

# THE ADAMS EXPRESS COMPANY

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## Board of Directors

Enrique R. Arzac <sup>2,3</sup>	Roger W. Gale <sup>2,4</sup>
Phyllis O. Bonanno <sup>1,3,5</sup>	Kathleen T. McGahran <sup>2,3</sup>
Kenneth J. Dale <sup>2,4</sup>	Douglas G. Ober <sup>1</sup>
Daniel E. Emerson <sup>1,3,5</sup>	Craig R. Smith <sup>1,3,5</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

## Officers

Douglas G. Ober, CFA	<i>Chairman and Chief Executive Officer</i>
David D. Weaver, CFA	<i>President</i>
Nancy J. F. Prue, CFA	<i>Executive Vice President</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>
Brian S. Hook, CFA, CPA	<i>Chief Financial Officer and Treasurer</i>
Christine M. Sloan, CPA	<i>Assistant Treasurer</i>
Geraldine H. Paré	<i>Assistant Secretary</i>

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## Stock Data

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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

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## Distributions in 2012

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From Investment Income (paid or declared)	\$0.08
From Net Realized Gains	0.02
Total	<u>\$0.10</u>

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## 2012 Dividend Payment Dates

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March 1, 2012  
June 1, 2012  
September 1, 2012\*  
December 27, 2012\*

\*Anticipated

GENERATION AFTER GENERATION –  
WE GROW WITH YOU.™



FIRST QUARTER REPORT  
MARCH 31, 2012



## LETTER TO STOCKHOLDERS

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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.

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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](http://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.

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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
<b>Average:</b>					5.8%

\* 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		
	Additions	Reductions	Held March 31, 2012
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
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

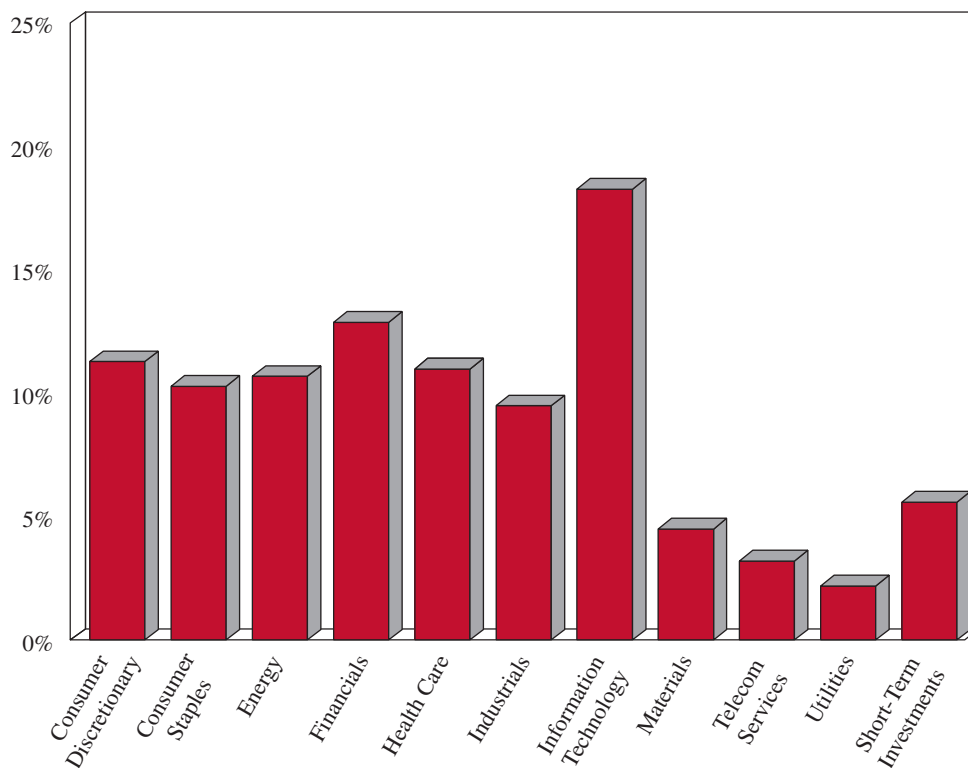
(unaudited)

### Ten Largest Equity Portfolio Holdings

	<u>Market Value</u>	<u>% of Net Assets</u>
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
<b>Total</b>	<b>\$286,671,324</b>	<b>24.3%</b>

\*Non-controlled affiliate

### Sector Weightings



## SCHEDULE OF INVESTMENTS

March 31, 2012

(unaudited)

	Shares	Value (A)		Shares	Value (A)
<b>Stocks — 93.9%</b>					
<b>Consumer Discretionary — 11.3%</b>					
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			
<b>Consumer Staples — 10.3%</b>					
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			
<b>Energy — 10.7%</b>					
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			
<b>Financials — 12.9%</b>					
<b>Banks — 3.2%</b>					
PNC Financial Services Group, Inc.	235,000	15,155,150			
Wells Fargo & Co.	655,000	22,361,700			
		37,516,850			
<b>Diversified Financials — 6.3%</b>					
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			
<b>Insurance — 3.3%</b>					
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			
<b>Real Estate — 0.1%</b>					
Digital Realty Trust Inc. (B)	15,000	1,109,550			
<b>Health Care — 11.0%</b>					
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			
<b>Industrials — 9.5%</b>					
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			
<b>Information Technology — 18.3%</b>					
<b>Semiconductors — 2.2%</b>					
Broadcom Corp. (C)	100,000	3,930,000			
Intel Corp.	790,000	22,206,900			
		26,136,900			
<b>Software &amp; Services — 7.0%</b>					
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)

	Shares	Value (A)		Principal/ Shares	Value (A)
<b>Technology Hardware &amp; Equipment — 9.1%</b>					
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			
<b>Materials — 4.5%</b>					
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			
<b>Telecom Services — 3.2%</b>					
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			
<b>Utilities — 2.2%</b>					
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			
<b>Total Stocks</b> (Cost \$922,149,792)		1,105,554,571			
<b>Short-Term Investments — 5.6%</b>					
<b>Money Market Account — 1.7%</b>					
M&T Bank, 0.25%			\$20,050,146	\$	20,050,146
<b>Money Market Funds — 0.0%</b>					
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
<b>Time Deposits — 3.9%</b>					
Brown Brothers Harriman & Co. (Grand Cayman), 0.03%, due 4/2/12			\$45,454,085		45,454,085
<b>Total Short-Term Investments</b> (Cost \$65,544,231)					65,544,231
<b>Securities Lending Collateral — 0.1%</b> (Cost \$1,317,720)					
<b>Money Market Funds — 0.1%</b>					
Invesco Short-Term Investment Trust — Liquid Assets Portfolio (Institutional Class), 0.16% (E)			1,317,720		1,317,720
<b>Total Investments — 99.6%</b> (Cost \$989,011,743)					1,172,416,522
Cash, receivables, prepaid expenses and other assets, less liabilities — 0.4%					4,558,342
<b>Net Assets — 100.0%</b>					\$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

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

	<u>Votes For</u>	<u>Votes Withheld</u>
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.

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### The Adams Express Company

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

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**E-mail:** [contact@adamsexpress.com](mailto:contact@adamsexpress.com)

**Counsel:** Chadbourne & Parke LLP

**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](http://www.amstock.com)

**E-mail:** [info@amstock.com](mailto:info@amstock.com)

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