

ADAMS EXPRESS CO
Form N-30B-2
October 21, 2011

LETTER TO STOCKHOLDERS

We submit herewith the summary financial information of The Adams Express Company (the Company) for the nine months ended September 30, 2011.

Net assets of the Company at September 30, 2011 were \$10.76 per share on 88,924,926 shares outstanding, compared with \$12.65 per share at December 31, 2010 on 88,885,186 shares outstanding. On March 1, 2011, a distribution of \$0.05 per share was paid, consisting of \$0.02 from 2010 investment income, \$0.01 from 2010 short-term capital gain, \$0.01 from 2010 long-term capital gain, and \$0.01 from 2011 investment income, all taxable in 2011. A 2011 investment income dividend of \$0.05 per share was paid June 1, 2011, and another \$0.05 per share investment income dividend was paid September 1, 2011.

Net investment income for the nine months ended September 30, 2011 amounted to \$9,486,010, compared with \$9,045,923 for the same nine month period in 2010. These earnings are equal to \$0.11 and \$0.10 per share, respectively.

Net capital gain realized on investments for the nine months ended September 30, 2011 amounted to \$35,610,153, or \$0.40 per share.

For the nine months ended September 30, 2011, the total return on the net asset value (with dividends and capital gains reinvested) of the Company's shares was (13.8)%. The total return on the market price of the Company's shares for the period was (12.9)%. These compare to a (8.7)% total return for the Standard & Poor's 500 Composite Stock Index (S&P 500) and a (10.6)% total return for the Lipper Large-Cap Core Mutual Funds Average over the same time period.

For the twelve months ended September 30, 2011, the Company's total return on net asset value was (4.2)% and on market price was (3.0)%. Comparable figures for the S&P 500 and the Lipper Large-Cap Core Mutual Fund Average were 1.1% and (1.5)%, respectively.

As announced on September 8, 2011, the Company has committed to distribute annually to its stockholders a per share amount equal to 6% of the average month-end market price of the Company's Common Stock on the NYSE for the twelve months ended October 31. This commitment recognizes our history of distributions to stockholders and makes clear our future intentions. More details on the distribution commitment may be found on the Company's website at www.adamsexpress.com.

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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, 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

October 13, 2011

SUMMARY FINANCIAL INFORMATION

(unaudited)

| | 2011 | 2010 |
|--|--------------|---------------|
| <i>At September 30:</i> | | |
| Net asset value per share | \$ 10.76 | \$ 11.78 |
| Market price | 9.21 | 9.96 |
| Shares outstanding | 88,924,926 | 87,428,532 |
| Total net assets | 957,010,424 | 1,029,561,550 |
| Unrealized appreciation (depreciation) | (40,613,122) | 62,748,859 |
| <i>For the nine months ended September 30:</i> | | |
| Net investment income | 9,486,010 | 9,045,923 |
| Net realized gain | 35,610,153 | 20,412,767 |
| Total return (based on market price) | (12.9)% | 0.1% |
| Total return (based on net asset value) | (13.8)% | 0.1% |
| <i>Key ratios:</i> | | |
| Net investment income to average net assets (annualized) | 1.12% | 1.18% |
| Expenses to average net assets (annualized) | 0.52% | 0.58% |
| Portfolio turnover | 17.10% | 9.48% |
| Net cash & short-term investments to net assets | 3.8% | 1.7% |

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 | Dividend Yield* | Annual Distribution Rate** |
|-----------------|----------------------------|------------------------------------|-----------------------------------|-------------------------------|-----------------|----------------------------|
| 2006 | \$0.23 | \$0.04 | \$0.63 | \$0.90 | 1.7% | 6.8% |
| 2007 | 0.32 | 0.08 | 0.63 | 1.03 | 2.2 | 7.1 |
| 2008 | 0.26 | 0.01 | 0.37 | 0.64 | 2.3 | 5.7 |
| 2009 | 0.15 | 0.05 | 0.25 | 0.45 | 1.7 | 5.2 |
| 2010 | 0.14 | 0.09 | 0.28 | 0.51 | 1.4 | 5.1 |
| Average: | | | | | 1.9% | 6.0% |

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

CHANGES IN PORTFOLIO SECURITIES

During the Three Months Ended September 30, 2011

(unaudited)

| | Shares | | Held Sept. 30, 2011 |
|---|-----------|------------|---------------------------|
| | Additions | Reductions | |
| ACE Ltd. | 140,000 | | 140,000 |
| Avon Products, Inc. | 30,000 | | 359,600 |
| BorgWarner, Inc. . | 150,000 | | 150,000 |
| Capital One Financial Corp. | 240,000 | | 240,000 |
| Caterpillar Inc. | 60,000 | | 200,000 |
| Celgene Corp. | 38,300 | | 200,000 |
| F5 Networks, Inc. | 35,000 | | 85,000 |
| FedEx Corp. | 20,000 | | 135,000 |
| Honeywell International Inc. | 240,000 | | 240,000 |
| Peabody Energy Corp. | 16,000 | | 44,400 |
| Philip Morris International Inc. | 140,000 | | 140,000 |
| PNC Financial Services Group, Inc. | 20,000 | 65,000 | 225,000 |
| Schlumberger Ltd. | 80,000 | | 80,000 |
| T. Rowe Price Group, Inc. | 75,000 | | 275,000 |
| United Rentals, Inc. | 215,300 | | 215,300 |
| United Technologies Corp. | 40,000 | 65,000 | 105,000 |
| American Express Corp. | | 215,000 | 135,000 |
| Automatic Data Processing, Inc. | | 32,100 | 267,900 |
| CF Industries Holdings, Inc. | | 3,500 | 31,531 |
| Cliffs Natural Resources Inc. | | 39,000 | 81,000 |
| Coca-Cola Co. | | 25,000 | 200,000 |
| Curtiss-Wright Corp. | | 225,059 | 94,941 |
| Dow Chemical Co. | | 40,000 | 360,000 |
| Emerson Electric Co. | | 100,000 | 100,000 |
| Exxon Mobil Corp. | | 100,000 | 115,000 |
| Freeport-McMoRan Copper & Gold Inc. | | 25,300 | 227,700 |
| General Electric Co. | | 218,000 | 490,000 |
| Goodrich Corp. | | 25,000 | 100,000 |
| Intel Corp. | | 50,000 | 790,000 |
| McDonald's Corp. | | 10,000 | 240,000 |
| MDU Resources Group, Inc. | | 30,500 | 442,600 |
| Morgan Stanley | | 100,000 | 300,000 |
| Oracle Corp. | | 100,000 | 1,000,000 |
| Potash Corporation of Saskatchewan Inc. | | 17,300 | 156,100 |
| Praxair, Inc. | | 7,500 | 67,500 |
| Procter & Gamble Co. | | 35,000 | 280,000 |
| State Street Corp. | | 193,000 | |
| Unilever plc ADR | | 20,000 | 480,000 |
| UnitedHealth Group Inc. | | 20,000 | 227,500 |

PORTFOLIO SUMMARY

September 30, 2011

(unaudited)

Ten Largest Equity Portfolio Holdings

| | <i>Market Value</i> | <i>% of Net Assets</i> |
|------------------------------------|-----------------------|------------------------|
| Petroleum & Resources Corporation* | \$ 49,464,828 | 5.2% |
| Apple Inc. | 36,212,100 | 3.8 |
| Oracle Corp. | 28,740,000 | 3.0 |
| McDonald's Corp. | 21,076,800 | 2.2 |
| PepsiCo, Inc. | 18,570,000 | 1.9 |
| Chevron Corp. | 18,504,000 | 1.9 |
| Procter & Gamble Co. | 17,690,400 | 1.8 |
| Microsoft Corp. | 17,423,000 | 1.8 |
| JPMorgan Chase & Co. | 16,867,200 | 1.8 |
| Intel Corp. | 16,850,700 | 1.8 |
| Total | \$ 241,399,028 | 25.2% |

*Non-controlled affiliate

Sector Weightings

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SCHEDULE OF INVESTMENTS

September 30, 2011

(unaudited)

| | Shares | Value (A) |
|--------------------------------------|---------------|------------------|
| Stocks 96.2% | | |
| Consumer 21.5% | | |
| Consumer Discretionary 10.5% | | |
| BorgWarner, Inc. (C) | 150,000 | \$ 9,079,500 |
| Columbia Sportswear Co. (B) | 200,000 | 9,280,000 |
| Lowe's Companies, Inc. | 600,000 | 11,604,000 |
| Marriot International Inc. (Class A) | 300,000 | 8,172,000 |
| McDonald's Corp. | 240,000 | 21,076,800 |
| Newell Rubbermaid Inc. | 400,000 | 4,748,000 |
| Ryland Group, Inc. (B) | 613,500 | 6,533,775 |
| Target Corp. | 320,000 | 15,692,800 |

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| | | |
|---------------------------------------|-----------|-------------|
| Walt Disney Co. | 480,000 | 14,476,800 |
| | | 100,663,675 |
| Consumer Staples 11.0% | | |
| Avon Products, Inc. | 359,600 | 7,048,160 |
| Bunge Ltd. | 155,000 | 9,034,950 |
| Coca-Cola Co. | 200,000 | 13,512,000 |
| CVS/Caremark Corp. | 295,000 | 9,906,100 |
| PepsiCo, Inc. (G) | 300,000 | 18,570,000 |
| Philip Morris International Inc. | 140,000 | 8,733,200 |
| Procter & Gamble Co. | 280,000 | 17,690,400 |
| Safeway Inc. | 340,000 | 5,654,200 |
| Unilever plc ADR (B) | 480,000 | 14,971,200 |
| | | 105,120,210 |
| Energy 11.4% | | |
| Chevron Corp. | 200,000 | 18,504,000 |
| CONSOL Energy Inc. | 73,700 | 2,500,641 |
| Exxon Mobil Corp. (G) | 115,000 | 8,352,450 |
| Halliburton Co. | 150,000 | 4,578,000 |
| National Oilwell Varco, Inc. (F) | 100,000 | 5,122,000 |
| Peabody Energy Corp. | 44,400 | 1,504,272 |
| Petroleum & Resources Corporation (D) | 2,186,774 | 49,464,828 |
| Schlumberger Ltd. | 80,000 | 4,778,400 |
| Spectra Energy Corp. | 405,780 | 9,953,783 |
| Transocean Ltd. (C) | 95,000 | 4,535,300 |
| | | 109,293,674 |
| Financials 12.0% | | |
| Banks 2.7% | | |
| PNC Financial Services Group, Inc. | 225,000 | 10,842,750 |
| Wells Fargo & Co. | 635,000 | 15,316,200 |
| | | 26,158,950 |
| Diversified Financials 6.9% | | |
| American Express Co. | 135,000 | 6,061,500 |
| Bank of America Corp. | 1,385,000 | 8,476,200 |
| Bank of New York Mellon Corp. | 403,775 | 7,506,177 |
| Capital One Financial Corp. | 240,000 | 9,511,200 |
| JPMorgan Chase & Co. | 560,000 | 16,867,200 |
| Morgan Stanley | 300,000 | 4,050,000 |
| T. Rowe Price Group, Inc. | 275,000 | 13,136,750 |
| | | 65,609,027 |
| Insurance 2.4% | | |
| ACE Ltd. | 140,000 | 8,484,000 |
| Prudential Financial, Inc. | 310,000 | 14,526,600 |
| | | 23,010,600 |
| Health Care 13.4% | | |
| Abbott Laboratories | 200,000 | 10,228,000 |
| Bristol-Myers Squibb Co. | 159,061 | 4,991,334 |
| Celgene Corp. (C) | 200,000 | 12,384,000 |
| Gilead Sciences, Inc. (C) | 250,000 | 9,700,000 |
| Hospira, Inc. (C) | 175,000 | 6,475,000 |
| Johnson & Johnson | 255,000 | 16,246,050 |
| Life Technologies Corp. (C) | 200,000 | 7,686,000 |
| Medtronic, Inc. | 350,000 | 11,634,000 |

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| | | |
|---|-----------|------------|
| Pfizer Inc. | 800,000 | 14,144,000 |
| Senomyx, Inc. (C) | 1,284,400 | 4,508,244 |
| Teva Pharmaceutical Industries Ltd. ADR | 330,000 | 12,282,600 |
| UnitedHealth Group Inc. | 227,500 | 10,492,300 |
| Zimmer Holdings, Inc. (C) | 150,000 | 8,025,000 |

128,796,528

Industrials 10.2%

| | | |
|--|---------|------------|
| Caterpillar Inc. | 200,000 | 14,768,000 |
| Curtiss-Wright Corp. | 94,941 | 2,737,149 |
| Emerson Electric Co. | 100,000 | 4,131,000 |
| FedEx Corp. | 135,000 | 9,136,800 |
| General Electric Co. | 490,000 | 7,467,600 |
| Goodrich Corp. | 100,000 | 12,068,000 |
| Honeywell International Inc. | 240,000 | 10,538,400 |
| Masco Corp. | 825,000 | 5,874,000 |
| Norfolk Southern Corp. | 200,000 | 12,204,000 |
| Spirit AeroSystems Holdings Inc. (Class A) (C) | 500,000 | 7,975,000 |
| United Rentals, Inc. (B)(C) | 215,300 | 3,625,652 |
| United Technologies Corp. | 105,000 | 7,387,800 |

97,913,401

Information Technology 21.2%

Semiconductors 2.5%

| | | |
|--------------------|---------|------------|
| Broadcom Corp. (C) | 200,000 | 6,658,000 |
| Intel Corp. | 790,000 | 16,850,700 |

23,508,700

Software & Services 8.7%

| | | |
|--|-----------|------------|
| Automatic Data Processing, Inc. | 267,900 | 12,631,485 |
| Cognizant Technology Solutions Group (Class A) (C) | 150,000 | 9,405,000 |
| Google Inc. (Class A) (C)(F) | 30,000 | 15,431,400 |
| Microsoft Corp. | 700,000 | 17,423,000 |
| Oracle Corp. | 1,000,000 | 28,740,000 |

83,630,885

Technology Hardware & Equipment 10.0%

| | | |
|--------------------------|---------|------------|
| ADTRAN, Inc. | 318,400 | 8,424,864 |
| Apple Inc. (C)(F) | 95,000 | 36,212,100 |
| Cisco Systems, Inc. | 850,000 | 13,166,500 |
| F5 Networks, Inc. (C)(F) | 85,000 | 6,039,250 |
| Hewlett-Packard Co. | 300,000 | 6,735,000 |
| NetApp, Inc. (C) | 300,000 | 10,182,000 |
| QUALCOMM Inc. | 300,000 | 14,589,000 |

95,348,714

SCHEDULE OF INVESTMENTS (CONTINUED)

September 30, 2011

(unaudited)

| | Principal/ Shares | Value (A) |
|--|----------------------|--------------|
| Materials 4.4% | | |
| Air Products and Chemicals, Inc. | 35,000 | \$ 2,672,950 |
| CF Industries Holdings, Inc. (F) | 31,531 | 3,890,610 |
| Cliffs Natural Resources Inc. (F) | 81,000 | 4,144,770 |
| Dow Chemical Co. | 360,000 | 8,085,600 |
| Freeport-McMoRan Copper & Gold Inc. | 227,700 | 6,933,465 |
| Potash Corporation of Saskatchewan Inc. (F) | 156,100 | 6,746,642 |
| Praxair, Inc. (F) | 67,500 | 6,309,900 |
| Teck Resources Ltd. (Class B) | 100,000 | 2,919,000 |
| | | 41,702,937 |
| Utilities 2.1% | | |
| MDU Resources Group, Inc. | 442,600 | 8,493,494 |
| Northeast Utilities | 350,000 | 11,777,500 |
| | | 20,270,994 |
| Total Common Stocks (Cost \$960,889,318) | | 921,028,295 |
| Short-Term Investments 2.7% | | |
| Time Deposits 2.7% | | |
| Citibank, 0.03%, due 10/3/11 | \$ 6,157,702 | 6,157,702 |
| M&T Bank, 0.90% | \$ 20,000,000 | 20,000,000 |
| | | 26,157,702 |
| 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), 0.02% (E) | 10,000 | 10,000 |
| | | 40,000 |
| Total Short-Term Investments (Cost \$26,197,702) | | 26,197,702 |
| Securities Lending Collateral 1.3% (Cost \$12,210,186) | | |
| Money Market Funds 1.3% Invesco Short-Term Investment Trust Liquid Assets Portfolio (Institutional Class), 0.11% (E) | 12,210,186 | 12,210,186 |
| | | 959,436,183 |

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Total Investments 100.2%

(Cost \$999,297,206)

| | | |
|--|--------|-------------|
| Cash, receivables, prepaid expenses and other assets, less liabilities | (0.2)% | (2,425,759) |
|--|--------|-------------|

Net Assets 100.0%

\$ 957,010,424

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 \$13,154,593.
- (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 \$13,200,000.

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.

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OTHER INFORMATION

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, the net realized capital gain earned through October 31 and, if applicable, a return of capital. 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.**

Statement on Quarterly Filing of Complete Portfolio Schedule

In addition to publishing its complete schedule of portfolio holdings in the First and Third Quarter Reports to stockholders, the Company also files its complete schedule of portfolio holdings with the Securities and Exchange Commission for the first and third quarters of each fiscal year

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on Form N-Q. The Company's Forms N-Q are available on the Commission's website at www.sec.gov. The Company's Forms N-Q may be reviewed and copied at the Commission's Public Reference Room, and information on the operation of the Public Reference Room may be obtained by calling 1-800-SEC-0330. The Company also posts a link to its Forms N-Q on its website at www.adamsexpress.com under the headings "Investment Information", "Financial Reports" and then "SEC Filings".

Proxy Voting Policies and Record

A description of the policies and procedures that the Company uses to determine how to vote proxies relating to portfolio securities owned by the Company and the Company's proxy voting record for the 12-month period ended June 30, 2011 are available (i) without charge, upon request, by calling the Company's toll free number at (800) 638-2479; (ii) on the Company's website at www.adamsexpress.com under the headings "About Adams Express" and "Corporate Information"; and (iii) on the Securities and Exchange Commission's website at www.sec.gov.

Privacy Policy

In order to conduct its business, the Company, through its transfer agent, currently American Stock Transfer & Trust Company, collects and maintains certain nonpublic personal information about our stockholders of record with respect to their transactions in shares of our securities. This information includes the stockholder's address, tax identification or Social Security number, share balances, and dividend elections. We do not collect or maintain personal information about stockholders whose shares of our securities are held in "street name" by a financial institution such as a bank or broker.

We do not disclose any nonpublic personal information about you, our other stockholders or our former stockholders to third parties unless necessary to process a transaction, service an account or as otherwise permitted by law.

To protect your personal information internally, we restrict access to nonpublic personal information about our stockholders to those employees who need to know that information to provide services to our stockholders. We also maintain certain other safeguards to protect your nonpublic personal information.

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

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Independent Registered Public Accounting Firm: PricewaterhouseCoopers LLP

Custodian of Securities: Brown Brothers Harriman & Co.

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

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THE ADAMS EXPRESS COMPANY

Board of Directors

Enrique R. Arzac^{2,3}

Phyllis O. Bonanno^{3,4}

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}

Thomas H. Lenagh^{2,4}

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

Douglas G. Ober¹

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

Officers

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

Chairman and Chief Executive Officer
President

Executive Vice President

Vice President, General Counsel and Secretary

Vice President Research

Vice President Research

Vice President Research

Treasurer

Assistant Treasurer

Geraldine H. Paré

*Assistant Secretary***Stock Data**

| | |
|---------------------------|----------|
| Market Price (9/30/11) | \$ 9.21 |
| Net Asset Value (9/30/11) | \$ 10.76 |
| Discount: | 14.4% |

New York Stock Exchange ticker symbol: ADX

NASDAQ Quotation Symbol for NAV: XADEX

Distributions in 2011

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

2011 Dividend Payment Dates

March 1, 2011

June 1, 2011

September 1, 2011

December 27, 2011*

*Anticipated