



**THE FOUNDATION
FOR SECURE
MARKETS**

#47294

DATE: JULY 15, 2020

**SUBJECT: ADAMS NATURAL RESOURCES FUND, INC. – PARTIAL SELF
TENDER OFFER
OPTION SYMBOL: PEO
DATE: 8/7/20**

Adams Natural Resources Fund, Inc. (PEO) is the subject of an Offer to Purchase (The “Offer”), as described below:

PURCHASER: The Bulldog-Ancora Group

SECURITY TO BE PURCHASED: Adams Natural Resources Fund, Inc. (PEO) Common Shares

QUANTITY: Up to \$40,000,000.00 of PEO Common Shares

PRICE: 90% of NAV per share net cash

EXPIRATION: 5:00 P.M., New York City time, on August 7, 2020, unless extended

DEPOSITARY: Computershare, Inc.

GUARANTY PERIOD: NONE

DELIVERY SETTLEMENT AND PROTECT PROVISIONS

Option contracts which are exercised, and physically-settled security futures contracts which mature, will require the settlement of all component securities included in the contract deliverable at the time of the futures contract maturation or option contract exercise, including rights, warrants, or similar instruments. Additional entitlements (such as due bills, eligibility to participate in tender offers, elections, etc.) may also automatically attach to securities deliverable upon physically-settled futures contract maturity or option exercise. **Conversely, securities not included in the contract deliverable at the time of the option exercise or futures contract maturity, or other entitlements not associated with the underlying deliverable securities, may preclude holders of long futures contracts from realizing the benefit of such entitlements.** For example, if a physically-settled security futures underlying security is the subject of a tender offer, exchange offer, or similar event which expires *before* the futures contract reaches its maturity, the securities due to long futures holders upon maturity *will not* be eligible for participation in the tender/exchange offer. Conversely, if such tender offer, exchange offer or similar event expires *after* the futures contract matures, securities deliverable to long futures holders *will* be eligible for participation in these events.

Except in unusual cases, securities deliverable as a result of equity option exercise or the maturity of physically-settled security futures are settled through National Securities Clearing Corporation (NSCC).

Rights and obligations of Members with respect to securities settling at NSCC as a result of an option exercise or assignment or a physically-settled security future delivery or receipt obligation are governed by the rules of NSCC. NSCC has its own rules which enable purchasers of securities to protect themselves for value which may be lost if timely delivery is not made to them of securities subject to specific deadlines, such as the expiration of a tender offer, rights subscription, election, or similar event. These rules are generally called protect or liability notice procedures, and are intended to protect purchasers by binding the delivering parties to liability if such value is lost because timely delivery is not effected. Purchasers of securities must observe the rules and procedures of NSCC to avail themselves of such protect provisions of NSCC. Questions regarding these provisions should be addressed to NSCC.

SPECIAL RISKS

Writers of call options and holders of short positions in physically-settled security futures at maturity who are uncovered with respect to deliverable securities subject to deadlines or cut-off times (such as expirations of tender offers, rights subscriptions, elections, or similar events) should be aware of a risk associated with the timing of their possible assignments or physically-settled security futures delivery obligations: Equity option exercise settlement and settlement of physically-settled security futures delivery obligations normally occurs 2 business days after the option exercise date or the security-futures maturity date. An uncovered call writer or uncovered short futures holder who has an obligation to deliver, and who waits until after assignment or futures maturity to effect purchase of the underlying security, may not be able to effect timely delivery by a regular-way purchase (2 business-day settlement) or call option exercise (2 business-day settlement after exercise). Such uncovered writer or short futures holder may nevertheless be subject to liability under the protect provisions of NSCC (see above) with respect to his delivery obligation, because he cannot make timely delivery. Additionally, Cash Markets (same-day, or less-than-2-business-day settlement) may not be available, or may be expensive for buyers of the underlying security.

SHORT TENDERING

Questions concerning compliance with the SEC's Short Tendering Rule - SEC Rule 14e-4 should be addressed to the Exchange specified by each Clearing Member as their Designated Examining Authority. Members are also referred to the SEC for questions concerning SEC Rule 14e-4.

POSSIBLE DELAYED SETTLEMENT

After the Offer expires, it is possible Adams Natural Resources Fund, Inc. (PEO) Common Shares may begin to trade on a when-distributed basis on the NYSE. Should this occur, OCC may delay settlement of PEO options exercise until a settlement date for when-distributed trades is determined.

ADJUSTMENT POLICY FOR TENDERS

Interpretation .03 to Article VI, Section 11A, of OCC's By-Laws states the following:

Adjustments will not be made to reflect a tender offer or exchange offer to the holders of the underlying security whether such offer is made by the issuer of the underlying security or by a third person or whether the offer is for cash, securities or other property. This policy will apply without regard to whether the price of the underlying security may be favorably or adversely affected by the offer or whether the offer may be deemed to be coercive. Outstanding options ordinarily will be adjusted to reflect a merger, consolidation or similar event that becomes effective following the completion of a tender offer or exchange offer.

Under this interpretation, PEO options **will not be adjusted** to reflect the expiration of the Offer. Interpretation .03 indicates an adjustment would be considered **when and if** a subsequent merger, consolidation, or similar event following the tender is **actually consummated**. Until such an event occurs, PEO Common Shares would still exist, trade, and be deliverable in settlement of PEO option exercises.

DISCLAIMER

This Information Memo provides an unofficial summary of the terms of corporate events affecting listed options or futures prepared for the convenience of market participants. OCC accepts no responsibility for the accuracy or completeness of the summary, particularly for information which may be relevant to investment decisions. Option or futures investors should independently ascertain and evaluate all information concerning this corporate event(s).

The determination to adjust options and the nature of any adjustment is made by OCC pursuant to OCC By-Laws, Article VI, Sections 11 and 11A. The determination to adjust futures and the nature of any adjustment is made by OCC pursuant to OCC By-Laws, Article XII, Sections 3, 4, or 4A, as applicable. For both options and futures, each adjustment decision is made on a case by case basis. Adjustment decisions are based on information available at the time and are subject to change as additional information becomes available or if there are material changes to the terms of the corporate event(s) occasioning the adjustment.

ALL CLEARING MEMBERS ARE REQUESTED TO IMMEDIATELY ADVISE ALL BRANCH OFFICES AND OUT-OF-TOWN CORRESPONDENTS ON THE ABOVE.

For questions regarding this memo, call Investor Services at 1-888-678-4667 or email investorservices@theocc.com. Clearing Members may contact Member Services at 1-800-544-6091 or, within Canada, at 1-800-424-7320, or email memberservices@theocc.com.