

ADAMS EXPRESS CO  
Form N-30B-2  
October 19, 2005

THE ADAMS EXPRESS COMPANY

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**Board of Directors**

|                                     |                                   |
|-------------------------------------|-----------------------------------|
| Enrique R. Arzac <sup>1,3</sup>     | Douglas G. Ober <sup>1</sup>      |
| Phyllis O. Bonanno <sup>1,3</sup>   | John J. Roberts <sup>1,3</sup>    |
| Daniel E. Emerson <sup>2,3</sup>    | Susan C. Schwab <sup>2,4</sup>    |
| Thomas H. Lenagh <sup>1,4</sup>     | Robert J.M. Wilson <sup>1,2</sup> |
| Kathleen T. McGahran <sup>2,4</sup> |                                   |

1. *Member of Executive Committee*
2. *Member of Audit Committee*
3. *Member of Compensation Committee*
4. *Member of Retirement Benefits Committee*

**Officers**

|                         |  |
|-------------------------|--|
| Douglas G. Ober         | <i>Chairman and Chief Executive Officer</i>                  |
| Joseph M. Truta         | <i>President</i>   |
| Lawrence L. Hooper, Jr. | <i>Vice President, General Counsel and Secretary</i>         |
| Maureen A. Jones        | <i>Vice President, Chief Financial Officer and Treasurer</i> |
| Stephen E. Kohler       | <i>Vice President Research</i>                               |
| David R. Schiminger     | <i>Vice President Research</i>                               |
| D. Cotton Swindell      | <i>Vice President Research</i>                               |
| Christine M. Sloan      | <i>Assistant Treasurer</i>                                   |
| Geraldine H. Paré       | <i>Assistant Secretary</i>                                   |

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**Stock Data**

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|                           |          |
|---------------------------|----------|
| Market Price (9/30/05)    | \$ 13.12 |
| Net Asset Value (9/30/05) | \$ 15.32 |
| Discount:                 | 14.4%    |

New York Stock Exchange and Pacific Exchange ticker symbol: ADX  
NASDAQ Mutual Fund Quotation Symbol: XADEX

Newspaper stock listings are generally under the abbreviation: AdaEx

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**Distributions in 2005**

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|                        |         |
|------------------------|---------|
| From Investment Income | \$ 0.14 |
|------------------------|---------|

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|                         |                |
|-------------------------|----------------|
| From Net Realized Gains | 0.01           |
| Total                   | <u>\$ 0.15</u> |

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**2005 Dividend Payment Dates**

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March 1, 2005

June 1, 2005

September 1, 2005

December 27, 2005\*

\*Anticipated

LETTER TO STOCKHOLDERS

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We submit herewith the financial statements of the Company for the nine months ended September 30, 2005. Also provided are a schedule of investments and other summary financial information.

Net assets of the Company at September 30, 2005 were \$15.32 per share on 84,090,383 shares outstanding, compared with \$15.04 per share at December 31, 2004 on 86,135,292 shares outstanding. On March 1, 2005, a distribution of \$0.05 per share was paid, consisting of \$0.03 from 2004 investment income, \$0.01 from 2004 short-term capital gain, and \$0.01 from 2005 investment income, all taxable in 2005. Investment income dividends of \$0.05 per share were paid on June 1, 2005 and September 1, 2005.

Net investment income for the nine months ended September 30, 2005 amounted to \$12,904,578, compared with \$12,028,283 for the same period in 2004. These earnings are equal to \$0.15 and \$0.14 per share, respectively, on the average number of shares outstanding during each period.

Net capital gain realized on investments for the nine months ended September 30, 2005 amounted to \$37,958,335, the equivalent of \$0.45 per share.

Current and potential shareholders 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, at its website ([www.adamsexpress.com](http://www.adamsexpress.com)). Also available at the website are a history of the Company, historical financial information, and other useful information. Further information regarding shareholder services is located on page 15 of this report.

It is with great sadness that we inform you that our director and former Chairman, W. David MacCallan, passed away on August 19. Mr. MacCallan was first employed by the Company in 1955, was elected Chairman of the Board in 1971, and retired in 1991 while continuing to serve on the Board of Directors until his death. It was our great pleasure to work closely with Mr. MacCallan. His grasp of the nuances of the business of investing was rare in the industry and his loyalty to the Company and its shareholders was unswerving. We have lost a great leader and advisor. Our deepest sympathies go out to his immediate family as well as to his extended family.

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The Company is an internally-managed equity fund whose investment policy is based on the primary objectives of preservation of capital, the attainment of reasonable income from investments, and an opportunity for capital appreciation.

By order of the Board of Directors,

Douglas G. Ober,

*Chairman and*

*Chief Executive Officer*

Joseph M. Truta,

*President*

October 19, 2005

## STATEMENT OF ASSETS AND LIABILITIES

September 30, 2005

(unaudited)

| <b>Assets</b>  |                  |                         |
|--|------------------|-------------------------|
| Investments* at value:   |                  |                         |
| Common stocks and convertible securities<br>(cost \$880,115,520)   | \$ 1,164,189,556 |                         |
| Non-controlled affiliate, Petroleum & Resources Corporation<br>(cost \$27,963,162)   | 69,410,560       |                         |
| Short-term investments (cost \$47,188,324)   | 47,188,324       |                         |
| Securities lending collateral (cost \$28,263,605)  | 28,263,605       | \$ 1,309,052,045        |
| Cash   |                  | 282,043                 |
| Receivables:   |                  |                         |
| Investment securities sold   |                  | 3,206,836               |
| Dividends and interest   |                  | 1,127,094               |
| Prepaid pension cost   |                  | 5,501,066               |
| Prepaid expenses and other assets  |                  | 1,749,247               |
| <b>Total Assets</b>  |                  | <b>1,320,918,331</b>    |
| <b>Liabilities</b>   |                  |                         |
| Investment securities purchased  |                  | 25,950                  |
| Open written option contracts at value (proceeds \$567,791)  |                  | 894,250                 |
| Obligations to return securities lending collateral  |                  | 28,263,605              |
| Accrued expenses   |                  | 3,491,684               |
| <b>Total Liabilities</b>   |                  | <b>32,675,489</b>       |
| <b>Net Assets</b>  |                  | <b>\$ 1,288,242,842</b> |
| <b>Net Assets</b>  |                  |                         |
| Common Stock at par value \$1.00 per share, authorized 150,000,000 shares; issued and outstanding<br>84,090,383 shares (includes 13,941 restricted<br>shares and restricted stock units for 6,000 shares) (Note 6) |                  |                         |
|  | \$               | 84,090,383              |
| Additional capital surplus   |                  | 834,680,351             |
| Undistributed net investment income  |                  | 5,836,594               |
| Undistributed net realized gain on investments   |                  | 38,440,539              |
| Unrealized appreciation on investments   |                  | 325,194,975             |
| <b>Net Assets Applicable to Common Stock</b>   | \$               | <b>1,288,242,842</b>    |
| <b>Net Asset Value Per Share of Common Stock</b>   |                  | <b>\$15.32</b>          |

\*See Schedule of Investments on pages 9 through 10.

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

## STATEMENT OF OPERATIONS

Nine Months Ended September 30, 2005

(unaudited)

|  |               |
|--|---------------|
| <b>Investment Income</b>   |               |
| Income:  |               |
| Dividends:   |               |
| From unaffiliated issuers  | \$ 15,830,606 |
| From non-controlled affiliate  | 655,379       |
| Interest and other income  | 656,912       |
| <i>Total Income</i>  | 17,142,897    |
| Expenses:  |               |
| Investment research  | 1,906,998     |
| Administration and operations  | 918,736       |
| Directors' fees  | 222,223       |
| Reports and stockholder communications   | 242,079       |
| Transfer agent, registrar and custodian expenses   | 285,768       |
| Auditing and accounting services   | 91,252        |
| Legal services   | 137,857       |
| Occupancy and other office expenses  | 265,305       |
| Travel, telephone and postage  | 70,282        |
| Other  | 97,819        |
| <i>Total Expenses</i>  | 4,238,319     |
| <b>Net Investment Income</b>   | 12,904,578    |
| <b>Realized Gain and Change in Unrealized Appreciation on Investments</b>                |               |
| Net realized gain on security transactions   | 37,839,175    |
| Net realized gain distributed by regulated investment company (non-controlled affiliate) | 119,160       |
| Change in unrealized appreciation on investments   | (18,475,437)  |
| <b>Net Gain on Investments</b>   | 19,482,898    |
| <b>Change in Net Assets Resulting from Operations</b>                                    | \$ 32,387,476 |

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

## STATEMENTS OF CHANGES IN NET ASSETS

|  | Nine Months Ended<br>September 30, 2005 | Year Ended<br>December 31, 2004 |
|--|---|---------------------------------|
|  | (unaudited)                             |                                 |
| <b>From Operations:</b>  |   |                                 |
| Net investment income  | \$ 12,904,578                           | \$ 19,008,405                   |
| Net realized gain on investments   | 37,958,335                              | 54,713,903                      |
| Change in unrealized appreciation on investments   | (18,475,437)                            | 61,557,921                      |
| <i>Change in net assets resulting from operations</i>  | 32,387,476                              | 135,280,229                     |
| <b>Distributions to Stockholders from:</b>   |   |                                 |
| Net investment income  | (11,918,223)                            | (20,157,724)                    |
| Net realized gain from investment transactions   | (856,720)                               | (55,099,990)                    |
| <i>Decrease in net assets from distributions</i>   | (12,774,943)                            | (75,257,714)                    |
| <b>From Capital Share Transactions:</b>  |   |                                 |
| Value of shares issued in payment of distributions   |   | 35,690,590                      |
| Cost of shares purchased (Note 4)  | (26,990,164)                            | (19,026,661)                    |
| Deferred compensation (Notes 4, 6)   | 71,573                                  |                                 |
| <i>Change in net assets from capital share transactions</i>  | (26,918,591)                            | 16,663,929                      |
| <b>Total Change in Net Assets</b>  | <b>(7,306,058)</b>                      | <b>76,686,444</b>               |
| <b>Net Assets:</b>   |   |                                 |
| Beginning of period  | 1,295,548,900                           | 1,218,862,456                   |
| End of period (including undistributed net investment income of \$5,836,594 and \$5,038,545, respectively) | \$ 1,288,242,842                        | \$ 1,295,548,900                |

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

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NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

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**1. Significant Accounting Policies**

The Adams Express Company (the Company) is registered under the Investment Company Act of 1940 as a diversified investment company. The Company's investment objectives as well as the nature and risk of its investment transactions are set forth in the Company's registration statement.

**Security Valuation** Investments in securities traded on a national security exchange 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) are valued at amortized cost. Purchased and written options are valued at the last quoted asked price.

**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.

**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 identified cost. Dividend income and distributions to shareholders are recognized on the ex-dividend date, and interest income is recognized on the accrual basis.

**2. Federal Income Taxes**

The Company's policy is to distribute all of its taxable income to its shareholders in compliance with the requirements of the Internal Revenue Code applicable to regulated investment companies. Therefore, no federal income tax provision is required. For federal income tax purposes, the identified cost of securities at September 30, 2005 was \$954,779,755 and net unrealized appreciation aggregated \$326,008,685, of which the related gross unrealized appreciation and depreciation were \$439,609,769 and \$113,601,084, respectively.

Distributions are determined in accordance with income tax regulations which may differ from generally accepted accounting principles. Accordingly, annual reclassifications are made within the Company's capital accounts to reflect income and gains available for distribution under income tax regulations.

**3. Investment Transactions**

The Company's investment decisions are made by a committee of management, and recommendations to that committee are made by the research staff.



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Purchases and sales of portfolio securities, other than options and short-term investments, during the nine months ended September 30, 2005 were \$116,372,809 and \$158,130,759, respectively. Options may be written (sold) or purchased by the Company. The Company, as writer of an option, bears the risks of possible illiquidity of the option markets and from movements in security values. The risk associated with purchasing an option is limited to the premium originally paid. A schedule of outstanding option contracts as of September 30, 2005 can be found on page 12.

Transactions in written covered call and collateralized put options during the nine months ended September 30, 2005 were as follows:

|   | Covered Calls |            | Collateralized Puts |            |
|---|---------------|------------|---------------------|------------|
|   | Contracts     | Premiums   | Contracts           | Premiums   |
| Options outstanding, December 31, 2004              | 3,600         | \$ 386,349 | 2,655               | \$ 268,082 |
| Options written                                     | 7,925         | 891,649    | 6,790               | 811,478    |
| Options terminated in closing purchase transactions | (1,336)       | (144,804)  | (850)               | (125,699)  |
| Options expired                                     | (5,414)       | (568,875)  | (4,995)             | (518,553)  |
| Options exercised                                   | (2,930)       | (339,338)  | (750)               | (92,498)   |
| Options outstanding, September 30, 2005             | 1,845         | \$ 224,981 | 2,850               | \$ 342,810 |

#### 4. Capital Stock

The Company has 10,000,000 authorized and unissued preferred shares without par value.

On December 27, 2004, the Company issued 2,745,430 shares of its Common Stock at a price of \$13.00 per share (the average market price on December 13, 2004) to stockholders of record on November 23, 2004 who elected to take stock in payment of the year-end distribution from 2004 capital gain and investment income.

The Company 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 2005 and 2004 were as follows:

|   | Shares                               |                              | Amount                               |                              |
|---|--------------------------------------|------------------------------|--------------------------------------|------------------------------|
|   | Nine months ended September 30, 2005 | Year ended December 31, 2004 | Nine months ended September 30, 2005 | Year ended December 31, 2004 |
| Shares issued in payment of dividends   |                                      | 2,745,430                    | \$                                   | \$ 35,690,590                |
| Shares purchased (at a weighted average discount from net asset value of 12.4% and 13.0%, respectively) | (2,065,600)                          | (1,496,550)                  | (26,990,164)                         | (19,026,661)                 |
| Restricted shares/units granted under the Equity Incentive Compensation Plan                            | 20,691                               |                              | 71,573                               |                              |
| Net change  | (2,044,909)                          | 1,248,880                    | \$ (26,918,591)                      | \$ 16,663,929                |

**5. Retirement Plans**

The Company's qualified defined benefit pension plan covers all employees with at least one year of service. In addition, the Company has a nonqualified defined benefit plan which provides eligible employees with retirement benefits to supplement the qualified plan. Benefits are based on length of service

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

and compensation during the last five years of employment. The Company'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 Company deems appropriate in order to provide assets sufficient to meet benefits to be paid to plan participants. During the nine months ended September 30, 2005, the Company contributed \$12,563 to the plans. The Company does not anticipate additional contributions to the plans in 2005.

The following table aggregates the components of the plans' net periodic pension cost for the nine months ended September 30, 2005:

|                                    |            |
|------------------------------------|------------|
| Service cost                       | \$ 269,999 |
| Interest cost                      | 378,248    |
| Expected return on plan assets     | (592,004)  |
| Amortization of prior service cost | 94,915     |
| Amortization of net loss           | 141,347    |
| Net periodic pension cost          | \$ 292,505 |

The Company also sponsors a defined contribution plan that covers substantially all employees. For the nine months ended September 30, 2005, the Company expensed contributions of \$136,537. The Company does not provide postretirement medical benefits.

## 6. Stock-Based Compensation

The Stock Option Plan adopted in 1985 (1985 Plan) permits the issuance of stock options and stock appreciation rights for the purchase of up to 2,610,146 shares of the Company's Common Stock at the fair market value on the date of grant. The exercise price of the options and related stock appreciation rights is reduced by the per share amount of capital gains paid by the Company during subsequent years. Options are exercisable beginning not less than one year after the date of grant and stock appreciation rights are exercisable beginning not less than two years after the date of grant. The stock appreciation rights allow the holders to surrender their rights to exercise their options and receive cash in an amount equal to the difference between the option exercise price and the fair market value of the Common Stock at the date of surrender. All options terminate 10 years from the date of grant if not exercised. With the adoption of the 2005 Equity Incentive Compensation Plan (2005 Plan) at the 2005 Annual Meeting, no further grants will be made under the 1985 Plan, although unexercised awards granted in 2004 and prior years remain outstanding.

A summary of option activity under the 1985 Plan as of September 30, 2005, and changes during the period then ended is presented below:

|                                   | Options        | Weighted-<br>Average<br>Exercise<br>Price | Weighted-<br>Average<br>Remaining<br>Life (Years) |
|-----------------------------------|----------------|---|---|
|                                   | <u>Options</u> | <u>Price</u>                              | <u>Life (Years)</u>                               |
| Outstanding at January 1, 2005    | 283,297        | \$ 11.76                                  |   |
| Exercised                         |                |   |   |
| Forfeited                         |                |   |   |
| Outstanding at September 30, 2005 | 283,297        | \$ 11.75                                  | 5.72  |
| Exercisable at September 30, 2005 | 180,888        | \$ 11.44                                  | 5.61  |

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The options outstanding as of September 30, 2005 are set forth below:

| Exercise Price                    | Options<br>Outstanding | Weighted<br>Average<br>Exercise<br>Price | Weighted<br>Average<br>Remaining<br>Life (Years) |
|-----------------------------------|------------------------|--|--|
| \$3.00-\$6.74                     | 23,418                 | \$ 4.18                                  | 0.90   |
| \$6.75-\$10.49                    | 72,764                 | 9.67                                     | 6.19   |
| \$10.50-\$14.24                   | 135,967                | 10.85                                    | 6.63   |
| \$14.25-\$18.00                   | 51,148                 | 17.59                                    | 4.84   |
| Outstanding at September 30, 2005 | 283,297                | \$ 11.75                                 | 5.72   |

Compensation cost resulting from stock options and stock appreciation rights granted under the 1985 Plan is based on the intrinsic value of the award, recognized over the award's vesting period, and remeasured at each reporting date through the date of settlement. The total compensation cost recognized for the nine months ended September 30, 2005 was \$(51,237).

The 2005 Plan permits the grant of stock options, restricted stock awards and other stock incentives to key employees and all non-employee directors. The 2005 Plan provides for the issuance of up to 3,413,131 shares of the Company's Common Stock. Restricted stock was granted to key employees on April 27, 2005 at fair market value on that date, vesting over a three year period. Restricted stock units were granted to non-employee directors on April 27, 2005 at fair market value on that date and vest over a one year period. The total fair value of units that vested in 2005 was \$9,889. The number of shares of Common Stock which remain available for future grants under the Plan at September 30, 2005 is 3,392,440 shares. The Company pays dividends and dividend equivalents on outstanding awards, which are charged to net assets when paid. Dividends and dividend equivalents paid on restricted awards that are later forfeited are reclassified to compensation expense.

A summary of the status of the Company's awards granted as of September 30, 2005, and changes during the period then ended is presented below:

| Awards                        | Shares/Units | Grant-Date Fair<br>Value |
|-------------------------------|--------------|--------------------------|
| Balance at January 1, 2005    |              |                          |
| Granted:                      |              |                          |
| Restricted stock              | 13,941       | \$ 12.56                 |
| Restricted stock units        | 6,750        | 12.56                    |
| Vested                        | (750)        | 13.19                    |
| Forfeited                     |              |                          |
| Balance at September 30, 2005 | 19,941       | \$ 12.56                 |

Compensation costs resulting from restricted stock and restricted stock units granted under the 2005 Plan are recognized over the requisite service period based on the fair value of the awards on grant date. Any unearned compensation is included in Undistributed net investment income and is subsequently expensed as services are rendered. The fair value of restricted stock is based on the average of the high and low market price on the date an award is granted. The total compensation costs for restricted stock granted to employees for the nine months ended September 30, 2005 were \$29,183. The total compensation costs for restricted stock units granted to non-employee

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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directors under the 2005 Plan for the nine months ended September 30, 2005 were \$42,390. As of September 30, 2005, there was \$188,306 of total unrecognized compensation costs related to nonvested share-based compensation arrangements granted under the 2005 Plan. Those costs are expected to be recognized over a weighted average period of 2.13 years.

**7. Expenses**

The aggregate remuneration paid or accrued during the nine months ended September 30, 2005 to officers and directors amounted to \$1,934,983, of which \$222,223 was paid or accrued as fees to directors who were not officers.

**8. Portfolio Securities Loaned**

The Company makes loans of securities to brokers, secured by cash deposits, U.S. Government securities, or bank letters of credit. The Company 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 Company also continues to receive interest or dividends on the securities loaned. The loans are secured at all times by collateral of at least 102% of the fair value of the securities loaned plus accrued interest. 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 Company. At September 30, 2005, the Company had securities on loan of \$27,480,230 and held collateral of \$28,263,605, consisting of an investment trust fund which may invest in money market instruments, commercial paper, repurchase agreements, U.S. treasury bills, and U.S. agency obligations.

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This report, including the financial statements herein, 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 not indicative of future investment results.

## FINANCIAL HIGHLIGHTS

|   | Nine Months Ended     |                       | Year Ended December 31 |             |             |             |             |
|---|-----------------------|-----------------------|------------------------|-------------|-------------|-------------|-------------|
|   | (unaudited)           |                       |                        |             |             |             |             |
|   | September 30,<br>2005 | September 30,<br>2004 | 2004                   | 2003        | 2002        | 2001        | 2000        |
| <b>Per Share Operating Performance</b>                                  |                       |                       |                        |             |             |             |             |
| Net asset value, beginning of period                                    | \$15.04               | \$14.36               | \$14.36                | \$12.12     | \$16.05     | \$23.72     | \$26.85     |
| Net investment income   | 0.15                  | 0.14                  | 0.23*                  | 0.19        | 0.20        | 0.26        | 0.26        |
| Net realized gains and increase(decrease)<br>in unrealized appreciation | 0.24                  | 0.39                  | 1.39                   | 2.85        | (3.38)      | (6.21)      | (1.51)      |
| Total from investment operations  | 0.39                  | 0.53                  | 1.62                   | 3.04        | (3.18)      | (5.95)      | (1.25)      |
| Less distributions  |                       |                       |                        |             |             |             |             |
| Dividends from net investment income                                    | (0.14)                | (0.13)                | (0.24)                 | (0.17)      | (0.19)      | (0.26)      | (0.22)      |
| Distributions from net realized gains                                   | (0.01)                | (0.02)                | (0.66)                 | (0.61)      | (0.57)      | (1.39)      | (1.63)      |
| Total distributions   | (0.15)                | (0.15)                | (0.90)                 | (0.78)      | (0.76)      | (1.65)      | (1.85)      |
| Capital share repurchases   | 0.04                  | 0.03                  | 0.02                   | 0.04        | 0.05        | 0.04        | 0.10        |
| Reinvestment of distributions   |                       |                       | (0.06)                 | (0.06)      | (0.04)      | (0.11)      | (0.13)      |
| Total capital share transactions  | 0.04                  | 0.03                  | (0.04)                 | (0.02)      | 0.01        | (0.07)      | (0.03)      |
| Net asset value, end of period  | \$15.32               | \$14.77               | \$15.04                | \$14.36     | \$12.12     | \$16.05     | \$23.72     |
| Per share market price, end of period                                   | \$13.12               | \$12.68               | \$13.12                | \$12.41     | \$10.57     | \$14.22     | \$21.00     |
| <b>Total Investment Return</b>  |                       |                       |                        |             |             |             |             |
| Based on market price   | 1.1%                  | 3.4%                  | 13.2%                  | 25.2%       | (20.6)%     | (24.7)%     | 1.7%        |
| Based on net asset value  | 3.0%                  | 4.1%                  | 12.1%                  | 26.3%       | (19.4)%     | (24.7)%     | (4.3)%      |
| <b>Ratios/Supplemental Data</b>   |                       |                       |                        |             |             |             |             |
| Net assets, end of period (in 000 s)                                    | \$1,288,243           | \$1,236,604           | \$1,295,549            | \$1,218,862 | \$1,024,810 | \$1,368,366 | \$1,951,563 |
| Ratio of expenses to average net assets                                 | 0.44%                 | 0.42%                 | 0.43%                  | 0.47%       | 0.34%       | 0.19%       | 0.24%       |
| Ratio of net investment income to average<br>net assets                 | 1.35%                 | 1.30%                 | 1.54%                  | 1.45%       | 1.42%       | 1.33%       | 0.97%       |
| Portfolio turnover  | 12.52%                | 13.32%                | 13.43%                 | 12.74%      | 17.93%      | 19.15%      | 12.74%      |
| Number of shares outstanding<br>at end of period (in 000 s)             | 84,090                | 83,732                | 86,135                 | 84,886      | 84,536      | 85,233      | 82,292      |

\* In 2004 the Company received \$2,400,000, or \$0.03 per share, in an extraordinary dividend from Microsoft Corp.  
Ratios presented on an annualized basis.

## SCHEDULE OF INVESTMENTS

September 30, 2005

(unaudited)

|  | Shares    | Value (A)          |
|--|-----------|--------------------|
| <b>Stocks and Convertible Securities 95.7%</b> |           |                    |
| <b>Consumer 16.1%</b>                          |           |                    |
| <b>Consumer Discretionary 6.7%</b>             |           |                    |
| BJ's Wholesale Club, Inc. (B)                  | 500,000   | \$ 13,900,000      |
| Clear Channel Communications Inc.              | 350,000   | 11,511,500         |
| Comcast Corp. (B)                              | 350,000   | 10,283,000         |
| Gannett Co., Inc.                              | 97,500    | 6,710,925          |
| Newell Rubbermaid Inc.                         | 515,000   | 11,664,750         |
| Outback Steakhouse, Inc.                       | 300,000   | 10,980,000         |
| Target Corp.                                   | 410,000   | 21,291,300         |
|  |           | <u>86,341,475</u>  |
| <b>Consumer Staples 9.4%</b>                   |           |                    |
| Bunge Ltd.                                     | 205,000   | 10,787,100         |
| Coca-Cola Co.                                  | 200,000   | 8,638,000          |
| Dean Foods Co. (B)                             | 500,000   | 19,430,000         |
| Del Monte Foods Co. (B)                        | 1,115,000 | 11,963,950         |
| PepsiCo, Inc.                                  | 440,000   | 24,952,400         |
| Procter & Gamble Co.                           | 340,000   | 20,216,400         |
| Safeway, Inc.                                  | 423,000   | 10,828,800         |
| Unilever plc ADR                               | 345,000   | 14,565,900         |
|  |           | <u>121,382,550</u> |
| <b>Energy 11.6%</b>                            |           |                    |
| BP plc ADR                                     | 270,000   | 19,129,500         |
| ConocoPhillips                                 | 380,000   | 26,565,800         |
| Exxon Mobil Corp.                              | 130,000   | 8,260,200          |
| Murphy Oil Corp.                               | 209,600   | 10,452,752         |
| Petroleum & Resources Corporation (C)          | 1,985,996 | 69,410,560         |
| Schlumberger Ltd.                              | 190,000   | 16,032,200         |
|  |           | <u>149,851,012</u> |
| <b>Financials 14.7%</b>                        |           |                    |
| <b>Banking 10.6%</b>                           |           |                    |
| Bank of America Corp.                          | 550,000   | 23,155,000         |
| BankAtlantic Bancorp Inc.                      | 300,000   | 5,097,000          |
| Compass Bancshares Inc.                        | 300,000   | 13,749,000         |
| Fifth Third Bancorp                            | 270,000   | 9,917,100          |
| Investors Financial Services Corp. (D)         | 380,000   | 12,502,000         |
| North Fork Bancorporation, Inc.                | 450,000   | 11,475,000         |

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|                            |         |            |
|----------------------------|---------|------------|
| Provident Bankshares Corp. | 110,000 | 3,825,800  |
| Wachovia Corp.             | 370,000 | 17,608,300 |
| Wells Fargo & Co.          | 400,000 | 23,428,000 |
| Wilmington Trust Corp.     | 420,000 | 15,309,000 |

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136,066,200

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**Insurance 4.1%**

|                                    |         |            |
|------------------------------------|---------|------------|
| AMBAC Financial Group, Inc.        | 295,000 | 21,257,700 |
| American International Group, Inc. | 500,000 | 30,980,000 |

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52,237,700

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**Shares**

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**Value (A)**

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**Health Care 12.5%**

|  |           |               |
|--|-----------|---------------|
| Abbott Laboratories                      | 350,000   | \$ 14,840,000 |
| Bristol-Myers Squibb Co.                 | 345,000   | 8,300,700     |
| Genentech, Inc. (B)                      | 240,000   | 20,210,400    |
| HCA Inc.                                 | 310,000   | 14,855,200    |
| Johnson & Johnson                        | 255,000   | 16,136,400    |
| Laboratory Corp. of America Holdings (B) | 235,000   | 11,446,850    |
| MedImmune, Inc. (B)                      | 225,000   | 7,571,250     |
| Medtronic Inc.                           | 310,000   | 16,622,200    |
| Pfizer Inc.                              | 1,120,000 | 27,966,400    |
| Wyeth Co.                                | 325,000   | 15,037,750    |
| Zimmer Holdings Inc. (B)                 | 125,000   | 8,611,250     |

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161,598,400

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**Industrials 11.4%**

|                             |           |            |
|-----------------------------|-----------|------------|
| Cintas Corp.                | 300,000   | 12,315,000 |
| Curtiss-Wright Corp.        | 195,500   | 12,064,305 |
| Donnelley (R.R.) & Sons Co. | 260,000   | 9,638,200  |
| Emerson Electric Co.        | 200,000   | 14,360,000 |
| General Electric Co.        | 1,487,700 | 50,090,859 |
| Illinois Tool Works Inc.    | 125,000   | 10,291,250 |
| 3M Co.                      | 160,000   | 11,737,600 |
| United Parcel Service, Inc. | 155,000   | 10,715,150 |
| United Technologies Corp.   | 300,000   | 15,552,000 |

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146,764,364

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**Information Technology 13.8%**

**Communication Equipment 2.1%**

|                              |           |            |
|------------------------------|-----------|------------|
| Avaya Inc. (B)               | 600,000   | 6,180,000  |
| Corning Inc. (B)             | 615,000   | 11,887,950 |
| Lucent Technologies Inc. (B) | 2,900,000 | 9,425,000  |

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27,492,950

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**Computer Related 9.6%**

|                                       |           |            |
|---------------------------------------|-----------|------------|
| Automatic Data Processing Inc.        | 300,000   | 12,912,000 |
| BEA Systems Inc. (B)                  | 800,000   | 7,184,000  |
| Cisco Systems, Inc. (B)               | 1,200,000 | 21,516,000 |
| Dell Inc. (B)                         | 400,000   | 13,680,000 |
| DiamondCluster International Inc. (B) | 497,500   | 3,771,050  |
| Microsoft Corp.                       | 1,140,000 | 29,332,200 |
| Oracle Corp. (B)                      | 880,000   | 10,903,200 |
| Sapient Corp. (B)                     | 1,150,000 | 7,187,500  |
| Siebel Systems Inc.                   | 800,000   | 8,264,000  |
| Symantec Corp. (B)                    | 400,000   | 9,064,000  |



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|                         |           |             |
|-------------------------|-----------|-------------|
|                         |           | 123,813,950 |
| <hr/>                   |           |             |
| <b>Electronics 2.1%</b> |           |             |
| Cree, Inc. (B)(D)       | 500,000   | 12,510,000  |
| Intel Corp.             | 310,000   | 7,641,500   |
| Soletron Corp. (B)      | 1,850,000 | 7,233,500   |
| <hr/>                   |           |             |
|                         |           | 27,385,000  |
| <hr/>                   |           |             |

## SCHEDULE OF INVESTMENTS (CONTINUED)

September 30, 2005

(unaudited)

|  | <u>Shares</u> | <u>Value (A)</u>        |
|--|---------------|-------------------------|
| <b>Materials 4.7%</b>                          |               |                         |
| Air Products and Chemicals, Inc.               | 250,000       | \$ 13,785,000           |
| du Pont (E.I.) de Nemours and Co.              | 360,000       | 14,101,200              |
| Martin Marietta Materials, Inc.                | 120,000       | 9,415,200               |
| Rohm & Haas Co.                                | 400,000       | 16,452,000              |
| Smurfit-Stone Container Corp. (B)              | 650,000       | 6,734,000               |
|  |               | <u>60,487,400</u>       |
| <b>Telecom Services 4.0%</b>                   |               |                         |
| Alltel Corp.                                   | 300,000       | 19,533,000              |
| BellSouth Corp.                                | 200,000       | 5,260,000               |
| SBC Communications Inc.                        | 595,000       | 14,262,150              |
| Vodafone Group plc                             |               |                         |
| ADS  | 492,613       | 12,793,160              |
|  |               | <u>51,848,310</u>       |
| <b>Utilities 6.9%</b>                          |               |                         |
| Aqua America, Inc.                             | 900,000       | 34,218,000              |
| Black Hills Corp.                              | 245,000       | 10,625,650              |
| Duke Energy Corp. (D)                          | 611,560       | 17,839,205              |
| Keyspan Corp.                                  | 140,000       | 5,149,200               |
| MDU Resources Group, Inc.                      | 575,000       | 20,498,750              |
|  |               | <u>88,330,805</u>       |
| <b>Total Stocks and Convertible Securities</b> |               |                         |
| (Cost \$908,078,682) (E)                       |               | <u>\$ 1,233,600,116</u> |

|  | <u>Prin. Amt.</u> | <u>Value (A)</u> |
|--|-------------------|------------------|
| <b>Short-Term Investments 3.7%</b>                               |                   |                  |
| <b>U.S. Government Obligations 1.4%</b>                          |                   |                  |
| U.S. Treasury Bills,<br>3.39%, due 11/17/05                      | \$ 17,500,000     | \$ 17,422,548    |
| <b>Time Deposit 0.0%</b>   |                   |                  |
| Brown Brothers Harriman & Co., 3.31%, due 10/3/05                |                   | 18,616           |
| <b>Commercial Paper 2.3%</b>                                     |                   |                  |
| American General Finance Corp., 3.69-3.77%, due 10/4/05-10/25/05 | 6,000,000         | 5,993,743        |
|  | 8,800,000         | 8,787,841        |

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|   |           |                  |
|---|-----------|------------------|
| ChevronTexaco Funding Corp., 3.60-3.67%,<br>due 10/13/05-10/18/05                                   |           |                  |
| General Electric Capital Corp., 3.63-3.78%,<br>due 10/11/05-11/3/05                                 | 6,840,000 | 6,824,345        |
| Toyota Motor Credit Corp., 3.52-3.69%,<br>due 10/4/05-10/20/05                                      | 8,150,000 | 8,141,231        |
|   |           | 29,747,160       |
| <b>Total Short-Term Investments</b><br>(Cost \$47,188,324)  |           | 47,188,324       |
| <b>Securities Lending Collateral 2.2%</b><br>Brown Brothers Investment<br>Trust, 3.75%, due 10/3/05 |           | 28,263,605       |
| <b>Total Securities Lending Collateral</b><br>(Cost \$28,263,605)                                   |           | 28,263,605       |
| <b>Total Investments 101.6%</b><br>(Cost \$983,530,611)   |           | 1,309,052,045    |
| Cash, receivables, prepaid<br>expenses and other assets, less liabilities (1.6)%                    |           | (20,809,203)     |
| <b>Net Assets 100%</b>  |           | \$ 1,288,242,842 |

Notes:

- (A) See note 1 to financial statements. Securities are listed on the New York Stock Exchange, the American Stock Exchange or the NASDAQ.
- (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) Some or all of these securities are on loan. See note 8 to financial statements.
- (E) The aggregate market value of stocks held in escrow at September 30, 2005 covering open call option contracts written was \$12,876,420. In addition, the aggregate market value of securities segregated by the Company's custodian required to collateralize open put option contracts written was \$14,475,000.

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**PORTFOLIO SUMMARY**


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September 30, 2005

(unaudited)

**Ten Largest Portfolio Holdings**

|                                    | <u>Market Value</u> | <u>% of Net Assets</u> |
|------------------------------------|---------------------|------------------------|
| Petroleum & Resources Corporation* | \$ 69,410,560       | 5.4                    |
| General Electric Co.               | 50,090,859          | 3.9                    |
| Aqua America, Inc.                 | 34,218,000          | 2.6                    |
| American International Group, Inc. | 30,980,000          | 2.4                    |
| Microsoft Corp.                    | 29,332,200          | 2.3                    |
| Pfizer Inc.                        | 27,966,400          | 2.2                    |
| ConocoPhillips                     | 26,565,800          | 2.1                    |
| PepsiCo, Inc.                      | 24,952,400          | 1.9                    |
| Wells Fargo & Co.                  | 23,428,000          | 1.8                    |
| Bank of America Corp.              | 23,155,000          | 1.8                    |
|                                    | <hr/>               | <hr/>                  |
| Total                              | \$ 340,099,219      | 26.4%                  |
|                                    | <hr/>               | <hr/>                  |

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\*Non-controlled affiliate

**Sector Weightings**

## SCHEDULE OF OUTSTANDING OPTION CONTRACTS

September 30, 2005

(unaudited)

Contracts  
(100

| shares<br>each)            | Security                           | Strike<br>Price | Contract<br>Expiration<br>Date | Appreciation/<br>(Depreciation) |
|----------------------------|------------------------------------|-----------------|--------------------------------|---------------------------------|
| <b>COVERED CALLS</b>       |                                    |                 |                                |                                 |
| 100                        | AMBAC Financial Group, Inc.        | \$ 85           | Nov 05                         | \$ 20,574                       |
| 100                        | AMBAC Financial Group, Inc.        | 80              | Jan 06                         | 3,199                           |
| 50                         | Genentech, Inc.                    | 100             | Oct 05                         | 5,350                           |
| 100                        | Genentech, Inc.                    | 110             | Dec 05                         | 7,700                           |
| 100                        | Illinois Tool Works, Inc.          | 90              | Dec 05                         | 8,699                           |
| 100                        | Illinois Tool Works, Inc.          | 90              | Jan 06                         | 1,700                           |
| 200                        | Martin Marietta Materials, Inc.    | 70              | Oct 05                         | (143,601)                       |
| 75                         | Martin Marietta Materials, Inc.    | 75              | Oct 05                         | (17,476)                        |
| 170                        | Martin Marietta Materials, Inc.    | 75              | Jan 06                         | (102,511)                       |
| 200                        | Murphy Oil Corp.                   | 60              | Oct 05                         | 7,700                           |
| 100                        | Schlumberger Ltd.                  | 100             | Jan 06                         | 5,199                           |
| 150                        | Target Corp.                       | 60              | Oct 05                         | 15,149                          |
| 100                        | Target Corp.                       | 60              | Jan 06                         | 5,200                           |
| 100                        | United Technologies Corp.          | 55              | Jan 06                         | 200                             |
| 100                        | Zimmer Holdings Inc.               | 90              | Dec 05                         | 8,450                           |
| 100                        | Zimmer Holdings Inc.               | 95              | Jan 06                         | 9,700                           |
| 1,845                      |                                    |                 |                                | (164,768)                       |
| <b>COLLATERALIZED PUTS</b> |                                    |                 |                                |                                 |
| 250                        | Bank of America Corp.              | 42.50           | Jan 06                         | (12,626)                        |
| 100                        | Bunge Ltd.                         | 50              | Oct 05                         | (300)                           |
| 100                        | Bunge Ltd.                         | 55              | Oct 05                         | (16,301)                        |
| 100                        | Bunge Ltd.                         | 50              | Jan 06                         | (8,801)                         |
| 150                        | Cintas Corp.                       | 35              | Nov 05                         | 15,299                          |
| 150                        | Comcast Corp.                      | 30              | Jan 06                         | (7,951)                         |
| 100                        | Exxon Mobil Corp.                  | 50              | Oct 05                         | 12,199                          |
| 100                        | Exxon Mobil Corp.                  | 55              | Oct 05                         | 11,199                          |
| 100                        | Exxon Mobil Corp.                  | 55              | Jan 06                         | 10,199                          |
| 100                        | Fifth Third Bancorp                | 40              | Nov 05                         | (23,301)                        |
| 150                        | Gannett Co., Inc.                  | 70              | Oct 05                         | (13,951)                        |
| 150                        | Investors Financial Services Corp. | 37.50           | Oct 05                         | (43,951)                        |
| 100                        | Martin Marietta Materials, Inc.    | 65              | Jan 05                         | 7,949                           |
| 150                        | Outback Steakhouse, Inc.           | 40              | Oct 05                         | (39,451)                        |
| 250                        | Outback Steakhouse, Inc.           | 40              | Feb 06                         | (78,251)                        |
| 100                        | 3M Co.                             | 65              | Oct 05                         | 9,700                           |
| 100                        | 3M Co.                             | 65              | Jan 06                         | 4,200                           |
| 100                        | United Parcel Service, Inc.        | 60              | Oct 05                         | 7,700                           |
| 100                        | United Parcel Service, Inc.        | 65              | Oct 05                         | 6,200                           |
| 150                        | Zimmer Holdings Inc.               | 65              | Dec 05                         | (1,951)                         |
| 250                        | Zimmer Holdings Inc.               | 60              | Jan 06                         | 499                             |

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|              |                     |
|--------------|---------------------|
| <u>2,850</u> | <u>(161,691)</u>    |
|              | <u>\$ (326,459)</u> |

## CHANGES IN PORTFOLIO SECURITIES

During the Three Months Ended September 30, 2005

(unaudited)

|                                    | Shares    |            |                            |
|------------------------------------|-----------|------------|----------------------------|
|                                    | Additions | Reductions | Held<br>September 30, 2005 |
| Comcast Corp.                      | 25,000    |            | 350,000                    |
| Curtiss-Wright Corp.               | 195,500   |            | 195,500                    |
| Gannett Co., Inc.                  | 10,000    |            | 97,500                     |
| Microsoft Corp.                    | 340,000   |            | 1,140,000                  |
| Outback Steakhouse, Inc.           | 75,000    |            | 300,000                    |
| Alltel Corp.                       |           | 50,000     | 300,000                    |
| American International Group, Inc. |           | 50,000     | 500,000                    |
| Brinker International Inc.         |           | 190,000    |                            |
| Canadian National Railway Co.      |           | 67,000     |                            |
| CINergy Corp.                      |           | 300,000    |                            |
| Corning Inc.                       |           | 385,000    | 615,000                    |
| Donnelley (R.R.) & Sons Co.        |           | 40,000     | 260,000                    |
| duPont (E.I.) de Nemours & Co.     |           | 40,000     | 360,000                    |
| Genentech, Inc.                    |           | 10,000     | 240,000                    |
| HCA Inc.                           |           | 15,000     | 310,000                    |
| Martin Marietta Materials, Inc.    |           | 21,600     | 120,000                    |
| Murphy Oil Corp.                   |           | 20,000     | 209,600                    |
| Provident Bankshares Corp.         |           | 90,000     | 110,000                    |
| Sun Microsystems Inc.              |           | 95,000     |                            |
| Target Corp.                       |           | 50,000     | 410,000                    |
| Treehouse Foods Inc.               |           | 100,000    |                            |

## HISTORICAL FINANCIAL STATISTICS

| December 31 | Value of<br>Net Assets | Shares<br>Outstanding* | Net<br>Asset<br>Value per<br>Share* | Dividends<br>from<br>Net Investment<br>Income<br>per Share* | Distributions<br>from<br>Net Realized<br>Gains<br>per Share* |
|-------------|------------------------|------------------------|-------------------------------------|---|--|
| 1995        | \$ 986,230,914         | 69,248,276             | \$ 14.24                            | \$ .35  | \$ .76   |
| 1996        | 1,138,760,396          | 72,054,792             | 15.80                               | .35   | .80  |
| 1997        | 1,424,170,425          | 74,923,859             | 19.01                               | .29   | 1.01   |

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|                                |               |            |       |     |      |
|--------------------------------|---------------|------------|-------|-----|------|
| 1998                           | 1,688,080,336 | 77,814,977 | 21.69 | .30 | 1.10 |
| 1999                           | 2,170,801,875 | 80,842,241 | 26.85 | .26 | 1.37 |
| 2000                           | 1,951,562,978 | 82,292,262 | 23.72 | .22 | 1.63 |
| 2001                           | 1,368,366,316 | 85,233,262 | 16.05 | .26 | 1.39 |
| 2002                           | 1,024,810,092 | 84,536,250 | 12.12 | .19 | .57  |
| 2003                           | 1,218,862,456 | 84,886,412 | 14.36 | .17 | .61  |
| 2004                           | 1,295,548,900 | 86,135,292 | 15.04 | .24 | .66  |
| September 30, 2005 (unaudited) | 1,288,242,842 | 84,090,383 | 15.32 | .14 | .01  |

\* Prior years have been adjusted to reflect the 3-for-2 stock split effected in October 2000.



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**OTHER INFORMATION**

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**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 Company 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 Company's Forms N-Q are available on the Commission's website at [www.sec.gov](http://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 its Forms N-Q on its website at [www.adamsexpress.com](http://www.adamsexpress.com) under the heading "Financial Reports".

**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 information as to how the Company voted proxies relating to portfolio securities during the 12 month period ended June 30, 2005 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 by clicking on "Corporate Information" heading on the website; and (iii) on the Securities and Exchange Commission's website at <http://www.sec.gov>.

**Privacy Policy**

In order to conduct its business, The Adams Express 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.

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**Common Stock**

Listed on the New York Stock Exchange

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and the Pacific Exchange

**The Adams Express Company**

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

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

**Website:** [www.adamsexpress.com](http://www.adamsexpress.com)

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

**Counsel:** Chadbourne & Parke L.L.P.

**Independent Registered Public Accounting Firm:** PricewaterhouseCoopers LLP

**Transfer Agent & Registrar:** American Stock Transfer & Trust Co.

**Custodian of Securities:** Brown Brothers Harriman & Co.

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**SHAREHOLDER INFORMATION AND SERVICES**


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**DIVIDEND PAYMENT SCHEDULE**

The Corporation 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. 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.**

**INVESTORS CHOICE**

INVESTORS CHOICE is a direct stock purchase and sale plan, as well as a dividend reinvestment plan, sponsored and administered by our transfer agent, American Stock Transfer & Trust Company (AST). The plan provides registered stockholders and interested first time investors an affordable alternative for buying, selling, and reinvesting in Adams Express shares.

The costs to participants in administrative service fees and brokerage commissions for each type of transaction are listed below.

|  |   |
|--|---|
| Initial Enrollment and Optional Cash Investments                         |   |
| Service Fee  | \$2.50 per investment                                       |
| Brokerage Commission   | \$0.05 per share  |
| Reinvestment of Dividends*   |   |
| Service Fee  | 2% of amount invested<br>(maximum of \$2.50 per investment) |
| Brokerage Commission   | \$0.05 per share  |
| Sale of Shares   |   |
| Service Fee  | \$10.00   |
| Brokerage Commission   | \$0.05 per share  |
| Deposit of Certificates for safekeeping \$7.50                           |   |
| Book to Book Transfers   | Included  |
| <i>To transfer shares to another participant or to a new participant</i> |   |

*Fees are subject to change at any time.*

**Minimum and Maximum Cash Investments**

|  |          |
|--|----------|
| Initial minimum investment (non-holders) | \$500.00 |
|--|----------|

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|  |             |
|--|-------------|
| Minimum optional investment (existing holders) | \$50.00     |
| Electronic Funds Transfer<br>(monthly minimum) | \$50.00     |
| Maximum per transaction                        | \$25,000.00 |
| Maximum per year                               | NONE        |

A brochure which further details the benefits and features of INVESTORS CHOICE as well as an enrollment form may be obtained by contacting AST.

### **For Non-Registered Shareholders**

For shareholders whose stock is held by a broker in street name, the AST INVESTORS CHOICE Direct Stock Purchase and Sale Plan remains available through many registered investment security dealers. If your shares are currently held in a street name or brokerage account, please contact your broker for details about how you can participate in AST's Plan or contact AST.

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### **The Company**

#### **The Adams Express Company**

Lawrence L. Hooper, Jr.

Vice President, General Counsel and Secretary

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

(800) 638-2479

**Website:** [www.adamsexpress.com](http://www.adamsexpress.com)

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

### **The Transfer Agent**

#### **American Stock Transfer & Trust Company**

**Address Shareholder Inquiries to:**

Shareholder Relations Department

59 Maiden Lane

New York, NY 10038

(877) 260-8188

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

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*E-mail:* info@amstock.com

***Investors Choice Mailing Address:***

Attention: Dividend Reinvestment

P.O. Box 922

Wall Street Station

New York, NY 10269

***Website:*** www.InvestPower.com

***E-mail:*** info@InvestPower.com

\*The year-end dividend and capital gain distribution will usually be made in newly issued shares of common stock. There are no fees or commissions in connection with this dividend and capital gain distribution when made in newly issued shares.