

Understanding Your Reports

In the illustration below we highlight some of the important information contained in the Position and Financial Statement. Clients should ensure they understand the details contained in the statement, in particular, the close-out value of the open positions and the Excess/Shortage amount. If you have questions please contact your Morgan Stanley financial adviser.

CURRENT OPEN POSITION DETAILS											
Month	Strike	Buy	Sell	Trade Price	Trade Date	Expiry Date	Traded Value	Market Price	Market Value	Unrealised P & L	
BHP BHP Equity Options (100 Shares per lot; American style options)											
Jan-14	35.00	Call		40	1.7450	18/12/13	30/01/14	6,980.00 CR	2.0850	8,340.00 CR	1,360.00 DR
Jan-14	37.50	Call		25	0.9300	28/11/13	30/01/14	2,325.00 CR	0.4200	1,050.00 CR	1,275.00 CR
Mar-14	37.50	Call	25		1.1200	29/08/13	27/03/14	2,800.00 DR	0.9250	2,312.50 DR	487.50 DR
Mar-14	37.50	Put		25	4.0300	29/08/13	27/03/14	10,075.00 CR	1.9000	4,750.00 CR	5,325.00 CR
Jun-14	31.50	Call		40	4.6300	18/12/13	26/06/14	18,520.00 DR	5.7400	22,960.00 DR	4,440.00 CR
							AUD	1,940.00 DR		11,132.50 DR	9,192.50 CR
RIO RIO Equity Options (100 Shares per lot; American style options)											
Feb-14	55.00	Put	15		1.1700	26/09/13	27/02/14	1,755.00 DR	0.1650	247.50 DR	1,507.50 DR
Mar-14	63.00	Call	5		1.8800	30/05/13	27/03/14	940.00 DR	4.8150	2,407.50 DR	1,467.50 CR
Mar-14	70.00	Call	14		1.6636	15/06/13	27/03/14	2,329.04 DR	1.0700	1,498.00 DR	831.04 DR
Mar-14	74.00										
Mar-14	70.00										
Mar-14	72.00										
Dec-14	52.00										
Dec-14	52.00										
							Total	AUD	26,788.93 CR	19,688.50 CR	7,100.43 CR

This is the sum of the estimated market value of all open positions. A notation of CR indicates that there will be a cost to close all open positions. DR indicates that you will receive funds after all positions are closed. In this example, the sum of \$19,688.50 is the cost to close all open positions.

Difference between the traded value and the market value at close of business. Denoted as unrealised profit (CR) or unrealised loss (DR).

FINANCIAL DETAILS – THE NUMBER OF FINANCIAL DETAILS WILL VARY BASED ON YOUR OPTIONS TRADING POSITIONS

Brought Forward Balance	AUD 62,582.63CR	Cash balance on the options account brought forward from the previous day.	Premium paid (DR) / received (CR) for current open positions.
Interest Paid	151.81CR		
Cash In/Out	3,639.78DR	Cash transferred in (CR) or out (DR) of the options account.	
Carried Forward Balance	59,094.66CR	Cash balance in your options account as at close of business.	
Initial Margin	78,230.44DR	Collateral required by ASX Clear to cover your option margin obligations.	
Utilised Collateral	25,952.23CR	Amount of Initial Margin covered by stock lodged as collateral. This includes a haircut from face value.	
Cash to Cover Margins	52,278.21DR	Amount required in excess of the collateral lodged in order to cover your margin obligations.	
Excess/Shortage	6,816.45CR		
Overall Excess	AUD 6,816.45CR		
Your cost to close all open positions on this account	19,688.50DR		

If there is an Overall Shortage then action is required on your part.
 If the account has a deficit of funds after margins are calculated (shown as DR) then:
 (a) If this relates to premium to be paid then cash will need to be deposited to cover the balance.
 (b) If this relates to margin changes, then the balance can be met by either cash or lodging additional collateral.
 Any Overall Excess will be paid into a linked bank account, unless instructed otherwise.