

ADAMS EXPRESS CO
Form N-30B-2
October 14, 2009

THE ADAMS EXPRESS COMPANY

Board of Directors

Enrique R. Arzac ^{2,4}

Phyllis O. Bonanno ^{2,4}

Kenneth J. Dale ^{3,4}

Daniel E. Emerson ^{1,3,5}

Frederic A. Escherich ^{2,3}

1. *Member of Executive Committee*

2. *Member of Audit Committee*

3. *Member of Compensation Committee*

4. *Member of Retirement Benefits Committee*

5. *Member of Nominating and Governance Committee*

Roger W. Gale ^{1,4,5}

Thomas H. Lenagh ^{2,3}

Kathleen T. McGahran ^{1,3,5}

Douglas G. Ober ¹

Craig R. Smith ^{1,4,5}

Officers

Douglas G. Ober

David D. Weaver

Lawrence L. Hooper, Jr.

David R. Schiminger

D. Cotton Swindell

Brian S. Hook

Christine M. Sloan

Geraldine H. Paré

Chairman, President, Chief Executive Officer

Executive Vice President

Vice President, General Counsel and Secretary

Vice President Research

Vice President Research

Treasurer

Assistant Treasurer

Assistant Secretary

Stock Data

| | |
|---------------------------|---------|
| Market Price (9/30/09) | \$9.77 |
| Net Asset Value (9/30/09) | \$11.59 |
| Discount: | 15.7% |

New York Stock Exchange ticker symbol: ADX

NASDAQ Mutual Fund Quotation Symbol: XADEX

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Newspaper stock listings are generally under the abbreviation: AdamsExp

Distributions in 2009

| | |
|-------------------------|----------------|
| From Investment Income | \$ 0.13 |
| From Net Realized Gains | 0.02 |
| Total | \$ 0.15 |

2009 Dividend Payment Dates

March 1, 2009

June 1, 2009

September 1, 2009

December 28, 2009*

*Anticipated

LETTER TO STOCKHOLDERS

We are pleased to present summary financial information of The Adams Express Company (the Company) for the nine months ended September 30, 2009.

Net assets of the Company at September 30, 2009 were \$11.59 per share on 86,117,331 shares outstanding, compared with \$9.61 per share at December 31, 2008 on 87,406,443 shares outstanding. On March 1, 2009, a distribution of \$0.05 per share was paid, consisting of \$0.02 from 2008 investment income, \$0.02 from 2008 long-term capital gain, and \$0.01 from 2009 investment income, all taxable in 2009. A 2009 investment income dividend of \$0.05 per share was paid June 1, 2009, and another \$0.05 per share investment income dividend was paid September 1, 2009.

Net investment income for the nine months ended September 30, 2009 amounted to \$9,109,755, compared with \$16,755,931 for the same nine month period in 2008. These earnings are equal to \$0.11 and \$0.20 per share, respectively. The reduction in net investment income for 2009 is primarily due to a reduction in the level of dividend income received from portfolio companies, lower interest rates available on our short-term investments, and lower income from our securities lending program.

Net capital gain realized on investments for the nine months ended September 30, 2009 amounted to \$26,041,418, or \$0.30 per share.

We are pleased to report that the Company continues to outperform its benchmarks in each of the year-to-date, one year, five year, and ten year periods.

For the nine months ended September 30, 2009, the total return on the net asset value (with dividends and capital gains reinvested) of the Company's shares was 22.9%. The total return on the market value of the Company's shares for the period was 23.9%. These compare to a 19.3% total return for the Standard & Poor's 500 Composite Stock Index (S&P 500) and a 20.4% total return for the Lipper Large-Cap Core Mutual Fund Average over the same time period.

For the twelve months ended September 30, 2009, the Company's total return on net asset value was (2.1)% and on market value was (2.0)%. Comparable figures for the S&P 500 and the Lipper Large-Cap Core Mutual Fund Average were (6.9)% and (5.9)%, respectively.

You will note that we have changed the format and content of this quarterly report in an effort to improve the usefulness of our communications with you. We are trying to reduce the cost of these reports while continuing to provide you with the most pertinent information about the Company's position. You will find a complete list of the Company's portfolio holdings as well as the changes made in the portfolio, but we have not included complete financial statements or the associated several pages of footnotes that have accompanied them. It is our intention to present

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future reports for the first and third quarters in this or a similar format, and we welcome your comments about these changes. We will continue to provide complete financial statements with our annual and semi-annual reports.

Current and potential stockholders can find information about the Company, including the daily net asset value (NAV) per share, the market price, and the discount/premium to the NAV, on our website at www.adamsexpress.com. Also available on the website are a history of the Company, historical financial information, and other useful content. Further information regarding stockholder services is located on page 7 of this report.

By order of the Board of Directors,

Douglas G. Ober,

Chairman, President and

Chief Executive Officer

October 9, 2009

SUMMARY FINANCIAL INFORMATION

Nine Months Ended September 30

(unaudited)

| | 2009 | 2008 |
|--|-------------|---------------|
| Net asset value per share | \$ 11.59 | \$ 12.80 |
| Total net assets | 998,184,870 | 1,094,622,017 |
| Unrealized appreciation | 31,895,564 | 119,396,927 |
| Net investment income | 9,109,755 | 16,755,931 |
| Net realized gain | 26,041,418 | 29,313,281 |
| Market price | 9.77 | 10.78 |
| Shares outstanding | 86,117,331 | 85,506,641 |
| Shares repurchased | 1,320,849 | 2,206,439 |
| Total return (based on market price) | 23.9% | (22.7)% |
| Total return (based on net asset value) | 22.9% | (17.6)% |
| Key ratios: | | |
| Net investment income to average net assets (annualized) | 1.42% | 1.79% |
| Expenses to average net assets (annualized) | 0.83% | 0.43% |
| Portfolio turnover | 10.40% | 13.85% |
| Net cash & short-term investments to net assets | 3.7% | 9.6% |

RETURNS ON NET ASSET VALUE

As of September 30, 2009

(unaudited)

FIVE YEAR DISTRIBUTION HISTORY*(unaudited)*

| | Income Dividends Per Share | Short-Term Capital Gains Per Share | Long-Term Capital Gains Per Share | Total Distributions Per Share | Dividend Yield* | Annual Rate of Distribution** |
|------|---|---|--|--|----------------------------|--|
| 2004 | \$ 0.24 | \$ 0.02 | \$ 0.64 | \$ 0.90 | 1.9% | 7.1% |
| 2005 | 0.22 | 0.09 | 0.55 | 0.86 | 1.7 | 6.7 |
| 2006 | 0.23 | 0.04 | 0.63 | 0.90 | 1.7 | 6.8 |
| 2007 | 0.32 | 0.08 | 0.63 | 1.03 | 2.2 | 7.2 |
| 2008 | 0.26 | 0.01 | 0.37 | 0.64 | 2.3 | 5.6 |
| | | | | Average: | 2.0% | 6.7% |

* The dividend yield is the total income dividends during the year divided by the average daily market price of the Company's Common Stock.

** The annual rate of distribution is the total dividends and capital gain distributions during the year divided by the average daily market price of the Company's Common Stock.

CHANGES IN PORTFOLIO SECURITIES*During the Three Months Ended September 30, 2009**(unaudited)*

| | Shares | | |
|------------------------------------|------------------|-------------------|------------------------------------|
| | Additions | Reductions | Held September 30, 2009 |
| Apple Inc. | 75,000 | | 75,000 |
| Capital One Financial Corp. | 35,000 | | 315,000 |
| Google Inc. | 20,000 | | 20,000 |
| JPMorgan Chase & Co. | 90,000 | | 425,000 |
| Oshkosh Corp. | 20,000 | | 350,000 |
| PNC Financial Services Group, Inc. | 20,000 | | 270,000 |
| QUALCOMM Inc. | 10,000 | | 240,000 |
| Senomyx, Inc. | 16,628 | | 1,001,028 |
| Avon Products, Inc. | | 100,000 | 335,000 |
| Coca-Cola Co. | | 40,000 | 260,000 |
| Corning Inc. | | 150,000 | 350,000 |

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| | | |
|---|---------|-----------|
| Del Monte Foods Co. | 300,000 | 1,000,000 |
| Goldman Sachs Group, Inc. | 20,000 | |
| Hospira Inc. | 15,000 | 285,000 |
| Pfizer Inc. | 125,000 | 995,000 |
| Teva Pharmaceutical Industries Ltd. ADR | 40,000 | 330,000 |
| 3M Co. | 80,000 | |

PORTFOLIO SUMMARY

September 30, 2009

(unaudited)

Ten Largest Portfolio Holdings

| | <i>Market Value</i> | <i>% of Net Assets</i> |
|------------------------------------|---------------------|------------------------|
| Petroleum & Resources Corporation* | \$ 50,864,363 | 5.1% |
| Microsoft Corp. | 30,550,200 | 3.1 |
| General Electric Co. | 24,432,960 | 2.4 |
| Unilever plc ADR | 22,944,000 | 2.3 |
| Oracle Corp. | 22,924,000 | 2.3 |
| PepsiCo, Inc. | 21,117,600 | 2.1 |
| Cisco Systems, Inc. | 20,009,000 | 2.0 |
| JPMorgan Chase & Co. | 18,623,500 | 1.9 |
| Bank of America Corp. | 18,527,400 | 1.9 |
| United Technologies Corp. | 18,279,000 | 1.8 |
| Total | \$ 248,272,023 | 24.9% |

*Non-controlled affiliate

Sector Weightings

SCHEDULE OF INVESTMENTS

September 30, 2009

(unaudited)

| | Shares | Value (A) |
|--|-----------|---------------|
| Stocks 96.3% | | |
| Consumer 21.3% | | |
| Consumer Discretionary 6.9% | | |
| Lowe's Companies, Inc. | 600,000 | \$ 12,564,000 |
| McDonald's Corp. | 250,000 | 14,267,500 |
| Newell Rubbermaid Inc. (B) | 400,000 | 6,276,000 |
| Ryland Group Inc. (B) | 343,500 | 7,237,545 |
| Target Corp. (B) | 320,000 | 14,937,600 |
| Walt Disney Co. | 480,000 | 13,180,800 |
| | | 68,463,445 |
| Consumer Staples 14.4% | | |
| Avon Products, Inc. (B)(F) | 335,000 | 11,376,600 |
| Bunge Ltd. (B)(F) | 160,000 | 10,017,600 |
| Coca-Cola Co. (B)(F) | 260,000 | 13,962,000 |
| CVS/Caremark Corp. | 285,000 | 10,185,900 |
| Dean Foods Co. (B)(C) | 425,000 | 7,560,750 |
| Del Monte Foods Co. | 1,000,000 | 11,580,000 |
| Hansen Natural Corp. (B)(C) | 260,000 | 9,552,400 |
| PepsiCo, Inc. (G) | 360,000 | 21,117,600 |
| Procter & Gamble Co. | 315,000 | 18,244,800 |
| Safeway Inc. | 390,000 | 7,690,800 |
| Unilever plc ADR | 800,000 | 22,944,000 |
| | | 144,232,450 |
| Energy 11.4% | | |
| Chevron Corp. | 150,000 | 10,564,500 |
| ConocoPhillips | 150,000 | 6,774,000 |
| CONSOL Energy Inc. (F) | 200,000 | 9,022,000 |
| Exxon Mobil Corp. (G) | 215,000 | 14,751,150 |
| Halliburton Co. | 300,000 | 8,136,000 |
| Petroleum & Resources Corporation (D) | 2,186,774 | 50,864,363 |
| Transocean Ltd. (C) | 160,000 | 13,684,800 |
| | | 113,796,813 |
| Financials 12.6% | | |
| Banking 11.0% | | |
| Bank of America Corp. (B) | 1,095,000 | 18,527,400 |
| Bank of New York Mellon Corp. | 403,775 | 11,705,437 |
| Capital One Financial Corp. (B) | 315,000 | 11,254,950 |
| JPMorgan Chase & Co. | 425,000 | 18,623,500 |
| PNC Financial Services Group, Inc. (B) | 270,000 | 13,119,300 |
| State Street Corp. | 230,000 | 12,098,000 |

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| | | |
|-----------------------|---------|-------------|
| Visa Inc. (B) | 190,000 | 13,130,900 |
| Wells Fargo & Co. (B) | 425,000 | 11,976,500 |
| | | 110,435,987 |

Insurance 1.6%

| | | |
|----------------------------|---------|------------|
| Prudential Financial, Inc. | 310,000 | 15,472,100 |
|----------------------------|---------|------------|

Health Care 13.8%

| | | |
|---|-----------|-------------|
| Abbott Laboratories | 320,000 | 15,830,400 |
| Bristol-Myers Squibb Co. | 345,000 | 7,769,400 |
| Gilead Sciences Inc. (C) | 200,000 | 9,316,000 |
| Hospira Inc. (C) | 285,000 | 12,711,000 |
| Johnson & Johnson | 255,000 | 15,526,950 |
| Medtronic, Inc. | 350,000 | 12,880,000 |
| Pfizer Inc. (B) | 995,000 | 16,467,250 |
| Senomyx, Inc. (C) | 1,001,028 | 4,034,143 |
| Teva Pharmaceutical Industries Ltd. ADR | 330,000 | 16,684,800 |
| UnitedHealth Group Inc. (F) | 100,000 | 2,504,000 |
| Wyeth Co. | 325,000 | 15,788,500 |
| Zimmer Holdings, Inc. (B)(C) | 150,000 | 8,017,500 |
| | | 137,529,943 |

Industrials 14.1%

| | | |
|--|-----------|-------------|
| Cintas Corp. | 300,000 | 9,093,000 |
| Curtiss-Wright Corp. | 360,000 | 12,286,800 |
| Emerson Electric Co. (B) | 300,000 | 12,024,000 |
| General Electric Co. (B) | 1,488,000 | 24,432,960 |
| Harsco Corp. | 310,000 | 10,977,100 |
| Illinois Tool Works Inc. | 250,000 | 10,677,500 |
| Masco Corp. | 450,000 | 5,814,000 |
| Oshkosh Corp. | 350,000 | 10,825,500 |
| Spirit AeroSystems Holdings, Inc. (B)(C) | 720,000 | 13,003,200 |
| Tata Motors Ltd. ADR | 1,000,000 | 12,960,000 |
| United Technologies Corp. | 300,000 | 18,279,000 |
| | | 140,373,060 |

Information Technology 16.3%

Communication Equipment 0.5%

| | | |
|------------------|---------|-----------|
| Corning Inc. (B) | 350,000 | 5,358,500 |
|------------------|---------|-----------|

Computer Related 11.8%

| | | |
|--------------------------------|-----------|-------------|
| Apple Inc. (C) | 75,000 | 13,902,750 |
| Automatic Data Processing Inc. | 300,000 | 11,790,000 |
| Cisco Systems, Inc. (C) | 850,000 | 20,009,000 |
| Dell Inc. (C) | 585,000 | 8,927,100 |
| Google Inc. (C) | 20,000 | 9,917,000 |
| Microsoft Corp. | 1,180,000 | 30,550,200 |
| Oracle Corp. | 1,100,000 | 22,924,000 |
| | | 118,020,050 |

Electronics 4.0%

| | | |
|-----------------------|---------|------------|
| Broadcom Corp. (B)(C) | 400,000 | 12,276,000 |
| Intel Corp. | 840,000 | 16,438,800 |
| QUALCOMM Inc. | 240,000 | 10,795,200 |
| | | 39,510,000 |

SCHEDULE OF INVESTMENTS (CONTINUED)

September 30, 2009

| | Shares | Value (A) |
|--|-----------|---------------|
| Materials 1.5% | | |
| du Pont (E.I.) de Nemours and Co. | 460,000 | \$ 14,784,400 |
| Telecom Services 1.1% | | |
| AT&T Corp. | 400,000 | 10,804,000 |
| Utilities 4.2% | | |
| MDU Resources Group, Inc. | 562,500 | 11,728,125 |
| Northeast Utilities | 350,000 | 8,309,000 |
| Northwest Natural Gas Co. | 200,000 | 8,332,000 |
| Spectra Energy Corp. | 305,780 | 5,791,473 |
| WGL Holdings, Inc. | 238,600 | 7,907,204 |
| | | 42,067,802 |
| Total Stocks (Cost \$928,952,182) | | 960,848,550 |
| Short-Term Investments 3.7% | | |
| Money Market Funds 3.7% | | |
| Fidelity Institutional Money Market Government Portfolio, 0.10% (E) | 5,150,411 | 5,150,411 |
| Fidelity Institutional Money Market Treasury Only Portfolio, 0.08% (E) | 2,704 | 2,704 |
| Fidelity Institutional Money Market Treasury Portfolio, 0.06% (E) | 4,495 | 4,495 |
| RBC U.S. Government Money Market (Institutional Class I), 0.12% (E) | 8,737,119 | 8,737,119 |
| Vanguard Federal Money Market, 0.14% (E) | 2,592,806 | 2,592,806 |
| | | 36,513,768 |

Notes:

- (A) Securities are listed on the New York Stock Exchange or the NASDAQ and are valued at the last reported sale price on the day of valuation.
- (B) A portion of shares held are on loan.
- (C) Presently non-dividend paying.
- (D) Non-controlled affiliate, a closed-end sector fund, registered as an investment company under the Investment Company Act of 1940.
- (E) Rate presented is as of period-end and represents the annualized yield earned over the previous seven days.
- (F) All or a portion of this security is pledged to cover open written call option contracts. Aggregate market value of such pledged securities is \$3,871,400.
- (G) All or a portion of this security is pledged to collateralize open written put option contracts with an aggregate value to deliver upon exercise of \$1,820,000.

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This report is transmitted to the stockholders of The Adams Express Company for their information. It is not a prospectus, circular or representation intended for use in the purchase or sale of shares of the Company or of any securities mentioned in the report. The rates of return will vary and the principal value of an investment will fluctuate. Shares, if sold, may be worth more or less than their original cost. Past performance is not indicative of future investment results.

STOCKHOLDER INFORMATION AND SERVICES
DIVIDEND PAYMENT SCHEDULE

The Company presently pays dividends four times a year, as follows: (a) three interim distributions on or about March 1, June 1, and September 1, and (b) a year-end distribution, payable in late December, consisting of the estimated balance of the net investment income for the year and the net realized capital gain earned through October 31. Stockholders may elect to receive the year-end distribution in stock or cash. In connection with this distribution, all **stockholders of record** are sent a dividend announcement notice and an election card in mid-November.

Stockholders holding shares in street or brokerage accounts may make their election by notifying their brokerage house representative.

INVESTORS CHOICE

INVESTORS CHOICE is a direct stock purchase and sale plan, as well as a dividend reinvestment plan, sponsored and administered by our transfer agent, American Stock Transfer & Trust Company (AST). The Plan provides registered stockholders and interested first time investors an affordable alternative for buying, selling, and reinvesting in Adams Express shares.

The costs to participants in administrative service fees and brokerage commissions for each type of transaction are listed below.

| | |
|--|---|
| Initial Enrollment and Optional Cash Investments | |
| Service Fee | \$2.50 per investment |
| Brokerage Commission | \$0.05 per share |
| Reinvestment of Dividends* | |
| Service Fee | 2% of amount invested (maximum of \$2.50 per investment) |
| Brokerage Commission | \$0.05 per share |
| Sale of Shares | |
| Service Fee | \$10.00 |
| Brokerage Commission | \$0.05 per share |
| Book to Book Transfers | Included |
| <i>To transfer shares to another participant or to a new participant</i> | |

Fees are subject to change at any time.

Minimum and Maximum Cash Investments

| | |
|--|-------------|
| Initial minimum investment (non-holders) | \$500.00 |
| Minimum optional investment (existing holders) | \$50.00 |
| Electronic Funds Transfer (monthly minimum) | \$50.00 |
| Maximum per transaction | \$25,000.00 |
| Maximum per year | NONE |

A brochure which further details the benefits and features of INVESTORS CHOICE as well as an enrollment form may be obtained by contacting AST.

For Non-Registered Stockholders

For stockholders whose stock is held by a broker in street name, the AST INVESTORS CHOICE Direct Stock Purchase and Sale Plan remains available through many registered investment security dealers. If your shares are currently held in a street name or brokerage account, please contact your broker for details about how you can participate in AST's Plan or contact AST.

The Company

The Adams Express Company

Lawrence L. Hooper, Jr.

Vice President, General Counsel and Secretary

Seven St. Paul Street, Suite 1140, Baltimore, MD 21202

(800) 638-2479

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E-mail: contact@adamsexpress.com

The Transfer Agent

American Stock Transfer & Trust Company

Address Stockholder Inquiries to:

Stockholder Relations Department

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Investors Choice Mailing Address:

Attention: Dividend Reinvestment

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New York, NY 10269-0560

Website: www.amstock.com

E-mail: info@amstock.com

*The year-end dividend and capital gain distribution will usually be made in newly issued shares of common stock. There are no fees or commissions in connection with this dividend and capital gain distribution when made in newly issued shares.