

INVESTOR EXPRESS

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Gifting

Stocks as Stocking Stuffers

The holidays are right around the corner. If you're putting your list together, think about giving Adams Express and Petroleum & Resources shares as gifts. Everyone will appreciate a contribution to their nest egg. Plus you don't have to drive to the mall. 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.



OUR VIEW OF THE RECOVERY

A Conversation with Doug Ober, Chairman, President and CEO

One important lesson that the current recession has taught us is that the world is even more tightly linked than we realized. "We've talked about the concept of a 'global economy' for years. But I'm not sure we realized how much and how quickly the U.S. and European recessions would impact other economies – in China and India, for example," noted Doug Ober, Chairman, President and CEO of both ADX and PEO. "I'm not sure we appreciated the intense domino effect that this linkage would produce."

Consequently, Mr. Ober explained, "We've had to expand our view of leading indicators as we scan the horizon for recovery. Contrary to what we originally believed, it may not be U.S. consumers that lead the way. They may drag their heels until employment rates improve. Economic activity abroad, especially in China, will give us signs as to the nature of our economy's recovery."

"Fortunately, things seem to be improving overseas," Mr. Ober said, "and the demand for U.S. products is going to be very important for our economy into 2010." Indicative of this is the fact that the domestic companies within the ADX and PEO portfolios generate 50% of their revenue and income from overseas.

Mr. Ober also predicted this recovery will be slower than those in the past. "People are going to be reticent to put purchases on credit cards. They will wonder, 'Can I pay cash for this today?'," he said. "It's been a huge lesson in terms of the amount of spending people can do beyond their means. That will contribute to a slower growth rate for the economy. Over the next



5 years or more, I think we'll see less than 3% average annual growth in the gross domestic product."

Nonetheless, Mr. Ober said, "Our long term view allows us to pick and choose investments for the long run. We don't look for stocks that may jump up in price but rather prefer to buy over time so we can get an attractive cost basis. We look for our investments to improve over 3 to 5 years." Mr. Ober also noted that given the significance of the current recession, it is unlikely that we will have a traditional recovery, and that there are more lessons to be revealed as the economic situation improves.

PROTECT

Nancy J.F. Prue Elected Executive Vice President



Nancy J.F. Prue, a 27-year veteran of Petroleum & Resources Corporation, has been elected to serve as Executive Vice President. She had been Vice President since 2005 and Vice President-Research with the Corporation since 1986. Ms. Prue joined the Corporation as a research analyst after previous similar positions with Maryland National Bank and Fidelity & Deposit Co. of Maryland.

Looking back over her tenure, Ms. Prue noted that one of the most significant changes has been the increased flow of information and its impact on stock analysis. “We didn’t always have access to the volume of information we have now. That greater flow of information means we can interpret it and draw our conclusions quicker. The market is faster moving and more dynamic as a result.” Ms. Prue added that while the information flow has increased, “the way we conduct our evaluations – the discipline of solid analysis – hasn’t changed.”

In her new role as a member of the portfolio management team, Ms. Prue’s focus will be on evaluating both

the supply and demand of energy. “The United States has been such a large consumer of energy, but developing countries now have much more influence. We will watch how they buy their energy and how they structure contracts,” she explained.

“We also want to be on top of energy supply. While we still believe, at the current prices, fossil fuel-based energy sources will be the primary source of energy for the world for the next 5 to 10 years, we will be keeping a close eye on renewable energy sources for potential investment opportunities. When we look at an investment opportunity, the fundamentals matter – what you’ve done over time, what your costs are, and how prices are reflected by true supply and demand. We will be conducting those assessments, analyzing risk, and making decisions accordingly.”

Ms. Prue is a summa cum laude graduate of Villanova University, with an MBA and Law Degree from the University of Baltimore. She is a Chartered Financial Analyst, a member of the Baltimore Security Analysts Society, of which she is a past president, and a member of the Maryland State Bar Association. She is also a member and past president of the National Association of Petroleum Investment Analysts.

GROW

Michael A. Kijesky Joins PEO as a Senior Research Analyst



Michael A. Kijesky has joined Petroleum & Resources Corporation as a senior energy and basic materials analyst.

Doug Ober said, “Mike Kijesky is a strong addition to our research staff, and brings to the Fund his wealth of knowledge gained both as an equity analyst and through his hands-on experience working for two of the leading companies in the basic materials sector. We look forward to working closely with him in managing our energy and materials investments in the portfolio.”

Prior to joining the Corporation, Mr. Kijesky was a senior vice president/equity analyst with McHugh Associates, Inc., in Radnor, PA. Before that, he was an equities analyst with Cutler & Co., in W. Conshohocken, PA, and a financial analyst with Air Products & Chemicals, Inc. Prior to earning his Masters in Business Administration,

from Lehigh University, he was a process engineer with Rohm and Haas Company.

As an analyst with an engineering background, Mr. Kijesky is uniquely able to assess companies, technologies, and opportunities. “In the energy and materials sector, I’m looking for companies that have a strong reserve base of resources that they can profitably develop in a macro environment that will allow them to earn outsized margins,” he said.

“A major component of the materials sector is chemical companies. They take natural resources and add value to them. For those, we look for sustainable advantages on the technology side. We ask ourselves, ‘Can they add value and maintain a higher profit margin than a commodity would?’” Mr. Kijesky explained. Such analysis will help Mr. Kijesky increase the Fund’s focus on Basic Materials as the portfolio is brought closer in line with the Fund’s performance benchmarks.

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.