

Cohen & Steers Closed-End Opportunity Fund, Inc.
Form N-CSR
March 08, 2012

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)

Adam M. Derechin

Cohen & Steers Capital Management, Inc.

280 Park Avenue

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

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

Date of fiscal year end: December 31

Date of reporting period: December 31, 2011

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, 2011. The net asset value (NAV) at that date was \$12.92 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 \$11.97.

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

	Six Months Ended December 31, 2011	Year Ended December 31, 2011
Cohen & Steers Closed-End Opportunity Fund at Market Value ^a	7.17%	0.34%
Cohen & Steers Closed-End Opportunity Fund at NAV ^a	7.24%	1.02%
Morningstar U.S. All Taxable Ex-Foreign Equity Index ^b	5.88%	0.68%
S&P 500 Index ^b	3.69%	2.11%

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 Web site at cohenandsteers.com.

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

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 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 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.

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

^b The Morningstar U.S. All Taxable ex-Foreign Equity Index measures the market cap weighted total return of 347 taxable equity and fixed income closed-end funds it excludes international, regional and country closed-end funds. The

S&P 500 Index is an unmanaged index of common stocks that is frequently used as a general measure of stock market performance.

COHEN & STEERS CLOSED-END OPPORTUNITY FUND, INC.

Investment Review

Closed-end funds had a slightly positive return based on market price in 2011. The group made gains through July, but encountered turbulence when it appeared that the global economic recovery was on a weaker trajectory than previously expected. Investor confidence was further eroded by the growing risk of a Greek default, sparking fears of heavy bank losses and fiscal contagion. In addition, the debate over raising the U.S. debt ceiling was followed quickly by a downgrade of the U.S. by Standard & Poor's.

In the fourth quarter, however, closed-end funds rallied along with equities broadly as late-year U.S. economic data stabilized and demonstrated moderate improvement. Investors also took relief as Europe's fiscal and monetary authorities seemed to get a temporary handle on the region's formidable debt problems.

Fixed income funds outperformed equity funds

Funds that employ fixed income strategies generated a collective gain for the year, while equity-oriented funds had a modest decline. Fixed income funds also outperformed the equity group on a NAV basis, which drove a divergence in valuations. Both categories began the period trading at an approximate 2% discount to their underlying NAVs, but by year end, fixed income funds were valued at a 1% premium, whereas equity funds' discount widened to 6%. This partly reflected the market's greater confidence in fixed income funds' ability to maintain their distribution rates amid market volatility and economic uncertainty. Equity funds are more reliant on capital appreciation in their holdings to sustain payout levels.

Most fixed income fund categories advanced in the period, led by taxable municipal funds (+28.3%^c within the index), which were a strong beneficiary of a flight to quality. Funds focused on preferred securities (+16.8%) were another standout, aided by improvements in the underlying issuers' credit profiles. Investment grade funds (+12.9%) also performed well. A notable underperformer was the convertible bond group (-14.2%), which tends to have a greater sensitivity to conditions in equity markets. The senior loan funds sector (-3.9%) also declined, hindered by delayed expectations for a return to interest-rate increases by the Federal Reserve (senior loans have short durations).

The equity funds category had mixed results. Utilities (+11.7%) and health care (+13.2%) funds were among the winners, favored for their more stable cash flows in an uncertain environment. Concerns over slowing global growth weighed on the global equity (-10.3%), global equity dividend (-14.4%) and energy/resources (-14.9%) groups.

Closed-end fund IPOs were steady

New issuance of closed-end funds occurred at a modest but steady pace through the year, with an increasing shift in favor of equity strategies. The total issuance from new funds in 2011 was \$5.9 billion, about 20% lower than the amount raised in 2010.

^c Sector constituents as per the Morningstar U.S. All Taxable Ex-Foreign Equity Index; constituent returns as per Bloomberg L.P.

COHEN & STEERS CLOSED-END OPPORTUNITY FUND, INC.

Fund performance

The Fund had a slight decline for the year and underperformed its benchmark, which is broadly attributable to our overweight in the equity funds category during the period. We narrowed the degree of that overweight in the second half of 2011, but maintained a modest overweight at year-end based on relative valuations and the potential for equity funds to benefit from better-than-expected economic data in the first half of 2012.

From a sector standpoint, our overweight in energy/resources funds detracted from relative returns, as did fund selection in the equity tax-advantage group (+2.5% return in the index). Performance was also hindered by our underweight in the taxable municipal sector and fund selection in the global income group (+6.6%). Within the latter, we did not own a fund whose narrowly targeted strategy (Asia Pacific) performed well. In addition, one of our largest holdings in the sector declined when management reduced its dividend. We viewed the decline as excessive and added to our position as a result.

Factors that helped performance included our modest out-of-benchmark allocation to tax-exempt municipal funds, where our holdings had sizable gains. Predictions in late 2010 of mass bankruptcies by municipal issuers did not come to pass, helping the high-quality group to rally. Our underweight and fund selection in the covered call group (-8.2%) benefited performance; the sector was flat on a NAV basis, but was a poor performer based on market price. Good fund selection in the high yield (+9.9%) sector aided performance as well, as did our underweight in commodities funds (+0.4%).

Investment Outlook

The U.S. economic picture has brightened modestly in recent weeks, a positive for equities and credit markets, and we expect slow but sustained growth. However, Europe remains a market risk. While recent fiscal, political and central bank initiatives to address the sovereign credit crisis in Europe are somewhat encouraging, the political landscape remains very uncertain, and economic austerity measures will weigh on growth.

With interest rates likely to remain near historical lows for an extended period, we believe that attractive spreads should continue to benefit the income-generating potential of leveraged closed-end funds. As for new closed-end fund issuances, we believe the IPO window will remain open, but not to the degree that could pressure pricing in the secondary market or impede discount narrowing (or premium expansion) as investors bid for above-average income.

In terms of sector allocation, one noteworthy move was our recently increased position in senior loan funds. In addition to offering good income, these funds have become more attractive for their total-return potential based on relative value. Within the commodities group, we have made a shift from pure metals funds in favor of those that own operating companies, which underperformed metals funds in 2011 and appear attractively valued in our view.

COHEN & STEERS CLOSED-END OPPORTUNITY FUND, INC.

Sincerely,

MARTIN COHEN

Co-chairman

ROBERT H. STEERS

Co-chairman

DOUGLAS R. BOND

Portfolio Manager

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

Visit Cohen & Steers online at cohenandsteers.com

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

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

COHEN & STEERS CLOSED-END OPPORTUNITY FUND, INC.

DECEMBER 31, 2011

Top Ten Holdings
(Unaudited)

Closed-End Fund	Value	% of Net Assets
Gabelli Equity Trust	\$ 10,781,394	3.0%
Eaton Vance Tax-Managed Buy-Write Opportunities Fund	10,627,180	3.0
ASA Gold and Precious Metals Ltd.	10,530,999	3.0
Eaton Vance Tax-Managed Global Diversified Equity Income Fund	9,175,337	2.6
AllianceBernstein Income Fund	8,799,528	2.5
AGIC Convertible & Income Fund	8,386,904	2.4
Eaton Vance Limited Duration Income Fund	8,331,374	2.4
PIMCO Income Opportunity Fund	8,144,395	2.3
Clough Global Opportunities Fund	7,801,717	2.2
Putnam Premier Income Trust	7,757,768	2.2

Sector Breakdown

(Based on Net Assets)
(Unaudited)

COHEN & STEERS CLOSED-END OPPORTUNITY FUND, INC.**SCHEDULE OF INVESTMENTS**

December 31, 2011

		Number of Shares	Value
CLOSED-END FUNDS	98.0%		
COMMODITIES	3.2%		
Central Fund of Canada Ltd.		276,986	\$ 5,428,926
Central GoldTrust (Canada) ^a		25,600	1,514,752
iShares Silver Trust ^a		47,300	1,274,262
SPDR Gold Trust ^a		9,600	1,459,104
Sprott Physical Gold Trust ^a		120,100	1,657,380
			11,334,424
CONVERTIBLE	0.0%		
Advent Claymore Convertible Securities and Income Fund		3,700	54,501
Advent Claymore Global Convertible Securities & Income Fund		5,300	33,390
			87,891
COVERED CALL	10.8%		
BlackRock Enhanced Capital and Income Fund		6,500	79,950
BlackRock Enhanced Dividend Achievers Trust		9,400	66,458
BlackRock International Growth and Income Trust		10,300	73,748
Dow 30 Enhanced Premium & Income Fund		3,600	36,576
Dow 30 Premium & Dividend Income Fund		1,700	22,287
Eaton Vance Enhanced Equity Income Fund		7,200	73,296
Eaton Vance Enhanced Equity Income Fund II		8,600	87,806
Eaton Vance Tax-Managed Buy-Write Income Fund		146,200	1,877,208
Eaton Vance Tax-Managed Buy-Write Opportunities Fund		906,756	10,627,180
Eaton Vance Tax-Managed Diversified Equity Income Fund		647,317	5,741,702
Eaton Vance Tax-Managed Global Buy-Write Opportunities Fund		495,465	5,093,380

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Eaton Vance Tax-Managed Global Diversified Equity Income Fund	1,112,162	9,175,337
First Trust Enhanced Equity Income Fund	2,500	27,075
Guggenheim Enhanced Equity Income Fund	1,600	13,056
NFJ Dividend Interest & Premium Strategy Fund	228,200	3,655,764
Nuveen Equity Premium Advantage Fund	3,200	36,672
Nuveen Equity Premium and Growth Fund	2,000	24,140
Nuveen Equity Premium Income Fund	5,800	64,844
Nuveen Equity Premium Opportunity Fund	131,500	1,501,730
		38,278,209

See accompanying notes to financial statements.

COHEN & STEERS CLOSED-END OPPORTUNITY FUND, INC.

SCHEDULE OF INVESTMENTS (Continued)

December 31, 2011

		Number of Shares	Value
EMERGING MARKETS DEBT	1.0%		
AllianceBernstein Global High Income Fund		228,400	\$ 3,236,428
Global High Income Fund		2,400	28,992
Templeton Emerging Markets Income Fund		4,500	70,065
Western Asset Emerging Markets Debt Fund		3,000	56,700
			3,392,185
ENERGY/RESOURCES	7.4%		
ASA Gold and Precious Metals Ltd.		402,100	10,530,999
BlackRock EcoSolutions Investment Trust		1,300	10,166
BlackRock Energy and Resources Trust		2,600	63,570
BlackRock Real Asset Equity Trust		261,300	2,788,071
BlackRock World Mining Trust PLC (United Kingdom)		128,000	1,255,321
Energy Select Sector SPDR Fund		81,200	5,613,356
GAMCO Global Gold Natural Resources & Income Trust		103,298	1,457,535
Market Vectors Gold Miners ETF		40,800	2,098,344
Market Vectors Oil Service ETF		20,200	2,319,970
			26,137,332
EQUITY TAX-ADVANTAGED	7.6%		
Eaton Vance Tax-Advantaged Dividend Income Fund		470,576	6,870,409
Eaton Vance Tax-Advantaged Global Dividend Income Fund		475,100	5,810,473
Eaton Vance Tax-Advantaged Global Dividend Opportunities Fund		227,300	3,864,100
Gabelli Dividend & Income Trust		443,569	6,839,834
John Hancock Tax-Advantaged Dividend Income Fund		121,290	2,103,169
John Hancock Tax-Advantaged Global Shareholder Yield Fund		1,500	18,510
		1,600	19,664

Nuveen Tax-Advantaged Dividend Growth Fund		
Nuveen Tax-Advantaged Total Return Strategy Fund	156,000	1,491,360