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ADAMS EXPRESS CO
Form N-Q
April 30, 2008

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM N-Q

QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF
REGISTERED MANAGEMENT INVESTMENT COMPANY

Investment Company Act file number: 811-00248

THE ADAMS EXPRESS COMPANY

(Exact name of registrant as specified in charter)

7 Saint Paul Street, Suite 1140, Baltimore, Maryland 21202

(Address of principal executive offices) (Zip code)

Lawrence L. Hooper, Jr.
The Adams Express Company
7 Saint Paul Street
Suite 1140
Baltimore, Maryland 21202

Registrant's telephone number, including area code: 410-752-5900

Date of fiscal year end: December 31, 2008

Date of reporting period: March 31, 2008

Item 1: SCHEDULE OF INVESTMENTS.

SCHEDULE OF INVESTMENTS

March 31, 2008
(unaudited)

| | Shares | Value (A) |
|--|---------|---------------|
| ----- | ----- | ----- |
| Stocks and Convertible Securities -- 94.9% | | |
| Consumer -- 18.0% | | |
| Consumer Discretionary -- 5.3% | | |
| Comcast Corp. | 525,000 | \$ 10,153,500 |
| Gannett Co., Inc. (B) | 112,500 | 3,268,125 |
| Harley-Davidson, Inc. | 130,000 | 4,875,000 |
| Lowe's Companies, Inc. | 600,000 | 13,764,000 |

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| | | |
|--|-----------|---------------|
| Newell Rubbermaid Inc. | 400,000 | 9,148,000 |
| Ryland Group Inc. (B) | 343,500 | 11,297,715 |
| Target Corp. | 290,000 | 14,697,200 |
| | | ----- |
| | | 67,203,540 |
| | | ----- |
| Consumer Staples -- 12.7% | | |
| Avon Products, Inc. | 402,400 | 15,910,896 |
| BJ's Wholesale Club, Inc. (C) | 400,000 | 14,276,000 |
| Bunge Ltd. | 100,000 | 8,688,000 |
| Coca-Cola Co. | 200,000 | 12,174,000 |
| CVS/Caremark Corp. | 250,000 | 10,127,500 |
| Dean Foods Co. | 340,000 | 6,830,600 |
| Del Monte Foods Co. | 1,300,000 | 12,389,000 |
| PepsiCo, Inc. | 360,000 | 25,992,000 |
| Procter & Gamble Co. | 340,000 | 23,823,800 |
| Safeway Inc. | 390,000 | 11,446,500 |
| Unilever plc ADR | 550,000 | 18,546,000 |
| | | ----- |
| | | 160,204,296 |
| | | ----- |
| Energy -- 14.3% | | |
| ConocoPhillips | 295,000 | 22,481,950 |
| ENSCO International, Inc. | 209,150 | 13,096,973 |
| Exxon Mobil Corp. | 215,000 | 18,184,700 |
| Marathon Oil Co. | 240,000 | 10,944,000 |
| Petroleum & Resources Corporation (D) | 2,186,774 | 79,664,177 |
| Schlumberger Ltd. | 380,000 | 33,060,000 |
| Transocean Inc. (C) | 20,000 | 2,704,000 |
| | | ----- |
| | | 180,135,800 |
| | | ----- |
| Financials -- 14.4% | | |
| Banking -- 11.7% | | |
| Bank of America Corp. | 730,000 | 27,674,300 |
| Bank of New York Mellon Corp. | 403,775 | 16,849,531 |
| Fifth Third Bancorp | 280,000 | 5,857,600 |
| Morgan Stanley | 200,000 | 9,140,000 |
| PNC Financial Services Group, Inc. (The) | 200,000 | 13,114,000 |
| Prosperity Bancshares, Inc. | 250,000 | 7,165,000 |
| State Street Corp. | 260,000 | 20,540,000 |
| Visa Inc. (C) | 20,000 | 1,247,200 |
| Wachovia Corp. (B) | 570,000 | 15,390,000 |
| Wells Fargo & Co. | 665,000 | 19,351,500 |
| Wilmington Trust Corp. | 363,000 | 11,289,300 |
| | | ----- |
| | | 147,618,431 |
| | | ----- |
| | Shares | Value (A) |
| | ----- | ----- |
| Insurance -- 2.7% | | |
| American International Group, Inc. | 500,000 | \$ 21,625,000 |
| Prudential Financial, Inc. | 170,000 | 13,302,500 |
| | | ----- |
| | | 34,927,500 |
| | | ----- |
| Health Care -- 11.5% | | |
| Abbott Laboratories | 320,000 | 17,648,000 |
| Bristol-Myers Squibb Co. | 345,000 | 7,348,500 |

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| | | |
|--|-----------|-------------|
| Genentech, Inc. (C) | 220,000 | 17,859,600 |
| Johnson & Johnson | 255,000 | 16,541,850 |
| Medtronic, Inc. | 310,000 | 14,994,700 |
| Pfizer Inc. | 1,120,000 | 23,441,600 |
| Senomyx, Inc. (B) (C) | 984,400 | 5,807,960 |
| Teva Pharmaceutical Industries Ltd. ADR | 370,000 | 17,090,300 |
| Wyeth Co. | 325,000 | 13,572,000 |
| Zimmer Holdings, Inc. (C) | 140,000 | 10,900,400 |
| | | ----- |
| | | 145,204,910 |
| | | ----- |
| Industrials -- 15.4% | | |
| Cintas Corp. | 300,000 | 8,562,000 |
| Curtiss-Wright Corp. | 360,000 | 14,932,800 |
| Emerson Electric Co. | 400,000 | 20,584,000 |
| General Electric Co. | 1,388,000 | 51,369,880 |
| Illinois Tool Works Inc. | 250,000 | 12,057,500 |
| Masco Corp. (B) | 450,000 | 8,923,500 |
| Oshkosh Corp. (B) | 295,000 | 10,702,600 |
| 3M Co. | 160,000 | 12,664,000 |
| Spirit AeroSystems Holdings, Inc. (C) | 525,000 | 11,644,500 |
| Tata Motors Ltd. ADR | 750,000 | 11,715,000 |
| United Parcel Service, Inc. | 155,000 | 11,318,100 |
| United Technologies Corp. | 300,000 | 20,646,000 |
| | | ----- |
| | | 195,119,880 |
| | | ----- |
| Information Technology -- 10.6% | | |
| Communication Equipment -- 1.0% | | |
| Corning Inc. | 500,000 | 12,020,000 |
| | | ----- |
| Computer Related -- 7.9% | | |
| Automatic Data Processing Inc. | 300,000 | 12,717,000 |
| Cisco Systems, Inc. (C) | 850,000 | 20,476,500 |
| Dell Inc. (C) | 585,000 | 11,653,200 |
| Microsoft Corp. | 1,180,000 | 33,488,400 |
| Oracle Corp. (C) | 1,100,000 | 21,516,000 |
| | | ----- |
| | | 99,851,100 |
| | | ----- |
| Electronics -- 1.7% | | |
| Broadcom Corp. (C) | 400,000 | 7,708,000 |
| Intel Corp. | 640,000 | 13,555,200 |
| | | ----- |
| | | 21,263,200 |
| | | ----- |

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SCHEDULE OF INVESTMENTS (CONTINUED)

 March 31, 2008
 (unaudited)

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| | Shares/ Prin. Amt | Value (A) |
|--|----------------------|---------------|
| | ----- | ----- |
| Materials -- 5.3% | | |
| Air Products and Chemicals, Inc. | 230,000 | \$ 21,160,000 |
| du Pont (E.I.) de Nemours and Co. | 360,000 | 16,833,600 |
| Lubrizol Corp | 220,000 | 12,212,200 |
| Rohm & Haas Co. | 300,000 | 16,224,000 |
| | | ----- |
| | | 66,429,800 |
| | | ----- |
| Telecom Services -- 1.5% | | |
| AT&T Corp. | 400,000 | 15,320,000 |
| Windstream Corp. | 310,178 | 3,706,627 |
| | | ----- |
| | | 19,026,627 |
| | | ----- |
| Utilities -- 3.9% | | |
| Aqua America, Inc. (B) | 499,000 | 9,371,220 |
| Duke Energy Corp. | 611,560 | 10,916,346 |
| MDU Resources Group, Inc. | 562,500 | 13,809,375 |
| Northeast Utilities | 350,000 | 8,589,000 |
| Spectra Energy Corp. | 305,780 | 6,956,494 |
| | | ----- |
| | | 49,642,435 |
| | | ----- |
| Total Stocks and Convertible Securities (Cost \$907,793,071) (E) | | |
| | | 1,198,647,519 |
| | | ----- |
| Short-Term Investments -- 4.9% | | |
| U.S. Government Obligations -- 1.6% | | |
| U.S. Treasury Bills, 2.18%, due 5/15/08 | \$20,000,000 | 19,946,711 |
| | | ----- |
| Time Deposit -- 0.0% | | |
| Wachovia Bank, 1.70%, due 4/1/08 | | 565,897 |
| | | ----- |
| Commercial Paper -- 3.3% | | |
| AIG Funding, Inc., 2.85%, due 4/22/08 | \$3,600,000 | 3,594,015 |
| | | ----- |
| | | ----- |
| | Prin. Amt. | Value (A) |
| | ----- | ----- |
| Chevron Funding Corp., 2.25%, due 4/3/08 | \$ 7,500,000 | \$ 7,499,063 |
| General Electric Capital Corp., 2.27-2.30%, due 4/8/08-4/10/08 | 15,000,000 | 14,992,604 |
| Toyota Motor Credit Corp., 1.84-2.44%, due 4/1/08-4/17/08 | 15,000,000 | 14,991,464 |
| | | ----- |
| | | 41,077,146 |
| | | ----- |
| Total Short-Term Investments | | |

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| | |
|---|-----------------|
| (Cost \$61,589,754) | 61,589,754 |
| | ----- |
| Total Securities Lending Collateral -- 4.4% | |
| (Cost \$55,479,892) | |
| Brown Brothers Investment | |
| Trust, 3.02%, due 4/1/08 | 55,479,892 |
| | ----- |
| Total Investments -- 104.2% | |
| (Cost \$1,024,862,717) | 1,315,717,165 |
| Cash, receivables, prepaid pension cost, | |
| prepaid expenses and other assets, less | |
| liabilities -- (4.2)% | (53,419,500) |
| | ----- |
| Net Assets -- 100% | \$1,262,297,665 |
| | ===== |

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) Some of the shares of this company are on loan. See note 8 to financial statements.
- (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) The aggregate market value of stocks held in escrow at March 31, 2008 covering open call option contracts written was \$17,931,100. In addition, the aggregate market value of securities segregated by the Company's custodian required to collateralize open put option contracts written was \$13,112,500.

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SCHEDULE OF OUTSTANDING OPTION CONTRACTS

March 31, 2008
(unaudited)

| Contracts (100 shares each) | Security | Strike Price | Contract Expiration Date | Appreciation/ (Depreciation) |
|-----------------------------------|------------------------------------|-----------------|--------------------------------|---------------------------------|
| COVERED CALLS | | | | |
| 200 | Air Products and Chemicals, Inc... | \$ 115 | Sep 08 | \$ (3,600) |
| 200 | American International Group, Inc. | 60 | Aug 08 | 13,499 |
| 150 | Avon Products, Inc..... | 45 | Jul 08 | 3,675 |
| 250 | BJ's Wholesale Club, Inc..... | 40 | Jun 08 | (4,410) |
| 200 | BJ's Wholesale Club, Inc..... | 45 | Sep 08 | (1,700) |
| 100 | ENSCO International, Inc..... | 65 | Apr 08 | (5,290) |
| 100 | Genentech, Inc..... | 100 | Sep 08 | 1,200 |
| 100 | Marathon Oil Co..... | 55 | Apr 08 | 19,780 |
| 100 | Marathon Oil Co..... | 60 | Apr 08 | 9,200 |
| 250 | PepsiCo, Inc..... | 75 | Jul 08 | (17,625) |

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| | | | | | |
|-------|------------------------|-------|-----|----|---------|
| 200 | Rohm & Haas Co..... | 55 | Apr | 08 | (3,600) |
| 200 | Rohm & Haas Co..... | 60 | Apr | 08 | 24,399 |
| 250 | Ryland Group Inc..... | 50 | Jul | 08 | 8,220 |
| 200 | Ryland Group Inc..... | 50 | Oct | 08 | (3,600) |
| 100 | State Street Corp..... | 90 | Apr | 08 | 5,700 |
| 100 | State Street Corp..... | 95 | Apr | 08 | 11,450 |
| 150 | State Street Corp..... | 105 | Aug | 08 | (2,700) |
| 200 | Target Corp..... | 65 | Jul | 08 | 12,199 |
| 200 | Target Corp..... | 67.50 | Jul | 08 | 11,200 |
| 150 | Wells Fargo & Co..... | 35 | Apr | 08 | 13,049 |
| ----- | | | | | ----- |
| 3,400 | | | | | 91,046 |
| ----- | | | | | ----- |

COLLATERALIZED PUTS

| | | | | | |
|-------|------------------------------------|-------|-----|----|-----------|
| 50 | Bunge Ltd..... | 75 | Apr | 08 | (1,900) |
| 100 | Bunge Ltd..... | 80 | Apr | 08 | (12,800) |
| 100 | Bunge Ltd..... | 65 | May | 08 | (6,300) |
| 100 | Oshkosh Corp..... | 35 | Apr | 08 | 2,344 |
| 100 | Oshkosh Corp..... | 40 | Apr | 08 | (21,300) |
| 150 | Procter & Gamble Co..... | 57.50 | Jul | 08 | 8,550 |
| 100 | Prudential Financial, Inc..... | 60 | Apr | 08 | 7,700 |
| 100 | Prudential Financial, Inc..... | 65 | Apr | 08 | 7,700 |
| 250 | Prudential Financial, Inc..... | 55 | Jun | 08 | 5,499 |
| 250 | Spirit AeroSystems Holdings, Inc.. | 20 | Jul | 08 | (3,250) |
| 200 | Target Corp..... | 40 | Apr | 08 | 14,374 |
| 100 | Transocean Inc..... | 115 | Apr | 08 | 8,269 |
| 200 | Transocean Inc..... | 120 | Apr | 08 | 19,399 |
| 100 | Transocean Inc..... | 105 | May | 08 | 6,700 |
| 100 | Transocean Inc..... | 115 | May | 08 | 2,700 |
| ----- | | | | | ----- |
| 2,000 | | | | | 37,685 |
| ----- | | | | | ----- |
| | | | | | \$128,731 |
| | | | | | ===== |

(SELECTED) NOTES TO FINANCIAL STATEMENTS (Unaudited)

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 is an internally-managed fund whose investment objectives are preservation of capital, the attainment of reasonable income from investments, and an opportunity for capital appreciation.

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

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to stockholders are recognized on the ex-dividend date, and interest income is recognized on the accrual basis.

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 which approximates fair value. Purchased and written options are valued at the last quoted asked price.

The Company adopted Financial Accounting Standard Board Statement of Financial Accounting Standards No. 157, Fair Value Measurements ("FAS 157"), effective January 1, 2008. There was no impact on the fair value of assets individually or in aggregate upon adoption. In accordance with FAS 157, fair value is defined as the price that the Company would receive upon selling an investment in an orderly transaction to an independent buyer. FAS 157 established a three-tier hierarchy to establish classification of fair value measurements, summarized as follows:

- . 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 Company's own assumptions, developed based on the best information available in the circumstances.

The Company's investments at March 31, 2008 as classified as follows:

| | Investment in securities | Written options |
|---------|-----------------------------|-----------------|
| | ----- | ----- |
| Level 1 | \$1,198,647,519 | \$545,700 |
| Level 2 | 117,069,646* | -- |
| Level 3 | -- | -- |
| | ----- | ----- |
| Total | \$1,315,717,165 | \$545,700 |

 *Comprised of short-term investments and securities lending collateral.

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

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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 March 31, 2008, the Company had securities on loan of \$54,040,100 and held collateral of \$55,479,892, 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.

Item 2. CONTROLS AND PROCEDURES.

Conclusions of principal officers concerning controls and procedures:

(a) As of April 30, 2008, an evaluation was performed under the supervision and with the participation of the officers of The Adams Express Company (the "Company"), including the principal executive officer ("PEO") and principal financial officer ("PFO"), of the effectiveness of the Company's disclosure controls and procedures. Based on that evaluation, the Company's officers, including the PEO and PFO, concluded that, as of April 30, 2008, the Company's disclosure controls and procedures were reasonably designed so as to ensure: (1) that information required to be disclosed by the Company on Form N-Q is recorded, processed, summarized and reported within the time periods specified by the rules and forms of the Securities and Exchange Commission; and (2) that material information relating to the Company is made known to the PEO and PFO as appropriate to allow timely decisions regarding required disclosure.

(b) There have been no significant changes in the Company's internal control over financial reporting (as defined in Rule 30 a-3(d) under the Investment Company Act of 1940 (17 CFR 270.30a-3(d)) that occurred during the Company's last fiscal quarter that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Item 3. EXHIBITS.

The certifications of the principal executive officer and principal financial officer pursuant to Rule 30a-2(a) under the Investment Company Act of 1940 are attached hereto as Form N-Q Certifications.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

THE ADAMS EXPRESS COMPANY

BY: /s/ Douglas G. Ober

Douglas G. Ober
Chief Executive Officer

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Date: April 30, 2008

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

BY: /s/ Douglas G. Ober

Douglas G. Ober
Chief Executive Officer
(Principal Executive Officer)

Date: April 30, 2008

BY: /s/ Maureen A. Jones

Maureen A. Jones
Vice President, Chief Financial Officer and Treasurer
(Principal Financial Officer)

Date: April 30, 2008