



## PIC COMPLETES £102 MILLION FINANCING OF NEW ROLLING STOCK TO SUPPORT WEST MIDLANDS RAIL FRANCHISE

London, 11 October 2022 – Pension Insurance Corporation plc ('PIC'), a specialist insurer of defined benefit pension funds, today announces it will provide £102 million of debt financing to support the delivery of new rolling stock to Corelink Rail Infrastructure Limited ('Corelink'), which will lease the trains to the operator of the West Midlands rail services.

The rolling stock will consist of two new electric multiple unit fleets to be built by Alstom, based in Derby, and one new diesel multiple unit fleet already built by CAF, based in Newport. The units are scheduled to enter service progressively in 2022 and 2023. The West Midlands network covers London commuter services, long distance routes connecting Birmingham to other major centres, and regional services in the West Midlands.

The transaction represents PIC's first rolling stock infrastructure deal. The new Corelink fleets will help the West Midlands operator to relieve overcrowding on its lines, improving services for passengers. New rail technology delivers significantly enhanced energy efficiency compared with the trains being replaced. The optimised fleet of electric and diesel-powered trains also produce significantly lower levels of noise and exhaust gas pollution, and as part of the investment, Corelink have committed to ongoing reporting on a comprehensive list of environmental, social and governance ('ESG') criteria.

DC Advisory acted as advisers on the transaction. Eversheds Sutherland lawyers acted on behalf of Corelink and Ashurst represented PIC.

Florence Carasse, Head of Infrastructure Debt at PIC, said, “We believe this transaction provides a high-quality investment that is well-aligned to serving our purpose, which is to pay the pensions of our current and future policyholders. We’re delighted to be able to make a commitment to support the modernisation of the UK’s essential transport infrastructure. The new fleets will also significantly provide additional passenger capacity essential for the development of the economy in the West Midlands.”

“PIC has invested more than £5 billion in greenfield and brownfield regeneration projects, as well as lending to corporate borrowers, with a focus on the UK. The team has a track record of tailoring financing solutions which match the needs of large infrastructure projects, including long tenors, deferred drawdowns, and lending in multiple currencies.”

Giorgiana Wegener, Asset Manager Director, Infracapital, on behalf of Corelink, added: “Corelink is pleased to have successfully completed the refinancing of its term loan facility. The support that PIC have provided is essential to allow Corelink to continue the delivery of rolling stock for use on the West Midlands network which ultimately translates in an improved travel experience to passengers. We look forward to continuing this long-term partnership with PIC and thank them for their support.”

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#### **Notes to Editors:**

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#### **About PIC**

The purpose of PIC is to pay the pensions of its current and future policyholders. PIC provides secure retirement incomes through comprehensive risk management and excellence in asset and liability management, as well as exceptional customer service. At 30 June 2022, PIC had insured 293,400 pension scheme members and had £44.1 billion in financial investments, accumulated through the provision of tailored pension insurance buyouts and buy-ins to the trustees and sponsors of UK defined benefit pension schemes. To date, PIC has made total pension payments of almost £9 billion to its policyholders. Clients include FTSE 100 companies, multinationals and the public sector. PIC is authorised by the Prudential

Regulation Authority and regulated by the Financial Conduct Authority and Prudential Regulation Authority (FRN 454345). For further information please visit [www.pensioncorporation.com](http://www.pensioncorporation.com)

**About Corelink**

Corelink Rail Infrastructure Limited is a direct wholly-owned subsidiary of a holding company, Corelink Rail Infrastructure Holdings Limited, established by a 50/50 joint venture between DWS and Infracapital. The companies were established in 2017 to finance the construction of fleets of EMU and DMU trains for use on the West Midlands rail network.