

JFG Wealth Management, LLC

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Part 2A Appendix 1 of Form ADV:
Wrap Fee Program Brochure

August 28, 2019

This brochure provides information about the qualifications and business practices of JFG Wealth Management, LLC. If you have any questions about the contents of this brochure, contact us at 720-778-4467. 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.

Additional information about JFG Wealth Management, LLC is available on the SEC's website at www.adviserinfo.sec.gov.

JFG Wealth Management, LLC is a registered investment adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

Item 2 Material Changes

The following material changes have been made to our firm brochure since our last annual updating amendment dated March 18, 2019.

Item 5 has been amended to indicate that, effective August 28, 2019, JFG Wealth Management's minimum annual fee for Investment Management Services is \$45,000 and we generally require that clients have a minimum of \$5 million in liquid assets managed by JFG Wealth Management, LLC to start or maintain an account.

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Item 4 Services, Fees, and Compensation

Services

JFG Wealth Management, LLC ("we" or "us") offers investment management services through the use of one of more third party managers via a wrap-fee program made available by Envestnet Asset Management, Inc. ("Program Manager"). When JFG Wealth Management, LLC recommends a wrap-fee program, JFG Wealth Management, LLC's recommendation is based on a number of factors, including, but not limited to, the anticipated frequency of trading in the client account, the size of the account, JFG Wealth Management, LLC's ability to efficiently allocate to separate account managers within the program, and investment minimums.

Based on a client's individual circumstances and needs, JFG Wealth Management, LLC will recommend that the client participate in one of the following Envestnet wrap fee programs:

- *Separate Managed Accounts Program* - through this program, JFG Wealth Management, LLC will determine which third party managers are appropriate to manage the client's assets.
- *Unified Managed Account Program* - through this program, JFG Wealth Management, LLC constructs a single portfolio comprised of various investment vehicles which may include third-party managers, exchange-traded funds (ETFs), and/or mutual funds.
- *Tax Transition Services and Tax Management Programs* - these programs are designed for clients who have specific tax management needs or goals and can be combined with other programs described above.

Through each program, the client grants JFG Wealth Management, LLC with discretion to make changes to the managers and/or investments if JFG Wealth Management, LLC determines such a change is in the client's best interest. Factors considered in making this determination include account size, risk tolerance, the opinion of each client and the investment philosophy of the independent adviser. Through this program, JFG Wealth Management, LLC will have full discretionary authority to invest and reinvest client assets and retain third party asset managers who, in turn, have full discretionary authority to invest and reinvest client assets, subject to reasonable restrictions imposed by the client.

Fees

The total fee for the wrap fee program includes the Program Manager's fee and third party (sub-manager) fees, as well as JFG Wealth Management, LLC's fee. This fee may also include other fees imposed by third parties who provide services to the program, such as custodial fees. Such fees may be payable in advance or arrears, depending upon the terms of the contract.

Fees are based on assets under management, and not the activity level of an account. The management fee will be automatically debited from the account at the beginning of each quarter, as authorized in writing by the client. JFG Wealth Management's minimum annual fee is \$45,000. JFG Wealth Management, LLC generally requires that clients have a minimum of \$5 million in liquid assets to participate in the wrap fee program. Under certain circumstances, we may accept new investment management relationships below this minimum. Fees are generally non-negotiable, although we reserve the right at our sole discretion to negotiate the fees lower. Agreed-upon fees will be stated in the written agreement signed by the client.

Fees are calculated as a percentage of the market value (including interest paid and accrued) of the securities held in the account at the end of each quarter. When services commence other than at the beginning of a quarter, the fee charged at the end of that quarter will be pro-rated so that the client is

only charged for services rendered from the date the client contract was executed to the end of the quarter. If services are terminated before the end of the quarter, the fee will be prorated for that quarter (i.e. if services are terminated on the 18th day of the quarter, the fee charged will be 18 days/the number of days in the quarter * quarterly fee). Clients are charged as households and thus receive the applicable price breaks taking into account all of the assets in the household accounts that JFG Wealth Management, LLC manages. The wrap fee program fees, by program, are as follows:

Total Market Value of Assets under Management	Total Annual Program Fee	JFG Wealth Management, LLC Annual Fee	Annual Program Manager, Custodial Fees (as applicable)
<i>Separate Managed Accounts Program</i>			
Less than \$1 Million	1.02-1.04%	0.90%	0.12 - 0.14%
\$1 Million to <\$5 Million	1.01%	0.90%	0.11%
\$5 Million to <\$10 Million	0.79%	0.70%	0.09%
\$10 Million and over	0.74 - 0.76%	0.70%	0.04 - 0.06%

Unified Managed Account Program*

Less than \$1 Million	1.04%	0.90%	0.14%
\$1 Million to <\$5 Million	1.01%	0.90%	0.11%
\$5 Million to <\$10 Million	.79%	0.70%	0.09%
\$10 Million and over	.76%	0.70%	0.06%

**In addition to the Total Annual Program Fee shown above, the Program Manager also assesses a manager fee for each model managed for the client. This fee ranges from approximately 0.35-0.60%; however, certain models may have fees outside of this range. Manager fees will apply only when a manager is included in the allocation. Such fees will only be assessed against the percentage of the portfolio for which the manager is allocated.*

	Total Annual Program Fee	JFG Wealth Management, LLC Annual Fee	Annual Program Manager, Custodial Fees (as applicable)
<i>Tax Transition Services Program</i>			
Less than \$5 Million	1.05%	0.90%	0.15%
\$5 Million and over	0.85%	0.70%	0.15%

Tax Management Program

Less than \$5 Million	0.98%	0.90%	0.08%
\$5 Million and over	0.78%	0.70%	0.08%

JFG Wealth Management, LLC generally pro-rates fees to reflect contributions or withdrawals of account assets during a single billing period.

Other types of fees that clients may incur, which are not included in the wrap fee program fee described above, include miscellaneous fee or charges by the custodian for services not included under the program, such as, but are not limited to, wiring fees, fees for portfolio transactions executed away from the custodian or not pursuant to an asset-based brokerage fee, dealer mark-ups, electronic fund and wire transfers, spreads paid to market-makers and exchange fees. If the client also elects to receive account administration and reporting services with respect to current assets held in securities accounts that are not managed through the wrap fee program, the client will also be charged a fee by the program manager for supplemental reporting services.

Neither JFG Wealth Management, LLC nor its supervised persons accept compensation for the sale of securities or other investment products.

Participation in Wrap Fee Programs versus Traditional Investment Management

Participation in one of the wrap fee programs may cost the client more or less than purchasing such services separately. For example, if a client were to purchase services similar to those offered in a wrap fee program separately, he or she would be required to pay brokerage commissions, custodial fees (if any), and investment advisory fees. JFG Wealth Management, LLC will only recommend participation in a wrap fee program when the firm deems that such recommendation is in the client's best interest. Factors that JFG Wealth Management, LLC considers when making such a recommendation include the expected level of trading activity in the account, the corresponding brokerage commissions and transaction-related expenses that would be charged for the execution of trades, and the fees charged for the investment advisory services offered.

In making the determination of whether a recommended wrap fee program is appropriate for his or her needs, a client should consider that wrap fee arrangements, when compared with the option of paying transaction charges separately, generally result in lower costs during periods when trading activity is heavier. During periods when trading activity is low, such arrangements may result in a higher annual cost for transactions. The overall cost of the program will vary significantly, depending on the account size, amount of turnover, type of securities purchased or sold, quantities of securities purchased or sold, commission rates negotiated, and the client's tax situation. When making cost comparisons, clients should be aware that the combination of investment advisory, custodial and brokerage services available through these programs may not be available separately or may require multiple accounts, documentation and fees.

Item 5 Account Requirements and Types of Clients

JFG Wealth Management, LLC generally requires that clients have a minimum of \$5 million in liquid assets to participate in a wrap fee program. The Program Manager also imposes minimums for participation in certain programs. Minimum account sizes for the Separately Managed Accounts Program range from \$100,000 - \$250,000 (for mutual fund portfolios, the minimum is \$2,500 per mutual fund). The minimum account size for the Unified Managed Account Program is \$150,000 per model allocation.

JFG Wealth Management, LLC may recommend wrap fee programs to high net worth individuals, pension and profit sharing plans, and charitable organizations.

Item 6 Portfolio Manager Selection and Evaluation

In selecting third-party managers for management of a client's assets, as well as in determining whether to replace a portfolio manager, JFG Wealth Management, LLC considers a number of factors including, but not limited to, the portfolio manager's fees, past performance, adherence to style mandate, tenure of the portfolio manager, modern portfolio theory statistics (beta, alpha, Treynor ratios, Sharpe ratios, covariance, R-squared, as well as alpha thesis).

In reviewing these factors, JFG Wealth Management, LLC will generally rely on the portfolio manager due diligence and research provided to the firm by Envestnet on a quarterly basis. This due diligence includes collection and reporting of data on investment style and philosophy, past performance, and personnel of the third-party managers. Envestnet also provides access to other third-party managers with respect to whom Envestnet has not performed due diligence. In evaluating these managers, JFG Wealth Management, LLC performs its own due diligence to determine whether to select such managers for the management of client assets.

The due diligence performed by Envestnet and/or JFG Wealth Management, LLC is intended to provide JFG Wealth Management, LLC with sufficient data and/or reports on each third-party manager to allow JFG Wealth Management, LLC to evaluate each manager's competence and experience in accordance with industry standards; however, JFG Wealth Management, LLC is responsible for determining that it has sufficient information about a portfolio manager to select such manager to provide services to JFG Wealth Management, LLC and its clients.

In selecting and monitoring the managers and investments in program accounts, JFG Wealth Management, LLC employs the same methodology used when managing assets via traditional asset management. JFG Wealth Management, LLC constructs customized portfolios based on the client's financial objectives and constraints. The firm collects information from the client, which is used to create an Investment Policy Statement (the "IPS"). This document details the client's past investment related experience, current financial situation (including goals and risk tolerance), probable future financial needs (including constraints such as liquidity needs, time horizons, tax issues, legal and regulatory considerations, and unique circumstances). From this information, JFG Wealth Management, LLC develops an investment strategy to address these designated criteria. JFG Wealth Management, LLC continuously monitors the client's portfolio and may rebalance the portfolio among managers and investments due to certain events, such as changes in the client's financial situation or market-driven events.

Portfolio construction begins by selecting a universe of managers and investments that are appropriate for each client's circumstances. Portfolios are then built by including managers and investments that exhibit the desired asset class, risk, return, and tax characteristics as described in the Investment Policy Statement. In analyzing the constructed portfolios, JFG Wealth Management, LLC uses a variety of quantitative and research-based approaches. These approaches include an analysis of performance, return distributions, standard deviation, risk exposures (through multi-factor regression models), and tax efficiency, in addition to other modern portfolio theory (MPT) methods.

Investment strategies are primarily focused on building globally diversified portfolios that are highly tax and cost efficient. This is done principally through the use of mutual funds, ETFs, and separately managed accounts. Investing in securities involves risk of loss and clients should be prepared to bear the loss of their investments.

It should also be noted that at the outset of a relationship with a new client, JFG Wealth Management, LLC may provide investment advice on any holdings in a client's investment portfolio. Decisions regarding whether to continue to hold an existing asset are based on the Investment Policy Statement, tax implications, trading costs, and the client's specific requests.

The risk of loss varies depending on what type of investment strategy is employed. Clients who have indicated that they have the ability and willingness to bear more risk in their portfolios have riskier investment strategies. These portfolios have higher expected risk and returns. These portfolios will have greater amounts of stocks and other riskier assets versus fixed-income. Clients who have indicated that they have less ability and willingness to assume risk will have more fixed-income and less stocks and other riskier assets in their portfolios.

Performance-Based Fees

JFG Wealth Management, LLC does not charge performance-based fees.

Voting Client Securities

When the client participates in the JFG Wealth Management, LLC wrap fee program, JFG Wealth Management, LLC will not vote client proxies; rather, proxies will be voted by the Program Manager in the manner outlined in the Program Manager's Form ADV, which may include delegating proxy voting to the sub-advisors or managers used in the program.

Item 7 Client Information Provided to Portfolio Managers

JFG Wealth Management, LLC provides the portfolio managers in the program with information about the client which is required to enable the portfolio managers to provide services to the clients' accounts. Such information generally includes name, address, age, social security number, phone numbers, occupation and employer.

Item 8 Client Contact with Portfolio Managers

There are no restrictions on the client's ability to contact and consult with their portfolio managers.

Item 9 Additional Information

Disciplinary Information

Neither JFG Wealth Management, LLC nor its employees have been involved in any disciplinary or investment related issues or events in the past ten years that would be considered material to a prospective client's evaluation of our advisory business or the integrity of our management.

Other Financial Industry Activities and Affiliations

JFG Wealth Management, LLC is affiliated with Johnson Financial Group LLC, a registered investment adviser that provides comprehensive wealth management services, bookkeeping, and expense management services to wealthy families. JFG Wealth Management, LLC and Johnson Financial Group LLC are affiliated through common control and ownership. JFG Wealth Management, LLC may recommend that you use the services of our affiliate if appropriate and suitable for your needs. JFG Wealth Management, LLC's advisory services are separate and distinct from the fees paid to our affiliate for their services.

Referral arrangements with an affiliated entity present an inherent conflict of interest, as JFG Wealth Management, LLC may have a direct or indirect financial incentive to recommend Johnson Financial Group LLC's services. While we believe that the compensation charged by Johnson Financial Group LLC is competitive, such compensation may be higher than fees charged by other firms providing the same or similar services. While we may recommend Johnson Financial Group LLC's services, you are under no obligation to use their services and you may obtain comparable services through other firms at lower or higher fees. As part of our fiduciary duties to you, JFG Wealth Management, LLC endeavors at all times to put your interests ahead of ours.

Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

All persons performing advisory functions on behalf of JFG Wealth Management, LLC and those who have access to client transactions or recommendations, as well as all directors, officers, and partners are considered "access persons" and must adhere to JFG Wealth Management, LLC's Code of Ethics. A copy of JFG Wealth Management, LLC's Code of Ethics will be provided to any client or prospective client on request.

The Code of Ethics requires all access persons to report their personal securities holdings within ten days of becoming an access person and annually thereafter. This information must be current as of a date not more than 45 days prior to the date the individual becomes an access person or, for an annual report, the date the report is submitted. Access persons also must report their personal trading activities, if any, quarterly to the CCO within 30 days of the close of the quarter. IPO or private placement participation requires pre-approval for the access person by the CCO. The Code requires that violations of the Code be reported to the CCO and it is stressed that JFG Wealth Management, LLC's culture encourages internal reporting of violations. JFG Wealth Management, LLC will protect supervised persons who report violations from retaliation.

All access persons are required to provide written acknowledgement of receipt of the Code. JFG Wealth Management, LLC maintains an ongoing education program regarding the Code for its access persons. Gifts will not be accepted if valued at more than \$100. Participation on a board of a public company requires pre-approval from the CCO. Material non-public information is not to be traded upon by access persons or any associated person.

All records of violations of the Code and actions taken in response will be maintained by JFG Wealth Management, LLC. Written acknowledgment of the receipt of the Code will be maintained by JFG Wealth Management, LLC as will a record of the names of access persons, personal securities reports by access persons and any records of decisions approving access persons' participation in IPOs or private placements.

JFG Wealth Management, LLC does not recommend to clients, nor does it buy or sell for client accounts, securities in which JFG Wealth Management, LLC or a related person has a material financial interest.

From time to time, JFG Wealth Management, LLC may recommend that clients buy or sell the same securities, including private placements and private equity, that JFG Wealth Management, LLC or a related person may also buy or sell. Some of these investments may be placed at, or about the same time as, the placement of client securities transactions. This presents a conflict of interest, as JFG Wealth Management, LLC and its related persons may benefit from client transactions by placing their own interests ahead of those of the JFG Wealth Management, LLC's clients. We mitigate this conflict by adhering to policies and procedures that state that trading for JFG Wealth Management, LLC's own accounts will never take precedence over transactions in clients' accounts. Block trades will be used to

make sure every account receives the same execution price. These securities are widely held and publicly traded.

Review of Accounts

Portfolio reviews are conducted quarterly or as otherwise desired by the client. The reviews include examining asset allocation as compared to the client's Investment Policy Statement (IPS), examining past transactions & current recommendations, as well as the economic outlook going forward. The Portfolio Manager reviews all accounts in accordance with instructions from the client.

Triggering factors that could lead to a review other than those described above include major geopolitical and/or market-related events or a change in the client's risk tolerance or financial situation.

The individuals conducting reviews may vary from time to time, but in all circumstances and at all times, the individual conducting the review will be an investment adviser representative of JFG Wealth Management, LLC.

All accounts are held in the clients' names at brokerage houses selected by the client. Thus, the clients have access to their accounts at their convenience in addition to receiving monthly and/or quarterly reports from the brokerage firm. JFG Wealth Management, LLC also provides written quarterly reports showing performance of the account and the amount of the fee paid to JFG Wealth Management, LLC, the net asset value of the account upon which the fee was based, along with the fees charged & the method in which the fee was calculated.

Client Referrals and Other Compensation

JFG Wealth Management, LLC does not receive any economic benefit from non-clients for providing investment advice and advisory services to clients. Currently, JFG Wealth Management, LLC does not directly or indirectly compensate those who are not supervised persons for client referrals.

Financial Information

JFG Wealth Management, LLC does not require or solicit prepayment of fees six months or more in advance. We do not have any financial conditions that are reasonably likely to impair our ability to meet contractual commitments to clients.