

Cohen & Steers Closed-End Opportunity Fund, Inc.
Form N-CSR
March 02, 2015

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

FORM N-CSR

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

Investment Company Act file number 811-21948

Cohen & Steers Closed-End Opportunity Fund, Inc.
(Exact name of registrant as specified in charter)

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

10017
(Zip code)

Tina M. Payne

Cohen & Steers Capital Management, Inc.

280 Park Avenue

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

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

Date of fiscal year end: December 31

Date of reporting period: December 31, 2014

Item 1. Reports to Stockholders.

COHEN & STEERS CLOSED-END OPPORTUNITY FUND, INC.

To Our Shareholders:

We would like to share with you our report for the year ended December 31, 2014. The net asset value (NAV) at that date was \$14.42 per common share. The Fund's common stock is traded on the New York Stock Exchange (NYSE) and its share price can differ from its NAV; at year end, the Fund's closing price on the NYSE was \$13.16.

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

| | Six Months Ended December 31, 2014 | Year Ended December 31, 2014 |
|---|---------------------------------------|---------------------------------|
| Cohen & Steers Closed-End Opportunity Fund at NAV ^a | 0.79% | 10.92% |
| Cohen & Steers Closed-End Opportunity Fund at Market Value ^a | 1.22% | 13.19% |
| Morningstar U.S. All Taxable Ex-Foreign Equity Index ^b | 4.28% | 5.73% |
| S&P 500 Index ^b | 6.12% | 13.69% |

The performance data quoted represent past performance. Past performance is no guarantee of future results. The investment return and the principal value of an investment will fluctuate and shares, if sold, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. Current total returns of the Fund can be obtained by visiting our website at cohenandsteers.com. The Fund's returns assume the reinvestment of all dividends and distributions at prices obtained under the Fund's dividend reinvestment plan. NAV return reflects fee waivers and/or expense reimbursements, without which the return would be lower. Index performance does not reflect the deduction of any fees, taxes or expenses. An investor cannot invest directly in an index. Performance figures for periods shorter than one year are not annualized.

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

The Fund makes regular quarterly distributions at a level rate (the Policy). Distributions paid by the Fund are subject to recharacterization for tax purposes and are taxable up to the amount of the

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

^b The Morningstar U.S. All Taxable Ex-Foreign Equity Index measures the market cap weighted total return of taxable equity and fixed income closed-end funds it excludes international, regional, and country closed-end funds. Index returns update frequently and are subject to change. The S&P 500 Index is an unmanaged index of 500 large-cap stocks that is frequently used as a general measure of stock market

performance.

COHEN & STEERS CLOSED-END OPPORTUNITY FUND, INC.

Fund's investment company taxable income and net realized gains. As a result of the Policy, the Fund may pay distributions in excess of the Fund's investment company taxable income and net realized gains. This excess would be a return of capital distributed from the Fund's assets. Distributions of capital decrease the Fund's total assets and, therefore, could have the effect of increasing the Fund's expense ratio. In addition, in order to make these distributions, the Fund may have to sell portfolio securities at a less than opportune time.

Investment Review

Closed-end funds advanced in 2014, registering positive returns across most equity and fixed income categories. The U.S. economy continued to build momentum, with improvements in job creation and gross domestic product growth. At the same time, bond yields trended downward, with the 10-year Treasury rate falling from 3.0% to 2.2% by the end of the year. The decline in yields ran counter to the market's expectations in a time of strengthening economic growth, reflecting a relatively benign global inflation outlook and aggressive liquidity measures by the European Central Bank, which pressured bond yields globally.

Fixed income closed-end funds widely benefited from falling Treasury yields and improved sentiment toward fixed income in general. Closed-end funds' discounts to NAV remained wider than their long-term averages. The average discount for taxable fixed income funds ended the year at 6.4%, compared with an 18-year average discount of 2.6%. Equity funds (excluding commodities) ended the year with an average discount of 6.3% to NAV, compared with an 18-year average of 4.9%.

The taxable municipal category (23.5% total return^c) led within the fixed income group. Both taxable and tax-exempt municipal bonds produced strong returns in the period, as improvements in job growth and home sales helped states and municipalities increase tax collections. Municipal securities markets also benefited from reduced debt issuance.

Preferred securities funds (18.2%) benefited from longer durations in a declining interest-rate environment, as well as improving credit fundamentals for global financial institutions. Multi-sector funds (7.5%) were not as strong but nonetheless outperformed within fixed income, aided by above-average dividend fundamentals. Funds in the senior loan (1.4%), limited duration (0.8%) and emerging market income (5.8%) categories underperformed.

Equity closed-end funds had stronger returns than fixed income funds. However, the group's return was skewed downward by a modest 1.5% return for funds with master limited partnership (MLP) strategies. MLP funds, which represent the largest component of the equity group, were restrained by their ties to the energy industry in a period of falling oil and natural gas prices. Commodities funds (9.4%) and energy-resources funds (4.0%) were also pressured by the sharp decline in energy prices, along with declines in gold and silver prices.

All other equity sectors rose, led by health-biotech (21.3%) and real estate funds (26.2%), which both appeared to benefit from their relative insulation from slowing growth outside of the United States.

^c The closed-end fund returns are market price.

COHEN & STEERS CLOSED-END OPPORTUNITY FUND, INC.

Real estate companies continued to operate amid strong fundamentals, as reflected in earnings that met or exceeded expectations across a range of property types. Utilities funds (21.9%) outperformed, with the underlying companies aided by the decline in bond yields.

New Issuance of Closed-End Funds Slowed

Following an active market for initial public offerings (IPOs) of closed-end funds in 2013, underwriters grew reluctant to launch new funds in 2014, with net proceeds declining 72% versus the previous year. Discounts for existing funds were wider than their historical average and recently issued funds traded below their IPO prices, discouraging investor demand for new products. There were seven IPOs in the year: four MLP funds and a few specialty equity funds, including one with a science/technology strategy.

Fund Performance

The Fund had a positive return in the period and outperformed its benchmark on both NAV and market price. Fund selection in the MLP category contributed to relative performance versus the index. The Fund also benefited from underweight allocations to commodities funds, senior loan funds and high-yield funds (which had a market-price return of 1.1% in the index).

Detractors from relative performance included our underweight in the utilities sector and fund selection in the energy-resources sector. The Fund did not invest in taxable municipal funds, which had strong performance, although it did have out-of-index allocations to tax-exempt municipal funds; these investments had a positive net effect on performance relative to the benchmark.

Investment Outlook

With discounts for closed-end funds exceeding their long-term averages, we continue to find a wide array of undervalued funds across fixed income and equity categories. In general, our focus remains on funds that we believe offer greater potential to benefit from a continued recovery in the global economy.

We continue to see opportunities in well-managed equity funds trading at attractive valuations and certain credit-sensitive fixed income funds and sectors that we expect will benefit from improving economic growth and credit fundamentals. However, we also believe that certain longer-duration fund categories, including tax-exempt municipal bonds, offer good long-term value and income potential.

Due to the size of current discounts across the closed-end-fund market, we do not expect to see meaningful new issuance in either the equity or fixed income categories in the next several months. This could change if discounts draw closer to their historical averages.

COHEN & STEERS CLOSED-END OPPORTUNITY FUND, INC.

Sincerely,

ROBERT H. STEERS
Chairman

DOUGLAS R. BOND
Portfolio Manager

The views and opinions in the preceding commentary are subject to change without notice and are as of the date of publication. There is no guarantee that any market forecast set forth in the commentary will be realized. This material represents an assessment of the market environment at a specific point in time, should not be relied upon as investment advice and is not intended to predict or depict performance of any investment.

Visit Cohen & Steers online at cohenandsteers.com

For more information about the Cohen & Steers family of mutual funds, visit cohenandsteers.com. Here you will find fund net asset values, fund fact sheets and portfolio highlights, as well as educational resources and timely market updates.

Our website also provides comprehensive information about Cohen & Steers, including our most recent press releases, profiles of our senior investment professionals and their investment approach to each asset class. The Cohen & Steers family of mutual funds invests in major real asset categories including real estate, infrastructure and commodities, along with preferred securities and other income solutions.

COHEN & STEERS CLOSED-END OPPORTUNITY FUND, INC.

December 31, 2014
 Top Ten Holdings
 (Unaudited)

| Closed-End Fund | Value | % of Net Assets |
|--|--------------|-----------------------|
| Eaton Vance Tax-Advantaged Dividend Income Fund | \$19,874,816 | 5.1 |
| Gabelli Dividend & Income Trust | 18,130,265 | 4.6 |
| Eaton Vance Tax-Managed Global Diversified Equity Income Fund | 16,461,848 | 4.2 |
| Kayne Anderson MLP Investment Company | 16,286,214 | 4.2 |
| SPDR S&P 500 ETF Trust | 16,205,525 | 4.1 |
| Eaton Vance Tax-Managed Diversified Equity Income Fund | 16,130,675 | 4.1 |
| First Trust Energy Income and Growth Fund | 15,968,129 | 4.1 |
| Eaton Vance Tax-Managed Buy-Write Opportunities Fund | 14,497,463 | 3.7 |
| John Hancock Tax-Advantaged Dividend Income Fund | 13,791,343 | 3.5 |
| Nuveen Preferred Income Opportunities Fund | 11,956,529 | 3.1 |

Sector Breakdown

(Based on Net Assets)
 (Unaudited)

COHEN & STEERS CLOSED-END OPPORTUNITY FUND, INC.

SCHEDULE OF INVESTMENTS

December 31, 2014

| | | Number of Shares | Value |
|---|-------|---------------------|--------------|
| CLOSED-END FUNDS | 97.1% | | |
| COMMODITIES | 0.3% | | |
| BlackRock Resources & Commodities Strategy Trust | | 121,899 | \$ 1,183,639 |
| COVERED CALL | 15.8% | | |
| BlackRock Enhanced Capital and Income Fund | | 268,084 | 3,745,133 |
| Eaton Vance Enhanced Equity Income Fund II | | 85,485 | 1,182,258 |
| Eaton Vance Tax-Managed Buy-Write Opportunities Fund | | 1,031,114 | 14,497,463 |
| Eaton Vance Tax-Managed Diversified Equity Income Fund | | 1,444,107 | 16,130,675 |
| Eaton Vance Tax-Managed Global Buy-Write Opportunities Fund | | 616,300 | 6,791,626 |
| Eaton Vance Tax-Managed Global Diversified Equity Income Fund | | 1,734,652 | 16,461,848 |
| Nuveen Dow 30 SM Dynamic Overwrite Fund ^a | | 76,784 | 1,184,009 |
| Nuveen Equity Premium Income Fund | | 179,718 | 2,176,385 |
| | | | 62,169,397 |
| ENERGY/RESOURCES | 2.9% | | |
| BlackRock Energy and Resources Trust | | 76,063 | 1,517,457 |
| Energy Select Sector SPDR Fund ETF | | 65,926 | 5,218,702 |
| First Trust Energy Infrastructure Fund | | 44,750 | 1,064,155 |
| Market Vectors Oil Service ETF | | 99,620 | 3,578,351 |
| | | | 11,378,665 |
| EQUITY TAX ADVANTAGED | 17.7% | | |
| Eaton Vance Tax-Advantaged Dividend Income Fund | | 955,520 | 19,874,816 |
| Eaton Vance Tax-Advantaged Global Dividend | | 406,809 | 6,574,034 |

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| | | |
|---------------------------------|---------|------------|
| Income Fund | | |
| Eaton Vance Tax-Advantaged | | |
| Global Dividend | | |
| Opportunities Fund | 163,929 | 3,985,114 |
| Gabelli Dividend & Income Trust | 837,039 | 18,130,265 |
| John Hancock Tax-Advantaged | | |
| Dividend | | |
| Income Fund | 619,279 | 13,791,343 |
| Nuveen Tax-Advantaged Dividend | | |
| Growth Fund | 229,882 | 3,712,594 |
| Nuveen Tax-Advantaged Total | | |
| Return Strategy Fund | 248,576 | 3,311,032 |
| | | 69,379,198 |

See accompanying notes to financial statements.

COHEN & STEERS CLOSED-END OPPORTUNITY FUND, INC.

SCHEDULE OF INVESTMENTS (Continued)

December 31, 2014

| | | Number of Shares | Value |
|---|--------------|---------------------|--------------|
| FINANCIAL | 1.1% | | |
| Financial Select Sector SPDR Fund | | 178,640 | \$ 4,417,767 |
| GLOBAL HYBRID (GROWTH & INCOME) | 2.3% | | |
| Clough Global Opportunities Fund | | 416,507 | 5,339,620 |
| LMP Capital and Income Fund | | 223,975 | 3,753,821 |
| | | | 9,093,441 |
| INVESTMENT GRADE | 1.3% | | |
| PIMCO Corporate and Income Opportunity Fund | | 318,816 | 5,069,174 |
| MASTER LIMITED PARTNERSHIPS | 14.7% | | |
| ClearBridge Energy MLP Fund | | 42,200 | 1,164,720 |
| ClearBridge Energy MLP Opportunity Fund | | 109,002 | 2,573,537 |
| First Trust Energy Income and Growth Fund | | 437,483 | 15,968,129 |
| First Trust MLP and Energy Income Fund | | 73,254 | 1,578,624 |
| Kayne Anderson Energy Total Return Fund | | 251,284 | 6,998,259 |
| Kayne Anderson Midstream/Energy Fund | | 118,915 | 4,047,867 |
| Kayne Anderson MLP Investment Company | | 426,564 | 16,286,214 |
| Nuveen Energy MLP Total Return Fund | | 281,723 | 5,724,611 |
| Tortoise Energy Infrastructure Corp. | | 73,335 | 3,209,873 |
| | | | 57,551,834 |
| MULTI-SECTOR | 12.8% | | |
| AllianzGI Convertible & Income Fund | | 837,149 | 7,885,944 |
| AllianzGI Convertible & Income Fund II | | 302,766 | 2,697,645 |
| PIMCO Dynamic Credit Income Fund | | 508,716 | 10,504,985 |
| PIMCO Dynamic Income Fund | | 347,242 | 10,674,219 |
| PIMCO Income Opportunity Fund | | 373,237 | 9,349,587 |
| PIMCO Income Strategy Fund II | | 918,558 | 9,011,054 |
| | | | 50,123,434 |

See accompanying notes to financial statements.

COHEN & STEERS CLOSED-END OPPORTUNITY FUND, INC.

SCHEDULE OF INVESTMENTS (Continued)

December 31, 2014

| | | Number of Shares | Value |
|--|-------------|---------------------|------------|
| MUNICIPAL | 8.0% | | |
| BlackRock Long-Term Municipal Advantage Trust | | 79,474 | \$ 898,056 |
| BlackRock Municipal Bond Trust | | 63,172 | 1,004,435 |
| BlackRock MuniEnhanced Fund | | 174,295 | 1,986,963 |
| BlackRock MuniHoldings Investment Quality Fund | | 191,656 | 2,736,848 |
| BlackRock MuniHoldings Quality Fund | | 26,467 | 352,540 |
| BlackRock MuniHoldings Quality Fund II | | 64,891 | 874,731 |
| BlackRock MuniYield Investment Quality Fund | | 62,719 | 863,013 |
| BlackRock MuniYield Quality Fund | | 31,906 | 489,438 |
| BlackRock MuniYield Quality Fund II | | 35,610 | 469,696 |
| BlackRock MuniYield Quality Fund III | | 139,040 | 1,956,293 |
| Eaton Vance Municipal Bond Fund | | 81,602 | 1,046,954 |
| Eaton Vance Municipal Income Term Trust | | 33,403 | 584,887 |
| Eaton Vance National Municipal Opportunities Trust | | 43,884 | 921,564 |
| Invesco Municipal Opportunity Trust | | 102,677 | 1,320,426 |
| Nuveen California AMT-Free Municipal Income Fund | | 64,335 | 948,298 |
| Nuveen Dividend Advantage Municipal Fund 2 | | 107,009 | 1,509,897 |
| Nuveen Municipal Market Opportunity Fund | | 88,078 | 1,200,503 |
| Nuveen New York AMT-Free Municipal Income Fund | | 63,422 | 818,144 |
| Nuveen Performance Plus Municipal Fund | | 52,898 | 780,245 |
| Nuveen Premier Municipal Income Fund | | 147,423 | 2,059,499 |
| Nuveen Premium Income Municipal Fund 2 | | 150,694 | 2,133,827 |
| Nuveen Premium Income Municipal Fund 4 | | 63,637 | 843,827 |
| Nuveen Select Quality Municipal Fund | | 36,767 | 513,267 |
| PIMCO Municipal Income Fund II | | 322,829 | 3,835,209 |

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| | | |
|---|-----------|------------|
| PIMCO Municipal Income Fund III | 108,849 | 1,208,224 |
| | | 31,356,784 |
| PREFERRED | 6.2% | |
| Flaherty & Crumrine/Claymore Preferred Securities Income Fund | 208,050 | 3,963,352 |
| Flaherty & Crumrine Total Return Fund | 203,900 | 4,033,142 |
| Nuveen Preferred & Income Term Fund | 192,031 | 4,311,096 |
| Nuveen Preferred Income Opportunities Fund | 1,250,683 | 11,956,529 |
| | | 24,264,119 |

See accompanying notes to financial statements.

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COHEN & STEERS CLOSED-END OPPORTUNITY FUND, INC.

SCHEDULE OF INVESTMENTS (Continued)

December 31, 2014

| | | Number of Shares | Value |
|--|---------------|---------------------|----------------------|
| REAL ESTATE | 4.3% | | |
| Alpine Global Premier Properties Fund | | 595,406 | \$ 4,292,877 |
| CBRE Clarion Global Real Estate Income Fund | | 559,994 | 5,034,346 |
| Nuveen Real Estate Income Fund | | 662,952 | 7,623,948 |
| | | | 16,951,171 |
| U.S. GENERAL EQUITY | 9.2% | | |
| Consumer Discretionary Select Sector SPDR Fund | | 137,330 | 9,908,360 |
| Gabelli Equity Trust | | 1,213,471 | 7,851,157 |
| SPDR S&P 500 ETF Trust | | 78,859 | 16,205,525 |
| Vanguard S&P 500 ETF | | 10,554 | 1,988,901 |
| | | | 35,953,943 |
| UTILITY | 0.5% | | |
| Macquarie Global Infrastructure Total Return Fund | | 21,115 | 521,963 |
| Reaves Utility Income Fund | | 44,165 | 1,450,820 |
| | | | 1,972,783 |
| TOTAL CLOSED-END FUNDS | | | |
| (Identified cost \$320,221,121) | | | 380,865,349 |
| SHORT-TERM INVESTMENTS | 1.1% | | |
| MONEY MARKET FUNDS | | | |
| State Street Institutional Treasury Money Market Fund, 0.00% ^b | | 4,500,000 | 4,500,000 |
| TOTAL SHORT-TERM INVESTMENTS | | | |
| (Identified cost \$4,500,000) | | | 4,500,000 |
| TOTAL INVESTMENTS | | | |
| (Identified cost \$324,721,121) | 98.2% | | 385,365,349 |
| OTHER ASSETS IN EXCESS OF LIABILITIES | 1.8 | | 7,066,834 |
| NET ASSETS (Equivalent to \$14.42 per share based on 27,209,148 shares of common stock outstanding) | 100.0% | | \$392,432,183 |

See accompanying notes to financial statements.

COHEN & STEERS CLOSED-END OPPORTUNITY FUND, INC.

SCHEDULE OF INVESTMENTS (Continued)

December 31, 2014

Glossary of Portfolio Abbreviations

ETF Exchange-Traded Fund

MLP Master Limited Partnership

SPDR Standard & Poor's Depository Receipt

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

^a Non-income producing security.

^b Rate quoted represents the annualized seven-day yield of the Fund.

See accompanying notes to financial statements.

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COHEN & STEERS CLOSED-END OPPORTUNITY FUND, INC.

STATEMENT OF ASSETS AND LIABILITIES

December 31, 2014

ASSETS:

| | |
|---|--------------------|
| Investments in securities, at value (Identified cost \$324,721,121) | \$ 385,365,349 |
| Cash | 5,081,604 |
| Receivable for: | |
| Dividends | 2,992,467 |
| Other assets | 1,718 |
| Total Assets | 393,441,138 |

LIABILITIES:

| | |
|----------------------------|------------------|
| Payable for: | |
| Dividends declared | 690,734 |
| Investment management fees | 317,598 |
| Directors' fees | 191 |
| Other liabilities | 432 |
| Total Liabilities | 1,008,955 |

| | |
|-------------------|-----------------------|
| NET ASSETS | \$ 392,432,183 |
|-------------------|-----------------------|

NET ASSETS consist of:

| | |
|-------------------------------|-----------------------|
| Paid-in capital | \$ 451,750,721 |
| Accumulated net realized loss | (119,962,766) |
| Net unrealized appreciation | 60,644,228 |
| | \$ 392,432,183 |

NET ASSET VALUE PER SHARE:

| | |
|---|----------|
| (\$392,432,183 ÷ 27,209,148 shares outstanding) | \$ 14.42 |
|---|----------|

| | |
|-------------------------------|-----------------|
| MARKET PRICE PER SHARE | \$ 13.16 |
|-------------------------------|-----------------|

| | |
|---|----------------|
| MARKET PRICE DISCOUNT TO NET ASSET VALUE PER SHARE | (8.74)% |
|---|----------------|

See accompanying notes to financial statements.

COHEN & STEERS CLOSED-END OPPORTUNITY FUND, INC.

STATEMENT OF OPERATIONS

For the Year Ended December 31, 2014

| | |
|---|---------------|
| Investment Income: | |
| Dividend income | \$ 22,667,701 |
| Expenses: | |
| Investment management fees | 3,795,066 |
| Directors' fees and expenses | 19,020 |
| Miscellaneous | 3,444 |
| Total Expenses | 3,817,530 |
| Reduction of Expenses (See Note 2) | (22,464) |
| Net Expenses | 3,795,066 |
| Net Investment Income | 18,872,635 |
| Net Realized and Unrealized Gain (Loss): | |
| Net realized gain on investments | 16,785,206 |
| Net change in unrealized appreciation (depreciation) on investments | 2,420,274 |
| Net realized and unrealized gain | 19,205,480 |
| Net Increase in Net Assets Resulting from Operations | \$ 38,078,115 |

See accompanying notes to financial statements.

COHEN & STEERS CLOSED-END OPPORTUNITY FUND, INC.

STATEMENT OF CHANGES IN NET ASSETS

| | For the Year Ended December 31, 2014 | For the Year Ended December 31, 2013 |
|--|--|--|
| Change in Net Assets: | | |
| From Operations: | | |
| Net investment income | \$ 18,872,635 | \$ 17,638,066 |
| Net realized gain | 16,785,206 | 9,357,612 |
| Net change in unrealized appreciation (depreciation) | 2,420,274 | 11,921,131 |
| Net increase in net assets resulting from operations | 38,078,115 | 38,916,809 |
| Dividends and Distributions to Shareholders from: | | |
| Net investment income | (28,297,514) | (24,015,880) |
| Return of capital | | (4,467,852) |
| Total dividends and distributions to shareholders | (28,297,514) | (28,483,732) |
| Capital Stock Transactions: | | |
| Decrease in net assets from Fund share transactions | | (2,874,529) |
| Total increase in net assets | 9,780,601 | 7,558,548 |
| Net Assets: | | |
| Beginning of year | 382,651,582 | 375,093,034 |
| End of year ^a | \$ 392,432,183 | \$ 382,651,582 |

^a Includes undistributed net investment income of \$0 and \$0, respectively.

See accompanying notes to financial statements.

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

The following table includes selected data for a share outstanding throughout each year and other performance information derived from the financial statements. It should be read in conjunction with the financial statements and notes thereto.

| Per Share Operating Performance: | For the Year Ended December 31, | | | | |
|--|---------------------------------|-------------------|-------------------|-------------------|----------|
| | 2014 | 2013 | 2012 | 2011 | 2010 |
| Net asset value, beginning of year | \$ 14.06 | \$ 13.67 | \$ 12.92 | \$ 14.16 | \$ 13.07 |
| Income (loss) from investment operations: | | | | | |
| Net investment income | 0.69 ^a | 0.64 ^a | 0.62 ^a | 0.81 | 0.78 |
| Net realized and unrealized gain (loss) | 0.71 | 0.78 | 1.17 | (1.01) | 1.29 |
| Total from investment operations | 1.40 | 1.42 | 1.79 | (0.20) | 2.07 |
| Less dividends and distributions to shareholders from: | | | | | |
| Net investment income | (1.04) | (0.88) | (1.04) | (0.77) | (0.93) |
| Return of capital | | (0.16) | | (0.27) | (0.05) |
| Total dividends and distributions to shareholders | (1.04) | (1.04) | (1.04) | (1.04) | (0.98) |
| Anti-dilutive effect from the repurchase of shares | | 0.01 | | 0.00 ^b | |
| Net increase (decrease) in net asset value | 0.36 | 0.39 | 0.75 | (1.24) | 1.09 |
| Net asset value, end of year | \$ 14.42 | \$ 14.06 | \$ 13.67 | \$ 12.92 | \$ 14.16 |
| Market value, end of year | \$ 13.16 | \$ 12.57 | \$ 12.42 | \$ 11.97 | \$ 13.03 |
| Total net asset value return ^c | 10.92% | 11.42% | 14.66% | 1.02% | 16.93% |
| Total market value return ^c | 13.19% | 9.64% | 12.45% | 0.34% | 15.94% |

See accompanying notes to financial statements.

COHEN & STEERS CLOSED-END OPPORTUNITY FUND, INC.

FINANCIAL HIGHLIGHTS (Continued)

For the Year Ended December 31,

| Ratios/Supplemental Data: | 2014 | 2013 | 2012 | 2011 | 2010 |
|--|----------|----------|--------------------|----------|----------|
| Net assets, end of year (in millions) | \$ 392.4 | \$ 382.7 | \$ 375.1 | \$ 354.4 | \$ 389.1 |
| Ratio of expenses to average daily net assets (before expense reduction) ^d | 0.96% | 0.96% | 1.02% ^e | 0.96% | 0.96% |
| Ratio of expenses to average daily net assets (net of expense reduction) ^d | 0.95% | 0.95% | 1.01% ^e | 0.95% | 0.95% |
| Ratio of net investment income to average daily net assets (before expense reduction) ^d | 4.71% | 4.53% | 4.52% ^e | 4.68% | 5.64% |
| Ratio of net investment income to average daily net assets (net of expense reduction) ^d | 4.72% | 4.54% | 4.53% ^e | 4.69% | 5.66% |
| Portfolio turnover rate | 33% | 41% | 51% | 82% | 79% |

^a Calculation based on average shares outstanding.

^b Amount is less than \$0.005.

^c Total net asset value return measures the change in net asset value per share over the period indicated. Total market value return is computed based upon the Fund's NYSE market price per share and excludes the effects of brokerage commissions. Dividends and distributions are assumed, for purposes of these calculations, to be reinvested at prices obtained under the Fund's dividend reinvestment plan.

^d Does not include expenses incurred by the closed-end funds in which the Fund invests.

^e Includes extraordinary expenses, approved by the Board of Directors pursuant to the Fund's expense reimbursement agreement, related to the proposal to convert to an open-end fund. Without these expenses, the ratio of expenses to average daily net assets (before expense reduction and net of expense reduction) would have been 0.96% and 0.95%, respectively; and the ratio of net investment income to average daily net assets (before expense reduction and net of expense reduction) would have been 6.88% and 6.89%, respectively.

See accompanying notes to financial statements.

COHEN & STEERS CLOSED-END OPPORTUNITY FUND, INC.

NOTES TO FINANCIAL STATEMENTS

Note 1. Organization and Significant Accounting Policies

Cohen & Steers Closed-End Opportunity Fund, Inc. (the Fund) was incorporated under the laws of the State of Maryland on September 14, 2006 and is registered under the Investment Company Act of 1940, as amended (the 1940 Act), as a diversified, closed-end management investment company. The Fund's investment objective is to achieve total return.

The following is a summary of significant accounting policies of the Fund consistently followed by the Fund in the preparation of its financial statements. The Fund is an investment company and, accordingly, follows the investment company accounting and reporting guidance of the Financial Accounting Standards Board Accounting Standards Codification Topic 946 Investment Companies. The accounting policies are in conformity with accounting principles generally accepted in the United States of America (GAAP). The preparation of the financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. Actual results could differ from those estimates.

Portfolio Valuation: Investments in securities that are listed on the NYSE are valued, except as indicated below, at the last sale price reflected at the close of the NYSE on the business day as of which such value is being determined. If there has been no sale on such day, the securities are valued at the mean of the closing bid and ask prices on such day or, if no ask price is available, at the bid price.

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

Readily marketable securities traded in the over-the-counter market, including listed securities whose primary market is believed by Cohen & Steers Capital Management, Inc. (the investment manager) to be over-the-counter, are valued at the last sale price on the valuation date as reported by sources deemed appropriate by the Board of Directors to reflect their fair market value. If there has been no sale on such day, the securities are valued at the mean of the closing bid and ask prices on such day or, if no ask price is available, at the bid price.

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

The policies and procedures approved by the Fund's Board of Directors delegate authority to make fair value determinations to the investment manager, subject to the oversight of the Board of Directors. The investment manager has established a valuation committee (Valuation Committee) to administer, implement and oversee the fair valuation process according to the policies and procedures

COHEN & STEERS CLOSED-END OPPORTUNITY FUND, INC.

NOTES TO FINANCIAL STATEMENTS (Continued)

approved annually by the Board of Directors. Among other things, these procedures allow the Fund to utilize independent pricing services, quotations from securities and financial instrument dealers and other market sources to determine fair value.

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

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

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

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

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

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

For movements between the levels within the fair value hierarchy, the Fund has adopted a policy of recognizing the transfer at the end of the period in which the underlying event causing the movement occurred. Changes in valuation techniques may result in transfers into or out of an assigned level within the

disclosure hierarchy. There were no transfers between Level 1 and Level 2 securities as of December 31, 2014.

COHEN & STEERS CLOSED-END OPPORTUNITY FUND, INC.

NOTES TO FINANCIAL STATEMENTS (Continued)

The following is a summary of the inputs used as of December 31, 2014 in valuing the Fund's investments carried at value:

| | Total | Quoted Prices In Active Markets for Identical Investments (Level 1) | Other Significant Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) |
|-----------------------------------|---------------|--|---|--|
| Closed-End Funds | \$380,865,349 | \$380,865,349 | \$ | \$ |
| Short-Term Investments | 4,500,000 | | 4,500,000 | |
| Total Investments ^a | \$385,365,349 | \$380,865,349 | \$4,500,000 | \$ |

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

Security Transactions and Investment Income: Security transactions are recorded on trade date. Realized gains and losses on investments sold are recorded on the basis of identified cost. Interest income is recorded on the accrual basis. Discounts are accreted and premiums are amortized over the life of the respective securities. Dividend income is recorded on the ex-dividend date, except for certain dividends on foreign securities, which are recorded as soon as the Fund is informed after the ex-dividend date. Distributions from Closed-End Funds (CEFs) are recorded as ordinary income, net realized capital gain or return of capital based on information reported by the CEFs and management's estimates of such amounts based on historical information. These estimates are adjusted when the actual source of distributions is disclosed by the CEFs and may differ from the estimated amounts.

Foreign Currency Translation: The books and records of the Fund are maintained in U.S. dollars. Investment securities and other assets and liabilities denominated in foreign currencies are translated into U.S. dollars based upon prevailing exchange rates on the date of valuation. Purchases and sales of investment securities and income and expense items denominated in foreign currencies are translated into U.S. dollars based upon prevailing exchange rates on the respective dates of such transactions. The Fund does not isolate that portion of the results of operations resulting from fluctuations in foreign exchange rates on investments from the fluctuations arising from changes in market prices of securities held. Such fluctuations are included with the net realized and unrealized gain or loss on investments.

Net realized foreign exchange gains or losses arise from sales of foreign currencies, including gains and losses on forward foreign currency exchange contracts, currency gains or losses realized between the trade and settlement dates on securities transactions, and the difference between the amounts of dividends, interest, and foreign withholding taxes recorded on the Fund's books and the U.S. dollar equivalent of the amounts actually received or paid. Net unrealized foreign exchange gains and losses arise from changes in the values of assets and liabilities, other than investments in securities, on the date of valuation, resulting from changes in exchange rates. Pursuant to U.S. federal income tax regulations, certain foreign currency gains/losses included in realized and unrealized gains/losses are included in or are a reduction of ordinary income for federal income tax purposes.

COHEN & STEERS CLOSED-END OPPORTUNITY FUND, INC.

NOTES TO FINANCIAL STATEMENTS (Continued)

Foreign Securities: The Fund may directly purchase securities of foreign issuers. Investing in securities of foreign issuers involves special risks not typically associated with investing in securities of U.S. issuers. The risks include possible revaluation of currencies, the ability to repatriate funds, less complete financial information about companies and possible future adverse political and economic developments. Moreover, securities of many foreign issuers and their markets may be less liquid and their prices more volatile than securities of comparable U.S. issuers.

Dividends and Distributions to Shareholders: Dividends from net investment income and capital gain distributions are determined in accordance with U.S. federal income tax regulations, which may differ from GAAP. Dividends from net investment income, if any, are declared and paid quarterly. Net realized capital gains, unless offset by any available capital loss carryforward, are typically distributed to shareholders at least annually. Dividends and distributions to shareholders are recorded on the ex-dividend date and are automatically reinvested in full and fractional shares of the Fund in accordance with the Fund's Reinvestment Plan, unless the shareholder has elected to have them paid in cash. Distributions paid by the Fund are subject to recharacterization for tax purposes.

Income Taxes: It is the policy of the Fund to continue to qualify as a regulated investment company, if such qualification is in the best interest of the shareholders, by complying with the requirements of Subchapter M of the Internal Revenue Code applicable to regulated investment companies, and by distributing substantially all of its taxable earnings to its shareholders. Accordingly, no provision for federal income or excise tax is necessary. Management has analyzed the Fund's tax positions taken on federal and applicable state income tax returns as well as its tax positions in non-U.S. jurisdictions in which it trades for all open tax years and has concluded that as of December 31, 2014, no additional provisions for income tax are required in the Fund's financial statements. The Fund's tax positions for the tax years for which the applicable statutes of limitations have not expired are subject to examination by the Internal Revenue Service, state departments of revenue and by foreign tax authorities.

Note 2. Investment Management Fees and Other Transactions with Affiliates

Investment Management Fees: The investment manager serves as the Fund's investment manager pursuant to an investment management agreement (the investment management agreement). Under the terms of the investment management agreement, the investment manager provides the Fund with day-to-day investment decisions and generally manages the Fund's investments in accordance with the stated policies of the Fund, subject to the supervision of the Board of Directors.

For the services provided to the Fund, the investment manager receives a fee, accrued daily and paid monthly, at the annual rate of 0.95% of the average daily net assets of the Fund.

The investment manager is also responsible, under the investment management agreement, for the performance of certain administrative functions for the Fund.

The investment manager has contractually agreed to reimburse the Fund so that its total annual operating expenses, excluding brokerage fees, taxes and commissions, interest, fees and expenses of the Fund's independent directors (as well as their independent counsel and other independent consultants), trade organization membership dues, federal and state registration fees and, upon approval

COHEN & STEERS CLOSED-END OPPORTUNITY FUND, INC.

NOTES TO FINANCIAL STATEMENTS (Continued)

of the Board of Directors, extraordinary expenses, do not exceed 0.95% of the average daily net assets. This commitment will remain in place for the life of the Fund. For the year ended December 31, 2014, fees waived and/or expenses reimbursed totaled \$22,464.

Directors' and Officers' Fees: Certain directors and officers of the Fund are also directors, officers, and/or employees of the investment manager. The Fund does not pay compensation to directors and officers affiliated with the investment manager.

Note 3. Purchases and Sales of Securities

Purchases and sales of securities, excluding short-term investments, for the year ended December 31, 2014, totaled \$126,352,940 and \$126,273,792, respectively.

Note 4. Income Tax Information

The tax character of dividends and distributions paid was as follows:

| | For the Year Ended December 31, | |
|-----------------------------------|------------------------------------|--------------|
| | 2014 | 2013 |
| Ordinary income | \$25,833,389 | \$23,622,634 |
| Tax-exempt income | 2,464,125 | 393,246 |
| Return of capital | | 4,467,852 |
| Total dividends and distributions | \$28,297,514 | \$28,483,732 |

As of December 31, 2014, the tax-basis components of accumulated earnings and the federal tax cost were as follows:

| | |
|--------------------------------------|---------------|
| Cost for federal income tax purposes | \$329,613,263 |
| Gross unrealized appreciation | \$ 60,247,794 |
| Gross unrealized depreciation | (4,495,708) |
| Net unrealized appreciation | \$ 55,752,086 |

As of December 31, 2014, the Fund had a net capital loss carryforward of \$115,070,624, which may be used to offset future capital gains. These losses are comprised of a short-term capital loss carryover of which \$741,182 will expire on December 31, 2016, \$98,992,970 will expire on December 31, 2017 and \$15,336,472 will expire on December 31, 2018.

During the year ended December 31, 2014, the Fund utilized net capital loss carryforwards of \$13,228,976.

COHEN & STEERS CLOSED-END OPPORTUNITY FUND, INC.

NOTES TO FINANCIAL STATEMENTS (Continued)

As of December 31, 2014, the Fund had temporary book/tax differences primarily attributable to wash sales on portfolio securities and permanent book/tax differences primarily attributable to fund distributions and prior year adjustments. To reflect reclassifications arising from the permanent differences, paid-in capital was charged \$8,990,004, accumulated net realized loss was charged \$434,875 and dividends in excess of net investment income was credited \$9,424,879. Net assets were not affected by this reclassification.

Note 5. Capital Stock

The Fund is authorized to issue 100 million shares of common stock at a par value of \$0.001 per share.

During the year ended December 31, 2014 and the year ended December 31, 2013, the Fund did not issue any shares of common stock for the reinvestment of dividends.

On December 9, 2014, the Board of Directors approved the continuation of the delegation of its authority to management to effect repurchases, pursuant to management's discretion and subject to market conditions and investment considerations, of up to 10% of the Fund's common shares outstanding (Share Repurchase Program) as of January 1, 2015 through December 31, 2015.

During the year ended December 31, 2014, the Fund did not effect any repurchases. During the year ended December 31, 2013, the Fund repurchased 229,951 Treasury shares of its common stock at an average price of \$12.5 per share (including brokerage commissions) at a weighted average discount of 10.6%. These repurchases, which had a total cost of \$2,874,529, resulted in an increase of \$0.01 to the Fund's net asset value per share.

Note 6. Other

In the normal course of business, the Fund enters into contracts that provide general indemnifications. The Fund's maximum exposure under these arrangements is dependent on claims that may be made against the Fund in the future and, therefore, cannot be estimated; however, based on experience, the risk of material loss from such claims is considered remote.

Note 7. Subsequent Events

Management has evaluated events and transactions occurring after December 31, 2014 through the date that the financial statements were issued, and has determined that no additional disclosure in the financial statements is required.

COHEN & STEERS CLOSED-END OPPORTUNITY FUND, INC.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of
Cohen & Steers Closed-End Opportunity Fund, Inc.

In our opinion, the accompanying statement of assets and liabilities, including the schedule of investments, and the related statements of operations and of changes in net assets and the financial highlights present fairly, in all material respects, the financial position of Cohen & Steers Closed-End Opportunity Fund, Inc. (the "Fund") at December 31, 2014, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period then ended and the financial highlights for each of the five years in the period then ended, in conformity with accounting principles generally accepted in the United States of America. These financial statements and financial highlights (hereafter referred to as "financial statements") are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these financial statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits, which included confirmation of securities at December 31, 2014 by correspondence with the custodian, provide a reasonable basis for our opinion.

PricewaterhouseCoopers LLP
New York, New York
February 25, 2015

COHEN & STEERS CLOSED-END OPPORTUNITY FUND, INC.

AVERAGE ANNUAL TOTAL RETURNS

(Periods ended December 31, 2014) (Unaudited)