

Elk Creek Partners, LLC
Part 2A of Form ADV
The Brochure



44 Cook St., Suite 705
Denver, CO 80206
www.elkcreekpartners.com

Updated: January 22, 2015

This brochure provides information about the qualifications and business practices of Elk Creek Partners, LLC. If you have any questions about the contents of this brochure, please contact Josh Freedman, Chief Compliance Officer at 720-381-1160 x102. 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 Elk Creek Partners is also available on the SEC's website at: www.adviserinfo.sec.gov. Elk Creek Partners' IARD number is 157499. Registration or license does not imply a certain level of skill or training.

Item 2 - Material Changes

This section is used to discuss material changes from Brochures that have previously been provided to clients and prospective clients.

Our most recent ADV Part 2A filing was made March 24, 2014. Our business activities have not changed materially since the time of that filing. However, this brochure has been updated to reflect an update of assets under management, and to reflect a change in our minimum account size from \$10 million to \$20 million.

Our Brochure may be requested by contacting Josh Freedman, Chief Compliance Officer, at 720-381-1160 x102 or via email at jfreedman@elkcp.com.

Item 3 - Table of Contents

<u>ITEM 1 - COVER PAGE</u>	1
<u>ITEM 2 – MATERIAL CHANGES</u>	2
<u>ITEM 3 – TABLE OF CONTENTS</u>	3
<u>ITEM 4 – ADVISORY BUSINESS</u>	4
<u>ITEM 5 – FEES AND COMPENSATION</u>	5
<u>ITEM 6 – PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT</u>	6
<u>ITEM 7 – TYPES OF CLIENTS</u>	6
<u>ITEM 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES, AND RISK OF LOSS</u>	7
<u>ITEM 9 – DISCIPLINARY INFORMATION</u>	8
<u>ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS</u>	8
<u>ITEM 11 – CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS, AND PERSONAL TRADING</u>	8
<u>ITEM 12 – BROKERAGE PRACTICES</u>	9
<u>ITEM 13 – REVIEW OF ACCOUNTS</u>	10
<u>ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION</u>	10
<u>ITEM 15 – CUSTODY</u>	10
<u>ITEM 16 – INVESTMENT DISCRETION</u>	11
<u>ITEM 17 – VOTING CLIENT SECURITIES</u>	11
<u>ITEM 18 – FINANCIAL INFORMATION</u>	12
<u>PRIVACY STATEMENT</u>	12

Item 4 - Advisory Business

Elk Creek Partners, LLC (“the company”, “Elk Creek Partners”) is a 100% principal-owned, investment advisory firm based in Denver, Colorado that was established to provide equity portfolio management services primarily to institutional clients. We specialize in making growth-oriented investments in publicly-traded stocks of small- and medium-sized companies. Elk Creek Partners was formed on April 6, 2011 by five founding principals: Jerome (Cam) Philpott, Lance Marx, Hiren Patel, David Hand and Sean McGinnis. We utilize a fundamental (stock by stock) research style that Mr. Philpott has implemented for over 20 years. The founding Principals of Elk Creek Partners have been executing the strategy together for over eight years.

We manage portfolios comprised of common stocks of small- and mid-cap growth companies. The company offers its advisory services to institutional clients, including corporate, multi-employer and public pension plans, charitable organizations, a registered mutual fund, and trust funds, as well as to high net worth individuals.

We offer investment advisory services for specific strategies, including Small Market Capitalization (Small Cap) Growth, Medium Capitalization (Mid Cap) Growth, and Small/Medium Capitalization (SMID Cap) Growth. Growth company identification, fundamental research, valuation analysis, and portfolio construction are among the key elements of our investment philosophy.

We work with clients to establish investment objectives based on their unique circumstances. We provide investment advisory services on a discretionary basis, subject to any written investment objectives, policies, and restrictions that you provide to us.

We have approximately \$800.8 million under management as of December 31, 2014.

Item 5 - Fees and Compensation

Our fees are based on a percentage of assets under management. Our standard fee schedule for separately managed accounts is as follows (the standard fee schedule is the same regardless of which strategy is chosen):

Fee Schedule

Assets Managed:	Annual Advisory Fee Rate:
\$0-\$50,000,000	1.00%
\$50,000,001-\$100,000,000	0.90%
\$100,000,001+	0.85%

The Annual Advisory Fee Rate may be negotiated and may differ from the standard fee schedule based on the type of account, historical relationship you have had with us, or other factors. Our minimum account size is \$20,000,000. The minimum account size is also negotiable based on the account specifics.

We will generally bill fees on a quarterly basis. Accounts initiated or terminated during a calendar quarter will be charged a prorated fee. Fees are charged in arrears and may be paid directly or deducted from your custodial account according to your preference. More information on fees being deducted directly from your account can be found in **Item 15 – Custody**. Upon termination of any account, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable.

Elk Creek Partners' management fees exclude brokerage charges, commissions, custodial costs, taxes, and other costs incidental to the purchase and sale of securities. For more information on these types of fees, see **Item 12 - Brokerage Practices**, below. Clients whose assets are invested in shares of money market funds, exchange-traded funds (ETFs), or other pooled investment vehicles ("acquired funds") may pay both a direct management fee to Elk Creek Partners as well as indirect management fees and other expenses incurred by the acquired funds. Please refer to the acquired fund's prospectus or other offering documents for more information. The use of ETFs and other pooled investment vehicles is very rare in the context of our investment strategies.

You or we may terminate our investment advisory agreement upon thirty (30) days' prior written notice. Upon termination of an investment advisory agreement, the termination date will be used as the basis for determining the final charge for investment services rendered. Fees will be prorated on a daily basis to the termination date, and any earned, but unpaid fees, will be promptly billed to you. Any accounts terminated in the first five business days, in which we are providing advisory services, will be returned to you without penalty or fee.

None of our founders or employees accepts compensation for the sale of securities or other investment products.

Item 12 further describes the factors that we consider in selecting broker-dealers for client transactions and determining the reasonableness of their compensation (e.g., commissions).

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

Elk Creek Partners has entered into performance fee arrangements with some qualified clients; such fees are subject to negotiation with each individual client. Elk Creek Partners will structure any performance or incentive fee arrangement subject to Section 205(a)(1) of the Investment Advisors Act of 1940 (“The Advisors Act”) in accordance with the available exemptions thereunder, including the exemption set forth in Rule 205-3. In measuring clients’ assets for the calculation of performance-based fees, we will include realized and unrealized capital gains and losses. We use total returns to measure client assets for the calculation of performance-based fees.

Performance-based fee arrangements create a conflict of interest in that there is an incentive for us to recommend investments which may be riskier or more speculative than those which would be recommended under a different fee arrangement. Such fee arrangements also create an incentive to favor higher fee-paying accounts over other accounts in the allocation of investment opportunities. We have designed and implemented procedures to ensure that all clients are treated fairly and equally and to prevent these conflicts from influencing the allocation of investment opportunities among client accounts.

The management of client accounts side-by-side, with different management fee structures, creates conflicts of interest. Different types of fee arrangements create an incentive to favor higher fee-paying accounts over other accounts in the allocation of investment opportunities. We also manage accounts for the employees and owners of Elk Creek Partners. We have procedures in place to avoid favoring one account over another by using block trades whenever possible. Block trades allow us to capitalize on scale, and execute the purchase and sale of securities efficiently. The practice also ensures that, regardless of an account’s fee structure, all accounts will receive equal treatment in terms of timing and average price of shares purchased or sold. Our procedures also apply to trades in which we receive partial fills. If, for some reason, accounts are not able to participate in a block trade, a trade rotation schedule is used to ensure the fair execution of buys and sells for client accounts. We do not receive any additional compensation for block trades.

Please contact Josh Freedman, Chief Compliance Officer, at 720-381-1160 x102 for more details on our trading policies and procedures.

Item 7 – Types of clients

Elk Creek Partners provides portfolio management services primarily to institutional clients, including corporate and public pension plans, a registered mutual fund, charitable organizations, and trust funds, as well as to high net worth individuals.

Our minimum initial account size for a separately managed account is \$20,000,000. This minimum is negotiable.

Elk Creek Partners is the sub-advisor to the Harbor Small Cap Growth Opportunities Fund. Investors in the fund may include individuals, corporations, pension plans, charitable organizations, and trusts, among others.

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

Methods of Analysis and Investment Strategies

Elk Creek Partners, which focuses on Small, SMID, and Mid Cap Growth equity investments, provides portfolio management of primarily domestic common stocks.

We manage client accounts utilizing the following strategies:

Small Cap Growth Strategy: We utilize a fundamental, stock-by-stock approach. The portfolio is concentrated in stocks purchased with a market capitalization generally below \$2.5B and with portfolio characteristics similar to the Russell 2000 Growth Index. We leverage relationships with industry practitioners, sell-side analysts, and other contacts to find new ideas and to help establish an investment thesis that is based on sustained growth. The process typically focuses on products and/or services that are market-share takers.

SMID Cap Growth Strategy: Our SMID Cap Growth strategy is a direct extension of the Small Cap Growth Strategy. The SMID Cap Growth strategy concentrates in stocks with a market capitalization typically between \$1B-\$5B and with portfolio characteristics similar to the Russell 2500 Growth Index. The process implemented in the SMID Cap strategy is the same as the Small Cap strategy in both buying and selling individual stocks.

Mid Cap Growth Strategy: Our Mid Cap Growth strategy is a direct extension of the Small and SMID Cap Growth strategies. The Mid Cap Growth strategy concentrates in stocks with a market capitalization typically between \$2B-\$12B and with portfolio characteristics similar to the Russell Mid Cap Growth Index. The process implemented in the Mid Cap strategy is the same as the Small Cap strategy in both buying and selling individual stocks.

Our investment team consists of Jerome “Cam” Philpott, Lance Marx, David Hand, Hiren Patel and Sean McGinnis. All of our portfolios are managed by the team collectively.

Risk of loss is inherent in any investment in securities. Past performance does not guarantee future results, and there is no guarantee investment objectives will be achieved. Your account(s) may be subject to any of the following risks:

Manager Risk. We will be delegated the authority to buy and sell securities on your behalf. You must rely on our investment abilities and judgment. There is no guarantee that our investment strategies and techniques will be successful.

Business Risk. As a new business venture, there is no guarantee that we will be successful in achieving and maintaining profitability and sustaining the infrastructure to manage and maintain client accounts.

Market Risk. Your account could lose money over short periods due to short-term market movements and over longer periods during market downturns. The value of a security may decline due to general market conditions, economic trends, or events that are not specifically related to the issuer of the security or to factors that affect a particular industry or industries. During a general downturn in the securities markets, multiple asset classes may be negatively affected.

Regulatory Risk. Changes in government regulations may adversely affect the value of a security. An insufficiently regulated industry or market might also permit inappropriate practices that adversely affect an investment.

Small Cap, SMID Cap, and Mid Cap Growth Company Risk. These three strategies generally involve a higher degree of risk than investing in common equities of larger capitalization companies. Smaller companies generally carry incremental risk relative to the overall market that includes but isn't limited to: relatively less market liquidity, typically fewer financial resources, typically less diversification in product revenues, typically less robust management teams, and less advanced information management systems.

Equity Securities Risk. Common stocks and other equity securities generally increase or decrease in value based on the earnings of a company and on general industry and market conditions. The value of a company's share price may decline as a result of poor decisions made by management, lower demand for the company's services or products, or if the company's revenues, earnings or forecasts fall short of expectations.

Item 9 – Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of us or the integrity of our management.

Neither Elk Creek Partners nor any of our key executives or owners individually are or have been involved in any legal or disciplinary events that would be material to your evaluation of us.

Item 10 – Other Financial Industry Activities and Affiliations

Neither Elk Creek Partners nor any of its Supervised Persons are affiliated with any other Investment Adviser or broker-dealer. Neither the Firm nor any of its Supervised Persons have any relationships or arrangements that are material to its advisory business.

Item 11 – Code of Ethics, Participation or Interest in Client Transactions, and Personal Trading

We have adopted a Code of Ethics for all Supervised Persons of the company describing our high standard of business conduct and our fiduciary duty to clients. The Code of Ethics includes provisions relating to the confidentiality of client information; a prohibition on insider trading; restrictions on, and the reporting of, gifts and gratuities and personal securities trading procedures, among other things. All Supervised Persons at Elk Creek Partners must sign an acknowledgement, acceptance and understanding of the terms of the Code of Ethics, annually.

Supervised Persons of Elk Creek Partners can buy and sell stocks for themselves that could be owned by or considered potential investment opportunities for Elk Creek Partners' clients. Personal securities trading by Supervised Persons creates a conflict of interest. Securities purchased personally could experience returns different from those purchased on behalf of clients. We have policies and procedures in place to mitigate this conflict. Any trading of personal accounts by our Supervised Persons is controlled by our Code of Ethics and monitored by our Chief Compliance Officer. Policies and procedures related to personal securities trading include pre-clearance requirements and a restriction against trading in stocks owned or being considered for clients. A copy of our Code of Ethics is available upon request.

We will not make any principal or agency cross securities transactions for client accounts, whereby we, as a firm, buy from or sell any security to any advisory client account. We will also not cross trades between client accounts. Elk Creek Partners does not have any affiliated broker-dealers.

Item 12 – Brokerage Practices

While we may recommend a broker or custodian to clients on an individual basis, we have no affiliation or material relationship with any broker, bank, or other financial institution. When selecting brokers to execute trades on your behalf, we do not consider whether the broker refers you to us. The primary criteria considered in selecting a broker is the ability of the broker, in our opinion, to secure best execution at the best security price available with respect to each transaction, in light of the overall quality of brokerage and research services provided to us on behalf of our clients. These services include, but are not limited to, provision of broker's research, access to analysts employed by the broker-dealer firm, broker-arranged meetings with management teams of potential or existing portfolio holdings, and broker-dealer sponsorship of investment conferences at which we can meet and evaluate management teams representing current or potential investments. The inclusion of these additional services in our evaluation presents conflicts of interest.

Because of the factors noted above, a broker affecting a transaction may be paid a commission higher than that charged by another broker. As a result, while Elk Creek Partners seeks competitive commission rates, transactions for client accounts may not be affected at the lowest commission rate. We regularly and formally review the allocation of commissions across the broker-dealers with whom we transact to ensure we are getting adequate research and execution for the client commissions paid.

A list of brokers used to purchase and sell securities in your account will be made available upon your request.

Soft Dollars - Brokerage

The use of soft dollars, or commissions generated by client accounts, to pay for research and research-related services presents conflicts of interest. We engage in soft dollar relationships as defined under the "brokerage and research services" safe harbor in Section 28(e) of the Securities and Exchange Act of 1934. The soft dollar benefits we receive include research created by broker-dealers, research developed by third parties, and data services provided by third parties. In addition to research and data services, defined soft dollar benefits include services related to the execution of securities transactions. Under this standard, eligible brokerage services include communication services related to the execution, clearing, and settlement of securities transactions, as well as other functions that are incidental to affecting securities trades (e.g., connectivity services between the money manager and the broker-dealer and other relevant parties, such as a custodian). Software that is used in connection with routing trades is also within this standard. We may have an incentive to select a broker-dealer based on our interest in receiving their products or other research rather than solely on receiving the most favorable execution.

At least quarterly, we monitor our commission allocation and our use of client commission dollars to pay directly for services and software. We use Commission Sharing Arrangements (CSAs) to more clearly break out the commissions allocated for execution and those allocated for research and trading services. In addition, we have established a soft dollar committee to evaluate our firm's use of soft dollars and to make sure all soft dollar expenditures are appropriate.

Directed Brokerage

If you direct us to execute securities transaction at a broker other than one we use for our other clients, you will forgo any benefit from savings on execution costs that we may have obtained through our negotiation of volume discounts or batched orders. We also may not be able to execute a trade at the same price as we do for other clients. This creates a conflict of interest.

We manage this conflict by “stepping-out” or directing a portion of a trade’s commissions to be sent to other brokers or by using a trade rotation schedule. We annually remind our directed brokerage clients that we may not be able to achieve best execution if given directed brokerage mandates.

Block Trading

We can, and often do, execute block trades in order to capitalize on scale and execute the purchase and sale of securities efficiently. All client accounts involved in block trades receive equal treatment and an average price of the shares purchased or sold. This includes trades in which we receive partial fills. If, for some reason, accounts are not able to participate in a block trade, a trade rotation schedule is used to ensure the fair execution of buys and sells for client accounts. We do not receive any additional compensation for block trades.

Trade Errors

Errors that occur in your account must be corrected so as not to do harm. The goal of our error correction policy is to make you “whole,” regardless of the cost to us. Soft dollar arrangements are not used to correct errors we make when placing a trade for your account.

Item 13 – Review of Accounts

Client accounts are monitored on an ongoing basis by the portfolio management team and Chief Compliance Officer. No less frequently than quarterly, your account(s) are reviewed by the Senior Portfolio Manager, with the focus on portfolio performance, both on an absolute basis and relative to the performance benchmark. Performance attribution by industry and individual security is also conducted for each strategy that we manage. This information forms the basis of the written quarterly reports that each client receives.

Your reports may be customized based on the needs and services offered to you. The nature, frequency, and details of such reports will vary based on your needs or requests. However, at a minimum, you will receive quarterly reports summarizing the investment performance of your account(s), in addition to annual reports showing your investment performance and outlook at the end of each fiscal year.

Item 14 – Client Referrals and Other Compensation

Other than the products and services described in the soft dollar section within **Item 12 – Brokerage Practices**, neither we nor any of our Supervised Persons receives compensation from any persons or entities who are not clients. Further, neither Elk Creek Partners nor any of our Supervised Persons directly or indirectly compensate any person or entity for client referrals.

Item 15 – Custody

We do not take custody of clients’ separately managed accounts, but rather transact in client accounts pursuant to the limited powers of attorney granted us in the clients’ written investment advisory agreement. If you were to choose to pay the investment advisory fee by directing your custodian to remit such fees from the assets in your account, we would be deemed to have custody in that limited situation. We will only deduct fees from your account when you have explicitly authorized us, in writing, to do so. We will send you an invoice showing the fee deducted at the same time that we send one to your custodian. In addition, your custodial statement should show all disbursements from your account, including the amount of our advisory fee.

You should receive, at least quarterly, statements from the broker-dealer, bank, or other qualified custodian that holds and maintains your investment assets. Elk Creek Partners urges clients to carefully review such statements and compare such official custodial records to the account statements that we provide. Statements provided by Elk Creek Partners may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities. Please contact Josh Freedman at 720-381-1160 x102 for an explanation of any differences between statements that you have received from us and those received from your custodian.

Item 16 – Investment Discretion

We provide investment advisory services on a discretionary basis, subject to any written investment objectives, policies, and restrictions the client may provide. We receive written discretionary authority from you at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold as well as the brokers used to affect the transactions and the commissions charged by these brokers. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for your particular account. When selecting securities and determining amounts, we observe the investment policies, limitations, and restrictions of the clients we advise. Investment guidelines and restrictions must be provided to us in writing. The discretionary authority you grant us is limited to security selection, portfolio management, and trading only. We will not have access to any of your funds or securities.

Item 17 - Voting Client Securities

We will vote proxies for securities held in accounts that we directly manage. There is no additional charge for this service.

If you choose not to give us authority to take such actions, you will retain the right and obligation to vote any proxies solicited by companies whose securities are held in your account, including any shares of mutual funds. You may also assign that right to a third party. You may opt-out of having us vote proxies on your behalf by indicating your desire to do so on our Investment Management Agreement or at any time after we have started managing the account by contacting Josh Freedman at 720-381-1160 x102 or jfreedman@elkcp.com.

Voting proxies on your behalf creates a conflict of interest. Elk Creek Partners could benefit from voting proxies in a way viewed as favorable by the management teams soliciting your vote. To mitigate this conflict, we have hired Institutional Shareholder Services (ISS) to implement its proxy voting process. In such capacity, ISS provides analysis and record keeping for all the proxies that we vote on behalf of our clients.

Elk Creek Partners uses the standard voting guidelines set forth in ISS' Policies and Procedures. Our policy is designed to ensure that we are voting in the best interests of the client in terms of potential economic return on the client's investment. Additionally, we believe that good corporate governance ultimately results in increased shareholder value. At no time do we consider any benefit to Elk Creek Partners or our clients other than the benefits to the owner of the securities being voted.

You may, on any particular proxy, instruct us as to the way in which you want to vote on an issue or issues. We have reviewed the guidelines on how ISS votes on particular proposals, and our investment managers are generally aware of the proposals that are being submitted. ISS will vote the received proxies in accordance with its guidelines, unless we have indicated our intent to override the ISS guidelines based on our analysis of that proxy issue.

ISS receives from us a list of our holdings on a regular basis. In addition, ISS receives proxy

materials from client custodians. ISS reconciles the information received and communicates any discrepancies to our operations personnel for resolution.

A summary of voting records is compiled by ISS and reviewed quarterly by our Chief Compliance Officer. Upon request, we will provide clients with information regarding the voting of all or any particular proxies on their behalf. To obtain a copy of the ISS policy guidelines or proxy voting records please contact Josh Freedman, Elk Creek Partners' Chief Compliance Officer at 720-381-1160 x102.

Item 18 – Financial Information

We do not have any financial condition that would impair our ability to meet contractual agreements with clients. There is no guarantee that we will be successful in maintaining profitability and sustaining the infrastructure to manage and maintain client accounts.

We do not require prepayment of management fees for any of our clients.

Privacy Statement

Elk Creek Partners, LLC, its employees, associates and/or affiliates herein after (Elk Creek Partners) collects nonpublic, personal data about our clients from information we receive on new account paperwork including W-9s, disclosure forms, and prior custodial statements. Categories of nonpublic personal information that we collect may include name, address, Tax ID number, and financial detail such as trades and asset flows. We believe the collection of this information comes with the responsibility to manage it in a way that ensures safety and privacy for our clients. In this regard, Elk Creek Partners holds itself to the highest standards in safekeeping the personal and financial information of our clients.

All information regarding client identity, security holdings, and financial status will be kept strictly confidential. We maintain physical, electronic, and operational safeguards to protect this information. Some of these safeguards include, firewalls on our IT infrastructure, the use of account aliases on physical records, and physical security measures taken to secure our offices.

In the normal course of business, we sometimes find it necessary to provide personal information about you to entities that provide a service on behalf of Elk Creek Partners. These entities may include: executing brokers for securities transactions, our proxy voting consultant, or custodians. Elk Creek Partners expects that these entities will maintain the strict privacy and confidentiality policies in place at our firm.

Other than for the purposes discussed above, we do not disclose any of your nonpublic, personal information unless we are directed by you to provide it or we are legally required to provide it to a governmental agency. Notwithstanding the foregoing, Elk Creek Partners may disclose personal information in connection with any explanation of services rendered to professional organizations to which Elk Creek Partners or its affiliated persons belong.

You may opt not to allow Elk Creek Partners to share nonpublic, personal information regarding your account. To do so, please contact Josh Freedman, Chief Compliance Officer at 720-381-1160 x102 or jfreedman@elkcp.com.