UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2023

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 Number: 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)

(212) 832-3232
(Registrant's Telephone Number, Including Area Code)

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, $0.01 par value	CNS	New York Stock Exchange

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.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
Emerging growth company	☐		

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 is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The number of shares of the registrant's common stock, par value $0.01 per share, outstanding as of October 31, 2023 was 49,138,628.

COHEN & STEERS, INC. AND SUBSIDIARIES

Form 10-Q

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* Items other than those listed above have been omitted because they are not applicable.

Forward-Looking Statements

This report 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. You can identify these forward-looking statements by the use of words such as "outlook," "believes," "expects," "potential," "continues," "may," "will," "should," "seeks," "approximately," "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 the Risk Factors section of our Annual Report on Form 10-K for the year ended December 31, 2022 (the Form 10-K), which is accessible on the Securities and Exchange Commission's website at www.sec.gov and on our website at www.cohenandsteers.com. These factors are not exhaustive and should be read in conjunction with the other cautionary statements that are included in this report, the Form 10-K and our other filings with the Securities and Exchange Commission. We undertake no obligation to publicly update or review any forward-looking statement, whether as a result of new information, future developments or otherwise.

PART I—Financial Information

Item 1. ***Financial Statements***

COHEN & STEERS, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION (Unaudited)
(in thousands, except share data)

	September 30, 2023	December 31, 2022
Assets:		
Cash and cash equivalents	$ 133,050	$ 247,418
Investments ($136,912 and $134,929) [1]	256,927	172,955
Accounts receivable	70,289	66,676
Due from brokers ($690 and $38) [1]	2,808	2,080
Property and equipment—net	52,307	8,757
Operating lease right-of-use assets—net	99,605	136,430
Goodwill and intangible assets—net	18,971	19,049
Other assets ($456 and $576) [1]	39,951	20,014
Total assets	$ 673,908	$ 673,379
Liabilities:		
Accrued compensation and benefits	$ 49,989	$ 77,764
Distribution and service fees payable	9,310	8,421
Operating lease liabilities	133,287	138,809
Income tax payable	9,202	7,750
Due to brokers ($552 and $11) [1]	2,710	835
Other liabilities and accrued expenses ($620 and $664) [1]	13,114	12,857
Total liabilities	217,612	246,436
Commitments and contingencies (See Note 11)		
Redeemable noncontrolling interests	84,119	85,335
Stockholders' equity:		
Common stock, $0.01 par value; 500,000,000 shares authorized; 55,753,698 and 55,051,975 shares issued at September 30, 2023 and December 31, 2022, respectively	558	551
Additional paid-in capital	806,145	769,373
Accumulated deficit	(159,082)	(171,417)
Accumulated other comprehensive loss	(10,180)	(10,784)
Treasury stock, at cost, 6,618,199 and 6,329,178 shares at September 30, 2023 and December 31, 2022, respectively	(270,847)	(250,169)
Total stockholders’ equity attributable to Cohen & Steers, Inc.	366,594	337,554
Nonredeemable noncontrolling interests	5,583	4,054
Total stockholders’ equity	372,177	341,608
Total liabilities, redeemable noncontrolling interests and stockholders’ equity	$ 673,908	$ 673,379

(1) Amounts in parentheses represent the aggregate balances at September 30, 2023 and December 31, 2022 attributable to variable interest entities consolidated by the Company. Refer to Note 4, *Investments* for further discussion.

See notes to condensed consolidated financial statements

COHEN & STEERS, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (Unaudited)
(in thousands, except per share data)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Revenue:				
Investment advisory and administration fees	$ 116,226	$ 130,885	$ 347,378	$ 412,209
Distribution and service fees	7,014	8,557	21,553	27,431
Other	497	509	1,518	1,931
Total revenue	123,737	139,951	370,449	441,571
Expenses:				
Employee compensation and benefits	52,830	51,669	150,580	160,269
Distribution and service fees	13,689	16,418	41,234	68,605
General and administrative	15,546	13,548	49,396	40,296
Depreciation and amortization	801	1,135	2,628	3,235
Total expenses	82,866	82,770	243,838	272,405
Operating income	40,871	57,181	126,611	169,166
Non-operating income (loss):				
Interest and dividend income—net	3,763	1,541	10,407	4,326
Gain (loss) from investments—net	(10,056)	(5,920)	(10,008)	(30,926)
Foreign currency gain (loss)—net	1,134	2,405	(1,276)	4,734
Total non-operating income (loss)	(5,159)	(1,974)	(877)	(21,866)
Income before provision for income taxes	35,712	55,207	125,734	147,300
Provision for income taxes	10,543	15,593	31,762	34,696
Net income	25,169	39,614	93,972	112,604
Net (income) loss attributable to noncontrolling interests	6,971	4,956	5,260	25,940
Net income attributable to common stockholders	$ 32,140	$ 44,570	$ 99,232	$ 138,544
Earnings per share attributable to common stockholders:				
Basic	$ 0.65	$ 0.91	$ 2.01	$ 2.84
Diluted	$ 0.65	$ 0.90	$ 2.00	$ 2.81
Weighted average shares outstanding:				
Basic	49,351	48,815	49,289	48,765
Diluted	49,617	49,317	49,495	49,287

See notes to condensed consolidated financial statements

COHEN & STEERS, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (Unaudited)
(in thousands)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Net income	$ 25,169	$ 39,614	$ 93,972	$ 112,604
Net (income) loss attributable to noncontrolling interests	6,971	4,956	5,260	25,940
Net income attributable to common stockholders	32,140	44,570	99,232	138,544
Other comprehensive income (loss):				
Foreign currency translation gain (loss)	(1,643)	(3,896)	604	(9,061)
Total comprehensive income attributable to common stockholders	$ 30,497	$ 40,674	$ 99,836	$ 129,483

See notes to condensed consolidated financial statements

COHEN & STEERS, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (Unaudited)
(in thousands, except per share data)

	Three Months Ended September 30, 2023							
	Common Stock	Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Treasury Stock	Nonredeemable Noncontrolling Interests	Total Stockholders' Equity	Redeemable Noncontrolling Interests
July 1, 2023	$ 558	$ 794,159	$ (162,231)	$ (8,537)	$ (270,797)	$ 5,237	$ 358,389	$ 85,518
Dividends ($0.57 per share)	—	—	(28,991)	—	—	—	(28,991)	—
Issuance of common stock	—	269	—	—	—	—	269	—
Repurchase of common stock	—	—	—	—	(50)	—	(50)	—
Issuance of restricted stock units—net	—	983	—	—	—	—	983	—
Amortization of restricted stock units—net	—	10,734	—	—	—	—	10,734	—
Net income (loss)	—	—	32,140	—	—	(523)	31,617	(6,448)
Other comprehensive income (loss)	—	—	—	(1,643)	—	—	(1,643)	—
Net contributions (distributions) attributable to noncontrolling interests	—	—	—	—	—	869	869	5,049
September 30, 2023	$ 558	$ 806,145	$ (159,082)	$ (10,180)	$ (270,847)	$ 5,583	$ 372,177	$ 84,119

	Three Months Ended September 30, 2022							
	Common Stock	Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Treasury Stock	Nonredeemable Noncontrolling Interests	Total Stockholders' Equity	Redeemable Noncontrolling Interests
July 1, 2022	$ 550	$ 742,144	$ (193,146)	$ (11,051)	$ (249,112)	$ —	$ 289,385	$ 185,998
Dividends ($0.55 per share)	—	—	(27,659)	—	—	—	(27,659)	—
Issuance of common stock	—	237	—	—	—	—	237	—
Repurchase of common stock	—	—	—	—	(113)	—	(113)	—
Issuance of restricted stock units—net	—	1,396	—	—	—	—	1,396	—
Amortization of restricted stock units—net	—	11,710	—	—	—	—	11,710	—
Net income (loss)	—	—	44,570		—	—	44,570	(4,956)
Other comprehensive income (loss)	—	—	—	(3,896)	—	—	(3,896)	—
Net contributions (distributions) attributable to noncontrolling interests	—	—	—	—	—	—	—	16,785
Net consolidation (deconsolidation) of Company-sponsored funds	—	—	—	—	—	—	—	(120,297)
September 30, 2022	$ 550	$ 755,487	$ (176,235)	$ (14,947)	$ (249,225)	$ —	$ 315,630	$ 77,530

See notes to condensed consolidated financial statements

COHEN & STEERS, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (Unaudited)—(Continued)
(in thousands, except per share data)

	Nine Months Ended September 30, 2023							
	Common Stock	Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Treasury Stock	Nonredeemable Noncontrolling Interests	Total Stockholders' Equity	Redeemable Noncontrolling Interests
January 1, 2023	$ 551	$ 769,373	$ (171,417)	$ (10,784)	$ (250,169)	$ 4,054	$ 341,608	$ 85,335
Dividends ($1.71 per share)	—	—	(86,897)	—	—	—	(86,897)	—
Issuance of common stock	7	1,060	—	—	—	—	1,067	—
Repurchase of common stock	—	—	—	—	(20,678)	—	(20,678)	—
Issuance of restricted stock units—net	—	3,469	—	—	—	—	3,469	—
Amortization of restricted stock units—net	—	32,243	—	—	—	—	32,243	—
Net income (loss)	—	—	99,232	—	—	(963)	98,269	(4,297)
Other comprehensive income (loss)	—	—	—	604	—	—	604	—
Net contributions (distributions) attributable to noncontrolling interests	—	—	—	—	—	2,492	2,492	3,081
September 30, 2023	$ 558	$ 806,145	$ (159,082)	$ (10,180)	$ (270,847)	$ 5,583	$ 372,177	$ 84,119

	Nine Months Ended September 30, 2022							
	Common Stock	Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Treasury Stock	Nonredeemable Noncontrolling Interests	Total Stockholders' Equity	Redeemable Noncontrolling Interests
January 1, 2022	$ 543	$ 715,847	$ (231,967)	$ (5,886)	$ (223,354)	$ —	$ 255,183	$ 89,143
Dividends ($1.65 per share)	—	—	(82,812)	—	—	—	(82,812)	—
Issuance of common stock	7	1,030	—	—	—	—	1,037	—
Repurchase of common stock	—	—	—	—	(25,871)	—	(25,871)	—
Issuance of restricted stock units—net	—	4,037	—	—	—	—	4,037	—
Amortization of restricted stock units—net	—	34,573	—	—	—	—	34,573	—
Net income (loss)	—	—	138,544	—	—	—	138,544	(25,940)
Other comprehensive income (loss)	—	—	—	(9,061)	—	—	(9,061)	—
Net contributions (distributions) attributable to noncontrolling interests	—	—	—	—	—	—	—	134,624
Net consolidation (deconsolidation) of Company-sponsored funds	—	—	—	—	—	—	—	(120,297)
September 30, 2022	$ 550	$ 755,487	$ (176,235)	$ (14,947)	$ (249,225)	$ —	$ 315,630	$ 77,530

See notes to condensed consolidated financial statements

COHEN & STEERS, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)
(in thousands)

	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022
Cash flows from operating activities:		
Net income	$ 93,972	$ 112,604
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Stock-based compensation expense—net	33,334	36,462
Depreciation and amortization	2,385	4,145
Amortization of right-of-use assets	11,851	8,139
(Gain) loss from investments—net	10,008	30,926
Deferred income taxes	(7,994)	(1,445)
Foreign currency (gain) loss	609	2,774
Changes in operating assets and liabilities:		
Accounts receivable	(4,222)	4,059
Due from brokers	(687)	(2,446)
Investments within consolidated investment vehicles	(12,175)	(162,936)
Other assets	(9,912)	2,305
Accrued compensation and benefits	(27,775)	(16,796)
Distribution and service fees payable	889	(459)
Operating lease liabilities	19,452	(9,048)
Due to brokers	2,652	7,441
Income tax payable	1,245	(14,797)
Other liabilities and accrued expenses	(248)	2,719
Net cash provided by (used in) operating activities	113,384	3,647
Cash flows from investing activities:		
Purchases of investments	(132,205)	(132,491)
Proceeds from sales and maturities of investments	50,311	90,530
Purchases of property and equipment	(46,139)	(2,948)
Net cash provided by (used in) investing activities	(128,033)	(44,909)
Cash flows from financing activities:		
Issuance of common stock—net	907	881
Repurchase of common stock	(20,678)	(25,871)
Dividends to stockholders	(84,359)	(80,508)
Debt issuance costs	(603)	—
Net contributions (distributions) from noncontrolling interests	5,573	134,624
Net cash provided by (used in) financing activities	(99,160)	29,126
Net increase (decrease) in cash and cash equivalents	(113,809)	(12,136)
Effect of foreign exchange rate changes on cash and cash equivalents	724	(7,979)
Cash and cash equivalents, beginning of the period	248,714	185,356
Cash and cash equivalents, end of the period	$ 135,629	$ 165,241

See notes to condensed consolidated financial statements

COHEN & STEERS, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS—(Continued)
(UNAUDITED)

Supplemental disclosures of cash flow information:

The following table provides a reconciliation of cash and cash equivalents reported within the condensed consolidated statements of financial condition to the cash and cash equivalents reported within the condensed consolidated statements of cash flows above:

	Nine Months Ended September 30,	
(in thousands)	**2023**	**2022**
Cash and cash equivalents	$ 133,050	$ 161,957
Cash included in investments [(1)]	2,579	3,284
Total cash and cash equivalents within condensed consolidated statements of cash flows	$ 135,629	$ 165,241

(1) Cash included in Investments represents operating cash held in consolidated investment vehicles.

During the nine months ended September 30, 2023 and 2022, the Company paid taxes, net of tax refunds, of $38.5 million and $50.9 million, respectively.

Supplemental disclosures of non-cash investing and financing activities:

In connection with its stock incentive plan, the Company issued dividend equivalents in the form of restricted stock units, net of forfeitures, in the amount of $2.5 million and $2.3 million for the nine months ended September 30, 2023 and 2022, respectively. These amounts are included in the issuance of restricted stock units—net and in dividends in the condensed consolidated statements of changes in stockholders' equity.

Effective August 1, 2022, the Company's proportionate ownership interest in a variable interest entity, the Cohen & Steers SICAV Diversified Real Assets Fund (SICAV RAP), fell below 10% and the Company deconsolidated the assets and liabilities of SICAV RAP resulting in a non-cash reduction of $120.3 million from both investments and redeemable noncontrolling interests.

1. Organization and Description of Business

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 UK Limited (CSUK), Cohen & Steers Ireland Limited (CSIL), Cohen & Steers Asia Limited (CSAL), Cohen & Steers Japan Limited (CSJL) and Cohen & Steers Singapore Private Limited (CSSG) (collectively, the Company).

The Company is a global investment manager specializing in real assets and alternative income, including real estate, preferred securities, infrastructure, resource equities, commodities, as well as multi-strategy solutions. Founded in 1986, the Company is headquartered in New York City, with offices in London, Dublin, Hong Kong, Tokyo and Singapore.

2. Basis of Presentation and Significant Accounting Policies

The condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The condensed 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.

The condensed consolidated financial statements of the Company included herein are unaudited and have been prepared in accordance with the instructions to Form 10-Q pursuant to the rules and regulations of the Securities and Exchange Commission (SEC). In the opinion of management, all adjustments, consisting of normal recurring adjustments, necessary for a fair presentation of the interim results have been made. The Company's condensed consolidated financial statements and the related notes should be read together with the consolidated financial statements and the related notes included in the Company's Annual Report on Form 10-K for the year ended December 31, 2022.

Accounting Estimates—The preparation of the condensed 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 condensed consolidated financial statements and the reported amounts of revenue and expenses during the reporting periods. Management believes the estimates used in preparing the condensed consolidated financial statements are reasonable and prudent. Actual results could differ from those estimates.

Consolidation of Investment Vehicles—The Company's financial interests in investment vehicles, including the management fees that are received, are evaluated 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.

A VIE is an entity in which either the equity investment at risk is not sufficient to permit the entity to finance its own activities without additional financial support or 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 the power to direct the activities of the VIE that most significantly affect its performance, and 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. Subscriptions 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. Limited partnerships and similar entities are determined to be a VIE when the Company is the general partner and the limited partners do not hold substantive kick-out or participation rights. 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 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 vehicle.

The Company records noncontrolling interests in consolidated investment vehicles for which the Company’s ownership is less than 100%.

Cash and Cash Equivalents—Cash and cash equivalents include short-term, highly liquid investments, which are readily convertible into cash.

Due from/to Brokers—The Company, including the consolidated investment vehicles, 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 balances represent cash and/or cash collateral balances at brokers/custodians and/or receivables and payables for unsettled securities transactions with brokers/custodians.

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. The Company's investments are categorized as follows:

- Equity investments at fair value generally represent common stocks, limited partnership interests, master limited partnership interests, preferred securities and other seed investments in Company-sponsored vehicles.
- Trading investments generally represent U.S. Treasury securities and investment-grade corporate debt securities.

Realized and unrealized gains and losses on our investments are recorded in gain (loss) from investments—net in the Company's condensed consolidated statements of operations.

From time to time, the Company, including the consolidated investment vehicles, 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 in gain (loss) from investments—net in the Company's condensed 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 condensed consolidated statements of financial condition.

Additionally, from time to time, the Company, including the consolidated investment vehicles, may enter into forward foreign exchange contracts to economically hedge 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 condensed 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 condensed 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 which are included in operating lease right-of-use (ROU) assets and operating lease liabilities on the Company’s condensed 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 life of the lease and thereafter, are remeasured if there is a change in lease terms. The majority of the Company’s lease agreements do not provide an implicit rate. As a result, the Company used its estimated 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 assets reflect any upfront lease payments made as well as lease incentives received. During the nine months ended 2023, the Company incurred costs related to the build-out of its future headquarters which qualified for reimbursement from the landlord. As a result, the Company remeasured its ROU asset and lease liability resulting in a $25.7 million reduction.

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 remeasurement of the lease liability and a corresponding adjustment to the ROU asset.

Noncontrolling Interests—Noncontrolling interests consist of nonredeemable and redeemable third-party interests in the Company's consolidated investment vehicles. Noncontrolling interests that are not redeemable at the option of the investors are classified as nonredeemable noncontrolling interests and are included in stockholders' equity. Noncontrolling interests that are redeemable at the option of the investors are classified as redeemable noncontrolling interests and are not treated as permanent equity. Noncontrolling interests are recorded at fair value which approximates the net asset value at each reporting period.

Investment Advisory and Administration Fees—The Company earns revenue by providing asset management services to institutional accounts, 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 assets under management. The Company also earns administration fees from certain 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, 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 open-end funds distributed by CSS. Distribution and service fee revenue is earned daily and is 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 an open-end fund. 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). Additionally, distribution and 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 fees represent payments made to qualified intermediaries for assistance in connection with the distribution of certain open-end funds' shares and 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 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 average daily net assets under management.

Intermediary assistance payments represent payments to qualified intermediaries for activities related to distribution, shareholder servicing as well as marketing and support of certain open-end funds and are incremental to those described above. Intermediary assistance payments are generally based on average daily net assets under management.

Stock-based Compensation—The Company recognizes compensation expense for the grant-date fair value of restricted stock unit awards to certain employees. This expense is recognized over the period during which employees are required to provide service. Forfeitures are recorded as incurred. Any change to the key terms of an employee's award subsequent to the grant date is evaluated and, if necessary, accounted for as a modification. If the modification results in the remeasurement of the fair value of the award, the remeasured compensation cost is recognized over the remaining service period.

Income Taxes—The Company records the current and deferred tax consequences of all transactions that have been recognized in the condensed 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 effective tax rate for interim periods is based on the Company's best estimate of the effective tax rate expected to be applied to the full fiscal year adjusted for discrete tax items during the period.

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 condensed consolidated statements of operations.

Comprehensive Income—The Company reports all changes in comprehensive income in the condensed 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).

Currency Translation and Transactions—Assets and liabilities of subsidiaries having non-U.S. dollar functional currencies are translated at exchange rates at the applicable condensed 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 condensed consolidated statements of comprehensive income. The cumulative translation adjustment was $(10.2) million and $(10.8) million at September 30, 2023 and December 31, 2022, respectively, and was reported within accumulated other comprehensive income (loss) on the condensed consolidated statements of financial condition. Gains or losses resulting from transactions denominated in currencies other than the U.S. dollar within certain foreign subsidiaries and gains and losses arising on revaluation of U.S. dollar-denominated assets and liabilities held by certain foreign subsidiaries are included in foreign currency gain (loss)—net in the Company's condensed consolidated statements of operations.

Recently Issued Accounting Pronouncements—In June 2022, the Financial Accounting Standards Board issued Accounting Standards Update 2022-03 (ASU), *Fair Value Measurement (Topic 820): Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions*. The standard clarifies that contractual sale restrictions are not considered in measuring the fair value of equity securities, which would be a change in practice for certain entities. The ASU also indicates that a contractual sale restriction is not a separate unit of account, and requires new disclosures for all entities with equity securities subject to a contractual sale restriction. This new guidance will be effective on January 1, 2024. The Company does not expect that the adoption of this new standard will have a material effect on the Company's condensed 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:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(in thousands)	2023	2022	2023	2022
Client domicile:				
North America	$ 106,273	$ 122,944	$ 320,729	$ 387,572
Japan	8,068	8,824	24,201	27,610
Europe, Middle East and Africa	6,028	4,986	15,569	16,344
Asia Pacific excluding Japan	3,368	3,197	9,950	10,045
Total	$ 123,737	$ 139,951	$ 370,449	$ 441,571

	Three Months Ended September 30,		Nine Months Ended September 30,	
(in thousands)	2023	2022	2023	2022
Investment vehicle:				
Open-end funds	$ 67,750	$ 80,500	$ 204,892	$ 256,246
Institutional accounts	31,845	32,500	92,640	103,612
Closed-end funds	24,142	26,951	72,917	81,713
Total	$ 123,737	$ 139,951	$ 370,449	$ 441,571

4. Investments

The following table summarizes the Company's investments:

(in thousands)	September 30, 2023	December 31, 2022
Equity investments at fair value	$ 160,446	$ 157,646
Trading	96,466	15,289
Equity method	15	20
Total investments	$ 256,927	$ 172,955

The following table summarizes gain (loss) from investments—net, including derivative financial instruments, the majority of which are used to economically hedge certain exposures (see Note 6, *Derivatives*):

	Three Months Ended September 30,		Nine Months Ended September 30,	
(in thousands)	2023	2022	2023	2022
Net realized gains (losses) during the period	$ (600)	$ (653)	$ (3,691)	$ 10,192
Net unrealized gains (losses) during the period on investments still held at the end of the period	(9,456)	(5,267)	(6,317)	(41,118)
Gain (loss) from investments—net (1)	$ (10,056)	$ (5,920)	$ (10,008)	$ (30,926)

(1) Included gain (loss) attributable to noncontrolling interests.

At September 30, 2023 and December 31, 2022, the Company's consolidated VIEs included the Cohen & Steers SICAV Global Listed Infrastructure Fund (SICAV GLI), the Cohen & Steers SICAV Global Real Estate Fund (SICAV GRE), the Cohen & Steers Co-Investment Partnership, L.P. (GRP-CIP) and the Cohen & Steers Real Estate Opportunities Fund, L.P. (REOF).

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

	September 30, 2023				
(in thousands)	SICAV GLI	SICAV GRE	GRP-CIP	REOF	Total
Assets [(1)]					
Investments	$ 37,323	$ 74,992	$ 142	$ 24,455	$ 136,912
Due from brokers	102	569	19	—	690
Other assets	152	303	—	1	456
Total assets	37,577	75,864	161	24,456	138,058
Liabilities [(1)]					
Due to brokers	$ 92	$ 460	$ —	$ —	$ 552
Other liabilities and accrued expenses	96	159	5	360	620
Total liabilities	188	619	5	360	1,172
Net assets	$ 37,389	$ 75,245	$ 156	$ 24,096	$ 136,886
Attributable to the Company	$ 17,426	$ 11,089	$ 156	$ 18,513	$ 47,184
Attributable to noncontrolling interests	19,963	64,156	—	5,583	89,702
Net assets	$ 37,389	$ 75,245	$ 156	$ 24,096	$ 136,886

(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.

	December 31, 2022				
(in thousands)	SICAV GLI	SICAV GRE	GRP-CIP	REOF	Total
Assets [(1)]					
Investments	$ 36,296	$ 79,434	$ 147	$ 19,052	$ 134,929
Due from brokers	11	—	27	—	38
Other assets	151	370	—	55	576
Total assets	36,458	79,804	174	19,107	135,543
Liabilities [(1)]					
Due to brokers	$ 11	$ —	$ —	$ —	$ 11
Other liabilities and accrued expenses	91	214	5	354	664
Total liabilities	102	214	5	354	675
Net assets	$ 36,356	$ 79,590	$ 169	$ 18,753	$ 134,868
Attributable to the Company	$ 19,116	$ 11,495	$ 169	$ 14,699	$ 45,479
Attributable to noncontrolling interests	17,240	68,095	—	4,054	89,389
Net assets	$ 36,356	$ 79,590	$ 169	$ 18,753	$ 134,868

(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.

The following tables present fair value measurements:

	September 30, 2023				
(in thousands)	Level 1	Level 2	Level 3	Investments Measured at NAV (1)	Total
Cash equivalents	$ 102,888	$ —	$ —	$ —	$ 102,888
Equity investments at fair value:					
Common stocks	$ 140,690	$ 868	$ —	$ —	$ 141,558
Limited partnership interests	—	—	15,597	1,411	17,008
Master limited partnership interests	314	—	—	—	314
Preferred securities	1,187	67	—	—	1,254
Other	198	—	—	114	312
Total	$ 142,389	$ 935	$ 15,597	$ 1,525	$ 160,446
Trading investments:					
Fixed income	$ —	$ 96,466	$ —	$ —	$ 96,466
Equity method investments	$ —	$ —	$ —	$ 15	$ 15
Total investments	$ 142,389	$ 97,401	$ 15,597	$ 1,540	$ 256,927
Derivatives - assets:					
Total return swaps	$ —	$ 2,282	$ —	$ —	$ 2,282
Forward contracts - foreign exchange	—	1,132	—	—	1,132
Total	$ —	$ 3,414	$ —	$ —	$ 3,414
Derivatives - liabilities:					
Total return swaps	$ —	$ 396	$ —	$ —	$ 396
Forward contracts - foreign exchange	—	1	—	—	1
Total	$ —	$ 397	$ —	$ —	$ 397

(1) Comprised of certain investments measured at fair value using net asset value (NAV) as a practical expedient.

(in thousands)	December 31, 2022 Level 1	Level 2	Level 3	Investments Measured at NAV [(1)]	Total
Cash equivalents	$ 208,557	$ —	$ —	$ —	$ 208,557
Equity investments at fair value:					
Common stocks	$ 142,268	$ 987	$ —	$ —	$ 143,255
Limited partnership interests	—	—	10,759	1,544	12,303
Master limited partnership interests	316	—	—	—	316
Preferred securities	1,391	49	—	—	1,440
Other	200	—	—	132	332
Total	$ 144,175	$ 1,036	$ 10,759	$ 1,676	$ 157,646
Trading investments:					
Fixed income	$ —	$ 15,289	$ —	$ —	$ 15,289
Equity method investments	$ —	$ —	$ —	$ 20	$ 20
Total investments	$ 144,175	$ 16,325	$ 10,759	$ 1,696	$ 172,955
Derivatives - assets:					
Total return swaps	$ —	$ 276	$ —	$ —	$ 276
Total	$ —	$ 276	$ —	$ —	$ 276
Derivatives - liabilities:					
Total return swaps	$ —	$ 717	$ —	$ —	$ 717
Forward contracts - foreign exchange	—	742	—	—	742
Total	$ —	$ 1,459	$ —	$ —	$ 1,459

(1) Comprised of certain investments measured at fair value using NAV as a practical expedient.

Equity investments at fair value classified as Level 2 were comprised of common stocks for which quoted prices in active markets are not available. Fair values for the common stocks classified as Level 2 were generally based on quoted prices for similar instruments in active markets.

Equity investments at fair value classified as Level 3 were comprised of limited partnership interests in joint ventures that hold investments in private real estate.

Trading investments classified as Level 2 were comprised of U.S. Treasury securities and corporate debt securities. Fair values 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 as follows:

- Equity investments at fair value included:
  - limited partnership interests in private 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).
- Equity method investments included the Company's partnership interests in Cohen & Steers Global Realty Partners III-TE, L.P. (GRP-TE) and Cohen & Steers Global Listed Infrastructure Fund L.P. (LPGI). GRP-TE invests in non-registered real estate funds and LPGI invests in global infrastructure securities. The Company's ownership interest in GRP-TE was approximately 0.2% at September 30, 2023 and December 31, 2022. The Company's ownership interest in LPGI was approximately 0.01% at September 30, 2023 and December 31, 2022.

At September 30, 2023 and December 31, 2022, the Company did not have the ability to redeem its limited partnership interests in private real estate funds or its interest in GRP-TE. There were no contractual restrictions on the Company's ability to redeem its interest in the Cayman trust or LPGI.

Investments measured at NAV as a practical expedient 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 condensed consolidated statements of financial condition.

Total return 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, which is an input that is observable in active markets.

The following table summarizes the changes in Level 3 investments measured at fair value on a recurring basis:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(in thousands)	2023	2022	2023	2022
Balance at beginning of period	$ 13,986	$ 18,592	$ 10,759	$ —
Purchases/contributions	3,139	—	10,656	19,380
Sales/distributions	—	(5,874)	(2,975)	(5,874)
Unrealized gains (losses)	(1,528)	(108)	(2,843)	(896)
Balance at end of period	$ 15,597	$ 12,610	$ 15,597	$ 12,610

Unrealized gains (losses) and realized gains (losses), if any, in the above table were recorded in gain (loss) from investments—net in the Company's condensed consolidated statements of operations.

Valuation Techniques

In certain instances, debt and equity 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 funds are valued at their closing price or NAV (or its equivalent) as a practical expedient.

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 are valued no less than 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 Company has established a valuation committee, comprised of senior members from various departments within the Company, to administer, implement and oversee the valuation policies and procedures (the Valuation Committee). Additionally, the Company has retained an independent valuation services firm to assist in the determination of the fair value of certain private real estate investments.

The following table summarizes the valuation techniques and significant unobservable inputs approved by the Valuation Committee for Level 3 investments measured at fair value on a recurring basis:

	Fair Value as of September 30, 2023 (in thousands)	Valuation Technique	Unobservable Inputs	Value
Limited partnership interests	$ 15,597	Discounted cash flow	Discount rate	9.00%
			Terminal capitalization rate	7.50%
		Transaction price	n/a	

	Fair Value as of December 31, 2022 (in thousands)	Valuation Technique	Unobservable Inputs	Value
Limited partnership interest	$ 10,759	Discounted cash flow	Discount rate	8.75%
			Terminal capitalization rate	7.25%

Changes in the significant unobservable inputs in the above tables may result in a materially higher or lower fair value measurement.

6. Derivatives

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

	As of September 30, 2023			
	Notional Amount		Fair Value [1]	
(in thousands)	Long	Short	Assets	Liabilities
Corporate derivatives:				
Total return swaps	$ 2,424	$ 39,736	$ 2,282	$ 396
Forward contracts - foreign exchange	—	16,676	1,132	1
Total corporate derivatives	$ 2,424	$ 56,412	$ 3,414	$ 397

	As of December 31, 2022			
	Notional Amount		Fair Value [1]	
(in thousands)	Long	Short	Assets	Liabilities
Corporate derivatives:				
Total return swaps	$ 2,340	$ 33,637	$ 276	$ 717
Forward contracts - foreign exchange	—	9,810	—	742
Total corporate derivatives	$ 2,340	$ 43,447	$ 276	$ 1,459

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

The Company's corporate derivatives included:

- Total return swaps which are utilized to economically hedge a portion of the market risk of certain seed investments and to gain exposure for the purpose of establishing a performance track record; and
- Forward foreign exchange contracts which are utilized to economically hedge currency exposure arising from certain non-U.S. dollar investment advisory fees.

Collateral pledged for forward and swap contracts totaled $2.0 million and $2.2 million at September 30, 2023 and December 31, 2022, respectively. Collateral received for swap contracts was $2.1 million at September 30, 2023.

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
(in thousands)	2023	2022	2023	2022
Corporate derivatives:				
Total return swaps	$ 2,222	$ 3,017	$ 1,545	$ 6,205
Forward contracts - foreign exchange	673	839	1,873	1,229
Total corporate derivatives	$ 2,895	$ 3,856	$ 3,418	$ 7,434
Derivatives held by consolidated investment vehicles:				
Total return swaps	—	828	—	3,988
Total (1)	$ 2,895	$ 4,684	$ 3,418	$ 11,422

(1) Gains and losses on total return swaps are included in gain (loss) from investments—net in the Company's condensed consolidated statements of operations. Gains and losses on forward foreign exchange contracts are included in foreign currency gain (loss)—net in the Company's condensed consolidated statements of operations.

7. 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:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(in thousands, except per share data)	2023	2022	2023	2022
Net income	$ 25,169	$ 39,614	$ 93,972	$ 112,604
Net (income) loss attributable to noncontrolling interests	6,971	4,956	5,260	25,940
Net income attributable to common stockholders	$ 32,140	$ 44,570	$ 99,232	$ 138,544
Basic weighted average shares outstanding	49,351	48,815	49,289	48,765
Dilutive potential shares from restricted stock units	266	502	206	522
Diluted weighted average shares outstanding	49,617	49,317	49,495	49,287
Basic earnings per share attributable to common stockholders	$ 0.65	$ 0.91	$ 2.01	$ 2.84
Diluted earnings per share attributable to common stockholders	$ 0.65	$ 0.90	$ 2.00	$ 2.81
Anti-dilutive common stock equivalents excluded from the calculation	26	2	102	2

8. Income Taxes

The provision for income taxes included U.S. federal, state, local and foreign taxes. A reconciliation of the Company's statutory federal income tax rate and the effective income tax rate is summarized in the following table:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
U.S. statutory tax rate	21.0 %	21.0 %	21.0 %	21.0 %
State and local income taxes, net of federal benefit	3.1	3.1	3.1	3.1
Non-deductible executive compensation	1.5	1.6	2.0	2.6
Excess tax benefits related to the vesting and delivery of restricted stock units	—	—	(1.6)	(3.3)
Unrecognized tax benefit adjustments	—	0.1	—	(3.6)
Other	(0.9)	0.1	(0.3)	0.2
Effective income tax rate	24.7 %	25.9 %	24.2 %	20.0 %

9. Related Party Transactions

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

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
(in thousands)	2023	2022	2023	2022
Investment advisory and administration fees (1)	$ 82,472	$ 96,187	$ 249,084	$ 301,227
Distribution and service fees	7,014	8,557	21,553	27,431
Total	$ 89,486	$ 104,744	$ 270,637	$ 328,658

(1) Investment advisory and administration fees are reflected net of fund reimbursements of $3.7 million and $4.5 million for the three months ended September 30, 2023 and 2022, respectively, and $12.6 million and $13.1 million for the nine months ended September 30, 2023 and 2022, respectively.

Included in accounts receivable at September 30, 2023 and December 31, 2022 are receivables due from Company-sponsored funds, which are generally collectible the next business day, of $30.2 million and $32.9 million, respectively. Included in accounts payable at September 30, 2023 and December 31, 2022 are payables due to Company-sponsored funds of $1.3 million and $1.0 million, respectively.

Included in other assets at September 30, 2023 and December 31, 2022 is an advance to Cohen & Steers Income Opportunities REIT, Inc. (CNSREIT) of $6.7 million and $3.5 million, respectively. CNSREIT will reimburse the Company ratably over a 60-month period commencing at the earlier of December 31, 2025, or the month that CNSREIT's NAV is at least $1.0 billion. At September 30, 2023 and December 31, 2022, the Company determined the advance to be collectible.

See discussion of commitments to Company-sponsored vehicles in Note 11.

10. Credit Agreement

On January 20, 2023, the Company entered into a Credit Agreement with Bank of America, N.A. (Credit Agreement) providing for a $100.0 million senior unsecured revolving credit facility maturing on January 20, 2026. Borrowings under the Credit Agreement bear interest at a variable annual rate equal to, at the Company’s option, either, (i) in respect of Term Secured Overnight Financing Rate (SOFR) Loans (as defined in the Credit Agreement), a rate equal to Term SOFR (as defined in the Credit Agreement) in effect for such period plus an applicable rate as determined according to a performance pricing grid and, (ii) in respect of Base Rate Loans (as defined in the Credit Agreement), a rate equal to a Base Rate (as defined in the Credit Agreement) plus an applicable rate as determined according to a performance pricing grid. The Company is also required to pay a commitment fee determined according to a performance pricing grid and based on the actual daily unused amount of the Credit Agreement payable quarterly.

Borrowings under the Credit Agreement may be used for working capital and other general corporate purposes. The Credit Agreement contains affirmative, negative and financial covenants, which are customary for facilities of this type, including with respect to leverage and interest coverage, limitations on priority indebtedness, asset dispositions and fundamental corporate changes. As of September 30, 2023, the Company was in compliance with these covenants.

To date, the Company had not drawn upon the credit agreement.

11. 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 has committed to invest up to $50.0 million in REOF. As of September 30, 2023, the Company had funded $24.1 million of this commitment. In addition, the Company has committed to invest up to $125.0 million in CNSREIT. As of September 30, 2023, the Company had funded $0.2 million of this commitment to enable CNSREIT to capitalize a share class in preparation for an offering. The timing for funding the remaining portion of the Company's commitments is determined by the investment vehicles.

12. Concentration of Credit Risk

The Company's cash and cash equivalents are principally on deposit with highly rated national financial institutions and are subject to credit risk should these financial institutions be unable to fulfill their obligations. The Company limits its exposure to such credit risks by diversifying its cash and cash equivalents among several highly rated national financial institutions.

13. Subsequent Events

The Company has evaluated the need for disclosures and/or adjustments resulting from subsequent events through the date the condensed 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 November 2, 2023, the Company declared a quarterly dividend on its common stock in the amount of $0.57 per share. This dividend will be payable on November 28, 2023 to stockholders of record at the close of business on November 13, 2023.

Item 2. ***Management's Discussion and Analysis of Financial Condition and Results of Operations***

Set forth on the following pages is management's discussion and analysis of our financial condition and results of operations for the three and nine months ended September 30, 2023 and 2022. Such information should be read in conjunction with our condensed consolidated financial statements and the related notes included herein. The condensed consolidated financial statements of the Company are unaudited. When we use the terms "Cohen & Steers," the "Company," "we," "us," and "our," we mean Cohen & Steers, Inc., a Delaware corporation, and its consolidated subsidiaries.

Executive Overview

General

We are a global investment manager specializing in real assets and alternative income, including real estate, preferred securities, infrastructure, resource equities, commodities, as well as multi-strategy solutions. Founded in 1986, we are headquartered in New York City, with offices in London, Dublin, Hong Kong, Tokyo and Singapore.

Our primary investment strategies include U.S. real estate, preferred securities and low duration preferred securities, global/international real estate, global listed infrastructure, real assets multi-strategy, as well as 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 and institutional. Our wealth 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 from the wealth channel is primarily derived from investment advisory, administration, distribution and service fees from open-end and closed-end funds as well as other commingled vehicles. Our revenue from the institutional channel is derived from fees received from our clients for managing advised and subadvised accounts. Our fees are based on contractually specified rates applied to the value of the assets we manage and, in certain cases, may include a performance-based fee. 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.

Assets Under Management
By Investment Vehicle
(in millions)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Open-end Funds				
Assets under management, beginning of period	$ 36,209	$ 41,583	$ 36,903	$ 50,911
Inflows	2,412	4,019	8,668	13,764
Outflows	(2,772)	(4,751)	(9,841)	(14,532)
Net inflows (outflows)	(360)	(732)	(1,173)	(768)
Market appreciation (depreciation)	(1,916)	(3,212)	(1,012)	(11,601)
Distributions	(262)	(293)	(887)	(1,196)
Transfers	—	—	(160)	—
Total increase (decrease)	(2,538)	(4,237)	(3,232)	(13,565)
Assets under management, end of period	$ 33,671	$ 37,346	$ 33,671	$ 37,346
Percentage of total assets under management	44.8 %	47.2 %	44.8 %	47.2 %
Average assets under management	$ 35,878	$ 42,322	$ 36,739	$ 45,174
Institutional Accounts				
Assets under management, beginning of period	$ 33,275	$ 34,506	$ 32,373	$ 42,727
Inflows	925	1,374	2,310	4,693
Outflows	(614)	(1,251)	(2,123)	(5,051)
Net inflows (outflows)	311	123	187	(358)
Market appreciation (depreciation)	(2,182)	(3,527)	(798)	(10,754)
Distributions	(188)	(235)	(706)	(748)
Transfers	—	—	160	—
Total increase (decrease)	(2,059)	(3,639)	(1,157)	(11,860)
Assets under management, end of period	$ 31,216	$ 30,867	$ 31,216	$ 30,867
Percentage of total assets under management	41.5 %	39.0 %	41.5 %	39.0 %
Average assets under management	$ 33,304	$ 35,396	$ 33,136	$ 37,823
Closed-end Funds				
Assets under management, beginning of period	$ 10,929	$ 11,773	$ 11,149	$ 12,991
Inflows	3	11	16	567
Outflows	(1)	—	(86)	—
Net inflows (outflows)	2	11	(70)	567
Market appreciation (depreciation)	(506)	(647)	(346)	(2,121)
Distributions	(154)	(152)	(462)	(452)
Total increase (decrease)	(658)	(788)	(878)	(2,006)
Assets under management, end of period	$ 10,271	$ 10,985	$ 10,271	$ 10,985
Percentage of total assets under management	13.7 %	13.9 %	13.7 %	13.9 %
Average assets under management	$ 10,784	$ 12,025	$ 10,981	$ 12,333
Total				
Assets under management, beginning of period	$ 80,413	$ 87,862	$ 80,425	$ 106,629
Inflows	3,340	5,404	10,994	19,024
Outflows	(3,387)	(6,002)	(12,050)	(19,583)
Net inflows (outflows)	(47)	(598)	(1,056)	(559)
Market appreciation (depreciation)	(4,604)	(7,386)	(2,156)	(24,476)
Distributions	(604)	(680)	(2,055)	(2,396)
Total increase (decrease)	(5,255)	(8,664)	(5,267)	(27,431)
Assets under management, end of period	$ 75,158	$ 79,198	$ 75,158	$ 79,198
Average assets under management	$ 79,966	$ 89,743	$ 80,856	$ 95,330

Assets Under Management - Institutional Accounts
By Account Type
(in millions)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Advisory				
Assets under management, beginning of period	$ 18,824	$ 20,135	$ 18,631	$ 24,599
Inflows	502	813	1,006	3,155
Outflows	(312)	(1,033)	(1,429)	(3,825)
Net inflows (outflows)	190	(220)	(423)	(670)
Market appreciation (depreciation)	(1,110)	(1,941)	(464)	(5,955)
Transfers	—	—	160	—
Total increase (decrease)	(920)	(2,161)	(727)	(6,625)
Assets under management, end of period	$ 17,904	$ 17,974	$ 17,904	$ 17,974
Percentage of institutional assets under management	57.4 %	58.2 %	57.4 %	58.2 %
Average assets under management	$ 18,958	$ 20,685	$ 18,894	$ 22,127
Japan Subadvisory				
Assets under management, beginning of period	$ 8,960	$ 8,939	$ 8,376	$ 11,329
Inflows	114	193	782	661
Outflows	(116)	(61)	(264)	(390)
Net inflows (outflows)	(2)	132	518	271
Market appreciation (depreciation)	(680)	(921)	(98)	(2,937)
Distributions	(188)	(235)	(706)	(748)
Total increase (decrease)	(870)	(1,024)	(286)	(3,414)
Assets under management, end of period	$ 8,090	$ 7,915	$ 8,090	$ 7,915
Percentage of institutional assets under management	25.9 %	25.6 %	25.9 %	25.6 %
Average assets under management	$ 8,810	$ 9,082	$ 8,734	$ 9,674
Subadvisory Excluding Japan				
Assets under management, beginning of period	$ 5,491	$ 5,432	$ 5,366	$ 6,799
Inflows	309	368	522	877
Outflows	(186)	(157)	(430)	(836)
Net inflows (outflows)	123	211	92	41
Market appreciation (depreciation)	(392)	(665)	(236)	(1,862)
Total increase (decrease)	(269)	(454)	(144)	(1,821)
Assets under management, end of period	$ 5,222	$ 4,978	$ 5,222	$ 4,978
Percentage of institutional assets under management	16.7 %	16.1 %	16.7 %	16.1 %
Average assets under management	$ 5,536	$ 5,629	$ 5,508	$ 6,022
Total Institutional Accounts				
Assets under management, beginning of period	$ 33,275	$ 34,506	$ 32,373	$ 42,727
Inflows	925	1,374	2,310	4,693
Outflows	(614)	(1,251)	(2,123)	(5,051)
Net inflows (outflows)	311	123	187	(358)
Market appreciation (depreciation)	(2,182)	(3,527)	(798)	(10,754)
Distributions	(188)	(235)	(706)	(748)
Transfers	—	—	160	—
Total increase (decrease)	(2,059)	(3,639)	(1,157)	(11,860)
Assets under management, end of period	$ 31,216	$ 30,867	$ 31,216	$ 30,867
Average assets under management	$ 33,304	$ 35,396	$ 33,136	$ 37,823

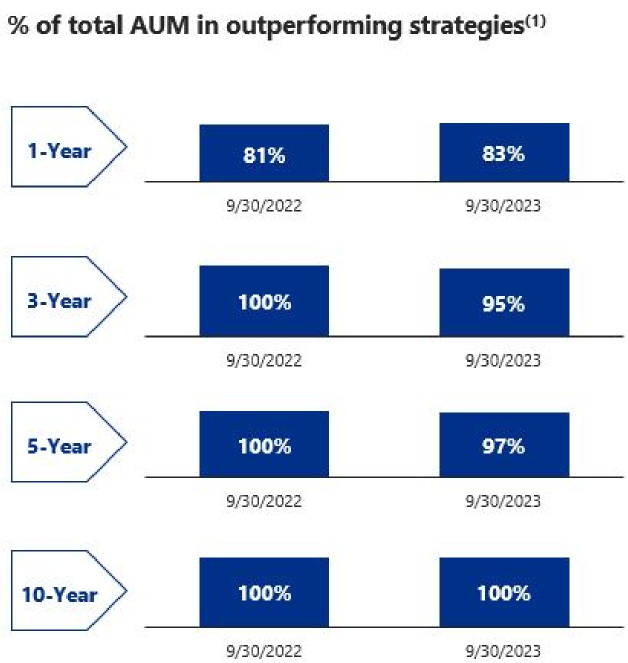
Assets Under Management
By Investment Strategy
(in millions)

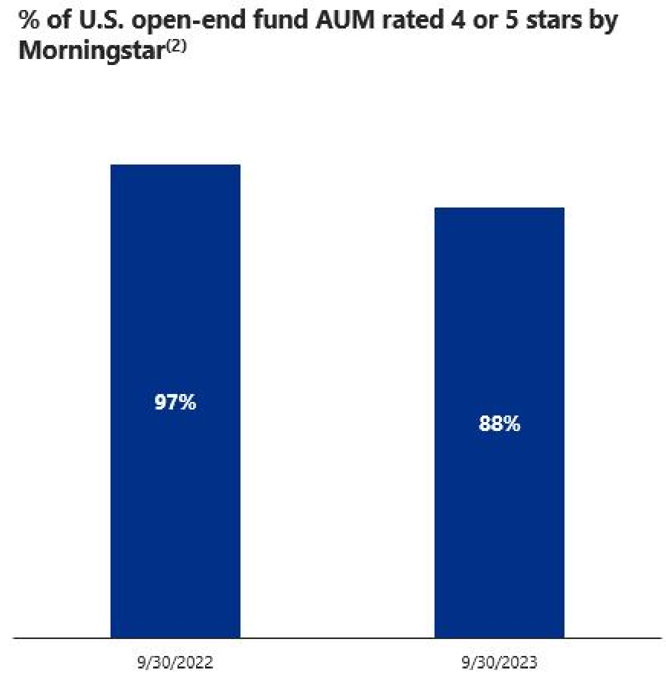
	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
U.S. Real Estate				
Assets under management, beginning of period	$ 36,948	$ 40,178	$ 35,108	$ 49,915
Inflows	1,493	2,143	5,140	8,018
Outflows	(1,312)	(3,082)	(4,411)	(8,251)
Net inflows (outflows)	181	(939)	729	(233)
Market appreciation (depreciation)	(3,056)	(4,129)	(939)	(13,463)
Distributions	(359)	(414)	(1,252)	(1,523)
Transfers	5	—	73	—
Total increase (decrease)	(3,229)	(5,482)	(1,389)	(15,219)
Assets under management, end of period	$ 33,719	$ 34,696	$ 33,719	$ 34,696
Percentage of total assets under management	44.9 %	43.8 %	44.9 %	43.8 %
Average assets under management	$ 36,494	$ 40,910	$ 36,352	$ 43,742
Preferred Securities				
Assets under management, beginning of period	$ 18,009	$ 21,449	$ 19,767	$ 26,987
Inflows	1,011	1,899	3,706	5,574
Outflows	(1,327)	(2,225)	(5,259)	(7,854)
Net inflows (outflows)	(316)	(326)	(1,553)	(2,280)
Market appreciation (depreciation)	56	(404)	(88)	(3,573)
Distributions	(183)	(200)	(562)	(615)
Transfers	(5)	—	(3)	—
Total increase (decrease)	(448)	(930)	(2,206)	(6,468)
Assets under management, end of period	$ 17,561	$ 20,519	$ 17,561	$ 20,519
Percentage of total assets under management	23.4 %	25.9 %	23.4 %	25.9 %
Average assets under management	$ 18,027	$ 21,936	$ 18,756	$ 23,494
Global/International Real Estate				
Assets under management, beginning of period	$ 14,838	$ 15,709	$ 14,782	$ 19,380
Inflows	531	527	1,172	2,944
Outflows	(359)	(396)	(1,234)	(2,340)
Net inflows (outflows)	172	131	(62)	604
Market appreciation (depreciation)	(899)	(1,956)	(491)	(6,034)
Distributions	(8)	(13)	(56)	(79)
Transfers	—	—	(70)	—
Total increase (decrease)	(735)	(1,838)	(679)	(5,509)
Assets under management, end of period	$ 14,103	$ 13,871	$ 14,103	$ 13,871
Percentage of total assets under management	18.8 %	17.5 %	18.8 %	17.5 %
Average assets under management	$ 15,022	$ 15,938	$ 15,069	$ 17,432

Assets Under Management
By Investment Strategy - continued
(in millions)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Global Listed Infrastructure				
Assets under management, beginning of period	$ 8,379	$ 8,574	$ 8,596	$ 8,763
Inflows	95	394	309	1,319
Outflows	(175)	(151)	(549)	(803)
Net inflows (outflows)	(80)	243	(240)	516
Market appreciation (depreciation)	(671)	(742)	(624)	(1,101)
Distributions	(46)	(45)	(150)	(148)
Total increase (decrease)	(797)	(544)	(1,014)	(733)
Assets under management, end of period	$ 7,582	$ 8,030	$ 7,582	$ 8,030
Percentage of total assets under management	10.1 %	10.1 %	10.1 %	10.1 %
Average assets under management	$ 8,157	$ 8,859	$ 8,438	$ 8,774
Other				
Assets under management, beginning of period	$ 2,239	$ 1,952	$ 2,172	$ 1,584
Inflows	210	441	667	1,169
Outflows	(214)	(148)	(597)	(335)
Net inflows (outflows)	(4)	293	70	834
Market appreciation (depreciation)	(34)	(155)	(14)	(305)
Distributions	(8)	(8)	(35)	(31)
Total increase (decrease)	(46)	130	21	498
Assets under management, end of period	$ 2,193	$ 2,082	$ 2,193	$ 2,082
Percentage of total assets under management	2.9 %	2.6 %	2.9 %	2.6 %
Average assets under management	$ 2,266	$ 2,100	$ 2,241	$ 1,888
Total				
Assets under management, beginning of period	$ 80,413	$ 87,862	$ 80,425	$ 106,629
Inflows	3,340	5,404	10,994	19,024
Outflows	(3,387)	(6,002)	(12,050)	(19,583)
Net inflows (outflows)	(47)	(598)	(1,056)	(559)
Market appreciation (depreciation)	(4,604)	(7,386)	(2,156)	(24,476)
Distributions	(604)	(680)	(2,055)	(2,396)
Total increase (decrease)	(5,255)	(8,664)	(5,267)	(27,431)
Assets under management, end of period	$ 75,158	$ 79,198	$ 75,158	$ 79,198
Average assets under management	$ 79,966	$ 89,743	$ 80,856	$ 95,330

Investment Performance at September 30, 2023





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(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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Overview

Assets under management at September 30, 2023 decreased 5.1% to $75.2 billion from $79.2 billion at September 30, 2022. The decrease was due to net outflows of $2.1 billion and distributions of $3.3 billion, partially offset by market appreciation of $1.4 billion. Net outflows included $2.4 billion from preferred securities and $301 million from global listed infrastructure, partially offset by net inflows of $665 million into U.S. real estate. Market appreciation included $503 million from global/international real estate, $428 million from U.S. real estate and $244 million from preferred securities. Distributions included $2.1 billion from U.S. real estate and $780 million from preferred securities. Our organic decay rate for the twelve months ended September 30, 2023 was (2.7%). The organic growth/decay rate represents the ratio of net flows for the period to the beginning assets under management.

Open-end funds

Assets under management in open-end funds at September 30, 2023, which represented 44.8% of total assets under management, decreased 9.8% to $33.7 billion from $37.3 billion at September 30, 2022. The decrease was due to net outflows of $2.2 billion and distributions of $1.6 billion, partially offset by market appreciation of $306 million. Net outflows included $2.0 billion from preferred securities. Market appreciation included $101 million from preferred securities, $81 million from global/international real estate and $48 million from U.S. real estate. Distributions included $947 million from U.S. real estate and $554 million from preferred securities. Of these distributions, $1.3 billion was reinvested and included in net flows. Our organic decay rate for open-end funds for the twelve months ended September 30, 2023 was (5.9%).

Institutional accounts

Assets under management in institutional accounts at September 30, 2023, which represented 41.5% of total assets under management, increased 1.1% to $31.2 billion from $30.9 billion at September 30, 2022. The increase was due to net inflows of $102 million and market appreciation of $1.0 billion, partially offset by distributions of $943 million. Net inflows included $667 million into U.S. real estate, partially offset by net outflows of $333 from preferred securities and $226 million from global listed infrastructure. Market appreciation included $422 million from global/international real estate, $386 million from U.S. real estate and $98 million from preferred securities. Distributions included $917 million from U.S. real estate. Our organic growth rate for institutional accounts for the twelve months ended September 30, 2023 was 0.3%.

Assets under management in advisory accounts at September 30, 2023, which represented 57.4% of institutional assets under management, decreased 0.4% to $17.9 billion from $18.0 billion at September 30, 2022. The decrease was due to net outflows of $815 million, partially offset by market appreciation of $586 million. Net outflows included $327 million from preferred securities, $251 million from global listed infrastructure and $211 million from U.S. real estate. Market appreciation included $240 million from global/international real estate, $146 million from U.S. real estate and $94 million from preferred securities. Our organic decay rate for advisory accounts for the twelve months ended September 30, 2023 was (4.5%).

Assets under management in Japan subadvisory accounts at September 30, 2023, which represented 25.9% of institutional assets under management, increased 2.2% to $8.1 billion from $7.9 billion at September 30, 2022. The increase was primarily due to net inflows of $799 million and market appreciation of $318 million, partially offset by distributions of $943 million. Net inflows included $837 million into U.S. real estate. Market appreciation included $238 million from U.S. real estate and $73 million from global/international real estate. Distributions included $917 million from U.S. real estate. Our organic growth rate for Japan subadvisory accounts for the twelve months ended September 30, 2023 was 10.1%.

Assets under management in subadvisory accounts excluding Japan at September 30, 2023, which represented 16.7% of institutional assets under management, increased 4.9% to $5.2 billion from $5.0 billion at September 30, 2022. The increase was primarily due to net inflows of $118 million and market appreciation of $126 million. Net inflows included $116 million into real assets multi-strategy (included in "Other" in the Assets under Management - By Investment Strategy table). Market appreciation included $109 million from global/international real estate. Our organic growth rate for subadvisory accounts excluding Japan for the twelve months ended September 30, 2023 was 2.4%.

Closed-end funds

Assets under management in closed-end funds at September 30, 2023, which represented 13.7% of total assets under management, decreased 6.5% to $10.3 billion from $11.0 billion at September 30, 2022. The decrease was due to net outflows of $62 million and distributions of $705 million, partially offset by market appreciation of $53 million. Our organic decay rate for closed-end funds for the twelve months ended September 30, 2023 was (0.6%).

Summary of Operating Results

(in thousands, except percentages and per share data)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
U.S. GAAP				
Revenue	$ 123,737	$ 139,951	$ 370,449	$ 441,571
Expenses	$ 82,866	$ 82,770	$ 243,838	$ 272,405
Operating income	$ 40,871	$ 57,181	$ 126,611	$ 169,166
Non-operating income (loss) (1)	$ (5,159)	$ (1,974)	$ (877)	$ (21,866)
Net income attributable to common stockholders	$ 32,140	$ 44,570	$ 99,232	$ 138,544
Diluted earnings per share	$ 0.65	$ 0.90	$ 2.00	$ 2.81
Operating margin	33.0%	40.9%	34.2%	38.3%
As Adjusted (2)				
Net income attributable to common stockholders	$ 34,772	$ 45,167	$ 107,108	$ 143,521
Diluted earnings per share	$ 0.70	$ 0.92	$ 2.16	$ 2.91
Operating margin	35.5%	42.8%	36.7%	43.6%

(1) Included amounts attributable to third-party interests in consolidated investment vehicles. Refer to non-operating income (loss) tables on pages 29-32 for additional detail.
(2) Refer to pages 33-35 for reconciliations of U.S. GAAP to as adjusted results.

Three Months Ended September 30, 2023 Compared with Three Months Ended September 30, 2022

Revenue

(in thousands)	Three Months Ended September 30,			
	2023	2022	$ Change	% Change
Investment advisory and administration fees				
Open-end funds	$ 60,239	$ 71,434	$ (11,195)	(15.7%)
Institutional accounts	31,845	32,500	$ (655)	(2.0%)
Closed-end funds	24,142	26,951	$ (2,809)	(10.4%)
Total	116,226	130,885	$ (14,659)	(11.2%)
Distribution and service fees	7,014	8,557	$ (1,543)	(18.0%)
Other	497	509	$ (12)	(2.4%)
Total revenue	$ 123,737	$ 139,951	$ (16,214)	(11.6%)

Investment advisory and administration fees decreased from the three months ended September 30, 2022, primarily due to lower average assets under management across all three types of investment vehicles, partially offset by the recognition of performance fees from certain institutional accounts of $1.2 million for the three months ended September 30, 2023.

Total investment advisory and administration revenue from open-end funds compared with average assets under management implied an annualized effective fee rate of 66.6 bps and 67.0 bps for the three months ended September 30, 2023 and 2022, respectively.

Total investment advisory revenue from institutional accounts compared with average assets under management implied an annualized effective fee rate of 37.9 bps and 36.4 bps for the three months ended September 30, 2023 and 2022, respectively. The increase in the implied annualized effective fee rate was primarily due to the recognition of performance fees from certain institutional accounts of $1.2 million for the three months ended September 30, 2023. Excluding the performance fees, the implied annualized effective fee rate would have been 36.5 bps for the three months ended September 30, 2023.

Total investment advisory and administration revenue from closed-end funds compared with average assets under management implied an annualized effective fee rate of 88.8 and 88.9 bps for the three months ended September 30, 2023 and 2022, respectively.

Distribution and service fees decreased from the three months ended September 30, 2022, primarily due to lower average assets under management in U.S. open-end funds.

Expenses

(in thousands)	Three Months Ended September 30,			
	2023	2022	$ Change	% Change
Employee compensation and benefits	$ 52,830	$ 51,669	$ 1,161	2.2%
Distribution and service fees	13,689	16,418	$ (2,729)	(16.6%)
General and administrative	15,546	13,548	$ 1,998	14.7%
Depreciation and amortization	801	1,135	$ (334)	(29.4%)
Total expenses	$ 82,866	$ 82,770	$ 96	0.1%

Employee compensation and benefits increased from the three months ended September 30, 2022, primarily due to higher salaries of $1.5 million and an increase in incentive compensation of $751,000, partially offset by a decrease in amortization of restricted stock units of $1.4 million.

Distribution and service fees decreased from the three months ended September 30, 2022, primarily due to lower average assets under management in U.S. open-end funds.

General and administrative expenses increased from the three months ended September 30, 2022, primarily due to incremental lease costs of $2.8 million related to the Company's future headquarters at 1166 Avenue of the Americas, partially offset by lower than projected costs related to the Company’s newly implemented trading and order management system of $1.4 million.

Operating Margin

Operating margin for the three months ended September 30, 2023 decreased to 33.0% from 40.9% for the three months ended September 30, 2022. Operating margin represents the ratio of operating income to revenue.

Non-operating Income (Loss)

(in thousands)	Three Months Ended September 30, 2023			
	Consolidated Investment Vehicles	Corporate Seed Investments	Corporate Other	Total
Interest and dividend income—net	$ 705	$ 822	$ 2,236	$ 3,763
Gain (loss) from investments—net	(11,436)	(767)	2,147 [1]	(10,056)
Foreign currency gain (loss)—net	(119)	(19)	1,272 [2]	1,134
Total non-operating income (loss)	(10,850)	36	5,655	(5,159)
Net (income) loss attributable to noncontrolling interests	6,971	—	—	6,971
Non-operating income (loss) attributable to the Company	$ (3,879)	$ 36	$ 5,655	$ 1,812

(1) Comprised primarily of gain (loss) on derivative contracts, which are utilized to economically hedge a portion of the market risk of the Company's seed investments included in both Consolidated Investment Vehicles and Corporate Seed Investments.

(2) Comprised primarily of net foreign currency exchange gain (loss) associated with U.S. dollar-denominated assets held by certain foreign subsidiaries.

(in thousands)	Three Months Ended September 30, 2022			
	Consolidated Investment Vehicles	Corporate Seed Investments	Corporate Other	Total
Interest and dividend income—net	$ 746	$ 359	$ 436	$ 1,541
Gain (loss) from investments—net	(7,185)	(2,099)	3,364 (1)	(5,920)
Foreign currency gain (loss)—net	(1,215)	(3)	3,623 (2)	2,405
Total non-operating income (loss)	(7,654)	(1,743)	7,423	(1,974)
Net (income) loss attributable to noncontrolling interests	4,956	—	—	4,956
Non-operating income (loss) attributable to the Company	$ (2,698)	$ (1,743)	$ 7,423	$ 2,982

(1) Comprised primarily of gain (loss) on derivative contracts, which are utilized to economically hedge a portion of the market risk of the Company's seed investments included in both Consolidated Investment Vehicles and Corporate Seed Investments.
(2) Comprised primarily of net foreign currency exchange gain (loss) associated with U.S. dollar-denominated assets held by certain foreign subsidiaries.

Income Taxes

A reconciliation of the Company's statutory federal income tax rate and the effective income tax rate is summarized in the following table:

	Three Months Ended September 30,	
	2023	2022
U.S. statutory tax rate	21.0 %	21.0 %
State and local income taxes, net of federal benefit	3.1	3.1
Non-deductible executive compensation	1.5	1.6
Unrecognized tax benefit adjustments	—	0.1
Other	(0.9)	0.1
Effective income tax rate	24.7 %	25.9 %

Nine Months Ended September 30, 2023 Compared with Nine Months Ended September 30, 2022

Revenue

(in thousands)	Nine Months Ended September 30,			
	2023	2022	$ Change	% Change
Investment advisory and administration fees				
Open-end funds	$ 181,821	$ 226,884	$ (45,063)	(19.9)%
Institutional accounts	92,640	103,612	$ (10,972)	(10.6)%
Closed-end funds	72,917	81,713	$ (8,796)	(10.8)%
Total	347,378	412,209	$ (64,831)	(15.7)%
Distribution and service fees	21,553	27,431	$ (5,878)	(21.4)%
Other	1,518	1,931	$ (413)	(21.4)%
Total revenue	$ 370,449	$ 441,571	$ (71,122)	(16.1)%

Investment advisory and administration fees decreased from the nine months ended September 30, 2022, primarily due to lower average assets under management across all three types of investment vehicles, partially offset by the recognition of performance fees from certain institutional accounts of $1.2 million for the nine months ended September 30, 2023.

Total investment advisory and administration revenue from open-end funds compared with average assets under management implied an annualized effective fee rate of 66.2 bps and 67.2 bps for the nine months ended September 30, 2023 and 2022, respectively. The decrease in the implied annualized effective fee rate was primarily due to a shift in the composition of assets under management.

Total investment advisory revenue from institutional accounts compared with average assets under management implied an annualized effective fee rate of 37.4 bps and 36.6 bps for the nine months ended September 30, 2023 and 2022, respectively. The increase in the implied annualized effective fee rate was primarily due to the recognition of performance fees from certain institutional accounts of $1.2 million for the nine months ended September 30, 2023. Excluding the performance fees, the implied annualized effective fee rate would have been 36.9 bps for the nine months ended September 30, 2023.

Total investment advisory and administration revenue from closed-end funds compared with average assets under management implied an annualized effective fee rate of 88.8 bps and 88.6 bps for the nine months ended September 30, 2023 and 2022, respectively.

Distribution and service fees decreased from the nine months ended September 30, 2022, primarily due to lower average assets under management in U.S. open-end funds.

Expenses

(in thousands)	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022	$ Change	% Change
Employee compensation and benefits	$ 150,580	$ 160,269	$ (9,689)	(6.0)%
Distribution and service fees	41,234	68,605	$ (27,371)	(39.9)%
General and administrative	49,396	40,296	$ 9,100	22.6 %
Depreciation and amortization	2,628	3,235	$ (607)	(18.8)%
Total expenses	$ 243,838	$ 272,405	$ (28,567)	(10.5)%

Employee compensation and benefits decreased from the nine months ended September 30, 2022, primarily due to lower incentive compensation of $12.5 million and a decrease in amortization of restricted stock units of $3.8 million, partially offset by higher salaries of $5.4 million and an increase in benefits of $1.8 million.

Distribution and service fees decreased from the nine months ended September 30, 2022, primarily due to lower average assets under management in U.S. open-end funds and costs of $14.2 million associated with the initial public offering of the Cohen & Steers Real Estate Opportunities and Income Fund (RLTY) included in the nine months ended September 30, 2022.

General and administrative expenses increased from the nine months ended September 30, 2022, primarily due to incremental lease costs of $8.8 million related to the Company's future headquarters at 1166 Avenue of the Americas.

Operating Margin

Operating margin for the nine months ended September 30, 2023 decreased to 34.2% from 38.3% for the nine months ended September 30, 2022.

Non-operating Income (Loss)

(in thousands)	Nine Months Ended September 30, 2023			
	Consolidated Investment Vehicles	Corporate Seed Investments	Corporate Other	Total
Interest and dividend income—net	$ 2,639	$ 2,604	$ 5,164	$ 10,407
Gain (loss) from investments—net	(11,430)	(697)	2,119 (1)	(10,008)
Foreign currency gain (loss)—net	(166)	6	(1,116) (2)	(1,276)
Total non-operating income (loss)	(8,957)	1,913	6,167	(877)
Net (income) loss attributable to noncontrolling interests	5,260	—	—	5,260
Non-operating income (loss) attributable to the Company	$ (3,697)	$ 1,913	$ 6,167	$ 4,383

(1) Comprised primarily of gain (loss) on derivative contracts, which are utilized to economically hedge a portion of the market risk of the Company's seed investments included in both Consolidated Investment Vehicles and Corporate Seed Investments.

(2) Comprised primarily of net foreign currency exchange gain (loss) associated with U.S. dollar-denominated assets held by certain foreign subsidiaries.

(in thousands)	Nine Months Ended September 30, 2022			
	Consolidated Investment Vehicles	Corporate Seed Investments	Corporate Other	Total
Interest and dividend income—net	$ 2,979	$ 818	$ 529	$ 4,326
Gain (loss) from investments—net	(33,230)	(3,808)	6,112 (1)	(30,926)
Foreign currency gain (loss)—net	(2,132)	(9)	6,875 (2)	4,734
Total non-operating income (loss)	(32,383)	(2,999)	13,516	(21,866)
Net (income) loss attributable to noncontrolling interests	25,940	—	—	25,940
Non-operating income (loss) attributable to the Company	$ (6,443)	$ (2,999)	$ 13,516	$ 4,074

(1) Comprised primarily of gain (loss) on derivative contracts, which are utilized to economically hedge a portion of the market risk of the Company's seed investments included in both Consolidated Investment Vehicles and Corporate Seed Investments.
(2) Comprised primarily of net foreign currency exchange gain (loss) associated with U.S. dollar-denominated assets held by certain foreign subsidiaries.

Income Taxes

A reconciliation of the Company’s statutory federal income tax rate and the effective income tax rate is summarized in the following table:

	Nine Months Ended September 30,	
	2023	2022
U.S. statutory tax rate	21.0 %	21.0 %
State and local income taxes, net of federal benefit	3.1	3.1
Non-deductible executive compensation	2.0	2.6
Excess tax benefits related to the vesting and delivery of restricted stock units	(1.6)	(3.3)
Unrecognized tax benefit adjustments	—	(3.6)
Other	(0.3)	0.2
Effective income tax rate	24.2 %	20.0 %

Reconciliations of U.S. GAAP to As Adjusted Financial Results

Management believes that use of the following as adjusted (non-GAAP) financial results provides greater transparency into the Company’s operating performance. In addition, these as adjusted financial results are used to prepare the Company's internal management reports which are used in evaluating its business.

While management believes that these as adjusted financial results are useful in evaluating 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.

Effective January 1, 2023, the Company revised its methodology for as adjusted results to include interest and dividends from seed investments. Prior period amounts have not been recast to conform with the current period results as the impact was not significant.

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
(in thousands, except per share data)	2023	2022	2023	2022
Net income attributable to common stockholders, U.S. GAAP	$ 32,140	$ 44,570	$ 99,232	$ 138,544
Seed investments—net [(1)]	2,900	1,635	3,903	4,856
Accelerated vesting of restricted stock units	327	2,556	680	7,351
Lease transition and other costs - 280 Park Avenue [(2)]	2,321	—	7,262	—
Initial public offering costs [(3)]	—	—	—	15,239
Foreign currency exchange (gains) losses—net [(4)]	(1,713)	(3,931)	450	(8,685)
Tax adjustments—net [(5)]	(1,203)	337	(4,419)	(13,784)
Net income attributable to common stockholders, as adjusted	$ 34,772	$ 45,167	$ 107,108	$ 143,521
Diluted weighted average shares outstanding	49,617	49,317	49,495	49,287
Diluted earnings per share, U.S. GAAP	$ 0.65	$ 0.90	$ 2.00	$ 2.81
Seed investments—net	0.06	0.04	0.08	0.10
Accelerated vesting of restricted stock units	0.01	0.05	0.01	0.15
Lease transition and other costs - 280 Park Avenue	0.05	—	0.15	—
Initial public offering costs	—	—	—	0.31
Foreign currency exchange (gains) losses—net	(0.04)	(0.08)	0.01	(0.18)
Tax adjustments—net	(0.03)	0.01	(0.09)	(0.28)
Diluted earnings per share, as adjusted	$ 0.70	$ 0.92	$ 2.16	$ 2.91

(1) Represents adjustment to remove the impact of consolidated investment vehicles and other seed investments from the Company's financial results. In accordance with the Company's revised methodology, interest and dividends from seed investments were not included in the adjustment for the three and nine months ended September 30, 2023.

(2) Represents adjustment to remove the impact of lease and other expenses related to the Company's current headquarters, which it expects to vacate when the lease expires in January 2024. From a GAAP perspective, the Company is recognizing lease expense on both its current and future headquarters as a result of overlapping terms during the build-out phase of the new space.

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
(in thousands)	2023	2022	2023	2022
Employee compensation and benefits	$ —	$ —	$ —	$ 357
Distribution and service fees	—	—	—	14,224
General and administrative	—	—	—	658
Initial public offering costs	$ —	$ —	$ —	$ 15,239

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

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
(in thousands)	2023	2022	2023	2022
Exclusion of tax effects associated with items noted above	$ (1,211)	$ 301	$ (3,243)	$ (3,965)
Exclusion of discrete tax items	8	36	(1,176)	(9,819)
Total tax adjustments	$ (1,203)	$ 337	$ (4,419)	$ (13,784)

Reconciliation of U.S. GAAP to As Adjusted Financial Results
Revenue, Expenses, Operating Income and Operating Margin

(in thousands, except percentages)	Three Months Ended September 30, 2023	Three Months Ended September 30, 2022	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022
Revenue, U.S. GAAP	$ 123,737	$ 139,951	$ 370,449	$ 441,571
Seed investments (1)	(186)	215	(324)	630
Revenue, as adjusted	$ 123,551	$ 140,166	$ 370,125	$ 442,201
Expenses, U.S. GAAP	$ 82,866	$ 82,770	$ 243,838	$ 272,405
Seed investments (1)	(532)	(104)	(1,493)	(598)
Accelerated vesting of restricted stock units	(327)	(2,556)	(680)	(7,351)
Lease transition and other costs - 280 Park Avenue (2)	(2,321)	—	(7,262)	—
Initial public offering costs (3)	—	—	—	(15,239)
Expenses, as adjusted	$ 79,686	$ 80,110	$ 234,403	$ 249,217
Operating income, U.S. GAAP	$ 40,871	$ 57,181	$ 126,611	$ 169,166
Seed investments (1)	346	319	1,169	1,228
Accelerated vesting of restricted stock units	327	2,556	680	7,351
Lease transition and other costs - 280 Park Avenue (2)	2,321	—	7,262	—
Initial public offering costs (3)	—	—	—	15,239
Operating income, as adjusted	$ 43,865	$ 60,056	$ 135,722	$ 192,984
Operating margin, U.S. GAAP	33.0 %	40.9 %	34.2 %	38.3 %
Operating margin, as adjusted	35.5 %	42.8 %	36.7 %	43.6 %

(1) Represents adjustment to remove the impact of consolidated investment vehicles from the Company's financial results.
(2) Represents adjustment to remove the impact of lease and other expenses related to the Company's current headquarters, which it expects to vacate when the lease expires in January 2024. From a GAAP perspective, the Company is recognizing lease expense on both its current and future headquarters as a result of overlapping terms during the build-out phase of the new space.
(3) Represents costs associated with the initial public offering of RLTY. Costs are summarized in the following table:

(in thousands)	Three Months Ended September 30, 2023	Three Months Ended September 30, 2022	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022
Employee compensation and benefits	$ —	$ —	$ —	$ 357
Distribution and service fees	—	—	—	14,224
General and administrative	—	—	—	658
Initial public offering costs	$ —	$ —	$ —	$ 15,239

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

(in thousands)	Three Months Ended September 30, 2023	Three Months Ended September 30, 2022	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022
Non-operating income (loss), U.S. GAAP	$ (5,159)	$ (1,974)	$ (877)	$ (21,866)
Seed investments—net (1)	9,525	6,272	7,994	29,568
Foreign currency exchange (gains) losses—net (2)	(1,713)	(3,931)	450	(8,685)
Non-operating income (loss), as adjusted	$ 2,653	$ 367	$ 7,567	$ (983)

(1) Represents adjustment to remove the impact of consolidated investment vehicles and other seed investments from the Company's financial results. In accordance with the Company’s revised methodology, interest and dividends from seed investments were not included in the adjustment for the three and nine months ended September 30, 2023.
(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

We seek to maintain a balance sheet that supports our business strategies and provides the appropriate amount of liquidity at all times.

Net Liquid Assets

Our current financial condition is highly liquid and is primarily comprised of cash and cash equivalents, U.S. Treasury securities, liquid seed investments and other current assets. Liquid assets are reduced by current liabilities (together, net liquid assets).

The table below summarizes net liquid assets:

(in thousands)	**September 30, 2023**	**December 31, 2022**
Cash and cash equivalents	$ 133,050	$ 247,418
U.S. Treasury securities	79,408	—
Liquid seed investments—net	70,800	67,987
Other current assets	77,064	70,716
Current liabilities	(87,070)	(114,522)
Net liquid assets	$ 273,252	$ 271,599

Cash and cash equivalents

Cash and cash equivalents are on deposit with several major national financial institutions and include short-term, highly liquid investments, which are readily convertible into cash.

U.S. Treasury securities

U.S. Treasury securities are directly issued by the U.S. government and were classified as trading investments.

Liquid seed investments—net

Liquid seed investments are generally traded in active markets on major exchanges and can typically be liquidated within a normal settlement cycle. Liquid seed investments include corporate securities held directly for the purpose of establishing performance track records and the Company's economic interest in consolidated investment vehicles which are presented net of noncontrolling interests.

Other current assets

Other current assets primarily represent investment advisory and administration fees receivable. At September 30, 2023, receivables from institutional accounts comprised 49.9% of other current assets, while receivables from open-end and closed-end funds, together, comprised 40.7% of other current assets. We perform a review of our receivables on an ongoing basis in order to assess collectability and, based on our analysis at September 30, 2023, there was no allowance for uncollectible accounts required.

Current liabilities

Current liabilities included accrued compensation and benefits, distribution and service fees payable, operating lease obligations due within 12 months, certain income taxes payable and other liabilities and accrued expenses.

Future liquidity needs

Our business has become more capital intensive. Potential uses of capital range from funding the upfront costs associated with closed-end fund launches and rights offerings, seeding new strategies and vehicles, co-investing in private real estate vehicles, and making various one-time investments to grow our firm infrastructure as our business scales. In order to provide us with the financial flexibility to pursue these opportunities, on January 20, 2023, we entered into a Credit Agreement providing for a $100.0 million senior unsecured revolving credit facility maturing on January 20, 2026. Borrowings under the Credit Agreement will be used for working capital and other general corporate purposes. To date, we have not drawn on the Credit Agreement.

In connection with the build-out of our future headquarters located at 1166 Avenue of the Americas, we expect to make additional payments of $14.0 million to $18.0 million, through the first quarter of 2024. The lease for our current headquarters, also in New York City, is scheduled to expire in January 2024.

We have committed to invest up to $50.0 million in Cohen & Steers Real Estate Opportunities Fund, L.P. (REOF) of which $25.9 million remains unfunded. In addition, we have committed to invest up to $125.0 million in Cohen & Steers Income Opportunities REIT, Inc. (CNSREIT) of which $124.8 million remains unfunded. The timing for funding the remaining portion of our commitments is determined by the investment vehicles.

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 our cash flows:

	Nine Months Ended September 30,	
(in thousands)	**2023**	**2022**
Cash Flow Data:		
Net cash provided by (used in) operating activities	$ 113,384	$ 3,647
Net cash provided by (used in) investing activities	(128,033)	(44,909)
Net cash provided by (used in) financing activities	(99,160)	29,126
Net increase (decrease) in cash and cash equivalents	(113,809)	(12,136)
Effect of foreign exchange rate changes on cash and cash equivalents	724	(7,979)
Cash and cash equivalents, beginning of the period	248,714	185,356
Cash and cash equivalents, end of the period	$ 135,629	$ 165,241

Cash and cash equivalents decreased by $113.8 million, excluding the effect of foreign exchange rate changes, for the nine months ended September 30, 2023. 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 operating activities was $113.4 million for the nine months ended September 30, 2023. Net cash used in investing activities was $128.0 million, which included net purchases of U.S. Treasury securities held for corporate purposes of $80.0 million and purchases of property and equipment of $46.1 million, primarily related to the build-out of our future headquarters. Net cash used in financing activities was $99.2 million, including dividends paid to stockholders of $84.4 million and repurchases of common stock to satisfy employee withholding tax obligations on the vesting and delivery of restricted stock units of $20.7 million.

Cash and cash equivalents decreased by $12.1 million, excluding the effect of foreign exchange rate changes, for the nine months ended September 30, 2022. 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 operating activities was $3.6 million for the nine months ended September 30, 2022, which included net investment purchases within certain consolidated investment vehicles. Net cash used in investing activities was $44.9 million, which included net purchases of U.S. Treasury securities held for corporate purposes and securities held directly for the purpose of establishing performance track records of $42.0 million. Net cash provided by financing activities was $29.1 million, including net contributions from noncontrolling interests of $134.6 million, partially offset by dividends paid to stockholders of $80.5 million and repurchases of common stock to satisfy employee withholding tax obligations on the vesting and delivery of restricted stock units of $25.9 million.

Contractual Obligations, Commitments and Contingencies

The following table summarizes our contractual obligations at September 30, 2023:

(in thousands)	Remainder of 2023	2024	2025	2026	2027	Thereafter	Total
Operating leases	$ 2,982	$ 11,492	$ 13,545	$ 14,031	$ 14,031	$166,955	$ 223,036
Purchase obligations (1)	1,898	6,272	4,606	2,598	316	—	15,690
Other liability (2)	—	1,662	2,077	—	—	—	3,739
Total	$ 4,880	$ 19,426	$ 20,228	$ 16,629	$ 14,347	$166,955	$ 242,465

(1) Represents contracts that are either noncancellable or cancellable with a penalty. Our obligations primarily reflect information technology equipment, software licenses and standard service contracts for market data.
(2) 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 Cuts and Jobs Act in 2017.

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 November 2, 2023, we declared a quarterly dividend on our common stock in the amount of $0.57 per share. This dividend will be payable on November 28, 2023 to stockholders of record at the close of business on November 13, 2023.

Critical Accounting Estimates

A complete discussion of our critical accounting estimates is included in Management's Discussion and Analysis of Financial Condition and Results of Operations in our Annual Report on Form 10-K for the year ended December 31, 2022. There were no changes to the Company's accounting estimates for the three months ended September 30, 2023.

Recently Issued Accounting Pronouncements

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

Item 3. ***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 other general economic conditions which may have an adverse impact on the value of our assets under management and our seed investments. The majority of our revenue is derived from investment advisory and administration fees which are based on average assets under management. Accordingly, where there are changes in the value of the assets we manage as a result of market fluctuations, our revenue and the value of our seed investments may change.

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. 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.

Corporate Seed investments—net

Our seed investments are comprised of both liquid and illiquid holdings. Liquid seed investments are generally traded in active markets on major exchanges and can typically be liquidated within a normal settlement cycle. Illiquid seed investments are generally comprised of limited partnership interests in private real estate vehicles for which there may be contractual restrictions on redemption.

Our seed investments are subject to market risk. We may mitigate this risk by entering into derivative contracts designed to hedge certain portions of our risk. The following table summarizes the effect of a ten percent increase or decrease on the carrying value of our seed investments, which are presented net of noncontrolling interests, if any, as of September 30, 2023 (in thousands):

	Carrying Value	Notional Value - Hedges	Net Carrying Value	Net Carrying Value Assuming a 10% increase	Net Carrying Value Assuming a 10% decrease
Liquid seed investments—net	$ 70,800	$ (39,736)	$ 31,064	$ 34,170	$ 27,958
Illiquid seed investments—net	$ 18,879	$ —	$ 18,879	$ 20,767	$ 16,991

Item 4. ***Controls and Procedures***

Internal Control over Financial Reporting

There has been no change in our internal control over financial reporting that occurred during the three months ended September 30, 2023 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Disclosure Controls and Procedures

Under the direction of our Chief Executive Officer and Chief Financial Officer, we have evaluated the effectiveness of our disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the Exchange Act)) as of the end of the period covered by this quarterly report on Form 10-Q. Based on this evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures were effective.

PART II—Other Information

Item 1. *Legal Proceedings*

For information regarding our legal proceedings, see Note 11, *Commitments and Contingencies*, in the Notes to Condensed Consolidated Financial Statements contained in Part I, Item 1 of this report.

Item 1A. *Risk Factors*

For a discussion of the potential risks and uncertainties associated with our business, please see Part I, Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2022 (the Form 10-K). There have been no material changes to the risk factors disclosed in Part 1, Item 1A of the Form 10-K.

Item 2. *Unregistered Sales of Equity Securities, Use of Proceeds and Issuer Purchases of Equity Securities*

During the three months ended September 30, 2023, we made the following purchases of our equity securities that are registered pursuant to Section 12(b) of the Securities Exchange Act of 1934.

Period	Total Number of Shares Purchased (1)	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number of Shares that May Yet Be Purchased Under the Plans or Programs
July 1 through July 31, 2023	30	$ 64.29	—	—
August 1 through August 31, 2023	612	$ 65.01	—	—
September 1 through September 30, 2023	129	$ 64.21	—	—
Total	771	$ 64.85	—	—

(1) Purchases made to satisfy the income tax withholding obligations of certain employees upon the vesting and delivery of restricted stock units issued under the Company's Amended and Restated Stock Incentive Plan.

Item 5. *Other Information*

During the three months ended September 30, 2023, none of our directors or officers (as defined in Rule 16a-1(f) of the Securities Exchange Act of 1934, as amended) adopted, terminated, or modified a Rule 10b5-1 trading arrangement or non-Rule 10b5-1 trading arrangement (as such terms are defined in Item 408 of Regulation S-K of the Securities Act of 1933, as amended).

Item 6. ***Exhibits***

Any agreements or 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 should not be relied upon for that purpose. In particular, any representations and warranties made by the Company 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 at the date they were made or at any other time.

Exhibit No.		Description
3.1	—	Form of Amended and Restated Certificate of Incorporation of the Company (1)
3.2	—	Amended and Restated Bylaws of the Company (2)
4.1	—	Specimen Common Stock Certificate (3)
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)
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 Quarterly Report on Form 10-Q for the quarter ended September 30, 2023 formatted in inline XBRL (eXtensible Business Reporting Language): (i) the Condensed Consolidated Statements of Financial Condition (unaudited), (ii) the Condensed Consolidated Statements of Operations (unaudited), (iii) the Condensed Consolidated Statements of Comprehensive Income (unaudited), (iv) the Condensed Consolidated Statements of Changes in Stockholders' Equity (unaudited), (v) the Condensed Consolidated Statements of Cash Flows (unaudited), and (vi) the Notes to the Condensed Consolidated Financial Statements (unaudited).
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 September 30, 2022.
(3) Incorporated by reference to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2015.

SIGNATURES

Pursuant to the requirements 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.

Date: November 3, 2023	**Cohen & Steers, Inc.**
	/s/ Matthew S. Stadler
	Name: Matthew S. Stadler
	Title: Executive Vice President & Chief Financial Officer
Date: November 3, 2023	**Cohen & Steers, Inc.**
	/s/ Elena Dulik
	Name: Elena Dulik
	Title: Senior Vice President & Chief Accounting Officer