

## FIXED INCOME

# Meet the Manager: Sheila Amoroso

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Sheila Amoroso  
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Some people seem to have a career path in place from an early age, while others just sort of stumble into one. Sheila Amoroso, director of Franklin Templeton Fixed Income Group's municipal bond department, is in the latter camp. You'd probably be hard-pressed to find many young women who aspire to be municipal bond managers—and Sheila was no exception. But, as she made her first foray into financial services, she found the work interesting, challenging and rewarding. And after more than 30 years with Franklin Templeton, that's still the case.

*Q: You are director of our municipal bond group. Tell us a little about your role at Franklin Templeton and what a typical day is like.*

A: Overall, I see myself as a conductor of a fine orchestra. Our team is well-seasoned with a long tenure, meaning they have a lot of autonomy. We also have a strong mentoring program for our younger members of the department. One of the most enjoyable aspects of my job is getting to work with a great group of people. I am very lucky to work with people who are dedicated to and passionate about the muni market. I also enjoy time spent speaking to our clients and educating them about the value of munis in a diversified portfolio. The municipal market is unique and not well understood, so our entire team is dedicated to educating our clients about the muni market.

I also spend a good portion of my day reading internal and external research reports as well as following the muni market. Dealing in markets is always challenging as market behavior is dynamic and can be unpredictable. You always need to be prepared!

*Q: What first attracted you to a career in investment management? Did you have any mentors?*

A: I fell into investment management.

I have a BS in dietetics but came to Franklin a few years after graduation to try something completely new while I decided on graduate school. I really enjoyed working at the company and ended up in the management trainee (MT) program with the municipal bond department as my first rotation. I never left! We help people prepare for retirement and achieve their financial goals, which is very rewarding.

I started out as a trading assistant and graduated to trading bonds. Our assets under management were growing rapidly at the time, so we were hiring heavily out of the MT and also another program we have at the company for new graduates.

Andy Johnson, one of the company's founders, and Greg Herrington (a veteran bond trader) were our mentors and built the muni bond department from the ground up. Both were great to work with and had decades of experience.



Sheila hiking with her husband in Yosemite National Park, California.

*Q: Can you explain what a municipal bond is, for those who aren't familiar with the asset class?*

A: Municipal bonds are used to finance infrastructure in the United States. In fact, 75% of infrastructure in the country is built using muni bonds. Overall, we build communities, which provide the foundation of US economic growth.

Municipal bonds are tax exempt, so they are free from federal and state income taxes. This helps to keep the cost of financing infrastructure low. Though munis typically yield less than taxable bonds, on an after-tax basis you can typically keep more of your returns with tax-exempt muni bonds. If you are a US voter, you often authorize the issuance of municipal bonds at elections.

*Q: What differentiates Franklin Templeton from other investment managers in this space, in your opinion?*

We have a very consistent, disciplined approach to investing for our clients. Our primary goal is to maximize tax-free income for our investors with a conservative approach through active management. We have a strong in-house research team who collaborates with our portfolio managers in making investment decisions for our muni strategies. We take a conservative approach to investing and we are proud of what we've been able to deliver to our clients over time.

*Q: March 8 is International Women's Day and the theme is "balance for better." How do you achieve work-life balance?*

Right now, my kids no longer live at home, so it is a lot easier! When my kids were growing up it was much more difficult, but I had a support team and luckily my family was nearby to help. But, it was certainly a time of lots of juggling! Also, our department is very team-oriented, so we helped each other out as well.

*Q: What advice would you give to young women interested in a career in financial services or business in general?*

I think financial services is a great career not only for professional development but for personal development as well. Understanding the financial markets is fascinating to me. It's always challenging and provides opportunities for growth. It's a very powerful feeling to have this knowledge.

If you are just starting out in your career, everything is new and everyone starts at the bottom. When I started I knew very little about financial markets, but it just takes time to build your understanding. I found my passion in the municipal bond market which has been a very rewarding and challenging career.

*Q: Do you have any hobbies or interests outside work you are passionate about?*

I like to spend my time outside the office outside! I like to be active and my husband and I find a lot of enjoyment hiking with our dog. Luckily, we live in an area with a lot of hiking trails and great weather!

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## **What are the Risks?**

All investments involve risks, including possible loss of principal. Because municipal bonds are sensitive to interest rate movements, a municipal bond portfolio's yield and value will fluctuate with market conditions. Bond prices generally move in the opposite direction of interest rates. Thus, as prices of bonds in an investment portfolio adjust to a rise in interest rates, the portfolio's value may decline. Changes in the credit rating of a bond, or in the credit rating or financial strength of a bond's issuer, insurer or guarantor, may affect the bond's value.

For investors subject to the alternative minimum tax, a small portion of municipal bond fund dividends may be taxable. Distributions of capital gains are generally taxable.

Federal and state laws and regulations are complex and subject to change, which can materially impact your results. Always consult your own independent financial professional, attorney or tax advisor for advice regarding your specific goals and individual situation.

**Past performance is no guarantee of future results.**