

PRESS RELEASE

Morgan Stanley and UBS join the LLMA

LONDON, 22 JULY: The Life & Longevity Markets Association (“LLMA”) today announces that Morgan Stanley and UBS, join original members AXA, Deutsche Bank, J.P. Morgan, Legal & General, Pension Corporation, Prudential PLC, RBS and Swiss Re, as full members of the Association.

The LLMA was formed to promote the development of a liquid traded market in longevity and mortality-related risk, of the type that exists for Insurance Linked Securities (ILS), and other large trend risks like interest rates and inflation.

Since launch the association has been actively involved in the development of consistent standards, methodologies and benchmarks to help build a liquid trading market, necessary to support the future demand for longevity protection sought by insurers and pension funds.

It aims to launch a consultation period for its index methodology during Q3 2010. This will be available for review through the LLMA’s website: www.llma.org

Chris Watts, Vice President, UK Pensions Solutions Group at Morgan Stanley commented:

“Morgan Stanley welcomes the formation of the LLMA and is delighted to be joining the association. We are passionate about broadening the range of capital markets based hedging tools available to both pension funds and insurance companies. The LLMA’s aim of developing the market in longevity and mortality risk transfer is an important development and we welcome the opportunity to be at the forefront of this initiative.”

Tesula Mohindra, Managing Director, Debt Capital Markets at UBS commented:

“The uncertainty surrounding future life expectancy represents a significant risk to the funding of a wide range of public and private sector liabilities. At UBS we believe that the development of standardised instruments and an efficient market for longevity risk transfers will play a key role in future financial management of these liabilities. Moreover, we are already seeing significant demand for longevity solutions from our clients in the pensions and insurance sectors.”

“We recognise that working with others in the banking and insurance industry represents the best way to establish an efficient market in longevity related instruments, and because of this we are delighted to be joining the LLMA.”

Guy Coughlan, Chair of the LLMA Technical Committee, and spokesperson for the LLMA (and Managing Director for the Pension Advisory Group, J.P. Morgan) commented:

“We welcome Morgan Stanley and UBS to membership of the LLMA. The admission of these two leading financial institutions as members demonstrates the increasing momentum in this field, and further supports us in our efforts to deliver a true longevity market. As an Association we are working hard to set standards in this field, and I look forward to some significant future announcements in this area.”

“The decision of both UBS and Morgan Stanley to join the LLMA also brings an increased international dimension to our association. In the UK alone the total pension liabilities of all parties exceed £2 trillion. When one considers the size of the worldwide market it becomes clear that all parties benefit from the development of a liquid traded market in life and longevity risks, and that this extends across the developed world, far beyond the UK.”

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About the LLMA

The Life and Longevity Markets Association ('LLMA') is a non-profit organisation founded and funded by members, these being AXA, Deutsche Bank, J.P. Morgan, Legal & General, Morgan Stanley, Pension Corporation, Prudential PLC, RBS, Swiss Re and UBS. It aims to promote the development of a liquid traded market in longevity and mortality-related risk. The association supports the development of consistent standards, methodologies and benchmarks to help build a liquid trading market, of the type that exists for Insurance Linked Securities (ILS), and other large trend risks like interest rate and inflation.

www.llma.org

About Morgan Stanley

Morgan Stanley is a leading global financial services firm providing a wide range of investment banking, securities, investment management and wealth management services. The Firm's employees serve clients worldwide including corporations, governments, institutions and individuals from more than 1,200 offices in 42 countries. For further information about Morgan Stanley, please visit www.morganstanley.com.

About UBS

Headquartered in Zurich and Basel, Switzerland, UBS is a client-focused financial services firm that offers a combination of wealth management, asset management and investment banking services on a global and regional basis. By delivering a full range of advice, products and services to its private, corporate and institutional clients, UBS aims to generate sustainable earnings, create value for its shareholders, and become the choice of clients worldwide.