

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

BROKER OR DEALER

MORGAN STANLEY & CO. LLC

as of

02/28/15

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

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

| | | | |
|---|--------------|-------------------|------|
| 1. Net ledger balance | | | |
| A. Cash | | \$ 9,454,855,526 | 7010 |
| B. Securities (at market) | | 3,171,518,667 | 7020 |
| 2. Net unrealized profit (loss) in open futures contracts traded on a contract market | | (430,363,990) | 7030 |
| 3. Exchange traded options | | | |
| A. Add market value of open option contracts purchased on a contract market | | 308,009,087 | 7032 |
| B. Deduct market value of open option contracts granted (sold) on a contract market | | (232,626,777) | 7033 |
| 4. Net equity (deficit) (add lines 1, 2, and 3) | | 12,271,392,513 | 7040 |
| 5. Accounts liquidating to a deficit and accounts with debit balances | | | |
| - gross amount | 57,542,630 | | 7045 |
| Less: amount offset by customer owned securities | (56,689,016) | 853,614 | 7050 |
| 6. Amount required to be segregated (add lines 4 and 5) | | \$ 12,272,246,127 | 7060 |

FUNDS IN SEGREGATED ACCOUNTS

| | | | |
|---|--|------------------|------|
| 7. Deposited in segregated funds bank accounts | | | |
| A. Cash | | 2,061,539,913 | 7070 |
| B. Securities representing investments of customers' funds (at market) | | 3,021,138,522 | 7080 |
| C. Securities held for particular customers or option customers in lieu of cash (at market) | | 1,247,170,437 | 7090 |
| 8. Margins on deposit with derivatives clearing organizations of contract markets | | | |
| A. Cash | | \$ 3,518,568,930 | 7100 |
| B. Securities representing investments of customers' funds (at market) | | 584,052,802 | 7110 |
| C. Securities held for particular customers or option customers in lieu of cash (at market) | | 1,924,348,230 | 7120 |
| 9. Net settlement from (to) derivatives clearing organizations of contract markets | | 51,439,293 | 7130 |
| 10. Exchange traded options | | | |
| A. Value of open long option contracts | | 308,009,087 | 7132 |
| B. Value of open short option contracts | | (232,626,777) | 7133 |
| 11. Net equities with other FCMs | | | |
| A. Net liquidating equity | | 808,385 | 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) | | 12,484,448,822 | 7180 |
| 14. Excess (deficiency) funds in segregation (subtract line 6 from line 13) | | \$ 212,202,695 | 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 | | \$ 107,202,695 | 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 | | \$ | | 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 |

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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>1,644,866,976</u> | <u>7315</u> |
| B. Securities (at market) | <u>1,111,373,025</u> | <u>7317</u> |
| 2. Net unrealized profit (loss) in open futures contracts traded on a foreign board of trade | <u>610,841,350</u> | <u>7325</u> |
| 3. Exchange traded options | | |
| A. Market value of open option contracts purchased on a foreign board of trade | <u>22,022,304</u> | <u>7335</u> |
| B. Market value of open contracts granted (sold) on a foreign board of trade | <u>(16,113,575)</u> | <u>7337</u> |
| 4. Net equity (deficit) (add lines 1. 2. and 3.) | \$ <u>3,372,990,080</u> | <u>7345</u> |
| 5. Accounts liquidating to a deficit and accounts with debit balances - gross amount | \$ <u>76,445,203</u> | <u>7351</u> |
| Less: amount offset by customer owned securities | <u>(76,033,497)</u> | <u>7352</u> |
| | <u>411,706</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>3,373,401,786</u> | <u>7355</u> |
| 7. Greater of amount required to be set aside pursuant to foreign jurisdiction (above) or line 6. | \$ <u>3,373,401,786</u> | <u>7360</u> |

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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>229,980,305</u> | <u>7500</u> |
| B. Other banks qualified under Regulation 30.7 | | | |
| Name(s): | <u>0</u> | <u>7510</u> | |
| | | <u>141,300,494</u> | <u>7520</u> |
| | \$ | | <u>371,280,799</u> |
| | | | <u>7530</u> |
| 2. Securities | | | |
| A. In safekeeping with banks located in the United States | \$ | <u>726,757,020</u> | <u>7540</u> |
| B. In safekeeping with other banks qualified under Regulation 30.7 | | | |
| Name(s): | <u>0</u> | <u>7550</u> | |
| | | <u>0</u> | <u>7560</u> |
| | | | <u>726,757,020</u> |
| | | | <u>7570</u> |
| 3. Equities with registered futures commission merchants | | | |
| A. Cash | \$ | <u>0</u> | <u>7580</u> |
| B. Securities | | <u>0</u> | <u>7590</u> |
| C. Unrealized gain (loss) on open futures contracts | | <u>0</u> | <u>7600</u> |
| D. Value of long option contracts | | <u>0</u> | <u>7610</u> |
| E. Value of short option contracts | (| <u>0</u> | <u>7615</u> |
| | | | <u>0</u> |
| | | | <u>7620</u> |
| 4. Amounts held by clearing organizations of foreign boards of trade | | | |
| Name(s): | <u>0</u> | <u>7630</u> | |
| A. Cash | \$ | <u>0</u> | <u>7640</u> |
| B. Securities | | <u>0</u> | <u>7650</u> |
| C. Amount due to (from) clearing organizations - daily variation | | <u>0</u> | <u>7660</u> |
| D. Value of long option contracts | | <u>0</u> | <u>7670</u> |
| E. Value of short option contracts | (| <u>0</u> | <u>7675</u> |
| | | | <u>0</u> |
| | | | <u>7680</u> |
| 5. Amounts held by members of foreign boards of trade | | | |
| Name(s): | <u>0</u> | <u>7690</u> | |
| A. Cash | \$ | <u>736,872,728</u> | <u>7700</u> |
| B. Securities | | <u>1,134,541,006</u> | <u>7710</u> |
| C. Unrealized gain (loss) on open futures contracts | | <u>610,827,490</u> | <u>7720</u> |
| D. Value of long option contracts | | <u>22,022,304</u> | <u>7730</u> |
| E. Value of short option contracts | (| <u>(16,113,575)</u> | <u>7735</u> |
| | | | <u>2,488,149,953</u> |
| | | | <u>7740</u> |
| 6. Amounts with other depositories designated by a foreign board of trade | | | |
| Name(s): | <u>0</u> | <u>7750</u> | |
| | | | <u>0</u> |
| | | | <u>7760</u> |
| 7. Segregated funds on hand (describe: _____) | | | |
| | | | <u>0</u> |
| | | | <u>7765</u> |
| 8. Total funds in separate section 30.7 accounts | | | |
| | \$ | <u>3,586,187,772</u> | <u>7770</u> |
| 9. Excess (deficiency) set Aside Funds for Secured Amount (subtract Line 7 Secured Statement page 15 from Line 8) | | | |
| | \$ | <u>212,785,986</u> | <u>7380</u> |
| 10. Management Target Amount for Excess funds in separate section 30.7 accounts | | | |
| | \$ | <u>105,000,000</u> | <u>7780</u> |
| 11. Excess (deficiency) funds in separate 30.7 accounts over (under) Management Target | | | |
| | \$ | <u>107,785,986</u> | <u>7785</u> |

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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 | \$ | 7,640,115,314 | 8500 |
| B. Securities (at market) | | 4,609,502,806 | 8510 |
| 2. Net unrealized profit (loss) in open cleared swaps | | | |
| | | (4,345,732,626) | 8520 |
| 3. Cleared swaps options | | | |
| A. Market value of open cleared swaps option contracts purchased | | 0 | 8530 |
| B. Market value of open cleared swaps option contracts granted (sold) | | (0) | 8540 |
| 4. Net equity (deficit) (add lines 1, 2, and 3) | | | |
| | \$ | 7,903,885,494 | 8550 |
| 5. Accounts liquidating to a deficit and accounts with debit balances - gross amount | | | |
| | \$ | 183,280,942 | 8560 |
| Less: amount offset by customer owned securities | | (179,499,837) | 8570 |
| | | 3,781,105 | 8580 |
| 6. Amount required to be segregated for cleared swaps customers (add lines 4 and 5) | | | |
| | \$ | 7,907,666,599 | 8590 |

Funds in Cleared Swaps Customer Segregated Accounts

| | | | |
|---|----|---------------|------|
| 7. Deposited in cleared swaps customer segregated accounts at banks | | | |
| A. Cash | \$ | 910,804,250 | 8600 |
| B. Securities representing investments of cleared swaps customers' funds (at market) | | 0 | 8610 |
| C. Securities held for particular cleared swaps customers in lieu of cash (at market) | | 201,373,765 | 8620 |
| 8. Margins on deposit with derivatives clearing organizations in cleared swaps customer segregated accounts | | | |
| A. Cash | | 2,326,736,306 | 8630 |
| B. Securities representing investments of cleared swaps customers' funds (at market) | | 320,012,918 | 8640 |
| C. Securities held for particular cleared swaps customers in lieu of cash (at market) | | 4,408,129,041 | 8650 |
| 9. Net settlement from (to) derivatives clearing organizations | | | |
| | | (132,796,787) | 8660 |
| 10. Cleared swaps options | | | |
| A. Value of open cleared swaps long option contracts | | 0 | 8670 |
| B. Value of open cleared swaps short option contracts | | (0) | 8680 |
| 11. Net equities with other FCMs | | | |
| A. Net liquidating equity | | 0 | 8690 |
| B. Securities representing investments of cleared swaps customers' funds (at market) | | 0 | 8700 |
| C. Securities held for particular cleared swaps customers in lieu of cash (at market) | | 0 | 8710 |
| 12. Cleared swaps customer funds on hand (describe: _____) | | | |
| | | 0 | 8715 |
| 13. Total amount in cleared swaps customer segregation (add lines 7 through 12) | | | |
| | \$ | 8,034,259,493 | 8720 |
| 14. Excess (deficiency) funds in cleared swaps customer segregation (subtract line 6 from line 13) | | | |
| | \$ | 126,592,894 | 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 | | | |
| | \$ | 34,592,894 | 8770 |