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Spring Gifting

With spring and summer graduations, engagements and weddings just around the corner, *how about giving the gift of Adams Express or Petroleum & Resources shares?* A gift of shares has enduring value and will be appreciated year after year. And what young graduate or married couple couldn't use a little nest egg? To buy shares, you can contact your broker or invest directly through the Companies' transfer agent, American Stock Transfer & Trust Company (AST). To obtain an "Investors Choice" brochure, contact **AST at (877) 260-8188** or visit their website, www.amstock.com, and click on "How to Invest" under Shareholder Services.



OPPORTUNITIES FOR GROWTH SEEN IN TECHNOLOGY, TELECOM, AND MEDIA

Richard A. Church joined Adams Express (ADX) as a technology analyst in 2008 and was recently promoted to Vice President-Research. He sat down with us to discuss current holdings and trends in Telecom, Media and Technology.



In 2009, ADX's Telecom, Media and Technology (TMT) holdings posted significant gains, boosted by new additions in Apple, Disney, and Google. Church expects opportunities for further growth in 2010, although likely not as dramatic as in 2009. "While the macro-environment remains uncertain and is likely to cause volatility in the near-term, we are encouraged by the underlying fundamentals driving the TMT sector," Church says.

"Companies are sitting on huge stockpiles of cash. Exiting 2009, the S&P 500 companies had more than \$3 trillion in cash, or 11 percent of assets, well ahead of the 60-year average of 8 percent," he says. "Companies underinvested in their technology assets due to economic uncertainty, driving a need to replace aging equipment during the economic rebound. In addition, product cycles at Microsoft and Intel, among others, should drive a meaningful rebound in technology spending in 2010 and beyond," Church predicts. Notable holdings in the Adams portfolio leveraged to corporate IT spending include: AT&T, Cisco, Dell, Hewlett-Packard, Intel, Microsoft and Oracle.

"The wireless market is another area of rapid growth," Church says. "Apple's iPhone has redefined the way we use the Internet on-the-go and has helped catapult 'smartphones' into the mainstream. Apple's iPad is likely to have a similar effect, broadening the perception of what consumers view as mobile devices." Emerging markets, such as China and India, are at the early stages of wireless network availability, driving significant room for

growth going forward. China has penetrated 56 percent of its market, compared to 91 percent in the U.S. India is even further behind, and has yet to roll out 3G wireless data networks. "We have broad exposure in these rapidly growing markets through device manufacturers and component suppliers," says Church. Notable holdings include: Apple, AT&T, Broadcom, Cisco and Qualcomm.

Media is another area of focus for Church. "Advertising was hard-hit in 2009 due to the economy and troubles at the automakers, which are historically among the largest advertisers," says Church. Taking advantage of the market's disruption, ADX added Disney and Google to its portfolio. Since then, Disney has seen a marked improvement in advertising revenues. In addition, Disney's diversified businesses are poised for further growth, as tourism begins to rebound and its movie content improves. As for Google, Church says, "More than 90% of the Internet giant's revenues are from advertising. The Internet enables advertisers to more closely align ad spending with results. Therefore, web-based marketing is likely to continue to grow at a much faster rate than traditional ad spending. Mobile communication provides an even richer opportunity, with location-aware advertising."

Trends in corporate IT spending, mobile communications and media content are just a sampling of the drivers Church is tracking. While the market's rebound in 2009 was notable, Church expects that further growth can be achieved through selectively picking stocks of well-managed companies with strong underlying fundamental drivers.

Anniversary Archive – *Buy and Hold Benefits Investor and Several Worthy Causes*

In 1985, Raymond Schreurs was reading his Value Line newsletter, a service that provides investment research on stocks, mutual funds, options and convertibles. “I read about the Adams Express closed-end fund in Value Line and purchased 100 shares in my Individual Retirement Account,” he recalls.

Since that first purchase and over the past 25 years, he has invested most of the capital gains distributions into additional shares. That strategy, coupled with a stock split, has increased his holdings to more than 2600 shares. He reports that the market value of his investments has increased nearly 62 percent.

“ADX is an important component in my IRA,” Schreurs says. By 1991, already pleased with the performance of his ADX investments and as the chairman of his church foundation’s “Social Concerns” fund, Schreurs recommended that one-third of the fund be invested in ADX.

“Because of my own investments, I was confident that

our Social Concerns fund could benefit from ADX – both in terms of appreciation and dividends,” he recalls. Following the same strategy he used for his personal investments, the Social Concerns fund purchased 3600 ADX shares, and has taken most distributions in shares of stock. Two years later, they purchased more shares.

By 2005, Schreurs and the Foundation chose to use some of the dividends to create grants to such worthy causes as Habitat for Humanity, Project for Homeless Youth, and the Hazleton Shelter for mothers and children.

“This is the ideal win-win situation, where our Foundation has not only benefited from the ADX investment strategy, but we’ve been able to extend that good to others,” Schreurs explains. “And as for me, someday I may have to sell some of my ADX shares to pay the annual required IRA minimum distribution. But in the meantime, I’ll continue a buy and hold policy.”

Annual Meeting Highlights



ADX and PEO board members share a moment before the annual meetings at the InterContinental Hotel in Baltimore’s Inner Harbor. Pictured: Ken Dale, Enrique Arzac, and Roger Gale.



Approximately 30 attendees gathered at this year’s annual meetings. Shareholders, board members and analysts attended the meetings, and heard presentations on 2009 fund performance and the opportunities for 2010. Pictured: Dawn Canavan, George Scott, Frederic Escherich, and Evan Berlack.



The mood was upbeat after attendees learned details of the many ways ADX and PEO are poised to take advantage of growth opportunities. Pictured: Roger Gale with Betsy Johnson and Evelyn Kimos.



Doug Ober, Chairman and CEO of both ADX and PEO, outlines the many positives from 2009, including Adams Express’s performance that generated benchmark-beating returns.

Forward-Looking Statements

This newsletter contains “forward-looking statements” within the meaning of the Securities Act of 1933 and the Securities Exchange Act of 1934. By their very nature, all forward-looking statements involve risks and uncertainties, and actual results could differ materially from those contemplated by the forward-looking statements. Several factors that could materially affect the Companies’ actual results are the performance of the portfolio of stocks held by the Companies, the conditions in the U.S. and international financial markets, the price at which shares of the Companies will trade in the public markets, and other factors discussed in the Companies’ periodic filings with the Securities and Exchange Commission. The Companies assume no obligation to revise, correct, or update these statements.