

RMR REAL ESTATE FUND
Form N-Q
May 04, 2006

**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:

Thomas Perugini

State Street Bank and Trust Company

One Federal Street, 8th Floor

Boston, Massachusetts 02110

Thomas Reyes, Esq.

State Street Bank and Trust Company

One Federal Street, 9th Floor

Boston, Massachusetts 02110

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

Date of fiscal year end: December 31

Date of reporting period: March 31, 2006

Item 1. Schedule of Investments**RMR Real Estate Fund**

Portfolio of Investments March 31, 2006 (unaudited)

| Company | Shares | Value |
|--|---------|--------------|
| <i>Common Stocks 101.6%</i> | | |
| <i>Real Estate Investment Trusts 93.5%</i> | | |
| <i>Apartments 8.1%</i> | | |
| Apartment Investment & Management Co. | 30,100 | \$ 1,411,690 |
| Associated Estates Realty Corp. | 106,400 | 1,197,000 |
| BNP Residential Properties, Inc. | 200,000 | 3,360,000 |
| GMH Communities Trust | 16,000 | 186,240 |
| Home Properties, Inc. | 65,200 | 3,331,720 |
| Post Properties, Inc. | 5,000 | 222,500 |
| | | 9,709,150 |
| <i>Diversified 24.0%</i> | | |
| Bedford Property Investors, Inc. | 62,100 | 1,672,353 |
| Colonial Properties Trust | 117,900 | 5,910,327 |
| Commercial Net Lease Realty | 309,500 | 7,211,350 |
| Centracore Properties Trust | 12,000 | 300,600 |
| Cousins Properties, Inc. | 300 | 10,029 |
| Crescent Real Estate Equities Co. | 371,000 | 7,816,970 |
| Lexington Corporate Properties Trust | 223,000 | 4,649,550 |
| Liberty Property Trust | 13,000 | 613,080 |
| Newkirk Realty Trust, Inc. | 8,000 | 144,720 |
| Spirit Finance Corp. | 17,500 | 213,500 |
| Washington Real Estate Investment Trust | 4,000 | 145,280 |
| | | 28,687,759 |
| <i>Health Care 12.0%</i> | | |
| Cogdell Spencer, Inc. | 15,000 | 319,800 |
| Health Care Property Investors, Inc. | 15,080 | 428,272 |
| Health Care REIT, Inc. | 158,600 | 6,042,660 |
| Healthcare Realty Trust, Inc. | 9,200 | 343,896 |
| Medical Properties Trust, Inc. | 60,900 | 657,720 |
| Nationwide Health Properties, Inc. | 253,600 | 5,452,400 |
| OMEGA Healthcare Investors, Inc. | 83,200 | 1,166,464 |
| | | 14,411,212 |
| <i>Hospitality 0.6%</i> | | |
| Eagle Hospitality Properties Trust, Inc. | 60,000 | 604,800 |
| Hersha Hospitality Trust | 2,000 | 19,580 |
| Highland Hospitality Corp. | 7,000 | 88,970 |
| | | 713,350 |
| <i>Industrial 7.3%</i> | | |
| AMB Property Corp. | 3,000 | 162,810 |
| EastGroup Properties, Inc. | 4,500 | 213,480 |
| First Industrial Realty Trust, Inc. | 196,640 | 8,394,562 |
| | | 8,770,852 |
| <i>Manufactured Homes 2.2%</i> | | |
| Sun Communities, Inc. | 73,900 | 2,612,365 |
| <i>Mortgage 0.2%</i> | | |

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| | | |
|----------------------------------|--------|---------|
| American Mortgage Acceptance Co. | 16,400 | 263,220 |
|----------------------------------|--------|---------|

See notes to portfolio of investments.

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| Company | Shares | Value |
|--|---------|--------------|
| <i>Common Stocks continued</i> | | |
| <i>Office 17.5%</i> | | |
| Arden Realty, Inc. | 84,600 | \$ 3,817,998 |
| Brandywine Realty Trust | 2,000 | 63,520 |
| Equity Office Properties Trust | 182,000 | 6,111,560 |
| Glenborough Realty Trust, Inc. | 293,000 | 6,372,750 |
| Highwoods Properties, Inc. | 85,000 | 2,867,050 |
| Maguire Properties, Inc. | 46,000 | 1,679,000 |
| | | 20,911,878 |
| <i>Retail 14.1%</i> | | |
| CBL & Associates Properties, Inc. | 12,000 | 509,400 |
| Feldman Mall Properties, Inc. | 1,000 | 12,250 |
| Glimcher Realty Trust | 88,400 | 2,510,560 |
| Heritage Property Investment Trust | 200,000 | 7,918,000 |
| New Plan Excel Realty Trust | 152,280 | 3,950,143 |
| Realty Income Corp. | 4,000 | 96,840 |
| Taubman Centers, Inc. | 6,000 | 250,020 |
| The Macerich Co. | 5,000 | 369,750 |
| The Mills Corp. | 45,100 | 1,262,800 |
| Urstadt Biddle Properties | 3,000 | 54,000 |
| | | 16,933,763 |
| <i>Specialty 5.1%</i> | | |
| Getty Realty Corp. | 32,600 | 948,660 |
| Trustreet Properties, Inc. | 337,200 | 5,122,068 |
| | | 6,070,728 |
| <i>Storage 2.4%</i> | | |
| Extra Space Storage, Inc. | 880 | 15,127 |
| Sovran Self Storage, Inc. | 50,000 | 2,760,000 |
| U-Store-It Trust | 5,000 | 100,750 |
| | | 2,875,877 |
| <i>Total Real Estate Investment Trusts (Cost \$93,354,518)</i> | | 111,960,154 |
| <i>Other 8.1%</i> | | |
| Alesco Financial Trust (a)(b) | 500,000 | 5,000,000 |
| American Capital Strategies, Ltd. | 35,000 | 1,230,600 |
| Iowa Telecommunication Services, Inc. | 55,500 | 1,058,940 |
| Panamsat Holding Corp. | 54,100 | 1,342,762 |
| Seaspan Corp. | 48,200 | 1,020,394 |
| <i>Total Other (Cost \$9,007,094)</i> | | 9,652,696 |
| <i>Total Common Stocks (Cost \$102,361,612)</i> | | 121,612,850 |
| <i>Preferred Stocks 35.8%</i> | | |
| <i>Real Estate Investment Trusts 35.8%</i> | | |
| <i>Apartments 2.0%</i> | | |
| Apartment Investment & Management Co., Series G | 32,800 | 858,376 |
| Apartment Investment & Management Co., Series T | 60,000 | 1,515,000 |
| | | 2,373,376 |
| <i>Diversified 1.5%</i> | | |
| Colonial Properties Trust, Series D | 10,000 | 260,000 |
| Colonial Properties Trust, Series E | 62,910 | 1,577,154 |
| | | 1,837,154 |

See notes to portfolio of investments.

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| Company | Shares | Value |
|---|-----------|----------------|
| <i>Preferred Stocks continued</i> | | |
| <i>Health Care 7.3%</i> | | |
| LTC Properties, Inc., Series F | 160,000 | \$ 4,026,400 |
| OMEGA Healthcare Investors Inc., Series D | 160,000 | 4,159,200 |
| Windrose Medical Properties Trust, Series A * | 20,000 | 522,000 |
| | | 8,707,600 |
| <i>Hospitality 13.4%</i> | | |
| Ashford Hospitality Trust, Series A | 107,900 | 2,751,450 |
| Eagle Hospitality Properties Trust, Inc., Series A | 28,000 | 703,220 |
| Equity Inns, Inc., Series B | 34,000 | 874,650 |
| FelCor Lodging Trust, Inc., Series A * | 83,000 | 2,075,000 |
| FelCor Lodging Trust, Inc., Series C | 49,200 | 1,230,984 |
| Innkeepers USA Trust, Series C | 120,000 | 2,974,800 |
| Strategic Hotels & Resorts, Inc., Series B | 54,500 | 1,370,675 |
| Winston Hotels, Inc., Series B | 160,000 | 4,000,000 |
| | | 15,980,779 |
| <i>Manufactured Homes 5.1%</i> | | |
| Affordable Residential Communities, Series A | 280,000 | 6,134,800 |
| <i>Mortgage 3.0%</i> | | |
| New Century Financial Corp., Series A | 20,000 | 491,000 |
| RAIT Investment Trust, Series A | 125,000 | 3,036,250 |
| | | 3,527,250 |
| <i>Office 0.7%</i> | | |
| Alexandria Real Estate Equities, Inc., Series B | 5,000 | 127,000 |
| Kilroy Realty Corp., Series F | 30,000 | 746,100 |
| | | 873,100 |
| <i>Retail 2.8%</i> | | |
| CBL & Associates Properties, Inc., Series B | 20,000 | 1,018,200 |
| Glimcher Realty Trust, Series F | 20,000 | 510,000 |
| Glimcher Realty Trust, Series G | 50,000 | 1,265,000 |
| The Mills Corp., Series E | 7,100 | 160,105 |
| The Mills Corp., Series G | 17,000 | 362,100 |
| | | 3,315,405 |
| <i>Total Preferred Stocks (Cost \$42,159,668)</i> | | 42,749,464 |
| <i>Short-Term Investments 3.6%</i> | | |
| <i>Other Investment Companies 3.6%</i> | | |
| SSgA Money Market Fund, 4.30%(c) (Cost \$4,357,570) | 4,357,570 | 4,357,570 |
| Total Investments 141.0% (Cost \$148,878,850) (d) | | 168,719,884 |
| Other assets less liabilities 0.8% | | 980,165 |
| Preferred Shares, at liquidation preference (41.8%) | | (50,000,000) |
| Net Assets applicable to common shareholders 100% | | \$ 119,700,049 |

Notes to Portfolio of Investments

- *
- (a) Convertible into common stock.
- (b) Non-income producing security. The first quarterly cash distribution was declared on April 19, 2006.
- (c) 144A securities. Securities restricted for resale to qualified institutional buyers.
- (d) Rate reflects 7 day yield as of March 31, 2006.
- Although subject to adjustments to the extent 2006 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, 2006, are as follows:

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| | | |
|-------------------------------|----|-------------|
| Cost | \$ | 148,878,850 |
| Gross unrealized appreciation | \$ | 21,221,319 |
| Gross unrealized depreciation | | (1,380,285) |
| Net unrealized appreciation | \$ | 19,841,034 |

Reference should be made to the Fund's financial statements for the year ended December 31, 2005, 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.

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 4, 2006

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 4, 2006

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

Date: May 4, 2006
