Morningstar Peer Group Classification

Morningstar US Real Estate (US) P

Investment Objective
The Fund seeks high current income with capital appreciation through investment in real estate companies

Valuation

<table>
<thead>
<tr>
<th></th>
<th>06 Jun 2019</th>
<th>12m High &amp; Low</th>
</tr>
</thead>
<tbody>
<tr>
<td>Price $18.78</td>
<td>$19.09</td>
<td>$14.64</td>
</tr>
<tr>
<td>NAV $23.86</td>
<td>$23.96</td>
<td>$18.45</td>
</tr>
<tr>
<td>Discount -21.29%</td>
<td>-18.44%</td>
<td>-24.07%</td>
</tr>
<tr>
<td>Peer Group Discount</td>
<td>-6.62%</td>
<td></td>
</tr>
<tr>
<td>Z-Statistic^c</td>
<td>-0.42</td>
<td></td>
</tr>
</tbody>
</table>

Inception Date 18 Dec 2003
Exchange NY Stock Exchange
NAV Ticker XRIFX
Total Assets $442.501m
Net Assets $337.827m
Market Capitalization $191.594m
Common Shares Outstanding 10,202,009
Preferred Shares Amount $16.675m

Total Leverage Ratio\(^2\) 24%
1940 Act Leverage Ratio\(^3\) 24%
Non-1940 Act Leverage Ratio\(^4\) 0%
Average Daily Shares Traded (1yr) 0.029m
Average Daily Value Traded (1yr) $0.514m
Total Expense Ratio (2018) 1.80%
Income-only Rate (Price)\(^b\) 7.03%
Inc & Cap Gains Rate (Price)\(^b\) 7.03%
Total Distribution Rate (Price)\(^b\) 7.03%

Latest Distribution Cover\(^10\) N/A
Latest UNII per share\(^11\) $0.0016

Distribution Policy
The fund pays Quarterly distributions under a level distribution policy

Latest Distribution History\(^12\)

<table>
<thead>
<tr>
<th>Ex-Date</th>
<th>Income S/T Cap</th>
<th>L/T Cap</th>
<th>Tot Cap</th>
<th>Rtn Cap</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>20 Dec 2018</td>
<td>0.3300</td>
<td></td>
<td>0.3300</td>
<td></td>
<td>0.3300</td>
</tr>
<tr>
<td>19 Sep 2018</td>
<td>0.3300</td>
<td></td>
<td>0.3300</td>
<td></td>
<td>0.3300</td>
</tr>
<tr>
<td>20 Jun 2018</td>
<td>0.3300</td>
<td></td>
<td>0.3300</td>
<td></td>
<td>0.3300</td>
</tr>
<tr>
<td>16 Mar 2018</td>
<td>0.3300</td>
<td></td>
<td>0.3300</td>
<td></td>
<td>0.3300</td>
</tr>
<tr>
<td>20 Dec 2017</td>
<td>0.3300</td>
<td></td>
<td>0.3300</td>
<td></td>
<td>0.3300</td>
</tr>
<tr>
<td>06 Sep 2017</td>
<td>0.3300</td>
<td></td>
<td>0.3300</td>
<td></td>
<td>0.3300</td>
</tr>
<tr>
<td>20 Jun 2017</td>
<td>0.3300</td>
<td></td>
<td>0.3300</td>
<td></td>
<td>0.3300</td>
</tr>
<tr>
<td>20 Mar 2017</td>
<td>0.3300</td>
<td></td>
<td>0.3300</td>
<td></td>
<td>0.3300</td>
</tr>
<tr>
<td>20 Dec 2016</td>
<td>0.3300</td>
<td></td>
<td>0.3300</td>
<td></td>
<td>0.3300</td>
</tr>
<tr>
<td>20 Sep 2016</td>
<td>0.3300</td>
<td></td>
<td>0.3300</td>
<td></td>
<td>0.3300</td>
</tr>
<tr>
<td>16 Jun 2016</td>
<td>0.3300</td>
<td></td>
<td>0.3300</td>
<td></td>
<td>0.3300</td>
</tr>
<tr>
<td>17 Mar 2016</td>
<td>0.3300</td>
<td></td>
<td>0.3300</td>
<td></td>
<td>0.3300</td>
</tr>
</tbody>
</table>

Asset Class (% Portfolio) as at 31 Mar 2018

<table>
<thead>
<tr>
<th>Class</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity - Listed</td>
<td>75.7%</td>
</tr>
<tr>
<td>Preferreds</td>
<td>22.4%</td>
</tr>
<tr>
<td>Other</td>
<td>1.6%</td>
</tr>
<tr>
<td>Cash Alternatives</td>
<td>0.2%</td>
</tr>
<tr>
<td>Other</td>
<td>0.1%</td>
</tr>
</tbody>
</table>
Largest Holdings (% Portfolio) as at 30 Nov 2018
Simon Property Group Inc 2.7%
Entertainment Properties Trust 2.4%
ProLogis Inc 2.3%
Sun Communities 2.3%
Medical Properties Trust, Inc. 2.2%
National Retail Properties Inc 2.1%
AvalonBay Communities Inc 2.0%
Ventas Inc 1.9%
Stag Industrial, Inc. 1.9%
Ashford Hospitality Trust Inc Series G 1.6%
Total 21.3%

Geographic Breakdown (% of total assets)

**Risk & Return**

**Latest Earnings for 6m to 31 Dec 2018**
EPS Pre-Prefs distributions, p/m $-0.0017
EPS Post-Prefs distributions, p/m $-0.0068
Last Distribution (Income), p/m $0.1100
Last Distribution (Inc & Cap Gns), p/m $0.1100
Last Distribution (Inc, Cap Gns & Rtn Cap), p/m $0.1100
Earnings Rate\(^\text{16}\) Distribution Cover\(^\text{10}\) N/A
UNII per Share (30 Jun 2018) $0.0016
Expected Life of UNII (months)\(^\text{17}\) n/a

**Latest Capital Gains for 6m to 31 Dec 2018**
Realized Cap Gains per share p/m $0.0477
Unrealized Cap Gains per share p/m $0.4629

**Capital Reserves as at 31 Dec 2018**
Accumulated Unrealized Capital Gains per share $0.0000
Accumulated Unrealized Cap Gains/Current NAV\(^\text{18}\) 0%

**Management Fees**
Monthly Management fee calculated on average managed assets at annual rate of 0.85%

**Fund Manager Details**
Fund Manager: Fernando Diaz (21 May 2007) / Adam D. Portnoy (21 May 2007)
RMR Advisors LLC
Two Newton Place, 255 Washington Street, Suite 300, Newton, MA, USA, 02458
Telephone: (617) 332-9530
Website: www.rmrfunds.com

**Initial Public Offering**
The Fund announced the results of its transferable rights offering which entitled rights holders to subscribe for up to an aggregate of 2,550,502 common shares. The subscription price was $17.74 per share and the rights offering was over-subscribed.
1. **Z-Statistic** 1y shows whether the fund’s current discount is significantly higher or lower than the average over the past year, calculated as (Current Discount – Mean) / Std Dev

2. **Total Leverage Ratio** is a measure of how leveraged the fund is by the use of all types of leverage instruments. It is calculated by dividing the sum of the fund’s leverage (includes Preferred Shares, Loans, Lines of Credit, Notes Payable/Commercial Paper, Tender Option Bonds, Reverse Repurchase Agreements, Securities Lending and Dollar Rolls) by the fund’s Total Assets.

3. **1940 Act Leverage Ratio** is a measure of how leveraged the fund is by the use of instruments classed as leverage under the 1940 Investment Company Act. It is calculated by dividing the sum of the fund’s leverage in the form of Preferred Shares, Loans, Lines of Credit, Notes Payable & Commercial Paper, by the fund’s Total Assets minus non-1940 Act Leverage.

4. **Non-1940 Act Leverage Ratio** is a measure of how leveraged the fund is by the use of instruments that are not classed as leverage under the 1940 Investment Company Act. It is calculated by dividing the sum of the fund’s leverage in the form of Tender Option Bonds, Reverse Repurchase Agreement, Securities Lending & Dollar Rolls, by the fund’s Total Assets minus 1940 Act Leverage.

5. **Total Expense Ratio** is calculated by dividing the total expenses for the year, minus the cost of leverage (i.e. debt servicing and Preferred distributions), by the net assets attributable to the common shares.

6. **Income-only Rate** is calculated by annualizing the income component of the latest regular distribution.

7. **Inc & Cap Gains Rate** is calculated by annualizing the income and capital gains components of the latest regular distribution.

8. **Total Distribution Rate** is calculated by annualizing the total latest distribution (income, capital gains and return of capital components). It is important to note that this Rate may include net investment income, capital gains and/or return of capital. (All Rates are expressed as a percentage of latest Share Price and exclude “Special” distributions. The finalized composition – i.e. % income, % capital gains, % return of capital - of distributions for previous years is sourced from the official 10-99 reports. The estimated composition of the distributions for the current calendar year is sourced from section 19a-1 notices published by the funds; these estimates are subject to change at the year-end.)

9. **Tax–Equivalent Rate** represents the Rate an investor in the highest federal tax bracket would require on a taxable fund to match the tax-exempt Rate paid by the fund. It is calculated by dividing the Income-only Rate (Price) by (1 minus the federal tax rate of 35%).

10. **Distribution Cover** is calculated by dividing the latest net earnings per share per month after distributions to Preferred Shareholders by the latest total distribution paid per month. A Distribution Cover figure consistently less than 100 indicates that the fund’s distribution is at least in part funded from capital gains/return of capital.

11. **Latest UNII per share is the Undistributed Net Investment Income per share.

12. Some or all of the distributions from income and short-term capital gains may be classed as qualified dividend income and subject to a reduced federal tax rate of 15%.

13. **Total Return Performance** is calculated by reinvesting distributions at the actual closing share price or NAV on the ex-dividend date as opposed to any dividend reinvestment plan (‘DRIP’) price. DRIP policies vary greatly between Funds whereas the Morningstar calculation is a pure and consistent calculation across all Funds. Therefore the Total Return performance data may vary slightly from the performance data reported by the Fund. All performance returns are calculated up to the close of business on the previous day, with the exception of the calendar year performance figures in the Additional Performance table on page 2.

14. **% Subject to AMT** shows the percentage of the fund’s portfolio subject to the Alternative Minimum Tax.

15. **% Insured** shows the percentage of the fund’s portfolio insured against loss of principal and coupons.

16. **Latest Earnings Rate** is calculated by dividing the latest net earnings per share per month after distributions to Preferred Shareholders by the latest distribution (income component only) paid per month. An Earnings Rate of less than 100 indicates that the fund is under-earning its current distribution from income.

17. **Expected Life of UNII (months)** is calculated when the Earnings Rate is less than 100%, dividing the UNII per share by the monthly shortfall of net investment income to the latest distribution (income component only) paid per month. The statistic is not calculated if UNII is negative.

18. **Accumulated Unrealized Capital Gains / NAV** shows the accumulated capital gains since the fund’s inception as a percentage of current NAV, it is effectively a measure of the store of value within a fund that could be paid out as capital gains were the investments on which gains have been made realized.

19. **Alpha** is the difference between the fund’s average excess total return and the benchmark’s average excess total return.

20. **Beta** is the sensitivity of the fund to broad market movements. A Beta of 0.5 would imply the fund will move by half as much as the index.

21. **R-squared** is a measure of correlation between the fund and index. A value of 0.8 means that 80% of the fund’s NAV changes can be explained by changes in the index.

22. **Sharpe** is a risk-adjusted return measure, calculated by dividing the fund’s average monthly excess total return over the risk-free rate by the standard deviation of those returns. The figure shown is the annualized Sharpe Ratio.

23. **Volatility** is the annualized standard deviation of the logged daily returns, adjusting for distributions. (Risk & Correlation: all statistics calculated on NAV using monthly values, except for volatility that uses daily values.)