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New Web Sites

We're pleased to announce the launch of new and improved web sites for Adams Express, at www.adamsexpress.com, and Petroleum & Resources Corporation, at www.peteres.com. The sites will contain more information that will be helpful to current and prospective investors in evaluating the Funds and tracking performance; and we hope that you find the layout and graphics attractive. We invite you to visit the new web sites on August 1st and would love to hear from you about them.



INDUSTRY OUTLOOK

Trends and Lessons from This Recession

Perhaps one of the biggest trends or lessons from this volatile economy is that people are striving to become more disciplined and diligent as they conduct analysis of their investments. "People are more skeptical about the pronouncements of senior management. There is a tendency now for individual stockholders to scrutinize balance sheets more, looking to see what companies are doing differently to manage their businesses," Doug Ober, Chairman and CEO of both Adams Express and Petroleum & Resources, explains.

This trend is seen across the board – from individual investors and corporations to bankers and government regulators. It is redefining how businesses evaluate their partnerships. "As companies move forward, they are looking carefully at their customers, suppliers, partners, and lenders, to make sure everyone is on solid financial and managerial footing," Mr. Ober explains. "As fund managers and long-term investors, these are the types of analyses we have been doing at Adams Express and Petroleum & Resources for decades."

Given how swiftly the economic upheaval occurred, such proactive analysis is critical. And it should extend to how companies think about themselves as well: how they will expand, finance growth, and sustain cash flow. "Management and CFOs have to be more rigorous in their analysis and more accurate in their predictions. The planning process has to change; they have to think in terms of 'What happens if credit freezes up again? What's our fallback plan?' They have to pay more attention to how they are going to finance growth and acquisitions," Mr. Ober says. "To a degree, you can separate strong versus weak companies by the way



they're working through this recessionary period."

But Mr. Ober offers a cautionary note. "It is still 'buyer beware'. While there is some improved transparency, it is not clear how all of that transparency helps. It's very easy to throw all this information out there, but that doesn't make it easy to distill and understand," he explains.

So in the end, Mr. Ober says, "People have to be more prudent. This recession is a reminder of tried-and-true principles that have been around a long time: due diligence, sound, risk-averse investment decisions, and diversification. It may be a conservative approach but it stands the test of time. And it's how we approach managing our two Funds."

PROTECT

Joe Truta, Adams Express President, Retires After 40 Years



In 1969, Joe Truta began working for Adams Express in the New York office. It was the same year Neil Armstrong became the first person to walk on the moon. Little did Mr. Truta know he would eventually transfer from New York to the new Adams Express headquarters in Baltimore and be able to fondly call both cities “home”. Now, after 40

years with the Company, the Adams Express President retired in June. “I am going to miss the stimulation of having one of the most interesting jobs a person can have,” Mr. Truta said recently. “Every day is a new and different day in the stock market.”

The energy and excitement of the financial world first appealed to Mr. Truta as a teen when he landed a job on Wall Street doing back office work. “Wall Street always had an allure as I was growing up in the New York area,” he explained. After graduating from Fordham University and working for several brokerage firms, Mr. Truta joined Adams Express as an analyst covering financial and consumer stocks. He advanced over time to become Senior Portfolio Manager and President, and held both positions since 1986. He also served as an Executive Vice President of Petroleum & Resources. “Joe was a great ambassador to our shareholders,” said Doug Ober, Chairman and CEO. “He did a superb job at cultivating an internal culture that allows us to operate as a team. For some senior managers, it might be difficult to work with staff members that are much younger.

But Joe always took the view that he could learn as much from them as they could from him. That team culture was rarer 40 years ago.”

In addition to his leadership, perhaps his greatest contribution was his implementation of the options writing program in 1979, which consistently generates significant income for the Funds. “The introduction and use of options was one of my greatest personal accomplishments,” explained Mr. Truta.

“Joe was a tremendous contributor to our companies from the standpoint of his knowledge of the markets and the banking industry, but especially his knowledge of the derivatives market and our activity in writing ‘put and call’ options,” concurred Mr. Ober.

Another legacy Mr. Truta is proud to have been a part of is the company’s investment style. “Our portfolio is conservatively structured. One of our mission statements is the preservation of capital. To preserve capital you need to be prudent. We have always sought good returns, using a risk-averse approach in our investment decisions,” Mr. Truta said. “I anticipate – especially as a long-term shareholder myself – that the Adams Express investment approach will persist. Virtually our entire team owns shares in Adams Express, which says something about how closely aligned our interests are with those of our fellow stockholders.”

Not a man to stay idle, Mr. Truta plans to travel and spend time with family in New York and Colorado.

GROW

Anniversary Archive – From Student to Stockholder

Carson Satterfield is a 17-year-old recent graduate of Carver Center for the Arts, a magnet high school in Towson, Maryland. As a graduation gift, she received shares of Adams Express stock. Ms. Satterfield considers that day as the moment she was able to take her first step towards becoming financially independent.

“There are many dates ascribed to life passages,” she explained. “At 16 you can drive. At 18 you can vote. But there’s never any designation as to when you become financially wise and independent. The gift of stock

is allowing me to take an important step in that direction. Owning the shares will help me understand what it means to be a shareholder and how investment strategies affect my life.”

Learning within the context of real-life situations is a passion of Ms. Satterfield’s. Her plan is to spend the next year traveling and working with the Volunteers for Peace and Projects Abroad international youth ambassador programs. “There’s a lot to be learned in the classroom; even more to be learned by working one-on-one with people in the world,” she explained.

After she returns home, Ms. Satterfield plans to head to college with her peers, using her father and grandfather as her mentors for investment strategies and money management techniques.



If you have a story you would like to share, please send an email to contact@adamsexpress.com; or write to us at ADAMS EXPRESS c/o Anniversary Archive, 7 St. Paul Street, Suite 1140, Baltimore, MD 21202

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.