

# THE ADAMS EXPRESS COMPANY

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## Board of Directors

Enrique R. Arzac <sup>1,3,5</sup>	Roger W. Gale <sup>2,4</sup>
Phyllis O. Bonanno <sup>1,3,5</sup>	Kathleen T. McGahran <sup>1,2,3,5,6</sup>
Kenneth J. Dale <sup>2,4</sup>	Craig R. Smith <sup>2,3</sup>
Frederic A. Escherich <sup>1,4,5</sup>	Mark E. Stoeckle <sup>1</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

## Officers

Mark E. Stoeckle	<i>Chief Executive Officer</i>
David D. Weaver, 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>
Richard A. Church	<i>Vice President—Research</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 (6/30/13)	\$11.97
Net Asset Value (6/30/13)	\$13.73
Discount:	12.8%

New York Stock Exchange ticker symbol: ADX  
NASDAQ Quotation Symbol for NAV: XADEX

## Distributions in 2013

From Investment Income (paid or declared)	\$0.13
From Net Realized Gains	0.02
Total	<u>\$0.15</u>

## 2013 Dividend Payment Dates

March 1, 2013  
June 3, 2013  
September 3, 2013  
December 27, 2013\*

\*Anticipated

GENERATION AFTER GENERATION –  
WE GROW WITH YOU.™



SEMI-ANNUAL REPORT  
JUNE 30, 2013



## LETTER TO SHAREHOLDERS

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We submit herewith the financial statements of The Adams Express Company (the Fund) for the six months ended June 30, 2013. Also provided are a schedule of investments and other financial information.

Net assets of the Fund at June 30, 2013 were \$13.73 per share on 92,687,368 shares outstanding, compared with \$12.43 per share at December 31, 2012 on 93,029,724 shares outstanding. On March 1, 2013, a distribution of \$0.05 per share was paid, consisting of \$0.03 of net investment income, \$0.01 short-term capital gain, and \$0.01 long-term capital gain, all realized in 2012 and taxable in 2013. A 2013 net investment income dividend of \$0.05 per share was paid June 3, 2013, and another \$0.05 per share net investment income dividend has been declared to shareholders of record August 15, 2013, payable September 3, 2013. These constitute the first three payments toward our annual 6% minimum distribution rate commitment.

Net investment income for the six months ended June 30, 2013 amounted to \$7,432,226, compared with \$7,210,547 for the same six month period in 2012. These earnings are equal to \$0.08 per share in each period.

Net capital gain realized on investments for the six months ended June 30, 2013 amounted to \$26,817,557, or \$0.29 per share.

For the six months ended June 30, 2013, the total return on the net asset value (with dividends and capital gains reinvested) of the Fund's shares was 11.4%. The total return on the market value of the Fund's shares for the period was 14.0%. These compare to a 13.8%

total return for the Standard & Poor's 500 Composite Stock Index ("S&P 500") and a 13.2% total return for the Lipper Large-Cap Core Mutual Funds Average over the same time period.

For the twelve months ended June 30, 2013, the Fund's total return on net asset value was 18.2% and on market value was 20.7%. Comparable figures for the S&P 500 and the Lipper Large-Cap Core Mutual Funds Average were 20.6% and 20.4%, respectively.

The Fund resumed its share repurchases in the first half of 2013 and purchased 389,822 shares of the Fund's common stock during the period. The shares were repurchased at an average price of \$12.12 and a weighted average discount to net asset value (NAV) of 13.1%, resulting in a \$0.01 increase to NAV per share.

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

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By order of the Board of Directors,



Mark E. Stoeckle  
*Chief Executive Officer*



David D. Weaver  
*President*

July 10, 2013

## PORTFOLIO REVIEW

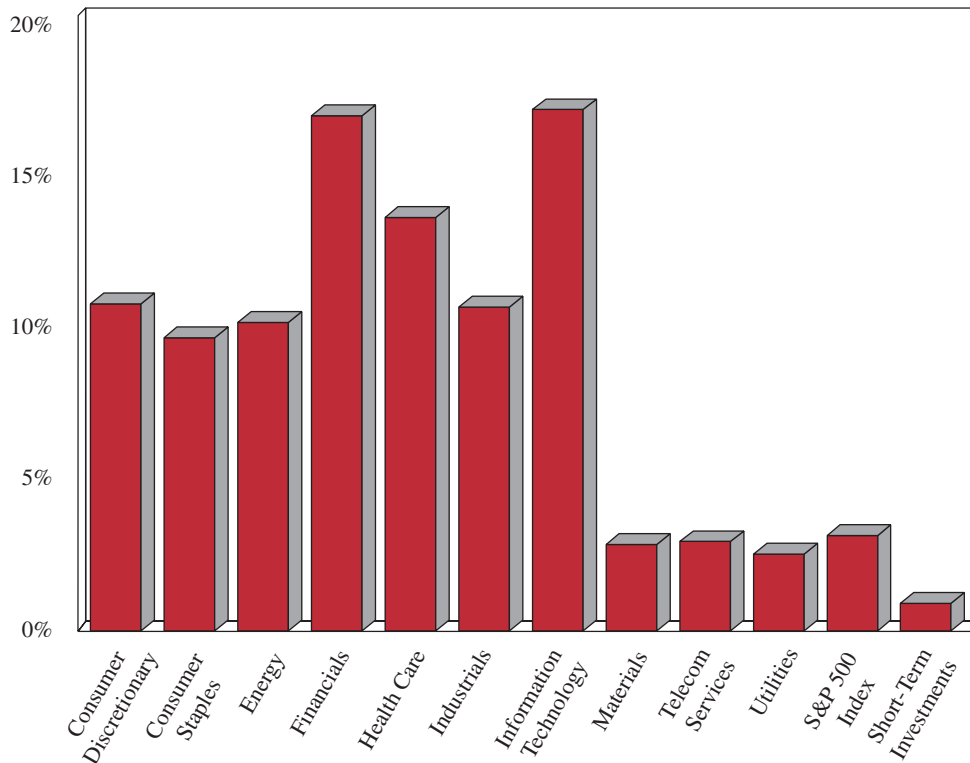
June 30, 2013  
(unaudited)

### Ten Largest Equity Portfolio Holdings

	<u>Market Value</u>	<u>% of Net Assets</u>
Petroleum & Resources Corporation*	\$ 56,156,356	4.4%
SPDR S&P ETF Trust	39,202,450	3.1
Apple Inc.	36,835,440	2.9
JPMorgan Chase & Co.	31,674,000	2.4
Pfizer Inc.	30,530,900	2.4
iShares US Real Estate ETF	30,207,450	2.4
Chevron Corp.	27,809,900	2.2
General Electric Co.	25,393,050	2.0
QUALCOMM Inc.	24,432,000	1.9
Microsoft Corp.	24,171,000	1.9
<b>Total</b>	<b>\$326,412,546</b>	<b>25.6%</b>

\*Non-controlled affiliate

### Sector Weightings



## STATEMENT OF ASSETS AND LIABILITIES

June 30, 2013  
(unaudited)

### Assets

Investments* at value:		
Common stocks (cost \$985,416,541)	\$1,202,207,357	
Non-controlled affiliate, Petroleum & Resources Corporation (cost \$34,735,404)	56,156,356	
Short-term investments (cost \$12,186,322)	12,186,322	\$1,270,550,035
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Cash		240,007
Dividends and interest receivable		1,401,825
Prepaid pension cost		2,028,934
Prepaid expenses and other assets		3,362,024
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<i>Total Assets</i>		1,277,582,825

### Liabilities

Open written option contracts* at value (proceeds \$298,257)	204,670
Accrued pension liabilities	3,355,489
Accrued expenses and other liabilities	1,325,107
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<i>Total Liabilities</i>	4,885,266

### Net Assets

\$1,272,697,559

### Net Assets

Common Stock at par value \$0.001 per share, authorized 150,000,000 shares; issued and outstanding 92,687,368 shares (includes 161,645 restricted shares, 18,000 nonvested or deferred restricted stock units, and 14,598 deferred stock units) (note 6)		\$ 92,687
Additional capital surplus		1,009,290,175
Accumulated other comprehensive income (note 5)		(1,634,806)
Undistributed net investment income		2,832,212
Undistributed net realized gain on investments		23,811,936
Unrealized appreciation on investments		238,305,355
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<b>Net Assets Applicable to Common Stock</b>		<b>\$1,272,697,559</b>
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<b>Net Asset Value Per Share of Common Stock</b>		<b>\$13.73</b>

\* See Schedule of Investments on page 11 and Schedule of Outstanding Written Option Contracts on page 13.

*The accompanying notes are an integral part of the financial statements.*

## STATEMENT OF OPERATIONS

*Six Months Ended June 30, 2013*  
*(unaudited)*

### Investment Income

Income:

Dividends:

From unaffiliated issuers (net of \$46,048 in foreign taxes)	\$ 11,657,603
From non-controlled affiliate	349,884
Interest and other income	382,108

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<i>Total income</i>	12,389,595
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Expenses:

Investment research	2,634,378
Administration and operations	1,127,933
Travel, training, and other office expenses	279,684
Directors' fees	188,052
Transfer agent, registrar, and custodian	158,428
Investment data services	140,612
Reports and shareholder communications	125,600
Legal services	99,179
Occupancy	72,167
Insurance	55,370
Audit and accounting services	53,283
Other	22,683

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<i>Total expenses</i>	4,957,369
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<b>Net Investment Income</b>	<b>7,432,226</b>
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### Realized Gain and Change in Unrealized Appreciation on Investments

Net realized gain on security transactions	26,251,197
Net realized gain distributed by regulated investment company (non-controlled affiliate)	87,471
Net realized gain on written option contracts	478,889
Change in unrealized appreciation on securities	95,398,545
Change in unrealized appreciation on written option contracts	(154,560)

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<b>Net Gain on Investments</b>	<b>122,061,542</b>
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### Other Comprehensive Income (note 5)

Defined benefit pension plans:

Net actuarial gain arising during period	213,331
Amortization of net loss	130,034
Effect of settlement (non-recurring)	903,700

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<b>Other Comprehensive Income</b>	<b>1,247,065</b>
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<b>Change in Net Assets Resulting from Operations</b>	<b>\$130,740,833</b>
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*The accompanying notes are an integral part of the financial statements.*

## STATEMENTS OF CHANGES IN NET ASSETS

	(unaudited) Six Months Ended June 30, 2013	Year Ended December 31, 2012
<b>From Operations:</b>		
Net investment income	\$ 7,432,226	\$ 17,547,510
Net realized gain on investments	26,817,557	47,997,411
Change in unrealized appreciation on investments	95,243,985	80,550,174
Change in accumulated other comprehensive income (note 5)	1,247,065	(243,338)
<i>Increase in net assets resulting from operations</i>	130,740,833	145,851,757
<b>Distributions to Shareholders from:</b>		
Net investment income	(7,436,332)	(16,392,876)
Net realized gain from investment transactions	(1,838,155)	(44,625,641)
<i>Decrease in net assets from distributions</i>	(9,274,487)	(61,018,517)
<b>From Capital Share Transactions:</b>		
Value of shares issued in payment of distributions (note 4)	6,557	20,118,651
Cost of shares purchased (note 4)	(4,724,925)	—
Deferred compensation (notes 4, 6)	(47,456)	311,468
<i>Change in net assets from capital share transactions</i>	(4,765,824)	20,430,119
<b>Total Increase in Net Assets</b>	116,700,522	105,263,359
<b>Net Assets:</b>		
Beginning of period	1,155,997,037	1,050,733,678
End of period (including undistributed net investment income of \$2,832,212 and \$2,836,318, respectively)	\$1,272,697,559	\$1,155,997,037

*The accompanying notes are an integral part of the financial statements.*

# NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

## 1. Significant Accounting Policies

The Adams Express Company (the Fund) is registered under the Investment Company Act of 1940 as a diversified investment company. The Fund is an internally-managed closed-end fund whose investment objectives are preservation of capital, the attainment of reasonable income from investments, and an opportunity for capital appreciation.

The accompanying financial statements were prepared in accordance with accounting principles generally accepted in the United States of America, which require the use of estimates made by Fund management. Management believes that estimates and security valuations are appropriate; however, actual results may differ from those estimates, and the security valuations reflected in the financial statements may differ from the value the Fund ultimately realizes upon sale of the securities.

**Affiliated Companies** — Investments in companies 5% or more of whose outstanding voting securities are held by the Company are defined as “Affiliated Companies” in Section 2(a)(3) of the Investment Company Act of 1940.

**Expenses** — The Fund shares certain costs for investment research and data services, administration and operations, travel, training, office expenses, occupancy, accounting and legal services, insurance, and other miscellaneous items with its non-controlled affiliate, Petroleum & Resources Corporation. Shared expenses that are not solely attributable to one fund are allocated to each fund based on relative net asset values or, in the case of investment research staff and related costs, relative market values of portfolio securities in the particular sector of coverage. Expense allocations are updated quarterly, as appropriate, except those related to payroll, which are updated annually.

**Security Transactions and Investment Income** — Investment transactions are accounted for on the trade date. Gain or loss on sales of securities and options is determined on the basis of specific identification. Dividend income and distributions to shareholders are recognized on the ex-dividend date, and interest income is recognized on the accrual basis.

**Security Valuation** — The Fund’s investments are reported at fair value as defined under accounting principles general accepted in the United States of America. Investments in securities traded on national security exchanges are valued at the last reported sale price on the day of valuation. Over-the-counter and listed securities for which a sale price is not available are valued at the last quoted bid price. Short-term investments (excluding purchased options and money market funds) are valued at amortized cost, which approximates fair value. Purchased and written options are valued at the last quoted bid and asked price, respectively. Money market funds are valued at net asset value on the day of valuation.

Various inputs are used to determine the fair value of the Fund’s investments. These inputs are summarized in the following three levels:

- Level 1 — fair value is determined based on market data obtained from independent sources; for example, quoted prices in active markets for identical investments,

- Level 2 — fair value is determined using other assumptions obtained from independent sources; for example, quoted prices for similar investments,
- Level 3 — fair value is determined using the Fund’s own assumptions, developed based on the best information available in the circumstances.

The Fund’s investments at June 30, 2013 were classified as follows:

	Level 1	Level 2	Level 3	Total
Common stocks	\$1,258,363,713	\$ —	\$ —	\$1,258,363,713
Short-term investments	12,186,322	—	—	12,186,322
Total investments	\$1,270,550,035	\$ —	\$ —	\$1,270,550,035
Written options	\$ (204,670)	\$ —	\$ —	\$ (204,670)

There were no transfers into or from Level 1 or Level 2 during the six months ended June 30, 2013.

**New Accounting Pronouncements** — In February 2013, the Financial Accounting Standards Board issued new guidance, effective for annual and interim periods beginning after December 15, 2012, requiring disclosure of items reclassified out of accumulated other comprehensive income. Adoption had no effect on Fund net assets or results of operations and no material impact on the financial statements.

## 2. Federal Income Taxes

No federal income tax provision is required since the Fund’s policy is to qualify as a regulated investment company under the Internal Revenue Code and to distribute substantially all of its taxable income to its shareholders. Additionally, management has analyzed and concluded that tax positions included in federal income tax returns from the previous three years that remain subject to examination do not require any provision. Any income tax-related interest or penalties would be recognized as income tax expense. As of June 30, 2013, the identified cost of securities for federal income tax purposes was \$1,034,854,760 and net unrealized appreciation aggregated \$235,695,275, consisting of gross unrealized appreciation of \$257,874,124 and gross unrealized depreciation of \$22,178,849.

Distributions are determined in accordance with our annual 6% minimum distribution rate commitment, based on the Fund’s average market price, and income tax regulations, which may differ from generally accepted accounting principles. Such differences are primarily related to the Fund’s retirement plans, equity-based compensation, and loss deferrals for wash sales. Differences that are permanent are reclassified in the capital accounts of the Fund’s financial statements and have no impact on net assets.

## 3. Investment Transactions

The Fund’s investment decisions are made by a committee of management, and recommendations to that committee are made by the research staff. Purchases and sales of portfolio securities, other than options and short-term investments, during the six months ended June 30, 2013 were \$475,151,701 and \$492,059,231, respectively.



## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

The Fund is subject to changes in the value of equity securities held ("equity price risk") in the normal course of pursuing its investment objectives. The Fund may purchase and write option contracts to increase or decrease its equity price risk exposure or may write option contracts to generate additional income. Option contracts generally entail risks associated with counterparty credit, liquidity, and unfavorable equity price movements. The Fund has mitigated counterparty credit and liquidity risks by trading its options through an exchange. The risk of unfavorable equity price movements is limited for purchased options to the premium paid and for written options by writing only covered call or collateralized put option contracts, which require the Fund to segregate certain securities or cash at its custodian when the option is written. A schedule of outstanding written option contracts as of June 30, 2013 can be found on page 13.

When the Fund writes (purchases) an option, an amount equal to the premium received (paid) by the Fund is recorded as a liability (asset) and is subsequently marked to market daily in the Statement of Assets and Liabilities, with any related change recorded as an unrealized gain or loss in the Statement of Operations. Premiums received (paid) from unexercised options are treated as realized gains (losses) on the expiration date and are separately identified in the Statement of Operations. Upon the exercise of written put (purchased call) option contracts, premiums received (paid) are deducted from (added to) the cost basis of the underlying securities purchased. Upon the exercise of written call (purchased put) option contracts, premiums received (paid) are added to (deducted from) the proceeds from the sale of underlying securities in determining whether there is a realized gain or loss.

Transactions in written covered call and collateralized put options during the six months ended June 30, 2013 were as follows:

	Covered Calls		Collateralized Puts	
	Contracts	Premiums	Contracts	Premiums
Options outstanding, December 31, 2012	1,775	\$ 212,261	1,946	\$ 310,460
Options written	3,592	300,405	3,480	452,570
Options terminated in closing purchase transactions	(1,805)	(148,840)	—	—
Options expired	(2,263)	(232,797)	(4,158)	(559,113)
Options exercised	(343)	(25,239)	(100)	(11,450)
Options outstanding, June 30, 2013	956	\$ 105,790	1,168	\$ 192,467

### 4. Capital Stock

The Fund has 10,000,000 authorized and unissued preferred shares, \$0.001 par value.

During 2013, the Fund issued 569 shares of Common Stock at a weighted average price of \$11.41 per share as dividend equivalents to holders of deferred stock units and restricted stock units under the 2005 Equity Incentive Compensation Plan.

On December 27, 2012, the Fund issued 1,923,171 shares of its Common Stock at a price of \$10.455 per share (the average market price on December 10, 2012) to shareholders of record on November 19, 2012, who elected to take stock in payment of the distribution from 2012 capital gain and investment

income. During 2012, 1,125 shares were issued at a weighted average price of \$10.53 per share as dividend equivalents to holders of deferred stock units and restricted stock units under the 2005 Equity Income Compensation Plan.

The Fund may purchase shares of its Common Stock from time to time at such prices and amounts as the Board of Directors may deem advisable. Transactions in Common Stock for 2013 and 2012 were as follows:

	Shares		Amount	
	Six months ended June 30, 2013	Year ended December 31, 2012	Six months ended June 30, 2013	Year ended December 31, 2012
	Shares issued in payment of distributions	569	1,924,296	\$ 6,557
Shares purchased (at an average discount from net asset value of 13.1%)	(389,822)	—	(4,724,925)	—
Net activity under the 2005 Equity Incentive Compensation Plan	46,897	31,529	(47,456)	311,468
Net change	(342,356)	1,955,825	\$(4,765,824)	\$20,430,119

### 5. Retirement Plans

**Defined Contribution Plans** — The Fund sponsors a qualified defined contribution plan for all employees with at least six months of service and a nonqualified defined contribution plan for eligible employees to supplement the qualified plan. The Fund expensed contributions to the plans in the amount of \$134,193, a portion thereof based on company performance, for the six months ended June 30, 2013. The Fund does not provide postretirement medical benefits.

**Defined Benefit Plans** — On October 1, 2009, the Fund froze its non-contributory qualified and nonqualified defined benefit pension plans. Benefits are based on length of service and compensation during the last five years of employment through September 30, 2009, with no additional benefits being accrued beyond that date.

The funded status of the plans is recognized as an asset (overfunded plan) or a liability (underfunded plan) in the Statement of Assets and Liabilities. Changes in the prior service costs and accumulated actuarial gains and losses are recognized as accumulated other comprehensive income, a component of net assets, in the year in which the changes occur and are subsequently amortized into net periodic pension cost. Non-recurring settlement costs are recognized in net periodic pension cost when a plan participant receives a lump-sum benefit payment and includes any unamortized actuarial losses attributable to the portion of the projected benefit obligation being satisfied.

The Fund's policy is to contribute annually to the plans those amounts that can be deducted for federal income tax purposes, plus additional amounts as the Fund deems appropriate in order to provide assets sufficient to meet benefits to be paid to plan participants. The Fund made no contributions to the qualified plan and contributed \$27,664 to the nonqualified plan during



## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

the six months ended June 30, 2013, and anticipates making additional nonqualified contributions of \$57,503 in 2013.

Items impacting the Fund's net periodic pension cost included in investment research and administration expenses and accumulated other comprehensive income were:

	Six months ended June 30, 2013	Year ended December 31, 2012
<b>Components of net periodic pension cost</b>		
Interest cost	\$ 159,901	\$ 359,366
Expected return on plan assets	(173,415)	(278,506)
Net loss component	130,034	268,331
Effect of settlement (non-recurring)	903,700	187,740
<b>Net periodic pension cost</b>	<b>\$1,020,220</b>	<b>\$ 536,931</b>

	Six months ended June 30, 2013	Year ended December 31, 2012
<b>Accumulated other comprehensive income</b>		
Defined benefit pension plans:		
Balance at beginning of period	\$(2,881,871)	\$(2,638,533)
Net actuarial gain/(loss) arising during period	213,331	(699,409)
Reclassifications to net periodic pension cost:		
Amortization of net loss	130,034	268,331
Effect of settlement (non-recurring)	903,700	187,740
<b>Balance at end of period</b>	<b>\$(1,634,806)</b>	<b>\$(2,881,871)</b>

### 6. Equity-Based Compensation

The 2005 Equity Incentive Compensation Plan ("2005 Plan"), adopted at the 2005 Annual Meeting and re-approved at the 2010 Annual Meeting, permits the grant of restricted stock awards (both performance and nonperformance-based), as well as stock option and other stock incentives to key employees and all non-employee directors. Performance-based restricted stock awards vest at the end of a specified three year period, with the ultimate number of shares earned contingent on achieving certain performance targets. If performance targets are not achieved, all or a portion of the performance-based restricted shares are forfeited and become available for future grants. Nonperformance-based restricted stock awards typically vest ratably over a three year period and nonperformance-based restricted stock units (granted to non-employee directors) vest over a one year period. Payment of awards may be deferred, if elected. It is the current intention that employee grants will be performance-based. The 2005 Plan provides for accelerated vesting in the event of death or retirement. Non-employee directors also may elect to defer a portion of their cash compensation, with such deferred amount to be paid by delivery of deferred stock units. Outstanding awards were granted at fair market value on grant date. The 2005 Plan provides for the issuance of up to 3,413,131 shares of the Fund's Common Stock, of which 3,061,443 shares remain available for future grants at June 30, 2013.

A summary of the status of the Fund's awards granted under the 2005 Plan as of June 30, 2013, and changes during the six month period then ended, is presented below:

Awards	Shares/ Units	Weighted Average Grant-Date Fair Value
Balance at December 31, 2012	170,199	\$10.57
Granted:		
Restricted stock	92,922	11.25
Restricted stock units	5,250	11.67
Deferred stock units	2,654	11.26
Vested & issued	(31,003)	10.02
Forfeited	(45,779)	10.51
Balance at June 30, 2013 (includes 114,557 performance-based awards and 79,666 nonperformance-based awards)	194,243	\$10.96

Compensation costs resulting from awards granted under the 2005 Plan are based on the fair value of the award on grant date (determined by the average of the high and low price on grant date) and recognized on a straight-line basis over the requisite service period. For those awards with performance conditions, compensation costs are based on the most probable outcome and, if such goals are not met, compensation cost is not recognized and any previously recognized compensation cost is reversed. The total compensation costs/(credits) for restricted stock granted to employees for the period ended June 30, 2013 were \$(17,138). The total compensation costs for restricted stock units granted to non-employee directors for the period ended June 30, 2013 were \$31,552. As of June 30, 2013, there were total unrecognized compensation costs of \$1,152,371, a component of additional capital surplus, related to nonvested equity-based compensation arrangements granted under the 2005 Plan. That cost is expected to be recognized over a weighted average period of 1.73 years. The total fair value of shares and units vested and issued during the six month period ended June 30, 2013 was \$349,076.

### 7. Officer and Director Compensation

The aggregate remuneration paid during the six months ended June 30, 2013 to officers and directors amounted to \$2,669,415, of which \$206,252 was paid to directors who were not officers. These amounts represent the taxable income to the Fund's officers and directors and therefore differ from the amounts reported in the accompanying Statement of Operations that are recorded and expensed in accordance with generally accepted accounting principles.

### 8. Portfolio Securities Loaned

The Fund makes loans of securities to approved brokers to earn additional income. It receives as collateral cash deposits, U.S. Government securities, or bank letters of credit valued at 102% of the value of the securities on loan. The market value of the loaned securities is calculated based upon the most recent closing prices and any additional required collateral is delivered to the Fund on the next business day. Cash deposits are placed in a registered money market fund. The Fund accounts for securities lending transactions as secured financing and receives compensation in the form of fees or retains a portion of interest on the investment of any cash received as collateral. The Fund also continues to receive interest or dividends on the securities

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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loaned. Gain or loss in the fair value of the securities loaned that may occur during the term of the loan will be for the account of the Fund. At June 30, 2013, the Fund had no outstanding securities on loan. The Fund is indemnified by the Custodian, serving as lending agent, for the loss of loaned securities and has the right under the lending agreement to recover the securities from the borrower on demand.

### 9. Operating Lease Commitment

The Fund leases office space and equipment under operating lease agreements expiring at various dates through the year 2016. The Fund recognized rental expense of \$74,951 in the first half of 2013, and its minimum rental commitments are as follows:

2013	\$ 78,436
2014	158,558
2015	158,836
2016	76,736
Total	<u>\$472,566</u>

## FINANCIAL HIGHLIGHTS

	(unaudited) Six Months Ended		Year Ended December 31				
	June 30, 2013	June 30, 2012	2012	2011	2010	2009	2008
	<b>Per Share Operating Performance</b>						
Net asset value, beginning of period	\$12.43	\$11.54	\$11.54	\$12.65	\$11.95	\$9.61	\$15.72
Net investment income	0.08	0.08	0.19	0.16	0.15	0.13	0.25
Net realized gains and increase (decrease) in unrealized appreciation	1.30	0.83	1.41	(0.56)	1.10	2.64	(5.68)
Change in accumulated other comprehensive income (note 5)	0.01	—	—	(0.01)	—	0.04	(0.05)
<b>Total from investment operations</b>	1.39	0.91	1.60	(0.41)	1.25	2.81	(5.48)
<b>Less distributions</b>							
Dividends from net investment income	(0.08)	(0.08)	(0.18)	(0.15)	(0.14)	(0.15)	(0.26)
Distributions from net realized gains	(0.02)	(0.02)	(0.49)	(0.50)	(0.37)	(0.30)	(0.38)
<b>Total distributions</b>	(0.10)	(0.10)	(0.67)	(0.65)	(0.51)	(0.45)	(0.64)
Capital share repurchases (note 4)	0.01	—	—	—	—	0.02	0.05
Reinvestment of distributions	—	—	(0.04)	(0.05)	(0.04)	(0.04)	(0.04)
<b>Total capital share transactions</b>	0.01	—	(0.04)	(0.05)	(0.04)	(0.02)	0.01
<b>Net asset value, end of period</b>	\$13.73	\$12.35	\$12.43	\$11.54	\$12.65	\$11.95	\$9.61
Market price, end of period	\$11.97	\$10.55	\$10.59	\$9.64	\$10.72	\$10.10	\$8.03
<b>Total Investment Return</b>							
Based on market price	14.0%	10.5%	16.9%	(4.2)%	11.5%	32.1%	(38.9)%
Based on net asset value	11.4%	8.0%	14.7%	(2.8)%	11.2%	30.6%	(34.4)%
<b>Ratios/Supplemental Data</b>							
Net assets, end of period (in 000's)	\$1,272,698	\$1,125,291	\$1,155,997	\$1,050,734	\$1,124,672	\$1,045,027	\$840,012
Ratio of expenses to average net assets*	0.80%†	0.68%†	0.65%	0.55%	0.58%	0.90%	0.48%
Ratio of net investment income to average net assets**	1.19%†	1.28%†	1.54%	1.25%	1.29%	1.30%	1.82%
Portfolio turnover	76.99%†	27.72%†	27.40%	21.50%	16.15%	15.05%	18.09%
Number of shares outstanding at end of period (in 000's)	92,687	91,106	93,030	91,074	88,885	87,415	87,406

\* For the six months ended in 2013 and 2012, the annualized ratios of expenses to average net assets were 0.65% and 0.63%, respectively, after adjusting for non-recurring pension expenses as described in footnote 5. For calendar years 2012 and 2009, the adjusted ratios were 0.63% and 0.76%, respectively.

\*\* For the six months ended in 2013 and 2012, the annualized ratios of net investment income to average net assets were 1.34% and 1.33%, respectively, after adjusting for non-recurring pension expenses as described in footnote 5. For calendar years 2012 and 2009, the adjusted ratios were 1.56% and 1.44%, respectively.

† Ratios presented on an annualized basis.

## SCHEDULE OF INVESTMENTS

June 30, 2013

(unaudited)

	Shares	Value (A)		Shares	Value (A)
<b>Common Stocks — 98.9%</b>					
<b>Consumer Discretionary — 10.6%</b>					
Bed Bath & Beyond Inc. (B)	105,000	\$ 7,449,750	Allergan, Inc.	128,000	\$ 10,782,720
Coach, Inc.	130,000	7,421,700	Biogen IDEC Inc. (B)	30,000	6,456,000
Comcast Corp.	400,000	16,752,000	Celgene Corp. (B)	120,000	14,029,200
Dollar General Corp. (B)	250,000	12,607,500	Covidien plc	120,000	7,540,800
Lowe's Companies, Inc.	550,000	22,495,000	Express Scripts Holding Co. (B)	255,000	15,730,950
Marriott International Inc. (Class A)	300,000	12,111,000	Gilead Sciences, Inc. (B)	414,000	21,200,940
McDonald's Corp.	180,000	17,820,000	McKesson Corp.	116,000	13,282,000
Ryland Group, Inc. (E)	180,500	7,238,050	Merck & Co. Inc.	500,000	23,225,000
Target Corp.	120,000	8,263,200	Pfizer Inc.	1,090,000	30,530,900
Walt Disney Co.	360,000	22,734,000	UnitedHealth Group Inc.	287,500	18,825,500
		134,892,200	Zimmer Holdings, Inc.	115,000	8,618,100
					170,222,110
<b>Consumer Staples — 9.5%</b>					
Bunge Ltd.	100,000	7,077,000	<b>Health Care — 13.4%</b>		
Coca-Cola Co.	300,000	12,033,000	<b>Industrials — 10.5%</b>		
CVS/Caremark Corp.	295,000	16,868,100	Boeing Co.	210,000	21,512,400
Diageo plc ADR	50,000	5,747,500	Caterpillar Inc.	120,000	9,898,800
General Mills Inc.	230,000	11,161,900	Eaton Corporation plc	205,000	13,491,050
PepsiCo, Inc. (F)	250,000	20,447,500	Emerson Electric Co.	160,000	8,726,400
Philip Morris International Inc.	250,000	21,655,000	FedEx Corp.	75,000	7,393,500
Procter & Gamble Co.	175,000	13,473,250	General Electric Co.	1,095,000	25,393,050
Unilever plc ADR	325,000	13,146,250	Honeywell International Inc.	295,000	23,405,300
		121,609,500	Masco Corp.	365,000	7,113,850
			United Technologies Corp.	184,500	17,147,430
					134,081,780
<b>Energy — 10.0%</b>					
Anadarko Petroleum Corp.	50,000	4,296,500	<b>Information Technology — 16.9%</b>		
Chevron Corp.	235,000	27,809,900	Apple Inc. (F)	93,000	36,835,440
Exxon Mobil Corp. (F)	105,000	9,486,750	Automatic Data Processing, Inc.	200,000	13,772,000
Halliburton Co.	150,000	6,258,000	Cisco Systems, Inc.	700,000	17,017,000
Kinder Morgan Inc.	170,000	6,485,500	eBay Inc. (B)	280,000	14,481,600
Petroleum & Resources Corp. (C)	2,186,774	56,156,356	Google Inc. (Class A) (B)	18,000	15,846,660
Phillips 66	128,850	7,590,553	Intel Corp.	570,000	13,805,400
Schlumberger Ltd.	120,000	8,599,200	International Business Machines Corp.	105,000	20,066,550
		126,682,759	MasterCard, Inc.	23,000	13,213,500
			Microsoft Corp.	700,000	24,171,000
			Oracle Corp.	691,000	21,227,520
			QUALCOMM Inc.	400,000	24,432,000
					214,868,670
<b>Financials — 16.7%</b>					
ACE Ltd. (B)	221,000	19,775,080	<b>Materials — 2.8%</b>		
Affiliated Managers Group, Inc. (B)	51,700	8,475,698	CF Industries Holdings, Inc. (E)	38,531	6,608,067
Allstate Corp.	355,000	17,082,600	Eastman Chemical Co.	85,000	5,950,850
AXIS Capital Holdings, Ltd.	278,000	12,726,840	LyondellBasell Industries N.V. (Class A)	238,000	15,769,880
Bank of New York Mellon Corp.	323,775	9,081,889	Praxair, Inc.	67,500	7,773,300
Capital One Financial Corp.	245,000	15,388,450			36,102,097
Citigroup Inc.	416,000	19,955,520	<b>Telecom Services — 2.9%</b>		
Fifth Third Bancorp.	665,000	12,003,250	AT&T Corp.	584,000	20,673,600
iShares US Real Estate ETF	455,000	30,207,450	Verizon Communications Inc.	315,000	15,857,100
JPMorgan Chase & Co.	600,000	31,674,000			36,530,700
MetLife Inc.	273,000	12,492,480			
Wells Fargo & Co.	560,000	23,111,200			
		211,974,457			

**SCHEDULE OF INVESTMENTS (CONTINUED)**

June 30, 2013  
(unaudited)

	Principal/ Shares	Value (A)		Shares	Value (A)
<b>Utilities — 2.5%</b>					
NiSource Inc.	456,000	\$ 13,059,840	Vanguard Federal Money Market, 0.02% (D)	10,000	\$ 10,000
Pinnacle West Capital Corp.	345,000	19,137,150	Western Asset Institutional Government Reserves (Institutional Class), 0.04% (D)	10,000	10,000
		32,196,990			130,000
<b>S&amp;P 500 Index — 3.1%</b>					
SPDR S&P ETF Trust	245,000	39,202,450			130,000
<b>Total Common Stocks</b> (Cost \$1,020,151,945)		1,258,363,713	<b>Total Short-Term Investments</b> (Cost \$12,186,322)		12,186,322
<b>Short-Term Investments — 0.9%</b>			<b>Total Investments — 99.8%</b> (Cost \$1,032,338,267)		1,270,550,035
<b>Money Market Account — 0.9%</b>			Cash, receivables, prepaid expenses and other assets, less liabilities — 0.2%		2,147,524
M&T Bank, 0.15%	\$12,056,322	12,056,322	<b>Net Assets — 100.0%</b>		\$1,272,697,559
<b>Money Market Funds — 0.0%</b>					
Fidelity Institutional Money Market - Money Market Portfolio (Institutional Class), 0.12% (D)	100,000	100,000			
RBC U.S. Government Money Market (Institutional Class I), 0.01% (D)	10,000	10,000			

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. See note 1 to financial statements.
- (B) Presently non-dividend paying.
- (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 \$4,569,400.
- (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 \$9,922,000.

## SCHEDULE OF OUTSTANDING WRITTEN OPTION CONTRACTS

*June 30, 2013*  
*(unaudited)*

Contracts (100 shares each)	Security	Strike Price	Contract Expiration Date	Value
<b>COVERED CALLS</b>				
56	CF Industries Holdings, Inc.	\$225	Aug 13	\$ 1,120
900	Ryland Group, Inc.	55	Jul 13	4,500
<u>956</u>				<u>5,620</u>
<b>COLLATERALIZED PUTS</b>				
58	Biogen IDEC Inc.	190	Jul 13	4,640
58	Biogen IDEC Inc.	200	Jul 13	11,310
76	CF Industries Holdings, Inc.	170	Aug 13	51,300
200	Halliburton Co.	36	Jul 13	1,200
316	LyondellBasell Industries N.V. (Class A)	55	Sep 13	50,560
460	Occidental Petroleum Corp.	85	Aug 13	80,040
<u>1,168</u>				<u>199,050</u>
Total Option Liability (Unrealized Gain of \$93,587)				<u>\$204,670</u>



# HISTORICAL FINANCIAL STATISTICS

(unaudited)

<b>Dec. 31</b>	<b>Value Of Net Assets</b>	<b>Shares Outstanding</b>	<b>Net Asset Value Per Share</b>	<b>Market Value Per Share</b>	<b>Income Dividends Per Share</b>	<b>Capital Gains Distributions Per Share</b>	<b>Total Dividends and Distributions Per Share</b>	<b>Annual Distribution Rate*</b>
2002 .....	\$1,024,810,092	84,536,250	\$12.12	\$10.57	\$.19	\$.57	\$.76	6.2%
2003 .....	1,218,862,456	84,886,412	14.36	12.41	.17	.61	.78	6.8
2004 .....	1,295,548,900	86,135,292	15.04	13.12	.24	.66	.90	7.1
2005 .....	1,266,728,652	86,099,607	14.71	12.55	.22	.64	.86	6.7
2006 .....	1,377,418,310	86,838,223	15.86	13.87	.23	.67	.90	6.8
2007 .....	1,378,479,527	87,668,847	15.72	14.12	.32	.71	1.03	7.1
2008 .....	840,012,143	87,406,443	9.61	8.03	.26	.38	.64	5.7
2009 .....	1,045,027,339	87,415,193	11.95	10.10	.15	.30	.45	5.2
2010 .....	1,124,671,966	88,885,186	12.65	10.72	.14	.37	.51	5.1
2011 .....	1,050,733,678	91,073,899	11.54	9.64	.15	.50	.65	6.1
2012 .....	1,155,997,037	93,029,724	12.43	10.59	.18	.49	.67	6.3
June 30, 2013 .....	1,272,697,559	92,687,368	13.73	11.97	.13†	.02†	.15†	—

\* 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 Fund'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 annual minimum 6% distribution rate commitment announced in September 2011.

† Paid or declared.

## 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

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### 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 and the net realized capital gain 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).

### Privacy Policy

In order to conduct its business, the Fund, through its transfer agent, currently American Stock Transfer & Trust Company, collects and maintains certain non-public 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.

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This report, including the financial statements herein, 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’s 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.