

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

Combined Financial Statements and  
Supplemental Information

Year ended June 30, 2013

**Contents**

Report of Independent Auditors.....	1
Combined Financial Statements	
Combined Statement of Assets and Liabilities.....	2
Combined Statement of Operations.....	3
Combined Statements of Changes in Net Assets.....	4
Notes to Combined Financial Statements.....	5
Supplemental Information	
Financial Highlights.....	10
Statements of Investments.....	16
Combining Statements of Assets and Liabilities.....	22
Combining Statements of Operations.....	23
Combining Statements of Changes in Net Assets.....	24
Statements of Investments – NJ Best Pooled Equity Fund.....	27

## 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:

### Report on the Financial Statements

We have audited the accompanying combined financial statements of the New Jersey Better Educational Savings Trust- New Jersey Division of Investments Managed Investment Options (the "Trust") - 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 Trust), which comprise the combined statement of assets and liabilities as of June 30, 2013, and the related combined statements of operations for the year then ended, and combined statements of changes in net assets for each of the two years in the period then ended, and the related notes to the combined financial statements.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audit 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.

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

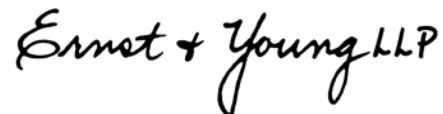
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the combined financial position of 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 2013, and the combined results of its operations for the year then ended and changes in its net assets for each of the two years in the period then ended, in conformity with U.S. generally accepted accounting principles.

### Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the combined financial statements as a whole. The Supplemental Information including the statements of investments and combining statements of assets and liabilities as of June 30, 2013, the combining statements of operations for the year then ended, combining statements of changes in net assets for each of the two years in the period then ended and the financial highlights for five years in the period then ended are presented for purposes of additional analysis and are not a required part of the combined financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the combined financial statements. The information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the information is fairly stated in all material respects in relation to the combined financial statements as a whole.

The signature of Ernst & Young LLP is written in a cursive, handwritten style in black ink.

September 30, 2013

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

## Combined Statement of Assets and Liabilities June 30, 2013

Assets:	
Investments in securities:	
Cost	\$ 302,430,980
Value	\$ 415,454,935
Receivables:	
Plan shares sold	72,032
Interest	629,702
Total assets	<u>416,156,669</u>
Liabilities:	
Payables:	
Plan shares redeemed	173,066
Accrued expenses	<u>137,502</u>
Total liabilities	<u>310,568</u>
Net assets, at value	<u>\$ 415,846,101</u>

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

## Combined Statement of Operations for the year ended June 30, 2013

Investment income:	
Interest	<u>\$ 3,174,486</u>
Expenses:	
Program management fees (Note 2)	<u>1,621,585</u>
Net investment income	<u>1,552,901</u>
Realized and unrealized gain (loss) on investments:	
Net realized gain (loss) on investments	233,401
Net change in unrealized appreciation (depreciation) on investments	<u>33,996,158</u>
Net realized and unrealized gain (loss) on investments	<u>34,229,559</u>
Net increase (decrease) in net assets resulting from operations	<u>\$ 35,782,460</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,	
	2013	2012
Increase (decrease) in net assets:		
Operations:		
Net investment income	\$ 1,552,901	\$ 2,930,296
Net realized gain (loss) on investments	233,401	1,162,261
Net change in unrealized appreciation (depreciation) on investments	33,996,158	9,332,383
Net increase (decrease) in net assets resulting from operations	<u>35,782,460</u>	<u>13,424,940</u>
Plan share transactions:		
Subscriptions	31,749,118	27,767,469
Redemptions	(55,167,770)	(50,147,805)
Net increase (decrease) in net assets resulting from plan share transactions	<u>(23,418,652)</u>	<u>(22,380,336)</u>
Net increase (decrease) in net assets	<u>12,363,808</u>	<u>(8,955,396)</u>
Net assets:		
Beginning of year	403,482,293	412,437,689
End of year	<u>\$ 415,846,101</u>	<u>\$ 403,482,293</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, 2013

#### 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, 2013

#### 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. 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, 2013**

#### **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 are adjusted for inflation through periodic increases or decreases in the security's interest accruals, face amount, or principal redemption value, by amounts corresponding to the rate of inflation as measured by an index. Any increase or decrease in the face amount or principal redemption value will be included as interest income on the Statement of Operations

##### **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, 2013, 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 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, 2013**

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

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

Franklin Templeton Services, LLC ("FTS") an affiliate of FTDI provides accounting services for the 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, 2013, net unrealized appreciation of portfolio investments was \$113,023,955 consisting of gross unrealized appreciation of \$113,023,955 and gross unrealized depreciation of \$0.

Purchases and sales of portfolio securities (excluding short term securities) for the period ended June 30, 2013 aggregated \$322,144,642 and \$337,164,210 respectively.

For a list of each portfolio's investments at June 30, 2013, 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:

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

The 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

A summary of inputs used as of June 30, 2013, 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, 2013

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

	Level 1	Level 2	Level 3	Total
<b>Assets:</b>				
Investments in Securities:				
Equity Investments	\$ -	\$228,756,107	\$ -	\$ 228,756,107
Fixed Income	-	74,427,058	-	74,427,058
Short Term Investments	112,271,770	-	-	112,271,770
Total Investments in Securities	\$ 112,271,770	\$ 303,183,165	\$ -	\$ 415,454,935

#### 5. NEW ACCOUNTING PRONOUNCEMENTS

In December 2011, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (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 entity's financial position. In January 2013, FASB issued ASU No. 2013-01, Balance Sheet (Topic 210): Clarifying the Scope of Disclosures about Offsetting Assets and Liabilities. The amendments in ASU No. 2013-01 clarify the intended scope of disclosures required by ASU No. 2011-11. These ASUs are effective for interim and annual reporting periods beginning on or after January 1, 2013. The Trust believes the adoption of these ASUs will not have a material impact on its financial statements.

In April 2013 FASB issued ASU 2013-07, Presentation of Financial Statements (Topic 205): Liquidation Basis of Accounting. The amendments in the ASU provide clarity on when and how certain entities should apply the liquidation basis of accounting. The ASU is effective for entities that determine liquidation is imminent during interim and annual reporting periods beginning after December 15, 2013. The Trust is currently reviewing the requirements and believes the adoption of this ASU is only expected to have an impact on the financial statements if liquidation became imminent.

In June 2013, the Financial Accounting Standards Board issued Accounting Standards Update (ASU) No. 2013-08, Investment Companies (Topic 946): Amendments to the Scope, Measurement, and Disclosure Requirements. The ASU modifies the criteria used in defining an investment company under U.S. Generally Accepted Accounting Principles and also sets forth certain measurement and disclosure requirements. The ASU is effective for interim and annual reporting periods beginning after December 15, 2013. The Trust is currently reviewing the requirements and 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 September 30, 2013, the date the financial statements were available to be issued, and determined that no events have occurred that require disclosure other than those already disclosed in the financial statements.

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,				
	2013	2012	2011	2010	2009
<b>SELECTED PER SHARE DATA</b>					
Net asset value, beginning of year	\$ 13.30	\$ 13.16	\$ 12.50	\$ 12.15	\$ 12.02
Income from investment operations <sup>a</sup> :					
Net investment income (loss) <sup>b</sup>	(0.04)	(0.04)	(0.02)	- <sup>c</sup>	0.19
Net realized and unrealized gain (loss)	1.02	0.18	0.68	0.35	(0.06)
Total from investment operations	0.98	0.14	0.66	0.35	0.13
Net asset value, end of year	\$ 14.28	\$ 13.30	\$ 13.16	\$ 12.50	\$ 12.15
Total Return <sup>d</sup>	7.37%	1.06%	5.28%	2.88%	1.08%
<b>Ratios to average net assets</b>					
Expenses	0.40%	0.40%	0.40%	0.40%	0.40%
Net investment income (loss)	(0.31)%	(0.28)%	(0.16)%	(0.03)%	1.68%
<b>Supplemental data</b>					
Net assets, end of year (000's)	\$ 1,266	\$ 1,509	\$ 1,740	\$ 1,806	\$ 2,153

<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.

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

**Financial Highlights**

NJBEST Portfolio B	Year Ended June 30,				
	2013	2012	2011	2010	2009
<b>SELECTED PER SHARE DATA</b>					
Net asset value, beginning of year	\$ 13.86	\$ 13.46	\$ 12.49	\$ 12.04	\$ 11.91
Income from investment operations <sup>a</sup> :					
Net investment income (loss) <sup>b</sup>	(0.05)	(0.04)	0.04	0.07	0.16
Net realized and unrealized gain (loss)	1.93	0.44	0.93	0.38	(0.03)
Total from investment operations	1.88	0.40	0.97	0.45	0.13
Net asset value, end of year	\$ 15.74	\$ 13.86	\$ 13.46	\$ 12.49	\$ 12.04
Total Return <sup>c</sup>	13.56%	2.97%	7.77%	3.74%	1.09%
<b>Ratios to average net assets</b>					
Expenses	0.40%	0.40%	0.40%	0.40%	0.40%
Net investment income (loss)	(0.36)%	(0.32)%	0.33%	0.54%	1.36%
<b>Supplemental data</b>					
Net assets, end of year (000's)	\$ 6,712	\$ 7,739	\$ 10,947	\$ 16,280	\$ 24,136

<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**

NJBEST Portfolio C	Year Ended June 30,				
	2013	2012	2011	2010	2009
<b>SELECTED PER SHARE DATA</b>					
Net asset value, beginning of year	\$ 15.59	\$ 15.15	\$ 14.01	\$ 13.07	\$ 12.65
Income from investment operations <sup>a</sup> :					
Net investment income <sup>b</sup>	0.13	0.23	0.34	0.32	0.31
Net realized and unrealized gain (loss)	1.51	0.21	0.80	0.62	0.11
Total from investment operations	1.64	0.44	1.14	0.94	0.42
Net asset value, end of year	\$ 17.23	\$ 15.59	\$ 15.15	\$ 14.01	\$ 13.07
Total Return <sup>c</sup>	10.52%	2.90%	8.14%	7.18%	3.32%
<b>Ratios to average net assets</b>					
Expenses	0.40%	0.40%	0.40%	0.40%	0.40%
Net investment income	0.79%	1.51%	2.34%	2.27%	2.43%
<b>Supplemental data</b>					
Net assets, end of year (000's)	\$ 55,253	\$ 73,843	\$ 99,348	\$ 106,249	\$ 106,257

<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**

NJBEST Portfolio D	Year Ended June 30,				
	2013	2012	2011	2010	2009
<b>SELECTED PER SHARE DATA</b>					
Net asset value, beginning of year	\$ 16.27	\$ 15.83	\$ 14.16	\$ 12.86	\$ 12.55
Income from investment operations <sup>a</sup> :					
Net investment income <sup>b</sup>	0.08	0.13	0.16	0.18	0.23
Net realized and unrealized gain (loss)	1.24	0.31	1.51	1.12	0.08
Total from investment operations	1.32	0.44	1.67	1.30	0.31
Net asset value, end of year	\$ 17.59	\$ 16.27	\$ 15.83	\$ 14.16	\$ 12.86
Total Return <sup>c</sup>	8.11%	2.78%	11.79%	10.11%	2.47%
<b>Ratios to average net assets</b>					
Expenses	0.40%	0.40%	0.40%	0.40%	0.40%
Net investment income	0.47%	0.81%	1.05%	1.27%	1.90%
<b>Supplemental data</b>					
Net assets, end of year (000's)	\$ 151,253	\$ 142,216	\$ 134,621	\$ 114,619	\$ 98,110

<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**

NJBEST Portfolio E	Year Ended June 30,				
	2013	2012	2011	2010	2009
<b>SELECTED PER SHARE DATA</b>					
Net asset value, beginning of year	\$ 16.12	\$ 15.43	\$ 13.32	\$ 11.84	\$ 12.03
Income from investment operations <sup>a</sup> :					
Net investment income <sup>b</sup>	0.04	0.06	0.09	0.09	0.15
Net realized and unrealized gain (loss)	1.52	0.63	2.02	1.39	(0.34)
Total from investment operations	1.56	0.69	2.11	1.48	(0.19)
Net asset value, end of year	\$ 17.68	\$ 16.12	\$ 15.43	\$ 13.32	\$ 11.84
Total Return <sup>c</sup>	9.68%	4.47%	15.84%	12.50%	(1.58)%
<b>Ratios to average net assets</b>					
Expenses	0.40%	0.40%	0.40%	0.40%	0.40%
Net investment income	0.24%	0.42%	0.58%	0.69%	1.33%
<b>Supplemental data</b>					
Net assets, end of year (000's)	\$ 193,305	\$ 169,643	\$ 157,096	\$ 129,119	\$ 108,938

<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**

NJ Better Educational Savings Portfolio	Year Ended June 30,				
	2013	2012	2011	2010	2009
<b>SELECTED PER SHARE DATA</b>					
Net asset value, beginning of year	\$ 14.54	\$ 14.23	\$ 12.95	\$ 12.27	\$ 13.06
Income from investment operations <sup>a</sup> :					
Net investment income (loss) <sup>b</sup>	(0.05)	(0.04)	(0.02)	0.05	0.19
Net realized and unrealized gain (loss)	1.70	0.35	1.30	0.63	(0.98)
Total from investment operations	1.65	0.31	1.28	0.68	(0.79)
Net asset value, end of year	\$ 16.19	\$ 14.54	\$ 14.23	\$ 12.95	\$ 12.27
Total Return <sup>c</sup>	11.35%	2.18%	9.88%	5.54%	(6.05)%
<b>Ratios to average net assets</b>					
Expenses	0.40%	0.40%	0.40%	0.40%	0.40%
Net investment income (loss)	(0.34)%	(0.31)%	(0.12)%	0.41%	1.58%
<b>Supplemental data</b>					
Net assets, end of year (000's)	\$ 8,057	\$ 8,533	\$ 9,686	\$ 10,022	\$ 10,470

<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 Investments Managed Investment Options**

NJBEST Portfolio A  
 Statement of Investments, June 30, 2013

	SHARES	VALUE
<b>Equity (Cost \$215,526) 40.4%</b>		
NJBEST Pooled Equity Fund	32,686	\$ 511,611
<b>Short Term Investments (Cost \$754,734) 59.6%</b>		
<sup>a</sup> State of New Jersey Cash Management Fund, 0.10%	754,734	754,734
<b>Total Investments (Cost \$970,260) 100.0%</b>		1,266,345
<b>Other Assets, Less Liabilities (0.0)%<sup>†</sup></b>		(412)
<b>Net Assets 100.0%</b>		\$ 1,265,933

<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

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

NJBEST Portfolio B  
Statement of Investments, June 30, 2013

	SHARES	VALUE
<b>Equity (Cost \$2,378,264) 80.4%</b>		
NJBEST Pooled Equity Fund	344,775	\$ 5,396,541
<b>Short Term Investments (Cost \$1,317,500) 19.6%</b>		
<sup>a</sup> State of New Jersey Cash Management Fund, 0.10%	1,317,500	1,317,500
<b>Total Investments (Cost \$3,695,764) 100.0%</b>		6,714,041
<b>Other Assets, Less Liabilities (0.0)%<sup>†</sup></b>		(2,230)
<b>Net Assets 100.0%</b>		\$ 6,711,811

<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.

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

NJBEST Portfolio C  
Statement of Investments, June 30, 2013

	SHARES	PRINCIPAL AMOUNT	VALUE
<b>Equity (Cost \$20,465,569) 65.5%</b>			
NJBEST Pooled Equity Fund	2,312,328		\$ 36,193,449
<b>Fixed Income 31.8%</b>			
Duke Energy Corp., senior note, 6.25%, 6/15/18		\$ 1,000,000	1,169,706
Time Warner Inc., 6.50%, 11/15/36		1,000,000	1,135,586
U.S. Treasury Note, Index Linked, 1.875%, 7/15/15		14,346,120	15,260,126
<b>Total Fixed Income (Cost \$16,184,032)</b>			<b>17,565,418</b>
<b>Total Investments Before Short Term Investments (Cost \$36,649,601) 97.3%</b>			<b>53,758,867</b>
<b>Short Term Investment (Cost \$1,379,425) 2.5%</b>			
<sup>a</sup> State of New Jersey Cash Management Fund, 0.10%	1,379,425		1,379,425
<b>Total Investments (Cost \$38,029,026) 99.8%</b>			<b>55,138,292</b>
<b>Other Assets, Less Liabilities 0.2%</b>			<b>114,550</b>
<b>Net Assets 100.0%</b>			<b>\$ 55,252,842</b>

<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**

NJBEST Portfolio D  
Statement of Investments, June 30, 2013

	SHARES	PRINCIPAL AMOUNT	VALUE
<b>Equity (Cost \$36,895,734) 47.1%</b>			
NJBEST Pooled Equity Fund	4,548,436		\$ 71,193,882
<b>Fixed Income 17.8%</b>			
Duke Energy Corp., senior note, 6.25%, 6/15/18		\$ 1,000,000	1,169,706
Time Warner Inc., 6.50%, 11/15/36		1,000,000	1,135,586
U.S. Treasury Bonds,			
7.25%, 5/15/16		690,000	820,022
7.50%, 11/15/16		3,712,000	4,538,065
7.25%, 8/15/22		500,000	705,586
6.25%, 8/15/23		600,000	804,844
U.S. Treasury Notes,			
4.00%, 2/15/14		3,000,000	3,072,186
4.25%, 8/15/14		1,900,000	1,986,057
4.50%, 11/15/15		5,000,000	5,474,025
Index Linked, 1.625%, 1/15/18		6,659,940	7,291,595
<b>Total Fixed Income (Cost \$24,070,235)</b>			<b>26,997,672</b>
<b>Total Investments Before Short Term Investments (Cost \$60,965,969) 64.9%</b>			<b>98,191,554</b>
<b>Short Term Investment (Cost \$52,939,542) 35.0%</b>			
<sup>a</sup> State of New Jersey Cash Management Fund, 0.10%	52,939,542		52,939,542
<b>Total Investments (Cost \$113,905,511) 99.9%</b>			<b>151,131,096</b>
<b>Other Assets, Less Liabilities 0.1%</b>			<b>122,251</b>
<b>Net Assets 100.0%</b>			<b>\$ 151,253,347</b>

<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**

NJBEST Portfolio E  
Statement of Investments, June 30, 2013

	SHARES	PRINCIPAL AMOUNT	VALUE
<b>Equity (Cost \$61,133,762) 56.9%</b>			
NJBEST Pooled Equity Fund	7,033,226		\$ 110,086,775
<b>Fixed Income 15.5%</b>			
Duke Energy Corp., senior note, 6.25%, 6/15/18		\$ 1,000,000	1,169,706
Time Warner Inc., 6.50%, 11/15/36		1,000,000	1,135,586
U.S. Treasury Bonds,			
7.25%, 5/15/16		395,000	469,433
7.50%, 11/15/16		6,159,000	7,529,617
7.25%, 8/15/22		735,000	1,037,212
6.25%, 8/15/23		500,000	670,703
6.00%, 2/15/26		1,000,000	1,342,344
Index Linked, 2.375%, 1/15/25		11,102,850	13,224,952
U.S. Treasury Note, 4.50%, 11/15/15		3,000,000	3,284,415
<b>Total Fixed Income (Cost \$25,700,330)</b>			<u>29,863,968</u>
<b>Total Investments Before Short Term Investments (Cost \$86,834,092) 72.4%</b>			<u>139,950,743</u>
<b>Short Term Investment (Cost \$53,193,982) 27.5%</b>			
<sup>a</sup> State of New Jersey Cash Management Fund, 0.10%	53,193,982		<u>53,193,982</u>
<b>Total Investments (Cost \$140,028,074) 99.9%</b>			193,144,725
<b>Other Assets, less Liabilities 0.1%</b>			159,989
<b>Net Assets 100.0%</b>			<u>\$ 193,304,714</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**

NJ Better Educational Savings Portfolio  
Statement of Investments, June 30, 2013

	SHARES	VALUE
<b>Equity (Cost \$3,115,758) 66.7%</b>		
NJBEST Pooled Equity Fund	343,325	\$ 5,373,849
<b>Short Term Investment (Cost \$2,686,587) 33.3%</b>		
<sup>a</sup> State of New Jersey Cash Management Fund, 0.10%	2,686,587	2,686,587
<b>Total Investments (Cost \$5,802,345) 100.0%</b>		8,060,436
<b>Other Assets, less Liabilities (0.0)%<sup>†</sup></b>		(2,982)
<b>Net Assets 100.0%</b>		\$ 8,057,454

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

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

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

**Combining Statement of Assets and Liabilities**  
June 30, 2013

	<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	\$ 970,260	\$ 3,695,764	\$ 38,029,026	\$ 113,905,511	\$ 140,028,074	\$ 5,802,345	\$ 302,430,980
Value	\$ 1,266,345	\$ 6,714,041	\$ 55,138,292	\$ 151,131,096	\$ 193,144,725	\$ 8,060,436	\$ 415,454,935
Receivables:							
Plan shares sold	-	-	23,040	46,106	2,886	-	72,032
Interest	-	-	134,067	231,899	263,736	-	629,702
Total assets	<u>\$ 1,266,345</u>	<u>\$ 6,714,041</u>	<u>\$ 55,295,399</u>	<u>\$ 151,409,101</u>	<u>\$ 193,411,347</u>	<u>\$ 8,060,436</u>	<u>\$ 416,156,669</u>
<b>Liabilities:</b>							
Payables:							
Plan shares redeemed	-	-	24,162	105,800	42,791	313	173,066
Accrued expenses	412	2,230	18,395	49,954	63,842	2,669	137,502
Total liabilities	<u>412</u>	<u>2,230</u>	<u>42,557</u>	<u>155,754</u>	<u>106,633</u>	<u>2,982</u>	<u>310,568</u>
Net assets, at value	<u>\$ 1,265,933</u>	<u>\$ 6,711,811</u>	<u>\$ 55,252,842</u>	<u>\$ 151,253,347</u>	<u>\$ 193,304,714</u>	<u>\$ 8,057,454</u>	<u>\$ 415,846,101</u>
<b>Direct Sold Class:</b>							
Net assets, at value	\$ 1,265,933	\$ 6,711,811	\$ 55,252,842	\$ 151,253,347	\$ 193,304,714	\$ 8,057,454	
Shares outstanding	88,678	426,310	3,206,156	8,599,766	10,932,455	497,812	
Net asset value per share	<u>\$ 14.28</u>	<u>\$ 15.74</u>	<u>\$ 17.23</u>	<u>\$ 17.59</u>	<u>\$ 17.68</u>	<u>\$ 16.19</u>	

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

**Combining Statement of Operations**  
for the year ended June 30, 2013

	<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	\$ 1,117	\$ 2,800	\$ 720,612	\$ 1,269,442	\$ 1,175,976	\$ 4,539	\$ 3,174,486
Expenses:							
Program Management fees (Note 2)	5,110	27,720	242,437	584,116	729,442	32,760	1,621,585
Net investment income (loss)	(3,993)	(24,920)	478,175	685,326	446,534	(28,221)	1,552,901
Realized and unrealized gain (losses):							
Net realized gain (loss) from investments	5,965	-	227,423	-	-	13	233,401
Net change in unrealized appreciation (depreciation) on investments	85,642	903,364	5,235,611	10,626,980	16,244,995	899,566	33,996,158
Net realized and unrealized gain (loss)	91,607	903,364	5,463,034	10,626,980	16,244,995	899,579	34,229,559
Net increase (decrease) in net assets resulting from operations	\$ 87,614	\$ 878,444	\$ 5,941,209	\$ 11,312,306	\$ 16,691,529	\$ 871,358	\$ 35,782,460



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

**Combining Statements of Changes in Net Assets**

	NJBEST Portfolio A		NJBEST Portfolio B		NJBEST Portfolio C	
	Year Ended June 30, 2013	2012	Year Ended June 30, 2013	2012	Year Ended June 30, 2013	2012
Increase (decrease) in net assets:						
Operations:						
Net investment income (loss)	\$ (3,993)	\$ (4,464)	\$ (24,920)	\$ (27,433)	\$ 478,175	\$ 1,211,856
Net realized gain (loss) from investments	5,965	-	-	-	227,423	1,161,916
Net change in unrealized appreciation (depreciation) on investments	85,642	18,169	903,364	191,632	5,235,611	(493,849)
Net increase (decrease) in net assets resulting from operations	87,614	13,705	878,444	164,199	5,941,209	1,879,923
Plan share transactions:						
Subscriptions	212,762	129,995	603,182	978,234	5,803,426	6,984,044
Redemptions	(543,477)	(374,363)	(2,508,358)	(4,351,093)	(30,335,043)	(33,368,972)
Net increase (decrease) in net assets resulting from plan share transactions	(330,715)	(244,368)	(1,905,176)	(3,372,859)	(24,531,617)	(26,384,928)
Net increase (decrease) in net assets	(243,101)	(230,663)	(1,026,732)	(3,208,660)	(18,590,408)	(24,505,005)
Net assets:						
Beginning of year	1,509,034	1,739,697	7,738,543	10,947,203	73,843,250	98,348,255
End of year	\$ 1,265,933	\$ 1,509,034	\$ 6,711,811	\$ 7,738,543	\$ 55,252,842	\$ 73,843,250

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

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

	<b>NJBEST Portfolio D</b>		<b>NJBEST Portfolio E</b>		<b>NJ Better Educational Savings Portfolio</b>	
	Year Ended June 30,		Year Ended June 30,		Year Ended June 30,	
	2013	2012	2013	2012	2013	2012
Increase (decrease) in net assets:						
Operations:						
Net investment income	\$ 685,326	\$ 1,105,709	\$ 446,534	\$ 671,398	\$ (28,221)	\$ (26,770)
Net realized gain (loss) from investments	-	-	-	-	13	345
Net change in unrealized appreciation (depreciation) on investments	10,626,980	2,784,472	16,244,995	6,642,160	899,566	189,799
Net increase (decrease) in net assets resulting from operations	11,312,306	3,890,181	16,691,529	7,313,558	871,358	163,374
Plan share transactions:						
Subscriptions	12,079,866	9,393,826	12,673,940	9,827,635	375,942	453,735
Redemptions	(14,354,528)	(5,689,440)	(5,703,278)	(4,594,247)	(1,723,086)	(1,769,690)
Net increase (decrease) in net assets resulting from plan share transactions	(2,274,662)	3,704,386	6,970,662	5,233,388	(1,347,144)	(1,315,955)
Net increase (decrease) in net assets	9,037,644	7,594,567	23,662,191	12,546,946	(475,786)	(1,152,581)
Net assets:						
Beginning of year	142,215,703	134,621,136	169,642,523	157,095,577	8,533,240	9,685,821
End of year	\$ 151,253,347	\$ 142,215,703	\$ 193,304,714	\$ 169,642,523	\$ 8,057,454	\$ 8,533,240

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,	
	2013	2012
Increase (decrease) in net assets:		
Operations:		
Net investment income	\$ 1,552,901	\$ 2,930,296
Net realized gain (loss) from investments	233,401	1,162,261
Net change in unrealized appreciation (depreciation) on investments	<u>33,996,158</u>	<u>9,332,383</u>
Net increase (decrease) in net assets resulting from operations	<u>35,782,460</u>	<u>13,424,940</u>
Plan share transactions:		
Subscriptions	31,749,118	27,767,469
Redemptions	<u>(55,167,770)</u>	<u>(50,147,805)</u>
Net increase (decrease) in net assets resulting from plan share transactions	<u>(23,418,652)</u>	<u>(22,380,336)</u>
Net increase (decrease) in net assets	12,363,808	(8,955,396)
Net assets:		
Beginning of year	<u>403,482,293</u>	<u>412,437,689</u>
End of year	<u>\$ 415,846,101</u>	<u>\$ 403,482,293</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, 2013

	SHARES	VALUE
<b>Common Stocks 73.2%</b>		
<b>Aerospace &amp; Defense 0.9%</b>		
CPI Aerostructures Inc.	78,000	\$ 846,300
L-3 Communications Holdings Inc.	15,000	1,286,100
		<u>2,132,400</u>
<b>Air Freight &amp; Logistics 0.8%</b>		
FedEx Corp.	11,000	1,084,380
United Parcel Service Inc., B	10,000	864,800
		<u>1,949,180</u>
<b>Airlines 0.9%</b>		
Alaska Air Group Inc.	14,000	728,000
Southwest Airlines Co.	70,000	902,300
U.S. Airways Group Inc.	20,000	328,400
		<u>1,958,700</u>
<b>Auto Components 0.4%</b>		
Drew Industries Inc.	26,000	1,022,320
<b>Automobiles 0.3%</b>		
General Motors Co.	18,000	599,580
<b>Beverages 0.7%</b>		
Anheuser-Busch InBev NV, ADR (Belgium)	10,000	901,700
Monster Beverage Corp.	13,000	790,010
		<u>1,691,710</u>
<b>Biotechnology 0.9%</b>		
Amgen Inc.	9,500	937,270
Gilead Sciences Inc.	20,000	1,024,200
		<u>1,961,470</u>
<b>Building Products 0.5%</b>		
Trex Co. Inc.	22,000	1,044,780
<b>Capital Markets 2.4%</b>		
Ameriprise Financial Inc.	20,000	1,617,600
BlackRock Inc.	3,500	898,975
E*TRADE Financial Corp.	54,000	683,640
Legg Mason Inc.	26,000	806,260
Stifel Financial Corp.	26,000	927,420
SWK Holdings Corp.	500,000	500,000
		<u>5,433,895</u>
<b>Chemicals 0.8%</b>		
Koppers Holdings Inc.	20,000	763,600
The Mosaic Co.	18,000	968,580
		<u>1,732,180</u>
<b>Commercial Banks 2.8%</b>		
CIT Group Inc.	16,000	746,080
Parke Bancorp Inc.	24,750	188,347
Regions Financial Corp.	100,000	953,000
Wells Fargo & Co.	110,000	4,539,700
		<u>6,427,127</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, 2013 (continued)

	Shares	Value
<b>Common Stocks (continued)</b>		
<b>Commercial Services &amp; Supplies 0.2%</b>		
Clean Harbors Inc.	10,000	\$ 505,300
<b>Communications Equipment 1.5%</b>		
Cisco Systems Inc.	74,000	1,798,940
Echostar Corp., A	23,000	899,530
Numerex Corp., A	5,861	65,409
Palo Alto Networks Inc.	14,000	590,240
		<u>3,354,119</u>
<b>Computers &amp; Peripherals 4.2%</b>		
3D Systems Corp.	16,000	702,400
Apple Inc.	21,000	8,317,680
Hewlett-Packard Co.	27,000	669,600
		<u>9,689,680</u>
<b>Construction &amp; Engineering 0.6%</b>		
Michael Baker Corp.	47,000	1,274,170
<b>Consumer Finance 0.4%</b>		
Capital One Financial Corp.	14,000	879,340
<b>Containers &amp; Packaging 0.3%</b>		
Rock-Tenn Co., A	6,000	599,280
<b>Diversified Consumer Services 0.3%</b>		
Apollo Group Inc., A	38,000	673,360
<b>Diversified Financial Services 3.1%</b>		
Bank of America Corp.	181,000	2,327,660
Citigroup Inc.	38,000	1,822,860
JPMorgan Chase & Co.	57,000	3,009,030
		<u>7,159,550</u>
<b>Diversified Telecommunication Services 1.1%</b>		
AT&T Inc.	18,000	637,200
Verizon Communications Inc.	36,000	1,812,240
		<u>2,449,440</u>
<b>Electronic Equipment, Instruments &amp; Components 0.4%</b>		
CUI Global Inc.	80,000	444,000
Universal Display Corp.	14,000	393,540
		<u>837,540</u>
<b>Electric Utilities 0.7%</b>		
Exelon Corp.	24,000	741,120
NextEra Energy Inc.	11,000	896,280
		<u>1,637,400</u>
<b>Energy Equipment &amp; Services 0.2%</b>		
Nuverra Environmental Solutions Inc.	120,000	348,000
<b>Food &amp; Staples Retailing 1.2%</b>		
United Natural Foods Inc.	14,000	755,860
Wal-Mart Stores Inc.	28,000	2,085,720
		<u>2,841,580</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, 2013 (continued)

	Shares	Value
<b>Common Stocks (continued)</b>		
<b>Food Products 2.2%</b>		
Annie's Inc.	15,000	\$ 641,100
Calavo Growers Inc.	27,000	734,130
Hillshire Brands Co.	24,000	793,920
Ingredion Inc.	10,000	656,200
Inventure Foods Inc.	55,000	459,800
Limoneira Co.	46,000	953,580
WhiteWave Foods Co., A	46,000	747,500
		<u>4,986,230</u>
<b>Health Care Equipment &amp; Supplies 0.7%</b>		
Abbott Laboratories	25,000	872,000
St. Jude Medical Inc.	14,000	638,820
		<u>1,510,820</u>
<b>Health Care Providers &amp; Services 2.0%</b>		
Aetna Inc.	26,000	1,652,040
Community Health Systems Inc.	19,000	890,720
Express Scripts Holding Co.	16,000	987,040
Psychemedics Corp.	40,000	429,600
Tenet Healthcare Corp.	13,000	599,300
		<u>4,558,700</u>
<b>Health Care Technology 0.3%</b>		
Merge Healthcare Inc.	200,000	720,000
		<u>720,000</u>
<b>Household Durables 1.6%</b>		
Bassett Furniture Industries Inc.	60,000	931,800
Beazer Homes USA Inc.	36,000	630,720
Lennar Corp., B	34,000	963,900
Skyline Corp.	150,000	589,500
Toll Brothers Inc.	18,000	587,340
		<u>3,703,260</u>
<b>Household Products 1.1%</b>		
Energizer Holdings Inc.	13,000	1,306,630
The Procter & Gamble Co.	16,000	1,231,840
		<u>2,538,470</u>
<b>Industrial Conglomerates 1.3%</b>		
General Electric Co.	130,000	3,014,700
		<u>3,014,700</u>
<b>Insurance 3.7%</b>		
American International Group Inc.	41,000	1,832,700
Berkshire Hathaway Inc., B	21,000	2,350,320
Lincoln National Corp.	34,000	1,239,980
MetLife Inc.	28,000	1,281,280
Prudential Financial Inc.	24,000	1,752,720
		<u>8,457,000</u>
<b>Internet Software &amp; Services 2.6%</b>		
Bankrate Inc.	40,000	574,400
Brightcove Inc.	50,000	438,000

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, 2013 (continued)

	Shares	Value
<b>Common Stocks (continued)</b>		
<b>Internet Software &amp; Services 2.6% (continued)</b>		
eBay Inc.	12,000	\$ 620,640
Facebook Inc., A	34,000	845,240
Google Inc., A	3,100	2,729,147
Move Inc.	60,000	769,200
		<u>5,976,627</u>
<b>Information Technology Services 1.7%</b>		
Automatic Data Processing Inc.	12,000	826,320
International Business Machines Corp.	9,000	1,719,990
Moduslink Global Solutions Inc.	210,000	667,800
VeriFone Systems Inc.	38,000	638,780
		<u>3,852,890</u>
<b>Machinery 1.6%</b>		
Chart Industries Inc.	7,000	658,630
Cummins Inc.	8,000	867,680
Rexnord Holdings Inc.	42,000	707,700
Stanley Black & Decker Inc.	10,000	773,000
Titan International Inc.	44,000	742,280
		<u>3,749,290</u>
<b>Media 3.7%</b>		
AMC Networks Inc., A	13,000	850,330
CBS Corp., B	20,000	977,400
Comcast Corp., Special A	33,000	1,309,110
Emmis Communications Corp., A	260,000	556,400
Entercom Communications Corp.	38,000	358,720
Entravision Communications Corp., A	110,000	676,500
Twenty-First Century Fox Inc.	32,000	1,043,200
Time Warner Inc.	10,000	578,200
The Walt Disney Co.	32,000	2,020,800
		<u>8,370,660</u>
<b>Oil, Gas &amp; Consumable Fuels 5.0%</b>		
Apache Corp.	7,000	586,810
Berry Petroleum Co., A	24,000	1,015,680
Chesapeake Energy Corp.	60,000	1,222,800
Clean Energy Fuels Corp.	66,000	871,200
ConocoPhillips	17,000	1,028,500
Exxon Mobil Corp.	44,000	3,975,400
HollyFrontier Corp.	18,000	770,040
Kinder Morgan Inc.	18,000	686,700
Peabody Energy Corp.	36,000	527,040
Penn Virginia Corp.	180,000	846,000
		<u>11,530,170</u>
<b>Pharmaceuticals 6.1%</b>		
AbbVie Inc.	24,000	992,160
Allergan Inc.	9,000	758,160
Bristol-Myers Squibb Co.	31,000	1,385,390
Eli Lilly & Co.	16,000	785,920
Johnson & Johnson	40,000	3,434,400
Merck & Co. Inc.	50,000	2,322,500
Perrigo Co.	8,000	968,000
Pfizer Inc.	84,950	2,379,450
Zoetis Inc.	26,774	827,049
		<u>13,853,029</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, 2013 (continued)**

	Shares	Value
<b>Common Stocks (continued)</b>		
<b>Professional Services 0.2%</b>		
Mistras Group Inc.	32,000	\$ 562,560
<b>Real Estate Investment Trusts (REITs) 1.4%</b>		
American Tower Corp.	9,000	658,530
EPR Properties	37,000	1,859,990
Weyerhaeuser Co.	26,000	740,740
		<u>3,259,260</u>
<b>Road &amp; Rail 1.0%</b>		
Kansas City Southern	8,000	847,680
Union Pacific Corp.	9,000	1,388,520
		<u>2,236,200</u>
<b>Semiconductors &amp; Semiconductor Equipment 1.8%</b>		
Atmel Corp.	110,000	808,500
Cirrus Logic Inc.	32,000	555,520
Cree Inc.	11,000	702,460
Cypress Semiconductor Corp.	54,000	579,420
GT Advanced Technologies Inc.	170,000	705,500
PLX Technology Inc.	180,000	856,800
		<u>4,208,200</u>
<b>Software 4.5%</b>		
Autodesk Inc.	22,000	746,680
Cinedigm Digital Cinema Corp., A	344,000	488,480
Citrix Systems Inc.	16,000	965,280
CommVault Systems Inc.	6,000	455,340
Compuware Corp.	64,000	662,400
Mentor Graphics Corp.	30,000	586,500
Microsoft Corp.	90,000	3,107,700
Net 1 UEPS Technologies Inc. (South Africa)	100,000	736,000
Nuance Communications Inc.	30,000	551,400
Oracle Corp.	33,000	1,013,760
PTC Inc.	20,000	490,600
TiVo Inc.	50,000	552,500
		<u>10,356,640</u>
<b>Specialty Retail 1.3%</b>		
Bed Bath & Beyond Inc.	12,000	850,800
Five Below Inc.	18,000	661,680
The Home Depot Inc.	20,000	1,549,400
		<u>3,061,880</u>
<b>Textiles, Apparel &amp; Luxury Goods 0.5%</b>		
Under Armour Inc., A	20,000	1,194,200
<b>Tobacco 1.7%</b>		
Altria Group Inc.	39,000	1,364,610
Philip Morris International Inc.	28,000	2,425,360
		<u>3,789,970</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, 2013 (continued)

	Shares	Value
<b>Common Stocks (continued)</b>		
<b>Trading Companies &amp; Distributors 1.3%</b>		
TAL International Group Inc.	22,000	\$ 958,540
Titan Machinery Inc.	26,000	510,380
United Rentals Inc.	17,000	848,470
Watsco Inc.	9,000	755,640
		<u>3,073,030</u>
<b>Wireless Telecommunication Services 0.3%</b>		
Sprint Nextel Corp.	88,000	617,760
		<u>617,760</u>
<b>Total Common Stocks (Cost \$144,267,163) 73.2%</b>		<u>167,383,647</u>
<b>Short Term Investments (Cost \$58,072,343) 25.4%</b>		
<sup>a</sup> State of New Jersey Cash Management Fund, 0.10%	58,072,343	58,072,343
		<u>58,072,343</u>
<b>Total Investments (Cost \$202,339,506) 98.6%</b>		225,455,990
<b>Other Assets, less Liabilities 1.4%</b>		3,300,117
<b>Total Net Assets 100.0%</b>		<u>\$ 228,756,107</u>

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

**ABBREVIATION**

**ADR - American Depositary Receipt**