ABOUT THE FUND

• A closed-end equity fund
• Internally managed
• Inception date: 1929
• Experienced in-house investment team

WHY INVEST IN ADAMS DIVERSIFIED EQUITY?

• Focused on generating long-term capital appreciation
• Commitment to an annual distribution rate of at least 6%¹
• Exposure to a broadly-diversified large cap equity portfolio
• Attention to risk management

INVESTMENT RETURNS - 12/31/16

Total Return on Net Asset Value

<table>
<thead>
<tr>
<th></th>
<th>YTD</th>
<th>1 YEAR</th>
<th>3 YEAR*</th>
<th>5 YEAR*</th>
<th>10 YEAR*</th>
</tr>
</thead>
<tbody>
<tr>
<td>YTD</td>
<td>9.2%</td>
<td>9.2%</td>
<td>8.3%</td>
<td>13.6%</td>
<td>6.4%</td>
</tr>
</tbody>
</table>

Total Return on Market Price

<table>
<thead>
<tr>
<th></th>
<th>YTD</th>
<th>1 YEAR</th>
<th>3 YEAR*</th>
<th>5 YEAR*</th>
<th>10 YEAR*</th>
</tr>
</thead>
<tbody>
<tr>
<td>YTD</td>
<td>6.9%</td>
<td>6.9%</td>
<td>7.0%</td>
<td>13.6%</td>
<td>5.9%</td>
</tr>
</tbody>
</table>

ANNUAL DISTRIBUTION RATE¹

• Committed to at least 6%
• 2016 Actual: 7.8%

STOCK DATA

• NYSE Symbol ........................................ ADX
• Market Price......................................... $12.71
• 52-Week Range........................................ $10.96-$13.35
• NAV Per Share ....................................... $15.22
• Discount .............................................. 16.5%
• Shares Outstanding............................... 99,436,824

PORTFOLIO MANAGERS

Mark E. Stoeckle  James P. Haynie  D. Cotton Swindell

¹The annual distribution rate is the total dividends and capital gain distributions divided by the average month-end market price of the Fund’s Common Stock for the twelve months ended October 31.
TEN LARGEST EQUITY PORTFOLIO HOLDINGS - 12/31/16

<table>
<thead>
<tr>
<th>Company</th>
<th>Market Value</th>
<th>Percent of Net Assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Apple Inc.</td>
<td>$55,651,510</td>
<td>3.7%</td>
</tr>
<tr>
<td>Alphabet Inc. (Class A &amp; Class C)</td>
<td>55,606,452</td>
<td>3.7%</td>
</tr>
<tr>
<td>Microsoft Corp.</td>
<td>51,998,752</td>
<td>3.4%</td>
</tr>
<tr>
<td>Adams Natural Resources Fund, Inc.*</td>
<td>44,107,232</td>
<td>2.9%</td>
</tr>
<tr>
<td>Comcast Corp. (Class A)</td>
<td>38,654,190</td>
<td>2.6%</td>
</tr>
<tr>
<td>Wells Fargo &amp; Co.</td>
<td>36,978,810</td>
<td>2.4%</td>
</tr>
<tr>
<td>Facebook, Inc. (Class A)</td>
<td>34,894,665</td>
<td>2.3%</td>
</tr>
<tr>
<td>Amazon.com, Inc.</td>
<td>33,069,267</td>
<td>2.2%</td>
</tr>
<tr>
<td>Exxon Mobil Corp.</td>
<td>32,340,158</td>
<td>2.1%</td>
</tr>
<tr>
<td>Boeing Co.</td>
<td>31,914,400</td>
<td>2.1%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$415,215,436</strong></td>
<td><strong>27.4%</strong></td>
</tr>
</tbody>
</table>

* Non-controlled affiliated closed-end fund.

PORTFOLIO CHARACTERISTICS

- Net Assets ................. $1.51B
- Number of Holdings ........... 82
- Weighted Median Market Cap ....... $96.4B
- % Domestic .................. 96%

SECTOR WEIGHTINGS

- Consumer Discretionary: 11.4%
- Consumer Staples: 8.9%
- Energy: 8.3%
- Financials: 15.8%
- Health Care: 13.0%
- Industrials: 10.0%
- Information Technology: 21.3%
- Real Estate: 2.3%
- Materials: 2.1%
- Telecommunications: 1.9%
- Utilities: 2.9%

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