

BLANCO FAMILY PROTOCOL

Investment Philosophy, Wealth Management & Information Sources

March 2026

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A living document that captures how the Blanco family manages wealth, makes investment decisions, and stays informed. This protocol is designed to guide trustees, advisors, and family members – both during Carlos’s lifetime and after.

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Part I: Investment Philosophy

Core Principle: Wealth Preservation Through Income

The Blanco family investment philosophy centers on one idea: **never sell the goose that lays the golden eggs**. Wealth is preserved and grown through income generation, not speculation or constant trading.

This manifests in three distinct pillars, each managed by a different team with a clear mandate.

Pillar 1: Dividend Growth — The Bahnsen Group

Advisor: David Bahnsen / The Bahnsen Group

Mandate: Build a portfolio of high-quality, dividend-paying companies that grow their distributions over time. The goal is **reliable, growing income** that compounds without needing to sell shares.

Strategy: Core Dividend Growth

Philosophy:

- Own **businesses**, not stock tickers
- Dividends are the purest signal of corporate health — companies that consistently raise dividends are well-managed and profitable
- A growing dividend stream protects against inflation naturally
- **Never chase yield** — chase dividend *growth*
- Reinvest dividends during accumulation phase; live on dividends in distribution phase
- Time in the market beats timing the market

Current Portfolio (38 Holdings):

Financials: BX (Blackstone), JPM (JPMorgan), MS (Morgan Stanley), MC (Moelis), OWL (Blue Owl Capital), TFC (Truist Financial)

Healthcare: AMGN (Amgen), GILD (Gilead), JNJ (Johnson & Johnson), MRK (Merck), UNH (United-Health)

Technology: AVGO (Broadcom), CSCO (Cisco), GOOGL (Alphabet), IBM, TXN (Texas Instruments)

Energy: CVX (Chevron), XOM (Exxon), UMI (USCF Midstream)

Consumer: CLX (Clorox), GIS (General Mills), KVUE (Kenvue), MCD (McDonald's), MO (Altria), PEP (PepsiCo), PG (P&G), SBUX (Starbucks), WMT (Walmart)

Utilities: AEP (American Electric Power), VZ (Verizon)

REITs: LAMR (Lamar Advertising), LINE (Lineage), SPG (Simon Property), VICI Properties

Industrials: CMI (Cummins), LMT (Lockheed Martin), UPS

Infrastructure: BIPC (Brookfield Infrastructure Partners)

Key Metrics to Monitor:

- Dividend growth rate (target: 7-10% annual growth)
- Payout ratio (prefer below 65%)
- Free cash flow yield
- Consecutive years of dividend increases
- Sector diversification

Communication:

- **Dividend Cafe** — daily commentary from Bahnsen
 - **Weekly Holdings Report** — from dbahnsen@thebahnsengroup.com
 - Email: dividendcafe@thebahnsengroup.com
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Pillar 2: Quality Growth — Loring, Wolcott & Coolidge (LWC)

Advisor: David Cuetos / Loring, Wolcott & Coolidge

Mandate: Own the highest-quality growth companies in the world — businesses with durable competitive advantages, strong management, and long runways for compounding.

Strategy: Concentrated Quality/Growth

Philosophy:

- **Buy the best, hold forever** — let compounding do the work
- Favor companies with network effects, high switching costs, recurring revenue
- Tolerate higher valuations for truly exceptional businesses
- Low portfolio turnover — the best holding period is forever
- Quality > quantity — concentrated conviction positions

Current Portfolio (26 Holdings):

Mega-Cap Tech: AAPL (Apple), AMZN (Amazon), GOOGL (Alphabet, also in Bahnsen), META (Meta), MSFT (Microsoft), NVDA (NVIDIA)

Enterprise Software: ADBE (Adobe), ADSK (Autodesk), INTU (Intuit), NOW (ServiceNow), PAYC (Paycom), TEAM (Atlassian), TTD (The Trade Desk)

Semiconductors: ASML (ASML), ADI (Analog Devices)

Healthcare: ABT (Abbott Labs), DHR (Danaher), SYK (Stryker), TMO (Thermo Fisher)

Financials: BRK.B (Berkshire Hathaway), MA (Mastercard), SPGI (S&P Global), V (Visa)

Industrials: CNR (Canadian National Railway), TDG (TransDigm)

Energy: EOG (EOG Resources)

Consumer: COST (Costco)

Key Metrics to Monitor:

- Revenue growth rate (target: 10%+ annually)
- Return on invested capital (ROIC > 20%)
- Free cash flow margin
- Competitive moat durability
- Management alignment with shareholders

Connection to Trust Architecture:

David Cuetos serves as both the LWC portfolio manager AND the successor trustee / Trust Protector for all Blanco trusts. This ensures investment continuity — the same person guiding growth strategy today will guide it after Carlos.

Pillar 3: Resource Investing — The Katusa Free Ride Rule

Source: Marin Katusa / Katusa Research

Mandate: Tactical resource and commodity investing using the **Katusa Free Ride** methodology. Target outsized returns in cyclical resource sectors while limiting downside risk.

The Katusa Free Ride Rule — Explained

This is the single most important tactical rule in the Blanco investment playbook:

When a position doubles (100%+ gain), sell half. Your remaining position has a cost basis of zero — it's a "free ride."

How It Works:

1. **Buy:** Enter a resource position at \$10/share, 1,000 shares (\$10,000 invested)
2. **Double:** Stock hits \$20/share
3. **Sell Half:** Sell 500 shares at \$20 = \$10,000 (your original investment is recovered)
4. **Free Ride:** You still own 500 shares with a cost basis of \$0
5. **Hold Forever:** The remaining 500 shares can ride to \$100 or go to zero — either way, you've already won

Why It Matters:

- **Eliminates emotional decision-making** — you can't lose money on a free ride
- **Lets winners run** — the hardest part of investing is holding through volatility
- **Perfect for cyclical/volatile sectors** — resources, mining, uranium, gold
- **Compound the free rides** — over a career, you accumulate dozens of zero-cost positions

Current Katusa-Inspired Portfolio (10 Holdings):

Ticker	Company	Sector
CF	CF Industries	Fertilizer/Nitrogen
DC	Dakota Gold	Gold Mining
EQX	Equinox Gold	Gold Mining
LIT	Global X Lithium ETF	Lithium/Batteries
ODV	Osisko Development	Gold Development
OFSTF	Carbon Streaming	Carbon Credits
UEC	Uranium Energy Corp	Uranium
URNM	Sprott Uranium Miners	Uranium ETF
UROY	Uranium Royalty Corp	Uranium Royalties
UUUU	Energy Fuels	Uranium/REE

Sectors to Monitor:

- **Uranium/Nuclear:** Massive supply deficit, AI data center demand
- **Gold:** Central bank buying, inflation hedge
- **Lithium:** EV cycle — currently depressed, potential bottoming
- **Copper:** Electrification super-cycle
- **Critical Minerals:** U.S. reshoring, defense demand (antimony, rare earths)

Part II: Thematic Portfolios

Beyond the three pillars, Carlos maintains two additional thematic portfolios.

Follow the Money Portfolio

Mandate: Track the big macro trends — energy transition, AI infrastructure, defense spending, digital infrastructure, quantum computing, space.

~80 positions across:

Theme	Key Holdings
Nuclear/Uranium	CCJ, UUUU, NNE, SMR, LTBR, BWXT, GEV, OKLO
Energy/LNG	LNG, VG, NEXT, CEG, VST
Defense	LMT, RTX, NOC, HII, AXON, HWM, CACI, LDOS, BAH
AI/Semiconductors	NVDA, TSM, AMD, QCOM, ARM, AMAT, KLAC, ASML
Data Centers	EQIX, IREN, CIFS, CLS, VRT, CRWV, NBIS
Quantum Computing	QBTS, QUBT, IONQ, RGTI
Space	ASTS, RKLB
Clean Energy	FSLR, ENPH, RUN, NEE, ORA
Mining/Critical Minerals	IDR, AREC, TMRC, UAMY, NB, LAC, MP, TMQ, TMC
Digital/Crypto	GLXY

Philosophy: These are “follow the money” bets — where is the world spending trillions? Own the companies that benefit. Higher risk, higher reward. Apply Katusa Free Ride on winners.

Gold Portfolio

Mandate: Precious metals hedge against monetary debasement and geopolitical risk.

~22 positions including:

Type	Holdings
Physical/ETFs	GLD, IAU, OUNZ, UGL, DGP
Royalty	WPM, RGLD, OR, GROU
Miners	AEM, NEM, EQX, DC, ODV
ETFs	GDX, GDXJ
Leveraged	NUGT, JNUG, GDXU

Physical Gold: 5 × 1oz coins (current value ~\$22,077 at \$4,415/oz)

Part III: Information Sources & Newsletters

Carlos follows a curated set of information sources. These are the inputs that drive investment decisions.

Tier 1: Core Advisors (Direct Relationship)

Source	Person	Frequency	Focus
The Bahnsen Group	David Bahnsen	Daily + Weekly	Dividend investing, macro
Loring, Wolcott & Coolidge	David Cuetos	Ongoing	Quality growth, trust management
Katusa Research	Marin Katusa	Monthly	Resources, mining, commodity cycles

Tier 2: Premium Newsletters

Newsletter	Author	Frequency	Key Content
Mauldin Economics — Thoughts from the Frontline (TFTF)	John Mauldin	Weekly (Saturday)	Macro economics, government debt, demographic trends, geopolitics. Mauldin's specialty is connecting economic data to investment implications.
Dividend Cafe	David Bahnsen	Daily	Market commentary through the lens of dividend investing. Practical, client-facing.
Katusa Research	Marin Katusa	Monthly	Resource sector deep dives. Specific buy/sell recommendations with price targets.

Tier 3: Market Intelligence

Source	Focus	Frequency
Seeking Alpha	Quant ratings, earnings, portfolio tracking	Daily
All-In Podcast	Tech, macro, VC perspective	Weekly
Rational Optimist	Long-term technology & resource trends	Weekly
The Cheap Investor	Value investing ideas	Weekly
Active Trader Daily	Technical analysis, breakout alerts	Daily
The Flyover	News digest, policy updates	Daily
Matt Levine — Money Stuff	Finance, markets, legal commentary	Daily

Tier 4: Automated Monitoring (via OpenClaw)

Report	Schedule	Content
Weekly Market Recap	Monday 9am ET	Full portfolio review, top/bottom movers, macro events
Midweek Pulse	Wednesday 9am ET	Portfolio check-in, SA alerts, earnings preview
Week Close	Friday 4:30pm ET (after market close)	Final prices, weekly performance, sector rotation
Mauldin Summary	Saturday 10am ET	TFTF newsletter analysis and key takeaways
SA Quant Alerts	Weekdays	Rating changes on held positions

Part IV: Tactical Rules & Decision Framework

Rule 1: The Katusa Free Ride (Mandatory)

For ALL resource, mining, and speculative positions:

When a position reaches **100% gain**, sell exactly half. No exceptions. The remaining shares ride for free.

Applies to: KATUSA portfolio, FOLLOW THE MONEY positions, GOLD miners/leveraged

Does NOT apply to: BAHNSEN dividend portfolio, LORING WC quality growth

Rule 2: Dividend Aristocrats Never Sell

For BAHNSEN portfolio positions:

Never sell a position that is consistently growing its dividend, unless: - The dividend is cut - The payout ratio exceeds 100% for 2+ consecutive quarters - Fundamental business thesis is broken (not just a price decline)

A declining stock price with a growing dividend is a buying opportunity, not a selling signal.

Rule 3: Quality Compounders — Let Them Run

For LORING WC positions:

- Hold through volatility — these are 10-year+ positions
- Add on significant pullbacks (>20% from highs) if business thesis intact
- Never sell because “it went up too much” — compounders compound
- Review thesis annually, not daily

Rule 4: Gold is Insurance

For GOLD portfolio:

- Gold is NOT a trade — it’s insurance against monetary policy mistakes
- Target: 5-10% of portfolio in physical + royalties
- Miners and leveraged products ARE trades — apply Free Ride rule
- Add during periods of central bank stress or geopolitical escalation

Rule 5: Position Sizing

Portfolio	Max Single Position	Notes
BAHNSEN	5% of portfolio	Diversified dividend portfolio
LORING WC	8% of portfolio	Concentrated conviction
KATUSA	3% of total	Speculative resource plays
FOLLOW THE MONEY	3% of total	Thematic, higher volatility
GOLD	10% of total (all gold)	Insurance allocation

Rule 6: The Buy-Borrow-Deploy Strategy

The Blanco wealth model is built on **buy, borrow, deploy** — a tax-efficient strategy:

1. **Buy** assets that appreciate (treasuries, equities, real estate)
2. **Borrow** against those assets (margin, mortgages) at low rates

3. **Deploy** borrowed capital into income-generating investments
4. **Never sell** — selling triggers capital gains taxes
5. **Debt is a tool** — at 4.25% margin vs. 4.5%+ treasury yield, the spread is positive

Current Application: - \$52.3M margin against Schwab portfolio (4.25%) - Treasury yield covers margin cost + generates spread - Real estate financed, not bought outright - Life insurance loans at low rates

Part V: For Trustees & Future Advisors

This section is written for David Cuetos, Rakesh Rajwani, and any future trustee or advisor managing Blanco family wealth.

Carlos's Investment Identity

Carlos is: - **A builder, not a speculator.** He created wealth through real estate, technology companies, and strategic investing — not day trading. - **Income-focused.** Dividends and cash flow matter more than price appreciation. - **Contrarian when warranted.** He leans into sectors others fear (uranium, mining, nuclear) based on fundamental supply/demand analysis. - **Long-term oriented.** His trust structures are designed to compound for his children and their children. - **Tax-efficient.** The buy-borrow-deploy strategy exists specifically to avoid selling and triggering gains.

Investment Policy Guidelines

If managing trust assets after Carlos:

1. **Maintain the three-pillar structure** — Dividend Growth, Quality Growth, Resources
2. **Continue the Bahnsen Group relationship** — dividend income is the bedrock
3. **Apply Katusa Free Ride** on all speculative/resource positions
4. **Never liquidate the entire portfolio to “de-risk”** — the income stream is the safety
5. **Gold allocation: maintain 5-10%** of total portfolio
6. **Treasuries: roll to maintain income** as rates change
7. **Real estate: transition to liquid** — Carlos's long-term plan is 100% liquid, zero properties
8. **Rebalance quarterly** — not daily, not annually
9. **Children receive 4% unitrust at age 30** — portfolio must sustain this indefinitely
10. **Preserve the goose** — protect the income stream above all else

Newsletter Subscriptions to Maintain

Even after Carlos, the trust advisors should continue monitoring:

- Mauldin TTF (macro awareness)
 - Bahnsen Dividend Cafe (dividend strategy)
 - Katusa Research (resource cycles)
 - Seeking Alpha (portfolio monitoring)
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Part VI: Family Values & Wealth Philosophy

The Purpose of Wealth

Wealth exists to provide:

1. **Security** — the family never needs to worry about basic needs
2. **Education** — the best possible education for Carlos Jr. and Sebastian
3. **Opportunity** — the freedom to pursue meaningful work, not just any work
4. **Impact** — through the Carlos Blanco White Foundation
5. **Legacy** — wealth that compounds across generations, not dissipates

For Carlos Jr. and Sebastian

When you are old enough to read this:

- **You must earn your own income before you control trust money** (age 25, above-average earnings required)
- **At 30, you receive 4% of your trust annually** — enough to live well, not enough to be idle
- **The trust is designed to support you, not replace you** — use it as a launchpad, not a cushion
- **The family wealth was built through work, risk, and discipline** — respect that by building something of your own
- **The Katusa Free Ride applies to life too** — when you've recovered your investment (in time, effort, money), let the rest ride. Don't quit too early.

BLANCO FAMILY PROTOCOL — Version 1.0

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This is a living document. Update it as the investment landscape, family circumstances, or philosophy evolves.

Prepared by OpenClaw Financial Analytics for Carlos Blanco Sanchez.