

RMR Real Estate Income Fund  
Form N-Q  
November 18, 2011

**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 811-22234

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

Two Newton Place, 255 Washington Street, Suite 300

Newton, Massachusetts  
(Address of principal executive offices)

02458  
(Zip code)

Adam D. Portnoy, President

RMR Real Estate Income Fund

Two Newton Place, 255 Washington Street, Suite 300

Newton, Massachusetts 02458  
(Name and address of agent for service)

Copy to:

**Jennifer La Belle**

State Street Bank and Trust Company

4 Copley Place, 5th Floor

Boston, Massachusetts 02116

**Julie A. Tedesco, Esq.**

State Street Bank and Trust Company

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4 Copley Place, 5th Floor

Boston, Massachusetts 02116

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

Date of fiscal year end: December 31

Date of reporting period: September 30, 2011

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**RMR REAL ESTATE INCOME FUND****Portfolio of Investments** September 30, 2011 (unaudited)

| <b>Company</b>                             | <b>Shares</b> | <b>Value</b> |
|--|---------------|--------------|
| <b>COMMON STOCKS 70.5%</b>                 |               |              |
| <b>REAL ESTATE INVESTMENT TRUSTS 64.1%</b> |               |              |
| <b>APARTMENTS 14.1%</b>                    |               |              |
| American Campus Communities, Inc.          | 12,000        | \$ 446,520   |
| Apartment Investment & Management Co.      | 28,745        | 635,839      |
| Associated Estates Realty Corp.            | 115,800       | 1,790,268    |
| AvalonBay Communities, Inc.                | 15,575        | 1,776,329    |
| BRE Properties, Inc.                       | 16,000        | 677,440      |
| Colonial Properties Trust                  | 34,800        | 631,968      |
| Education Realty Trust, Inc.               | 6,737         | 57,871       |
| Equity Residential                         | 49,000        | 2,541,630    |
| Essex Property Trust, Inc.                 | 6,000         | 720,240      |
| Home Properties, Inc.                      | 5,000         | 283,800      |
| Mid-America Apartment Communities, Inc.    | 20,100        | 1,210,422    |
| UDR, Inc.                                  | 14,000        | 309,960      |
|  |               | 11,082,287   |
| <b>DIVERSIFIED 6.9%</b>                    |               |              |
| American Assets Trust, Inc.                | 5,000         | 89,750       |
| CapLease, Inc.                             | 12,700        | 45,847       |
| Cousins Properties, Inc.                   | 34,572        | 202,246      |
| Digital Realty Trust, Inc.                 | 4,000         | 220,640      |
| DuPont Fabros Technology, Inc.             | 12,700        | 250,063      |
| Entertainment Properties Trust             | 31,500        | 1,227,870    |
| Lexington Realty Trust                     | 113,558       | 742,669      |
| Vornado Realty Trust                       | 28,335        | 2,114,358    |
| Washington Real Estate Investment Trust    | 18,000        | 507,240      |
|  |               | 5,400,683    |
| <b>FREE STANDING 3.9%</b>                  |               |              |
| Getty Realty Corp.                         | 22,000        | 317,240      |
| National Retail Properties, Inc.           | 96,900        | 2,603,703    |
| Realty Income Corp.                        | 4,300         | 138,632      |
|  |               | 3,059,575    |
| <b>HEALTH CARE 9.4%</b>                    |               |              |
| Cogdell Spencer, Inc.                      | 31,655        | 119,339      |
| HCP, Inc.                                  | 69,580        | 2,439,475    |
| Health Care REIT, Inc.                     | 6,200         | 290,160      |
| Healthcare Realty Trust, Inc.              | 13,000        | 219,050      |
| LTC Properties, Inc.                       | 17,500        | 443,100      |
| Medical Properties Trust, Inc.             | 185,520       | 1,660,404    |
| OMEGA Healthcare Investors, Inc.           | 2,200         | 35,046       |
| Sabra Health Care REIT, Inc.               | 15,000        | 143,100      |
| Ventas, Inc.                               | 40,397        | 1,995,612    |
|  |               | 7,345,286    |
| <b>INDUSTRIAL 2.0%</b>                     |               |              |
| DCT Industrial Trust, Inc.                 | 98,600        | 432,854      |
| EastGroup Properties, Inc.                 | 8,500         | 324,190      |
| First Potomac Realty Trust                 | 5,000         | 62,350       |
| ProLogis, Inc.                             | 30,088        | 729,634      |

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|                                       |         |           |
|---------------------------------------|---------|-----------|
|                                       |         | 1,549,028 |
| <i>LODGING/RESORTS 3.1%</i>           |         |           |
| Ashford Hospitality Trust, Inc.       | 10,000  | 70,200    |
| Chatham Lodging Trust                 | 17,049  | 169,126   |
| Chesapeake Lodging Trust              | 1,000   | 12,070    |
| DiamondRock Hospitality Co.           | 40,603  | 283,815   |
| FelCor Lodging Trust, Inc. (a)        | 10,000  | 23,300    |
| Hersha Hospitality Trust              | 230,583 | 797,817   |
| Host Hotels & Resorts, Inc.           | 17,500  | 191,450   |
| LaSalle Hotel Properties              | 16,000  | 307,200   |
| Pebblebrook Hotel Trust               | 10,100  | 158,065   |
| RLJ Lodging Trust                     | 12,500  | 159,625   |
| Strategic Hotels & Resorts, Inc. (a)  | 30,000  | 129,300   |
| Summit Hotel Properties, Inc.         | 1,000   | 7,060     |
| Sunstone Hotel Investors, Inc. (a)    | 15,000  | 85,350    |
| Supertel Hospitality, Inc. (a)        | 84,642  | 63,482    |
|                                       |         | 2,457,860 |
| <i>MANUFACTURED HOME 1.2%</i>         |         |           |
| Sun Communities, Inc.                 | 25,900  | 911,421   |
| <i>MIXED OFFICE/INDUSTRIAL 2.2%</i>   |         |           |
| Duke Realty Corp.                     | 46,100  | 484,050   |
| Gladstone Commercial Corp.            | 11,430  | 179,222   |
| Liberty Property Trust                | 36,200  | 1,053,782 |
|                                       |         | 1,717,054 |
| <i>MORTGAGE 0.7%</i>                  |         |           |
| Annaly Capital Management, Inc.       | 10,000  | 166,300   |
| MFA Financial, Inc.                   | 55,148  | 387,139   |
|                                       |         | 553,439   |
| <i>OFFICE 8.8%</i>                    |         |           |
| Alexandria Real Estate Equities, Inc. | 15,000  | 920,850   |
| BioMed Realty Trust, Inc.             | 21,000  | 347,970   |
| Boston Properties, Inc.               | 2,500   | 222,750   |
| Brandywine Realty Trust               | 145,100 | 1,162,251 |
| Corporate Office Properties Trust     | 25,600  | 557,568   |
| Douglas Emmett, Inc.                  | 10,000  | 171,000   |
| Franklin Street Properties Corp.      | 25,000  | 282,750   |
| Highwoods Properties, Inc.            | 37,900  | 1,071,054 |
| Hudson Pacific Properties, Inc.       | 2,500   | 29,075    |
| Kilroy Realty Corp.                   | 2,600   | 81,380    |
| Mack-Cali Realty Corp.                | 38,030  | 1,017,303 |
| MPG Office Trust, Inc. (a)            | 24,000  | 50,640    |
| Parkway Properties, Inc.              | 12,500  | 137,625   |
| SL Green Realty Corp.                 | 14,900  | 866,435   |
|                                       |         | 6,918,651 |
| <i>REGIONAL MALLS 5.9%</i>            |         |           |
| CBL & Associates Properties, Inc.     | 30,000  | 340,800   |
| Glimcher Realty Trust                 | 95,000  | 672,600   |

See notes to portfolio of investments.

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| Company  | Shares    | Value             |
|--|-----------|-------------------|
| <b>COMMON STOCKS CONTINUED</b>                                 |           |                   |
| <b>REAL ESTATE INVESTMENT TRUSTS CONTINUED</b>                 |           |                   |
| Pennsylvania Real Estate Investment Trust                      | 55,000    | \$ 425,150        |
| Simon Property Group, Inc.                                     | 22,179    | 2,439,246         |
| The Macerich Co.   | 16,966    | 723,261           |
|  |           | 4,601,057         |
| <b>SHOPPING CENTERS 5.1%</b>                                   |           |                   |
| Agree Realty Corp.   | 1,199     | 26,114            |
| Cedar Shopping Centers, Inc.                                   | 68,508    | 213,060           |
| DDR Corp.  | 20,000    | 218,000           |
| Equity One, Inc.   | 20,000    | 317,200           |
| Excel Trust, Inc.  | 20,000    | 192,400           |
| Inland Real Estate Corp.                                       | 20,000    | 146,000           |
| Kimco Realty Corp.   | 30,000    | 450,900           |
| Kite Realty Group Trust  | 70,000    | 256,200           |
| Ramco-Gershenson Properties Trust                              | 62,000    | 508,400           |
| Regency Centers Corp.  | 13,700    | 484,021           |
| Tanger Factory Outlet Centers, Inc.                            | 10,800    | 280,908           |
| Urstadt Biddle Properties                                      | 9,800     | 156,506           |
| Weingarten Realty Investors                                    | 35,000    | 740,950           |
|  |           | 3,990,659         |
| <b>STORAGE 0.8%</b>  |           |                   |
| CubeSmart  | 15,000    | 127,950           |
| Public Storage, Inc.   | 3,100     | 345,185           |
| Sovran Self Storage, Inc.                                      | 5,000     | 185,850           |
|  |           | 658,985           |
| <b>Total Real Estate Investment Trusts (Cost \$50,400,584)</b> |           | <b>50,245,985</b> |
| <b>OTHER 6.4%</b>  |           |                   |
| Beazer Homes USA, Inc. (a)                                     | 35,000    | 52,850            |
| Brookfield Office Properties, Inc.                             | 22,000    | 302,940           |
| Carador PLC (b)  | 5,496,600 | 3,136,909         |
| CB Richard Ellis Group, Inc. (c)                               | 11,900    | 160,174           |
| D.R. Horton, Inc.  | 47,000    | 424,880           |
| Hyatt Hotels Corp. (c)   | 5,000     | 156,850           |
| Lennar Corp.   | 15,000    | 203,100           |
| Marriott International, Inc.                                   | 5,000     | 136,200           |
| RadioShack Corp.   | 7,000     | 81,340            |
| Standard Pacific Corp. (a)                                     | 60,000    | 148,200           |
| Starwood Hotels & Resorts Worldwide, Inc.                      | 2,000     | 77,640            |
| The St. Joe Co. (a)  | 5,000     | 74,950            |
| Toll Brothers, Inc. (c)  | 6,000     | 86,580            |
|  |           |                   |
| <b>Total Other (Cost \$9,955,033)</b>                          |           | <b>5,042,613</b>  |
| <b>Total Common Stocks (Cost \$60,355,617)</b>                 |           | <b>55,288,598</b> |
| <b>PREFERRED STOCKS 60.8%</b>                                  |           |                   |
| <b>REAL ESTATE INVESTMENT TRUSTS 60.8%</b>                     |           |                   |
| <b>APARTMENTS 1.6%</b>   |           |                   |
| Apartment Investment & Management Co., Series U                | 20,000    | 495,600           |
| Apartment Investment & Management Co., Series V                | 8,325     | 209,540           |
| Apartment Investment & Management Co., Series Y                | 11,900    | 296,310           |

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|  |         |           |
|--|---------|-----------|
| Apartment Investment & Management Co., Series Z        | 10,000  | 237,700   |
|  |         | 1,239,150 |
| <i><b>DIVERSIFIED</b> 8.3%</i>                         |         |           |
| Cousins Properties, Inc., Series A                     | 9,500   | 234,460   |
| DuPont Fabros Technology, Inc., Series A               | 10,000  | 255,700   |
| Entertainment Properties Trust, Series D               | 111,800 | 2,699,970 |
| LBA Realty LLC, Series B                               | 87,142  | 1,877,910 |
| Lexington Realty Trust, Series B                       | 27,750  | 679,875   |
| Lexington Realty Trust, Series D                       | 21,000  | 502,950   |
| Vornado Realty Trust, Series E                         | 4,153   | 104,489   |
| Vornado Realty Trust, Series F                         | 5,700   | 142,215   |
|  |         | 6,497,569 |
| <i><b>FREE STANDING</b> 0.5%</i>                       |         |           |
| National Retail Properties, Inc., Series C             | 14,500  | 363,225   |
| <i><b>HEALTH CARE</b> 0.3%</i>                         |         |           |
| Health Care REIT, Inc., Series F                       | 8,775   | 224,026   |
| <i><b>INDUSTRIAL</b> 0.8%</i>                          |         |           |
| First Industrial Realty Trust, Series J                | 20,963  | 461,396   |
| ProLogis, Inc., Series S                               | 6,800   | 154,020   |
|  |         | 615,416   |
| <i><b>LODGING/RESORTS</b> 29.9%</i>                    |         |           |
| Ashford Hospitality Trust, Series A                    | 111,942 | 2,707,877 |
| Ashford Hospitality Trust, Series D                    | 42,000  | 976,500   |
| Ashford Hospitality Trust, Series E                    | 35,000  | 842,800   |
| Eagle Hospitality Properties Trust, Inc., Series A (a) | 165,000 | 453,750   |
| FelCor Lodging Trust, Inc., Series A (d)               | 73,000  | 1,468,030 |
| FelCor Lodging Trust, Inc., Series C                   | 111,539 | 2,286,550 |
| Grace Acquisition I, Inc., Series B (a)(b)             | 133,800 | 200,700   |
| Grace Acquisition I, Inc., Series C (a)(b)             | 18,900  | 28,350    |
| Hersha Hospitality Trust, Series A                     | 155,500 | 3,570,280 |
| Hersha Hospitality Trust, Series B                     | 13,600  | 303,824   |
| LaSalle Hotel Properties, Series D                     | 120,623 | 2,901,586 |
| LaSalle Hotel Properties, Series E                     | 51,300  | 1,286,604 |

*See notes to portfolio of investments.*

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| Company  | Shares  | Value      |
|--|---------|------------|
| <b>PREFERRED STOCKS CONTINUED</b>                              |         |            |
| <b>REAL ESTATE INVESTMENT TRUSTS CONTINUED</b>                 |         |            |
| LaSalle Hotel Properties, Series G                             | 6,000   | \$ 145,380 |
| Pebblebrook Hotel Trust, Series A                              | 14,500  | 357,135    |
| Strategic Hotels & Resorts, Inc., Series A (a)                 | 12,900  | 322,242    |
| Strategic Hotels & Resorts, Inc., Series B (a)                 | 77,100  | 1,832,667  |
| Sunstone Hotel Investors, Inc., Series A                       | 145,000 | 3,297,300  |
| Sunstone Hotel Investors, Inc., Series D                       | 23,000  | 490,590    |
|  |         | 23,472,165 |
| <b>MIXED OFFICE/INDUSTRIAL 1.0%</b>                            |         |            |
| Duke Realty Corp., Series J                                    | 10,000  | 240,300    |
| Duke Realty Corp., Series O                                    | 20,100  | 522,600    |
|  |         | 762,900    |
| <b>MORTGAGE 0.5%</b>   |         |            |
| MFA Financial, Inc., Series A                                  | 10,000  | 251,500    |
| RAIT Financial Trust, Series C                                 | 5,000   | 100,050    |
|  |         | 351,550    |
| <b>OFFICE 6.8%</b>   |         |            |
| Alexandria Real Estate Equities, Inc., Series C                | 46,251  | 1,184,025  |
| BioMed Realty Trust, Inc., Series A                            | 18,350  | 456,181    |
| DRA CRT Acquisition Corp., Series A                            | 40,396  | 686,732    |
| Hudson Pacific Properties, Inc., Series B                      | 10,000  | 264,100    |
| Kilroy Realty Corp., Series E                                  | 20,500  | 514,345    |
| Kilroy Realty Corp., Series F                                  | 30,000  | 749,700    |
| Parkway Properties, Inc., Series D                             | 22,100  | 546,975    |
| SL Green Realty Corp., Series D                                | 38,500  | 965,580    |
|  |         | 5,367,638  |
| <b>REGIONAL MALLS 5.0%</b>                                     |         |            |
| CBL & Associates Properties, Inc., Series D                    | 50,000  | 1,153,500  |
| Glimcher Realty Trust, Series F                                | 56,300  | 1,381,039  |
| Glimcher Realty Trust, Series G                                | 60,100  | 1,418,360  |
|  |         | 3,952,899  |
| <b>SHOPPING CENTERS 6.1%</b>                                   |         |            |
| Cedar Shopping Centers, Inc., Series A                         | 129,649 | 3,066,199  |
| DDR Corp., Series H  | 32,000  | 752,640    |
| DDR Corp., Series I  | 10,000  | 237,700    |
| Kite Realty Group Trust, Series A                              | 17,500  | 393,750    |
| Weingarten Realty Investors, Series F                          | 15,369  | 366,858    |
|  |         | 4,817,147  |
| <b>Total Real Estate Investment Trusts (Cost \$50,264,284)</b> |         | 47,663,685 |
| <b>Total Preferred Stocks (Cost \$50,264,284)</b>              |         | 47,663,685 |
| <b>INVESTMENT COMPANIES 1.6%</b>                               |         |            |
| Blackrock Credit Allocation Income Trust                       | 19,336  | 221,978    |
| Cohen & Steers Infrastructure Fund, Inc.                       | 17,911  | 278,874    |
| Cohen & Steers Quality Income Realty Fund, Inc.                | 60,297  | 462,478    |
| Eaton Vance Enhanced Equity Income Fund II                     | 24,100  | 237,626    |
| Nuveen Real Estate Income Fund                                 | 3,700   | 33,226     |
| <b>Total Investment Companies (Cost \$1,886,299)</b>           |         | 1,234,182  |
| <b>SHORT-TERM INVESTMENTS 0.4%</b>                             |         |            |
| <b>MONEY MARKET FUNDS 0.4%</b>                                 |         |            |

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|  |         |              |
|--|---------|--------------|
| Dreyfus Cash Management Fund, Institutional Shares, 0.05% (e) (Cost \$347,309) | 347,309 | 347,309      |
| Total Investments 133.3% (Cost \$112,853,509)                                  |         | 104,533,774  |
| Other assets less liabilities 0.7%   |         | 542,627      |
| Revolving credit facility (12.7)%  |         | (10,000,000) |
| Preferred Shares, at liquidation preference (21.3)%                            |         | (16,675,000) |
| Net Assets applicable to common shareholders 100%                              | \$      | 78,401,401   |

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### Notes to Portfolio of Investments

- (a) As of September 30, 2011, this security had discontinued paying distributions.
- (b) As of September 30, 2011, the Fund held \$3,365,959 of securities fair valued in accordance with policies adopted by the board of trustees, which represents 3.2% of the Fund's total investments. See Note A(2) in the notes to portfolio of investments.
- (c) Non-dividend paying security.
- (d) Convertible into common stock.
- (e) Rate reflects 7 day yield as of September 30, 2011.

*See notes to portfolio of investments.*

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**Notes to Portfolio of Investments**

**September 30, 2011 (unaudited)**

**Note A**

**(1) Portfolio Valuation**

Investment securities of RMR Real Estate Income Fund, or the Fund, or RIF, are valued at the latest sales price whenever that price is readily available on that day; securities for which no sales were reported on that day, unless otherwise noted, are valued at the average of the closing bid and ask prices on that day. Securities traded primarily on the NASDAQ Stock Market, or NASDAQ, are normally valued by RIF at the NASDAQ Official Closing Price, or NOCP, provided by NASDAQ each business day. The NOCP is the most recently reported price as of 4:00:02 p.m., eastern time, unless that price is outside the range of the inside bid and asked prices (i.e., the bid and asked prices that dealers quote to each other when trading for their own accounts); in that case, NASDAQ will adjust the price to equal the inside bid or asked price, whichever is closer. Some fixed income securities may be valued using values provided by a pricing service.

Any of the Fund's securities which are not readily marketable, which are not traded or which have other characteristics of illiquidity are valued by the Fund at fair value as determined in good faith under the supervision of the Fund's board of trustees. Numerous factors may be considered when determining fair value of a security, including cost at date of purchase, type of security, the nature and duration of restrictions on disposition of the security and whether the issuer of the security being fair valued has other securities of the same type outstanding. See Note A (2) for a further description of fair value measurements. Short term debt securities with less than 60 days until maturity may be valued at amortized cost plus interest accrued, which approximates fair value.

**(2) Fair Value Measurements**

The Fund reports the value of its securities at their fair value. 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 for the investment. When valuing portfolio securities, the Fund uses observable market data when possible and otherwise uses other significant observable or unobservable inputs for fair value measurements. Inputs refer broadly to the assumptions the Fund believes that market participants would use in pricing the asset or liability, including assumptions about risk; for example, the risk inherent in using a particular valuation technique to measure fair value and the risk inherent in the inputs to the valuation technique. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in valuing the asset or liability developed based on market data obtained from independent sources. Unobservable inputs are inputs that reflect the Fund'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 three tier hierarchy of inputs used to value securities reported in these financial statements is summarized below:

- Level 1 quoted prices in active markets for identical investments.
- Level 2 other significant observable inputs (including quoted prices for similar investments, interest rates, credit risk, etc.).
- Level 3 significant unobservable inputs (including the Fund's own assumptions in determining the fair value of investments).

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The following is a summary of the types of inputs used on September 30, 2011, in valuing RIF's investments:

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## Notes to Portfolio of Investments - continued

September 30, 2011 (unaudited)

| Description                         | Level 1        | Level 2    | Level 3      | Total          |
|-------------------------------------|----------------|------------|--------------|----------------|
| <b>Common Stocks</b>                |                |            |              |                |
| Real Estate Investment Trusts       |                |            |              |                |
| Apartments                          | \$ 11,082,287  | \$         | \$           | 11,082,287     |
| Diversified                         | 5,400,683      |            |              | 5,400,683      |
| Free Standing                       | 3,059,575      |            |              | 3,059,575      |
| Health Care                         | 7,345,286      |            |              | 7,345,286      |
| Industrial                          | 1,549,028      |            |              | 1,549,028      |
| Lodging/Resorts                     | 2,457,860      |            |              | 2,457,860      |
| Manufactured Home                   | 911,421        |            |              | 911,421        |
| Mixed Office/Industrial             | 1,717,054      |            |              | 1,717,054      |
| Mortgage                            | 553,439        |            |              | 553,439        |
| Office                              | 6,918,651      |            |              | 6,918,651      |
| Regional Malls                      | 4,601,057      |            |              | 4,601,057      |
| Shopping Centers                    | 3,990,659      |            |              | 3,990,659      |
| Storage                             | 658,985        |            |              | 658,985        |
| Total Real Estate Investment Trusts | 50,245,985     |            |              | 50,245,985     |
| Other                               | 1,905,704      |            | 3,136,909    | 5,042,613      |
| Total Common Stocks                 | 52,151,689     |            | 3,136,909    | 55,288,598     |
| <b>Preferred Stocks</b>             |                |            |              |                |
| Real Estate Investment Trusts       |                |            |              |                |
| Apartments                          | 1,239,150      |            |              | 1,239,150      |
| Diversified                         | 6,497,569      |            |              | 6,497,569      |
| Free Standing                       | 363,225        |            |              | 363,225        |
| Health Care                         | 224,026        |            |              | 224,026        |
| Industrial                          | 615,416        |            |              | 615,416        |
| Lodging/Resorts                     | 23,243,115     | 229,050    |              | 23,472,165     |
| Mixed Office/Industrial             | 762,900        |            |              | 762,900        |
| Mortgage                            | 351,550        |            |              | 351,550        |
| Office                              | 5,367,638      |            |              | 5,367,638      |
| Regional Malls                      | 3,952,899      |            |              | 3,952,899      |
| Shopping Centers                    | 4,817,147      |            |              | 4,817,147      |
| Total Real Estate Investment Trusts | 47,434,635     | 229,050    |              | 47,663,685     |
| Total Preferred Stocks              | 47,434,635     | 229,050    |              | 47,663,685     |
| Investment Companies                | 1,234,182      |            |              | 1,234,182      |
| <b>Short-Term Investments</b>       |                |            |              |                |
| Money Market Funds                  | 347,309        |            |              | 347,309        |
| Total Investments                   | \$ 101,167,815 | \$ 229,050 | \$ 3,136,909 | \$ 104,533,774 |

RIF utilized broker quotes, issuer company financial information and other market indicators to value the securities whose prices were not readily available. The types of inputs used to value a security may change as the markets fluctuate and/or the availability of data used in an investment's valuation changes. The Fund recognizes transfers between the levels as of the end of the period. On September 30, 2011, securities with a total value of approximately \$28,350 were transferred from Level 1 to Level 2 due to lack of observable market data available on September 30, 2011.

The following is an analysis of the change in value of investments in which significant unobservable inputs (Level 3) were used in determining fair value:

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|   |    | Common Stocks<br>Other |
|---|----|------------------------|
| Beginning balance, as of December 31, 2010        | \$ | 2,061,225              |
| Transfers into Level 3                            |    |                        |
| Securities sold                                   |    |                        |
| Total realized gains/(loss)                       |    |                        |
| Changes in unrealized appreciation/(depreciation) |    | 1,075,684              |
| Ending balance, as of September 30, 2011          | \$ | 3,136,909              |

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**Notes to Portfolio of Investments - continued**

**September 30, 2011 (unaudited)**

During the period ended September 30, 2011, there were no transfers of investments for which we began or discontinued to use Level 3 inputs to measure value.

**(3) Tax Information**

Although subject to adjustments, the Fund's investments for federal income tax purposes as of September 30, 2011, were as follows:

|                               |    |              |
|-------------------------------|----|--------------|
| Cost                          | \$ | 115,728,912  |
| Gross unrealized appreciation | \$ | 11,748,105   |
| Gross unrealized depreciation |    | (22,943,243) |
| Net unrealized depreciation   | \$ | (11,195,138) |

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**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 INCOME FUND

By: /s/ Adam D. Portnoy  
Adam D. Portnoy  
President

Date: November 18, 2011

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: November 18, 2011

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

Date: November 18, 2011

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