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SECTORAL ASSET MANAGEMENT INC.

1000 Sherbrooke Street West, Suite 2120

Montreal H3A 3G4

Tel: (514) 849-8777

PART 2B OF FORM ADV: BROCHURE SUPPLEMENT

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Dated: March 31, 2013

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  
VINCENT OSSIPOW  
MAHA KATABI  
STEPHAN PATTEN  
MARC-ANDRÉ MARCOTTE  
PAULINA NIEWIADOMSKA  
MINA MARMOR  
MICHAL MARSZAL  
JEFFERY ELLIOT  
VASILIOS TSIMIKLIS  
PIERRE GAUTHIER

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 and Chief Compliance 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.

### **VINCENT OSSIPOW**

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

Dr. Ossipow was born and raised in Switzerland. He received a Master's Degree in computational sciences in 1991, a Master's Degree in molecular biology in 1992, and a Ph.D. in molecular biology in 1996, all from the University of Geneva.

After two years as a postdoctoral fellow in Geneva (Hoffman-La-Roche Human Frontier Science Program grant) and at the National Cancer Institute NCI in Bethesda, Maryland, Dr. Ossipow completed a Certificate in International Finance and Global Markets at the Georgetown University School of Business in Washington, D.C. in 1998. From 1998 until 2000 he worked at Pictet as a research analyst for biotechnology equities and as a co-manager of the Pictet Biotech Fund.

From 2000 to 2006 he worked as a research fellow at the University of Geneva on projects related to the molecular basis of brain function. He also acted as Sectoral's Chief Scientific Officer during these years, helped in setting up the Scientific Advisory Network and coordinated its activities. In 2007 he joined Sectoral full time as an investment manager. Dr. Ossipow's work has been published in the following major journals (sample): PNAS (1993), Cell (1995), Molecular and Cell Biology (1999), and Molecular and Cellular Neuroscience (2004).

### **Item 3     DISCIPLINARY INFORMATION**

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

### **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. Ossipow, 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.

### MAHA KATABI

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

Dr. Katabi joined Sectoral in 2008. She is responsible for selecting investments for our small cap portfolio in the biotech and medtech space.

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 Portfolio Manager for our Healthcare strategy. He also assumes analytical coverage of several biotechnology companies. Mr. Patten joined Sectoral in 2001 as an Assistant Portfolio Manager.

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 the coverage of Medical Technology companies.

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.

### PAULINA NIEWIADOMSKA

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

Ms. Niewiadomska joined Sectoral in 2006. She is the Portfolio Manager for our Generics strategy. She is also responsible for analyzing companies in the global generics sector.

Prior to joining Sectoral, Ms. Niewiadomska spent three years working as an associate research analyst focused in Canadian healthcare and biotechnology. She graduated from the International MBA program at the Schulich School of Business at York University in 2000, with a concentration in finance. Ms. Niewiadomska also holds a M.Sc. in molecular biology from University of Toronto. She obtained her CFA charter in 2006.

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

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

#### **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 Ms. Niewiadomska, 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 joined Sectoral in 2006, and assumes analytical coverage of biotechnology companies.

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.

### MICHAL MARSZAL

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

Dr. Marszal joined Sectoral in 2010. He is responsible for covering companies in the medical technology area.

Prior to joining Sectoral, he covered healthcare companies as an Equity Analyst at Desautels Capital Management. Dr. Marszal was previously an Intern at Stanford University Medical Center, where he was accepted to the Neurosurgical Residency Training Program.

He obtained his MD and MBA degrees from McGill University.

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

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

#### **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. Marszal, 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.

### JEFFERY ELLIOTT

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

Dr. Elliott joined Sectoral in 2010. He is responsible for coverage of global pharmaceutical companies.

Prior to joining Sectoral, he was a senior research analyst at UBS Securities in New York and Toronto for over 5 years, covering biotechnology and life sciences companies. Previously, Dr. Elliott was the Director of Process Development at Twinstrand Therapeutics, a VC-backed biotechnology company.

He holds an MBA from The Richard Ivey School of Business, a Ph.D. in Molecular Biology and Biochemistry from Simon Fraser University, and a B.Sc. in Biochemistry from Queen's University.

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

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

#### **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. Elliott, 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.