

RMR REAL ESTATE FUND  
Form N-Q  
May 08, 2007

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

**FORM N-Q**

**QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED  
MANAGEMENT INVESTMENT COMPANY**

Investment Company Act file number

811-21241

**RMR REAL ESTATE FUND**  
(Exact name of registrant as specified in charter)

400 CENTRE STREET  
NEWTON, MASSACHUSETTS  
(Address of principal executive offices)

02458  
(Zip code)

Thomas M. O'Brien, President  
RMR Real Estate Fund  
400 Centre Street  
Newton, Massachusetts 02458  
(Name and address of agent for service)

Copy to:

Brian D. O'Sullivan  
State Street Bank and Trust Company  
2 Avenue De Lafayette, 6<sup>th</sup> Floor  
Boston, Massachusetts 02111

Thomas Reyes, Esq.  
State Street Bank and Trust Company  
2 Avenue De Lafayette, 6<sup>th</sup> Floor  
Boston, Massachusetts 02111

Registrant's telephone number, including area code:

(617) 332-9530

Date of fiscal year end: December 31

Date of reporting period: March 31, 2007

**Item 1. Schedule of Investments.****RMR Real Estate Fund****Portfolio of Investments**      March 31, 2007 (unaudited)

| Company                                    | Shares  | Value        |
|--|---------|--------------|
| <i>Common Stocks 97.8%</i>                 |         |              |
| <i>Real Estate Investment Trusts 94.8%</i> |         |              |
| <i>Apartments 10.0%</i>                    |         |              |
| Apartment Investment & Management Co.      | 66,100  | \$ 3,813,309 |
| Archstone-Smith Trust                      | 600     | 32,568       |
| Associated Estates Realty Corp.            | 105,400 | 1,485,086    |
| AvalonBay Communities, Inc.                | 2,000   | 260,000      |
| Equity Residential                         | 44,000  | 2,122,120    |
| Home Properties, Inc.                      | 88,800  | 4,689,528    |
| Mid-America Apartment Communities, Inc.    | 5,000   | 281,300      |
| UDR, Inc.                                  | 17,000  | 520,540      |
|  |         | 13,204,451   |
| <i>Diversified 24.9%</i>                   |         |              |
| Colonial Properties Trust                  | 131,700 | 6,014,739    |
| Cousins Properties, Inc.                   | 10,100  | 331,886      |
| Crescent Real Estate Equities Co.          | 352,500 | 7,071,150    |
| Duke Realty Corp.                          | 7,000   | 304,290      |
| iStar Financial, Inc.                      | 6,000   | 280,980      |
| Lexington Corporate Properties Trust       | 358,800 | 7,581,444    |
| Liberty Property Trust                     | 24,000  | 1,169,280    |
| Mission West Properties, Inc.              | 5,000   | 72,300       |
| National Retail Properties, Inc.           | 338,700 | 8,193,153    |
| Spirit Finance Corp.                       | 17,500  | 260,750      |
| Vornado Realty Trust                       | 14,000  | 1,670,760    |
| Washington Real Estate Investment Trust    | 300     | 11,226       |
|  |         | 32,961,958   |
| <i>Health Care 14.4%</i>                   |         |              |
| Cogdell Spencer, Inc.                      | 15,000  | 316,050      |
| Health Care Property Investors, Inc.       | 19,080  | 687,453      |
| Health Care REIT, Inc.                     | 162,600 | 7,138,140    |
| Healthcare Realty Trust, Inc.              | 16,200  | 604,260      |
| Medical Properties Trust, Inc.             | 20,900  | 307,021      |
| Nationwide Health Properties, Inc.         | 257,600 | 8,052,576    |
| OMEGA Healthcare Investors, Inc.           | 90,200  | 1,546,930    |
| Universal Health Realty Income Trust       | 13,000  | 464,750      |
|  |         | 19,117,180   |
| <i>Hospitality 3.2%</i>                    |         |              |
| Ashford Hospitality Trust, Inc.            | 2,500   | 29,850       |
| Eagle Hospitality Properties Trust, Inc.   | 60,000  | 669,000      |
| Entertainment Properties Trust             | 22,000  | 1,325,500    |
| Equity Inns, Inc.                          | 11,000  | 180,180      |
| FelCor Lodging Trust, Inc.                 | 17,000  | 441,490      |
| Hersha Hospitality Trust                   | 6,100   | 71,858       |
| Highland Hospitality Corp.                 | 7,000   | 124,600      |
| LaSalle Hotel Properties                   | 3,200   | 148,352      |
| Supertel Hospitality, Inc.                 | 161,000 | 1,228,430    |
|  |         | 4,219,260    |
| <i>Industrial 9.6%</i>                     |         |              |

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|                                     |         |            |
|-------------------------------------|---------|------------|
| AMB Property Corp.                  | 4,000   | 235,160    |
| DCT Industrial Trust, Inc.          | 47,500  | 561,925    |
| EastGroup Properties, Inc.          | 21,400  | 1,092,042  |
| First Industrial Realty Trust, Inc. | 209,640 | 9,496,692  |
| ProLogis                            | 21,000  | 1,363,530  |
|                                     |         | 12,749,349 |
| <i>Manufactured Homes</i> 1.8%      |         |            |
| Sun Communities, Inc.               | 75,900  | 2,354,418  |

*See notes to portfolio of investments.*

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| Company   | Shares  | Value        |
|---|---------|--------------|
| <i>Mortgage 9.8%</i>  |         |              |
| Abingdon Investment, Ltd. (a)                                   | 550,000 | \$ 5,225,000 |
| Alesco Financial, Inc.  | 558,600 | 4,865,406    |
| American Home Mortgage Investment Corp.                         | 10,000  | 269,900      |
| American Mortgage Acceptance Co.                                | 22,800  | 203,832      |
| Anthracite Capital, Inc.  | 2,000   | 24,000       |
| Arbor Realty Trust, Inc.  | 1,200   | 36,528       |
| CBRE Realty Finance, Inc.                                       | 5,000   | 66,150       |
| Crystal River Capital, Inc.                                     | 26,800  | 719,312      |
| Deerfield Triarc Capital Corp.                                  | 3,000   | 44,970       |
| HomeBanc Corp.  | 12,500  | 43,625       |
| KKR Financial Corp.   | 15,500  | 425,165      |
| New Century Financial Corp.                                     | 12,000  | 12,720       |
| Newcastle Investment Corp.                                      | 21,600  | 598,968      |
| NorthStar Realty Finance Corp.                                  | 10,000  | 152,100      |
| NovaStar Financial, Inc.  | 45,500  | 227,500      |
| Thornburg Mortgage, Inc.  | 3,500   | 91,000       |
|   |         | 13,006,176   |
| <i>Office 7.3%</i>  |         |              |
| American Financial Realty Trust                                 | 231,100 | 2,329,488    |
| Boston Properties, Inc.   | 13,000  | 1,526,200    |
| Brandywine Realty Trust   | 15,400  | 514,514      |
| Corporate Office Properties Trust                               | 11,500  | 525,320      |
| Douglas Emmett, Inc.  | 12,500  | 319,125      |
| Highwoods Properties, Inc.                                      | 55,000  | 2,171,950    |
| Mack-Cali Realty Corp.  | 11,000  | 523,930      |
| Maguire Properties, Inc.  | 48,000  | 1,706,880    |
| Parkway Properties, Inc.  | 400     | 20,900       |
|   |         | 9,638,307    |
| <i>Other Financial Services 0.0%</i>                            |         |              |
| Friedman Billings Ramsey Group, Inc.                            | 5,000   | 27,600       |
| <i>Retail 10.4%</i>   |         |              |
| CBL & Associates Properties, Inc.                               | 33,000  | 1,479,720    |
| Cedar Shopping Centers, Inc.                                    | 5,000   | 81,000       |
| Developers Diversified Realty Corp.                             | 2,000   | 125,800      |
| Equity One, Inc.  | 10,000  | 265,000      |
| Feldman Mall Properties, Inc.                                   | 3,000   | 36,420       |
| Glimcher Realty Trust   | 109,400 | 2,955,988    |
| Kimco Realty Corp.  | 3,000   | 146,220      |
| New Plan Excel Realty Trust                                     | 184,780 | 6,103,283    |
| Pennsylvania Real Estate Investment Trust                       | 12,000  | 531,960      |
| Ramco-Gershenson Properties Trust                               | 3,000   | 107,130      |
| Realty Income Corp.   | 18,200  | 513,240      |
| Simon Property Group, Inc.                                      | 12,000  | 1,335,000    |
| Urstadt Biddle Properties, Inc.                                 | 8,900   | 174,084      |
|   |         | 13,854,845   |
| <i>Specialty 1.0%</i>   |         |              |
| Getty Realty Corp.  | 32,600  | 936,924      |
| Resource Capital Corp.  | 22,500  | 363,150      |
|   |         | 1,300,074    |
| <i>Storage 2.4%</i>   |         |              |
| Public Storage, Inc.  | 3,000   | 284,010      |
| Sovran Self Storage, Inc.                                       | 50,000  | 2,770,500    |
| U-Store-It Trust  | 5,000   | 100,600      |
|   |         | 3,155,110    |
| <i>Total Real Estate Investment Trusts (Cost \$107,371,580)</i> |         | 125,588,728  |

*See notes to portfolio of investments.*

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| Company  | Shares    | Value        |
|--|-----------|--------------|
| <i>Other 3.0%</i>                                    |           |              |
| American Capital Strategies, Ltd.                    | 23,500    | \$ 1,041,285 |
| IndyMac Bancorp, Inc.                                | 8,000     | 256,400      |
| Iowa Telecommunication Services, Inc.                | 50,500    | 1,010,000    |
| MCG Capital Corp.                                    | 11,000    | 206,360      |
| Meruelo Maddux Properties, Inc. (b)                  | 24,600    | 215,250      |
| Seaspan Corp.  | 48,200    | 1,291,278    |
| <i>Total Other (Cost \$3,339,574)</i>                |           | 4,020,573    |
| <i>Total Common Stocks (Cost \$110,711,154)</i>      |           | 129,609,301  |
| <i>Preferred Stocks 33.1%</i>                        |           |              |
| <i>Real Estate Investment Trusts 33.1%</i>           |           |              |
| <i>Apartments 1.8%</i>                               |           |              |
| Apartment Investment & Management Co., Series G      | 32,800    | 848,536      |
| Apartment Investment & Management Co., Series T      | 60,000    | 1,522,800    |
|  |           | 2,371,336    |
| <i>Diversified 1.4%</i>                              |           |              |
| Colonial Properties Trust, Series D                  | 10,000    | 257,600      |
| Colonial Properties Trust, Series E                  | 62,910    | 1,591,623    |
|  |           | 1,849,223    |
| <i>Health Care 6.7%</i>                              |           |              |
| Health Care REIT, Inc., Series G                     | 20,000    | 635,200      |
| LTC Properties, Inc., Series F                       | 160,000   | 4,080,000    |
| OMEGA Healthcare Investors Inc., Series D            | 160,000   | 4,128,000    |
|  |           | 8,843,200    |
| <i>Hospitality 12.0%</i>                             |           |              |
| Ashford Hospitality Trust, Series A                  | 107,900   | 2,762,240    |
| Eagle Hospitality Properties Trust, Inc., Series A   | 28,000    | 686,000      |
| Equity Inns, Inc., Series B                          | 34,000    | 876,520      |
| FelCor Lodging Trust, Inc., Series A (c)             | 83,000    | 2,140,570    |
| FelCor Lodging Trust, Inc., Series C                 | 49,200    | 1,251,648    |
| Innkeepers USA Trust, Series C                       | 120,000   | 3,013,200    |
| Strategic Hotels & Resorts, Inc., Series B           | 54,500    | 1,387,297    |
| Winston Hotels, Inc., Series B                       | 160,000   | 3,744,000    |
|  |           | 15,861,475   |
| <i>Manufactured Homes 5.4%</i>                       |           |              |
| Affordable Residential Communities, Series A         | 280,000   | 7,112,000    |
| <i>Mortgage 2.6%</i>                                 |           |              |
| Anthracite Capital, Inc., Series D                   | 24,000    | 568,800      |
| RAIT Investment Trust, Series A                      | 125,000   | 2,937,500    |
|  |           | 3,506,300    |
| <i>Office 0.6%</i>                                   |           |              |
| Corporate Office Properties Trust, Series J          | 4,000     | 101,800      |
| Kilroy Realty Corp., Series F                        | 30,000    | 768,300      |
|  |           | 870,100      |
| <i>Retail 2.6%</i>                                   |           |              |
| CBL & Associates Properties, Inc., Series B          | 20,000    | 1,008,200    |
| Glimcher Realty Trust, Series F                      | 20,000    | 511,400      |
| Glimcher Realty Trust, Series G                      | 50,000    | 1,265,000    |
| The Mills Corp., Series E                            | 7,100     | 186,091      |
| The Mills Corp., Series G                            | 17,000    | 444,550      |
|  |           | 3,415,241    |
| <i>Total Preferred Stocks (Cost \$42,235,713)</i>    |           | 43,828,875   |
| <i>Short-Term Investments 6.1%</i>                   |           |              |
| <i>Other Investment Companies 6.1%</i>               |           |              |
| SSgA Money Market Fund, 4.98% (d) (Cost \$8,138,330) | 8,138,330 | 8,138,330    |

*See notes to portfolio of investments.*

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|  |                                 |    |              |
|--|---------------------------------|----|--------------|
| Total Investments                            | 137.0% (Cost \$161,085,197) (e) | \$ | 181,576,506  |
| Other assets less liabilities                | 0.7%                            |    | 908,000      |
| Preferred Shares, at liquidation preference  | (37.7)%                         |    | (50,000,000) |
| Net Assets applicable to common shareholders | 100%                            | \$ | 132,484,506  |

**Notes to Portfolio of Investments**

- (a) 144A securities. Securities restricted for resale to Qualified Institutional Buyers (3.9% of net assets).
- (b) As of March 31, 2007, this security had not paid a distribution.
- (c) Convertible into common stock.
- (d) Rate reflects 7 day yield as of March 31, 2007.
- (e) Although subject to adjustments to the extent 2007 distributions by the issuers of the Fund's investments are characterized as return of capital, the cost, gross unrealized appreciation and gross unrealized depreciation of the Fund's investments for federal income tax purposes, as of March 31, 2007 are as follows:

|                               |    |             |
|-------------------------------|----|-------------|
| Cost                          | \$ | 161,085,197 |
| Gross unrealized appreciation | \$ | 23,876,126  |
| Gross unrealized depreciation |    | (3,384,817) |
| Net unrealized appreciation   | \$ | 20,491,309  |

Reference should be made to the Fund's financial statements for the year ended December 31, 2006, for further information concerning the income tax characterization of the Fund's investment income and distributions.



**Item 2. Controls and Procedures.**

(a) The registrant's principal executive officer and principal financial officer have concluded that the registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940, as amended (the "1940 Act")), are effective, as of a date within 90 days of the filing date of this report, based on their evaluation of these controls and procedures required by Rule 30a-3(b) under the 1940 Act and Rules 13a-15(b) or 15d-15(b) under the Securities Exchange Act of 1934, as amended.

(b) There were no changes in the registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the 1940 Act) that occurred during the registrant's last fiscal quarter that have materially affected, or are reasonably likely to materially affect, the registrant's internal control over financial reporting.

**Item 3. Exhibits**

(a)(1) Certification of Principal Executive Officer, as required by Rule 30a-2(a) under the 1940 Act.

(a)(2) Certification of Principal Financial Officer, as required by Rule 30a-2(a) under the 1940 Act.

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**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

RMR REAL ESTATE FUND

By: /s/ Thomas M. O Brien  
Thomas M. O Brien  
President

Date: May 8, 2007

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By: /s/ Thomas M. O Brien  
Thomas M. O Brien  
President

Date: May 8, 2007

By: /s/ Mark L. Kleifges  
Mark L. Kleifges  
Treasurer

Date: May 8, 2007

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