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

BROKER OR DEALER
MORGAN STANLEY & CO. LLC

as of 07/31/13

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

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

1. Net ledger balance
   A. Cash
      $ 7,078,257,066 7010
   B. Securities (at market)
      1,809,882,412 7020
   2. Net unrealized profit (loss) in open futures contracts traded on a contract market
      (236,456,432) 7030
   3. Exchange traded options
      A. Add market value of open option contracts purchased on a contract market
         209,692,346 7032
      B. Deduct market value of open option contracts granted (sold) on a contract market
         (230,056,315) 7033
      4. Net equity (deficit) (add lines 1, 2, and 3)
         8,631,319,077 7040
   5. Accounts liquidating to a deficit and accounts with debit balances
      - gross amount
         119,585,424 7045
      Less: amount offset by customer owned securities
         (118,636,787) 7047
      6. Amount required to be segregated (add lines 4 and 5)
         $ 8,632,067,734 7050

Funds in Segregated Accounts

7. Deposited in segregated funds bank accounts
   A. Cash
      3,731,376,609 7070
   B. Securities representing investments of customers’ funds (at market)
      438,024,579 7080
   C. Securities held for particular customers or option customers in lieu of cash (at market)
      245,034,731 7090
   8. Margins on deposit with derivatives clearing organizations of contract markets
      A. Cash
         $ 434,273,575 7100
      B. Securities representing investments of customers’ funds (at market)
         2,323,113,198 7110
      C. Securities held for particular customers or option customers in lieu of cash (at market)
         1,556,877,578 7120
   9. Net settlement from (to) derivatives clearing organizations of contract markets
      103,144,616 7130
   10. Exchange traded options
      A. Value of open long option contracts
         209,692,346 7132
      B. Value of open short option contracts
         (230,056,315) 7133
   11. Net equities with other FCMs
      A. Net liquidating equity
         20,033,829 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)
      8,840,514,746 7180
   14. Excess (deficiency) funds in segregation (subtract line 6 from line 13)
      $ 208,447,012 7190
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)
## Statement of Secured Amounts and Funds Held in Separate Accounts

### Foreign Futures and Foreign Options Secured Amounts - Summary

I. Check the appropriate box to identify the amount shown on line 1. below.

- [ ] 7300 Secured amounts in only U.S. - domiciled customers' accounts
- [ ] 7310 Secured amounts in U.S. and foreign - domiciled customers' accounts
- [X] 7320 Net liquidating equities in all accounts of customers trading on foreign boards of trade
- [ ] 7330 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.

II. Has the FCM changed the method of calculating the amount to be set aside in separate accounts since the last financial report it filed?

- [ ] Yes 7340 If yes, explain the change below
- [X] No 7350

---

1. Amount to be set aside in separate section 30.7 accounts

   $2,417,555,597

2. Total funds in separate section 30.7 accounts

   (page 16, line 8)

   $2,624,897,140

3. Excess (deficiency) - (subtract line 1 from line 2)

   $207,141,543
STATEMENT OF SECURED AMOUNTS AND FUNDS HELD IN SEPARATE ACCOUNTS FOR FOREIGN FUTURES AND FOREIGN OPTIONS CUSTOMERS 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
     - Name(s): 0
     - $ 255,102,916 [7500]
   - B. Other banks designated by the Commission
     - Name(s): 0
     - $ 89,937,303 [7520]
     - $ 345,040,218 [7530]

2. **Securities**
   - A. In safekeeping with banks located in the United States
     - Name(s): 0
     - $ 690,799,797 [7540]
   - B. In safekeeping with other banks designated by the Commission
     - Name(s): 0
     - $ 690,799,797 [7570]

3. **Equities with registered futures commission merchants**
   - A. Cash
     - $ 0 [7580]
   - B. Securities
     - $ 0 [7590]
   - C. Unrealized gain (loss) on open futures contracts
     - $ 0 [7600]
   - D. Value of long option contracts
     - $ 0 [7610]
   - E. Value of short option contracts
     - $ 0 [7615]
     - $ 0 [7620]

4. **Amounts held by clearing organizations of foreign boards of trade**
   - A. Cash
     - $ 0 [7640]
   - B. Securities
     - $ 0 [7650]
   - C. Amount due to (from) clearing organizations - daily variation
     - $ 0 [7660]
   - D. Value of long option contracts
     - $ 0 [7670]
   - E. Value of short option contracts
     - $ 0 [7675]
     - $ 0 [7680]

5. **Amounts held by members of foreign boards of trade**
   - A. Cash
     - $ 1,108,975,308 [7700]
   - B. Securities
     - $ 391,477,423 [7710]
   - C. Unrealized gain (loss) on open futures contracts
     - $ 77,280,395 [7720]
   - D. Value of long option contracts
     - $ 33,852,410 [7730]
   - E. Value of short option contracts
     - $ 22,728,411 [7735]
     - $ 1,568,857,125 [7740]

6. **Amounts with other depositories designated by a foreign board of trade**
   - A. Cash
   - $ 0 [7750]
   - B. Securities
   - $ 0 [7760]
   - C. Unrealized gain (loss) on open futures contracts
   - $ 0 [7765]
   - D. Value of long option contracts
   - $ 0 [7770]
   - E. Value of short option contracts
   - $ 2,624,697,149 [7770]

---

A. If any securities shown are other than the types of securities referred to in CFTC Regulation 1.25, attach a separate schedule detailing the obligations shown on each such line.
# Supplement to Financial and Operational Combined Uniform Single Report

## Part II CSE

**Broker or Dealer**: MORGAN STANLEY & CO. LLC  
**As of**: 07/31/13

## Statement of Sequestration Requirements and Funds in Cleared OTC Derivatives Sequestered Accounts

### Cleared OTC Derivatives Customer Requirements

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

2. Net unrealized profit (loss) in open cleared OTC derivatives

3. Cleared OTC derivatives options
   - A. Market value of open cleared OTC derivatives option contracts purchased
   - B. Market value of open cleared OTC derivatives option contracts granted (sold)

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 sequestered for cleared OTC derivatives customers
   (add lines 4 and 5)

### Funds in Cleared OTC Derivatives Customer Sequestered Accounts

7. Deposited in cleared OTC derivatives customer sequestered accounts at banks
   - A. Cash
   - B. Securities representing investment 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 in cleared OTC derivatives customer sequestered accounts
   - A. Cash
   - B. Securities representing investment 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

10. Cleared OTC derivatives options
    - A. Value of open cleared OTC derivatives long option contracts
    - B. Value of open cleared OTC derivatives short option contracts

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

12. Cleared OTC derivatives customer funds on hand

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

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

---

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
<th>Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Net ledger balance A. Cash</td>
<td>$489,165,953</td>
<td>8500</td>
</tr>
<tr>
<td>1. Net ledger balance B. Securities (at market)</td>
<td>$925,639,076</td>
<td>8510</td>
</tr>
<tr>
<td>2. Net unrealized profit (loss) in open cleared OTC derivatives</td>
<td>$761,474,611</td>
<td>8520</td>
</tr>
<tr>
<td>3. Cleared OTC derivatives options A. Market value of options purchased</td>
<td>0</td>
<td>8530</td>
</tr>
<tr>
<td>3. Cleared OTC derivatives options B. Market value of options granted</td>
<td>0</td>
<td>8540</td>
</tr>
<tr>
<td>4. Net equity (deficit)</td>
<td>$2,176,279,640</td>
<td>8550</td>
</tr>
<tr>
<td>5. Accounts liquidating to a deficit and accounts with debit balances</td>
<td>$35,313,339</td>
<td>8560</td>
</tr>
<tr>
<td>5. Accounts liquidating to a deficit and accounts with debit balances B.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less: amount offset by customer owned securities</td>
<td>($34,028,952)</td>
<td>8570</td>
</tr>
<tr>
<td>6. Amount required to be sequestered for cleared OTC derivatives customers</td>
<td>$1,284,387</td>
<td>8580</td>
</tr>
<tr>
<td>7. Deposited in cleared OTC derivatives customer sequestered accounts A.</td>
<td>$297,855,018</td>
<td>8500</td>
</tr>
<tr>
<td>7. Deposited in cleared OTC derivatives customer sequestered accounts B.</td>
<td>0</td>
<td>8510</td>
</tr>
<tr>
<td>7. Deposited in cleared OTC derivatives customer sequestered accounts C.</td>
<td>7,505,676</td>
<td>8520</td>
</tr>
<tr>
<td>8. Margins on deposit with derivatives clearing organizations A. Cash</td>
<td>$1,076,283,643</td>
<td>8630</td>
</tr>
<tr>
<td>8. Margins on deposit with derivatives clearing organizations B. Securities representing investment of customers' funds (at market)</td>
<td>0</td>
<td>8640</td>
</tr>
<tr>
<td>8. Margins on deposit with derivatives clearing organizations C. Securities held for particular customers or option customers in lieu of cash (at market)</td>
<td>916,133,400</td>
<td>8650</td>
</tr>
<tr>
<td>9. Net settlement from (to) derivatives clearing organizations</td>
<td>($27,042,199)</td>
<td>8660</td>
</tr>
<tr>
<td>10. Cleared OTC derivatives options A. Value of options long</td>
<td>0</td>
<td>8670</td>
</tr>
<tr>
<td>10. Cleared OTC derivatives options B. Value of options short</td>
<td>0</td>
<td>8680</td>
</tr>
<tr>
<td>11. Net equities with other FCMs A. Net liquidating equity</td>
<td>0</td>
<td>8690</td>
</tr>
<tr>
<td>11. Net equities with other FCMs B. Securities representing investment of customers' funds (at market)</td>
<td>0</td>
<td>8700</td>
</tr>
<tr>
<td>11. Net equities with other FCMs C. Securities held for particular customers or option customers in lieu of cash (at market)</td>
<td>0</td>
<td>8710</td>
</tr>
<tr>
<td>12. Cleared OTC derivatives customer funds on hand</td>
<td>0</td>
<td>8715</td>
</tr>
<tr>
<td>13. Total amount in sequestration</td>
<td>$2,272,715,538</td>
<td>8720</td>
</tr>
<tr>
<td>14. Excess (deficiency) funds in sequestration (subtract line 6 from line 13)</td>
<td>$95,151,511</td>
<td>8730</td>
</tr>
</tbody>
</table>