**SEGREGATION REQUIREMENTS (Section 4d(2) of the CEAct)**

1. Net ledger balance
   - A. Cash
     
   B. Securities (at market)

2. Net unrealized profit (loss) in open futures contracts traded on a contract market

3. Exchange traded options
   - A. Add market value of open option contracts purchased on a contract market
   - B. Deduct market value of open option contracts granted (sold) on a contract market

4. Net equity (deficit) (add lines 1, 2, and 3)

5. Accounts liquidating to a deficit and accounts with debit balances
   - Gross amount

   Less: amount offset by customer owned securities

6. Amount required to be segregated (add lines 4 and 5)

**FUNDS IN SEGREGATED ACCOUNTS**

7. Deposited in segregated funds bank accounts
   - A. Cash
   - B. Securities representing investments of customers' funds (at market)
   - C. Securities held for particular customers or option customers in lieu of cash (at market)

8. Margins on deposit with derivatives clearing organizations of contract markets
   - A. Cash
   - B. Securities representing investments of customers' funds (at market)
   - C. Securities held for particular customers or option customers in lieu of cash (at market)

9. Net settlement from (to) derivatives clearing organizations of contract markets

10. Exchange traded options
    - A. Value of open long option contracts
    - B. Value of open short option contracts

11. Net equities with other FCMs
    - A. Net liquidating equity
    - B. Securities representing investments of customers' funds (at market)
    - C. Securities held for particular customers or option customers in lieu of cash (at market)

12. Segregated funds on hand (describe: )

13. Total amount in segregation (add lines 7 through 12)

14. Excess (deficiency) funds in segregation (subtract line 6 from line 13)

15. Management Target Amount for Excess funds in segregation

16. Excess (deficiency) funds in segregation over (under) Management Target Amount Excess

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

BROKER OR DEALER
MORGAN STANLEY & CO. LLC

as of 07/31/14

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 $ __________ 0 7200

2. Funds in segregated accounts
   A. Cash $ __________ 0 7210
   B. Securities (at market) __________ 0 7220
   C. Total __________ 0 7230

3. Excess (deficiency) funds in segregation
   (subtract line 2.C from line 1) $ __________ 0 7240
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

1. Net ledger balance - Foreign Futures and Foreign Option Trading - All Customers
   A. Cash $ 1,652,715,430 7315
   B. Securities (at market) $ 525,050,454 7317

2. Net unrealized profit (loss) in open futures contracts traded on a foreign board of trade
   $ (17,300,436) 7325

3. Exchange traded options
   A. Market value of open option contracts purchased on a foreign board of trade $ 15,784,703 7335
   B. Market value of open contracts granted (sold) on a foreign board of trade (6,640,322) 7337

4. Net equity (deficit) (add lines 1, 2. and 3.) $ 2,166,609,829 7345

5. Accounts liquidating to a deficit and accounts with debit balances - gross amount $ 54,847,577 7351
   Less: amount offset by customer owned securities (54,681,728) 7352
   $ 165,849 7354

6. Amount required to be set aside as the secured amount - Net Liquidating Equity Method (add lines 4 and 5) $ 2,166,775,678 7355

7. Greater of amount required to be set aside pursuant to foreign jurisdiction (above) or line 6. $ 2,166,775,678 7360
### 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 $312,225,034
   - B. Other banks qualified under Regulation 30.7
     - Name(s): 0

2. Securities
   - A. In safekeeping with banks located in the United States $491,525,415
   - B. In safekeeping with other banks qualified under Regulation 30.7
     - Name(s): 0

3. Equities with registered futures commission merchants
   - A. Cash $0
   - B. Securities $0
   - C. Unrealized gain (loss) on open futures contracts $0
   - D. Value of long option contracts $0
   - E. Value of short option contracts $0

4. Amounts held by clearing organizations of foreign boards of trade
   - Name(s): 0
     - A. Cash $0
     - B. Securities $0
     - C. Amount due to (from) clearing organizations - daily variation $0
     - D. Value of long option contracts $0
     - E. Value of short option contracts $0

5. Amounts held by members of foreign boards of trade
   - Name(s): 0
     - A. Cash $998,292,826
     - B. Securities $483,490,039
     - C. Unrealized gain (loss) on open futures contracts $(17,303,865)
     - D. Value of long option contracts $15,784,703
     - E. Value of short option contracts $(9,640,321)

6. Amounts with other depositories designated by a foreign board of trade
   - Name(s): 0

7. Segregated funds on hand (describe: )

8. Total funds in separate section 30.7 accounts
   - $2,374,258,917

9. Excess (deficiency) set Aside Funds for Secured Amount (subtract Line 7 Secured Statement page 15 from Line 8)
   - $207,483,239

10. Management Target Amount for Excess funds in separate section 30.7 accounts
   - $105,000,000

11. Excess (deficiency) funds in separate 30.7 accounts over (under) Management Target
   - $102,483,239
# 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**
  - $3,819,601,015
- **B. Securities (at market)**
  - $1,693,353,165

### 2. Net unrealized profit (loss) in open cleared swaps
- $(879,682,772)

### 3. Cleared swaps options
- **A. Market value of open cleared swaps option contracts purchased**
  - $0
- **B. Market value of open cleared swaps option contracts granted (sold)**
  - $(0)

### 4. Net equity (deficit) (add lines 1, 2, and 3)
- $4,633,271,408

### 5. Accounts liquidating to a deficit and accounts with debit balances - gross amount
- **Less: amount offset by customer owned securities**
  - $(54,565,246)
  - $54,797,104

### 6. Amount required to be segregated for cleared swaps customers (add lines 4 and 5)
- $4,633,503,266

## Funds in Cleared Swaps Customer Segregated Accounts

### 7. Deposited in cleared swaps customer segregated accounts at banks
- **A. Cash**
  - $782,223,670
- **B. Securities representing investments of cleared swaps customers' funds (at market)**
  - $(0)
- **C. Securities held for particular cleared swaps customers in lieu of cash (at market)**
  - $15,754,131

### 8. Margins on deposit with derivatives clearing organizations in cleared swaps customer segregated accounts
- **A. Cash**
  - $1,888,840,456
- **B. Securities representing investments of cleared swaps customers' funds (at market)**
  - $320,011,083
- **C. Securities held for particular cleared swaps customers in lieu of cash (at market)**
  - $1,677,999,034

### 9. Net settlement from (to) derivatives clearing organizations
- $66,001,940

### 10. Cleared swaps options
- **A. Value of open cleared swaps long option contracts**
  - $0
- **B. Value of open cleared swaps short option contracts**
  - $(0)

### 11. Net equities with other FCMs
- **A. Net liquidating equity**
  - $0
- **B. Securities representing investments of cleared swaps customers' funds (at market)**
  - $(0)
- **C. Securities held for particular cleared swaps customers in lieu of cash (at market)**
  - $0

### 12. Cleared swaps customer funds on hand (describe)
- $(0)

### 13. Total amount in cleared swaps customer segregation (add lines 7 through 12)
- $4,750,430,314

### 14. Excess (deficiency) funds in cleared swaps customer segregation (subtract line 6 from line 13)
- $116,927,048

### 15. Management Target Amount for Excess funds in cleared swaps segregated accounts
- $92,000,000

### 16. Excess (deficiency) funds in cleared swaps customer segregated accounts over (under) Management Target Excess
- $(24,927,048)