

**Part 2 of Form ADV: Brochure**

**Bassett Hargrove  
Investment Counsel, LLC**

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This brochure provides information about the qualifications and business practices of Bassett Hargrove Investment Counsel, LLC. If you have any questions about the contents of this brochure, please contact us at 610-388-7803. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority. Please note that registration with the SEC does not imply a certain level of skill or training.

Additional information about Bassett Hargrove Investment Counsel, LLC also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2:      Material Changes**

None

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## Item 4: Advisory Business

Bassett Hargrove Investment Counsel, LLC (“Bassett Hargrove”) was formed in 2011 by the merger of two independent investment advisory firms, The Bassett Group, LLC and Tucker Hargrove Management, Inc. Its sole owner is David R. Hargrove.

Bassett Hargrove offers investment advisory services including portfolio management. These services include management of equity-based accounts, balanced accounts and mutual fund accounts.

Specific services based on the client’s needs are considered on a case by case basis. Clients may impose restrictions on investing in certain securities or types of securities, such as specific industries, individual companies or securities types.

As of December 31, 2023 Bassett Hargrove managed \$101,540,667 on a discretionary basis.

## Item 5: Fees and Compensation

For its services, Bassett Hargrove is entitled to receive an advisory fee based on the total market value of the assets placed by a client with Bassett Hargrove. Fees may be negotiated based on factors deemed relevant by Bassett Hargrove and the specific needs of the client. Some advisory fees are paid quarterly in arrears and some advisory fees are paid in advance. In the event of advisory agreement termination, fees are prorated to the date of termination and any unearned portion of the prepaid fee is refunded to the client.

Bassett Hargrove’s standard fee schedule for discretionary equity and balanced accounts is calculated as an annual percentage of the market value of the assets under management as follows:

- 1% on the first \$2 million
- 0.75% on the next \$3 million
- 0.50% on the next \$5 million

The fee rate on assets over \$10 million will be negotiated at such time as the asset level exceeds that threshold.

Fees for mutual fund/ETF account services are negotiated. Supervisory accounts are typically billed a flat quarterly fee.

Bassett Hargrove's fee does not include expenses associated with investments in mutual funds or ETFs. All such fees and expenses will be borne by the client's account. In addition, certain costs or charges associated with certain securities transactions, including custody, dealer mark-up or mark-downs and normal broker commissions will also be expenses borne directly by the account. Please see ***Brokerage Practices*** for additional information.

## **Item 6: Performance-Based Fees and Side-by-Side Management**

Bassett Hargrove does not charge performance-based fees.

## **Item 7: Types of Clients**

Bassett Hargrove provides investment advisory services to individuals, trusts, estates, charitable organizations and pension and profit-sharing plans.

## **Item 8: Methods of Analysis, Investment Strategies and Risk of Loss**

Bassett Hargrove utilizes fundamental methods when analyzing the securities to purchase in client accounts. We are value investors, selecting companies that offer attractive earnings, dividends and expected growth rates compared to their price. We specialize in purchasing dominant companies that create incremental shareholder value by generating excess cash flow. This excess cash is used to pay dividends, buy back stock and/or make acquisitions. From time to time the stock market undervalues dominance because of temporary issues which are perceived by the market to be permanent. Since dominant companies have competitive operating advantages, setbacks are typically brief and provide attractive entry points. Once purchased, dominant companies are sold when they lose their operating advantage or trimmed when they become an excessive percentage of the portfolio. Sales due to overvaluation occur but are less frequent because of the extraordinary long term value creating nature of truly dominant companies. Portfolio turnover is low.

Bassett Hargrove consults with the client to define the client's investment objectives. These objectives are determined based on the client's age, total assets, and investment goals and are used to create a benchmark for the client, which is detailed in Schedule A of the Investment Management Agreement.

### *US Equity Accounts*

For clients who choose a US Equity benchmark, we invest primarily in US large capitalization (over \$10 billion) stocks, mutual funds, and exchange-traded funds (ETFs) in a variety of industries. We strategize at the industry level by investing higher percentages of assets in industries that we believe are undervalued (and are increasing in value) and investing lower percentages of assets in industries that we believe are overvalued (and are decreasing in value). We also strategize at the individual security level by purchasing high quality dominant companies that we believe are undervalued (and are increasing in value) and selling companies that we believe are becoming overvalued (and are decreasing in value).

Industry strategies hold the risk of loss suffered by wide spread or global issues. Examples of industry risk include the financial industry's tie to US economic conditions, the effect of US legislation on the health care industry, and the effect of global relations on the energy industry. Individual securities hold the risk of loss suffered when the company does not meet expectations. The company's performance can be a function of internal company management, market competition, or industry level factors.

### *Balanced Accounts*

Based on the results of their initial consultation with Bassett Hargrove, our clients with balanced accounts may have a benchmark that consists of any of the following asset classes:

- US Equities (individual securities, ETFs, mutual funds)
  - Large capitalization (over \$10 billion)
  - Mid capitalization (\$1 billion to \$10 billion)
  - Small capitalization (up to \$1 billion)
- Foreign Equities (individual securities, ETFs, mutual funds)
  - International
  - Emerging markets
- Real Assets (individual securities, ETFs, mutual funds)
  - Treasury Inflation Protected Securities (TIPS)
  - Real estate investment trust (REITs)
  - Commodities
- Fixed income (individual securities, ETFs, mutual funds)
  - taxable fixed income (treasury bonds)
  - tax-free fixed income (municipal bonds)
- Cash and equivalents
  - Cash
  - Money market funds
  - Treasury bills

We strategize at the asset class level by investing higher than benchmark percentages of assets in asset classes that we believe are undervalued (and are increasing in value) and investing lower than benchmark percentages in asset classes that we believe are overvalued (and are decreasing in value). Within the US Equity asset class we also strategize at the industry level by investing higher percentages of assets in industries that we believe are undervalued (and are increasing in value) and investing lower percentages of assets in industries that we believe are overvalued (and are decreasing in value). Within each asset class we strategize at the individual security level by purchasing high quality dominant companies that we believe are undervalued (and are increasing in value) and selling companies that we believe are becoming overvalued (and are decreasing in value).

Asset class strategies hold the risk of loss suffered by wide spread or global issues. Examples of asset class risk include the effect of foreign economies and politics on the international and emerging markets asset classes, the impact of US inflation on the fixed income asset classes, and the effect of US agricultural economy on the commodities asset class. Industry strategies also hold the risk of loss suffered by wide spread or global issues. Examples of industry risk include the financial industry's tie to US economic conditions, the effect of US legislation on the health care industry, and the effect of global relations on the energy industry. Individual securities hold the risk of loss suffered when the company does not meet expectations. The company's performance can be a function of internal company management, market competition, or industry level factors.

## **Item 9: Disciplinary Information**

Neither Bassett Hargrove nor any of its employees have been involved in any legal or disciplinary events.

## **Item 10: Other Financial Industry Activities and Affiliations**

Bassett Hargrove has no relationships or arrangements with any financial services organizations that are material to our advisory business or our clients. Bassett Hargrove does not recommend or select other investment advisers for our clients.

## **Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

Bassett Hargrove requires all personnel to read and sign its Code of Ethics governing its fiduciary obligations under the Investment Advisers Act of 1940. All personnel must submit a complete list of the securities they hold when they first begin employment with Bassett Hargrove.

Employees of Bassett Hargrove are required to seek approval of all securities transaction other than those involving United States Government obligations. Each quarter every employee submits a report of all securities transactions (other than those involving United States Government obligations) for their own account, accounts of immediate family members, or any other accounts in which the employee has a direct or indirect beneficial interest (unless the employee has no "direct or indirect influence or control" over the account). All reports are reviewed by the CCO of Bassett Hargrove, who will take appropriate actions where necessary.

Bassett Hargrove does not recommend to clients, or buy or sell for client accounts, securities in which we or our related persons have a material financial interest.

Bassett Hargrove will provide a copy of its Code of Ethics to any client or prospective client upon request.

## **Item 12: Brokerage Practices**

### *Research and Other Soft Dollar Benefits*

We do not receive custom research or other products ("soft dollar benefits") from a broker-dealer or a third party in exchange for trading commissions.

### *Brokerage for Client Referrals*

We do not receive client referrals from any broker-dealer. Therefore, we do not consider client referrals when selecting or recommending broker-dealers.

### *Directed Brokerage*

We do not recommend, request, or require our clients to direct us to execute transactions through a specified broker-dealer.

### *Trade aggregation*

Bassett Hargrove may utilize trade aggregation for our various client accounts. Trade aggregation takes all of the buys or sells for a particular security for all clients at a particular custodian and blocks them all together. This block of securities is bought or sold as one unit with the proceeds divided evenly among the clients. This practice has the advantage of giving all clients at a particular custodian the same price for that trade.

Bassett Hargrove may in some circumstances find it more efficient to enter each client's trades individually. We do vary the order in which we execute trades in our clients' accounts in order to eliminate any order entry bias.

## **Item 13: Review of Accounts**

Portfolio analyses containing securities holdings, cash balances and investment results are prepared quarterly for review by Bassett Hargrove to ensure that portfolios comply with the clients' guidelines and Bassett Hargrove's current investment strategy. All portfolios are monitored on a continuous basis with changes in the relationship of market prices to Bassett Hargrove's determination of fundamental value triggering specific activity.

Regular monthly/quarterly reports providing a list of securities held and their current market value, the total portfolio market value, the portfolio's current level of income and monthly activity summary including purchases and sales and interest and dividends received are issued to the client by the custodian bank or broker.

Bassett Hargrove sends all clients a written quarterly report which contains a brief summary of Bassett Hargrove's current strategy, a portfolio appraisal, a summary of transactions and an analysis of investment results. Reports reflecting realized gains and losses for a particular period will be sent to clients for taxable accounts in late January for the preceding year.

## **Item 15: Custody**

Custody of all client accounts is maintained by a qualified custodian pursuant to a written agreement between each client and the custodian. Each custodian is required to provide directly to the client a regular statement identifying all transactions in the account. Clients should carefully review these statements and should compare these statements to the quarterly report provided to each client by Bassett Hargrove.

In some cases Bassett Hargrove has client fees directly deducted by the qualified custodian.



Bassett Hargrove possesses written authorization from the client to deduct advisory fees for an account held by a qualified custodian. Bassett Hargrove sends the qualified custodian written notice of the amount of the fee to be deducted from the client's account. In addition Bassett Hargrove sends the client an itemized invoice which includes the amount of assets under management on which the fee was based, the time period covered by the fee and any formulae used to calculate the fee.

Bassett Hargrove is deemed to have limited custody since in some cases a qualified custodian directly deducts Bassett Hargrove's advisory fees from the client account.

## **Item 16: Investment Discretion**

Bassett Hargrove is generally authorized, on a discretionary basis and without prior consultation with clients, to invest in a broad range of investment products and to make decisions as to the appropriate allocation of each client's assets. In exercising this authority, Bassett Hargrove acts in accordance with any investment restrictions that may be imposed by the client. Bassett Hargrove's investment advisory agreements with clients grant Bassett Hargrove a limited power of attorney to supervise and direct the investment of the client's portfolio.

## **Item 17: Voting Client Securities**

As authorized by clients, Bassett Hargrove will make its best efforts to vote all proxies which are received on time. Clients who wish to retain voting privileges may choose to do so when entering into their investment advisory agreement.

Proxies will be voted uniformly unless instructed to do otherwise by the client. Bassett Hargrove votes proxies in the manner it believes to be in the best interest of its clients. Often this entails voting on proposals with management as part of the decision to own the stock is based on our confidence in management. Generally, if we feel that any proposals are injurious to shareholders, Bassett Hargrove believes its clients are better served by selling that particular stock rather than relying on the proxy vote.

Bassett Hargrove maintains a record of proxy votes it casts. Clients who wish to obtain a copy of Bassett Hargrove's proxy voting policies and/or a record of how their proxies were voted may request these items in writing.

## **Item 18: Financial Information**

Bassett Hargrove has never filed for bankruptcy and is not aware of any financial condition that is expected to affect its ability to manage client accounts.

## **Item 19: Requirements for State-Registered Advisers**

### *Principal Executive Officers and Management Persons*

David R. Hargrove graduated from Williams College with a B.A. in economics in 1974 and received an MBA in finance from the Wharton School in 1978. Previously he founded Tucker Hargrove Management in 1992 and was an analyst portfolio manager and shareholder at Wilmington Capital Management for more than 12 years and a principal at Greenville Capital Management for 2 years. In 2011 Tucker Hargrove Management merged with The Bassett Group to form Bassett Hargrove Investment Counsel, LLC.

### *Other Businesses*

Bassett Hargrove is not actively engaged in any business other than giving investment advice.

### *Performance-based Fees*

Bassett Hargrove is not compensated with performance-based fees.

### *Disciplinary Events*

Bassett Hargrove has not been involved in an award or otherwise been found liable in any arbitration claim or in any civil, self-regulatory organization, or administrative proceeding.

### *Securities Issuer Relationship*

Bassett Hargrove does not have any relationship or arrangement with any issuer of securities.

**Part 2B of Form ADV: Brochure Supplement**

**Bassett Hargrove  
Investment Counsel, LLC**

**February, 2023**

**Item 1      Cover Page**

This brochure supplement provides information about David R. Hargrove that supplements Bassett Hargrove Investment Counsel, LLC (Bassett Hargrove) brochure (Form ADV, Part 1A and/or Appendix 1). You should have received a copy of Bassett Hargrove's brochure. Please contact Bassett Hargrove at 610-388-8703 if you did not receive a brochure or if you have any questions about the contents of this supplement.

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## **Item 2 Educational Background and Business Experience**

**David R. Hargrove** is Chief Executive Officer and portfolio manager at Bassett Hargrove Investment Counsel. Previously he founded Tucker Hargrove Management and was an analyst and portfolio manager with Wilmington Capital Management and Greenville Capital Management. David graduated from Williams College and received an MBA from The Wharton School. He has 41 years of investment experience and is a Chartered Financial Analyst.

## **Item 3 Disciplinary Information**

David R. Hargrove has not had any legal or disciplinary events in his past. Clients and prospective clients can view the CRD records (registration records) for Bassett Hargrove through the SEC's Investment Adviser Public Disclosure (IAPD) website [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) or FINRA's BrokerCheck database online at [www.finra.org/brokercheck](http://www.finra.org/brokercheck). The CRD number for David R. Hargrove is 2252140.