

RMR F.I.R.E. Fund
Form N-CSR
August 22, 2005

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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM N-CSR

**CERTIFIED SHAREHOLDER REPORT OF REGISTERED
MANAGEMENT INVESTMENT COMPANIES**

Investment Company Act file number: 811-21616

RMR F.I.R.E. FUND

(Exact name of registrant as specified in charter)

**400 CENTRE STREET
NEWTON, MASSACHUSETTS 02458**

(Address of principal executive offices) (Zip code)

**(Name and Address of Agent
for Service of Process)**

Thomas M. O'Brien, President
RMR F.I.R.E. Fund
400 Centre Street
Newton, Massachusetts 02458

Copy to:

Robert N. Hickey, Esq.
Sullivan & Worcester LLP
1666 K Street, NW
Washington, DC 20006

Thomas J. Reyes, Esq.
State Street Bank and Trust Company
One Federal Street, 9th Floor
Boston, Massachusetts 02110

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

Date of fiscal year end: December 31

Date of reporting period: June 30, 2005

Item 1. Reports to Shareholders.

Semi-Annual Reports
June 30, 2005



RMR Real Estate Fund
RMR Hospitality and Real Estate Fund
RMR F.I.R.E. Fund
RMR Preferred Dividend Fund

About information contained in this report:

Performance data is historical and reflects historical expenses and historical changes in net asset value. Historical results are not indicative of future results.

If RMR Advisors had not waived fees or paid all of each fund's organizational costs and a portion of each Fund's offering costs, each fund's returns would have been lower.

Investment in each fund's shares is subject to material risks, including but not limited to those described in each Fund's annual report on Form N-CSR filed with the SEC for the period ended December 31, 2004, or with respect to RMR Preferred Dividend Fund, the registration statements filed with the SEC related to the initial public offering of common and preferred shares.

NOTICE CONCERNING LIMITED LIABILITY

THE DECLARATIONS OF TRUST OF RMR REAL ESTATE FUND, RMR HOSPITALITY AND REAL ESTATE FUND, RMR F.I.R.E. FUND AND RMR PREFERRED DIVIDEND FUND, COPIES OF WHICH, TOGETHER WITH ALL AMENDMENTS AND SUPPLEMENTS THERETO, ARE DULY FILED IN THE OFFICE OF THE SECRETARY, CORPORATIONS DIVISION OF THE COMMONWEALTH OF MASSACHUSETTS, PROVIDES THAT THE NAMES "RMR REAL ESTATE FUND", "RMR HOSPITALITY AND REAL ESTATE FUND", "RMR F.I.R.E. FUND" AND "RMR PREFERRED DIVIDEND FUND" REFERS TO THE TRUSTEES UNDER THE DECLARATIONS COLLECTIVELY AS TRUSTEES, BUT NOT INDIVIDUALLY OR PERSONALLY, AND THAT NO TRUSTEE, OFFICER, SHAREHOLDER, EMPLOYEE OR AGENT OF ANY OF THE FUNDS SHALL BE HELD TO ANY PERSONAL LIABILITY, JOINTLY OR SEVERALLY, FOR ANY OBLIGATION OF, OR CLAIM AGAINST, ANY OF THESE FUNDS. ALL PERSONS DEALING WITH ANY OF THE FUNDS IN ANY WAY, SHALL LOOK ONLY TO THE ASSETS OF THAT FUND WITH WHICH HE MAY DEAL FOR THE PAYMENT OF ANY SUM OR THE PERFORMANCE OF ANY OBLIGATION.

RMR Funds

June 30, 2005

To our shareholders,

We are pleased to present you with our 2005 semi-annual report for four funds:

RMR Real Estate Fund (AMEX: RMR), which began operations in December 2003;

RMR Hospitality and Real Estate Fund (AMEX: RHR), which began operations in April 2004;

RMR F.I.R.E. Fund (AMEX: RFR), which began operations in November 2004; and

RMR Preferred Dividend Fund (AMEX: RDR), which began operations in May 2005.

We invite you to read through the information contained in this report and to view our website, at www.rmrfunds.com.

Sincerely,

Thomas M. O'Brien
President



RMR Real Estate Fund

June 30, 2005

To our shareholders,

In the pages that follow, you will find data summarizing our financial results for the first six months of 2005 and our financial position as of June 30, 2005.

As a result of our investment activities for the first six months of 2005, our net asset value was \$16.75 per common share as of June 30, 2005, a 0.8% increase from \$16.61 per common share six months earlier. In addition to this increase in net asset value per common share, we made monthly distributions totaling \$0.60 per common share during the first six months of 2005.

For the first six months of 2005, our allocation in the manufactured homes sub-sector increased from 4.5% to 6.6% of total investments, our largest sub-sector increase. During the same time period, our allocation in the apartments sub-sector decreased from 18.6% to 13.2% of total investments, our largest sub-sector decrease. These changes partly reflect trading activity based upon our view of the strengths and weaknesses of these sub-sectors and the companies that operate in them and partly reflect the impact of stock market conditions. During the remainder of 2005, we will continue to monitor market conditions and position our portfolio according to our view of those conditions.

For shares that we held continuously during the first six months of 2005, our three best performing investments were Equity Office Properties Trust, Colonial Properties Trust and U-Store-It Trust, with total returns during this period of 17.3%, 16.2% and 13.0%, respectively. Our worst performing investments during the first six months of 2005 were Bedford Property Investors, Inc., Eagle Hospitality Properties Trust, Inc. and Trustreet Properties Inc. with total returns (losses) during the first six months of (15.2)%, (6.5)% and (4.2)%, respectively.

Thank you for your continued support, and be sure to view our website, at www.rmrffunds.com.

Sincerely,

Thomas M. O'Brien
President

RMR Real Estate Fund

June 30, 2005

Relevant Market Conditions

Real Estate Industry Fundamentals. We believe the investment environment for most real estate companies at June 30, 2005, and for the remainder of 2005 is generally positive. We believe that the environment for the remainder of 2005 will include revenue growth and stabilizing to improving occupancy rates. We believe that a majority of real estate investment trust's balance sheets reflect modest debt leverage and low floating rate debt.

Real Estate Industry Technicals. We believe demand for real estate securities over the long term will continue to increase. Demographic trends in the U.S. include growth in the over age 50 population; we believe that individuals in that age category tend to focus their investments in higher yielding stocks like real estate investments trusts, or REITs. Institutions, too, seem to be increasing their allocations to real estate securities as the market capitalization of REITs has increased. Both of these are positive factors affecting the real estate securities market.

Fund Strategies, Techniques and Performance

Our primary investment objective is to earn and pay a high level of current income to our common shareholders by investing in real estate companies. Our secondary investment objective is capital appreciation. There can be no assurance that we will meet our investment objectives.

During the first six months of 2005, our total return on net asset value, or NAV (including NAV changes and assuming a hypothetical reinvestment of distributions at NAV) was 4.8%. During that same period, the total return for the MSCI US REIT Total Return Index was 6.4% and the total return for the MSCI REIT Preferred Index was 2.8%. We believe these two indices are most relevant to our investments because our investments, excluding short-term investments, as of June 30, 2005, include 72.7% REIT common stocks and 26.1% REIT preferred stocks. The S&P 500 Index (an unmanaged index published as Standard and Poor's Composite Index of 500 Stocks) total return (loss) for the first six months of 2005 was (0.8)%.

RMR Real Estate Fund
Portfolio of Investments June 30, 2005 (unaudited)

Company	Shares	Value
<i>Common Stocks 103.1%</i>		
<i>Real Estate Investment Trusts 101.5%</i>		
<i>Apartments 16.8%</i>		
AMLI Residential Properties Trust	106,700	\$ 3,335,442
Apartment Investment & Management Co.	149,100	6,101,172
Associated Estates Realty Corp.	141,400	1,305,122
BNP Residential Properties, Inc.	200,000	3,200,000
Home Properties, Inc.	121,200	5,214,024
		19,155,760
<i>Diversified 24.1%</i>		
Bedford Property Investors, Inc.	150,000	3,453,000
Colonial Properties Trust	145,000	6,380,000
Commercial Net Lease Realty	289,600	5,928,112
Crescent Real Estate Equities Co.	324,000	6,075,000
Lexington Corporate Properties Trust	200,000	4,862,000
Liberty Property Trust	20,000	886,200
		27,584,312
<i>Health Care 11.0%</i>		
Health Care REIT, Inc.	150,000	5,653,500
Nationwide Health Properties, Inc.	250,000	5,902,500
Omega Healthcare Investors Inc.	83,200	1,069,952
		12,625,952
<i>Hospitality 0.5%</i>		
Eagle Hospitality Properties Trust, Inc.	60,000	546,600
<i>Industrial 5.8%</i>		
First Industrial Realty Trust, Inc.	165,000	6,583,500
<i>Manufactured Homes 3.3%</i>		
Sun Communities, Inc.	100,900	3,752,471
<i>Office 21.4%</i>		
Arden Realty, Inc.	114,600	4,123,308
CarrAmerica Realty Corp.	10,000	361,800
Columbia Equity Trust, Inc.	30,000	460,500
Equity Office Properties Trust	250,000	8,275,000
Glenborough Realty Trust, Inc.	285,000	5,868,150
Highwoods Properties, Inc.	85,000	2,529,600
Maguire Properties, Inc.	100,000	2,834,000
		24,452,358

See notes to financial statements and notes to portfolio of investments.

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<i>Retail 11.7%</i>		
Glimcher Realty Trust	75,000	\$ 2,081,250
Heritage Property Investment Trust	200,000	7,004,000
New Plan Excel Realty Trust	156,200	4,243,954
		<hr/>
		13,329,204
<i>Specialty 4.8%</i>		
Getty Realty Corp.	28,600	792,220
Trustreet Properties, Inc.	280,000	4,650,800
		<hr/>
		5,443,020
<i>Storage 2.1%</i>		
Sovran Self Storage, Inc.	50,000	2,273,000
U-Store-It Trust	10,000	190,500
		<hr/>
		2,463,500
<i>Total Real Estate Investment Trusts (Cost \$102,922,084)</i>		
		115,936,677
<i>Other 1.6%</i>		
Panamsat Holding Corp. (Cost \$1,584,000)	88,000	1,804,880
<i>Total Common Stocks (Cost \$104,506,084)</i>		
		117,741,557
<i>Preferred Stocks 36.5%</i>		
<i>Real Estate Investment Trusts 36.5%</i>		
<i>Apartments 2.1%</i>		
Apartment Investment & Management Co., Series G	32,800	872,480
Apartment Investment & Management Co., Series T	60,000	1,518,000
		<hr/>
		2,390,480
<i>Diversified 1.3%</i>		
Colonial Properties Trust, Series E	62,910	1,541,295
<i>Health Care 7.7%</i>		
LTC Properties, Inc., Series F	160,000	4,092,000
OMEGA Healthcare Investors Inc., Series D	160,000	4,240,000
Windrose Medical Properties Trust, Series A*	20,000	495,000
		<hr/>
		8,827,000
<i>Hospitality 12.6%</i>		
Ashford Hospitality Trust, Series A	107,900	2,818,888
Equity Inns, Inc., Series B	34,000	889,100
Eagle Hospitality Properties Trust, Inc., Series A	28,000	719,600
FelCor Lodging Trust, Inc., Series A*	83,000	2,027,690
FelCor Lodging Trust, Inc., Series C	29,200	716,276
Innkeepers USA Trust, Series C	120,000	3,068,400
Winston Hotels, Inc., Series B	160,000	4,111,200
		<hr/>
		14,351,154

See notes to financial statements and notes to portfolio of investments

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<i>Manufactured Homes</i> 6.2%		
Affordable Residential Communities, Series A	280,000	\$ 7,084,000
<i>Office</i> 0.7%		
Kilroy Realty Corp., Series F	30,000	762,000
<i>Retail</i> 2.7%		
CBL & Associates Properties, Inc., Series B	20,000	1,065,000
Glimcher Realty Trust, Series F	20,000	535,800
Glimcher Realty Trust, Series G	50,000	1,277,500
The Mills Corp., Series E	7,100	192,409
		<hr/>
		3,070,709
<i>Specialty</i> 3.2%		
New Century Financial Corp., Series A	20,000	506,000
RAIT Investment Trust, Series A	125,000	3,150,000
		<hr/>
		3,656,000
<i>Total Preferred Stocks (Cost \$40,145,246)</i>		41,682,638
<i>Short-Term Investment</i> 3.3%		
<i>Other Investment Companies</i> 3.3%		
SSgA Money Market Fund, 2.883%(a) (Cost \$3,811,737)	3,811,737	3,811,737
Total Investments 142.9% (Cost \$148,463,067)		163,235,932
Other assets less liabilities 0.9%		1,035,925
Preferred Shares, at liquidation preference (43.8)%		(50,000,000)
Net Assets attributable to common shares 100%		\$ 114,271,857

Notes to portfolio of investments

*

Convertible into common stock.

(a)

Rate reflects 7 day yield as of June 30, 2005.

See notes to financial statements and notes to portfolio of investments

6

RMR Real Estate Fund
Financial Statements continued

Statement of Assets and Liabilities

June 30, 2005 (unaudited)

Assets

Investments in securities, at value (cost \$148,463,067)	\$ 163,235,932
Cash	500,517
Dividends and interest receivable	1,200,458
Receivable for investments sold	1,004,767
Other assets	24,084
	<hr/>
Total assets	165,965,758

Liabilities

Payable for investment securities purchased	1,511,101
Advisory fees payable	80,158
Distributions payable - preferred shares	29,660
Accrued expenses and other liabilities	72,982
	<hr/>
Total liabilities	1,693,901

Preferred shares at liquidation preference

Auction preferred shares, Series T; \$.001 par value per share; 2,000 shares issued and outstanding at \$25,000 per share liquidation preference	50,000,000
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Net assets attributable to common shares

\$ 114,271,857

Composition of net assets

Common shares, \$.001 par value per share; unlimited number of shares authorized, 6,824,000 shares issued and outstanding	\$ 6,824
Additional paid-in capital	96,710,623
Distributions in excess of net investment income	(229,676)
Accumulated net realized gain on investments	3,011,221
Net unrealized appreciation on investments	14,772,865
	<hr/>

Net assets attributable to common shares

\$ 114,271,857

*Net asset value per share attributable to common shares
(based on 6,824,000 common shares outstanding)*

\$ 16.75

See notes to financial statements

RMR Real Estate Fund
Financial Statements continued

Statement of Operations

Six Months Ended June 30, 2005 (unaudited)

Investment income

Dividends (Cash distributions received or due)	\$ 5,327,859
Interest	29,567
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Total investment income	5,357,426
	<hr/>

Expenses

Advisory	658,477
Audit and legal	66,484
Administrative	65,351
Preferred share remarketing	62,919
Custodian	30,594
Shareholder reporting	21,000
Compliance and internal audit	20,000
Trustees' fees and expenses	10,400
Other	47,887
	<hr/>
Total expenses	983,112
Less: expenses waived by the Advisor	(193,670)
	<hr/>
Net expenses	789,442
	<hr/>

Net investment income	4,567,984
	<hr/>

Realized and unrealized gain on investments

Net realized gain on investments	2,646,894
Net change in unrealized appreciation/(depreciation) on investments	(1,501,942)
	<hr/>
Net realized and unrealized gain on investment transactions	1,144,952
Distributions to preferred shareholders from net investment income	(703,260)
	<hr/>

Net increase in net assets attributable to common shares resulting from operations	\$ 5,009,676
	<hr/>

See notes to financial statements

RMR Real Estate Fund
Financial Statements continued

Statement of Changes in Net Assets

	Six Months Ended June 30, 2005	Year Ended December 31, 2004
(unaudited)		
<i>Increase (decrease) in net assets resulting from operations</i>		
Net investment income	\$ 4,567,984	\$ 3,196,785
Net realized gain on investments	2,646,894	4,348,707
Net change in unrealized appreciation/(depreciation) on investments	(1,501,942)	16,866,604
Distributions to preferred shareholders from:		
Net investment income	(703,260)	(320,690)
Net realized gain on investments		(343,770)
	<u>5,009,676</u>	<u>23,747,636</u>
Distributions to common shareholders from:		
Net investment income	(4,094,400)	(3,622,828)
Net realized gain on investments		(3,883,572)
<i>Capital shares transactions</i>		
Net proceeds from sale of common shares		2,144,250
Net proceeds from sale of preferred shares		49,195,335
		<u>51,339,585</u>
Less: Liquidation preference of preferred shares issued		(50,000,000)
	<u>915,276</u>	<u>17,580,821</u>
<i>Net assets attributable to common shares</i>		
Beginning of period	<u>113,356,581</u>	<u>95,775,760</u>
End of period (net of distributions in excess of net investment income of \$229,676 and \$0, respectively)	\$ 114,271,857	\$ 113,356,581
<i>Common shares issued and repurchased</i>		
Shares outstanding, beginning of period	6,824,000	6,674,000
Shares issued		150,000
	<u>6,824,000</u>	<u>6,824,000</u>

See notes to financial statements

Financial Highlights RMR Real Estate Fund

Selected Data for a Common Share Outstanding Throughout the Period

	Six Months Ended June 30, 2005	Year Ended December 31, 2004	For the Period December 18, 2003 (a) to December 31, 2003
(unaudited)			
<i>Per Common Share Operating Performance (b)</i>			
Net asset value, beginning of period	\$ 16.61	\$ 14.35	\$ 14.33(c)
<i>Income from Investment Operations</i>			
Net investment income (d)	0.67(e)	0.47	0.10
Net realized and unrealized appreciation on investments	0.17(e)	3.11	(0.05)
Distributions to preferred shareholders (common stock equivalent basis) from:			
Net investment income	(0.10)(e)	(0.05)	
Net realized gain on investments	(e)	(0.05)	
Net increase in net asset value from operations	0.74	3.48	0.05
Less: Distributions to common shareholders from:			
Net investment income	(0.60)(e)	(0.53)	
Net realized gain on investments	(e)	(0.57)	
Common share offering costs charged to capital			(0.03)
Preferred share offering costs charged to capital		(0.12)	
Net asset value, end of period	\$ 16.75	\$ 16.61	\$ 14.35
Market price, beginning of period	\$ 14.74	\$ 15.00	\$ 15.00
Market price, end of period	\$ 14.29	\$ 14.74	\$ 15.00
<i>Total Return (f)</i>			
Total investment return based on:			
Market price (g)	1.27%	6.42%	0.00%
Net asset value (g)	4.80%	24.73%	