

**New Jersey Better Educational Savings Trust Program**  
Franklin Templeton Managed Investment Options

**Combined Financial Statements**  
June 30, 2019



# New Jersey Better Educational Savings Trust Program

## Franklin Templeton Managed Investment Options

### Combined Financial Statements and Supplemental Information

Year ended June 30, 2019

### Contents

Report of Independent Auditors	2
Management's Discussion and Analysis	4
<b>Combined Financial Statements:</b>	
Combined Statement of Fiduciary Net Position	12
Combined Statement of Changes in Fiduciary Net Position	13
Notes to Combined Financial Statements	14
<b>Supplemental Information for the Portfolios:</b>	
Schedules of Fiduciary Net Position	22
Schedules of Changes in Fiduciary Net Position	31



Ernst & Young LLP  
200 Clarendon Street  
Boston, MA  
02116  
Tel: +1 617 266 2000  
Fax: +1 617 266 5843  
ey.com

## **Report of Independent Auditors**

To the Trustees of

New Jersey Better Educational Savings Trust Program - Franklin Templeton Managed Investment Options

We have audited the accompanying combined financial statements, which are comprised of the combined statement of fiduciary net position of the New Jersey Better Educational Savings Trust Program - Franklin Templeton Managed Investment Options (the "Trust") as of June 30, 2019, and the related combined statement of changes in fiduciary net position for the year then ended, and the related notes to the combined financial statements.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

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

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

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

### **Opinion**

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the combined financial position of the New Jersey Better Educational Savings Trust Program - Franklin Templeton Managed Investment Options at June 30, 2019, and the combined statement of changes in fiduciary net position for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

### **Other Matters**

#### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 through 11 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Government Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



### **Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the combined financial statements as a whole. The Supplemental Information including the schedule of each portfolio's fiduciary net position as of June 30, 2019, and the schedules of changes in each portfolio's fiduciary net position indicated therein are presented for purposes of additional analysis and are not a required part of the combined financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the combined financial statements. The information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves and other additional procedures, in accordance with auditing standards generally accepted in the United States. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the combined financial statements as a whole.

*Ernst & Young LLP*

September 17, 2019

# New Jersey Better Educational Savings Trust Program

## Franklin Templeton Managed Investment Options

### Management's Discussion and Analysis (unaudited)

The New Jersey Better Educational Savings Trust Program ("Program") includes investment portfolios managed by the New Jersey Department of Treasury, Division of Investments for accounts open prior to March 17, 2003 and portfolios managed by Franklin Templeton ("FT") for accounts opened after March 17, 2003. The financial data for the Program for the year ended June 30, 2019 is contained in two separate audited financial reports: 1) the New Jersey Division of Investments Managed Investment Options and 2) the Franklin Templeton Managed Investments Options (the "Franklin Templeton Options").

These financial statements pertain solely to the Franklin Templeton Options and offer readers of the financial statements this discussion and analysis of the financial performance for the year ended June 30, 2019. Readers should consider the information presented in this section in conjunction with the combined financial statements and notes to combined financial statements. The Franklin Templeton Options consist of thirty eight (38) investment portfolios (the "Portfolios") in which account owners ("Account Owners") may invest.

### Overview of the Combined Financial Statements

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

The Combined Statement of Fiduciary Net Position presents information on the Franklin Templeton Options assets and liabilities, with the difference between the two reported as net position as of June 30, 2019. This statement, along with all of the Franklin Templeton Options combined financial statements, is prepared using the accrual basis of accounting. Contributions are recognized when enrollment in the Franklin Templeton Options are finalized; subsequent subscriptions and redemptions are recognized on trade date; expenses and liabilities are recognized when services are provided regardless of when cash is disbursed.

The Combined Statement of Changes in Fiduciary Net Position presents information showing how the Franklin Templeton Options assets changed during the year ended June 30, 2019. Changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows in a future period.

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

# New Jersey Better Educational Savings Trust Program

## Franklin Templeton Managed Investment Options

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

#### Financial Analysis

The following are condensed Combined Statements of Fiduciary Net Position as of June 30, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Investments	\$ 5,465,956,537	\$ 5,182,831,954
Cash	1,902,302	3,215,087
Receivables	3,752,285	2,782,472
Total assets	<u>5,471,611,124</u>	<u>5,188,829,513</u>
Payables	<u>6,363,958</u>	<u>5,978,340</u>
Total liabilities	<u>6,363,958</u>	<u>5,978,340</u>
Fiduciary Net Position held in trust for Account Owners in the Program	<u>\$ 5,465,247,166</u>	<u>\$ 5,182,851,173</u>

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

The investments in the thirty eight (38) Portfolios of the Program comprise 99.9% of total assets. Other assets consist of cash, receivables for securities sold, receivables for shares sold and receivables for accrued income. Liabilities consist of payables for shares redeemed and accrued expenses.

# New Jersey Better Educational Savings Trust Program

## Franklin Templeton Managed Investment Options

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

#### Financial Analysis (continued)

The following are condensed Combined Statements of Changes in Fiduciary Net Position for the years ended June 30, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Additions:		
Subscriptions	\$ 3,592,320,602	\$ 1,467,208,294
Net increase in Fiduciary Net Position resulting from operations	<u>490,380,920</u>	<u>343,502,191</u>
Total additions	<u>4,082,701,522</u>	<u>1,810,710,485</u>
Deductions:		
Redemptions	3,616,008,755	1,432,892,898
Net decrease in Fiduciary Net Position resulting from operations	<u>184,296,774</u>	<u>63,179,739</u>
Total deductions	<u>3,800,305,529</u>	<u>1,496,072,637</u>
Changes in Fiduciary Net Position held in trust for Account Owners in the Program	<u>282,395,993</u>	<u>314,637,848</u>
Fiduciary Net Position - beginning of year	<u>5,182,851,173</u>	<u>4,868,213,325</u>
Fiduciary Net Position - end of year	<u>\$ 5,465,247,166</u>	<u>\$ 5,182,851,173</u>

The Franklin Templeton Options paid \$23.7 million in net redemptions to Account Owners during the year ended June 30, 2019.

The Franklin Templeton Options earned \$129.8 million of investment income and incurred \$26.3 million of operating expenses during the year ended June 30, 2019.

# New Jersey Better Educational Savings Trust Program

## Franklin Templeton Managed Investment Options

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

#### Financial Highlights

for the year ended June 30, 2019

	Class A <sup>a</sup>	Class C <sup>a</sup>	Advisor Class	Direct Class
<b>Franklin Asset Allocations - Growth</b>				
Newborn - 4 Years 529 Portfolio				
Total return	7.81%	7.06%	8.09%	8.25%
Expense ratio <sup>b</sup>	0.50%	1.25%	0.25%	0.10%
Age 5 - 8 Years 529 Portfolio				
Total return <sup>c,d</sup>	5.30%	5.10%	5.40%	5.40%
Expense ratio <sup>b,d,e</sup>	0.50%	1.25%	0.25%	0.10%
Age 9 - 10 Years 529 Portfolio				
Total return	7.19%	6.37%	7.44%	7.61%
Expense ratio <sup>b</sup>	0.50%	1.25%	0.25%	0.10%
Age 11 - 12 Years 529 Portfolio				
Total return <sup>c,d</sup>	4.10%	3.90%	4.20%	4.30%
Expense ratio <sup>b,d,e</sup>	0.50%	1.25%	0.25%	0.10%
Age 13 - 14 Years 529 Portfolio				
Total return	6.39%	5.58%	6.65%	6.82%
Expense ratio <sup>b</sup>	0.50%	1.25%	0.25%	0.10%
Age 15 - 16 Years 529 Portfolio				
Total return <sup>c,d</sup>	3.40%	3.10%	3.50%	3.50%
Expense ratio <sup>b,d,e</sup>	0.50%	1.25%	0.25%	0.10%
Age 17 - 18 Years 529 Portfolio				
Total return	5.99%	5.19%	6.28%	6.41%
Expense ratio <sup>b</sup>	0.50%	1.25%	0.25%	0.10%
Age 19+ Years 529 Portfolio				
Total return <sup>c,d</sup>	2.90%	2.60%	3.10%	3.10%
Expense ratio <sup>b,d,e</sup>	0.50%	1.25%	0.25%	0.10%

<sup>a</sup>Total return does not reflect sales commissions or contingent deferred sales charges.

<sup>b</sup>Expense ratios are based on average daily net assets and does not include expenses of the Underlying Funds in which the Portfolio invests.

<sup>c</sup>Total return is not annualized for periods less than one year.

<sup>d</sup>For the period March 5, 2019 (commencement of operations) to June 30, 2019.

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



# New Jersey Better Educational Savings Trust Program

## Franklin Templeton Managed Investment Options

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

#### Financial Highlights (continued)

for the year ended June 30, 2019

	Class A <sup>a</sup>	Class C <sup>a</sup>	Advisor Class	Direct Class
<b>Franklin Asset Allocations - Conservative</b>				
Newborn - 4 Years 529 Portfolio				
Total return	6.86%	6.00%	7.15%	7.39%
Expense ratio <sup>b</sup>	0.50%	1.25%	0.25%	0.10%
Age 5 - 8 Years 529 Portfolio				
Total return <sup>c,d</sup>	3.40%	3.10%	3.50%	3.60%
Expense ratio <sup>b,d,e</sup>	0.50%	1.25%	0.25%	0.10%
Age 9 - 10 Years 529 Portfolio				
Total return	6.05%	5.23%	6.40%	6.39%
Expense ratio <sup>b</sup>	0.50%	1.25%	0.25%	0.10%
Age 11 - 12 Years 529 Portfolio				
Total return <sup>c,d</sup>	2.80%	2.60%	3.00%	3.00%
Expense ratio <sup>b,d,e</sup>	0.50%	1.25%	0.25%	0.10%
Age 13 - 14 Years 529 Portfolio				
Total return	5.27%	4.52%	5.50%	5.75%
Expense ratio <sup>b</sup>	0.50%	1.25%	0.25%	0.10%
Age 15 - 16 Years 529 Portfolio				
Total return <sup>c,d</sup>	2.10%	1.80%	2.20%	2.20%
Expense ratio <sup>b,d,e</sup>	0.50%	1.25%	0.25%	0.10%
Age 17 - 18 Years 529 Portfolio				
Total return	3.39%	2.65%	3.78%	3.76%
Expense ratio <sup>b</sup>	0.50%	1.25%	0.25%	0.10%
Age 19+ Years 529 Portfolio				
Total return <sup>c,d</sup>	1.00%	0.80%	1.10%	1.10%
Expense ratio <sup>b,d,e</sup>	0.50%	1.25%	0.25%	0.10%

<sup>a</sup>Total return does not reflect sales commissions or contingent deferred sales charges.

<sup>b</sup>Expense ratios are based on average daily net assets and does not include expenses of the Underlying Funds in which the Portfolio invests.

<sup>c</sup>Total return is not annualized for periods less than one year.

<sup>d</sup>For the period March 5, 2019 (commencement of operations) to June 30, 2019.

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

# New Jersey Better Educational Savings Trust Program

## Franklin Templeton Managed Investment Options

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

#### Financial Highlights (continued)

for the year ended June 30, 2019

	Class A <sup>a</sup>	Class C <sup>a</sup>	Advisor Class	Direct Class
<b>Franklin Asset Allocations - Moderate</b>				
Newborn - 4 Years 529 Portfolio				
Total return	7.51%	6.81%	7.81%	8.04%
Expense ratio <sup>b</sup>	0.50%	1.25%	0.25%	0.10%
Age 5 - 8 Years 529 Portfolio				
Total return <sup>c,d</sup>	4.00%	3.80%	4.10%	4.10%
Expense ratio <sup>b,d,e</sup>	0.50%	1.25%	0.25%	0.10%
Age 9 - 10 Years 529 Portfolio				
Total return	6.51%	5.60%	6.68%	6.89%
Expense ratio <sup>b</sup>	0.50%	1.25%	0.25%	0.10%
Age 11 - 12 Years 529 Portfolio				
Total return <sup>c,d</sup>	3.60%	3.30%	3.60%	3.70%
Expense ratio <sup>b,d,e</sup>	0.50%	1.25%	0.25%	0.10%
Age 13 - 14 Years 529 Portfolio				
Total return	5.99%	5.22%	6.41%	6.48%
Expense ratio <sup>b</sup>	0.50%	1.25%	0.25%	0.10%
Age 15 - 16 Years 529 Portfolio				
Total return <sup>c,d</sup>	2.90%	2.70%	3.00%	3.10%
Expense ratio <sup>b,d,e</sup>	0.50%	1.25%	0.25%	0.10%
Age 17 - 18 Years 529 Portfolio				
Total return	5.42%	4.50%	5.58%	5.73%
Expense ratio <sup>b</sup>	0.50%	1.25%	0.25%	0.10%
Age 19+ Years 529 Portfolio				
Total return <sup>c,d</sup>	2.20%	1.90%	2.20%	2.30%
Expense ratio <sup>b,d,e</sup>	0.50%	1.25%	0.25%	0.10%

<sup>a</sup>Total return does not reflect sales commissions or contingent deferred sales charges.

<sup>b</sup>Expense ratios are based on average daily net assets and does not include expenses of the Underlying Funds in which the Portfolio invests.

<sup>c</sup>Total return is not annualized for periods less than one year.

<sup>d</sup>For the period March 5, 2019 (commencement of operations) to June 30, 2019.

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

# New Jersey Better Educational Savings Trust Program

## Franklin Templeton Managed Investment Options

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

#### Financial Highlights (continued)

for the year ended June 30, 2019

	Class A <sup>a</sup>	Class C <sup>a</sup>	Advisor Class	Direct Class
<b>Objective-Based Allocations</b>				
Franklin Corefolio® 529 Portfolio				
Total return	5.25%	4.46%	5.52%	5.65%
Expense ratio <sup>b</sup>	0.50%	1.25%	0.25%	0.10%
Franklin Founding Funds 529 Portfolio				
Total return	1.09%	0.40%	1.40%	
Expense ratio <sup>b</sup>	0.50%	1.25%	0.25%	
Franklin Growth Allocation 529 Portfolio				
Total return	7.27%	6.46%	7.54%	7.67%
Expense ratio <sup>b</sup>	0.50%	1.25%	0.25%	0.10%
Franklin Growth & Income Allocation 529 Portfolio				
Total return	6.49%	5.64%	6.67%	6.91%
Expense ratio <sup>b</sup>	0.50%	1.25%	0.25%	0.10%
Franklin Income Allocation 529 Portfolio				
Total return	5.42%	4.61%	5.66%	5.80%
Expense ratio <sup>b</sup>	0.50%	1.25%	0.25%	0.10%
<b>Individual Portfolios</b>				
Franklin Growth 529 Portfolio				
Total return	12.34%	11.51%	12.61%	
Expense ratio <sup>b</sup>	0.50%	1.25%	0.25%	
Franklin Income 529 Portfolio				
Total return	5.51%	4.72%	5.77%	
Expense ratio <sup>b</sup>	0.50%	1.25%	0.25%	
Franklin Small-Mid Cap Growth 529 Portfolio				
Total return	14.07%	13.20%	14.36%	
Expense ratio <sup>b</sup>	0.50%	1.25%	0.25%	

<sup>a</sup>Total return does not reflect sales commissions or contingent deferred sales charges.

<sup>b</sup>Expense ratios are based on average daily net assets and does not include expenses of the Underlying Funds in which the Portfolio invests.

# New Jersey Better Educational Savings Trust Program

## Franklin Templeton Managed Investment Options

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

#### Financial Highlights (continued)

for the year ended June 30, 2019

	Class A <sup>a</sup>	Class C <sup>a</sup>	Advisor Class	Direct Class
<b>Individual Portfolios (continued)</b>				
Franklin Mutual Shares 529 Portfolio				
Total return	4.02%	3.20%	4.28%	
Expense ratio <sup>b</sup>	0.50%	1.25%	0.25%	
S&P 500 Index 529 Portfolio				
Total return	9.71%	8.89%	9.98%	10.14%
Expense ratio <sup>b</sup>	0.50%	1.25%	0.25%	0.10%
Templeton Growth 529 Portfolio				
Total return	(6.01)%	(6.71)%	(5.75)%	
Expense ratio <sup>b</sup>	0.50%	1.25%	0.25%	
Franklin Mutual Global Discovery 529 Portfolio				
Total return	3.68%	2.84%	3.92%	
Expense ratio <sup>b</sup>	0.50%	1.25%	0.25%	
Templeton Global Bond 529 Portfolio				
Total return	5.00%	4.22%	5.28%	
Expense ratio <sup>b</sup>	0.50%	1.25%	0.25%	
Franklin U.S. Government Money 529 Portfolio				
Total return	1.98%	1.98%		1.98%
Expense ratio <sup>b</sup>	-	-		-

<sup>a</sup>Total return does not reflect sales commissions or contingent deferred sales charges.

<sup>b</sup>Expense ratios are based on average daily net assets and does not include expenses of the Underlying Funds in which the Portfolio invests.

# New Jersey Better Educational Savings Trust Program

## Franklin Templeton Managed Investment Options

### Combined Financial Statements

#### Combined Statement of Fiduciary Net Position

June 30, 2019

Assets:

Cash	\$	1,902,302
Investments, at fair value (Cost: \$5,032,542,667)		5,465,956,537
Receivable from investment securities sold		2,085,102
Receivable for shares sold		1,667,183
Total assets		<u>5,471,611,124</u>

Liabilities:

Accrued expenses		3,855,408
Payable for investment securities purchased		1,016,946
Payable for shares redeemed		1,491,604
Total liabilities		<u>6,363,958</u>

Fiduciary net position held in trust for Account Owners in the Program	\$	<u>5,465,247,166</u>
--	----	----------------------

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

# New Jersey Better Educational Savings Trust Program

## Franklin Templeton Managed Investment Options

### Combined Financial Statements *(continued)*

#### Combined Statement of Changes in Fiduciary Net Position for the year ended June 30, 2019

Additions:	
Subscriptions	\$ 3,592,320,602
Increase from investment operations:	
Dividend income distributions by Underlying Funds	129,814,510
Realized gain from sales of Underlying Funds	105,874,864
Capital gain distributions by Underlying Funds	125,536,175
Net change in unrealized appreciation on investments in Underlying Funds	129,155,371
Net increase in net position resulting from operations	<u>490,380,920</u>
Total additions	<u>4,082,701,522</u>
Deductions:	
Redemptions	3,616,008,755
Decrease from investment operations:	
Realized loss from sales of Underlying Funds	12,364,265
Net change in unrealized depreciation on investments in Underlying Funds	145,639,815
Program management fees (Note 2)	10,810,742
Sales fees (Note 2)	15,481,952
Net decrease in net position resulting from operations	<u>184,296,774</u>
Total deductions	<u>3,800,305,529</u>
Changes in fiduciary net position held in trust for Account Owners in the Program	282,395,993
Fiduciary net position - beginning of year	<u>5,182,851,173</u>
Fiduciary net position - end of year	<u>\$ 5,465,247,166</u>

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

# New Jersey Better Educational Savings Trust Program

## Franklin Templeton Managed Investment Options

### Notes to Combined Financial Statements

#### 1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

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

Pursuant to a service agreement, Franklin Templeton Distributors, Inc. ("FTDI"), a wholly-owned subsidiary of Franklin Resources, Inc., serves as the Program Manager. FTDI provides, directly or through affiliates, certain distribution, investment management and administrative services relating to the Program. Franklin Mutual Advisers, LLC ("Franklin Mutual"), an affiliate of FTDI, serves as the Investment Manager for the Program.

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

These combined financial statements provide the combined financial results of the Franklin Templeton Managed Investment Options (the "Portfolios") offered to Account Owners under the plan names: NJBEST 529 College Savings Plan and Franklin Templeton 529 College Savings Plan (the "Plans"). The supplemental information provides the financial results of the individual Portfolios.

Under the Plans, an Account Owner establishes an account in the name of a Beneficiary and may elect to allocate contributions among the Portfolios of the three types of investment options, known as the Franklin Asset Allocations (Growth, Conservative or Moderate), Objective-Based Allocations, and Individual Portfolios. Within each Franklin Asset Allocation, contributions are allocated among eight age bands, based on the age of the Beneficiary. Each Portfolio invests in certain Franklin/Templeton/Mutual Series Mutual Funds and/or Exchange Traded Funds (ETFs) ("the Underlying Funds") in varying percentages, as determined by Franklin Mutual. The Objective-Based Allocations Portfolios each offer a distinctive investment strategy. The Individual Portfolios invest solely in a single Underlying Fund. The Portfolios under these investment options, grouped by type, are as follows:

# New Jersey Better Educational Savings Trust Program

## Franklin Templeton Managed Investment Options

### Notes to Combined Financial Statements *(continued)*

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

##### Franklin Asset Allocations - Growth

Newborn - 4 Years 529 Portfolio (Formerly Newborn - 8 Years)\*  
Age 5 - 8 Years 529 Portfolio \*\*  
Age 9 - 10 Years 529 Portfolio (Formerly 9-12 Years)\*  
Age 11 - 12 Years 529 Portfolio\*\*  
Age 13 - 14 Years 529 Portfolio (Formerly 9-16 Years)\*  
Age 15 - 16 Years 529 Portfolio\*\*  
Age 17 - 18 Years 529 Portfolio (Formerly 17+ Years)\*  
Age 19+ Years 529 Portfolio\*\*

##### Franklin Asset Allocations - Conservative

Newborn - 4 Years 529 Portfolio (Formerly Newborn - 8 Years)\*  
Age 5 - 8 Years 529 Portfolio \*\*  
Age 9 - 10 Years 529 Portfolio (Formerly 9-12 Years)\*  
Age 11 - 12 Years 529 Portfolio\*\*  
Age 13 - 14 Years 529 Portfolio (Formerly 9-16 Years)\*  
Age 15 - 16 Years 529 Portfolio\*\*  
Age 17 - 18 Years 529 Portfolio (Formerly 17+ Years)\*  
Age 19+ Years 529 Portfolio\*\*

##### Franklin Asset Allocations - Moderate

Newborn - 4 Years 529 Portfolio (Formerly Newborn - 8 Years)\*  
Age 5 - 8 Years 529 Portfolio \*\*  
Age 9 - 10 Years 529 Portfolio (Formerly 9-12 Years)\*  
Age 11 - 12 Years 529 Portfolio\*\*  
Age 13 - 14 Years 529 Portfolio (Formerly 9-16 Years)\*  
Age 15 - 16 Years 529 Portfolio\*\*  
Age 17 - 18 Years 529 Portfolio (Formerly 17+ Years)\*  
Age 19+ Years 529 Portfolio\*\*

##### Objective-Based Allocations

Franklin Corefolio® 529 Portfolio  
Franklin Founding Funds 529 Portfolio  
Franklin Growth Allocation 529 Portfolio  
Franklin Growth & Income Allocation 529 Portfolio  
Franklin Income Allocation 529 Portfolio

##### Individual Portfolios

Franklin Mutual Global Discovery 529 Portfolio  
Templeton Growth 529 Portfolio  
Templeton Global Bond 529 Portfolio  
Franklin Growth 529 Portfolio  
Franklin Small-Mid Cap Growth 529 Portfolio  
Franklin Mutual Shares 529 Portfolio  
S&P 500 Index 529 Portfolio  
Franklin Income 529 Portfolio  
Franklin U.S. Government Money 529 Portfolio

\*Portfolio name changes to this name on March 5, 2019.

\*\*Portfolio formation date is March 5, 2019.

Effective March 5, 2019, the number of age-based Portfolios within each Franklin Asset Allocations were expanded from four to eight age brackets. On March 11, 2019, there was a one-time transfer for all accounts within each Franklin Asset Allocations for any Beneficiary who as of that date is of an age that is within the expanded age brackets.

Effective October 11, 2018, Trust Shares purchased under Class B were converted into Class A Trust Shares of the same Portfolio. Class B Trust Shares were closed and no longer offered for sale.

Effective October 5, 2018, Trust Shares purchased under Class C automatically convert to Class A Trust Shares after they have been held for 10 years.

The Franklin Growth, Conservative, Moderate and the Objective-Based Allocations, excluding the Franklin Founding Funds 529 Portfolio, offer four classes of Trust Shares: Class A, Class C, Advisor and Direct Class. The Franklin Founding Funds 529 Portfolio offers three classes of Trust shares: Class A, Class C and Advisor Class. Within the Individual Portfolios, the S&P 500 Index 529 Portfolio offers four classes of Trust Shares: Class A, Class C, Advisor and Direct Class, the Franklin U.S. Government Money 529 Portfolio offers three classes of Trust Shares: Class A, Class C and Direct Class and all other Individual Portfolios offer three classes of Trust Shares: Class A, Class C and



# New Jersey Better Educational Savings Trust Program

## Franklin Templeton Managed Investment Options

### Notes to Combined Financial Statements *(continued)*

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

Advisor Class. Each class of shares differs by its initial sales load, contingent deferred sales charges and annual asset-based sales fees.

The Direct Class is only available to New Jersey residents who invest in the NJBEST 529 College Savings Plan without a financial advisor.

The following summarizes the Program's significant accounting policies.

##### a. Financial Instrument Valuation

The Portfolios' investments in financial instruments are carried at fair value daily. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date. The Portfolios calculate the net asset value (NAV) per share each business day as of 4 p.m. Eastern time or the regularly scheduled close of the New York Stock Exchange (NYSE). Under compliance policies and procedures approved by the Trust's Board of Trustees (the Board), the Portfolios' administrator has responsibility for oversight of valuation, including leading the cross-functional Valuation Committee (VC). The Portfolios may utilize independent pricing services, quotations from securities and financial instrument dealers, and other market sources to determine fair value. Exchange traded funds (ETFs) listed on an exchange or on the NASDAQ National Market System are valued at the last quoted sale price or the official closing price of the day, respectively.

##### b. Income Tax

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

The Portfolios may recognize an income tax liability related to its uncertain tax positions under U.S. GAAP when the uncertain tax position has a less than 50% probability that it will be sustained upon examination by the tax authorities based on its technical merits. As of June 30, 2019, the Portfolios have determined that no tax liability is required in its combined financial statements related to uncertain tax positions for any open tax years (or expected to be taken on future tax returns). Open tax years are those that remain subject to examination and are based on the statute of limitations in each jurisdiction which the fund invests in.

##### c. Underlying Fund Transactions, Investment Income, Expenses

Underlying Fund transactions are accounted for on trade date. Realized gains and losses on Underlying Fund transactions are determined on an average cost basis. Estimated expenses are accrued daily. Dividend income and realized gain distributions by Underlying Funds are recorded on the ex-dividend date.

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

Realized and unrealized gains and losses and net investment income, not including class specific expenses, are allocated daily to each class of shares based upon the relative proportion of net assets of each class.

# New Jersey Better Educational Savings Trust Program

## Franklin Templeton Managed Investment Options

### Notes to Combined Financial Statements (continued)

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

##### d. Accounting Estimates

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

##### e. Guarantees and Indemnifications

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

#### 2. MANAGEMENT AGREEMENTS

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

<u>Investment Option</u>	<u>Total Program Management Fee</u>
Class A, B*, C & Advisor	0.25%
Direct Class	0.10%

\* Class B Trust Shares were closed October 11, 2018. See Note 1.

The Program Manager and HESSA have set the current rate of the Program management fee for the Franklin U.S. Government Money 529 Portfolio to zero for all share classes until further notice.

Except for the Franklin U.S. Government Money 529 Portfolio, the Portfolios pay an annual asset-based sales fee to FTDI of up to 0.25% and 1.00% per year of their average daily net assets of Class A and Class C, respectively, for costs incurred in marketing of the Portfolios' shares. There are no annual asset-based sales fees charged to the Portfolios' Advisor Class and Direct Class.

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

#### 3. INVESTMENTS

As of June 30, 2019, net unrealized appreciation of portfolio investments was \$433,413,870 consisting of gross unrealized appreciation of \$474,946,487 and gross unrealized depreciation of \$41,532,617. The value of the investments comprise 99.9% of the Portfolios' total assets.

Purchases and sales of Underlying Funds (excluding short term securities) for the year ended June 30, 2019, aggregated \$2,949,327,571 and \$2,832,131,572, respectively.

For a list of each Portfolio's investments at June 30, 2019, please see the Schedule of Fiduciary Net Position for each Portfolio in the Supplemental Information.

# New Jersey Better Educational Savings Trust Program

## Franklin Templeton Managed Investment Options

### Notes to Combined Financial Statements (continued)

#### 3. INVESTMENTS (continued)

As of June 30, 2019, the Underlying Funds held by the Portfolios consist of the following:

	Units	Cost	Value
Open End Mutual Funds			
Franklin Growth Fund, Advisor Class	6,180,592	\$ 494,017,263	\$ 679,309,127
Franklin Growth Opportunities Fund, Advisor Class	6,112,526	213,914,102	265,528,177
Franklin Income Fund, Advisor Class	119,334,811	272,736,745	274,470,065
Franklin International Growth Fund, Class Z	14,295,391	193,651,406	207,712,027
Franklin International Small Cap Fund, Advisor Class	9,411,852	174,927,303	161,789,735
Franklin Mutual Shares Fund, Class Z	8,112,195	201,323,883	223,815,458
Franklin Rising Dividends Fund, Advisor Class	4,399,291	245,682,392	292,948,849
Franklin Small-Mid Cap Growth Fund, Advisor Class	2,138,884	78,854,802	88,720,905
Franklin Total Return Fund, Advisor Class	48,337,334	470,217,569	479,022,990
Franklin U.S. Government Securities Fund, Advisor Class	91,745,467	562,947,391	555,060,078
Mutual Global Discovery Fund, Class Z	745,760	23,732,616	23,043,990
Templeton Foreign Fund, Advisor Class	25,579,714	180,363,228	179,313,792
Templeton Global Bond Fund, Advisor Class	21,561,364	253,198,750	241,918,482
Templeton Growth Fund Inc., Advisor Class	9,212,812	200,335,514	205,906,351
Exchange Traded Funds			
Franklin LibertyQ Emerging Markets ETF	1,092,702	31,346,249	32,709,270
Franklin LibertyQ U.S. Equity ETF	11,836,134	355,964,282	381,360,239
iShares Core S&P 500 ETF	921,825	190,698,899	271,707,919
Vanguard Intermediate-Term Corporate Bond ETF	1,720,224	146,605,788	154,562,128
Vanguard Intermediate-Term Treasury ETF	2,321,053	148,087,397	153,119,867
Short Term Investment			
<sup>a</sup> Institutional Fiduciary Trust Money Market Portfolio, 2.05%	593,937,088	593,937,088	593,937,088
		<u>\$ 5,032,542,667</u>	<u>\$ 5,465,956,537</u>

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

#### 4. INVESTMENT RISKS

Certain investments are subject to a variety of investment risks based on the amount of risk in the Underlying Funds. GASB requires that entities disclose certain essential risk information about deposits and investments.

##### a. Credit Risk

Certain Underlying Funds invest in fixed-income securities. Investing in fixed-income securities may involve certain risks, including the credit quality of individual issuers, possible prepayments, market or economic developments and yields and share price fluctuations due to changes in interest rates. The Underlying Funds in which the Portfolios invest are not rated by any nationally recognized statistical rating organization.

# New Jersey Better Educational Savings Trust Program

## Franklin Templeton Managed Investment Options

### Notes to Combined Financial Statements *(continued)*

#### 4. INVESTMENT RISKS *(continued)*

##### b. Custodial Credit Risk

Custodial credit risk is the risk that in the event of a failure, the Portfolios' deposits and investments may not be returned. The Portfolios' investments consist of shares of the Underlying Funds, rather than individual securities and therefore are not subject to custodial credit risk under GASB Statement No. 40.

##### c. Interest Rate Risk

Interest rate risk is the risk that the value of bond investments will decrease as a result of a rise in interest rates. The exposure to interest rate risk is greater with Underlying Funds invested in bonds with longer average maturities. At June 30, 2019 the Underlying Funds below disclose average weighted maturity to quantify interest rate risk.

Investment	Value	Average Weighted Maturity
Open End Mutual Funds		
Franklin Income Fund, Advisor Class	\$ 274,470,065	5.9 years
Franklin Total Return Fund, Advisor Class	479,022,990	7.8 years
Franklin U.S. Government Securities Fund, Advisor Class	555,060,078	4.8 years
Templeton Global Bond Fund, Advisor Class	241,918,482	1.2 years
Exchange Traded Funds		
Vanguard Intermediate-Term Corporate Bond ETF	154,562,128	7.5 years
Vanguard Intermediate-Term Treasury ETF	153,119,867	5.7 years
Short Term Investment		
<sup>a</sup> Institutional Fiduciary Trust Money Market Portfolio, 2.05%	593,937,088	0.1 years
	<u>\$ 2,452,090,698</u>	

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

##### d. Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of investments in foreign securities. The Portfolios do not have any direct investment in foreign securities as of June 30, 2019. However, certain Portfolios allocate assets to Underlying Funds that are exposed to foreign currency risk.

# New Jersey Better Educational Savings Trust Program

## Franklin Templeton Managed Investment Options

### Notes to Combined Financial Statements *(continued)*

#### 5. FAIR VALUE MEASUREMENTS

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

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

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

At June 30, 2019, all of the Portfolio's investments in financial instruments carried at fair value were valued using Level 1 inputs.

#### 6. SUBSEQUENT EVENTS

The Program has evaluated subsequent events through September 17, 2019, the date the financial statements were available to be issued, and determined that no events have occurred that require disclosure.

#### **SUPPLEMENTAL INFORMATION**

The following information is presented for purposes of additional analysis and is not a required part of the basic combined financial statements of the New Jersey Better Educational Savings Trust Program, Franklin Templeton Managed Investment Options. It shows financial information relating to the Portfolios, which were included in the Program during the year ended June 30, 2019.

New Jersey Better Educational Savings Trust Program  
**Franklin Templeton Managed Investment Options**  
Supplemental Information

Schedules of Fiduciary Net Position

June 30, 2019

**Franklin Asset Allocations - Growth**

	Newborn - 4 years 529 Portfolio	5 - 8 years 529 Portfolio	Age 9 - 10 years 529 Portfolio	Age 11 - 12 years 529 Portfolio
<b>Assets</b>				
Investments, at fair value:				
Open End Mutual Funds				
Franklin Growth Fund, Advisor Class	\$ 20,027,059	\$ 49,184,788	\$ 40,986,808	\$ 56,848,691
Franklin Growth Opportunities Fund, Advisor Class	19,871,692	41,045,360	27,285,931	26,487,868
Franklin Income Fund, Advisor Class	-	-	-	-
Franklin International Growth Fund, Class Z	10,356,625	24,222,917	18,121,376	23,661,057
Franklin International Small Cap Fund, Advisor Class	10,230,760	22,619,590	17,370,580	20,697,158
Franklin Mutual Shares Fund, Class Z	-	-	-	-
Franklin Rising Dividends Fund, Advisor Class	20,895,702	44,461,808	32,358,107	35,748,204
Franklin Small-Mid Cap Growth Fund, Advisor Class	-	-	-	-
Franklin Total Return Fund, Advisor Class	-	11,634,187	15,386,878	33,672,703
Franklin U.S. Government Securities Fund, Advisor Class	-	13,012,847	17,847,736	39,150,056
Mutual Global Discovery Fund, Class Z	-	-	-	-
Templeton Foreign Fund, Advisor Class	10,419,107	23,005,697	17,666,405	21,051,474
Templeton Global Bond Fund, Advisor Class	-	4,327,904	7,631,903	16,741,027
Templeton Growth Fund Inc., Advisor Class	-	-	-	-
Subtotal	91,800,945	233,515,098	194,655,724	274,058,238
Exchange Traded Funds				
Franklin LibertyQ Emerging Markets ETF	3,452,323	7,413,918	5,229,971	5,735,891
Franklin LibertyQ U.S. Equity ETF	19,068,602	44,481,450	35,364,028	46,071,604
iShares Core S&P 500 ETF	-	-	-	-
Vanguard Intermediate-Term Corporate Bond ETF	-	-	5,156,042	11,324,784
Vanguard Intermediate-Term Treasury ETF	-	-	5,111,026	11,215,230
Subtotal	22,520,925	51,895,368	50,861,067	74,347,509
Short Term Investment				
<sup>a</sup> Institutional Fiduciary Trust Money Market Portfolio, 2.05%	69,056	7,551,894	13,039,995	28,487,817
Total investments	114,390,926	292,962,360	258,556,786	376,893,564
Cash				
Dividends receivable	190,250	165,328	162,580	94,983
Receivable from investment securities sold	-	-	-	-
Receivable from shares sold	69,161	79,463	73,057	76,008
Total assets	114,650,337	293,207,151	258,792,423	377,064,555
<b>Liabilities</b>				
Accrued expenses	167,437	200,188	232,547	226,476
Payable for investment securities purchased	-	-	-	-
Payable for shares redeemed	29,337	38,077	66,193	57,601
Total liabilities	196,774	238,265	298,740	284,077
Fiduciary net position held in trust for Account Owners in the Program				
	\$ 114,453,563	\$ 292,968,886	\$ 258,493,683	\$ 376,780,478
<b>Net Position Value Class A:</b>				
Net assets, at value	\$ 75,844,933	\$ 197,526,522	\$ 165,809,464	\$ 229,020,192
Shares outstanding	1,915,182	18,757,543	5,058,600	21,993,444
Net asset value per share	\$ 39.60	\$ 10.53	\$ 32.78	\$ 10.41
Maximum offering price per share				
(Net asset value per share / 94.50%)	\$ 41.90	\$ 11.14	\$ 34.69	\$ 11.02
(Net asset value per share / 96.25%)	-	-	-	-
<b>Net Position Value Class C:</b>				
Net assets, at value	\$ 11,332,968	\$ 37,242,288	\$ 33,650,687	\$ 39,957,209
Shares outstanding	319,353	3,544,935	1,151,526	3,846,092
Net asset value per share	\$ 35.49	\$ 10.51	\$ 29.22	\$ 10.39
<b>Net Position Value Advisor:</b>				
Net assets, at value	\$ 625,509	\$ 573,466	\$ 300,168	\$ 641,651
Shares outstanding	15,707	54,418	9,112	61,575
Net asset value per share	\$ 39.82	\$ 10.54	\$ 32.94	\$ 10.42
<b>Net Position Value Direct:</b>				
Net assets, at value	\$ 26,650,217	\$ 57,626,609	\$ 58,733,365	\$ 107,161,427
Shares outstanding	636,996	5,465,509	1,695,259	10,278,104
Net asset value per share	\$ 41.84	\$ 10.54	\$ 34.65	\$ 10.43
Investments at cost				
	\$ 99,849,859	\$ 276,498,961	\$ 231,113,889	\$ 359,879,022

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

New Jersey Better Educational Savings Trust Program  
**Franklin Templeton Managed Investment Options**  
Supplemental Information

Schedules of Fiduciary Net Position (continued)

June 30, 2019

**Franklin Asset Allocations - Growth (continued)**

	Age 13 - 14 years 529 Portfolio	Age 15 - 16 years 529 Portfolio	Age 17 - 18 years 529 Portfolio	Age 19+ years 529 Portfolio
<b>Assets</b>				
Investments, at fair value:				
Open End Mutual Funds				
Franklin Growth Fund, Advisor Class	\$ 67,599,934	\$ 55,796,093	\$ 31,652,437	\$ 13,857,358
Franklin Growth Opportunities Fund, Advisor Class	16,876,505	7,267,582	-	-
Franklin Income Fund, Advisor Class	-	-	-	-
Franklin International Growth Fund, Class Z	28,822,948	22,931,134	12,598,729	6,490,607
Franklin International Small Cap Fund, Advisor Class	21,488,166	14,397,622	5,367,811	-
Franklin Mutual Shares Fund, Class Z	-	-	-	-
Franklin Rising Dividends Fund, Advisor Class	33,620,963	24,129,097	9,894,178	-
Franklin Small-Mid Cap Growth Fund, Advisor Class	-	-	-	-
Franklin Total Return Fund, Advisor Class	57,098,795	71,718,455	64,166,976	67,482,919
Franklin U.S. Government Securities Fund, Advisor Class	66,236,724	83,203,301	74,446,065	78,300,909
Mutual Global Discovery Fund, Class Z	-	-	-	-
Templeton Foreign Fund, Advisor Class	21,855,335	17,084,581	9,099,323	5,742,611
Templeton Global Bond Fund, Advisor Class	28,323,607	35,578,715	31,834,018	33,482,395
Templeton Growth Fund Inc., Advisor Class	-	-	-	-
Subtotal	341,922,977	332,106,580	239,059,537	205,356,799
Exchange Traded Funds				
Franklin LibertyQ Emerging Markets ETF	-	-	-	-
Franklin LibertyQ U.S. Equity ETF	50,111,444	39,565,934	21,454,976	14,506,411
iShares Core S&P 500 ETF	-	-	-	-
Vanguard Intermediate-Term Corporate Bond ETF	19,165,005	24,065,514	21,536,147	22,651,365
Vanguard Intermediate-Term Treasury ETF	18,976,271	23,833,971	21,327,441	22,433,758
Subtotal	88,252,720	87,465,419	64,318,564	59,591,534
Short Term Investment				
<sup>a</sup> Institutional Fiduciary Trust Money Market Portfolio, 2.05%	48,943,260	59,474,379	53,201,457	55,373,545
Total investments	479,118,957	479,046,378	356,579,558	320,321,878
Cash				
Dividends receivable	-	-	-	-
Receivable from investment securities sold	-	-	-	-
Receivable from shares sold	41,688	119,273	64,611	56,655
Total assets	479,160,645	479,165,651	356,644,169	320,378,533
<b>Liabilities</b>				
Accrued expenses	318,564	258,227	229,216	206,133
Payable for investment securities purchased	-	-	-	-
Payable for shares redeemed	23,790	44,011	123,394	310,259
Total liabilities	342,354	302,238	352,610	516,392
Fiduciary net position held in trust for Account Owners in the Program				
	\$ 478,818,291	\$ 478,863,413	\$ 356,291,559	\$ 319,862,141
<b>Net Position Value Class A:</b>				
Net assets, at value	\$ 271,361,194	\$ 262,376,043	\$ 208,187,234	\$ 194,293,381
Shares outstanding	9,941,878	25,380,280	10,137,741	18,887,598
Net asset value per share	\$ 27.29	\$ 10.34	\$ 20.54	\$ 10.29
Maximum offering price per share				
(Net asset value per share / 94.50%)	\$ 28.88	\$ 10.94	\$ 21.74	\$ 10.89
(Net asset value per share / 96.25%)	-	-	-	-
<b>Net Position Value Class C:</b>				
Net assets, at value	\$ 44,174,145	\$ 46,717,380	\$ 43,680,908	\$ 48,082,330
Shares outstanding	1,853,444	4,529,754	2,344,832	4,685,079
Net asset value per share	\$ 23.83	\$ 10.31	\$ 18.63	\$ 10.26
<b>Net Position Value Advisor:</b>				
Net assets, at value	\$ 371,374	\$ 572,498	\$ 238,222	\$ 234,907
Shares outstanding	13,541	55,336	11,543	22,794
Net asset value per share	\$ 27.43	\$ 10.35	\$ 20.64	\$ 10.31
<b>Net Position Value Direct:</b>				
Net assets, at value	\$ 162,911,577	\$ 169,197,491	\$ 104,185,195	\$ 77,251,522
Shares outstanding	5,679,559	16,346,667	4,651,023	7,493,082
Net asset value per share	\$ 28.68	\$ 10.35	\$ 22.40	\$ 10.31
Investments at cost				
	\$ 447,766,446	\$ 463,096,409	\$ 349,729,934	\$ 313,783,598

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



New Jersey Better Educational Savings Trust Program  
**Franklin Templeton Managed Investment Options**  
Supplemental Information

Schedules of Fiduciary Net Position (continued)

June 30, 2019

**Franklin Asset Allocations - Conservative**

	Newborn - 4 years 529 Portfolio	5 - 8 years 529 Portfolio	Age 9 - 10 years 529 Portfolio	Age 11 - 12 years 529 Portfolio
<b>Assets</b>				
Investments, at fair value:				
Open End Mutual Funds				
Franklin Growth Fund, Advisor Class	\$ 750,588	\$ 2,040,175	\$ 1,195,810	\$ 498,346
Franklin Growth Opportunities Fund, Advisor Class	187,354	265,697	-	-
Franklin Income Fund, Advisor Class	-	-	-	-
Franklin International Growth Fund, Class Z	321,137	841,208	462,664	237,527
Franklin International Small Cap Fund, Advisor Class	239,684	528,734	203,672	-
Franklin Mutual Shares Fund, Class Z	-	-	-	-
Franklin Rising Dividends Fund, Advisor Class	372,624	880,722	363,356	-
Franklin Small-Mid Cap Growth Fund, Advisor Class	-	-	-	-
Franklin Total Return Fund, Advisor Class	635,210	2,627,407	2,427,795	2,431,181
Franklin U.S. Government Securities Fund, Advisor Class	737,548	3,050,790	2,819,595	2,822,953
Mutual Global Discovery Fund, Class Z	-	-	-	-
Templeton Foreign Fund, Advisor Class	243,700	627,174	345,183	210,132
Templeton Global Bond Fund, Advisor Class	315,391	1,304,601	1,205,627	1,207,161
Templeton Growth Fund Inc., Advisor Class	-	-	-	-
Subtotal	3,803,236	12,166,508	9,023,702	7,407,300
Exchange Traded Funds				
Franklin LibertyQ Emerging Markets ETF	-	-	-	-
Franklin LibertyQ U.S. Equity ETF	555,151	1,444,197	786,812	529,826
iShares Core S&P 500 ETF	-	-	-	-
Vanguard Intermediate-Term Corporate Bond ETF	212,945	900,387	807,302	814,580
Vanguard Intermediate-Term Treasury ETF	213,083	886,307	800,216	806,285
Subtotal	981,179	3,230,891	2,394,330	2,150,691
Short Term Investment				
<sup>a</sup> Institutional Fiduciary Trust Money Market Portfolio, 2.05%	535,661	2,165,809	1,975,752	2,017,819
Total investments	5,320,076	17,563,208	13,393,784	11,575,810
Cash				
Dividends receivable	47,029	2,041	-	-
Receivable from investment securities sold	-	-	-	-
Receivable from shares sold	-	-	-	-
	23,428	5,850	11,279	981
Total assets	5,390,533	17,571,099	13,405,063	11,576,791
<b>Liabilities</b>				
Accrued expenses	3,374	11,717	7,462	6,634
Payable for investment securities purchased	-	-	-	-
Payable for shares redeemed	7,040	-	-	-
Total liabilities	10,414	11,717	7,462	6,634
Fiduciary net position held in trust for Account Owners in the Program				
	\$ 5,380,119	\$ 17,559,382	\$ 13,397,601	\$ 11,570,157
<b>Net Position Value Class A:</b>				
Net assets, at value	\$ 3,210,918	\$ 9,556,015	\$ 7,924,690	\$ 7,311,466
Shares outstanding	183,969	923,744	532,014	710,977
Net asset value per share	\$ 17.45	\$ 10.34	\$ 14.90	\$ 10.28
Maximum offering price per share				
(Net asset value per share / 94.50%)	\$ 18.47	\$ 10.94	\$ 15.77	\$ 10.88
(Net asset value per share / 96.25%)	-	-	-	-
<b>Net Position Value Class C:</b>				
Net assets, at value	\$ 612,169	\$ 2,583,270	\$ 1,375,431	\$ 982,189
Shares outstanding	37,656	250,555	99,020	95,732
Net asset value per share	\$ 16.26	\$ 10.31	\$ 13.89	\$ 10.26
<b>Net Position Value Advisor:</b>				
Net assets, at value	\$ 16,479	\$ 27,861	\$ 8,996	\$ 5,148
Shares outstanding	939	2,691,206	601	500
Net asset value per share	\$ 17.54	\$ 10.35	\$ 14.97	\$ 10.30
<b>Net Position Value Direct:</b>				
Net assets, at value	\$ 1,540,553	\$ 5,392,236	\$ 4,088,484	\$ 3,271,354
Shares outstanding	84,840	520,602	264,072	317,726
Net asset value per share	\$ 18.16	\$ 10.36	\$ 15.48	\$ 10.30
Investments at cost	\$ 5,021,240	\$ 16,979,840	\$ 13,140,249	\$ 11,325,811

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

New Jersey Better Educational Savings Trust Program  
**Franklin Templeton Managed Investment Options**  
Supplemental Information

Schedules of Fiduciary Net Position (continued)

June 30, 2019

**Franklin Asset Allocations - Conservative (continued)**

	Age 13 - 14 years 529 Portfolio	Age 15 - 16 years 529 Portfolio	Age 17 - 18 years 529 Portfolio	Age 19+ years 529 Portfolio
<b>Assets</b>				
Investments, at fair value:				
Open End Mutual Funds				
Franklin Growth Fund, Advisor Class	\$ -	\$ -	\$ -	\$ -
Franklin Growth Opportunities Fund, Advisor Class	-	-	-	-
Franklin Income Fund, Advisor Class	-	-	-	-
Franklin International Growth Fund, Class Z	-	-	-	-
Franklin International Small Cap Fund, Advisor Class	-	-	-	-
Franklin Mutual Shares Fund, Class Z	-	-	-	-
Franklin Rising Dividends Fund, Advisor Class	-	-	-	-
Franklin Small-Mid Cap Growth Fund, Advisor Class	-	-	-	-
Franklin Total Return Fund, Advisor Class	3,928,343	3,322,207	3,037,377	1,805,029
Franklin U.S. Government Securities Fund, Advisor Class	4,544,919	3,853,724	3,510,205	2,094,250
Mutual Global Discovery Fund, Class Z	-	-	-	-
Templeton Foreign Fund, Advisor Class	-	-	-	-
Templeton Global Bond Fund, Advisor Class	1,881,040	1,647,898	1,473,499	895,526
Templeton Growth Fund Inc., Advisor Class	-	-	-	-
Subtotal	10,354,302	8,823,829	8,021,081	4,794,805
Exchange Traded Funds				
Franklin LibertyQ Emerging Markets ETF	-	-	-	-
Franklin LibertyQ U.S. Equity ETF	-	-	-	-
iShares Core S&P 500 ETF	-	-	-	-
Vanguard Intermediate-Term Corporate Bond ETF	1,105,604	1,111,355	1,033,724	602,534
Vanguard Intermediate-Term Treasury ETF	1,098,401	1,101,303	1,027,813	596,237
Subtotal	2,204,005	2,212,658	2,061,537	1,198,771
Short Term Investment				
<sup>a</sup> Institutional Fiduciary Trust Money Market Portfolio, 2.05%	3,174,377	7,358,872	15,493,841	24,031,050
Total investments	15,732,684	18,395,359	25,576,459	30,024,626
Cash				
Dividends receivable	134,054	-	18,814	-
Receivable from investment securities sold	-	-	-	-
Receivable from shares sold	4,840	4,043	11,310	985
Total assets	15,871,578	18,399,402	25,606,583	30,025,611
<b>Liabilities</b>				
Accrued expenses	9,282	10,957	17,382	22,428
Payable for investment securities purchased	-	-	-	-
Payable for shares redeemed	-	1,500	29,315	31,595
Total liabilities	9,282	12,457	46,697	54,023
Fiduciary net position held in trust for Account Owners in the Program				
	\$ 15,862,296	\$ 18,386,945	\$ 25,559,886	\$ 29,971,588
<b>Net Position Value Class A:</b>				
Net assets, at value	\$ 8,761,690	\$ 9,730,787	\$ 11,343,222	\$ 14,196,386
Shares outstanding	707,006	953,410	1,093,215	1,405,555
Net asset value per share	\$ 12.39	\$ 10.21	\$ 10.38	\$ 10.10
Maximum offering price per share				
(Net asset value per share / 94.50%)	\$ 13.11	\$ 10.80	\$ 10.98	\$ 10.69
(Net asset value per share / 96.25%)	-	-	-	-
<b>Net Position Value Class C:</b>				
Net assets, at value	\$ 1,766,919	\$ 2,320,392	\$ 4,861,186	\$ 7,615,597
Shares outstanding	152,678	227,884	502,050	755,775
Net asset value per share	\$ 11.57	\$ 10.18	\$ 9.68	\$ 10.08
<b>Net Position Value Advisor:</b>				
Net assets, at value	\$ 5,133	\$ 5,104	\$ 141,597	\$ 432,436
Shares outstanding	412	499,500	13,558	42,779
Net asset value per share	\$ 12.46	\$ 10.22	\$ 10.44	\$ 10.11
<b>Net Position Value Direct:</b>				
Net assets, at value	\$ 5,328,555	\$ 6,330,661	\$ 9,213,881	\$ 7,727,169
Shares outstanding	414,085	619,494	855,541	764,111
Net asset value per share	\$ 12.87	\$ 10.22	\$ 10.77	\$ 10.11
Investments at cost	\$ 16,035,591	\$ 18,169,956	\$ 25,739,550	\$ 29,907,174

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

New Jersey Better Educational Savings Trust Program  
**Franklin Templeton Managed Investment Options**  
Supplemental Information

Schedules of Fiduciary Net Position (continued)

June 30, 2019

**Franklin Asset Allocations - Moderate**

	Newborn - 4 years 529 Portfolio	5 - 8 years 529 Portfolio	Age 9 - 10 years 529 Portfolio	Age 11 - 12 years 529 Portfolio
<b>Assets</b>				
Investments, at fair value:				
Open End Mutual Funds				
Franklin Growth Fund, Advisor Class	\$ 5,574,310	\$ 16,990,163	\$ 10,360,924	\$ 8,377,253
Franklin Growth Opportunities Fund, Advisor Class	3,753,477	7,916,336	2,586,507	1,091,152
Franklin Income Fund, Advisor Class	-	-	-	-
Franklin International Growth Fund, Class Z	2,507,440	7,072,923	4,418,252	3,442,564
Franklin International Small Cap Fund, Advisor Class	2,373,370	6,187,132	3,294,126	2,161,376
Franklin Mutual Shares Fund, Class Z	-	-	-	-
Franklin Rising Dividends Fund, Advisor Class	4,442,773	10,683,939	5,152,613	3,622,924
Franklin Small-Mid Cap Growth Fund, Advisor Class	-	-	-	-
Franklin Total Return Fund, Advisor Class	2,125,755	10,089,637	8,751,503	10,767,647
Franklin U.S. Government Securities Fund, Advisor Class	2,477,546	11,703,100	10,153,095	12,491,238
Mutual Global Discovery Fund, Class Z	-	-	-	-
Templeton Foreign Fund, Advisor Class	2,413,113	6,292,942	3,350,597	2,564,820
Templeton Global Bond Fund, Advisor Class	1,058,905	5,004,384	4,341,583	5,341,401
Templeton Growth Fund Inc., Advisor Class	-	-	-	-
Subtotal	26,726,689	81,940,556	52,409,200	49,860,375
Exchange Traded Funds				
Franklin LibertyQ Emerging Markets ETF	722,764	1,712,930	-	-
Franklin LibertyQ U.S. Equity ETF	4,868,764	13,771,247	7,678,993	5,937,147
iShares Core S&P 500 ETF	-	-	-	-
Vanguard Intermediate-Term Corporate Bond ETF	712,960	3,379,618	2,931,806	3,605,501
Vanguard Intermediate-Term Treasury ETF	702,581	3,350,089	2,907,298	3,576,827
Subtotal	7,007,069	22,213,884	13,518,097	13,119,475
Short Term Investment				
<sup>a</sup> Institutional Fiduciary Trust Money Market Portfolio, 2.05%	1,772,693	8,615,791	7,327,761	8,621,001
Total investments	35,506,451	112,770,231	73,255,058	71,600,851
Cash				
Dividends receivable	62,446	45,683	152,641	11,599
Receivable from investment securities sold	-	-	-	-
Receivable from shares sold	-	-	-	-
	52,914	19,026	8,231	3,163
Total assets	35,621,811	112,834,940	73,415,930	71,615,613
<b>Liabilities</b>				
Accrued expenses	23,606	80,785	48,802	53,035
Payable for investment securities purchased	-	-	-	-
Payable for shares redeemed	-	188	-	-
Total liabilities	23,606	80,973	48,802	53,035
Fiduciary net position held in trust for Account Owners in the Program				
	\$ 35,598,205	\$ 112,753,967	\$ 73,367,128	\$ 71,562,578
<b>Net Position Value Class A:</b>				
Net assets, at value	\$ 23,575,002	\$ 76,336,949	\$ 49,655,462	\$ 48,618,542
Shares outstanding	1,167,740	7,338,628	2,890,721	4,695,016
Net asset value per share	\$ 20.19	\$ 10.40	\$ 17.18	\$ 10.36
Maximum offering price per share				
(Net asset value per share / 94.50%)	\$ 21.37	\$ 11.01	\$ 18.18	\$ 10.96
(Net asset value per share / 96.25%)	-	-	-	-
<b>Net Position Value Class C:</b>				
Net assets, at value	\$ 3,809,566	\$ 16,015,235	\$ 9,925,625	\$ 11,841,785
Shares outstanding	202,464	1,543,232	618,681	1,146,245
Net asset value per share	\$ 18.82	\$ 10.38	\$ 16.04	\$ 10.33
<b>Net Position Value Advisor:</b>				
Net assets, at value	\$ 67,492	\$ 21,925	\$ 5,716	\$ 186,035
Shares outstanding	3,324	2,106	331	17,952
Net asset value per share	\$ 20.30	\$ 10.41	\$ 17.25	\$ 10.36
<b>Net Position Value Direct:</b>				
Net assets, at value	\$ 8,146,144	\$ 20,379,859	\$ 13,780,324	\$ 10,916,216
Shares outstanding	388,463	1,956,799	772,955	1,052,868
Net asset value per share	\$ 20.97	\$ 10.41	\$ 17.83	\$ 10.37
Investments at cost	\$ 32,150,306	\$ 107,732,250	\$ 68,891,876	\$ 69,207,517

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

New Jersey Better Educational Savings Trust Program  
**Franklin Templeton Managed Investment Options**  
Supplemental Information

Schedules of Fiduciary Net Position (continued)

June 30, 2019

**Franklin Asset Allocations - Moderate**

	Age 13 - 14 years 529 Portfolio	Age 15 - 16 years 529 Portfolio	Age 17 - 18 years 529 Portfolio	Age 19+ years 529 Portfolio
<b>Assets</b>				
Investments, at fair value:				
Open End Mutual Funds				
Franklin Growth Fund, Advisor Class	\$ 8,053,259	\$ 3,905,817	\$ -	\$ -
Franklin Growth Opportunities Fund, Advisor Class	-	-	-	-
Franklin Income Fund, Advisor Class	-	-	-	-
Franklin International Growth Fund, Class Z	3,165,442	1,806,170	-	-
Franklin International Small Cap Fund, Advisor Class	1,325,533	-	-	-
Franklin Mutual Shares Fund, Class Z	-	-	-	-
Franklin Rising Dividends Fund, Advisor Class	2,539,441	-	-	-
Franklin Small-Mid Cap Growth Fund, Advisor Class	-	-	-	-
Franklin Total Return Fund, Advisor Class	15,828,710	18,464,802	21,176,233	11,317,752
Franklin U.S. Government Securities Fund, Advisor Class	18,369,127	21,398,017	24,451,378	13,132,441
Mutual Global Discovery Fund, Class Z	-	-	-	-
Templeton Foreign Fund, Advisor Class	2,285,275	1,597,348	-	-
Templeton Global Bond Fund, Advisor Class	7,824,127	9,115,236	10,094,883	5,615,587
Templeton Growth Fund Inc., Advisor Class	-	-	-	-
Subtotal	59,390,914	56,287,390	55,722,494	30,065,780
Exchange Traded Funds				
Franklin LibertyQ Emerging Markets ETF	-	-	-	-
Franklin LibertyQ U.S. Equity ETF	5,437,769	4,071,190	-	-
iShares Core S&P 500 ETF	-	-	-	-
Vanguard Intermediate-Term Corporate Bond ETF	5,301,150	6,209,264	5,951,664	3,799,217
Vanguard Intermediate-Term Treasury ETF	5,247,254	6,110,141	5,904,975	3,761,477
Subtotal	15,986,173	16,390,595	11,856,639	7,560,694
Short Term Investment				
<sup>a</sup> Institutional Fiduciary Trust Money Market Portfolio, 2.05%	13,340,108	15,834,324	16,953,353	25,034,084
Total investments	88,717,195	88,512,309	84,532,486	62,660,558
Cash	245,398	99,238	21,570	-
Dividends receivable	-	-	-	-
Receivable from investment securities sold	-	-	-	-
Receivable from shares sold	60,216	15,207	7,630	33,301
Total assets	89,022,809	88,626,754	84,561,686	62,693,859
<b>Liabilities</b>				
Accrued expenses	67,451	69,989	70,119	57,785
Payable for investment securities purchased	-	-	-	-
Payable for shares redeemed	909	14,494	31,392	90,064
Total liabilities	68,360	84,483	101,511	147,849
Fiduciary net position held in trust for Account Owners in the Program	\$ 88,954,449	\$ 88,542,271	\$ 84,460,175	\$ 62,546,010
<b>Net Position Value Class A:</b>				
Net assets, at value	\$ 58,491,537	\$ 53,973,346	\$ 46,509,154	\$ 33,088,051
Shares outstanding	3,980,972	5,242,735	3,739,764	3,238,770
Net asset value per share	\$ 14.69	\$ 10.29	\$ 12.44	\$ 10.22
Maximum offering price per share				
(Net asset value per share / 94.50%)	\$ 15.54	\$ 10.89	\$ 13.16	\$ 10.81
(Net asset value per share / 96.25%)	-	-	-	-
<b>Net Position Value Class C:</b>				
Net assets, at value	\$ 16,363,288	\$ 18,629,093	\$ 22,109,068	\$ 21,223,060
Shares outstanding	1,193,161	1,813,778	1,904,518	2,082,217
Net asset value per share	\$ 13.71	\$ 10.27	\$ 11.61	\$ 10.19
<b>Net Position Value Advisor:</b>				
Net assets, at value	\$ 66,599	\$ 145,985	\$ 650,934	\$ 156,074
Shares outstanding	4,507	14,172	52,099	15,264
Net asset value per share	\$ 14.78	\$ 10.30	\$ 12.49	\$ 10.22
<b>Net Position Value Direct:</b>				
Net assets, at value	\$ 14,033,024	\$ 15,793,849	\$ 15,191,019	\$ 8,078,825
Shares outstanding	918,274	1,532,241	1,175,609	789,813
Net asset value per share	\$ 15.28	\$ 10.31	\$ 12.92	\$ 10.23
Investments at cost	\$ 87,212,031	\$ 86,589,072	\$ 85,168,724	\$ 61,951,447

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

New Jersey Better Educational Savings Trust Program  
**Franklin Templeton Managed Investment Options**  
Supplemental Information

Schedules of Fiduciary Net Position (continued)

June 30, 2019

Objective-Based Allocations

	Franklin Corefolio® 529 Portfolio	Franklin Founding Funds 529 Portfolio	Franklin Growth Allocation 529 Portfolio	Franklin Growth & Income Allocation 529 Portfolio	Franklin Income Allocation 529 Portfolio
<b>Assets</b>					
Investments, at fair value:					
Open End Mutual Funds					
Franklin Growth Fund, Advisor Class	\$ 56,092,503	\$ -	\$ 48,843,406	\$ 26,152,123	\$ -
Franklin Growth Opportunities Fund, Advisor Class	55,498,304	-	48,858,108	6,536,304	-
Franklin Income Fund, Advisor Class	-	81,286,662	-	-	-
Franklin International Growth Fund, Class Z	-	-	25,016,555	11,214,752	-
Franklin International Small Cap Fund, Advisor Class	-	-	24,922,921	8,381,500	-
Franklin Mutual Shares Fund, Class Z	55,247,295	81,410,644	-	-	-
Franklin Rising Dividends Fund, Advisor Class	-	-	50,698,339	13,084,059	-
Franklin Small-Mid Cap Growth Fund, Advisor Class	-	-	-	-	-
Franklin Total Return Fund, Advisor Class	-	-	-	22,334,644	16,790,845
Franklin U.S. Government Securities Fund, Advisor Class	-	-	-	25,966,403	19,286,111
Mutual Global Discovery Fund, Class Z	-	-	-	-	-
Templeton Foreign Fund, Advisor Class	-	-	25,081,959	8,377,016	-
Templeton Global Bond Fund, Advisor Class	-	-	-	11,146,336	7,808,569
Templeton Growth Fund Inc., Advisor Class	55,919,758	82,105,564	-	-	-
Subtotal	222,757,860	244,802,870	223,421,288	133,193,137	43,885,525
Exchange Traded Funds					
Franklin LibertyQ Emerging Markets ETF	-	-	8,441,473	-	-
Franklin LibertyQ U.S. Equity ETF	-	-	46,087,488	19,567,206	-
iShares Core S&P 500 ETF	-	-	-	-	-
Vanguard Intermediate-Term Corporate Bond ETF	-	-	-	7,430,595	4,753,065
Vanguard Intermediate-Term Treasury ETF	-	-	-	7,428,222	4,703,661
Subtotal	-	-	54,528,961	34,426,023	9,456,726
Short Term Investment					
<sup>a</sup> Institutional Fiduciary Trust Money Market Portfolio, 2.05%	256,477	11,503	182	17,349,508	13,507,681
Total investments	223,014,337	244,814,373	277,950,431	184,968,668	66,849,932
Cash					
Dividends receivable	79,689	8,845	48,981	95,050	-
Receivable from investment securities sold	-	-	-	2,085,102	-
Receivable from shares sold	52,743	25,325	130,772	69,600	47,406
Total assets	223,146,769	244,848,543	278,130,184	187,218,420	66,897,338
<b>Liabilities</b>					
Accrued expenses	166,285	207,017	161,913	147,919	46,046
Payable for investment securities purchased	-	-	-	1,016,946	-
Payable for shares redeemed	46,822	141,801	97,499	79,463	12,205
Total liabilities	213,107	348,818	259,412	1,244,328	58,251
Fiduciary net position held in trust for Account Owners in the Program					
	\$ 222,933,662	\$ 244,499,725	\$ 277,870,772	\$ 185,974,092	\$ 66,839,087
<b>Net Position Value Class A:</b>					
Net assets, at value	\$ 131,287,063	\$ 198,648,091	\$ 145,109,869	\$ 101,716,701	\$ 35,371,248
Shares outstanding	3,520,194	10,184,851	3,695,500	3,806,012	2,163,327
Net asset value per share	\$ 37.30	\$ 19.50	\$ 39.27	\$ 26.73	\$ 16.35
Maximum offering price per share					
(Net asset value per share / 94.50%)	\$ 39.47	\$ 20.63	\$ 41.56	\$ 28.29	\$ -
(Net asset value per share / 96.25%)	-	-	-	-	\$ 16.99
<b>Net Position Value Class C:</b>					
Net assets, at value	\$ 26,005,431	\$ 45,579,931	\$ 26,968,831	\$ 31,090,387	\$ 9,436,459
Shares outstanding	787,029	2,597,777	772,174	1,337,744	649,887
Net asset value per share	\$ 33.04	\$ 17.55	\$ 34.93	\$ 23.24	\$ 14.52
<b>Net Position Value Advisor:</b>					
Net assets, at value	\$ 263,427	\$ 271,702	\$ 372,741	\$ 91,313	\$ 191,850
Shares outstanding	7,028	13,861	9,440	3,400	11,671
Net asset value per share	\$ 37.48	\$ 19.60	\$ 39.49	\$ 26.86	\$ 16.44
<b>Net Position Value Direct:</b>					
Net assets, at value	\$ 65,377,741	\$ -	\$ 105,419,330	\$ 53,075,691	\$ 21,839,529
Shares outstanding	1,656,661	-	2,536,463	1,873,598	1,259,283
Net asset value per share	\$ 39.46	\$ -	\$ 41.56	\$ 28.33	\$ 17.34
Investments at cost	\$ 169,632,593	\$ 235,624,542	\$ 235,200,175	\$ 173,013,053	\$ 67,960,292

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

New Jersey Better Educational Savings Trust Program  
**Franklin Templeton Managed Investment Options**  
Supplemental Information

Schedules of Fiduciary Net Position (continued)

June 30, 2019

Individual Portfolios

	Franklin Mutual Global Discovery 529 Portfolio	Templeton Growth 529 Portfolio	Templeton Global Bond 529 Portfolio	Franklin Growth 529 Portfolio	Franklin Small-Mid Cap Growth 529 Portfolio
<b>Assets</b>					
Investments, at fair value:					
Open End Mutual Funds					
Franklin Growth Fund, Advisor Class	\$ -	\$ -	\$ -	\$ 154,521,282	\$ -
Franklin Growth Opportunities Fund, Advisor Class	-	-	-	-	-
Franklin Income Fund, Advisor Class	-	-	-	-	-
Franklin International Growth Fund, Class Z	-	-	-	-	-
Franklin International Small Cap Fund, Advisor Class	-	-	-	-	-
Franklin Mutual Shares Fund, Class Z	-	-	-	-	-
Franklin Rising Dividends Fund, Advisor Class	-	-	-	-	-
Franklin Small-Mid Cap Growth Fund, Advisor Class	-	-	-	-	88,720,905
Franklin Total Return Fund, Advisor Class	-	-	-	-	-
Franklin U.S. Government Securities Fund, Advisor Class	-	-	-	-	-
Mutual Global Discovery Fund, Class Z	23,043,990	-	-	-	-
Templeton Foreign Fund, Advisor Class	-	-	-	-	-
Templeton Global Bond Fund, Advisor Class	-	-	6,717,159	-	-
Templeton Growth Fund Inc., Advisor Class	-	67,881,029	-	-	-
Subtotal	23,043,990	67,881,029	6,717,159	154,521,282	88,720,905
Exchange Traded Funds					
Franklin LibertyQ Emerging Markets ETF	-	-	-	-	-
Franklin LibertyQ U.S. Equity ETF	-	-	-	-	-
iShares Core S&P 500 ETF	-	-	-	-	-
Vanguard Intermediate-Term Corporate Bond ETF	-	-	-	-	-
Vanguard Intermediate-Term Treasury ETF	-	-	-	-	-
Subtotal	-	-	-	-	-
Short Term Investment					
<sup>a</sup> Institutional Fiduciary Trust Money Market Portfolio, 2.05%	-	-	-	-	-
Total investments	23,043,990	67,881,029	6,717,159	154,521,282	88,720,905
Cash	-	-	-	-	-
Dividends receivable	-	-	-	-	-
Receivable from investment securities sold	-	-	-	-	-
Receivable from shares sold	4,423	18,871	-	48,499	31,130
Total assets	23,048,413	67,899,900	6,717,159	154,569,781	88,752,035
<b>Liabilities</b>					
Accrued expenses	19,645	76,664	5,715	131,222	76,043
Payable for investment securities purchased	-	-	-	-	-
Payable for shares redeemed	3,592	10,725	928	27,737	10,213
Total liabilities	23,237	87,389	6,643	158,959	86,256
Fiduciary net position held in trust for Account Owners in the Program	\$ 23,025,176	\$ 67,812,511	\$ 6,710,516	\$ 154,410,822	\$ 88,665,779
<b>Net Position Value Class A:</b>					
Net assets, at value	\$ 18,253,032	\$ 58,774,433	\$ 5,351,134	\$ 129,989,404	\$ 74,509,209
Shares outstanding	1,471,163	2,197,390	509,568	3,131,867	1,523,784
Net asset value per share	\$ 12.41	\$ 26.75	\$ 10.50	\$ 41.51	\$ 48.90
Maximum offering price per share					
(Net asset value per share / 94.50%)	\$ 13.13	\$ 28.31	-	\$ 43.93	\$ 51.75
(Net asset value per share / 96.25%)	-	-	\$ 10.91	-	-
<b>Net Position Value Class C:</b>					
Net assets, at value	\$ 4,582,507	\$ 8,931,807	\$ 1,292,321	\$ 24,175,328	\$ 13,812,447
Shares outstanding	382,833	384,886	127,663	631,763	319,561
Net asset value per share	\$ 11.97	\$ 23.21	\$ 10.12	\$ 38.27	\$ 43.22
<b>Net Position Value Advisor:</b>					
Net assets, at value	\$ 189,636	\$ 106,271	\$ 67,061	\$ 246,090	\$ 344,123
Shares outstanding	15,208	3,950	6,350	5,900	7,002
Net asset value per share	\$ 12.47	\$ 26.90	\$ 10.56	\$ 41.71	\$ 49.15
<b>Net Position Value Direct:</b>					
Net assets, at value	\$ -	\$ -	\$ -	\$ -	\$ -
Shares outstanding	-	-	-	-	-
Net asset value per share	\$ -	\$ -	\$ -	\$ -	\$ -
Investments at cost	\$ 23,732,616	\$ 67,042,471	\$ 7,002,669	\$ 95,908,059	\$ 78,854,802

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

New Jersey Better Educational Savings Trust Program  
**Franklin Templeton Managed Investment Options**  
Supplemental Information

Schedules of Fiduciary Net Position (continued)

June 30, 2019

Individual Portfolios (continued)

	Franklin Mutual Shares 529 Portfolio	S&P 500 Index 529 Portfolio	Franklin Income 529 Portfolio	Franklin U.S. Government Money 529 Portfolio	TOTAL
<b>Assets</b>					
Investments, at fair value:					
Open End Mutual Funds					
Franklin Growth Fund, Advisor Class	\$ -	\$ -	\$ -	\$ -	\$ 679,309,127
Franklin Growth Opportunities Fund, Advisor Class	-	-	-	-	265,528,177
Franklin Income Fund, Advisor Class	-	-	193,183,403	-	274,470,065
Franklin International Growth Fund, Class Z	-	-	-	-	207,712,027
Franklin International Small Cap Fund, Advisor Class	-	-	-	-	161,789,735
Franklin Mutual Shares Fund, Class Z	87,157,519	-	-	-	223,815,458
Franklin Rising Dividends Fund, Advisor Class	-	-	-	-	292,948,849
Franklin Small-Mid Cap Growth Fund, Advisor Class	-	-	-	-	88,720,905
Franklin Total Return Fund, Advisor Class	-	-	-	-	479,022,990
Franklin U.S. Government Securities Fund, Advisor Class	-	-	-	-	555,060,078
Mutual Global Discovery Fund, Class Z	-	-	-	-	23,043,990
Templeton Foreign Fund, Advisor Class	-	-	-	-	179,313,792
Templeton Global Bond Fund, Advisor Class	-	-	-	-	241,918,482
Templeton Growth Fund Inc., Advisor Class	-	-	-	-	205,906,351
Subtotal	87,157,519	-	193,183,403	-	3,878,560,026
Exchange Traded Funds					
Franklin LibertyQ Emerging Markets ETF	-	-	-	-	32,709,270
Franklin LibertyQ U.S. Equity ETF	-	-	-	-	381,360,239
iShares Core S&P 500 ETF	-	271,707,919	-	-	271,707,919
Vanguard Intermediate-Term Corporate Bond ETF	-	-	-	-	154,562,128
Vanguard Intermediate-Term Treasury ETF	-	-	-	-	153,119,867
Subtotal	-	271,707,919	-	-	993,459,423
Short Term Investment					
<sup>a</sup> Institutional Fiduciary Trust Money Market Portfolio, 2.05%	-	-	-	142,418,038	593,937,088
Total investments	87,157,519	271,707,919	193,183,403	142,418,038	5,465,956,537
Cash	-	216,083	-	-	1,902,302
Dividends receivable	-	-	-	-	-
Receivable from investment securities sold	-	-	-	-	2,085,102
Receivable from shares sold	20,588	156,541	27,160	191,805	1,667,183
Total assets	87,178,107	272,080,543	193,210,563	142,609,843	5,471,611,124
<b>Liabilities</b>					
Accrued expenses	91,769	122,464	203,110	-	3,855,408
Payable for investment securities purchased	-	-	-	-	1,016,946
Payable for shares redeemed	20,550	18,595	16,063	106,252	1,491,604
Total liabilities	112,319	141,059	219,173	106,252	6,363,958
Fiduciary net position held in trust for Account Owners in the Program	\$ 87,065,788	\$ 271,939,484	\$ 192,991,390	\$ 142,503,591	\$ 5,465,247,166
<b>Net Position Value Class A:</b>					
Net assets, at value	\$ 73,999,265	\$ 88,777,602	\$ 148,290,711	\$ 67,106,362	
Shares outstanding	2,364,511	2,170,037	4,899,145	65,075,756	
Net asset value per share	\$ 31.30	\$ 40.91	\$ 30.27	\$ 1.03	
Maximum offering price per share					
(Net asset value per share / 94.50%)	\$ 33.12	\$ 43.29	-	-	
(Net asset value per share / 96.25%)	-	-	\$ 31.45	-	
<b>Net Position Value Class C:</b>					
Net assets, at value	\$ 12,995,016	\$ 24,921,688	\$ 44,169,919	\$ 16,955,404	
Shares outstanding	474,447	671,309	1,646,500	16,468,320	
Net asset value per share	\$ 27.39	\$ 37.12	\$ 26.83	\$ 1.03	
<b>Net Position Value Advisor:</b>					
Net assets, at value	\$ 71,507	\$ 637,629	\$ 530,759	\$ -	
Shares outstanding	2,273	15,510	17,447	-	
Net asset value per share	\$ 31.45	\$ 41.11	\$ 30.42	\$ -	
<b>Net Position Value Direct:</b>					
Net assets, at value	\$ -	\$ 157,602,564	\$ -	\$ 58,441,824	
Shares outstanding	-	3,581,543	-	56,737,412	
Net asset value per share	-	\$ 44.00	-	\$ 1.03	
Investments at cost	\$ 78,208,017	\$ 190,698,899	\$ 190,305,689	\$ 142,418,038	\$ 5,032,542,667

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

# New Jersey Better Educational Savings Trust Program

## Franklin Templeton Managed Investment Options Supplemental Information

### Schedules of Changes in Fiduciary Net Position for the year ended June 30, 2019

#### Franklin Asset Allocations - Growth

	Newborn - 4 years 529 Portfolio*	5 - 8 years 529 Portfolio*	Age 9 - 10 years 529 Portfolio*	Age 11 - 12 years 529 Portfolio*
<b>Additions:</b>				
Subscriptions	\$ 74,402,939	\$ 313,653,721	\$ 183,709,960	\$ 427,455,015
<b>Increase from investment operations:</b>				
Dividend income distributions by Underlying Funds	5,786,929	825,691	12,064,996	1,846,408
Realized gain from sales of Underlying Funds	27,742,647	803,215	33,793,649	703,011
Capital gain distributions by Underlying Funds	15,575,891	-	18,886,128	-
Net change in unrealized appreciation on investments in Underlying Funds	-	16,463,399	-	17,014,542
Net increase in net position resulting from operations	<u>49,105,467</u>	<u>18,092,305</u>	<u>64,744,773</u>	<u>19,563,961</u>
Total additions	<u>123,508,406</u>	<u>331,746,026</u>	<u>248,454,733</u>	<u>447,018,976</u>
<b>Deductions:</b>				
Redemptions	393,447,009	38,303,954	610,846,973	69,696,348
<b>Decrease from investment operations:</b>				
Realized loss from sales of Underlying Funds	-	-	-	-
Net change in unrealized depreciation on investments in Underlying Funds	37,927,977	-	40,290,530	-
Program management fees (Note 2)	708,737	197,844	1,107,079	238,074
Sales fees (Note 2)				
Class A	531,348	154,330	783,517	177,698
Class B	7,513	-	22,641	-
Class C	407,334	121,012	662,500	126,378
Net decrease in net position resulting from operations	<u>39,582,909</u>	<u>473,186</u>	<u>42,866,267</u>	<u>542,150</u>
Total deductions	<u>433,029,918</u>	<u>38,777,140</u>	<u>653,713,240</u>	<u>70,238,498</u>
<b>Changes in fiduciary net position held in trust for Account Owners in the Program</b>				
Fiduciary net position - beginning of year	\$ (309,521,512)	\$ 292,968,886	\$ (405,258,507)	\$ 376,780,478
Fiduciary net position - end of year	<u>423,975,075</u>	<u>-</u>	<u>663,752,190</u>	<u>-</u>
	<u>\$ 114,453,563</u>	<u>\$ 292,968,886</u>	<u>\$ 258,493,683</u>	<u>\$ 376,780,478</u>

\* For the period March 5, 2019 (commencement of operations) to June 30, 2019.

\* Refer to page 15 for Portfolio name changes.



New Jersey Better Educational Savings Trust Program  
**Franklin Templeton Managed Investment Options**  
Supplemental Information

Schedules of Changes in Fiduciary Net Position *(continued)*  
for the year ended June 30, 2019

**Franklin Asset Allocations - Growth *(continued)***

	Age 13 - 14 years 529 Portfolio <sup>a</sup>	Age 15 - 16 years 529 Portfolio <sup>a</sup>	Age 17 - 18 years 529 Portfolio <sup>a</sup>	Age 19+ years 529 Portfolio <sup>a</sup>
<b>Additions:</b>				
Subscriptions	\$ 320,656,685	\$ 525,939,342	\$ 277,191,031	\$ 333,136,267
<b>Increase from investment operations:</b>				
Dividend income distributions by Underlying Funds	21,109,339	3,194,561	17,048,213	2,732,894
Realized gain from sales of Underlying Funds	15,117,788	8,080	-	181,101
Capital gain distributions by Underlying Funds	17,793,337	-	5,969,189	-
Net change in unrealized appreciation on investments in Underlying Funds	-	15,949,969	10,031,609	6,538,280
Net increase in net position resulting from operations	<u>54,020,464</u>	<u>19,152,610</u>	<u>33,049,011</u>	<u>9,452,275</u>
Total additions	<u>374,677,149</u>	<u>545,091,952</u>	<u>310,240,042</u>	<u>342,588,542</u>
<b>Deductions:</b>				
Redemptions	733,914,329	65,614,045	536,586,764	22,251,013
<b>Decrease from investment operations:</b>				
Realized loss from sales of Underlying Funds	-	-	5,392,346	-
Net change in unrealized depreciation on investments in Underlying Funds	14,608,667	-	-	-
Program management fees (Note 2)	1,496,250	274,755	1,054,824	191,862
Sales fees (Note 2)				
Class A	1,005,129	195,358	705,337	139,010
Class B	24,977	-	16,234	-
Class C	882,787	144,381	839,529	144,516
Net decrease in net position resulting from operations	<u>18,017,810</u>	<u>614,494</u>	<u>8,008,270</u>	<u>475,388</u>
Total deductions	<u>751,932,139</u>	<u>66,228,539</u>	<u>544,595,034</u>	<u>22,726,401</u>
<b>Changes in fiduciary net position held in trust for Account Owners in the Program</b>				
Fiduciary net position - beginning of year	\$ (377,254,990)	\$ 478,863,413	\$ (234,354,992)	\$ 319,862,141
Fiduciary net position - end of year	<u>856,073,281</u>	<u>-</u>	<u>590,646,551</u>	<u>-</u>
	<u>\$ 478,818,291</u>	<u>\$ 478,863,413</u>	<u>\$ 356,291,559</u>	<u>\$ 319,862,141</u>

<sup>a</sup> For the period March 5, 2019 (commencement of operations) to June 30, 2019.

\* Refer to page 15 for Portfolio name changes.

New Jersey Better Educational Savings Trust Program  
**Franklin Templeton Managed Investment Options**  
Supplemental Information

Schedules of Changes in Fiduciary Net Position *(continued)*  
for the year ended June 30, 2019

**Franklin Asset Allocations - Conservative**

	Newborn - 4 years 529 Portfolio*	5 - 8 years 529 Portfolio*	Age 9 - 10 years 529 Portfolio*	Age 11 - 12 years 529 Portfolio*
<b>Additions:</b>				
Subscriptions	\$ 4,769,997	\$ 19,551,301	\$ 9,798,914	\$ 13,571,552
<b>Increase from investment operations:</b>				
Dividend income distributions by Underlying Funds	528,615	127,161	626,412	110,260
Realized gain from sales of Underlying Funds	351,914	39,144	-	14,082
Capital gain distributions by Underlying Funds	460,452	-	226,157	-
Net change in unrealized appreciation on investments in Underlying Funds	-	583,368	380,526	249,999
Net increase in net position resulting from operations	<u>1,340,981</u>	<u>749,673</u>	<u>1,233,095</u>	<u>374,341</u>
Total additions	<u>6,110,978</u>	<u>20,300,974</u>	<u>11,032,009</u>	<u>13,945,893</u>
<b>Deductions:</b>				
Redemptions	24,330,947	2,713,850	18,333,710	2,359,669
<b>Decrease from investment operations:</b>				
Realized loss from sales of Underlying Funds	-	-	204,624	-
Net change in unrealized depreciation on investments in Underlying Funds	569,500	-	-	-
Program management fees (Note 2)	37,848	11,368	38,954	7,489
Sales fees (Note 2)				
Class A	25,874	7,756	28,584	5,907
Class B	409	-	399	-
Class C	24,938	8,618	19,370	2,671
Net decrease in net position resulting from operations	<u>658,569</u>	<u>27,742</u>	<u>291,931</u>	<u>16,067</u>
Total deductions	<u>24,989,516</u>	<u>2,741,592</u>	<u>18,625,641</u>	<u>2,375,736</u>
<b>Changes in fiduciary net position held in trust for Account Owners in the Program</b>				
	\$ (18,878,538)	\$ 17,559,382	\$ (7,593,632)	\$ 11,570,157
Fiduciary net position - beginning of year	<u>24,258,657</u>	<u>-</u>	<u>20,991,233</u>	<u>-</u>
Fiduciary net position - end of year	<u>\$ 5,380,119</u>	<u>\$ 17,559,382</u>	<u>\$ 13,397,601</u>	<u>\$ 11,570,157</u>

\* For the period March 5, 2019 (commencement of operations) to June 30, 2019.

Refer to page 15 for Portfolio name changes.

New Jersey Better Educational Savings Trust Program  
**Franklin Templeton Managed Investment Options**  
 Supplemental Information

Schedules of Changes in Fiduciary Net Position *(continued)*  
 for the year ended June 30, 2019

**Franklin Asset Allocations - Conservative *(continued)***

	Age 13 - 14 years 529 Portfolio <sup>a</sup>	Age 15 - 16 years 529 Portfolio <sup>a</sup>	Age 17 - 18 years 529 Portfolio <sup>a</sup>	Age 19+ years 529 Portfolio <sup>a</sup>
<b>Additions:</b>				
Subscriptions	\$ 13,767,977	\$ 21,618,985	\$ 24,376,596	\$ 31,974,892
<b>Increase from investment operations:</b>				
Dividend income distributions by Underlying Funds	1,031,009	170,082	1,201,609	201,107
Realized gain from sales of Underlying Funds	-	6,748	-	-
Capital gain distributions by Underlying Funds	-	-	-	-
Net change in unrealized appreciation on investments in Underlying Funds	1,188,890	225,403	887,685	117,452
Net increase in net position resulting from operations	<u>2,219,899</u>	<u>402,233</u>	<u>2,089,294</u>	<u>318,559</u>
Total additions	<u>15,987,876</u>	<u>22,021,218</u>	<u>26,465,890</u>	<u>32,293,451</u>
<b>Deductions:</b>				
Redemptions	29,226,232	3,608,609	49,144,841	2,271,805
<b>Decrease from investment operations:</b>				
Realized loss from sales of Underlying Funds	877,553	-	621,432	-
Net change in unrealized depreciation on investments in Underlying Funds	-	-	-	-
Program management fees (Note 2)	52,952	11,010	84,966	17,803
Sales fees (Note 2)				
Class A	34,412	7,517	46,096	10,351
Class B	568	-	392	-
Class C	38,182	7,137	101,385	21,904
Net decrease in net position resulting from operations	<u>1,003,667</u>	<u>25,664</u>	<u>854,271</u>	<u>50,058</u>
Total deductions	<u>30,229,899</u>	<u>3,634,273</u>	<u>49,999,112</u>	<u>2,321,863</u>
<b>Changes in fiduciary net position held in trust for Account Owners in the Program</b>				
Fiduciary net position - beginning of year	\$ (14,242,023)	\$ 18,386,945	\$ (23,533,222)	\$ 29,971,588
Fiduciary net position - end of year	<u>30,104,319</u>	<u>-</u>	<u>49,093,108</u>	<u>-</u>
	<u>\$ 15,862,296</u>	<u>\$ 18,386,945</u>	<u>\$ 25,559,886</u>	<u>\$ 29,971,588</u>

<sup>a</sup> For the period March 5, 2019 (commencement of operations) to June 30, 2019.

\* Refer to page 15 for Portfolio name changes.

New Jersey Better Educational Savings Trust Program  
**Franklin Templeton Managed Investment Options**  
 Supplemental Information

Schedules of Changes in Fiduciary Net Position *(continued)*  
 for the year ended June 30, 2019

**Franklin Asset Allocations - Moderate**

	Newborn - 4 years 529 Portfolio*	5 - 8 years 529 Portfolio*	Age 9 - 10 years 529 Portfolio*	Age 11 - 12 years 529 Portfolio*
<b>Additions:</b>				
Subscriptions	\$ 24,115,992	\$ 121,688,075	\$ 54,585,078	\$ 82,228,295
<b>Increase from investment operations:</b>				
Dividend income distributions by Underlying Funds	2,750,471	559,287	3,136,190	492,375
Realized gain from sales of Underlying Funds	8,054,082	293,719	1,186,803	31,829
Capital gain distributions by Underlying Funds	4,314,064	-	2,633,953	-
Net change in unrealized appreciation on investments in Underlying Funds	-	5,037,981	-	2,393,334
Net increase in net position resulting from operations	<u>15,118,617</u>	<u>5,890,987</u>	<u>6,956,946</u>	<u>2,917,538</u>
Total additions	<u>39,234,609</u>	<u>127,579,062</u>	<u>61,542,024</u>	<u>85,145,833</u>
<b>Deductions:</b>				
Redemptions	148,810,983	14,634,878	114,446,871	13,460,341
<b>Decrease from investment operations:</b>				
Realized loss from sales of Underlying Funds	-	-	-	-
Net change in unrealized depreciation on investments in Underlying Funds	10,604,090	-	997,839	-
Program management fees (Note 2)	260,921	77,818	252,719	48,886
Sales fees (Note 2)				
Class A	196,201	60,510	188,190	37,603
Class B	2,723	-	3,289	-
Class C	160,121	51,889	174,415	36,425
Net decrease in net position resulting from operations	<u>11,224,056</u>	<u>190,217</u>	<u>1,616,452</u>	<u>122,914</u>
Total deductions	<u>160,035,039</u>	<u>14,825,095</u>	<u>116,063,323</u>	<u>13,583,255</u>
<b>Changes in fiduciary net position held in trust for Account Owners in the Program</b>				
Fiduciary net position - beginning of year	\$ (120,800,430)	\$ 112,753,967	\$ (54,521,299)	\$ 71,562,578
Fiduciary net position - end of year	<u>156,398,635</u>	<u>-</u>	<u>127,888,427</u>	<u>-</u>
	<u>\$ 35,598,205</u>	<u>\$ 112,753,967</u>	<u>\$ 73,367,128</u>	<u>\$ 71,562,578</u>

\* For the period March 5, 2019 (commencement of operations) to June 30, 2019.

Refer to page 15 for Portfolio name changes.

New Jersey Better Educational Savings Trust Program  
**Franklin Templeton Managed Investment Options**  
 Supplemental Information

Schedules of Changes in Fiduciary Net Position *(continued)*  
 for the year ended June 30, 2019

**Franklin Asset Allocations - Moderate *(continued)***

	Age 13 - 14 years 529 Portfolio <sup>a</sup>	Age 15 - 16 years 529 Portfolio <sup>a</sup>	Age 17 - 18 years 529 Portfolio <sup>a</sup>	Age 19+ years 529 Portfolio <sup>a</sup>
<b>Additions:</b>				
Subscriptions	\$ 65,757,900	\$ 100,196,140	\$ 60,444,767	\$ 65,898,323
<b>Increase from investment operations:</b>				
Dividend income distributions by Underlying Funds	4,561,957	789,724	4,341,921	534,233
Realized gain from sales of Underlying Funds	-	2,553	-	18,678
Capital gain distributions by Underlying Funds	1,655,612	-	-	-
Net change in unrealized appreciation on investments in Underlying Funds	2,878,524	1,923,237	3,928,538	709,111
Net increase in net position resulting from operations	<u>9,096,093</u>	<u>2,715,514</u>	<u>8,270,459</u>	<u>1,262,022</u>
Total additions	<u>74,853,993</u>	<u>102,911,654</u>	<u>68,715,226</u>	<u>67,160,345</u>
<b>Deductions:</b>				
Redemptions	134,473,848	14,210,956	106,853,266	4,488,059
<b>Decrease from investment operations:</b>				
Realized loss from sales of Underlying Funds	1,686,482	-	2,241,918	-
Net change in unrealized depreciation on investments in Underlying Funds	-	-	-	-
Program management fees (Note 2)	307,399	58,437	250,469	40,218
Sales fees (Note 2)				
Class A	211,422	40,267	144,785	23,283
Class B	3,548	-	2,677	-
Class C	284,032	59,723	346,422	62,775
Net decrease in net position resulting from operations	<u>2,492,883</u>	<u>158,427</u>	<u>2,986,271</u>	<u>126,276</u>
Total deductions	<u>136,966,731</u>	<u>14,369,383</u>	<u>109,839,537</u>	<u>4,614,335</u>
<b>Changes in fiduciary net position held in trust for Account Owners in the Program</b>				
Fiduciary net position - beginning of year	\$ (62,112,738)	\$ 88,542,271	\$ (41,124,311)	\$ 62,546,010
Fiduciary net position - end of year	<u>151,067,187</u>	<u>-</u>	<u>125,584,486</u>	<u>-</u>
	<u>\$ 88,954,449</u>	<u>\$ 88,542,271</u>	<u>\$ 84,460,175</u>	<u>\$ 62,546,010</u>

<sup>a</sup> For the period March 5, 2019 (commencement of operations) to June 30, 2019.

\* Refer to page 15 for Portfolio name changes.

New Jersey Better Educational Savings Trust Program  
**Franklin Templeton Managed Investment Options**  
Supplemental Information

Schedules of Changes in Fiduciary Net Position *(continued)*  
for the year ended June 30, 2019

**Objective-Based Allocations**

	Franklin Corefolio® 529 Portfolio	Franklin Founding Funds 529 Portfolio	Franklin Growth Allocation 529 Portfolio	Franklin Growth & Income Allocation 529 Portfolio	Franklin Income Allocation 529 Portfolio
<b>Additions:</b>					
Subscriptions	\$ 38,544,126	\$ 46,039,805	\$ 43,339,830	\$ 35,597,323	\$ 17,424,652
<b>Increase from investment operations:</b>					
Dividend income distributions by Underlying Funds	2,442,543	7,665,107	4,015,244	4,676,457	2,385,052
Realized gain from sales of Underlying Funds	5,896,428	1,178,909	1,949,284	2,183,263	-
Capital gain distributions by Underlying Funds	12,777,398	10,796,821	10,427,368	3,644,559	-
Net change in unrealized appreciation on investments in Underlying Funds	-	-	3,672,510	1,619,988	2,486,422
Net increase in net position resulting from operations	<u>21,116,369</u>	<u>19,640,837</u>	<u>20,064,406</u>	<u>12,124,267</u>	<u>4,871,474</u>
Total additions	<u>59,660,495</u>	<u>65,680,642</u>	<u>63,404,236</u>	<u>47,721,590</u>	<u>22,296,126</u>
<b>Deductions:</b>					
Redemptions	48,695,323	64,655,165	53,822,799	42,946,522	18,521,459
<b>Decrease from investment operations:</b>					
Realized loss from sales of Underlying Funds	-	-	-	-	1,205,568
Net change in unrealized depreciation on investments in Underlying Funds	9,100,447	15,812,633	-	-	-
Program management fees (Note 2)	447,967	620,320	511,769	374,197	127,016
Sales fees (Note 2)					
Class A	306,350	479,478	331,429	235,052	80,635
Class B	5,495	8,527	4,592	3,007	1,041
Class C	302,435	551,892	303,055	354,240	101,157
Net decrease in net position resulting from operations	<u>10,162,694</u>	<u>17,472,850</u>	<u>1,150,845</u>	<u>966,496</u>	<u>1,515,417</u>
Total deductions	<u>58,858,017</u>	<u>82,128,015</u>	<u>54,973,644</u>	<u>43,913,018</u>	<u>20,036,876</u>
<b>Changes in fiduciary net position held in trust for Account Owners in the Program</b>	<u>\$ 802,478</u>	<u>\$ (16,447,373)</u>	<u>\$ 8,430,592</u>	<u>\$ 3,808,572</u>	<u>\$ 2,259,250</u>
Fiduciary net position - beginning of year	222,131,184	260,947,098	269,440,180	182,165,520	64,579,837
Fiduciary net position - end of year	<u>\$ 222,933,662</u>	<u>\$ 244,499,725</u>	<u>\$ 277,870,772</u>	<u>\$ 185,974,092</u>	<u>\$ 66,839,087</u>

# New Jersey Better Educational Savings Trust Program

## Franklin Templeton Managed Investment Options

### Supplemental Information

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

for the year ended June 30, 2019

#### Individual Portfolios

	Franklin Mutual Global Discovery 529 Portfolio	Templeton Growth 529 Portfolio	Templeton Global Bond 529 Portfolio	Franklin Growth 529 Portfolio	Franklin Small-Mid Cap Growth 529 Portfolio
<b>Additions:</b>					
Subscriptions	\$ 4,324,326	\$ 12,814,574	\$ 2,270,069	\$ 35,758,715	\$ 14,356,611
<b>Increase from investment operations:</b>					
Dividend income distributions by Underlying Funds	446,847	1,444,483	444,411	941,702	-
Realized gain from sales of Underlying Funds	-	717,604	-	2,549,602	290,159
Capital gain distributions by Underlying Funds	954,083	6,249,961	-	1,422,506	7,921,380
Net change in unrealized appreciation on investments in Underlying Funds	-	-	-	12,578,746	3,128,622
Net increase in net position resulting from operations	<u>1,400,930</u>	<u>8,412,048</u>	<u>444,411</u>	<u>17,492,556</u>	<u>11,340,161</u>
Total additions	<u>5,725,256</u>	<u>21,226,622</u>	<u>2,714,480</u>	<u>53,251,271</u>	<u>25,696,772</u>
<b>Deductions:</b>					
Redemptions	4,016,667	18,731,370	1,082,556	26,062,461	14,057,635
<b>Decrease from investment operations:</b>					
Realized loss from sales of Underlying Funds	97,663	-	17,268	-	-
Net change in unrealized depreciation on investments in Underlying Funds	379,274	12,651,093	123,472	-	-
Program management fees (Note 2)	55,336	179,690	14,742	347,812	200,857
Sales fees (Note 2)					
Class A	43,489	150,361	11,469	284,145	165,250
Class B	-	2,005	-	3,877	2,459
Class C	45,923	114,225	12,636	249,783	137,112
Net decrease in net position resulting from operations	<u>621,685</u>	<u>13,097,374</u>	<u>179,587</u>	<u>885,617</u>	<u>505,678</u>
Total deductions	<u>4,638,352</u>	<u>31,828,744</u>	<u>1,262,143</u>	<u>26,948,078</u>	<u>14,563,313</u>
<b>Changes in fiduciary net position held in trust for Account Owners in the Program</b>					
	\$ 1,086,904	\$ (10,602,122)	\$ 1,452,337	\$ 26,303,193	\$ 11,133,459
Fiduciary net position - beginning of year	<u>21,938,272</u>	<u>78,414,633</u>	<u>5,258,179</u>	<u>128,107,629</u>	<u>77,532,320</u>
Fiduciary net position - end of year	<u>\$ 23,025,176</u>	<u>\$ 67,812,511</u>	<u>\$ 6,710,516</u>	<u>\$ 154,410,822</u>	<u>\$ 88,665,779</u>

New Jersey Better Educational Savings Trust Program  
**Franklin Templeton Managed Investment Options**  
Supplemental Information

Schedules of Changes in Fiduciary Net Position *(continued)*  
for the year ended June 30, 2019

**Individual Portfolios *(continued)***

	Franklin Mutual Shares 529 Portfolio	S&P 500 Index 529 Portfolio	Franklin Income 529 Portfolio	Franklin U.S. Government Money 529 Portfolio	TOTAL
<b>Additions:</b>					
Subscriptions	\$ 15,863,746	\$ 47,161,250	\$ 35,513,688	\$ 72,822,143	<b>\$ 3,592,320,602</b>
<b>Increase from investment operations:</b>					
Dividend income distributions by Underlying Funds	1,619,359	5,430,595	10,134,884	2,396,382	<b>129,814,510</b>
Realized gain from sales of Underlying Funds	914,829	1,845,743	-	-	<b>105,874,864</b>
Capital gain distributions by Underlying Funds	3,827,316	-	-	-	<b>125,536,175</b>
Net change in unrealized appreciation on investments in Underlying Funds	-	18,310,864	856,372	-	<b>129,155,371</b>
Net increase in net position resulting from operations	<u>6,361,504</u>	<u>25,587,202</u>	<u>10,991,256</u>	<u>2,396,382</u>	<b><u>490,380,920</u></b>
Total additions	<u>22,225,250</u>	<u>72,748,452</u>	<u>46,504,944</u>	<u>75,218,525</u>	<b><u>4,082,701,522</u></b>
<b>Deductions:</b>					
Redemptions	22,170,166	47,110,194	44,575,115	55,532,023	<b>3,616,008,755</b>
<b>Decrease from investment operations:</b>					
Realized loss from sales of Underlying Funds	-	-	19,411	-	<b>12,364,265</b>
Net change in unrealized depreciation on investments in Underlying Funds	2,574,293	-	-	-	<b>145,639,815</b>
Program management fees (Note 2)	217,947	415,381	469,026	-	<b>10,810,742</b>
Sales fees (Note 2)					
Class A	178,203	199,828	349,569	-	<b>7,575,743</b>
Class B	2,709	2,289	3,884	-	<b>125,255</b>
Class C	155,331	255,163	469,558	-	<b>7,780,954</b>
Net decrease in net position resulting from operations	<u>3,128,483</u>	<u>872,661</u>	<u>1,311,448</u>	-	<b><u>184,296,774</u></b>
Total deductions	<u>25,298,649</u>	<u>47,982,855</u>	<u>45,886,563</u>	<u>55,532,023</u>	<b><u>3,800,305,529</u></b>
<b>Changes in fiduciary net position held in trust for Account Owners in the Program</b>					
Fiduciary net position - beginning of year	\$ (3,073,399)	\$ 24,765,597	\$ 618,381	\$ 19,686,502	<b>\$ 282,395,993</b>
Fiduciary net position - end of year	<u>90,139,187</u>	<u>247,173,887</u>	<u>192,373,009</u>	<u>122,817,089</u>	<b><u>5,182,851,173</u></b>
	<u>\$ 87,065,788</u>	<u>\$ 271,939,484</u>	<u>\$ 192,991,390</u>	<u>\$ 142,503,591</u>	<b><u>\$ 5,465,247,166</u></b>