

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

BROKER OR DEALER  
MORGAN STANLEY & CO. LLC

as of 03/31/14

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

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

1. Net ledger balance			
A. Cash	\$	8,550,901,025	7010
B. Securities (at market)		1,395,078,542	7020
2. Net unrealized profit (loss) in open futures contracts traded on a contract market		309,660,154	7030
3. Exchange traded options			
A. Add market value of open option contracts purchased on a contract market		221,158,321	7032
B. Deduct market value of open option contracts granted (sold) on a contract market	(	181,080,498)	7033
4. Net equity (deficit) (add lines 1, 2, and 3)		10,295,717,544	7040
5. Accounts liquidating to a deficit and accounts with debit balances			
- gross amount		43,179,551	7045
Less: amount offset by customer owned securities	(	40,922,679)	7047
6. Amount required to be segregated (add lines 4 and 5)	\$	10,297,974,416	7060

FUNDS IN SEGREGATED ACCOUNTS

7. Deposited in segregated funds bank accounts			
A. Cash		2,859,376,584	7070
B. Securities representing investments of customers' funds (at market)		2,301,107,651	7080
C. Securities held for particular customers or option customers in lieu of cash (at market)		256,902,311	7090
8. Margins on deposit with derivatives clearing organizations of contract markets			
A. Cash	\$	2,436,512,353	7100
B. Securities representing investments of customers' funds (at market)		1,389,074,867	7110
C. Securities held for particular customers or option customers in lieu of cash (at market)		1,138,176,231	7120
9. Net settlement from (to) derivatives clearing organizations of contract markets		80,269,676	7130
10. Exchange traded options			
A. Value of open long option contracts		221,158,321	7132
B. Value of open short option contracts	(	181,080,498)	7133
11. Net equities with other FCMs			
A. Net liquidating equity		3,308,033	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)		10,504,805,529	7180
14. Excess (deficiency) funds in segregation (subtract line 6 from line 13)	\$	206,831,113	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	\$	101,831,113	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 <span style="border: 1px solid black; padding: 2px;">7200</span>
2. Funds in segregated accounts	
A. Cash	\$ _____ 0 <span style="border: 1px solid black; padding: 2px;">7210</span>
B. Securities (at market)	_____ 0 <span style="border: 1px solid black; padding: 2px;">7220</span>
C. Total	_____ 0 <span style="border: 1px solid black; padding: 2px;">7230</span>
3. Excess (deficiency) funds in segregation (subtract line 2.C from line 1)	
	\$ _____ 0 <span style="border: 1px solid black; padding: 2px;">7240</span>

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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	\$	0	7305
1. Net ledger balance - Foreign Futures and Foreign Option Trading - All Customers			
A. Cash	\$	1,751,601,804	7315
B. Securities (at market)		552,756,773	7317
2. Net unrealized profit (loss) in open futures contracts traded on a foreign board of trade		168,879,845	7325
3. Exchange traded options			
A. Market value of open option contracts purchased on a foreign board of trade		15,737,800	7335
B. Market value of open contracts granted (sold) on a foreign board of trade		(12,274,701)	7337
4. Net equity (deficit) (add lines 1. 2. and 3.)	\$	2,476,701,521	7345
5. Accounts liquidating to a deficit and accounts with debit balances - gross amount	\$	5,592,776	7351
Less: amount offset by customer owned securities		( 5,316,365)	7352
		276,411	7354
6. Amount required to be set aside as the secured amount - Net Liquidating Equity Method (add lines 4 and 5)	\$	2,476,977,932	7355
7. Greater of amount required to be set aside pursuant to foreign jurisdiction (above) or line 6.	\$	2,476,977,932	7360

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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	\$	320,055,867	7500
B. Other banks qualified under Regulation 30.7			
Name(s): 0		210,045,700	7520
			\$ 530,101,567 7530
2. Securities			
A. In safekeeping with banks located in the United States	\$	526,308,233	7540
B. In safekeeping with other banks qualified under Regulation 30.7			
Name(s): 0		0	7560
			526,308,233 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			
Name(s): 0			7630
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			
Name(s): 0			7690
A. Cash	\$	930,118,136	7700
B. Securities		526,398,540	7710
C. Unrealized gain (loss) on open futures contracts		168,879,535	7720
D. Value of long option contracts		15,737,800	7730
E. Value of short option contracts	(	(12,274,700)	7735
			1,628,859,311 7740
6. Amounts with other depositories designated by a foreign board of trade			
Name(s): 0			7750
			0 7760
7. Segregated funds on hand (describe: _____ )			
			0 7765
8. Total funds in separate section 30.7 accounts			
	\$	2,685,269,111	7770
9. Excess (deficiency) set Aside Funds for Secured Amount (subtract Line 7 Secured Statement page 15 from Line 8)			
	\$	208,291,179	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			
	\$	103,291,179	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		\$	<u>2,492,531,089</u> <span style="border: 1px solid black; padding: 0 2px;">8500</span>
B. Securities (at market)			<u>879,750,759</u> <span style="border: 1px solid black; padding: 0 2px;">8510</span>
2. Net unrealized profit (loss) in open cleared swaps			<u>410,190,693</u> <span style="border: 1px solid black; padding: 0 2px;">8520</span>
3. Cleared swaps options			
A. Market value of open cleared swaps option contracts purchased			<u>0</u> <span style="border: 1px solid black; padding: 0 2px;">8530</span>
B. Market value of open cleared swaps option contracts granted (sold)			<u>(0)</u> <span style="border: 1px solid black; padding: 0 2px;">8540</span>
4. Net equity (deficit) (add lines 1, 2, and 3)		\$	<u>3,782,472,541</u> <span style="border: 1px solid black; padding: 0 2px;">8550</span>
5. Accounts liquidating to a deficit and accounts with debit balances - gross amount	\$	<u>12,506,741</u>	<span style="border: 1px solid black; padding: 0 2px;">8560</span>
Less: amount offset by customer owned securities		<u>(9,738,035)</u>	<span style="border: 1px solid black; padding: 0 2px;">8570</span>
			<u>2,768,706</u> <span style="border: 1px solid black; padding: 0 2px;">8580</span>
6. Amount required to be segregated for cleared swaps customers (add lines 4 and 5)		\$	<u>3,785,241,247</u> <span style="border: 1px solid black; padding: 0 2px;">8590</span>

Funds in Cleared Swaps Customer Segregated Accounts

7. Deposited in cleared swaps customer segregated accounts at banks			
A. Cash		\$	<u>536,381,754</u> <span style="border: 1px solid black; padding: 0 2px;">8600</span>
B. Securities representing investments of cleared swaps customers' funds (at market)			<u>0</u> <span style="border: 1px solid black; padding: 0 2px;">8610</span>
C. Securities held for particular cleared swaps customers in lieu of cash (at market)			<u>13,157,832</u> <span style="border: 1px solid black; padding: 0 2px;">8620</span>
8. Margins on deposit with derivatives clearing organizations in cleared swaps customer segregated accounts			
A. Cash			<u>1,345,626,478</u> <span style="border: 1px solid black; padding: 0 2px;">8630</span>
B. Securities representing investments of cleared swaps customers' funds (at market)			<u>1,090,000,000</u> <span style="border: 1px solid black; padding: 0 2px;">8640</span>
C. Securities held for particular cleared swaps customers in lieu of cash (at market)			<u>866,592,927</u> <span style="border: 1px solid black; padding: 0 2px;">8650</span>
9. Net settlement from (to) derivatives clearing organizations			<u>50,466,719</u> <span style="border: 1px solid black; padding: 0 2px;">8660</span>
10. Cleared swaps options			
A. Value of open cleared swaps long option contracts			<u>0</u> <span style="border: 1px solid black; padding: 0 2px;">8670</span>
B. Value of open cleared swaps short option contracts			<u>(0)</u> <span style="border: 1px solid black; padding: 0 2px;">8680</span>
11. Net equities with other FCMs			
A. Net liquidating equity			<u>0</u> <span style="border: 1px solid black; padding: 0 2px;">8690</span>
B. Securities representing investments of cleared swaps customers' funds (at market)			<u>0</u> <span style="border: 1px solid black; padding: 0 2px;">8700</span>
C. Securities held for particular cleared swaps customers in lieu of cash (at market)			<u>0</u> <span style="border: 1px solid black; padding: 0 2px;">8710</span>
12. Cleared swaps customer funds on hand (describe: _____ )			<u>0</u> <span style="border: 1px solid black; padding: 0 2px;">8715</span>
13. Total amount in cleared swaps customer segregation (add lines 7 through 12)		\$	<u>3,902,225,710</u> <span style="border: 1px solid black; padding: 0 2px;">8720</span>
14. Excess (deficiency) funds in cleared swaps customer segregation (subtract line 6 from line 13)		\$	<u>116,984,463</u> <span style="border: 1px solid black; padding: 0 2px;">8730</span>
15. Management Target Amount for Excess funds in cleared swaps segregated accounts		\$	<u>92,000,000</u> <span style="border: 1px solid black; padding: 0 2px;">8760</span>
16. Excess (deficiency) funds in cleared swaps customer segregated accounts over (under) Management Target Excess		\$	<u>24,984,463</u> <span style="border: 1px solid black; padding: 0 2px;">8770</span>