Seligman LaSalle International Real Estate Fund, Inc.
Form N-2/A
May 24, 2007

As filed with the Securities and Exchange Commission on May 24, 2007

1933 Act File No. 333-141258

1940 Act File No. 811-22031

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM N-2

(Check appropriate box or boxes)

x **REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933**

x **Pre-Effective Amendment No. 2**

¨ **Post-Effective Amendment No. and**

x **REGISTRATION STATEMENT UNDER THE INVESTMENT COMPANY ACT OF 1940**

x **Amendment No. 2**

Seligman LaSalle International Real Estate Fund, Inc.

(Exact Name of Registrant as Specified in Charter)

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100 Park Avenue

New York, New York 10017

(Address of Principal Executive Offices)

(Number, Street, City, State, Zip Code)

(212) 850-1864

(Registrant s Telephone Number, including Area Code)

Lawrence P. Vogel, Treasurer

100 Park Avenue

New York, New York 10017

(Name and Address (Number, Street, City, State, Zip Code) of Agent for Service)

Copies of Communications to:

John E. Baumgardner, Jr.	**Sarah E. Cogan**
Sullivan & Cromwell LLP	**Simpson Thacher & Bartlett LLP**
125 Broad Street	**425 Lexington Avenue**
New York, New York 10004	**New York, New York 10017**

Approximate Date of Proposed Public Offering:

As soon as practicable after the effective date of this Registration Statement.

If any securities being registered on this form will be offered on a delayed or continuous basis in reliance on Rule 415 under the Securities Act of 1933, other than securities offered in connection with a dividend reinvestment plan, check the following box ¨.

It is proposed that this filing will become effective (check appropriate box):

x when declared effective pursuant to section 8(c).

CALCULATION OF REGISTRATION FEE UNDER THE SECURITIES ACT OF 1933

Title of Securities Being Registered	Amount Being Registered	Proposed Maximum Offering Price Per Unit	Proposed Maximum Aggregate Offering Price (1)	Amount of Registration Fee (2)
Common Stock, par value $0.01	10,400,000 shares	$25.00	$260,000,000	$7,982.00

(1) Estimated solely for purpose of calculating the registration fee.
(2) A registration fee of $30.70 was previously paid.

The registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment that specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until this Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

SUBJECT TO COMPLETION

PRELIMINARY PROSPECTUS DATED MAY 24, 2007

P R O S P E C T U S

Shares

Seligman LaSalle International Real Estate Fund, Inc.

Common Stock

$25.00 per share

The Fund is a newly organized, non-diversified, closed-end management investment company.

Investment Objectives. The Fund s primary investment objective is long-term capital appreciation and its secondary objective is current income.

Portfolio Management Strategies. The Fund intends to invest, under normal market conditions, at least 80% of its managed assets (the net asset value of the Fund s common stock plus the liquidation preference of any issued and outstanding Preferred Shares and the principal amount of any borrowings used for leverage) in equity and equity-related securities issued by International Real Estate Companies, which are Real Estate Companies that meet one of the following criteria:

entities that maintain their principal place of business or conduct their principal business activities outside the United States (U.S.);

have their securities principally traded on non-U.S. exchanges; or

have been formed under the laws of a country other than the U.S.

(continued on following page)

***No Prior History*. Because the Fund is newly organized, its shares of common stock have no history of public trading. Shares of closed-end investment companies frequently trade at a discount from their net asset value, which creates a risk of loss for investors purchasing shares in the initial public offering. This risk is greater for investors who expect to sell their shares in a relatively short period after completion of the initial public offering.**

The Common Stock has been authorized for listing on the New York Stock Exchange, subject to notice of issuance, under the trading or ticker symbol SLS.

Investing in the Fund s common stock involves certain risks. See Risks beginning on page 36 of this prospectus. Certain of these risks are summarized in Prospectus Summary Special Risk Considerations beginning on page 10 of this prospectus.

Neither the Securities and Exchange Commission (the SEC) nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

	Per Share	Total[1]
Public Offering Price	$ 25.000	$
Sales Load[2]	$ 1.125	$
Estimated Offering Expenses[3]	$ 0.050	$
Proceeds, after expenses, to the Fund	$ 23.825	$

(1) The Fund has granted the Underwriters an option to purchase up to an additional shares of common stock at the public offering price, less the sales load, within 45 days from the date of this prospectus to cover over-allotments, if any. If such option is exercised in full, the total public offering price, sales load, estimated offering expenses and proceeds, after expenses, to the Fund will be $, $, $, and $, respectively. See Underwriting.

(2) The Manager has agreed to pay from its own assets a structuring fee to Citigroup Global Markets Inc. The Manager also may pay certain qualifying Underwriters a structuring fee, a sales incentive fee or additional compensation in connection with the offering. The Manager may pay commissions to employees of its affiliates that participate in the marketing of the Fund s Common Stock. See Underwriting.

(3) The Manager has agreed to pay the Fund s offering expenses (other than sales load but inclusive of the reimbursement of Underwriter expenses of $0.005 per share) that exceed $0.05 per share of Common Stock. In addition, the Manager has agreed to pay the Fund s organizational expenses which are estimated to be $45,000.

The Underwriters expect to deliver the shares of Common Stock to purchasers on or about , 2007.

	Citi	
Robert W. Baird & Co.	**H&R Block Financial Advisors, Inc.**	**HSBC**
Wedbush Morgan Securities Inc.		**Wells Fargo Securities**

, 2007

(continued from previous page)

The Fund defines Real Estate Companies as companies that meet one of the following criteria:

- real estate investment trusts (REITs), which are generally defined under U.S. laws as corporations, trusts, or associations that invest primarily in income-producing real estate or real estate related loans or interests;

- entities similar to REITs formed under the laws of countries other than the U.S.; or

- other companies that, at the time of initial purchase by the Fund, derive at least 50% of their revenues from the ownership, construction, financing, management or sale of commercial, industrial or residential real estate, or have 50% or more of their assets (as shown on their most recent balance sheet or based on the Subadvisers estimate of the market value of their real estate assets) consisting of real estate.

J. & W. Seligman & Co. Incorporated (the Manager) serves as the investment manager of the Fund and retains LaSalle Investment Management (Securities) L.P. (LaSalle Securities U.S.) and LaSalle Investment Management Securities B.V. (LaSalle Securities B.V.) (together LaSalle or the Subadvisers) to serve as Subadvisers and manage the Fund s portfolio.

Portfolio Contents. Under normal market conditions the Fund will invest in equity and equity-related securities including common stocks, rights or warrants to purchase common stocks, securities convertible into common stocks, and preferred stocks.

REITs are generally defined under U.S. laws as corporations, trusts, or associations that invest primarily in income-producing real estate or real estate related loans or interests. REITs are not taxed on their income if, among other things, they distribute to their stockholders substantially all of their taxable income (other than net capital gains) for each taxable year. REITs may realize capital gains by selling properties or other assets that have appreciated in value.

Legislation authorizing REITs originated in the U.S. However, a number of countries around the world have adopted, or are considering adopting, laws to permit the operation of entities structured and/or taxed similar to REITs. A non-U.S. entity that is taxed similar to a REIT in its jurisdiction would qualify as an International Real Estate Company under the criteria set forth above. The Fund intends to use the dividends and capital gains distributions of REITs and International Real Estate Companies to achieve its secondary investment objective of current income.

The Fund may invest in Real Estate Companies organized under the laws of any country. The Fund may invest up to 30% of its managed assets in securities of Real Estate Companies that are organized under the laws of emerging market countries. The Fund s exposure to emerging markets may be greater if non-emerging market entities own emerging markets assets. Under normal market conditions, the Fund expects to maintain investments in at least three developed countries, and will not invest more than 10% of its managed assets in the securities of any single issuer.

The Fund may also invest up to 20% of its managed assets in equity and equity related securities of Real Estate Companies organized under the laws of the U.S. (Domestic Real Estate Companies), as well as fixed-income securities of any credit quality of any non-U.S. or U.S. issuer, including Real Estate Companies and governmental and corporate issuers. The Fund s exposure to U.S. assets may be significantly greater if foreign entities own U.S. assets. The Fund will not invest directly in real estate.

It is the Fund s current intention to initially allocate at least 80% of managed assets to International Real Estate Companies and up to 20% of the Fund s managed assets to Domestic Real Estate Companies and other investments. The Fund s strategy to invest, under normal market conditions, at least 80% of its managed assets in International Real Estate Companies means the Fund will make substantial investments in non-U.S. dollar denominated securities.

The Fund will employ dividend capture rotation trading in an effort to increase current income from a portion of its portfolio.

Leverage. The Fund has no current intention to issue shares of preferred stock of the Fund (Preferred Shares). However, subject to market conditions, the Fund may choose to issue Preferred Shares in an aggregate amount of up to 35% of its managed assets to permit the Fund to purchase additional securities. This practice is known as leverage. Besides issuing Preferred Shares, the Fund may borrow from banks, other financial institutions or other persons and may also effectively leverage the Fund s portfolio using such investment techniques as the Manager and Subadvisers may from time to time determine, in an amount up to 33 $^{1}/3$% of its managed assets. Changes in the value of the Fund s portfolio, including securities purchased with the proceeds of the leverage, will be borne entirely by the holders of shares of Common Stock. Leveraging is a speculative technique and there are special risks involved. See Risks Leverage Risk.

For more information on the Fund s investment strategies, see The Fund s Investment Objectives and Strategies and Risks.

There can be no assurance that the Fund will achieve its investment objectives.

This prospectus sets forth concisely the information about the Fund that a prospective investor ought to know before investing. You should read it carefully before you invest, and keep it for future reference. The Fund has filed with the SEC a Statement of Additional Information dated , 2007, containing additional information about the Fund. The Statement of Additional Information is incorporated by reference in its entirety into this prospectus, which means it is part of this prospectus for legal purposes. The Fund also will produce both annual and semi-annual reports that will contain important information about the Fund. You may obtain a free copy of the Statement of Additional Information, the annual reports and the semi-annual reports, when available, and other information regarding the Fund, by contacting the Fund at 1-800-221-2783 or by writing to the Fund at 100 Park Avenue, New York, New York 10017. The Statement of Additional Information is, and the annual report and the semi-annual report will be, available free of charge at www.Seligman.com. You can also copy and review information about the Fund, including the Statement of Additional Information, the annual and semi-annual reports, when available, and other information at the SEC s Public Reference Room in Washington, D.C. Information relating to the Public Reference Room may be obtained by calling the SEC at (202) 551-8090. Such materials are also available in the EDGAR Database on the SEC s internet website at (http://www.sec.gov). You may obtain copies of this information, after paying a duplication fee, by electronic request at the following e-mail address: publicinfo@sec.gov, or by writing the SEC s Public Reference Section, Office of Consumer Affairs and Information, U.S. Securities and Exchange Commission, Washington, D.C. 20549. The table of contents for the Statement of Additional Information appears on page 67 of this prospectus. All website references in this prospectus and the Statement of Additional Information are inactive textual references and the contents of such websites are not incorporated into such documents. Information on our website is not part of this prospectus or the Statement of Additional Information and should not be considered when making an investment decision.

The Fund s shares of Common Stock do not represent a deposit or obligation of, and are not guaranteed or endorsed by, any bank or other insured depository institution, and are not federally insured by the Federal Deposit Insurance Corporation, the Federal Reserve Board or any other government agency.

You should rely only on the information contained or incorporated by reference in this prospectus. The Fund has not, and the Underwriters have not, authorized anyone to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. The Fund is not, and the Underwriters are not, making an offer of these securities in any state where the offer is not permitted. You should not assume that the information contained in this prospectus is accurate as of any date other than the date on the front of this prospectus. The Fund s business, financial condition, results of operations and prospects may have changed since that date.

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PROSPECTUS SUMMARY

This is only a summary. This summary does not contain all of the information that you should consider before investing in the common stock. You should review the more detailed information contained in this prospectus and in the Statement of Additional Information.

The Fund Seligman LaSalle International Real Estate Fund, Inc. (the Fund) is a newly organized, non-diversified, closed-end management investment company. See The Fund.

The Offering The Fund is offering shares of common stock, with a par value of $0.01 per share, through a group of underwriters (the Underwriters) led by Citigroup Global Markets Inc. The shares of common stock are called Common Stock, and the holders thereof Common Stockholders, in the rest of this prospectus. You must purchase at least 100 shares of Common Stock ($2,500) if you wish to participate in the offering. The Fund has given the Underwriters an option to purchase up to additional shares of Common Stock to cover over-allotments, if any. See Underwriting. The Manager has agreed to pay the Fund s offering expenses (other than sales load but inclusive of the reimbursement of Underwriter expenses of $0.005 per share) that exceed $0.05 per share of Common Stock. In addition, the Manager has agreed to pay the Fund s organizational expenses, which are estimated to be $45,000.

Investment Objectives and Strategies ***Investment Objectives***

The Fund s primary investment objective is long-term capital appreciation and its secondary objective is current income. There can be no assurance that the Fund will achieve its investment objectives. The Fund s investment objectives are not fundamental and may be changed without a vote of the Fund s stockholders. The Fund will provide Common Stockholders with at least 60 days prior notice of any change in these investment objectives. See The Fund s Investment Objectives and Strategies.

Investment Selection Strategy

The Fund intends to invest, under normal market conditions, at least 80% of its managed assets in equity and equity-related securities issued by International Real Estate Companies, which are Real Estate Companies that meet one of the following criteria:

- entities that maintain their principal place of business or conduct their principal business activities outside the U.S.;
- have their securities principally traded on non-U.S. exchanges; or
- have been formed under the laws of a country other than the U.S.

The Fund defines Real Estate Companies as companies that meet one of the following criteria:

- REITs which are generally defined under U.S. laws as corporations, trusts, or associations that invest primarily in income-producing real estate or real estate related loans or interests;
- entities similar to REITs formed under the laws of countries other than the U.S.; or
- other companies that, at the time of initial purchase by the Fund, derive at least 50% of their revenues from the ownership, construction, financing, management or sale of commercial, industrial or residential real estate, or have 50% or more of their assets (as shown on their most recent balance sheet or based on the Subadvisers estimate of the market value of their real estate assets) consisting of real estate.

Equity and equity-related securities include common stocks, rights or warrants to purchase common stocks, securities convertible into common stocks, and preferred stocks.

REITs are not taxed on their income if, among other things, they distribute to their stockholders substantially all of their taxable income (other than net capital gains) for each taxable year. REITs may realize capital gains by selling properties or other assets that have appreciated in value.

Legislation authorizing REITs originated in the U.S. However, a number of countries around the world have adopted, or are considering adopting, laws to permit the operation of entities structured and/or taxed similar to REITs. A non-U.S. entity that is taxed similar to a REIT in its foreign jurisdiction would qualify as an International Real Estate Company under the criteria set forth above. The Fund intends to use the dividends and capital gains distributions of REITs and International Real Estate Companies to achieve its secondary investment objective of current income.

As further described below under the caption entitled Management of the Fund and Subadvisers, the Fund is subadvised by LaSalle Securities U.S. and LaSalle Securities B.V.

In selecting investments for the Fund, the Subadvisers combine bottom-up research, which includes quantitative and qualitative investment criteria, with top-down macroeconomic research to evaluate Real Estate Companies.

Bottom-up research means that the Subadvisers analyze company-specific factors (i.e., company fundamentals). The quantitative analysis includes use of a proprietary valuation model to rank Real Estate Companies on the basis of risk and return. The model is used to determine an intrinsic value for these companies based on a multi-year holding period. The intrinsic value of a company is the expected value of its operations taking into account its properties, property sectors, markets, the impact of its management, and the public securities markets. The model is applied to companies that qualify for inclusion in the Fund s investment universe. The Subadvisers also estimate the net asset value of these companies (i.e., estimated real estate market value of a company s assets less its liabilities). The Subadvisers utilize a relative valuation process in which both the intrinsic value and net asset value calculation results are analyzed in relation to current securities market prices by the Subadvisers in the buy-hold-sell decision-making process for the Fund.

As a qualitative overlay in determining intrinsic value, the Subadvisers evaluate several factors affecting a company, including its organizational and capital structure, business focus and quality of management and properties.

The Subadvisers also consider top-down macroeconomic research when determining intrinsic value, such as local, regional and country-related market conditions (e.g., capital flows and economic trends) and real estate fundamentals. Country and/or regional weightings are determined based on analysis of the overall relative value of the companies within the particular countries and/or regions.

In seeking to achieve the Fund s objectives, the Subadvisers also consider information derived from the extensive research and property management organization of its affiliates located in more than 125 key markets in more than 50 countries on five continents.

One or more of four primary factors enter into either Subadviser s decision to sell a security: (i) the security s price as compared to its intrinsic value and/or net asset value is high relative to other companies in the same sector or the Fund s investment universe; (ii) anticipated changes in earnings, real estate and capital market conditions, economic, political or social conditions and the company s risk profile; (iii) the security s percentage of the total portfolio exceeds the target percentage; and (iv) tactical shifts among property and country sectors.

To increase the amount of the Fund s current income, the Fund may buy and hold dividend paying securities of Real Estate Companies. In addition, the Fund intends to pursue dividend capture rotation trading of such securities. It is the Fund s current intention to limit its dividend capture rotation trading to securities of Domestic Real Estate Companies, although it may expand such strategy to include the purchase of International Real Estate Companies in the future.

Portfolio Contents

The Fund may invest in Real Estate Companies organized under the laws of any country. The Fund may invest up to 30% of its managed assets in securities of Real Estate Companies that are organized under the laws of emerging market countries. The Fund s exposure to emerging markets may be greater if non-emerging market entities own emerging markets assets. Under normal market conditions, the Fund expects to maintain investments in at least three developed countries, and will not invest more than 10% of its managed assets in the securities of any single issuer.

The Fund may also invest up to 20% of its managed assets in equity and equity related securities of Domestic Real Estate Companies, as well as fixed-income securities of any credit quality of any non-U.S. or U.S. issuer, including Real Estate Companies and governmental and corporate issuers. The Fund s exposure to U.S. assets may be significantly greater if foreign entities own U.S. assets. The Fund will not invest directly in real estate.

It is the Fund s current intention to initially allocate at least 80% of the Fund s managed assets to International Real Estate Companies and up to 20% of the Fund s managed assets to Domestic Real Estate Companies and other investments. The Fund s strategy to invest, under normal market conditions, at least 80% of its managed assets in International Real Estate Companies means the Fund will make substantial investments in non-U.S. dollar denominated securities.

The Fund is a non-diversified mutual fund and, as such, its investments are not required to meet certain diversification requirements under federal law. Compared with diversified funds, the Fund may invest a greater percentage of its assets in the securities of an issuer. Thus, the Fund may hold fewer securities than other funds. A decline in the value of those investments would cause the Fund s overall value to decline to a greater degree than if the Fund held a more diversified portfolio.

There is no guarantee that the Fund will achieve its investment objectives.

Leverage

The Fund does not currently intend to issue Preferred Shares or borrow material amounts of additional capital. The Fund reserves the flexibility to issue Preferred Shares or debt securities or engage in borrowings to add leverage to its portfolio. The Fund intends to limit any future issuance of Preferred Shares and borrowings to approximately 35% and 33 $^{1}/3$%, respectively, of its managed assets including Preferred Shares and borrowings. The practice of borrowing and issuing Preferred Shares is known as leverage. See Leverage. To the extent that the Fund uses leverage, it would seek to obtain a higher return for Common Stockholders than if the Fund did not use leverage. Leveraging is a speculative technique and there are special risks involved. See Risks Leverage Risk.

Strategic Transactions

The Fund may engage in foreign currency transactions and other strategic transactions in connection with the Fund s investment in international real estate securities. When investing in non-U.S. securities, the Subadvisers, as a matter of course, use foreign exchange transactions as a means of providing cash for settlement in the appropriate securities markets.

The Fund is also permitted, but does not initially intend, to enter into various interest rate and currency transactions such as interest rate swaps, forward contracts, currency futures contracts, currency swaps or options on currency or currency futures (collectively, Strategic Transactions) to seek to generate total return, facilitate portfolio management and mitigate risks. If the Subadvisers use Strategic Transactions, no assurance can be given that they will achieve the intended results.

See Risks Strategic Transactions Risk.

Investment Manager

The Manager serves as the investment manager of the Fund. Subject to the supervision of the Board of Directors, the Manager is responsible for monitoring the investment activities of the Fund, the performance of the Fund s Subadvisers (each as described below) and administering the Fund s business and other affairs. The Manager will receive an annual fee, payable monthly, in an amount equal to .98% of the Fund s average daily managed assets. The Manager is located at 100 Park Avenue, New York, New York 10017. Established in 1864, the Manager serves as manager to 24 U.S. registered investment companies, which offer 61 investment portfolios (excluding the Fund) with approximately $11.9 billion in assets as of December 31, 2006. The Manager also provides investment management or advice to institutional or other accounts having an aggregate value as of December 31, 2006 of approximately $7.7 billion. For information about certain developments affecting the Manager relating to market timing and other matters refer to Regulatory Matters Relating to the Manager.

The Manager has retained LaSalle to manage the Fund s investments. See Subadvisers below.

Subadvisers

The Fund is subadvised by LaSalle Securities U.S. and LaSalle Securities B.V. LaSalle Securities U.S. is responsible for the overall management of the Fund s portfolio of investments, including the allocation of the Fund s managed assets among various regions and countries, and making purchases and sales consistent with the Fund s investment objectives and strategies. LaSalle Securities U.S. may invest in securities of issuers in any country. LaSalle Securities U.S. is also responsible for the supervision of LaSalle Securities B.V., which assists with portfolio management.

LaSalle Securities B.V. makes investments consistent with the Fund s investment objectives and strategies with respect to securities of Real Estate Companies, focusing on those companies that conduct their principal business activities in the United Kingdom or countries in continental Europe, or companies whose securities are traded in those markets. LaSalle Securities B.V. also assists LaSalle Securities U.S. with the Fund s portfolio allocation among various regions and countries, and provides other assistance as requested by LaSalle Securities U.S. There is no pre-determined allocation of managed assets to LaSalle Securities B.V. The amount is determined through the investment process described below, and on-going discussions between the Subadvisers.

LaSalle Securities U.S. is located at 100 East Pratt Street, Baltimore, Maryland 21202, and LaSalle Securities B.V. is located at Herengracht 471, 1017 BS Amsterdam, The Netherlands. LaSalle Securities U.S. and LaSalle Securities B.V. are registered investment advisers affiliated with LaSalle Investment Management, Inc. (LIM), a global real estate investment adviser managing private and public real estate assets around the world, including direct interests in real estate and real estate related securities. Together with its affiliates, LIM had $44.2 billion in assets under management as of December 31, 2006, of which $9.1 billion was managed by LaSalle Securities U.S. and $300 million was managed by LaSalle Securities B.V. LIM is a wholly-owned subsidiary of Jones Lang LaSalle Incorporated (Jones Lang LaSalle), a U.S. publicly-traded company.

LIM is one of several entities through which Jones Lang LaSalle and its affiliates conduct real estate investment advisory and related businesses. Jones Lang LaSalle and its affiliates have employees in 125 key markets in 50 countries on five continents. It is a leading full-service real estate firm that provides management services, corporate and financial services, and investment management services to corporations and other real estate owners, users and investors worldwide. LaSalle Securities U.S. and LaSalle Securities B.V. are supported by Jones Lang LaSalle s extensive property management and direct real estate investment organizations, and its global research capabilities, with more than 100 research professionals worldwide.

The Manager (and not the Fund) will pay a portion of the fees it receives from the Fund to LaSalle Securities U.S. in return for its services. LaSalle Securities B.V. will be paid by LaSalle Securities U.S., as provided in a Delegation Agreement between LaSalle Securities U.S. and LaSalle Securities B.V.

Distributions

Initial Distribution. The Fund s initial distribution is expected to be declared approximately 60 days after the completion of the offering, and paid approximately 40 days later, depending upon market conditions. Thereafter distributions are expected to be declared quarterly (each March, June, September and December), depending on market conditions. Unless you elect to receive distributions in cash, all of your distributions will be automatically reinvested in additional Common Stock under the Fund s Dividend Investment Plan. See Dividend Investment Plan. Although it does not now intend to do so, the Board of Directors may change the Fund s distribution policy and the amount or timing of the distributions, based on a number of factors, including the amount of the Fund s undistributed net investment income and net short- and long-term capital gains and historical and projected net investment income and net short- and long-term capital gains.

Level Rate Distribution Policy. Commencing with the Fund s first distribution, the Fund intends to make quarterly cash distributions to Common Stockholders at a rate that reflects the past and projected performance of the Fund. The Fund expects to receive all or some of its current income and gains from the following sources: (i) dividends received by the Fund that are paid on the equity and equity-related securities in its portfolio; and (ii) capital gains (short-term and long-term) from the sale of portfolio securities. Distributions would be made only after paying dividends on Preferred Shares, if any have been issued, and interest and required principal payments on borrowings, if any. It is likely that the Fund s distributions will at times exceed the earnings and profits of the Fund and therefore all or a portion of such distributions will constitute a return of capital as described below.

Distributions may be variable, and the Fund s distribution rate will depend on a number of factors, including the net earnings on the Fund s portfolio investments and the rate at which such net earnings change as a result of changes in the timing of, and rates at which, the Fund receives income from the sources described above. The net investment income of the Fund consists of all income (other than net short-term and long-term capital gains) less all expenses of the Fund.

As portfolio and market conditions change, the rate of dividends on the Common Stock and the Fund s dividend policy could change. Over time, the Fund will distribute all of its net investment income and net short-term capital gains. In addition, at least annually, the Fund intends to distribute net realized long-term capital gains not previously distributed, if any. The Investment Company Act of 1940, as amended (1940 Act) currently limits the number of times the Fund may distribute long-term capital gains in any tax year (unless and until it receives an exemptive order as contemplated under Managed Distribution Policy below), which may increase the variability of the Fund s distributions and result in certain distributions being comprised to a larger degree of long-term capital gains eligible for more favorable income tax treatment than others. During periods in which the Fund s strategies don t generate enough income or result in net losses, a substantial portion of the Fund s dividends may be comprised of capital gains from the sale of securities held by the Fund, which would involve transaction costs and may also result in realization of taxable short-term capital gains taxed at ordinary income tax rates, particularly during the initial year of the Fund s operations when all of the Fund s portfolio securities will have been held for less than one year.

Managed Distribution Policy. The Fund intends to apply to the SEC for an exemptive order under the 1940 Act to permit the Fund to include realized long-term capital gains as a part of its regular distributions to Common Stockholders more frequently than would otherwise be permitted by the 1940 Act (generally once per taxable year).

Under a managed distribution policy, the Fund would distribute to Common Stockholders a fixed quarterly amount, which may be adjusted from time to time. As with the level distribution rate policy, distributions would be made only after paying dividends on Preferred Shares, if any have been issued, and interest and required principal payments on borrowings, if any. Under a managed distribution policy, if, for any quarterly distribution, net investment company taxable income and net capital gain were less than the amount of the distribution, the difference would be distributed from the Fund s assets and result in a return of capital.

Common Stockholders who periodically receive the payment of a dividend or other distribution consisting entirely or in part of a return of capital may be under the impression that they are receiving net profits when they are not. Common Stockholders should not assume that the source of a distribution from the Fund is net profit and should read any written disclosure accompanying distribution payments carefully.

There can be no assurance that the SEC staff will process such application by the Fund for an exemptive order on a timely basis or ever, or that the SEC will grant the requested relief to the Fund or, if granted, that the Fund s Board of Directors will determine to implement or maintain a managed distribution policy. As a result, the Fund has no current expectation that it will be in a position to include long-term capital gains in Fund distributions more frequently than is permitted under the 1940 Act, thus leaving the Fund with the possibility of variability in distributions (and their tax attributes) as discussed above.

The Board of the Fund reserves the right to change the dividend policy from time to time. See Distributions.

Dividend Investment Plan

Pursuant to the Fund s Dividend Investment Plan (the Plan), unless a Common Stockholder elects otherwise, all cash dividends, capital gains distributions, and other distributions are automatically reinvested in additional shares of Common Stock of the Fund.

Common Stockholders who elect not to participate in the Plan (including those whose intermediaries do not permit participation in the Plan by their customers) will receive all dividends and distributions payable in cash directly to the Common Stockholder of record (or, if the shares are held in street or other nominee name, then to such nominee) by Seligman Data Corp., as dividend disbursing agent. Common Stockholders may elect not to participate in the Plan and to receive all distributions of dividends and capital gains or other distributions in cash by sending written instructions to Seligman Data Corp. Participation in the Plan may be terminated or resumed at any time without penalty by written notice if received by Seligman Data Corp. prior to the record date for the next distribution. Otherwise, such termination or resumption will be effective with respect to any subsequently declared distribution.

Under the Plan, Common Stockholders receive shares in lieu of cash distributions unless they have elected otherwise as described in the preceding paragraph. For all distributions, shares will be issued in lieu of cash by the Fund from previously authorized but unissued shares of Common Stock. If the market price of a share on the ex-dividend date of such a distribution is at or above the Fund s net asset value per share on such date, the number of shares to be issued by the Fund to each Common Stockholder receiving shares in lieu of cash distributions will be determined by dividing the amount of the cash distribution to which such Common Stockholder would be entitled by the greater of the net asset value per share on such date or 95% of the market price of a share on such date. If the market price of a share on such an ex-dividend date is below the net asset value per share, the number of shares to be issued to such Common Stockholders will be determined by dividing such amount by the per share market price. See Dividend Investment Plan.

Listing

The Common Stock has been authorized for listing on the New York Stock Exchange, subject to notice of issuance, under the symbol SLS. See Description of Securities.

Custodian, Transfer Agent, Stockholder Service Agent and Dividend Paying Agent

State Street Bank and Trust Company will serve as custodian of the Fund s assets. The Fund will serve as its own transfer agent. Seligman Data Corp. acts as the stockholder service agent and dividend paying agent. See Custodian, Transfer Agent, Stockholder Servicing Agent and Dividend Paying Agent.

Market Price of Shares

Shares of closed-end investment companies frequently trade at prices lower than net asset value. Shares of closed-end investment companies have during some periods traded at prices higher than net asset value and during other periods traded at prices lower than net asset value. The Fund cannot assure you that the shares of Common Stock will trade at a price higher than net asset value in the future.

Net asset value will be reduced immediately following the offering by the sales load and the amount of offering expenses paid or reimbursed by the Fund. See Use of Proceeds. In addition to net asset value, market price may be affected by factors relating to the Fund, such as dividend levels and stability (which will in turn be affected by levels of dividend and interest payments by the Fund s portfolio holdings and any use of leverage, regulation affecting the timing and character of Fund distributions, Fund expenses and other factors), portfolio credit quality, liquidity, market supply and demand, similar factors relating to the Fund s portfolio holdings and regulatory and other developments affecting the Manager or the Subadvisers. See Risks, Description of Securities and Repurchase of Common Stock; Conversion to Open-End Fund in this prospectus. The Shares of Common Stock are designed primarily for long-term investors, and you should not view the Fund as a vehicle for trading purposes.

Special Risk Considerations

THE FOLLOWING DESCRIBES VARIOUS PRINCIPAL RISKS OF INVESTING IN THE FUND. A MORE DETAILED DESCRIPTION OF THESE AND OTHER RISKS OF INVESTING IN THE FUND ARE DESCRIBED UNDER RISKS IN THIS PROSPECTUS AND UNDER INVESTMENT OBJECTIVES AND POLICIES IN THE FUND S STATEMENT OF ADDITIONAL INFORMATION.

No Prior History. The Fund is a newly organized, non-diversified, closed-end management investment company with no history of operations.

Risks of Real Estate Investments and REITs. The Fund will not invest in real estate directly, but only in securities issued by Real Estate Companies. However, because of the Fund s policy of concentration in the securities of companies in the real estate industry, the Fund is also subject to the risks associated with the direct ownership of real estate. These risks include:

declines in the value of real estate;

risks related to general and local economic conditions;

possible lack of availability of mortgage funds or other capital;

overbuilding;

lack of completion of developments or delays in completion;

extended vacancies of properties;

increased competition;

increases in property taxes and operating expenses;

changes in zoning laws or other government regulations;

costs resulting from the clean-up of, and legal liability to third parties for damages resulting from, environmental problems;

- casualty or condemnation losses;
- limitations on, or unavailability of, insurance on favorable economic terms;
- limitations on rents;
- changes in neighborhood values and the appeal of properties to tenants;
- tenant bankruptcies and other credit problems;
- changes in valuation due to the impact of terrorist incidents on a particular property or area, or on a segment of the economy;
- financial condition of tenants and buyers and sellers of real estate;
- uninsured damages, including those arising from floods, earthquakes or other natural disasters or from acts of war or terrorism;
- quality of maintenance, insurance and management services;
- changes in interest rates; and
- legal, cultural or technological developments.

Thus, the value of the Common Stock may change at different rates compared to the value of shares of a registered investment company with investments in a mix of different industries and will depend on the general condition of the economy.

These risks, including the perception that these risks may materialize, could contribute to a decline in dividends, capital gains or other distributions received and paid by the Fund and a decline in the value of the Fund s investments and, consequently, the share price of the Fund. To the extent the Fund s investments are concentrated in particular geographical regions or types of Real Estate Companies, the Fund may be subject to certain of these risks to a greater degree.

The above factors may also adversely affect a borrower s or a lessee s ability or willingness to meet its obligations to a Real Estate Company. In the event of a default by a borrower or lessee, these companies may suffer losses, experience delays in enforcing their rights as a mortgagee or lessor and incur substantial costs associated with protecting their investments.

Equity REITs (and similar entities formed under the laws of non-U.S. countries) may be affected by changes in the value of the underlying property owned by the trusts or other issuers. Mortgage REITs may be affected by the quality of any credit extended, interest rates and refinancings. Further, REITs (and similar entities formed under the laws of non-U.S. countries) are dependent upon management skills and generally may not be diversified. As a result, performance of these holdings ultimately depends on the types of real property in which they invest and how well the property is managed.

REITs are also subject to heavy cash flow dependency and could possibly fail to qualify for tax free pass-through of income under the Internal Revenue Code of 1986, as amended (Code), or to maintain their exemptions from registration under the 1940 Act. Similarly, Real Estate Companies formed under the laws of non-U.S. countries may fail to qualify for corporate tax benefits made available by the governments of such countries. Any such failure by these companies or REITs held by the Fund could adversely affect the value of an investment in the Fund.

REITs (and similar entities formed under the laws of non-U.S. countries) have on-going operating fees and expenses, which may include management, advisory and administration fees and expenses. These fees and expenses are borne by stockholders of these companies, including the Fund.

General Real Estate Risks. Real property investments are subject to varying degrees of risk. The yields available from investments in real estate depend on the amount of income and capital appreciation generated by the related properties. Income and real estate values may also be adversely affected by such factors as applicable laws, interest rate levels, and the availability of financing. If the properties do not generate sufficient income to meet operating expenses, including, where applicable, debt service, ground lease payments, tenant improvements, third-party leasing commissions and other capital expenditures, the income and ability of the Real Estate Company to make payments of any interest and principal on its debt securities or dividends on its equity securities will be adversely affected. In addition, real property may be subject to the quality of credit extended and defaults by borrowers and tenants. The performance of the economy in each of the regions in which the real estate owned by the portfolio company is located affects occupancy, market rental rates and expenses and, consequently, has an impact on the income from such properties and their underlying values. The financial results of major local employers also may have an impact on the cash flow and value of certain properties. In addition, real estate investments are relatively illiquid and, therefore, the ability of Real Estate Companies to vary their portfolios promptly in response to changes in economic or other conditions is limited. A Real Estate Company may also have joint venture investments in certain of its properties, and consequently, its ability to control decisions relating to such properties may be limited.

Real property investments are also subject to risks which are specific to the investment sector or type of property in which the Real Estate Companies are investing. The different types of properties to which such specific risks attach include retail properties, office properties, hotel properties, healthcare properties, multifamily properties, community centers and self-storage properties. See General Real Estate Risk below.

Management Risk. Although the Subadvisers have a wide range of experience in managing funds or accounts that utilize the strategy of investing in Real Estate Companies, they do not have experience with funds or accounts in which this strategy is combined with a dividend capture strategy as described in this prospectus. Investors bear the risk that the combination of strategies has not been tested by the Subadvisers with actual funds or accounts, and has not been utilized in various market cycles.

The Manager has experience with dividend capture rotation trading strategies, will consult with the Subadvisers on the development and implementation of the Fund s dividend capture rotation trading strategy, and periodically review its results and any changes to such strategy.

The Fund is also subject to management risk because it is an actively managed portfolio. LaSalle and the individual portfolio managers will apply investment techniques and risk analyses in making investment decisions for the Fund, but there can be no guarantee that these will produce the desired results. In particular, the dividend capture strategy may involve sophisticated investment strategies to be implemented by LaSalle and there can be no guarantee that these strategies will be successful.

Market Discount Risk. As with any stock, the price of the Fund s Common Stock will fluctuate with market conditions and other factors, which may include legal, regulatory and other developments affecting the Manager or the Subadvisers. For a discussion of certain regulatory matters relating to the Manager, see Regulatory Matters Relating to the Manager. If shares are sold, the price received may be more or less than the original investment. Net asset value will be reduced immediately following the initial offering by the sales load and offering expenses paid or reimbursed by the Fund. The Common Stock is designed for long-term investors and should not be treated as a trading vehicle. Shares of closed-end management investment companies frequently trade at a discount from their net asset value. The Fund s shares may trade at a price that is less than their initial offering price. This risk may be greater for investors who sell their shares relatively shortly after completion of the initial public offering.

Foreign Securities Risk. Under current market conditions, the Fund intends to invest at least 80% of its managed assets in International Real Estate Companies. Investing in foreign securities, including emerging markets (or lesser developed countries), involves certain risks not involved in domestic investments, including, but not limited to:

- fluctuations in foreign exchange rates;
- future foreign economic, financial, political and social developments;

different legal systems;

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

lower trading volume;

much greater price volatility and illiquidity of certain foreign securities markets;

different trading and settlement practices;

less governmental supervision;