

**SUPPLEMENT TO
FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT
PART II CSE**

BROKER OR DEALER
MORGAN STANLEY & CO. LLC

as of 10/31/14

**STATEMENT OF SEGREGATION REQUIREMENTS AND FUNDS IN SEGREGATION
FOR CUSTOMERS TRADING ON U.S. COMMODITY EXCHANGES**

SEGREGATION REQUIREMENTS (Section 4d(2) of the CEA)

1. Net ledger balance			
A. Cash	\$ 8,468,307,894	7010	
B. Securities (at market)	1,726,419,590	7020	
2. Net unrealized profit (loss) in open futures contracts traded on a contract market	(223,329,147)	7030	
3. Exchange traded options			
A. Add market value of open option contracts purchased on a contract market	305,803,508	7032	
B. Deduct market value of open option contracts granted (sold) on a contract market	(445,795,129)	7033	
4. Net equity (deficit) (add lines 1, 2, and 3)	9,831,406,716	7040	
5. Accounts liquidating to a deficit and accounts with debit balances			
- gross amount	83,504,857	7045	
Less: amount offset by customer owned securities	(82,142,679)	7047	1,362,178 7050
6. Amount required to be segregated (add lines 4 and 5)	\$ 9,832,768,894	7060	

FUNDS IN SEGREGATED ACCOUNTS

7. Deposited in segregated funds bank accounts			
A. Cash	2,426,631,301	7070	
B. Securities representing investments of customers' funds (at market)	2,621,123,751	7080	
C. Securities held for particular customers or option customers in lieu of cash (at market)	301,971,624	7090	
8. Margins on deposit with derivatives clearing organizations of contract markets			
A. Cash	\$ 2,726,368,087	7100	
B. Securities representing investments of customers' funds (at market)	584,062,237	7110	
C. Securities held for particular customers or option customers in lieu of cash (at market)	1,424,447,966	7120	
9. Net settlement from (to) derivatives clearing organizations of contract markets	87,177,689	7130	
10. Exchange traded options			
A. Value of open long option contracts	305,803,508	7132	
B. Value of open short option contracts	(445,795,129)	7133	
11. Net equities with other FCMs			
A. Net liquidating equity	1,533,837	7140	
B. Securities representing investments of customers' funds (at market)	0	7160	
C. Securities held for particular customers or option customers in lieu of cash (at market)	0	7170	
12. Segregated funds on hand (describe:)	0	7150	
13. Total amount in segregation (add lines 7 through 12)	10,033,324,871	7180	
14. Excess (deficiency) funds in segregation (subtract line 6 from line 13)	\$ 200,555,977	7190	
15. Management Target Amount for Excess funds in segregation	\$ 105,000,000	7194	
16. Excess (deficiency) funds in segregation over (under) Management Target Amount Excess	\$ 95,555,977	7198	

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**STATEMENT OF SEGREGATION REQUIREMENTS AND FUNDS IN SEGREGATION
FOR CUSTOMERS' DEALER OPTIONS ACCOUNTS**

1. Amount required to be segregated in accordance with Commission regulation 32.6	\$ <u>0</u> [7200]
2. Funds in segregated accounts	
A. Cash	\$ <u>0</u> [7210]
B. Securities (at market)	<u>0</u> [7220]
C. Total	<u>0</u> [7230]
3. Excess (deficiency) funds in segregation (subtract line 2.C from line 1)	\$ <u>0</u> [7240]

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**STATEMENT OF SECURED AMOUNTS AND FUNDS HELD IN SEPARATE ACCOUNTS
PURSUANT TO COMMISSION REGULATION 30.7**

FOREIGN FUTURES AND FOREIGN OPTIONS SECURED AMOUNTS

Amount required to be set aside pursuant to law, rule or regulation of a foreign government or a rule of a self-regulatory organization authorized thereunder	\$ <u>0</u>	<u>7305</u>
1. Net ledger balance - Foreign Futures and Foreign Option Trading - All Customers		
A. Cash	\$ <u>2,034,999,634</u>	<u>7315</u>
B. Securities (at market)	<u>656,560,936</u>	<u>7317</u>
2. Net unrealized profit (loss) in open futures contracts traded on a foreign board of trade	<u>(207,286,600)</u>	<u>7325</u>
3. Exchange traded options		
A. Market value of open option contracts purchased on a foreign board of trade	<u>12,945,847</u>	<u>7335</u>
B. Market value of open contracts granted (sold) on a foreign board of trade	<u>(6,642,069)</u>	<u>7337</u>
4. Net equity (deficit) (add lines 1. 2. and 3.)	\$ <u>2,490,577,748</u>	<u>7345</u>
5. Accounts liquidating to a deficit and accounts with		
debit balances - gross amount	\$ <u>22,041,762</u>	<u>7351</u>
Less: amount offset by customer owned securities	<u>(18,123,374)</u>	<u>7352</u>
	<u>3,918,388</u>	<u>7354</u>
6. Amount required to be set aside as the secured amount - Net Liquidating Equity Method (add lines 4 and 5)	\$ <u>2,494,496,136</u>	<u>7355</u>
7. Greater of amount required to be set aside pursuant to foreign jurisdiction (above) or line 6.	\$ <u>2,494,496,136</u>	<u>7360</u>

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**STATEMENT OF SECURED AMOUNTS AND FUNDS HELD IN SEPARATE ACCOUNTS
PURSUANT TO COMMISSION REGULATION 30.7**

FUNDS DEPOSITED IN SEPARATE REGULATION 30.7 ACCOUNTS

1. Cash in banks

A. Banks located in the United States	\$ <u>163,911,851</u> 7500
B. Other banks qualified under Regulation 30.7	\$ <u>148,833,154</u> 7520 \$ <u>312,745,005</u> 7530

2. Securities

A. In safekeeping with banks located in the United States	\$ <u>581,333,220</u> 7540
B. In safekeeping with other banks qualified under Regulation 30.7	\$ <u>0</u> 7560 \$ <u>581,333,220</u> 7570

3. Equities with registered futures commission merchants

A. Cash	\$ <u>0</u> 7580
B. Securities	\$ <u>0</u> 7590
C. Unrealized gain (loss) on open futures contracts	\$ <u>0</u> 7600
D. Value of long option contracts	\$ <u>0</u> 7610
E. Value of short option contracts	\$ <u>(0)</u> 7615 \$ <u>0</u> 7620

4. Amounts held by clearing organizations of foreign boards of trade

Name(s): <u>0</u> 7630	\$ <u>0</u> 7640
A. Cash	\$ <u>0</u> 7650
B. Securities	\$ <u>0</u> 7660
C. Amount due to (from) clearing organizations - daily variation	\$ <u>0</u> 7670
D. Value of long option contracts	\$ <u>0</u> 7675
E. Value of short option contracts	\$ <u>(0)</u> 7680

5. Amounts held by members of foreign boards of trade

Name(s): <u>0</u> 7690	\$ <u>1,634,392,480</u> 7700
A. Cash	\$ <u>375,182,716</u> 7710
B. Securities	\$ <u>(207,284,565)</u> 7720
C. Unrealized gain (loss) on open futures contracts	\$ <u>12,945,847</u> 7730
D. Value of long option contracts	\$ <u>(6,642,050)</u> 7735
E. Value of short option contracts	\$ <u>1,808,594,428</u> 7740

6. Amounts with other depositories designated by a foreign board of trade

Name(s): <u>0</u> 7750	\$ <u>0</u> 7760
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7. Segregated funds on hand (describe: _____)

\$ <u>2,702,672,653</u> 7770
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8. Total funds in separate section 30.7 accounts
Excess (deficiency) set Aside Funds for Secured Amount (subtract Line 7 Secured
Statement page 15 from Line 8)

\$ 208,176,517 7380

10. Management Target Amount for Excess funds in separate section 30.7 accounts

\$ 105,000,000 7780

11. Excess (deficiency) funds in separate 30.7 accounts over (under) Management Target

\$ 103,176,517 7785

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**STATEMENT OF CLEARED SWAPS CUSTOMER SEGREGATION REQUIREMENTS AND
FUNDS IN CLEARED SWAPS CUSTOMER ACCOUNTS UNDER 4D(F) OF THE CEA**

Cleared Swaps Customer Requirements

1. Net ledger balance	
A. Cash	\$ 6,045,167,932 8500
B. Securities (at market)	<u>2,462,707,781</u> 8510
2. Net unrealized profit (loss) in open cleared swaps	<u>(2,407,291,800)</u> 8520
3. Cleared swaps options	
A. Market value of open cleared swaps option contracts purchased	<u>0</u> 8530
B. Market value of open cleared swaps option contracts granted (sold)	<u>(0)</u> 8540
4. Net equity (deficit) (add lines 1, 2, and 3)	\$ 6,100,583,913 8550
5. Accounts liquidating to a deficit and accounts with	
debit balances - gross amount	\$ 24,853,230 8560
Less: amount offset by customer owned securities	<u>(24,844,998)</u> 8570
6. Amount required to be segregated for cleared swaps customers (add lines 4 and 5)	\$ 8,232 8580 \$ 6,100,592,145 8590

Funds in Cleared Swaps Customer Segregated Accounts

7. Deposited in cleared swaps customer segregated accounts at banks	
A. Cash	\$ 930,682,842 8600
B. Securities representing investments of cleared swaps customers' funds (at market)	<u>0</u> 8610
C. Securities held for particular cleared swaps customers in lieu of cash (at market)	<u>18,099,969</u> 8620
8. Margins on deposit with derivatives clearing organizations in cleared swaps customer segregated accounts	
A. Cash	<u>2,305,495,127</u> 8630
B. Securities representing investments of cleared swaps customers' funds (at market)	<u>320,011,467</u> 8640
C. Securities held for particular cleared swaps customers in lieu of cash (at market)	<u>2,444,607,812</u> 8650
9. Net settlement from (to) derivatives clearing organizations	<u>198,617,166</u> 8660
10. Cleared swaps options	
A. Value of open cleared swaps long option contracts	<u>0</u> 8670
B. Value of open cleared swaps short option contracts	<u>(0)</u> 8680
11. Net equities with other FCMs	
A. Net liquidating equity	<u>0</u> 8690
B. Securities representing investments of cleared swaps customers' funds (at market)	<u>0</u> 8700
C. Securities held for particular cleared swaps customers in lieu of cash (at market)	<u>0</u> 8710
12. Cleared swaps customer funds on hand (describe: _____)	<u>0</u> 8715
13. Total amount in cleared swaps customer segregation (add lines 7 through 12)	\$ 6,217,514,383 8720
14. Excess (deficiency) funds in cleared swaps customer segregation (subtract line 6 from line 13)	\$ 116,922,238 8730
15. Management Target Amount for Excess funds in cleared swaps segregated accounts	\$ 92,000,000 8760
16. Excess (deficiency) funds in cleared swaps customer segregated accounts over (under) Management Target Excess	\$ 24,922,238 8770