICAV. ICAV was subsequently liquidated effective April 2019.

COHEN & STEERS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Basis of Presentation

Cohen & Steers, Inc. (CNS) was organized as a Delaware corporation on March 17, 2004. CNS is the holding company for its direct and indirect subsidiaries, including Cohen & Steers Capital Management, Inc. (CSCM), Cohen & Steers Securities, LLC (CSS), Cohen & Steers Asia Limited (CSAL), Cohen & Steers UK Limited (CSUK), Cohen & Steers Japan Limited (CSJL) and Cohen & Steers Ireland Limited (CSIL) (collectively, the Company).

The Company is a global investment manager specializing in liquid real assets, including real estate securities, listed infrastructure and natural resource equities, as well as preferred securities and other income solutions. Founded in 1986, the Company is headquartered in New York City, with offices in London, Dublin, Hong Kong and Tokyo.

The consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The consolidated financial statements set forth herein include the accounts of CNS and its direct and indirect subsidiaries. Intercompany balances and transactions have been eliminated in consolidation.

2. Summary of Significant Accounting Policies

Recently Adopted Accounting Pronouncements—In August 2018, the Financial Accounting Standards Board (FASB) issued guidance to align the requirements for capitalizing implementation costs incurred in a hosting arrangement that is a service contract with the requirements for capitalizing implementation costs incurred to develop or obtain internal-use software. Under the new standard, implementation costs are deferred and presented in the same financial statement caption on the consolidated statements of financial condition as a prepayment of related arrangement fees. The deferred costs are recognized over the term of the arrangement in the same financial statement caption in the consolidated statements of operations as the related fees of the arrangement. This new guidance became effective on January 1, 2020. The Company has adopted this new standard using a prospective approach to all implementation costs incurred after adoption. The Company's adoption of the new standard did not have a material effect on its consolidated financial statements and related disclosures.

In January 2017, the FASB issued guidance to simplify the goodwill impairment test by removing the requirement to perform a hypothetical purchase price allocation. As a result of the revised guidance, a goodwill impairment will be the amount by which a reporting unit's carrying value exceeds its fair value. This new guidance became effective on January 1, 2020. The Company's adoption of the new standard did not have a material effect on its consolidated financial statements and related disclosures.

In June 2016, the FASB issued guidance on the measurement of credit losses on financial instruments. This standard amended guidance related to reporting credit losses for financial assets measured at amortized cost and replaced the incurred loss impairment model with a current expected credit loss (CECL) model. CECL requires a company to estimate lifetime expected credit losses based on relevant information about historical events, current conditions and reasonable and supportable forecasts. This new guidance became effective on January 1, 2020. The Company's adoption of the new standard had no impact on its consolidated financial statements and related disclosures.

Accounting Estimates—The preparation of the consolidated financial statements in conformity with GAAP requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosures of contingent assets and liabilities at the dates of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting periods. Management believes the estimates used in preparing the consolidated financial statements are reasonable and prudent. Actual results could differ from those estimates due to factors the Company cannot fully predict including the extent of the impact to the Company's business from the ongoing COVID-19 pandemic.

Reclassifications—The Company reclassified certain prior period amounts in the consolidated financial statements to conform with the current period presentation.

Consolidation of Company-sponsored Funds—Investments in Company-sponsored funds and management fees are evaluated at inception and thereafter, if there is a reconsideration event, in order to determine whether to apply the Variable

COHEN & STEERS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

Interest Entity (VIE) model or the Voting Interest Entity (VOE) model. In performing this analysis, all of the Company's management fees are presumed to be commensurate and at market and are therefore not considered variable interests.

A VIE is an entity in which either (i) the equity investment at risk is not sufficient to permit the entity to finance its own activities without additional financial support or (ii) the group of holders of the equity investment at risk lack certain characteristics of a controlling financial interest. The primary beneficiary is the entity that has (i) the power to direct the activities of the VIE that most significantly affect its performance, and (ii) the obligation to absorb losses of the entity or the right to receive benefits from the entity that could potentially be significant to the VIE. Investments and redemptions or amendments to the governing documents of the respective entities could affect an entity's status as a VIE or the determination of the primary beneficiary. The Company assesses whether it is the primary beneficiary of any VIEs identified by evaluating its economic interests in the entity held either directly by the Company and its affiliates or indirectly through employees. VIEs for which the Company is deemed to be the primary beneficiary are consolidated.

Investments in Company-sponsored funds that are determined to be VOEs are consolidated when the Company's ownership interest is greater than 50% of the outstanding voting interests of the fund or when the Company is the general partner of the fund and the limited partners do not have substantive kick-out or participating rights in the fund.

The Company records noncontrolling interests in consolidated Company-sponsored funds for which the Company's ownership is less than 100%.

Cash and Cash Equivalents—Cash and cash equivalents are on deposit with several highly rated financial institutions and include short-term, highly-liquid investments, which are readily convertible into cash and have original maturities of three months or less.

Due from/to Brokers—The Company, including the consolidated Company-sponsored funds, may transact with brokers for certain investment activities. The clearing and custody operations for these investment activities are performed pursuant to contractual agreements. The due from/to brokers balance represents cash and/or cash collateral balances at brokers/custodians and/or receivables and payables for unsettled securities transactions with brokers.

Investments—Management of the Company determines the appropriate classification of its investments at the time of purchase and re-evaluates such determination no less than on a quarterly basis. At December 31, 2020, the Company's investments were comprised of the following:

- Equity investments at fair value, which generally represent equity securities held within the consolidated Company-sponsored funds, individual equity securities held directly for the purposes of establishing performance track records and seed investments in Company-sponsored open-end funds where the Company has neither control nor the ability to exercise significant influence.
- Trading investments, which generally represent debt securities held within the consolidated Company-sponsored funds and individual debt securities held directly for the purposes of establishing performance track records.
- Held-to-maturity investments, which generally represent corporate investments in U.S. Treasury securities recorded at amortized cost. Under the CECL model, any expected credit losses are recognized as an allowance, which represents an adjustment to the amortized costs basis. The Company did not record any provision for credit losses on these securities during the year ended December 31, 2020.
- Equity method investments, which generally represent seed investments in Company-sponsored funds in which the Company owns between 20-50% of the outstanding voting interests or when it is determined that the Company is able to exercise significant influence but not control over the investments. When using the equity method, the Company recognizes its respective share of net income or loss for the period which is recorded as gain (loss) from investments—net in the Company's consolidated statements of operations.

Realized and unrealized gains and losses on equity investments at fair value, trading investments and equity method investments are recorded in gain (loss) from investments—net in the Company's consolidated statements of operations.

COHEN & STEERS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

From time to time, the Company, including the consolidated Company-sponsored funds, may enter into derivative contracts, including options, futures and swaps contracts, to gain exposure to the underlying commodities markets or to economically hedge market risk of the underlying portfolios. Gains and losses on derivative contracts are recorded as gain (loss) from investments—net in the Company's consolidated statements of operations. The fair values of these instruments are recorded in other assets or other liabilities and accrued expenses on the Company's consolidated statements of financial condition.

Additionally, from time to time, the Company, including the consolidated Company-sponsored funds, may enter into forward foreign exchange contracts to economically hedge its currency exposure. These instruments are measured at fair value based on the prevailing forward exchange rate with gains and losses recorded in foreign currency gain (loss)—net in the Company's consolidated statements of operations. The fair values of these contracts are recorded in other assets or other liabilities and accrued expenses on the Company's consolidated statements of financial condition.

Leases—The Company determines if an arrangement is a lease at inception. The Company has operating leases for corporate offices and certain information technology equipment and these leases are included in operating lease right-of-use (ROU) assets and operating lease liabilities on the Company's consolidated statements of financial condition.

ROU assets represent the right to use an underlying asset for the lease term and lease liabilities represent obligations to make lease payments arising from the lease. Operating lease ROU assets and lease liabilities are recognized at commencement date based on the net present value of lease payments over the lease term. The majority of the Company's lease agreements do not provide an implicit rate. As a result, the Company used an incremental borrowing rate based on the information available as of lease commencement dates in determining the present value of lease payments. The operating lease ROU asset reflects any upfront lease payments made as well as lease incentives received. The lease terms may include options to extend or terminate the lease and these are factored into the determination of the ROU asset and lease liability at lease inception when and if it is reasonably certain that the Company will exercise that option. Lease expense for fixed lease payments is recognized on a straight-line basis over the lease term.

The Company has certain lease agreements with non-lease components such as maintenance and executory costs, which are accounted for separately and not included in ROU assets.

ROU assets are tested for impairment whenever changes in facts or circumstances indicate that the carrying amount of an asset may not be recoverable. Modification of a lease term would result in re-measurement of the lease liability and a corresponding adjustment to the ROU asset.

Goodwill and Intangible Assets—Goodwill represents the excess of the cost of the Company's investment in the net assets of an acquired company over the fair value of the underlying identifiable net assets at the date of acquisition. Goodwill and indefinite-lived intangible assets are not amortized but are tested at least annually for impairment by comparing the fair value to their carrying amounts.

Redeemable Noncontrolling Interests—Redeemable noncontrolling interests represent third-party interests in the consolidated Company-sponsored funds. These interests are redeemable at the option of the investors and therefore are not treated as permanent equity. Redeemable noncontrolling interest is recorded at fair value which approximates the redemption value at each reporting period.

Investment Advisory and Administration Fees—The Company earns revenue by providing asset management services to institutional accounts, Company-sponsored open-end and closed-end funds as well as model-based portfolios. Investment advisory fees are earned pursuant to the terms of investment management agreements and are generally based on a contractual fee rate applied to the average daily assets under management. The Company also earns administration fees from certain Company-sponsored open-end and closed-end funds pursuant to the terms of underlying administration contracts. Administration fees are based on the average daily assets under management of such funds. Investment advisory and administration fee revenue is recognized when earned and is recorded net of any fund reimbursements. The investment advisory and administration contracts each include a single performance obligation as the services provided are not separately identifiable and are accounted for as a series satisfied over time using a time-based method (days elapsed). Additionally,

COHEN & STEERS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

investment advisory and administration fees represent variable consideration, as fees are based on average assets under management which fluctuate daily.

In certain instances, the Company may earn performance fees when specified performance hurdles are met during the performance period. Performance fees are forms of variable consideration and are not recognized until it becomes probable that there will not be a significant reversal of the cumulative revenue recognized.

Distribution and Service Fee Revenue—Distribution and service fee revenue is based on the average daily net assets of certain share classes of the Company's sponsored open-end funds distributed by CSS. Distribution and service fee revenue is earned daily and is generally recorded gross of any third-party distribution and service fee expense for applicable share classes.

Distribution fee agreements include a single performance obligation that is satisfied at a point in time when an investor purchases shares in a Company-sponsored open-end fund. Distribution fees represent variable consideration, as fees are based on average assets under management which fluctuate daily. For all periods presented, a portion of the distribution fee revenue recognized in the period may relate to performance obligations satisfied (or partially satisfied) in prior periods. Service fee agreements include a single performance obligation as the services provided are not separately identifiable and are accounted for as a series satisfied over time using a time-based method (days elapsed). Service fees represent variable consideration, as fees are based on average assets under management which fluctuate daily.

Distribution and Service Fee Expense—Distribution and service fee expense includes distribution fees, shareholder servicing fees and intermediary assistance payments. Distribution and service fee expense is recorded on an accrual basis.

Distribution fees represent payments made to qualified intermediaries for (i) assistance in connection with the distribution of the Company's sponsored open-end funds' shares and (ii) for other expenses such as advertising, printing and distribution of prospectuses to investors. Such amounts may also be used to pay financial intermediaries for services as specified in the terms of written agreements complying with Rule 12b-1 of the Investment Company Act of 1940. Distribution fees are based on the average daily net assets under management of certain share classes of certain of the funds.

Shareholder servicing fees represent payments made to qualified intermediaries for shareholder account service and maintenance. These services are provided pursuant to written agreements with such qualified institutions. Shareholder servicing fees are generally based on the average daily assets under management.

Intermediary assistance payments represent payments to qualified intermediaries for activities related to distribution, shareholder servicing and marketing and support of the Company's sponsored open-end funds and are incremental to those described above. Intermediary assistance payments are generally based on the average assets under management.

Stock-based Compensation—The Company recognizes compensation expense for the grant-date fair value of awards of equity instruments to certain employees. This expense is recognized over the period during which employees are required to provide service. Forfeitures are recorded as incurred.

Income Taxes—The Company records the current and deferred tax consequences of all transactions that have been recognized in the consolidated financial statements in accordance with the provisions of the enacted tax laws. Deferred tax assets are recognized for temporary differences that will result in deductible amounts in future years at tax rates that are expected to apply in those years. Deferred tax liabilities are recognized for temporary differences that will result in taxable income in future years at tax rates that are expected to apply in those years. The Company records a valuation allowance, when necessary, to reduce deferred tax assets to an amount that more likely than not will be realized.

The calculation of tax liabilities involves uncertainties in the application of complex tax laws and regulations across the Company's global operations. A tax benefit from an uncertain tax position is recognized when it is more likely than not that the position will be sustained upon examination, including resolution of any related appeals or litigation processes, on the basis of the technical merits. The Company records potential interest and penalties related to uncertain tax positions in the provision for income taxes in the consolidated statements of operations.

COHEN & STEERS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

Currency Translation and Transactions—Assets and liabilities of subsidiaries having non-U.S. dollar functional currencies are translated at exchange rates at the applicable consolidated statement of financial condition date. Revenue and expenses of such subsidiaries are translated at average exchange rates during the period. The gains or losses resulting from translating non-U.S. dollar functional currency into U.S. dollars are included in the Company's consolidated statements of comprehensive income. The cumulative translation adjustment was \$(4,134,000), \$(6,326,000) and \$(7,323,000) as of December 31, 2020, 2019 and 2018, respectively. Gains or losses resulting from transactions denominated in currencies other than the U.S. dollar within certain foreign subsidiaries are included in non-operating income (loss) in the consolidated statements of operations. Gains and losses arising on revaluation of U.S. dollar-denominated assets and liabilities held by foreign subsidiaries are also included in non-operating income (loss) in the Company's consolidated statements of operations.

Comprehensive Income—The Company reports all changes in comprehensive income in the consolidated statements of comprehensive income. Comprehensive income generally includes net income or loss attributable to common stockholders and amounts attributable to foreign currency translation gain (loss), net of tax.

Recently Issued Accounting Pronouncements—In December 2019, the FASB issued Accounting Standards Update 2019-12, *Income Taxes (Topic 740): Simplifying Accounting for Income Taxes*. The standard is intended to simplify various aspects related to income taxes and removes certain exceptions to the general principles in Topic 740. This new guidance will be effective on January 1, 2021. The Company does not expect the adoption of the new standard to have a material effect on its consolidated financial statements and related disclosures.

3. Revenue

The following tables summarize revenue recognized from contracts with customers by client domicile and by investment vehicle:

	Years ended December 31,		
	2020	2019	2018
<i>(in thousands)</i>			
Client domicile:			
North America	\$ 363,834	\$ 352,629	\$ 322,964
Japan	32,517	33,967	35,283
Europe, Middle East and Africa	19,869	11,087	10,371
Asia Pacific excluding Japan	11,316	13,147	12,493
Total	<u>\$ 427,536</u>	<u>\$ 410,830</u>	<u>\$ 381,111</u>
<i>(in thousands)</i>			
	Years ended December 31,		
	2020	2019	2018 ⁽²⁾
Investment vehicle:			
Open-end funds ⁽¹⁾	\$ 231,269	\$ 217,778	\$ 197,363
Institutional accounts	115,876	110,346	104,327
Closed-end funds	78,026	80,502	77,270
Other	2,365	2,204	2,151
Total	<u>\$ 427,536</u>	<u>\$ 410,830</u>	<u>\$ 381,111</u>

- (1) Included distribution and service fees of \$30.1 million, \$30.0 million and \$29.1 million for the years ended December 31, 2020, 2019 and 2018, respectively.
- (2) Amounts related to model-based portfolios were reclassified from other (previously reported as portfolio consulting and other) to open-end funds and institutional accounts.

COHEN & STEERS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

4. Investments

The following table summarizes the Company's investments:

<i>(in thousands)</i>	December 31, 2020	December 31, 2019
Equity investments at fair value	\$ 94,089	\$ 89,872
Trading	18,700	14,980
Held-to-maturity carried at amortized cost ⁽¹⁾	41,648	49,807
Equity method	541	554
Total investments	<u>\$ 154,978</u>	<u>\$ 155,213</u>

(1) Held-to-maturity investments had a fair value of approximately \$41.7 million and \$50.0 million at December 31, 2020 and 2019, respectively. These securities would be classified as level 2 within the fair value hierarchy if carried at fair value. Original maturities ranged from 6 to 24 months at December 31, 2020 and 2019.

The Company seeded one new fund for the year ended December 31, 2020 and two new funds for the year ended December 31, 2019.

The following table summarizes gain (loss)—net from investments:

<i>(in thousands)</i>	Years Ended December 31,		
	2020	2019	2018
Net realized gains (losses) during the period	\$ (5,395)	\$ 12,227	\$ (1,486)
Net unrealized gains (losses) during the period on investments still held at the end of the period	1,279	9,446	(12,778)
Gain (loss) from investments—net ⁽¹⁾	<u>\$ (4,116)</u>	<u>\$ 21,673</u>	<u>\$ (14,264)</u>

(1) Included net income (loss) attributable to redeemable noncontrolling interests.

At December 31, 2020 and 2019, the Company's consolidated VIEs included the Cohen & Steers SICAV Global Listed Infrastructure Fund (GLI SICAV), SICAV GRE, the Cohen & Steers SICAV Diversified Real Assets Fund (SICAV RAP) and the Cohen & Steers Co-Investment Partnership, L.P. (GRP-CIP).

The following tables summarize the consolidated statements of financial condition attributable to the Company's consolidated VIEs:

<i>(in thousands)</i>	December 31, 2020				
	GLI SICAV	SICAV GRE	SICAV RAP	GRP-CIP	Total
Assets ⁽¹⁾					
Investments	\$ 7,140	\$ 39,672	\$ 33,654	\$ 277	\$ 80,743
Due from brokers	69	45	52	57	223
Other assets	44	359	234	—	637
Total assets	<u>\$ 7,253</u>	<u>\$ 40,076</u>	<u>\$ 33,940</u>	<u>\$ 334</u>	<u>\$ 81,603</u>
Liabilities ⁽¹⁾					
Due to brokers	\$ 27	\$ 40	\$ 61	\$ —	\$ 128
Other liabilities and accrued expenses	29	211	81	5	326
Total liabilities	<u>\$ 56</u>	<u>\$ 251</u>	<u>\$ 142</u>	<u>\$ 5</u>	<u>\$ 454</u>

COHEN & STEERS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

	December 31, 2019				
<i>(in thousands)</i>	GLI SICAV	SICAV GRE	SICAV RAP	GRP-CIP	Total
Assets ⁽¹⁾					
Investments	\$ 7,048	\$ 45,468	\$ 29,976	\$ 337	\$ 82,829
Due from brokers	264	663	613	203	1,743
Other assets	92	681	268	—	1,041
Total assets	<u>\$ 7,404</u>	<u>\$ 46,812</u>	<u>\$ 30,857</u>	<u>\$ 540</u>	<u>\$ 85,613</u>
Liabilities ⁽¹⁾					
Due to brokers	\$ 45	\$ 92	\$ 229	\$ —	\$ 366
Other liabilities and accrued expenses	100	466	213	5	784
Total liabilities	<u>\$ 145</u>	<u>\$ 558</u>	<u>\$ 442</u>	<u>\$ 5</u>	<u>\$ 1,150</u>

(1) The assets may only be used to settle obligations of each VIE and the liabilities are the sole obligation of each VIE, for which creditors do not have recourse to the general credit of the Company.

5. Fair Value

Accounting Standards Codification Topic 820, *Fair Value Measurement* (ASC 820) specifies a hierarchy of valuation classifications based on whether the inputs to the valuation techniques used in each valuation classification are observable or unobservable. These classifications are summarized in the three broad levels listed below:

- Level 1—Unadjusted quoted prices for identical instruments in active markets.
- Level 2—Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs and significant value drivers are observable.
- Level 3—Valuations derived from valuation techniques in which significant inputs or significant value drivers are unobservable.

Inputs used to measure fair value might fall in different levels of the fair value hierarchy, in which case the Company defaults to the lowest level input that is significant to the fair value measurement in its entirety. These levels are not necessarily an indication of the risk or liquidity associated with the investments.

COHEN & STEERS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

The following tables present fair value measurements:

	December 31, 2020					
<i>(in thousands)</i>	Level 1	Level 2	Level 3	Investments Measured at NAV as FV	Investments Carried at Amortized Cost	Total
Cash equivalents	\$ 23,372	\$ —	\$ —	\$ —	\$ —	\$ 23,372
Equity investments at fair value						
Common stocks	\$ 91,614	\$ —	\$ —	\$ —	\$ —	\$ 91,614
Company-sponsored funds	246	—	—	—	—	246
Limited partnership interests	831	—	—	277	—	1,108
Preferred securities	983	12	—	—	—	995
Other	—	—	—	126	—	126
Total	\$ 93,674	\$ 12	\$ —	\$ 403	\$ —	\$ 94,089
Trading investments						
Fixed income	\$ —	\$ 18,700	\$ —	\$ —	\$ —	\$ 18,700
Held-to-maturity investments	\$ —	\$ —	\$ —	\$ —	\$ 41,648	\$ 41,648
Equity method investments	\$ —	\$ —	\$ —	\$ 541	\$ —	\$ 541
Total investments	\$ 93,674	\$ 18,712	\$ —	\$ 944	\$ 41,648	\$ 154,978
Derivatives - assets						
Futures - commodities	\$ 1,012	\$ —	\$ —	\$ —	\$ —	\$ 1,012
Derivatives - liabilities						
Futures - commodities	\$ 416	\$ —	\$ —	\$ —	\$ —	\$ 416
Total return swaps - commodities	—	136	—	—	—	136
Total return swaps - equities	—	1,562	—	—	—	1,562
Forward contracts - foreign exchange	—	345	—	—	—	345
Total	\$ 416	\$ 2,043	\$ —	\$ —	\$ —	\$ 2,459

COHEN & STEERS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

	December 31, 2019					
	Level 1	Level 2	Level 3	Investments Measured at NAV as FV	Investments Carried at Amortized Cost	Total
<i>(in thousands)</i>						
Cash equivalents	\$ 85,889	\$ —	\$ —	\$ —	\$ —	\$ 85,889
Equity investments at fair value						
Common stocks	\$ 87,408	\$ —	\$ —	\$ —	\$ —	\$ 87,408
Company-sponsored funds	132	—	—	—	—	132
Limited partnership interests	1,048	—	—	337	—	1,385
Preferred securities	704	108	—	—	—	812
Other	—	—	—	135	—	135
Total	\$ 89,292	\$ 108	\$ —	\$ 472	\$ —	\$ 89,872
Trading investments						
Fixed income	\$ —	\$ 14,980	\$ —	\$ —	\$ —	\$ 14,980
Held-to-maturity investments	\$ —	\$ —	\$ —	\$ —	\$ 49,807	\$ 49,807
Equity method investments	\$ —	\$ —	\$ —	\$ 554	\$ —	\$ 554
Total investments	\$ 89,292	\$ 15,088	\$ —	\$ 1,026	\$ 49,807	\$ 155,213
Derivatives - assets						
Futures - commodities	\$ 570	\$ —	\$ —	\$ —	\$ —	\$ 570
Forward contracts - foreign exchange	—	74	—	—	—	74
Total	\$ 570	\$ 74	\$ —	\$ —	\$ —	\$ 644
Derivatives - liabilities						
Futures - commodities	\$ 339	\$ —	\$ —	\$ —	\$ —	\$ 339
Total return swaps - commodities	—	173	—	—	—	173
Forward contracts - foreign exchange	—	44	—	—	—	44
Total	\$ 339	\$ 217	\$ —	\$ —	\$ —	\$ 556

Cash equivalents were comprised of investments in actively traded U.S. Treasury money market funds measured at NAV.

Equity investments at fair value classified as level 2 were comprised of certain preferred securities with predominately equity-like characteristics whose fair values are generally determined using third-party pricing services. The pricing services may utilize pricing models, and inputs into those models may include reported trades, executable bid and ask prices, broker-dealer quotations, prices or yields of similar securities, benchmark curves and other market information. The pricing services may use a matrix approach, which considers information regarding securities with similar characteristics to determine the valuation for a security.

Trading investments classified as level 2 were comprised of U.S. Treasury securities and corporate debt securities. The fair value amounts were generally determined using third-party pricing services. The pricing services may utilize evaluated pricing models that vary by asset class and incorporate available trade, bid and other market information.

Investments measured at NAV were comprised of certain investments measured at fair value using NAV (or its equivalent) as a practical expedient. These investments were comprised of:

COHEN & STEERS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

- Equity investments at fair value - included limited partner interests in limited partnership vehicles that invest in non-registered real estate funds and the Company's co-investment in a Cayman trust invested in global listed infrastructure securities (which is included in "Other" in the leveling table), both of which are valued based on the NAVs of the underlying investments. At December 31, 2020 and 2019, the Company did not have the ability to redeem the interests in the limited partnership vehicles; there were no contractual restrictions on the Company's ability to redeem its interest in the Cayman trust.
- Equity method investments - included the Company's partnership interests in the Cohen & Steers Global Realty Partners III-TE, L.P. (GRP-TE) and the Cohen & Steers Global Realty Focus Fund (GRF), a series of Cohen & Steers Series LP. GRP-TE invests in non-registered real estate funds. The Company's ownership interest was approximately 0.2% and the Company did not have the ability to redeem the investment at either December 31, 2020 or 2019. GRF invests in global real estate investment trusts and other publicly traded real estate companies. The Company's ownership interest was approximately 0.5% and the Company had the ability to redeem the investment in GRF with 15 days' notice. The Company's risk with respect to both investments is limited to its equity ownership interest and any uncollected management fees.

Held-to-maturity investments were comprised of U.S. Treasury securities, which were directly issued by the U.S. government, with original maturities of 6 to 24 months at December 31, 2020 and 2019. These securities were purchased with the intent to hold to maturity and are recorded at amortized cost.

Investments measured at NAV and held-to-maturity investments have not been classified in the fair value hierarchy. The amounts presented in the above tables are intended to permit reconciliation of the fair value hierarchy to the amounts presented on the consolidated statements of financial condition.

Swap contracts classified as level 2 were valued based on the underlying futures contracts or equity indices.

Foreign currency exchange contracts classified as level 2 were valued based on the prevailing forward exchange rate.

Valuation Techniques

In certain instances, debt, equity and preferred securities are valued on the basis of prices from an orderly transaction between market participants provided by reputable broker-dealers or independent pricing services. In determining the value of a particular investment, independent pricing services may use information with respect to transactions in such investments, broker quotes, pricing matrices, market transactions in comparable investments and various relationships between investments. As part of its independent price verification process, the Company generally performs reviews of valuations provided by broker-dealers or independent pricing services. Investments in Company-sponsored funds are valued at their closing price or NAV (or its equivalent) as a practical expedient.

Foreign exchange contracts are valued based on the prevailing forward exchange rate, which is an input that is observable in active markets.

In the absence of observable market prices, the Company values its investments using valuation methodologies applied on a consistent basis. For some investments, little market activity may exist; management's determination of fair value is then based on the best information available in the circumstances, and may incorporate management's own assumptions and involve a significant degree of judgment, taking into consideration a combination of internal and external factors. Such investments, which are generally immaterial, are valued on a quarterly basis, taking into consideration any changes in key inputs and changes in economic and other relevant conditions, and valuation models are updated accordingly. The valuation process also includes a review by the Company's valuation committee which is comprised of senior members from various departments within the Company, including investment management. The valuation committee provides independent oversight of the valuation policies and procedures.

COHEN & STEERS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

6. Derivatives

The following tables summarize the notional amounts and fair value of the outstanding derivative financial instruments none of which were designated in a formal hedging relationship.

	As of December 31, 2020			
	Notional Amount		Fair Value ⁽¹⁾	
	Long	Short	Assets	Liabilities
<i>(in thousands)</i>				
Futures - commodities	\$ 13,624	\$ 4,257	\$ 1,012	\$ 416
Total return swaps - commodities	—	9,598	—	136
Total return swaps - equities	—	17,688	—	1,562
Forward contracts - foreign exchange	—	14,061	—	345
	<u>\$ 13,624</u>	<u>\$ 45,604</u>	<u>\$ 1,012</u>	<u>\$ 2,459</u>

	As of December 31, 2019			
	Notional Amount		Fair Value ⁽¹⁾	
	Long	Short	Assets	Liabilities
<i>(in thousands)</i>				
Futures - commodities	\$ 14,394	\$ 4,623	\$ 570	\$ 339
Total return swaps - commodities	—	8,909	—	173
Forward contracts - foreign exchange	—	10,787	74	44
	<u>\$ 14,394</u>	<u>\$ 24,319</u>	<u>\$ 644</u>	<u>\$ 556</u>

(1) The fair value of derivative financial instruments is recorded in other assets and other liabilities and accrued expenses on the Company's consolidated statements of financial condition.

Commodity swap contracts are utilized as economic hedges to reduce the overall risk of the Company's market exposure to seed investments in commodity futures. Equity swap contracts are utilized to economically hedge a portion of the market risk of certain seed investments. The Company enters into foreign exchange contracts to sell currency to economically hedge exposure arising from certain non-U.S. dollar investment advisory fees.

Cash included in due from brokers of approximately \$4,902,000 on the consolidated statement of financial condition at December 31, 2020 was held as collateral for forward and swap contracts. Investments of approximately \$1,544,000 and \$1,713,000 on the consolidated statements of financial condition at December 31, 2020 and 2019, respectively, comprised of U.S. Treasury securities, were held as collateral for futures and swap contracts.

The following table summarizes net gains (losses) from derivative financial instruments:

	Years Ended December 31,		
	2020	2019	2018
<i>(in thousands)</i>			
Futures - commodities	\$ (105)	\$ 881	\$ (2,093)
Total return swaps - commodities	(266)	(485)	739
Total return swaps - equities	(1,562)	—	—
Forward contracts - foreign exchange	(375)	235	(141)
Total ⁽¹⁾	<u>\$ (2,308)</u>	<u>\$ 631</u>	<u>\$ (1,495)</u>

(1) Gains and losses on derivative financial instruments are recorded in gain (loss) from investments—net in the Company's consolidated statements of operations.

COHEN & STEERS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

7. Property and Equipment

The following table summarizes the Company's property and equipment:

	December 31,	
	2020	2019
<i>(in thousands)</i>		
Equipment	\$ 6,725	\$ 5,951
Furniture and fixtures	3,685	3,651
Software	21,789	19,988
Leasehold improvements	16,085	16,048
Subtotal	48,284	45,638
Less: Accumulated depreciation and amortization	(37,943)	(33,152)
Property and equipment, net	<u>\$ 10,341</u>	<u>\$ 12,486</u>

Depreciation and amortization expense related to property and equipment was \$4,652,000, \$4,396,000 and \$4,378,000 for the years ended December 31, 2020, 2019 and 2018, respectively.

Depreciation and amortization expense related to property and equipment is recorded using the straight-line method over the estimated useful lives of the related assets which range from 3-7 years. Leasehold improvements are amortized using the straight-line method over the lease term.

8. Earnings Per Share

Basic earnings per share is calculated by dividing net income attributable to common stockholders by the weighted average shares outstanding. Diluted earnings per share is calculated by dividing net income attributable to common stockholders by the total weighted average shares of common stock outstanding and common stock equivalents determined using the treasury stock method. Common stock equivalents are comprised of dilutive potential shares from restricted stock unit awards and are excluded from the computation if their effect is anti-dilutive.

The following table reconciles income and share data used in the basic and diluted earnings per share computations:

	Years Ended December 31,		
	2020	2019	2018
<i>(in thousands, except per share data)</i>			
Net income	\$ 75,165	\$ 146,984	\$ 109,522
Less: Net (income) loss attributable to redeemable noncontrolling interests	1,419	(12,363)	4,374
Net income attributable to common stockholders	<u>\$ 76,584</u>	<u>\$ 134,621</u>	<u>\$ 113,896</u>
Basic weighted average shares outstanding	47,800	47,273	46,794
Dilutive potential shares from restricted stock units	876	1,024	587
Diluted weighted average shares outstanding	<u>48,676</u>	<u>48,297</u>	<u>47,381</u>
Basic earnings per share attributable to common stockholders	\$ 1.60	\$ 2.85	\$ 2.43
Diluted earnings per share attributable to common stockholders	\$ 1.57	\$ 2.79	\$ 2.40
Anti-dilutive common stock equivalents excluded from the calculation	—	—	—

COHEN & STEERS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

9. Stock-Based Compensation

Amended and Restated Stock Incentive Plan

The Amended and Restated Cohen & Steers, Inc. Stock Incentive Plan (the SIP) provides for the issuance of Restricted Stock Units (RSUs), stock options and other stock-based awards to eligible employees and directors. A total of 20.0 million shares of common stock may be granted under the SIP. The board of directors is authorized to increase the number of shares available for issuance under the SIP, subject to shareholder approval. At December 31, 2020, RSUs with respect to approximately 17,248,000 shares of common stock had been issued under the SIP. As of December 31, 2020, there was \$50,801,000 of unearned compensation related to unvested RSUs that has not yet been recognized in the consolidated statement of operations. The Company expects to recognize this expense over approximately the next three years. In January 2021, the Company granted approximately 691,000 RSUs under the SIP with a grant date fair value of approximately \$46,030,000 which generally vest over a four-year period.

Restricted Stock Units

Vested Restricted Stock Unit Grants

The Company grants awards of vested RSUs to the non-management directors of the Company pursuant to the SIP. The directors are entitled to receive delivery of the underlying common stock on the third anniversary of the date of grant. Dividends declared during the period are paid to the directors in cash. In connection with the grant of these vested RSUs, the Company recorded non-cash stock-based compensation expense of approximately \$699,000, \$614,000 and \$626,000 for the years ended December 31, 2020, 2019 and 2018, respectively.

Unvested Restricted Stock Unit Grants

From time to time, the Company grants awards of unvested RSUs to certain employees pursuant to the SIP. The fair value at the date of grant is expensed on a straight-line basis over the applicable service periods, which is generally four years. Dividends declared by the Company are paid in additional RSUs and are forfeitable until they are delivered. The dividend equivalent RSUs will generally vest and be delivered on the fourth anniversary of the original grant date. The Company recorded stock-based compensation expense, net of forfeitures, of approximately \$4,595,000, \$4,443,000 and \$4,216,000 for the years ended December 31, 2020, 2019 and 2018, respectively.

Incentive Bonus Plans for Employees of the Company

The Company has implemented a program for employees which, based upon compensation levels, automatically allocates a portion of their year-end bonuses in the form of unvested RSUs (Mandatory Program). The fair value at the date of grant of the RSUs under the Mandatory Program is expensed on a straight-line basis over the vesting period, which will generally vest and be delivered ratably over four years. Dividends declared by the Company are paid in additional RSUs and are forfeitable until they are delivered. The dividend equivalent RSUs will generally vest and be delivered on the fourth anniversary of the original grant date. The Company recorded stock-based compensation under the Mandatory Program, net of forfeitures, of approximately \$23,884,000, \$22,637,000 and \$19,710,000 for the years ended December 31, 2020, 2019 and 2018, respectively.

COHEN & STEERS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

The following table sets forth activity relating to the Company's RSUs under the SIP (share data in thousands):

	Vested Restricted Stock Unit Grants		Unvested Restricted Stock Unit Grants		Incentive Bonus Plans Restricted Stock Unit Grants	
	Number of Shares	Weighted Average Grant Date Fair Value	Number of Shares	Weighted Average Grant Date Fair Value	Number of Shares	Weighted Average Grant Date Fair Value
<i>(in thousands, except per share data)</i>						
Balance at January 1, 2018	42	\$ 36.98	318	\$ 34.14	1,550	\$ 34.60
Granted	15	38.29	134	39.02	757	39.42
Delivered	(12)	34.95	(146)	35.13	(539)	34.94
Forfeited	—	—	—	—	(23)	37.16
Balance at December 31, 2018	45	37.93	306	35.80	1,745	36.55
Granted	22	50.29	132	40.97	763	39.92
Delivered	(13)	37.61	(131)	35.46	(601)	36.30
Forfeited	—	—	(5)	38.15	(33)	38.31
Balance at December 31, 2019	54	44.06	302	38.78	1,874	38.38
Granted	12	55.71	189	63.17	437	73.29
Delivered	(16)	38.22	(143)	36.96	(705)	36.30
Forfeited	—	—	(7)	50.60	(78)	49.73
Balance at December 31, 2020	50	48.80	341	52.80	1,528	48.76

Employee Stock Purchase Plan

Pursuant to the Amended and Restated Employee Stock Purchase Plan (ESPP), the Company allows eligible employees, as defined in the ESPP, to purchase common stock at a 15% discount from fair market value up to a maximum of \$25,000 in annual aggregate purchases by any one individual. The number of shares of common stock authorized for purchase by eligible employees is 600,000. Through December 31, 2020, the Company had issued approximately 448,000 shares of common stock under the ESPP. For each year ended December 31, 2020, 2019 and 2018, approximately 18,000 was purchased by eligible employees through the ESPP. For the years ended December 31, 2020, 2019 and 2018, the Company recorded a non-cash stock-based compensation expense of approximately \$152,000, \$131,000 and \$105,000, respectively, which represents the discount on the shares issued pursuant to this plan. The ESPP will terminate upon the earliest to occur of (1) termination of the ESPP by the board of directors or (2) issuance of all of the shares reserved for issuance under the ESPP. The board of directors is authorized to increase the number of shares available for issuance under the ESPP, subject to shareholder approval.

COHEN & STEERS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

10. 401(k) and Profit-Sharing Plan

The Company sponsors a profit-sharing plan (the Plan) covering all U.S. employees who meet certain age and service requirements. Subject to limitations, the Plan permits participants to defer up to 100% of their eligible compensation pursuant to Section 401(k) of the Internal Revenue Code. Employee contributions are matched by the Company at \$0.50 per \$1.00 deferred. The Plan also allows the Company to make discretionary contributions, which are integrated with the taxable wage base under the Social Security Act. No discretionary contributions were made for the years ended December 31, 2020, 2019 and 2018.

Forfeitures occur when participants terminate employment before becoming entitled to their full benefits under the Plan. In accordance with the Plan document, forfeited amounts are used to reduce the Company's contributions to the Plan or to pay Plan expenses. Forfeitures for the years ended December 31, 2020, 2019 and 2018 totaled approximately \$147,000, \$131,000 and \$101,000, respectively.

Matching contributions, net of forfeitures, to the Plan for the years ended December 31, 2020, 2019 and 2018 totaled approximately \$2,498,000, \$2,057,000 and \$1,770,000, respectively.

11. Related Party Transactions

The Company is an investment adviser to, and has administration agreements with, Company-sponsored funds for which certain employees are officers and/or directors.

The following table summarizes the amount of revenue the Company earned from these affiliated funds:

	Years Ended December 31,		
	2020	2019	2018
(in thousands)			
Investment advisory and administration fees ⁽¹⁾	\$ 274,566	\$ 264,116	\$ 241,255
Distribution and service fees	30,134	30,048	29,090
Total	<u>\$ 304,700</u>	<u>\$ 294,164</u>	<u>\$ 270,345</u>

- (1) Investment advisory and administration fees are reflected net of fund reimbursements of \$13.6 million, \$11.1 million and \$8.6 million for and the years ended December 31, 2020, 2019 and 2018, respectively.

The following table summarizes sales proceeds, gross realized gains, gross realized losses and dividend income from investments in Company-sponsored funds that are not consolidated:

	Years Ended December 31,		
	2020	2019	2018
(in thousands)			
Proceeds from sales	\$ 7	\$ 37,326	\$ 10,872
Gross realized gains	—	241	28
Gross realized losses	—	(907)	(4,448)
Dividend income	5	52	481

Included in accounts receivable at December 31, 2020 and 2019 are receivables due from Company-sponsored funds of approximately \$30,163,000 and \$26,701,000, respectively. Included in accounts payable at December 31, 2020 and December 31, 2019 are payables due to Company-sponsored funds of approximately \$574,000 and \$474,000, respectively.

COHEN & STEERS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

12. Regulatory Requirements

CSS, a registered broker-dealer in the U.S., is subject to the SEC's Uniform Net Capital Rule 15c3-1 (the Rule), which requires that broker-dealers maintain a minimum level of net capital, as prescribed by the Rule. At December 31, 2020, CSS had net capital of approximately \$4,332,000, which exceeded its requirements by approximately \$4,099,000. The Rule also provides that equity capital may not be withdrawn or cash dividends paid if the resulting net capital of a broker-dealer is less than the amount required under the Rule and requires prior notice to the SEC for certain withdrawals of capital. CSS does not carry customer accounts and has no possession or control obligations under SEA Rule 15c3-3(b) or reserve deposit obligations under SEA Rule 15c3-3(e). During 2020, CSCM, its parent, made a capital contribution of \$2,000,000 to CSS.

CSAL is subject to regulation by the Hong Kong Securities and Futures Commission. At December 31, 2020, CSAL had regulatory capital of approximately \$5,000,000, which exceeded its minimum regulatory capital requirement by approximately \$4,613,000. During 2020, CSAL paid dividends in the amount of approximately \$12,935,000 to its parent, CSCM.

CSUK is subject to regulation by the United Kingdom Financial Conduct Authority. At December 31, 2020, CSUK had regulatory capital of approximately \$28,929,000, which exceeded its minimum regulatory capital requirement by approximately \$23,597,000. During 2020, CSUK paid a dividend in the amount of approximately \$14,800,000 to its parent, CNS.

CSIL is subject to regulation by the Central Bank of Ireland. At December 31, 2020, CSIL had regulatory capital of approximately \$2,854,000, which exceeded its minimum regulatory capital requirement by approximately \$2,630,000. During 2020, CNS, its parent, made a capital contribution of \$2,854,000 to CSIL.

CSJL is registered with the Financial Services Agency of Japan and the Kanto Local Finance Bureau and is subject to the Financial Instruments and Exchange Act. In accordance with its license, CSJL is required to maintain regulatory capital, as defined, of approximately \$630,000. At December 31, 2020, CSJL had stated capital in excess of this requirement.

13. Commitments and Contingencies

From time to time, the Company is involved in legal matters relating to claims arising in the ordinary course of business. There are currently no such matters pending that the Company believes could have a material adverse effect on its consolidated results of operations, cash flows or financial position.

The Company periodically commits to fund a portion of the equity in certain of its sponsored investment products. The Company has committed to co-invest up to \$5,100,000 alongside GRP-TE, a portion of which is made through GRP-TE and the remainder of which is made through GRP-CIP for up to 12 years through the life of GRP-TE. As of December 31, 2020, the Company had funded approximately \$3,800,000 with respect to this commitment. The actual timing for funding the unfunded portion of this commitment is currently unknown, as the drawdown of the Company's unfunded commitment is contingent on the timing of drawdowns by the underlying funds in which GRP-TE and GRP-CIP invest. The unfunded commitment is not recorded on the Company's consolidated statements of financial condition.

COHEN & STEERS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

14. Income Taxes

The income before provision for income taxes and provision for income taxes are as follows:

(in thousands)	Years Ended December 31,		
	2020	2019	2018
Income before provision for income taxes - U.S. ⁽¹⁾	\$ 83,617	\$ 171,497	\$ 132,838
Income before provision for income taxes - Non-U.S.	9,770	16,052	10,941
Total income before provision for income taxes	<u>\$ 93,387</u>	<u>\$ 187,549</u>	<u>\$ 143,779</u>

(1) Included loss of \$1.4 million, income of \$12.4 million and loss of \$4.4 million attributable to third-party interests for the years ended December 31, 2020, 2019 and 2018, respectively.

Current tax expense:

U.S. federal	\$ 12,859	\$ 30,818	\$ 26,223
State and local	3,291	7,627	7,378
Non-U.S.	1,965	2,024	2,029
	<u>18,115</u>	<u>40,469</u>	<u>35,630</u>

Deferred tax (benefit) expense:

U.S. federal	(67)	(133)	(748)
State and local	(32)	(74)	(281)
Non-U.S.	206	303	(344)
	<u>107</u>	<u>96</u>	<u>(1,373)</u>
Provision for income taxes	<u>\$ 18,222</u>	<u>\$ 40,565</u>	<u>\$ 34,257</u>

A reconciliation of the Company's statutory federal income tax rate and the effective tax rate is as follows:

	Years Ended December 31,		
	2020	2019	2018
U.S. statutory tax rate	21.0 %	21.0 %	21.0 %
Stock-based compensation	(9.0)%	(0.1)%	(0.6)%
State and local income taxes, net of federal income taxes	4.1 %	3.4 %	3.8 %
Unrecognized tax benefit adjustments	2.4 %	(1.0)%	(1.0)%
Foreign operations tax differential	0.1 %	(0.5)%	0.3 %
Non-deductible (gains) losses on investments	0.1 %	(1.6)%	0.2 %
Non-taxable (gains) losses on investments	0.3 %	0.9 %	0.1 %
Tax Cuts and Jobs Act	— %	— %	(0.1)%
Other	0.2 %	1.1 %	(0.6)%
Effective income tax rate	<u>19.2 %</u>	<u>23.2 %</u>	<u>23.1 %</u>

Deferred income taxes represent the tax effects of the temporary differences between book and tax bases and are measured using enacted tax rates that will be in effect when such items are expected to reverse. The Company records a valuation allowance, when necessary, to reduce deferred tax assets to an amount that more likely than not will be realized.

COHEN & STEERS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

Significant components of the Company's net deferred income tax asset consist of the following:

<i>(in thousands)</i>	At December 31,	
	2020	2019
Deferred income tax assets (liabilities):		
Stock-based compensation	\$ 5,329	\$ 5,310
Realized losses on investments	3,567	4,218
Dividend equivalents on unvested restricted stock units	1,735	1,725
Net unrealized (gains) losses on investments	(1,364)	(1,632)
Deferred compensation	52	290
Deferred rent	904	1,205
Other	(530)	(824)
Subtotal	9,693	10,292
Less: valuation allowance	(2,698)	(3,201)
Deferred income tax asset—net	<u>\$ 6,995</u>	<u>\$ 7,091</u>

The Company had capital loss carryforwards of approximately \$14,311,000 and \$17,027,000 for the years ended December 31, 2020 and 2019 which, if unused, will expire in years 2021 to 2025. The valuation allowance on the net deferred income tax asset decreased by approximately \$503,000 during the year ended December 31, 2020.

At December 31, 2020, the Company had approximately \$13,616,000 of total gross unrecognized tax benefits. Of this total, approximately \$10,027,000 (net of the federal benefit on state issues) represents the amount of unrecognized tax benefits that, if recognized, would favorably affect the Company's effective tax rate in future periods. The Company believes it is reasonably possible that it will reduce its net unrecognized tax benefits by \$9,000,000 to \$10,000,000 within the next twelve months due to the expected conclusion of jurisdictional reviews and the lapse of the statute of limitations on certain positions.

A reconciliation of the beginning and ending amount of gross unrecognized tax benefits is as follows:

<i>(in thousands)</i>	Liability for Unrecognized Tax Benefits
Gross unrecognized tax benefits balance at January 1, 2018	\$ 12,406
Addition for tax positions of current year	2,233
Reduction of tax positions from prior years	(2,602)
Gross unrecognized tax benefits balance at December 31, 2018	<u>\$ 12,037</u>
Addition for tax positions of current year	2,430
Addition for tax positions of prior years	133
Reduction of tax positions from prior years	(1,720)
Gross unrecognized tax benefits balance at December 31, 2019	<u>\$ 12,880</u>
Addition for tax positions of current year	1,697
Addition for tax positions of prior years	3,599
Reduction of tax positions from prior years	(4,560)
Gross unrecognized tax benefits balance at December 31, 2020	<u>\$ 13,616</u>

The Company records potential interest and penalties related to uncertain tax positions in the provision for income taxes. At December 31, 2020 and 2019, the Company had approximately \$6,778,000 and \$3,179,000, respectively, in potential interest and penalties associated with uncertain tax positions.

The tax years 2013 through 2020 remain open to examination by various taxing jurisdictions.

COHEN & STEERS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

In connection with the enactment of the Tax Cuts and Jobs Act (the Tax Act), the Company recorded a provisional transition tax of \$8,432,000 at December 31, 2017, which reflected a one-time tax on deemed repatriated accumulated earnings and profits of the Company's foreign subsidiaries. Based on refinement of the calculation, the Company adjusted its transition tax liability from \$8,432,000 at December 31, 2017 to \$8,310,000 during the second quarter of 2018. This tax liability, paid over eight years on an interest-free basis, was included as part of income tax payable on the Company's consolidated statements of financial condition at December 31, 2020 and 2019.

The following table summarizes the remaining transition tax liability at December 31, 2020 (in thousands):

2021	\$	665
2022		665
2023		1,246
2024		1,662
2025		2,077
	<u>\$</u>	<u>6,315</u>

In addition to the transition tax, the Tax Act requires certain income earned by foreign subsidiaries, referred to as global intangible low-taxed income (GILTI), be included in the U.S. taxable income of the parent company. GILTI requires an accounting policy election to either (1) treat taxes due on future U.S. inclusions in taxable income related to GILTI as a current period expense when incurred or (2) factor such amounts into the measurement of deferred taxes. The Company has made an accounting policy election to account for any additional tax resulting from the GILTI provisions in the year in which it is incurred. Based upon its calculation, the Company was not required to record any material income tax expense attributable to the GILTI provisions for the year ended December 31, 2020.

15. Goodwill and Intangible Assets

The following table summarizes the changes in the Company's goodwill and non-amortized intangible assets:

<i>(in thousands)</i>	Goodwill	Indefinite-Lived Intangible Assets
Balance at January 1, 2019	\$ 18,501	\$ 1,250
Currency revaluation	(191)	—
Balance at December 31, 2019	\$ 18,310	\$ 1,250
Currency revaluation	935	—
Balance at December 31, 2020	<u>\$ 19,245</u>	<u>\$ 1,250</u>

16. Leases

The Company has operating leases for corporate offices and certain information technology equipment.

The following table summarizes the Company's lease cost included in general and administrative expense in the consolidated statements of operations:

<i>(in thousands)</i>	Years Ended December 31,		
	2020	2019	2018
Operating lease cost	\$ 11,247	\$ 11,495	\$ 11,552

COHEN & STEERS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

Supplemental information related to operating leases is summarized below:

	Years Ended December 31,		
	2020	2019	2018
<i>(in thousands)</i>			
Supplemental cash flow information:			
Cash paid for amounts included in the measurement of lease liabilities	\$ 12,408	\$ 12,365	\$ 11,709
Supplemental non-cash information:			
Right-of-use assets obtained in exchange for new lease liabilities	3,026	—	614

Other information related to operating leases is summarized below:

	Years Ended December 31,		
	2020	2019	2018
Weighted-average remaining lease term (years)	3	4	5
Weighted-average discount rate	2.8 %	2.8 %	2.8 %

The following table summarizes the maturities of lease liabilities at December 31, 2020 (in thousands):

Year Ending December 31,	Operating Leases
2021	\$ 12,173
2022	11,875
2023	11,428
2024	966
Total remaining undiscounted lease payments	36,442
Less: imputed interest	1,516
Total remaining discounted lease payments	<u>\$ 34,926</u>

17. Concentration of Credit Risk

The Company's cash and cash equivalents are principally on deposit with major financial institutions. The Company is subject to credit risk should these financial institutions be unable to fulfill their obligations.

The following affiliated funds provided 10% or more of the total revenue of the Company:

	Years Ended December 31,		
	2020	2019	2018
<i>(in thousands, except percentages)</i>			
Cohen & Steers Preferred Securities and Income Fund, Inc. (CPX):			
Investment advisory and administration fees	\$ 69,197	\$ 56,638	\$ 53,059
Distribution and service fees	13,499	12,753	13,525
Total	<u>\$ 82,696</u>	<u>\$ 69,391</u>	<u>\$ 66,584</u>
Percent of total revenue	19.3 %	16.9 %	17.5 %
Cohen & Steers Real Estate Securities Fund, Inc. (CSI):			
Investment advisory and administration fees	\$ 38,961	\$ 41,971	\$ 31,759
Distribution and service fees	6,943	8,128	6,841
Total	<u>\$ 45,904</u>	<u>\$ 50,099</u>	<u>\$ 38,600</u>
Percent of total revenue	10.7 %	12.2 %	10.1 %

COHEN & STEERS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

18. Selected Quarterly Financial Data (unaudited)

The following table presents selected quarterly financial data:

<i>(in thousands, except per share data)</i>	Quarter				
	1st	2nd	3rd	4th	Total
2020					
Revenue	\$ 105,830	\$ 94,087	\$ 111,159	\$ 116,460	\$ 427,536
Operating income (loss)	28,369	35,295	43,307	(11,914)	95,057
Net income (loss) attributable to common stockholders	20,572	28,520	31,904	(4,412)	76,584
Earnings (loss) per share attributable to common stockholders:					
Basic	0.43	0.60	0.67	(0.09)	1.60
Diluted	0.42	0.59	0.66	(0.09)	1.57
Weighted-average shares outstanding:					
Basic	47,651	47,826	47,855	47,867	47,800
Diluted	48,591	48,572	48,681	48,857	48,676
2019					
Revenue	\$ 94,226	\$ 101,792	\$ 104,965	\$ 109,847	\$ 410,830
Operating income	35,435	38,104	40,133	46,462	160,134
Net income attributable to common stockholders	32,543	31,333	34,017	36,728	134,621
Earnings per share attributable to common stockholders:					
Basic	0.69	0.66	0.72	0.78	2.85
Diluted	0.68	0.65	0.70	0.75	2.79
Weighted-average shares outstanding:					
Basic	47,146	47,304	47,316	47,324	47,273
Diluted	47,642	48,175	48,412	48,703	48,297

19. Subsequent Events

The Company has evaluated the need for disclosures and/or adjustments resulting from subsequent events through the date the consolidated financial statements were issued. Other than the items described below, the Company determined that there were no additional subsequent events that require disclosure and/or adjustment.

On February 25, 2021, CNS declared a quarterly dividend on its common stock in the amount of \$0.45 per share. This dividend will be payable on March 18, 2021 to stockholders of record at the close of business on March 8, 2021.

Performance notes

Data quoted represents past performance, which is no guarantee of future results. There is no guarantee that investors will experience the type of performance reflected above. There is no guarantee that any historical trend illustrated herein will be repeated in the future, and there is no way to predict precisely when such a trend will begin. There is no guarantee that any market forecast made in this document will be realized. The views and opinions in the preceding document are as of the date of publication and are subject to change without notice. This material represents an assessment of the market environment at a specific point in time and should not be relied upon as investment advice, does not constitute a recommendation to buy or sell a security or other investment and is not intended to predict or depict performance of any investment. This material is not being provided in a fiduciary capacity and is not intended to recommend any investment policy or investment strategy or take into account the specific objectives or circumstances of any investor. We consider the information in this document to be accurate, but we do not represent that it is complete or should be relied upon as the sole source of suitability for investment. Cohen & Steers does not provide investment, tax or legal advice. Please consult with your investment, tax or legal adviser regarding your individual circumstances prior to investing.

Strategy performance. Outperformance is determined by annualized investment performance of all accounts in each investment strategy measured gross of fees and net of withholding taxes in comparison to the performance of each account's reference benchmark measured net of withholding taxes, where applicable.

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as sales or marketing material for any financial product or service sponsored or provided by Cohen & Steers.

Please consider the investment objectives, risks, charges and expenses of any Cohen & Steers U.S.-registered open-end mutual fund carefully before investing. A summary prospectus and prospectus containing this and other information may be obtained by visiting cohenandsteers.com or by calling 800 330 7348. Please read the summary prospectus and prospectus carefully before investing.

Risks of Investing in Real Estate Securities. The risks of investing in real estate securities are similar to those associated with direct investments in real estate, including falling property values due to increasing vacancies or declining rents resulting from economic, legal, political or technological developments, lack of liquidity, limited diversification and sensitivity to certain economic factors such as interest rate changes and market recessions.

Risks of Investing in Global Infrastructure Securities. Infrastructure issuers may be subject to regulation by various governmental authorities and may also be affected by governmental regulation of rates charged to customers, operational or other mishaps, tariffs, and changes in tax laws, regulatory policies, and accounting standards.

Risks of Investing in Foreign Securities. Foreign securities involve special risks, including currency fluctuations, lower liquidity, political and economic uncertainties and differences in accounting standards. Some international securities may represent small- and medium-sized companies, which may be more susceptible to price volatility and less liquidity than larger companies.

Risks of Investing in MLP Securities. An investment in MLPs involves risks that differ from a similar investment in equity securities, such as common stock, of a corporation. Holders of equity securities issued by MLPs have the rights typically afforded to limited partners in a limited partnership. As compared to common shareholders of a corporation, holders of such equity securities have more limited control and limited rights to vote on matters affecting the partnership. There are certain tax risks associated with an investment in MLPs, including the risk that an MLP could lose its tax status as a partnership. Additionally, conflicts of interest may exist among common unit holders, subordinated unit holders and the general partner or managing member of an MLP; for example, a conflict may arise as a result of incentive distribution payments.

Risks of Investing in the Energy Sector. A downturn in the energy sector of the economy could have a larger impact on a strategy concentrated in the energy sector than on a strategy that does not concentrate in the sector. In addition, there are several specific risks

associated with investments in the energy sector, including commodity price risk, depletion risk, supply and demand risk, interest-rate transaction risk, affiliated party risk, limited partner risk and risks of subordinated MLP units. MLPs which invest in the energy industry are highly volatile due to significant fluctuation in the prices of energy commodities as well as political and regulatory developments.

Risks of Investing in Commodities. An investment in commodity-linked derivative instruments may be subject to greater volatility than investments in traditional securities, particularly if the instruments involve leverage. The value of commodity-linked derivative instruments may be affected by changes in overall market movements, commodity index volatility, changes in interest rates, or factors affecting a particular industry or commodity, such as drought, floods, weather, livestock disease, embargoes, tariffs and international economic, political and regulatory developments. The use of derivatives presents risks different from, and possibly greater than, the risks associated with investing directly in traditional securities. Among the risks presented are market risk, credit risk, counterparty risk, leverage risk and liquidity risk. The use of derivatives can lead to losses because of adverse movements in the price or value of the underlying asset, index or rate, which may be magnified by certain features of the derivatives. No representation or warranty is made as to the efficacy of any particular strategy or fund or the actual returns that may be achieved.

Futures Trading Is Volatile, Highly Leveraged and May Be Illiquid.

Investments in commodity futures contracts and options on commodity futures contracts have a high degree of price variability and are subject to rapid and substantial price changes. Such investments could incur significant losses. There can be no assurance that the options strategy will be successful. The use of options on commodity futures contracts is to enhance risk-adjusted total returns. The use of options, however, may not provide any, or only partial, protection from market declines. The return performance of the commodity futures contracts may not parallel the performance of the commodities or indexes that serve as the basis for the options it buys or sells; this basis risk may reduce overall returns.

Risks of Investing in Natural Resource Equities. The market value of securities of natural resource companies may be affected by numerous factors, including events occurring in nature, inflationary pressures and international politics. If a strategy invests significantly in natural resource companies, there is the risk that the strategy will perform poorly during a downturn in the natural resource sector.

Risks of Investing in Preferred Securities. Investing in any market exposes investors to risks. In general, the risks of investing in preferred securities are similar to those of investing in bonds, including credit risk and interest-rate risk. As nearly all preferred securities have

issuer call options, call risk and reinvestment risk are also important considerations. In addition, investors face equity-like risks, such as deferral or omission of distributions, subordination to bonds and other more senior debt, and higher corporate governance risks with limited voting rights. Risks associated with preferred securities differ from risks inherent with other investments. In particular, in the event of bankruptcy, a company's preferred securities are senior to common stock but subordinated to all other types of corporate debt. It is important to note that corporate bonds sit higher in the capital structure than preferred securities and therefore, in the event of bankruptcy, will be senior to the preferred securities. Municipal bonds are issued and backed by state and local governments and their agencies, and the interest from municipal securities is often free from both state and local income taxes. Treasury securities are issued by the U.S. government and are generally considered the safest of all bonds since they are backed by the full faith and credit of the U.S. government as to timely payment of principal and interest. Preferred securities may be rated below-investment-grade or may be unrated. Below-investment-grade securities or equivalent unrated securities generally involve greater volatility of price and risk of loss of income and principal, and may be more susceptible to real or perceived adverse economic and competitive industry conditions than higher-grade securities.

Corporate information

Corporate headquarters

Cohen & Steers, Inc.
280 Park Avenue, 10th Floor
New York, NY 10017
212 832 3232

Stock listing

Cohen & Steers, Inc.'s common stock is traded on the New York Stock Exchange under the symbol CNS. At the close of business on March 11, 2021, there were 37 common shareholders of record. Common shareholders of record include institutional and omnibus accounts that hold shares of common stock for numerous underlying investors. Beneficial owners of our common stock whose shares are held in the "street name" of a bank, broker or other holder of record are not included in the number of common shareholders of record.

Website information

Information on Cohen & Steers' financial reports and products and services is available on our website at cohenandsteers.com.

Financial information

Cohen & Steers makes available, free of charge, through its website cohenandsteers.com under "Company—Investor Relations—SEC Filings," its Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and all amendments to those reports, as soon as reasonably practicable after they are electronically filed with or furnished to the Securities and Exchange Commission (the "SEC"). Further, Cohen & Steers will provide, free of charge, to each shareholder, upon written request, a copy of its Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and all amendments to those reports. Requests for copies should be sent to Cohen & Steers, Inc., 280 Park Avenue, 10th Floor, New York, NY 10017, Attention: Legal Department. Requests may also be directed to 212 832 3232 or via e-mail to investor_relations@cohenandsteers.com. Copies may also be accessed electronically through the SEC's website at www.sec.gov.

Corporate governance at Cohen & Steers

Cohen & Steers' Corporate Governance Guidelines and additional information about Cohen & Steers' board and its committees and corporate governance at Cohen & Steers is available on our website at cohenandsteers.com under "Company—Investor Relations—Corporate Governance." Shareholders who would like to request printed copies of the Cohen & Steers Code of Business Conduct and Ethics or the charters of the board's Audit, Nominating and Corporate Governance, or Compensation Committees (all of which are posted on our website) may do so by sending their requests to Cohen & Steers, Inc., 280 Park Avenue, 10th Floor, New York, NY 10017, Attention: Legal Department.

Inquiries

Analysts, institutional investors, individual shareholders, news media representatives and others seeking general information should contact Matthew S. Stadler, Chief Financial Officer, at 212 832 3232 or via e-mail at investor_relations@cohenandsteers.com.

2021 Annual Shareholder Meeting

The Cohen & Steers Annual Shareholder Meeting will be held on Thursday, May 6, 2021, beginning at 9:00 a.m. Eastern Time. The meeting will be held virtually and will be accessible to shareholders at www.virtualshareholdermeeting.com/CNS2021.

Dividend policy

Cohen & Steers has historically paid a quarterly cash dividend. The declaration and payment of dividends to holders of common stock by Cohen & Steers are subject to the discretion of our board of directors. The board of directors will take into account such matters as general economic and business conditions, our strategic plans, our financial results and condition, contractual, legal and regulatory restrictions on the payment of dividends by Cohen & Steers and its subsidiaries, and such other factors as the board of directors may consider to be relevant.

Registrar and transfer agent

Computershare Trust Company N.A. is the transfer agent and registrar for Cohen & Steers and maintains shareholder accounting records. The transfer agent should be contacted for change in address, name or ownership, lost certificates and consolidation of accounts.

Please contact:

Computershare
P.O. Box 505005
Louisville, KY 40233-5005
Toll-free (United States): 866 282 3779
Foreign shareholders: +1 201 680 6578
Hearing-impaired: 312 588 4110
Web Address: www.computershare.com/investor

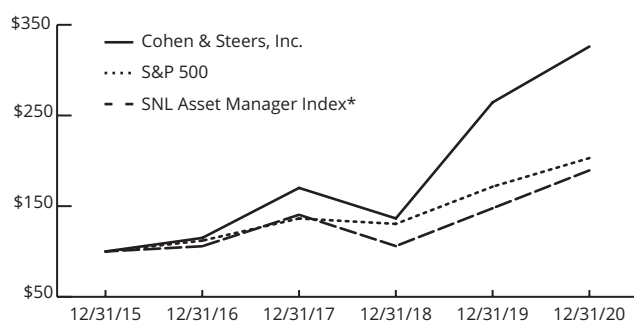
Independent registered public accounting firm

Deloitte & Touche LLP
30 Rockefeller Plaza
New York, NY 10112

Common stock performance graph

The following graph compares the cumulative total shareholder return on our common stock from December 31, 2015, through December 31, 2020, with the cumulative total return of the Standard & Poor's 500 Stock Index ("S&P 500") and the SNL Asset Manager Index.* The graph assumes the investment of \$100 in our common stock and in each of the two indices on December 31, 2015, and the reinvestment of all dividends, if any. The following information has been obtained from sources believed to be reliable, but neither its accuracy nor its completeness is guaranteed. The performance graph is not necessarily indicative of future investment performance.

Total return performance



Source: S&P Global Market Intelligence.

	Period Ending					
	12/31/15	12/31/16	12/31/17	12/31/18	12/31/19	12/31/20
Cohen & Steers, Inc.	100.00	114.96	170.13	136.48	264.44	326.04
S&P 500 Index	100.00	111.96	136.40	130.42	171.49	203.04
SNL Asset Manager	100.00	105.79	140.48	105.98	147.70	189.47

* The SNL Asset Manager Index currently comprises the following companies:

Affiliated Managers Group Inc., AllianceBernstein Holding L.P., Ameriprise Financial Inc., Apollo Global Management Inc., Ares Management Corporation, Artisan Partners Asset Management Inc., Ashford Inc., Associated Capital Group Inc., BlackRock Inc., BrightSphere Investment Group Inc., Carlyle Group Inc., Cohen & Steers Inc., Diamond Hill Investment Group, Eaton Vance Corp., Federated Hermes Inc., Fifth Street Asset Management Inc., Franklin Resources Inc., GAMCO Investors Inc., Great Elm Capital Group Inc., Hamilton Lane Inc., Hennessy Advisors Inc., Invesco Ltd., Janus Henderson Group PLC, KKR & Co., Manning & Napier Inc., Medley Management Inc., Pzena Investment Management Inc., Safeguard Scientifics Inc., Sculptor Capital Management Inc., SEI Investments Co., Silvercrest Asset Management Group, T. Rowe Price Group Inc., The Blackstone Group, The Gabelli Equity Trust, U.S. Global Investors Inc., Victory Capital Holdings Inc., Virtus Investment Partners Inc., Waddell & Reed Financial Inc., Westwood Holdings Group Inc., WisdomTree Investments Inc.

In accordance with the rules of the SEC, this common stock performance graph shall not be incorporated by reference into any future filings by us under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or under the Securities Act of 1933, as amended (the "Securities Act"), and shall not be deemed to be soliciting material or to be filed under the Securities Act or the Exchange Act.

Non-GAAP financial measures

The 2020 Financial Highlights include certain non-GAAP financial measures for the years ended December 31, 2020 and 2019. A reconciliation of these non-GAAP financial measures to the most directly comparable financial measures, calculated and presented in accordance with accounting principles generally accepted in the United States, is included in Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations on pages 34-35 of the Form 10-K.

BOARD OF DIRECTORS

Martin Cohen

Chairman
Cohen & Steers, Inc.
Director since 2004

Robert H. Steers

Chief Executive Officer
Cohen & Steers, Inc.
Director since 2004

Joseph M. Harvey

President
Cohen & Steers, Inc.
Director since 2019

Reena Aggarwal ^{1,2,3}

Robert E. McDonough
Professor of Finance and Director
Georgetown Center for
Financial Markets and Policy
McDonough School of Business
Director since 2016

Frank T. Connor ^{1,2,3}

Executive Vice President and
Chief Financial Officer
Textron, Inc.
Director since 2014

Peter L. Rhein ^{1,2,3}

General Partner
Sarlot & Rhein
Director since 2004
Chair, Audit Committee

Richard P. Simon ^{1,2,3}

Former Managing Director
Goldman Sachs & Co.
Director since 2004
Chair, Nominating and Corporate
Governance Committee

Dasha Smith ^{1,2,3}

Executive Vice President and
Chief Administrative Officer
National Football League
Director since 2019

Edmond D. Villani ^{1,2,3}

Former Vice Chairman
Deutsche Asset Management,
North America
Director since 2004
Chair, Compensation Committee

EXECUTIVE MANAGEMENT

Robert H. Steers

Chief Executive Officer

Joseph M. Harvey

President

Matthew S. Stadler

Executive Vice President
Chief Financial Officer

Adam M. Derechin, CFA

Executive Vice President
Chief Operating Officer

Francis C. Poli

Executive Vice President
General Counsel and Secretary

Michele Noltz

Executive Vice President
Head of Global Human Resources

Jon Cheigh

Executive Vice President
Chief Investment Officer and
Head of Global Real Estate

Daniel P. Charles

Executive Vice President
Head of Global Distribution

Committee Memberships

1. Audit Committee
2. Compensation Committee
3. Nominating and Corporate
Governance Committee



We believe accessing investment opportunities around the world requires local knowledge and insight into specialized and regional markets. Cohen & Steers maintains a global presence through the following offices:

Americas

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United Kingdom
Phone +44 207 460 6350

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Tokyo 100-6216 Japan
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