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SECTORAL ASSET MANAGEMENT INC.

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PART 2B OF FORM ADV: BROCHURE SUPPLEMENT

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Dated: March 30, 2017

This Brochure Supplement provides information about the following investment personnel, each of whom is a member the Investment Team of Sectoral Asset Management Inc. ("*Sectoral*"):

JÉRÔME PFUND  
MICHAEL SJÖSTRÖM  
MAHA KATABI  
STEPHAN PATTEN  
MARC-ANDRÉ MARCOTTE  
MINA MARMOR  
VASILIOS TSIMIKLIS  
PIERRE GAUTHIER  
MARCO CIANFLONE  
ANNA FAN  
FRANÇOIS BEAUBIEN  
HOWARD RIBACK  
OLIVIER BROUSSEAU

The information included in this Brochure Supplement supplements Part 2A of Sectoral's Form ADV (the "*Brochure*"), which you should have received. Please contact us at (514) 849-8777 or [caroline@sectoral.com](mailto:caroline@sectoral.com) if you did not receive Sectoral's Brochure or if you have any questions about the contents of this Brochure Supplement. Certain terms used in this Brochure Supplement are defined in Sectoral's Brochure.

Additional information about Sectoral also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

### JÉRÔME PFUND

#### **Item 2 EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE**

Mr. Jérôme Pfund is the Chief Executive Officer of Sectoral. He is also the Chairman of Sectoral's Board of Directors. Mr. Pfund founded Sectoral Asset Management with Mr. Michael Sjöström in 2000. Prior to establishing Sectoral, Mr. Pfund worked at Pictet & Cie in Geneva from 1989 until 1997, initially as a Portfolio Manager in the bank's institutional asset management business, and then as the unit's Chief Investment Officer. In 1997, he moved to Montreal to assume the role of CEO of Pictet & Cie's North American operations.

Mr. Pfund graduated in 1987 from the University of St. Gallen with an MBA in Banking. He obtained his CFA charter in 1993.

From 2006 to 2008, he served as a Member of the CFA Institute Disciplinary Review Committee. He is also a UCLA Anderson School of Management certified director (2005). In 1996, he co-founded the Swiss Society of Investment Professionals, the Swiss local society of the CFA Institute (formerly known as the Association for Investment Management and Research - AIMR). Mr. Pfund was also a captain of a Special Forces unit of the Swiss Army.

#### **Item 3 DISCIPLINARY INFORMATION**

There are no material legal or disciplinary events material to a client or prospective client's evaluation of Mr. Pfund.

#### **Item 4 OTHER BUSINESS ACTIVITIES**

Not applicable.

#### **Item 5 ADDITIONAL COMPENSATION**

Not applicable.

#### **Item 6 SUPERVISION**

Mr. Pfund is one of two founders of Sectoral and is a member of its Investment Team. All of the members of the Investment Team must comply with Sectoral's compliance policies and procedures. Sectoral is subject to various legal and regulatory requirements, including those described in the Brochure. In accordance with those regulatory requirements and other applicable guidance, Sectoral has adopted and implemented compliance policies and procedures, which cover various aspects of the investment advisory services we provide, including policies and procedures relating to trade execution, brokerage, insider trading, proxy voting and valuation, among other things.

### MICHAEL SJÖSTRÖM

#### **Item 2 EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE**

Mr. Sjöström is one of the two founders of Sectoral and is Sectoral's Chief Investment Officer as well as a member of its Investment Team. He is also a Director of the Company. Mr. Sjöström founded Sectoral Asset Management with Mr. Jérôme Pfund in 2000. Prior to establishing Sectoral, Mr. Sjöström worked for two Swiss banks and, in 1993, joined Pictet & Cie in Geneva as a pharmaceutical analyst. From 1994 until October 2000, he was the Portfolio Manager of Pictet Fund-Biotech and head of the pharma analyst team.

Mr. Sjöström graduated in 1987 from the University of St. Gallen with an MBA in Finance and Economics. He obtained his CFA charter in 1996.

In 1996, Mr. Sjöström co-founded the Swiss Society for Investment Professionals, the Swiss local society of the CFA Institute (formerly known as the Association for Investment Management and Research - AIMR).

#### **Item 3 DISCIPLINARY INFORMATION**

There are no material legal or disciplinary events material to a client or prospective client's evaluation of Mr. Sjöström.

#### **Item 4 OTHER BUSINESS ACTIVITIES**

Not applicable.

#### **Item 5 ADDITIONAL COMPENSATION**

Not applicable.

#### **Item 6 SUPERVISION**

Mr. Sjöström is one of two founders of Sectoral and is a Chairman of its Investment Committee. All of the members of the Investment Team must comply with Sectoral's compliance policies and procedures. Sectoral is subject to various legal and regulatory requirements, including those described in the Brochure. In accordance with those regulatory requirements and other applicable guidance, Sectoral has adopted and implemented compliance policies and procedures, which cover various aspects of the investment advisory services we provide, including policies and procedures relating to trade execution, brokerage, insider trading, proxy voting and valuation, among other things.

**MAHA KATABI**

**Item 2 EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE**

Dr. Katabi joined Sectoral in 2008, as Investment Manager and in 2012 was promoted Partner, Private Equity. She is the portfolio manager for the New Emerging Medical Opportunities (NEMO) strategy and responsible for small cap and private equities healthcare coverage.

Prior to joining Sectoral, she was vice-president with Ventures West since 2004, a private venture capital firm with over \$700 million assets under management based in Canada. In this capacity, she managed biotech investments across Canada and the United States, and served as a director of MacroGenics, NeurAxon, and Resonant Medical. Previously, she worked at T2C2 Capital, since 1999, an early stage fund investing in the life sciences space primarily in start-ups and university spin-offs. She joined Chronogen Inc., one of the fund's portfolio companies to serve as Vice President of business development in 2002.

She holds a Ph.D. in Pharmacology and B.Sc. in Biology from McGill University. She obtained her CFA Charter in 2011.

**DISCIPLINARY INFORMATION**

There are no material legal or disciplinary events material to a client or prospective client's evaluation of Dr. Katabi.

**Item 3 OTHER BUSINESS ACTIVITIES**

Not applicable.

**Item 4 ADDITIONAL COMPENSATION**

Not applicable.

**Item 5 SUPERVISION**

All of the members of Sectoral's Investment Team, including Dr. Katabi, are supervised by Messrs. Pfund and Sjöström. All of the members of the Investment Team must comply with Sectoral's compliance policies and procedures. Sectoral is subject to various legal and regulatory requirements, including those described in the Brochure. In accordance with those regulatory requirements and other applicable guidance, Sectoral has adopted and implemented compliance policies and procedures, which cover various aspects of the investment advisory services we provide, including policies and procedures relating to trade execution, brokerage, insider trading, proxy voting and valuation, among other things. Contact information for Messrs. Pfund and Sjöström is the same as the information on the Cover Page of this Brochure Supplement.

### STEPHAN PATTEN

#### **Item 2 EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE**

Mr. Patten is the Senior Portfolio Manager for our Healthcare and Small-Mid Cap Healthcare strategies. He also assumes analytical coverage of several pharmaceutical companies. Mr. Patten joined Sectoral in 2001 as an Assistant Portfolio Manager. In September 2013, Mr. Patten was nominated a Managing Director of Sectoral Asset Management and participates in the Executive Committee of the firm.

In 1996, Mr. Patten completed a B.Sc. in biochemistry from McGill University, and in 2001 he received his Masters of Business Administration from the same university. He obtained his CFA charter in 2003.

#### **DISCIPLINARY INFORMATION**

There are no material legal or disciplinary events material to a client or prospective client's evaluation of Mr. Patten.

#### **Item 3 OTHER BUSINESS ACTIVITIES**

Not applicable.

#### **Item 4 ADDITIONAL COMPENSATION**

Not applicable.

#### **Item 5 SUPERVISION**

All of the members of Sectoral's Investment Team, including Mr. Patten, are supervised by Messrs. Pfund and Sjöström. All of the members of the Investment Team must comply with Sectoral's compliance policies and procedures. Sectoral is subject to various legal and regulatory requirements, including those described in the Brochure. In accordance with those regulatory requirements and other applicable guidance, Sectoral has adopted and implemented compliance policies and procedures, which cover various aspects of the investment advisory services we provide, including policies and procedures relating to trade execution, brokerage, insider trading, proxy voting and valuation, among other things. Contact information for Messrs. Pfund and Sjöström is the same as the information on the Cover Page of this Brochure Supplement.

### MARC-ANDRÉ MARCOTTE

#### **Item 2 EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE**

Mr. Marcotte joined Sectoral in 2006. He is responsible for overseeing the investment research activities at Sectoral and the coverage of Medical Technology companies. Furthermore, he acts as the backup portfolio manager for the healthcare and emerging markets healthcare strategies. In September 2013, Mr. Marcotte was nominated a Managing Director of Sectoral Asset Management and participates in the Executive Committee of the firm.

Prior to joining Sectoral, he worked at CryoCath Technologies, a company specializing in the development of products to treat cardiovascular diseases, where he was the Director of Quality. Before this, he worked with Medtronic AVE in Vancouver as an engineer on angioplasty catheters and stents. He has over eight years of experience in the development of Medical Devices.

Mr. Marcotte graduated from Sherbrooke University in 1997 with a Bachelor of Engineering and completed a Master of Business Administration at HEC Montreal in 2003. He obtained his CFA charter in 2010.

#### **Item 3 DISCIPLINARY INFORMATION**

There are no material legal or disciplinary events material to a client or prospective client's evaluation of Mr. Marcotte.

#### **Item 4 OTHER BUSINESS ACTIVITIES**

Not applicable.

#### **Item 5 ADDITIONAL COMPENSATION**

Not applicable.

#### **Item 6 SUPERVISION**

All of the members of Sectoral's Investment Team, including Mr. Marcotte, are supervised by Messrs. Pfund and Sjöström. All of the members of the Investment Team must comply with Sectoral's compliance policies and procedures. Sectoral is subject to various legal and regulatory requirements, including those described in the Brochure. In accordance with those regulatory requirements and other applicable guidance, Sectoral has adopted and implemented compliance policies and procedures, which cover various aspects of the investment advisory services we provide, including policies and procedures relating to trade execution, brokerage, insider trading, proxy voting and valuation, among other things. Contact information for Messrs. Pfund and Sjöström is the same as the information on the Cover Page of this Brochure Supplement.

### MINA MARMOR

#### **Item 2 EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE**

Dr. Marmor is the Portfolio manager of the Biotech strategy, and is responsible for analytic coverage of biotechnology companies. Dr. Marmor joined Sectoral in 2006, and was promoted to Portfolio Manager in 2016.

Prior to joining Sectoral, Dr. Marmor worked with Health Science Communications in New York as an associate medical director. She also worked for 3 years as a post-doctoral fellow in the fields of cell signaling and oncology at the Weizmann Institute in Israel.

Dr. Marmor holds a Ph.D. in Immunology from the University of Toronto (2001). She obtained her CFA charter in 2010.

#### **Item 3 DISCIPLINARY INFORMATION**

There are no material legal or disciplinary events material to a client or prospective client's evaluation of Dr. Marmor.

#### **Item 4 OTHER BUSINESS ACTIVITIES**

Not applicable.

#### **Item 5 ADDITIONAL COMPENSATION**

Not applicable.

#### **Item 6 SUPERVISION**

All of the members of Sectoral's Investment Team, including Dr. Marmor, are supervised by Messrs. Pfund and Sjöström. All of the members of the Investment Team must comply with Sectoral's compliance policies and procedures. Sectoral is subject to various legal and regulatory requirements, including those described in the Brochure. In accordance with those regulatory requirements and other applicable guidance, Sectoral has adopted and implemented compliance policies and procedures, which cover various aspects of the investment advisory services we provide, including policies and procedures relating to trade execution, brokerage, insider trading, proxy voting and valuation, among other things. Contact information for Messrs. Pfund and Sjöström is the same as the information on the Cover Page of this Brochure Supplement.

### VASILIOS TSIMIKLIS

#### **Item 2 EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE**

Mr. Vasilios Tsimiklis joined Sectoral in 2012. He assumes the role of Economist and is responsible for providing Global Macroeconomic Analysis.

Prior to joining Sectoral, Mr. Tsimiklis worked as a financial analyst at Bombardier Aerospace where he provided financial analysis support in contract negotiations and cost reduction initiatives. He also worked as a Real Estate Analyst at Maestro Management.

In 2006, Mr. Tsimiklis completed his Masters of Business Administration (MBA) from McGill University and in 2009 he obtained his Masters of Finance (M.Sc.) from Concordia University. He received his CFA charter in 2012.

#### **Item 3 DISCIPLINARY INFORMATION**

There are no material legal or disciplinary events material to a client or prospective client's evaluation of Mr. Tsimiklis.

#### **Item 4 OTHER BUSINESS ACTIVITIES**

Not applicable.

#### **Item 5 ADDITIONAL COMPENSATION**

Not applicable.

#### **Item 6 SUPERVISION**

All of the members of Sectoral's Investment Team, including Mr. Tsimiklis, are supervised by Messrs. Pfund and Sjöström. All of the members of the Investment Team must comply with Sectoral's compliance policies and procedures. Sectoral is subject to various legal and regulatory requirements, including those described in the Brochure. In accordance with those regulatory requirements and other applicable guidance, Sectoral has adopted and implemented compliance policies and procedures, which cover various aspects of the investment advisory services we provide, including policies and procedures relating to trade execution, brokerage, insider trading, proxy voting and valuation, among other things. Contact information for Messrs. Pfund and Sjöström is the same as the information on the Cover Page of this Brochure Supplement.



### PIERRE GAUTHIER

#### **Item 2 EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE**

Mr. Gauthier joined Sectoral in 2000. He is responsible for all the trading activities.

Prior to joining Sectoral, Mr. Gauthier worked for a private hedge fund where he traded 25 different Futures markets and cash FX markets. He began his financial career as a student in the Apprenticeship Program for Floor Traders at the Montreal stock exchange. He was a floor trader and editor of a weekly market letter focusing on the technical signals generated by the Canadian Government Bond Futures. He also spent three years at Credit Lyonnais Canada as a Derivative Analyst.

Mr. Gauthier is a Chartered Market Technician and obtained his CFA charter in 1999.

#### **Item 3 DISCIPLINARY INFORMATION**

There are no material legal or disciplinary events material to a client or prospective client's evaluation of Mr. Gauthier.

#### **Item 4 OTHER BUSINESS ACTIVITIES**

Not applicable.

#### **Item 5 ADDITIONAL COMPENSATION**

Not applicable.

#### **Item 6 SUPERVISION**

All of the members of Sectoral's Investment Team, including Mr. Gauthier, are supervised by Messrs. Pfund and Sjöström. All of the members of the Investment Team must comply with Sectoral's compliance policies and procedures. Sectoral is subject to various legal and regulatory requirements, including those described in the Brochure. In accordance with those regulatory requirements and other applicable guidance, Sectoral has adopted and implemented compliance policies and procedures, which cover various aspects of the investment advisory services we provide, including policies and procedures relating to trade execution, brokerage, insider trading, proxy voting and valuation, among other things. Contact information for Messrs. Pfund and Sjöström is the same as the information on the Cover Page of this Brochure Supplement.

**MARCO CIANFLONE**

**Item 2 EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE**

Mr. Cianflone joined Sectoral in 2013. He is responsible for supporting research on pharmaceuticals, as well as analytical coverage of healthcare services.

Mr. Cianflone worked with Sectoral Asset Management as a summer intern both in 2011 and 2012. Prior to joining Sectoral, Mr. Cianflone held a summer internship at Hello Health.

Mr. Cianflone obtained his Bachelor of Arts with a concentration in economics from Harvard College in 2013. He graduated with honors and was awarded Magna Cum Laude from the Harvard Economics Department for his senior thesis.

**DISCIPLINARY INFORMATION**

There are no material legal or disciplinary events material to a client or prospective client's evaluation of Mr. Cianflone.

**Item 3 OTHER BUSINESS ACTIVITIES**

Not applicable.

**Item 4 ADDITIONAL COMPENSATION**

Not applicable.

**Item 5 SUPERVISION**

All of the members of Sectoral's Investment Team, including Mr. Cianflone, are supervised by Messrs. Pfund and Sjöström. All of the members of the Investment Team must comply with Sectoral's compliance policies and procedures. Sectoral is subject to various legal and regulatory requirements, including those described in the Brochure. In accordance with those regulatory requirements and other applicable guidance, Sectoral has adopted and implemented compliance policies and procedures relating to trade, execution, brokerage, insider trading, proxy voting and valuation, among other things. Contact information for Messrs. Pfund and Sjöström is the same as the information on the Cover Page of this Brochure Supplement.

**ANNA FAN**

**Item 2 EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE**

Ms. Anna Fan joined Sectoral in 2014 as a Financial Analyst covering companies in the biotechnology area.

Prior to joining Sectoral, Dr. Fan was an Associate at a boutique advisory firm in Montreal where she worked on financing transactions in the life sciences industry. Her experience includes a strategic partnership for a Fortune 500 pharmaceutical company, as well as several private placements for late-stage, venture backed biotech and medical device companies.

Dr. Fan holds a Ph.D. (2011) and B.Sc. (2004) in Biochemistry, both from McGill University. She obtained her CFA charter in 2015.

**DISCIPLINARY INFORMATION**

There are no material legal or disciplinary events material to a client or prospective client's evaluation of Ms. Fan.

**Item 3 OTHER BUSINESS ACTIVITIES**

Not applicable.

**Item 4 ADDITIONAL COMPENSATION**

Not applicable.

**Item 5 SUPERVISION**

All of the members of Sectoral's Investment Team, including Ms. Fan, are supervised by Messrs. Pfund and Sjöström. All of the members of the Investment Team must comply with Sectoral's compliance policies and procedures. Sectoral is subject to various legal and regulatory requirements, including those described in the Brochure. In accordance with those regulatory requirements and other applicable guidance, Sectoral has adopted and implemented compliance policies and procedures relating to trade, execution, brokerage, insider trading, proxy voting and valuation, among other things. Contact information for Messrs. Pfund and Sjöström is the same as the information on the Cover Page of this Brochure Supplement.

**FRANÇOIS BEAUBIEN**

**Item 2 EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE**

Dr. Beaubien joined Sectoral in 2014 as Associate - Private Equity. He is responsible for supporting research on small cap and private equities for the NEMO strategy.

Prior to joining Sectoral, he completed a MBA degree with a concentration in Finance from UBC University in Vancouver. Dr. Beaubien holds a Ph.D. in Neuroscience (2012) from McGill University and a B.Sc. in Biochemistry (2005) from Sherbrooke University.

**DISCIPLINARY INFORMATION**

There are no material legal or disciplinary events material to a client or prospective client's evaluation of Mr. Beaubien.

**Item 3 OTHER BUSINESS ACTIVITIES**

Not applicable.

**Item 4 ADDITIONAL COMPENSATION**

Not applicable.

**Item 5 SUPERVISION**

All of the members of Sectoral's Investment Team, including Mr. Beaubien, are supervised by Messrs. Pfund and Sjöström. All of the members of the Investment Team must comply with Sectoral's compliance policies and procedures. Sectoral is subject to various legal and regulatory requirements, including those described in the Brochure. In accordance with those regulatory requirements and other applicable guidance, Sectoral has adopted and implemented compliance policies and procedures relating to trade, execution, brokerage, insider trading, proxy voting and valuation, among other things. Contact information for Messrs. Pfund and Sjöström is the same as the information on the Cover Page of this Brochure Supplement.

**HOWARD RIBACK**

**Item 2 EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE**

Mr. Riback joined Sectoral in 2015 as Director, Private Equity providing financial and legal support to the investment officers including financial due diligence, business legal review and transaction documentation negotiation.

Prior to Sectoral, he was Chief Financial Officer at Chrysalix, a cleantech focused venture fund since 2013. Between 1991 and 2013, he was Partner and CFO at Ventures West, a leading Canadian venture capital firm where he was involved in raising and managing six technology and life science venture capital funds.

Before joining Ventures West in 1991, Howard held a senior financial position with one of the largest property development and management companies in Vancouver, and was directly involved with many acquisitions. Prior to that, Howard was Manager, Taxation Services with Coopers & Lybrand (predecessor to PricewaterhouseCoopers).

Howard was formerly a member of the Statistics and Valuation Committee for the Canadian Venture Capital & Private Equity Association (CVCA). He holds a Bachelor of Commerce degree from the University of British Columbia and is a Chartered Accountant.

**DISCIPLINARY INFORMATION**

There are no material legal or disciplinary events material to a client or prospective client's evaluation of Mr. Riback

**Item 3 OTHER BUSINESS ACTIVITIES**

Not applicable.

**Item 4 ADDITIONAL COMPENSATION**

Not applicable.

**Item 5 SUPERVISION**

All of the members of Sectoral's Investment Team, including Mr. Riback, are supervised by Messrs. Pfund and Sjöström. All of the members of the Investment Team must comply with Sectoral's compliance policies and procedures. Sectoral is subject to various legal and regulatory requirements, including those described in the Brochure. In accordance with those regulatory requirements and other applicable guidance, Sectoral has adopted and implemented compliance policies and procedures relating to trade, execution, brokerage, insider trading, proxy voting and valuation, among other things. Contact information for Messrs. Pfund and Sjöström is the same as the information on the Cover Page of this Brochure Supplement.

**OLIVIER BROSSÉAU**

**Item 2 EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE**

Mr. Brosseau joined Sectoral in 2016 as Associate - Private Equity. He is responsible for supporting research on small cap and private equities for the NEMO strategy.

Prior to joining Sectoral, Mr. Brosseau worked as a packaging project manager and short term production planner at L'Oréal Canada. He also held several internships during his studies, including at Letko Brosseau and Associates, Laurentian Bank Securities and Sectoral Asset Management.

In 2012, Mr. Brosseau obtained his Bachelor of Biotechnological Engineering from Sherbrooke University. He also received his MBA with a concentration in Finance from McGill University in 2016.

**DISCIPLINARY INFORMATION**

There are no material legal or disciplinary events material to a client or prospective client's evaluation of Mr. Brosseau.

**Item 3 OTHER BUSINESS ACTIVITIES**

Not applicable.

**Item 4 ADDITIONAL COMPENSATION**

Not applicable.

**Item 5 SUPERVISION**

All of the members of Sectoral's Investment Team, including Mr. Brosseau, are supervised by Messrs. Pfund and Sjöström. All of the members of the Investment Team must comply with Sectoral's compliance policies and procedures. Sectoral is subject to various legal and regulatory requirements, including those described in the Brochure. In accordance with those regulatory requirements and other applicable guidance, Sectoral has adopted and implemented compliance policies and procedures relating to trade, execution, brokerage, insider trading, proxy voting and valuation, among other things. Contact information for Messrs. Pfund and Sjöström is the same as the information on the Cover Page of this Brochure Supplement.