

RMR REAL ESTATE FUND
Form N-Q
May 26, 2009

**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)

Adam D. Portnoy, 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

801 Pennsylvania Ave, Tower II, 4th Floor

Kansas City, Missouri 64102

Julie A Tedesco, Esq.

State Street Bank and Trust Company

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4 Copley Place, 5th Floor

Boston, MA 02116

Registrant's telephone number, including area code: (617) 332-9530

Date of fiscal year end: December 31

Date of reporting period: March 31, 2009

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RMR Real Estate Fund

Portfolio of Investments March 31, 2009 (unaudited)

| Company | Shares | Value |
|--|---------|------------|
| <i>Common Stocks 90.3%</i> | | |
| <i>Real Estate Investment Trusts 85.1%</i> | | |
| <i>Apartments 18.6%</i> | | |
| Apartment Investment & Management Co. | 20,267 | \$ 111,063 |
| AvalonBay Communities, Inc. | 14,442 | 679,640 |
| BRE Properties, Inc. | 10,000 | 196,300 |
| Equity Residential | 49,000 | 899,150 |
| Essex Property Trust, Inc. | 6,000 | 344,040 |
| Mid-America Apartment Communities, Inc. | 25,000 | 770,750 |
| | | 3,000,943 |
| <i>Diversified 18.6%</i> | | |
| Lexington Corporate Properties Trust | 6,400 | 15,232 |
| Liberty Property Trust | 36,200 | 685,628 |
| National Retail Properties, Inc. | 104,400 | 1,653,696 |
| Vornado Realty Trust | 19,316 | 642,064 |
| | | 2,996,620 |
| <i>Health Care 16.1%</i> | | |
| HCP, Inc. | 39,080 | 697,578 |
| Health Care REIT, Inc. | 50 | 1,530 |
| Medical Properties Trust, Inc. | 112,120 | 409,238 |
| Nationwide Health Properties, Inc. | 67,154 | 1,490,147 |
| | | 2,598,493 |
| <i>Hospitality 3.5%</i> | | |
| Entertainment Properties Trust | 22,000 | 346,720 |
| Hersha Hospitality Trust | 114,993 | 218,487 |
| | | 565,207 |
| <i>Industrial 1.2%</i> | | |
| EastGroup Properties, Inc. | 7,000 | 196,490 |
| <i>Office 18.2%</i> | | |
| BioMed Realty Trust, Inc. | 20,000 | 135,400 |
| Brandywine Realty Trust | 102,400 | 291,840 |
| Corporate Office Properties Trust | 15,500 | 384,865 |
| Highwoods Properties, Inc. | 55,000 | 1,178,100 |
| Kilroy Realty Corp. | 16,000 | 275,040 |
| Mack-Cali Realty Corp. | 26,500 | 524,965 |
| Maguire Properties, Inc. (a) | 24,000 | 17,280 |
| SL Green Realty Corp. | 11,750 | 126,900 |
| | | 2,934,390 |
| <i>Retail 7.9%</i> | | |
| Cedar Shopping Centers, Inc. (a) | 38,508 | 67,004 |
| Kimco Realty Corp. | 17,000 | 129,540 |
| Ramco-Gershenson Properties Trust | 9,000 | 58,050 |
| Regency Centers Corp. | 5,000 | 132,850 |
| Simon Property Group, Inc. | 15,354 | 531,862 |
| Tanger Factory Outlet Centers, Inc. | 5,000 | 154,300 |
| Weingarten Realty Investors | 20,000 | 190,400 |
| | | 1,264,006 |
| <i>Storage 1.0%</i> | | |
| Public Storage, Inc. | 3,000 | 165,750 |
| <i>Total Real Estate Investment Trusts (Cost \$29,469,022)</i> | | 13,721,899 |

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| | | |
|--|-----------|------------|
| <i>Other</i> 5.2% | | |
| Brookfield Properties Corp. | 10,000 | 57,400 |
| Carador PLC (b) | 4,123,130 | 783,395 |
| <i>Total Other (Cost \$5,733,839)</i> | | 840,795 |
| <i>Total Common Stocks (Cost \$35,202,861)</i> | | 14,562,694 |

See notes to portfolio of investments.

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| Company | Shares | Value |
|---|---------|---------------|
| <i>Preferred Stocks 68.3%</i> | | |
| <i>Real Estate Investment Trusts 68.3%</i> | | |
| <i>Diversified 5.2%</i> | | |
| Colonial Properties Trust, Series D | 50,500 | \$ 653,975 |
| Digital Realty Trust, Inc., Series A | 5,000 | 87,200 |
| Duke Realty Corp., Series O | 8,000 | 91,040 |
| | | 832,215 |
| <i>Health Care 16.8%</i> | | |
| Health Care REIT, Inc., Series G | 20,000 | 443,400 |
| OMEGA Healthcare Investors Inc., Series D | 125,675 | 2,262,150 |
| | | 2,705,550 |
| <i>Hospitality 33.3%</i> | | |
| Ashford Hospitality Trust, Series A | 107,900 | 766,090 |
| Ashford Hospitality Trust, Series D | 22,000 | 152,900 |
| Eagle Hospitality Properties Trust, Inc., Series A (a) (b) | 28,000 | 18,200 |
| Entertainment Properties Trust, Series D | 111,800 | 1,034,150 |
| FelCor Lodging Trust, Inc., Series A(a) (c) | 73,000 | 292,000 |
| FelCor Lodging Trust, Inc., Series C (a) | 37,400 | 149,600 |
| Hersha Hospitality Trust, Series A | 82,000 | 668,300 |
| LaSalle Hotel Properties, Series D | 98,423 | 1,099,385 |
| Strategic Hotels & Resorts, Inc., Series A (a) | 12,900 | 32,895 |
| Strategic Hotels & Resorts, Inc., Series B (a) | 48,850 | 122,125 |
| Sunstone Hotel Investors, Inc., Series A | 121,900 | 1,036,150 |
| | | 5,371,795 |
| <i>Industrial 0.3%</i> | | |
| First Industrial Realty Trust, Series J | 7,600 | 55,100 |
| <i>Office 7.2%</i> | | |
| Alexandria Real Estate Equities, Inc., Series C | 17,600 | 343,200 |
| Corporate Office Properties Trust, Series H | 2,000 | 35,940 |
| Corporate Office Properties Trust, Series J | 22,000 | 396,220 |
| Kilroy Realty Corp., Series E | 500 | 6,525 |
| Kilroy Realty Corp., Series F | 30,000 | 384,000 |
| | | 1,165,885 |
| <i>Retail 5.5%</i> | | |
| Cedar Shopping Centers, Inc., Series A | 88,600 | 770,820 |
| Glimcher Realty Trust, Series F | 20,000 | 116,400 |
| | | 887,220 |
| <i>Total Real Estate Investment Trusts (Cost \$27,203,223)</i> | | 11,017,765 |
| <i>Total Preferred Stocks (Cost \$27,203,223)</i> | | 11,017,765 |
| <i>Other Investment Companies 1.3%</i> | | |
| Ultra Real Estate ProShares | 200 | 490 |
| UltraShort Real Estate ProShares | 4,000 | 210,920 |
| <i>Total Other Investment Companies (Cost \$208,466)</i> | | 211,410 |
| <i>Short-Term Investments 3.4%</i> | | |
| <i>Other Investment Companies 3.4%</i> | | |
| Dreyfus Cash Management, Institutional Shares, 0.74% (d) (Cost \$548,739) | 548,739 | 548,739 |
| <i>Total Investments 163.3% (Cost \$63,163,289) (e)</i> | | 26,340,608 |
| <i>Other assets less liabilities 4.6%</i> | | 739,035 |
| Preferred Shares, at liquidation preference (67.9)% | | (10,950,000) |
| Net Assets applicable to common shareholders 100% | | \$ 16,129,643 |

Notes to Portfolio of Investments

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- (a) As of March 31, 2009, this security had discontinued paying distributions.
 - (b) As of March 31, 2009, the Fund held securities fair valued in accordance with policies adopted by the board of trustees aggregating to \$801,595 and 3.0% of market value.
 - (c) Convertible into common stock.
 - (d) Rate reflects 7 day yield as of March 31, 2009.
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(e) Although subject to adjustments to the extent 2009 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, 2009, are as follows:

| | | |
|-------------------------------|----|--------------|
| Cost | \$ | 63,163,289 |
| Gross unrealized appreciation | \$ | 127,885 |
| Gross unrealized depreciation | | (36,950,566) |
| Net unrealized depreciation | \$ | (36,822,681) |

Reference should be made to the Fund's financial statements for the year ended December 31, 2008, for further information concerning the income tax characterization of the Fund's investment income and distributions.

Fair Value Measurements

Under Financial Accounting Standards Board Statement of Financial Accounting Standards No. 157, Fair Value Measurements, or FAS 157, fair value is defined as the price that the Fund would receive upon selling an investment in a timely transaction to an independent buyer in the principal or most advantageous market of the investment. FAS 157 established a three tier hierarchy to maximize the use of observable market data and minimize the use of unobservable inputs and to establish classification of fair value measurements for disclosure purposes. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances.

The following is a summary of the inputs used as of March 31, 2009, in valuing the Fund's investments carried at value:

| Valuation Inputs | Investments in Securities | |
|---|----------------------------------|-------------------|
| Level 1 Quoted prices | \$ | 25,539,013 |
| Level 2 Other significant observable inputs | | 801,595 |
| Level 3 Significant unobservable inputs | | |
| Total | \$ | 26,340,608 |

There were no investments in securities characterized as Level 3 on December 31, 2008, or March 31, 2009.

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.

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/ Adam D. Portnoy
Adam D. Portnoy
President

Date: May 22, 2009

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/ Adam D. Portnoy
Adam D. Portnoy
President

Date: May 22, 2009

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

Date: May 22, 2009
