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# Teamsters fund shifts billions to Mellon, Northern Trust

By **Barry B. Burr**

October 6, 2010, 3:43 PM ET

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Central States, Southeast & Southwest Areas Pension Fund, Rosemont, Ill., hired **Mellon Capital Management** to run \$926 million in an MSCI EAFE index fund, according to a filing in U.S. District Court in Chicago.

The \$18.5 billion fund also added \$715 million to an existing S&P 500 index fund managed by Mellon, increasing it to \$4.6 billion, according to the filing.

In addition, \$5.54 billion managed by Goldman Sachs Asset Management was moved to **Northern Trust Global Advisors**, raising its assignment to about \$9.2 billion. Goldman Sachs resigned as named fiduciary of Central States in June, leaving Northern Trust as the sole named fiduciary, as previously reported by Pensions & Investments.

As named fiduciaries, Goldman Sachs and Northern have discretion to allocate funds they oversee to managers they select, although they cannot manage money themselves for the fund.

Under the new allocation, Northern Trust will oversee 50% of the assets in a diversified allocation and Mellon will manage the rest, split up with 25% in the S&P 500 index fund, 20% in an existing Barclays Aggregate Bond index fund, and 5% in the new MSCI EAFE fund.

Under its previous allocation, GSAM and NTGA each oversaw 30% of the fund's assets in diversified allocations, while Mellon Capital managed 20% in the S&P 500 fund and 20% in the Barclays Aggregate Bond fund.

Information was not available on how Northern Trust allocates the portion of the Central States funds under its control or how it handled the proceeds from Goldman Sachs in terms of terminating or retaining the investment advisers managing those funds.

U.S. District Court Judge Milton I. Shadur on Sept. 21 approved the Central States changes. The fund operates under federal court supervision through a consent decree dating to 1978 with the Department of Labor

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overseeing the management of the fund, which was the target of corruption investigations.

Mark Angerame, Central States CFO, couldn't be reached for comment.

John O'Connell, Northern Trust spokesman, was unable to respond immediately with any details.

Contact Barry B. Burr at [bburr@pionline.com](mailto:bburr@pionline.com)

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