

Drexel Morgan & Co.

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This Brochure provides information about the qualifications and business practices of Drexel Morgan & Co. ("Drexel Morgan"). If you have any questions about the contents of this Brochure, please contact us at 610-293-7200. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Drexel Morgan is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

Additional information about Drexel Morgan also is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

On July 28, 2010, the United States Securities and Exchange Commission (“SEC”) published “Amendments to Form ADV” which amends the disclosure document that we provide to clients as required by SEC Rules. This Brochure dated is a document prepared according to the SEC’s new requirements and rules.

There are no material changes to Drexel Morgan’s current Brochure, dated March 28, 2012, from the Firm’s previous Brochure dated March 30, 2011.

Drexel Morgan’s Brochure may be requested by contacting MarieElena Ness, Chief Compliance Officer, at 610-995-8741 or at mness@drexelmorgan.com. Additional information about Drexel Morgan is also available via the SEC’s web site www.adviserinfo.sec.gov. The SEC’s web site also provides information about any persons affiliated with Drexel Morgan who are registered, or are required to be registered, as investment adviser representatives of Drexel Morgan.

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Item 4 – Advisory Business

The Company

Drexel Morgan & Co. ("Drexel Morgan" or "the firm" or "we") has been in business as a registered investment adviser since July 2009, and is wholly owned by George W. Connell.

Investment Services

Drexel Morgan will provide investment supervisory services and non-supervisory services, depending upon the needs and desires of each client. The SEC defines "investment supervisory services" as giving continuous investment advice to a client based upon the individual needs of the client, including the nature of all the client's assets and the client's personal and family obligations. As Drexel Morgan may be engaged to manage only a portion of some clients' overall investment assets, the Company may provide investment management services only for the assets in the account established with Drexel Morgan, without regard to such clients' other assets or personal obligations. Each prospective client will be asked to discuss its investment objectives, needs, risk tolerances, restrictions, and other concerns before an investment account is established with Drexel Morgan. This pre-account discussion will determine the type and scope of services to be provided by Drexel Morgan to the client.

Assets Under Management

As of December 31, 2011 Drexel Morgan had \$6.97 million in discretionary assets under management. Additionally, Drexel Morgan consults and provides non-discretionary investment advice on approximately \$58 million in assets.

Item 5 – Fees and Compensation

Drexel Morgan's standard annual fee for its services is 1% of assets under management, billed quarterly in advance based upon the market value of the account on the last trading day of the previous calendar quarter. The Client Agreement generally provides that advisory fees will be deducted directly from the client's account.

Fees are negotiable and clients may be charged differently based on factors such as client type, asset class, pre-existing relationship, portfolio complexity and account size or other special circumstances or requirements. Related accounts may be aggregated for fee calculation purposes in certain circumstances.

Drexel Morgan's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, third party investment and other third parties such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus. Such charges, fees and commissions are exclusive of and in addition to Drexel Morgan's fee, and Drexel Morgan shall not receive any portion of these commissions, fees, and costs.

Investment management agreements may be terminated at any time by either party with 30 days written notice to the other party. Upon termination, the client will be entitled to a prorated refund of the advisory fee paid for such calendar quarter. In addition, no advisory fee will be payable if a client terminates an agreement within five business days of original signing. Termination language may vary by mutual agreement.

Item 6 – Performance-Based Fees and Side-By-Side Management

Drexel Morgan does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

Item 7 – Types of Clients

Drexel Morgan provides portfolio management services primarily to individuals, high net worth individuals, and charitable institutions.

Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss

The evaluation method that Drexel Morgan utilizes for securities is Fundamental Analysis, which is the analysis of the facts that affect a company's underlying value. Examples of factors considered in fundamental analysis include debt, cash flow, supply and demand for the company's products, and so forth.

Drexel Morgan's investment strategies and advice may vary depending upon each client's specific financial situation. As such, Drexel Morgan determines investments and allocations based upon the client's objectives, risk tolerance, time horizon, financial horizon, financial information, liquidity needs, and other various suitability factors. Client restrictions and guidelines may affect the composition of portfolios.

Drexel Morgan generally seeks to invest client assets in the equity securities of US-based companies with a market capitalization of at least \$5 billion that have consistently raised their dividends over time.

Risk of Loss

Investing in securities involves risk of loss that clients should be prepared to bear and there is no guarantee that any investment strategy will meet its objective. Depending on the types of securities you invest in, you may face the following investment risks:

- **Market Risk.** Stock markets can be volatile. In other words, the prices of stocks can fall rapidly in response to developments affecting a specific company or industry, or to changing economic, political or market conditions. Investments may decline in value if the stock markets perform poorly. There is also a risk that the investments will underperform either the securities markets generally or particular segments of the securities markets.
- **Foreign Risk.** Foreign markets can be more volatile than the U.S. market due to increased risks of adverse issuer, political, regulatory, market, or economic developments and can perform differently from the U.S. market. Special risks associated with investments in foreign companies include exposure to currency fluctuations, less liquidity, less developed or less efficient trading markets, lack of comprehensive company information, political instability and differing auditing and legal standards.
- **Portfolio Turnover Risk.** Portfolio turnover refers to the rate at which investments are replaced. The higher the rate, the higher the transactional and brokerage costs associated with the turnover which may reduce the return, unless the securities traded can be bought and sold without corresponding commission costs. Active trading of securities may also increase your realized capital gains or losses, which may affect the taxes you pay.
- **Interest-Rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- **Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.

- **Financial Risk:** Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.
- **Fixed income Risks:** Portfolios that invest in fixed income securities are subject to several general risks, including interest rate risk, credit risk, and market risk, which could reduce the yield that an investor receives from his or her portfolio. These risks may occur from fluctuations in interest rates, a change to an issuer's individual situation or industry, or events in the financial markets.
- **Small/Mid Cap Risk:** Stocks of small or small, emerging companies may have less liquidity than those of larger, established companies and may be subject to greater price volatility and risk than the overall stock market.
- **Mutual Fund & Exchange Traded Fund Risk.** There are specific risks involved in the management of mutual funds and Exchange Traded Funds which are described in detail in their prospectus. In general, ETFs and Mutual funds expose the investor to the strategy specific risk of the fund.

Item 9 – Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Drexel Morgan or the integrity of Drexel Morgan's management. Drexel Morgan has no information applicable to this Item.

Item 10 – Other Financial Industry Activities and Affiliations

George Connell, Sr. is the sole owner of Drexel Morgan, a financial holding company and federally registered investment adviser, as well as Haverford Financial Services, Inc. ("Haverford Financial"), a federally registered investment adviser. Drexel Morgan owns McCabe Capital Managers, Ltd. ("McCabe"), a federally registered investment adviser, as well as The Haverford Trust Company ("Haverford Trust"), a bank and trust company, which in turn owns Haverford Trust Securities, Inc. (HTSec), a broker-dealer. Drexel Morgan employees may also be employees of, or otherwise affiliated with, each of these companies. Additionally, Drexel Morgan shares office space with HFS, Haverford Trust, and HTSec.

Individuals affiliated with Drexel Morgan may also be registered representatives of HTSec. Drexel Morgan does not anticipate that this will be a conflict of interest as no Drexel Morgan client transactions will be effected through the broker-dealer.

Depending upon assets and investment needs, Drexel Morgan may recommend that clients and/or prospects utilize the investment management services of McCabe or Haverford Trust. In such cases, clients would sign an agreement directly with such firms and Drexel Morgan would not assess a fee on the portion of the assets invested with these subsidiaries.

HFS is the investment adviser for the Haverford Quality Growth Stock Fund, a separate series of The Advisors' Inner Circle Fund, a mutual fund family that offers separate investment portfolios. Additionally, HFS is the investment adviser for NRM Investments. Drexel Morgan does not anticipate that this will be a conflict of interest as we do not anticipate recommending to clients the purchase of either of these funds. In the unlikely event that a client did purchase either of these funds, Drexel Morgan will not assess an advisory fee against that portion of client assets invested in such products or services.

Item 11 – Code of Ethics

Code of Ethics

Drexel Morgan has adopted a Code of Ethics which deals with the following areas of the Firms' business: procedures for personal securities transactions of directors, officers and employees; and initial public offering and private offerings. Each officer, director and employee is required to certify annually that he or she has read and understands the Code of Ethics. The Code of Ethics is available in its entirety to clients or prospects upon request.

Participation or Interest in Client Transactions

As noted in Item 10, above, HFS is the investment adviser for the Haverford Quality Growth Stock Fund, a separate series of The Advisors' Inner Circle Fund, a mutual fund family that offers separate investment portfolios. Additionally, HFS is the investment adviser for NRM Investments. Should a client choose to purchase either of these securities, Drexel Morgan will not assess an advisory fee against that portion of client assets invested in such products assets.

The officers, employees, and directors of Drexel Morgan (related persons) will be permitted to invest in securities that are also recommended to clients, with the requirement that all client transactions shall receive priority. A related person may also trade in a security for his or her own account in a manner that is directly opposite of the advice recommended to any one client account.

In the case of new client accounts, uninvested cash in existing client accounts, or a change in investment objective of an existing client account, the fact that related persons hold positions in specific securities shall not preclude the purchase of such securities for such client accounts. .

Item 12 – Brokerage Practices

Drexel Morgan generally recommends that clients maintain their accounts with UBS, and in these cases Drexel Morgan will negotiate commissions on the client's behalf. Should a client select a firm other than UBS, the commissions to be paid by the client through such brokerage account may be negotiated by the client directly with the broker, or Drexel Morgan will negotiate the commission rates if requested. Aside from the ability to automatically deduct advisory fees from the client's account Drexel Morgan will not have "custody," as that term is defined by the Investment Advisers Act of 1940, of any client assets. If possible, Drexel Morgan will aggregate orders for clients and trade in larger blocks with the intent of achieving better execution and lower commission rates. Trades are not aggregated unless Drexel Morgan believes that aggregation would benefit each client's account. Each client that participates in a block trade will participate at the average share price for all of the transactions in that order. Those clients participating in aggregated trades are selected based on client objectives, the nature of the advisory agreement, and the client's custodian.

Drexel Morgan does not receive research or other products or services other than execution from a broker-dealer or a third party in connection with client securities transactions ("soft dollar benefits").

Item 13 – Review of Accounts

Accounts will be reviewed on a regular basis, but not less frequently than semi-annually, by a Drexel Morgan portfolio manager. Such review will include comparison of the assets in the account with the original account set up objectives and guidelines, style and asset type guidelines any revisions thereto by the client, and an analysis of the performance of the account.

Drexel Morgan generally will not provide clients with any reporting on accounts unless requested by the client. Client should receive statements from their account's custodian no less than quarterly. Quarterly, Drexel Morgan will provide clients who have their accounts custodied at UBS with an Executive Summary of their accounts. While these are generated off of the UBS system, clients are encouraged to compare

their custodial statements with the Executive Summary provided by Drexel Morgan and to promptly notify Drexel Morgan of any discrepancies.

Item 14 – Client Referrals and Other Compensation

Drexel Morgan receives no economic benefit from sources other than clients. Drexel Morgan does not presently compensate third parties for client referrals.

Item 15 – Custody

Drexel Morgan will not have custody of any client assets, and clients will have to select a broker or bank custodian for the account. When a client selects a particular brokerage firm, the commissions to be paid by the client through such brokerage account may be negotiated by the client directly with the broker, or Drexel Morgan will negotiate the commission rates if requested.

Item 16 – Investment Discretion

Drexel Morgan may receive discretionary authority from the client at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold. In all cases such discretion is exercised in a manner consistent with the stated investment objectives for the particular client account.

When selecting securities and determining amounts, Drexel Morgan observes the investment policies, limitations and restrictions of the clients for which it advises. For registered investment companies, Drexel Morgan's authority to trade securities may also be limited by certain federal securities and tax laws that require diversification of investments and favor the holding of investments once made.

Investment guidelines and restrictions must be provided to Drexel Morgan in writing.

Item 17 – Voting Client Securities

As a matter of firm policy and practice, Drexel Morgan does not have any authority to and does not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios.

Item 18 – Financial Information

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about HFS's financial condition. HFS has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.