

ADAMS DIVERSIFIED EQUITY FUND, INC.

Form N-30B-2

April 26, 2019

ADAMS
DIVERSIFIED EQUITY
FUND

FIRST QUARTER REPORT

MARCH 31, 2019

GET THE LATEST NEWS AND INFORMATION

adamsfunds.com/sign-up

Letter to Shareholders

Dear Fellow Shareholders,

After the steep sell-off at the end of 2018, the stock market reversed course in the first quarter. The S&P 500 increased 13.7%, its highest first quarter return since 1998. Our Fund outperformed the S&P, increasing 14.0%. These returns were supported by optimism about a U.S.-China trade agreement, combined with signals from the Federal Reserve that it does not plan to raise rates in 2019.

During the quarter we felt the disruption of the longest U.S. government shutdown ever, saw Britain's plans to exit the European Union unravel, and a second summit with North Korea abruptly end with little progress toward

“Consumer Discretionary, Health Care, and Communications Services were the biggest contributors to our relative outperformance.”

denuclearization. Even with this "wall of worry" as a backdrop, the market moved higher throughout the quarter, resulting in its highest quarterly return in a decade.

Ongoing concerns about the health of the global economy and the Fed's accommodating position combined to push long-term interest rates lower. This resulted in the U.S. Treasury yield curve inverting for the first time since 2007. An inverted yield curve occurs when short-term rates are higher than long-term rates and, in the past, has often been a precursor of an economic downturn. While this is one signal that the economic expansion may be nearing an end, there are several indicators that support continued growth, including a strong labor market, low levels of inflation, and renewed momentum in the housing market.

The strength in the stock market was broad-based as all sectors in the S&P 500 were positive for the first time since the second quarter of 2014. In our Fund, while all sectors generated positive returns, our investments in Consumer Discretionary, Health Care, and Communications Services were the biggest contributors to our relative outperformance. Financials and Energy generated positive returns, but underperformed relative to their benchmarks. The Consumer Discretionary sector was a standout for the Fund, increasing 18.4%. Our position in Chipotle Mexican Grill, which increased 64.5%, was a significant contributor to the Fund's return. Chipotle has delivered strong results as its new turnaround initiatives focused on marketing, menu innovation, and loyalty have begun to take hold. We believe the company is in the early innings of this turnaround.

Letter to Shareholders (continued)

During the quarter, we increased our exposure to the growing beauty category. The “selfie generation” is driving sales of cosmetics and skin care and Ulta Beauty is well positioned to benefit from this trend. Ulta is a leading specialty beauty retailer that offers a unique mix of prestige and masstige (affordably-priced) cosmetics, skincare, and haircare in one store. Its exclusive offerings with top brands drive traffic to its stores and website and have enabled it to generate strong top and bottom line growth. We expect the company to continue to outperform given its significant unit growth potential and margin expansion opportunity.

Our Health Care investments were also a key contributor to overall returns. While the sector was up just 8.7%, our returns significantly outperformed due to strong stock selection. Our holdings in biotech performed particularly well, led by Alexion Pharmaceuticals, which increased 39.0%. During the quarter, the FDA approved its next generation Soliris drug, which is a highly effective treatment for many rare diseases. We added Amgen to the portfolio's biotech holdings. In our view, the company is trading at too low a valuation given its strong new product pipeline. During the quarter, we also added Zoetis to our Fund. We like that Zoetis' focus is on animal health, which carries less regulatory and government risk than traditional pharmaceutical companies.

The Communications Services sector also generated strong returns for our Fund, increasing 17.2%. This new sector replaced the Telecommunications sector in September 2018, and now includes media companies such as Walt Disney and Netflix, as well as technology companies such as Facebook and Alphabet. Our position in Netflix, the leader in on-demand streaming services, increased 33.3% for the quarter. With over 150 million subscribers worldwide, Netflix clearly has the first-mover advantage and its competitors continue to struggle to keep up.

While the rest of the market cheered the Fed's decision to hold off on raising rates, the Financials sector, which increased 8.0%, lagged the overall market as lower rates and a flatter yield curve will negatively impact the sector's profitability. Diversified financials was the weakest group in the sector. Our holdings were more defensively positioned with investments in Intercontinental Exchange and Berkshire Hathaway, which benefited us in the fourth quarter of 2018, but hurt us this quarter. On the positive side, we did see the re-emergence of merger and acquisition activity in the banking sector this quarter when BB&T and SunTrust announced plans to merge. While we find the combination compelling over the long-term, we believe the integration could be challenging. With SunTrust shares up 31.4% through mid-February, we chose to exit our position in the stock.

For the three months ended March 31, 2019, the total return on the Fund's net asset value (“NAV”) per share (with dividends and capital gains reinvested) was

2

Letter to Shareholders (continued)

14.0%. This compares to a 13.7% total return for the S&P 500 and a 12.9% total return for the Lipper Large-Cap Core Funds Average over the same time period. The total return on the market price of the Fund's shares for the period was 14.8%.

For the twelve months ended March 31, 2019, the Fund's total return on NAV was 12.1%. Comparable figures for the S&P 500 and Lipper Large-Cap Core Funds Average were 9.5% and 7.7%, respectively. The Fund's total return on market price was 12.2%.

During the quarter, the Fund paid distributions to shareholders of approximately \$5.3 million, or \$.05 per share, consisting of \$.02 net investment income and \$.02 long-term capital gain, realized in 2018, and \$.01 net investment income realized in 2019, all taxable in 2019. On April 16, 2019, an additional net investment income distribution of \$.05 per share was declared for payment on May 31, 2019. These constitute the first two payments toward our annual 6% minimum distribution rate commitment. Additionally, the Fund repurchased 194,763 shares of its Common Stock during the past three months. The shares were repurchased at an average price of \$14.18 and a weighted average discount to NAV of 14.5%.

The bull market reached its 10th year in March, and we are mindful of this as we manage our portfolio. We continue to search for investment opportunities that can outperform in volatile markets. We appreciate your trust in us and are focused on delivering consistent investment returns for shareholders by identifying quality companies that are executing at high levels and trading at attractive valuations.

By order of the Board of Directors,

Mark E. Stoeckle
Chief Executive Officer & President
April 16, 2019

3

Summary Financial Information

(unaudited)

	2019	2018
At March 31:		
Net asset value per share	\$ 16.92	\$ 17.32
Market price per share	\$ 14.44	\$ 14.78
Shares outstanding	106,011,023	101,626,893
Total net assets	\$ 1,794,035,673	\$ 1,760,299,528
Unrealized appreciation on investments	\$ 587,649,833	\$ 562,521,727

For the three months ended March 31:

Net investment income	\$ 4,222,551	\$ 4,901,721
Net realized gain (loss)	\$ 18,328,245	\$ 67,244,383
Cost of shares repurchased	\$ 2,762,328	\$ 1,430,337
Shares repurchased	194,763	95,194
Total return (based on market price)	14.8%	-1.3%
Total return (based on net asset value)	14.0%	-1.0%

Key ratios:

Expenses to average net assets*	0.63%	0.62%
Net investment income to average net assets*	1.12%	1.10%
Portfolio turnover*	68.4%	76.3%
Net cash & short-term investments to net assets	0.5%	1.3%

*

Annualized

Ten Largest Equity Portfolio Holdings

March 31, 2019
(unaudited)

	Market Value	Percent of Net Assets
Microsoft Corporation	\$ 93,160,806	5.2%
Amazon.com, Inc.	73,544,975	4.1
Apple Inc.	55,522,385	3.1
Visa Inc. Class A	47,075,666	2.6
Alphabet Inc. Class A & Class C	46,322,986	2.6
Merck & Co., Inc.	36,702,921	2.0
Adams Natural Resources Fund, Inc.*	36,672,200	2.0
Bank of America Corp.	36,570,545	2.0

Edgar Filing: ADAMS DIVERSIFIED EQUITY FUND, INC. - Form N-30B-2

UnitedHealth Group Incorporated	35,976,330	2.0
Thermo Fisher Scientific Inc.	35,693,088	2.0
	\$ 497,241,902	27.6%

*

Non-controlled affiliated closed-end fund

4

Schedule of Investments

March 31, 2019
(unaudited)

	Shares	Value (a)
Common Stocks — 99.5%		
Communication Services — 8.1%		
Alphabet Inc. Class A (b)	27,400	\$ 32,246,786
Alphabet Inc. Class C (b)	11,997	14,076,200
AT&T Inc.	853,282	26,758,924
Comcast Corporation Class A	668,200	26,714,636
Facebook, Inc. Class A (b)	91,100	15,185,459
Netflix, Inc. (b)	50,300	17,934,968
Verizon Communications Inc.	86,800	5,132,484
Walt Disney Company	68,800	7,638,864
		145,688,321
Consumer Discretionary — 11.0%		
Advance Auto Parts, Inc.	81,900	13,966,407
Amazon.com, Inc. (b)	41,300	73,544,975
Chipotle Mexican Grill, Inc. (b)	24,100	17,118,471
Dollar General Corporation	152,437	18,185,734
Lowe's Companies, Inc.	152,800	16,727,016
NIKE, Inc. Class B	315,800	26,593,518
Tractor Supply Company	159,000	15,543,840
Ulta Beauty, Inc.	46,400	16,181,072
		197,861,033
Consumer Staples — 6.7%		
	161,800	7,581,948

Coca-Cola Company								
Costco Wholesale Corporation	70,300		17,022,442					
Mondelez International, Inc. Class A	244,500		12,205,440					
PepsiCo, Inc.	134,400		16,470,720					
Philip Morris International Inc.	197,000		17,412,830					
Procter & Gamble Company	115,350		12,002,167					
Unilever plc Sponsored ADR	193,400		11,163,048					
Walmart Inc.	261,800		25,533,354					
			119,391,949					
Energy — 5.3%								
Adams Natural Resources Fund, Inc. (c)	2,186,774		36,672,200					
BP plc Sponsored ADR	80,800		3,532,576					
Diamondback Energy, Inc.	74,200		7,533,526					
EOG Resources, Inc.	87,200		8,299,696					
Exxon Mobil Corporation	168,400		13,606,720					
Marathon Petroleum Corporation	167,525		10,026,371					
Occidental Petroleum Corporation	133,100		8,811,220					
Royal Dutch Shell plc Sponsored ADR Class B	54,900		3,510,855					
Total S.A. ADR	60,800		3,383,000	4/08/16	USD	75.00	234	(10,764)
Schlumberger Ltd.	Call	4/08/16	USD	76.00	187			(4,020)
Tesoro Corp.	Call	4/08/16	USD	90.00	51			(3,596)
Valero Energy Corp.	Call	4/08/16	USD	67.00	110			(2,640)
Valero Energy Corp.	Call	4/08/16	USD	68.00	12			(144)
Anadarko Petroleum Corp.	Call	4/15/16	USD	47.50	70			(10,290)

Edgar Filing: ADAMS DIVERSIFIED EQUITY FUND, INC. - Form N-30B-2

Cabot Oil & Gas Corp.	Call	4/15/16	USD	22.50	750	(69,375)
Carrizo Oil & Gas, Inc.	Call	4/15/16	USD	27.50	172	(72,240)
Carrizo Oil & Gas, Inc.	Call	4/15/16	USD	35.00	73	(3,102)
Chevron Corp.	Call	4/15/16	USD	92.50	403	(145,080)
ConocoPhillips	Call	4/15/16	USD	42.50	222	(10,212)
ConocoPhillips	Call	4/15/16	USD	45.00	127	(1,397)
EOG Resources, Inc.	Call	4/15/16	USD	77.50	100	(4,300)
Exxon Mobil Corp.	Call	4/15/16	USD	82.50	557	(107,223)
Exxon Mobil Corp.	Call	4/15/16	USD	85.00	100	(5,650)
Halliburton Co.	Call	4/15/16	USD	35.00	86	(11,395)
Noble Energy, Inc.	Call	4/15/16	USD	35.00	240	(3,000)
Occidental Petroleum Corp.	Call	4/15/16	USD	70.00	341	(23,529)
Royal Dutch Shell PLC, A Shares ADR	Call	4/15/16	USD	50.00	251	(10,668)
Schlumberger Ltd.	Call	4/15/16	USD	75.00	121	(9,378)

Schedule of Investments (continued)

BlackRock Energy and Resources Trust (BGR)

Description	Put/ Call	Expiration Date	Strike		Contracts	Value
			Price			
Tesoro Corp.	Call	4/15/16	USD	95.00	60	\$ (2,280)
Valero Energy Corp.	Call	4/15/16	USD	67.50	75	(3,375)
Valero Energy Corp.	Call	4/15/16	USD	68.00	46	(1,656)
Anadarko Petroleum Corp.	Call	4/22/16	USD	55.00	70	(1,750)
ConocoPhillips	Call	4/22/16	USD	43.50	445	(19,358)
EOG Resources, Inc.	Call	4/22/16	USD	80.00	137	(4,795)
Exxon Mobil Corp.	Call	4/22/16	USD	83.00	480	(90,240)
Exxon Mobil Corp.	Call	4/22/16	USD	86.00	100	(4,850)
Halliburton Co.	Call	4/22/16	USD	34.50	170	(31,535)
Hess Corp.	Call	4/22/16	USD	48.00	211	(113,940)
Phillips 66	Call	4/22/16	USD	89.50	257	(28,270)
Schlumberger Ltd.	Call	4/22/16	USD	76.50	159	(12,879)
Valero Energy Corp.	Call	4/22/16	USD	68.00	93	(5,301)
Anadarko Petroleum Corp.	Call	4/29/16	USD	48.50	122	(22,326)
ConocoPhillips	Call	4/29/16	USD	43.50	222	(16,206)
Devon Energy Corp.	Call	4/29/16	USD	31.00	250	(17,875)
EOG Resources, Inc.	Call	4/29/16	USD	80.00	210	(11,550)
Exxon Mobil Corp.	Call	4/29/16	USD	84.00	93	(15,438)
Halliburton Co.	Call	4/29/16	USD	35.50	86	(12,513)
Hess Corp.	Call	4/29/16	USD	57.50	13	(1,046)
Schlumberger Ltd.	Call	4/29/16	USD	75.50	102	(14,025)
Schlumberger Ltd.	Call	4/29/16	USD	77.50	187	(13,558)
Valero Energy Corp.	Call	4/29/16	USD	69.00	93	(5,254)
ConocoPhillips	Call	5/06/16	USD	41.00	128	(21,952)
Exxon Mobil Corp.	Call	5/06/16	USD	84.50	93	(14,880)
Halliburton Co.	Call	5/06/16	USD	36.50	172	(19,006)
Hess Corp.	Call	5/06/16	USD	57.00	130	(14,950)
Marathon Oil Corp.	Call	5/06/16	USD	13.00	1,700	(59,500)
Pioneer Natural Resources Co.	Call	5/06/16	USD	144.00	101	(56,560)
Schlumberger Ltd.	Call	5/06/16	USD	75.00	236	(42,362)
Schlumberger Ltd.	Call	5/13/16	USD	76.00	102	(15,861)
Anadarko Petroleum Corp.	Call	5/20/16	USD	50.00	122	(25,498)
Carrizo Oil & Gas, Inc.	Call	5/20/16	USD	37.50	37	(3,515)
Chevron Corp.	Call	5/20/16	USD	95.51	275	(77,595)
Enbridge, Inc.	Call	5/20/16	CAD	52.00	393	(34,648)
Encana Corp.	Call	5/20/16	CAD	10.00	750	(15,592)
EOG Resources, Inc.	Call	5/20/16	USD	77.50	150	(28,950)
Exxon Mobil Corp.	Call	5/20/16	USD	82.50	111	(31,968)
Hess Corp.	Call	5/20/16	USD	50.00	211	(104,972)
Occidental Petroleum Corp.	Call	5/20/16	USD	70.00	341	(62,915)
Pioneer Natural Resources Co.	Call	5/20/16	USD	140.00	120	(102,600)
TransCanada Corp.	Call	5/20/16	CAD	50.00	225	(36,035)
Hess Corp.	Call	6/17/16	USD	55.00	200	(58,700)
Total						\$ (2,940,904)

OTC Options Written

Description	Put/ Call	Counterparty	Expiration Date	Strike		Contracts	Value
				Price			
BP PLC	Call	Credit Suisse International	4/05/16	GBP	3.50	200,000	\$ (11,830)
Cairn Energy PLC	Call	Morgan Stanley & Co. International PLC	4/05/16	GBP	1.48	120,000	(87,934)
Lundin Petroleum AB	Call	Credit Suisse International	4/05/16	SEK	133.83	44,000	(21,554)
BP PLC	Call	Credit Suisse International	4/08/16	GBP	3.56	200,000	(6,653)
Royal Dutch Shell PLC, A Shares ADR	Call	Citibank N.A.	4/08/16	USD	48.41	57,500	(47,197)
Enbridge, Inc.	Call	UBS AG	4/11/16	CAD	44.95	29,800	(129,517)
Lundin Petroleum AB	Call	Credit Suisse International	4/12/16	SEK	133.83	44,000	(25,168)

Edgar Filing: ADAMS DIVERSIFIED EQUITY FUND, INC. - Form N-30B-2

BP PLC	Call	Goldman Sachs International	4/13/16	GBP	3.71	200,000	(2,284)
Oil Search Ltd.	Call	Citibank N.A.	4/13/16	AUD	7.14	364,000	(16,134)
Cairn Energy PLC	Call	Credit Suisse International	4/20/16	GBP	1.44	97,000	(76,670)
Eni SpA	Call	Goldman Sachs International	4/20/16	EUR	14.09	12,700	(765)
BP PLC	Call	Deutsche Bank AG	4/21/16	GBP	3.55	200,000	(15,466)
Enbridge, Inc.	Call	UBS AG	4/25/16	CAD	44.95	29,800	(133,844)
Eni SpA	Call	Citibank N.A.	4/26/16	EUR	12.57	174,000	(171,921)
BP PLC	Call	Deutsche Bank AG	4/27/16	GBP	3.72	272,000	(13,394)

MARCH 31, 2016

3

Schedule of Investments (continued)

BlackRock Energy and Resources Trust (BGR)

Description	Put/ Call	Counterparty	Expiration Date	Strike		Contracts	Value
				Price			
TOTAL SA	Call	Morgan Stanley & Co. International PLC	4/27/16	EUR	42.62	43,300	\$ (11,442)
Cairn Energy PLC	Call	Credit Suisse International	4/28/16	GBP	1.46	97,000	(74,893)
Noble Energy, Inc.	Call	Deutsche Bank AG	4/29/16	USD	35.93	12,000	(2,762)
TransCanada Corp.	Call	Morgan Stanley & Co. International PLC	4/29/16	CAD	50.49	22,600	(22,834)
TOTAL SA	Call	Credit Suisse International	5/03/16	EUR	41.62	66,000	(44,212)
Royal Dutch Shell PLC, A Shares	Call	Morgan Stanley & Co. International PLC	5/04/16	GBP	17.47	110,700	(44,388)
Cimarex Energy Co.	Call	Bank of America N.A.	5/05/16	USD	102.90	21,000	(57,336)
Cabot Oil & Gas Corp.	Call	Citibank N.A.	5/06/16	USD	23.00	30,000	(37,549)
BP PLC	Call	Citibank N.A.	5/10/16	GBP	3.70	200,000	(9,508)
EQT Corp.	Call	JPMorgan Chase Bank N.A.	5/10/16	USD	66.98	28,500	(104,512)
Cairn Energy PLC	Call	Morgan Stanley & Co. International PLC	5/11/16	GBP	1.63	75,000	(41,006)
Royal Dutch Shell PLC, A Shares	Call	UBS AG	5/12/16	GBP	17.65	110,700	(41,296)
Oil Search Ltd.	Call	JPMorgan Chase Bank N.A.	5/13/16	AUD	7.30	213,000	(22,391)
Royal Dutch Shell PLC, A Shares ADR	Call	Credit Suisse International	5/13/16	USD	48.46	56,000	(98,081)
TransCanada Corp.	Call	Morgan Stanley & Co. International PLC	5/13/16	CAD	51.70	23,000	(16,951)
Cairn Energy PLC	Call	UBS AG	5/18/16	GBP	1.72	126,500	(56,967)
EQT Corp.	Call	JPMorgan Chase Bank N.A.	5/18/16	USD	66.98	28,400	(113,195)
Cabot Oil & Gas Corp.	Call	Citibank N.A.	5/19/16	USD	23.00	30,000	(44,489)
Royal Dutch Shell PLC, A Shares ADR	Call	Citibank N.A.	5/20/16	USD	49.41	57,700	(69,096)
Cairn Energy PLC	Call	Credit Suisse International	5/25/16	GBP	1.67	65,000	(33,721)
Cairn Energy PLC	Call	Deutsche Bank AG	6/08/16	GBP	2.17	226,000	(29,649)
Total							\$ (1,736,609)

Fair Value Hierarchy as of Period End

Various inputs are used in determining the fair value of investments and derivative financial instruments. These inputs to valuation techniques are categorized into a fair value hierarchy consisting of three broad levels for financial reporting purposes as follows:

Level 1 unadjusted price quotations in active markets/exchanges for identical assets or liabilities that the Trust has the ability to access

Level 2 other observable inputs (including, but not limited to, quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, prepayment speeds, loss severities, credit risks and default rates) or other market-corroborated inputs)

Level 3 unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available (including the Trust's own assumptions used in determining the fair value of investments and derivative financial instruments)

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3. The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the fair value hierarchy classification is determined based on the lowest level input that is significant to the fair value measurement in its entirety. The significant unobservable inputs used by the Global Valuation Committee in determining the price for Fair Valued Investments are typically categorized as Level 3.

Changes in valuation techniques may result in transfers into or out of an assigned level within the hierarchy. In accordance with the Trust's policy, transfers between different levels of the fair value hierarchy are deemed to have occurred as of the beginning of the reporting period. The categorization of a value determined for investments and derivative financial instruments is based on the pricing transparency of the investments and derivative financial instruments and is not necessarily an indication of the risks associated with investing in those securities. For information about the Trust's policy regarding valuation of investments and derivative financial instruments, refer to the Trust's most recent financial statements as contained in its annual report.

As of period end, the following tables summarize the Trust's investments and derivative financial instruments categorized in the disclosure hierarchy:

Edgar Filing: ADAMS DIVERSIFIED EQUITY FUND, INC. - Form N-30B-2

	Level 1	Level 2	Level 3	Total
Assets:				
Investments:				
Long-Term Investments:				
Common Stocks:				
Energy Equipment & Services	\$ 37,492,538			\$ 37,492,538
Oil, Gas & Consumable Fuels	316,416,677	\$ 75,146,893		391,563,570
Short-Term Securities	3,369,886			3,369,886
Total	\$ 357,279,101	\$ 75,146,893		\$ 432,425,994

Schedule of Investments (concluded)

BlackRock Energy and Resources Trust (BGR)

	Level 1	Level 2	Level 3	Total
Derivative Financial Instruments ¹				
Liabilities:				
Equity contracts	\$ (2,692,765)	\$ (1,984,748)		\$ (4,677,513)

¹ Derivative financial instruments are options written, which are shown at value.

The Trust may hold assets and/or liabilities in which the fair value approximates the carrying amount for financial reporting purposes. As of period end, such assets and/or liabilities are categorized within the disclosure hierarchy as follows:

	Level 1	Level 2	Level 3	Total
Assets:				
Foreign currency at value	\$ 78,386			\$ 78,386
Liabilities:				
Bank overdraft		\$ (199,661)		\$ (199,661)
Total	\$ 78,386	\$ (199,661)		\$ (121,275)

During the period ended March 31, 2016, there were no transfers between levels.

MARCH 31, 2016

5

Item 2 Controls and Procedures

- 2(a) The registrant's principal executive and principal financial officers, or persons performing similar functions, 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 of this report based on the evaluation of these controls and procedures required by Rule 30a-3(b) under the 1940 Act and Rule 13a-15(b) under the Securities Exchange Act of 1934, as amended.
- 2(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

Certifications Attached hereto

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.

BlackRock Energy and Resources Trust

By: /s/ John M. Perlowski
John M. Perlowski
Chief Executive Officer (principal executive officer) of
BlackRock Energy and Resources Trust

Date: May 23, 2016

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/ John M. Perlowski
John M. Perlowski
Chief Executive Officer (principal executive officer) of
BlackRock Energy and Resources Trust

Date: May 23, 2016

By: /s/ Neal J. Andrews
Neal J. Andrews
Chief Financial Officer (principal financial officer) of
BlackRock Energy and Resources Trust

Date: May 23, 2016