New Jersey Better Educational Savings Trust Program
New Jersey Division of Investments Managed Investment Options

Financial Statements
June 30, 2016

FRANKLIN TEMPLETON INVESTMENTS

New Jersey Better Educational Savings Trust Program
New Jersey Division of Investments Managed Investment Options

Combined Financial Statements and Supplemental Information

Year ended June 30, 2016

Contents

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Report of Independent Auditors

To the Trustees of

New Jersey Better Educational Savings Trust Program - New Jersey Division of Investments Managed Investment Options:

We have audited the accompanying combined financial statements, which are comprised of the combined statement of fiduciary net position of the New Jersey Better Educational Savings Trust Program - New Jersey Division of Investments Managed Investment Options (the "Trust") as of June 30, 2016, and the related combined statement of changes in fiduciary net position for the year then ended, and the related notes to the combined financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in conformity with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Trust's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the combined financial position of the New Jersey Better Educational Savings Trust Program - New Jersey Division of Investments Managed Investment Options at June 30, 2016, and the combined changes in fiduciary net position for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 through 6 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Government Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquires, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the combined financial statements as a whole. The Supplemental Information including the statement of each portfolio's fiduciary net position as of June 30, 2016, and the statement of changes in fiduciary net position indicated therein are presented for purposes of additional analysis and are not a required part of the combined financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the combined financial statements. The information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves and other additional procedures, in accordance with auditing standards generally accepted in the United States. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the combined financial statements as a whole.

Ernst & Young LLP

October 17, 2016

New Jersey Better Educational Savings Trust Program
New Jersey Division of Investments Managed Investment Options

Management's Discussion and Analysis *(unaudited)*

The New Jersey Better Educational Savings Trust Program ("Program") includes investment portfolios managed by the New Jersey Department of Treasury, Division of Investments ("Division of Investments") for accounts open prior to March 17, 2003 and portfolios managed by Franklin Templeton Investments for accounts opened after March 17, 2003. The financial data for the Program for the year ended June 30, 2016 is contained in two separate audited financial reports: 1) the New Jersey Division of Investments Managed Investment Options (the "Division of Investments Options") and 2) the Franklin Templeton Managed Investments Options.

These financial statements pertain solely to the Division of Investments Options and offer readers of the financial statements this discussion and analysis of the financial performance for the year ended June 30, 2016. Readers should consider the information presented in this section in conjunction with the combined financial statements and notes to combined financial statements. The Division of Investments Options consist of six (6) investment portfolios (the "Portfolios") in which account owners ("Account Owners") may invest.

Financial Highlights

During the year ended June 30, 2016, the Portfolios within the Program posted returns as follows:

NJ Best Trust A	(0.97)%
NJ Best Trust B	(1.02)%
NJ Best Trust C	(0.21)%
NJ Best Trust D	(1.09)%
NJ Best Trust E	(1.74)%
NJ Best Better Educational Saving Trust	(1.84)%

Overview of the Combined Financial Statements

The Division of Investments Options combined financial statements are prepared in accordance with the Government Accounting Standards Board Statement No. 34, Basic Financial Statements- and Management's Discussion and Analysis- for State and Local Governments, as amended.

The Combined Statement of Fiduciary Net Position presents information on the Division of Investments Options assets and liabilities, with the difference between the two reported as net position as of June 30, 2016. This statement, along with all of the Division of Investments Options combined financial statements, is prepared using the accrual basis of accounting. Contributions are recognized when enrollment in the Division of Investments Options is finalized; subsequent subscriptions and redemptions are recognized on trade date; expenses and liabilities are recognized when services are provided regardless of when cash is disbursed.

The Combined Statement of Changes in Fiduciary Net Position presents information showing how the Division of Investments Options assets changed during the most recent fiscal period. Changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal years.

The Notes to the Combined Financial Statements provide additional information that is essential to a full understanding of the data provided in the basic combined financial statements.

Management's Discussion and Analysis *(unaudited) (continued)*

Financial Analysis

The following are condensed Statements of Fiduciary Net Position as of June 30, 2016 and 2015:

	2016	2015
Investments	$ 371,965,700	$ 415,262,055
Receivables	400,180	542,410
Total Assets	372,365,880	415,804,465
Payables	249,560	360,395
Total Liabilities	249,560	360,395
Total Net Position held in trust for Account Owners in the Program	$ 372,116,320	$ 415,444,070

Net position represents total contributions from Account Owners, plus the net increases (decreases) from operations, less withdrawals and expenses.

The investments in the six (6) Portfolios of the Division of Investments Options comprise 99.9% of total assets. Other assets consist of receivables for shares sold and accrued income. Liabilities consist of payables for shares redeemed and accrued expenses.

Management's Discussion and Analysis *(unaudited) (continued)*

Financial Analysis *(continued)*

The following are condensed Statements of Changes in Fiduciary Net Position for the years ended June 30, 2016 and 2015:

	2016	2015
Additions:		
Subscriptions	$ 22,028,288	$ 24,795,923
Net increase resulting from operations	2,446,637	51,132,980
Total Additions	24,474,925	75,928,903
Deductions:		
Redemptions	59,338,028	61,445,359
Net decrease resulting from operations	8,464,647	33,842,200
Total Deductions	67,802,675	95,287,559
Changes in Net Position held in trust for Account Owners in the Program	(43,327,750)	(19,358,656)
Net position - beginning of year	415,444,070	434,802,726
Net position - end of year	$ 372,116,320	$ 415,444,070

The Division of Investments Options paid $37.3 million in net redemptions to Account Owners during the year ended June 30, 2016.

The Division of Investments Options earned $2.4 million of investment income and incurred $1.5 million of operating expenses during the year ended June 30, 2016.

New Jersey Better Educational Savings Trust Program

New Jersey Division of Investments Managed Investment Options

Combined Financial Statements

Combined Statement of Fiduciary Net Position

June 30, 2016

Assets:		
Investments, at fair value (Cost: $279,213,114)	$	371,965,700
Dividends and interest receivable		386,576
Receivable from shares sold		13,604
Total assets		372,365,880
Liabilities:		
Accrued expenses		122,269
Payable for shares redeemed		127,291
Total liabilities		249,560
Fiduciary Net Position held in trust for Account Owners in the Program	$	372,116,320

The accompanying notes are an integral part of these combined financial statements.

New Jersey Better Educational Savings Trust Program
New Jersey Division of Investments Managed Investment Options

Combined Financial Statements *(continued)*

Combined Statement of Changes in Fiduciary Net Position
for the year ended June 30, 2016

Additions:		
Subscriptions	$	22,028,288
Increase from investment operations:		
Dividend income		561,589
Interest income		1,885,048
Net increase in net position resulting from operations		2,446,637
Total Additions		24,474,925
Deductions:		
Redemptions		59,338,028
Decrease from investment operations:		
Net change in unrealized depreciation on investments		6,942,580
Program management fees (Note 2)		1,522,067
Net decrease in net position resulting from operations		8,464,647
Total Deductions		67,802,675
Changes in Fiduciary Net Position held in trust for Account Owners in the Program		(43,327,750)
Fiduciary Net Position - beginning of year		415,444,070
Fiduciary Net Position - end of year	$	372,116,320

The accompanying notes are an integral part of these combined financial statements.

New Jersey Better Educational Savings Trust Program
New Jersey Division of Investments Managed Investment Options

Notes to Combined Financial Statements

1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

The State of New Jersey (the “State”) established the New Jersey Better Educational Savings Trust Program (the “Program”) to allow Account Owners and beneficiaries under the Program to qualify for federal tax benefits as participants in a qualified tuition program under Section 529 of the Internal Revenue Code of 1986, as amended. The New Jersey Higher Education Student Assistance Authority (“HESAA”) is responsible for establishing and maintaining the Program on behalf of the State. HESAA serves as a trustee of the Program, administers the Program and is authorized to establish investment policies, select investment managers and the Program Manager, and adopt regulations and provide for the performance of other functions necessary for the operation of the Program and the various plans included in the Program.

Pursuant to a service agreement, Franklin Templeton Distributors, Inc. (“FTDI”), a wholly-owned subsidiary of Franklin Resources, Inc. serves as the Program Manager. FTDI provides, directly, or through affiliated or non-affiliated subcontractors, certain distribution and administrative services relating to the Program.

The Program is a private-purpose trust fund, which is a type of fiduciary fund. Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore cannot be used to support a government's own programs. Revenues are mainly derived from investment income. Because the Program is a fiduciary fund, the Program's combined financial statements are prepared using the flow of economic resources measurement focus and the accrual basis of accounting in conformity with U.S. Generally Accepted Accounting Principles (U.S. GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). Under this method of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows.

These combined financial statements provide the combined financial results of the Portfolios, as defined below, managed by the New Jersey Department of the Treasury, Division of Investment (“Division of Investment”) which serves as investment manager for the investment options (“Division of Investment Options”) that are part of the NJBEST 529 College Savings Plan (“NJBEST” or “Plan”) but are no longer available to new shareholders. The Division of Investment Options consists of six portfolios ("Portfolios"). The NJ Better Educational Savings Portfolio, the original portfolio, is available only to accounts opened prior to July 1, 2000 and is open to all birth years. For accounts opened after July 1, 2000 and prior to March 17, 2003, there are the NJBEST Portfolios A – E. These are age-based portfolios where contributions are allocated based on the birth year of the Beneficiary as follows:

Portfolio	Birth Year
NJBEST Portfolio A	1985 and prior
NJBEST Portfolio B	1986 - 1989
NJBEST Portfolio C	1990 - 1993
NJBEST Portfolio D	1994 - 1997
NJBEST Portfolio E	1998 - 2003

All common stocks and certain other investments held by the Program and managed by the Division of Investment are maintained in a managed equity Portfolio called the NJBEST Pooled Equity Fund. Each of the six portfolios owns a portion of the NJBEST Pooled Equity Fund. The net assets and related dividend and interest income of the NJBEST Pooled Equity Fund have been allocated among the portfolios. This allows for a high level of diversification and reduces the costs of managing the Plan.

For information regarding the Franklin Templeton Managed Investment Options, including those within the Franklin Templeton 529 College Savings Plan, please see the combined financial statements entitled “New Jersey Better Educational Savings Trust Program – Franklin Templeton Managed Investment Options” or refer to the Investor

1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Handbook for either the Franklin Templeton 529 College Savings Plan (for investors who invest through a financial advisor) or the NJBEST 529 College Savings Plan (for New Jersey residents investing without a financial advisor).

The Following summarizes the Program’s significant accounting policies.

a. Financial Instrument Valuation

The Program's investments in financial instruments are carried at fair value daily. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date. The Program calculates the net asset value (NAV) per share as of 4 p.m. Eastern time each day the New York Stock Exchange (NYSE) is open for trading. Under compliance policies and procedures approved by HESAA, the Trust’s administrator has responsibility for oversight of valuation, including leading the cross-functional Valuation Committee (VC). The VC provides administration and oversight of the Trust's valuation policies and procedures. Among other things, these procedures allow the Trust to utilize independent pricing services, quotations from securities and financial instrument dealers, and other market sources to determine fair value.

Equity securities listed on an exchange or on the NASDAQ National Market System are valued at the last quoted sale price or the official closing price of the day, respectively. Foreign equity securities are valued as of the close of trading on the foreign stock exchange on which the security is primarily traded or as of 4 p.m. Eastern time whichever is earlier. The value is then converted into its U.S. dollar equivalent at the foreign exchange rate in effect at 4 p.m. Eastern time on the day that the value of the security is determined. Over-the-counter (OTC) securities are valued within the range of the most recent quoted bid and ask prices. Securities that trade in multiple markets or on multiple exchanges are valued according to the broadest and most representative market. Certain equity securities are valued based upon fundamental characteristics or relationships to similar securities. Investments in non-registered money market funds and managed equity accounts are valued at the closing NAV.

Debt securities generally trade in the OTC market rather than on a securities exchange. The Program's pricing services use multiple valuation techniques to determine fair value. In instances where sufficient market activity exists, the pricing services may utilize a market-based approach through which quotes from market makers are used to determine fair value. In instances where sufficient market activity may not exist or is limited, the pricing services also utilize proprietary valuation models which may consider market characteristics such as benchmark yield curves, credit spreads, estimated default rates, anticipated market interest rate volatility, coupon rates, anticipated timing of principal repayments, underlying collateral, and other unique security features in order to estimate the relevant cash flows, which are then discounted to calculate the fair value.

The Program has procedures to determine the fair value of financial instruments for which market prices are not reliable or readily available. Under these procedures, the VC convenes on a regular basis to review such financial instruments and considers a number of factors, including significant unobservable valuation inputs, when arriving at fair value. The VC primarily employs a market-based approach which may use related or comparable assets or liabilities, recent transactions, market multiples, book values, and other relevant information for the investment to determine the fair value of the investment. An income-based valuation approach may also be used in which the anticipated future cash flows of the investment are discounted to calculate fair value. Discounts may also be applied due to the nature or duration of any restrictions on the disposition of the investments. Due to the inherent uncertainty of valuations of such investments, the fair values may differ significantly from the values that would have been used had an active market existed. The VC employs various methods for calibrating these valuation approaches including a regular review of key inputs and assumptions, transactional back-testing or disposition analysis, and reviews of any related market activity.

Notes to Combined Financial Statements *(continued)*

1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES *(continued)*

b. Income Taxes

The Program is established to be a qualified tuition program under Section 529 of the Internal Revenue Code, which is exempt from federal and state income tax, and does not expect to have any unrelated business income subject to tax. Accordingly, no provision has been made for income taxes.

The Division of Investment Options may recognize an income tax liability related to its uncertain tax positions under U.S. GAAP when the uncertain tax position has a less than 50% probability that it will be sustained upon examination by the tax authorities based on its technical merits. As of June 30, 2016, the Division of Investment Options have determined that no tax liability is required in its combined financial statements related to uncertain tax positions for any open tax years, (or expected to be taken in future tax returns). Open tax years are those that remain subject to examination and are based on each tax jurisdiction's statute of limitation.

c. Security Transactions, Investment Income and Expenses

Security transactions are accounted for on trade date. Realized gains and losses on security transactions are determined on a specific identification basis. Interest income and estimated expenses are accrued daily. Amortization of premium and accretion of discount on debt securities are included in interest income. Dividend income is recorded on the ex-dividend date.

Inflation-indexed bonds are adjusted for inflation through periodic increases or decreases in the security's interest accruals, face amount, or principal redemption value, by amounts corresponding to the rate of inflation as measured by an index. Any increase or decrease in the face amount or principal redemption value will be included as interest income on the Combined Statement of Changes in Fiduciary Net Position.

d. Accounting Estimates

The preparation of combined financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the combined financial statements and the amounts of income and expenses during the reporting period. Actual results could differ from those estimates.

e. Guarantees and Indemnifications

Under the Program's organizational documents, its trustee is indemnified by the Program against certain liabilities arising out of the performance of their duties to the Program. Additionally, in the normal course of business, the Program, on behalf of the Portfolios, enters into contracts with service providers that contain general indemnification clauses. The Program's maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Program that have not yet occurred. Currently, the Program expects the risk of loss to be remote.

Notes to Combined Financial Statements *(continued)*

2. MANAGEMENT AGREEMENTS

The Division of Investment Options pays a total program management fee of 0.40% based on the average daily net assets of each portfolio.

Franklin Templeton Services, LLC ("FTS") an affiliate of FTDI provides accounting services for the Program. Franklin Templeton Investor Services, LLC ("FTI"), an affiliate of FTDI and FTS, performs transfer agency services for the Program. No fees are paid by the Division of Investment Options for accounting or transfer agency services.

3. INVESTMENTS

At June 30, 2016, net unrealized appreciation of portfolio investments was $92,752,586 consisting of gross unrealized appreciation of $92,752,586 and gross unrealized depreciation of $0.

Purchases and sales of Portfolio securities (excluding short term securities) for the year ended June 30, 2016 aggregated $0 and $15,180,934, respectively.

For a list of each Portfolio's investments at June 30, 2016, please see the Statement of Fiduciary Net Position for each Portfolio in the Supplemental Information.

As of June 30, 2016, the investments held by the Portfolios consist of the following:

	Units / Principal Amounts	Cost	Value
Equity			
NJBEST Pooled Equity Fund	7,374,161	$ 63,049,378	$ 150,476,736
Fixed Income			
Duke Energy Corp., senior note, 6.25%, 6/15/18	3,000,000	2,913,768	3,270,684
Time Warner Inc., 6.50%, 11/15/36	3,000,000	2,098,500	3,818,175
U.S. Treasury Bonds,			
7.50%, 11/15/16	9,871,000	9,952,943	10,133,095
7.25%, 8/15/22	1,235,000	1,353,839	1,682,615
6.25%, 8/15/23	1,100,000	1,182,947	1,475,418
6.00%, 2/15/26	1,000,000	1,000,599	1,409,414
U.S. Treasury Notes, Index Linked,			
1.625%, 1/15/18	6,851,382	6,884,399	7,113,103
2.375%, 1/15/25	11,421,990	11,844,619	13,654,338
Short Term Investment			
State of New Jersey Cash Management Fund, 0.31%	178,932,122	178,932,122	178,932,122
		$ 279,213,114	$ 371,965,700

4. INVESTMENT RISKS

Certain investments are subject to a variety of investment risks. GASB requires that entities disclose certain essential risk information about deposits and investments. All of the Plan's Portfolios are held by a custodian in the Program's name.

4. INVESTMENT RISKS *(continued)*

a. Interest Rate and Credit Risk

Interest rate risk is the risk that the value of investments will decrease as a result of a rise in interest rates. Credit risk refers to the ability of the issuer to make timely payments of interest and principal. The following instruments were held by the Division of Investment Options at June 30, 2016 were exposed to interest rate and credit risk:

Investment	Value	Credit Rating
Fixed Income		
Duke Energy Corp., senior note, 6.25%, 6/15/18	$ 3,270,684	BBB+
Time Warner Inc., 6.50%, 11/15/36	3,818,175	BBB
U.S. Treasury Bonds,		
7.50%, 11/15/16	10,133,095	AA+
7.25%, 8/15/22	1,682,615	AA+
6.25%, 8/15/23	1,475,418	AA+
6.00%, 2/15/26	1,409,414	AA+
U.S. Treasury Notes, Index Linked,		
1.625%, 1/15/18	7,113,103	AA+
2.375%, 1/15/25	13,654,338	AA+

Investment	Value	Average Maturity
Short Term Investment		
State of New Jersey Cash Management Fund, 0.31%	178,932,122	0.28 years

b. Custodial Credit Risk

Custodial credit risk, as it relates to investments, is the risk that in the event of the failure of the custodian, the Division of Investment Options will not be able to recover the value of investments that are in the possession of the third party. The Division of Investment Options' investment securities are not exposed to custodial credit risk as they are held in a segregated trust account in the name of the Division of Investment Options with the custodian.

5. FAIR VALUE MEASUREMENTS

The Program follows a fair value hierarchy that distinguishes between market data obtained from independent sources (observable inputs) and the Program’s own market assumptions (unobservable inputs). These inputs are used in determining the value of the Program’s financial instruments and are summarized in the following fair value

- Level 1 – quoted prices in active markets for identical financial instruments
- Level 2 – other significant observable inputs (including quoted prices for similar financial instruments, interest rates, prepayment speed, credit risk, etc.)
- Level 3 – significant unobservable inputs (including the Trust’s own assumptions in determining the fair value of financial instruments)

The input levels are not necessarily an indication of the risk or liquidity associated with financial instruments at that level.

For movements between the levels within the fair value hierarchy, the Program has adopted a policy of recognizing the transfers as of the date of the underlying event which caused the movement.

At June 30, 2016, all of the Portfolio's investments in financial instruments carried at fair value were valued using Level 2 inputs.

SUPPLEMENTAL INFORMATION

The following information is presented for purposes of additional analysis and is not a required part of the basic financial statements of the New Jersey Better Educational Savings Trust Program, New Jersey Division of Investments Managed Investment Options. It shows financial information relating to the investment Portfolios, which are included in the Program during the year ended June 30, 2016.

New Jersey Better Educational Savings Trust Program

New Jersey Division of Investments Managed Investment Options

Supplemental Information

Schedules of Fiduciary Net Position

June 30, 2016

	NJ BEST Portfolio A	NJ BEST Portfolio B	NJ BEST Portfolio C	NJ BEST Portfolio D
Assets				
Investments, at value:				
Equity				
NJBEST Pooled Equity Fund	$ 186,009	$ 894,617	$ 5,802,496	$ 36,610,444
Fixed Income				
Duke Energy Corp., senior note, 6.25%, 6/15/18	-	-	1,090,228	1,090,228
Time Warner Inc., 6.50%, 11/15/36	-	-	1,272,725	1,272,725
U.S. Treasury Bonds,	-	-	-	-
7.50%, 11/15/16	-	-	-	3,810,561
7.25%, 8/15/22	-	-	-	681,221
6.25%, 8/15/23	-	-	-	804,773
6.00%, 2/15/26	-	-	-	-
U.S. Treasury Notes, Index Linked,				
1.625%, 1/15/18	-	-	-	7,113,103
2.375%, 1/15/25	-	-	-	-
Subtotal	-	-	2,362,953	14,772,611
Short Term Investment				
[a]State of New Jersey Cash Management Fund, 0.31%	819,587	2,804,757	13,967,477	42,219,308
Total Investments	1,005,596	3,699,374	22,132,926	93,602,363
Interest receivable	-	-	11,083	125,791
Receivable from Plan shares sold	-	-	500	2,015
Total Assets	1,005,596	3,699,374	22,144,509	93,730,169
Liabilities				
Accrued expenses	329	1,219	7,279	30,930
Payable for Plan shares redeemed	-	-	5,756	93,061
Total Liabilities	329	1,219	13,035	123,991
Fiduciary Net Position held in trust for Account Owners in the Program	$ 1,005,267	$ 3,698,155	$ 22,131,474	$ 93,606,178
Shares Outstanding	65,382	212,082	1,146,175	4,683,292
Net Position Value per Share	$ 15.38	$ 17.44	$ 19.31	$ 19.99
Investments at cost	$ 879,693	$ 3,107,174	$ 18,154,940	$ 70,254,092

[a]The rate shown is the annualized seven-day yield at period end.

New Jersey Better Educational Savings Trust Program

New Jersey Division of Investments Managed Investment Options

Supplemental Information

Schedules of Fiduciary Net Position *(continued)*

June 30, 2016

	NJ BEST Portfolio E	NJ Better Educational Savings Portfolio	TOTAL
Assets			
Investments, at value:			
Equity			
NJBEST Pooled Equity Fund	$ 104,524,030	$ 2,459,140	**$ 150,476,736**
Fixed Income			
Duke Energy Corp., senior note, 6.25%, 6/15/18	1,090,228	-	**3,270,684**
Time Warner Inc., 6.50%, 11/15/36	1,272,725	-	**3,818,175**
U.S. Treasury Bonds,			
7.50%, 11/15/16	6,322,534	-	**10,133,095**
7.25%, 8/15/22	1,001,394	-	**1,682,615**
6.25%, 8/15/23	670,645	-	**1,475,418**
6.00%, 2/15/26	1,409,414	-	**1,409,414**
U.S. Treasury Notes, Index Linked,			
1.625%, 1/15/18	-	-	**7,113,103**
2.375%, 1/15/25	13,654,338	-	**13,654,338**
Subtotal	25,421,278	-	**42,556,842**
Short Term Investment			
[a]State of New Jersey Cash Management Fund, 0.31%	116,128,214	2,992,779	**178,932,122**
Total Investments	246,073,522	5,451,919	**371,965,700**
Interest receivable	249,702	-	**386,576**
Receivable from Plan shares sold	11,089	-	**13,604**
Total Assets	246,334,313	5,451,919	**372,365,880**
Liabilities			
Accrued expenses	80,704	1,808	**122,269**
Payable for Plan shares redeemed	25,825	2,649	**127,291**
Total Liabilities	106,529	4,457	**249,560**
Fiduciary Net Position held in trust for Account Owners in the Program	$ 246,227,784	$ 5,447,462	**$ 372,116,320**
Shares Outstanding	11,805,377	291,688	
Net Position Value per Share	$ 20.86	$ 18.68	
Investments at cost	$ 182,730,769	$ 4,086,446	**$ 279,213,114**

[a]The rate shown is the annualized seven-day yield at period end.

New Jersey Better Educational Savings Trust Program

New Jersey Division of Investments Managed Investment Options

Supplemental Information

Schedules of Changes in Fiduciary Net Position

for the year ended June 30, 2016

	NJ BEST Portfolio A	NJ BEST Portfolio B	NJ BEST Portfolio C	NJ BEST Portfolio D
Additions:				
Subscriptions	$ 136,753	$ 207,773	$ 1,400,941	$ 7,235,123
Increase from investment operations:				
Interest income	-	-	161,752	711,981
Dividend income	2,482	9,321	47,210	145,910
Net increase in net position resulting from operations	2,482	9,321	208,962	857,891
Total Additions	139,235	217,094	1,609,903	8,093,014
Deductions:				
Redemptions	109,629	1,182,166	8,140,317	40,919,452
Decrease from investment operations:				
Net change in unrealized depreciation on investments	8,337	40,100	234,008	1,970,265
Program management fees (Note 2)	3,961	16,117	97,322	415,793
Net decrease in net position resulting from operations	12,298	56,217	331,330	2,386,058
Total Deductions	121,927	1,238,383	8,471,647	43,305,510
Changes in Fiduciary Net Position held in trust for Account Owners in the Program	17,308	(1,021,289)	(6,861,744)	(35,212,496)
Fiduciary Net Position - beginning of year	987,959	4,719,444	28,993,218	128,818,674
Fiduciary Net Position - end of year	$ 1,005,267	$ 3,698,155	$ 22,131,474	$ 93,606,178

New Jersey Better Educational Savings Trust Program

New Jersey Division of Investments Managed Investment Options

Supplemental Information

Schedules of Changes in Fiduciary Net Position *(continued)*

for the year ended June 30, 2016

	NJ BEST Portfolio E	NJ Better Educational Savings Portfolio	TOTAL
Additions:			
Subscriptions	$ 12,659,949	$ 387,749	**$ 22,028,288**
Increase from investment operations:			
Interest income	1,011,315	-	**1,885,048**
Dividend income	346,657	10,009	**561,589**
Net increase in net position resulting from operations	1,357,972	10,009	**2,446,637**
Total Additions	14,017,921	397,758	**24,474,925**
Deductions:			
Redemptions	7,676,953	1,309,511	**59,338,028**
Decrease from investment operations:			
Net change in unrealized depreciation on investments	4,579,645	110,225	**6,942,580**
Program management fees (Note 2)	965,719	23,155	**1,522,067**
Net decrease in net position resulting from operations	5,545,364	133,380	**8,464,647**
Total Deductions	13,222,317	1,442,891	**67,802,675**
Changes in Fiduciary Net Position held in trust for Account Owners in the Program	795,604	(1,045,133)	**(43,327,750)**
Fiduciary Net Position - beginning of year	245,432,180	6,492,595	**415,444,070**
Fiduciary Net Position - end of year	$ 246,227,784	$ 5,447,462	**$ 372,116,320**