

**Item 1 – Cover Page**

**Sabino Investment Management, LLC**

**Part 2A of Form ADV**

**Brochure**

2448 E. 6th Street

Tucson, AZ 85719

(520) 233-7613

[www.SabinoIM.com](http://www.SabinoIM.com)

February 10, 2025

This Brochure provides information about the qualifications and business practices of Sabino Investment Management, LLC [“Adviser” or “Firm”]. If you have any questions about the contents of this Brochure, please contact us at (520) 233-7613. 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.

Sabino Investment Management, LLC is registered as an investment adviser with the Arizona Corporation Commission. 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 to determine whether to hire or retain an Adviser.

Additional information about Sabino Investment Management, LLC also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC’s website also provides information about any persons affiliated with Sabino Investment Management, LLC who are registered, or are required to be registered, as investment adviser representatives of the Firm.

## Item 2 – Material Changes

This Brochure dated February 10, 2025 is an annual update.

Pursuant to SEC Rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our fiscal year. We will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge. Currently, our Brochure may be requested by contacting Robert G. Kahl at (520) 233-7613 or [rgkahl@sabinoim.com](mailto:rgkahl@sabinoim.com).

There are two material changes since the Form ADV was last updated on March 21, 2024.

### Item 5 – Fees and Compensation

- The minimum investable assets for new client relationships for both families and nonprofit organizations was increased to \$200,000.
- The investment management fee for nonprofits was increased from 0.5% to 0.8% with an effective starting date of July 1, 2025.

## Item 3 -Table of Contents

Item 1 – Cover Page.....	i
Item 2 – Material Changes .....	ii
Item 3 -Table of Contents .....	iii
Item 4 – Advisory Business .....	1
Item 5 – Fees and Compensation.....	2
Fee Schedule for Families .....	3
Fee Schedule for Nonprofit Organizations.....	3
Fee Schedule for 401(k) and 403(b) Plans .....	4
Item 6 – Performance-Based Fees and Side-By-Side Management.....	4
Item 7 – Types of Clients.....	5
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss.....	5
Families and Nonprofits.....	5
401(k) and 403(b) Plans .....	6
Principal Risks – All Clients.....	8
Item 9 – Disciplinary Information.....	10
Item 10 – Other Financial Industry Activities and Affiliations.....	10
Item 11 – Code of Ethics .....	11
Item 12 – Brokerage Practices .....	11
Families and Nonprofits.....	11
401(k) and 403(b) Plans .....	13
Item 13 – Review of Accounts.....	13
Families and Nonprofits.....	13
401(k) and 403(b) Plans .....	13
Item 14 – Client Referrals and Other Compensation .....	14
Families and Nonprofits.....	14
401(k) and 403(b) Plans .....	14
Item 15 – Custody .....	14
Families and Nonprofits.....	14
401(k) and 403(b) Plans .....	15

Item 16 – Investment Discretion.....	15
Families and Nonprofits.....	15
401(k) and 403(b) Plans .....	16
Item 17 – Voting Client Securities .....	16
Families and Nonprofits.....	16
401(k) and 403(b) Plans .....	18
Item 18 – Financial Information.....	18
Item 19 – Requirements for State-Registered Advisers .....	18
Brochure Supplement(s)	

## Item 4 – Advisory Business

Sabino Investment Management, LLC offers investment management and consultation services to families, trusts, pension, profit-sharing and 401(k) and 403(b) plans. The Firm is registered as an investment adviser with the Arizona Corporation Commission. As of January 31, 2025, Sabino Investment Management, LLC has \$7.4 million under management. Of the \$7.4 million under management, \$6.3 million is managed on a discretionary basis.

Sabino Investment Management, LLC was founded in January 1999 by Robert G. Kahl CFA, CPA, MBA. Robert G. Kahl owns 100% of the Firm indirectly via the Robert G. Kahl Revocable Trust, Robert G. Kahl Trustee. Sabino Investment Management, LLC withdrew its state registration in November 2013 when Robert G. Kahl, its beneficial owner, joined Dynamic Wealth Advisors as an investment advisor representative. Registration for Sabino Investment Management, LLC was again approved by the Arizona Corporation Commission in December 2014.

Sabino Investment Management, LLC offers financial planning services to existing clients and prospective clients who have adequate investable assets.

For families, the Adviser asks clients and prospective clients to submit information regarding assets, liabilities, sources of income and expected future expenditures. The Adviser also requires clients to complete a risk questionnaire. The information submitted to the Adviser facilitates a discussion regarding the client's investment objectives, risk tolerance, and tax considerations.

For nonprofits, the Adviser and client shall discuss the current financial situation of the organization, projected income and expenditures, and risk tolerance to determine an appropriate risk category.

For families and nonprofit organizations, based upon the investment goal analysis, questionnaire, and discussions with clients, the Adviser will make a recommendation regarding an appropriate risk category with associated ranges for asset classes to five investment categories: 1) equities, 2) real estate, 3) fixed income, 4) precious metals, and 5) cash. The recommended asset allocation may be modified based upon the preferences of the client. Clients may provide additional restrictions in the investment guidelines if they would like to avoid certain types of securities. Clients may direct that a particular security be held for tax or other reasons. Such securities are considered to be nondiscretionary holdings and the Adviser will not sell them without the authorization of the client. Written investment guidelines will then be provided for client approval.

For 401(k) and 403(b) plans, the Adviser shall provide a list of investment options for plan participants. The investment options shall be limited to mutual funds and exchange-traded

funds (ETFs). In addition, the Adviser shall provide model portfolios for different risk categories that the plan participants may choose from. Model portfolios may substitute some closed-end funds that sell at a discount to net asset value. The Adviser shall also provide a qualified default investment alternative (QDIA) model for plan participants who do not choose any investment options.

The Firm manages client portfolios using primarily equity and fixed income mutual funds, closed-end funds (normally purchased when trading at a discount to net asset value), and exchange-traded funds. These funds may charge management fees indirectly via the fund structure to the client in addition to advisory fees paid to the Firm. Exchange-listed, over-the-counter, and foreign equity securities may also be purchased. Interests in partnerships investing in real estate and oil and gas infrastructure may also be considered. Individual fixed income instruments used by the Firm may include United States government and agency securities, foreign government and supranational agency debt, corporate debt, municipal securities, commercial paper, and certificates of deposit.

Consultations are available on an hourly basis for clients who would like a review of assets held outside of accounts managed by the Adviser. Such consultations include analysis and recommendations of asset allocation, investment strategies, investment policies and individual securities.

The Adviser does not participate in any wrap fee programs.

## **Item 5 – Fees and Compensation**

The fee schedule depends on the type of account. Fees on managed accounts for families and nonprofit organizations will be billed in arrears at the end of each calendar month. Cash and equivalents are excluded from the billing calculations. The fee for each calendar month shall be determined by multiplying the average daily market value of the assets excluding cash and equivalents during the month by 1/12 of the applicable annual fee. The account application form should authorize the broker or custodian to pay such fees based upon the invoice provided by the Adviser.

Sabino Investment Management, LLC offers financial planning services to existing clients and prospective clients who have adequate investable assets. Generally, there is not a separate charge for financial planning services as it is included with the advisory service. Under certain circumstances, however, the Advisor may provide financial planning services at the hourly fee rate of \$200 per hour or a negotiated fee.

Sabino Investment Management, LLC's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses that shall be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, 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, closed-end funds, and exchange traded funds may also charge separate management fees, commissions, and other fees which are disclosed in a fund's prospectus. Such charges, fees and commissions are in addition to the management fee of Sabino Investment Management, LLC. The Adviser shall not receive any portion of the commissions, fees, and other costs charged by others which are related to investments.

See Item 12 which further describes the factors that Sabino Investment Management, LLC considers in selecting or recommending broker-dealers for *client* transactions and determining the reasonableness of their compensation (*e.g.*, commissions).

The Adviser may consult with clients who have accounts that are not managed on a discretionary basis by the Adviser. The nature of the consultation with such clients will vary, depending on the nature of the clients' questions. Consultations with clients who do not have managed accounts will be billed at \$200 per hour.

The Adviser believes that the advisory fee charged to the client is reasonable in light of the type of services provided, the Adviser's experience and expertise, and the sophistication and bargaining power of the Client. However, lower fees for comparable services may be available from other sources.

The Adviser's service on a managed account for families and nonprofits may be terminated by written notice from either party.

### **Fee Schedule for Families**

Fees for managed accounts for families are based upon a percentage of the assets managed. The annualized fee schedule follows:

<u>Account Increments</u>	<u>Fee</u>
On the first \$1,000,000	1.00%
Additional funds	0.80%

The minimum investable assets for new client relationships is \$200,000. Under certain circumstances, smaller accounts may be accepted and fees may be negotiated.

### **Fee Schedule for Nonprofit Organizations**

The management fee for nonprofit organizations is 0.50% until June 30, 2025. Beginning July 1, 2025 the management fee for nonprofit organizations will be 0.80%. The minimum account size for a nonprofit is \$200,000.

### **Fee Schedule for 401(k) and 403(b) Plans**

Fees for 401(k) and 403(b) plans are based upon a percentage of the assets managed. The plan sponsor may elect to have fees paid by the plan sponsor or deducted from the plan assets. Fees are billed quarterly in advance. The annual fees are based on the market value of the included assets as reported by the custodian or recordkeeper. The annualized fee schedule follows:

<u>Account Increments</u>	<u>Fee</u>
On the first \$1,000,000	0.50%
On the next \$4,000,000	0.35%
On the next \$5,000,000	0.20%
Additional funds	0.10%

A minimum annualized fee of \$2,000 applies to 401(k) and 403(b) plans.

The initial fee will be the amount, prorated for the number of days remaining in the initial fee period from the effective date of the agreement, based upon the market value of the plan assets on the first business day of the initial fee period and will be due on the first business day of the fee period. Thereafter, the fee will be based upon the market value of the plan assets on the last business day of the previous fee period (without adjustment for anticipated withdrawals by Plan participants or other anticipated or scheduled transfers or distributions of assets) and will be due the following business day.

Termination of the agreement for 401(k) and 403(b) plans requires 30 days written notice. If the agreement is terminated prior to the end of a fee period, the Adviser shall be entitled to a fee, prorated for the number of days in the fee period prior to the effective date of termination. Any unearned fee shall be returned by the Adviser.

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

Sabino Investment Management, LLC does not charge any performance-based fees (fees based on a share of capital gains or capital appreciation of the assets of a client).



## **Item 7 – Types of Clients**

Sabino Investment Management, LLC provides portfolio management services to families, trusts, pension, profit-sharing, 401(k) and 403(b) plans.

The minimum investable assets for new client relationships with families or nonprofit organizations is \$200,000. Under certain circumstances, smaller accounts may be accepted, and fees may be negotiated.

401(k) and 403(b) plans do not have a minimum account size but do have a minimum annual fee of \$2,000.

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

### **Families and Nonprofits**

Sabino Investment Management, LLC has an approach to investment analysis which is primarily fundamental in nature and value-oriented.

We review the cyclically adjusted price earnings ratios (commonly known as CAPE, Shiller P/E, or P/E 10) of the United States and other countries. The CAPE ratio is defined as the price divided by the average of ten years of inflation-adjusted earnings.

We review cyclical factors that may affect market valuations, the US and global economy and/or specific industries. On the basis of our macroeconomic overview and relative valuations, we may develop a preference for certain countries, industries, and types of securities. Although we sometimes look at technical price charts, they play a relatively small role in our decision-making process.

When we research equity funds for possible purchase, we have a preference for funds that reflect our value approach. Thus we prefer equity funds that hold common stocks that sell at relatively low ratios of price/earnings, price/free cash flow, and price/tangible book value.

We may purchase and hold individual common stocks for larger accounts. Although we generally use mutual funds, closed-end funds, and exchange-traded funds, we may purchase individual equity securities to achieve a particular objective that is difficult to achieve with funds. If we purchase individual common stocks, we will examine valuation criteria such as price/earnings, price/free cash flow, and price/tangible book value. Our

method of analysis for individual equity securities is not entirely quantitative in nature. Subjective factors are considered such as financial strength, reliability of the financial statements, nature of the industry and the company's operations, abilities and goals of the management team, and other factors.

The Adviser may buy closed-end funds. We seek closed-end funds that have a portfolio of securities that we expect to appreciate in value, low operating expenses, and which sell at a discount to net asset value. Some closed-end funds utilize leverage and this will influence our decision to buy or sell the fund, depending upon our evaluation of potential appreciation and potential risk. We generally sell closed-end funds if the discount to net asset value has declined significantly since purchase.

The Adviser may buy mutual funds or exchange-traded funds (ETFs) that own fixed income securities. We may utilize such funds in order to have access to a more broadly diversified portfolio of fixed income securities and to improve liquidity.

Commodity-related ETFs may be purchased that buy and store physical precious metals. We may buy commodity-related ETFs because our analysis indicates that the supply and demand characteristics for such a commodity are favorable for ownership.

When we research mutual funds, closed-end funds, and exchange-traded funds, we review the types of securities held in the fund. We also have a strong preference for funds that have low expense ratios.

The Adviser may buy debt of various government entities and government-sponsored agencies, including foreign governments. The Adviser may also buy debt of municipal entities and corporations. We generally buy debt that has an investment grade credit rating. However, funds may include debt securities and individual bonds may be purchased that are below investment grade or not rated if the potential return appears to provide sufficient reason to assume more credit risk.

The selection of foreign debt (or funds that hold foreign debt) and the associated currency depends upon several factors: 1) the economic fundamentals of the country; 2) political stability; 3) trade and current account balances; 4) government budget balances; 5) debt loads relative to income; 6) adequacy of foreign exchange reserves; 7) purchasing power parity estimates of the country's currency relative to the US dollar; and 8) other factors.

## **401(k) and 403(b) Plans**

The investment process for 401(k) and 403(b) plans differs somewhat from the process for

families and nonprofits. No individual securities are used. The Adviser shall select suitable investments from the following asset categories:

- US Equities
- Foreign Equities
- Real Estate
- US Fixed Income
- Foreign Fixed Income
- Precious Metals Bullion
- Cash Equivalent

The Adviser shall select a broad range of investment options designed to appeal to the diverse participant population and meet the needs of the vast majority of participants at a competitive cost.

The criteria for selecting investment options for the Plan shall be:

- Low expense ratio – There is a strong preference for funds that have low expense ratios. However, funds that do not have the lowest expense ratios in a category may be used if there is a reasonable basis to believe that they are likely to outperform lower cost funds, either due to past performance records or current positioning.
- Diversification – The mix of fund options available shall offer participants the opportunity to diversify broadly among different asset classes. Model portfolios and the Qualified Default Investment Alternative (QDIA) are designed to provide broad diversification while considering potential risk and returns.
- Performance – There is a strong preference for the best-performing funds within a specific asset class category. However, the other factors listed in this section should be taken into consideration.
- Morningstar Ratings – Morningstar has fund ratings based upon performance, price, process, people, and parent organization. The ratings can be very useful but require some analysis and interpretation. There is a strong preference for funds that have the best ratings.
- Current Positioning – The investment manager shall exercise his best judgement regarding the current positioning of fund portfolios to avoid investments that may have strong recent performance but are unlikely to achieve similar returns in the future. “Chasing returns” often lead to poor performance. Conversely, some investments that have done poorly in recent periods may have fundamentals that are likely to offer strong performance in the future.

The Adviser shall review the list of investment funds on a quarterly basis using the criteria above and document his findings. If an investment option is replaced, participant assets shall be transferred to an alternative investment option whose investment goals are as

similar as possible to the replaced investment option in terms of risk and return characteristics.

Most Plan participants are likely to have little investment experience and, as a result, may have difficulty understanding the costs, potential returns, and risks of the funds and diversified portfolios. The Adviser shall offer model portfolios for various risk profiles. One of the model portfolios shall be designated as a Qualified Default Investment Alternative (QDIA) for participants who do not make any choices from those available.

The Plan will not offer target date funds which base their asset allocation on the age of the investor. The use of such funds often leads to a mismatch between the asset allocation of the fund and the risk profile of the investor. This mismatch may lead to redemption of the funds during market declines as investors want to reduce risk, which results in poor investment results over the lifetime of the investor.

Model portfolios may include closed-end fund substitutes that are not on the regular list of investment options. Closed-end funds often sell at discounts to net asset value. There is strong empirical evidence that the purchase of closed-end funds at large discounts to net asset value and selling them when the discount diminishes can provide an additional source of investment returns.

## **Principal Risks – All Clients**

Investing in securities involves risk of loss that clients should be prepared to bear. All investments involve risks and the Adviser cannot guarantee any future performance or that investment objectives will be met. Below are some of the specific risks of the securities that we may purchase for clients.

- **Market Risk.** The prices of securities purchased by the Adviser may decline in response to certain events taking place around the world, including those directly involving the companies whose securities are owned by clients; conditions affecting the general economy; overall market changes; local, regional or global political, social or economic instability; currency, interest rate and commodity price fluctuations; wars; and natural disasters. Securities purchased by the Adviser may involve large price swings and potential for loss. Any individual security may become worthless. Clients of the Adviser should have a long-term perspective and be able to tolerate potentially sharp declines in value.

- **Value Risk.** Undervalued stocks tend to be inexpensive relative to their earnings or assets compared to other types of stocks. However, these stocks can continue to be inexpensive for long periods of time and may not realize their full economic value. The Adviser's value-oriented approach may fail to produce the intended results.
- **Non-Diversification Risk.** Client accounts may be less diversified than the portfolios of other managers due to a large initial position in a security or the failure of the Adviser to reduce a position after it has appreciated relative to other holdings in the portfolios. The poor performance of an individual security in a client's portfolio will have a greater negative impact on the account performance than if the client's portfolio were diversified among a larger number of portfolio securities.
- **Small and Mid-Cap Risk.** The Adviser may invest in some companies with small and medium market capitalizations either directly or via a fund. Small and mid-cap companies are often more volatile and less liquid than investments in larger companies. Small and medium capitalization companies may face a greater risk of business failure, which would reduce the value of the client's account.
- **Foreign Risk.** Foreign companies may not be subject to the same degree of regulation as public U.S. companies. Nationalization, expropriation or confiscatory taxation or political changes could adversely affect investments in a foreign company. In addition, the value of securities denominated in foreign currencies can change when foreign currencies strengthen or weaken relative to the U.S. dollar. These currency movements may negatively impact the value of a client's portfolio even when there is no change in the value of the related security in the issuer's home country.
- **Commodity Risk.** The Adviser may purchase commodities-related securities, including ETFs that invest in commodities, which may be subject to additional risks. The value of funds that invest in commodities such as gold or silver is highly dependent on prices of the related commodity. The demand and supply of these commodities may fluctuate widely based on many factors.
- **Fixed Income Securities Risks.** The value of the portfolio may fluctuate based upon changes in interest rates and market conditions. As interest rates rise, the value of most income producing instruments decreases to adjust the price to market yields. Interest rate risk is greater for long-term debt securities than for short-term and floating rate securities. It is possible that an issuer of a security will become unable to meet its obligations. This risk is greater for securities that are rated below investment grade or that are unrated.

- Investment Company Securities Risk. When the Adviser invests in other investment companies, including open and closed end funds and ETFs, there will be additional fees and expenses paid at the level of the investment company. Some of these expenses may duplicate the management fees paid to the Adviser. Client portfolios may be affected by losses in the underlying funds and the level of risk arising from the investment practices of the underlying funds (such as the use of leverage).
  - ETFs and closed-end funds are subject to additional risk: 1) They may trade at a market price that is above or below its net asset value; 2) Their securities may be illiquid because an active market may not develop.
  - Closed-end funds often leverage their assets (i.e. borrow money to buy additional assets) in order to enhance their yield or total return. Selling pressure on a fund itself or the assets held in its portfolio may cause the fund's price to fall and its discount to net asset value to widen.

## **Item 9 – Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events during the last ten years that would be material to your evaluation of Sabino Investment Management, LLC or the integrity of the Firm's management. Sabino Investment Management, LLC and its employees have not been involved in any legal or disciplinary events in the past ten years that would be material to a client's evaluation of the Firm or its personnel.

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

Robert G. Kahl, Managing Member of Sabino Investment Management, LLC, has no other material financial industry activities.

Robert G. Kahl, Managing Member, is licensed as a Certified Public Accountant (CPA) in the State of Arizona. He does not provide any public accounting services at this time.

## **Item 11 – Code of Ethics**

The Adviser has adopted a Code of Ethics expressing the firm's commitment to ethical conduct and its fiduciary duty to its clients. The Code of Ethics specifically (1) requires employees to place the interest of clients above their own personal interests, (2) prohibits any trading based upon material nonpublic information, and (3) establishes policies and procedures to protect the security of confidential client information. The Adviser's Code of Ethics also incorporates, by reference, the CFA Institute Code of Ethics and Standards of Professional Conduct.

All employees must comply with all applicable Federal and State regulations governing registered investment advisory practices. Any employee who does not comply with the firm's Code of Ethics and applicable regulations may be subject to termination or other disciplinary action. Clients or prospective clients may request a complete copy of the Adviser's Code of Ethics by contacting the firm.

Employees of the Adviser will often buy or sell some of the same securities in their personal accounts that are bought or sold for clients. In such cases, the clients' accounts will always receive priority. Clients' buy or sell orders will be completed prior to the placement of any transaction orders for employees of the Adviser with two exceptions. Mutual fund transaction orders for employees may be processed at the same time as client accounts because it will not have an impact on the price received by clients. Also, bond transactions for employees may be included in a block order if the Advisor believes that it will not have a negative impact on the price received by clients.

When security recommendations are made to clients who do not have managed accounts, the Adviser shall disclose any financial interest in the security.

## **Item 12 – Brokerage Practices**

### **Families and Nonprofits**

The Adviser requires families and nonprofit clients to select Charles Schwab & Co., Inc. (Schwab), Member FINRA/SIPC as their broker and custodian. Accounts at Schwab will be subject to the broker's standard commission schedule.

If an account is accepted at another custodian besides Schwab, the Adviser will require written instructions regarding direction of transactions. Under such circumstances, it is

the client's responsibility to negotiate commissions, which will vary among clients. In such instances, best execution may not be obtained.

The primary factor in selecting or recommending a broker is the ability to minimize transaction costs, taking into account both the commissions paid and the price at which a transaction is executed. The best prices for securities which are not traded on an exchange can often be obtained from firms which act as principals and have a substantial amount of capital committed to making a market in such securities. The reasonableness of commissions will be ascertained by a comparison to other brokerage firm commission schedules as well as subjective judgment regarding the brokerage firm's ability to make a market in securities and to execute transactions properly.

#### Research and Other Soft Dollar Benefits

Sabino Investment Management, LLC has no agreements with any brokerage firm to provide research or other products/services in exchange for commissions paid to the broker through client trades ("Soft Dollar Benefits"). The Adviser's research material is obtained primarily from financial publication sources paid for by the Adviser as well as public information – publications on company websites, SEC filings, and other sources. The Adviser may also use products, research, and other services of a brokerage firm. Research reports will be used for the benefit of all accounts. Clients may pay commissions higher than those obtainable from other brokers in return for these products and services.

#### Brokerage for Client Referrals

Sabino Investment Management, LLC does not currently receive any client referrals from Schwab or any other custodian or broker/dealer.

#### Aggregated Trades

For trades of closed-end funds, exchange-traded funds, and individual securities, the aggregation or blocking of client transactions allows the Adviser to execute transactions in a more timely, equitable, and efficient manner. Clients participating in any aggregated transactions will receive an average share price. Personal transactions of the Adviser's employees may be included in an aggregate transaction if it is for a mutual fund, government bond, or other type of bond where there is no effect on the clients' allocation or execution price. If an aggregate transaction is not completed during the day and a partial allocation is necessary, transactions shall be allocated to client accounts based upon cash requirements, the number of shares to be allocated, and whether there are related accounts that will not receive a partial allocation. The Adviser seeks to reduce overall commission charges to clients, while being fair and equitable to all clients with no particular group or client(s) being favored or disfavored over any other clients.



## Best Execution Reviews

The Adviser obtains and reviews a letter of representation from Schwab regarding best execution practices for all orders. In addition, if the Adviser has any reason to believe that best execution on a transaction was not obtained, an inquiry will be made to the broker.

## **401(k) and 403(b) Plans**

The Adviser has a working relationship with PCS Retirement, LLC (PCS) for third party administration and recordkeeping of 401(k) and 403(b) plans. PCS has an affiliate, AdvisorTrust, Inc. that can serve as an ERISA 3(16) fiduciary. PCS and the plan sponsor are responsible for selecting the custodian of the plan assets. Charles Schwab is the preferred custodian for PCS. There are no transaction fees at Schwab for 401(k) plans. There is an annual platform fee of 0.05% of plan assets, subject to a \$400 minimum.

## **Item 13 – Review of Accounts**

### **Families and Nonprofits**

Accounts will be managed in accordance with written investment guidelines. Portfolios will be reviewed on a monthly basis or more frequently if there are material changes affecting asset allocation. Triggering factors include relative valuations among asset classes and relative valuations within asset classes.

Robert Gerald Kahl, Managing Member, will be the only person responsible for reviewing all accounts.

Clients will receive confirmations and monthly statements from the broker or custodian. Clients may indicate on the account application how they would like to receive confirmations and monthly statements – either by regular mail or by e-mail notification.

Sabino Investment Management, LLC provides a web portal to BridgeFT and clients may generate a variety of portfolio analysis reports from it. At the end of the year, clients will also receive a Form 1099 from the custodian for all taxable accounts and a schedule of realized gains and losses.

### **401(k) and 403(b) Plans**

The Adviser will be responsible for maintaining model portfolios with different risk

categories for plan participants. PCS Retirement has a technology platform that allows the Advisor to efficiently maintain and rebalance model portfolios which will adjust the security holdings for all plan participants who select a model portfolio. Model portfolios will be reviewed on a monthly basis or more frequently if there are material changes affecting asset allocation. Triggering factors include relative valuations among asset classes and relative valuations within asset classes.

## **Item 14 – Client Referrals and Other Compensation**

### **Families and Nonprofits**

Other than the previously described products and services that Sabino Investment Management, LLC receives from Schwab, the Firm does not receive any other economic benefits or compensation from non-clients in connection with the provision of investment advice to clients.

### **401(k) and 403(b) Plans**

Sabino Investment Management, LLC has developed a working relationship with PCS Retirement, LLC (PCS) and its affiliate AdvisorTrust, Inc. PCS provides a technology platform to the Advisor free of charge that can be utilized for marketing, proposal preparation, and the use of model portfolios for participants. Prospective clients are free to use another third party administrator/recordkeeper although if they do, the Adviser may have to exclude model portfolios from the service. PCS expects to receive additional business by providing an efficient technology platform to Advisers.

## **Item 15 – Custody**

### **Families and Nonprofits**

Sabino Investment Management, LLC does not have custody of client funds or securities. Client funds and securities are held by Schwab. The Adviser will consider another custodian for large institutional accounts. When a new account is opened, clients authorize the custodian to pay directly from the account the Adviser's management fees that are

computed and submitted to the custodian by the Adviser. Clients are also sent a notification showing the computation of the fee.

Clients should receive monthly statements (or at least quarterly statements if there is no activity for the month) from Schwab. Statements from Sabino Investment Management, LLC may differ from custodial statements due to the inclusion of accrued interest on debt securities, or different valuations of certain securities. Sabino Investment Management, LLC urges clients to carefully review statements from the custodian and compare them to the account statements that we provide. Clients should immediately notify the Adviser if there is an unexplained discrepancy. Clients should also notify the Adviser immediately if confirmations or statements from the custodian are not received at the client's correct address.

### **401(k) and 403(b) Plans**

PCS, the third party administrator and recordkeeper, and the plan sponsor are responsible for selecting the custodian of the plan assets. AdvisorTrust, Inc., an affiliate of PCS, may serve as custodian and use Schwab as a subcustodian. Schwab is the preferred custodian or subcustodian for PCS.

Plan participants should receive monthly statements (or at least quarterly statements if there is no activity for the month) from PCS and the custodian, either electronically via their web portal or via regular mail. Any questions regarding statements for plan participants should be directed to PCS.

## **Item 16 – Investment Discretion**

### **Families and Nonprofits**

The custodian's account application has a section for the client to grant authorization (limited power of attorney) for the Adviser to execute trades in the client's account. However, the Adviser shall manage the account in accordance with the written investment guidelines approved by the client. A maximum limit for a particular type of security may be applicable to the account. Such maximum limits are applied at the time a security is purchased and subsequent appreciation may result in the limit being exceeded. The Adviser may allow a limit to be exceeded if it is due to price appreciation of the security.

## 401(k) and 403(b) Plans

Based upon the Adviser's agreement with the plan sponsor, the Adviser is responsible for providing investment options within specific asset categories. These investment options may be changed at the discretion of the Adviser.

Participants may select one of the model portfolios for various risk categories that are provided by the Adviser via PCS to the plan participants. If a participant selects a model portfolio, the Adviser is responsible for the asset allocation of the model consistent with the description provided to plan participants. The initial allocation and subsequent rebalancing of the plan participants' portfolios shall be implemented using the PCS technology platform.

## Item 17 – Voting Client Securities

### Families and Nonprofits

Sabino Investment Management, LLC may be authorized by some clients to vote proxies if the client does not want to receive and vote on proxies. When the authorization is granted, the Adviser will exercise its best judgment to vote the proxies in the best interests of its clients. Our policies and procedures for voting proxies are listed below in their entirety.

### PROXY VOTING POLICIES AND PROCEDURES

#### How to Obtain Proxy Voting Information

If a client wishes to obtain information on how proxies for their securities were voted, a written request should be submitted to the Advisor. The Advisor will respond within 30 days of the request.

#### Conflict of Interest

If there is a potential conflict of interest that could influence the Adviser's vote, the Adviser will notify clients in writing to disclose the conflict of interest and obtain their consent before voting.

#### Materiality

If there are no material corporate governance issues on a proxy and the time or cost of voting the proxy exceeds the expected benefit to the client, the Advisor may refrain from voting the proxy.

#### Voting on Directors

Generally, corporate boards of directors nominate a slate of directors for approval by the shareholders. The numbers of directors nominated is usually equal to the number of vacancies on the board. The Advisor may withhold approval for a proposed director if it believes that a director serves on too many corporate boards, lacks the proper qualifications, has no significant ownership in the company, or may not act in the best interest of the shareholders.

#### Voting on Stock Option and Restricted Stock Incentive Plans

The benefit to shareholders of stock option and restricted stock option plans is to provide some incentive for employees to act in the best interests of the shareholders. This benefit must be weighed against the potential dilution of the existing shareholders' ownership interest. The Advisor will vote against plans which restrict options to a small group of managers and are unlikely to influence the behavior of most employees. The Advisor will also vote against plans where the potential dilution to existing shareholders is unacceptable due to the issuance of a large number of options or restricted shares.

#### Voting on Mergers, Acquisitions, and Other Corporate Reorganizations

Circumstances vary widely on major transactions. The Advisor will exercise its best judgment on such issues.

#### Approval of Auditors

Generally, the incumbent auditing firm can provide the service at the lowest cost because it is already familiar with a company's business and its accounting policies and procedures. However, changes in auditors may sometimes be warranted.

#### Client Direction of Votes for Specific Proxies

If the Client has authorized the Custodian to mail all proxy materials to the Advisor and allow the Advisor to vote proxies on their behalf, the Client may not direct the Advisor to vote on a particular proxy issue. The Advisor receives a single proxy for all accounts that have granted authority to vote proxies and the Advisor is unable to split votes. The Client, however, may rescind authority of the Advisor to vote proxies at any time by submitting a written notice to the Custodian.

## **401(k) and 403(b) Plans**

The plan administrator and custodian shall be responsible for delivery of all proxy materials to plan participants.

## **Item 18 – Financial Information**

Sabino Investment Management, LLC 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.

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

See Part 2B of Form ADV (Brochure Supplement) for information about Robert G. Kahl, Managing Member and sole owner (indirectly via his revocable trust) of Sabino Investment Management, LLC.

We believe that any material conflicts of interest relating to any Sabino Investment Management, LLC representative or employee that could reasonably be expected to impair the rendering of unbiased or objective advice are disclosed in Part 2A of Form ADV. Conflicts of interest may include, but are not limited to, (a) compensation arrangements connected with advisory services which are in addition to the advisory fees, (b) other financial industry activities or affiliations, or (c) participation of interest in client transactions.

**Sabino Investment Management, LLC**  
**Part 2B of Form ADV**  
**Brochure Supplement**

2448 E. 6th Street

Tucson, AZ 85719

(520) 233-7613

[www.SabinoIM.com](http://www.SabinoIM.com)

February 10, 2025

This Brochure Supplement provides information about Robert G. Kahl, CFA®, CPA, MBA, that supplements Sabino Investment Management, LLC's Form ADV Part 2A brochure. You should have received a copy of that brochure. Please contact us if you did not receive Sabino Investment Management, LLC's Brochure or if you have any questions about the contents of this supplement.

Additional information about Robert G. Kahl is available on the SEC's website at [www.sec.gov/investor/brokers.htm](http://www.sec.gov/investor/brokers.htm).

## Item 2- Educational Background and Business Experience

Robert G. Kahl, CFA®, CPA, MBA, was born in 1955 in Tucson, Arizona. He attended the University of Arizona where he earned a Bachelor of Science degree in 1976 with a major in accounting. Mr. Kahl also attended the University of California at Berkeley for two academic years and earned his Master of Business Administration degree in 1980 with an emphasis in finance and marketing.

After graduating from the University of Arizona, Mr. Kahl began his career as an auditor for the Arizona Auditor General's office where he worked for two years. After receiving his MBA, Mr. Kahl worked as an accounting/financial analyst at Mattel, Inc., Tosco Corporation, and Xerox. He also worked as a per diem accountant for a variety of other organizations. During 1993-1994, Mr. Kahl worked as a senior portfolio associate/portfolio manager at Bank of America in the Investment Management & Trust Services Division where he managed approximately 280 accounts (\$116 million). Prior to starting his investment advisory service in May 1997, he worked as a per diem accountant/financial analyst at Agrometrics, Inc., Wells Fargo Bank, and two public accounting firms.

Mr. Kahl became a Certified Public Accountant (CPA) in 1978. The current requirements in Arizona for the Certified Public Account designation include: 1) 150 semester-hours of education coursework, including at least 36 semester hours of accounting courses and 30 semester hours of related courses; 2) a passing grade in each subject (accounting theory, accounting practice, business law, and auditing) of the CPA exam; and 3) full-time work experience of at least one year in the office of a certified public accountant or public accountant (or equivalent experience).

Mr. Kahl became a Chartered Financial Analyst (CFA) charterholder in 1996. The Chartered Financial Analyst charter is a globally respected, graduate-level investment credential established in 1962 and is awarded by CFA Institute – the largest global association of investment professionals. To earn the CFA charter, candidates must: 1) pass three sequential, six-hour examinations; 2) have at least four years of qualified professional investment experience; 3) join CFA Institute as members; and 4) commit to abide by, and annually reaffirm, their adherence to the CFA Institute Code of Ethics and Standards of Professional Conduct.

The CFA program curriculum provides a comprehensive framework of knowledge for investment decision making and is firmly grounded in the knowledge and skills used every day in the investment profession. The three levels of the CFA Program test a proficiency with a wide range of fundamental and advanced investment topics, including ethical and professional standards, fixed-income and equity analysis, alternative and derivative investments, economics, financial reporting standards, portfolio management, and wealth planning. Regulatory bodies in 22 countries and territories recognize the CFA charter as a proxy for meeting certain licensing requirements. For more information about the CFA charter and/or CFA Institute, visit [www.cfainstitute.org](http://www.cfainstitute.org).



Mr. Kahl is the Managing Member, Founder, and Portfolio Manager of Sabino Investment Management, LLC which began offering investment advisory services in January, 1999. Sabino Investment Management, LLC withdrew its state registration in November 2013 after Mr. Kahl joined Dynamic Wealth Advisors as an investment advisor representative/independent contractor in August 2013. Sabino Investment Management, LLC reinstated its registration with the Arizona Corporation Commission in December 2014 and Mr. Kahl and Dynamic Wealth Advisors ceased their working relationship on December 31, 2014.

### **Item 3- Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events during the last ten years that would be material to your evaluation of each supervised person providing investment advice. Mr. Kahl has not been involved in any legal or disciplinary events that would be material to a client's or prospective client's evaluation of Mr. Kahl or Sabino Investment Management, LLC.

### **Item 4- Other Business Activities**

Robert G. Kahl, Managing Member of Sabino Investment Management, LLC, has no other material business activities.

Robert G. Kahl, Managing Member, is licensed as a Certified Public Accountant (CPA) in the State of Arizona. He does not provide any public accounting services at the present time.

### **Item 5- Additional Compensation**

Mr. Kahl does not receive additional compensation or economic benefit, directly or indirectly, for client referrals or advisory services to non-clients.

### **Item 6 - Supervision**

As Managing Member of Sabino Investment Management, LLC, Mr. Kahl is ultimately responsible for the Firm's operations and investment decisions. He can be reached by calling (520) 233-7613.

### **Item 7- Requirements for State-Registered Advisers**

Mr. Kahl has not been found liable in any arbitration or civil litigation involving any of the following: investment-related activities; fraud, false statements or omissions; theft,

embezzlement, or wrongful taking of property; bribery, forgery, counterfeiting, or extortion; and dishonest, unfair, or unethical practices.

Mr. Kahl has never petitioned for bankruptcy.

## Sabino Investment Management, L.L.C.

Robert G. Kahl, CFA, CPA, MBA  
2448 E 6<sup>th</sup> Street  
Tucson, AZ 85719

Phone: (520) 233-7613  
e-mail: [rgkahl@sabinoim.com](mailto:rgkahl@sabinoim.com)  
<https://SabinoIM.com>

### **Privacy Disclosure Notice to Clients**

To conduct regular business, we may collect nonpublic personal information from sources such as:

- Information provided by you on account applications or other documents;
- Information clients provide orally;
- Information received from third parties, such as brokerage firms or custodians, about client transactions.

Sabino Investment Management, L.L.C. does not share or disclose any confidential personal information about our customers or former customers to anyone, except in the following circumstances:

- As necessary to provide the service that the client has requested or authorized, or to maintain and service the client's account;
- When required to provide services that clients have requested;
- When clients specifically authorize the Firm to do so in writing;
- When required by law.