

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

BROKER OR DEALER  
MORGAN STANLEY & CO. LLC

as of 01/31/14

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   |   | \$ | 8,708,726,659 7010  |
| B. Securities (at market)   |   |    | 1,197,779,011 7020  |
| 2. Net unrealized profit (loss) in open futures contracts traded on a contract market |   |    | 294,636,570 7030    |
| 3. Exchange traded options  |   |    |                     |
| A. Add market value of open option contracts purchased on a contract market           |   |    | 183,156,057 7032    |
| B. Deduct market value of open option contracts granted (sold) on a contract market   | ( |    | 156,519,816) 7033   |
| 4. Net equity (deficit) (add lines 1, 2, and 3)                                       |   |    | 10,227,778,481 7040 |
| 5. Accounts liquidating to a deficit and accounts with debit balances                 |   |    |                     |
| - gross amount  |   |    | 24,438,054 7045     |
|   |   |    |                     |
| Less: amount offset by customer owned securities                                      | ( |    | 23,975,277) 7047    |
| 6. Amount required to be segregated (add lines 4 and 5)                               |   | \$ | 462,777 7050        |
|   |   |    | 10,228,241,258 7060 |

FUNDS IN SEGREGATED ACCOUNTS

|   |   |    |                     |
|---|---|----|---------------------|
| 7. Deposited in segregated funds bank accounts  |   |    |                     |
| A. Cash   |   |    | 3,405,192,669 7070  |
| B. Securities representing investments of customers' funds (at market)                      |   |    | 1,750,081,061 7080  |
| C. Securities held for particular customers or option customers in lieu of cash (at market) |   |    | 272,363,325 7090    |
| 8. Margins on deposit with derivatives clearing organizations of contract markets           |   |    |                     |
| A. Cash   |   | \$ | 2,136,432,160 7100  |
| B. Securities representing investments of customers' funds (at market)                      |   |    | 1,953,097,980 7110  |
| C. Securities held for particular customers or option customers in lieu of cash (at market) |   |    | 925,415,686 7120    |
| 9. Net settlement from (to) derivatives clearing organizations of contract markets          |   |    | (32,596,802) 7130   |
| 10. Exchange traded options   |   |    |                     |
| A. Value of open long option contracts  |   |    | 183,156,057 7132    |
| B. Value of open short option contracts   | ( |    | 156,519,816) 7133   |
| 11. Net equities with other FCMs  |   |    |                     |
| A. Net liquidating equity   |   |    | 1,403,730 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)                                    |   |    | 10,438,026,050 7180 |
| 14. Excess (deficiency) funds in segregation (subtract line 6 from line 13)                 |   | \$ | 209,784,792 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   |   | \$ | 104,784,792 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<br>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<br>(subtract line 2.C from line 1)       |          | \$ _____ | 0 | 7240 |

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as of

01/31/14

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 | \$ | 2,410,981,255 | 7305 |
| 1. Net ledger balance - Foreign Futures and Foreign Option Trading - All Customers  |    |               |      |
| A. Cash   | \$ | 1,847,665,355 | 7315 |
| B. Securities (at market)   |    | 539,917,425   | 7317 |
| 2. Net unrealized profit (loss) in open futures contracts traded on a foreign board of trade  |    | 16,972,580    | 7325 |
| 3. Exchange traded options  |    |               |      |
| A. Market value of open option contracts purchased on a foreign board of trade  |    | 13,457,291    | 7335 |
| B. Market value of open contracts granted (sold) on a foreign board of trade  |    | (7,711,935)   | 7337 |
| 4. Net equity (deficit) (add lines 1, 2, and 3.)  | \$ | 2,410,300,716 | 7345 |
| 5. Accounts liquidating to a deficit and accounts with debit balances - gross amount  | \$ | 11,033,209    | 7351 |
| Less: amount offset by customer owned securities  | (  | 10,352,671)   | 7352 |
|   |    | 680,538       | 7354 |
| 6. Amount required to be set aside as the secured amount - Net Liquidating Equity Method (add lines 4 and 5)  | \$ | 2,410,981,254 | 7355 |
| 7. Greater of amount required to be set aside pursuant to foreign jurisdiction (above) or line 6.   | \$ | 2,410,981,255 | 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   | \$ <u>327,119,515</u>   | <u>7500</u>                       |
| B. Other banks qualified under Regulation 30.7  |                         |                                   |
| Name(s): <u>0</u>   | <u>202,368,621</u>      | <u>7520</u>                       |
|   |                         | \$ <u>529,488,136</u> <u>7530</u> |
| 2. Securities   |                         |                                   |
| A. In safekeeping with banks located in the United States   | \$ <u>615,575,512</u>   | <u>7540</u>                       |
| B. In safekeeping with other banks qualified under Regulation 30.7  |                         |                                   |
| Name(s): <u>0</u>   | <u>0</u>                | <u>7560</u>                       |
|   |                         | <u>615,575,512</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>981,465,293</u>   | <u>7700</u>                       |
| B. Securities   | <u>474,281,913</u>      | <u>7710</u>                       |
| C. Unrealized gain (loss) on open futures contracts   | <u>16,979,556</u>       | <u>7720</u>                       |
| D. Value of long option contracts   | <u>13,457,291</u>       | <u>7730</u>                       |
| E. Value of short option contracts  | ( <u>7,711,935</u> )    | <u>7735</u>                       |
|   |                         | <u>1,478,472,118</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>2,623,535,766</u> | <u>7770</u>                       |
| 9. Excess (deficiency) set Aside Funds for Secured Amount (subtract Line 7 Secured Statement page 15 from Line 8) |                         |                                   |
|   | \$ <u>212,554,511</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>107,554,511</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  |              | \$ 1,920,559,925 | 8500 |
| B. Securities (at market)  |              | 761,963,533      | 8510 |
| 2. Net unrealized profit (loss) in open cleared swaps                                |              | 399,816,746      | 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)                                      |              | \$ 3,082,340,204 | 8550 |
| 5. Accounts liquidating to a deficit and accounts with debit balances - gross amount | \$ 9,457,523 |                  | 8560 |
| Less: amount offset by customer owned securities                                     | (8,187,906)  | 1,269,617        | 8580 |
| 6. Amount required to be segregated for cleared swaps customers (add lines 4 and 5)  |              | \$ 3,083,609,821 | 8590 |

Funds in Cleared Swaps Customer Segregated Accounts

|   |  |                  |      |
|---|--|------------------|------|
| 7. Deposited in cleared swaps customer segregated accounts at banks   |  |                  |      |
| A. Cash   |  | \$ 378,573,885   | 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)                             |  | 12,885,072       | 8620 |
| 8. Margins on deposit with derivatives clearing organizations in cleared swaps customer segregated accounts       |  |                  |      |
| A. Cash   |  | 1,249,504,146    | 8630 |
| B. Securities representing investments of cleared swaps customers' funds (at market)                              |  | 945,000,000      | 8640 |
| C. Securities held for particular cleared swaps customers in lieu of cash (at market)                             |  | 749,078,461      | 8650 |
| 9. Net settlement from (to) derivatives clearing organizations  |  | (134,224,424)    | 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)                                   |  | \$ 3,200,817,140 | 8720 |
| 14. Excess (deficiency) funds in cleared swaps customer segregation (subtract line 6 from line 13)                |  | \$ 117,207,319   | 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 |  | \$ 25,207,319    | 8770 |