
SECTORAL ASSET MANAGEMENT INC.

1000 Sherbrooke Street West, Suite 2120

Montreal H3A 3G4

Tel: (514) 849-8777

PART 2B OF FORM ADV: BROCHURE SUPPLEMENT

Dated: March 31, 2014

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
PAULINA NIEWIADOMSKA
MINA MARMOR
MICHAL MARSZAL
VASILIOS TSIMIKLIS
PIERRE GAUTHIER
MARCO CIANFLONE
KATHERINE LU

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 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.

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.

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.

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.

Katherine Lu

Item 2 EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE

Ms. Katherine Lu joined Sectoral in 2013 as a Financial Analyst covering Asia healthcare companies.

Ms. Lu has covered the China healthcare sector since 2007. Prior to joining Sectoral, she was a Managing Director and Senior Analyst of China Healthcare Equity Research at Cowen and Company. Before that, Ms. Lu was a Managing Director and Head of China Research at Oppenheimer & Co., covering China healthcare, healthcare consumer, specialty chemicals and insurance companies.

Her previous roles include Director on CIBC/Oppenheimer's U.S. Specialty Pharma equity research team and associate on Cowen's large-cap MedTech equity research team. Ms. Lu worked, before going to Wall Street, in drug discovery at Roche and Johnson & Johnson; as well as healthcare management consultant at Bogart Delafield Ferrier.

Ms. Lu graduated summa cum laude from Nanjing University with a B.S. in Chemistry. She earned her M.S. from Iowa State University and her M.B.A. in finance and accounting, with Beta Gamma Sigma Honor, from the Stern School of Business at New York University

DISCIPLINARY INFORMATION

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

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. Lu, 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.