

## Report of Independent Auditors

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

We have audited the accompanying combined statement of assets and liabilities of the New Jersey 529 College Savings Plan- Franklin Templeton Managed Investment Options (the "Plan")- Age-Based Allocations, Objective-Based Allocations and Individual Portfolios (three of the investment options of the Plan) as of June 30, 2007, and the related combined statement of operations for the year then ended, and the combined statement 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 of America. 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 includes 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. Our procedures included confirmation of securities owned as of June 30, 2007, by correspondence with the custodian and brokers or by other appropriate auditing procedures where replies from brokers were not received. 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 financial position of the New Jersey 529 College Savings Plan- Franklin Templeton Managed Investment Options- Age-Based Allocations, Objective-Based Allocations and Individual Portfolios at June 30, 2007, the results of their combined statement of operations for the year then ended, and the combined statement of changes in net assets for each of the two years in the period then ended, in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 1C to the combined financial statements, the Franklin Templeton Stable Value 529 Portfolio changed its method of accounting for wrapper agreements.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying Supplemental Information is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Ernst & Young LLP*

Boston, Massachusetts  
August 31, 2007

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

## Combined Statement of Assets and Liabilities June 30, 2007

### Assets:

#### Investments in Underlying Funds:

Cost	\$ 1,337,960,075
Value	<u>\$ 1,539,464,860</u>

#### Receivables:

Investment Securities Sold	55,711
Plan shares sold	1,068,159
Wrapper agreement (at Fair Value)	-
Total assets	<u>1,540,588,730</u>

### Liabilities:

#### Payables:

Investment Securities Purchased	734,166
Plan shares redeemed	675,340
Accrued expenses	1,979,633
Total liabilities	<u>3,389,139</u>

Net assets, at value	<u>\$ 1,537,199,591</u>
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# New Jersey 529 College Savings Plan - Franklin Templeton Managed Investment Options

## Combined Statement of Operations for the year ended June 30, 2007

Investment income - dividends from Underlying Funds	<u>\$ 25,901,667</u>
Expenses:	
Program management fees (Note 2)	4,829,390
Distribution fees	
Class A	1,200,324
Class B	1,753,614
Class C	2,851,989
Sub-advisory fees (Note 2)	<u>18,413</u>
Total expenses	<u>10,653,730</u>
Net investment income (loss)	<u>15,247,937</u>
Realized and unrealized gains (losses):	
Net realized gain (loss) from:	
Sale of investments in Underlying Funds	4,347,168
Realized gain distributions by Underlying Funds	<u>44,891,064</u>
Net realized gain (loss)	<u>49,238,232</u>
Net change in unrealized appreciation (depreciation) on investments in Underlying Funds	<u>138,964,133</u>
Net realized and unrealized gain (loss)	<u>188,202,365</u>
Net increase (decrease) in net assets resulting from operations	<u>\$ 203,450,302</u>

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

## Combined Statement of Changes in Net Assets

	Year Ended June 30, 2007	Year Ended June 30, 2006 <sup>a</sup>
Increase (decrease) in net assets:		
Operations:		
Net investment income	\$ 15,247,937	\$ 10,121,505
Net realized gain (loss) from Underlying Funds	49,238,232	19,251,486
Net change in unrealized appreciation (depreciation) on investments in Underlying Funds	138,964,133	32,168,672
Net increase (decrease) in net assets resulting from operations	<u>203,450,302</u>	<u>61,541,663</u>
Plan share transactions:		
Subscriptions	545,663,848	408,260,481
Redemptions	<u>(145,583,126)</u>	<u>(82,818,391)</u>
Net increase (decrease) in net assets resulting from plan share transactions	400,080,722	325,442,090
Net increase (decrease) in net assets	<u>603,531,024</u>	<u>386,983,753</u>
Net assets:		
Beginning of year	933,668,567	546,684,814
End of year	<u>\$ 1,537,199,591</u>	<u>\$ 933,668,567</u>

<sup>a</sup>As adjusted. See Note 1c in footnotes to the combined financial statements.

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

## Notes to Financial Statements For the Year ended June 30, 2007

### 1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

The New Jersey 529 College Savings Plan (the “Plan”) was created to help people save, on a tax-advantaged basis, for qualified higher education expenses of a Beneficiary. The Plan is a part of the higher education savings and investment program of the State of New Jersey (“the Program”). The Plan is administered by the New Jersey Higher Education Student Assistance Authority (“HESAA”). HESAA has the authority to select a Program Manager, adopt rules and regulations to implement and administer the Program, and establish investment policies for 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 affiliated or non-affiliated subcontractors, certain distribution, investment management and administrative services relating to the Program. Franklin Advisers, Inc., an affiliate of FTDI, serves as the Investment Manager for the Plan. Franklin Advisers, Inc. 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 UBS Global Asset Management. PFPC, Inc. has been retained by FTDI to provide the administrative and record-keeping services for which FTDI is responsible under the Services Agreement.

Under the Plan, an Account Owner establishes an Account in the name of a Beneficiary and may elect to allocate contributions among three types of investment options, known as the Age-Based Allocations, Objective-Based Allocations, and Individual Portfolios. In the Age-Based Allocations, contributions are allocated among four age bands, based on the age of the Beneficiary. Each Age-Based Investment Option invests in certain Franklin/Templeton/Mutual Series Mutual Funds (the “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 UBS S&P 500 Index Fund. The portfolios under these investment options, grouped by type, are as follows:

Age-Based Allocations	Objective-Based Allocations	Individual Portfolios
Age Newborn – 8 Years	Franklin Templeton Corefolio Portfolio	Franklin Capital Growth 529 Portfolio
Age 9 – 12 Years	Franklin Templeton Founding Funds 529 Portfolio	Franklin Income 529 Portfolio
Age 13 – 16 Years	Growth Portfolio	Franklin Small-Mid Cap Growth 529 Portfolio
Age 17 + Years	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

The Age-Based and Objective-Based Allocations, excluding the Franklin Templeton Founding Funds 529 Portfolio, offer four classes of Trust Shares. The Franklin Templeton Stable Value 529 Portfolio and the S&P 500 Index Fund 529 Portfolio also offer four classes of Trust Shares: Class A, Class B, Class C and Direct sold 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 distribution fees. The Direct sold Trust Shares class is only available to New Jersey residents who invest without a financial advisor.

### **a. Security Valuation**

Net asset value per share is calculated as of the close of trading of the NYSE. Investments in the Underlying Funds are valued at their 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 a specific identification basis. Interest income and estimated expenses are accrued daily. Dividend income to shareholders is recorded on the ex-dividend date.

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. Wrapper Agreements**

The Franklin Stable Value 529 Portfolio ("Stable Value Portfolio") may enter into Wrapper Agreements with insurance companies, banks or other financial institutions ("Wrap Providers") that are rated, at the time of purchase, in one of the top two rating categories by a rating agency. A Wrapper 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 Wrapper Agreements, there is no guarantee the Stable Value Portfolio will not lose money during any period. There is no active trading market for Wrapper Agreements, and none is expected to develop. In determining the fair value of the Wrapper Agreements, Dwight Asset Management, a sub-advisor to the Portfolio, considers the credit worthiness and the ability of the Wrap Providers to pay amounts due under the Wrapper Agreements.

As of June 30, 2007, Stable Value Portfolio has Wrapper Agreements with State Street Bank and Bank of America, the Wrap Providers. Under these Agreements, Stable Value Portfolio, State Street Bank or Bank of America may make certain payments to each other to offset changes in the market values of some or all of the portfolio's assets ("covered assets"). The terms of the Agreements also require Stable Value Portfolio to maintain minimum cash and cash equivalent balances. Throughout the term of the Wrapper Agreements, the Stable Value Portfolio will pay the Wrap Providers an annual wrap fee based on the Wrapper 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 amortization of unrealized gain or loss on the covered assets, based on fluctuations in the market value of the covered assets. At June 30<sup>th</sup>, 2007 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 Wrapper Agreement and is adjusted periodically. The crediting rate used for each of the Stable Value Portfolio's Wrapper Agreements is net of the 0.10% 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. Wrapper Agreements generally do not protect the portfolio from loss if an issuer of portfolio securities defaults on payments of interest or principal. Additionally, a 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.

On December 29, 2005, the Financial Accounting Standards Board issued Staff Position Nos. AAG INV-1 and SOP 94-4-1 ("FSP"). The FSP defined the limited circumstances under which contract value accounting for various types of GICs may be used by stable value funds for financial statement reporting purposes. Under the guidance in the FSP, contract value accounting may continue to be used only for fully benefit-responsive GICs held in employer sponsored defined contribution plans. GICs not held by employer sponsored defined benefit plans, such as those held by Stable Value Portfolio, must be carried at fair market value. Effective July 1, 2006, Stable Value Portfolio adopted fair market value accounting for financial reporting purposes. As such, Stable Value Portfolio's investments and wrapper agreements are reflected at fair market value in the accompanying financial statements, retroactively applied to all

periods presented. Net asset value for purposes of valuing transactions by Plan participants, however, continues to be valued at contract value.

The table below reflects adjustments made as a result of Stable Value Portfolio's adoption of fair market value accounting for financial statement purposes:

<b>Combining Statement of Changes in Net Assets Year Ended June 30, 2006</b>	<b>2006</b>		
	<b>Previously Reported</b>	<b>As Adjusted</b>	<b>Increase (decrease)</b>
Net investment income	\$ 195,310	\$ 367,773	\$ 172,463
Net unrealized appreciation (depreciation) on Wrapper Agreements	372,091	-	(372,091)
Net increase (decrease) in net assets resulting from operations	195,310	(4,318)	(199,628)
Net increase in net assets	4,066,073	3,866,445	(199,628)
Net assets, Beginning of Year	12,248,535	12,155,253	(93,282)
Net assets, End of Year	16,314,608	16,021,698	(292,910)

<b>Combining and Combined Statement of Changes in Net Assets Year Ended June 30, 2006</b>	<b>2006</b>		
	<b>Previously Reported</b>	<b>As Adjusted</b>	<b>Increase (decrease)</b>
Net investment income	\$ 9,949,042	\$ 10,121,505	\$ 172,463
Net unrealized appreciation (depreciation) on Wrapper Agreements	372,091	-	(372,091)
Net increase (decrease) in net assets resulting from operations	61,741,291	61,541,663	(199,628)
Net increase in net assets	387,183,381	386,983,753	(199,628)
Net assets, Beginning of Year	546,778,096	546,684,814	(93,282)
Net assets, End of Year	933,961,477	933,668,567	(292,910)

**Financial Highlights for the Years Ended June 30, 2006, 2005, 2004, and for the Period Ended June 30, 2003**

<b>Class A</b>	<b>2006</b>			<b>2005</b>		
	<b>Previously Reported</b>	<b>As Adjusted</b>	<b>Increase (decrease)</b>	<b>Previously Reported</b>	<b>As Adjusted</b>	<b>Increase (decrease)</b>
Net assets Value, beginning of period	\$ 10.32	\$ 10.24	\$ (0.08)	\$ 10.19	\$ 10.06	\$ (0.13)
Income from investment operations:						
Net investment income (loss)	0.18	0.30	0.12	0.14	0.23	0.09
Net realized and unrealized gain (loss)	0.00	(0.24)	(0.24)	(0.01)	(0.05)	(0.04)
Total from investment operations	0.18	0.06	(0.12)	0.13	0.18	0.05
Net assets Value, end of period	\$ 10.50	\$ 10.30	\$ (0.20)	\$ 10.32	\$ 10.24	\$ (0.08)
Total Return	1.74%	0.59%	(1.15)%	1.28%	1.79%	0.51%
Ratios to average net assets:						
Net investment income	1.71%	2.94%	1.23%	1.34%	2.24%	0.90%
Supplemental data:						
Net assets, end of period (000's)	\$ 2,276	\$ 2,232	\$ (44)	\$ 1,998	\$ 1,983	\$ (15)

Class A	2004			2003		
	Previously Reported	As Adjusted	Increase (decrease)	Previously Reported	As Adjusted	Increase (decrease)
Net assets Value, beginning of period	\$ 10.04	\$ 10.03	\$ (0.01)	\$ 10.00	\$ 10.00	\$ -
Income from investment operations:						
Net investment income (loss)	0.15	0.28	0.13	0.04	0.06	0.02
Net realized and unrealized gain (loss)	0.00	(0.25)	(0.25)	0.00	(0.03)	(0.03)
Total from investment operations	0.15	0.03	(0.12)	0.04	0.03	(0.01)
Net assets Value, end of period	\$ 10.19	\$ 10.06	\$ (0.13)	\$ 10.04	\$ 10.03	\$ (0.01)
Total Return	1.49%	0.30%	(1.19)%	0.40%	0.30%	(0.10)%
Ratios to average net assets:						
Net investment income	1.50%	2.71%	1.21%	1.90%	2.92%	1.02%
Supplemental data:						
Net assets, end of period (000's)	\$ 1,398	\$ 1,381	\$ (17)	\$ 135	\$ 135	\$ -

Class B	2006			2005		
	Previously Reported	As Adjusted	Increase (decrease)	Previously Reported	As Adjusted	Increase (decrease)
Net assets Value, beginning of period	\$ 10.14	\$ 10.05	\$ (0.09)	\$ 10.08	\$ 9.94	\$ (0.14)
Income from investment operations:						
Net investment income (loss)	0.10	0.22	0.12	0.06	0.15	0.09
Net realized and unrealized gain (loss)	(0.01)	(0.24)	(0.23)	0.00	(0.04)	(0.04)
Total from investment operations	0.09	(0.02)	(0.11)	0.06	0.11	0.05
Net assets Value, end of period	\$ 10.23	\$ 10.03	\$ (0.20)	\$ 10.14	\$ 10.05	\$ (0.09)
Total Return	0.89%	(0.20)%	(1.09)%	0.60%	1.11%	0.51%
Ratios to average net assets:						
Net investment income	0.96%	2.19%	1.23%	0.59%	1.51%	0.92%
Supplemental data:						
Net assets, end of period (000's)	\$ 2,050	\$ 2,008	\$ (42)	\$ 1,776	\$ 1,762	\$ (14)

Class B	2004			2003		
	Previously Reported	As Adjusted	Increase (decrease)	Previously Reported	As Adjusted	Increase (decrease)
Net assets Value, beginning of period	\$ 10.01	\$ 10.00	\$ (0.01)	\$ 10.00	\$ 10.00	\$ -
Income from investment operations:						
Net investment income (loss)	0.08	0.20	0.12	0.03	0.05	0.02
Net realized and unrealized gain (loss)	(0.01)	(0.26)	(0.25)	(0.02)	(0.05)	(0.03)
Total from investment operations	0.07	(0.06)	(0.13)	0.01	0.00	(0.01)
Net assets Value, end of period	\$ 10.08	\$ 9.94	\$ (0.14)	\$ 10.01	\$ 10.00	\$ (0.01)
Total Return	0.70%	(0.60)%	(1.30)%	0.10%	0.00%	(0.10)%
Ratios to average net assets:						
Net investment income	0.75%	1.96%	1.21%	1.15%	2.16%	1.01%
Supplemental data:						
Net assets, end of period (000's)	\$ 1,337	\$ 1,318	\$ (19)	\$ 401	\$ 400	\$ (1)



Class C	2006			2005		
	Previously Reported	As Adjusted	Increase (decrease)	Previously Reported	As Adjusted	Increase (decrease)
Net assets Value, beginning of period	\$ 10.14	\$ 10.07	\$ (0.07)	\$ 10.09	\$ 9.95	\$ (0.14)
Income from investment operations:						
Net investment income (loss)	0.10	0.22	0.12	0.06	0.15	0.09
Net realized and unrealized gain (loss)	0.00	(0.24)	(0.24)	(0.01)	(0.03)	(0.02)
Total from investment operations	0.10	(0.02)	(0.12)	0.05	0.12	0.07
Net assets Value, end of period	\$ 10.24	\$ 10.05	\$ (0.19)	\$ 10.14	\$ 10.07	\$ (0.07)
Total Return	0.99%	(0.20)%	(1.19)%	0.50%	1.21%	0.71%
Ratios to average net assets:						
Net investment income	0.96%	2.19%	1.23%	0.59%	1.50%	0.91%
Supplemental data:						
Net assets, end of period (000's)	\$ 6,014	\$ 5,902	\$ (112)	\$ 4,902	\$ 4,865	\$ (37)

Class C	2004			2003		
	Previously Reported	As Adjusted	Increase (decrease)	Previously Reported	As Adjusted	Increase (decrease)
Net assets Value, beginning of period	\$ 10.02	\$ 10.01	\$ (0.01)	\$ 10.00	\$ 10.00	\$ -
Income from investment operations:						
Net investment income (loss)	0.08	0.20	0.12	0.03	0.05	0.02
Net realized and unrealized gain (loss)	(0.01)	(0.26)	(0.25)	(0.01)	(0.04)	(0.03)
Total from investment operations	0.07	(0.06)	(0.13)	0.02	0.01	(0.01)
Net assets Value, end of period	\$ 10.09	\$ 9.95	\$ (0.14)	\$ 10.02	\$ 10.01	\$ (0.01)
Total Return	0.70%	(0.60)%	(1.30)%	0.20%	0.10%	(0.10)%
Ratios to average net assets:						
Net investment income	0.75%	1.96%	1.21%	1.14%	2.16%	1.02%
Supplemental data:						
Net assets, end of period (000's)	\$ 3,221	\$ 3,175	\$ (46)	\$ 483	\$ 483	\$ -

Direct	2006			2005		
	Previously Reported	As Adjusted	Increase (decrease)	Previously Reported	As Adjusted	Increase (decrease)
Net assets Value, beginning of period	\$ 10.39	\$ 10.32	\$ (0.07)	\$ 10.23	\$ 10.08	\$ (0.15)
Income from investment operations:						
Net investment income (loss)	0.21	0.34	0.13	0.16	0.26	0.10
Net realized and unrealized gain (loss)	0.00	(0.23)	(0.23)	0.00	(0.02)	(0.02)
Total from investment operations	0.21	0.11	(0.10)	0.16	0.24	0.08
Net assets Value, end of period	\$ 10.60	\$ 10.43	\$ (0.17)	\$ 10.39	\$ 10.32	\$ (0.07)
Total Return	2.02%	1.07%	(0.95)%	1.56%	2.38%	0.82%
Ratios to average net assets:						
Net investment income	1.95%	3.18%	1.23%	1.59%	2.49%	0.90%
Supplemental data:						
Net assets, end of period (000's)	\$ 5,974	\$ 5,879	\$ (95)	\$ 3,573	\$ 3,546	\$ (27)

Direct	2004			2003		
	Previously Reported	As Adjusted	Increase (decrease)	Previously Reported	As Adjusted	Increase (decrease)
Net assets Value, beginning of period	\$ 10.06	\$ 10.06	\$ -	\$ 10.00	\$ 10.00	\$ -
Income from investment operations:						
Net investment income (loss)	0.18	0.30	0.12	0.06	0.08	0.02
Net realized and unrealized gain (loss)	(0.01)	(0.28)	(0.27)	0.00	(0.02)	(0.02)
Total from investment operations	0.17	0.02	(0.15)	0.06	0.06	0.00
Net assets Value, end of period	\$ 10.23	\$ 10.08	\$ (0.15)	\$ 10.06	\$ 10.06	\$ -
Total Return	1.69%	0.20%	(1.49)%	0.60%	0.60%	0.00%
Ratios to average net assets:						
Net investment income	1.75%	2.96%	1.21%	2.15%	3.17%	1.02%
Supplemental data:						
Net assets, end of period (000's)	\$ 1,265	\$ 1,246	\$ (19)	\$ 308	\$ 307	\$ (1)

#### d. Income Taxes

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

#### 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.

## 2. MANAGEMENT AGREEMENTS

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

Investment Option	FTDI Management Fee	HESAA Administrative Fee	Total Program Fee
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%

The Portfolios pay annual asset-based sales fees to FTDI 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.

## 3. INVESTMENTS

At June 30, 2007 the net unrealized appreciation of portfolio investments was \$201,504,785 consisting of gross unrealized appreciation of \$205,928,760 and gross unrealized depreciation of \$4,423,975.

Purchases and sales of portfolio securities (excluding short term securities) for the year ended June 30, 2007 aggregated \$482,392,748 and \$43,318,344 respectively.

For a list of each portfolio's investments at June 30, 2007 please see the Statement of Investments for each portfolio in the Supplemental Information.

#### **4. REGULATORY AND LITIGATION MATTERS**

As part of various investigations by a number of federal, state, and foreign regulators and governmental entities, including the Securities and Exchange Commission ("SEC"), relating to certain practices in the mutual fund industry, including late trading, market timing and marketing support payments to securities dealers who sell fund shares ("marketing support"), Franklin Resources, Inc. and certain of its subsidiaries (collectively, the "Company"), entered into settlements with certain of those regulators and governmental entities. Specifically, the Company entered into settlements with the SEC, among others, concerning market timing and marketing support.

On June 23, 2006, the SEC approved the proposed plan of distribution for the marketing support settlement, and disbursement of the settlement monies to the designated funds, in accordance with the terms and conditions of that settlement and plan, was completed in September 2006. The Fund did not participate in that settlement.

On June 6, 2007, the SEC posted for public comment the proposed plan of distribution for the market timing settlement. Following the public comment period, and once the SEC approves the final plan of distribution, disbursements of settlement monies will be made promptly to individuals who were shareholders of the designated funds during the relevant period, in accordance with the terms and conditions of the settlement and plan.

In addition, the Company, as well as most of the mutual funds within Franklin Templeton Investments and certain current or former officers, Company directors, fund directors, and employees, have been named in private lawsuits (styled as shareholder class actions, or as derivative actions on behalf of either the named funds or Franklin Resources, Inc.). The lawsuits relate to the industry practices referenced above, as well as to allegedly excessive commissions and advisory and distribution fees.

The Company and fund management believe that the claims made in each of the private lawsuits referenced above are without merit and intend to defend against them vigorously. The Company cannot predict with certainty the eventual outcome of these lawsuits, nor whether they will have a material negative impact on the Company. If it is determined that the Company bears responsibility for any unlawful or inappropriate conduct that caused losses to the Fund, it is committed to making the Fund or its shareholders whole, as appropriate.

#### **5. NEW ACCOUNTING PRONOUNCEMENTS**

In September 2006, FASB issued FASB Statement No. 157, "Fair Value Measurement" ("SFAS 157"), which defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. SFAS 157 is effective for fiscal years beginning after November 15, 2007, and interim periods within those fiscal years. The Fund believes the adoption of SFAS 157 will have no material impact on its financial statements.

Supplemental Information  
**New Jersey 529 College Savings Plan -  
Franklin Templeton Managed Investment Options**  
Financial Statements

**Financial Highlights**

Age Newborn - 8 Years	Class A				For the period March 27, 2003 (commencement of operations) to June 30, 2003
	Year Ended June 30,				
	2007	2006	2005	2004	
<b>SELECTED PER SHARE DATA</b>					
Net asset value, beginning of period	\$ 16.92	\$ 14.97	\$ 13.78	\$ 11.35	\$ 10.00
Income from investment operations <sup>a</sup> :					
Net investment income (loss) <sup>b, c</sup>	0.08	0.10	0.05	0.05	0.03
Net realized and unrealized gain (loss)	3.70	1.85	1.14	2.38	1.32
Total from investment operations	3.78	1.95	1.19	2.43	1.35
Net asset value, end of period	\$ 20.70	\$ 16.92	\$ 14.97	\$ 13.78	\$ 11.35
TOTAL RETURN <sup>d</sup>	22.34%	13.03%	8.64%	21.41%	13.50%
<b>Ratios to average net assets<sup>e</sup>:</b>					
Expenses	0.65%	0.65%	0.65%	0.65%	0.65%
Net investment income <sup>e</sup>	0.41%	0.59%	0.39%	0.40%	1.00%
<b>Supplemental data</b>					
Net assets, end of period (000's)	\$ 155,272	\$ 96,450	\$ 53,142	\$ 20,520	\$ 1,490

Age Newborn - 8 Years	Class B				For the period March 31, 2003 (commencement of operations) to June 30, 2003
	Year Ended June 30,				
	2007	2006	2005	2004	
<b>SELECTED PER SHARE DATA</b>					
Net asset value, beginning of period	\$ 16.49	\$ 14.70	\$ 13.64	\$ 11.33	\$ 10.00
Income from investment operations <sup>a</sup> :					
Net investment income (loss) <sup>b, c</sup>	(0.06)	(0.03)	(0.05)	(0.04)	0.01
Net realized and unrealized gain (loss)	3.59	1.82	1.11	2.35	1.32
Total from investment operations	3.53	1.79	1.06	2.31	1.33
Net asset value, end of period	\$ 20.02	\$ 16.49	\$ 14.70	\$ 13.64	\$ 11.33
TOTAL RETURN <sup>d</sup>	21.41%	12.18%	7.77%	20.39%	13.30%
<b>Ratios to average net assets<sup>e</sup>:</b>					
Expenses	1.40%	1.40%	1.40%	1.40%	1.40%
Net investment income (loss) <sup>e</sup>	(0.34)%	(0.16)%	(0.33)%	(0.35)%	0.25%
<b>Supplemental data</b>					
Net assets, end of period (000's)	\$ 66,196	\$ 46,670	\$ 30,925	\$ 14,851	\$ 951

<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 repurchase of the Fund shares in relation to income earned and/or fluctuating market value of the investments of the Fund.

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

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

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

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

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Age Newborn - 8 Years	Class C				
	Year Ended June 30,				For the period April 1, 2003 (commencement of operations) to June 30, 2003
	2007	2006	2005	2004	
<b>SELECTED PER SHARE DATA</b>					
Net asset value, beginning of period	\$ 16.69	\$ 14.88	\$ 13.81	\$ 11.47	\$ 10.00
Income from investment operations <sup>a</sup> :					
Net investment income (loss) <sup>b, c</sup>	(0.06)	(0.02)	(0.05)	(0.05)	0.01
Net realized and unrealized gain (loss)	3.64	1.83	1.12	2.39	1.46
Total from investment operations	3.58	1.81	1.07	2.34	1.47
Net asset value, end of period	\$ 20.27	\$ 16.69	\$ 14.88	\$ 13.81	\$ 11.47
TOTAL RETURN <sup>d</sup>	21.45%	12.16%	7.75%	20.40%	14.70%
<b>Ratios to average net assets<sup>e</sup>:</b>					
Expenses	1.40%	1.40%	1.40%	1.40%	1.40%
Net investment income (loss) <sup>c</sup>	(0.34)%	(0.16)%	(0.35)%	(0.35)%	0.26%
<b>Supplemental data</b>					
Net assets, end of period (000's)	\$ 56,258	\$ 36,044	\$ 22,288	\$ 9,049	\$ 615

Age Newborn - 8 Years	Direct				
	Year Ended June 30,				For the period March 25, 2003 (commencement of operations) to June 30, 2003
	2007	2006	2005	2004	
<b>SELECTED PER SHARE DATA</b>					
Net asset value, beginning of period	\$ 17.03	\$ 15.03	\$ 13.80	\$ 11.35	\$ 10.00
Income from investment operations <sup>a</sup> :					
Net investment income (loss) <sup>b, c</sup>	0.12	0.14	0.09	0.08	0.04
Net realized and unrealized gain (loss)	3.73	1.86	1.14	2.37	1.31
Total from investment operations	3.85	2.00	1.23	2.45	1.35
Net asset value, end of period	\$ 20.88	\$ 17.03	\$ 15.03	\$ 13.80	\$ 11.35
TOTAL RETURN <sup>d</sup>	22.61%	13.31%	8.90%	21.59%	13.50%
<b>Ratios to average net assets<sup>e</sup>:</b>					
Expenses	0.40%	0.40%	0.40%	0.40%	0.40%
Net investment income <sup>c</sup>	0.66%	0.84%	0.64%	0.65%	1.26%
<b>Supplemental data</b>					
Net assets, end of period (000's)	\$ 127,128	\$ 78,215	\$ 43,878	\$ 19,429	\$ 1,341

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

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

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

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Age 9 - 12 Years	Class A				For the period March 27, 2003 (commencement of operations) to June 30, 2003
	Year Ended June 30,				
	2007	2006	2005	2004	
<b>SELECTED PER SHARE DATA</b>					
Net asset value, beginning of period	\$ 15.34	\$ 13.95	\$ 12.94	\$ 11.11	\$ 10.00
Income from investment operations <sup>a</sup> :					
Net investment income (loss) <sup>b, c</sup>	0.25	0.23	0.17	0.15	0.05
Net realized and unrealized gain (loss)	2.54	1.16	0.84	1.68	1.06
Total from investment operations	2.79	1.39	1.01	1.83	1.11
Net asset value, end of period	\$ 18.13	\$ 15.34	\$ 13.95	\$ 12.94	\$ 11.11
TOTAL RETURN <sup>d</sup>	18.19%	9.96%	7.81%	16.47%	11.10%
<b>Ratios to average net assets<sup>e</sup>:</b>					
Expenses	0.65%	0.65%	0.65%	0.65%	0.65%
Net investment income <sup>e</sup>	1.47%	1.54%	1.26%	1.22%	1.56%
<b>Supplemental Data</b>					
Net assets, end of period (000's)	\$ 84,945	\$ 52,302	\$ 31,286	\$ 12,703	\$ 824

Age 9 - 12 Years	Class B				For the period April 3, 2003 (commencement of operations) to June 30, 2003
	Year Ended June 30,				
	2007	2006	2005	2004	
<b>SELECTED PER SHARE DATA</b>					
Net asset value, beginning of period	\$ 14.88	\$ 13.63	\$ 12.74	\$ 11.02	\$ 10.00
Income from investment operations <sup>a</sup> :					
Net investment income (loss) <sup>b, c</sup>	0.12	0.12	0.07	0.06	0.02
Net realized and unrealized gain (loss)	2.44	1.13	0.82	1.66	1.00
Total from investment operations	2.56	1.25	0.89	1.72	1.02
Net asset value, end of period	\$ 17.44	\$ 14.88	\$ 13.63	\$ 12.74	\$ 11.02
TOTAL RETURN <sup>d</sup>	17.20%	9.17%	6.99%	15.61%	10.20%
<b>Ratios to average net assets<sup>e</sup>:</b>					
Expenses	1.40%	1.40%	1.40%	1.40%	1.40%
Net investment income <sup>e</sup>	0.72%	0.79%	0.51%	0.47%	0.80%
<b>Supplemental data</b>					
Net assets, end of period (000's)	\$ 36,456	\$ 25,517	\$ 17,519	\$ 8,583	\$ 771

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

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

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

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

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Age 9 - 12 Years	Class C				For the period April 1, 2003 (commencement of operations) to June 30, 2003
	Year Ended June 30,				
	2007	2006	2005	2004	
<b>SELECTED PER SHARE DATA</b>					
Net asset value, beginning of period	\$ 15.09	\$ 13.83	\$ 12.93	\$ 11.19	\$ 10.00
Income from investment operations <sup>a</sup> :					
Net investment income (loss) <sup>b,c</sup>	0.12	0.12	0.07	0.06	0.02
Net realized and unrealized gain (loss)	2.49	1.14	0.83	1.68	1.17
Total from investment operations	2.61	1.26	0.90	1.74	1.19
Net asset value, end of period	\$ 17.70	\$ 15.09	\$ 13.83	\$ 12.93	\$ 11.19
TOTAL RETURN <sup>d</sup>	17.30%	9.11%	6.96%	15.55%	11.90%
<b>Ratios to average net assets<sup>e</sup>:</b>					
Expenses	1.40%	1.40%	1.40%	1.40%	1.40%
Net investment income <sup>c</sup>	0.72%	0.79%	0.51%	0.47%	0.81%
<b>Supplemental data</b>					
Net assets, end of period (000's)	\$ 40,981	\$ 27,481	\$ 16,955	\$ 7,457	\$ 666

Age 9 - 12 Years	Direct				For the period March 26, 2003 (commencement of operations) to June 30, 2003
	Year Ended June 30,				
	2007	2006	2005	2004	
<b>SELECTED PER SHARE DATA</b>					
Net asset value, beginning of period	\$ 15.45	\$ 14.02	\$ 12.97	\$ 11.11	\$ 10.00
Income from investment operations <sup>a</sup> :					
Net investment income (loss) <sup>b,c</sup>	0.29	0.27	0.20	0.19	0.05
Net realized and unrealized gain (loss)	2.56	1.16	0.85	1.67	1.06
Total from investment operations	2.85	1.43	1.05	1.86	1.11
Net asset value, end of period	\$ 18.30	\$ 15.45	\$ 14.02	\$ 12.97	\$ 11.11
TOTAL RETURN <sup>d</sup>	18.45%	10.20%	8.10%	16.74%	11.10%
<b>Ratios to average net assets<sup>e</sup>:</b>					
Expenses	0.40%	0.40%	0.40%	0.40%	0.40%
Net investment income <sup>c</sup>	1.72%	1.79%	1.51%	1.47%	1.82%
<b>Supplemental data</b>					
Net assets, end of period (000's)	\$ 51,422	\$ 31,510	\$ 17,278	\$ 7,342	\$ 743

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

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

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

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Age 13 - 16 Years	Class A				For the period April 1, 2003 (commencement of operations) to June 30, 2003
	Year Ended June 30,				
	2007	2006	2005	2004	
<b>SELECTED PER SHARE DATA</b>					
Net asset value, beginning of period	\$ 13.92	\$ 13.03	\$ 12.18	\$ 10.91	\$ 10.00
Income from investment operations <sup>a</sup> :					
Net investment income (loss) <sup>b, c</sup>	0.38	0.34	0.27	0.25	0.05
Net realized and unrealized gain (loss)	1.56	0.55	0.58	1.02	0.86
Total from investment operations	1.94	0.89	0.85	1.27	0.91
Net asset value, end of period	\$ 15.86	\$ 13.92	\$ 13.03	\$ 12.18	\$ 10.91
TOTAL RETURN <sup>d</sup>	13.94%	6.83%	6.98%	11.64%	9.10%
<b>Ratios to average net assets<sup>e</sup>:</b>					
Expenses	0.65%	0.65%	0.65%	0.65%	0.65%
Net investment income <sup>e</sup>	2.53%	2.47%	2.11%	2.08%	1.90%
<b>Supplemental data</b>					
Net assets, end of period (000's)	\$ 66,260	\$ 41,185	\$ 23,495	\$ 9,149	\$ 584

Age 13 - 16 Years	Class B				For the period April 9, 2003 (commencement of operations) to June 30, 2003
	Year Ended June 30,				
	2007	2006	2005	2004	
<b>SELECTED PER SHARE DATA</b>					
Net asset value, beginning of period	\$ 13.39	\$ 12.63	\$ 11.90	\$ 10.74	\$ 10.00
Income from investment operations <sup>a</sup> :					
Net investment income (loss) <sup>b, c</sup>	0.26	0.23	0.17	0.16	0.03
Net realized and unrealized gain (loss)	1.49	0.53	0.56	1.00	0.71
Total from investment operations	1.75	0.76	0.73	1.16	0.74
Net asset value, end of period	\$ 15.14	\$ 13.39	\$ 12.63	\$ 11.90	\$ 10.74
TOTAL RETURN <sup>d</sup>	13.07%	6.02%	6.13%	10.80%	7.40%
<b>Ratios to average net assets<sup>e</sup>:</b>					
Expenses	1.40%	1.40%	1.40%	1.40%	1.40%
Net investment income <sup>e</sup>	1.78%	1.76%	1.36%	1.33%	1.14%
<b>Supplemental data</b>					
Net assets, end of period (000's)	\$ 25,077	\$ 13,962	\$ 7,422	\$ 3,215	\$ 132

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

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

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

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Age 13 - 16 Years	Class C				For the period April 10, 2003 (commencement of operations) to June 30, 2003
	Year Ended June 30,				
	2007	2006	2005	2004	
<b>SELECTED PER SHARE DATA</b>					
Net asset value, beginning of period	\$ 13.40	\$ 12.64	\$ 11.92	\$ 10.77	\$ 10.00
Income from investment operations <sup>a</sup> :					
Net investment income (loss) <sup>b, c</sup>	0.25	0.23	0.17	0.15	0.03
Net realized and unrealized gain (loss)	1.50	0.53	0.55	1.00	0.74
Total from investment operations	1.75	0.76	0.72	1.15	0.77
Net asset value, end of period	\$ 15.15	\$ 13.40	\$ 12.64	\$ 11.92	\$ 10.77
TOTAL RETURN <sup>d</sup>	13.06%	6.01%	6.04%	10.68%	7.70%
<b>Ratios to average net assets<sup>e</sup>:</b>					
Expenses	1.40%	1.40%	1.40%	1.40%	1.40%
Net investment income <sup>c</sup>	1.78%	1.72%	1.36%	1.33%	1.15%
<b>Supplemental data</b>					
Net assets, end of period (000's)	\$ 53,924	\$ 35,696	\$ 21,465	\$ 8,752	\$ 781

Age 13 - 16 Years	Direct				For the period March 26, 2003 (commencement of operations) to June 30, 2003
	Year Ended June 30,				
	2007	2006	2005	2004	
<b>SELECTED PER SHARE DATA</b>					
Net asset value, beginning of period	\$ 13.94	\$ 13.02	\$ 12.15	\$ 10.86	\$ 10.00
Income from investment operations <sup>a</sup> :					
Net investment income (loss) <sup>b, c</sup>	0.41	0.37	0.30	0.28	0.06
Net realized and unrealized gain (loss)	1.56	0.55	0.57	1.01	0.80
Total from investment operations	1.97	0.92	0.87	1.29	0.86
Net asset value, end of period	\$ 15.91	\$ 13.94	\$ 13.02	\$ 12.15	\$ 10.86
TOTAL RETURN <sup>d</sup>	14.13%	7.07%	7.16%	11.88%	8.60%
<b>Ratios to average net assets<sup>e</sup>:</b>					
Expenses	0.40%	0.40%	0.40%	0.40%	0.40%
Net investment income <sup>c</sup>	2.78%	2.72%	2.36%	2.33%	2.15%
<b>Supplemental data</b>					
Net assets, end of period (000's)	\$ 39,584	\$ 23,431	\$ 13,060	\$ 5,653	\$ 829

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

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

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

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Age 17 + Years	Class A				For the period May 6, 2003 (commencement of operations) to June 30, 2003
	Year Ended June 30,				
	2007	2006	2005	2004	
<b>SELECTED PER SHARE DATA</b>					
Net asset value, beginning of period	\$ 12.02	\$ 11.59	\$ 10.92	\$ 10.24	\$ 10.00
Income from investment operations <sup>a</sup> :					
Net investment income (loss) <sup>b, c</sup>	0.46	0.40	0.33	0.31	0.04
Net realized and unrealized gain (loss)	0.74	0.03	0.34	0.37	0.20
Total from investment operations	1.20	0.43	0.67	0.68	0.24
Net asset value, end of period	\$ 13.22	\$ 12.02	\$ 11.59	\$ 10.92	\$ 10.24
TOTAL RETURN <sup>d</sup>	9.98%	3.71%	6.14%	6.64%	2.40%
<b>Ratios to average net assets<sup>e</sup>:</b>					
Expenses	0.65%	0.65%	0.65%	0.65%	0.65%
Net investment income <sup>e</sup>	3.59%	3.38%	2.97%	2.85%	2.41%
<b>Supplemental data</b>					
Net assets, end of period (000's)	\$ 17,578	\$ 9,277	\$ 5,895	\$ 1,393	\$ 105
	Class B				
	Year Ended June 30,				For the period
					May 2, 2003
					(commencement of
					operations) to
					June 30, 2003
Age 17 + Years	2007	2006	2005	2004	
<b>SELECTED PER SHARE DATA</b>					
Net asset value, beginning of period	\$ 11.80	\$ 11.47	\$ 10.89	\$ 10.28	\$ 10.00
Income from investment operations <sup>a</sup> :					
Net investment income (loss) <sup>b, c</sup>	0.36	0.31	0.25	0.22	0.04
Net realized and unrealized gain (loss)	0.73	0.02	0.33	0.39	0.24
Total from investment operations	1.09	0.33	0.58	0.61	0.28
Net asset value, end of period	\$ 12.89	\$ 11.80	\$ 11.47	\$ 10.89	\$ 10.28
TOTAL RETURN <sup>d</sup>	9.24%	2.88%	5.33%	5.93%	2.80%
<b>Ratios to average net assets<sup>e</sup>:</b>					
Expenses	1.40%	1.40%	1.40%	1.40%	1.40%
Net investment income <sup>e</sup>	2.84%	2.63%	2.22%	2.04%	1.67%
<b>Supplemental data</b>					
Net assets, end of period (000's)	\$ 2,603	\$ 1,482	\$ 850	\$ 238	\$ 1

<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 repurchase of the Fund shares in relation to income earned and/or fluctuating market value of the investments of the Fund.

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

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

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

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Age 17 + Years	Class C				For the period April 10, 2003 (commencement of operations) to June 30, 2003
	Year Ended June 30,				
	2007	2006	2005	2004	
<b>SELECTED PER SHARE DATA</b>					
Net asset value, beginning of period	\$ 12.02	\$ 11.68	\$ 11.09	\$ 10.48	\$ 10.00
Income from investment operations <sup>a</sup> :					
Net investment income (loss) <sup>b, c</sup>	0.36	0.31	0.26	0.23	0.04
Net realized and unrealized gain (loss)	0.74	0.03	0.33	0.38	0.44
Total from investment operations	1.10	0.34	0.59	0.61	0.48
Net asset value, end of period	\$ 13.12	\$ 12.02	\$ 11.68	\$ 11.09	\$ 10.48
TOTAL RETURN <sup>d</sup>	9.15%	2.91%	5.32%	5.82%	4.80%
<b>Ratios to average net assets<sup>e</sup>:</b>					
Expenses	1.40%	1.40%	1.40%	1.40%	1.40%
Net investment income <sup>c</sup>	2.84%	2.63%	2.22%	2.14%	1.67%
<b>Supplemental data</b>					
Net assets, end of period (000's)	\$ 24,018	\$ 14,622	\$ 7,617	\$ 2,849	\$ 146

Age 17 + Years	Direct				For the period April 1, 2003 (commencement of operations) to June 30, 2003
	Year Ended June 30,				
	2007	2006	2005	2004	
<b>SELECTED PER SHARE DATA</b>					
Net asset value, beginning of period	\$ 12.48	\$ 12.00	\$ 11.28	\$ 10.55	\$ 10.00
Income from investment operations <sup>a</sup> :					
Net investment income (loss) <sup>b, c</sup>	0.51	0.45	0.38	0.35	0.07
Net realized and unrealized gain (loss)	0.77	0.03	0.34	0.38	0.48
Total from investment operations	1.28	0.48	0.72	0.73	0.55
Net asset value, end of period	\$ 13.76	\$ 12.48	\$ 12.00	\$ 11.28	\$ 10.55
TOTAL RETURN <sup>d</sup>	10.26%	4.00%	6.38%	6.92%	5.50%
<b>Ratios to average net assets<sup>e</sup>:</b>					
Expenses	0.40%	0.40%	0.40%	0.40%	0.40%
Net investment income <sup>c</sup>	3.84%	3.63%	3.22%	3.18%	2.67%
<b>Supplemental data</b>					
Net assets, end of period (000's)	\$ 12,571	\$ 6,463	\$ 3,351	\$ 1,283	\$ 146

<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 repurchase of the Fund shares in relation to income earned and/or fluctuating market value of the investments of the Fund.

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

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

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

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

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Franklin Templeton Corefolio Portfolio	Class A				For the period March 26, 2003 (commencement of operations) to June 30, 2003
	Year Ended June 30,				
	2007	2006	2005	2004	
<b>SELECTED PER SHARE DATA</b>					
Net asset value, beginning of period	\$ 16.35	\$ 14.65	\$ 13.81	\$ 11.48	\$ 10.00
Income from investment operations <sup>a</sup> :					
Net investment income (loss) <sup>b, c</sup>	0.08	0.10	0.05	0.03	0.01
Net realized and unrealized gain (loss)	3.21	1.60	0.79	2.30	1.47
Total from investment operations	3.29	1.70	0.84	2.33	1.48
Net asset value, end of period	\$ 19.64	\$ 16.35	\$ 14.65	\$ 13.81	\$ 11.48
TOTAL RETURN <sup>d</sup>	20.12%	11.60%	6.08%	20.30%	14.80%
<b>Ratios to average net assets <sup>e</sup>:</b>					
Expenses	0.65%	0.65%	0.65%	0.65%	0.65%
Net investment income <sup>c</sup>	0.40%	0.59%	0.33%	0.19%	0.51%
<b>Supplemental data</b>					
Net assets, end of period (000's)	\$ 42,200	\$ 29,299	\$ 18,500	\$ 6,204	\$ 371

Franklin Templeton Corefolio Portfolio	Class B				For the period April 9, 2003 (commencement of operations) to June 30, 2003
	Year Ended June 30,				
	2007	2006	2005	2004	
<b>SELECTED PER SHARE DATA</b>					
Net asset value, beginning of period	\$ 15.67	\$ 14.16	\$ 13.45	\$ 11.27	\$ 10.00
Income from investment operations <sup>a</sup> :					
Net investment income (loss) <sup>b, c</sup>	(0.06)	(0.02)	(0.05)	(0.06)	0.00 <sup>f</sup>
Net realized and unrealized gain (loss)	3.08	1.53	0.76	2.24	1.27
Total from investment operations	3.02	1.51	0.71	2.18	1.27
Net asset value, end of period	\$ 18.69	\$ 15.67	\$ 14.16	\$ 13.45	\$ 11.27
TOTAL RETURN <sup>d</sup>	19.27%	10.66%	5.28%	19.34%	12.70%
<b>Ratios to average net assets <sup>e</sup>:</b>					
Expenses	1.40%	1.40%	1.40%	1.40%	1.40%
Net investment income (loss) <sup>c</sup>	(0.35)%	(0.16)%	(0.36)%	(0.47)%	(0.25)%
<b>Supplemental data</b>					
Net assets, end of period (000's)	\$ 12,290	\$ 8,810	\$ 6,279	\$ 3,227	\$ 182

<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 repurchase of the Fund shares in relation to income earned and/or fluctuating market value of the investments of the Fund.

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

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

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

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

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

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Franklin Templeton Corefolio Portfolio	Class C				For the period April 1, 2003 (commencement of operations) to June 30, 2003
	Year Ended June 30,				
	2007	2006	2005	2004	
<b>SELECTED PER SHARE DATA</b>					
Net asset value, beginning of period	\$ 15.96	\$ 14.41	\$ 13.69	\$ 11.47	\$ 10.00
Income from investment operations <sup>a</sup> :					
Net investment income (loss) <sup>b, c</sup>	(0.06)	(0.02)	(0.06)	(0.06)	(0.01)
Net realized and unrealized gain (loss)	3.13	1.57	0.78	2.28	1.48
Total from investment operations	3.07	1.55	0.72	2.22	1.47
Net asset value, end of period	\$ 19.03	\$ 15.96	\$ 14.41	\$ 13.69	\$ 11.47
TOTAL RETURN <sup>d</sup>	19.24%	10.76%	5.26%	19.35%	14.70%
<b>Ratios to average net assets<sup>e</sup>:</b>					
Expenses	1.40%	1.40%	1.40%	1.40%	1.40%
Net investment income (loss) <sup>e</sup>	(0.35)%	(0.16)%	(0.45)%	(0.52)%	(0.25)%
<b>Supplemental data</b>					
Net assets, end of period (000's)	\$ 25,647	\$ 16,671	\$ 10,000	\$ 4,339	\$ 318
Franklin Templeton Corefolio Portfolio	Direct				For the period March 26, 2003 (commencement of operations) to June 30, 2003
	Year Ended June 30,				
	2007	2006	2005	2004	
<b>SELECTED PER SHARE DATA</b>					
Net asset value, beginning of period	\$ 16.48	\$ 14.73	\$ 13.85	\$ 11.49	\$ 10.00
Income from investment operations <sup>a</sup> :					
Net investment income (loss) <sup>b, c</sup>	0.11	0.13	0.09	0.06	0.03
Net realized and unrealized gain (loss)	3.26	1.62	0.79	2.30	1.46
Total from investment operations	3.37	1.75	0.88	2.36	1.49
Net asset value, end of period	\$ 19.85	\$ 16.48	\$ 14.73	\$ 13.85	\$ 11.49
TOTAL RETURN <sup>d</sup>	20.45%	11.88%	6.35%	20.54%	14.90%
<b>Ratios to average net assets<sup>e</sup>:</b>					
Expenses	0.40%	0.40%	0.40%	0.40%	0.40%
Net investment income <sup>e</sup>	0.65%	0.84%	0.59%	0.48%	0.76%
<b>Supplemental data</b>					
Net assets, end of period (000's)	\$ 26,803	\$ 14,721	\$ 9,060	\$ 4,400	\$ 322

<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 repurchase of the Fund shares in relation to income earned and/or fluctuating market value of the investments of the Fund.

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

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

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

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Franklin Templeton Founding Funds 529 Portfolio	Class A		
	For Year Ended June 30,		For the period
	2007	2006	June 27, 2005 (commencement of operations) to June 30, 2005
<b>SELECTED PER SHARE DATA</b>			
Net asset value, beginning of period	\$ 11.02	\$ 9.99	\$ 10.00
Income from investment operations <sup>a</sup>			
Net investment income (loss) <sup>b,c</sup>	0.27	0.27	0.00
Net realized and unrealized gain (loss)	2.00	0.76	(0.01)
Total from investment operations	2.27	1.03	(0.01)
Net asset value, end of period	\$ 13.29	\$ 11.02	\$ 9.99
TOTAL RETURN <sup>d</sup>	20.60%	10.31%	(0.10)%
<b>Ratios to average net assets<sup>e</sup>:</b>			
Expenses	0.65%	0.65%	0.35%
Net investment income (loss) <sup>e</sup>	2.14%	2.46%	(0.35)%
<b>Supplemental data</b>			
Net assets, end of period (000's)	\$ 72,802	\$ 21,200	\$ 591

Franklin Templeton Founding Funds 529 Portfolio	Class B		
	For Year Ended June 30,		For the period
	2007	2006	June 27, 2005 (commencement of operations) to June 30, 2005
<b>SELECTED PER SHARE DATA</b>			
Net asset value, beginning of period	\$ 10.95	\$ 10.00	\$ 10.00
Income from investment operations <sup>a</sup>			
Net investment income (loss) <sup>b,c</sup>	0.17	0.17	0.00
Net realized and unrealized gain (loss)	1.98	0.78	0.00
Total from investment operations	2.15	0.95	0.00
Net asset value, end of period	\$ 13.10	\$ 10.95	\$ 10.00
TOTAL RETURN <sup>d</sup>	19.63%	9.50%	0.00%
<b>Ratios to average net assets<sup>e</sup>:</b>			
Expenses	1.40%	1.40%	0.00%
Net investment income <sup>e</sup>	1.39%	1.71%	0.00%
<b>Supplemental data</b>			
Net assets, end of period (000's)	\$ 12,171	\$ 3,547	\$ 25

<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 repurchase of the Fund shares in relation to income earned and/or fluctuating market value of the investments of the Fund.

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

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

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

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Financial Highlights	Class C		
	Year Ended June 30,		For the period June 27, 2005 (commencement of operations) to June 30, 2005
Franklin Templeton Founding Funds 529 Portfolio	2007	2006	
<b>SELECTED PER SHARE DATA</b>			
Net asset value, beginning of period	\$ 10.94	\$ 9.99	\$ 10.00
Income from investment operations <sup>a</sup> :			
Net investment income (loss) <sup>b,c</sup>	0.17	0.18	0.00
Net realized and unrealized gain (loss)	1.98	0.77	(0.01)
Total from investment operations	2.15	0.95	(0.01)
Net asset value, end of period	\$ 13.09	\$ 10.94	\$ 9.99
<b>TOTAL RETURN <sup>d</sup></b>	19.65%	9.51%	(0.10)%
<b>Ratios to average net assets<sup>e</sup>:</b>			
Expenses	1.40%	1.40%	0.00%
Net investment income <sup>e</sup>	1.39%	1.71%	0.00%
<b>Supplemental data</b>			
Net assets, end of period (000's)	\$ 47,466	\$ 13,964	\$ 1

<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 repurchase of the Fund shares in relation to income earned and/or fluctuating market value of the investments of the Fund.

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

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

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

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Growth Portfolio	Class A				
	Year Ended June 30,				For the period March 26, 2003 (commencement of operations) to June 30, 2003
	2007	2006	2005	2004	
<b>SELECTED PER SHARE DATA</b>					
Net asset value, beginning of period	\$ 16.89	\$ 14.95	\$ 13.77	\$ 11.35	\$ 10.00
Income from investment operations <sup>a</sup> :					
Net investment income (loss) <sup>b,c</sup>	0.08	0.10	0.06	0.06	0.04
Net realized and unrealized gain (loss)	3.70	1.84	1.12	2.36	1.31
Total from investment operations	3.78	1.94	1.18	2.42	1.35
Net asset value, end of period	\$ 20.67	\$ 16.89	\$ 14.95	\$ 13.77	\$ 11.35
TOTAL RETURN <sup>d</sup>	22.38%	12.98%	8.57%	21.32%	13.50%
<b>Ratios to average net assets<sup>e</sup>:</b>					
Expenses	0.65%	0.65%	0.65%	0.65%	0.65%
Net investment income <sup>e</sup>	0.40%	0.60%	0.38%	0.44%	1.14%
<b>Supplemental data</b>					
Net assets, end of period (000's)	\$ 21,255	\$ 12,794	\$ 7,506	\$ 3,174	\$ 366

Growth Portfolio	Class B				
	Year Ended June 30,				For the period March 26, 2003 (commencement of operations) to June 30, 2003
	2007	2006	2005	2004	
<b>SELECTED PER SHARE DATA</b>					
Net asset value, beginning of period	\$ 16.50	\$ 14.71	\$ 13.65	\$ 11.33	\$ 10.00
Income from investment operations <sup>a</sup> :					
Net investment income (loss) <sup>b,c</sup>	(0.06)	(0.02)	(0.05)	(0.05)	0.01
Net realized and unrealized gain (loss)	3.60	1.81	1.11	2.37	1.32
Total from investment operations	3.54	1.79	1.06	2.32	1.33
Net asset value, end of period	\$ 20.04	\$ 16.50	\$ 14.71	\$ 13.65	\$ 11.33
TOTAL RETURN <sup>d</sup>	21.45%	12.17%	7.77%	20.48%	13.30%
<b>Ratios to average net assets<sup>e</sup>:</b>					
Expenses	1.40%	1.40%	1.40%	1.40%	1.40%
Net investment income (loss) <sup>e</sup>	(0.35)%	(0.15)%	(0.32)%	(0.37)%	0.37%
<b>Supplemental data</b>					
Net assets, end of period (000's)	\$ 6,478	\$ 4,259	\$ 2,792	\$ 1,427	\$ 117

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

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

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Growth Portfolio	Class C				For the period March 31, 2003 (commencement of operations) to June 30, 2003
	Year Ended June 30,				
	2007	2006	2005	2004	
<b>SELECTED PER SHARE DATA</b>					
Net asset value, beginning of period	\$ 16.56	\$ 14.77	\$ 13.71	\$ 11.38	\$ 10.00
Income from investment operations <sup>a</sup> :					
Net investment income (loss) <sup>b,c</sup>	(0.06)	(0.03)	(0.06)	(0.05)	0.01
Net realized and unrealized gain (loss)	3.61	1.82	1.12	2.38	1.37
Total from investment operations	3.55	1.79	1.06	2.33	1.38
Net asset value, end of period	\$ 20.11	\$ 16.56	\$ 14.77	\$ 13.71	\$ 11.38
TOTAL RETURN <sup>d</sup>	21.44%	12.12%	7.73%	20.47%	13.80%
<b>Ratios to average net assets<sup>e</sup>:</b>					
Expenses	1.40%	1.40%	1.40%	1.40%	1.40%
Net investment income (loss) <sup>e</sup>	(0.35)%	(0.15)%	(0.37)%	(0.37)%	0.35%
<b>Supplemental data</b>					
Net assets, end of period (000's)	\$ 12,064	\$ 7,237	\$ 3,990	\$ 1,551	\$ 35
	Direct				
	Year Ended June 30,				For the period March 25, 2003 (commencement of operations) to June 30, 2003
	2007	2006	2005	2004	
<b>SELECTED PER SHARE DATA</b>					
Net asset value, beginning of period	\$ 17.04	\$ 15.03	\$ 13.81	\$ 11.36	\$ 10.00
Income from investment operations <sup>a</sup> :					
Net investment income (loss) <sup>b,c</sup>	0.12	0.14	0.09	0.08	0.03
Net realized and unrealized gain (loss)	3.74	1.87	1.13	2.37	1.33
Total from investment operations	3.86	2.01	1.22	2.45	1.36
Net asset value, end of period	\$ 20.90	\$ 17.04	\$ 15.03	\$ 13.81	\$ 11.36
TOTAL RETURN <sup>d</sup>	22.65%	13.37%	8.83%	21.57%	13.60%
<b>Ratios to average net assets<sup>e</sup>:</b>					
Expenses	0.40%	0.40%	0.40%	0.40%	0.40%
Net investment income <sup>e</sup>	0.65%	0.85%	0.63%	0.58%	1.39%
<b>Supplemental data</b>					
Net assets, end of period (000's)	\$ 35,364	\$ 18,701	\$ 9,602	\$ 4,161	\$ 232

<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 repurchase of the Fund shares in relation to income earned and/or fluctuating market value of the investments of the Fund.

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

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

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

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Growth and Income Portfolio	Class A				For the period March 26, 2003 (commencement of operations) to June 30, 2003
	Year Ended June 30,				
	2007	2006	2005	2004	
<b>SELECTED PER SHARE DATA</b>					
Net asset value, beginning of period	\$ 13.77	\$ 12.89	\$ 12.04	\$ 10.79	\$ 10.00
Income from investment operations <sup>a</sup> :					
Net investment income (loss) <sup>b,c</sup>	0.37	0.34	0.27	0.24	0.05
Net realized and unrealized gain (loss)	1.54	0.54	0.58	1.01	0.74
Total from investment operations	1.91	0.88	0.85	1.25	0.79
Net asset value, end of period	\$ 15.68	\$ 13.77	\$ 12.89	\$ 12.04	\$ 10.79
TOTAL RETURN <sup>d</sup>	13.87%	6.83%	7.06%	11.58%	7.90%
<b>Ratios to average net assets<sup>e</sup>:</b>					
Expenses	0.65%	0.65%	0.65%	0.65%	0.65%
Net investment income <sup>e</sup>	2.51%	2.48%	2.14%	2.03%	1.81%
<b>Supplemental data</b>					
Net assets, end of period (000's)	\$ 15,439	\$ 10,977	\$ 7,477	\$ 3,255	\$ 239

Growth and Income Portfolio	Class B				For the period April 4, 2003 (commencement of operations) to June 30, 2003
	Year Ended June 30,				
	2007	2006	2005	2004	
<b>SELECTED PER SHARE DATA</b>					
Net asset value, beginning of period	\$ 13.37	\$ 12.61	\$ 11.87	\$ 10.72	\$ 10.00
Income from investment operations <sup>a</sup> :					
Net investment income (loss) <sup>b,c</sup>	0.25	0.23	0.17	0.16	0.02
Net realized and unrealized gain (loss)	1.51	0.53	0.57	0.99	0.70
Total from investment operations	1.76	0.76	0.74	1.15	0.72
Net asset value, end of period	\$ 15.13	\$ 13.37	\$ 12.61	\$ 11.87	\$ 10.72
TOTAL RETURN <sup>d</sup>	13.16%	6.03%	6.23%	10.73%	7.20%
<b>Ratios to average net assets<sup>e</sup>:</b>					
Expenses	1.40%	1.40%	1.40%	1.40%	1.40%
Net investment income <sup>e</sup>	1.76%	1.73%	1.39%	1.33%	1.05%
<b>Supplemental data</b>					
Net assets, end of period (000's)	\$ 6,937	\$ 5,501	\$ 3,921	\$ 2,120	\$ 304

<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 repurchase of the Fund shares in relation to income earned and/or fluctuating market value of the investments of the Fund.

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

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

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

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Growth and Income Portfolio	Class C				For the period April 28, 2003 (commencement of operations) to June 30, 2003
	Year Ended June 30,				
	2007	2006	2005	2004	
<b>SELECTED PER SHARE DATA</b>					
Net asset value, beginning of period	\$ 13.19	\$ 12.44	\$ 11.71	\$ 10.57	\$ 10.00
Income from investment operations <sup>a</sup> :					
Net investment income (loss) <sup>b,c</sup>	0.25	0.22	0.17	0.15	0.02
Net realized and unrealized gain (loss)	1.49	0.53	0.56	0.99	0.55
Total from investment operations	1.74	0.75	0.73	1.14	0.57
Net asset value, end of period	\$ 14.93	\$ 13.19	\$ 12.44	\$ 11.71	\$ 10.57
TOTAL RETURN <sup>d</sup>	13.19%	6.03%	6.23%	10.79%	5.70%
<b>Ratios to average net assets<sup>e</sup>:</b>					
Expenses	1.40%	1.40%	1.40%	1.40%	1.40%
Net investment income <sup>c</sup>	1.76%	1.73%	1.39%	1.27%	1.03%
<b>Supplemental data</b>					
Net assets, end of period (000's)	\$ 12,603	\$ 9,409	\$ 6,404	\$ 3,130	\$ 98

Growth and Income Portfolio	Direct				For the period March 25, 2003 (commencement of operations) to June 30, 2003
	Year Ended June 30,				
	2007	2006	2005	2004	
<b>SELECTED PER SHARE DATA</b>					
Net asset value, beginning of period	\$ 13.89	\$ 12.97	\$ 12.09	\$ 10.80	\$ 10.00
Income from investment operations <sup>a</sup> :					
Net investment income (loss) <sup>b,c</sup>	0.41	0.37	0.30	0.28	0.06
Net realized and unrealized gain (loss)	1.57	0.55	0.58	1.01	0.74
Total from investment operations	1.98	0.92	0.88	1.29	0.80
Net asset value, end of period	\$ 15.87	\$ 13.89	\$ 12.97	\$ 12.09	\$ 10.80
TOTAL RETURN <sup>d</sup>	14.25%	7.09%	7.28%	11.94%	8.00%
<b>Ratios to average net assets<sup>e</sup>:</b>					
Expenses	0.40%	0.40%	0.40%	0.40%	0.40%
Net investment income <sup>c</sup>	2.76%	2.73%	2.39%	2.38%	2.07%
<b>Supplemental data</b>					
Net assets, end of period (000's)	\$ 18,584	\$ 11,863	\$ 7,326	\$ 4,078	\$ 709

<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 repurchase of the Fund shares in relation to income earned and/or fluctuating market value of the investments of the Fund.

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

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

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

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

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Income Portfolio	Class A				For the period April 9, 2003 (commencement of operations) to June 30, 2003
	Year Ended June 30,				
	2007	2006	2005	2004	
<b>SELECTED PER SHARE DATA</b>					
Net asset value, beginning of period	\$ 11.03	\$ 10.95	\$ 10.40	\$ 10.20	\$ 10.00
Income from investment operations <sup>a</sup> :					
Net investment income (loss) <sup>b,c</sup>	0.53	0.48	0.43	0.41	0.04
Net realized and unrealized gain (loss)	0.12	(0.40)	0.12	(0.21)	0.16
Total from investment operations	0.65	0.08	0.55	0.20	0.20
Net asset value, end of period	\$ 11.68	\$ 11.03	\$ 10.95	\$ 10.40	\$ 10.20
TOTAL RETURN <sup>d</sup>	5.89%	0.73%	5.29%	1.96%	2.00%
<b>Ratios to average net assets<sup>e</sup>:</b>					
Expenses	0.65%	0.65%	0.65%	0.65%	0.65%
Net investment income <sup>c</sup>	4.62%	4.34%	3.93%	3.92%	2.16%
<b>Supplemental data</b>					
Net assets, end of period (000's)	\$ 4,409	\$ 2,624	\$ 2,344	\$ 876	\$ 158

Income Portfolio	Class B				For the period April 23, 2003 (commencement of operations) to June 30, 2003
	Year Ended June 30,				
	2007	2006	2005	2004	
<b>SELECTED PER SHARE DATA</b>					
Net asset value, beginning of period	\$ 10.76	\$ 10.76	\$ 10.29	\$ 10.15	\$ 10.00
Income from investment operations <sup>a</sup> :					
Net investment income (loss) <sup>b,c</sup>	0.43	0.38	0.34	0.31	0.03
Net realized and unrealized gain (loss)	0.12	(0.38)	0.13	(0.17)	0.12
Total from investment operations	0.55	0.00	0.47	0.14	0.15
Net asset value, end of period	\$ 11.31	\$ 10.76	\$ 10.76	\$ 10.29	\$ 10.15
TOTAL RETURN <sup>d</sup>	5.11%	0.00%	4.57%	1.38%	1.50%
<b>Ratios to average net assets<sup>e</sup>:</b>					
Expenses	1.40%	1.40%	1.40%	1.40%	1.40%
Net investment income <sup>c</sup>	3.87%	3.59%	3.18%	3.04%	1.38%
<b>Supplemental data</b>					
Net assets, end of period (000's)	\$ 791	\$ 559	\$ 363	\$ 201	\$ 23

<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 repurchase of the Fund shares in relation to income earned and/or fluctuating market value of the investments of the Fund.

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

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

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

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

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Income Portfolio	Class C				For the period April 1, 2003 (commencement of operations) to June 30, 2003
	Year Ended June 30,				
	2007	2006	2005	2004	
<b>SELECTED PER SHARE DATA</b>					
Net asset value, beginning of period	\$ 10.80	\$ 10.80	\$ 10.34	\$ 10.20	\$ 10.00
Income from investment operations <sup>a</sup> :					
Net investment income (loss) <sup>b,c</sup>	0.43	0.39	0.33	0.32	0.02
Net realized and unrealized gain (loss)	0.12	(0.39)	0.13	(0.18)	0.18
Total from investment operations	0.55	0.00	0.46	0.14	0.20
Net asset value, end of period	\$ 11.35	\$ 10.80	\$ 10.80	\$ 10.34	\$ 10.20
TOTAL RETURN <sup>d</sup>	5.09%	0.00%	4.45%	1.37%	2.00%
<b>Ratios to average net assets<sup>e</sup>:</b>					
Expenses	1.40%	1.40%	1.40%	1.40%	1.40%
Net investment income <sup>c</sup>	3.87%	3.59%	3.12%	3.09%	1.38%
<b>Supplemental data</b>					
Net assets, end of period (000's)	\$ 2,736	\$ 1,561	\$ 982	\$ 517	\$ 38

Income Portfolio	Direct				For the period April 2, 2003 (commencement of operations) to June 30, 2003
	Year Ended June 30,				
	2007	2006	2005	2004	
<b>SELECTED PER SHARE DATA</b>					
Net asset value, beginning of period	\$ 11.14	\$ 11.03	\$ 10.45	\$ 10.22	\$ 10.00
Income from investment operations <sup>a</sup> :					
Net investment income (loss) <sup>b,c</sup>	0.57	0.51	0.45	0.44	0.07
Net realized and unrealized gain (loss)	0.11	(0.40)	0.13	(0.21)	0.15
Total from investment operations	0.68	0.11	0.58	0.23	0.22
Net asset value, end of period	\$ 11.82	\$ 11.14	\$ 11.03	\$ 10.45	\$ 10.22
TOTAL RETURN <sup>d</sup>	6.10%	1.00%	5.55%	2.25%	2.20%
<b>Ratios to average net assets<sup>e</sup>:</b>					
Expenses	0.40%	0.40%	0.40%	0.40%	0.40%
Net investment income <sup>c</sup>	4.87%	4.59%	4.18%	4.17%	2.41%
<b>Supplemental data</b>					
Net assets, end of period (000's)	\$ 5,017	\$ 3,464	\$ 2,401	\$ 1,317	\$ 463

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

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

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

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Franklin Capital Growth 529 Portfolio	Class A				For the period April 23, 2003 (commencement of operations) to June 30, 2003
	Year Ended June 30,				
	2007	2006	2005	2004	
<b>SELECTED PER SHARE DATA</b>					
Net asset value, beginning of period	\$ 12.98	\$ 12.21	\$ 12.54	\$ 10.62	\$ 10.00
Income from investment operations <sup>a</sup> :					
Net investment income (loss) <sup>b,c</sup>	(0.04)	0.00	(0.08)	(0.05)	(0.01)
Net realized and unrealized gain (loss)	2.20	0.77	(0.25)	1.97	0.63
Total from investment operations	2.16	0.77	(0.33)	1.92	0.62
Net asset value, end of period	\$ 15.14	\$ 12.98	\$ 12.21	\$ 12.54	\$ 10.62
TOTAL RETURN <sup>d</sup>	16.64%	6.31%	(2.63)%	18.08%	6.20%
<b>Ratios to average net assets<sup>e</sup>:</b>					
Expenses	0.65%	0.65%	0.65%	0.65%	0.65%
Net investment income (loss) <sup>f</sup>	(0.30)%	(0.04)%	(0.65)%	(0.39)%	(0.65)%
<b>Supplemental data</b>					
Net assets, end of period (000's)	\$ 7,930	\$ 5,766	\$ 3,933	\$ 979	\$ 71

Franklin Capital Growth 529 Portfolio	Class B				For the period May 13, 2003 (commencement of operations) to June 30, 2003
	Year Ended June 30,				
	2007	2006	2005	2004	
<b>SELECTED PER SHARE DATA</b>					
Net asset value, beginning of period	\$ 12.33	\$ 11.69	\$ 12.09	\$ 10.32	\$ 10.00
Income from investment operations <sup>a</sup> :					
Net investment income (loss) <sup>b,c</sup>	(0.14)	(0.10)	(0.17)	(0.14)	(0.02)
Net realized and unrealized gain (loss)	2.08	0.74	(0.23)	1.91	0.34
Total from investment operations	1.94	0.64	(0.40)	1.77	0.32
Net asset value, end of period	\$ 14.27	\$ 12.33	\$ 11.69	\$ 12.09	\$ 10.32
TOTAL RETURN <sup>d</sup>	15.73%	5.47%	(3.31)%	17.15%	3.20%
<b>Ratios to average net assets<sup>e</sup>:</b>					
Expenses	1.40%	1.40%	1.41%	1.40%	1.40%
Net investment income (loss) <sup>f</sup>	(1.05)%	(0.79)%	(1.41)%	(1.14)%	(1.40)%
<b>Supplemental data</b>					
Net assets, end of period (000's)	\$ 3,158	\$ 2,437	\$ 1,901	\$ 470	\$ 14

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

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

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

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Franklin Capital Growth 529 Portfolio	Class C				For the period April 2, 2003 (commencement of operations) to June 30, 2003
	Year Ended June 30,				
	2007	2006	2005	2004	
<b>SELECTED PER SHARE DATA</b>					
Net asset value, beginning of period	\$ 13.18	\$ 12.49	\$ 12.92	\$ 11.04	\$ 10.00
Income from investment operations <sup>a</sup> :					
Net investment income (loss) <sup>b,c</sup>	(0.15)	(0.10)	(0.18)	(0.13)	(0.04)
Net realized and unrealized gain (loss)	2.22	0.79	(0.25)	2.01	1.08
Total from investment operations	2.07	0.69	(0.43)	1.88	1.04
Net asset value, end of period	\$ 15.25	\$ 13.18	\$ 12.49	\$ 12.92	\$ 11.04
<b>TOTAL RETURN<sup>d</sup></b>	15.71%	5.52%	(3.33)%	17.03%	10.40%
<b>Ratios to average net assets<sup>e</sup>:</b>					
Expenses	1.40%	1.40%	1.41%	1.40%	1.40%
Net investment income (loss) <sup>e</sup>	(1.05)%	(0.79)%	(1.41)%	(1.14)%	(1.40)%
<b>Supplemental data</b>					
Net assets, end of period (000's)	\$ 4,151	\$ 3,074	\$ 1,981	\$ 380	\$ 81

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

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

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Franklin Income 529 Portfolio	Class A				For the period April 8, 2003 (commencement of operations) to June 30, 2003
	Year Ended June 30,				
	2007	2006	2005	2004	
<b>SELECTED PER SHARE DATA</b>					
Net asset value, beginning of period	\$ 15.02	\$ 14.30	\$ 12.66	\$ 11.15	\$ 10.00
Income from investment operations <sup>a</sup> :					
Net investment income (loss) <sup>b,c</sup>	0.81	0.79	0.75	0.70	0.09
Net realized and unrealized gain (loss)	1.95	(0.07)	0.89	0.81	1.06
Total from investment operations	2.76	0.72	1.64	1.51	1.15
Net asset value, end of period	\$ 17.78	\$ 15.02	\$ 14.30	\$ 12.66	\$ 11.15
TOTAL RETURN <sup>d</sup>	18.38%	5.03%	12.95%	13.54%	11.50%
<b>Ratios to average net assets<sup>e</sup>:</b>					
Expenses	0.65%	0.65%	0.65%	0.65%	0.65%
Net investment income <sup>c</sup>	4.85%	5.43%	5.48%	5.65%	3.93%
<b>Supplemental data</b>					
Net assets, end of period (000's)	\$ 33,473	\$ 21,307	\$ 14,818	\$ 4,764	\$ 287

  

Franklin Income 529 Portfolio	Class B				For the period April 2, 2003 (commencement of operations) to June 30, 2003
	Year Ended June 30,				
	2007	2006	2005	2004	
<b>SELECTED PER SHARE DATA</b>					
Net asset value, beginning of period	\$ 14.77	\$ 14.17	\$ 12.64	\$ 11.22	\$ 10.00
Income from investment operations <sup>a</sup> :					
Net investment income (loss) <sup>b,c</sup>	0.68	0.68	0.66	0.61	0.10
Net realized and unrealized gain (loss)	1.90	(0.08)	0.87	0.81	1.12
Total from investment operations	2.58	0.60	1.53	1.42	1.22
Net asset value, end of period	\$ 17.35	\$ 14.77	\$ 14.17	\$ 12.64	\$ 11.22
TOTAL RETURN <sup>d</sup>	17.47%	4.23%	12.10%	12.66%	12.20%
<b>Ratios to average net assets<sup>e</sup>:</b>					
Expenses	1.40%	1.40%	1.40%	1.40%	1.40%
Net investment income <sup>c</sup>	4.10%	4.73%	4.85%	4.94%	3.17%
<b>Supplemental data</b>					
Net assets, end of period (000's)	\$ 11,498	\$ 8,508	\$ 7,203	\$ 3,114	\$ 381

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

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

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

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Franklin Income 529 Portfolio	Class C				
	Year Ended June 30,				For the period
	2007	2006	2005	2004	March 31, 2003 (commencement of operations) to June 30, 2003
<b>SELECTED PER SHARE DATA</b>					
Net asset value, beginning of period	\$ 14.67	\$ 14.07	\$ 12.56	\$ 11.15	\$ 10.00
Income from investment operations <sup>a</sup> :					
Net investment income (loss) <sup>b,c</sup>	0.67	0.67	0.64	0.61	0.07
Net realized and unrealized gain (loss)	1.89	(0.07)	0.87	0.80	1.08
Total from investment operations	2.56	0.60	1.51	1.41	1.15
Net asset value, end of period	\$ 17.23	\$ 14.67	\$ 14.07	\$ 12.56	\$ 11.15
<b>TOTAL RETURN <sup>d</sup></b>	17.45%	4.26%	12.02%	12.65%	11.50%
<b>Ratios to average net assets<sup>e</sup>:</b>					
Expenses	1.40%	1.40%	1.40%	1.40%	1.40%
Net investment income <sup>c</sup>	4.10%	4.68%	4.76%	4.94%	3.17%
<b>Supplemental data</b>					
Net assets, end of period (000's)	\$ 24,796	\$ 16,294	\$ 11,537	\$ 3,213	\$ 284

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

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

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Franklin Small-Mid Cap Growth 529 Portfolio	Class A				For the period March 31, 2003 (commencement of operations) to June 30, 2003
	Year Ended June 30,				
	2007	2006	2005	2004	
<b>SELECTED PER SHARE DATA</b>					
Net asset value, beginning of period	\$ 17.24	\$ 15.52	\$ 14.36	\$ 11.68	\$ 10.00
Income from investment operations <sup>a</sup>					
Net investment income (loss) <sup>b,c</sup>	(0.12)	(0.05)	(0.10)	(0.09)	(0.02)
Net realized and unrealized gain (loss)	3.63	1.77	1.26	2.77	1.70
Total from investment operations	3.51	1.72	1.16	2.68	1.68
Net asset value, end of period	\$ 20.75	\$ 17.24	\$ 15.52	\$ 14.36	\$ 11.68
TOTAL RETURN <sup>d</sup>	20.36%	11.08%	8.08%	22.95%	16.80%
<b>Ratios to average net assets<sup>e</sup>:</b>					
Expenses	0.65%	0.92%	0.65%	0.65%	0.65%
Net investment income (loss) <sup>e</sup>	(0.65)%	(0.31)%	(0.65)%	(0.65)%	(0.65)%
<b>Supplemental data</b>					
Net assets, end of period (000's)	\$ 9,022	\$ 6,038	\$ 3,323	\$ 1,853	\$ 131

Franklin Small-Mid Cap Growth 529 Portfolio	Class B				For the period April 9, 2003 (commencement of operations) to June 30, 2003
	Year Ended June 30,				
	2007	2006	2005	2004	
<b>SELECTED PER SHARE DATA</b>					
Net asset value, beginning of period	\$ 16.86	\$ 15.29	\$ 14.25	\$ 11.68	\$ 10.00
Income from investment operations <sup>a</sup>					
Net investment income (loss) <sup>b,c</sup>	(0.25)	(0.18)	(0.20)	(0.19)	(0.04)
Net realized and unrealized gain (loss)	3.53	1.75	1.24	2.76	1.72
Total from investment operations	3.28	1.57	1.04	2.57	1.68
Net asset value, end of period	\$ 20.14	\$ 16.86	\$ 15.29	\$ 14.25	\$ 11.68
TOTAL RETURN <sup>d</sup>	19.45%	10.27%	7.30%	22.00%	16.80%
<b>Ratios to average net assets<sup>e</sup>:</b>					
Expenses	1.40%	1.00%	1.40%	1.40%	1.40%
Net investment income (loss) <sup>e</sup>	(1.40)%	(1.06)%	(1.40)%	(1.40)%	(1.40)%
<b>Supplemental data</b>					
Net assets, end of period (000's)	\$ 2,366	\$ 1,733	\$ 966	\$ 524	\$ 17

<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 repurchase of the Fund shares in relation to income earned and/or fluctuating market value of the investments of the Fund.

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

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Franklin Small-Mid Cap Growth 529 Portfolio	Class C				
	Year Ended June 30,				For the period March 31, 2003 (commencement of operations) to June 30, 2003
	2007	2006	2005	2004	
<b>SELECTED PER SHARE DATA</b>					
Net asset value, beginning of period	\$ 16.80	\$ 15.25	\$ 14.21	\$ 11.66	\$ 10.00
Income from investment operations <sup>a</sup>					
Net investment income (loss) <sup>b,c</sup>	(0.25)	(0.18)	(0.20)	(0.19)	(0.04)
Net realized and unrealized gain (loss)	3.50	1.73	1.24	2.74	1.70
Total from investment operations	3.25	1.55	1.04	2.55	1.66
Net asset value, end of period	\$ 20.05	\$ 16.80	\$ 15.25	\$ 14.21	\$ 11.66
<b>TOTAL RETURN<sup>d</sup></b>	19.35%	10.16%	7.32%	21.87%	16.60%
<b>Ratios to average net assets<sup>e</sup>:</b>					
Expenses	1.40%	1.00%	1.40%	1.40%	1.40%
Net investment income (loss) <sup>e</sup>	(1.40)%	(1.06)%	(1.40)%	(1.40)%	(1.40)%
<b>Supplemental data</b>					
Net assets, end of period (000's)	\$ 3,591	\$ 2,482	\$ 1,295	\$ 619	\$ 52

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

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Franklin Templeton Stable Value 529 Portfolio	Class A				For the period April 14, 2003 (commencement of operations) to June 30, 2003*
	Year Ended June 30,				
	2007	2006*	2005*	2004*	
<b>SELECTED PER SHARE DATA</b>					
Net asset value, beginning of period	\$ 10.30	\$ 10.24	\$ 10.06	\$ 10.03	\$ 10.00
Income from investment operations <sup>a</sup>					
Net investment income (loss) <sup>b,c</sup>	0.38	0.30	0.23	0.28	0.06
Net realized and unrealized gain (loss)	0.08	(0.24)	(0.05)	(0.25)	(0.03)
Total from investment operations	0.46	0.06	0.18	0.03	0.03
Net asset value, end of period	\$ 10.76	\$ 10.30	\$ 10.24	\$ 10.06	\$ 10.03
TOTAL RETURN <sup>d</sup>	4.47%	0.59%	1.79%	0.30%	0.30%
<b>Ratios to average net assets<sup>e</sup></b>					
Expenses	0.75%	0.74%	0.76%	0.75%	0.75%
Net investment income <sup>e</sup>	3.50%	2.94%	2.24%	2.71%	2.92%
<b>Supplemental data</b>					
Net assets, end of period (000's)	\$ 3,529	\$ 2,232	\$ 1,983	\$ 1,381	\$ 135

Franklin Templeton Stable Value 529 Portfolio	Class B				For the period April 9, 2003 (commencement of operations) to June 30, 2003*
	Year Ended June 30,				
	2007	2006*	2005*	2004*	
<b>SELECTED PER SHARE DATA</b>					
Net asset value, beginning of period	\$ 10.03	\$ 10.05	\$ 9.94	\$ 10.00	\$ 10.00
Income from investment operations <sup>a</sup>					
Net investment income (loss) <sup>b,c</sup>	0.28	0.22	0.15	0.20	0.05
Net realized and unrealized gain (loss)	0.09	(0.24)	(0.04)	(0.26)	(0.05)
Total from investment operations	0.37	(0.02)	0.11	(0.06)	0.00
Net asset value, end of period	\$ 10.40	\$ 10.03	\$ 10.05	\$ 9.94	\$ 10.00
TOTAL RETURN <sup>d</sup>	3.69%	(0.20)%	1.11%	(0.60)%	0.00%
<b>Ratios to average net assets<sup>e</sup></b>					
Expenses	1.50%	1.49%	1.51%	1.50%	1.50%
Net investment income <sup>e</sup>	2.75%	2.19%	1.51%	1.96%	2.16%
<b>Supplemental data</b>					
Net assets, end of period (000's)	\$ 2,218	\$ 2,008	\$ 1,762	\$ 1,318	\$ 400

<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 repurchase of the Fund shares in relation to income earned and/or fluctuating market value of the investments of the Fund.

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

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

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

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

\*As adjusted. See Note 1c in footnotes to the combined financial statements.

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Franklin Templeton Stable Value 529 Portfolio	Class C				For the period April 8, 2003 (commencement of operations) to June 30, 2003*
	Year Ended June 30,				
	2007	2006*	2005*	2004*	
<b>SELECTED PER SHARE DATA</b>					
Net asset value, beginning of period	\$ 10.05	\$ 10.07	\$ 9.95	\$ 10.01	\$ 10.00
Income from investment operations <sup>a</sup>					
Net investment income (loss) <sup>b,c</sup>	0.28	0.22	0.15	0.20	0.05
Net realized and unrealized gain (loss)	0.08	(0.24)	(0.03)	(0.26)	(0.04)
Total from investment operations	0.36	(0.02)	0.12	(0.06)	0.01
Net asset value, end of period	\$ 10.41	\$ 10.05	\$ 10.07	\$ 9.95	\$ 10.01
TOTAL RETURN <sup>d</sup>	3.58%	(0.20)%	1.21%	(0.60)%	0.10%
<b>Ratios to average net assets<sup>e</sup></b>					
Expenses	1.50%	1.49%	1.51%	1.50%	1.50%
Net investment income <sup>e</sup>	2.75%	2.19%	1.50%	1.96%	2.16%
<b>Supplemental data</b>					
Net assets, end of period (000's)	\$ 7,303	\$ 5,902	\$ 4,865	\$ 3,175	\$ 483

Franklin Templeton Stable Value 529 Portfolio	Direct				For the period March 25, 2003 (commencement of operations) to June 30, 2003*
	Year Ended June 30,				
	2007	2006*	2005*	2004*	
<b>SELECTED PER SHARE DATA</b>					
Net asset value, beginning of period	\$ 10.43	\$ 10.32	\$ 10.08	\$ 10.06	\$ 10.00
Income from investment operations <sup>a</sup>					
Net investment income (loss) <sup>b,c</sup>	0.40	0.34	0.26	0.30	0.08
Net realized and unrealized gain (loss)	0.05	(0.23)	(0.02)	(0.28)	(0.02)
Total from investment operations	0.45	0.11	0.24	0.02	0.06
Net asset value, end of period	\$ 10.88	\$ 10.43	\$ 10.32	\$ 10.08	\$ 10.06
TOTAL RETURN <sup>d</sup>	4.31%	1.07%	2.38%	0.20%	0.60%
<b>Ratios to average net assets<sup>e</sup></b>					
Expenses	0.50%	0.50%	0.51%	0.50%	0.50%
Net investment income <sup>e</sup>	3.75%	3.18%	2.49%	2.96%	3.17%
<b>Supplemental data</b>					
Net assets, end of period (000's)	\$ 7,386	\$ 5,879	\$ 3,546	\$ 1,246	\$ 307

<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 repurchase of the Fund shares in relation to income earned and/or fluctuating market value of the investments of the Fund.

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

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

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

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

\*As adjusted. See Note 1c in footnotes to the combined financial statements.

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Mutual Shares 529 Portfolio	Class A				For the period April 1, 2003 (commencement of operations) to June 30, 2003
	Year Ended June 30,				
	2007	2006	2005	2004	
<b>SELECTED PER SHARE DATA</b>					
Net asset value, beginning of period	\$ 16.72	\$ 14.83	\$ 13.20	\$ 11.22	\$ 10.00
Income from investment operations <sup>a</sup> :					
Net investment income (loss) <sup>b,c</sup>	0.15	0.25	0.12	0.12	0.11
Net realized and unrealized gain (loss)	3.55	1.64	1.51	1.86	1.11
Total from investment operations	3.70	1.89	1.63	1.98	1.22
Net asset value, end of period	\$ 20.42	\$ 16.72	\$ 14.83	\$ 13.20	\$ 11.22
TOTAL RETURN <sup>d</sup>	22.13%	12.74%	12.35%	17.65%	12.20%
<b>Ratios to average net assets<sup>e</sup>:</b>					
Expenses	0.65%	0.65%	0.65%	0.65%	0.65%
Net investment income <sup>c</sup>	0.80%	1.55%	0.84%	0.95%	4.47%
<b>Supplemental data</b>					
Net assets, end of period (000's)	\$ 35,333	\$ 21,520	\$ 12,485	\$ 3,546	\$ 323

Mutual Shares 529 Portfolio	Class B				For the period April 3, 2003 (commencement of operations) to June 30, 2003
	Year Ended June 30,				
	2007	2006	2005	2004	
<b>SELECTED PER SHARE DATA</b>					
Net asset value, beginning of period	\$ 16.06	\$ 14.35	\$ 12.88	\$ 11.04	\$ 10.00
Income from investment operations <sup>a</sup> :					
Net investment income (loss) <sup>b,c</sup>	0.01	0.12	0.02	0.03	0.14
Net realized and unrealized gain (loss)	3.40	1.59	1.45	1.81	0.90
Total from investment operations	3.41	1.71	1.47	1.84	1.04
Net asset value, end of period	\$ 19.47	\$ 16.06	\$ 14.35	\$ 12.88	\$ 11.04
TOTAL RETURN <sup>d</sup>	21.23%	11.92%	11.41%	16.67%	10.40%
<b>Ratios to average net assets<sup>e</sup>:</b>					
Expenses	1.40%	1.40%	1.40%	1.40%	1.40%
Net investment income <sup>c</sup>	0.05%	0.80%	0.09%	0.25%	3.71%
<b>Supplemental data</b>					
Net assets, end of period (000's)	\$ 10,424	\$ 7,325	\$ 5,275	\$ 2,008	\$ 154

<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 repurchase of the Fund shares in relation to income earned and/or fluctuating market value of the investments of the Fund.

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

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

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

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

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Mutual Shares 529 Portfolio	Class C				For the period March 31, 2003 (commencement of operations) to June 30, 2003
	Year Ended June 30,				
	2007	2006	2005	2004	
<b>SELECTED PER SHARE DATA</b>					
Net asset value, beginning of period	\$ 16.12	\$ 14.42	\$ 12.95	\$ 11.09	\$ 10.00
Income from investment operations <sup>a</sup> :					
Net investment income (loss) <sup>b, c</sup>	0.01	0.13	0.01	0.04	0.11
Net realized and unrealized gain (loss)	3.42	1.57	1.46	1.82	0.98
Total from investment operations	3.43	1.70	1.47	1.86	1.09
Net asset value, end of period	\$ 19.55	\$ 16.12	\$ 14.42	\$ 12.95	\$ 11.09
 TOTAL RETURN <sup>d</sup>	 21.28%	 11.79%	 11.35%	 16.77%	 10.90%
<b>Ratios to average net assets<sup>e</sup>:</b>					
Expenses	1.40%	1.40%	1.40%	1.40%	1.40%
Net investment income <sup>e</sup>	0.05%	0.80%	0.05%	0.31%	3.71%
<b>Supplemental data</b>					
Net assets, end of period (000's)	\$ 20,568	\$ 12,794	\$ 7,560	\$ 2,406	\$ 199

<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 repurchase of the Fund shares in relation to income earned and/or fluctuating market value of the investments of the Fund.

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

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

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

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

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S&P 500 Index Fund 529 Portfolio	Class A				For the period April 9, 2003 (commencement of operations) to June 30, 2003
	Year Ended June 30,				
	2007	2006	2005	2004	
<b>SELECTED PER SHARE DATA</b>					
Net asset value, beginning of period	\$ 14.81	\$ 13.78	\$ 13.09	\$ 11.11	\$ 10.00
Income from investment operations <sup>a</sup> :					
Net investment income (loss) <sup>b,c</sup>	0.13	0.11	0.12	0.03	(0.01)
Net realized and unrealized gain (loss)	2.73	0.92	0.57	1.95	1.12
Total from investment operations	2.86	1.03	0.69	1.98	1.11
Net asset value, end of period	\$ 17.67	\$ 14.81	\$ 13.78	\$ 13.09	\$ 11.11
TOTAL RETURN <sup>d</sup>	19.31	7.47%	5.27%	17.82%	11.10%
<b>Ratios to average net assets<sup>e</sup>:</b>					
Expenses	0.65%	0.65%	0.65%	0.65%	0.65%
Net investment income (loss) <sup>f</sup>	0.75%	0.77%	0.91%	0.20%	(0.65)%
<b>Supplemental data</b>					
Net assets, end of period (000's)	\$ 6,438	\$ 4,036	\$ 2,906	\$ 1,384	\$ 118

S&P 500 Index Fund 529 Portfolio	Class B				For the period May 8, 2003 (commencement of operations) to June 30, 2003
	Year Ended June 30,				
	2007	2006	2005	2004	
<b>SELECTED PER SHARE DATA</b>					
Net asset value, beginning of period	\$ 13.69	\$ 12.83	\$ 12.27	\$ 10.49	\$ 10.00
Income from investment operations <sup>a</sup> :					
Net investment income (loss) <sup>b,c</sup>	0.01	0.00	0.01	(0.10)	(0.02)
Net realized and unrealized gain (loss)	2.51	0.86	0.55	1.88	0.51
Total from investment operations	2.52	0.86	0.56	1.78	0.49
Net asset value, end of period	\$ 16.21	\$ 13.69	\$ 12.83	\$ 12.27	\$ 10.49
TOTAL RETURN <sup>d</sup>	18.41%	6.70%	4.56%	16.97%	4.90%
<b>Ratios to average net assets<sup>e</sup>:</b>					
Expenses	1.40%	1.40%	1.40%	1.40%	1.40%
Net investment income (loss) <sup>f</sup>	0.00% <sup>f</sup>	0.02%	0.09%	(0.83)%	(1.40)%
<b>Supplemental data</b>					
Net assets, end of period (000's)	\$ 3,053	\$ 2,274	\$ 1,696	\$ 831	\$ 104

<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 repurchase of the Fund shares in relation to income earned and/or fluctuating market value of the investments of the Fund.

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

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

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

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

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



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S&P 500 Index Fund 529 Portfolio	Class C				For the period April 2, 2003 (commencement of operations) to June 30, 2003
	Year Ended June 30,				
	2007	2006	2005	2004	
<b>SELECTED PER SHARE DATA</b>					
Net asset value, beginning of period	\$ 14.81	\$ 13.87	\$ 13.28	\$ 11.36	\$ 10.00
Income from investment operations <sup>a</sup> :					
Net investment income (loss) <sup>b,c</sup>	0.01	0.00	0.01	(0.08)	(0.04)
Net realized and unrealized gain (loss)	2.72	0.94	0.58	2.00	1.40
Total from investment operations	2.73	0.94	0.59	1.92	1.36
Net asset value, end of period	\$ 17.54	\$ 14.81	\$ 13.87	\$ 13.28	\$ 11.36
TOTAL RETURN <sup>d</sup>	18.43%	6.78%	4.44%	16.90%	13.60%
<b>Ratios to average net assets<sup>e</sup>:</b>					
Expenses	1.40%	1.40%	1.40%	1.40%	1.40%
Net investment income (loss) <sup>c</sup>	0.00% <sup>f</sup>	0.02%	0.09%	(0.66)%	(1.40)%
<b>Supplemental data</b>					
Net assets, end of period (000's)	\$ 3,665	\$ 2,623	\$ 1,828	\$ 939	\$ 201

S&P 500 Index Fund 529 Portfolio	Direct				For the period March 26, 2003 (commencement of operations) to June 30, 2003
	Year Ended June 30,				
	2007	2006	2005	2004	
<b>SELECTED PER SHARE DATA</b>					
Net asset value, beginning of period	\$ 15.18	\$ 14.09	\$ 13.35	\$ 11.30	\$ 10.00
Income from investment operations <sup>a</sup> :					
Net investment income (loss) <sup>b,c</sup>	0.16	0.15	0.15	0.04	(0.01)
Net realized and unrealized gain (loss)	2.82	0.94	0.59	2.01	1.31
Total from investment operations	2.98	1.09	0.74	2.05	1.30
Net asset value, end of period	\$ 18.16	\$ 15.18	\$ 14.09	\$ 13.35	\$ 11.30
TOTAL RETURN <sup>d</sup>	19.63%	7.74%	5.54%	18.14%	13.00%
<b>Ratios to average net assets<sup>e</sup>:</b>					
Expenses	0.40%	0.40%	0.40%	0.40%	0.40%
Net investment income (loss) <sup>c</sup>	1.00%	1.02%	1.09%	0.34%	(0.40)%
<b>Supplemental data</b>					
Net assets, end of period (000's)	\$ 19,908	\$ 12,393	\$ 7,879	\$ 3,664	\$ 299

<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 repurchase of the Fund shares in relation to income earned and/or fluctuating market value of the investments of the Fund.

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

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

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

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

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

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Templeton Growth 529 Portfolio	Class A				For the period April 1, 2003 (commencement of operations) to June 30, 2003
	Year Ended June 30,				
	2007	2006	2005	2004	
<b>SELECTED PER SHARE DATA</b>					
Net asset value, beginning of period	\$ 18.70	\$ 16.31	\$ 14.64	\$ 11.80	\$ 10.00
Income from investment operations <sup>a</sup> :					
Net investment income (loss) <sup>b, c</sup>	0.27	0.21	0.15	0.15	(0.02)
Net realized and unrealized gain (loss)	3.83	2.18	1.52	2.69	1.82
Total from investment operations	4.10	2.39	1.67	2.84	1.80
Net asset value, end of period	\$ 22.80	\$ 18.70	\$ 16.31	\$ 14.64	\$ 11.80
TOTAL RETURN <sup>d</sup>	21.93%	14.65%	11.41%	24.07%	18.00%
<b>Ratios to average net assets<sup>e</sup>:</b>					
Expenses	0.65%	0.65%	0.65%	0.65%	0.65%
Net investment income (loss) <sup>e</sup>	1.27%	1.14%	0.95%	1.06%	(0.65)%
<b>Supplemental data</b>					
Net assets, end of period (000's)	\$ 43,245	\$ 27,665	\$ 17,202	\$ 3,429	\$ 351

Templeton Growth 529 Portfolio	Class B				For the period April 2, 2003 (commencement of operations) to June 30, 2003
	Year Ended June 30,				
	2007	2006	2005	2004	
<b>SELECTED PER SHARE DATA</b>					
Net asset value, beginning of period	\$ 18.10	\$ 15.90	\$ 14.38	\$ 11.68	\$ 10.00
Income from investment operations <sup>a</sup> :					
Net investment income (loss) <sup>b, c</sup>	0.11	0.07	0.05	0.01	(0.04)
Net realized and unrealized gain (loss)	3.69	2.13	1.47	2.69	1.72
Total from investment operations	3.80	2.20	1.52	2.70	1.68
Net asset value, end of period	\$ 21.90	\$ 18.10	\$ 15.90	\$ 14.38	\$ 11.68
TOTAL RETURN <sup>d</sup>	20.99%	13.84%	10.57%	23.12%	16.80%
<b>Ratios to average net assets<sup>e</sup>:</b>					
Expenses	1.40%	1.40%	1.40%	1.40%	1.40%
Net investment income (loss) <sup>e</sup>	0.52%	0.39%	0.36%	0.09%	(1.40)%
<b>Supplemental data</b>					
Net assets, end of period (000's)	\$ 11,226	\$ 7,711	\$ 5,374	\$ 1,578	\$ 81

<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 repurchase of the Fund shares in relation to income earned and/or fluctuating market value of the investments of the Fund.

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

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

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

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

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Templeton Growth 529 Portfolio	Class C				For the period March 31, 2003 (commencement of operations) to June 30, 2003
	Year Ended June 30,				
	2007	2006	2005	2004	
<b>SELECTED PER SHARE DATA</b>					
Net asset value, beginning of period	\$ 17.90	\$ 15.73	\$ 14.25	\$ 11.57	\$ 10.00
Income from investment operations <sup>a</sup> :					
Net investment income (loss) <sup>b,c</sup>	0.10	0.07	0.02	0.00	(0.04)
Net realized and unrealized gain (loss)	3.67	2.10	1.46	2.68	1.61
Total from investment operations	3.77	2.17	1.48	2.68	1.57
Net asset value, end of period	\$ 21.67	\$ 17.90	\$ 15.73	\$ 14.25	\$ 11.57
<b>TOTAL RETURN<sup>d</sup></b>	21.06%	13.80%	10.39%	23.16%	15.70%
<b>Ratios to average net assets<sup>e</sup>:</b>					
Expenses	1.40%	1.40%	1.40%	1.40%	1.40%
Net investment income (loss) <sup>f</sup>	0.52%	0.39%	0.14%	(0.02)%	(1.40)%
<b>Supplemental data</b>					
Net assets, end of period (000's)	\$ 21,588	\$ 14,202	\$ 9,378	\$ 1,533	\$ 71

<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 repurchase of the Fund shares in relation to income earned and/or fluctuating market value of the investments of the Fund.

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

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

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

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

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**Age Newborn - 8 Years**  
**Statement of Investments, June 30, 2007**

	SHARES	VALUE
<b>Long Term Investments 100.1%</b>		
Franklin Capital Growth Fund, Advisor Class	7,775,135	\$ 100,921,258
Franklin Small-Mid Cap Growth Fund, Advisor Class	2,311,621	100,786,662
Mutual European Fund, Class Z	2,150,016	61,640,954
Mutual Shares Fund, Class Z	2,828,837	80,593,575
Templeton Foreign Fund, Advisor Class	4,092,621	61,020,986
<b>Total Long Term Investments (Cost \$336,853,183)</b>		<u>404,963,435</u>
<b>Short Term Investments (Cost \$553,339) 0.1%</b>		
<sup>a</sup> Franklin Institutional Fiduciary Trust Money Market Portfolio, 4.99%	553,339	<u>553,339</u>
<b>Total Investments (Cost \$337,406,522) 100.2%</b>		405,516,774
<b>Other Assets, less Liabilities (0.2)%</b>		(664,085)
<b>Net Assets 100.0%</b>		<u>\$ 404,852,689</u>

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

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Age 9 - 12 Years  
Statement of Investments, June 30, 2007

	SHARES	VALUE
<b>Long Term Investments 95.1%</b>		
Franklin Capital Growth Fund, Advisor Class	3,061,615	\$ 39,739,764
Franklin Small-Mid Cap Growth Fund, Advisor Class	918,505	40,046,825
Franklin Strategic Income Fund, Advisor Class	1,043,024	10,805,731
Franklin Total Return Fund, Advisor Class	1,104,722	10,859,418
Franklin U.S. Government Securities Fund, Advisor Class	3,412,676	21,568,114
Mutual European Fund, Class Z	848,577	24,328,697
Mutual Shares Fund, Class Z	1,122,557	31,981,652
Templeton Foreign Fund, Advisor Class	1,607,954	23,974,591
<b>Total Long Term Investments (Cost \$173,538,197)</b>		<u>203,304,792</u>
<b>Short Term Investments (Cost \$10,887,698) 5.1%</b>		
<sup>a</sup> Franklin Institutional Fiduciary Trust Money Market Portfolio, 4.99%	10,887,698	<u>10,887,698</u>
<b>Total Investments (Cost \$184,425,895) 100.2%</b>		214,192,490
<b>Other Assets, less Liabilities (0.2)%</b>		(388,862)
<b>Net Assets 100.0%</b>		<u>\$ 213,803,628</u>

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

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Age 13 - 16 Years

Statement of Investments, June 30, 2007

	SHARES	VALUE
<b>Long Term Investments 90.2%</b>		
Franklin Capital Growth Fund, Advisor Class	1,767,919	\$ 22,947,593
Franklin Small-Mid Cap Growth Fund, Advisor Class	531,309	23,165,094
Franklin Strategic Income Fund, Advisor Class	1,779,361	18,434,180
Franklin Total Return Fund, Advisor Class	1,887,649	18,555,594
Franklin U.S. Government Securities Fund, Advisor Class	5,880,660	37,165,773
Mutual European Fund, Class Z	490,976	14,076,269
Mutual Shares Fund, Class Z	645,785	18,398,429
Templeton Foreign Fund, Advisor Class	933,171	13,913,574
<b>Total Long Term Investments (Cost \$150,270,988)</b>		<u>166,656,506</u>
<b>Short Term Investments (Cost \$18,662,627) 10.1%</b>		
<sup>a</sup> Franklin Institutional Fiduciary Trust Money Market Portfolio, 4.99%	18,662,627	<u>18,662,627</u>
<b>Total Investments (Cost \$168,933,615) 100.3%</b>		185,319,133
<b>Other Assets, less Liabilities (0.3)%</b>		(473,061)
<b>Net Assets 100.0%</b>		<u>\$ 184,846,072</u>

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

Supplemental Information  
**New Jersey 529 College Savings Plan -  
Franklin Templeton Managed Investment Options**

**Age 17 + Years**  
**Statement of Investments, June 30, 2007**

	SHARES	VALUE
<b>Long Term Investments 85.1%</b>		
Franklin Capital Growth Fund, Advisor Class	278,811	\$ 3,618,967
Franklin Small-Mid Cap Growth Fund, Advisor Class	87,824	3,829,138
Franklin Strategic Income Fund, Advisor Class	802,210	8,310,900
Franklin Total Return Fund, Advisor Class	836,391	8,221,723
Franklin U.S. Government Securities Fund, Advisor Class	2,627,099	16,603,263
Mutual European Fund, Class Z	86,024	2,466,318
Mutual Shares Fund, Class Z	104,205	2,968,799
Templeton Foreign Fund, Advisor Class	155,184	2,313,794
<b>Total Long Term Investments (Cost \$46,188,169)</b>		<u>48,332,902</u>
<b>Short Term Investments (Cost \$8,464,304) 14.9%</b>		
<sup>a</sup> Franklin Institutional Fiduciary Trust Money Market Portfolio, 4.99%	8,464,304	<u>8,464,304</u>
<b>Total Investments (Cost \$54,652,473) 100.0%</b>		56,797,206
<b>Other Assets, less Liabilities 0.0 %<sup>b</sup></b>		(27,069)
<b>Net Assets 100.0%</b>		<u>\$ 56,770,137</u>

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

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

Supplemental Information  
**New Jersey 529 College Savings Plan -  
Franklin Templeton Managed Investment Options**

**Franklin Templeton Corefolio Portfolio  
Statement of Investments, June 30, 2007**

	SHARES	VALUE
<b>Long Term Investments 99.8%</b>		
Franklin Capital Growth Fund, Advisor Class	2,052,884	\$ 26,646,433
Franklin Growth Fund, Advisor Class	589,371	26,651,361
Mutual Shares Fund, Class Z	935,889	26,663,488
Templeton Growth Fund, Inc., Advisor Class	974,917	26,800,463
<b>Total Long Term Investments (Cost \$87,740,705)</b>		<u>106,761,745</u>
<b>Short Term Investments (Cost \$310,896) 0.3%</b>		
<sup>a</sup> Franklin Institutional Fiduciary Trust Money Market Portfolio, 4.99%	310,896	<u>310,896</u>
<b>Total Investments (Cost \$88,051,601) 100.1%</b>		107,072,641
<b>Other Assets, less Liabilities (0.1)%</b>		(131,058)
<b>Net Assets 100.0%</b>		<u>\$ 106,941,583</u>

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



Supplemental Information  
**New Jersey 529 College Savings Plan -  
Franklin Templeton Managed Investment Options**

**Franklin Templeton Founding Funds 529 Portfolio  
Statement of Investments, June 30, 2007**

	SHARES	VALUE
<b>Long Term Investments 99.6%</b>		
Franklin Income Fund, Advisor Class	16,102,384	\$ 43,959,508
Mutual Shares Fund, Class Z	1,543,682	43,979,494
Templeton Growth Fund Inc., Advisor Class	1,599,171	43,961,216
<b>Total Long Term Investments (Cost \$122,406,734)</b>		<u>131,900,218</u>
<b>Short Term Investments (Cost \$701,952) 0.5%</b>		
<sup>a</sup> Franklin Institutional Fiduciary Trust Money Market Portfolio, 4.99%	701,952	<u>701,952</u>
<b>Total Investments (Cost \$123,108,686) 100.1%</b>		132,602,170
<b>Other Assets, less Liabilities (0.1)%</b>		(162,874)
<b>Net Assets 100.0%</b>		<u>\$ 132,439,296</u>

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

Supplemental Information  
**New Jersey 529 College Savings Plan -  
Franklin Templeton Managed Investment Options**

**Growth Portfolio  
Statement of Investments, June 30, 2007**

	SHARES	VALUE
<b>Long Term Investments 99.6%</b>		
Franklin Capital Growth Fund, Advisor Class	1,427,176	\$ 18,524,740
Franklin Small-Mid Cap Growth Fund, Advisor Class	424,918	18,526,418
Mutual European Fund, Class Z	402,621	11,543,130
Mutual Shares Fund, Class Z	525,413	14,969,002
Templeton Foreign Fund, Advisor Class	758,491	11,309,096
<b>Total Long Term Investments (Cost \$62,163,101)</b>		<u>74,872,386</u>
<b>Short Term Investments (Cost \$294,851) 0.4%</b>		
<sup>a</sup> Franklin Institutional Fiduciary Trust Money Market Portfolio, 4.99%	294,851	294,851
<b>Total Investments (Cost \$62,457,952) 100.0%</b>		75,167,237
<b>Other Assets, less Liabilities 0.0% <sup>b</sup></b>		(5,826)
<b>Net Assets 100.0%</b>		<u>\$ 75,161,411</u>

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

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

Supplemental Information  
**New Jersey 529 College Savings Plan -  
Franklin Templeton Managed Investment Options**

**Growth and Income Portfolio**  
**Statement of Investments, June 30, 2007**

	SHARES	VALUE
<b>Long Term Investments 90.2%</b>		
Franklin Capital Growth Fund, Advisor Class	511,851	\$ 6,643,821
Franklin Small-Mid Cap Growth Fund, Advisor Class	153,429	6,689,507
Franklin Strategic Income Fund, Advisor Class	515,787	5,343,553
Franklin Total Return Fund, Advisor Class	545,150	5,358,827
Franklin U.S. Government Securities Fund, Advisor Class	1,688,582	10,671,840
Mutual European Fund, Class Z	148,716	4,263,695
Mutual Shares Fund, Class Z	186,012	5,299,494
Templeton Foreign Fund, Advisor Class	270,922	4,039,446
<b>Total Long Term Investments (Cost \$42,971,129)</b>		<u>48,310,183</u>
<b>Short Term Investments (Cost \$5,363,668) 10.0%</b>		
<sup>a</sup> Franklin Institutional Fiduciary Trust Money Market Portfolio, 4.99%	5,363,668	<u>5,363,668</u>
<b>Total Investments (Cost \$48,334,797) 100.2%</b>		53,673,851
<b>Other Assets, less Liabilities (0.2)%</b>		(110,681)
<b>Net Assets 100.0%</b>		<u>\$ 53,563,170</u>

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

Supplemental Information  
**New Jersey 529 College Savings Plan -  
Franklin Templeton Managed Investment Options**

**Income Portfolio  
Statement of Investments, June 30, 2007**

	SHARES	VALUE
<b>Long Term Investments 80.5%</b>		
Franklin Strategic Income Fund, Advisor Class	247,766	\$ 2,566,851
Franklin Total Return Fund, Advisor Class	266,371	2,618,424
Franklin U.S. Government Securities Fund, Advisor Class	829,225	5,240,702
<b>Total Long Term Investments (Cost \$10,637,646)</b>		<u>10,425,977</u>
<b>Short Term Investments (Cost \$2,546,766) 19.7%</b>		
<sup>a</sup> Franklin Institutional Fiduciary Trust Money Market Portfolio, 4.99%	2,546,766	<u>2,546,766</u>
<b>Total Investments (Cost \$13,184,412) 100.2%</b>		12,972,743
<b>Other Assets, less Liabilities (0.2)%</b>		(19,807)
<b>Net Assets 100.0%</b>		<u>\$ 12,952,936</u>

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

Supplemental Information  
**New Jersey 529 College Savings Plan -  
Franklin Templeton Managed Investment Options**

Franklin Capital Growth 529 Portfolio  
Statement of Investments, June 30, 2007

	SHARES	VALUE
<b>Long Term Investments (Cost \$12,901,138) 100.2%</b>		
Franklin Capital Growth Fund, Advisor Class	1,175,808	\$ 15,261,984
<b>Other Assets, less Liabilities (0.2)%</b>		(24,034)
<b>Net Assets 100.0%</b>		<u>\$ 15,237,950</u>

Supplemental Information  
**New Jersey 529 College Savings Plan -  
 Franklin Templeton Managed Investment Options**

**Franklin Income 529 Portfolio  
 Statement of Investments, June 30, 2007**

	SHARES	VALUE
<b>Long Term Investments (Cost \$63,355,209) 100.0%</b>		
Franklin Income Fund, Advisor Class	25,566,959	\$ 69,797,797
<b>Other Assets, less Liabilities 0.0%<sup>a</sup></b>		(30,422)
<b>Net Assets 100.0%</b>		<u>\$ 69,767,375</u>

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

Supplemental Information  
**New Jersey 529 College Savings Plan -  
 Franklin Templeton Managed Investment Options**

**Franklin Small-Mid Cap Growth 529 Portfolio  
 Statement of Investments, June 30, 2007**

	SHARES	VALUE
<b>Long Term Investments (Cost \$12,254,874) 100.1%</b>		
Franklin Small-Mid Cap Growth Fund, Advisor Class	343,844	\$ 14,991,613
<b>Other Assets, less Liabilities (0.1)%</b>		(12,665)
<b>Net Assets 100.0%</b>		<u>\$ 14,978,948</u>

Supplemental Information  
**New Jersey 529 College Savings Plan -  
 Franklin Templeton Managed Investment Options**

**Franklin Stable Value 529 Portfolio  
 Statement of Investments, June 30, 2007**

	SHARES	VALUE
<b>Long Term Investments (Cost \$12,336,321) 57.8%</b>		
Franklin Limited Maturity U.S. Government Securities Fund, Advisor Class	1,200,374	\$ 11,811,678
<b>Short Term Investments (Cost \$8,672,909) 42.4%</b>		
<sup>a</sup> Franklin Institutional Fiduciary Trust Money Market Portfolio, 4.99%	8,672,909	8,672,909
<b>Total Investments (Cost \$21,009,230) 100.2%</b>		20,484,587
<b>Other Assets, less Liabilities (0.2)%</b>		(48,716)
<b>Net Assets 100.0%</b>		<b>\$ 20,435,871</b>

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



Supplemental Information  
**New Jersey 529 College Savings Plan -  
Franklin Templeton Managed Investment Options**

**Mutual Shares 529 Portfolio**  
**Statement of Investments, June 30, 2007**

	SHARES	VALUE
<b>Long Term Investments (Cost \$56,111,662) 100.1%</b>		
Mutual Shares Fund, Class Z	2,330,963	\$ 66,409,137
<b>Other Assets, less Liabilities (0.1)%</b>		(83,361)
<b>Net Assets 100.0%</b>		<u>\$ 66,325,776</u>

Supplemental Information  
**New Jersey 529 College Savings Plan -  
 Franklin Templeton Managed Investment Options**

**S&P 500 Index Fund 529 Portfolio  
 Statement of Investments, June 30, 2007**

	SHARES		VALUE
<b>Long Term Investments (Cost \$26,941,141) 100.1%</b>			
UBS S&P 500 Index Fund, Class Y	1,881,499	\$	33,095,569
<b>Other Assets, less Liabilities (0.1)%</b>			(32,344)
<b>Net Assets 100.0%</b>		<u>\$</u>	<u>33,063,225</u>

Supplemental Information  
**New Jersey 529 College Savings Plan -  
 Franklin Templeton Managed Investment Options**

**Templeton Growth 529 Portfolio  
 Statement of Investments, June 30, 2007**

	SHARES		VALUE
<b>Long Term Investments (Cost \$64,830,868) 100.1%</b>			
Templeton Growth Fund, Inc., Advisor Class	2,768,641	\$	76,109,928
<b>Other Assets, less Liabilities (0.1)%</b>			(50,404)
<b>Net Assets 100.0%</b>		<u>\$</u>	<u>76,059,524</u>

Supplemental Information  
**New Jersey 529 College Savings Plan -  
Franklin Templeton Managed Investment Options**

**Combining Statements of Assets and Liabilities  
June 30, 2007**

	Age Newborn - 8 Years	Age 9 - 12 Years	Age 13 - 16 Years	Age 17 + Years
<b>Assets:</b>				
Investments in Underlying Funds:				
Cost	\$ 337,406,522	\$ 184,425,895	\$ 168,933,615	\$ 54,652,473
Value	\$ 405,516,774	\$ 214,192,490	\$ 185,319,133	\$ 56,797,206
Receivables:				
Investment Securities Sold	-	-	-	38,156
Plan shares sold	183,151	68,671	386	61,648
Wrapper Agreement (at Fair Value)	-	-	-	-
Total assets	<u>405,699,925</u>	<u>214,261,161</u>	<u>185,319,519</u>	<u>56,897,010</u>
<b>Liabilities:</b>				
Payables:				
Investment Securities Purchased	367,973	122,100	182,311	-
Plan shares redeemed	32,102	66,435	35,157	42,666
Accrued expenses	447,161	268,998	255,979	84,207
Total liabilities	<u>847,236</u>	<u>457,533</u>	<u>473,447</u>	<u>126,873</u>
Net assets, at value	<u>\$ 404,852,689</u>	<u>\$ 213,803,628</u>	<u>\$ 184,846,072</u>	<u>\$ 56,770,137</u>
<b>Class A:</b>				
Net assets, at value	<u>\$ 155,271,519</u>	<u>\$ 84,945,181</u>	<u>\$ 66,260,457</u>	<u>\$ 17,578,087</u>
Shares outstanding	<u>7,501,731</u>	<u>4,685,984</u>	<u>4,178,983</u>	<u>1,329,215</u>
Net asset value per share	<u>\$20.70</u>	<u>\$18.13</u>	<u>\$15.86</u>	<u>\$13.22</u>
Maximum offering price per share				
(Net asset value per share / 94.25%)	<u>\$21.96</u>	<u>\$19.24</u>	<u>\$16.83</u>	<u>\$14.03</u>
(Net asset value per share / 95.75%)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Class B:</b>				
Net assets, at value	<u>\$ 66,195,824</u>	<u>\$ 36,456,158</u>	<u>\$ 25,077,318</u>	<u>\$ 2,603,214</u>
Shares outstanding	<u>3,306,165</u>	<u>2,089,967</u>	<u>1,656,021</u>	<u>201,923</u>
Net asset value per share	<u>\$20.02</u>	<u>\$17.44</u>	<u>\$15.14</u>	<u>\$12.89</u>
<b>Class C:</b>				
Net assets, at value	<u>\$ 56,257,573</u>	<u>\$ 40,980,509</u>	<u>\$ 53,924,488</u>	<u>\$ 24,017,799</u>
Shares outstanding	<u>2,775,704</u>	<u>2,315,827</u>	<u>3,558,927</u>	<u>1,829,930</u>
Net asset value per share	<u>\$20.27</u>	<u>\$17.70</u>	<u>\$15.15</u>	<u>\$13.12</u>
<b>Direct:</b>				
Net assets, at value	<u>\$ 127,127,773</u>	<u>\$ 51,421,780</u>	<u>\$ 39,583,809</u>	<u>\$ 12,571,037</u>
Shares outstanding	<u>6,089,636</u>	<u>2,810,096</u>	<u>2,488,076</u>	<u>913,358</u>
Net asset value per share	<u>\$20.88</u>	<u>\$18.30</u>	<u>\$15.91</u>	<u>\$13.76</u>

Supplemental Information  
**New Jersey 529 College Savings Plan -  
Franklin Templeton Managed Investment Options**

**Combining Statements of Assets and Liabilities  
June 30, 2007**

	Franklin Templeton Corefolio Portfolio	Franklin Templeton Founding Funds 529 Portfolio	Growth Portfolio	Growth and Income Portfolio	Income Portfolio
<b>Assets:</b>					
Investments in Underlying Funds:					
Cost	\$ 88,051,601	\$ 123,108,686	\$ 62,457,952	\$ 48,334,797	\$ 13,184,412
Value	\$ 107,072,641	\$ 132,602,170	\$ 75,167,237	\$ 53,673,851	\$ 12,972,743
Receivables:					
Investment Securities Sold	-	-	17,555	-	-
Plan shares sold	54,987	391,325	65,164	7,103	905
Wrapper Agreement (at Fair Value)	-	-	-	-	-
Total assets	107,127,628	132,993,495	75,249,956	53,680,954	12,973,648
<b>Liabilities:</b>					
Payables:					
Investment Securities Purchased	30,128	-	-	31,194	460
Plan shares redeemed	15,941	398,235	14,420	12,400	4,480
Accrued expenses	139,976	155,964	74,125	74,190	15,772
Total liabilities	186,045	554,199	88,545	117,784	20,712
Net assets, at value	\$ 106,941,583	\$ 132,439,296	\$ 75,161,411	\$ 53,563,170	\$ 12,952,936
<b>Class A:</b>					
Net assets, at value	\$ 42,200,420	\$ 72,802,058	\$ 21,255,004	\$ 15,439,329	\$ 4,408,791
Shares outstanding	2,148,296	5,479,052	1,028,211	984,628	377,432
Net asset value per share	\$19.64	\$13.29	\$20.67	\$15.68	\$11.68
Maximum offering price per share					
(Net asset value per share / 94.25%)	\$20.84	\$14.10	\$21.93	\$16.64	-
(Net asset value per share / 95.75%)	-	-	-	-	\$12.20
<b>Class B:</b>					
Net assets, at value	\$ 12,290,415	\$ 12,171,435	\$ 6,478,443	\$ 6,937,224	\$ 790,976
Shares outstanding	657,542	928,962	323,280	458,443	69,952
Net asset value per share	\$18.69	\$13.10	\$20.04	\$15.13	\$11.31
<b>Class C:</b>					
Net assets, at value	\$ 25,647,323	\$ 47,465,803	\$ 12,064,175	\$ 12,602,984	\$ 2,736,421
Shares outstanding	1,347,682	3,625,874	599,976	843,929	241,200
Net asset value per share	\$19.03	\$13.09	\$20.11	\$14.93	\$11.35
<b>Direct:</b>					
Net assets, at value	\$ 26,803,425		\$ 35,363,789	\$ 18,583,633	\$ 5,016,748
Shares outstanding	1,350,502		1,692,238	1,170,779	424,333
Net asset value per share	\$19.85		\$20.90	\$15.87	\$11.82

Supplemental Information  
**New Jersey 529 College Savings Plan -  
Franklin Templeton Managed Investment Options**

**Combining Statements of Assets and Liabilities  
June 30, 2007**

	Franklin Capital Growth 529 Portfolio	Franklin Income 529 Portfolio	Franklin Small- Mid Cap Growth 529 Portfolio	Franklin Templeton Stable Value 529 Portfolio	Mutual Shares 529 Portfolio
<b>Assets:</b>					
Investments in Underlying Funds:					
Cost	\$ 12,901,138	\$ 63,355,209	\$ 12,254,874	\$ 21,009,230	\$ 56,111,662
Value	\$ 15,261,984	\$ 69,797,797	\$ 14,991,613	\$ 20,484,587	\$ 66,409,137
Receivables:					
Investment Securities Sold	-	-	-	-	-
Plan shares sold	2,684	106,462	9,713	772	48,668
Wrapper Agreement (at Fair Value)	-	-	-	-	-
Total assets	15,264,668	69,904,259	15,001,326	20,485,359	66,457,805
<b>Liabilities:</b>					
Payables:					
Investment Securities Purchased	-	-	-	-	-
Plan shares redeemed	-	17,205	-	3,002	29,849
Accrued expenses	26,718	119,679	22,378	46,486	102,180
Total liabilities	26,718	136,884	22,378	49,488	132,029
Net assets, at value	\$ 15,237,950	\$ 69,767,375	\$ 14,978,948	\$ 20,435,871	\$ 66,325,776
<b>Class A:</b>					
Net assets, at value	\$ 7,929,577	\$ 33,473,177	\$ 9,021,627	\$ 3,529,152	\$ 35,333,317
Shares outstanding	523,847	1,882,982	434,838	328,039	1,730,499
Net asset value per share	\$15.14	\$17.78	\$20.75	\$10.76	\$20.42
Maximum offering price per share					
(Net asset value per share / 94.25%)	\$16.06	-	\$22.02	-	\$21.67
(Net asset value per share / 95.75%)	-	\$18.57	-	\$11.24	-
<b>Class B:</b>					
Net assets, at value	\$ 3,157,517	\$ 11,497,802	\$ 2,366,085	\$ 2,217,752	\$ 10,423,992
Shares outstanding	221,212	662,570	117,496	213,196	535,443
Net asset value per share	\$14.27	\$17.35	\$20.14	\$10.40	\$19.47
<b>Class C:</b>					
Net assets, at value	\$ 4,150,856	\$ 24,796,396	\$ 3,591,236	\$ 7,302,518	\$ 20,568,467
Shares outstanding	272,158	1,438,937	179,074	701,416	1,052,166
Net asset value per share	\$15.25	\$17.23	\$20.05	\$10.41	\$19.55
<b>Direct:</b>					
Net assets, at value				\$ 7,386,449	
Shares outstanding				678,963	
Net asset value per share				\$10.88	

Supplemental Information  
**New Jersey 529 College Savings Plan -  
Franklin Templeton Managed Investment Options**

**Combining Statements of Assets and Liabilities  
June 30, 2007**

	S&P 500 Index Fund 529 Portfolio	Templeton Growth 529 Portfolio	Total
<b>Assets:</b>			
Investments in Underlying Funds:			
Cost	\$ 26,941,141	\$ 64,830,868	\$ 1,337,960,075
Value	\$ 33,095,569	\$ 76,109,928	\$ 1,539,464,860
Receivables:			
Investment Securities Sold	-	-	55,711
Plan shares sold	-	66,520	1,068,159
Wrapper Agreement (at Fair Value)	-	-	-
Total assets	<u>33,095,569</u>	<u>76,176,448</u>	<u>1,540,588,730</u>
<b>Liabilities:</b>			
Payables:			
Investment Securities Purchased	-	-	734,166
Plan shares redeemed	-	3,448	675,340
Accrued expenses	32,344	113,476	1,979,633
Total liabilities	<u>32,344</u>	<u>116,924</u>	<u>3,389,139</u>
Net assets, at value	<u>\$ 33,063,225</u>	<u>\$ 76,059,524</u>	<u>\$ 1,537,199,591</u>
<b>Class A:</b>			
Net assets, at value	\$ 6,437,602	\$ 43,245,181	
Shares outstanding	364,326	1,896,459	
Net asset value per share	<u>\$17.67</u>	<u>\$22.80</u>	
Maximum offering price per share			
(Net asset value per share / 94.25%)	<u>\$18.75</u>	<u>\$24.19</u>	
(Net asset value per share / 95.75%)	<u>-</u>	<u>-</u>	
<b>Class B:</b>			
Net assets, at value	\$ 3,052,681	\$ 11,226,052	
Shares outstanding	188,377	512,638	
Net asset value per share	<u>\$16.21</u>	<u>\$21.90</u>	
<b>Class C:</b>			
Net assets, at value	\$ 3,664,974	\$ 21,588,291	
Shares outstanding	208,972	996,454	
Net asset value per share	<u>\$17.54</u>	<u>\$21.67</u>	
<b>Direct:</b>			
Net assets, at value	\$ 19,907,968		\$ 343,766,411
Shares outstanding	1,096,525		
Net asset value per share	<u>\$18.16</u>		

Supplemental Information  
**New Jersey 529 College Savings Plan -  
Franklin Templeton Managed Investment Options**

Combining Statements of Operations  
for the year ended June 30, 2007

	Age Newborn 8 Years	Age 9 - 12 Years	Age 13 - 16 Years
Investment income - dividends from Underlying Funds	\$ 3,329,386	\$ 3,614,213	\$ 4,825,689
Total investment income	<u>3,329,386</u>	<u>3,614,213</u>	<u>4,825,689</u>
Expenses:			
Program management fees (Note 2)	1,257,472	681,858	606,805
Distribution fees			
Class A	300,005	166,917	135,888
Class B	536,437	303,443	211,350
Class C	436,934	328,283	448,710
Sub-advisory fees (Note 2)	-	-	-
Total expenses	<u>2,530,848</u>	<u>1,480,501</u>	<u>1,402,753</u>
Net investment income (loss)	<u>798,538</u>	<u>2,133,712</u>	<u>3,422,936</u>
Realized and unrealized gains (losses):			
Net realized gain (loss) from:			
Sale of investments in Underlying Funds	3,120,964	146,377	82,974
Realized gain distributions by Underlying Funds	15,637,473	6,498,501	3,976,314
Net realized gain (loss)	<u>18,758,437</u>	<u>6,644,878</u>	<u>4,059,288</u>
Net change in unrealized appreciation (depreciation) on investments in Underlying Funds	<u>44,319,630</u>	<u>19,435,233</u>	<u>11,821,511</u>
Net realized and unrealized gain (loss)	<u>63,078,067</u>	<u>26,080,111</u>	<u>15,880,799</u>
Net increase (decrease) in net assets resulting from operations	<u>\$ 63,876,605</u>	<u>\$ 28,213,823</u>	<u>\$ 19,303,735</u>



Supplemental Information  
**New Jersey 529 College Savings Plan -  
Franklin Templeton Managed Investment Options**

Combining Statements of Operations  
for the year ended June 30, 2007

	Age 17 + Years	Franklin Templeton Corefolio Portfolio	Franklin Templeton Founding Funds 529 Portfolio
Investment income - dividends from Underlying Funds	\$ 2,097,455	\$ 914,683	\$ 2,184,643
Total investment income	<u>2,097,455</u>	<u>914,683</u>	<u>2,184,643</u>
Expenses:			
Program management fees (Note 2)	197,584	347,614	312,774
Distribution fees			
Class A	38,037	88,508	106,854
Class B	24,140	104,238	72,962
Class C	213,265	209,430	284,233
Sub-advisory fees (Note 2)	-	-	-
Total expenses	<u>473,026</u>	<u>749,790</u>	<u>776,823</u>
Net investment income (loss)	<u>1,624,429</u>	<u>164,893</u>	<u>1,407,820</u>
Realized and unrealized gains (losses):			
Net realized gain (loss) from:			
Sale of investments in Underlying Funds	32,640	135,083	38,280
Realized gain distributions by Underlying Funds	720,534	2,795,308	2,893,804
Net realized gain (loss)	<u>753,174</u>	<u>2,930,391</u>	<u>2,932,084</u>
Net change in unrealized appreciation (depreciation) on investments in Underlying Funds	<u>2,045,226</u>	<u>12,547,803</u>	<u>8,897,264</u>
Net realized and unrealized gain (loss)	<u>2,798,400</u>	<u>15,478,194</u>	<u>11,829,348</u>
Net increase (decrease) in net assets resulting from operations	<u>\$ 4,422,829</u>	<u>\$ 15,643,087</u>	<u>\$ 13,237,168</u>

Supplemental Information  
**New Jersey 529 College Savings Plan -  
Franklin Templeton Managed Investment Options**

Combining Statements of Operations  
for the year ended June 30, 2007

	Growth Portfolio	Growth and Income Portfolio	Income Portfolio
Investment income - dividends from Underlying Funds	\$ 597,917	\$ 1,429,582	\$ 538,339
Total investment income	<u>597,917</u>	<u>1,429,582</u>	<u>538,339</u>
Expenses:			
Program management fees (Note 2)	227,607	180,715	40,793
Distribution fees			
Class A	41,033	32,421	8,807
Class B	52,614	62,578	6,863
Class C	92,695	110,017	19,388
Sub-advisory fees (Note 2)	-	-	-
Total expenses	<u>413,949</u>	<u>385,731</u>	<u>75,851</u>
Net investment income (loss)	<u>183,968</u>	<u>1,043,851</u>	<u>462,488</u>
Realized and unrealized gains (losses):			
Net realized gain (loss) from:			
Sale of investments in Underlying Funds	112,574	45,251	(950)
Realized gain distributions by Underlying Funds	<u>2,800,134</u>	<u>1,173,767</u>	<u>-</u>
Net realized gain (loss)	2,912,708	1,219,018	(950)
Net change in unrealized appreciation (depreciation) on investments in Underlying Funds	<u>8,574,120</u>	<u>3,527,233</u>	<u>53,930</u>
Net realized and unrealized gain (loss)	<u>11,486,828</u>	<u>4,746,251</u>	<u>52,980</u>
Net increase (decrease) in net assets resulting from operations	<u>\$ 11,670,796</u>	<u>\$ 5,790,102</u>	<u>\$ 515,468</u>

Supplemental Information  
**New Jersey 529 College Savings Plan -  
Franklin Templeton Managed Investment Options**

Combining Statements of Operations  
for the year ended June 30, 2007

	Franklin Capital Growth 529 Portfolio	Franklin Income 529 Portfolio	Franklin Small-Mid Cap Growth 529 Portfolio
Investment income - dividends from Underlying Funds	\$ 46,131	\$ 3,197,709	\$ -
Total investment income	<u>46,131</u>	<u>3,197,709</u>	<u>-</u>
Expenses:			
Program management fees (Note 2)	52,434	232,203	49,152
Distribution fees			
Class A	16,841	69,048	18,391
Class B	27,609	100,920	19,869
Class C	36,187	204,087	29,541
Sub-advisory fees (Note 2)	-	-	-
Total expenses	<u>133,071</u>	<u>606,258</u>	<u>116,953</u>
Net investment income (loss)	<u>(86,940)</u>	<u>2,591,451</u>	<u>(116,953)</u>
Realized and unrealized gains (losses):			
Net realized gain (loss) from:			
Sale of investments in Underlying Funds	76,609	78,449	64,157
Realized gain distributions by Underlying Funds	217,964	814,299	831,877
Net realized gain (loss)	<u>294,573</u>	<u>892,748</u>	<u>896,034</u>
Net change in unrealized appreciation (depreciation) on investments in Underlying Funds	<u>1,792,630</u>	<u>5,550,218</u>	<u>1,546,435</u>
Net realized and unrealized gain (loss)	<u>2,087,203</u>	<u>6,442,966</u>	<u>2,442,469</u>
Net increase (decrease) in net assets resulting from operations	<u>\$ 2,000,263</u>	<u>\$ 9,034,417</u>	<u>\$ 2,325,516</u>

Supplemental Information  
**New Jersey 529 College Savings Plan -  
Franklin Templeton Managed Investment Options**

Combining Statements of Operations  
for the year ended June 30, 2007

	Franklin Templeton Stable Value 529 Portfolio	Mutual Shares 529 Portfolio	S&P 500 Index Fund 529 Portfolio
Investment income - dividends from Underlying Funds	\$ 781,676	\$ 771,508	\$ 381,660
Total investment income	<u>781,676</u>	<u>771,508</u>	<u>381,660</u>
Expenses:			
Program management fees (Note 2)	73,469	212,023	108,609
Distribution fees			
Class A	6,529	70,072	13,236
Class B	21,395	87,988	26,717
Class C	69,001	162,291	31,885
Sub-advisory fees (Note 2)	18,413	-	-
Total expenses	<u>188,807</u>	<u>532,374</u>	<u>180,447</u>
Net investment income (loss)	<u>592,869</u>	<u>239,134</u>	<u>201,213</u>
Realized and unrealized gains (losses):			
Net realized gain (loss) from:			
Sale of investments in Underlying Funds	-	127,980	152,356
Realized gain distributions by Underlying Funds	-	2,897,033	30,552
Net realized gain (loss)	-	<u>3,025,013</u>	<u>182,908</u>
Net change in unrealized appreciation (depreciation) on investments in Underlying Funds	<u>90,345</u>	<u>7,070,912</u>	<u>4,257,586</u>
Net realized and unrealized gain (loss)	<u>90,345</u>	<u>10,095,925</u>	<u>4,440,494</u>
Net increase (decrease) in net assets resulting from operations	<u>\$ 683,214</u>	<u>\$ 10,335,059</u>	<u>\$ 4,641,707</u>

Supplemental Information  
**New Jersey 529 College Savings Plan -  
Franklin Templeton Managed Investment Options**

Combining Statements of Operations  
for the year ended June 30, 2007

	<b>Templeton Growth 529 Portfolio</b>	<b>Total</b>
Investment income - dividends from Underlying Funds	<u>\$ 1,191,076</u>	<u>\$ 25,901,667</u>
Total investment income	<u>1,191,076</u>	<u>25,901,667</u>
Expenses:		
Program management fees (Note 2)	248,278	4,829,390
Distribution fees		
Class A	87,737	1,200,324
Class B	94,491	1,753,614
Class C	176,042	2,851,989
Sub-advisory fees (Note 2)	-	18,413
Total expenses	<u>606,548</u>	<u>10,653,730</u>
Net investment income (loss)	<u>584,528</u>	<u>15,247,937</u>
Realized and unrealized gains (losses):		
Net realized gain (loss) from:		
Sale of investments in Underlying Funds	134,424	4,347,168
Realized gain distributions by Underlying Funds	3,603,504	44,891,064
Net realized gain (loss)	<u>3,737,928</u>	<u>49,238,232</u>
Net change in unrealized appreciation (depreciation) on investments in Underlying Funds	<u>7,434,057</u>	<u>138,964,133</u>
Net realized and unrealized gain (loss)	<u>11,171,985</u>	<u>188,202,365</u>
Net increase (decrease) in net assets resulting from operations	<u>\$ 11,756,513</u>	<u>\$ 203,450,302</u>

Supplemental Information  
**New Jersey 529 College Savings Plan -  
Franklin Templeton Managed Investment Options**

**Combining Statements of Changes in Net Assets**

	Age Newborn - 8 Years		Age 9 - 12 Years		Age 13 - 16 Years	
	Year Ended		Year Ended		Year Ended	
	2007	2006	2007	2006	2007	2006
Increase (decrease) in net assets:						
Operations:						
Net investment income	\$ 798,538	\$ 840,271	\$ 2,133,712	\$ 1,436,887	\$ 3,422,936	\$ 2,066,482
Net realized gain (loss) from Underlying Funds	18,758,437	7,431,391	6,644,878	2,460,140	4,059,288	1,420,394
Net change in unrealized appreciation (depreciation) on investments in Underlying Funds	44,319,630	12,695,967	19,435,233	5,101,105	11,821,511	1,747,842
Net increase (decrease) in net assets resulting from operations	63,876,605	20,967,629	28,213,823	8,998,132	19,303,735	5,234,718
Plan share transactions:						
Subscriptions:						
Class A	49,359,762	42,435,554	35,591,750	24,894,723	27,142,328	19,528,548
Class B	16,698,919	15,892,580	13,449,461	10,350,972	10,257,996	6,695,303
Class C	17,405,647	15,050,807	16,378,292	14,074,423	21,761,423	17,963,389
Direct	37,871,800	33,071,707	20,887,475	16,170,129	17,624,483	11,496,516
Total subscriptions	121,336,128	106,450,648	86,306,978	65,490,247	76,786,230	55,683,756
Redemptions:						
Class A	(15,141,857)	(6,927,211)	(14,132,545)	(7,407,629)	(9,119,966)	(3,854,840)
Class B	(7,689,199)	(4,043,531)	(7,366,808)	(4,085,382)	(1,740,456)	(757,370)
Class C	(5,794,673)	(4,189,682)	(8,117,245)	(5,273,978)	(9,021,238)	(5,220,224)
Direct	(9,112,318)	(5,113,140)	(7,910,351)	(3,949,453)	(5,635,186)	(2,254,570)
Total redemptions	(37,738,047)	(20,273,564)	(37,526,949)	(20,716,442)	(25,516,846)	(12,087,004)
Net increase (decrease) in net assets resulting from plan share transactions	83,598,081	86,177,084	48,780,029	44,773,805	51,269,384	43,596,752
Net increase (decrease) in net assets	147,474,686	107,144,713	76,993,852	53,771,937	70,573,119	48,831,470
Net assets:						
Beginning of year	257,378,003	150,233,290	136,809,776	83,037,839	114,272,953	65,441,483
End of year	\$ 404,852,689	\$ 257,378,003	\$ 213,803,628	\$ 136,809,776	\$ 184,846,072	\$ 114,272,953

Supplemental Information  
**New Jersey 529 College Savings Plan -  
Franklin Templeton Managed Investment Options**

**Combining Statements of Changes in Net Assets**

	Age 17 + Years		Franklin Templeton Corefolio Portfolio		Franklin Templeton Founding Funds 529 Portfolio	
	Year Ended		Year Ended		Year Ended	
	2007	2006	2007	2006	2007	2006
Increase (decrease) in net assets:						
Operations:						
Net investment income	\$ 1,624,429	\$ 840,920	\$ 164,893	\$ 211,236	\$ 1,407,820	\$ 365,872
Net realized gain (loss) from Underlying Funds	753,174	227,318	2,930,391	1,491,223	2,932,084	498,844
Net change in unrealized appreciation (depreciation) on investments in Underlying Funds	2,045,226	(255,383)	12,547,803	3,937,099	8,897,264	596,271
Net increase (decrease) in net assets resulting from operations	4,422,829	812,855	15,643,087	5,639,558	13,237,168	1,460,987
Plan share transactions:						
Subscriptions:						
Class A	9,847,066	4,753,776	8,633,344	9,448,759	45,345,857	20,097,266
Class B	1,388,595	773,917	2,072,824	1,978,599	7,715,665	3,420,256
Class C	12,406,714	9,731,658	6,629,841	6,050,273	29,659,277	13,590,472
Direct	7,493,253	4,152,982	9,198,443	4,968,534	-	-
Total subscriptions	31,135,628	19,412,333	26,534,452	22,446,165	82,720,799	37,107,994
Redemptions:						
Class A	(2,946,017)	(1,652,705)	(2,203,739)	(1,091,562)	(1,054,914)	(335,982)
Class B	(473,058)	(173,951)	(412,227)	(159,928)	(288,529)	(28,144)
Class C	(4,836,900)	(3,042,845)	(1,302,113)	(660,163)	(886,620)	(110,336)
Direct	(2,375,674)	(1,226,771)	(818,722)	(512,482)	-	-
Total redemptions	(10,631,649)	(6,096,272)	(4,736,801)	(2,424,135)	(2,230,063)	(474,462)
Net increase (decrease) in net assets resulting from plan share transactions	20,503,979	13,316,061	21,797,651	20,022,030	80,490,736	36,633,532
Net increase (decrease) in net assets	24,926,808	14,128,916	37,440,738	25,661,588	93,727,904	38,094,519
Net assets:						
Beginning of year	31,843,329	17,714,413	69,500,845	43,839,257	38,711,392	616,873
End of year	\$ 56,770,137	\$ 31,843,329	\$ 106,941,583	\$ 69,500,845	\$ 132,439,296	\$ 38,711,392

Supplemental Information  
**New Jersey 529 College Savings Plan -  
Franklin Templeton Managed Investment Options**

**Combining Statements of Changes in Net Assets**

	Growth Portfolio		Growth and Income Portfolio		Income Portfolio	
	Year Ended		Year Ended		Year Ended	
	2007	2006	2007	2006	2007	2006
Increase (decrease) in net assets:						
Operations:						
Net investment income	\$ 183,968	\$ 165,669	\$ 1,043,851	\$ 720,221	\$ 462,488	\$ 303,283
Net realized gain (loss) from Underlying Funds	2,912,708	978,238	1,219,018	489,793	(950)	(1,753)
Net change in unrealized appreciation (depreciation) on investments in Underlying Funds	8,574,120	2,303,230	3,527,233	680,157	53,930	(254,641)
Net increase (decrease) in net assets resulting from operations	11,670,796	3,447,137	5,790,102	1,890,171	515,468	46,889
Plan share transactions:						
Subscriptions:						
Class A	6,231,008	4,752,020	4,140,385	3,836,543	1,946,664	559,245
Class B	1,327,448	1,200,081	1,121,890	1,405,986	210,730	228,353
Class C	3,406,555	2,907,059	3,723,985	3,340,692	1,312,726	748,475
Direct	12,352,249	8,341,761	5,871,403	4,353,662	2,155,730	1,202,071
Total subscriptions	23,317,260	17,200,921	14,857,663	12,936,863	5,625,850	2,738,144
Redemptions:						
Class A	(1,131,547)	(566,429)	(1,366,475)	(918,732)	(341,213)	(298,564)
Class B	(146,497)	(104,090)	(455,979)	(97,227)	(9,462)	(32,652)
Class C	(415,286)	(179,096)	(1,878,952)	(766,653)	(217,154)	(169,056)
Direct	(1,124,512)	(697,209)	(1,133,787)	(421,950)	(828,948)	(166,093)
Total redemptions	(2,817,842)	(1,546,824)	(4,835,193)	(2,204,562)	(1,396,777)	(666,365)
Net increase (decrease) in net assets resulting from plan share transactions	20,499,418	15,654,097	10,022,470	10,732,301	4,229,073	2,071,779
Net increase (decrease) in net assets	32,170,214	19,101,234	15,812,572	12,622,472	4,744,541	2,118,668
Net assets:						
Beginning of year	42,991,197	23,889,963	37,750,598	25,128,126	8,208,395	6,089,727
End of year	\$ 75,161,411	\$ 42,991,197	\$ 53,563,170	\$ 37,750,598	\$ 12,952,936	\$ 8,208,395



Supplemental Information  
**New Jersey 529 College Savings Plan -  
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**Combining Statements of Changes in Net Assets**

	Franklin Capital Growth 529 Portfolio		Franklin Income 529 Portfolio		Franklin Small-Mid Cap Growth 529 Portfolio	
	Year Ended		Year Ended		Year Ended	
	2007	2006	2007	2006	2007	2006
Increase (decrease) in net assets:						
Operations:						
Net investment income	\$ (86,940)	\$ (38,959)	\$ 2,591,451	\$ 2,029,251	\$ (116,953)	\$ (49,398)
Net realized gain (loss) from Underlying Funds	294,573	34,005	892,748	253,734	896,034	39,713
Net change in unrealized appreciation (depreciation) on investments in Underlying Funds	1,792,630	461,929	5,550,218	(374,094)	1,546,435	580,478
Net increase (decrease) in net assets resulting from operations	2,000,263	456,975	9,034,417	1,908,891	2,325,516	570,793
Plan share transactions:						
Subscriptions:						
Class A	1,733,471	2,154,818	9,550,782	7,543,606	2,166,928	2,780,607
Class B	450,696	514,328	1,854,611	1,697,310	437,317	713,342
Class C	875,494	1,150,443	7,358,249	6,062,449	775,589	1,176,615
Direct	-	-	-	-	-	-
Total subscriptions	3,059,661	3,819,589	18,763,642	15,303,365	3,379,834	4,670,564
Redemptions:						
Class A	(614,889)	(568,551)	(1,768,508)	(1,994,302)	(598,383)	(417,054)
Class B	(141,755)	(83,127)	(424,345)	(723,906)	(169,661)	(35,542)
Class C	(342,417)	(162,954)	(1,946,465)	(1,943,707)	(210,377)	(120,768)
Direct	-	-	-	-	-	-
Total redemptions	(1,099,061)	(814,632)	(4,139,318)	(4,661,915)	(978,421)	(573,364)
Net increase (decrease) in net assets resulting from plan share transactions	1,960,600	3,004,957	14,624,324	10,641,450	2,401,413	4,097,200
Net increase (decrease) in net assets	3,960,863	3,461,932	23,658,741	12,550,341	4,726,929	4,667,993
Net assets:						
Beginning of year	11,277,087	7,815,155	46,108,634	33,558,293	10,252,019	5,584,026
End of year	\$ 15,237,950	\$ 11,277,087	\$ 69,767,375	\$ 46,108,634	\$ 14,978,948	\$ 10,252,019

Supplemental Information  
**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		S&P 500 Index Fund 529 Portfolio	
	Year Ended		Year Ended		Year Ended	
	2007	2006 <sup>a</sup>	2007	2006	2007	2006
Increase (decrease) in net assets:						
Operations:						
Net investment income	\$ 592,869	\$ 367,773	\$ 239,134	\$ 398,783	\$ 201,213	\$ 131,266
Net realized gain (loss) from Underlying Funds	-	-	3,025,013	1,701,963	182,908	46,217
Net change in unrealized appreciation (depreciation) on investments in Underlying Funds	90,345	(372,091)	7,070,912	1,605,985	4,257,586	985,123
Net increase (decrease) in net assets resulting from operations	683,214	(4,318)	10,335,059	3,706,731	4,641,707	1,162,606
Plan share transactions:						
Subscriptions:						
Class A	1,712,397	1,100,759	9,490,174	8,088,752	1,827,152	1,091,217
Class B	336,164	465,144	1,746,430	1,565,812	479,697	573,267
Class C	2,857,147	2,135,273	5,883,256	4,856,938	638,220	778,892
Direct	3,114,610	4,023,538	-	-	6,009,620	4,439,509
Total subscriptions	8,020,318	7,724,714	17,119,860	14,511,502	8,954,689	6,882,885
Redemptions:						
Class A	(523,742)	(858,291)	(1,230,580)	(975,567)	(331,538)	(191,946)
Class B	(203,318)	(210,434)	(335,666)	(204,154)	(143,956)	(117,604)
Class C	(1,682,061)	(1,074,252)	(1,202,047)	(718,957)	(122,768)	(120,731)
Direct	(1,880,238)	(1,710,974)	-	-	(1,261,205)	(597,019)
Total redemptions	(4,289,359)	(3,853,951)	(2,768,293)	(1,898,678)	(1,859,467)	(1,027,300)
Net increase (decrease) in net assets resulting from plan share transactions	3,730,959	3,870,763	14,351,567	12,612,824	7,095,222	5,855,585
Net increase (decrease) in net assets	4,414,173	3,866,445	24,686,626	16,319,555	11,736,929	7,018,191
Net assets:						
Beginning of year	16,021,698	12,155,253	41,639,150	25,319,595	21,326,296	14,308,105
End of year	\$ 20,435,871	\$ 16,021,698	\$ 66,325,776	\$ 41,639,150	\$ 33,063,225	\$ 21,326,296

<sup>a</sup>As adjusted. See Note 1c in footnotes to the combined financial statements.

Supplemental Information  
**New Jersey 529 College Savings Plan -  
Franklin Templeton Managed Investment Options**

**Combining Statements of Changes in Net Assets**

	Templeton Growth 529 Portfolio		Total	
	Year Ended		Year Ended	
	2007	2006	2007	2006*
Increase (decrease) in net assets:				
Operations:				
Net investment income	\$ 584,528	\$ 331,948	\$ 15,247,937	\$ 10,121,505
Net realized gain (loss) from Underlying Funds	3,737,928	2,180,266	49,238,232	19,251,486
Net change in unrealized appreciation (depreciation) on investments in Underlying Funds	7,434,057	2,729,695	138,964,133	32,168,672
Net Increase (decrease) in net assets resulting from operations	11,756,513	5,241,909	203,450,302	61,541,663
Plan share transactions:				
Subscriptions:				
Class A	10,413,220	9,498,989	225,132,288	162,565,182
Class B	2,084,796	1,883,751	61,633,239	49,358,981
Class C	5,246,840	4,498,051	136,319,255	104,115,909
Direct	-	-	122,579,066	92,220,409
Total subscriptions	17,744,856	15,880,791	545,663,848	408,260,481
Redemptions:				
Class A	(1,584,015)	(1,958,976)	(54,089,928)	(30,018,341)
Class B	(325,242)	(373,230)	(20,326,158)	(11,230,272)
Class C	(1,109,783)	(1,166,715)	(39,086,099)	(24,920,117)
Direct	-	-	(32,080,941)	(16,649,661)
Total redemptions	(3,019,040)	(3,498,921)	(145,583,126)	(82,818,391)
Net increase (decrease) in net assets resulting from plan share transactions	14,725,816	12,381,870	400,080,722	325,442,090
Net increase (decrease) in net assets	26,482,329	17,623,779	603,531,024	386,983,753
Net assets:				
Beginning of year	49,577,195	31,953,416	933,668,567	546,684,814
End of year	\$ 76,059,524	\$ 49,577,195	\$ 1,537,199,591	\$ 933,668,567

\*As adjusted. See Note 1c in footnotes to the combined financial statements.