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ADAMS EXPRESS CO
Form N-Q
May 25, 2005

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, 2005

Date of reporting period: March 31, 2005

Item 1: SCHEDULE OF INVESTMENTS.

SCHEDULE OF INVESTMENTS

March 31, 2005
(unaudited)

| | Prin. Amt. or Shares | Value (A) |
|--------------------------------------|-------------------------|-----------|
| | ----- | ----- |
| Stocks and Convertible Securities -- | 97.7% | |
| Consumer -- | 16.2% | |
| Consumer Discretionary -- | 7.5% | |

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| | | |
|--|-----------|---------------|
| BJ's Wholesale Club, Inc. (B) | 500,000 | \$ 15,530,000 |
| Brinker International Inc. (B) | 400,000 | 14,488,000 |
| Clear Channel Communications Inc. | 325,000 | 11,202,750 |
| Comcast Corp. (B) | 325,000 | 10,978,500 |
| Gannett Co., Inc. | 87,500 | 6,919,500 |
| Newell Rubbermaid Inc. | 515,000 | 11,299,100 |
| Ryland Group Inc. | 20,000 | 1,240,400 |
| Target Corp. | 460,000 | 23,009,200 |
| | | ----- |
| | | 94,667,450 |
| | | ----- |
| Consumer Staples -- 8.7% | | |
| Bunge Ltd. | 170,000 | 9,159,600 |
| Coca-Cola Co. | 200,000 | 8,334,000 |
| Dean Foods Co. (B) | 506,600 | 17,376,380 |
| Del Monte Foods Co. (B) | 1,035,000 | 11,229,750 |
| PepsiCo, Inc. | 440,000 | 23,333,200 |
| Procter & Gamble Co. | 340,000 | 18,020,000 |
| Safeway, Inc. (B) | 423,000 | 7,838,190 |
| Unilever plc ADR | 345,000 | 13,800,000 |
| | | ----- |
| | | 109,091,120 |
| | | ----- |
| Energy -- 10.5% | | |
| BP plc ADR | 270,000 | 16,848,000 |
| ConocoPhillips | 190,000 | 20,489,600 |
| Exxon Mobil Corp. | 130,000 | 7,748,000 |
| Murphy Oil Corp. | 160,300 | 15,826,419 |
| Petroleum & Resources Corporation (D) | 1,985,996 | 57,256,265 |
| Schlumberger Ltd. (C) | 190,000 | 13,391,200 |
| | | ----- |
| | | 131,559,484 |
| | | ----- |
| Financials -- 16.4% | | |
| Banking -- 11.7% | | |
| Bank of America Corp. | 500,000 | 22,050,000 |
| BankAtlantic Bancorp Inc. | 220,000 | 3,828,000 |
| Compass Bancshares Inc. | 300,000 | 13,620,000 |
| Fifth Third Bancorp | 200,000 | 8,596,000 |
| Investors Financial Services Corp. | 380,000 | 18,585,800 |
| North Fork Bancorporation, Inc. | 450,000 | 12,483,000 |
| Provident Bankshares Corp. | 335,021 | 11,042,292 |
| Wachovia Corp. | 370,000 | 18,836,700 |
| Wells Fargo & Co. | 400,000 | 23,920,000 |
| Wilmington Trust Corp. | 420,000 | 14,742,000 |
| | | ----- |
| | | 147,703,792 |
| | | ----- |
| Insurance -- 4.7% | | |
| AMBAC Financial Group, Inc. | 380,000 | 28,405,000 |
| American International Group, Inc. | 550,000 | 30,475,500 |
| | | ----- |
| | | 58,880,500 |
| | | ----- |

Prin. Amt.

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| | or Shares | Value (A) |
|---|-----------|---------------|
| | ----- | ----- |
| Health Care -- 12.9% | | |
| Abbott Laboratories | 350,000 | \$ 16,317,000 |
| Bristol-Myers Squibb Co. | 345,000 | 8,783,700 |
| Enzon Pharmaceuticals, Inc. (B) | 67,088 | 683,627 |
| Genentech, Inc. (B) | 250,000 | 14,152,500 |
| HCA Inc. | 345,000 | 18,481,650 |
| Johnson & Johnson | 265,000 | 17,797,400 |
| Laboratory Corp. of America Holdings (B) | 240,000 | 11,568,000 |
| MedImmune, Inc. (B) | 225,000 | 5,357,250 |
| Medtronic Inc. | 310,000 | 15,794,500 |
| Pfizer Inc. | 1,120,000 | 29,422,400 |
| Wyeth Co. | 325,000 | 13,708,500 |
| Zimmer Holdings Inc. (B) | 125,000 | 9,726,250 |
| | | ----- |
| | | 161,792,777 |
| | | ----- |
| Industrials -- 11.8% | | |
| Canadian National Railway Co. | 135,000 | 8,546,850 |
| Cintas Corp. | 300,000 | 12,393,000 |
| Donnelley (R.R.) & Sons Co. | 300,000 | 9,486,000 |
| Emerson Electric Co. | 200,000 | 12,986,000 |
| General Electric Co. | 1,487,700 | 53,646,462 |
| Illinois Tool Works Inc. | 125,000 | 11,191,250 |
| 3M Co. | 160,000 | 13,710,400 |
| United Parcel Service, Inc. | 145,000 | 10,547,300 |
| United Technologies Corp. | 155,000 | 15,757,300 |
| | | ----- |
| | | 148,264,562 |
| | | ----- |

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SCHEDULE OF INVESTMENTS (CONTINUED)

March 31, 2005
(unaudited)

| | Prin. Amt. or Shares | Value (A) |
|---------------------------------|-------------------------|--------------|
| | ----- | ----- |
| Information Technology -- 13.5% | | |
| Communication Equipment -- 2.2% | | |
| Avaya Inc. (B) | 600,000 | \$ 7,008,000 |
| Corning Inc. (B) | 1,170,000 | 13,022,100 |
| Lucent Technologies Inc. (B) | 2,900,000 | 7,975,000 |
| | | ----- |
| | | 28,005,100 |

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| | | |
|--|-----------|------------|
| Computer Related -- 9.4% | | |
| Automatic Data Processing Inc. | 225,000 | 10,113,750 |
| BEA Systems Inc. (B) | 800,000 | 6,376,000 |
| Cisco Systems, Inc. (B) | 1,200,000 | 21,468,000 |
| Dell Inc. (B) | 400,000 | 15,368,000 |
| DiamondCluster International Inc. (B) | 497,500 | 8,009,750 |
| Microsoft Corp. | 800,000 | 19,336,000 |
| Oracle Corp. (B) | 880,000 | 10,982,400 |
| Sapient Corp. (B) | 1,150,000 | 8,446,750 |
| Siebel Systems Inc. (B) | 800,000 | 7,304,000 |
| Sun Microsystems Inc. (B) | 410,000 | 1,656,400 |
| Symantec Corp. (B) | 400,000 | 8,532,000 |

117,593,050

| | | |
|----------------------|-----------|------------|
| Electronics -- 1.9% | | |
| Cree, Inc. (B) | 500,000 | 10,875,000 |
| Intel Corp. | 310,000 | 7,201,300 |
| Sollectron Corp. (B) | 1,850,000 | 6,419,500 |

24,495,800

Prin. Amt.
or Shares Value (A)

| | | |
|--------------------------------------|---------|---------------|
| Materials -- 5.9% | | |
| Air Products and Chemicals, Inc. | 250,000 | \$ 15,822,500 |
| du Pont (E.I.) de Nemours and Co. | 400,000 | 20,496,000 |
| Martin Marietta Materials, Inc. | 141,600 | 7,918,272 |
| Rohm & Haas Co. | 400,000 | 19,200,000 |
| Smurfit-Stone Container Corp. (B) | 650,000 | 10,055,500 |

73,492,272

| | | |
|---------------------------|---------|------------|
| Telecom Services -- 4.1% | | |
| Alltel Corp. | 350,000 | 19,197,500 |
| BellSouth Corp. | 200,000 | 5,258,000 |
| SBC Communications Inc. | 595,000 | 14,095,550 |
| Vodafone Group plc ADS | 492,613 | 13,083,801 |

51,634,851

| | | |
|---------------------------|---------|------------|
| Utilities -- 6.4% | | |
| Aqua America, Inc. | 900,000 | 21,915,000 |
| Black Hills Corp. | 245,000 | 8,102,150 |
| CINergy Corp. | 300,000 | 12,156,000 |
| Duke Energy Corp. | 611,560 | 17,129,796 |
| Keyspan Corp. | 140,000 | 5,455,800 |
| MDU Resources Group, Inc. | 575,000 | 15,881,500 |

80,640,246

Total Stocks and Convertible Securities

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(Cost \$929,775,150) (D)

\$1,227,821,004

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SCHEDULE OF INVESTMENTS (CONTINUED)

March 31, 2005
(unaudited)

| | Prin. Amt. | Value (A) |
|-------------------------------------|--------------|--------------|
| | ----- | ----- |
| Short-Term Investments -- 1.8% | | |
| U.S. Government Obligations -- 1.4% | | |
| U.S. Treasury Bills, | | |
| 2.50%, due 5/19/05 | \$17,500,000 | \$17,441,667 |
| | | ----- |
| Commercial Paper -- 0.4% | | |
| AIG Funding Inc., | | |
| 2.77%, due 4/7/05 | 2,000,000 | 1,999,076 |
| General Electric Capital Corp., | | |
| 2.73%, due 4/5/05 | 2,525,000 | 2,524,234 |
| | | ----- |
| | | 4,523,310 |
| | | ----- |
| Total Short-Term Investments | | \$21,964,977 |
| (Cost \$21,964,977) | | ----- |

| | Value (A) |
|----------------------------------|-----------------|
| | ----- |
| Total Investments -- 99.5% | |
| (Cost \$951,740,127) | \$1,249,785,981 |
| Cash, receivables and other | |
| assets, less liabilities -- 0.5% | 6,635,349 |
| | ----- |
| Net Assets -- 100.0% | \$1,256,421,330 |
| | ===== |

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) The aggregate market value of stocks held in escrow at March 31, 2005 covering open call option contracts written was \$21,492,530. In addition, the aggregate market value of securities segregated by the Company's custodian required to collateralize open put option contracts written was

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\$15,845,000.

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SCHEDULE OF OUTSTANDING OPTION CONTRACTS

March 31, 2005
(unaudited)

| Contracts (100 shares each) | Security | Strike Price | Contract Expiration Date | Appreciation/ (Depreciation) |
|--------------------------------------|--------------------------------------|-----------------|--------------------------------|---------------------------------|
| COVERED CALLS | | | | |
| 100 | AMBAC Financial Group, Inc. | \$ 90 | May 05 | \$ 7,325 |
| 100 | AMBAC Financial Group, Inc. | 85 | Aug 05 | 3,200 |
| 100 | AMBAC Financial Group, Inc. | 90 | Aug 05 | 10,045 |
| 200 | American International Group, Inc. | 70 | May 05 | 23,199 |
| 150 | Brinker International Inc. | 40 | Jul 05 | 7,049 |
| 100 | Brinker International Inc. | 40 | Oct 05 | 3,699 |
| 100 | Canadian National Railway Co. | 60 | Apr 05 | (27,050) |
| 30 | Canadian National Railway Co. | 85 | Jul 05 | (3,190) |
| 100 | ConocoPhillips | 130 | Aug 05 | (1,250) |
| 100 | Genentech, Inc. | 70 | Sep 05 | (3,801) |
| 100 | HCA Inc. | 47.5 | May 05 | (55,655) |
| 100 | HCA Inc. | 50 | May 05 | (35,300) |
| 150 | HCA Inc. | 47.5 | Aug 05 | (97,201) |
| 250 | HCA Inc. | 50 | Aug 05 | (108,126) |
| 100 | Illinois Tool Works Inc. | 100 | Jun 05 | 9,199 |
| 100 | Illinois Tool Works Inc. | 105 | Sep 05 | 4,200 |
| 100 | Investors Financial Services Corp. | 55 | Jul 05 | 1,350 |
| 100 | Investors Financial Services Corp. | 60 | Jul 05 | 6,200 |
| 100 | Johnson & Johnson | 65 | Apr 05 | (14,800) |
| 150 | Laboratory Corp. of America Holdings | 55 | Aug 05 | 7,799 |
| 100 | Ryland Group Inc. | 60 | Apr 05 | (12,301) |
| 300 | Symantec Corp. | 32.5 | Apr 05 | 15,919 |
| 250 | Target Corp. | 55 | Apr 05 | 30,249 |
| 150 | Target Corp. | 60 | Oct 05 | 8,399 |
| 100 | 3M Co. | 90 | Jul 05 | (5,300) |
| 100 | United Technologies Corp. | 110 | May 05 | 9,700 |
| 100 | United Technologies Corp. | 110 | Aug 05 | (6,051) |
| 100 | United Technologies Corp. | 115 | Aug 05 | 1,970 |
| ----- | | | | ----- |
| 3,530 | | | | (220,523) |
| ----- | | | | ----- |
| COLLATERALIZED PUTS | | | | |
| 150 | Automatic Data Processing Inc. | 42.5 | Apr 05 | 10,050 |
| 250 | Automatic Data Processing Inc. | 40 | Aug 05 | 10,499 |
| 100 | Bank of America Corp. | 45 | Aug 05 | (8,301) |
| 250 | Bunge Ltd. | 50 | Apr 05 | 19,249 |
| 250 | Bunge Ltd. | 45 | Jul 05 | 5,499 |
| 150 | Bunge Ltd. | 50 | Jul 05 | 3,299 |
| 250 | Cintas Corp. | 40 | May 05 | 6,009 |
| 200 | Cree, Inc. | 25 | Jun 05 | (61,851) |
| 100 | Exxon Mobil Corp. | 55 | Jul 05 | (2,800) |
| 250 | Fifth Third Bancorp | 45 | May 05 | (27,001) |

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| | | | | | |
|-------|---------------------------------|----|-----|----|--------------|
| 100 | Gannett Co., Inc. | 75 | Jul | 05 | 200 |
| 150 | Gannett Co., Inc. | 70 | Oct | 05 | (1,951) |
| 85 | Martin Marietta Materials, Inc. | 45 | Apr | 05 | 6,120 |
| 200 | Martin Marietta Materials, Inc. | 45 | Jul | 05 | 14,772 |
| 10 | Martin Marietta Materials, Inc. | 50 | Jul | 05 | 420 |
| 100 | Murphy Oil Corp. | 70 | Jul | 05 | 10,418 |
| 100 | United Parcel Service, Inc. | 70 | May | 05 | (800) |
| 100 | United Parcel Service, Inc. | 70 | Jul | 05 | (4,800) |
| 100 | United Parcel Service, Inc. | 65 | Oct | 05 | (1,300) |
| 200 | Zimmer Holdings Inc. | 70 | Jun | 05 | (601) |
| ----- | | | | | ----- |
| 3,095 | | | | | (22,870) |
| ----- | | | | | ----- |
| | | | | | \$ (243,393) |
| | | | | | ===== |

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CHANGES IN PORTFOLIO SECURITIES

During the Three Months Ended March 31, 2005
(unaudited)

| | Shares | | |
|--------------------------------------|-----------|------------|------------------------|
| | Additions | Reductions | Held March 31, 2005 |
| | ----- | ----- | ----- |
| Automatic Data Processing Inc..... | 225,000 | | 225,000 |
| Bank of America Corp..... | 60,000 | | 500,000 |
| BankAtlantic Bancorp Inc..... | 220,000 | | 220,000 |
| Bunge Ltd..... | 170,000 | | 170,000 |
| Cintas Corp..... | 300,000 | | 300,000 |
| Clear Channel Communications Inc.... | 25,000 | | 325,000 |
| Comcast Corp..... | 325,000 | | 325,000 |
| Del Monte Foods Co..... | 1,035,000 | | 1,035,000 |
| Lucent Technologies Inc..... | 80,000 | | 2,900,000 |
| Martin Marietta Materials, Inc..... | 8,000 | | 141,600 |
| Murphy Oil Corp..... | 5,000 | | 160,300 |
| United Parcel Service, Inc..... | 65,000 | | 145,000 |
| American International Group Inc.... | | 188,675 | 550,000 |
| BMC Software Inc..... | | 70,000 | -- |
| Canadian National Railway Co..... | | 120,000 | 135,000 |
| ConocoPhillips..... | | 10,000 | 190,000 |
| HCA Inc..... | | 105,000 | 345,000 |
| Investors Financial Services Corp... | | 20,000 | 380,000 |
| Keyspan Corp..... | | 196,100 | 140,000 |
| Laboratory Corp. of America Holdings | | 10,000 | 240,000 |
| Mattel, Inc..... | | 575,000 | -- |
| Parker-Hannifin Corp..... | | 55,000 | -- |
| Ryland Group Inc..... | | 200,000 | 20,000 |
| Sun Microsystems Inc..... | | 105,000 | 410,000 |
| United Technologies Corp..... | | 45,000 | 155,000 |

(SELECTED) NOTES TO FINANCIAL STATEMENTS (Unaudited)

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.

Item 2. CONTROLS AND PROCEDURES.

Conclusions of principal officers concerning controls and procedures:

(a) As of May 25, 2005, 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 May 25, 2005, 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 has materially affected, or is 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.

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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

Date: May 25, 2005

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: May 25, 2005

BY: /s/ Maureen A. Jones

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

Date: May 25, 2005