

ADAMS EXPRESS CO  
Form N-30B-2  
April 23, 2014



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LETTER TO SHAREHOLDERS

We are pleased to present the summary financial information of The Adams Express Company (the Fund) for the three months ended March 31, 2014.

Net assets of the Fund at March 31, 2014 were \$15.18 per share on 94,048,123 shares outstanding, compared with \$15.09 per share at December 31, 2013 on 94,223,617 shares outstanding. On March 3, 2014, a distribution of \$0.05 per share was paid, consisting of \$0.01 of net investment income, \$0.01 short-term capital gain, and \$0.02 long-term capital gain, realized in 2013, and \$0.01 of net investment income realized in 2014, all taxable in 2014. On April 10, 2014, an investment income dividend of \$0.05 per share was declared to shareholders of record May 14, 2014, payable June 2, 2014. These constitute the first two payments toward our annual 6% minimum distribution rate commitment.

Net investment income for the three months ended March 31, 2014 amounted to \$4,324,530, compared with \$3,914,552 for the same three-month period in 2013. These earnings are equal to \$0.05 and \$0.04 per share, respectively.

Net capital gain realized on investments for the three months ended March 31, 2014 amounted to \$41,897,696, or \$0.45 per share.

For the three months ended March 31, 2014, the total return on the net asset value ("NAV") (with dividends and capital gains reinvested) of the Fund's shares was 1.0%. The total return on the market price of the Fund's shares for the period was (0.3)%. These compare to a 1.8% total return for the Standard& Poor's 500 Composite Stock Index ("S&P 500") and a 1.7% total return for the Lipper Large-Cap Core Mutual Funds Average over the same time period.

For the twelve months ended March 31, 2014, the Fund's total return on NAV was 19.3% and on market price was 18.0%. Comparable figures for the S&P 500 and the Lipper Large-Cap Core Mutual Fund Average were 21.9% and 21.2%, respectively.

The Fund repurchased 190,800 shares of its common stock during the three months ended March 31, 2014. The shares were repurchased at an average price of \$12.87 and a weighted average discount to NAV of 13.9%.

Investors can find the daily NAV per share, the market price, the discount/premium to the NAV per share of the Fund, and quarterly changes in portfolio securities on our website at [www.adamsexpress.com](http://www.adamsexpress.com). Also available there are a history of the Fund, historical financial information,

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

By order of the Board of Directors,

Mark E. Stoeckle

*Chief Executive Officer*

April 10, 2014

## SUMMARY FINANCIAL INFORMATION

(unaudited)

|  | 2014             | 2013             |
|--|------------------|------------------|
| <i>At March 31:</i>                                      |                  |                  |
| Net asset value per share                                | \$ 15.18         | \$ 13.58         |
| Market price per share                                   | \$ 12.98         | \$ 11.74         |
| Shares outstanding                                       | 94,048,123       | 93,098,844       |
| Total net assets   | \$ 1,427,592,834 | \$ 1,264,090,765 |
| Unrealized appreciation on investments                   | \$ 360,832,391   | \$ 261,436,736   |
| <i>For the three months ended March 31:</i>              |                  |                  |
| Net investment income                                    | \$ 4,324,530     | \$ 3,914,552     |
| Net realized gain/(loss)                                 | \$ 41,897,696    | \$ (9,723,598)   |
| Cost of shares repurchased                               | \$ 2,455,232     | \$ --            |
| Shares repurchased                                       | 190,800          | --               |
| Total return (based on market price)                     | (0.3)%           | 11.3%            |
| Total return (based on net asset value)                  | 1.0%             | 9.7%             |
| <i>Key ratios:</i>                                       |                  |                  |
| Net investment income to average net assets (annualized) | 1.23%            | 1.29%            |
| Expenses to average net assets (annualized)              | 0.64%            | 0.75%            |
| Portfolio turnover (annualized)                          | 63.6%            | 42.4%            |
| Net cash & short-term investments to net assets          | 0.7%             | 0.9%             |

## FIVE YEAR DISTRIBUTION HISTORY

(unaudited)

| Year | Income<br>Dividends<br>Per<br>Share | Short-Term<br>Capital Gains<br>Distributions<br>Per Share | Long-Term<br>Capital Gains<br>Distributions<br>Per Share | Total<br>Dividends and<br>Distributions<br>Per Share | Annual<br>Distribution<br>Rate* |
|------|-------------------------------------|---|--|--|---------------------------------|
| 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                             |
| 2012 | 0.18                                | 0.10  | 0.39   | 0.67   | 6.3                             |
| 2013 | 0.22                                | 0.17  | 0.45   | 0.84   | 7.1                             |

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\* The annual distribution rate is the total dividends and distributions per share divided by the Fund's average month-end stock price. For years prior to 2011, the average month-end stock price is determined for the calendar year. For 2011 and later, the average month-end stock price is determined for the twelve months ended October 31, which is consistent with the calculation used for the annual 6% minimum distribution rate commitment adopted in September 2011.

## PORTFOLIO REVIEW

March 31, 2014

(unaudited)

## Ten Largest Equity Portfolio Holdings

|                              | <i>Market Value</i>   | <i>% of Net Assets</i> |
|------------------------------|-----------------------|------------------------|
| Petroleum & Resources Corp.* | \$ 61,054,730         | 4.3%                   |
| Apple Inc.                   | 50,077,842            | 3.5                    |
| Google Inc. (Class A)        | 39,565,105            | 2.8                    |
| JPMorgan Chase & Co.         | 36,426,000            | 2.6                    |
| Wells Fargo & Co.            | 35,763,060            | 2.5                    |
| Pfizer Inc.                  | 33,844,844            | 2.4                    |
| Walt Disney Co.              | 30,234,432            | 2.1                    |
| Gilead Sciences, Inc.        | 29,336,040            | 2.1                    |
| Union Pacific Corp.          | 29,181,130            | 2.0                    |
| Chevron Corp.                | 27,943,850            | 2.0                    |
| <b>Total</b>                 | <b>\$ 373,427,033</b> | <b>26.3%</b>           |

\*Non-controlled affiliated closed-end fund

## Sector Weightings





## SCHEDULE OF INVESTMENTS

March 31, 2014

(unaudited)

|                                       | Shares    | Value (A)    |
|---------------------------------------|-----------|--------------|
| <b>Common Stocks 99.3%</b>            |           |              |
| <b>Consumer Discretionary 12.0%</b>   |           |              |
| Bed Bath & Beyond Inc. (B)            | 120,200   | \$ 8,269,760 |
| BorgWarner Inc.                       | 137,000   | 8,421,390    |
| Comcast Corp. (Class A)               | 452,300   | 22,624,046   |
| Dollar General Corp. (B)              | 271,400   | 15,057,272   |
| GNC Holdings, Inc.                    | 189,000   | 8,319,780    |
| Hanesbrands Inc.                      | 152,000   | 11,624,960   |
| Lowe's Companies, Inc.                | 550,000   | 26,895,000   |
| Magna International Inc.              | 126,000   | 12,135,059   |
| McDonald's Corp.                      | 180,000   | 17,645,400   |
| Walt Disney Co.                       | 377,600   | 30,234,432   |
| Whirlpool Corp.                       | 66,000    | 9,864,360    |
|                                       |           | 171,091,459  |
| <b>Consumer Staples 9.4%</b>          |           |              |
| Bunge Ltd.                            | 100,000   | 7,951,000    |
| Coca-Cola Co.                         | 300,000   | 11,598,000   |
| CVS/Caremark Corp.                    | 314,000   | 23,506,040   |
| Diageo plc ADR                        | 59,400    | 7,400,646    |
| General Mills Inc.                    | 252,400   | 13,079,368   |
| PepsiCo, Inc. (F)                     | 263,500   | 22,002,250   |
| Philip Morris International Inc.      | 262,800   | 21,515,436   |
| Procter & Gamble Co.                  | 175,000   | 14,105,000   |
| Unilever plc ADR                      | 306,250   | 13,101,375   |
|                                       |           | 134,259,115  |
| <b>Energy 10.1%</b>                   |           |              |
| Anadarko Petroleum Corp.              | 105,400   | 8,933,704    |
| Chevron Corp.                         | 235,000   | 27,943,850   |
| EOG Resources, Inc.                   | 68,600    | 13,457,262   |
| Exxon Mobil Corp. (E) (F)             | 105,000   | 10,256,400   |
| Halliburton Co.                       | 147,801   | 8,704,001    |
| Petroleum & Resources Corp. (C)       | 2,186,774 | 61,054,730   |
| Schlumberger Ltd.                     | 138,300   | 13,484,250   |
|                                       |           | 143,834,197  |
| <b>Financials 16.6%</b>               |           |              |
| Allstate Corp.                        | 392,000   | 22,179,360   |
| American Tower Corp.                  | 105,000   | 8,596,350    |
| Berkshire Hathaway Inc. (Class B) (B) | 65,200    | 8,148,044    |
| Capital One Financial Corp.           | 245,000   | 18,904,200   |
| Citigroup Inc.                        | 540,000   | 25,704,000   |
| iShares US Real Estate ETF            | 147,722   | 9,996,348    |

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|                            |         |            |
|----------------------------|---------|------------|
| JPMorgan Chase & Co.       | 600,000 | 36,426,000 |
| Lincoln National Corp.     | 270,000 | 13,680,900 |
| NASDAQ OMX Group, Inc.     | 360,000 | 13,298,400 |
| Prudential Financial, Inc. | 195,000 | 16,506,750 |
| Simon Property Group, Inc. | 89,500  | 14,678,000 |
| SLM Corp.                  | 520,000 | 12,729,600 |
| Wells Fargo & Co.          | 719,000 | 35,763,060 |

236,611,012

**Health Care 13.9%**

|                           |           |            |
|---------------------------|-----------|------------|
| AbbVie Inc.               | 280,000   | 14,392,000 |
| Aetna Inc.                | 252,000   | 18,892,440 |
| Allergan, Inc.            | 120,000   | 14,892,000 |
| Biogen IDEC Inc. (B)      | 47,000    | 14,375,890 |
| Celgene Corp. (B)         | 120,000   | 16,752,000 |
| Covidien plc              | 120,000   | 8,839,200  |
| Gilead Sciences, Inc. (B) | 414,000   | 29,336,040 |
| McKesson Corp.            | 116,000   | 20,482,120 |
| Merck & Co., Inc.         | 480,000   | 27,249,600 |
| Pfizer Inc.               | 1,053,700 | 33,844,844 |

199,056,134

**Industrials 10.9%**

|                              |         |            |
|------------------------------|---------|------------|
| Boeing Co.                   | 205,000 | 25,725,450 |
| Delta Air Lines, Inc.        | 205,000 | 7,103,250  |
| Dover Corp.                  | 176,000 | 14,388,000 |
| Eaton Corp. plc              | 205,000 | 15,399,600 |
| Emerson Electric Co.         | 150,000 | 10,020,000 |
| General Electric Co.         | 246,500 | 6,381,885  |
| Honeywell International Inc. | 287,500 | 26,668,500 |
| Union Pacific Corp.          | 155,500 | 29,181,130 |
| United Technologies Corp.    | 174,500 | 20,388,580 |

155,256,395

**Information Technology 18.5%**

|                                       |         |            |
|---------------------------------------|---------|------------|
| Analog Devices, Inc.                  | 136,100 | 7,232,354  |
| Apple Inc. (F)                        | 93,300  | 50,077,842 |
| Automatic Data Processing, Inc.       | 164,000 | 12,670,640 |
| Cisco Systems, Inc.                   | 625,000 | 14,006,250 |
| Facebook, Inc. (Class A) (B)          | 187,000 | 11,264,880 |
| Google Inc. (Class A) (B)             | 35,500  | 39,565,105 |
| Intel Corp.                           | 435,000 | 11,227,350 |
| International Business Machines Corp. | 42,800  | 8,238,572  |
| MasterCard, Inc. (Class A)            | 230,000 | 17,181,000 |
| Microsoft Corp.                       | 618,800 | 25,364,612 |
| NetApp, Inc.                          | 161,700 | 5,966,730  |
| Oracle Corp.                          | 526,000 | 21,518,660 |
| QUALCOMM Inc.                         | 151,400 | 11,939,404 |
| Seagate Technology plc                | 199,000 | 11,175,840 |
| Visa Inc.                             | 80,500  | 17,376,730 |

264,805,969

**Materials 3.3%**

|  |         |            |
|--|---------|------------|
| CF Industries Holdings, Inc.             | 38,531  | 10,042,720 |
| Eastman Chemical Co.                     | 85,000  | 7,327,850  |
| LyondellBasell Industries N.V. (Class A) | 238,000 | 21,167,720 |
| Praxair, Inc.                            | 67,500  | 8,840,475  |

47,378,765



## SCHEDULE OF INVESTMENTS (CONTINUED)

March 31, 2014

(unaudited)

|   | Principal/<br>Shares | Value (A)        |
|---|----------------------|------------------|
| <b>Telecommunication Services 2.0%</b>  |                      |                  |
| SBA Communications Corp. (Class A) (B)  | 90,000               | \$ 8,186,400     |
| Verizon Communications Inc.   | 420,000              | 19,979,400       |
|   |                      | 28,165,800       |
| <b>Utilities 2.6%</b>   |                      |                  |
| AGL Resources Inc.  | 145,000              | 7,099,200        |
| Edison International  | 148,000              | 8,378,280        |
| NextEra Energy, Inc.  | 81,000               | 7,745,220        |
| NRG Energy, Inc.  | 238,000              | 7,568,400        |
| Pinnacle West Capital Corp.   | 115,000              | 6,285,900        |
|   |                      | 37,077,000       |
| <b>Total Common Stocks</b><br>(Cost \$1,056,697,915)  |                      | 1,417,535,846    |
| <b>Short-Term Investments 0.5%</b>  |                      |                  |
| <b>Money Market Account 0.5%</b>  |                      |                  |
| M&T Bank, 0.15%   | \$ 6,741,619         | 6,741,619        |
| <b>Money Market Funds 0.0%</b>  |                      |                  |
| Fidelity Institutional Money Market - Money Market Portfolio (Institutional Class), 0.09% (D) | 100,000              | 100,000          |
| <b>Total Short-Term Investments</b><br>(Cost \$6,841,619)                                     |                      | 6,841,619        |
| <b>Total Investments 99.8%</b><br>(Cost \$1,063,539,534)                                      |                      | 1,424,377,465    |
| Cash, receivables, prepaid expenses and<br>other assets, less liabilities 0.2%                |                      | 3,215,369        |
| <b>Net Assets 100.0%</b>  |                      | \$ 1,427,592,834 |

Notes:

- (A) Common stocks 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) Presently non-dividend paying.

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- (C) Non-controlled affiliate, a closed-end sector fund, registered as an investment company under the Investment Company Act of 1940.
- (D) Rate presented is as of period-end and represents the annualized yield earned over the previous seven days.
- (E) All or a portion of this security is pledged to cover open written call option contracts. Aggregate market value of such pledged securities is \$390,720.
- (F) 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 \$300,000.

This report is transmitted to the shareholders 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 Fund 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.

OTHER INFORMATION

**Dividend Payment Schedule**

The Fund 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 gains earned through October 31 and, if applicable, a return of capital. Shareholders may elect to receive the year-end distribution in stock or cash. In connection with this distribution, all shareholders of record are sent a dividend announcement notice and an election card in mid-November. **Shareholders 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 shareholders, the Fund also files its complete schedule of portfolio holdings with the Securities and Exchange Commission for the first and third quarters of each fiscal year on Form N-Q. The Fund's Forms N-Q are available on the Commission's website: [www.sec.gov](http://www.sec.gov). The Fund'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 Fund also posts a link to its Forms N-Q on its website: [www.adamsexpress.com](http://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 Fund uses to determine how to vote proxies relating to portfolio securities owned by the Fund and the Fund's proxy voting record for the 12-month period ended June 30, 2013 are available (i) without charge, upon request, by calling the Fund's toll free number at (800) 638-2479; (ii) on the Fund's website: [www.adamsexpress.com](http://www.adamsexpress.com) under the headings "About Adams Express" and "Corporate Information"; and (iii) on the Securities and Exchange Commission's website: [www.sec.gov](http://www.sec.gov).

**Short Sales of Securities**

The Board of Directors has approved a change to the Fund's investment policy on making short sales of securities that expands the Fund's practice on when it may engage in short selling. With the change, the Fund may engage in short sales as part of an investment strategy that involves "paired trades" in which the Fund opportunistically sells short a security and takes a corresponding long position in another security in order to take advantage of market inefficiencies in the pricing of the two securities.

**OTHER INFORMATION (CONTINUED)**

**Electronic Delivery of Shareholder Reports**

The Fund offers shareholders the benefits and convenience of viewing Quarterly and Annual Reports and other shareholder materials on-line. With your consent, paper copies of these documents will cease with the next mailing and will be provided via e-mail. Reduce paper mailed to your home and help lower the Fund's printing and mailing costs. To enroll, please visit the following websites:

Registered shareholders with AST: [www.amstock.com/main](http://www.amstock.com/main)

Shareholders using brokerage accounts: <http://enroll.icsdelivery.com/ADX>

**Privacy Policy**

In order to conduct its business, the Fund, through its transfer agent, American Stock Transfer & Trust Company, collects and maintains certain nonpublic personal information about our shareholders of record with respect to their transactions in shares of our securities. This information includes the shareholder's address, tax identification or Social Security number, share balances, and dividend elections. We do not collect or maintain personal information about shareholders 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 shareholders or our former shareholders 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 shareholders to those employees who need to know that information to provide services to our shareholders. We also maintain certain other safeguards to protect your nonpublic personal information.

**The Adams Express Company**

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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, LLC

Stockholder Relations Department

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Brooklyn, NY 11219

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### THE ADAMS EXPRESS COMPANY

#### Board of Directors

Enrique R. Arzac<sup>1,3,5</sup>

Phyllis O. Bonanno<sup>1,3,5</sup>

Kenneth J. Dale<sup>2,4</sup>

Frederic A. Escherich<sup>1,4,5</sup>

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

6. Chair of the Board

Roger W. Gale<sup>2,4</sup>

Kathleen T. McGahran<sup>1,2,3,5,6</sup>

Craig R. Smith<sup>2,3</sup>

Mark E. Stoeckle<sup>1</sup>



**Officers**

|                          |  |
|--------------------------|--|
| Mark E. Stoeckle         | <i>Chief Executive Officer</i>                               |
| James P. Haynie, CFA     | <i>President</i>   |
| Nancy J.F. Prue, CFA     | <i>Executive Vice President</i>                              |
| Brian S. Hook, CFA, CPA  | <i>Vice President, Chief Financial Officer and Treasurer</i> |
| Lawrence L. Hooper, Jr.  | <i>Vice President, General Counsel and Secretary</i>         |
| David R. Schiminger, CFA | <i>Vice President-Research</i>                               |
| D. Cotton Swindell, CFA  | <i>Vice President-Research</i>                               |
| Christine M. Sloan, CPA  | <i>Assistant Treasurer</i>                                   |

**Stock Data**

|                           |          |
|---------------------------|----------|
| Market Price (3/31/14)    | \$ 12.98 |
| Net Asset Value (3/31/14) | \$ 15.18 |
| Discount:                 | 14.5%    |

New York Stock Exchange ticker symbol: ADX

NASDAQ Quotation Symbol for NAV: XADEX

**Distributions in 2014**

|   |                |
|---|----------------|
| From Investment Income (paid or declared) | \$ 0.07        |
| From Net Realized Gains                   | 0.03           |
| <b>Total</b>                              | <b>\$ 0.10</b> |

**2014 Dividend Payment Dates**

March 3, 2014

June 2, 2014

September 2, 2014\*

December 29, 2014\*

\*Anticipated