

ADAMS EXPRESS CO
Form N-30B-2
April 20, 2012

LETTER TO STOCKHOLDERS

We submit herewith the summary financial information of The Adams Express Company (the Company) for the three months ended March 31, 2012.

Net assets of the Company at March 31, 2012 were \$12.92 per share on 91,108,554 shares outstanding, compared with \$11.54 per share at December 31, 2011 on 91,073,899 shares outstanding. On March 1, 2012, a distribution of \$0.05 per share was paid, consisting of \$0.03 from 2011 investment income, \$0.01 from 2011 short-term capital gain and \$0.01 from 2011 long-term capital gain, all taxable in 2012. On April 12, 2012, an investment income dividend of \$0.05 per share was declared to stockholders of record May 14, 2012, payable June 1, 2012. These constitute the first two payments toward our 6% minimum distribution commitment for the year.

Net investment income for the three months ended March 31, 2012 amounted to \$3,606,304, compared with \$2,789,890 for the same three month period in 2011. These earnings are equal to \$0.04 and \$0.03 per share, respectively.

Net capital gain realized on investments for the three months ended March 31, 2012 amounted to \$6,513,940, or \$0.07 per share.

For the three months ended March 31, 2012, the total return on the net asset value (with dividends and capital gains reinvested) of the Company's shares was 12.5%. The total return on the market price of the Company's shares for the period was 14.4%. These compare to a 12.6% total return for the Standard & Poor's 500 Composite Stock Index (S&P 500) and a 12.4% total return for the Lipper Large-Cap Core Mutual Funds Average over the same time period.

For the twelve months ended March 31, 2012, the Company's total return on net asset value was 4.9% and on market price was 3.0%. Comparable figures for the S&P 500 and the Lipper Large-Cap Core Mutual Fund Average were 8.5% and 6.0%, respectively.

The Annual Meeting was held on March 20, 2012 in Baltimore, Maryland. The results of the voting at the Annual Meeting are shown on Page 7.

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We are pleased to announce that on March 20, 2012, Mr. Brian S. Hook was elected Chief Financial Officer. Mr. Hook has served as the Treasurer since 2009 and as Assistant Treasurer since 2008.

Ms. Geraldine H. Paré will retire from the Company as Assistant Secretary in April 2012, after 25 years of service. We thank Ms. Paré for her many contributions over the years and wish her well in her retirement.

Investors 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, links for electronic delivery of stockholder reports, and other useful content.

By order of the Board of Directors,

Douglas G. Ober

Chairman and

Chief Executive Officer

David D. Weaver

President

April 12, 2012

SUMMARY FINANCIAL INFORMATION

(unaudited)

| | 2012 | 2011 |
|--|---------------|---------------|
| <i>At March 31:</i> | | |
| Net asset value per share | \$ 12.92 | \$ 13.13 |
| Market price | 10.98 | 11.36 |
| Shares outstanding | 91,108,554 | 88,920,291 |
| Total net assets | 1,176,974,864 | 1,167,420,989 |
| Unrealized appreciation on investments | 183,348,558 | 196,818,362 |
| <i>For the three months ended March 31:</i> | | |
| Net investment income | 3,606,304 | 2,789,890 |
| Net realized gain | 6,513,940 | 6,741,325 |
| Total return (based on market price) | 14.4% | 6.4% |
| Total return (based on net asset value) | 12.5% | 4.2% |
| <i>Key ratios:</i> | | |
| Net investment income to average net assets (annualized) | 1.29% | 0.97% |
| Expenses to average net assets (annualized) | 0.62% | 0.57% |
| Portfolio turnover (annualized) | 28.80% | 16.65% |
| Net cash & short-term investments to net assets | 6.1% | 1.9% |

FIVE YEAR DISTRIBUTION HISTORY

(unaudited)

| Year | Income Dividends Per Share | Short-Term Capital Gains Per Share | Long-Term Capital Gains Per Share | Total Distributions Per Share | Annual Distribution Rate* |
|------|-------------------------------------|--|---|-------------------------------------|---------------------------------|
| 2007 | \$ 0.32 | \$ 0.08 | \$ 0.63 | \$ 1.03 | 7.1% |
| 2008 | 0.26 | 0.01 | 0.37 | 0.64 | 5.7 |
| 2009 | 0.15 | 0.05 | 0.25 | 0.45 | 5.2 |
| 2010 | 0.14 | 0.09 | 0.28 | 0.51 | 5.1 |
| 2011 | 0.15 | 0.07 | 0.43 | 0.65 | 6.1 |
| | | | | Average: | 5.8% |

*

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The annual distribution rate is the total dividends and capital gain distributions during the year divided by the average month-end market price of the Company's Common Stock for the calendar year in years prior to 2011 and for the twelve months ended October 31 beginning in 2011, which is consistent with the calculation to determine the distribution commitment announced in September 2011.

CHANGES IN PORTFOLIO SECURITIES

During the Three Months Ended March 31, 2012

(unaudited)

| | Shares | | Held March 31, 2012 |
|---|-----------|------------|---------------------------|
| | Additions | Reductions | |
| Affiliated Managers Group, Inc. | 19,000 | | 19,000 |
| AT&T Corp. | 475,000 | | 475,000 |
| AXIS Capital Holdings, Ltd. | 40,000 | | 190,000 |
| CF Industries Holdings, Inc. | 7,000 | | 38,531 |
| Diageo plc ADR | 2,000 | | 2,000 |
| Emerson Electric Co. | 120,000 | | 220,000 |
| Express Scripts Inc. | 220,000 | | 220,000 |
| General Electric Co. | 50,000 | | 540,000 |
| Honeywell International Inc. | 15,000 | | 255,000 |
| Kansas City Southern | 55,000 | | 55,000 |
| McKesson Corp. | 20,800 | | 20,800 |
| MetLife Inc. | 285,000 | | 285,000 |
| NiSource Inc. | 75,000 | | 75,000 |
| Schlumberger Ltd. | 40,000 | | 120,000 |
| South Jersey Industries, Inc. | 70,000 | | 100,000 |
| Terex Corp. | 20,000 | | 20,000 |
| Verizon Communications Inc. | 230,000 | | 230,000 |
| Wisconsin Energy Corp. | 60,000 | | 150,000 |
| Abbott Laboratories | | 140,000 | |
| ADTRAN, Inc. | | 216,200 | 102,200 |
| Apple Inc. | | 15,000 | 80,000 |
| Bank of America Corp. | | 455,000 | 930,000 |
| BorgWarner, Inc. | | 15,000 | 135,000 |
| Broadcom Corp. | | 100,000 | 100,000 |
| Bunge Ltd. | | 25,000 | 130,000 |
| Caterpillar Inc. | | 50,000 | 160,000 |
| Celgene Corp. | | 80,000 | 120,000 |
| Chevron Corp. | | 34,000 | 166,000 |
| F5 Networks, Inc. | | 20,000 | 45,000 |
| Freeport-McMoRan Copper & Gold Inc. | | 22,000 | 205,700 |
| Hewlett-Packard Co. | | 50,000 | 250,000 |
| MDU Resources Group, Inc. | | 102,000 | 310,600 |
| Morgan Stanley | | 125,000 | 120,000 |
| NetApp, Inc. | | 175,000 | 125,000 |
| Norfolk Southern Corp. | | 60,000 | 100,000 |
| Northeast Utilities | | 157,000 | 193,000 |
| Oracle Corp. | | 200,000 | 760,000 |
| Peabody Energy Corp. | | 3,340 | 41,060 |
| Potash Corporation of Saskatchewan Inc. | | 26,000 | 130,100 |
| Prudential Financial, Inc. | | 160,000 | 150,000 |
| T. Rowe Price Group, Inc. | | 50,000 | 150,000 |

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| | | |
|---|---------|---------|
| Teva Pharmaceutical Industries Ltd. ADR | 110,000 | 220,000 |
| United Technologies Corp. | 25,000 | 100,000 |
| Zimmer Holdings, Inc. | 35,000 | 115,000 |

PORTFOLIO SUMMARY

March 31, 2012

(unaudited)

Ten Largest Equity Portfolio Holdings

| | <i>Market Value</i> | <i>% of Net Assets</i> |
|------------------------------------|-----------------------|------------------------|
| Petroleum & Resources Corporation* | \$ 56,856,124 | 4.8% |
| Apple Inc. | 47,957,600 | 4.1 |
| JPMorgan Chase & Co. | 27,588,000 | 2.3 |
| McDonald's Corp. | 23,544,000 | 2.0 |
| Microsoft Corp. | 22,575,000 | 1.9 |
| Wells Fargo & Co. | 22,361,700 | 1.9 |
| Intel Corp. | 22,206,900 | 1.9 |
| Oracle Corp. | 22,161,600 | 1.9 |
| Walt Disney Co. | 21,014,400 | 1.8 |
| QUALCOMM Inc. | 20,406,000 | 1.7 |
| Total | \$ 286,671,324 | 24.3% |

*Non-controlled affiliate

Sector Weightings

SCHEDULE OF INVESTMENTS

March 31, 2012

(unaudited)

| | Shares | Value (A) |
|---------------------------------------|-----------|---------------|
| Stocks 93.9% | | |
| Consumer Discretionary 11.3% | | |
| BorgWarner, Inc. (C) | 135,000 | \$ 11,385,900 |
| Columbia Sportswear Co. | 200,000 | 9,490,000 |
| Lowe's Companies, Inc. | 600,000 | 18,828,000 |
| Marriott International Inc. (Class A) | 300,000 | 11,355,000 |
| McDonald's Corp. | 240,000 | 23,544,000 |
| Newell Rubbermaid Inc. | 400,000 | 7,124,000 |
| Ryland Group, Inc. | 613,500 | 11,828,280 |
| Target Corp. | 320,000 | 18,646,400 |
| Walt Disney Co. | 480,000 | 21,014,400 |
| | | 133,215,980 |
| Consumer Staples 10.3% | | |
| Avon Products, Inc. | 359,600 | 6,961,856 |
| Bunge Ltd. | 130,000 | 8,897,200 |
| Coca-Cola Co. | 200,000 | 14,802,000 |
| CVS/Caremark Corp. | 295,000 | 13,216,000 |
| Diageo plc ADR | 2,000 | 192,200 |
| PepsiCo, Inc. (G) | 300,000 | 19,905,000 |
| Philip Morris International Inc. (F) | 150,000 | 13,291,500 |
| Procter & Gamble Co. | 280,000 | 18,818,800 |
| Safeway Inc. (B) | 340,000 | 6,871,400 |
| Senomyx, Inc. (C) | 1,284,400 | 3,519,256 |
| Unilever plc ADR | 460,000 | 15,203,000 |
| | | 121,678,212 |
| Energy 10.7% | | |
| Chevron Corp. (F) | 166,000 | 17,801,840 |
| CONSOL Energy Inc. | 73,700 | 2,513,170 |
| Exxon Mobil Corp. (G) | 115,000 | 9,973,950 |
| Halliburton Co. | 150,000 | 4,978,500 |
| National Oilwell Varco, Inc. (F) | 100,000 | 7,947,000 |
| Peabody Energy Corp. | 41,060 | 1,189,098 |
| Petroleum & Resources Corporation (D) | 2,186,774 | 56,856,124 |
| Schlumberger Ltd. | 120,000 | 8,391,600 |
| Seadrill Ltd. | 100,100 | 3,754,751 |
| Spectra Energy Corp. | 405,780 | 12,802,359 |
| | | 126,208,392 |
| Financials 12.9% | | |
| Banks 3.2% | | |
| PNC Financial Services Group, Inc. | 235,000 | 15,155,150 |
| Wells Fargo & Co. | 655,000 | 22,361,700 |

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| | | |
|---|---------|-------------|
| | | 37,516,850 |
| Diversified Financials 6.3% | | |
| Affiliated Managers Group, Inc. | 19,000 | 2,124,390 |
| Bank of America Corp. | 930,000 | 8,900,100 |
| Bank of New York Mellon Corp. | 403,775 | 9,743,091 |
| Capital One Financial Corp. | 240,000 | 13,377,600 |
| JPMorgan Chase & Co. | 600,000 | 27,588,000 |
| Morgan Stanley | 120,000 | 2,356,800 |
| T. Rowe Price Group, Inc. | 150,000 | 9,795,000 |
| | | 73,884,981 |
| Insurance 3.3% | | |
| ACE Ltd. (C) | 165,000 | 12,078,000 |
| AXIS Capital Holdings, Ltd. | 190,000 | 6,302,300 |
| MetLife Inc. | 285,000 | 10,644,750 |
| Prudential Financial, Inc. | 150,000 | 9,508,500 |
| | | 38,533,550 |
| Real Estate 0.1% | | |
| Digital Realty Trust Inc. (B) | 15,000 | 1,109,550 |
| Health Care 11.0% | | |
| Bristol-Myers Squibb Co. | 159,061 | 5,368,309 |
| Celgene Corp. (C) | 120,000 | 9,302,400 |
| Express Scripts Inc. | 220,000 | 11,919,600 |
| Gilead Sciences, Inc. (C) | 250,000 | 12,212,500 |
| Johnson & Johnson | 255,000 | 16,819,800 |
| Life Technologies Corp. (C) | 200,000 | 9,764,000 |
| McKesson Corp. | 20,800 | 1,825,616 |
| Medtronic, Inc. | 350,000 | 13,716,500 |
| Pfizer Inc. | 800,000 | 18,128,000 |
| Teva Pharmaceutical Industries Ltd. ADR | 220,000 | 9,913,200 |
| UnitedHealth Group Inc. | 227,500 | 13,408,850 |
| Zimmer Holdings, Inc. (C) | 115,000 | 7,392,200 |
| | | 129,770,975 |
| Industrials 9.5% | | |
| Caterpillar Inc. (F) | 160,000 | 17,043,200 |
| Emerson Electric Co. | 220,000 | 11,479,600 |
| FedEx Corp. | 115,000 | 10,575,400 |
| General Electric Co. | 540,000 | 10,837,800 |
| Goodrich Corp. | 30,000 | 3,763,200 |
| Honeywell International Inc. | 255,000 | 15,567,750 |
| Kansas City Southern | 55,000 | 3,942,950 |
| Masco Corp. | 725,000 | 9,693,250 |
| Norfolk Southern Corp. | 100,000 | 6,583,000 |
| Old Dominion Freight Line, Inc. (C) | 35,000 | 1,668,450 |
| Spirit AeroSystems Holdings, Inc. (Class A) (C) | 500,000 | 12,230,000 |
| Terex Corp. | 20,000 | 450,000 |
| United Technologies Corp. | 100,000 | 8,294,000 |
| | | 112,128,600 |
| Information Technology 18.3% | | |
| Semiconductors 2.2% | | |
| Broadcom Corp. (C) | 100,000 | 3,930,000 |
| Intel Corp. | 790,000 | 22,206,900 |

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| | | |
|--|---------|------------|
| | | 26,136,900 |
| <i>Software & Services 7.0%</i> | | |
| Automatic Data Processing, Inc. | 200,000 | 11,038,000 |
| Cognizant Technology Solutions Group (Class A) (C) | 150,000 | 11,542,500 |
| Google Inc. (Class A) (C)(F) | 22,400 | 14,363,776 |
| Microsoft Corp. | 700,000 | 22,575,000 |
| Oracle Corp. | 760,000 | 22,161,600 |
| | | 81,680,876 |

SCHEDULE OF INVESTMENTS (CONTINUED)

March 31, 2012

(unaudited)

| | Principal/ Shares | Value (A) |
|---|----------------------|---------------|
| Technology Hardware & Equipment 9.1% | | |
| ADTRAN, Inc. | 102,200 | \$ 3,187,618 |
| Apple Inc. (C)(F) | 80,000 | 47,957,600 |
| Cisco Systems, Inc. | 850,000 | 17,977,500 |
| F5 Networks, Inc. (C) | 45,000 | 6,073,200 |
| Hewlett-Packard Co. | 250,000 | 5,957,500 |
| NetApp, Inc. (C) | 125,000 | 5,596,250 |
| QUALCOMM Inc. | 300,000 | 20,406,000 |
| | | 107,155,668 |
| Materials 4.5% | | |
| Air Products and Chemicals, Inc. (F) | 30,000 | 2,754,000 |
| CF Industries Holdings, Inc. (F) | 38,531 | 7,037,687 |
| Cliffs Natural Resources Inc. (F) | 81,000 | 5,610,060 |
| Dow Chemical Co. | 360,000 | 12,470,400 |
| Freeport-McMoRan Copper & Gold Inc. | 205,700 | 7,824,828 |
| Potash Corporation of Saskatchewan Inc. (F) | 130,100 | 5,944,269 |
| Praxair, Inc. (F) | 67,500 | 7,738,200 |
| Teck Resources Ltd. (Class B) | 95,000 | 3,387,700 |
| | | 52,767,144 |
| Telecom Services 3.2% | | |
| AT&T Corp. | 475,000 | 14,834,250 |
| CenturyLink, Inc. | 360,000 | 13,914,000 |
| Verizon Communications Inc. | 230,000 | 8,792,900 |
| | | 37,541,150 |
| Utilities 2.2% | | |
| MDU Resources Group, Inc. | 310,600 | 6,954,333 |
| NiSource Inc. | 75,000 | 1,826,250 |
| Northeast Utilities | 193,000 | 7,164,160 |
| South Jersey Industries, Inc. | 100,000 | 5,004,000 |
| Wisconsin Energy Corp. | 150,000 | 5,277,000 |
| | | 26,225,743 |
| Total Stocks (Cost \$922,149,792) | | 1,105,554,571 |
| Short-Term Investments 5.6% | | |
| Money Market Account 1.7% | | |
| M&T Bank, 0.25% | \$ 20,050,146 | 20,050,146 |

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Money Market Funds 0.0%

| | | |
|--|--------|--------|
| Fidelity Institutional Money Market Government Portfolio, 0.01% (E) | 10,000 | 10,000 |
| RBC U.S. Government Money Market (Institutional Class I), 0.01% (E) | 10,000 | 10,000 |
| Vanguard Federal Money Market, 0.01% (E) | 10,000 | 10,000 |
| Western Asset Institutional Government Reserves (Institutional Class), 0.05% (E) | 10,000 | 10,000 |
| | | 40,000 |

Time Deposits 3.9%

| | | |
|---|---------------|------------|
| Brown Brothers Harriman & Co. (Grand Cayman), 0.03%, due 4/2/12 | \$ 45,454,085 | 45,454,085 |
|---|---------------|------------|

Total Short-Term Investments

(Cost \$65,544,231) 65,544,231

Securities Lending Collateral 0.1%

(Cost \$1,317,720)

Money Market Funds 0.1%

| | | |
|--|-----------|-----------|
| Invesco Short-Term Investment Trust Liquid Assets Portfolio (Institutional Class), 0.16% (E) | 1,317,720 | 1,317,720 |
|--|-----------|-----------|

Total Investments 99.6%

(Cost \$989,011,743) 1,172,416,522

| | | |
|---|--|-----------|
| Cash, receivables, prepaid expenses and other assets, less liabilities 0.4% | | 4,558,342 |
|---|--|-----------|

Net Assets 100.0% \$ 1,176,974,864

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 \$16,042,456.
- (G) All or a portion of this security is pledged to collateralize open written put option contracts with an aggregate market value to deliver upon exercise of \$20,589,750.

ANNUAL MEETING OF STOCKHOLDERS

The Annual Meeting of Stockholders was held on March 20, 2012. The following votes were cast for directors:

| | Votes For | Votes Withheld |
|-----------------------|------------|----------------|
| Enrique R. Arzac | 68,100,661 | 8,800,794 |
| Phyllis O. Bonanno | 70,971,866 | 5,929,589 |
| Kenneth J. Dale | 71,007,914 | 5,893,541 |
| Daniel E. Emerson | 68,177,306 | 8,724,149 |
| Frederic A. Escherich | 71,234,742 | 5,666,713 |
| Roger W. Gale | 71,168,840 | 5,732,615 |
| Kathleen T. McGahran | 71,099,339 | 5,802,116 |
| Douglas G. Ober | 68,697,468 | 8,203,987 |
| Craig R. Smith | 71,182,029 | 5,719,426 |

A proposal to approve and ratify the selection of PricewaterhouseCoopers LLP as the independent registered public accounting firm for the Company for 2012 was approved with 75,541,181 votes for, 674,619 votes against, and 685,655 shares abstaining.

The Adams Express Company

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

(410) 752-5900 (800) 638-2479

Website: www.adamsexpress.com

E-mail: contact@adamsexpress.com

Counsel: Chadbourne & Parke LLP

Independent Registered Public Accounting Firm: PricewaterhouseCoopers LLP

Custodian of Securities: Brown Brothers Harriman & Co.

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Transfer Agent & Registrar: American Stock Transfer & Trust Company

Stockholder Relations Department

59 Maiden Lane

New York, NY 10038

(877) 260-8188

Website: www.amstock.com

E-mail: info@amstock.com

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 no guarantee of future investment results.

THE ADAMS EXPRESS COMPANY

Board of Directors

Enrique R. Arzac ^{2,3}

Phyllis O. Bonanno ^{1,3,5}

Kenneth J. Dale ^{2,4}

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

Frederic A. Escherich ^{1,4,5}

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 ^{2,4}

Kathleen T. McGahran ^{2,3}

Douglas G. Ober ¹

Craig R. Smith ^{1,3,5}

Officers

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Douglas G. Ober, CFA
David D. Weaver, CFA
Nancy J. F. Prue, CFA
Lawrence L. Hooper, Jr.
Richard A. Church
David R. Schiminger, CFA
D. Cotton Swindell, CFA
Brian S. Hook, CFA, CPA
Christine M. Sloan, CPA
Geraldine H. Paré

Chairman and Chief Executive Officer
President
Executive Vice President
Vice President, General Counsel and Secretary
Vice President Research
Vice President Research
Vice President Research
Chief Financial Officer and Treasurer
Assistant Treasurer
Assistant Secretary

Stock Data

| | |
|---------------------------|----------|
| Market Price (3/31/12) | \$ 10.98 |
| Net Asset Value (3/31/12) | \$ 12.92 |
| Discount: | 15.0% |

New York Stock Exchange ticker symbol: ADX

NASDAQ Quotation Symbol for NAV: XADEX

Distributions in 2012

| | |
|---|---------|
| From Investment Income (paid or declared) | \$ 0.08 |
| From Net Realized Gains | 0.02 |
| Total | \$ 0.10 |

2012 Dividend Payment Dates

March 1, 2012

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June 1, 2012

September 1, 2012*

December 27, 2012*

*Anticipated

