

**New Jersey Better  
Educational Savings Trust**

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

Audited Combined Financial Statements and  
Supplemental Information

Year Ended June 30, 2008

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## Report of Independent Auditors

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

We have audited the accompanying combined statement of assets and liabilities of the New Jersey Better Educational Savings Trust (the "Plan")- New Jersey Division of Investment Managed Investment Options - NJBEST Portfolio A, NJBEST Portfolio B, NJBEST Portfolio C, NJBEST Portfolio D, NJBEST Portfolio E and NJ Better Educational Savings Portfolio (six of the investment options of the Plan) as of June 30, 2008, and the related combined statement of operations for the year then ended, and the combined statement of changes in net assets for each of the two years in the period then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Plan's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. Our procedures included confirmation of securities owned as of June 30, 2008, by correspondence with the custodian and brokers. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the New Jersey Better Educational Savings Trust- New Jersey Division of Investment Managed Investment Options - NJBEST Portfolio A, NJBEST Portfolio B, NJBEST Portfolio C, NJBEST Portfolio D, NJBEST Portfolio E and NJ Better Educational Savings Portfolio at June 30, 2008, the results of their combined statement of operations for the year then ended, and the combined statement of changes in net assets for each of the two years in the period then ended, in conformity with U.S. generally accepted accounting principles.

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



September 4, 2008

# New Jersey Better Educational Savings Trust - New Jersey Division of Investment Managed Investment Options

## Combined Statement of Assets and Liabilities June 30, 2008

Assets:

Investments in securities:

Cost	<u>\$ 351,417,975</u>
Value	<u>\$ 351,616,479</u>

Receivables:

Plan shares sold	82,734
Interest	<u>2,279,929</u>
Total assets	<u>353,979,142</u>

Liabilities:

Payables:

Plan shares redeemed	152,769
Accrued expenses	<u>117,200</u>
Total liabilities	<u>269,969</u>

Net assets, at value	<u>\$ 353,709,173</u>
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# New Jersey Better Educational Savings Trust - New Jersey Division of Investment Managed Investment Options

## Combined Statement of Operations for the year ended June 30, 2008

Investment income:	
Interest	\$ 10,063,145
Total investment income	<u>10,063,145</u>
Expenses:	
Program management fees (Note 2)	1,411,785
Net investment income	<u>8,651,360</u>
Realized and unrealized gain (loss) on investments:	
Net realized gain (loss) on investments	12,117,443
Net change in unrealized appreciation (depreciation) on investments	<u>(20,760,384)</u>
Net realized and unrealized gain (loss) on investments	<u>(8,642,941)</u>
Net increase (decrease) in net assets resulting from operations	<u>\$ 8,419</u>

# New Jersey Better Educational Savings Trust - New Jersey Division of Investment Managed Investment Options

## Combined Statement of Changes in Net Assets

	<b>Total</b>	
	<b>Year Ended June 30,</b>	
	<b>2008</b>	<b>2007</b>
Increase (decrease) in net assets:		
Operations:		
Net investment income	\$ 8,651,360	\$ 8,962,817
Net realized gain (loss) on investments	12,117,443	12,775,413
Net change in unrealized appreciation (depreciation) on investments	<u>(20,760,384)</u>	<u>10,710,358</u>
Net increase (decrease) in net assets resulting from operations	<u>8,419</u>	<u>32,448,588</u>
Plan share transactions:		
Subscriptions	36,012,677	39,482,936
Redemptions	<u>(30,711,853)</u>	<u>(29,525,547)</u>
Net increase (decrease) in net assets resulting from plan share transactions	<u>5,300,824</u>	<u>9,957,389</u>
Net increase (decrease) in net assets	<u>5,309,243</u>	<u>42,405,977</u>
Net assets:		
Beginning of year	<u>348,399,930</u>	<u>305,993,953</u>
End of year	<u>\$ 353,709,173</u>	<u>\$ 348,399,930</u>

# **NEW JERSEY BETTER EDUCATIONAL SAVINGS TRUST**

## **New Jersey 529 College Savings Plan - New Jersey Division of Investment Managed Investment Options**

### **Notes to Combined Financial Statements for the year ended June 30, 2008**

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

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

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

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

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

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

In 2003, Franklin Templeton Distributors, Inc. (“FTDI”), a wholly-owned subsidiary of Franklin Resources, Inc., and HESAA entered into a Services Agreement under which FTDI serves as the Program Manager. FTDI provides, directly, or through affiliated or non-affiliated subcontractors, certain distribution and administrative services relating to the Program. PFPC, Inc., has been retained by FTDI to provide the administrative and record keeping services for which FTDI is responsible under the Services Agreement.

An affiliate of FTDI serves as the investment manager to the Franklin Templeton Managed Options offered through the Program and manages all accounts opened after March 14, 2003.

For information regarding the Franklin Templeton Managed Investment Options, including those within the NJBEST 529 Plan and the Franklin Templeton 529 Plan, please see the financial statements entitled "New Jersey Better Educational Savings Trust, New Jersey 529 College Savings Plan – Franklin Templeton Managed Investment Options" or refer to the Investor Handbook for either the Franklin Templeton 529 College Savings Plan (for investors who invest through a financial advisor) or the NJBEST 529 College Savings Plan (for New Jersey residents investing without a financial advisor).

The Following summarizes the Trust's significant accounting policies.

#### **a. Security Valuation**

Securities listed on a securities 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. Over-the-counter securities and listed securities for which there is no reported sale are valued within the range of the most recent quoted bid and ask prices. Securities that trade in multiple markets or on multiple exchanges are valued according to the broadest and most representative market. Investments in open-end mutual funds are valued at the closing net asset value.

Government securities and corporate debt securities generally trade in the over-the-counter market rather than on a securities exchange. The Trust may utilize independent pricing services, quotations from bond dealers, and information with respect to bond and note transactions, to assist in determining a current market value for each security. The Trust's pricing services may use valuation models or matrix pricing which considers information with respect to comparable bond and note transactions, quotations from bond dealers, or by reference to other securities that are considered comparable in such characteristics as rating, interest rate and maturity date, option adjusted spread models, prepayment projections, interest rate spreads and yield curves, to determine current value.

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

Security transactions are accounted for on trade date. Realized gains and losses on security transactions are determined on an average cost basis. Interest income and estimated expenses are accrued daily.

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

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

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

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

### **2. MANAGEMENT AGREEMENTS**

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

### **3. INVESTMENTS**

At June 30, 2008, net unrealized appreciation of portfolio investments was \$198,504 consisting of gross unrealized appreciation of \$7,136,387 and gross unrealized depreciation of \$6,937,883.

Purchases and sales of portfolio securities (excluding short term securities) for the year ended June 30, 2008 aggregated \$471,762,121 and \$474,767,747, respectively.

For a list of each portfolio's investments at June 30, 2008, please see the statement of investments for each portfolio in the Supplemental Information.

#### **4. NEW ACCOUNTING PRONOUNCEMENTS**

In July 2006, the FASB issued FASB Interpretation No. 48, "Accounting for Uncertainty in Income Taxes — an Interpretation of FASB Statement No. 109" ("FIN 48"), which clarifies the accounting for uncertainty in tax positions taken or expected to be taken in a tax return. FIN 48 provides guidance on the measurement, recognition, classification and disclosure of tax positions, along with accounting for the related interest and penalties. FIN 48 is effective for fiscal years beginning after December 15, 2006, and is to be applied to all open tax years as of the date of effectiveness. On January 23, 2008, the FASB extended the implementation date for non-public entities. As a result, FIN 48 will first go into effect for non-public companies for fiscal years beginning after December 15, 2007. The Trust is currently evaluating the impact, if any, of applying the various provisions of FIN 48.

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

In March 2008, FASB issued FASB Statement No. 161, "Disclosures about Derivative Instruments and Hedging Activities, an amendment of FASB Statement No. 133" (SFAS 161), which expands disclosures about derivative investments and hedging activities. SFAS 161 is effective for fiscal years beginning after November 15, 2008, and interim periods within those fiscal years. The Trust is currently evaluating the impact, if any, of applying the various provisions of SFAS 161.

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

Financial Highlights

	NJBEST Portfolio A				
	Year Ended June 30,				
	2008	2007	2006	2005	2004
<b>SELECTED PER SHARE DATA</b>					
Net asset value, beginning of year	\$ 11.73	\$ 11.00	\$ 10.58	\$ 10.36	\$ 10.18
Income from investment operations <sup>a</sup> :					
Net investment income <sup>b</sup>	0.33	0.42	0.33	0.38	0.37
Net realized and unrealized gain (loss)	(0.04)	0.31	0.09	(0.16)	(0.19)
Total from investment operations	0.29	0.73	0.42	0.22	0.18
Net asset value, end of year	\$ 12.02	\$ 11.73	\$ 11.00	\$ 10.58	\$ 10.36
 TOTAL RETURN <sup>c</sup>	 2.47%	 6.64%	 3.97%	 2.12%	 1.77%
<b>Ratios to average net assets</b>					
Expenses	0.40%	0.40%	0.40%	0.40%	0.40%
Net investment income	2.76%	3.69%	3.10%	3.62%	3.64%
<b>Supplemental data</b>					
Net assets, end of year (000's)	\$ 2,896	\$ 4,203	\$ 6,600	\$ 9,200	\$ 11,578

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

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

<sup>c</sup>Total return does not reflect sales commissions or the contingent deferred sales charge.

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

**Financial Highlights**

	NJBEST Portfolio B				
	Year Ended June 30,				
	2008	2007	2006	2005	2004
<b>SELECTED PER SHARE DATA</b>					
Net asset value, beginning of year	\$ 11.71	\$ 10.98	\$ 10.66	\$ 10.32	\$ 10.00
Income from investment operations <sup>a</sup> :					
Net investment income <sup>b</sup>	0.39	0.38	0.32	0.29	0.28
Net realized and unrealized gain (loss)	(0.19)	0.35	(0.00) <sup>d</sup>	0.05	0.04
Total from investment operations	0.20	0.73	0.32	0.34	0.32
Net asset value, end of year	\$ 11.91	\$ 11.71	\$ 10.98	\$ 10.66	\$ 10.32
TOTAL RETURN <sup>c</sup>	1.71%	6.65%	3.00%	3.29%	3.20%
<b>Ratios to average net assets</b>					
Expenses	0.40%	0.40%	0.40%	0.40%	0.40%
Net investment income	3.24%	3.34%	2.98%	2.77%	2.72%
<b>Supplemental data</b>					
Net assets, end of year (000's)	\$ 37,409	\$ 49,310	\$ 52,288	\$ 51,662	\$ 46,535

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

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

<sup>c</sup>Total return does not reflect sales commissions or the contingent deferred sales charge.

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

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

Financial Highlights

NJBEST Portfolio C

	Year Ended June 30,				
	2008	2007	2006	2005	2004
<b>SELECTED PER SHARE DATA</b>					
Net asset value, beginning of year	\$ 12.26	\$ 11.23	\$ 11.03	\$ 10.41	\$ 9.95
Income from investment operations <sup>a</sup> :					
Net investment income <sup>b</sup>	0.40	0.39	0.32	0.28	0.26
Net realized and unrealized gain (loss)	(0.01)	0.64	(0.12)	0.34	0.20
Total from investment operations	0.39	1.03	0.20	0.62	0.46
Net asset value, end of year	\$ 12.65	\$ 12.26	\$ 11.23	\$ 11.03	\$ 10.41
TOTAL RETURN <sup>c</sup>	3.18%	9.17%	1.81%	5.96%	4.62%
<b>Ratios to average net assets</b>					
Expenses	0.40%	0.40%	0.40%	0.40%	0.40%
Net investment income	2.99%	3.34%	2.87%	2.57%	2.50%
<b>Supplemental data</b>					
Net assets, end of year (000's)	\$ 105,975	\$ 95,677	\$ 80,251	\$ 70,880	\$ 57,842

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

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

<sup>c</sup>Total return does not reflect sales commissions or the contingent deferred sales charge.

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

Financial Highlights

NJBEST Portfolio D

	Year Ended June 30,				
	2008	2007	2006	2005	2004
<b>SELECTED PER SHARE DATA</b>					
Net asset value, beginning of year	\$ 12.51	\$ 11.22	\$ 11.05	\$ 10.21	\$ 9.62
Income from investment operations <sup>a</sup> :					
Net investment income <sup>b</sup>	0.29	0.31	0.27	0.22	0.20
Net realized and unrealized gain (loss)	(0.25)	0.98	(0.10)	0.62	0.39
Total from investment operations	0.04	1.29	0.17	0.84	0.59
Net asset value, end of year	\$ 12.55	\$ 12.51	\$ 11.22	\$ 11.05	\$ 10.21
TOTAL RETURN <sup>c</sup>	0.32%	11.50%	1.54%	8.23%	6.13%
<b>Ratios to average net assets</b>					
Expenses	0.40%	0.40%	0.40%	0.40%	0.40%
Net investment income	2.24%	2.56%	2.43%	2.05%	2.04%
<b>Supplemental data</b>					
Net assets, end of year (000's)	\$ 90,739	\$ 84,283	\$ 69,364	\$ 62,115	\$ 48,992

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

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

<sup>c</sup>Total return does not reflect sales commissions or the contingent deferred sales charge.

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

**Financial Highlights**

**NJBEST Portfolio E**

	Year Ended June 30,				
	2008	2007	2006	2005	2004
<b>SELECTED PER SHARE DATA</b>					
Net asset value, beginning of year	\$ 12.46	\$ 10.95	\$ 10.68	\$ 9.81	\$ 8.98
Income from investment operations <sup>a</sup> :					
Net investment income <sup>b</sup>	0.22	0.23	0.21	0.15	0.14
Net realized and unrealized gain (loss)	(0.65)	1.28	0.06	0.72	0.69
Total from investment operations	(0.43)	1.51	0.27	0.87	0.83
Net asset value, end of year	\$ 12.03	\$ 12.46	\$ 10.95	\$ 10.68	\$ 9.81
TOTAL RETURN <sup>c</sup>	-3.45%	13.79%	2.53%	8.87%	9.24%
<b>Ratios to average net assets</b>					
Expenses	0.40%	0.40%	0.40%	0.40%	0.40%
Net investment income	1.74%	1.94%	1.88%	1.47%	1.48%
<b>Supplemental data</b>					
Net assets, end of year (000's)	\$ 103,916	\$ 100,952	\$ 83,757	\$ 74,093	\$ 58,563

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

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

<sup>c</sup>Total return does not reflect sales commissions or the contingent deferred sales charge.

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

Financial Highlights

	<b>NJ Better Educational Savings Portfolio</b>				
	Year Ended June 30,				
	2008	2007	2006	2005	2004
<b>SELECTED PER SHARE DATA</b>					
Net asset value, beginning of year	\$ 13.38	\$ 12.19	\$ 11.80	\$ 11.30	\$ 10.67
Income from investment operations <sup>a</sup> :					
Net investment income <sup>b</sup>	0.36	0.38	0.36	0.33	0.32
Net realized and unrealized gain (loss)	(0.68)	0.81	0.03	0.17	0.31
Total from investment operations	(0.32)	1.19	0.39	0.50	0.63
Net asset value, end of year	\$ 13.06	\$ 13.38	\$ 12.19	\$ 11.80	\$ 11.30
TOTAL RETURN <sup>c</sup>	-2.39%	9.76%	3.31%	4.42%	5.90%
<b>Ratios to average net assets</b>					
Expenses	0.40%	0.40%	0.40%	0.40%	0.40%
Net investment income	2.70%	3.01%	2.94%	2.87%	2.89%
<b>Supplemental data</b>					
Net assets, end of year (000's)	\$ 12,775	\$ 13,975	\$ 13,734	\$ 13,933	\$ 14,026

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

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

<sup>c</sup>Total return does not reflect sales commissions or the contingent deferred sales charge.

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

NJBEST Portfolio A

Statement of Investments, June 30, 2008

	SHARES	PRINCIPAL AMOUNT	VALUE
<b>Equity 12.2%</b>			
NJBEST Pooled Equity Fund	34,925		\$ 354,012
<b>Total Equity</b>			<u>354,012</u>
<b>Fixed Income 69.4%</b>			
U.S. Treasury Note, 3.125%, 10/15/08		\$ 2,000,000	2,008,438
<b>Total Fixed Income</b>			<u>2,008,438</u>
<b>Total Investments before Short Term Investment (Cost \$2,319,437) 81.6%</b>			<u>2,362,450</u>
<b>Short Term Investment (Cost \$536,882) 18.5%</b>			
State of New Jersey Cash Management Fund	536,882		536,882
<b>Total Investments (Cost \$2,856,319) 100.1%</b>			2,899,332
<b>Other Assets, less Liabilities (0.1)%</b>			(2,963)
<b>Net Assets 100.0%</b>			<u>\$ 2,896,369</u>

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

**NJBEST Portfolio B**

Statement of Investments, June 30, 2008

	SHARES	PRINCIPAL AMOUNT	VALUE
<b>Equity 18.3%</b>			
NJBEST Pooled Equity Fund	677,925		\$ 6,871,641
<b>Total Equity</b>			<u>6,871,641</u>
<b>Fixed Income 80.8%</b>			
General Electric Capital Corp., 3.125%, 4/01/09		\$ 1,500,000	1,499,709
U.S. Treasury Notes:			
4.375%, 11/15/08		10,000,000	10,086,719
4.75%, 11/15/08		4,820,000	4,868,205
Index Linked, 2.375%, 4/15/11		12,985,043	<u>13,765,172</u>
<b>Total Fixed Income</b>			<u>30,219,805</u>
<b>Total Investments before Short Term Investment (Cost \$37,630,026) 99.1%</b>			<u>37,091,446</u>
<b>Short Term Investment (Cost \$212,531) 0.6%</b>			
State of New Jersey Cash Management Fund	212,531		<u>212,531</u>
<b>Total Investments (Cost \$37,842,557) 99.7%</b>			37,303,977
<b>Other Assets, less Liabilities 0.3%</b>			104,725
<b>Net Assets 100.0%</b>			<u>\$ 37,408,702</u>

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

**NJBEST Portfolio C**

Statement of Investments, June 30, 2008

	SHARES	PRINCIPAL AMOUNT	VALUE
<b>Equity 23.6%</b>			
NJBEST Pooled Equity Fund	2,468,926		\$ 25,025,731
<b>Total Equity</b>			<u>25,025,731</u>
<b>Fixed Income 74.3%</b>			
General Electric Capital Corp., 3.125%, 4/01/09		\$ 3,500,000	3,499,321
U.S Treasury Bonds:			
4.875%, 2/15/12		6,000,000	6,369,378
3.875%, 2/15/13		6,000,000	6,156,096
U.S. Treasury Notes:			
5.50%, 5/15/09		2,400,000	2,466,564
6.00%, 8/15/09		790,000	821,107
6.50%, 2/15/10		3,735,000	3,976,318
5.75%, 8/15/10		5,700,000	6,067,833
5.00%, 2/15/11		3,400,000	3,593,110
5.00%, 8/15/11		11,740,000	12,475,593
4.375%, 8/15/12		1,100,000	1,153,368
4.25%, 8/15/13		6,000,000	6,267,192
4.25%, 11/15/2013		11,000,000	11,495,869
Inflation Index, 4.25%, 1/15/13		459,572	493,071
Inflation Index, 1.875% 07/15/15		13,250,538	13,885,120
<b>Total Fixed Income</b>			<u>78,719,940</u>
<b>Total Investments before Short Term Investment (Cost \$104,772,458) 97.9%</b>			<u>103,745,671</u>
<b>Short Term Investment (Cost \$1,229,242) 1.2%</b>			
State of New Jersey Cash Management Fund	1,229,242		<u>1,229,242</u>
<b>Total Investments (Cost \$106,001,700) 99.1%</b>			104,974,913
<b>Other Assets, less Liabilities 0.9%</b>			999,865
<b>Net Assets 100.0%</b>			<u>\$ 105,974,778</u>

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

**NJBEST Portfolio D**

Statement of Investments, June 30, 2008

	SHARES	PRINCIPAL AMOUNT	VALUE
<b>Equity 31.8%</b>			
NJBEST Pooled Equity Fund	2,843,088		<u>28,818,336</u>
<b>Total Fixed Income</b>			<u>28,818,336</u>
<b>Fixed Income 55.6%</b>			
General Electric Capital Corp., 3.125%, 4/01/09		\$ 2,500,000	2,499,515
U.S. Treasury Bonds:			
4.875%, 2/15/12		2,000,000	2,123,126
7.25%, 5/15/16		690,000	848,539
7.50%, 11/15/16		3,712,000	4,642,903
7.25%, 8/15/22		500,000	645,079
6.25%, 8/15/23		600,000	714,610
U.S. Treasury Notes:			
5.50%, 5/15/09		99,000	101,746
5.00%, 2/15/11		2,000,000	2,113,594
4.375%, 8/15/12		2,200,000	2,306,735
4.00%, 11/15/12		6,500,000	6,724,965
4.25%, 8/15/13		10,000,000	10,445,319
4.00%, 2/15/14		3,000,000	3,098,439
4.25%, 8/15/14		1,900,000	1,987,727
4.50%, 11/15/15		5,000,000	5,273,440
Inflation Index, 1.625%, 1/15/18		6,151,317	6,255,126
Inflation Index, 4.25%, 1/15/10		670,209	719,061
<b>Total Fixed Income</b>			<u>50,499,924</u>
<b>Total Investments before Short Term Investment (Cost \$77,643,791) 87.4%</b>			<u>79,318,260</u>
<b>Short Term Investment (Cost \$10,902,373) 12.0%</b>			
State of New Jersey Cash Management Fund	10,902,373		<u>10,902,373</u>
<b>Total Investments (Cost \$88,546,164) 99.4%</b>			90,220,633
<b>Other Assets, less Liabilities 0.6%</b>			518,037
<b>Net Assets 100.0%</b>			<u>\$ 90,738,670</u>

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

**NJBEST Portfolio E**

Statement of Investments, June 30, 2008

	SHARES	PRINCIPAL AMOUNT	VALUE
<b>Equity 40.0%</b>			
NJBEST Pooled Equity Fund	4,102,546		\$ 41,584,557
<b>Total Equity</b>			<u>41,584,557</u>
<b>Fixed Income 44.4%</b>			
General Electric Capital Corp., 3.125%, 4/01/09		\$ 2,000,000	1,999,612
U.S. Treasury Bonds:			
4.875%, 2/15/12		600,000	636,938
3.875%, 2/15/13		1,500,000	1,539,024
7.25%, 5/15/16		395,000	485,758
7.50%, 11/15/16		6,159,000	7,703,566
7.25%, 8/15/22		735,000	948,265
6.25%, 8/15/23		500,000	595,508
6.00%, 2/15/26		1,000,000	1,173,126
U.S. Treasury Notes:			
4.00%, 11/15/12		1,500,000	1,551,915
4.00%, 2/15/14		4,000,000	4,131,252
4.25%, 8/15/14		1,600,000	1,673,875
4.125%, 5/15/15		9,000,000	9,318,519
4.50%, 11/15/15		3,000,000	3,164,064
Inflation Index, 4.25%, 1/15/10		446,806	479,374
Inflation Index, 2.375%, 1/15/25		10,254,920	10,749,249
<b>Total Fixed Income</b>			<u>46,150,045</u>
<b>Total Investments before Short Term Investments (Cost \$87,577,912) 84.4%</b>			<u>87,734,602</u>
<b>Short Term Investment (Cost \$15,760,414) 15.2%</b>			
State of New Jersey Cash Management Fund	15,760,414		<u>15,760,414</u>
<b>Total Investments (Cost \$103,338,326) 99.6%</b>			103,495,016
<b>Other Assets, less Liabilities 0.4%</b>			420,487
<b>Net Assets 100.0%</b>			<u>\$ 103,915,503</u>

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

NJ Better Educational Savings Portfolio  
Statement of Investments, June 30, 2008

	SHARES	PRINCIPAL AMOUNT	Value
<b>Equity 37.0%</b>			
NJBEST Pooled Equity Fund	466,341		\$ 4,726,959
<b>Total Equity</b>			<u>4,726,959</u>
<b>Fixed Income 48.3%</b>			
General Electric Capital Corp., 3.125%, 4/01/09		\$ 500,000	499,903
U.S. Treasury Notes:			
3.125%, 10/15/08		500,000	502,110
4.375%, 11/15/08		3,000,000	3,026,016
5.50%, 5/15/09		100,000	102,773
6.00%, 8/15/09		300,000	311,813
6.50%, 2/15/10		1,125,000	1,197,686
5.75%, 8/15/10		300,000	319,360
5.00%, 8/15/11		200,000	212,531
<b>Total Fixed Income</b>			<u>6,172,192</u>
<b>Total Investments before Short Term Investment (Cost \$11,009,452) 85.3%</b>			<u>10,899,151</u>
<b>Short Term Investment (Cost \$1,823,457) 14.3%</b>			
State of New Jersey Cash Management Fund	1,823,457		<u>1,823,457</u>
<b>Total Investments (Cost \$12,832,909) 99.6%</b>			12,722,608
<b>Other Assets, less Liabilities 0.4%</b>			<u>52,543</u>
<b>Total Net Assets 100.0%</b>			<u>\$ 12,775,151</u>

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

**Combining Statement of Assets and Liabilities**  
June 30, 2008

	<u>NJBEST Portfolio A</u>	<u>NJBEST Portfolio B</u>	<u>NJBEST Portfolio C</u>	<u>NJBEST Portfolio D</u>	<u>NJBEST Portfolio E</u>	<u>NJ Better Educational Savings Portfolio</u>	<u>Total</u>
<b>Assets:</b>							
Investments in securities:							
Cost	\$ 2,856,319	\$ 37,842,557	\$ 106,001,700	\$ 88,546,164	\$ 103,338,326	\$ 12,832,909	\$ 351,417,975
Value	\$ 2,899,332	\$ 37,303,977	\$ 104,974,913	\$ 90,220,633	\$ 103,495,016	\$ 12,722,608	\$ 351,616,479
Receivables:							
Plan shares sold	-	22,237	22,781	15,468	17,231	5,017	82,734
Interest	12,978	158,933	1,048,042	551,706	439,841	68,429	2,279,929
Total assets	\$ 2,912,310	\$ 37,485,147	\$ 106,045,736	\$ 90,787,807	\$ 103,952,088	\$ 12,796,054	\$ 353,979,142
<b>Liabilities:</b>							
Payables:							
Plan shares redeemed	14,971	64,027	36,064	19,075	2,000	16,632	152,769
Accrued expenses	970	12,418	34,894	30,062	34,585	4,271	117,200
Total liabilities	15,941	76,445	70,958	49,137	36,585	20,903	269,969
Net assets, at value	\$ 2,896,369	\$ 37,408,702	\$ 105,974,778	\$ 90,738,670	\$ 103,915,503	\$ 12,775,151	\$ 353,709,173
<b>Direct Sold Class:</b>							
Net assets, at value	\$ 2,896,369	\$ 37,408,702	\$ 105,974,778	\$ 90,738,670	\$ 103,915,503	\$ 12,775,151	
Shares outstanding	240,970	3,140,898	8,375,194	7,228,918	8,640,620	978,014	
Net asset value per share	\$ 12.02	\$ 11.91	\$ 12.65	\$ 12.55	\$ 12.03	\$ 13.06	

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

**Combining Statement of Operations**  
for the year ended June 30, 2008

	<u>NJBEST Portfolio A</u>	<u>NJBEST Portfolio B</u>	<u>NJBEST Portfolio C</u>	<u>NJBEST Portfolio D</u>	<u>NJBEST Portfolio E</u>	<u>NJ Better Educational Saving Portfolio</u>	<u>Total</u>
Investment income:							
Interest	\$ 104,681	\$ 1,490,992	\$ 3,496,440	\$ 2,347,866	\$ 2,212,753	\$ 410,413	\$ 10,063,145
Total investment income	<u>104,681</u>	<u>1,490,992</u>	<u>3,496,440</u>	<u>2,347,866</u>	<u>2,212,753</u>	<u>410,413</u>	<u>10,063,145</u>
Expenses:							
Program Management fees (Note 2)	13,250	163,931	412,088	355,262	414,365	52,889	1,411,785
Net investment income	<u>91,431</u>	<u>1,327,061</u>	<u>3,084,352</u>	<u>1,992,604</u>	<u>1,798,388</u>	<u>357,524</u>	<u>8,651,360</u>
Realized and unrealized gain (losses):							
Net realized gain (loss) from investments	21,808	572,001	804,836	3,998,593	6,356,277	363,928	12,117,443
Net change in unrealized appreciation (depreciation) on investments	(29,907)	(1,155,567)	(878,712)	(5,822,911)	(11,846,053)	(1,027,234)	(20,760,384)
Net realized and unrealized gain (loss)	<u>(8,099)</u>	<u>(583,566)</u>	<u>(73,876)</u>	<u>(1,824,318)</u>	<u>(5,489,776)</u>	<u>(663,306)</u>	<u>(8,642,941)</u>
Net increase (decrease) in net assets resulting from operations	<u>\$ 83,332</u>	<u>\$ 743,495</u>	<u>\$ 3,010,476</u>	<u>\$ 168,286</u>	<u>\$ (3,691,388)</u>	<u>\$ (305,782)</u>	<u>\$ 8,419</u>

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

**Combining Statement of Changes in Net Assets**

	<b>NJBEST Portfolio A</b>		<b>NJBEST Portfolio B</b>		<b>NJBEST Portfolio C</b>	
	Year Ended June 30,		Year Ended June 30,		Year Ended June 30,	
	2008	2007	2008	2007	2008	2007
Increase (decrease) in net assets:						
Operations:						
Net investment income	\$ 91,431	\$ 184,518	\$ 1,327,061	\$ 1,650,519	\$ 3,084,352	\$ 2,942,231
Net realized gain (loss) from investments	21,808	85,731	572,001	663,057	804,836	6,334,003
Net change in unrealized appreciation (depreciation) on investments	(29,907)	46,457	(1,155,567)	852,387	(878,712)	(1,652,989)
Net increase (decrease) in net assets resulting from operations	<u>83,332</u>	<u>316,706</u>	<u>743,495</u>	<u>3,165,963</u>	<u>3,010,476</u>	<u>7,623,245</u>
Plan share transactions:						
Subscriptions	340,576	631,587	4,598,863	5,571,460	10,302,562	11,054,144
Redemptions	(1,730,181)	(3,345,493)	(17,243,996)	(11,714,955)	(3,015,465)	(3,251,306)
Net increase (decrease) in net assets resulting from plan share transactions	<u>(1,389,605)</u>	<u>(2,713,906)</u>	<u>(12,645,133)</u>	<u>(6,143,495)</u>	<u>7,287,097</u>	<u>7,802,838</u>
Net increase (decrease) in net assets	<u>(1,306,273)</u>	<u>(2,397,200)</u>	<u>(11,901,638)</u>	<u>(2,977,532)</u>	<u>10,297,573</u>	<u>15,426,083</u>
Net assets:						
Beginning of year	<u>4,202,642</u>	<u>6,599,842</u>	<u>49,310,340</u>	<u>52,287,872</u>	<u>95,677,205</u>	<u>80,251,122</u>
End of year	<u>\$ 2,896,369</u>	<u>\$ 4,202,642</u>	<u>\$ 37,408,702</u>	<u>\$ 49,310,340</u>	<u>\$ 105,974,778</u>	<u>\$ 95,677,205</u>

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

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

	<b>NJBEST Portfolio D</b>		<b>NJBEST Portfolio E</b>		<b>NJ Better Educational Savings Portfolio</b>	
	Year Ended June 30,		Year Ended June 30,		Year Ended June 30,	
	2008	2007	2008	2007	2008	2007
Increase (decrease) in net assets:						
Operations:						
Net investment income	\$ 1,992,604	\$ 1,976,816	\$ 1,798,388	\$ 1,795,718	\$ 357,524	\$ 413,015
Net realized gain (loss) from investments	3,998,593	1,902,516	6,356,277	3,583,559	363,928	206,547
Net change in unrealized appreciation (depreciation) on investments	(5,822,911)	4,401,150	(11,846,053)	6,414,632	(1,027,234)	648,721
Net increase (decrease) in net assets resulting from operations	<u>168,286</u>	<u>8,280,482</u>	<u>(3,691,388)</u>	<u>11,793,909</u>	<u>(305,782)</u>	<u>1,268,283</u>
Plan share transactions:						
Subscriptions	9,097,543	10,159,079	10,536,297	11,048,051	1,136,836	1,018,615
Redemptions	(2,810,610)	(3,519,837)	(3,881,026)	(5,647,784)	(2,030,575)	(2,046,172)
Net increase (decrease) in net assets resulting from plan share transactions	<u>6,286,933</u>	<u>6,639,242</u>	<u>6,655,271</u>	<u>5,400,267</u>	<u>(893,739)</u>	<u>(1,027,557)</u>
Net increase (decrease) in net assets	6,455,219	14,919,724	2,963,883	17,194,176	(1,199,521)	240,726
Net assets:						
Beginning of year	<u>84,283,451</u>	<u>69,363,727</u>	<u>100,951,620</u>	<u>83,757,444</u>	<u>13,974,672</u>	<u>13,733,946</u>
End of year	<u>\$ 90,738,670</u>	<u>\$ 84,283,451</u>	<u>\$ 103,915,503</u>	<u>\$ 100,951,620</u>	<u>\$ 12,775,151</u>	<u>\$ 13,974,672</u>

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

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

	<u>Total</u>	
	Year Ended June 30,	
	2008	2007
Increase (decrease) in net assets:		
Operations:		
Net investment income	\$ 8,651,360	\$ 8,962,817
Net realized gain (loss) from investments	12,117,443	12,775,413
Net change in unrealized appreciation (depreciation) on investments	<u>(20,760,384)</u>	<u>10,710,358</u>
Net increase (decrease) in net assets resulting from operations	<u>8,419</u>	<u>32,448,588</u>
Plan share transactions:		
Subscriptions	36,012,677	39,482,936
Redemptions	<u>(30,711,853)</u>	<u>(29,525,547)</u>
Net increase (decrease) in net assets resulting from plan share transactions	<u>5,300,824</u>	<u>9,957,389</u>
Net increase (decrease) in net assets	5,309,243	42,405,977
Net assets:		
Beginning of year	<u>348,399,930</u>	<u>305,993,953</u>
End of year	<u>\$ 353,709,173</u>	<u>\$ 348,399,930</u>

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

**NJBest Pooled Equity Fund**  
**Statement of Investments, June 30, 2008**

	Shares	Value
<b>Common Stocks 81.0%</b>		
<b>Aerospace &amp; Defense 2.3%</b>		
<sup>a</sup> Hexcel Corp.	27,000	\$ 521,100
L-3 Communications Holdings Inc.	10,000	908,700
<sup>a</sup> LMI Aerospace Inc.	37,000	650,090
<sup>a</sup> Taser International Inc.	75,000	374,250
		<u>2,454,140</u>
<b>Air Freight &amp; Logistics 0.6%</b>		
United Parcel Service Inc., B	10,000	614,700
		<u>614,700</u>
<b>Auto Components 0.7%</b>		
<sup>a</sup> Quantum Fuel Systems Technologies Worldwide Inc.	100,000	308,000
Spartan Motors Inc.	56,000	418,320
		<u>726,320</u>
<b>Beverages 0.9%</b>		
<sup>a</sup> DR Pepper Snapple Group Inc.	20,000	419,600
Molson Coors Brewing Co., B	10,000	543,300
		<u>962,900</u>
<b>Biotechnology 0.4%</b>		
<sup>a</sup> ImClone Systems Inc.	10,000	404,600
		<u>404,600</u>
<b>Capital Markets 0.4%</b>		
Morgan Stanley	12,000	432,840
		<u>432,840</u>
<b>Chemicals 1.3%</b>		
E. I. du Pont de Nemours and Co.	24,000	1,029,360
Huntsman Corp.	32,000	364,800
		<u>1,394,160</u>
<b>Commercial Banks 0.8%</b>		
<sup>a</sup> Bank of Florida Corp.	18,000	130,500
PNC Financial Services Group Inc.	7,000	399,700
United Community Banks Inc.	44,000	375,320
		<u>905,520</u>
<b>Commercial Services &amp; Supplies 0.7%</b>		
Comfort Systems USA Inc.	10,000	134,400
<sup>a</sup> Navigant Consulting Inc.	30,000	586,800
		<u>721,200</u>

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

**NJBest Pooled Equity Fund**  
**Statement of Investments, June 30, 2008**

	Shares	Value
<b>Common Stocks (continued)</b>		
<b>Communications Equipment 2.0%</b>		
<sup>a</sup> ADC Telecommunications Inc.	30,000	\$ 443,100
<sup>a</sup> Airspan Networks Inc.	200,000	149,960
<sup>a</sup> Arris Group Inc.	67,000	566,150
<sup>a</sup> Cisco Systems Inc.	42,000	976,920
		<u>2,136,130</u>
<b>Computers &amp; Peripherals 4.5%</b>		
<sup>a</sup> Apple Inc.	11,000	1,841,840
<sup>a</sup> Hauppauge Digital Inc.	80,000	120,000
International Business Machines Corp.	12,000	1,422,360
Seagate Technology	27,000	516,510
<sup>a</sup> Synaptics Inc.	25,000	943,250
		<u>4,843,960</u>
<b>Construction &amp; Engineering 0.7%</b>		
<sup>a</sup> Michael Baker Corp.	34,000	743,920
		<u>743,920</u>
<b>Consumer Finance 0.4%</b>		
<sup>a</sup> SLM Corp.	20,000	387,000
		<u>387,000</u>
<b>Containers &amp; Packaging 1.1%</b>		
Greif Inc., B	13,000	738,010
Rock-Tenn Co., A	16,000	479,840
		<u>1,217,850</u>
<b>Distributors 0.2%</b>		
<sup>a</sup> Source Interlink Co. Inc.	80,000	176,800
		<u>176,800</u>
<b>Diversified Financial Services 2.8%</b>		
Bank of America Corp.	42,000	1,002,540
Citigroup Inc.	36,000	603,360
JPMorgan Chase & Co.	40,000	1,372,400
		<u>2,978,300</u>
<b>Diversified Telecommunication Services 2.1%</b>		
AT&T Inc.	60,000	2,021,400
<sup>a</sup> General Communication Inc.	28,920	198,681
		<u>2,220,081</u>

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

**NJBest Pooled Equity Fund**  
**Statement of Investments, June 30, 2008**

	Shares	Value
<b>Common Stocks (continued)</b>		
<b>Electrical Equipment 1.5%</b>		
Active Power Inc.	147,500	\$ 172,575
<sup>a</sup> Alpine Group Inc.	210,000	462,000
<sup>a</sup> First Solar Inc.	2,100	572,922
Woodward Governor Co.	10,000	356,600
		<u>1,564,097</u>
<b>Electronic Equipment &amp; Instruments 0.8%</b>		
<sup>a</sup> Anixter International Inc.	12,000	713,880
<sup>a</sup> MMC Energy Inc.	74,000	165,760
		<u>879,640</u>
<b>Energy Equipment &amp; Services 2.1%</b>		
<sup>a</sup> Allis-Chalmers Energy Inc.	40,000	712,000
Rowan Cos. Inc.	10,000	467,500
<sup>a</sup> Transocean Inc.	7,000	1,066,730
		<u>2,246,230</u>
<b>Food &amp; Staples Retailing 0.9%</b>		
<sup>a</sup> Pantry Inc.	10,000	106,600
Wal-Mart Stores Inc.	16,000	899,200
		<u>1,005,800</u>
<b>Food Products 1.6%</b>		
Calavo Growers Inc.	45,000	551,250
J & J Snack Foods Corp.	16,000	438,560
Tasty Baking Co.	140,000	763,000
		<u>1,752,810</u>
<b>Health Care Equipment &amp; Supplies 1.1%</b>		
<sup>a</sup> AngioDynamics Inc.	18,000	245,160
<sup>a</sup> St. Jude Medical Inc.	22,000	899,360
		<u>1,144,520</u>
<b>Health Care Providers &amp; Services 1.3%</b>		
<sup>a</sup> Laboratory Corp. of America Holdings	13,000	905,190
UnitedHealth Group Inc.	18,000	472,500
		<u>1,377,690</u>
<b>Hotels, Restaurants &amp; Leisure 0.7%</b>		
<sup>a</sup> Gaylord Entertainment Co., A	30,000	718,800
		<u>718,800</u>

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

**NJBest Pooled Equity Fund**  
**Statement of Investments, June 30, 2008**

	Shares	Value
<b>Common Stocks (continued)</b>		
<b>Household Durables 0.8%</b>		
D.R. Horton Inc.	42,000	\$ 455,700
<sup>a</sup> iRobot Corp.	28,000	384,720
		<u>840,420</u>
<b>Household Products 1.9%</b>		
<sup>a</sup> Energizer Holdings Inc.	7,000	511,630
The Procter & Gamble Co.	26,000	1,581,060
		<u>2,092,690</u>
<b>Independent Power Producers &amp; Energy Traders 0.4%</b>		
Ormat Technologies Inc.	9,000	442,620
		<u>442,620</u>
<b>Industrial Conglomerates 1.5%</b>		
General Electric Co.	62,000	1,654,780
		<u>1,654,780</u>
<b>Insurance 0.9%</b>		
American International Group Inc.	20,000	529,200
W. R. Berkley Corp.	20,000	483,200
		<u>1,012,400</u>
<b>Internet &amp; Catalog Retail 0.5%</b>		
<sup>a</sup> Amazon.com Inc.	7,000	513,310
		<u>513,310</u>
<b>Internet Software &amp; Services 3.6%</b>		
<sup>a</sup> CMGI Inc.	48,000	508,800
<sup>a</sup> Google Inc., A	2,200	1,158,124
<sup>a</sup> Kana Software Inc.	320,000	406,400
<sup>a</sup> The Knot Inc.	56,000	547,680
<sup>a</sup> LivePerson Inc.	90,000	252,900
<sup>a</sup> ValueClick Inc.	24,000	363,600
<sup>a</sup> Yahoo! Inc.	28,000	578,480
		<u>3,815,984</u>
<b>Leisure Equipment &amp; Products 0.8%</b>		
<sup>a</sup> JAKKS Pacific Inc.	18,000	393,300
Mattel Inc.	28,000	479,360
		<u>872,660</u>
<b>Life Sciences Tools &amp; Services 0.4%</b>		
<sup>a</sup> Medtox Scientific Inc.	34,000	471,920
		<u>471,920</u>

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

**NJBest Pooled Equity Fund**  
**Statement of Investments, June 30, 2008**

	Shares	Value
<b>Common Stocks (continued)</b>		
<b>Machinery 3.3%</b>		
<sup>a</sup> Astec Industries Inc.	24,000	\$ 771,360
Danaher Corp.	6,000	463,800
<sup>a</sup> Force Protection Inc.	84,000	278,040
ITT Corp.	9,000	569,970
Lindsay Corp.	6,000	509,820
Oshkosh Corp.	18,000	372,420
Parker Hannifin Corp.	8,500	606,220
		<u>3,571,630</u>
<b>Media 5.1%</b>		
<sup>a</sup> Cablevision Systems Corp., A	20,000	452,000
<sup>a</sup> Charter Communications Inc., A	160,000	168,000
<sup>a</sup> The DIRECTV Group Inc.	18,000	466,380
Entercom Communications Corp.	38,000	266,760
National CineMedia Inc.	33,000	351,780
News Corp., A	20,000	300,800
<sup>a</sup> Outdoor Channel Holdings Inc.	70,000	488,600
Regal Entertainment Group, A	40,000	611,200
Time Warner Inc.	62,000	917,600
<sup>a</sup> Viacom Inc., B	28,000	855,120
World Wrestling Entertainment Inc.	42,000	649,740
		<u>5,527,980</u>
<b>Metals &amp; Mining 0.6%</b>		
<sup>a</sup> RTI International Metals Inc.	18,000	641,160
		<u>641,160</u>
<b>Multiline Retail 0.5%</b>		
Macy's Inc.	26,000	504,920
		<u>504,920</u>
<b>Multi-Utilities 0.8%</b>		
PG&E Corp.	13,000	515,970
Puget Energy Inc.	14,300	343,057
		<u>859,027</u>
<b>Oil, Gas &amp; Consumable Fuels 8.5%</b>		
ConocoPhillips	32,000	3,020,480
Devon Energy Corp.	5,000	600,800
Exxon Mobil Corp.	42,000	3,701,460
Holly Corp.	16,000	590,720
Marathon Oil Corp.	12,000	622,440
Peabody Energy Corp.	5,000	440,250
<sup>a</sup> Rentech Inc.	80,000	152,000
		<u>9,128,150</u>

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

**NJBest Pooled Equity Fund**  
**Statement of Investments, June 30, 2008**

	Shares	Value
<b>Common Stocks (continued)</b>		
<b>Paper &amp; Forest Products 0.6%</b>		
Weyerhaeuser Co.	13,000	\$ 664,820
		<u>664,820</u>
<b>Pharmaceuticals 4.6%</b>		
Bristol-Myers Squibb Co.	32,000	656,960
Johnson & Johnson	25,000	1,608,500
Pfizer Inc.	96,000	1,677,120
Schering-Plough Corp.	20,000	393,800
<sup>a</sup> Watson Pharmaceuticals Inc.	21,000	570,570
		<u>4,906,950</u>
<b>Real Estate Investment Trusts 0.4%</b>		
Entertainment Properties Trust	8,000	395,520
		<u>395,520</u>
<b>Road &amp; Rail 1.0%</b>		
<sup>a</sup> Kansas City Southern	25,000	1,099,750
		<u>1,099,750</u>
<b>Semiconductors &amp; Semiconductor Equipment 2.4%</b>		
<sup>a</sup> EMCORE Corp.	70,000	438,200
Intel Corp.	38,000	816,240
<sup>a</sup> MEMC Electronic Materials Inc.	10,000	615,400
<sup>a</sup> NVIDIA Corp.	25,000	468,000
<sup>a</sup> Transmeta Corp.	14,000	193,340
		<u>2,531,180</u>
<b>Software 5.9%</b>		
<sup>a</sup> Autodesk Inc.	13,000	439,530
<sup>a</sup> Borland Software Corp.	160,000	217,600
CA Inc.	22,000	507,980
<sup>a</sup> Electronic Arts Inc.	12,000	533,160
<sup>a</sup> Kenexa Corp.	22,000	414,480
<sup>a</sup> Mentor Graphics Corp.	28,000	442,400
Microsoft Corp.	68,000	1,870,680
<sup>a</sup> Oracle Corp.	16,000	336,000
<sup>a</sup> PROS Holdings Inc.	48,000	539,040
<sup>a</sup> Radiant Systems Inc.	42,000	450,660
<sup>a</sup> The SCO Group Inc.	400,000	48,000
<sup>a</sup> TiVo Inc.	80,000	493,600
		<u>6,293,130</u>

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

**NJBest Pooled Equity Fund**  
**Statement of Investments, June 30, 2008**

	Shares	Value
<b>Common Stocks (continued)</b>		
<b>Specialty Retail 1.0%</b>		
<sup>a</sup> Blockbuster Inc., B	100,000	\$ 202,000
Circuit City Stores Inc.	140,000	404,600
Penske Automotive Group Inc.	30,000	442,200
		<u>1,048,800</u>
<b>Tobacco 1.6%</b>		
Philip Morris International Inc.	19,000	938,410
Reynolds American Inc.	17,000	793,390
		<u>1,731,800</u>
<b>Trading Companies &amp; Distributors 0.5%</b>		
<sup>a</sup> United Rentals Inc.	30,000	588,300
		<u>588,300</u>
<b>Transportation Infrastructure 0.7%</b>		
Macquarie Infrastructure Co. LL	30,000	758,700
		<u>758,700</u>
<b>Wireless Telecommunication Services 0.9%</b>		
<sup>a</sup> American Tower Corp., A	12,000	507,000
<sup>a</sup> Clearwire Corp., A	34,000	440,640
		<u>947,640</u>
<b>Total Common Stocks (Cost \$99,600,531)</b>		<u>86,926,249</u>
<b>Short Term Investment (Cost \$15,709,337) 14.6%</b>		
State of New Jersey Cash Management Fund	15,709,337	15,709,337
<b>Total Investments (Cost \$115,309,868) 95.6%</b>		102,635,586
<b>Other Assets Less Liabilities 4.4%</b>		<u>4,745,650</u>
<b>Total Net Assets 100.0%</b>		<u>\$ 107,381,236</u>

<sup>a</sup> Non-Income producing for the twelve months ended June 30,2008.