

AUDITED COMBINED FINANCIAL STATEMENTS

New Jersey 529 College Savings Plan –  
Franklin Templeton Managed Investment Options

New Jersey Better Education Savings Trust – New Jersey Division  
of Investment Managed Investment Options

Year Ended June 30, 2012

Ernst & Young LLP

 **ERNST & YOUNG**



**NEW JERSEY BETTER EDUCATIONAL SAVINGS TRUST -**  
New Jersey 529 College Savings Plan-  
Franklin Templeton Managed Investment Options

Combined Financial Statements and  
Supplemental Information

Year ended June 30, 2012

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## Report of Independent Auditors

To the Account Owners and Trustees of  
New Jersey Better Educational Savings Trust - New Jersey 529 College Savings Plan- Franklin Templeton Managed Investment Options- Age-Based Asset Allocations, Objective-Based Asset Allocations and Individual Portfolios:

We have audited the accompanying combined statement of assets and liabilities of the New Jersey Better Educational Savings Trust - New Jersey 529 College Savings Plan- Franklin Templeton Managed Investment Options (the "Plan") - Age-Based Asset Allocations, Objective-Based Asset Allocations and Individual Portfolios (three of the investment options of the Plan) as of June 30, 2012, and the related combined statement of operations for the year then ended, and the combined statements of changes in net assets for each of the two years in the period then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Plan's internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined financial position of the New Jersey Better Educational Savings Trust - New Jersey 529 College Savings Plan- Franklin Templeton Managed Investment Options- Age-Based Asset Allocations, Objective-Based Asset Allocations and Individual Portfolios at June 30, 2012, the results of their combined statement of operations for the year then ended, and the combined statements of changes in net assets for each of the two years in the period then ended, in conformity with U.S. generally accepted accounting principles.

The audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Supplemental Information is presented for purposes of additional analysis and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statement themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



October 1, 2012

**NEW JERSEY BETTER EDUCATIONAL SAVINGS TRUST**  
**New Jersey 529 College Savings Plan -**  
**Franklin Templeton Managed Investment Options**

**Combined Statement of Assets and Liabilities**  
**June 30, 2012**

Assets:	
Investments in Underlying Funds:	
Cost	\$ 2,706,842,583
Value	<u>\$ 2,730,977,019</u>
Cash	505,150
Receivables:	
Investment securities sold	250
Plan shares sold	2,481,543
Wrapper Agreement (At Fair Value)	<u>10,853</u>
Total assets	<u>2,733,974,815</u>
Liabilities:	
Plan shares redeemed payable	706,433
Accrued expenses	<u>3,989,753</u>
Total liabilities	<u>4,696,186</u>
Net assets, at value	<u>\$ 2,729,278,629</u>

**NEW JERSEY BETTER EDUCATIONAL SAVINGS TRUST**  
**New Jersey 529 College Savings Plan -**  
**Franklin Templeton Managed Investment Options**

Combined Statements of Operations  
for the Year ended June 30, 2012

Investment income - dividends from Underlying Funds	<u>\$ 62,468,591</u>
Expenses:	
Program management fees (Note 2)	9,028,333
Sales fees (Note 2)	
Class A	2,750,710
Class B	2,624,849
Class C	5,789,926
Sub-advisory fees (Note 2)	<u>66,809</u>
Total expenses	20,260,627
Expenses waived/paid by affiliates (Note 3)	<u>(324,929)</u>
Net expenses	19,935,698
Net investment income	<u>42,532,893</u>
Realized and unrealized gains (losses):	
Net realized gain (loss) from:	
Sale of investments in Underlying Funds	(256,007)
Realized gain on distributions by Underlying Funds	<u>28,001,020</u>
Net realized gain (loss)	27,745,013
Net change in unrealized appreciation (depreciation) on Investments in Underlying Funds and Wrapper Agreements	<u>(150,954,241)</u>
Net realized and unrealized gain (loss)	<u>(123,209,228)</u>
Net increase (decrease) in net assets resulting from operations	<u>\$ (80,676,335)</u>

**NEW JERSEY BETTER EDUCATIONAL SAVINGS TRUST**  
**New Jersey 529 College Savings Plan -**  
**Franklin Templeton Managed Investment Options**

Combined Statement of Changes in Net Assets

	Year Ended June 30,	
	2012	2011
Increase (decrease) in net assets:		
Operations:		
Net investment income	\$ 42,532,893	\$ 34,539,633
Net realized gain (loss) from Underlying Funds	27,745,013	5,835,849
Net change in unrealized appreciation (depreciation) on investments in Underlying Funds and Wrapper Agreements	<u>(150,954,241)</u>	<u>400,558,189</u>
Net increase (decrease) in net assets resulting from operations	<u>(80,676,335)</u>	<u>440,933,671</u>
Plan share transactions:		
Subscriptions	821,948,381	723,804,953
Redemptions	<u>(624,414,551)</u>	<u>(513,510,454)</u>
Net increase (decrease) in net assets resulting from plan share transactions	<u>197,533,830</u>	<u>210,294,499</u>
Net increase (decrease) in net assets	116,857,495	651,228,170
Net assets:		
Beginning of year	<u>2,612,421,134</u>	<u>1,961,192,964</u>
End of year	<u>\$ 2,729,278,629</u>	<u>\$2,612,421,134</u>

# **NEW JERSEY BETTER EDUCATIONAL SAVINGS TRUST**

## **New Jersey 529 College Savings Plan – Franklin Templeton Managed Investment Options**

### **Notes to Combined Financial Statements for the year ended June 30, 2012**

#### **1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES**

The New Jersey Better Educational Savings Trust (“Trust”) was established by the State of New Jersey (“the State”) to allow Account Owners and Beneficiaries under the State’s New Jersey 529 College Savings Plan (“Program”) to qualify for federal tax benefits 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 Trust, 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.

In 2003, Franklin Templeton Distributors, Inc. (“FTDI”), a wholly-owned subsidiary of Franklin Resources, Inc., and HESAA entered into a Services Agreement under which FTDI serves as the Program Manager. FTDI provides, directly or through affiliates, certain distribution, investment management and administrative services relating to the Program. Franklin Advisers, Inc. (“Franklin Templeton”), an affiliate of FTDI, serves as the Investment Manager for the plans covered under this report. Franklin Templeton is not responsible for the investment management services of the S&P 500 Index Fund 529 Portfolio (“S&P Portfolio”). The S&P Portfolio is managed by J.P. Morgan Investment Management Inc.

These financial statements provide the combined financial results of the portfolios managed by Franklin Templeton that are available through the New Jersey 529 College Savings Plan – Franklin Templeton Managed Investment Options offered to Account Owners under the plan names: NJBEST 529 College Savings Plan, and, Franklin Templeton 529 College Savings Plan (“Plans”). The supplemental information provides the financial results of the individual portfolios.

Under the Plans, an Account Owner establishes an Account in the name of a Beneficiary and may elect to allocate contributions among the “Portfolios” of the three types of investment options, known as the Age-Based Asset Allocations, Objective-Based Allocations, and Individual Portfolios. Within each Age-Based Asset Allocations (Growth, Conservative or Moderate), contributions are allocated among four age bands, based on the age of the Beneficiary. Each Age-Based Asset Allocation Investment Option invests in certain Franklin/Templeton/Mutual Series Mutual Funds (“the underlying Funds”) in varying percentages, as determined by HESAA. The Objective-Based Allocations portfolios each offer a distinctive investment strategy. The Individual Portfolios invest solely in a single underlying Fund or account. In the case of the S&P 500 Index Fund 529 Portfolio, the portfolio invests in the J.P. Morgan Equity Index Fund (also an underlying fund) which seeks investment results that correspond to the aggregate price and dividend performance of securities in the S&P 500 Index. The portfolios under these investment options, grouped by type, are as follows:

# NEW JERSEY BETTER EDUCATIONAL SAVINGS TRUST

## New Jersey 529 College Savings Plan – Franklin Templeton Managed Investment Options

### Notes to Combined Financial Statements *(continued)* for the year ended June 30, 2012

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

<b>Age-Based Asset Allocations</b>	<b>Objective-Based Allocations</b>	<b>Individual Portfolios</b>
<b><u>Growth</u></b>		
Newborn - 8 Years Portfolio	Franklin Templeton Corefolio Portfolio	Franklin Growth 529 Portfolio
Age 9 - 12 Years Portfolio	Franklin Templeton Founding Funds 529 Portfolio	Franklin Income 529 Portfolio
Age 13-16 Years Portfolio	Growth Portfolio	Franklin Small-Mid Cap Growth 529 Portfolio
Age 17+ Years Portfolio	Growth and Income Portfolio	Franklin Templeton Stable Value 529 Portfolio
	Income Portfolio	Mutual Shares 529 Portfolio
		S&P 500 Index Fund 529 Portfolio
		Templeton Growth 529 Portfolio
<b><u>Conservative</u></b>		
Newborn - 8 Years Portfolio		
Age 9 - 12 Years Portfolio		
Age 13-16 Years Portfolio		
Age 17+ Years Portfolio		
<b><u>Moderate</u></b>		
Newborn - 8 Years Portfolio		
Age 9 - 12 Years Portfolio		
Age 13-16 Years Portfolio		
Age 17+ Years Portfolio		

The Age-Based Growth, Moderate and Conservative Asset Allocations and Objective-Based Allocations, excluding the Franklin Templeton Founding Funds 529 Portfolio, offer four classes of Trust Shares: Class A, Class B, Class C and Direct sold Trust Shares. Within the Individual Portfolios, the Franklin Templeton Stable Value 529 Portfolio and the S&P 500 Index Fund 529 Portfolio also offer four classes of Trust Shares. The remaining Individual Portfolios, as well as Franklin Templeton Founding Funds 529 Portfolio, offer three classes of shares: Class A, Class B and Class C shares. Each class of shares differs by its initial sales load, contingent deferred sales charges and annual asset-based sales fees. The Direct sold Trust Shares class is only available to New Jersey residents who invest in the NJBEST 529 College Savings Plan without a financial advisor.

Effective April 1, 2012, the Program no longer will offer Class B Trust Shares, including to existing owners. Existing owners may exchange Class B Trust Shares of any portfolio for Class B Trust shares of any other portfolios to the extent permitted.

The following summarizes the Trusts' significant accounting policies.

#### **a. Financial Instrument Valuation**

Net asset value per share is calculated as of the close of trading of the NYSE. Investments in the Underlying Funds and the J.P. Morgan Equity Index Fund are valued at their closing net asset value each trading day.

#### **b. Security Transactions, Investment Income and Expenses**

Security transactions are accounted for on trade date. Realized gains and losses on security transactions are determined on an average cost basis. Estimated expenses are accrued daily. Dividend income and realized gain distributions by Underlying Funds are recorded on the ex-date as dividend income and realized gain from underlying funds, respectively.

# **NEW JERSEY BETTER EDUCATIONAL SAVINGS TRUST**

## **New Jersey 529 College Savings Plan – Franklin Templeton Managed Investment Options**

**Notes to Combined Financial Statements** *(continued)*  
for the year ended June 30, 2012

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

#### **b. Security Transactions, Investment Income and Expenses** *(continued)*

The Portfolios indirectly bear their proportionate share of expenses from the Underlying Funds. Since the Underlying Funds have varied expense levels and the Portfolios may own different proportions of the Underlying Funds at different times, the amount of expenses incurred indirectly by the Portfolios will vary.

Realized and unrealized gains and losses and net investment income, other than class specific expenses, are allocated daily to each class of shares based upon the relative proportion of net assets of each class.

#### **c. Derivative Financial Instruments**

The Franklin Stable Value 529 Portfolio (“Stable Value Portfolio”) invests in derivatives in order to manage risk. Derivatives are financial contracts based on an underlying or notional amount, require no initial investment or an initial net investment that is smaller than would normally be required to have a similar response to changes in market factors, and require or permit net settlement. Derivatives may contain various risks including the potential inability of the counterparty to fulfill their obligations under the terms of the contract, the potential for an illiquid secondary market, and/or the potential for market movements which may expose the Stable Value Portfolio to gains or losses in excess of the amounts shown on the combined Statement of Assets and Liabilities.

The Stable Value Portfolio enters into Wrap Agreements with insurance companies, banks or other financial institutions (“Wrap Providers”) that are rated, at the time of purchase, the equivalent of at least AA- or better, by a rating agency. A Wrap Agreement is a derivative instrument that is designed to protect some or all of a portfolio from investment losses. While the Stable Value Portfolio seeks to preserve the value of its investments through Wrap Agreements, there is no guarantee that the Stable Value Portfolio will not lose money during any period. There is no active trading market for Wrap Agreements, and none is expected to develop. The value of the wrap contract is determined by a present value discounting of the difference between the contractual wrap fee rate and the re-bid rate. The annual dollar differential in the fee level is discounted using a duration matched swap rate that approximates the risk free rate of interest. Inputs used in the calculation of the fair valuation of the wrap contracts include the book value of the wrap contract, contractual wrap fee rate, re-bid wrap fee rate, wrap portfolio duration, and the swap rate matched to the wrapped fixed income portfolio duration (present value discount factors).

As of June 30, 2012, Stable Value Portfolio has Wrap Agreements with State Street Bank and Bank of America, the Wrap Providers. The terms of the Wrap Agreements also require Stable Value Portfolio to maintain minimum cash and cash equivalent percentages. Throughout the term of the Wrap Agreements, the Stable Value Portfolio will pay quarterly the Wrap Providers an annualized wrap fee based on the Wrap Agreements’ book value balance.

The crediting rate used in computing the book value is the actual yield of the covered assets, plus or minus the unrealized gain or loss on the covered assets, based on fluctuations in the market value of the covered assets amortized over the duration of the covered assets.

# **NEW JERSEY BETTER EDUCATIONAL SAVINGS TRUST**

## **New Jersey 529 College Savings Plan – Franklin Templeton Managed Investment Options**

### **Notes to Combined Financial Statements (continued)** for the year ended June 30, 2012

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

##### **c. Derivative Financial Instruments (continued)**

At June 30, 2012, the covered assets included Stable Value Portfolio's holdings in the Franklin Limited Maturity U.S. Government Securities Fund, Advisor Class. The crediting rate is calculated by a formula specified by each Wrap Agreement and is adjusted periodically. The crediting rate used for each of the Stable Value Portfolio's Wrap Agreements is net of the wrap fee.

A default by the issuer of a portfolio security or a Wrap Provider on its obligations may result in a decrease in the value of the portfolio assets and, consequently, the shares of the Stable Value Portfolio. Wrap Agreements generally do not protect the portfolio from loss if an issuer of portfolio securities defaults on payments of interest or principal. Additionally, a Stable Value Portfolio shareholder may realize more or less than the actual investment return on the portfolio securities depending upon the timing of the shareholder's purchases and redemption of shares, as well as those of other shareholders.

The Stable Value Portfolio's investments and Wrap Agreements are reflected at fair market value, as defined by generally accepted accounting principles, in the accompanying financial statements. Net asset value for purposes of valuing transactions by Plan participants, however, continues to be calculated utilizing Wrap Agreements valued at contract value. See Note 5 regarding other derivative information.

##### **d. Income Taxes**

The Trust 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 Trust recognizes the tax benefits of uncertain tax positions only when the position is "more likely than not" to be sustained upon examination by the tax authorities based on the technical merits of the tax position. As of June 30, 2012, and for all open tax years, the Trust has determined that no liability for unrecognized tax benefits is required in the Trust's financial statements related to uncertain tax positions taken on a tax return (or expected to be taken on future tax returns). Open tax years are all those that remain subject to examination and are based on each tax jurisdiction statute of limitation.

##### **e. Accounting Estimates**

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the amounts of income and expenses during the reporting period. Actual results could differ from those estimates.

##### **f. Guarantees and Indemnifications**

Under the Trust's organizational documents, its trustee is indemnified by the Trust against certain liabilities arising out of the performance of its duties to the Trust. Additionally, in the normal course of business, the Trust, on behalf of the Portfolios, enters into contracts with service

**NEW JERSEY BETTER EDUCATIONAL SAVINGS TRUST**  
**New Jersey 529 College Savings Plan –**  
**Franklin Templeton Managed Investment Options**

**Notes to Combined Financial Statements (continued)**  
**for the year ended June 30, 2012**

**f. Guarantees and Indemnifications (continued)**

providers that contain general indemnification clauses. The Trust's maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Trust that have not yet occurred. Currently, the Trust expects the risk of loss to be remote.

**2. MANAGEMENT AGREEMENTS**

The Portfolios pay annual Program management fees based on the average daily net assets of each portfolio as follows:

<b>Investment Option</b>	<b>FTDI Management Fee</b>	<b>HESAA Administrative Fee</b>	<b>Total Program Fee</b>
New Jersey 529 College Savings Plan - New Jersey Resident Accounts	0.25%	0.15%	0.40%
New Jersey 529 College Savings Plan - Non-New Jersey Resident Accounts	0.35%	0.05%	0.40%

Effective January 1, 2010, FTDI and HESAA have agreed to set the current rate of the Program Management Fee at 0.20% per year for the Direct sold Trust Shares of each Portfolio until further notice.

The Portfolios pay annual asset-based sales fees to FTDI of up to 0.25%, 1.00%, and 1.00% per year of their average daily net assets of Class A, Class B, and Class C, respectively, for costs incurred in marketing the Portfolios' shares.

Stable Value Portfolio pays Dwight Asset Management a sub-advisory fee of 0.10% based on average daily net assets.

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

**3. WAIVER AND EXPENSE REIMBURSEMENTS**

In efforts to prevent a negative yield in the Stable Value Portfolio during the calculation of net asset value, FTDI and HESAA have voluntarily agreed to waive or limit their respective fees, assume as their own expense certain expenses otherwise payable by the Stable Value Portfolio and if necessary, make a capital infusion into the Stable Value Portfolio. These waivers, expense reimbursements and capital infusions are voluntary and may be modified or discontinued by FTDI or HESAA at any time, and without further notice. There is no guarantee that the Stable Value Portfolio will be able to avoid a negative yield.

**4. INVESTMENTS**

At June 30, 2012, the net unrealized depreciation of portfolio investments was \$24,134,436 consisting of gross unrealized appreciation of \$148,112,308 and gross unrealized depreciation of \$123,977,872.

# NEW JERSEY BETTER EDUCATIONAL SAVINGS TRUST

## New Jersey 529 College Savings Plan – Franklin Templeton Managed Investment Options

### Notes to Combined Financial Statements (continued) for the year ended June 30, 2012

#### 4. INVESTMENTS (continued)

Purchases and sales of portfolio securities (excluding short term securities) for the period ended June 30, 2012 aggregated \$433,251,466 and \$195,201,293 respectively.

For a list of each portfolio's investments at June 30, 2012, please see the Statement of Investments for each portfolio in the Supplemental Information.

#### 5. OTHER DERIVATIVE INFORMATION

At June 30, 2012, Wrap Agreements are reflected on the combined Statement of Assets and Liabilities as follows:

Asset Derivatives		
Derivative Contracts Not Accounted for as Hedging Instruments	Combined Statement of Assets and Liabilities Location	Fair Value Amount
Other Contracts	Wrap Agreements	\$ 10,853

For the year ended June 30, 2012, the effect of wrap agreements on the Trust's Statement of Operations was as follows:

Derivative Contracts Not Accounted for as Hedging Instruments	Combined Statement of Operations Location	Realized Gain (Loss) for the Year Ended June 30, 2012	Change in Unrealized Appreciation (Depreciation) for the Period Ended June 30, 2012
Other Contracts	Net change in unrealized appreciation (depreciation) on Investments in Underlying Funds and Wrap Agreements	\$ -	\$ (12,659)

<sup>a</sup> Represents the average notional amount for other derivative contracts outstanding during the year.

#### 6. FAIR VALUE MEASUREMENTS

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

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

**NEW JERSEY BETTER EDUCATIONAL SAVINGS TRUST**  
**New Jersey 529 College Savings Plan –**  
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**Notes to Combined Financial Statements (continued)**  
**for the year ended June 30, 2012**

**6. FAIR VALUE MEASUREMENTS (continued)**

The inputs or methodology used for valuing financial instruments are not an indication of the risk associated with investing in those financial instruments.

For movements between the levels within the fair value hierarchy, the Trust has adopted a policy of recognizing the transfers as of the date of the underlying event which caused the movement. The following is a summary of the inputs used as of June 30, 2012, in valuing the Trust's assets carried at fair value, is as follows:

	Level 1	Level 2	Level 3	Total
<b>Assets:</b>				
Investments in Securities:				
Open End Mutual Funds	\$ 2,519,014,669	\$ -	\$ -	\$ 2,519,014,669
Short Term Investments	211,962,350	-	-	211,962,350
Total Investments in Securities	\$ 2,730,977,019	\$ -	\$ -	\$ 2,730,977,019
Wrapper Agreements	\$ -	\$ 10,853	\$ -	\$ 10,853

**7. NEW ACCOUNTING PRONOUNCEMENTS**

In May 2011, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2011-04, Fair Value Measurement (Topic 820): Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs. The amendments in the ASU will improve the comparability of fair value measurements presented and disclosed in financial statements prepared in accordance with U.S. GAAP (Generally Accepted Accounting Principles) and IFRS (International Financial Reporting Standards) and include new guidance for certain fair value measurement principles and disclosure requirements. The ASU is effective for interim and annual periods beginning after December 15, 2011. The Trust believes the adoption of this ASU will not have a material impact on the financial statements.

In December 2011, FASB issued ASU No. 2011-11, Balance Sheet (Topic 210): Disclosures about Offsetting Assets and Liabilities. The amendments in the ASU enhance disclosures about offsetting of financial assets and liabilities to enable investors to understand the effect of these arrangements on a Fund's financial position. The ASU is effective for interim and annual reporting periods beginning on or after January 1, 2013. The Trust believes the adoption of this ASU will not have a material impact on its financial statements.

**8. SUBSEQUENT EVENTS**

The Trust has evaluated subsequent events through October 1, 2012, the date the financial statements were available to be issued, and determined that no events have occurred that required disclosure.

Supplemental Information  
**NEW JERSEY BETTER EDUCATIONAL SAVINGS TRUST**  
**New Jersey 529 College Savings Plan -**  
**Franklin Templeton Managed Investment Options**

**Financial Highlights**

Age-Based Growth Asset Allocation Newborn-8 Years Portfolio	Class A				
	Year Ended June 30,				
	2012	2011	2010	2009	2008
<b>SELECTED PER SHARE DATA</b>					
Net asset value, beginning of year	\$ 20.75	\$ 15.86	\$ 13.70	\$ 18.09	\$ 20.70
Income from investment operations <sup>a</sup> :					
Net investment income <sup>b,c</sup>	0.16	0.13	0.10	0.09	0.14
Net realized and unrealized gain (loss)	(1.65)	4.76	2.06	(4.48)	(2.75)
Total from investment operations	(1.49)	4.89	2.16	(4.39)	(2.61)
Net asset value, end of year	\$ 19.26	\$ 20.75	\$ 15.86	\$ 13.70	\$ 18.09
Total return <sup>d</sup>	(7.18)%	30.83%	15.77%	(24.27)%	(12.61)%
<b>Ratios to average net assets</b>					
Expenses <sup>e</sup>	0.65%	0.65%	0.65%	0.65%	0.65%
Net investment income <sup>e</sup>	0.86%	0.67%	0.62%	0.65%	0.73%
<b>Supplemental data</b>					
Net assets, end of year (000's)	\$ 204,099	\$ 217,326	\$ 160,509	\$ 142,940	\$ 167,689

Age-Based Growth Asset Allocation Newborn-8 Years Portfolio	Class B				
	Year Ended June 30,				
	2012	2011	2010	2009	2008
<b>SELECTED PER SHARE DATA</b>					
Net asset value, beginning of year	\$ 19.48	\$ 15.00	\$ 13.05	\$ 17.37	\$ 20.02
Income from investment operations <sup>a</sup> :					
Net investment (loss) <sup>b,c</sup>	0.03	(0.01)	(0.02)	(0.01)	- <sup>f</sup>
Net realized and unrealized gain (loss)	(1.57)	4.49	1.97	(4.31)	(2.65)
Total from investment operations	(1.54)	4.48	1.95	(4.32)	(2.65)
Net asset value, end of year	\$ 17.94	\$ 19.48	\$ 15.00	\$ 13.05	\$ 17.37
Total return <sup>d</sup>	(7.91)%	29.87%	14.94%	(24.87)%	(13.24)%
<b>Ratios to average net assets</b>					
Expenses <sup>e</sup>	1.40%	1.40%	1.40%	1.40%	1.40%
Net investment income (loss) <sup>e</sup>	0.11%	(0.08)%	(0.13)%	(0.10)%	(0.02)%
<b>Supplemental data</b>					
Net assets, end of year (000's)	\$ 48,575	\$ 65,164	\$ 54,041	\$ 53,192	\$ 67,488

<sup>a</sup>The amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Portfolio shares in relation to income earned and/or fluctuating market value of the investments of the Portfolio.

<sup>b</sup>Based on average daily shares outstanding.

<sup>c</sup>Recognition of net investment income by the Portfolio is affected by the timing of declaration of dividends by the Underlying Funds in which the Portfolio invests.

<sup>d</sup>Total return does not reflect sales commissions or contingent deferred sales charges, if applicable.

<sup>e</sup>Does not include expenses of the Underlying Funds in which the Portfolio invests.

<sup>f</sup>Amount rounds to less than \$0.01 per share.

Supplemental Information  
**NEW JERSEY BETTER EDUCATIONAL SAVINGS TRUST**  
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Financial Highlights

Age-Based Growth Asset Allocation Newborn-8 Years Portfolio	Class C				
	Year Ended June 30,				
	2012	2011	2010	2009	2008
<b>SELECTED PER SHARE DATA</b>					
Net asset value, beginning of year	\$ 19.73	\$ 15.19	\$ 13.23	\$ 17.59	\$ 20.27
Income from investment operations <sup>a</sup> :					
Net investment income (loss) <sup>b,c</sup>	0.02	(0.01)	(0.02)	(0.01)	- <sup>d</sup>
Net realized and unrealized gain (loss)	(1.57)	4.55	1.98	(4.35)	(2.68)
Total from investment operations	(1.55)	4.54	1.96	(4.36)	(2.68)
Net asset value, end of year	\$ 18.18	\$ 19.73	\$ 15.19	\$ 13.23	\$ 17.59
Total return <sup>e</sup>	(7.86)%	29.89%	14.81%	(24.79)%	(13.22)%
<b>Ratios to average net assets</b>					
Expenses <sup>f</sup>	1.40%	1.40%	1.40%	1.40%	1.40%
Net investment income (loss) <sup>c</sup>	0.11%	(0.08)%	(0.13)%	(0.10)%	(0.02)%
<b>Supplemental data</b>					
Net assets, end of year (000's)	\$ 61,124	\$ 69,015	\$ 54,926	\$ 51,959	\$ 58,733

Age-Based Growth Asset Allocation Newborn-8 Years Portfolio	Direct				
	Year Ended June 30,				
	2012	2011	2010	2009	2008
<b>SELECTED PER SHARE DATA</b>					
Net asset value, beginning of year	\$ 21.21	\$ 16.13	\$ 13.89	\$ 18.29	\$ 20.88
Income from investment operations <sup>a</sup> :					
Net investment income <sup>b,c</sup>	0.26	0.22	0.16	0.13	0.19
Net realized and unrealized gain (loss)	(1.70)	4.86	2.08	(4.53)	(2.78)
Total from investment operations	(1.44)	5.08	2.24	(4.40)	(2.59)
Net asset value, end of year	\$ 19.77	\$ 21.21	\$ 16.13	\$ 13.89	\$ 18.29
Total return <sup>e</sup>	(6.79)%	31.49%	16.13%	(24.06)%	(12.40)%
<b>Ratios to average net assets</b>					
Expenses <sup>f</sup>	0.20%	0.20%	0.30%	0.40%	0.40%
Net investment income <sup>c</sup>	1.31%	1.12%	0.97%	0.90%	0.98%
<b>Supplemental data</b>					
Net assets, end of year (000's)	\$ 140,566	\$ 162,432	\$ 125,771	\$ 112,850	\$ 133,298

<sup>a</sup>The amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Portfolio shares in relation to income earned and/or fluctuating market value of the investments of the Portfolio.

<sup>b</sup>Based on average daily shares outstanding.

<sup>c</sup>Recognition of net investment income by the Portfolio is affected by the timing of declaration of dividends by the Underlying Funds in which the Portfolio invests.

<sup>d</sup>Amount rounds to less than \$0.01 per share.

<sup>e</sup>Total return does not reflect sales commissions or contingent deferred sales charges, if applicable.

<sup>f</sup>Does not include expenses of the Underlying Funds in which the Portfolio invests.

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	Class A				
	Year Ended June 30,				
Age-Based Growth Asset Allocation Age 9-12 Years Portfolio	2012	2011	2010	2009	2008
<b>SELECTED PER SHARE DATA</b>					
Net asset value, beginning of year	\$ 19.41	\$ 15.65	\$ 13.75	\$ 16.62	\$ 18.13
Income from investment operations <sup>a</sup> :					
Net investment income <sup>b,c</sup>	0.25	0.22	0.19	0.25	0.30
Net realized and unrealized gain (loss)	(1.10)	3.54	1.71	(3.12)	(1.81)
Total from investment operations	(0.85)	3.76	1.90	(2.87)	(1.51)
Net asset value, end of year	\$ 18.56	\$ 19.41	\$ 15.65	\$ 13.75	\$ 16.62
Total return <sup>d</sup>	(4.38)%	24.03%	13.82%	(17.27)%	(8.33)%
<b>Ratios to average net assets</b>					
Expenses <sup>e</sup>	0.65%	0.65%	0.65%	0.65%	0.65%
Net investment income <sup>c</sup>	1.39%	1.25%	1.24%	1.80%	1.70%
<b>Supplemental data</b>					
Net assets, end of year (000's)	\$ 147,454	\$ 136,397	\$ 104,007	\$ 81,261	\$ 92,753

	Class B				
	Year Ended June 30,				
Age-Based Growth Asset Allocation Age 9-12 Years Portfolio	2012	2011	2010	2009	2008
<b>SELECTED PER SHARE DATA</b>					
Net asset value, beginning of year	\$ 18.11	\$ 14.72	\$ 13.02	\$ 15.87	\$ 17.44
Income from investment operations <sup>a</sup> :					
Net investment income <sup>b,c</sup>	0.11	0.08	0.07	0.14	0.16
Net realized and unrealized gain (loss)	(1.03)	3.31	1.63	(2.99)	(1.73)
Total from investment operations	(0.92)	3.39	1.70	(2.85)	(1.57)
Net asset value, end of year	\$ 17.19	\$ 18.11	\$ 14.72	\$ 13.02	\$ 15.87
Total return <sup>d</sup>	(5.08)%	23.03%	13.06%	(17.96)%	(9.00)%
<b>Ratios to average net assets</b>					
Expenses <sup>e</sup>	1.40%	1.40%	1.40%	1.40%	1.40%
Net investment income <sup>c</sup>	0.64%	0.50%	0.49%	1.05%	0.95%
<b>Supplemental data</b>					
Net assets, end of year (000's)	\$ 40,169	\$ 45,843	\$ 35,868	\$ 31,238	\$ 37,500

<sup>a</sup>The amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Portfolio shares in relation to income earned and/or fluctuating market value of the investments of the Portfolio.

<sup>b</sup>Based on average daily shares outstanding.

<sup>c</sup>Recognition of net investment income by the Portfolio is affected by the timing of declaration of dividends by the Underlying Funds in which the Portfolio invests.

<sup>d</sup>Total return does not reflect sales commissions or contingent deferred sales charges, if applicable.

<sup>e</sup>Does not include expenses of the Underlying Funds in which the Portfolio invests.

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Age-Based Growth Asset Allocation Age 9-12 Years Portfolio	Class C				
	Year Ended June 30,				
	2012	2011	2010	2009	2008
<b>SELECTED PER SHARE DATA</b>					
Net asset value, beginning of year	\$ 18.37	\$ 14.93	\$ 13.21	\$ 16.10	\$ 17.70
Income from investment operations <sup>a</sup> :					
Net investment income <sup>b,c</sup>	0.11	0.08	0.07	0.13	0.16
Net realized and unrealized gain (loss)	(1.05)	3.36	1.65	(3.02)	(1.76)
Total from investment operations	(0.94)	3.44	1.72	(2.89)	(1.60)
Net asset value, end of year	\$ 17.43	\$ 18.37	\$ 14.93	\$ 13.21	\$ 16.10
Total return <sup>d</sup>	(5.12)%	23.04%	13.02%	(17.95)%	(9.04)%
<b>Ratios to average net assets</b>					
Expenses <sup>e</sup>	1.40%	1.40%	1.40%	1.40%	1.40%
Net investment income <sup>c</sup>	0.64%	0.50%	0.49%	1.05%	0.95%
<b>Supplemental data</b>					
Net assets, end of year (000's)	\$ 57,220	\$ 58,192	\$ 46,873	\$ 40,965	\$ 44,178

Age-Based Growth Asset Allocation Age 9-12 Years Portfolio	Direct				
	Year Ended June 30,				
	2012	2011	2010	2009	2008
<b>SELECTED PER SHARE DATA</b>					
Net asset value, beginning of year	\$ 19.84	\$ 15.93	\$ 13.95	\$ 16.82	\$ 18.30
Income from investment operations <sup>a</sup> :					
Net investment income <sup>b,c</sup>	0.34	0.31	0.26	0.28	0.35
Net realized and unrealized gain (loss)	(1.12)	3.60	1.72	(3.15)	(1.83)
Total from investment operations	(0.78)	3.91	1.98	(2.87)	(1.48)
Net asset value, end of year	\$ 19.06	\$ 19.84	\$ 15.93	\$ 13.95	\$ 16.82
Total return <sup>d</sup>	(3.93)%	24.54%	14.19%	(17.06)%	(8.09)%
<b>Ratios to average net assets</b>					
Expenses <sup>e</sup>	0.20%	0.20%	0.30%	0.40%	0.40%
Net investment income <sup>c</sup>	1.84%	1.70%	1.59%	2.05%	1.95%
<b>Supplemental data</b>					
Net assets, end of year (000's)	\$ 102,252	\$ 90,258	\$ 64,004	\$ 53,062	\$ 56,940

<sup>a</sup>The amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Portfolio shares in relation to income earned and/or fluctuating market value of the investments of the Portfolio.

<sup>b</sup>Based on average daily shares outstanding.

<sup>c</sup>Recognition of net investment income by the Portfolio is affected by the timing of declaration of dividends by the Underlying Funds in which the Portfolio invests.

<sup>d</sup>Total return does not reflect sales commissions or contingent deferred sales charges, if applicable.

<sup>e</sup>Does not include expenses of the Underlying Funds in which the Portfolio invests.

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Age-Based Growth Asset Allocation Age 13-16 Years Portfolio	Class A				
	Year Ended June 30,				
	2012	2011	2010	2009	2008
<b>SELECTED PER SHARE DATA</b>					
Net asset value, beginning of year	\$ 18.30	\$ 15.54	\$ 13.82	\$ 15.21	\$ 15.86
Income from investment operations <sup>a</sup> :					
Net investment income <sup>b,c</sup>	0.34	0.30	0.27	0.37	0.42
Net realized and unrealized gain (loss)	(0.67)	2.46	1.45	(1.76)	(1.07)
Total from investment operations	(0.33)	2.76	1.72	(1.39)	(0.65)
Net asset value, end of year	\$ 17.97	\$ 18.30	\$ 15.54	\$ 13.82	\$ 15.21
Total return <sup>d</sup>	(1.80)%	17.76%	12.45%	(9.14)%	(4.10)%
<b>Ratios to average net assets</b>					
Expenses <sup>a</sup>	0.65%	0.65%	0.65%	0.65%	0.65%
Net investment income <sup>c</sup>	1.95%	1.77%	1.72%	2.76%	2.65%
<b>Supplemental data</b>					
Net assets, end of year (000's)	\$ 155,582	\$ 142,372	\$ 111,862	\$ 85,158	\$ 81,360

Age-Based Growth Asset Allocation Age 13-16 Years Portfolio	Class B				
	Year Ended June 30,				
	2012	2011	2010	2009	2008
<b>SELECTED PER SHARE DATA</b>					
Net asset value, beginning of year	\$ 16.95	\$ 14.51	\$ 12.99	\$ 14.41	\$ 15.14
Income from investment operations <sup>a</sup> :					
Net investment income <sup>b,c</sup>	0.20	0.16	0.14	0.26	0.29
Net realized and unrealized gain (loss)	(0.63)	2.28	1.38	(1.68)	(1.02)
Total from investment operations	(0.43)	2.44	1.52	(1.42)	(0.73)
Net asset value, end of year	\$ 16.52	\$ 16.95	\$ 14.51	\$ 12.99	\$ 14.41
Total return <sup>d</sup>	(2.54)%	16.82%	11.70%	(9.85)%	(4.82)%
<b>Ratios to average net assets</b>					
Expenses <sup>a</sup>	1.40%	1.40%	1.40%	1.40%	1.40%
Net investment income <sup>c</sup>	1.20%	1.02%	0.97%	2.01%	1.90%
<b>Supplemental data</b>					
Net assets, end of year (000's)	\$ 39,051	\$ 47,270	\$ 39,311	\$ 31,102	\$ 30,805

<sup>a</sup>The amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Portfolio shares in relation to income earned and/or fluctuating market value of the investments of the Portfolio.

<sup>b</sup>Based on average daily shares outstanding.

<sup>c</sup>Recognition of net investment income by the Portfolio is affected by the timing of declaration of dividends by the Underlying Funds in which the Portfolio invests.

<sup>d</sup>Total return does not reflect sales commissions or contingent deferred sales charges, if applicable.

<sup>e</sup>Does not include expenses of the Underlying Funds in which the Portfolio invests.

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	<b>Class C</b>				
	<b>Year Ended June 30,</b>				
<b>Age-Based Growth Asset Allocation Age 13-16 Years Portfolio</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>
<b>SELECTED PER SHARE DATA</b>					
Net asset value, beginning of year	\$ 16.97	\$ 14.52	\$ 13.01	\$ 14.42	\$ 15.15
Income from investment operations <sup>a</sup> :					
Net investment income <sup>b,c</sup>	0.20	0.16	0.14	0.25	0.28
Net realized and unrealized gain (loss)	(0.64)	2.29	1.37	(1.66)	(1.01)
Total from investment operations	(0.44)	2.45	1.51	(1.41)	(0.73)
Net asset value, end of year	<u>\$ 16.53</u>	<u>\$ 16.97</u>	<u>\$ 14.52</u>	<u>\$ 13.01</u>	<u>\$ 14.42</u>
Total return <sup>d</sup>	(2.59)%	16.87%	11.61%	(9.78)%	(4.82)%
<b>Ratios to average net assets</b>					
Expenses <sup>a</sup>	1.40%	1.40%	1.40%	1.40%	1.40%
Net investment income <sup>c</sup>	1.20%	1.02%	0.97%	2.01%	1.90%
<b>Supplemental data</b>					
Net assets, end of year (000's)	\$ 80,839	\$ 87,646	\$ 73,687	\$ 61,267	\$ 61,799

	<b>Direct</b>				
	<b>Year Ended June 30,</b>				
<b>Age-Based Growth Asset Allocation Age 13-16 Years Portfolio</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>
<b>SELECTED PER SHARE DATA</b>					
Net asset value, beginning of year	\$ 18.60	\$ 15.73	\$ 13.93	\$ 15.30	\$ 15.91
Income from investment operations <sup>a</sup> :					
Net investment income <sup>b,c</sup>	0.43	0.39	0.33	0.40	0.46
Net realized and unrealized gain (loss)	(0.69)	2.48	1.47	(1.77)	(1.07)
Total from investment operations	(0.26)	2.87	1.80	(1.37)	(0.61)
Net asset value, end of year	<u>\$ 18.34</u>	<u>\$ 18.60</u>	<u>\$ 15.73</u>	<u>\$ 13.93</u>	<u>\$ 15.30</u>
Total return <sup>d</sup>	(1.40)%	18.25%	12.92%	(8.95)%	(3.83)%
<b>Ratios to average net assets</b>					
Expenses <sup>a</sup>	0.20%	0.20%	0.30%	0.40%	0.40%
Net investment income <sup>c</sup>	2.40%	2.22%	2.07%	3.01%	2.90%
<b>Supplemental data</b>					
Net assets, end of year (000's)	\$ 97,900	\$ 91,256	\$ 68,888	\$ 51,647	\$ 50,773

<sup>a</sup>The amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Portfolio shares in relation to income earned and/or fluctuating market value of the investments of the Portfolio.

<sup>b</sup>Based on average daily shares outstanding.

<sup>c</sup>Recognition of net investment income by the Portfolio is affected by the timing of declaration of dividends by the Underlying Funds in which the Portfolio invests.

<sup>d</sup>Total return does not reflect sales commissions or contingent deferred sales charges, if applicable.

<sup>e</sup>Does not include expenses of the Underlying Funds in which the Portfolio invests.

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Age-Based Growth Asset Allocation Age 17+ Years Portfolio	Class A				
	Year Ended June 30,				
	2012	2011	2010	2009	2008
<b>SELECTED PER SHARE DATA</b>					
Net asset value, beginning of year	\$ 15.62	\$ 14.04	\$ 12.75	\$ 13.23	\$ 13.22
Income from investment operations <sup>a</sup> :					
Net investment income <sup>b,c</sup>	0.39	0.37	0.34	0.48	0.48
Net realized and unrealized gain (loss)	(0.23)	1.21	0.95	(0.96)	(0.47)
Total from investment operations	0.16	1.58	1.29	(0.48)	0.01
Net asset value, end of year	\$ 15.78	\$ 15.62	\$ 14.04	\$ 12.75	\$ 13.23
Total return <sup>d</sup>	1.02%	11.25%	10.12%	(3.63)%	0.08%
<b>Ratios to average net assets</b>					
Expenses <sup>e</sup>	0.65%	0.65%	0.65%	0.65%	0.65%
Net investment income <sup>c</sup>	2.52%	2.45%	2.48%	3.85%	3.56%
<b>Supplemental data</b>					
Net assets, end of year (000's)	\$ 114,167	\$ 93,204	\$ 65,206	\$ 30,429	\$ 27,431

Age-Based Growth Asset Allocation Age 17+ Years Portfolio	Class B				
	Year Ended June 30,				
	2012	2011	2010	2009	2008
<b>SELECTED PER SHARE DATA</b>					
Net asset value, beginning of year	\$ 14.78	\$ 13.39	\$ 12.24	\$ 12.80	\$ 12.89
Income from investment operations <sup>a</sup> :					
Net investment income <sup>b,c</sup>	0.26	0.24	0.23	0.37	0.36
Net realized and unrealized gain (loss)	(0.22)	1.15	0.92	(0.93)	(0.45)
Total from investment operations	0.04	1.39	1.15	(0.56)	(0.09)
Net asset value, end of year	\$ 14.82	\$ 14.78	\$ 13.39	\$ 12.24	\$ 12.80
Total return <sup>d</sup>	0.27%	10.38%	9.40%	(4.38)%	(0.70)%
<b>Ratios to average net assets</b>					
Expenses <sup>e</sup>	1.40%	1.40%	1.40%	1.40%	1.40%
Net investment income <sup>c</sup>	1.77%	1.70%	1.73%	3.10%	2.81%
<b>Supplemental data</b>					
Net assets, end of year (000's)	\$ 26,493	\$ 28,655	\$ 20,268	\$ 7,137	\$ 5,609

<sup>a</sup>The amount shown for a share outstanding throughout the year may not correlate with the Statement of Operations for the year due to the timing of sales and repurchases of the Portfolio shares in relation to income earned and/or fluctuating market value of the investments of the Portfolio.

<sup>b</sup>Based on average daily shares outstanding.

<sup>c</sup>Recognition of net investment income by the Portfolio is affected by the timing of declaration of dividends by the Underlying Funds in which the Portfolio invests.

<sup>d</sup>Total return does not reflect sales commissions or contingent deferred sales charges, if applicable.

<sup>e</sup>Does not include expenses of the Underlying Funds in which the Portfolio invests.

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Age-Based Growth Asset Allocation Age 17+ Years Portfolio	Class C				
	Year Ended June 30,				
	2012	2011	2010	2009	2008
<b>SELECTED PER SHARE DATA</b>					
Net asset value, beginning of year	\$ 15.04	\$ 13.63	\$ 12.46	\$ 13.03	\$ 13.12
Income from investment operations <sup>a</sup> :					
Net investment income <sup>b,c</sup>	0.26	0.25	0.23	0.37	0.37
Net realized and unrealized gain (loss)	(0.21)	1.16	0.94	(0.94)	(0.46)
Total from investment operations	0.05	1.41	1.17	(0.57)	(0.09)
Net asset value, end of year	\$ 15.09	\$ 15.04	\$ 13.63	\$ 12.46	\$ 13.03
Total return <sup>d</sup>	0.33%	10.34%	9.39%	(4.37)%	(0.69)%
<b>Ratios to average net assets</b>					
Expenses <sup>e</sup>	1.40%	1.40%	1.40%	1.40%	1.40%
Net investment income <sup>c</sup>	1.77%	1.70%	1.73%	3.10%	2.81%
<b>Supplemental data</b>					
Net assets, end of year (000's)	\$ 88,381	\$ 82,923	\$ 67,813	\$ 38,878	\$ 35,668

Age-Based Growth Asset Allocation Age 17+ Years Portfolio	Direct				
	Year Ended June 30,				
	2012	2011	2010	2009	2008
<b>SELECTED PER SHARE DATA</b>					
Net asset value, beginning of year	\$ 16.47	\$ 14.74	\$ 13.34	\$ 13.80	\$ 13.76
Income from investment operations <sup>a</sup> :					
Net investment income <sup>b,c</sup>	0.49	0.46	0.41	0.53	0.53
Net realized and unrealized gain (loss)	(0.24)	1.27	0.99	(0.99)	(0.49)
Total from investment operations	0.25	1.73	1.40	(0.46)	0.04
Net asset value, end of year	\$ 16.72	\$ 16.47	\$ 14.74	\$ 13.34	\$ 13.80
Total return <sup>d</sup>	1.52%	11.74%	10.49%	(3.33)%	0.29%
<b>Ratios to average net assets</b>					
Expenses <sup>e</sup>	0.20%	0.20%	0.30%	0.40%	0.40%
Net investment income <sup>c</sup>	2.97%	2.90%	2.83%	4.10%	3.81%
<b>Supplemental data</b>					
Net assets, end of year (000's)	\$ 70,262	\$ 60,907	\$ 44,212	\$ 21,876	\$ 20,312

<sup>a</sup>The amount shown for a share outstanding throughout the year may not correlate with the Statement of Operations for the year due to the timing of sales and repurchases of the Portfolio shares in relation to income earned and/or fluctuating market value of the investments of the Portfolio.

<sup>b</sup>Based on average daily shares outstanding.

<sup>c</sup>Recognition of net investment income by the Portfolio is affected by the timing of declaration of dividends by the Underlying Funds in which the Portfolio invests.

<sup>d</sup>Total return does not reflect sales commissions or contingent deferred sales charges, if applicable.

<sup>e</sup>Does not include expenses of the Underlying Funds in which the Portfolio invests.

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Age-Based Conservative Asset Allocation Newborn-8 Years Portfolio	Class A		
	Year Ended June 30,		
	2012	2011	2010 <sup>a</sup>
<b>SELECTED PER SHARE DATA</b>			
Net asset value, beginning of year	\$ 11.65	\$ 9.96	\$ 10.00
Income from investment operations <sup>b</sup> :			
Net investment income <sup>c,d</sup>	0.21	0.19	0.02
Net realized and unrealized gain (loss)	(0.43)	1.50	(0.06)
Total from investment operations	(0.22)	1.69	(0.04)
Net asset value, end of year	\$ 11.43	\$ 11.65	\$ 9.96
Total return <sup>e</sup>	(1.89)%	16.97%	(0.40)%
<b>Ratios to average net assets<sup>f</sup></b>			
Expenses <sup>g</sup>	0.65%	0.65%	0.65%
Net investment income <sup>d</sup>	1.85%	1.67%	1.04%
<b>Supplemental data</b>			
Net assets, end of year (000's)	\$ 6,980	\$ 3,184	\$ 413

Age-Based Conservative Asset Allocation Newborn-8 Years Portfolio	Class B		
	Year Ended June 30,		
	2012	2011	2010 <sup>a</sup>
<b>SELECTED PER SHARE DATA</b>			
Net asset value, beginning of year	\$ 11.54	\$ 9.94	\$ 10.00
Income from investment operations <sup>b</sup> :			
Net investment income <sup>c,d</sup>	0.13	0.11	0.01
Net realized and unrealized gain (loss)	(0.43)	1.49	(0.07)
Total from investment operations	(0.30)	1.60	(0.06)
Net asset value, end of year	\$ 11.24	\$ 11.54	\$ 9.94
Total return <sup>e</sup>	(2.60)%	16.10%	(0.60)%
<b>Ratios to average net assets<sup>f</sup></b>			
Expenses <sup>g</sup>	1.40%	1.40%	1.40%
Net investment income <sup>d</sup>	1.10%	0.92%	0.29%
<b>Supplemental data</b>			
Net assets, end of year (000's)	\$ 485	\$ 364	\$ 19

<sup>a</sup>For the period April 23, 2010 (effective date) to June 30, 2010.

<sup>b</sup>The amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Portfolio shares in relation to income earned and/or fluctuating market value of the investments of the Portfolio.

<sup>c</sup>Based on average daily shares outstanding.

<sup>d</sup>Recognition of net investment income by the Portfolio is affected by the timing of declaration of dividends by the Underlying Funds in which the Portfolio invests.

<sup>e</sup>Total return does not reflect sales commissions or contingent deferred sales charges, if applicable, and is not annualized for periods less than one year.

<sup>f</sup>Ratios are annualized for periods less than one year.

<sup>g</sup>Does not include expenses of the Underlying Funds in which the Portfolio invests.

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Age-Based Conservative Asset Allocation Newborn-8 Years Portfolio	Class C		
	Year Ended June 30,		
	2012	2011	2010 <sup>b</sup>
<b>SELECTED PER SHARE DATA</b>			
Net asset value, beginning of year	\$ 11.54	\$ 9.94	\$ 10.00
Income from investment operations <sup>b</sup> :			
Net investment income <sup>c,d</sup>	0.12	0.10	- <sup>e</sup>
Net realized and unrealized gain (loss)	(0.42)	1.50	(0.06)
Total from investment operations	(0.30)	1.60	(0.06)
Net asset value, end of year	\$ 11.24	\$ 11.54	\$ 9.94
Total return <sup>f</sup>	(2.60)%	16.10%	(0.60)%
<b>Ratios to average net assets<sup>g</sup></b>			
Expenses <sup>h</sup>	1.40%	1.40%	1.40%
Net investment income <sup>d</sup>	1.10%	0.92%	0.29%
<b>Supplemental data</b>			
Net assets, end of year (000's)	\$ 1,877	\$ 1,229	\$ 302

Age-Based Conservative Asset Allocation Newborn-8 Years Portfolio	Direct		
	Year Ended June 30,		
	2012	2011	2010 <sup>i</sup>
<b>SELECTED PER SHARE DATA</b>			
Net asset value, beginning of period	\$ 11.72	\$ 9.97	\$ 10.00
Income from investment operations <sup>b</sup> :			
Net investment income <sup>c,d</sup>	0.26	0.23	0.09
Net realized and unrealized gain (loss)	(0.44)	1.52	(0.12)
Total from investment operations	(0.18)	1.75	(0.03)
Net asset value, end of period	\$ 11.54	\$ 11.72	\$ 9.97
Total return <sup>f</sup>	(1.54)%	17.55%	(0.30)%
<b>Ratios to average net assets<sup>g</sup></b>			
Expenses <sup>h</sup>	0.20%	0.20%	0.20%
Net investment income <sup>d</sup>	2.30%	2.12%	1.49%
<b>Supplemental data</b>			
Net assets, end of year (000's)	\$ 2,237	\$ 1,240	\$ 342

<sup>a</sup>For the period April 23, 2010 (effective date) to June 30, 2010.

<sup>b</sup>The amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Portfolio shares in relation to income earned and/or fluctuating market value of the investments of the Portfolio.

<sup>c</sup>Based on average daily shares outstanding.

<sup>d</sup>Recognition of net investment income by the Portfolio is affected by the timing of declaration of dividends by the Underlying Funds in which the Portfolio invests.

<sup>e</sup>Amount rounds to less than \$0.01.

<sup>f</sup>Total return does not reflect sales commissions or contingent deferred sales charges, if applicable, and is not annualized for periods less than one year.

<sup>g</sup>Ratios are annualized for periods less than one year.

<sup>h</sup>Does not include expenses of the Underlying Funds in which the Portfolio invests.

<sup>i</sup>For the period December 18, 2009 (commencement of operations) to June 30, 2010

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Age-Based Conservative Asset Allocation Age 9-12 Years Portfolio	Class A		
	Year Ended June 30,		
	2012	2011	2010 <sup>a</sup>
<b>SELECTED PER SHARE DATA</b>			
Net asset value, beginning of year	\$ 11.23	\$ 10.14	\$ 10.00
Income from investment operations <sup>b</sup> :			
Net investment income <sup>c,d</sup>	0.27	0.25	0.03
Net realized and unrealized gain (loss)	(0.17)	0.84	0.11
Total from investment operations	0.10	1.09	0.14
Net asset value, end of year	\$ 11.33	\$ 11.23	\$ 10.14
Total return <sup>e</sup>	0.89%	10.75%	1.40%
<b>Ratios to average net assets<sup>f</sup></b>			
Expenses <sup>g</sup>	0.65%	0.65%	0.65%
Net investment income <sup>d</sup>	2.43%	2.26%	2.10%
<b>Supplemental data</b>			
Net assets, end of year (000's)	\$ 3,201	\$ 1,767	\$ 121

Age-Based Conservative Asset Allocation Age 9-12 Years Portfolio	Class B		
	Year Ended June 30,		
	2012	2011	2010 <sup>a</sup>
<b>SELECTED PER SHARE DATA</b>			
Net asset value, beginning of year	\$ 11.14	\$ 10.13	\$ 10.00
Income from investment operations <sup>b</sup> :			
Net investment income <sup>c,d</sup>	0.19	0.15	0.03
Net realized and unrealized gain (loss)	(0.18)	0.86	0.10
Total from investment operations	0.01	1.01	0.13
Net asset value, end of year	\$ 11.15	\$ 11.14	\$ 10.13
Total return <sup>e</sup>	0.09%	9.97%	1.30%
<b>Ratios to average net assets<sup>f</sup></b>			
Expenses <sup>g</sup>	1.40%	1.40%	1.40%
Net investment income <sup>d</sup>	1.68%	1.51%	1.35%
<b>Supplemental data</b>			
Net assets, end of year (000's)	\$ 345	\$ 138	\$ 24

<sup>a</sup>For the period April 23, 2010 (effective date) to June 30, 2010.

<sup>b</sup>The amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Portfolio shares in relation to income earned and/or fluctuating market value of the investments of the Portfolio.

<sup>c</sup>Based on average daily shares outstanding.

<sup>d</sup>Recognition of net investment income by the Portfolio is affected by the timing of declaration of dividends by the Underlying Funds in which the Portfolio invests.

<sup>e</sup>Total return does not reflect sales commissions or contingent deferred sales charges, if applicable and ratios are annualised for periods less than one year.

<sup>f</sup>Ratios are annualised for periods less than one year.

<sup>g</sup>Does not include expenses of the Underlying Funds in which the Portfolio invests.

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Age-Based Conservative Asset Allocation Age 9-12 Years Portfolio	Class C		
	Year Ended June 30,		
	2012	2011	2010 <sup>a</sup>
<b>SELECTED PER SHARE DATA</b>			
Net asset value, beginning of year	\$ 11.13	\$ 10.12	\$ 10.00
Income from investment operations <sup>b</sup> :			
Net investment income <sup>c,d</sup>	0.18	0.16	0.02
Net realized and unrealized gain (loss)	(0.18)	0.85	0.10
Total from investment operations	-	1.01	0.12
Net asset value, end of year	\$ 11.13	\$ 11.13	\$ 10.12
Total return <sup>e</sup>	-	9.98%	1.20%
<b>Ratios to average net assets<sup>f</sup></b>			
Expenses <sup>g</sup>	1.40%	1.40%	1.40%
Net investment income <sup>d</sup>	1.68%	1.51%	1.35%
<b>Supplemental data</b>			
Net assets, end of year (000's)	\$ 1,382	\$ 776	\$ 141

Age-Based Conservative Asset Allocation Age 9-12 Years Portfolio	Direct		
	Year Ended June 30,		
	2012	2011	2010 <sup>a</sup>
<b>SELECTED PER SHARE DATA</b>			
Net asset value, beginning of year	\$ 11.30	\$ 10.16	\$ 10.00
Income from investment operations <sup>b</sup> :			
Net investment income <sup>c,d</sup>	0.33	0.29	0.14
Net realized and unrealized gain (loss)	(0.19)	0.85	0.02
Total from investment operations	0.14	1.14	0.16
Net asset value, end of year	\$ 11.44	\$ 11.30	\$ 10.16
Total return <sup>e</sup>	1.24%	11.22%	1.60%
<b>Ratios to average net assets<sup>f</sup></b>			
Expenses <sup>g</sup>	0.20%	0.20%	0.20%
Net investment income <sup>d</sup>	2.88%	2.71%	2.55%
<b>Supplemental data</b>			
Net assets, end of year (000's)	\$ 1,569	\$ 945	\$ 269

<sup>a</sup>For the period April 23, 2010 (effective date) to June 30, 2010.

<sup>b</sup>The amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Portfolio shares in relation to income earned and/or fluctuating market value of the investments of the Portfolio.

<sup>c</sup>Based on average daily shares outstanding.

<sup>d</sup>Recognition of net investment income by the Portfolio is affected by the timing of declaration of dividends by the Underlying Funds in which the Portfolio invests.

<sup>e</sup>Total return does not reflect sales commissions or contingent deferred sales charges, if applicable and ratios are annualised for periods less than one year.

<sup>f</sup>Ratios are annualised for periods less than one year.

<sup>g</sup>Does not include expenses of the Underlying Funds in which the Portfolio invests.

<sup>h</sup>For the period December 18, 2009 (commencement of operations) to June 30, 2010.

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Age-Based Conservative Asset Allocation 13-16 Years Portfolio	Class A		
	Year Ended June 30,		
	2012	2011	2010 <sup>a</sup>
<b>SELECTED PER SHARE DATA</b>			
Net asset value, beginning of year	\$ 10.87	\$ 10.36	\$ 10.00
Income from investment operations <sup>b</sup> :			
Net investment income <sup>c,d</sup>	0.33	0.32	0.07
Net realized and unrealized gain (loss)	0.04	0.19	0.29
Total from investment operations	0.37	0.51	0.36
Net asset value, end of year	\$ 11.24	\$ 10.87	\$ 10.36
Total return <sup>e</sup>	3.40%	4.92%	3.60%
<b>Ratios to average net assets<sup>f</sup></b>			
Expenses <sup>g</sup>	0.65%	0.65%	0.65%
Net investment income <sup>d</sup>	3.00%	2.96%	2.88%
<b>Supplemental data</b>			
Net assets, end of year (000's)	\$ 5,430	\$ 3,006	\$ 106

Age-Based Conservative Asset Allocation 13-16 Years Portfolio	Class B		
	Year Ended June 30,		
	2012	2011	2010 <sup>a</sup>
<b>SELECTED PER SHARE DATA</b>			
Net asset value, beginning of year	\$ 10.77	\$ 10.35	\$ 10.00
Income from investment operations <sup>b</sup> :			
Net investment income <sup>c,d</sup>	0.25	0.23	0.05
Net realized and unrealized gain (loss)	0.03	0.19	0.30
Total from investment operations	0.28	0.42	0.35
Net asset value, end of year	\$ 11.05	\$ 10.77	\$ 10.35
Total return <sup>e</sup>	2.60%	4.06%	3.50%
<b>Ratios to average net assets<sup>f</sup></b>			
Expenses <sup>g</sup>	1.40%	1.40%	1.40%
Net investment income <sup>d</sup>	2.25%	2.21%	2.13%
<b>Supplemental data</b>			
Net assets, end of year (000's)	\$ 236	\$ 124	\$ 5

<sup>a</sup>For the period December 18, 2009 (effective date) to June 30, 2010.

<sup>b</sup>The amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Portfolio shares in relation to income earned and/or fluctuating market value of the investments in the Portfolio.

<sup>c</sup>Based on average daily shares outstanding.

<sup>d</sup>Recognition of net investment income by the Portfolio is affected by the timing of declaration of dividends by the Underlying Funds in which the Portfolio invests.

<sup>e</sup>Total return does not reflect sales commissions or contingent deferred sales charges, if applicable, and is not annualized for periods less than one year.

<sup>f</sup>Ratios are annualized for periods less than one year.

<sup>g</sup>Does not include expenses of the Underlying Funds in which the Portfolio invests.

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Age-Based Conservative Asset Allocation 13-16 Years Portfolio	Class C		
	Year Ended June 30,		
	2012	2011	2010 <sup>a</sup>
<b>SELECTED PER SHARE DATA</b>			
Net asset value, beginning of year	\$ 10.78	\$ 10.35	\$ 10.00
Income from investment operations <sup>b</sup> :			
Net investment income <sup>c,d</sup>	0.24	0.23	0.05
Net realized and unrealized gain (loss)	0.04	0.20	0.30
Total from investment operations	0.28	0.43	0.35
Net asset value, end of year	\$ 11.06	\$ 10.78	\$ 10.35
Total return <sup>e</sup>	2.60%	4.15%	3.50%
<b>Ratios to average net assets<sup>f</sup></b>			
Expenses <sup>g</sup>	1.40%	1.40%	1.40%
Net investment income <sup>d</sup>	2.25%	2.21%	2.13%
<b>Supplemental data</b>			
Net assets, end of year (000's)	\$ 4,886	\$ 2,357	\$ 357

Age-Based Conservative Asset Allocation 13-16 Years Portfolio	Direct		
	Year Ended June 30,		
	2012	2011	2010 <sup>h</sup>
<b>SELECTED PER SHARE DATA</b>			
Net asset value, beginning of year	\$ 10.93	\$ 10.36	\$ 10.00
Income from investment operations <sup>b</sup> :			
Net investment income <sup>c,d</sup>	0.38	0.36	0.18
Net realized and unrealized gain (loss)	0.03	0.21	0.18
Total from investment operations	0.41	0.57	0.36
Net asset value, end of year	\$ 11.34	\$ 10.93	\$ 10.36
Total return <sup>e</sup>	3.75%	5.50%	3.60%
<b>Ratios to average net assets<sup>f</sup></b>			
Expenses <sup>g</sup>	0.20%	0.20%	0.20%
Net investment income <sup>d</sup>	3.45%	3.41%	3.33%
<b>Supplemental data</b>			
Net assets, end of year (000's)	\$ 2,927	\$ 1,688	\$ 765

<sup>a</sup>For the period December 18, 2009 (effective date) to June 30, 2010.

<sup>b</sup>The amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sale and repurchases of the Portfolio shares in relation to income earned and/or fluctuating market value of the investments in the Portfolio.

<sup>c</sup>Based on average daily shares outstanding.

<sup>d</sup>Recognition of net investment income by the Portfolio is affected by the timing of declaration of dividends by the Underlying Funds in which the Portfolio invests.

<sup>e</sup>Total return does not reflect sales commissions or contingent deferred sales charges, if applicable, and is not annualized for periods less than one year.

<sup>f</sup>Ratios are annualized for periods less than one year.

<sup>g</sup>Does not include expenses of the Underlying Funds in which the Portfolio invests.

<sup>h</sup>For the period April 23, 2010 (commencement of operations) to June 30, 2010.

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Age-Based Conservative Asset Allocation 17+ Years Portfolio	Class A		
	Year Ended June 30,		
	2012	2011	2010 <sup>a</sup>
<b>SELECTED PER SHARE DATA</b>			
Net asset value, beginning of year	\$ 9.93	\$ 9.99	\$ 10.00
Income from investment operations <sup>b</sup> :			
Net investment income (loss) <sup>c,d</sup>	(0.06)	(0.06)	(0.01)
Net realized and unrealized gain (loss)	0.03	-	-
Total from investment operations	(0.03)	(0.06)	(0.01)
Net asset value, end of year	\$ 9.90	\$ 9.93	\$ 9.99
Total return <sup>e</sup>	(0.30)%	(0.60)%	(0.10)%
<b>Ratios to average net assets<sup>f</sup></b>			
Expenses <sup>g</sup>	0.65%	0.65%	0.65%
Net investment income (loss) <sup>d</sup>	(0.56)%	(0.65)%	(0.65)%
<b>Supplemental data</b>			
Net assets, end of year (000's)	\$ 6,453	\$ 3,853	\$ 318

Age-Based Conservative Asset Allocation 17+ Years Portfolio	Class B		
	Year Ended June 30,		
	2012	2011	2010 <sup>a</sup>
<b>SELECTED PER SHARE DATA</b>			
Net asset value, beginning of year	\$ 9.83	\$ 9.97	\$ 10.00
Income from investment operations <sup>b</sup> :			
Net investment income (loss) <sup>c,d</sup>	(0.13)	(0.14)	(0.03)
Net realized and unrealized gain (loss)	0.04	-	-
Total from investment operations	(0.09)	(0.14)	(0.03)
Net asset value, end of year	\$ 9.74	\$ 9.83	\$ 9.97
Total return <sup>e</sup>	(0.92)%	(1.40)%	(0.30)%
<b>Ratios to average net assets<sup>f</sup></b>			
Expenses <sup>g</sup>	1.40%	1.40%	1.40%
Net investment income (loss) <sup>g</sup>	(1.31)%	(1.40)%	(1.40)%
<b>Supplemental data</b>			
Net assets, end of year (000's)	\$ 554	\$ 540	\$ 73

<sup>a</sup>For the period December 18, 2009 (commencement of operations) to June 30, 2010.

<sup>b</sup>The amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Portfolio shares in relation to income earned and/or fluctuating market value of the investments in the Portfolio.

<sup>c</sup>Based on average daily shares outstanding.

<sup>d</sup>Recognition of net investment income by the Portfolio is affected by the timing of declaration of dividends by the Underlying Funds in which the Portfolio invests.

<sup>e</sup>Total return does not reflect sales commissions or the contingent deferred sales charge, if applicable, and is not annualized for periods less than one year.

<sup>f</sup>Ratios are annualized for periods less than one year.

<sup>g</sup>Does not include expenses of the Underlying Funds in which the Portfolio invests.

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Age-Based Conservative Asset Allocation 17+ Years Portfolio	Class C		
	Year Ended June 30,		
	2012	2011	2010 <sup>a</sup>
<b>SELECTED PER SHARE DATA</b>			
Net asset value, beginning of year	\$ 9.83	\$ 9.97	\$ 10.00
Income from investment operations <sup>b</sup> :			
Net investment income (loss) <sup>c,d</sup>	(0.13)	(0.14)	(0.03)
Net realized and unrealized gain (loss)	0.03	-	-
Total from investment operations	(0.10)	(0.14)	(0.03)
Net asset value, end of year	\$ 9.73	\$ 9.83	\$ 9.97
Total return <sup>e</sup>	(1.02)%	(1.40)%	(0.30)%
<b>Ratios to average net assets<sup>f</sup></b>			
Expenses <sup>g</sup>	1.40%	1.40%	1.40%
Net investment (loss) <sup>g</sup>	(1.31)%	(1.40)%	(1.40)%
<b>Supplemental data</b>			
Net assets, end of year (000's)	\$ 6,052	\$ 3,498	\$ 814

Age-Based Conservative Asset Allocation 17+ Years Portfolio	Direct		
	Year Ended June 30,		
	2012	2011	2010 <sup>h</sup>
<b>SELECTED PER SHARE DATA</b>			
Net asset value, beginning of year	\$ 9.97	\$ 9.99	\$ 10.00
Income from investment operations <sup>b</sup> :			
Net investment income (loss) <sup>c,d</sup>	(0.01)	(0.02)	(0.01)
Net realized and unrealized gain (loss)	0.03	-	-
Total from investment operations	0.02	(0.02)	(0.01)
Net asset value, end of year	\$ 9.99	\$ 9.97	\$ 9.99
Total return <sup>e</sup>	0.20%	(0.20)%	(0.10)%
<b>Ratios to average net assets<sup>f</sup></b>			
Expenses <sup>g</sup>	0.20%	0.20%	0.20%
Net investment (loss) <sup>g</sup>	(0.11)%	(0.20)%	(0.20)%
<b>Supplemental data</b>			
Net assets, end of year (000's)	\$ 4,859	\$ 2,924	\$ 787

<sup>a</sup>For the period December 18, 2009 (commencement of operations) to June 30, 2010.

<sup>b</sup>The amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Portfolio shares in relation to income earned and/or fluctuating market value of the investments in the Portfolio.

<sup>c</sup>Based on average daily shares outstanding.

<sup>d</sup>Recognition of net investment income by the Portfolio is affected by the timing of declaration of dividends by the Underlying Funds in which the Portfolio invests.

<sup>e</sup>Total return does not reflect sales commissions or the contingent deferred sales charge, if applicable, and is not annualized for periods less than one year.

<sup>f</sup>Ratios are annualized for periods less than one year.

<sup>g</sup>Does not include expenses of the Underlying Funds in which the Portfolio invests.

<sup>h</sup>For the period April 23, 2010 (commencement of operations) to June 30, 2010.

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Age-Based Moderate Asset Allocation Newborn-8 Years Portfolio	Class A		
	Year Ended June 30,		
	2012	2011	2010 <sup>a</sup>
<b>SELECTED PER SHARE DATA</b>			
Net asset value, beginning of year	\$ 11.93	\$ 9.65	\$ 10.00
Income from investment operations <sup>b</sup> :			
Net investment income <sup>c,d</sup>	0.14	0.11	0.01
Net realized and unrealized gain (loss)	(0.68)	2.17	(0.36)
Total from investment operations	(0.54)	2.28	(0.35)
Net asset value, end of year	\$ 11.39	\$ 11.93	\$ 9.65
Total return <sup>e</sup>	(4.53)%	23.63%	(3.50)%
<b>Ratios to average net assets<sup>f</sup></b>			
Expenses <sup>g</sup>	0.65%	0.65%	0.65%
Net investment income <sup>d</sup>	1.24%	0.98%	0.27%
<b>Supplemental data</b>			
Net assets, end of year(000's)	\$ 31,867	\$ 14,689	\$ 1,723

Age-Based Moderate Asset Allocation Newborn-8 Years Portfolio	Class B		
	Year Ended June 30,		
	2012	2011	2010 <sup>a</sup>
<b>SELECTED PER SHARE DATA</b>			
Net asset value, beginning of year	\$ 11.81	\$ 9.63	\$ 10.00
Income from investment operations <sup>b</sup> :			
Net investment income (loss) <sup>c,d</sup>	0.06	0.02	(0.01)
Net realized and unrealized gain (loss)	(0.67)	2.16	(0.36)
Total from investment operations	(0.61)	2.18	(0.37)
Net asset value, end of year	\$ 11.20	\$ 11.81	\$ 9.63
Total return <sup>e</sup>	(5.17)%	22.64%	(3.70)%
<b>Ratios to average net assets<sup>f</sup></b>			
Expenses <sup>g</sup>	1.40%	1.40%	1.40%
Net investment income (loss) <sup>d</sup>	0.49%	0.23%	(0.48)%
<b>Supplemental data</b>			
Net assets, end of year(000's)	\$ 3,040	\$ 1,652	\$ 174

<sup>a</sup>For the year April 23, 2010 (effective date) to June 30, 2010.

<sup>b</sup>The amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Portfolio shares in relation to income earned and/or fluctuating market value of the investments of the Portfolio.

<sup>c</sup>Based on average daily shares outstanding.

<sup>d</sup>Recognition of net investment income by the Portfolio is affected by the timing of declaration of dividends by the Underlying Funds in which the Portfolio invests.

<sup>e</sup>Total return does not reflect sales commissions or contingent deferred sales charges, if applicable, and is not annualized for periods less than one year.

<sup>f</sup>Ratios are annualized for periods less than one year.

<sup>g</sup>Does not include expenses of the Underlying Funds in which the Portfolio invests.

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Age-Based Moderate Asset Allocation Newborn-8 Years Portfolio	Class C		
	Year Ended June 30,		
	2012	2011	2010 <sup>a</sup>
<b>SELECTED PER SHARE DATA</b>			
Net asset value, beginning of year	\$ 11.79	\$ 9.62	\$ 10.00
Income from investment operations <sup>b</sup> :			
Net investment income <sup>c,d</sup>	0.05	0.02	(0.01)
Net realized and unrealized gain (loss)	(0.66)	2.15	(0.37)
Total from investment operations	(0.61)	2.17	(0.38)
Net asset value, end of year	\$ 11.18	\$ 11.79	\$ 9.62
Total return <sup>e</sup>	(5.17)%	22.56%	(3.80)%
<b>Ratios to average net assets<sup>f</sup></b>			
Expenses <sup>g</sup>	1.40%	1.40%	1.40%
Net investment income (loss) <sup>h</sup>	0.49%	0.23%	(0.48)%
<b>Supplemental data</b>			
Net assets, end of year (000's)	\$ 8,582	\$ 3,583	\$ 411

Age-Based Moderate Asset Allocation Newborn-8 Years Portfolio	Direct		
	Year Ended June 30,		
	2012	2011	2010 <sup>a</sup>
<b>SELECTED PER SHARE DATA</b>			
Net asset value, beginning of year	\$ 11.97	\$ 9.65	\$ 10.00
Income from investment operations <sup>b</sup> :			
Net investment income <sup>c,d</sup>	0.20	0.17	0.04
Net realized and unrealized gain (loss)	(0.69)	2.15	(0.39)
Total from investment operations	(0.49)	2.32	(0.35)
Net asset value, end of year	\$ 11.48	\$ 11.97	\$ 9.65
Total return <sup>e</sup>	(4.09)%	24.04%	(3.50)%
<b>Ratios to average net assets<sup>f</sup></b>			
Expenses <sup>g</sup>	0.20%	0.20%	0.20%
Net investment income <sup>h</sup>	1.69%	1.43%	0.72%
<b>Supplemental data</b>			
Net assets, end of year (000's)	\$ 5,763	\$ 3,539	\$ 986

<sup>a</sup>For the period April 23, 2010 (effective date) to June 30, 2010.

<sup>b</sup>The amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Portfolio shares in relation to income earned and/or fluctuating market value of the investments of the Portfolio.

<sup>c</sup>Based on average daily shares outstanding.

<sup>d</sup>Recognition of net investment income by the Portfolio is affected by the timing of declaration of dividends by the Underlying Funds in which the Portfolio invests.

<sup>e</sup>Total return does not reflect sales commissions or contingent deferred sales charges, if applicable, and is not annualized for periods less than one year.

<sup>f</sup>Ratios are annualized for periods less than one year.

<sup>g</sup>Does not include expenses of the Underlying Funds in which the Portfolio invests.

<sup>h</sup>For the period December 18, 2009 (commencement of operations) to June 30, 2010.

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Age-Based Moderate Asset Allocation Age 9-12 Years Portfolio	Class A		
	Year Ended June 30,		
	2012	2011	2010 <sup>a</sup>
<b>SELECTED PER SHARE DATA</b>			
Net asset value, beginning of year	\$ 11.60	\$ 9.88	\$ 10.00
Income from investment operations <sup>b</sup> :			
Net investment income <sup>c,d</sup>	0.20	0.18	0.02
Net realized and unrealized gain (loss)	(0.45)	1.54	(0.14)
Total from investment operations	(0.25)	1.72	(0.12)
Net asset value, end of year	\$ 11.35	\$ 11.60	\$ 9.88
Total return <sup>e</sup>	(2.16)%	17.41%	(1.20)%
<b>Ratios to average net assets<sup>f</sup></b>			
Expenses <sup>g</sup>	0.65%	0.65%	0.65%
Net investment income <sup>d</sup>	1.80%	1.56%	1.14%
<b>Supplemental data</b>			
Net assets, end of year (000's)	\$ 19,640	\$ 9,860	\$ 1,783

Age-Based Moderate Asset Allocation Age 9-12 Years Portfolio	Class B		
	Year Ended June 30,		
	2012	2011	2010 <sup>a</sup>
<b>SELECTED PER SHARE DATA</b>			
Net asset value, beginning of year	\$ 11.49	\$ 9.87	\$ 10.00
Income from investment operations <sup>b</sup> :			
Net investment income <sup>c,d</sup>	0.12	0.09	0.01
Net realized and unrealized gain (loss)	(0.45)	1.53	(0.14)
Total from investment operations	(0.33)	1.62	(0.13)
Net asset value, end of year	\$ 11.16	\$ 11.49	\$ 9.87
Total return <sup>e</sup>	(2.87)%	16.41%	(1.30)%
<b>Ratios to average net assets<sup>f</sup></b>			
Expenses <sup>g</sup>	1.40%	1.40%	1.40%
Net investment income <sup>d</sup>	1.05%	0.87%	0.39%
<b>Supplemental data</b>			
Net assets, end of year (000's)	\$ 1,729	\$ 1,008	\$ 40

<sup>a</sup>For the period April 23, 2010 (effective date) to June 30, 2010.

<sup>b</sup>The amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Portfolio shares in relation to income earned and/or fluctuating market value of the investments of the Portfolio.

<sup>c</sup>Based on average daily shares outstanding.

<sup>d</sup>Recognition of net investment income by the Portfolio is affected by the timing of declaration of dividends by the Underlying Funds in which the Portfolio invests.

<sup>e</sup>Total return does not reflect sales commissions or contingent deferred sales charges, if applicable, and is not annualized for years less than one year.

<sup>f</sup>Ratios are annualized for periods less than one year.

<sup>g</sup>Does not include expenses of the Underlying Funds in which the Portfolio invests.

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Age-Based Moderate Asset Allocation Age 9-12 Years Portfolio	Class C		
	Year Ended June 30,		
	2012	2011	2010 <sup>a</sup>
<b>SELECTED PER SHARE DATA</b>			
Net asset value, beginning of year	\$ 11.50	\$ 9.88	\$ 10.00
Income from investment operations <sup>b</sup> :			
Net investment income <sup>c,d</sup>	0.11	0.09	0.01
Net realized and unrealized gain (loss)	(0.43)	1.53	(0.13)
Total from investment operations	(0.32)	1.62	(0.12)
Net asset value, end of year	\$ 11.18	\$ 11.50	\$ 9.88
Total return <sup>e</sup>	(2.78)%	16.40%	(1.20)%
<b>Ratios to average net assets<sup>f</sup></b>			
Expenses <sup>g</sup>	1.40%	1.40%	1.40%
Net investment income <sup>d</sup>	1.05%	0.87%	0.39%
<b>Supplemental data</b>			
Net assets, end of year (000's)	\$ 8,941	\$ 4,582	\$ 544

Age-Based Moderate Asset Allocation Age 9-12 Years Portfolio	Direct		
	Year Ended June 30,		
	2012	2011	2010 <sup>h</sup>
<b>SELECTED PER SHARE DATA</b>			
Net asset value, beginning of year	\$ 11.64	\$ 9.89	\$ 10.00
Income from investment operations <sup>b</sup> :			
Net investment income <sup>c,d</sup>	0.26	0.23	0.08
Net realized and unrealized gain (loss)	(0.45)	1.52	(0.19)
Total from investment operations	(0.19)	1.75	(0.11)
Net asset value, end of year	\$ 11.45	\$ 11.64	\$ 9.89
Total return <sup>e</sup>	(1.63)%	17.69%	(1.10)%
<b>Ratios to average net assets<sup>f</sup></b>			
Expenses <sup>g</sup>	0.20%	0.20%	0.20%
Net investment income <sup>d</sup>	2.25%	2.07%	1.59%
<b>Supplemental data</b>			
Net assets, end of year (000's)	\$ 3,667	\$ 2,220	\$ 690

<sup>a</sup>For the period April 23, 2010 (effective date) to June 30, 2010.

<sup>b</sup>The amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Portfolio shares in relation to income earned and/or fluctuating market value of the investments of the Portfolio.

<sup>c</sup>Based on average daily shares outstanding.

<sup>d</sup>Recognition of net investment income by the Portfolio is affected by the timing of declaration of dividends by the Underlying Funds in which the Portfolio invests.

<sup>e</sup>Total return does not reflect sales commissions or contingent deferred sales charges, if applicable, and is not annualized for periods less than one year.

<sup>f</sup>Ratios are annualized for periods less than one year.

<sup>g</sup>Does not include expenses of the Underlying Funds in which the Portfolio invests.

<sup>h</sup>For the period December 18, 2009 (commencement of operations) to June 30, 2010.

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Age-Based Moderate Asset Allocation 13-16 Years Portfolio	Class A		
	Year Ended June 30,		
	2012	2011	2010 <sup>a</sup>
<b>SELECTED PER SHARE DATA</b>			
Net asset value, beginning of year	\$ 11.24	\$ 10.13	\$ 10.00
Income from investment operations <sup>b</sup> :			
Net investment income <sup>c,d</sup>	0.26	0.25	0.04
Net realized and unrealized gain (loss)	(0.19)	0.86	0.09
Total from investment operations	0.07	1.11	0.13
Net asset value, end of year	\$ 11.31	\$ 11.24	\$ 10.13
Total return <sup>e</sup>	0.62%	10.96%	1.30%
<b>Ratios to average net assets<sup>f</sup></b>			
Expenses <sup>g</sup>	0.65%	0.65%	0.65%
Net investment income <sup>d</sup>	2.36%	2.29%	2.02%
<b>Supplemental data</b>			
Net assets, end of year (000's)	\$ 18,602	\$ 7,761	\$ 703

Age-Based Moderate Asset Allocation 13-16 Years Portfolio	Class B		
	Year Ended June 30,		
	2012	2011	2010 <sup>a</sup>
<b>SELECTED PER SHARE DATA</b>			
Net asset value, beginning of year	\$ 11.15	\$ 10.12	\$ 10.00
Income from investment operations <sup>b</sup> :			
Net investment income <sup>c,d</sup>	0.18	0.16	0.03
Net realized and unrealized gain (loss)	(0.20)	0.87	0.09
Total from investment operations	(0.02)	1.03	0.12
Net asset value, end of year	\$ 11.13	\$ 11.15	\$ 10.12
Total return <sup>e</sup>	(0.18)%	10.18%	1.20%
<b>Ratios to average net assets<sup>f</sup></b>			
Expenses <sup>g</sup>	1.40%	1.40%	1.40%
Net investment income <sup>d</sup>	1.61%	1.54%	1.27%
<b>Supplemental data</b>			
Net assets, end of year (000's)	\$ 1,169	\$ 871	\$ 22

<sup>a</sup>For the period April 23, 2010 (effective date) to June 30, 2010.

<sup>b</sup>The amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Portfolio shares in relation to income earned and/or fluctuating market value of the investments of the Portfolio.

<sup>c</sup>Based on average daily shares outstanding.

<sup>d</sup>Recognition of net investment income by the Portfolio is affected by the timing of declaration of dividends by the Underlying Funds in which the Portfolio invests.

<sup>e</sup>Total return does not reflect sales commissions or contingent deferred sales charges, if applicable, and is not annualized for periods less than one year.

<sup>f</sup>Ratios are annualized for periods less than one year.

<sup>g</sup>Does not include expenses of the Underlying Funds in which the Portfolio invests.

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Age-Based Moderate Asset Allocation 13-16 Years Portfolio	Class C		
	Year Ended June 30,		
	2012	2011	2010 <sup>a</sup>
<b>SELECTED PER SHARE DATA</b>			
Net asset value, beginning of year	\$ 11.14	\$ 10.10	\$ 10.00
Income from investment operations <sup>b</sup> :			
Net investment income <sup>c,d</sup>	0.18	0.17	0.03
Net realized and unrealized gain (loss)	(0.20)	0.87	0.07
Total from investment operations	(0.02)	1.04	0.10
Net asset value, end of year	\$ 11.12	\$ 11.14	\$ 10.10
Total return <sup>e</sup>	(0.18)%	10.30%	1.00%
<b>Ratios to average net assets<sup>f</sup></b>			
Expenses <sup>g</sup>	1.40%	1.40%	1.40%
Net investment income <sup>d</sup>	1.61%	1.54%	1.27%
<b>Supplemental data</b>			
Net assets, end of year (000's)	\$ 15,570	\$ 7,654	\$ 1,310

Age-Based Moderate Asset Allocation 13-16 Years Portfolio	Direct		
	Year Ended June 30,		
	2012	2011	2010 <sup>h</sup>
<b>SELECTED PER SHARE DATA</b>			
Net asset value, beginning of year	\$ 11.31	\$ 10.13	\$ 10.00
Income from investment operations <sup>b</sup> :			
Net investment income <sup>c,d</sup>	0.31	0.30	0.13
Net realized and unrealized gain (loss)	(0.20)	0.88	- <sup>i</sup>
Total from investment operations	0.11	1.18	0.13
Net asset value, end of year	\$ 11.42	\$ 11.31	\$ 10.13
Total return <sup>e</sup>	0.97%	11.65%	1.30%
<b>Ratios to average net assets<sup>f</sup></b>			
Expenses <sup>g</sup>	0.20%	0.20%	0.20%
Net investment income <sup>d</sup>	2.81%	2.74%	2.47%
<b>Supplemental data</b>			
Net assets, end of year (000's)	\$ 5,230	\$ 2,815	\$ 1,447

<sup>a</sup>For the period April 23, 2010 (effective date) to June 30, 2010.

<sup>b</sup>The amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Portfolio shares in relation to income earned and/or fluctuating market value of the investments of the Portfolio.

<sup>c</sup>Based on average daily shares outstanding.

<sup>d</sup>Recognition of net investment income by the Portfolio is affected by the timing of declaration of dividends by the Underlying Funds in which the Portfolio invests.

<sup>e</sup>Total return does not reflect sales commissions or contingent deferred sales charges, if applicable, and is not annualized for periods less than one year.

<sup>f</sup>Ratios are annualized for periods less than one year.

<sup>g</sup>Does not include expenses of the Underlying Funds in which the Portfolio invests.

<sup>h</sup>For the period December 18, 2009 (commencement of operations) to June 30, 2010.

<sup>i</sup>Amount rounds to less than \$0.01 per share.

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Age-Based Moderate Asset Allocation 17+ Years Portfolio	Class A		
	Year Ended June 30,		
	2012	2011	2010 <sup>a</sup>
<b>SELECTED PER SHARE DATA</b>			
Net asset value, beginning of year	\$ 10.85	\$ 10.32	\$ 10.00
Income from investment operations <sup>b</sup> :			
Net investment income <sup>c,d</sup>	0.33	0.32	0.06
Net realized and unrealized gain (loss)	0.04	0.21	0.26
Total from investment operations	0.37	0.53	0.32
Net asset value, end of year	\$ 11.22	\$ 10.85	\$ 10.32
Total return <sup>e</sup>	3.41%	5.14%	3.20%
<b>Ratios to average net assets<sup>f</sup></b>			
Expenses <sup>g</sup>	0.65%	0.65%	0.65%
Net investment income <sup>d</sup>	3.00%	3.02%	3.07%
<b>Supplemental data</b>			
Net assets, end of year (000's)	\$ 6,293	\$ 2,286	\$ 247

Age-Based Moderate Asset Allocation 17+ Years Portfolio	Class B		
	Year Ended June 30,		
	2012	2011	2010 <sup>a</sup>
<b>SELECTED PER SHARE DATA</b>			
Net asset value, beginning of year	\$ 10.75	\$ 10.31	\$ 10.00
Income from investment operations <sup>b</sup> :			
Net investment income <sup>c,d</sup>	0.25	0.24	0.05
Net realized and unrealized gain (loss)	0.04	0.20	0.26
Total from investment operations	0.29	0.44	0.31
Net asset value, end of year	\$ 11.04	\$ 10.75	\$ 10.31
Total return <sup>e</sup>	2.70%	4.27%	3.10%
<b>Ratios to average net assets<sup>f</sup></b>			
Expenses <sup>g</sup>	1.40%	1.40%	1.40%
Net investment income <sup>d</sup>	2.25%	2.27%	2.32%
<b>Supplemental data</b>			
Net assets, end of year (000's)	\$ 632	\$ 112	\$ 34

<sup>a</sup>For the period April 23, 2010 (effective date) to June 30, 2010.

<sup>b</sup>The amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Portfolio shares in relation to income earned and/or fluctuating market value of the investments of the Portfolio.

<sup>c</sup>Based on average daily shares outstanding.

<sup>d</sup>Recognition of net investment income by the Portfolio is affected by the timing of declaration of dividends by the Underlying Funds in which the Portfolio invests.

<sup>e</sup>Total return does not reflect sales commissions or contingent deferred sales charges, if applicable, and is not annualized for periods less than one year.

<sup>f</sup>Ratios are annualized for periods less than one year.

<sup>g</sup>Does not include expenses of the Underlying Funds in which the Portfolio invests.

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Age-Based Moderate Asset Allocation 17+ Years Portfolio	Class C		
	Year Ended June 30,		
	2012	2011	2010 <sup>a</sup>
<b>SELECTED PER SHARE DATA</b>			
Net asset value, beginning of year	\$ 10.76	\$ 10.31	\$ 10.00
Income from investment operations <sup>b</sup> :			
Net investment income <sup>c,d</sup>	0.25	0.24	0.05
Net realized and unrealized gain (loss)	0.03	0.21	0.26
Total from investment operations	0.28	0.45	0.31
Net asset value, end of year	\$ 11.04	\$ 10.76	\$ 10.31
Total return <sup>e</sup>	2.60%	4.36%	3.10%
<b>Ratios to average net assets<sup>f</sup></b>			
Expenses <sup>g</sup>	1.40%	1.40%	1.40%
Net investment income <sup>d</sup>	2.25%	2.27%	2.32%
<b>Supplemental data</b>			
Net assets, end of year (000's)	\$ 11,694	\$ 3,986	\$ 590

Age-Based Moderate Asset Allocation 17+ Years Portfolio	Direct		
	Year Ended June 30,		
	2012	2011	2010 <sup>a</sup>
<b>SELECTED PER SHARE DATA</b>			
Net asset value, beginning of year	\$ 10.90	\$ 10.32	\$ 10.00
Income from investment operations <sup>b</sup> :			
Net investment income <sup>c,d</sup>	0.39	0.37	0.19
Net realized and unrealized gain (loss)	0.03	0.21	0.13
Total from investment operations	0.42	0.58	0.32
Net asset value, end of year	\$ 11.32	\$ 10.90	\$ 10.32
Total return <sup>e</sup>	3.85%	5.62%	3.20%
<b>Ratios to average net assets<sup>f</sup></b>			
Expenses <sup>g</sup>	0.20%	0.20%	0.20%
Net investment income <sup>d</sup>	3.45%	3.47%	3.52%
<b>Supplemental data</b>			
Net assets, end of year (000's)	\$ 3,715	\$ 2,115	\$ 799

<sup>a</sup>For the period April 23, 2010 (effective date) to June 30, 2010.

<sup>b</sup>The amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Portfolio shares in relation to income earned and/or fluctuating market value of the investments of the Portfolio.

<sup>c</sup>Based on average daily shares outstanding.

<sup>d</sup>Recognition of net investment income by the Portfolio is affected by the timing of declaration of dividends by the Underlying Funds in which the Portfolio invests.

<sup>e</sup>Total return does not reflect sales commissions or contingent deferred sales charges, if applicable, and is not annualized for periods less than one year.

<sup>f</sup>Ratios are annualized for periods less than one year.

<sup>g</sup>Does not include expenses of the Underlying Funds in which the Portfolio invests.

<sup>h</sup>For the period December 18, 2009 (commencement of operations) to June 30, 2010.

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Franklin Templeton Corefolio Portfolio	Class A				
	2012	2011	Year Ended June 30, 2010	2009	2008
<b>SELECTED PER SHARE DATA</b>					
Net asset value, beginning of year	\$ 18.72	\$ 14.51	\$ 12.53	\$ 16.70	\$ 19.64
Income from investment operations <sup>a</sup> :					
Net investment income <sup>b,c</sup>	0.12	0.12	0.12	0.17	0.16
Net realized and unrealized gain (loss)	(0.68)	4.09	1.86	(4.34)	(3.10)
Total from investment operations	(0.56)	4.21	1.98	(4.17)	(2.94)
Net asset value, end of year	\$ 18.16	\$ 18.72	\$ 14.51	\$ 12.53	\$ 16.70
Total return <sup>d</sup>	(2.99)%	29.01%	15.80%	(24.97)%	(14.97)%
<b>Ratios to average net assets</b>					
Expenses <sup>e</sup>	0.65%	0.65%	0.65%	0.65%	0.65%
Net investment income <sup>c</sup>	0.70%	0.69%	0.81%	1.35%	0.85%
<b>Supplemental data</b>					
Net assets, end of year (000's)	\$ 50,162	\$ 48,563	\$ 36,704	\$ 31,433	\$ 40,478

Franklin Templeton Corefolio Portfolio	Class B				
	2012	2011	Year Ended June 30, 2010	2009	2008
<b>SELECTED PER SHARE DATA</b>					
Net asset value, beginning of year	\$ 17.28	\$ 13.50	\$ 11.75	\$ 15.77	\$ 18.69
Income from investment operations <sup>a</sup> :					
Net investment income (loss) <sup>b,c</sup>	-	(0.01)	0.01	0.07	0.02
Net realized and unrealized gain (loss)	(0.64)	3.79	1.74	(4.09)	(2.94)
Total from investment operations	(0.64)	3.78	1.75	(4.02)	(2.92)
Net asset value, end of year	\$ 16.64	\$ 17.28	\$ 13.50	\$ 11.75	\$ 15.77
Total return <sup>d</sup>	(3.70)%	28.00%	14.89%	(25.49)%	(15.62)%
<b>Ratios to average net assets</b>					
Expenses <sup>e</sup>	1.40%	1.40%	1.40%	1.40%	1.40%
Net investment income (loss) <sup>c</sup>	(0.05)%	(0.06)%	0.06%	0.60%	0.10%
<b>Supplemental data</b>					
Net assets, end of year (000's)	\$ 9,854	\$ 12,705	\$ 9,801	\$ 8,429	\$ 11,277

<sup>a</sup>The amount shown for a share outstanding throughout the year may not correlate with the Statement of Operations for the year due to the timing of sales and repurchases of the Portfolio shares in relation to income earned and/or fluctuating market value of the investments of the Portfolio.

<sup>b</sup>Based on average daily shares outstanding.

<sup>c</sup>Recognition of net investment income by the Portfolio is affected by the timing of declaration of dividends by the Underlying Funds in which the Portfolio invests.

<sup>d</sup>Total return does not reflect sales commissions or contingent deferred sales charges, if applicable.

<sup>e</sup>Does not include expenses of the Underlying Funds in which the Portfolio invests.

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Franklin Templeton Corefolio Portfolio	Class C				
	2012	2011	Year Ended June 30,		
			2010	2009	2008
<b>SELECTED PER SHARE DATA</b>					
Net asset value, beginning of year	\$ 17.61	\$ 13.75	\$ 11.97	\$ 16.06	\$ 19.03
Income from investment operations <sup>a</sup> :					
Net investment income (loss) <sup>b,c</sup>	(0.01)	(0.01)	0.01	0.07	0.02
Net realized and unrealized gain (loss)	(0.64)	3.87	1.77	(4.16)	(2.99)
Total from investment operations	(0.65)	3.86	1.78	(4.09)	(2.97)
Net asset value, end of year	\$ 16.96	\$ 17.61	\$ 13.75	\$ 11.97	\$ 16.06
Total return <sup>d</sup>	(3.69)%	28.07%	14.87%	(25.47)%	(15.61)%
<b>Ratios to average net assets</b>					
Expenses <sup>e</sup>	1.40%	1.40%	1.40%	1.40%	1.40%
Net investment income (loss) <sup>f</sup>	(0.05)%	(0.06)%	0.06%	0.60%	0.10%
<b>Supplemental data</b>					
Net assets, end of year (000's)	\$ 25,825	\$ 27,478	\$ 21,173	\$ 18,058	\$ 24,730

Franklin Templeton Corefolio Portfolio	Direct				
	2012	2011	Year Ended June 30,		
			2010	2009	2008
<b>SELECTED PER SHARE DATA</b>					
Net asset value, beginning of year	\$ 19.16	\$ 14.79	\$ 12.73	\$ 16.92	\$ 19.85
Income from investment operations <sup>a</sup> :					
Net investment income <sup>b,c</sup>	0.21	0.20	0.18	0.21	0.20
Net realized and unrealized gain (loss)	(0.70)	4.17	1.88	(4.40)	(3.13)
Total from investment operations	(0.49)	4.37	2.06	(4.19)	(2.93)
Net asset value, end of year	\$ 18.67	\$ 19.16	\$ 14.79	\$ 12.73	\$ 16.92
Total return <sup>d</sup>	(2.56)%	29.55%	16.18%	(24.76)%	(14.76)%
<b>Ratios to average net assets</b>					
Expenses <sup>e</sup>	0.20%	0.20%	0.30%	0.40%	0.40%
Net investment income <sup>c</sup>	1.15%	1.14%	1.16%	1.60%	1.10%
<b>Supplemental data</b>					
Net assets, end of year (000's)	\$ 35,791	\$ 35,565	\$ 26,550	\$ 21,855	\$ 26,781

<sup>a</sup>The amount shown for a share outstanding throughout the year may not correlate with the Statement of Operations for the year due to the timing of sales and repurchases of the Portfolio shares in relation to income earned and/or fluctuating market value of the investments of the Portfolio.

<sup>b</sup>Based on average daily shares outstanding.

<sup>c</sup>Recognition of net investment income by the Portfolio is affected by the timing of declaration of dividends by the Underlying Funds in which the Portfolio invests.

<sup>d</sup>Total return does not reflect sales commissions or contingent deferred sales charges, if applicable.

<sup>e</sup>Does not include expenses of the Underlying Funds in which the Portfolio invests.

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Franklin Templeton Founding Funds 529 Portfolio	Class A				
	2012	2011	Year Ended June 30, 2010	2009	2008
<b>SELECTED PER SHARE DATA</b>					
Net asset value, beginning of year	\$ 12.24	\$ 9.81	\$ 8.57	\$ 11.26	\$ 13.29
Income from investment operations <sup>a</sup> :					
Net investment income <sup>b,c</sup>	0.38	0.36	0.32	0.37	0.35
Net realized and unrealized gain (loss)	(0.74)	2.07	0.92	(3.06)	(2.38)
Total from investment operations	(0.36)	2.43	1.24	(2.69)	(2.03)
Net asset value, end of year	\$ 11.88	\$ 12.24	\$ 9.81	\$ 8.57	\$ 11.26
Total return <sup>d</sup>	(2.94)%	24.77%	14.47%	(23.89)%	(15.27)%
<b>Ratios to average net assets</b>					
Expenses <sup>e</sup>	0.65%	0.65%	0.65%	0.65%	0.65%
Net investment income <sup>c</sup>	3.28%	3.15%	3.17%	4.28%	2.82%
<b>Supplemental data</b>					
Net assets, end of year (000's)	\$ 111,255	\$ 115,654	\$ 89,876	\$ 73,054	\$ 92,764

Franklin Templeton Founding Funds 529 Portfolio	Class B				
	2012	2011	Year Ended June 30, 2010	2009	2008
<b>SELECTED PER SHARE DATA</b>					
Net asset value, beginning of year	\$ 11.70	\$ 9.46	\$ 8.33	\$ 11.03	\$ 13.10
Income from investment operations <sup>a</sup> :					
Net investment income <sup>b,c</sup>	0.28	0.27	0.24	0.30	0.25
Net realized and unrealized gain (loss)	(0.71)	1.97	0.89	(3.00)	(2.32)
Total from investment operations	(0.43)	2.24	1.13	(2.70)	(2.07)
Net asset value, end of year	\$ 11.27	\$ 11.70	\$ 9.46	\$ 8.33	\$ 11.03
Total return <sup>d</sup>	(3.68)%	23.68%	13.57%	(24.48)%	(15.80)%
<b>Ratios to average net assets</b>					
Expenses <sup>e</sup>	1.40%	1.40%	1.40%	1.40%	1.40%
Net investment income <sup>c</sup>	2.53%	2.40%	2.42%	3.53%	2.07%
<b>Supplemental data</b>					
Net assets, end of year (000's)	\$ 17,113	\$ 18,950	\$ 14,755	\$ 12,552	\$ 15,216

<sup>a</sup>The amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Portfolio shares in relation to income earned and/or fluctuating market value of the investments of the Portfolio.

<sup>b</sup>Based on average daily shares outstanding.

<sup>c</sup>Recognition of net investment income by the Portfolio is affected by the timing of declaration of dividends by the Underlying Funds in which the Portfolio invests.

<sup>d</sup>Total return does not reflect sales commissions or contingent deferred sales charges, if applicable.

<sup>e</sup>Does not include expenses of the Underlying Funds in which the Portfolio invests.

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Franklin Templeton Founding Funds 529 Portfolio	Class C				
	2012	2011	Year Ended June 30, 2010	2009	2008
<b>SELECTED PER SHARE DATA</b>					
Net asset value, beginning of year	\$ 11.69	\$ 9.44	\$ 8.32	\$ 11.02	\$ 13.09
Income from investment operations <sup>a</sup> :					
Net investment income <sup>b,c</sup>	0.28	0.26	0.24	0.29	0.25
Net realized and unrealized gain (loss)	(0.71)	1.99	0.88	(2.99)	(2.32)
Total from investment operations	(0.43)	2.25	1.12	(2.70)	(2.07)
Net asset value, end of year	\$ 11.26	\$ 11.69	\$ 9.44	\$ 8.32	\$ 11.02
Total return <sup>d</sup>	(3.68)%	23.83%	13.46%	(24.50)%	(15.81)%
<b>Ratios to average net assets</b>					
Expenses <sup>e</sup>	1.40%	1.40%	1.40%	1.40%	1.40%
Net investment income <sup>e</sup>	2.53%	2.40%	2.42%	3.53%	2.07%
<b>Supplemental data</b>					
Net assets, end of year (000's)	\$ 59,613	\$ 64,442	\$ 51,390	\$ 41,895	\$ 55,398

<sup>a</sup>The amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Portfolio shares in relation to income earned and/or fluctuating market value of the investments of the Portfolio.

<sup>b</sup>Based on average daily shares outstanding.

<sup>c</sup>Recognition of net investment income by the Portfolio is affected by the timing of declaration of dividends by the Underlying Funds in which the Portfolio invests.

<sup>d</sup>Total return does not reflect sales commissions or contingent deferred sales charges, if applicable.

<sup>e</sup>Does not include expenses of the Underlying Funds in which the Portfolio invests.

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Growth Portfolio	Class A				
	2012	2011	Year Ended June 30, 2010	2009	2008
<b>SELECTED PER SHARE DATA</b>					
Net asset value, beginning of year	\$ 20.73	\$ 15.84	\$ 13.73	\$ 18.10	\$ 20.67
Income from investment operations <sup>a</sup> :					
Net investment income <sup>b,c</sup>	0.16	0.12	0.09	0.09	0.15
Net realized and unrealized gain (loss)	(1.63)	4.77	2.02	(4.46)	(2.72)
Total from investment operations	(1.47)	4.89	2.11	(4.37)	(2.57)
Net asset value, end of year	\$ 19.26	\$ 20.73	\$ 15.84	\$ 13.73	\$ 18.10
Total return <sup>d</sup>	(7.09)%	30.87%	15.37%	(24.14)%	(12.43)%
<b>Ratios to average net assets</b>					
Expenses <sup>e</sup>	0.65%	0.65%	0.65%	0.65%	0.65%
Net investment income <sup>c</sup>	0.85%	0.65%	0.58%	0.67%	0.77%
<b>Supplemental data</b>					
Net assets, end of year (000's)	\$ 43,598	\$ 43,012	\$ 28,375	\$ 21,497	\$ 25,244

Growth Portfolio	Class B				
	2012	2011	Year Ended June 30, 2010	2009	2008
<b>SELECTED PER SHARE DATA</b>					
Net asset value, beginning of year	\$ 19.50	\$ 15.01	\$ 13.11	\$ 17.41	\$ 20.04
Income from investment operations <sup>a</sup> :					
Net investment income (loss) <sup>b,c</sup>	0.02	(0.01)	(0.03)	(0.01)	- <sup>f</sup>
Net realized and unrealized gain (loss)	(1.53)	4.50	1.93	(4.29)	(2.63)
Total from investment operations	(1.51)	4.49	1.90	(4.30)	(2.63)
Net asset value, end of year	\$ 17.99	\$ 19.50	\$ 15.01	\$ 13.11	\$ 17.41
Total return <sup>d</sup>	(7.74)%	29.91%	14.49%	(24.70)%	(13.12)%
<b>Ratios to average net assets</b>					
Expenses <sup>e</sup>	1.40%	1.40%	1.40%	1.40%	1.40%
Net investment income (loss) <sup>c</sup>	0.10%	(0.10)%	(0.17)%	(0.08)%	0.02%
<b>Supplemental data</b>					
Net assets, end of year (000's)	\$ 6,526	\$ 8,300	\$ 6,451	\$ 5,271	\$ 6,579

<sup>a</sup>The amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Portfolio shares in relation to income earned and/or fluctuating market value of the investments of the Portfolio.

<sup>b</sup>Based on average daily shares outstanding.

<sup>c</sup>Recognition of net investment income by the Portfolio is affected by the timing of declaration of dividends by the Underlying Funds in which the Portfolio invests.

<sup>d</sup>Total return does not reflect sales commissions or contingent deferred sales charges, if applicable.

<sup>e</sup>Does not include expenses of the Underlying Funds in which the Portfolio invests.

<sup>f</sup>Amount rounds to less than \$0.01 per share.

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Growth Portfolio	Class C				
	2012	2011	Year Ended June 30, 2010	2009	2008
<b>SELECTED PER SHARE DATA</b>					
Net asset value, beginning of year	\$ 19.56	\$ 15.06	\$ 13.15	\$ 17.47	\$ 20.11
Income from investment operations <sup>a</sup> :					
Net investment income (loss) <sup>b,c</sup>	0.02	(0.02)	(0.03)	(0.01)	- <sup>d</sup>
Net realized and unrealized gain (loss)	(1.53)	4.52	1.94	(4.31)	(2.64)
Total from investment operations	(1.51)	4.50	1.91	(4.32)	(2.64)
Net asset value, end of year	\$ 18.05	\$ 19.56	\$ 15.06	\$ 13.15	\$ 17.47
Total return <sup>a</sup>	(7.72)%	29.88%	14.52%	(24.73)%	(13.13)%
<b>Ratios to average net assets</b>					
Expenses <sup>f</sup>	1.40%	1.40%	1.40%	1.40%	1.40%
Net investment income (loss) <sup>c</sup>	0.10%	(0.10)%	(0.17)%	(0.08)%	0.02%
<b>Supplemental data</b>					
Net assets, end of year (000's)	\$ 20,814	\$ 22,650	\$ 16,464	\$ 13,408	\$ 15,261

Growth Portfolio	Direct				
	2012	2011	Year Ended June 30, 2010	2009	2008
<b>SELECTED PER SHARE DATA</b>					
Net asset value, beginning of year	\$ 21.21	\$ 16.13	\$ 13.94	\$ 18.34	\$ 20.90
Income from investment operations <sup>a</sup> :					
Net investment income <sup>b,c</sup>	0.25	0.22	0.15	0.13	0.21
Net realized and unrealized gain (loss)	(1.66)	4.86	2.04	(4.53)	(2.77)
Total from investment operations	(1.41)	5.08	2.19	(4.40)	(2.56)
Net asset value, end of year	\$ 19.80	\$ 21.21	\$ 16.13	\$ 13.94	\$ 18.34
Total return <sup>a</sup>	(6.65)%	31.49%	15.71%	(23.99)%	(12.25)%
<b>Ratios to average net assets</b>					
Expenses <sup>f</sup>	0.20%	0.20%	0.30%	0.40%	0.40%
Net investment income <sup>c</sup>	1.30%	1.10%	0.93%	0.92%	1.02%
<b>Supplemental data</b>					
Net assets, end of year (000's)	\$ 57,032	\$ 59,687	\$ 42,732	\$ 33,748	\$ 40,164

<sup>a</sup>The amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Portfolio shares in relation to income earned and/or fluctuating market value of the investments of the Portfolio.

<sup>b</sup>Based on average daily shares outstanding.

<sup>c</sup>Recognition of net investment income by the Portfolio is affected by the timing of declaration of dividends by the Underlying Funds in which the Portfolio invests.

<sup>d</sup>Amount rounds to less than \$0.01 per share.

<sup>e</sup>Total return does not reflect sales commissions or contingent deferred sales charges, if applicable.

<sup>f</sup>Does not include expenses of the Underlying Funds in which the Portfolio invests.

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Growth and Income Portfolio	Class A				
	2012	2011	Year Ended June 30, 2010	2009	2008
<b>SELECTED PER SHARE DATA</b>					
Net asset value, beginning of year	\$ 17.90	\$ 15.25	\$ 13.56	\$ 15.02	\$ 15.68
Income from investment operations <sup>a</sup> :					
Net investment income <sup>b,c</sup>	0.34	0.31	0.27	0.36	0.41
Net realized and unrealized gain (loss)	(0.65)	2.34	1.42	(1.82)	(1.07)
Total from investment operations	(0.31)	2.65	1.69	(1.46)	(0.66)
Net asset value, end of year	\$ 17.59	\$ 17.90	\$ 15.25	\$ 13.56	\$ 15.02
Total return <sup>d</sup>	(1.73)%	17.38%	12.46%	(9.72)%	(4.21)%
<b>Ratios to average net assets</b>					
Expenses <sup>e</sup>	0.65%	0.65%	0.65%	0.65%	0.65%
Net investment income <sup>c</sup>	1.96%	1.79%	1.81%	2.75%	2.63%
<b>Supplemental data</b>					
Net assets, end of year (000's)	\$ 45,549	\$ 38,145	\$ 27,078	\$ 18,380	\$ 17,643

Growth and Income Portfolio	Class B				
	2012	2011	Year Ended June 30, 2010	2009	2008
<b>SELECTED PER SHARE DATA</b>					
Net asset value, beginning of year	\$ 16.76	\$ 14.38	\$ 12.89	\$ 14.39	\$ 15.13
Income from investment operations <sup>a</sup> :					
Net investment income <sup>b,c</sup>	0.20	0.17	0.15	0.25	0.29
Net realized and unrealized gain (loss)	(0.61)	2.21	1.34	(1.75)	(1.03)
Total from investment operations	(0.41)	2.38	1.49	(1.50)	(0.74)
Net asset value, end of year	\$ 16.35	\$ 16.76	\$ 14.38	\$ 12.89	\$ 14.39
Total return <sup>d</sup>	(2.45)%	16.55%	11.56%	(10.42)%	(4.89)%
<b>Ratios to average net assets</b>					
Expenses <sup>e</sup>	1.40%	1.40%	1.40%	1.40%	1.40%
Net investment income <sup>c</sup>	1.21%	1.04%	1.06%	2.00%	1.88%
<b>Supplemental data</b>					
Net assets, end of year (000's)	\$ 7,743	\$ 9,316	\$ 8,203	\$ 6,614	\$ 7,279

<sup>a</sup>The amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Portfolio shares in relation to income earned and/or fluctuating market value of the investments of the Portfolio.

<sup>b</sup>Based on average daily shares outstanding.

<sup>c</sup>Recognition of net investment income by the Portfolio is affected by the timing of declaration of dividends by the Underlying Funds in which the Portfolio invests.

<sup>d</sup>Total return does not reflect sales commissions or contingent deferred sales charges, if applicable.

<sup>e</sup>Does not include expenses of the Underlying Funds in which the Portfolio invests.

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Growth and Income Portfolio	Class C				
	2012	2011	Year Ended June 30, 2010	2009	2008
<b>SELECTED PER SHARE DATA</b>					
Net asset value, beginning of year	\$ 16.53	\$ 14.18	\$ 12.71	\$ 14.20	\$ 14.93
Income from investment operations <sup>a</sup> :					
Net investment income <sup>b,c</sup>	0.19	0.16	0.15	0.25	0.28
Net realized and unrealized gain (loss)	(.60)	2.19	1.32	(1.74)	(1.01)
Total from investment operations	(0.41)	2.35	1.47	(1.49)	(0.73)
Net asset value, end of year	\$ 16.12	\$ 16.53	\$ 14.18	\$ 12.71	\$ 14.20
Total return <sup>d</sup>	(2.48)%	16.57%	11.57%	(10.49)%	(4.89)%
<b>Ratios to average net assets</b>					
Expenses <sup>a</sup>	1.40%	1.40%	1.40%	1.40%	1.40%
Net investment income <sup>c</sup>	1.21%	1.04%	1.06%	2.00%	1.88%
<b>Supplemental data</b>					
Net assets, end of year (000's)	\$ 29,051	\$ 28,709	\$ 22,421	\$ 16,309	\$ 16,037

Growth and Income Portfolio	Direct				
	2012	2011	Year Ended June 30, 2010	2009	2008
<b>SELECTED PER SHARE DATA</b>					
Net asset value, beginning of year	\$ 18.35	\$ 15.56	\$ 13.79	\$ 15.24	\$ 15.87
Income from investment operations <sup>a</sup> :					
Net investment income <sup>b,c</sup>	0.43	0.39	0.33	0.40	0.45
Net realized and unrealized gain (loss)	(0.66)	2.40	1.44	(1.85)	(1.08)
Total from investment operations	(0.23)	2.79	1.77	(1.45)	(0.63)
Net asset value, end of year	\$ 18.12	\$ 18.35	\$ 15.56	\$ 13.79	\$ 15.24
Total return <sup>d</sup>	(1.25)%	17.93%	12.84%	(9.51)%	(3.97)%
<b>Ratios to average net assets</b>					
Expenses <sup>a</sup>	0.20%	0.20%	0.30%	0.40%	0.40%
Net investment income <sup>c</sup>	2.41%	2.24%	2.16%	3.00%	2.88%
<b>Supplemental data</b>					
Net assets, end of year (000's)	\$ 33,125	\$ 32,871	\$ 25,514	\$ 20,797	\$ 22,126

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<sup>b</sup>Based on average daily shares outstanding.

<sup>c</sup>Recognition of net investment income by the Portfolio is affected by the timing of declaration of dividends by the Underlying Funds in which the Portfolio invests.

<sup>d</sup>Total return does not reflect sales commissions or contingent deferred sales charges, if applicable.

<sup>e</sup>Does not include expenses of the Underlying Funds in which the Portfolio invests.

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Income Portfolio	Class A				
	2012	2011	Year Ended June 30, 2010	2009	2008
<b>SELECTED PER SHARE DATA</b>					
Net asset value, beginning of year	\$ 14.30	\$ 13.62	\$ 12.58	\$ 12.19	\$ 11.68
Income from investment operations <sup>a</sup> :					
Net investment income <sup>b,c</sup>	0.44	0.42	0.40	0.54	0.54
Net realized and unrealized gain (loss)	0.04	0.26	0.64	(0.15)	(0.03)
Total from investment operations	0.48	0.68	1.04	0.39	0.51
Net asset value, end of year	\$ 14.78	\$ 14.30	\$ 13.62	\$ 12.58	\$ 12.19
Total return <sup>d</sup>	3.36%	4.99%	8.27%	3.20%	4.37%
<b>Ratios to average net assets</b>					
Expenses <sup>e</sup>	0.65%	0.65%	0.65%	0.65%	0.65%
Net investment income <sup>c</sup>	3.03%	2.99%	3.10%	4.49%	4.46%
<b>Supplemental data</b>					
Net assets, end of year (000's)	\$ 28,752	\$ 21,144	\$ 17,572	\$ 12,322	\$ 6,888

Income Portfolio	Class B				
	2012	2011	Year Ended June 30, 2010	2009	2008
<b>SELECTED PER SHARE DATA</b>					
Net asset value, beginning of year	\$ 13.44	\$ 12.90	\$ 12.00	\$ 11.72	\$ 11.31
Income from investment operations <sup>a</sup> :					
Net investment income <sup>b,c</sup>	0.31	0.30	0.29	0.43	0.44
Net realized and unrealized gain (loss)	0.04	0.24	0.61	(0.15)	(0.03)
Total from investment operations	0.35	0.54	0.90	0.28	0.41
Net asset value, end of year	\$ 13.79	\$ 13.44	\$ 12.90	\$ 12.00	\$ 11.72
Total return <sup>d</sup>	2.60%	4.19%	7.50%	2.39%	3.63%
<b>Ratios to average net assets</b>					
Expenses <sup>e</sup>	1.40%	1.40%	1.40%	1.40%	1.40%
Net investment income <sup>c</sup>	2.28%	2.24%	2.35%	3.74%	3.71%
<b>Supplemental data</b>					
Net assets, end of year (000's)	\$ 4,042	\$ 3,808	\$ 3,254	\$ 2,468	\$ 1,286

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<sup>b</sup>Based on average daily shares outstanding.

<sup>c</sup>Recognition of net investment income by the Portfolio is affected by the timing of declaration of dividends by the Underlying Funds in which the Portfolio invests.

<sup>d</sup>Total return does not reflect sales commissions or contingent deferred sales charges, if applicable.

<sup>e</sup>Does not include expenses of the Underlying Funds in which the Portfolio invests.

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Income Portfolio	Class C				
	2012	2011	Year Ended June 30, 2010	2009	2008
<b>SELECTED PER SHARE DATA</b>					
Net asset value, beginning of year	\$ 13.49	\$ 12.94	\$ 12.04	\$ 11.76	\$ 11.35
Income from investment operations <sup>a</sup> :					
Net investment income <sup>b,c</sup>	0.31	0.30	0.29	0.43	0.43
Net realized and unrealized gain (loss)	0.04	0.25	0.61	(0.15)	(0.02)
Total from investment operations	0.35	0.55	0.90	0.28	0.41
Net asset value, end of year	\$ 13.84	\$ 13.49	\$ 12.94	\$ 12.04	\$ 11.76
Total return <sup>d</sup>	2.59%	4.25%	7.48%	2.38%	3.61%
<b>Ratios to average net assets</b>					
Expenses <sup>e</sup>	1.40%	1.40%	1.40%	1.40%	1.40%
Net investment income <sup>c</sup>	2.28%	2.24%	2.35%	3.74%	3.71%
<b>Supplemental data</b>					
Net assets, end of year (000's)	\$ 23,708	\$ 20,207	\$ 16,443	\$ 10,692	\$ 5,762

Income Portfolio	Direct				
	2012	2011	Year Ended June 30, 2010	2009	2008
<b>SELECTED PER SHARE DATA</b>					
Net asset value, beginning of year	\$ 14.68	\$ 13.91	\$ 12.80	\$ 12.37	\$ 11.82
Income from investment operations <sup>a</sup> :					
Net investment income <sup>b,c</sup>	0.52	0.49	0.46	0.60	0.58
Net realized and unrealized gain (loss)	0.04	0.28	0.65	(0.17)	(0.03)
Total from investment operations	0.56	0.77	1.11	0.43	0.55
Net asset value, end of year	\$ 15.24	\$ 14.68	\$ 13.91	\$ 12.80	\$ 12.37
Total return <sup>d</sup>	3.81%	5.54%	8.67%	3.48%	4.65%
<b>Ratios to average net assets</b>					
Expenses <sup>e</sup>	0.20%	0.20%	0.30%	0.40%	0.40%
Net investment income <sup>c</sup>	3.48%	3.44%	3.48%	4.74%	4.71%
<b>Supplemental data</b>					
Net assets, end of year (000's)	\$ 20,800	\$ 18,097	\$ 16,532	\$ 12,128	\$ 8,403

<sup>a</sup>The amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Portfolio shares in relation to income earned and/or fluctuating market value of the investments of the Portfolio.

<sup>b</sup>Based on average daily shares outstanding.

<sup>c</sup>Recognition of net investment income by the Portfolio is affected by the timing of declaration of dividends by the Underlying Funds in which the Portfolio invests.

<sup>d</sup>Total return does not reflect sales commissions or contingent deferred sales charges, if applicable.

<sup>e</sup>Does not include expenses of the Underlying Funds in which the Portfolio invests.

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Franklin Growth 529 Portfolio	Class A				
	2012	2011	Year Ended June 30, 2010	2009	2008
<b>SELECTED PER SHARE DATA</b>					
Net asset value, beginning of year	\$ 16.03	\$ 12.51	\$ 10.47	\$ 13.91	\$ 15.14
Income from investment operations <sup>a</sup> :					
Net investment income (loss) <sup>b,c</sup>	(0.01)	(0.01)	0.03	0.05	0.05
Net realized and unrealized gain (loss)	0.29	3.53	2.01	(3.49)	(1.28)
Total from investment operations	0.28	3.52	2.04	(3.44)	(1.23)
Net asset value, end of year	\$ 16.31	\$ 16.03	\$ 12.51	\$ 10.47	\$ 13.91
Total return <sup>d</sup>	1.75%	28.14%	19.48%	(24.73)%	(8.12)%
<b>Ratios to average net assets</b>					
Expenses <sup>e</sup>	0.65%	0.65%	0.65%	0.65%	0.65%
Net investment income (loss) <sup>c</sup>	(0.08)%	(0.05)%	0.27%	0.49%	0.35%
<b>Supplemental data</b>					
Net assets, end of year (000's)	\$ 19,858	\$ 16,242	\$ 10,920	\$ 7,739	\$ 9,021

Franklin Growth 529 Portfolio	Class B				
	2012	2011	Year Ended June 30, 2010	2009	2008
<b>SELECTED PER SHARE DATA</b>					
Net asset value, beginning of year	\$ 14.68	\$ 11.53	\$ 9.73	\$ 13.02	\$ 14.27
Income from investment operations <sup>a</sup> :					
Net investment loss <sup>b,c</sup>	(0.12)	(0.11)	(0.06)	(0.03)	(0.06)
Net realized and unrealized gain (loss)	0.25	3.26	1.86	(3.26)	(1.19)
Total from investment operations	0.13	3.15	1.80	(3.29)	(1.25)
Net asset value, end of year	\$ 14.81	\$ 14.68	\$ 11.53	\$ 9.73	\$ 13.02
Total return <sup>d</sup>	0.89%	27.32%	18.50%	(25.27)%	(8.76)%
<b>Ratios to average net assets</b>					
Expenses <sup>e</sup>	1.40%	1.40%	1.40%	1.40%	1.40%
Net investment income (loss) <sup>c</sup>	(0.83)%	(0.80)%	(0.48)%	(0.26)%	(0.40)%
<b>Supplemental data</b>					
Net assets, end of year (000's)	\$ 3,556	\$ 3,967	\$ 2,908	\$ 2,319	\$ 3,219

<sup>a</sup>The amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Portfolio shares in relation to income earned and/or fluctuating market value of the investments of the Portfolio.

<sup>b</sup>Based on average daily shares outstanding.

<sup>c</sup>Recognition of net investment income by the Portfolio is affected by the timing of declaration of dividends by the Underlying Funds in which the Portfolio invests.

<sup>d</sup>Total return does not reflect sales commissions or contingent deferred sales charges, if applicable.

<sup>e</sup>Does not include expenses of the Underlying Funds in which the Portfolio invests.

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Franklin Growth 529 Portfolio	Class C				
	2012	2011	Year Ended June 30, 2010	2009	2008
<b>SELECTED PER SHARE DATA</b>					
Net asset value, beginning of year	\$ 15.70	\$ 12.34	\$ 10.41	\$ 13.91	\$ 15.25
Income from investment operations <sup>a</sup> :					
Net investment loss <sup>b,c</sup>	(0.12)	(0.12)	(0.06)	(0.03)	(0.06)
Net realized and unrealized gain (loss)	0.27	3.48	1.99	(3.47)	(1.28)
Total from investment operations	0.15	3.36	1.93	(3.50)	(1.34)
Net asset value, end of year	\$ 15.85	\$ 15.70	\$ 12.34	\$ 10.41	\$ 13.91
Total return <sup>d</sup>	0.96%	27.23%	18.54%	(25.16)%	(8.79)%
<b>Ratios to average net assets</b>					
Expenses <sup>e</sup>	1.40%	1.40%	1.40%	1.40%	1.40%
Net investment income (loss) <sup>c</sup>	(0.83)%	(0.80)%	(0.48)%	(0.26)%	(0.40)%
<b>Supplemental data</b>					
Net assets, end of year (000's)	\$ 6,986	\$ 6,429	\$ 4,382	\$ 3,399	\$ 4,502

<sup>a</sup>The amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Portfolio shares in relation to income earned and/or fluctuating market value of the investments of the Portfolio.

<sup>b</sup>Based on average daily shares outstanding.

<sup>c</sup>Recognition of net investment income by the Portfolio is affected by the timing of declaration of dividends by the Underlying Funds in which the Portfolio invests.

<sup>d</sup>Total return does not reflect sales commissions or contingent deferred sales charges, if applicable.

<sup>e</sup>Does not include expenses of the Underlying Funds in which the Portfolio invests.

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Franklin Income 529 Portfolio	Class A				
	2012	2011	Year Ended June 30, 2010	2009	2008
<b>SELECTED PER SHARE DATA</b>					
Net asset value, beginning of year	\$ 19.39	\$ 16.27	\$ 13.72	\$ 16.66	\$ 17.78
Income from investment operations <sup>a</sup> :					
Net investment income <sup>b,c</sup>	1.17	1.10	1.09	1.10	0.94
Net realized and unrealized gain (loss)	(0.68)	2.02	1.46	(4.04)	(2.06)
Total from investment operations	0.49	3.12	2.55	(2.94)	(1.12)
Net asset value, end of year	\$ 19.88	\$ 19.39	\$ 16.27	\$ 13.72	\$ 16.66
Total return <sup>d</sup>	2.53%	19.18%	18.59%	(17.65)%	(6.30)%
<b>Ratios to average net assets</b>					
Expenses <sup>a</sup>	0.65%	0.65%	0.65%	0.65%	0.65%
Net investment income <sup>c</sup>	6.16%	5.96%	6.80%	8.42%	5.37%
<b>Supplemental data</b>					
Net assets, end of year (000's)	\$ 68,292	\$ 55,260	\$ 39,672	\$ 30,415	\$ 35,603

Franklin Income 529 Portfolio	Class B				
	2012	2011	Year Ended June 30, 2010	2009	2008
<b>SELECTED PER SHARE DATA</b>					
Net asset value, beginning of year	\$ 18.37	\$ 15.53	\$ 13.19	\$ 16.15	\$ 17.35
Income from investment operations <sup>a</sup> :					
Net investment income <sup>b,c</sup>	0.98	0.92	0.93	0.97	0.78
Net realized and unrealized gain (loss)	(0.65)	1.92	1.41	(3.93)	(1.98)
Total from investment operations	0.33	2.84	2.34	(2.96)	(1.20)
Net asset value, end of year	\$ 18.70	\$ 18.37	\$ 15.53	\$ 13.19	\$ 16.15
Total return <sup>d</sup>	1.80%	18.29%	17.74%	(18.33)%	(6.92)%
<b>Ratios to average net assets</b>					
Expenses <sup>a</sup>	1.40%	1.40%	1.40%	1.40%	1.40%
Net investment income <sup>c</sup>	5.41%	5.21%	6.05%	7.67%	4.62%
<b>Supplemental data</b>					
Net assets, end of year (000's)	\$ 10,898	\$ 12,658	\$ 10,925	\$ 9,198	\$ 11,454

<sup>a</sup>The amount shown for a share outstanding throughout the year may not correlate with the Statement of Operations for the year due to the timing of sales and repurchases of the Portfolio shares in relation to income earned and/or fluctuating market value of the investments of the Portfolio.

<sup>b</sup>Based on average daily shares outstanding.

<sup>c</sup>Recognition of net investment income by the Portfolio is affected by the timing of declaration of dividends by the Underlying Funds in which the Portfolio invests.

<sup>d</sup>Total return does not reflect sales commissions or contingent deferred sales charges, if applicable.

<sup>e</sup>Does not include expenses of the Underlying Funds in which the Portfolio invests.

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Franklin Income 529 Portfolio	Class C				
	2012	2011	Year Ended June 30, 2010	2009	2008
<b>SELECTED PER SHARE DATA</b>					
Net asset value, beginning of year	\$ 18.24	\$ 15.43	\$ 13.11	\$ 16.04	\$ 17.23
Income from investment operations <sup>a</sup> :					
Net investment income <sup>b,c</sup>	0.96	0.91	0.92	0.96	0.78
Net realized and unrealized gain (loss)	(0.63)	1.90	1.40	(3.89)	(1.97)
Total from investment operations	0.33	2.81	2.32	(2.93)	(1.19)
Net asset value, end of year	\$ 18.57	\$ 18.24	\$ 15.43	\$ 13.11	\$ 16.04
Total return <sup>d</sup>	1.81%	18.21%	17.70%	(18.27)%	(6.91)%
<b>Ratios to average net assets</b>					
Expenses <sup>a</sup>	1.40%	1.40%	1.40%	1.40%	1.40%
Net investment income <sup>c</sup>	5.41%	5.21%	6.05%	7.67%	4.62%
<b>Supplemental data</b>					
Net assets, end of year (000's)	\$ 42,711	\$ 37,872	\$ 28,015	\$ 20,700	\$ 26,209

<sup>a</sup>The amount shown for a share outstanding throughout the year may not correlate with the Statement of Operations for the year due to the timing of sales and repurchases of the Portfolio shares in relation to income earned and/or fluctuating market value of the investments of the Portfolio.

<sup>b</sup>Based on average daily shares outstanding.

<sup>c</sup>Recognition of net investment income by the Portfolio is affected by the timing of declaration of dividends by the Underlying Funds in which the Portfolio invests.

<sup>d</sup>Total return does not reflect sales commissions or contingent deferred sales charges, if applicable.

<sup>e</sup>Does not include expenses of the Underlying Funds in which the Portfolio invests.

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Franklin Small-Mid Cap Growth 529 Portfolio	Class A				
	2012	2011	Year Ended June 30, 2010	2009	2008
<b>SELECTED PER SHARE DATA</b>					
Net asset value, beginning of year	\$ 22.88	\$ 16.11	\$ 13.35	\$ 18.14	\$ 20.75
Income from investment operations <sup>a</sup> :					
Net investment loss <sup>b,c</sup>	(0.14)	(0.13)	(0.11)	(0.09)	(0.13)
Net realized and unrealized gain (loss)	(1.50)	6.90	2.87	(4.70)	(2.48)
Total from investment operations	(1.64)	6.77	2.76	(4.79)	(2.61)
Net asset value, end of year	\$ 21.24	\$ 22.88	\$ 16.11	\$ 13.35	\$ 18.14
Total return <sup>d</sup>	(7.17)%	42.02%	20.67%	(26.41)%	(12.58)%
<b>Ratios to average net assets</b>					
Expenses <sup>a</sup>	0.65%	0.65%	0.65%	0.65%	0.65%
Net investment income (loss) <sup>c</sup>	(0.65)%	(0.65)%	(0.65)%	(0.65)%	(0.65)%
<b>Supplemental data</b>					
Net assets, end of year (000's)	\$ 19,798	\$ 18,977	\$ 11,039	\$ 8,060	\$ 10,093

Franklin Small-Mid Cap Growth 529 Portfolio	Class B				
	2012	2011	Year Ended June 30, 2010	2009	2008
<b>SELECTED PER SHARE DATA</b>					
Net asset value, beginning of year	\$ 21.55	\$ 15.29	\$ 12.76	\$ 17.48	\$ 20.14
Income from investment operations <sup>a</sup> :					
Net investment loss <sup>b,c</sup>	(0.28)	(0.27)	(0.22)	(0.18)	(0.27)
Net realized and unrealized gain (loss)	(1.41)	6.53	2.75	(4.54)	(2.39)
Total from investment operations	(1.69)	6.26	2.53	(4.72)	(2.66)
Net asset value, end of year	\$ 19.86	\$ 21.55	\$ 15.29	\$ 12.76	\$ 17.48
Total return <sup>d</sup>	(7.84)%	40.94%	19.83%	(27.00)%	(13.21)%
<b>Ratios to average net assets</b>					
Expenses <sup>a</sup>	1.40%	1.40%	1.40%	1.40%	1.40%
Net investment income (loss) <sup>c</sup>	(1.40)%	(1.40)%	(1.40)%	(1.40)%	(1.40)%
<b>Supplemental data</b>					
Net assets, end of year (000's)	\$ 3,546	\$ 4,297	\$ 2,786	\$ 2,121	\$ 2,505

<sup>a</sup>The amount shown for a share outstanding throughout the year may not correlate with the Statement of Operations for the year due to the timing of sales and repurchases of the Portfolio shares in relation to income earned and/or fluctuating market value of the investments of the Portfolio.

<sup>b</sup>Based on average daily shares outstanding.

<sup>c</sup>Recognition of net investment income by the Portfolio is affected by the timing of declaration of dividends by the Underlying Funds in which the Portfolio invests.

<sup>d</sup>Total return does not reflect sales commissions or contingent deferred sales charges, if applicable.

<sup>e</sup>Does not include expenses of the Underlying Funds in which the Portfolio invests.

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Franklin Small-Mid Cap Growth 529 Portfolio	Class C				
	2012	2011	Year Ended June 30, 2010	2009	2008
<b>SELECTED PER SHARE DATA</b>					
Net asset value, beginning of year	\$ 21.47	\$ 15.23	\$ 12.71	\$ 17.41	\$ 20.05
Income from investment operations <sup>a</sup> :					
Net investment loss <sup>b,c</sup>	(0.28)	(0.27)	(0.22)	(0.18)	(0.26)
Net realized and unrealized gain (loss)	(1.40)	6.51	2.74	(4.52)	(2.38)
Total from investment operations	(1.68)	6.24	2.52	(4.70)	(2.64)
Net asset value, end of year	\$ 19.79	\$ 21.47	\$ 15.23	\$ 12.71	\$ 17.41
Total return <sup>d</sup>	(7.82)%	40.97%	19.83%	(27.00)%	(13.17)%
<b>Ratios to average net assets</b>					
Expenses <sup>a</sup>	1.40%	1.40%	1.40%	1.40%	1.40%
Net investment income (loss) <sup>c</sup>	(1.40)%	(1.40)%	(1.40)%	(1.40)%	(1.40)%
<b>Supplemental data</b>					
Net assets, end of year (000's)	\$ 6,195	\$ 6,253	\$ 3,474	\$ 2,731	\$ 3,792

<sup>a</sup>The amount shown for a share outstanding throughout the year may not correlate with the Statement of Operations for the year due to the timing of sales and repurchases of the Portfolio shares in relation to income earned and/or fluctuating market value of the investments of the Portfolio.

<sup>b</sup>Based on average daily shares outstanding.

<sup>c</sup>Recognition of net investment income by the Portfolio is affected by the timing of declaration of dividends by the Underlying Funds in which the Portfolio invests.

<sup>d</sup>Total return does not reflect sales commissions or contingent deferred sales charges, if applicable.

<sup>e</sup>Does not include expenses of the Underlying Funds in which the Portfolio invests.

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Franklin Templeton Stable Value 529 Portfolio	Class A				
	2012	2011	Year Ended June 30, 2010	2009	2008
<b>SELECTED PER SHARE DATA</b>					
Net asset value, beginning of year	\$ 11.27	\$ 11.27	\$ 11.23	\$ 11.19	\$ 10.76
Income from investment operations <sup>a</sup> :					
Net investment income <sup>b,c</sup>	—f	(0.02)	0.03	0.06	0.34
Net realized and unrealized gain (loss)	(0.07)	0.02	0.01	(0.02)	0.09
Total from investment operations	(0.07)	-	0.04	0.04	0.43
Net asset value, end of year	\$ 11.20	\$ 11.27	\$ 11.27	\$ 11.23	\$ 11.19
Total return <sup>d</sup>	(0.62)%	-	0.36%	0.36%	4.00%
<b>Ratios to average net assets</b>					
Expenses before waiver and payments by affiliates <sup>e</sup>	0.75%	0.75%	0.75%	0.75%	0.75%
Expenses net of waiver and payments by affiliates <sup>e</sup>	0.46%	0.67%	0.24%	-	-
Net investment income (loss) <sup>f</sup>	—f	(0.20)%	0.28%	0.51%	3.18%
<b>Supplemental data</b>					
Net assets, end of year (000's)	\$ 22,672	\$ 17,530	\$ 21,226	\$ 23,345	\$ 5,869

Franklin Templeton Stable Value 529 Portfolio	Class B				
	2012	2011	Year Ended June 30, 2010	2009	2008
<b>SELECTED PER SHARE DATA</b>					
Net asset value, beginning of year	\$ 10.71	\$ 10.72	\$ 10.72	\$ 10.75	\$ 10.40
Income from investment operations <sup>a</sup> :					
Net investment income (loss) <sup>b,c</sup>	—f	(0.02)	0.03	(0.02)	0.25
Net realized and unrealized gain (loss)	0.03	0.01	(0.03)	(0.01)	0.10
Total from investment operations	0.03	(0.01)	-	(0.03)	0.35
Net asset value, end of year	\$ 10.74	\$ 10.71	\$ 10.72	\$ 10.72	\$ 10.75
Total return <sup>d</sup>	0.28%	(0.09)%	-	(0.28)%	3.37%
<b>Ratios to average net assets</b>					
Expenses before waiver and payments by affiliates <sup>e</sup>	1.50%	1.50%	1.50%	1.50%	1.50%
Expenses net of waiver and payments by affiliates <sup>e</sup>	0.48%	0.68%	0.24%	-	-
Net investment income (loss) <sup>f</sup>	(0.02)%	(0.21)%	0.28%	(0.24)%	2.43%
<b>Supplemental data</b>					
Net assets, end of year (000's)	\$ 5,302	\$ 7,714	\$ 8,372	\$ 8,812	\$ 2,933

<sup>a</sup>The amount shown for a share outstanding throughout the year may not correlate with the Statement of Operations for the year due to the timing of sales and repurchases of the Portfolio shares in relation to income earned and/or fluctuating market value of the investments of the Portfolio.

<sup>b</sup>Based on average daily shares outstanding.

<sup>c</sup>Recognition of net investment income by the Portfolio is affected by the timing of declaration of dividends by the Underlying Funds in which the Portfolio invests.

<sup>d</sup>Total return does not reflect sales commissions or contingent deferred sales charges, if applicable.

<sup>e</sup>Does not include expenses of the Underlying Funds in which the Portfolio invests.

<sup>f</sup>Rounds to less than 0.01%.

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Franklin Templeton Stable Value 529 Portfolio	Class C				
	2012	2011	Year Ended June 30, 2010	2009	2008
<b>SELECTED PER SHARE DATA</b>					
Net asset value, beginning of year	\$ 10.73	\$ 10.74	\$ 10.60	\$ 10.76	\$ 10.41
Income from investment operations <sup>a</sup> :					
Net investment income (loss) <sup>b,c</sup>	—f	(0.02)	0.03	(0.04)	0.25
Net realized and unrealized gain (loss)	(0.04)	0.01	0.11	(0.12)	0.10
Total from investment operations	(0.04)	(0.01)	0.14	(0.16)	0.35
Net asset value, end of year	\$ 10.69	\$ 10.73	\$ 10.74	\$ 10.60	\$ 10.76
Total return <sup>g</sup>	(0.37)%	(0.09)%	1.32%	(1.49)%	3.36%
<b>Ratios to average net assets</b>					
Expenses before waiver and payments by affiliates <sup>h</sup>	1.50%	1.50%	1.50%	1.50%	1.50%
Expenses net of waiver and payments by affiliates <sup>h</sup>	0.48%	0.67%	0.24%	-	-
Net investment income (loss) <sup>g</sup>	(0.02)%	(0.20)%	0.28%	(0.24)%	2.43%
<b>Supplemental data</b>					
Net assets, end of year (000's)	\$ 21,095	\$ 19,876	\$ 23,129	\$ 25,332	\$ 9,577

Franklin Templeton Stable Value 529 Portfolio	Direct				
	2012	2011	Year Ended June 30, 2010	2009	2008
<b>SELECTED PER SHARE DATA</b>					
Net asset value, beginning of year	\$ 11.46	\$ 11.43	\$ 11.43	\$ 11.37	\$ 10.88
Income from investment operations <sup>a</sup> :					
Net investment income <sup>b,c</sup>	0.02	0.02	0.01	0.10	0.38
Net realized and unrealized gain (loss)	(0.04)	0.01	(0.01)	(0.04)	0.11
Total from investment operations	(0.02)	0.03	-	0.06	0.49
Net asset value, end of year	\$ 11.44	\$ 11.46	\$ 11.43	\$ 11.43	\$ 11.37
Total return <sup>d</sup>	(0.17)%	0.26%	0.00%	0.53%	4.50%
<b>Ratios to average net assets</b>					
Expenses <sup>a</sup>	0.30%	0.30%	0.40%	0.50%	0.50%
Net investment income <sup>c</sup>	0.16%	0.17%	0.12%	0.76%	3.43%
<b>Supplemental data</b>					
Net assets, end of year (000's)	\$ 22,944	\$ 20,690	\$ 21,436	\$ 22,846	\$ 9,572

<sup>a</sup>The amount shown for a share outstanding throughout the year may not correlate with the Statement of Operations for the year due to the timing of sales and repurchases of the Portfolio shares in relation to income earned and/or fluctuating market value of the investments of the Portfolio.

<sup>b</sup>Based on average daily shares outstanding.

<sup>c</sup>Recognition of net investment income by the Portfolio is affected by the timing of declaration of dividends by the Underlying Funds in which the Portfolio invests.

<sup>d</sup>Total return does not reflect sales commissions or contingent deferred sales charges, if applicable.

<sup>e</sup>Does not include expenses of the Underlying Funds in which the Portfolio invests.

<sup>f</sup>Rounds to less than 0.01%.

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Mutual Shares 529 Portfolio	Class A				
	2012	2011	Year Ended June 30, 2010	2009	2008
<b>SELECTED PER SHARE DATA</b>					
Net asset value, beginning of year	\$ 17.63	\$ 14.35	\$ 12.43	\$ 16.38	\$ 20.42
Income from investment operations <sup>a</sup> :					
Net investment income <sup>b,c</sup>	0.30	0.39	0.23	0.12	0.38
Net realized and unrealized gain (loss)	(0.50)	2.89	1.69	(4.07)	(4.42)
Total from investment operations	(0.20)	3.28	1.92	(3.95)	(4.04)
Net asset value, end of year	\$ 17.43	\$ 17.63	\$ 14.35	\$ 12.43	\$ 16.38
Total return <sup>d</sup>	(1.13)%	22.86%	15.45%	(24.11)%	(19.78)%
<b>Ratios to average net assets</b>					
Expenses <sup>e</sup>	0.65%	0.65%	0.65%	0.65%	0.65%
Net investment income <sup>c</sup>	1.81%	2.33%	1.59%	0.95%	2.06%
<b>Supplemental data</b>					
Net assets, end of year (000's)	\$ 37,653	\$ 36,875	\$ 29,066	\$ 24,895	\$ 32,847

Mutual Shares 529 Portfolio	Class B				
	2012	2011	Year Ended June 30, 2010	2009	2008
<b>SELECTED PER SHARE DATA</b>					
Net asset value, beginning of year	\$ 16.32	\$ 13.38	\$ 11.68	\$ 15.50	\$ 19.47
Income from investment operations <sup>a</sup> :					
Net investment income <sup>b,c</sup>	0.17	0.25	0.12	0.03	0.23
Net realized and unrealized gain (loss)	(0.49)	2.69	1.58	(3.85)	(4.20)
Total from investment operations	(0.32)	2.94	1.70	(3.82)	(3.97)
Net asset value, end of year	\$ 16.00	\$ 16.32	\$ 13.38	\$ 11.68	\$ 15.50
Total return <sup>d</sup>	(1.96)%	21.97%	14.55%	(24.65)%	(20.39)%
<b>Ratios to average net assets</b>					
Expenses <sup>e</sup>	1.40%	1.40%	1.40%	1.40%	1.40%
Net investment income <sup>c</sup>	1.06%	1.58%	0.84%	0.20%	1.31%
<b>Supplemental data</b>					
Net assets, end of year (000's)	\$ 6,772	\$ 8,485	\$ 7,284	\$ 6,476	\$ 8,913

<sup>a</sup>The amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Portfolio shares in relation to income earned and/or fluctuating market value of the investments of the Portfolio.

<sup>b</sup>Based on average daily shares outstanding.

<sup>c</sup>Recognition of net investment income by the Portfolio is affected by the timing of declaration of dividends by the Underlying Funds in which the Portfolio invests.

<sup>d</sup>Total return does not reflect sales commissions or contingent deferred sales charges, if applicable.

<sup>e</sup>Does not include expenses of the Underlying Funds in which the Portfolio invests.

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Mutual Shares 529 Portfolio	Class C				
	2012	2011	Year Ended June 30, 2010	2009	2008
<b>SELECTED PER SHARE DATA</b>					
Net asset value, beginning of year	\$ 16.39	\$ 13.44	\$ 11.73	\$ 15.56	\$ 19.55
Income from investment operations <sup>a</sup> :					
Net investment income <sup>b,c</sup>	0.17	0.25	0.12	0.02	0.23
Net realized and unrealized gain (loss)	(0.49)	2.70	1.59	(3.85)	(4.22)
Total from investment operations	(0.32)	2.95	1.71	(3.83)	(3.99)
Net asset value, end of year	\$ 16.07	\$ 16.39	\$ 13.44	\$ 11.73	\$ 15.56
Total return <sup>d</sup>	(1.95)%	21.95%	14.58%	(24.61)%	(20.41)%
<b>Ratios to average net assets</b>					
Expenses <sup>e</sup>	1.40%	1.40%	1.40%	1.40%	1.40%
Net investment income <sup>c</sup>	1.06%	1.58%	0.84%	0.20%	1.31%
<b>Supplemental data</b>					
Net assets, end of year (000's)	\$ 15,957	\$ 17,326	\$ 14,458	\$ 12,453	\$ 18,428

<sup>a</sup>The amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Portfolio shares in relation to income earned and/or fluctuating market value of the investments of the Portfolio.

<sup>b</sup>Based on average daily shares outstanding.

<sup>c</sup>Recognition of net investment income by the Portfolio is affected by the timing of declaration of dividends by the Underlying Funds in which the Portfolio invests.

<sup>d</sup>Total return does not reflect sales commissions or contingent deferred sales charges, if applicable.

<sup>e</sup>Does not include expenses of the Underlying Funds in which the Portfolio invests.

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S&P 500 Index Fund 529 Portfolio	Class A				
	2012	2011	Year Ended June 30, 2010	2009	2008
<b>SELECTED PER SHARE DATA</b>					
Net asset value, beginning of year	\$ 16.37	\$ 12.63	\$ 11.14	\$ 15.20	\$ 17.67
Income from investment operations <sup>a</sup> :					
Net investment income <sup>b,c</sup>	0.22	0.19	0.13	0.16	0.16
Net realized and unrealized gain (loss)	0.53	3.55	1.36	(4.22)	(2.63)
Total from investment operations	0.75	3.74	1.49	(4.06)	(2.47)
Net asset value, end of year	\$ 17.12	\$ 16.37	\$ 12.63	\$ 11.14	\$ 15.20
Total return <sup>d</sup>	4.58%	29.61%	13.38%	(26.71)%	(13.98)%
<b>Ratios to average net assets</b>					
Expenses <sup>e</sup>	0.65%	0.65%	0.65%	0.65%	0.65%
Net investment income <sup>c</sup>	1.35%	1.23%	0.99%	1.38%	0.95%
<b>Supplemental data</b>					
Net assets, end of year (000's)	\$ 12,315	\$ 10,047	\$ 6,911	\$ 5,416	\$ 6,372

S&P 500 Index Fund 529 Portfolio	Class B				
	2012	2011	Year Ended June 30, 2010	2009	2008
<b>SELECTED PER SHARE DATA</b>					
Net asset value, beginning of year	\$ 14.56	\$ 11.32	\$ 10.06	\$ 13.83	\$ 16.21
Income from investment operations <sup>a</sup> :					
Net investment income <sup>b,c</sup>	0.08	0.06	0.02	0.06	0.03
Net realized and unrealized gain (loss)	0.48	3.18	1.24	(3.83)	(2.41)
Total from investment operations	0.56	3.24	1.26	(3.77)	(2.38)
Net asset value, end of year	\$ 15.12	\$ 14.56	\$ 11.32	\$ 10.06	\$ 13.83
Total return <sup>d</sup>	3.85%	28.62%	12.52%	(27.26)%	(14.68)%
<b>Ratios to average net assets</b>					
Expenses <sup>e</sup>	1.40%	1.40%	1.40%	1.40%	1.40%
Net investment income <sup>c</sup>	0.60%	0.48%	0.24%	0.63%	0.20%
<b>Supplemental data</b>					
Net assets, end of year (000's)	\$ 2,856	\$ 3,357	\$ 2,685	\$ 2,330	\$ 2,932

<sup>a</sup>The amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Portfolio shares in relation to income earned and/or fluctuating market value of the investments of the Portfolio.

<sup>b</sup>Based on average daily shares outstanding.

<sup>c</sup>Recognition of net investment income by the Portfolio is affected by the timing of declaration of dividends by the Underlying Funds in which the Portfolio invests.

<sup>d</sup>Total return does not reflect sales commissions or contingent deferred sales charges, if applicable.

<sup>e</sup>Does not include expenses of the Underlying Funds in which the Portfolio invests.

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S&P 500 Index Fund 529 Portfolio	Class C				
	2012	2011	Year Ended June 30, 2010	2009	2008
<b>SELECTED PER SHARE DATA</b>					
Net asset value, beginning of year	\$ 15.77	\$ 12.25	\$ 10.90	\$ 14.96	\$ 17.54
Income from investment operations <sup>a</sup> :					
Net investment income <sup>b,c</sup>	0.09	0.07	0.02	0.08	0.04
Net realized and unrealized gain (loss)	0.51	3.45	1.33	(4.14)	(2.62)
Total from investment operations	0.60	3.52	1.35	(4.06)	(2.58)
Net asset value, end of year	\$ 16.37	\$ 15.77	\$ 12.25	\$ 10.90	\$ 14.96
Total return <sup>d</sup>	3.80%	28.73%	12.39%	(27.14)%	(14.71)%
<b>Ratios to average net assets</b>					
Expenses <sup>e</sup>	1.40%	1.40%	1.40%	1.40%	1.40%
Net investment income <sup>c</sup>	0.60%	0.48%	0.24%	0.63%	0.20%
<b>Supplemental data</b>					
Net assets, end of year (000's)	\$ 4,750	\$ 4,101	\$ 3,324	\$ 3,006	\$ 3,355

S&P 500 Index Fund 529 Portfolio	Direct				
	2012	2011	Year Ended June 30, 2010	2009	2008
<b>SELECTED PER SHARE DATA</b>					
Net asset value, beginning of year	\$ 17.03	\$ 13.08	\$ 11.50	\$ 15.65	\$ 18.16
Income from investment operations <sup>a</sup> :					
Net investment income <sup>b,c</sup>	0.30	0.27	0.18	0.19	0.21
Net realized and unrealized gain (loss)	0.56	3.68	1.40	(4.34)	(2.72)
Total from investment operations	0.86	3.95	1.58	(4.15)	(2.51)
Net asset value, end of year	\$ 17.89	\$ 17.03	\$ 13.08	\$ 11.50	\$ 15.65
Total return <sup>d</sup>	5.05%	30.20%	13.74%	(26.52)%	(13.82)%
<b>Ratios to average net assets</b>					
Expenses <sup>e</sup>	0.20%	0.20%	0.30%	0.40%	0.40%
Net investment income <sup>c</sup>	1.80%	1.68%	1.34%	1.63%	1.20%
<b>Supplemental data</b>					
Net assets, end of year (000's)	\$ 38,744	\$ 33,776	\$ 24,464	\$ 19,353	\$ 21,132

<sup>a</sup>The amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Portfolio shares in relation to income earned and/or fluctuating market value of the investments of the Portfolio.

<sup>b</sup>Based on average daily shares outstanding.

<sup>c</sup>Recognition of net investment income by the Portfolio is affected by the timing of declaration of dividends by the Underlying Funds in which the Portfolio invests.

<sup>d</sup>Total return does not reflect sales commissions or contingent deferred sales charges, if applicable.

<sup>e</sup>Does not include expenses of the Underlying Funds in which the Portfolio invests.

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Templeton Growth 529 Portfolio	Class A				
	2012	2011	Year Ended June 30, 2010	2009	2008
<b>SELECTED PER SHARE DATA</b>					
Net asset value, beginning of year	\$ 18.54	\$ 13.98	\$ 12.80	\$ 18.38	\$ 22.80
Income from investment operations <sup>a</sup> :					
Net investment income <sup>b,c</sup>	0.29	0.19	0.18	0.44	0.23
Net realized and unrealized gain (loss)	(2.18)	4.37	1.00	(6.02)	(4.65)
Total from investment operations	(1.89)	4.56	1.18	(5.58)	(4.42)
Net asset value, end of year	\$ 16.65	\$ 18.54	\$ 13.98	\$ 12.80	\$ 18.38
Total return <sup>d</sup>	(10.19)%	32.62%	9.22%	(30.36)%	(19.37)%
<b>Ratios to average net assets</b>					
Expenses <sup>a</sup>	0.65%	0.65%	0.65%	0.65%	0.65%
Net investment income <sup>c</sup>	1.76%	1.14%	1.15%	3.34%	1.08%
<b>Supplemental data</b>					
Net assets, end of year (000's)	\$ 36,013	\$ 39,845	\$ 29,505	\$ 26,997	\$ 39,717

Templeton Growth 529 Portfolio	Class B				
	2012	2011	Year Ended June 30, 2010	2009	2008
<b>SELECTED PER SHARE DATA</b>					
Net asset value, beginning of year	\$ 17.27	\$ 13.13	\$ 12.11	\$ 17.52	\$ 21.90
Income from investment operations <sup>a</sup> :					
Net investment income <sup>b,c</sup>	0.16	0.06	0.06	0.33	0.07
Net realized and unrealized gain (loss)	(2.04)	4.08	0.96	(5.74)	(4.45)
Total from investment operations	(1.88)	4.14	1.02	(5.41)	(4.38)
Net asset value, end of year	\$ 15.39	\$ 17.27	\$ 13.13	\$ 12.11	\$ 17.52
Total return <sup>d</sup>	(10.89)%	31.53%	8.42%	(30.88)%	(20.01)%
<b>Ratios to average net assets</b>					
Expenses <sup>a</sup>	1.40%	1.40%	1.40%	1.40%	1.40%
Net investment income <sup>c</sup>	1.01%	0.39%	0.40%	2.59%	0.33%
<b>Supplemental data</b>					
Net assets, end of year (000's)	\$ 6,226	\$ 8,903	\$ 6,868	\$ 6,239	\$ 9,755

<sup>a</sup>The amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Portfolio shares in relation to income earned and/or fluctuating market value of the investments of the Portfolio.

<sup>b</sup>Based on average daily shares outstanding.

<sup>c</sup>Recognition of net investment income by the Portfolio is affected by the timing of declaration of dividends by the Underlying Funds in which the Portfolio invests.

<sup>d</sup>Total return does not reflect sales commissions or contingent deferred sales charges, if applicable.

<sup>e</sup>Does not include expenses of the Underlying Funds in which the Portfolio invests.

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Templeton Growth 529 Portfolio	Class C				
	2012	2011	Year Ended June 30, 2010	2009	2008
<b>SELECTED PER SHARE DATA</b>					
Net asset value, beginning of year	\$ 17.08	\$ 12.98	\$ 11.98	\$ 17.33	\$ 21.67
Income from investment operations <sup>a</sup> :					
Net investment income <sup>b,c</sup>	0.16	0.06	0.06	0.32	0.07
Net realized and unrealized gain (loss)	(2.01)	4.04	0.94	(5.67)	(4.41)
Total from investment operations	(1.85)	4.10	1.00	(5.35)	(4.34)
Net asset value, end of year	\$ 15.23	\$ 17.08	\$ 12.98	\$ 11.98	\$ 17.33
Total return <sup>d</sup>	(10.83)%	31.59%	8.35%	(30.87)%	(20.02)%
<b>Ratios to average net assets</b>					
Expenses <sup>e</sup>	1.40%	1.40%	1.40%	1.40%	1.40%
Net investment income <sup>c</sup>	1.01%	0.39%	0.40%	2.59%	0.33%
<b>Supplemental data</b>					
Net assets, end of year ('000's)	\$ 14,045	\$ 17,414	\$ 13,448	\$ 12,268	\$ 18,795

<sup>a</sup>The amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Portfolio shares in relation to income earned and/or fluctuating market value of the investments of the Portfolio.

<sup>b</sup>Based on average daily shares outstanding.

<sup>c</sup>Recognition of net investment income by the Portfolio is affected by the timing of declaration of dividends by the Underlying Funds in which the Portfolio invests.

<sup>d</sup>Total return does not reflect sales commissions or contingent deferred sales charges, if applicable.

<sup>e</sup>Does not include expenses of the Underlying Funds in which the Portfolio invests.

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**Age-Based Growth Asset Allocation Newborn-8 Years Portfolio**  
**Statement of Investments, June 30, 2012**

	SHARES	VALUE
<b>Open End Mutual Funds 100.1%</b>		
Franklin Flex Cap Growth Fund, Advisor Class	2,289,296	\$ 111,900,775
Franklin Small-Mid Cap Growth Fund, Advisor Class	3,035,596	112,286,695
Mutual European Fund, Class Z	3,515,410	69,183,270
Mutual Shares Fund, Class Z	4,344,912	92,503,187
Templeton Foreign Fund, Advisor Class	11,746,350	68,716,148
<b>Total Open End Mutual Funds (Cost \$443,053,563)</b>		<u>454,590,075</u>
<b>Short Term Investments (Cost \$196,426) 0.0%<sup>†</sup></b>		
<sup>a</sup> Institutional Fiduciary Trust Money Market Portfolio, 0.00%	196,426	<u>196,426</u>
<b>Total Investments (Cost \$443,249,989) 100.1%</b>		454,786,501
<b>Other Assets, less Liabilities (0.1)%</b>		(422,964)
<b>Net Assets 100.0%</b>		<u>\$ 454,363,537</u>

<sup>†</sup>Rounds to be less than 0.1% of net assets.

<sup>a</sup>The rate shown is the annualized seven-day yield at period end.

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**Age-Based Growth Asset Allocation Age 9-12 Years Portfolio**  
**Statement of Investments, June 30, 2012**

	SHARES	VALUE
<b>Open End Mutual Funds 95.2%</b>		
Franklin Flex Cap Growth Fund, Advisor Class	1,320,343	\$ 64,538,384
Franklin Small-Mid Cap Growth Fund, Advisor Class	1,754,708	64,906,661
Franklin Strategic Income Fund, Advisor Class	1,680,046	17,455,679
Franklin Total Return Fund, Advisor Class	1,718,994	17,722,831
Franklin U.S. Government Securities Fund, Advisor Class	5,103,834	35,267,495
Mutual European Fund, Class Z	1,982,064	39,007,025
Mutual Shares Fund, Class Z	2,460,040	52,374,240
Templeton Foreign Fund, Advisor Class	6,682,107	39,090,326
<b>Total Open End Mutual Funds (Cost \$318,596,010)</b>		<u>330,362,641</u>
<b>Short Term Investments (Cost \$17,019,077) 4.9%</b>		
<sup>a</sup> Institutional Fiduciary Trust Money Market Portfolio, 0.00%	17,019,077	<u>17,019,077</u>
<b>Total Investments (Cost \$335,615,087) 100.1%</b>		347,381,718
<b>Other Assets, less Liabilities (0.1)%</b>		(286,596)
<b>Net Assets 100.0%</b>		<u>\$ 347,095,122</u>

<sup>a</sup>The rate shown is the annualized seven-day yield at period end.

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**Age-Based Growth Asset Allocation Age 13-16 Years Portfolio**  
**Statement of Investments, June 30, 2012**

	SHARES	VALUE
<b>Open End Mutual Funds 90.2%</b>		
Franklin Flex Cap Growth Fund, Advisor Class	952,210	\$ 46,544,029
Franklin Small-Mid Cap Growth Fund, Advisor Class	1,279,729	47,337,184
Franklin Strategic Income Fund, Advisor Class	3,607,075	37,477,510
Franklin Total Return Fund, Advisor Class	3,684,667	37,988,916
Franklin U.S. Government Securities Fund, Advisor Class	10,944,205	75,624,456
Mutual European Fund, Class Z	1,368,516	26,932,402
Mutual Shares Fund, Class Z	1,766,216	37,602,732
Templeton Foreign Fund, Advisor Class	4,660,599	27,264,501
<b>Total Open End Mutual Funds (Cost \$318,171,838)</b>		<u>336,771,730</u>
<b>Short Term Investment (Cost \$36,713,782) 9.8%</b>		
<sup>a</sup> Institutional Fiduciary Trust Money Market Portfolio, 0.00%	36,713,782	<u>36,713,782</u>
<b>Total Investments (Cost \$354,885,620) 100.0%</b>		373,485,512
<b>Other Assets, less Liabilities 0.0%<sup>†</sup></b>		(114,307)
<b>Net Assets 100.0%</b>		<u>\$ 373,371,205</u>

<sup>†</sup>Rounds to less than 0.1% of net assets.

<sup>a</sup>The rate shown is the annualized seven-day yield at period end.

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**Age-Based Growth Asset Allocation Age 17+ Years Portfolio**  
**Statement of Investments, June 30, 2012**

	SHARES	VALUE
<b>Open End Mutual Funds 85.6%</b>		
Franklin Flex Cap Growth Fund, Advisor Class	393,264	\$ 19,222,729
Franklin Small-Mid Cap Growth Fund, Advisor Class	507,603	18,776,245
Franklin Strategic Income Fund, Advisor Class	4,431,472	46,042,997
Franklin Total Return Fund, Advisor Class	4,448,866	45,867,805
Franklin U.S. Government Securities Fund, Advisor Class	12,935,071	89,381,340
Mutual European Fund, Class Z	571,405	11,245,254
Mutual Shares Fund, Class Z	720,143	15,331,842
Templeton Foreign Fund, Advisor Class	1,772,066	10,366,587
<b>Total Open End Mutual Funds (Cost \$249,114,504)</b>		<u>256,234,799</u>
<b>Short Term Investments (Cost \$43,592,111) 14.6%</b>		
<sup>a</sup> Institutional Fiduciary Trust Money Market Portfolio, 0.00%	43,592,111	<u>43,592,111</u>
<b>Total Investments (Cost \$292,706,615) 100.2%</b>		299,826,910
<b>Other Assets, less Liabilities (0.2)%</b>		(524,008)
<b>Net Assets 100.0%</b>		<u>\$ 299,302,902</u>

<sup>a</sup>The rate shown is the annualized seven-day yield at period end.

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**Age-Based Conservative Asset Allocation Newborn-8 Years Portfolio**  
**Statement of Investments, June 30, 2012**

	SHARES	VALUE
<b>Open End Mutual Funds 89.1%</b>		
Franklin Flex Cap Growth Fund, Advisor Class	29,595	\$ 1,446,623
Franklin Small-Mid Cap Growth Fund, Advisor Class	38,557	1,426,217
Franklin Strategic Income Fund, Advisor Class	116,064	1,205,903
Franklin Total Return Fund, Advisor Class	112,131	1,156,070
Franklin U.S. Government Securities Fund, Advisor Class	335,001	2,314,855
Mutual European Fund, Class Z	43,496	856,007
Mutual Shares Fund, Class Z	54,283	1,155,685
Templeton Foreign Fund, Advisor Class	129,591	758,110
<b>Total Open End Mutual Funds (Cost \$10,263,063)</b>		<u>10,319,470</u>
<b>Short Term Investments (Cost \$1,137,628) 9.8%</b>		
<sup>a</sup> Institutional Fiduciary Trust Money Market Portfolio, 0.00%	1,137,628	<u>1,137,628</u>
<b>Total Investments (Cost \$11,400,691) 98.9%</b>		11,457,098
<b>Other Assets, less Liabilities 1.1%</b>		121,496
<b>Net Assets 100.0%</b>		<u>\$ 11,578,594</u>

<sup>a</sup>The rate shown is the annualized seven-day yield at period end.

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**Franklin Templeton Managed Investment Options**

**Age-Based Conservative Asset Allocation Age 9-12 Years Portfolio**  
**Statement of Investments, June 30, 2012**

	SHARES	VALUE
<b>Open End Mutual Funds 89.2%</b>		
Franklin Flex Cap Growth Fund, Advisor Class	8,964	\$ 438,145
Franklin Small-Mid Cap Growth Fund, Advisor Class	11,571	428,025
Franklin Strategic Income Fund, Advisor Class	100,613	1,045,372
Franklin Total Return Fund, Advisor Class	100,860	1,039,863
Franklin U.S. Government Securities Fund, Advisor Class	293,974	2,031,361
Mutual European Fund, Class Z	11,995	236,070
Mutual Shares Fund, Class Z	16,041	341,508
Templeton Foreign Fund, Advisor Class	40,378	236,212
<b>Total Open End Mutual Funds (Cost \$5,755,032)</b>		<u>5,796,556</u>
<b>Short Term Investments (Cost \$706,542) 10.9%</b>		
<sup>a</sup> Institutional Fiduciary Trust Money Market Portfolio, 0.00%	706,542	<u>706,542</u>
<b>Total Investments (Cost \$6,461,574) 100.1%</b>		6,503,098
<b>Other Assets, less Liabilities (0.1)%</b>		(6,139)
<b>Net Assets 100.0%</b>		<u>\$ 6,496,959</u>

<sup>a</sup>The rate shown is the annualized seven-day yield at period end.

Supplemental Information  
**NEW JERSEY BETTER EDUCATIONAL SAVINGS TRUST**  
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**Age-Based Conservative Asset Allocation 13-16 Years Portfolio**  
**Statement of Investments, June 30, 2012**

	SHARES	VALUE
<b>Open End Mutual Funds 82.0%</b>		
Franklin Strategic Income Fund, Advisor Class	262,213	\$ 2,724,392
Franklin Total Return Fund, Advisor Class	266,584	2,748,483
Franklin U.S. Government Securities Fund, Advisor Class	808,010	5,583,347
<b>Total Open End Mutual Funds (Cost \$10,982,986)</b>		<u>11,056,222</u>
<b>Short Term Investments (Cost \$2,436,859) 18.1%</b>		
<sup>a</sup> Institutional Fiduciary Trust Money Market Portfolio, 0.00%	2,436,859	<u>2,436,859</u>
<b>Total Investments (Cost \$13,419,845) 100.1%</b>		13,493,081
<b>Other Assets, less Liabilities (0.1)%</b>		(13,930)
<b>Net Assets 100.0%</b>		<u>\$ 13,479,151</u>

<sup>a</sup>The rate shown is the annualized seven-day yield at period end.

Supplemental Information  
**NEW JERSEY BETTER EDUCATIONAL SAVINGS TRUST**  
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**Age-Based Conservative Asset Allocation 17+ Years Portfolio**  
**Statement of Investments, June 30, 2012**

	SHARES	VALUE
<b>Open End Mutual Funds 44.3%</b>		
Franklin Strategic Income Fund, Advisor Class	193,951	\$ 2,015,150
Franklin Total Return Fund, Advisor Class	192,542	1,985,105
Franklin U.S. Government Securities Fund, Advisor Class	570,451	<u>3,941,816</u>
<b>Total Open End Mutual Funds (Cost \$7,885,853)</b>		<u>7,942,071</u>
<b>Short Term Investments (Cost \$9,964,204) 55.6%</b>		
<sup>a</sup> Institutional Fiduciary Trust Money Market Portfolio, 0.00%	9,964,204	<u>9,964,204</u>
<b>Total Investments (Cost \$17,850,057) 99.9%</b>		17,906,275
<b>Other Assets, less Liabilities 0.1%</b>		11,665
<b>Net Assets 100.0%</b>		<u>\$ 17,917,940</u>

<sup>a</sup>The rate shown is the annualized seven-day yield at period end.

Supplemental Information  
**NEW JERSEY BETTER EDUCATIONAL SAVINGS TRUST**  
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**Age-Based Moderate Asset Allocation Newborn-8 Years Portfolio**  
**Statement of Investments, June 30, 2012**

	SHARES	VALUE
<b>Open End Mutual Funds 94.8%</b>		
Franklin Flex Cap Growth Fund, Advisor Class	186,532	\$ 9,117,692
Franklin Small-Mid Cap Growth Fund, Advisor Class	242,994	8,988,345
Franklin Strategic Income Fund, Advisor Class	262,545	2,727,838
Franklin Total Return Fund, Advisor Class	265,314	2,735,389
Franklin U.S. Government Securities Fund, Advisor Class	720,095	4,975,855
Mutual European Fund, Class Z	277,594	5,463,049
Mutual Shares Fund, Class Z	348,510	7,419,768
Templeton Foreign Fund, Advisor Class	898,533	5,256,421
<b>Total Open End Mutual Funds (Cost \$46,561,536)</b>		<u>46,684,357</u>
<b>Short Term Investment (Cost \$2,401,567) 4.9%</b>		
<sup>a</sup> Institutional Fiduciary Trust Money Market Portfolio, 0.00%	2,401,567	<u>2,401,567</u>
<b>Total Investments (Cost \$48,963,103) 99.7%</b>		49,085,924
<b>Other Assets, less Liabilities 0.3%</b>		166,441
<b>Net Assets 100.0%</b>		<u>\$ 49,252,365</u>

<sup>a</sup>The rate shown is the annualized seven-day yield at period end.

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**NEW JERSEY BETTER EDUCATIONAL SAVINGS TRUST**  
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**Age-Based Moderate Asset Allocation Age 9-12 Years Portfolio**  
**Statement of Investments, June 30, 2012**

	SHARES	VALUE
<b>Open End Mutual Funds 90.0%</b>		
Franklin Flex Cap Growth Fund, Advisor Class	86,957	\$ 4,250,441
Franklin Small-Mid Cap Growth Fund, Advisor Class	113,232	4,188,443
Franklin Strategic Income Fund, Advisor Class	330,379	3,432,636
Franklin Total Return Fund, Advisor Class	333,876	3,442,265
Franklin U.S. Government Securities Fund, Advisor Class	986,461	6,816,443
Mutual European Fund, Class Z	128,096	2,520,926
Mutual Shares Fund, Class Z	163,976	3,491,052
Templeton Foreign Fund, Advisor Class	413,074	2,416,481
<b>Total Open End Mutual Funds (Cost \$30,415,794)</b>		<u>30,558,687</u>
<b>Short Term Investments (Cost \$3,335,832) 9.8%</b>		
<sup>a</sup> Institutional Fiduciary Trust Money Market Portfolio, 0.00%	3,335,832	<u>3,335,832</u>
<b>Total Investments (Cost \$33,751,626) 99.8%</b>		33,894,519
<b>Other Assets, less Liabilities 0.2%</b>		82,761
<b>Net Assets 100.0%</b>		<u>\$ 33,977,280</u>

<sup>a</sup>The rate shown is the annualized seven-day yield at period end.

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**NEW JERSEY BETTER EDUCATIONAL SAVINGS TRUST**  
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**Age-Based Moderate Asset Allocation 13-16 Years Portfolio**  
**Statement of Investments, June 30, 2012**

	SHARES	VALUE
<b>Open End Mutual Funds 84.3%</b>		
Franklin Flex Cap Growth Fund, Advisor Class	55,144	\$ 2,695,435
Franklin Small-Mid Cap Growth Fund, Advisor Class	68,015	2,515,861
Franklin Strategic Income Fund, Advisor Class	580,193	6,028,201
Franklin Total Return Fund, Advisor Class	585,687	6,038,429
Franklin U.S. Government Securities Fund, Advisor Class	1,669,111	11,533,558
Mutual European Fund, Class Z	83,104	1,635,478
Mutual Shares Fund, Class Z	104,115	2,216,604
Templeton Foreign Fund, Advisor Class	264,581	1,547,800
<b>Total Open End Mutual Funds (Cost \$33,980,074)</b>		<u>34,211,366</u>
<b>Short Term Investments (Cost \$5,999,551) 14.8%</b>		
<sup>a</sup> Institutional Fiduciary Trust Money Market Portfolio, 0.00%	5,999,551	<u>5,999,551</u>
<b>Total Investments (Cost \$39,979,625) 99.1%</b>		40,210,917
<b>Other Assets, less Liabilities 0.9%</b>		360,017
<b>Net Assets 100.0%</b>		<u>\$ 40,570,934</u>

<sup>a</sup>The rate shown is the annualized seven-day yield at period end.

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**NEW JERSEY BETTER EDUCATIONAL SAVINGS TRUST**  
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**Age-Based Moderate Asset Allocation 17+ Years Portfolio**  
**Statement of Investments, June 30, 2012**

	SHARES	VALUE
<b>Open End Mutual Funds 83.5%</b>		
Franklin Strategic Income Fund, Advisor Class	437,997	\$ 4,550,786
Franklin Total Return Fund, Advisor Class	446,389	4,602,266
Franklin U.S. Government Securities Fund, Advisor Class	1,374,313	9,496,499
<b>Total Open End Mutual Funds (Cost \$18,546,377)</b>		<u>18,649,551</u>
<b>Short Term Investment (Cost \$3,631,896) 16.3%</b>		
<sup>a</sup> Institutional Fiduciary Trust Money Market Portfolio, 0.00%	3,631,896	<u>3,631,896</u>
<b>Total Investments (Cost \$22,178,273) 99.8%</b>		22,281,447
<b>Other Assets, less Liabilities 0.2%</b>		52,299
<b>Net Assets 100.0%</b>		<u>\$ 22,333,746</u>

<sup>a</sup>The rate shown is the annualized seven-day yield at period end.

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**NEW JERSEY BETTER EDUCATIONAL SAVINGS TRUST**  
**New Jersey 529 College Savings Plan -**  
**Franklin Templeton Managed Investment Options**

**Franklin Templeton Corefolio Portfolio**  
**Statement of Investments, June 30, 2012**

	SHARES	VALUE
<b>Open End Mutual Funds 100.0%</b>		
Franklin Flex Cap Growth Fund, Advisor Class	615,322	\$ 30,076,942
Franklin Growth Fund, Advisor Class	627,868	30,156,476
Mutual Shares Fund, Class Z	1,432,091	30,489,222
Templeton Growth Fund Inc., Advisor Class	1,813,789	30,961,382
<b>Total Open End Mutual Funds (Cost \$118,681,555)</b>		<u>121,684,022</u>
<b>Short Term Investment (Cost \$93,299) 0.1%</b>		
<sup>a</sup> Institutional Fiduciary Trust Money Market Portfolio, 0.00%	93,299	<u>93,299</u>
<b>Total Investments (Cost \$118,774,854) 100.1%</b>		121,777,321
<b>Other Assets, less Liabilities (0.1)%</b>		(145,270)
<b>Net Assets 100.0%</b>		<u>\$ 121,632,051</u>

<sup>a</sup>The rate shown is the annualized seven-day yield at period end.

Supplemental Information  
**NEW JERSEY BETTER EDUCATIONAL SAVINGS TRUST**  
**New Jersey 529 College Savings Plan -**  
**Franklin Templeton Managed Investment Options**

**Franklin Templeton Founding Funds 529 Portfolio**  
**Statement of Investments, June 30, 2012**

	SHARES	VALUE
<b>Open End Mutual Funds 100.0%</b>		
Franklin Income Fund, Advisor Class	29,251,151	\$ 62,597,463
Mutual Shares Fund, Class Z	2,962,555	63,072,797
Templeton Growth Fund Inc., Advisor Class	3,655,670	<u>62,402,295</u>
<b>Total Open End Mutual Funds (Cost \$217,373,429)</b>		<u>188,072,555</u>
<b>Short Term Investments (Cost \$108,690) 0.1%</b>		
<sup>a</sup> Institutional Fiduciary Trust Money Market Portfolio, 0.00%	108,690	<u>108,690</u>
<b>Total Investments (Cost \$217,482,119) 100.1%</b>		188,181,245
<b>Other Assets, less Liabilities (0.1)%</b>		(199,987)
<b>Net Assets 100.0%</b>		<u>\$ 187,981,258</u>

<sup>a</sup>The rate shown is the annualized seven-day yield at period end.

Supplemental Information  
**NEW JERSEY BETTER EDUCATIONAL SAVINGS TRUST**  
**New Jersey 529 College Savings Plan -**  
**Franklin Templeton Managed Investment Options**

**Growth Portfolio**  
**Statement of Investments, June 30, 2012**

	SHARES	VALUE
<b>Open End Mutual Funds 100.0%</b>		
Franklin Flex Cap Growth Fund, Advisor Class	645,268	\$ 31,540,709
Franklin Small-Mid Cap Growth Fund, Advisor Class	857,292	31,711,235
Mutual European Fund, Class Z	985,477	19,394,175
Mutual Shares Fund, Class Z	1,210,705	25,775,913
Templeton Foreign Fund, Advisor Class	3,339,519	19,536,184
<b>Total Open End Mutual Funds (Cost \$126,657,578)</b>		<u>127,958,216</u>
<b>Short Term Investments (Cost \$115,685) 0.1%</b>		
<sup>a</sup> Institutional Fiduciary Trust Money Market Portfolio, 0.00%	115,685	<u>115,685</u>
<b>Total Investments (Cost \$126,773,263) 100.1%</b>		128,073,901
<b>Other Assets, less Liabilities (0.1)%</b>		(103,062)
<b>Net Assets 100.0%</b>		<u>\$ 127,970,839</u>

<sup>a</sup>The rate shown is the annualized seven-day yield at period end.

Supplemental Information  
**NEW JERSEY BETTER EDUCATIONAL SAVINGS TRUST**  
**New Jersey 529 College Savings Plan -**  
**Franklin Templeton Managed Investment Options**

**Growth & Income Portfolio**  
**Statement of Investments, June 30, 2012**

	SHARES	VALUE
<b>Open End Mutual Funds 90.2%</b>		
Franklin Flex Cap Growth Fund, Advisor Class	289,908	\$ 14,170,689
Franklin Small-Mid Cap Growth Fund, Advisor Class	383,390	14,181,596
Franklin Strategic Income Fund, Advisor Class	1,113,892	11,573,337
Franklin Total Return Fund, Advisor Class	1,132,919	11,680,394
Franklin U.S. Government Securities Fund, Advisor Class	3,355,967	23,189,733
Mutual European Fund, Class Z	445,726	8,771,894
Mutual Shares Fund, Class Z	551,932	11,750,641
Templeton Foreign Fund, Advisor Class	1,517,936	8,879,926
<b>Total Open End Mutual Funds (Cost \$98,408,422)</b>		<u>104,198,210</u>
<b>Short Term Investment (Cost \$11,379,991) 9.9%</b>		
<sup>a</sup> Institutional Fiduciary Trust Money Market Portfolio, 0.00%	11,379,991	<u>11,379,991</u>
<b>Total Investments (Cost \$109,788,413) 100.1%</b>		115,578,201
<b>Other Assets, less Liabilities (0.1)%</b>		(109,806)
<b>Net Assets 100.0%</b>		<u>\$ 115,468,395</u>

<sup>a</sup>The rate shown is the annualized seven-day yield at period end.

Supplemental Information  
**NEW JERSEY BETTER EDUCATIONAL SAVINGS TRUST**  
**New Jersey 529 College Savings Plan -**  
**Franklin Templeton Managed Investment Options**

**Income Portfolio**  
**Statement of Investments, June 30, 2012**

	SHARES	VALUE
<b>Open End Mutual Funds 80.0%</b>		
Franklin Strategic Income Fund, Advisor Class	1,503,293	\$ 15,619,215
Franklin Total Return Fund, Advisor Class	1,496,916	15,433,202
Franklin U.S. Government Securities Fund, Advisor Class	4,458,611	30,809,002
<b>Total Open End Mutual Funds (Cost \$59,230,359)</b>		<u>61,861,419</u>
<b>Short Term Investment (Cost \$15,527,097) 20.1%</b>		
<sup>a</sup> Institutional Fiduciary Trust Money Market Portfolio, 0.00%	15,527,097	<u>15,527,097</u>
<b>Total Investments (Cost \$74,757,456) 100.1%</b>		77,388,516
<b>Other Assets, less Liabilities (0.1)%</b>		(86,521)
<b>Net Assets 100.0%</b>		<u>\$ 77,301,995</u>

<sup>a</sup>The rate shown is the annualized seven-day yield at period end.

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**NEW JERSEY BETTER EDUCATIONAL SAVINGS TRUST**  
**New Jersey 529 College Savings Plan -**  
**Franklin Templeton Managed Investment Options**

**Franklin Growth 529 Portfolio**  
**Statement of Investments, June 30, 2012**

	SHARES	VALUE
<b>Open End Mutual Funds (Cost \$26,067,879) 100.1%</b>		
Franklin Growth Fund, Advisor Class	633,302	\$ 30,417,491
<b>Other Assets, less Liabilities (0.1)%</b>		(17,058)
<b>Net Assets 100.0%</b>		<u>\$ 30,400,433</u>

Supplemental Information  
**NEW JERSEY BETTER EDUCATIONAL SAVINGS TRUST**  
**New Jersey 529 College Savings Plan -**  
**Franklin Templeton Managed Investment Options**

**Franklin Income 529 Portfolio**  
**Statement of Investments, June 30, 2012**

	<b>SHARES</b>	<b>VALUE</b>
<b>Open End Mutual Funds (Cost \$127,408,188) 100.1%</b>		
Franklin Income Fund, Advisor Class	57,010,186	<u>\$ 122,001,797</u>
<b>Other Assets, less Liabilities (0.1)%</b>		<u>(101,503)</u>
<b>Net Assets 100.0%</b>		<u>\$ 121,900,294</u>

Supplemental Information  
**NEW JERSEY BETTER EDUCATIONAL SAVINGS TRUST**  
**New Jersey 529 College Savings Plan -**  
**Franklin Templeton Managed Investment Options**

**Franklin Small-Mid Cap Growth 529 Portfolio**  
**Statement of Investments, June 30, 2012**

	SHARES	VALUE
<b>Open End Mutual Funds (Cost \$27,851,596) 100.1%</b>		
Franklin Small-Mid Cap Growth Fund, Advisor Class	799,515	\$ 29,574,070
<b>Other Assets, less Liabilities (0.1)%</b>		(34,614)
<b>Net Assets 100.0%</b>		\$ 29,539,456

Supplemental Information  
**NEW JERSEY BETTER EDUCATIONAL SAVINGS TRUST**  
**New Jersey 529 College Savings Plan -**  
**Franklin Templeton Managed Investment Options**

**Franklin Templeton Stable Value 529 Portfolio**  
**Statement of Investments, June 30, 2012**

	SHARES	VALUE
<b>Open End Mutual Funds (Cost \$14,401,637) 20.1%</b>		
Franklin Limited Maturity U.S. Government Securities Fund, Advisor Class	1,400,592	\$ 14,482,117
<b>Short Term Investment (Cost \$57,602,113) 80.0%</b>		
<sup>a</sup> Institutional Fiduciary Trust Money Market Portfolio, 0.00%	57,602,113	57,602,113
<b>Total Investments (Cost \$72,003,750) 100.1%</b>		72,084,230
<b>Other Assets, less Liabilities (0.1)%</b>		(70,415)
<b>Net Assets 100.0%</b>		\$ 72,013,815

<sup>a</sup>The rate shown is the annualized seven-day yield at period end.

Supplemental Information  
**NEW JERSEY BETTER EDUCATIONAL SAVINGS TRUST**  
**New Jersey 529 College Savings Plan -**  
**Franklin Templeton Managed Investment Options**

**Mutual Shares 529 Portfolio**  
**Statement of Investments, June 30, 2012**

	SHARES	VALUE
<b>Open End Mutual Funds (Cost \$64,858,971) 100.2%</b>		
Mutual Shares Fund, Class Z	2,841,163	<u>\$ 60,488,365</u>
<b>Other Assets, less Liabilities (0.2)%</b>		(106,792)
<b>Net Assets 100.0%</b>		<u>\$ 60,381,573</u>

Supplemental Information  
**NEW JERSEY BETTER EDUCATIONAL SAVINGS TRUST**  
**New Jersey 529 College Savings Plan -**  
**Franklin Templeton Managed Investment Options**

**S&P 500 Index Fund 529 Portfolio**  
**Statement of Investments, June 30, 2012**

	SHARES	VALUE
<b>Open End Mutual Funds (Cost \$49,805,244) 100.1%</b>		
JP Morgan Equity Index Fund, Select Class	1,898,511	\$ 58,702,002
<b>Other Assets, less Liabilities (0.1)%</b>		(36,849)
<b>Net Assets 100.0%</b>		\$ 58,665,153

Supplemental Information  
**NEW JERSEY BETTER EDUCATIONAL SAVINGS TRUST**  
**New Jersey 529 College Savings Plan -**  
**Franklin Templeton Managed Investment Options**

**Templeton Growth 529 Portfolio**  
**Statement of Investments, June 30, 2012**

	SHARES	VALUE
<b>Open End Mutual Funds (Cost \$70,808,745) 100.2%</b>		
Templeton Growth Fund Inc., Advisor Class	3,303,859	\$ 56,396,880
<b>Other Assets, less Liabilities (0.2)%</b>		(113,248)
<b>Net Assets 100.0%</b>		<u>\$ 56,283,632</u>

**Supplemental Information**  
**NEW JERSEY BETTER EDUCATIONAL SAVINGS TRUST**  
**New Jersey 529 College Savings Plan -**  
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**Combining Statements of Assets and Liabilities**  
**June 30, 2012**

	Age-Based Growth Asset Allocation Newborn-8 Years Portfolio	Age-Based Growth Asset Allocation Age 9-12 Years Portfolio	Age-Based Growth Asset Allocation 13-16 Years Portfolio	Age-Based Growth Asset Allocation Age 17+ Years Portfolio
<b>Assets:</b>				
Investments in Underlying Funds:				
Cost	\$ 443,249,989	\$ 335,615,087	\$ 354,885,620	\$ 292,706,615
Value	\$ 454,786,501	\$ 347,381,718	\$ 373,485,512	\$ 299,826,910
Cash	-	-	-	-
Receivables:				
Investment securities sold	-	-	-	-
Plan shares sold	182,325	64,236	281,375	25,992
Wrapper Agreement (At Fair Value)	-	-	-	-
Total assets	<u>454,968,826</u>	<u>347,445,954</u>	<u>373,766,887</u>	<u>299,852,902</u>
<b>Liabilities:</b>				
Payables:				
Plan shares redeemed	150,736	728	287	233,856
Accrued expenses	454,553	350,104	395,395	316,144
Total liabilities	<u>605,289</u>	<u>350,832</u>	<u>395,682</u>	<u>550,000</u>
Net assets, at value	<u>\$ 454,363,537</u>	<u>\$ 347,095,122</u>	<u>\$ 373,371,205</u>	<u>\$ 299,302,902</u>
<b>Class A:</b>				
Net assets, at value	\$ 204,099,234	\$ 147,453,746	\$ 155,581,527	\$ 114,166,827
Shares outstanding	10,598,590	7,946,558	8,659,870	7,233,397
Net asset value per share	<u>\$19.26</u>	<u>\$18.56</u>	<u>\$17.97</u>	<u>\$15.78</u>
Maximum offering price per share (Net asset value per share / 94.25%)	<u>\$20.44</u>	<u>\$19.69</u>	<u>\$19.07</u>	<u>\$16.74</u>
(Net asset value per share / 95.75%)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Class B:</b>				
Net assets, at value	\$ 48,575,109	\$ 40,169,460	\$ 39,050,988	\$ 26,493,278
Shares outstanding	2,708,164	2,336,963	2,364,103	1,787,497
Net asset value per share	<u>\$17.94</u>	<u>\$17.19</u>	<u>\$16.52</u>	<u>\$14.82</u>
<b>Class C:</b>				
Net assets, at value	\$ 61,123,654	\$ 57,220,002	\$ 80,838,546	\$ 88,380,698
Shares outstanding	3,362,596	3,282,071	4,889,104	5,856,806
Net asset value per share	<u>\$18.18</u>	<u>\$17.43</u>	<u>\$16.53</u>	<u>\$15.09</u>
<b>Direct:</b>				
Net assets, at value	\$ 140,565,540	\$ 102,251,914	\$ 97,900,144	\$ 70,262,099
Shares outstanding	7,110,859	5,365,411	5,337,564	4,201,859
Net asset value per share	<u>\$19.77</u>	<u>\$19.06</u>	<u>\$18.34</u>	<u>\$16.72</u>

**Supplemental Information**  
**NEW JERSEY BETTER EDUCATIONAL SAVINGS TRUST**  
**New Jersey 529 College Savings Plan -**  
**Franklin Templeton Managed Investment Options**

**Combining Statements of Assets and Liabilities**  
**June 30, 2012**

	Age-Based Conservative Asset Allocation Newborn-8 Years Portfolio	Age-Based Conservative Asset Allocation Age 9-12 Years Portfolio	Age-Based Conservative Asset Allocation 13-16 Years Portfolio	Age-Based Conservative Asset Allocation 17+ Years Portfolio
<b>Assets:</b>				
Investments in Underlying Funds:				
Cost	\$ 11,400,691	\$ 6,461,574	\$ 13,419,845	\$ 17,850,057
Value	\$ 11,457,098	\$ 6,503,098	\$ 13,493,081	\$ 17,906,275
Cash	102,945	-	-	-
Receivables:				
Investment securities sold	-	-	-	-
Plan shares sold	28,232	-	283	35,682
Wrapper Agreement (At Fair Value)	-	-	-	-
Total assets	<u>11,588,275</u>	<u>6,503,098</u>	<u>13,493,364</u>	<u>17,941,957</u>
<b>Liabilities:</b>				
Payables:				
Plan shares redeemed	-	-	-	6,500
Accrued expenses	9,681	6,139	14,213	17,517
Total liabilities	<u>9,681</u>	<u>6,139</u>	<u>14,213</u>	<u>24,017</u>
Net assets, at value	<u>\$ 11,578,594</u>	<u>\$ 6,496,959</u>	<u>\$ 13,479,151</u>	<u>\$ 17,917,940</u>
<b>Class A:</b>				
Net assets, at value	\$ 6,979,755	\$ 3,201,434	\$ 5,430,468	\$ 6,452,846
Shares outstanding	610,739	282,588	483,279	651,722
Net asset value per share	<u>\$11.43</u>	<u>\$11.33</u>	<u>\$11.24</u>	<u>\$9.90</u>
Maximum offering price per share				
(Net asset value per share / 94.25%)	<u>\$12.13</u>	<u>\$12.02</u>	<u>\$11.93</u>	<u>\$10.50</u>
(Net asset value per share / 95.75%)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Class B:</b>				
Net assets, at value	\$ 484,822	\$ 344,959	\$ 235,555	\$ 554,055
Shares outstanding	43,136	30,943	21,314	56,907
Net asset value per share	<u>\$11.24</u>	<u>\$11.15</u>	<u>\$11.05</u>	<u>\$9.74</u>
<b>Class C:</b>				
Net assets, at value	\$ 1,876,854	\$ 1,381,891	\$ 4,886,183	\$ 6,052,011
Shares outstanding	167,051	124,160	441,990	621,762
Net asset value per share	<u>\$11.24</u>	<u>\$11.13</u>	<u>\$11.06</u>	<u>\$9.73</u>
<b>Direct:</b>				
Net assets, at value	\$ 2,237,163	\$ 1,568,675	\$ 2,926,945	\$ 4,859,028
Shares outstanding	193,789	137,068	258,079	486,478
Net asset value per share	<u>\$11.54</u>	<u>\$11.44</u>	<u>\$11.34</u>	<u>\$9.99</u>

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	Age-Based Moderate Asset Allocation Newborn-8 Years Portfolio	Age-Based Moderate Asset Allocation Age 9-12 Years Portfolio	Age-Based Moderate Asset Allocation 13-16 Years Portfolio	Age-Based Moderate Asset Allocation 17+ Years Portfolio
<b>Assets:</b>				
Investments in Underlying Funds:				
Cost	\$ 48,963,103	\$ 33,751,626	\$ 39,979,625	\$ 22,178,273
Value	\$ 49,085,924	\$ 33,894,519	\$ 40,210,917	\$ 22,281,447
Cash	102,607	-	299,598	-
Receivables:				
Investment securities sold	-	-	-	-
Plan shares sold	110,617	116,355	104,974	80,000
Wrapper Agreement (At Fair Value)	-	-	-	-
Total assets	<u>49,299,148</u>	<u>34,010,874</u>	<u>40,615,489</u>	<u>22,361,447</u>
<b>Liabilities:</b>				
Payables:				
Plan shares redeemed	3,148	-	-	-
Accrued expenses	43,635	33,594	44,555	27,701
Total liabilities	<u>46,783</u>	<u>33,594</u>	<u>44,555</u>	<u>27,701</u>
Net assets, at value	<u>\$ 49,252,365</u>	<u>\$ 33,977,280</u>	<u>\$ 40,570,934</u>	<u>\$ 22,333,746</u>
<b>Class A:</b>				
Net assets, at value	\$ 31,866,861	\$ 19,639,792	\$ 18,601,870	\$ 6,293,395
Shares outstanding	2,798,284	1,730,333	1,645,040	561,117
Net asset value per share	<u>\$11.39</u>	<u>\$11.35</u>	<u>\$11.31</u>	<u>\$11.22</u>
Maximum offering price per share				
(Net asset value per share / 94.25%)	<u>\$12.08</u>	<u>\$12.04</u>	<u>\$12.00</u>	<u>\$11.90</u>
(Net asset value per share / 95.75%)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Class B:</b>				
Net assets, at value	\$ 3,039,956	\$ 1,729,408	\$ 1,169,067	\$ 631,722
Shares outstanding	271,484	154,937	105,002	57,246
Net asset value per share	<u>\$11.20</u>	<u>\$11.16</u>	<u>\$11.13</u>	<u>\$11.04</u>
<b>Class C:</b>				
Net assets, at value	\$ 8,582,097	\$ 8,941,267	\$ 15,570,189	\$ 11,694,010
Shares outstanding	767,749	799,610	1,399,996	1,059,633
Net asset value per share	<u>\$11.18</u>	<u>\$11.18</u>	<u>\$11.12</u>	<u>\$11.04</u>
<b>Direct:</b>				
Net assets, at value	\$ 5,763,451	\$ 3,666,813	\$ 5,229,808	\$ 3,714,619
Shares outstanding	501,900	320,283	457,874	328,154
Net asset value per share	<u>\$11.48</u>	<u>\$11.45</u>	<u>\$11.42</u>	<u>\$11.32</u>

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	Franklin Templeton Corefolio Portfolio	Franklin Templeton Founding Funds 529 Portfolio	Growth Portfolio	Growth and Income Portfolio
<b>Assets:</b>				
Investments in Underlying Funds:				
Cost	\$ 118,774,854	\$ 217,482,119	\$ 126,773,263	\$ 109,788,413
Value	\$ 121,777,321	\$ 188,181,245	\$ 128,073,901	\$ 115,578,201
Cash	-	-	-	-
Receivables:				
Investment securities sold	-	-	-	-
Plan shares sold	12,957	58,568	23,820	38,040
Wrapper Agreement (At Fair Value)	-	-	-	-
Total assets	<u>121,790,278</u>	<u>188,239,813</u>	<u>128,097,721</u>	<u>115,616,241</u>
<b>Liabilities:</b>				
Payables:				
Plan shares redeemed	19,322	39,379	21,655	19,741
Accrued expenses	138,905	219,176	105,227	128,105
Total liabilities	<u>158,227</u>	<u>258,555</u>	<u>126,882</u>	<u>147,846</u>
Net assets, at value	<u>\$ 121,632,051</u>	<u>\$ 187,981,258</u>	<u>\$ 127,970,839</u>	<u>\$ 115,468,395</u>
<b>Class A:</b>				
Net assets, at value	\$ 50,161,837	\$ 111,255,099	\$ 43,598,276	\$ 45,549,436
Shares outstanding	2,762,420	9,364,684	2,263,337	2,589,138
Net asset value per share	<u>\$18.16</u>	<u>\$11.88</u>	<u>\$19.26</u>	<u>\$17.59</u>
Maximum offering price per share				
(Net asset value per share / 94.25%)	<u>\$19.27</u>	<u>\$12.60</u>	<u>\$20.44</u>	<u>\$18.66</u>
(Net asset value per share / 95.75%)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Class B:</b>				
Net assets, at value	\$ 9,854,063	\$ 17,112,836	\$ 6,525,984	\$ 7,742,883
Shares outstanding	592,197	1,518,076	362,839	473,672
Net asset value per share	<u>\$16.64</u>	<u>\$11.27</u>	<u>\$17.99</u>	<u>\$16.35</u>
<b>Class C:</b>				
Net assets, at value	\$ 25,824,809	\$ 59,613,323	\$ 20,814,297	\$ 29,051,421
Shares outstanding	1,523,115	5,291,949	1,152,899	1,801,851
Net asset value per share	<u>\$16.96</u>	<u>\$11.26</u>	<u>\$18.05</u>	<u>\$16.12</u>
<b>Direct:</b>				
Net assets, at value	\$ 35,791,342		\$ 57,032,282	\$ 33,124,655
Shares outstanding	1,917,130		2,880,004	1,828,463
Net asset value per share	<u>\$18.67</u>		<u>\$19.80</u>	<u>\$18.12</u>

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	Income Portfolio	Franklin Growth 529 Portfolio	Franklin Income 529 Portfolio	Franklin Small-Mid Cap Growth 529 Portfolio
<b>Assets:</b>				
Investments in Underlying Funds:				
Cost	\$ 74,757,456	\$ 26,067,879	\$ 127,408,188	\$ 27,851,596
Value	\$ 77,388,516	\$ 30,417,491	\$ 122,001,797	\$ 29,574,070
Cash	-	-	-	-
Receivables:				
Investment securities sold	-	-	-	-
Plan shares sold	26,547	26,052	118,651	2,766
Wrapper Agreement (At Fair Value)	-	-	-	-
Total assets	<u>77,415,063</u>	<u>30,443,543</u>	<u>122,120,448</u>	<u>29,576,836</u>
<b>Liabilities:</b>				
Payables:				
Plan shares redeemed	31,329	2,140	45,086	586
Accrued expenses	81,739	40,970	175,068	36,794
Total liabilities	<u>113,068</u>	<u>43,110</u>	<u>220,154</u>	<u>37,380</u>
Net assets, at value	<u>\$ 77,301,995</u>	<u>\$ 30,400,433</u>	<u>\$ 121,900,294</u>	<u>\$ 29,539,456</u>
<b>Class A:</b>				
Net assets, at value	<u>\$ 28,751,885</u>	<u>\$ 19,857,927</u>	<u>\$ 68,291,698</u>	<u>\$ 19,798,470</u>
Shares outstanding	<u>1,944,805</u>	<u>1,217,772</u>	<u>3,434,425</u>	<u>932,016</u>
Net asset value per share	<u>\$14.78</u>	<u>\$16.31</u>	<u>\$19.88</u>	<u>\$21.24</u>
Maximum offering price per share				
(Net asset value per share / 94.25%)	<u>-</u>	<u>\$17.31</u>	<u>-</u>	<u>\$22.54</u>
(Net asset value per share / 95.75%)	<u>\$15.44</u>	<u>-</u>	<u>\$20.76</u>	<u>-</u>
<b>Class B:</b>				
Net assets, at value	<u>\$ 4,041,671</u>	<u>\$ 3,556,466</u>	<u>\$ 10,897,883</u>	<u>\$ 3,546,445</u>
Shares outstanding	<u>293,130</u>	<u>240,197</u>	<u>582,940</u>	<u>178,613</u>
Net asset value per share	<u>\$13.79</u>	<u>\$14.81</u>	<u>\$18.70</u>	<u>\$19.86</u>
<b>Class C:</b>				
Net assets, at value	<u>\$ 23,708,439</u>	<u>\$ 6,986,040</u>	<u>\$ 42,710,713</u>	<u>\$ 6,194,541</u>
Shares outstanding	<u>1,713,547</u>	<u>440,690</u>	<u>2,299,827</u>	<u>313,088</u>
Net asset value per share	<u>\$13.84</u>	<u>\$15.85</u>	<u>\$18.57</u>	<u>\$19.79</u>
<b>Direct:</b>				
Net assets, at value	<u>\$ 20,800,000</u>			
Shares outstanding	<u>1,365,254</u>			
Net asset value per share	<u>\$15.24</u>			

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	Franklin Templeton Stable Value 529 Portfolio	Mutual Shares 529 Portfolio	S&P 500 Index Fund 529 Portfolio	Templeton Growth 529 Portfolio	Total
<b>Assets:</b>					
Investments in Underlying Funds:					
Cost	\$ 72,003,750	\$ 64,858,971	\$ 49,805,244	\$ 70,808,745	\$ 2,706,842,583
Value	\$ 72,084,230	\$ 60,488,365	\$ 58,702,002	\$ 56,396,880	\$ 2,730,977,019
Cash	-	-	-	-	505,150
Receivables:					
Investment securities sold		-	250	-	250
Plan shares sold	1,121,709	6,192	9,363	6,807	2,481,543
Wrapper Agreement (At Fair Value)	10,853	-	-	-	10,853
Total assets	<u>73,216,792</u>	<u>60,494,557</u>	<u>58,711,615</u>	<u>56,403,687</u>	<u>2,733,974,815</u>
<b>Liabilities:</b>					
Payables:					
Plan shares redeemed	64,608	23,817	9,021	34,494	706,433
Accrued expenses	1,138,369	89,167	37,441	85,561	3,989,753
Total liabilities	<u>1,202,977</u>	<u>112,984</u>	<u>46,462</u>	<u>120,055</u>	<u>4,696,186</u>
Net assets, at value	<u>\$ 72,013,815</u>	<u>\$ 60,381,573</u>	<u>\$ 58,665,153</u>	<u>\$ 56,283,632</u>	<u>\$ 2,729,278,629</u>
<b>Class A:</b>					
Net assets, at value	<u>\$ 22,672,346</u>	<u>\$ 37,652,675</u>	<u>\$ 12,315,009</u>	<u>\$ 36,012,720</u>	
Shares outstanding	<u>2,024,025</u>	<u>2,160,603</u>	<u>719,499</u>	<u>2,163,027</u>	
Net asset value per share	<u>\$11.20</u>	<u>\$17.43</u>	<u>\$17.12</u>	<u>\$16.65</u>	
Maximum offering price per share					
(Net asset value per share / 94.25%)	<u>-</u>	<u>\$18.49</u>	<u>\$18.16</u>	<u>\$17.67</u>	
(Net asset value per share / 95.75%)	<u>\$11.70</u>	<u>-</u>	<u>-</u>	<u>-</u>	
<b>Class B:</b>					
Net assets, at value	<u>\$ 5,302,473</u>	<u>\$ 6,771,846</u>	<u>\$ 2,856,143</u>	<u>\$ 6,225,591</u>	
Shares outstanding	<u>493,938</u>	<u>423,129</u>	<u>188,956</u>	<u>404,410</u>	
Net asset value per share	<u>\$10.74</u>	<u>\$16.00</u>	<u>\$15.12</u>	<u>\$15.39</u>	
<b>Class C:</b>					
Net assets, at value	<u>\$ 21,095,353</u>	<u>\$ 15,957,052</u>	<u>\$ 4,749,508</u>	<u>\$ 14,045,321</u>	
Shares outstanding	<u>1,973,020</u>	<u>992,770</u>	<u>290,132</u>	<u>922,457</u>	
Net asset value per share	<u>\$10.69</u>	<u>\$16.07</u>	<u>\$16.37</u>	<u>\$15.23</u>	
<b>Direct:</b>					
Net assets, at value	<u>\$ 22,943,643</u>		<u>\$ 38,744,493</u>		<u>\$ 649,382,614</u>
Shares outstanding	<u>2,005,252</u>		<u>2,165,587</u>		
Net asset value per share	<u>\$11.44</u>		<u>\$17.89</u>		

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	Age-Based Growth Asset Allocation Newborn-8 Years Portfolio	Age-Based Growth Asset Allocation Age 9-12 Years Portfolio	Age-Based Growth Asset Allocation Age 13-16 Years Portfolio	Age-Based Growth Asset Allocation Age 17+ Years Portfolio
Investment income - dividends from Underlying Funds	\$ 7,063,336	\$ 6,610,761	\$ 9,366,291	\$ 8,366,623
Expenses:				
Program management fees (Note 2)	1,582,241	1,116,848	1,261,014	934,561
Sales fees (Note 2)				
Class A	505,817	339,794	360,491	242,999
Class B	558,508	414,470	423,485	259,141
Class C	626,164	556,356	823,532	795,378
Sub-advisory fees (Note 2)	-	-	-	-
Total expenses	3,272,730	2,427,468	2,868,522	2,232,079
Expenses waived/paid by affiliates (Note 3)	-	-	-	-
Net expenses	3,272,730	2,427,468	2,868,522	2,232,079
Net investment income (loss)	3,790,606	4,183,293	6,497,769	6,134,544
Realized and unrealized gains (losses):				
Net Realized gain (loss) from:				
Sale of investments in Underlying Funds	861,585	92,923	143,414	1,598,175
Realized gain on distributions by Underlying Funds	9,381,271	5,134,241	4,162,599	1,831,398
Net realized gain (loss)	10,242,856	5,227,164	4,306,013	3,429,573
Net change in unrealized appreciation (depreciation) on				
Investments in Underlying Funds and Wrapper Agreements	(51,600,505)	(23,999,645)	(17,962,131)	(7,111,898)
Net realized and unrealized gain (loss)	(41,357,649)	(18,772,481)	(13,656,118)	(3,682,325)
Net increase (decrease) in net assets resulting from operations	\$ (37,567,043)	\$ (14,589,188)	\$ (7,158,349)	\$ 2,452,219

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	Age-Based Conservative Asset Allocation Newborn-8 Years Portfolio	Age-Based Conservative Asset Allocation Age 9-12 Years Portfolio	Age-Based Conservative Asset Allocation 13-16 Years Portfolio	Age-Based Conservative Asset Allocation 17+ Years Portfolio
Investment income - dividends from Underlying Funds	\$ 215,398	\$ 164,236	\$ 377,735	\$ 11,893
Expenses:				
Program management fees (Note 2)	31,032	19,740	36,810	48,191
Sales fees (Note 2)				
Class A	12,346	5,671	10,375	12,722
Class B	4,605	2,631	2,227	5,229
Class C	14,995	11,500	36,709	45,292
Sub-advisory fees (Note 2)	-	-	-	-
Total expenses	62,978	39,542	86,121	111,434
Expenses waived/paid by affiliates (Note 3)	-	-	-	-
Net expenses	62,978	39,542	86,121	111,434
Net investment income (loss)	152,420	124,694	291,614	(99,541)
Realized and unrealized gains (losses):				
Net Realized gain (loss) from:				
Sale of investments in Underlying Funds	483	(14,609)	390	-
Realized gain on distributions by Underlying Funds	91,158	35,413	23,555	-
Net realized gain (loss)	91,641	20,804	23,945	-
Net change in unrealized appreciation (depreciation) on				
Investments in Underlying Funds and Wrapper Agreements	(298,553)	(86,017)	12,981	56,218
Net realized and unrealized gain (loss)	(206,912)	(65,213)	36,926	56,218
Net increase (decrease) in net assets resulting from operations	\$ (54,492)	\$ 59,481	\$ 328,540	\$ (43,323)

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	Age-Based Moderate Asset Allocation Newborn-8 Years Portfolio	Age-Based Moderate Asset Allocation Age 9-12 Years Portfolio	Age-Based Moderate Asset Allocation 13-16 Years Portfolio	Age-Based Moderate Asset Allocation 17+ Years Portfolio
Investment income - dividends from Underlying Funds	\$ 661,198	\$ 611,837	\$ 841,582	\$ 532,196
Expenses:				
Program management fees (Note 2)	131,054	101,309	103,908	52,967
Sales fees (Note 2)				
Class A	55,821	29,277	29,854	10,160
Class B	24,726	13,633	10,078	3,920
Class C	57,147	61,814	110,437	74,472
Sub-advisory fees (Note 2)	-	-	-	-
Total expenses	268,748	206,033	254,277	141,519
Expenses waived/paid by affiliates (Note 3)	-	-	-	-
Net expenses	268,748	206,033	254,277	141,519
Net investment income (loss)	392,450	405,804	587,305	390,677
Realized and unrealized gains (losses):				
Net Realized gain (loss) from:				
Sale of investments in Underlying Funds	1,696	959	1,761	1,407
Realized gain on distributions by Underlying Funds	539,792	264,447	181,363	31,076
Net realized gain (loss)	541,488	265,406	183,124	32,483
Net change in unrealized appreciation (depreciation) on				
Investments in Underlying Funds and Wrapper Agreements	(1,636,528)	(884,659)	(440,599)	25,187
Net realized and unrealized gain (loss)	(1,095,040)	(619,253)	(257,475)	57,670
Net increase (decrease) in net assets resulting from operations	\$ (702,590)	\$ (213,449)	\$ 329,830	\$ 448,347

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	Franklin Templeton Corefolio Portfolio	Franklin Templeton Founding Funds 529 Portfolio	Growth Portfolio	Growth and Income Portfolio
Investment income - dividends from Underlying Funds	\$ 1,571,237	\$ 7,216,931	\$ 1,849,414	\$ 2,832,369
Expenses:				
Program management fees (Note 2)	399,042	735,759	383,902	371,041
Sales fees (Note 2)				
Class A	116,745	269,022	102,082	102,047
Class B	107,919	173,428	70,470	81,245
Class C	251,326	586,078	204,401	277,391
Sub-advisory fees (Note 2)	-	-	-	-
Total expenses	875,032	1,764,287	760,855	831,724
Expenses waived/paid by affiliates (Note 3)	-	-	-	-
Net expenses	875,032	1,764,287	760,855	831,724
Net investment income (loss)	696,205	5,452,644	1,088,559	2,000,645
Realized and unrealized gains (losses):				
Net Realized gain (loss) from:				
Sale of investments in Underlying Funds	230,269	(2,055,287)	501,793	44,821
Realized gain on distributions by Underlying Funds	1,208,533	-	2,500,264	1,217,235
Net realized gain (loss)	1,438,802	(2,055,287)	3,002,057	1,262,056
Net change in unrealized appreciation (depreciation) on				
Investments in Underlying Funds and Wrapper Agreements	(6,095,390)	(10,045,936)	(13,361,744)	(5,211,508)
Net realized and unrealized gain (loss)	(4,656,588)	(12,101,223)	(10,359,687)	(3,949,452)
Net increase (decrease) in net assets resulting from operations	\$ (3,960,383)	\$ (6,648,579)	\$ (9,271,128)	\$ (1,948,807)

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	Income Portfolio	Franklin Growth 529 Portfolio	Franklin Income 529 Portfolio
Investment income - dividends from Underlying Funds	\$ 2,525,990	\$ 155,904	\$ 7,325,946
Expenses:			
Program management fees (Note 2)	236,756	109,422	431,106
Sales fees (Note 2)			
Class A	60,603	43,025	145,524
Class B	40,477	36,401	113,524
Class C	212,524	64,585	380,435
Sub-advisory fees (Note 2)	-	-	-
Total expenses	550,360	253,433	1,070,589
Expenses waived/paid by affiliates (Note 3)	-	-	-
Net expenses	550,360	253,433	1,070,589
Net investment income (loss)	1,975,630	(97,529)	6,255,357
Realized and unrealized gains (losses):			
Net Realized gain (loss) from:			
Sale of investments in Underlying Funds	19,845	195,800	(293,358)
Realized gain on distributions by Underlying Funds	145,092	71,907	-
Net realized gain (loss)	164,937	267,707	(293,358)
Net change in unrealized appreciation (depreciation) on			
Investments in Underlying Funds and Wrapper Agreements	28,235	275,564	(3,170,058)
Net realized and unrealized gain (loss)	193,172	543,271	(3,463,416)
Net increase (decrease) in net assets resulting from operations	\$ 2,168,802	\$ 445,742	\$ 2,791,941

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	Franklin Small-Mid Cap Growth 529 Portfolio	Franklin Templeton Stable Value 529 Portfolio	Mutual Shares 529 Portfolio
Investment income - dividends from Underlying Funds	\$ -	\$ 308,673	\$ 1,425,111
Expenses:			
Program management fees (Note 2)	112,138	227,100	232,318
Sales fees (Note 2)			
Class A	45,895	47,919	87,620
Class B	38,361	65,879	73,446
Class C	57,897	196,817	155,669
Sub-advisory fees (Note 2)	-	66,809	-
Total expenses	254,291	604,524	549,053
Expenses waived/paid by affiliates (Note 3)	-	(324,929)	-
Net expenses	254,291	279,595	549,053
Net investment income (loss)	(254,291)	29,078	876,058
Realized and unrealized gains (losses):			
Net Realized gain (loss) from:			
Sale of investments in Underlying Funds	144,658	-	(583,336)
Realized gain on distributions by Underlying Funds	1,181,676	-	-
Net realized gain (loss)	1,326,334	-	(583,336)
Net change in unrealized appreciation (depreciation) on			
Investments in Underlying Funds and Wrapper Agreements	(3,237,528)	(137,555)	(1,319,700)
Net realized and unrealized gain (loss)	(1,911,194)	(137,555)	(1,903,036)
Net increase (decrease) in net assets resulting from operations	\$ (2,165,485)	\$ (108,477)	\$ (1,026,978)

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	S&P 500 Index Fund 529 Portfolio	Templeton Growth 529 Portfolio	Total
Investment income - dividends from Underlying Funds	\$ 1,048,057	\$ 1,385,873	\$ 62,468,591
Expenses:			
Program management fees (Note 2)	139,958	230,116	9,028,333
Sales fees (Note 2)			
Class A	25,924	88,977	2,750,710
Class B	29,789	71,257	2,624,849
Class C	42,120	146,887	5,789,926
Sub-advisory fees (Note 2)	-	-	66,809
Total expenses	237,791	537,237	20,260,627
Expenses waived/paid by affiliates (Note 3)	-	-	(324,929)
Net expenses	237,791	537,237	19,935,698
Net investment income (loss)	810,266	848,636	42,532,893
Realized and unrealized gains (losses):			
Net Realized gain (loss) from:			
Sale of investments in Underlying Funds	412,162	(1,561,558)	(256,007)
Realized gain on distributions by Underlying Funds	-	-	28,001,020
Net realized gain (loss)	412,162	(1,561,558)	27,745,013
Net change in unrealized appreciation (depreciation) on			
Investments in Underlying Funds and Wrapper Agreements	1,429,298	(6,181,770)	(150,954,241)
Net realized and unrealized gain (loss)	1,841,460	(7,743,328)	(123,209,228)
Net increase (decrease) in net assets resulting from operations	\$ 2,651,726	\$ (6,894,692)	\$ (80,676,335)

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	Age-Based Growth Asset Allocation Newborn-8 Years Portfolio		Age-Based Growth Asset Allocation Age 9-12 Years Portfolio	
	Year Ended June 30,		Year Ended June 30,	
	2012	2011	2012	2011
Increase (decrease) in net assets:				
Operations:				
Net investment income (loss)	\$ 3,790,606	\$ 2,941,149	\$ 4,183,293	\$ 3,378,288
Net realized gain (loss) from Underlying Funds	10,242,856	4,769,009	5,227,164	196,114
Net change in unrealized appreciation (depreciation) on investments in Underlying Funds and Wrapper Agreements	(51,600,505)	114,003,872	(23,999,645)	57,422,764
Net increase (decrease) in net assets resulting from operations	(37,567,043)	121,714,030	(14,589,188)	60,997,166
Plan share transactions:				
Subscriptions:				
Class A	46,886,399	45,390,568	59,052,047	47,135,861
Class B	5,698,220	8,497,541	14,394,292	14,685,003
Class C	12,947,784	12,427,214	19,223,034	21,292,337
Direct	23,545,023	25,518,746	39,632,596	33,874,906
Total subscriptions	89,077,426	91,834,069	132,301,969	116,988,107
Redemptions:				
Class A	(44,269,504)	(38,658,120)	(42,180,888)	(40,102,579)
Class B	(17,096,720)	(13,280,834)	(17,720,756)	(13,057,717)
Class C	(15,242,594)	(14,576,738)	(17,258,297)	(20,837,749)
Direct	(34,474,932)	(28,343,197)	(24,146,731)	(24,050,485)
Total redemptions	(111,083,750)	(94,858,889)	(101,306,672)	(98,048,530)
Net increase (decrease) in net assets resulting from plan share transactions	(22,006,324)	(3,024,820)	30,995,297	18,939,577
Net increase (decrease) in net assets	(59,573,367)	118,689,210	16,406,109	79,936,743
Net assets:				
Beginning of Year	513,936,904	395,247,694	330,689,013	250,752,270
End of Year	\$ 454,363,537	\$ 513,936,904	\$ 347,095,122	\$ 330,689,013

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	Age-Based Growth Asset Allocation Age 13-16 Years Portfolio		Age-Based Growth Asset Allocation Age 17+ Years Portfolio	
	Year Ended June 30,		Year Ended June 30,	
	2012	2011	2012	2011
Increase (decrease) in net assets:				
Operations:				
Net investment income (loss)	\$ 6,497,769	\$ 5,370,147	\$ 6,134,544	\$ 4,865,006
Net realized gain (loss) from Underlying Funds	4,306,013	1,531,460	3,429,573	1,552,125
Net change in unrealized appreciation (depreciation) on investments in Underlying Funds and Wrapper Agreements	(17,962,131)	45,540,138	(7,111,898)	15,687,768
Net increase (decrease) in net assets resulting from operations	(7,158,349)	52,441,745	2,452,219	22,104,899
Plan share transactions:				
Subscriptions:				
Class A	57,372,306	49,190,364	48,818,202	39,905,849
Class B	12,813,010	14,167,935	11,934,377	12,091,677
Class C	25,261,110	29,465,112	32,066,595	30,330,399
Direct	31,012,215	31,288,190	26,808,301	24,442,902
Total subscriptions	126,458,641	124,111,601	119,627,475	106,770,827
Redemptions:				
Class A	(41,648,341)	(38,904,187)	(29,064,445)	(19,593,428)
Class B	(19,814,356)	(12,956,331)	(14,142,039)	(5,889,058)
Class C	(29,833,215)	(27,915,396)	(26,800,835)	(22,193,566)
Direct	(23,176,846)	(21,980,727)	(18,459,224)	(13,008,405)
Total redemptions	(114,472,758)	(101,756,641)	(88,466,543)	(60,684,457)
Net increase (decrease) in net assets resulting from plan share transactions	11,985,883	22,354,960	31,160,932	46,086,370
Net increase (decrease) in net assets	4,827,534	74,796,705	33,613,151	68,191,269
Net assets:				
Beginning of Year	368,543,671	293,746,966	265,689,751	197,498,482
End of Year	\$ 373,371,205	\$ 368,543,671	\$ 299,302,902	\$ 265,689,751

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	<b>Age-Based Conservative Asset Allocation Newborn-8 Years Portfolio</b>		<b>Age-Based Conservative Asset Allocation Age 9-12 Years Portfolio</b>	
	Year Ended June 30,		Year Ended June 30,	
	2012	2011	2012	2011
Increase (decrease) in net assets:				
Operations:				
Net investment income (loss)	\$ 152,420	\$ 55,813	\$ 124,694	\$ 50,789
Net realized gain (loss) from Underlying Funds	91,641	3,158	20,804	4,391
Net change in unrealized appreciation (depreciation) on investments in Underlying Funds and Wrapper Agreements	(298,553)	381,987	(86,017)	131,518
Net increase (decrease) in net assets resulting from operations	(54,492)	440,958	59,481	186,698
Plan share transactions:				
Subscriptions:				
Class A	4,621,187	2,827,168	2,877,201	1,783,755
Class B	236,834	350,755	249,452	124,375
Class C	1,014,711	987,271	1,358,808	797,249
Direct	1,231,065	939,237	1,082,715	1,051,108
Total subscriptions	7,103,797	5,104,431	5,568,176	3,756,487
Redemptions:				
Class A	(820,613)	(272,504)	(1,469,350)	(227,125)
Class B	(104,389)	(29,974)	(45,876)	(16,197)
Class C	(334,300)	(160,114)	(754,489)	(200,136)
Direct	(229,137)	(141,144)	(485,890)	(429,072)
Total redemptions	(1,488,439)	(603,736)	(2,755,605)	(872,530)
Net increase (decrease) in net assets resulting from plan share transactions	5,615,358	4,500,695	2,812,571	2,883,957
Net increase (decrease) in net assets	5,560,866	4,941,653	2,872,052	3,070,655
Net assets:				
Beginning of Year	6,017,728	1,076,075	3,624,907	554,252
End of Year	\$ 11,578,594	\$ 6,017,728	\$ 6,496,959	\$ 3,624,907

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	<b>Age-Based Conservative Asset Allocation 13-16 Years Portfolio</b>		<b>Age-Based Conservative Asset Allocation 17+ Years Portfolio</b>	
	Year Ended June 30,		Year Ended June 30,	
	2012	2011	2012	2011
Increase (decrease) in net assets:				
Operations:				
Net investment income (loss)	\$ 291,614	\$ 111,226	\$ (99,541)	\$ (48,957)
Net realized gain (loss) from Underlying Funds	23,945	6,907	-	-
Net change in unrealized appreciation (depreciation) on investments in Underlying Funds and Wrapper Agreements	12,981	52,448	56,218	-
Net increase (decrease) in net assets resulting from operations	328,540	170,581	(43,323)	(48,957)
Plan share transactions:				
Subscriptions:				
Class A	4,132,965	3,494,103	4,478,196	4,158,414
Class B	295,772	158,365	525,084	557,681
Class C	3,819,199	2,549,422	4,529,802	3,858,351
Direct	1,949,701	1,840,674	3,773,747	3,023,823
Total subscriptions	10,197,637	8,042,564	13,306,829	11,598,269
Redemptions:				
Class A	(1,849,134)	(650,498)	(1,869,936)	(611,804)
Class B	(188,623)	(41,623)	(505,870)	(86,737)
Class C	(1,386,105)	(600,944)	(1,935,311)	(1,144,676)
Direct	(797,774)	(978,218)	(1,849,601)	(883,954)
Total redemptions	(4,221,636)	(2,271,283)	(6,160,718)	(2,727,171)
Net increase (decrease) in net assets resulting from plan share transactions	5,976,001	5,771,281	7,146,111	8,871,098
Net increase (decrease) in net assets	6,304,541	5,941,862	7,102,788	8,822,141
Net assets:				
Beginning of Year	7,174,610	1,232,748	10,815,152	1,993,011
End of Year	\$ 13,479,151	\$ 7,174,610	\$ 17,917,940	\$ 10,815,152

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	Age-Based Moderate Asset Allocation Newborn-8 Years Portfolio		Age-Based Moderate Asset Allocation Age 9-12 Years Portfolio	
	Year Ended June 30,		Year Ended June 30,	
	2012	2011	2012	2011
Increase (decrease) in net assets:				
Operations:				
Net investment income (loss)	\$ 392,450	\$ 121,150	\$ 405,804	\$ 146,523
Net realized gain (loss) from Underlying Funds	541,488	18,145	265,406	9,392
Net change in unrealized appreciation (depreciation) on investments in Underlying Funds and Wrapper Agreements	(1,636,528)	1,915,244	(884,659)	1,100,828
Net increase (decrease) in net assets resulting from operations	(702,590)	2,054,539	(213,449)	1,256,743
Plan share transactions:				
Subscriptions:				
Class A	21,059,956	13,620,911	14,691,647	8,970,748
Class B	1,873,285	1,456,761	1,116,149	1,066,685
Class C	6,030,016	3,487,149	7,287,294	4,591,799
Direct	2,737,824	2,683,941	2,214,702	1,827,841
Total subscriptions	31,701,081	21,248,762	25,309,792	16,457,073
Redemptions:				
Class A	(3,513,684)	(1,889,029)	(4,806,363)	(1,637,888)
Class B	(402,465)	(104,108)	(370,877)	(151,676)
Class C	(888,754)	(602,276)	(2,847,822)	(828,478)
Direct	(404,307)	(539,439)	(763,433)	(482,628)
Total redemptions	(5,209,210)	(3,134,852)	(8,788,495)	(3,100,670)
Net increase (decrease) in net assets resulting from plan share transactions	26,491,871	18,113,910	16,521,297	13,356,403
Net increase (decrease) in net assets	25,789,281	20,168,449	16,307,848	14,613,146
Net assets:				
Beginning of Year	23,463,084	3,294,635	17,669,432	3,056,286
End of Year	\$ 49,252,365	\$ 23,463,084	\$ 33,977,280	\$ 17,669,432

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	Age-Based Moderate Asset Allocation 13-16 Years Portfolio		Age-Based Moderate Asset Allocation 17+ Years Portfolio	
	Year Ended June 30,		Year Ended June 30,	
	2012	2011	2012	2011
Increase (decrease) in net assets:				
Operations:				
Net investment income (loss)	\$ 587,305	235,648	\$ 390,677	\$ 136,849
Net realized gain (loss) from Underlying Funds	183,124	12,289	32,483	6,068
Net change in unrealized appreciation (depreciation) on investments in Underlying Funds and Wrapper Agreements	(440,599)	711,573	25,187	69,329
Net increase (decrease) in net assets resulting from operations	329,830	959,510	448,347	212,246
Plan share transactions:				
Subscriptions:				
Class A	13,489,591	7,679,515	4,955,901	2,172,566
Class B	747,794	859,137	654,139	114,056
Class C	11,434,504	7,097,171	9,391,408	3,837,387
Direct	3,253,304	2,057,439	2,142,294	1,601,419
Total subscriptions	28,925,193	17,693,262	17,143,742	7,725,428
Redemptions:				
Class A	(2,838,226)	(976,470)	(1,092,432)	(184,199)
Class B	(452,473)	(37,352)	(146,314)	(38,339)
Class C	(3,584,593)	(1,113,725)	(1,874,919)	(523,043)
Direct	(910,231)	(905,690)	(643,854)	(362,961)
Total redemptions	(7,785,523)	(3,033,237)	(3,757,519)	(1,108,542)
Net increase (decrease) in net assets resulting from plan share transactions	21,139,670	14,660,025	13,386,223	6,616,886
Net increase (decrease) in net assets	21,469,500	15,619,535	13,834,570	6,829,132
Net assets:				
Beginning of Year	19,101,434	3,481,899	8,499,176	1,670,044
End of Year	\$ 40,570,934	\$ 19,101,434	\$ 22,333,746	\$ 8,499,176

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	Franklin Templeton Corefolio Portfolio		Franklin Templeton Founding Funds 529 Portfolio	
	Year Ended June 30,		Year Ended June 30,	
	2012	2011	2012	2011
Increase (decrease) in net assets:				
Operations:				
Net investment income (loss)	\$ 696,205	\$ 644,986	\$ 5,452,644	\$ 5,189,463
Net realized gain (loss) from Underlying Funds	1,438,802	802,624	(2,055,287)	(1,469,428)
Net change in unrealized appreciation (depreciation) on investments in Underlying Funds and Wrapper Agreements	(6,095,390)	25,670,572	(10,045,936)	34,485,511
Net increase (decrease) in net assets resulting from operations	(3,960,383)	27,118,182	(6,648,579)	38,205,546
Plan share transactions:				
Subscriptions:				
Class A	9,306,786	6,270,511	14,846,735	14,934,639
Class B	938,427	1,046,890	1,413,991	3,515,622
Class C	4,014,721	3,431,026	7,101,871	9,327,077
Direct	4,162,430	4,402,262	-	-
Total subscriptions	18,422,364	15,150,689	23,362,597	27,777,338
Redemptions:				
Class A	(6,249,590)	(4,963,042)	(15,768,635)	(11,446,722)
Class B	(3,285,295)	(892,568)	(2,540,731)	(3,035,462)
Class C	(4,564,078)	(3,065,847)	(9,469,105)	(8,475,685)
Direct	(3,041,538)	(3,265,393)	-	-
Total redemptions	(17,140,501)	(12,186,850)	(27,778,471)	(22,957,869)
Net increase (decrease) in net assets resulting from plan share transactions	1,281,863	2,963,839	(4,415,874)	4,819,469
Net increase (decrease) in net assets	(2,678,520)	30,082,021	(11,064,453)	43,025,015
Net assets:				
Beginning of Year	124,310,571	94,228,550	199,045,711	156,020,696
End of Year	\$ 121,632,051	\$ 124,310,571	\$ 187,981,258	\$ 199,045,711

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	Growth Portfolio		Growth and Income Portfolio	
	Year Ended June 30,		Year Ended June 30,	
	2012	2011	2012	2011
Increase (decrease) in net assets:				
Operations:				
Net investment income (loss)	\$ 1,088,559	\$ 794,844	\$ 2,000,645	\$ 1,626,704
Net realized gain (loss) from Underlying Funds	3,002,057	(255,014)	1,262,056	97,421
Net change in unrealized appreciation (depreciation) on investments in Underlying Funds and Wrapper Agreements	(13,361,744)	28,897,370	(5,211,508)	13,132,409
Net increase (decrease) in net assets resulting from operations	(9,271,128)	29,437,200	(1,948,807)	14,856,534
Plan share transactions:				
Subscriptions:				
Class A	9,242,720	8,565,769	13,149,967	10,593,570
Class B	882,014	924,030	1,132,631	1,057,810
Class C	2,844,080	4,417,237	6,037,306	6,341,797
Direct	8,128,363	9,048,483	4,575,291	6,561,673
Total subscriptions	21,097,177	22,955,519	24,895,195	24,554,850
Redemptions:				
Class A	(5,744,695)	(2,972,337)	(5,162,228)	(4,577,377)
Class B	(2,030,174)	(1,025,847)	(2,454,660)	(1,281,530)
Class C	(2,927,033)	(3,149,098)	(4,991,537)	(3,777,734)
Direct	(6,801,847)	(5,619,433)	(3,911,295)	(3,949,340)
Total redemptions	(17,503,749)	(12,766,715)	(16,519,720)	(13,585,981)
Net increase (decrease) in net assets resulting from plan share transactions	3,593,428	10,188,804	8,375,475	10,968,869
Net increase (decrease) in net assets	(5,677,700)	39,626,004	6,426,668	25,825,403
Net assets:				
Beginning of Year	133,648,539	94,022,535	109,041,727	83,216,324
End of Year	\$ 127,970,839	\$ 133,648,539	\$ 115,468,395	\$ 109,041,727

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	Income Portfolio		Franklin Growth 529 Portfolio	
	Year Ended June 30,		Year Ended June 30,	
	2012	2011	2012	2011
Increase (decrease) in net assets:				
Operations:				
Net investment income (loss)	\$ 1,975,630	\$ 1,703,415	\$ (97,529)	\$ (79,373)
Net realized gain (loss) from Underlying Funds	164,937	84,486	267,707	86,355
Net change in unrealized appreciation (depreciation) on investments in Underlying Funds and Wrapper Agreements	28,235	1,016,576	275,564	5,170,271
Net increase (decrease) in net assets resulting from operations	2,168,802	2,804,477	445,742	5,177,253
Plan share transactions:				
Subscriptions:				
Class A	10,538,728	7,440,795	4,884,898	3,579,115
Class B	999,818	1,114,139	728,820	539,814
Class C	6,477,716	6,679,047	1,676,539	1,519,754
Direct	5,385,177	4,201,551	-	-
Total subscriptions	23,401,439	19,435,532	7,290,257	5,638,683
Redemptions:				
Class A	(3,732,803)	(4,835,995)	(1,622,462)	(1,419,390)
Class B	(869,716)	(711,569)	(1,154,996)	(279,262)
Class C	(3,519,573)	(3,682,842)	(1,195,768)	(688,988)
Direct	(3,402,697)	(3,553,936)	-	-
Total redemptions	(11,524,789)	(12,784,342)	(3,973,226)	(2,387,640)
Net increase (decrease) in net assets resulting from plan share transactions	11,876,650	6,651,190	3,317,031	3,251,043
Net increase (decrease) in net assets	14,045,452	9,455,667	3,762,773	8,428,296
Net assets:				
Beginning of Year	63,256,543	53,800,876	26,637,660	18,209,364
End of Year	\$ 77,301,995	\$ 63,256,543	\$ 30,400,433	\$ 26,637,660

**Supplemental Information**  
**NEW JERSEY BETTER EDUCATIONAL SAVINGS TRUST**  
**New Jersey 529 College Savings Plan -**  
**Franklin Templeton Managed Investment Options**

**Combining Statements of Changes in Net Assets**

	Franklin Income 529 Portfolio		Franklin Small-Mid Cap Growth 529 Portfolio	
	Year Ended June 30,		Year Ended June 30,	
	2012	2011	2012	2011
Increase (decrease) in net assets:				
Operations:				
Net investment income (loss)	\$ 6,255,357	\$ 5,251,466	\$ (254,291)	\$ (218,268)
Net realized gain (loss) from Underlying Funds	(293,358)	(224,861)	1,326,334	19,589
Net change in unrealized appreciation (depreciation) on investments in Underlying Funds and Wrapper Agreements	(3,170,058)	10,171,823	(3,237,528)	7,646,938
Net increase (decrease) in net assets resulting from operations	2,791,941	15,198,428	(2,165,485)	7,448,259
Plan share transactions:				
Subscriptions:				
Class A	17,849,939	13,559,512	4,365,877	4,607,992
Class B	1,969,983	1,386,526	458,672	829,517
Class C	10,106,467	9,552,551	1,515,578	1,932,895
Direct	-	-	-	-
Total subscriptions	29,926,389	24,498,589	6,340,127	7,370,404
Redemptions:				
Class A	(6,629,590)	(5,925,120)	(2,203,518)	(1,511,101)
Class B	(3,873,343)	(1,633,668)	(870,529)	(464,540)
Class C	(6,106,002)	(4,959,356)	(1,087,796)	(615,794)
Direct	-	-	-	-
Total redemptions	(16,608,935)	(12,518,144)	(4,161,843)	(2,591,435)
Net increase (decrease) in net assets resulting from plan share transactions	13,317,454	11,980,445	2,178,284	4,778,969
Net increase (decrease) in net assets	16,109,395	27,178,873	12,799	12,227,228
Net assets:				
Beginning of Year	105,790,899	78,612,026	29,526,657	17,299,429
End of Year	\$ 121,900,294	\$ 105,790,899	\$ 29,539,456	\$ 29,526,657

**Supplemental Information**  
**NEW JERSEY BETTER EDUCATIONAL SAVINGS TRUST**  
**New Jersey 529 College Savings Plan -**  
**Franklin Templeton Managed Investment Options**

**Combining Statements of Changes in Net Assets**

	Franklin Templeton Stable Value 529 Portfolio		Mutual Shares 529 Portfolio	
	Year Ended June 30,		Year Ended June 30,	
	2012	2011	2012	2011
Increase (decrease) in net assets:				
Operations:				
Net investment income (loss)	\$ 29,078	\$ (62,262)	\$ 876,058	\$ 1,172,527
Net realized gain (loss) from Underlying Funds	-	-	(583,336)	(542,317)
Net change in unrealized appreciation (depreciation) on investments in Underlying Funds and Wrapper Agreements	(137,555)	(101,076)	(1,319,700)	10,663,967
Net increase (decrease) in net assets resulting from operations	(108,477)	(163,338)	(1,026,978)	11,294,177
Plan share transactions:				
Subscriptions:				
Class A	11,245,856	5,022,828	6,014,522	5,623,909
Class B	1,745,866	2,593,456	702,696	710,880
Class C	8,513,582	4,721,678	1,838,324	2,063,366
Direct	10,989,485	6,038,675	-	-
Total subscriptions	32,494,789	18,376,637	8,555,542	8,398,155
Redemptions:				
Class A	(6,071,382)	(8,633,801)	(4,834,863)	(4,449,098)
Class B	(4,124,431)	(3,234,423)	(2,174,285)	(1,064,910)
Class C	(7,241,846)	(7,884,213)	(2,823,597)	(2,301,525)
Direct	(8,744,760)	(6,814,587)	-	-
Total redemptions	(26,182,419)	(26,567,024)	(9,832,745)	(7,815,533)
Net increase (decrease) in net assets resulting from plan share transactions	6,312,370	(8,190,387)	(1,277,203)	582,622
Net increase (decrease) in net assets	6,203,893	(8,353,725)	(2,304,181)	11,876,799
Net assets:				
Beginning of Year	65,809,922	74,163,647	62,685,754	50,808,955
End of Year	\$ 72,013,815	\$ 65,809,922	\$ 60,381,573	\$ 62,685,754

**Supplemental Information**  
**NEW JERSEY BETTER EDUCATIONAL SAVINGS TRUST**  
**New Jersey 529 College Savings Plan -**  
**Franklin Templeton Managed Investment Options**

**Combining Statements of Changes in Net Assets**

	<b>S&amp;P 500 Index Fund 529 Portfolio</b>		<b>Templeton Growth 529 Portfolio</b>	
	Year Ended June 30,		Year Ended June 30,	
	2012	2011	2012	2011
Increase (decrease) in net assets:				
Operations:				
Net investment income (loss)	\$ 810,266	\$ 646,087	\$ 848,636	\$ 506,413
Net realized gain (loss) from Underlying Funds	412,162	233,053	(1,561,558)	(1,105,117)
Net change in unrealized appreciation (depreciation) on investments in Underlying Funds and Wrapper Agreements	1,429,298	10,281,609	(6,181,770)	16,504,750
Net increase (decrease) in net assets resulting from operations	2,651,726	11,160,749	(6,894,692)	15,906,046
Plan share transactions:				
Subscriptions:				
Class A	3,074,277	1,894,902	5,593,159	5,660,168
Class B	315,718	325,531	431,426	794,187
Class C	1,011,354	852,673	1,571,927	2,240,172
Direct	7,442,886	6,550,044	-	-
Total subscriptions	11,844,235	9,623,150	7,596,512	8,694,527
Redemptions:				
Class A	(1,321,606)	(831,785)	(5,380,881)	(4,895,056)
Class B	(925,633)	(419,469)	(2,137,399)	(905,010)
Class C	(551,264)	(1,002,516)	(3,061,492)	(2,460,924)
Direct	(4,313,010)	(4,633,623)	-	-
Total redemptions	(7,111,513)	(6,887,393)	(10,579,772)	(8,260,990)
Net increase (decrease) in net assets resulting from plan share transactions	4,732,722	2,735,757	(2,983,260)	433,537
Net increase (decrease) in net assets	7,384,448	13,896,506	(9,877,952)	16,339,583
Net assets:				
Beginning of Year	51,280,705	37,384,199	66,161,584	49,822,001
End of Year	\$ 58,665,153	\$ 51,280,705	\$ 56,283,632	\$ 66,161,584

**Supplemental Information**  
**NEW JERSEY BETTER EDUCATIONAL SAVINGS TRUST**  
**New Jersey 529 College Savings Plan -**  
**Franklin Templeton Managed Investment Options**

**Combining Statements of Changes in Net Assets**

	Total	
	Year Ended June 30,	
	2012	2011
Increase (decrease) in net assets:		
Operations:		
Net investment income (loss)	\$ 42,532,893	\$ 34,539,633
Net realized gain (loss) from Underlying Funds	27,745,013	5,835,849
Net change in unrealized appreciation (depreciation) on investments in Underlying Funds and Wrapper Agreements	(150,954,241)	400,558,189
Net increase (decrease) in net assets resulting from operations	<u>(80,676,335)</u>	<u>440,933,671</u>
Plan share transactions:		
Subscriptions:		
Class A	392,549,062	314,083,532
Class B	62,258,470	68,968,373
Class C	187,073,730	173,800,134
Direct	180,067,119	166,952,914
Total subscriptions	<u>821,948,381</u>	<u>723,804,953</u>
Redemptions:		
Class A	(240,145,169)	(200,168,655)
Class B	(97,431,950)	(60,638,204)
Class C	(150,280,325)	(132,761,363)
Direct	(136,557,107)	(119,942,232)
Total redemptions	<u>(624,414,551)</u>	<u>(513,510,454)</u>
Net increase (decrease) in net assets resulting from plan share transactions	<u>197,533,830</u>	<u>210,294,499</u>
Net increase (decrease) in net assets	116,857,495	651,228,170
Net assets:		
Beginning of Year	2,612,421,134	1,961,192,964
End of Year	<u>\$ 2,729,278,629</u>	<u>\$ 2,612,421,134</u>

## The NJ Best Plans

**NEW JERSEY BETTER EDUCATIONAL SAVINGS TRUST -**  
New Jersey Division of Investment Managed Investment Options

Combined Financial Statements and  
Supplemental Information

Year ended June 30, 2012

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## Report of Independent Auditors

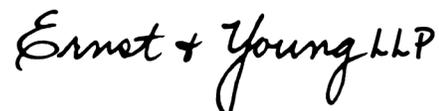
To the Account Owners and Trustees of  
New Jersey Better Educational Savings Trust- New Jersey Division of Investments Managed Investment Options - NJBest Portfolio A, NJBest Portfolio B, NJBest Portfolio C, NJBest Portfolio D, NJBest Portfolio E and NJ Better Educational Savings Portfolio:

We have audited the accompanying combined statement of assets and liabilities of the New Jersey Better Educational Savings Trust - New Jersey Division of Investments Managed Investment Options (the "Plan") - NJBest Portfolio A, NJBest Portfolio B, NJBest Portfolio C, NJBest Portfolio D, NJBest Portfolio E and NJ Better Educational Savings Portfolio (six of the investment options of the Plan) as of June 30, 2012, and the related combined statement of operations for the year then ended, and the combined statements of changes in net assets for each of the two years in the period then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Plan's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined financial position of the New Jersey Better Educational Savings Trust- New Jersey Division of Investments Managed Investment Options - NJBest Portfolio A, NJBest Portfolio B, NJBest Portfolio C, NJBest Portfolio D, NJBest Portfolio E and NJ Better Educational Savings Portfolio at June 30, 2012, the results of their combined statement of operations for the year then ended, and the combined statements of changes in net assets for each of the two years in the period then ended, in conformity with U.S. generally accepted accounting principles.

The audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Supplemental Information is presented for purposes of additional analysis and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statement themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



October 1, 2012

# NEW JERSEY BETTER EDUCATIONAL SAVINGS TRUST - New Jersey Division of Investments Managed Investment Options

## Combined Statement of Assets and Liabilities June 30, 2012

Assets:

Investments in securities:

Cost \$ 323,770,639

Value \$ 402,798,433

Receivables:

Plan shares sold 40,657

Interest 895,621

Total assets 403,734,711

Liabilities:

Payables:

Plan shares redeemed 122,038

Accrued expenses 130,380

Total liabilities 252,418

Net assets, at value \$ 403,482,293

# NEW JERSEY BETTER EDUCATIONAL SAVINGS TRUST- New Jersey Division of Investments Managed Investment Options

## Combined Statement of Operations for the year ended June 30, 2012

Investment income:	
Interest	<u>\$ 4,512,318</u>
Expenses:	
Program management fees (Note 2)	<u>1,582,022</u>
Net investment income	<u>2,930,296</u>
Realized and unrealized gain (loss) on investments:	
Net realized gain (loss) on investments	1,162,261
Net change in unrealized appreciation (depreciation) on investments	<u>9,332,383</u>
Net realized and unrealized gain (loss) on investments	<u>10,494,644</u>
Net increase (decrease) in net assets resulting from operations	<u>\$ 13,424,940</u>

# NEW JERSEY BETTER EDUCATIONAL SAVINGS TRUST - New Jersey Division of Investments Managed Investment Options

## Combined Statements of Changes in Net Assets

	Year Ended June 30,	
	2012	2011
Increase (decrease) in net assets:		
Operations:		
Net investment income	\$ 2,930,296	\$ 4,544,136
Net realized gain (loss) on investments	1,162,261	-
Net change in unrealized appreciation (depreciation) on investments	9,332,383	39,899,876
Net increase (decrease) in net assets resulting from operations	<u>13,424,940</u>	<u>44,444,012</u>
Plan share transactions:		
Subscriptions	27,767,469	29,361,841
Redemptions	(50,147,805)	(39,463,579)
Net increase (decrease) in net assets resulting from plan share transactions	<u>(22,380,336)</u>	<u>(10,101,738)</u>
Net increase (decrease) in net assets	<u>(8,955,396)</u>	<u>34,342,274</u>
Net assets:		
Beginning of year	<u>412,437,689</u>	<u>378,095,415</u>
End of year	<u>\$ 403,482,293</u>	<u>\$ 412,437,689</u>

# NEW JERSEY BETTER EDUCATIONAL SAVINGS TRUST

## New Jersey Division of Investment Managed Investment Options

### Notes to Combined Financial Statements for the year ended June 30, 2012

#### 1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

The New Jersey Better Educational Savings Trust (“Trust”) was established by the State of New Jersey (the “State”) to allow Account Owners and Beneficiaries under the State’s New Jersey 529 College Savings Plan (“Program”) to qualify for federal tax benefits 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 Trust, 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.

These financial statements provide the combined financial results of the portfolios 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 Investment Options”) that are part of the NJBEST 529 College Savings Plan (“NJBEST” or “Plan”) but are no longer available to new investors. The Division of Investment Options consists of six 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:

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

The supplemental information provides the financial results of the individual portfolios.

All common stocks and certain other investments held by NJBEST and managed by the Division of Investment are maintained in a managed equity account 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.

The attached Supplemental Information includes financial highlights, combining statements of assets and liabilities, operations, and changes in net assets of the portfolios, as well as the statement of investments for each portfolio and the NJBEST Pooled Equity Fund.

In 2003, Franklin Templeton Distributors, Inc. (“FTDI”), a wholly-owned subsidiary of Franklin Resources, Inc., and HESAA entered into a Services Agreement under which FTDI serves as the Program Manager. FTDI provides, directly, or through affiliated or non-affiliated subcontractors, certain distribution and administrative services relating to the Program. An affiliate of FTDI serves as the investment manager to the Franklin Templeton Managed Options offered through the Program and manages all accounts opened after March 14, 2003.

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

# NEW JERSEY BETTER EDUCATIONAL SAVINGS TRUST

## New Jersey Division of Investment Managed Investment Options

### Notes to Combined Financial Statements (*continued*) for the year ended June 30, 2012

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

The Following summarizes the Trust's significant accounting policies.

##### a. Financial Instrument Valuation

The Trust'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. Under procedures approved by HESAA, the Trust's administrator, investment manager, and other affiliates have formed the Valuation and Liquidity Oversight Committee (VLOC). The VLOC provides administration and oversight of the Trust's valuation policies and procedures, which are approved annually by the Board. 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 the NYSE, whichever is earlier. The value is then converted into its U.S. dollar equivalent at the foreign exchange rate in effect at the close of the NYSE 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 net asset value.

Debt securities generally trade in the OTC market rather than on a securities exchange. The Trust'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 Trust has procedures to determine the fair value of financial instruments for which market prices are not reliable or readily available. Under these procedures, the VLOC 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 VLOC 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 VLOC 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.

# **NEW JERSEY BETTER EDUCATIONAL SAVINGS TRUST**

## **New Jersey Division of Investment Managed Investment Options**

### **Notes to Combined Financial Statements (continued)** **for the year ended June 30, 2012**

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

##### **b. Security Transactions, Investment Income, and Expenses**

Security transactions are accounted for on trade date. Realized gains and losses on security transactions are determined on an average cost basis. Interest income and estimated expenses are accrued daily. Amortization of premium and accretion of discount on debt securities are included in interest income.

Inflation-indexed bonds provide an inflation hedge through periodic increases or decreases in the security's interest accruals and principal redemption value, by amounts corresponding to the current rate of inflation. Any such adjustments, including adjustments to principal redemption value, are recorded as interest income.

##### **c. Income Taxes**

The Trust 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 Trust recognizes the tax benefits of uncertain tax positions only when the position is "more likely than not" to be sustained upon examination by the tax authorities based on the technical merits of the tax position. As of June 30, 2012, and for all open tax years, the Trust has determined that no liability for unrecognized tax benefits is required in the Trust's financial statements related to uncertain tax positions taken on a tax return (or expected to be taken on future tax returns). Open tax years are all those that remain subject to examination and are based on each tax jurisdiction statute of limitation.

##### **d. Accounting Estimates**

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the 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 Trust's organizational documents, its trustee is indemnified by the Trust against certain liabilities arising out of the performance of their duties to the Trust. Additionally, in the normal course of business, the Trust, on behalf of the Portfolios, enters into contracts with service providers that contain general indemnification clauses. The Trust's maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Trust that have not yet occurred. Currently, the Trust expects the risk of loss to be remote.

# **NEW JERSEY BETTER EDUCATIONAL SAVINGS TRUST**

## **New Jersey Division of Investment Managed Investment Options**

### **Notes to Combined Financial Statements (*continued*)** **for the year ended June 30, 2012**

#### **2. MANAGEMENT AGREEMENTS**

The Program pays a total program management fee of 0.40% based on the average daily net assets of each portfolio. Of this fee, 0.15% is paid to FTDI and 0.25% is paid to HESAA.

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

#### **3. INVESTMENTS**

At June 30, 2012, net unrealized appreciation of portfolio investments was \$79,027,794 consisting of gross unrealized appreciation of \$79,027,794 and gross unrealized depreciation of \$0.

Purchases and sales of portfolio securities (excluding short term securities) for the period ended June 30, 2012 aggregated \$0 and \$31,913,205 respectively.

For a list of each portfolio's investments at June 30, 2012, please see the statement of investments for each portfolio in the Supplemental Information.

#### **4. FAIR VALUE MEASUREMENTS**

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

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

The inputs or methodology used for valuing financial instruments are not an indication of the risk associated with investing in those financial instruments.

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

The following is a summary of the inputs used as of June 30, 2012, in valuing the Trust's assets carried at fair value, is as follows:

# NEW JERSEY BETTER EDUCATIONAL SAVINGS TRUST

## New Jersey Division of Investment Managed Investment Options

### Notes to Combined Financial Statements (continued) for the year ended June 30, 2012

#### 4. FAIR VALUE MEASUREMENTS (continued)

	Level 1	Level 2	Level 3	Total
<b>Assets:</b>				
Investments in Securities:				
Equity Investments	\$ -	\$190,466,805	\$ -	\$ 190,466,805
Fixed Income	-	100,426,260	-	100,426,260
Short Term Investments	111,905,368	-	-	111,905,368
Total Investments in Securities	\$ 111,905,368	\$290,893,065	\$ -	\$ 402,798,433

#### 5. NEW ACCOUNTING PRONOUNCEMENTS

In May 2011, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2011-04, Fair Value Measurement (Topic 820): Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs. The amendments in the ASU will improve the comparability of fair value measurements presented and disclosed in financial statements prepared in accordance with U.S. GAAP (Generally Accepted Accounting Principles) and IFRS (International Financial Reporting Standards) and include new guidance for certain fair value measurement principles and disclosure requirements. The ASU is effective for interim and annual periods beginning after December 15, 2011. The Trust believes the adoption of this ASU will not have a material impact on the financial statements.

In December 2011, FASB issued ASU No. 2011-11, Balance Sheet (Topic 210): Disclosures about Offsetting Assets and Liabilities. The amendments in the ASU enhance disclosures about offsetting of financial assets and liabilities to enable investors to understand the effect of these arrangements on a Fund's financial position. The ASU is effective for interim and annual reporting periods beginning on or after January 1, 2013. The Trust believes the adoption of this ASU will not have a material impact on its financial statements.

#### 6. SUBSEQUENT EVENTS

The Trust has evaluated subsequent events through October 1, 2012, the date the financial statements were available to be issued, and determined that no events have occurred that required disclosure.

Supplemental Information  
**NEW JERSEY BETTER EDUCATIONAL SAVINGS TRUST -**  
**New Jersey Division of Investment Managed Investment Options**

**Financial Highlights**

NJBEST Portfolio A	Year Ended June 30,				
	2012	2011	2010	2009	2008
<b>SELECTED PER SHARE DATA</b>					
Net asset value, beginning of year	\$ 13.16	\$ 12.50	\$ 12.15	\$ 12.02	\$ 11.73
Income from investment operations <sup>a</sup> :					
Net investment income (loss) <sup>b</sup>	(0.04)	(0.02)	- <sup>c</sup>	0.19	0.33
Net realized and unrealized gain (loss)	0.18	0.68	0.35	(0.06)	(0.04)
Total from investment operations	0.14	0.66	0.35	0.13	0.29
Net asset value, end of year	\$ 13.30	\$ 13.16	\$ 12.50	\$ 12.15	\$ 12.02
Total Return <sup>d</sup>	1.06%	5.28%	2.88%	1.08%	2.47%
<b>Ratios to average net assets</b>					
Expenses	0.40%	0.40%	0.40%	0.40%	0.40%
Net investment income (loss)	(0.28)%	(0.16)%	(0.03)%	1.68%	2.76%
<b>Supplemental data</b>					
Net assets, end of year (000's)	\$ 1,509	\$ 1,740	\$ 1,806	\$ 2,153	\$ 2,896

<sup>a</sup>The amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Portfolio shares in relation to income earned and/ or fluctuating market value of the investments of the Portfolio.

<sup>b</sup>Based on average daily shares outstanding.

<sup>c</sup>Amounts rounds to less than \$0.01 per share.

<sup>d</sup>Total return does not reflect sales commissions or contingent deferred sales charges, if applicable.

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**Financial Highlights**

	Year Ended June 30,				
<b>NJBEST Portfolio B</b>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
<b>SELECTED PER SHARE DATA</b>					
Net asset value, beginning of year	\$ 13.46	\$ 12.49	\$ 12.04	\$ 11.91	\$ 11.71
Income from investment operations <sup>a</sup> :					
Net investment income <sup>b</sup>	(0.04)	0.04	0.07	0.16	0.39
Net realized and unrealized gain (loss)	0.44	0.93	0.38	(0.03)	(0.19)
Total from investment operations	<u>0.40</u>	<u>0.97</u>	<u>0.45</u>	<u>0.13</u>	<u>0.20</u>
Net asset value, end of year	<u>\$ 13.86</u>	<u>\$ 13.46</u>	<u>\$ 12.49</u>	<u>\$ 12.04</u>	<u>\$ 11.91</u>
Total Return <sup>c</sup>	2.97%	7.77%	3.74%	1.09%	1.71%
<b>Ratios to average net assets</b>					
Expenses	0.40%	0.40%	0.40%	0.40%	0.40%
Net investment income (loss)	(0.32)%	0.33%	0.54%	1.36%	3.24%
<b>Supplemental data</b>					
Net assets, end of year (000's)	\$ 7,739	\$ 10,947	\$ 16,280	\$ 24,136	\$ 37,409

<sup>a</sup>The amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Portfolio shares in relation to income earned and/ or fluctuating market value of the investments of the Portfolio.

<sup>b</sup>Based on average daily shares outstanding.

<sup>c</sup>Total return does not reflect sales commissions or contingent deferred sales charges, if applicable.

Supplemental Information  
**NEW JERSEY BETTER EDUCATIONAL SAVINGS TRUST -**  
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**Financial Highlights**

NJBEST Portfolio C	Year Ended June 30,				
	2012	2011	2010	2009	2008
<b>SELECTED PER SHARE DATA</b>					
Net asset value, beginning of year	\$ 15.15	\$ 14.01	\$ 13.07	\$ 12.65	\$ 12.26
Income from investment operations <sup>a</sup> :					
Net investment income <sup>b</sup>	0.23	0.34	0.32	0.31	0.40
Net realized and unrealized gain (loss)	0.21	0.80	0.62	0.11	(0.01)
Total from investment operations	0.44	1.14	0.94	0.42	0.39
Net asset value, end of year	\$ 15.59	\$ 15.15	\$ 14.01	\$ 13.07	\$ 12.65
Total Return <sup>c</sup>	2.90%	8.14%	7.18%	3.32%	3.18%
<b>Ratios to average net assets</b>					
Expenses	0.40%	0.40%	0.40%	0.40%	0.40%
Net investment income	1.51%	2.34%	2.27%	2.43%	2.99%
<b>Supplemental data</b>					
Net assets, end of year (000's)	\$ 73,843	\$ 99,348	\$ 106,249	\$ 106,257	\$ 105,975

<sup>a</sup>The amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Portfolio shares in relation to income earned and/ or fluctuating market value of the investments of the Portfolio.

<sup>b</sup>Based on average daily shares outstanding.

<sup>c</sup>Total return does not reflect sales commissions or contingent deferred sales charges, if applicable.

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**NEW JERSEY BETTER EDUCATIONAL SAVINGS TRUST -**  
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**Financial Highlights**

NJBEST Portfolio D	Year Ended June 30,				
	2012	2011	2010	2009	2008
<b>SELECTED PER SHARE DATA</b>					
Net asset value, beginning of year	\$ 15.83	\$ 14.16	\$ 12.86	\$ 12.55	\$ 12.51
Income from investment operations <sup>a</sup> :					
Net investment income <sup>b</sup>	0.13	0.16	0.18	0.23	0.29
Net realized and unrealized gain (loss)	0.31	1.51	1.12	0.08	(0.25)
Total from investment operations	0.44	1.67	1.30	0.31	0.04
Net asset value, end of year	\$ 16.27	\$ 15.83	\$ 14.16	\$ 12.86	\$ 12.55
Total Return <sup>c</sup>	2.78%	11.79%	10.11%	2.47%	0.32%
<b>Ratios to average net assets</b>					
Expenses	0.40%	0.40%	0.40%	0.40%	0.40%
Net investment income	0.81%	1.05%	1.27%	1.90%	2.24%
<b>Supplemental data</b>					
Net assets, end of year (000's)	\$ 142,216	\$ 134,621	\$ 114,619	\$ 98,110	\$ 90,739

<sup>a</sup>The amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Portfolio shares in relation to income earned and/ or fluctuating market value of the investments of the Portfolio.

<sup>b</sup>Based on average daily shares outstanding.

<sup>c</sup>Total return does not reflect sales commissions or contingent deferred sales charges, if applicable.

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**NEW JERSEY BETTER EDUCATIONAL SAVINGS TRUST -**  
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**Financial Highlights**

	Year Ended June 30,				
<b>NJBEST Portfolio E</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>
<b>SELECTED PER SHARE DATA</b>					
Net asset value, beginning of year	\$ 15.43	\$ 13.32	\$ 11.84	\$ 12.03	\$ 12.46
Income from investment operations <sup>a</sup> :					
Net investment income <sup>b</sup>	0.06	0.09	0.09	0.15	0.22
Net realized and unrealized gain (loss)	0.63	2.02	1.39	(0.34)	(0.65)
Total from investment operations	0.69	2.11	1.48	(0.19)	(0.43)
Net asset value, end of year	\$ 16.12	\$ 15.43	\$ 13.32	\$ 11.84	\$ 12.03
 Total Return <sup>c</sup>	 4.47%	 15.84%	 12.50%	 (1.58)%	 (3.45)%
<b>Ratios to average net assets</b>					
Expenses	0.40%	0.40%	0.40%	0.40%	0.40%
Net investment income	0.42%	0.58%	0.69%	1.33%	1.74%
<b>Supplemental data</b>					
Net assets, end of year (000's)	\$ 169,643	\$ 157,096	\$ 129,119	\$ 108,938	\$ 103,916

<sup>a</sup>The amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Portfolio shares in relation to income earned and/ or fluctuating market value of the investments of the Portfolio.

<sup>b</sup>Based on average daily shares outstanding.

<sup>c</sup>Total return does not reflect sales commissions or contingent deferred sales charges, if applicable.

Supplemental Information  
**NEW JERSEY BETTER EDUCATIONAL SAVINGS TRUST -**  
**New Jersey Division of Investment Managed Investment Options**

**Financial Highlights**

	Year Ended June 30,				
<b>NJ Better Educational Savings Portfolio</b>	2012	2011	2010	2009	2008
<b>SELECTED PER SHARE DATA</b>					
Net asset value, beginning of year	\$ 14.23	\$ 12.95	\$ 12.27	\$ 13.06	\$ 13.38
Income from investment operations <sup>a</sup> :					
Net investment income <sup>b</sup>	(0.04)	(0.02)	0.05	0.19	0.36
Net realized and unrealized gain (loss)	0.35	1.30	0.63	(0.98)	(0.68)
Total from investment operations	0.31	1.28	0.68	(0.79)	(0.32)
Net asset value, end of year	\$ 14.54	\$ 14.23	\$ 12.95	\$ 12.27	\$ 13.06
 Total Return <sup>c</sup>	 2.18%	 9.88%	 5.54%	 (6.05)%	 (2.39)%
<b>Ratios to average net assets</b>					
Expenses	0.40%	0.40%	0.40%	0.40%	0.40%
Net investment income (loss)	(0.31)%	(0.12)%	0.41%	1.58%	2.70%
<b>Supplemental data</b>					
Net assets, end of year (000's)	\$ 8,533	\$ 9,686	\$ 10,022	\$ 10,470	\$ 12,775

<sup>a</sup>The amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Portfolio shares in relation to income earned and/ or fluctuating market value of the investments of the Portfolio.

<sup>b</sup>Based on average daily shares outstanding.

<sup>c</sup>Total return does not reflect sales commissions or contingent deferred sales charges, if applicable.

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**NEW JERSEY BETTER EDUCATIONAL SAVINGS TRUST-**  
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NJBEST Portfolio A  
Statement of Investments, June 30, 2012

	SHARES	VALUE
<b>Equity (Cost \$215,526) 28.2%</b>		
NJBEST Pooled Equity Fund	32,686	\$ 425,969
<b>Short Term Investment (Cost \$1,085,089) 71.9%</b>		
<sup>a</sup> State of New Jersey Cash Management Fund, 0.15%	1,085,089	1,085,089
<b>Total Investments (Cost \$1,300,615) 100.1%</b>		1,511,058
<b>Other Assets, Less Liabilities (0.1)%</b>		(2,024)
<b>Net Assets 100.0%</b>		<u>\$ 1,509,034</u>

<sup>a</sup>The rate shown is the annualized seven-day yield at period end.

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**NJBEST Portfolio B**  
**Statement of Investments, June 30, 2012**

	SHARES	VALUE
<b>Equity (Cost \$2,378,264) 58.1%</b>		
NJBEST Pooled Equity Fund	344,774	\$ 4,493,176
<b>Short Term Investment (Cost \$3,248,308) 42.0%</b>		
<sup>a</sup> State of New Jersey Cash Management Fund, 0.15%	3,248,308	3,248,308
<b>Total Investments (Cost \$5,626,572) 100.0%</b>		7,741,484
<b>Other Assets, Less Liabilities 0.0%<sup>†</sup></b>		(2,941)
<b>Net Assets 100.0%</b>		<u>\$ 7,738,543</u>

<sup>†</sup>Rounds to less than 0.1% of net assets.

<sup>a</sup>The rate shown is the annualized seven-day yield at period end.

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**NEW JERSEY BETTER EDUCATIONAL SAVINGS TRUST-**  
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NJBEST Portfolio C  
Statement of Investments, June 30, 2012

	SHARES	PRINCIPAL AMOUNT	VALUE
<b>Equity (Cost \$20,465,569) 40.8%</b>			
NJBEST Pooled Equity Fund	2,312,328		\$ 30,134,645
<b>Fixed Income 42.5%</b>			
Duke Energy Corp., senior note, 6.25%, 6/15/18		\$ 1,000,000	1,219,144
Time Warner Inc., 6.50%, 11/15/36		1,000,000	1,188,755
U.S. Treasury Bond, 3.875%, 2/15/13		6,000,000	6,137,814
U.S. Treasury Notes,			
4.375%, 8/15/12		1,100,000	1,105,801
4.25%, 8/15/13		6,000,000	6,268,362
Index Linked, 1.875%, 7/15/15		14,194,232	15,452,863
<b>Total Fixed Income (Cost \$29,168,160)</b>			<u>31,372,739</u>
<b>Total Investments Before Short Term Investment (Cost \$49,633,729) 83.3%</b>			<u>61,507,384</u>
<b>Short Term Investment (Cost \$12,046,219) 16.3%</b>			
<sup>a</sup> State of New Jersey Cash Management Fund, 0.15%	12,046,219		<u>12,046,219</u>
<b>Total Investments (Cost \$61,679,948) 99.6%</b>			73,553,603
<b>Other Assets, Less Liabilities 0.4%</b>			<u>289,647</u>
<b>Net Assets 100.0%</b>			<u>\$ 73,843,250</u>

<sup>a</sup>The rate shown is the annualized seven-day yield at period end.

Supplemental Information  
**NEW JERSEY BETTER EDUCATIONAL SAVINGS TRUST-**  
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NJBEST Portfolio D  
Statement of Investments, June 30, 2012

	SHARES	PRINCIPAL AMOUNT	VALUE
<b>Equity (Cost \$36,895,734) 41.7%</b>			
NJBEST Pooled Equity Fund	4,548,436		\$ 59,280,151
<b>Fixed Income 26.0%</b>			
Duke Energy Corp., senior note, 6.25%, 6/15/18		\$ 1,000,000	1,219,144
Time Warner Inc., 6.50%, 11/15/36		1,000,000	1,188,755
U.S. Treasury Bonds,			
7.25%, 5/15/16		690,000	865,626
7.50%, 11/15/16		3,712,000	4,804,141
7.25%, 8/15/22		500,000	764,610
6.25%, 8/15/23		600,000	872,250
U.S. Treasury Notes,			
4.375%, 8/15/12		2,200,000	2,211,603
4.00%, 11/15/12		6,500,000	6,593,184
4.00%, 2/15/14		3,000,000	3,178,476
4.25%, 8/15/14		1,900,000	2,056,898
4.50%, 11/15/15		5,000,000	5,669,140
Index Linked, 1.625%, 1/15/18		6,589,409	7,531,490
<b>Total Fixed Income (Cost \$32,741,129)</b>			<u>36,955,317</u>
<b>Total Investments Before Short Term Investment (Cost \$69,636,863) 67.7%</b>			<u>96,235,468</u>
<b>Short Term Investment (Cost \$45,790,970) 32.2%</b>			
<sup>a</sup> State of New Jersey Cash Management Fund, 0.15%	45,790,970		<u>45,790,970</u>
<b>Total Investments (Cost \$115,427,833) 99.9%</b>			142,026,438
<b>Other Assets, Less Liabilities 0.1%</b>			189,265
<b>Net Assets 100.0%</b>			<u>\$ 142,215,703</u>

<sup>a</sup>The rate shown is the annualized seven-day yield at period end.

Supplemental Information  
**NEW JERSEY BETTER EDUCATIONAL SAVINGS TRUST-**  
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NJBEST Portfolio E  
Statement of Investments, June 30, 2012

	SHARES	PRINCIPAL AMOUNT	VALUE
<b>Equity (Cost \$61,133,762) 54.0%</b>			
NJBest Pooled Equity Fund	7,033,226		\$ 91,658,581
<b>Fixed Income 18.9%</b>			
Duke Energy Corp., senior note, 6.25%, 6/15/18		\$ 1,000,000	1,219,144
Time Warner Inc., 6.50%, 11/15/36		1,000,000	1,188,755
U.S. Treasury Bonds,			
7.25%, 5/15/16		395,000	495,540
7.50%, 11/15/16		6,159,000	7,971,095
7.25%, 8/15/22		735,000	1,123,976
6.25%, 8/15/23		500,000	726,875
6.00%, 2/15/26		1,000,000	1,467,344
Index Linked, 2.375%, 1/15/25		10,985,267	14,503,991
U.S. Treasury Note,			
4.50%, 11/15/15		3,000,000	3,401,484
<b>Total Fixed Income (Cost \$25,751,368)</b>			<u>32,098,204</u>
<b>Total Investments Before Short Term Investment (Cost \$86,885,130) 72.9%</b>			<u>123,756,785</u>
<b>Short Term Investment (Cost \$45,652,542) 27.0%</b>			
<sup>a</sup> State of New Jersey Cash Management Fund, 0.15%	45,652,542		<u>45,652,542</u>
<b>Total Investments (Cost \$132,537,672) 99.9%</b>			<u>169,409,327</u>
<b>Other Assets, less Liabilities 0.1%</b>			<u>233,196</u>
<b>Net Assets 100.0%</b>			<u>\$ 169,642,523</u>

<sup>a</sup>The rate shown is the annualized seven-day yield at period end.

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**NEW JERSEY BETTER EDUCATIONAL SAVINGS TRUST-**  
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NJ Better Educational Savings Portfolio  
Statement of Investments, June 30, 2012

	SHARES	VALUE
<b>Equity (Cost \$3,115,759) 52.4%</b>		
NJBEST Pooled Equity Fund	343,325	<u>\$ 4,474,283</u>
<b>Short Term Investment (Cost \$4,082,240) 47.8%</b>		
<sup>a</sup> State of New Jersey Cash Management Fund, 0.15%	4,082,240	<u>4,082,240</u>
<b>Total Investments (Cost \$7,197,999) 100.3%</b>		8,556,523
<b>Other Assets, less Liabilities (0.3)%</b>		<u>(23,283)</u>
<b>Net Assets 100.0%</b>		<u>\$ 8,533,240</u>

<sup>a</sup>The rate shown is the annualized seven-day yield at period end.

Supplemental Information  
**New Jersey Better Educational Savings Trust -  
New Jersey Division of Investments Managed Investment Options**

**Combining Statement of Assets and Liabilities**

June 30, 2012

	<u>NJBEST Portfolio A</u>	<u>NJBEST Portfolio B</u>	<u>NJBEST Portfolio C</u>	<u>NJBEST Portfolio D</u>	<u>NJBEST Portfolio E</u>	<u>NJ Better Educational Savings Portfolio</u>	<u>Total</u>
<b>Assets:</b>							
Investments in securities:							
Cost	\$ 1,300,615	\$ 5,626,572	\$ 61,679,948	\$ 115,427,833	\$ 132,537,672	\$ 7,197,999	\$ 323,770,639
Value	\$ 1,511,058	\$ 7,741,484	\$ 73,553,603	\$ 142,026,438	\$ 169,409,327	\$ 8,556,523	\$ 402,798,433
Receivables:							
Plan shares sold	-	275	7,980	6,030	26,347	25	40,657
Interest	-	-	332,949	300,053	262,619	-	895,621
Total assets	<u>\$ 1,511,058</u>	<u>\$ 7,741,759</u>	<u>\$ 73,894,532</u>	<u>\$ 142,332,521</u>	<u>\$ 169,698,293</u>	<u>\$ 8,556,548</u>	<u>\$ 403,734,711</u>
<b>Liabilities:</b>							
Payables:							
Plan shares redeemed	1,527	700	27,243	70,818	1,200	20,550	122,038
Accrued expenses	497	2,516	24,039	46,000	54,570	2,758	130,380
Total liabilities	<u>2,024</u>	<u>3,216</u>	<u>51,282</u>	<u>116,818</u>	<u>55,770</u>	<u>23,308</u>	<u>252,418</u>
Net assets, at value	<u>\$ 1,509,034</u>	<u>\$ 7,738,543</u>	<u>\$ 73,843,250</u>	<u>\$ 142,215,703</u>	<u>\$ 169,642,523</u>	<u>\$ 8,533,240</u>	<u>\$ 403,482,293</u>
<b>Direct Sold Class:</b>							
Net assets, at value	\$ 1,509,034	\$ 7,738,543	\$ 73,843,250	\$ 142,215,703	\$ 169,642,523	\$ 8,533,240	
Shares outstanding	113,440	558,387	4,736,838	8,739,988	10,521,643	586,837	
Net asset value per share	<u>\$ 13.30</u>	<u>\$ 13.86</u>	<u>\$ 15.59</u>	<u>\$ 16.27</u>	<u>\$ 16.12</u>	<u>\$ 14.54</u>	

Supplemental Information  
**New Jersey Better Educational Savings Trust -**  
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**Combining Statement of Operations**  
for the year ended June 30, 2012

	<u>NJBEST Portfolio A</u>	<u>NJBEST Portfolio B</u>	<u>NJBEST Portfolio C</u>	<u>NJBEST Portfolio D</u>	<u>NJBEST Portfolio E</u>	<u>NJ Better Educational Savings Portfolio</u>	<u>Total</u>
Investment income:							
Interest	\$ 1,818	\$ 6,823	\$ 1,533,106	\$ 1,651,398	\$ 1,311,167	\$ 8,006	\$ 4,512,318
Expenses:							
Program Management fees (Note 2)	6,282	34,256	321,250	545,689	639,769	34,776	1,582,022
Net investment income	(4,464)	(27,433)	1,211,856	1,105,709	671,398	(26,770)	2,930,296
Realized and unrealized gain (losses):							
Net realized gain (loss) from investments	-	-	1,161,916	-	-	345	1,162,261
Net change in unrealized appreciation (depreciation) on investments	18,169	191,632	(493,849)	2,784,472	6,642,160	189,799	9,332,383
Net realized and unrealized gain (loss)	18,169	191,632	668,067	2,784,472	6,642,160	190,144	10,494,644
Net increase (decrease) in net assets resulting from operations	\$ 13,705	\$ 164,199	\$ 1,879,923	\$ 3,890,181	\$ 7,313,558	\$ 163,374	\$ 13,424,940

Supplemental Information  
**New Jersey Better Educational Savings Trust -  
New Jersey Division of Investments Managed Investment Options**

**Combining Statements of Changes in Net Assets**

	<b>NJBEST Portfolio A</b>		<b>NJBEST Portfolio B</b>		<b>NJBEST Portfolio C</b>	
	Year Ended June 30,		Year Ended June 30,		Year Ended June 30,	
	2012	2011	2012	2011	2012	2011
Increase (decrease) in net assets:						
Operations:						
Net investment income (loss)	\$ (4,464)	\$ (2,810)	\$ (27,433)	\$ 42,407	\$ 1,211,856	\$ 2,346,456
Net realized gain (loss) from investments	-	-	-	-	1,161,916	-
Net change in unrealized appreciation (depreciation) on investments	18,169	91,054	191,632	958,459	(493,849)	5,572,826
Net increase (decrease) in net assets resulting from operations	13,705	88,244	164,199	1,000,866	1,879,923	7,919,282
Plan share transactions:						
Subscriptions	129,995	166,771	978,234	1,761,024	6,984,044	7,758,195
Redemptions	(374,363)	(321,455)	(4,351,093)	(8,094,299)	(33,368,972)	(23,578,541)
Net increase (decrease) in net assets resulting from plan share transactions	(244,368)	(154,684)	(3,372,859)	(6,333,275)	(26,384,928)	(15,820,346)
Net increase (decrease) in net assets	(230,663)	(66,440)	(3,208,660)	(5,332,409)	(24,505,005)	(7,901,064)
Net assets:						
Beginning of year	1,739,697	1,806,137	10,947,203	16,279,612	98,348,255	106,249,319
End of year	\$ 1,509,034	\$ 1,739,697	\$ 7,738,543	\$ 10,947,203	\$ 73,843,250	\$ 98,348,255

Supplemental Information  
**New Jersey Better Educational Savings Trust -  
New Jersey Division of Investments Managed Investment Options**

**Combining Statements of Changes in Net Assets (continued)**

	<u>NJBEST Portfolio D</u>		<u>NJBEST Portfolio E</u>		<u>NJ Better Educational Savings Portfolio</u>	
	Year Ended June 30,		Year Ended June 30,		Year Ended June 30,	
	2012	2011	2012	2011	2012	2011
Increase (decrease) in net assets:						
Operations:						
Net investment income	\$ 1,105,709	\$ 1,325,923	\$ 671,398	\$ 844,358	\$ (26,770)	\$ (12,198)
Net realized gain (loss) from investments	-	-	-	-	345	-
Net change in unrealized appreciation (depreciation) on investments	2,784,472	12,394,835	6,642,160	19,935,434	189,799	947,268
Net increase (decrease) in net assets resulting from operations	3,890,181	13,720,758	7,313,558	20,779,792	163,374	935,070
Plan share transactions:						
Subscriptions	9,393,826	9,145,968	9,827,635	9,875,361	453,735	654,522
Redemptions	(5,689,440)	(2,864,924)	(4,594,247)	(2,678,123)	(1,769,690)	(1,926,237)
Net increase (decrease) in net assets resulting from plan share transactions	3,704,386	6,281,044	5,233,388	7,197,238	(1,315,955)	(1,271,715)
Net increase (decrease) in net assets	7,594,567	20,001,802	12,546,946	27,977,030	(1,152,581)	(336,645)
Net assets:						
Beginning of year	134,621,136	114,619,334	157,095,577	129,118,547	9,685,821	10,022,466
End of year	\$ 142,215,703	\$ 134,621,136	\$ 169,642,523	\$ 157,095,577	\$ 8,533,240	\$ 9,685,821

Supplemental Information  
**New Jersey Better Educational Savings Trust -  
New Jersey Division of Investments Managed Investment Options**

**Combining Statements of Changes in Net Assets (continued)**

	<u>Total</u>	
	Year Ended June 30,	
	2012	2011
Increase (decrease) in net assets:		
Operations:		
Net investment income	\$ 2,930,296	\$ 4,544,136
Net realized gain (loss) from investments	1,162,261	-
Net change in unrealized appreciation (depreciation) on investments	<u>9,332,383</u>	<u>39,899,876</u>
Net increase (decrease) in net assets resulting from operations	<u>13,424,940</u>	<u>44,444,012</u>
Plan share transactions:		
Subscriptions	27,767,469	29,361,841
Redemptions	<u>(50,147,805)</u>	<u>(39,463,579)</u>
Net increase (decrease) in net assets resulting from plan share transactions	<u>(22,380,336)</u>	<u>(10,101,738)</u>
Net increase (decrease) in net assets	(8,955,396)	34,342,274
Net assets:		
Beginning of year	<u>412,437,689</u>	<u>378,095,415</u>
End of year	<u>\$ 403,482,293</u>	<u>\$ 412,437,689</u>

Supplemental Information  
**NEW JERSEY BETTER EDUCATIONAL SAVINGS TRUST-**  
**New Jersey Division of Investments Managed Investment Options**

**NJBest Pooled Equity Fund**  
**Statement of Investments, June 30, 2012**

	SHARES	VALUE
<b>Common Stocks 85.0%</b>		
<b>Aerospace &amp; Defense 3.2%</b>		
Alliant Techsystems Inc.	15,000	\$ 758,550
The Boeing Co.	12,000	891,600
CPI Aerostructures Inc.	96,000	1,056,000
Cubic Corp.	22,000	1,057,760
Triumph Group Inc.	27,000	1,519,290
United Technologies Corp.	11,000	830,830
		<u>6,114,030</u>
<b>Air Freight &amp; Logistics 0.7%</b>		
FedEx Corp.	10,000	916,100
United Parcel Service Inc., B	5,000	393,800
		<u>1,309,900</u>
<b>Airlines 0.9%</b>		
Delta Air Lines Inc.	80,000	876,000
Hawaiian Holdings Inc.	50,000	325,500
U.S. Airways Group Inc.	32,000	426,560
		<u>1,628,060</u>
<b>Auto Components 0.4%</b>		
TRW Automotive Holdings Corp.	20,000	735,200
<b>Beverages 1.6%</b>		
Anheuser-Busch InBev NV, ADR	9,000	716,040
PepsiCo Inc.	34,000	2,402,440
		<u>3,118,480</u>
<b>Biotechnology 0.5%</b>		
Gilead Sciences Inc.	20,000	1,025,600
<b>Capital Markets 1.4%</b>		
Ameriprise Financial Inc.	24,000	1,254,240
The Goldman Sachs Group Inc.	7,000	671,020
Legg Mason Inc.	26,000	685,620
		<u>2,610,880</u>
<b>Chemicals 1.4%</b>		
Cereplast Inc.	390,000	113,100
E. I. du Pont de Nemours and Co.	13,000	657,410
Koppers Holdings Inc.	24,000	816,000
The Mosaic Co.	18,000	985,680
		<u>2,572,190</u>
<b>Commercial Banks 2.8%</b>		
Parke Bancorp Inc.	20,200	105,040
PNC Financial Services Group Inc.	20,000	1,222,200
Regions Financial Corp.	120,000	810,000
Republic First Bancorp Inc.	12,000	25,080
Wells Fargo & Co.	92,000	3,076,480
		<u>5,238,800</u>

Supplemental Information  
**NEW JERSEY BETTER EDUCATIONAL SAVINGS TRUST-**  
**New Jersey Division of Investment Managed Investment Options**

**NJBest Pooled Equity Fund**  
**Statement of Investments, June 30, 2012 (continued)**

	Shares	Value
<b>Common Stocks (continued)</b>		
<b>Communications Equipment 1.7%</b>		
Airspan Networks Inc.	10,000	\$ 40,000
Cisco Systems Inc.	72,000	1,236,240
Extreme Networks Inc.	200,000	688,000
InterDigital Inc.	17,000	501,670
QUALCOMM Inc.	14,000	779,520
		<u>3,245,430</u>
<b>Computers &amp; Peripherals 8.5%</b>		
Apple Inc.	24,700	14,424,800
EMC Corp.	31,000	794,530
SanDisk Corp.	24,000	875,520
		<u>16,094,850</u>
<b>Construction &amp; Engineering 1.4%</b>		
Aecom Technology Corp.	38,000	625,100
MasTec Inc.	36,000	541,440
Michael Baker Corp.	40,000	1,043,600
URS Corp.	14,000	488,320
		<u>2,698,460</u>
<b>Containers &amp; Packaging 0.5%</b>		
Rock-Tenn Co., A	16,000	872,800
<b>Diversified Financial Services 2.8%</b>		
Bank of America Corp.	200,000	1,636,000
Citigroup Inc.	36,000	986,760
JPMorgan Chase & Co.	78,000	2,786,940
		<u>5,409,700</u>
<b>Diversified Telecommunication Services 1.9%</b>		
AT&T Inc.	50,000	1,783,000
Verizon Communications Inc.	40,000	1,777,600
		<u>3,560,600</u>
<b>Electric Utilities 0.8%</b>		
Exelon Corp.	20,000	752,400
PPL Corp.	29,000	806,490
		<u>1,558,890</u>
<b>Electrical Equipment 0.5%</b>		
Alpine Group Inc.	205,000	79,950
Rockwell Automation Inc.	12,000	792,720
		<u>872,670</u>

Supplemental Information  
**NEW JERSEY BETTER EDUCATIONAL SAVINGS TRUST-**  
**New Jersey Division of Investment Managed Investment Options**

**NJBest Pooled Equity Fund**  
**Statement of Investments, June 30, 2012 (continued)**

	Shares	Value
<b>Common Stocks (continued)</b>		
<b>Energy Equipment &amp; Services 2.2%</b>		
Baker Hughes Inc.	21,000	\$ 863,100
Cameron International Corp.	16,000	683,360
Halliburton Co.	30,000	851,700
Heckmann Corp.	210,000	709,800
Nabors Industries Ltd.	48,000	691,200
Newpark Resources Inc.	70,000	413,000
		<u>4,212,160</u>
<b>Food Products 2.8%</b>		
Diamond Foods Inc.	37,000	660,080
Dole Food Co. Inc.	90,000	790,200
Green Mountain Coffee Roasters Inc.	40,000	871,200
Inventure Foods Inc.	90,000	567,000
Kraft Foods Inc., A	24,000	926,880
Limoneira Co.	45,000	729,900
Tyson Foods Inc.	38,000	715,540
		<u>5,260,800</u>
<b>Gas Utilities 0.5%</b>		
ONEOK Inc.	24,000	<u>1,015,440</u>
<b>Health Care Equipment &amp; Supplies 0.4%</b>		
St. Jude Medical Inc.	18,000	<u>718,380</u>
<b>Health Care Providers &amp; Services 2.8%</b>		
Aetna Inc.	32,000	1,240,640
Community Health Systems Inc.	32,000	896,960
Laboratory Corp. of America Holdings	10,000	926,100
McKesson Corp.	10,000	937,500
Psychemedics Corp.	55,000	565,950
Tenet Healthcare Corp.	150,000	786,000
		<u>5,353,150</u>
<b>Health Care Technology 0.6%</b>		
Allscripts Healthcare Solutions Inc.	64,000	699,520
Merge Healthcare Inc.	160,000	457,600
		<u>1,157,120</u>
<b>Hotels, Restaurants &amp; Leisure 1.2%</b>		
Darden Restaurants Inc.	12,000	607,560
Las Vegas Sands Corp.	18,000	782,820
Wynn Resorts Ltd.	8,000	829,760
		<u>2,220,140</u>

Supplemental Information  
**NEW JERSEY BETTER EDUCATIONAL SAVINGS TRUST-**  
**New Jersey Division of Investment Managed Investment Options**

**NJBest Pooled Equity Fund**  
**Statement of Investments, June 30, 2012 (continued)**

	Shares	Value
<b>Common Stocks (continued)</b>		
<b>Household Durables 1.8%</b>		
Sealy Corp.	210,000	\$ 388,500
Skyline Corp.	95,000	482,600
Tempur-Pedic International Inc.	34,000	795,260
Toll Brothers Inc.	28,000	832,440
Whirlpool Corp.	11,000	672,760
Zagg Inc.	28,000	305,480
		<u>3,477,040</u>
<b>Household Products 1.4%</b>		
Energizer Holdings Inc.	11,000	827,750
The Procter & Gamble Co.	31,000	1,898,750
		<u>2,726,500</u>
<b>Industrial Conglomerates 1.6%</b>		
General Electric Co.	142,000	2,959,280
<b>Insurance 2.8%</b>		
Aflac Inc.	14,000	596,260
American International Group Inc.	38,000	1,219,420
Genworth Financial Inc., A	130,000	735,800
Lincoln National Corp.	34,000	743,580
MetLife Inc.	25,000	771,250
Prudential Financial Inc.	24,000	1,162,320
		<u>5,228,630</u>
<b>Internet Software &amp; Services 2.3%</b>		
The Active Network Inc.	20,000	307,800
Google Inc., A	3,600	2,088,252
Move Inc.	44,000	400,840
Perficient Inc.	54,000	606,420
SWK Holdings Corp.	500,000	425,000
United Online Inc.	144,000	607,680
		<u>4,435,992</u>
<b>Information Technology Services 0.6%</b>		
International Business Machines Corp.	3,500	684,530
VeriFone Systems Inc.	16,000	529,440
		<u>1,213,970</u>
<b>Leisure Equipment &amp; Products 0.5%</b>		
Mattel Inc.	27,000	875,880

Supplemental Information  
**NEW JERSEY BETTER EDUCATIONAL SAVINGS TRUST-**  
**New Jersey Division of Investment Managed Investment Options**

**NJBest Pooled Equity Fund**  
**Statement of Investments, June 30, 2012 (continued)**

	Shares	Value
<b>Common Stocks (continued)</b>		
<b>Machinery 2.6%</b>		
Caterpillar Inc.	10,000	\$ 849,100
Chart Industries Inc.	14,000	962,640
Cummins Inc.	6,000	581,460
Deere & Co.	11,000	889,570
Navistar International Corp.	30,000	851,100
Wabash National Corp.	110,000	728,200
		<u>4,862,070</u>
<b>Media 3.6%</b>		
Cablevision Systems Corp., A	70,000	930,300
Cinemark Holdings Inc.	32,000	731,200
Crown Media Holdings Inc., A	520,000	910,000
Dial Global Inc.	86,000	285,520
Emmis Communications Corp., A	390,000	717,600
Entercom Communications Corp.	102,000	614,040
Entravision Communications Corp., A	500,000	605,000
Lions Gate Entertainment Corp.	20,000	294,800
Pandora Media Inc.	42,000	456,540
Reading International Inc., A	22,000	119,020
The Walt Disney Co.	24,000	1,164,000
		<u>6,828,020</u>
<b>Metals &amp; Mining 0.6%</b>		
Cliffs Natural Resources Inc.	15,000	739,350
Hecla Mining Co.	100,000	475,000
		<u>1,214,350</u>
<b>Multiline Retail 0.6%</b>		
Target Corp.	20,000	1,163,800
<b>Multi-Utilities 0.4%</b>		
TECO Energy Inc.	46,000	830,760
<b>Oil, Gas &amp; Consumable Fuels 4.9%</b>		
Berry Petroleum Co., A	19,000	753,540
Chesapeake Energy Corp.	40,000	744,000
Clean Energy Fuels Corp.	54,000	837,000
ConocoPhillips	19,000	1,061,720
Exxon Mobil Corp.	38,000	3,251,660
Hess Corp.	14,000	608,300
Murphy Oil Corp.	15,000	754,350
Phillips 66	18,000	598,320
Venoco Inc.	70,000	700,700
		<u>9,309,590</u>

Supplemental Information  
**NEW JERSEY BETTER EDUCATIONAL SAVINGS TRUST-**  
**New Jersey Division of Investment Managed Investment Options**

**NJBest Pooled Equity Fund**  
**Statement of Investments, June 30, 2012 (continued)**

	Shares	Value
<b>Common Stocks (continued)</b>		
<b>Personal Products 0.4%</b>		
Inter Parfums Inc.	44,000	\$ 759,880
<b>Pharmaceuticals 6.0%</b>		
Abbott Laboratories	24,000	1,547,280
Bristol-Myers Squibb Co.	28,000	1,006,600
Eli Lilly & Co.	20,000	858,200
Johnson & Johnson	39,000	2,634,840
Merck & Co. Inc.	50,000	2,087,500
Pfizer Inc.	102,000	2,346,000
Teva Pharmaceutical Industries Ltd., ADR	11,000	433,840
Watson Pharmaceuticals Inc.	8,000	591,920
		<u>11,506,180</u>
<b>Professional Services 0.3%</b>		
Korn/Ferry International	44,000	631,400
<b>Real Estate Investment Trusts (REITs) 1.2%</b>		
Entertainment Properties Trust	42,000	1,726,620
Sabra Healthcare REIT Inc.	38,000	650,180
		<u>2,376,800</u>
<b>Road &amp; Rail 0.8%</b>		
Kansas City Southern	13,000	904,280
Zipcar Inc.	60,000	703,800
		<u>1,608,080</u>
<b>Semiconductors &amp; Semiconductor Equipment 1.6%</b>		
ARM Holdings PLC, ADR	20,000	475,800
Broadcom Corp., A	25,000	845,000
Freescale Semiconductor Ltd.	54,000	553,500
MEMC Electronic Materials Inc.	200,000	434,000
PLX Technology Inc.	128,000	812,800
		<u>3,121,100</u>
<b>Software 5.3%</b>		
Activision Blizzard Inc.	54,000	647,460
Cinedigm Digital Cinema Corp., A	336,000	504,000
Citrix Systems Inc.	9,000	755,460
Compuware Corp.	64,000	594,560
Ebix Inc.	30,000	598,500
Microsoft Corp.	100,000	3,059,000
Nuance Communications Inc.	28,000	666,960
Oracle Corp.	48,000	1,425,600
Parametric Technology Corp.	32,000	670,720
TiVo Inc.	64,000	529,280
Zynga Inc.	124,000	674,560
		<u>10,126,100</u>
<b>Specialty Retail 1.1%</b>		
The Home Depot Inc.	22,000	1,165,780
The Pep Boys - Manny, Moe & Jack	60,000	594,000
RadioShack Corp.	84,000	322,560
		<u>2,082,340</u>

Supplemental Information  
**NEW JERSEY BETTER EDUCATIONAL SAVINGS TRUST-**  
**New Jersey Division of Investment Managed Investment Options**

**NJBest Pooled Equity Fund**  
**Statement of Investments, June 30, 2012 (continued)**

	Shares	Value
<b>Common Stocks (continued)</b>		
<b>Textiles Apparel &amp; Luxury Goods 0.4%</b>		
Under Armour Inc., A	9,000	\$ 850,320
<b>Tobacco 1.9%</b>		
Altria Group Inc.	34,000	1,174,700
Philip Morris International Inc.	27,000	2,356,020
		<u>3,530,720</u>
<b>Trading Companies &amp; Distributors 0.8%</b>		
TAL International Group Inc.	22,000	736,780
Titan Machinery Inc.	28,000	850,360
		<u>1,587,140</u>
<b>Total Common Stocks (Cost \$155,752,110) 85.0%</b>		<u>161,909,672</u>
<b>Short Term Investment (Cost \$28,627,150) 15.0%</b>		
<sup>a</sup> State of New Jersey Cash Management Fund, 0.15%	28,627,150	28,627,150
<b>Total Investments (Cost \$184,379,260) 100.0%</b>		190,536,822
<b>Other Assets Less Liabilities 0.0%<sup>†</sup></b>		<u>(70,017)</u>
<b>Total Net Assets 100.0%</b>		<u>190,466,805</u>

<sup>†</sup>Rounds to less than 0.1% on net assets

<sup>a</sup>The rate shown is the annualized seven-day yield at period end.

**ABBREVIATION**

ADR - American Depositary Receipt

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