

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

Combined Financial Statements
June 30, 2018



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

Combined Financial Statements and Supplemental Information

Year ended June 30, 2018

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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, 2018, 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 audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audits 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, 2018, 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 9 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, 2018, 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 14, 2018

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 Investments ("FTI") for accounts opened after March 17, 2003. The financial data for the Program for the year ended June 30, 2018 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, 2018. 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 twenty six (26) 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, 2018. 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, 2018. 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 Statements of Fiduciary Net Position as of June 30, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Investments	\$ 5,182,831,954	\$ 4,868,413,276
Cash	3,215,087	4,436,414
Receivables	2,782,472	2,533,859
Total assets	<u>5,188,829,513</u>	<u>4,875,383,549</u>
Payables	<u>5,978,340</u>	<u>7,170,224</u>
Total liabilities	<u>5,978,340</u>	<u>7,170,224</u>
Fiduciary Net Position held in trust for Account Owners in the Program	<u>\$ 5,182,851,173</u>	<u>\$ 4,868,213,325</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 twenty six (26) 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 Statements of Changes in Fiduciary Net Position for the years ended June 30, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Additions:		
Subscriptions	\$ 1,467,208,294	\$ 1,265,529,850
Net increase in Fiduciary Net Position resulting from operations	343,502,191	574,698,499
Total additions	<u>1,810,710,485</u>	<u>1,840,228,349</u>
Deductions:		
Redemptions	1,432,892,898	1,218,753,372
Net decrease in Fiduciary Net Position resulting from operations	<u>63,179,739</u>	<u>35,428,485</u>
Total deductions	<u>1,496,072,637</u>	<u>1,254,181,857</u>
Changes in Fiduciary Net Position held in trust for Account Owners in the Program	314,637,848	586,046,492
Fiduciary Net Position - beginning of year	<u>4,868,213,325</u>	<u>4,282,166,833</u>
Fiduciary Net Position - end of year	<u>\$ 5,182,851,173</u>	<u>\$ 4,868,213,325</u>

The Franklin Templeton Options received \$34.3 million in net subscriptions from Account Owners during the year ended June 30, 2018.

The Franklin Templeton Options earned \$108.2 million of investment income and incurred \$27.4 million of operating expenses during the year ended June 30, 2018.

New Jersey Better Educational Savings Trust Program

Franklin Templeton Managed Investment Options

Management's Discussion and Analysis (continued)

Financial Highlights

for the year ended June 30, 2018

	Class A ^{a,b}	Class B ^{a,b}	Class C ^{a,b}	Advisor Class ^{b,c,d}	Direct Class ^b
Franklin Asset Allocations - Growth					
Newborn - 8 Years 529 Portfolio					
Total return	9.87%	9.04%	9.08%	9.81%	10.30%
Expense ratio ^e	0.50%	1.25%	1.25%	0.25%	0.10%
Age 9 - 12 Years 529 Portfolio					
Total return	7.34%	6.53%	6.56%	7.32%	7.80%
Expense ratio ^e	0.50%	1.25%	1.25%	0.25%	0.10%
Age 13 - 16 Years 529 Portfolio					
Total return	4.52%	3.77%	3.77%	4.55%	4.96%
Expense ratio ^e	0.50%	1.25%	1.25%	0.25%	0.10%
Age 17+ Years 529 Portfolio					
Total return	1.79%	0.99%	1.03%	1.84%	2.23%
Expense ratio ^e	0.50%	1.25%	1.25%	0.25%	0.10%
Franklin Asset Allocations - Conservative					
Newborn - 8 Years 529 Portfolio					
Total return	4.55%	3.72%	3.72%	4.53%	4.90%
Expense ratio ^e	0.50%	1.25%	1.25%	0.25%	0.10%
Age 9 - 12 Years 529 Portfolio					
Total return	1.89%	1.07%	1.15%	1.81%	2.25%
Expense ratio ^e	0.50%	1.25%	1.25%	0.25%	0.10%
Age 13 - 16 Years 529 Portfolio					
Total return	(0.93)%	(1.60)%	(1.60)%	(0.67)%	(0.49)%
Expense ratio ^e	0.50%	1.25%	1.25%	0.25%	0.10%
Age 17+ Years 529 Portfolio					
Total return	(0.20)%	(0.94)%	(1.05)%	(0.10)%	0.19%
Expense ratio ^e	0.50%	1.25%	1.25%	0.25%	0.10%

^a Total return does not reflect sales commissions or contingent deferred sales charges.

^b Does not include expenses of the Underlying Funds in which the Portfolio invests.

^c For the period July 10, 2017 (commencement of operations) to June 30, 2018.

^d Ratios are annualized for periods less than one year.

^e Expense ratios are based on average daily net assets.

New Jersey Better Educational Savings Trust Program

Franklin Templeton Managed Investment Options

Management's Discussion and Analysis (continued)

Financial Highlights (continued)

for the year ended June 30, 2018

	Class A ^{a,b}	Class B ^{a,b}	Class C ^{a,b}	Advisor Class ^{b,c,d}	Direct Class ^b
Franklin Asset Allocations - Moderate					
Newborn - 8 Years 529 Portfolio					
Total return	7.44%	6.65%	6.66%	7.35%	7.83%
Expense ratio ^e	0.50%	1.25%	1.25%	0.25%	0.10%
Age 9 - 12 Years 529 Portfolio					
Total return	4.47%	3.76%	3.69%	4.52%	4.91%
Expense ratio ^e	0.50%	1.25%	1.25%	0.25%	0.10%
Age 13 - 16 Years 529 Portfolio					
Total return	1.91%	1.16%	1.09%	1.91%	2.28%
Expense ratio ^e	0.50%	1.25%	1.25%	0.25%	0.10%
Age 17+ Years 529 Portfolio					
Total return	(0.92)%	(1.59)%	(1.59)%	(0.76)%	(0.49)%
Expense ratio ^e	0.50%	1.25%	1.25%	0.25%	0.10%
Objective-Based Allocations					
Franklin Corefolio® 529 Portfolio					
Total return	11.27%	10.46%	10.40%	10.93%	11.69%
Expense ratio ^e	0.50%	1.25%	1.25%	0.25%	0.10%
Franklin Founding Funds 529 Portfolio					
Total return	2.93%	2.16%	2.16%	3.15%	
Expense ratio ^e	0.50%	1.25%	1.25%	0.25%	
Franklin Growth Allocation 529 Portfolio					
Total return	9.87%	9.08%	9.08%	9.81%	10.35%
Expense ratio ^e	0.50%	1.25%	1.25%	0.25%	0.10%
Franklin Growth & Income Allocation 529 Portfolio					
Total return	4.71%	3.96%	3.97%	4.79%	5.16%
Expense ratio ^e	0.50%	1.25%	1.25%	0.25%	0.10%
Franklin Income Allocation 529 Portfolio					
Total return	(0.89)%	(1.64)%	(1.63)%	(0.70)%	(0.49)%
Expense ratio ^e	0.50%	1.25%	1.25%	0.25%	0.10%

^a Total return does not reflect sales commissions or contingent deferred sales charges.

^b Does not include expenses of the Underlying Funds in which the Portfolio invests.

^c For the period July 10, 2017 (commencement of operations) to June 30, 2018.

^d Ratios are annualized for periods less than one year.

^e Expense ratios are based on average daily net assets.

New Jersey Better Educational Savings Trust Program

Franklin Templeton Managed Investment Options

Management's Discussion and Analysis (continued)

Financial Highlights (continued)

for the year ended June 30, 2018

	Class A ^{a,b}	Class B ^{a,b}	Class C ^{a,b}	Advisor Class ^{b,c,d}	Direct Class ^b
Individual Portfolios					
Franklin Growth 529 Portfolio					
Total return	16.38%	15.56%	15.56%	15.68%	
Expense ratio ^e	0.50%	1.25%	1.25%	0.25%	
Franklin Income 529 Portfolio					
Total return	3.57%	2.79%	2.81%	3.83%	
Expense ratio ^e	0.50%	1.25%	1.25%	0.25%	
Franklin Small-Mid Cap Growth 529 Portfolio					
Total return	15.65%	14.79%	14.79%	15.66%	
Expense ratio ^e	0.50%	1.25%	1.25%	0.25%	
Franklin Mutual Shares 529 Portfolio					
Total return	1.48%	0.84%	0.76%	1.69%	
Expense ratio ^e	0.50%	1.25%	1.25%	0.25%	
S&P 500 Index 529 Portfolio					
Total return	13.69%	12.87%	12.84%	13.82%	14.14%
Expense ratio ^e	0.50%	1.25%	1.25%	0.25%	0.10%
Templeton Growth 529 Portfolio					
Total return	3.68%	3.03%	2.89%	3.97%	
Expense ratio ^e	0.50%	1.25%	1.25%	0.25%	
Franklin Mutual Global Discovery 529 Portfolio					
Total return	0.93%		0.26%	0.76%	
Expense ratio ^e	0.50%		1.25%	0.25%	
Templeton Global Bond 529 Portfolio					
Total return	(2.34)%		(3.09)%	(2.81)%	
Expense ratio ^e	0.50%		1.25%	0.25%	
Franklin U.S. Government Money 529 Portfolio					
Total return	1.00%	1.00%	1.00%		1.00%
Expense ratio ^e	-	-	-		-

^a Total return does not reflect sales commissions or contingent deferred sales charges.

^b Does not include expenses of the Underlying Funds in which the Portfolio invests.

^c For the period July 10, 2017 (commencement of operations) to June 30, 2018.

^d Ratios are annualized for periods less than one year.

^e Expense ratios are based on average daily net assets.

New Jersey Better Educational Savings Trust Program

Franklin Templeton Managed Investment Options

Combined Financial Statements

Combined Statement of Fiduciary Net Position

June 30, 2018

Assets:	
Cash	\$ 3,215,087
Investments, at fair value (Cost: \$4,732,933,640)	5,182,831,954
Dividends receivable	1,311,469
Receivable from investment securities sold	200,000
Receivable for shares sold	1,271,003
Total assets	<u>5,188,829,513</u>
Liabilities:	
Accrued expenses	4,101,935
Payable for shares redeemed	1,876,405
Total liabilities	<u>5,978,340</u>
Fiduciary net position held in trust for Account Owners in the Program	<u>\$ 5,182,851,173</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, 2018

Additions:	
Subscriptions	\$ 1,467,208,294
Increase from investment operations:	
Dividend income distributions by Underlying Funds	108,249,350
Realized gain from sales of Underlying Funds	58,186,537
Capital gain distributions by Underlying Funds	95,490,233
Net change in unrealized appreciation on investments in Underlying Funds	81,576,071
Net increase in net position resulting from operations	<u>343,502,191</u>
Total additions	<u>1,810,710,485</u>
Deductions:	
Redemptions	1,432,892,898
Decrease from investment operations:	
Realized loss from sales of Underlying Funds	446,707
Net change in unrealized depreciation on investments in Underlying Funds	35,354,192
Program management fees (Note 2)	10,560,311
Sales fees (Note 2)	16,818,529
Net decrease in net position resulting from operations	<u>63,179,739</u>
Total deductions	<u>1,496,072,637</u>
Changes in fiduciary net position held in trust for Account Owners in the Program	314,637,848
Fiduciary net position - beginning of year	<u>4,868,213,325</u>
Fiduciary net position - end of year	<u>\$ 5,182,851,173</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 New Jersey Better Educational Savings Trust Program (the "Program") to allow Account Owners and beneficiaries 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, Objective-Based Allocations, and Individual Portfolios. Within each Franklin Asset Allocations (Growth, Conservative or Moderate), contributions are allocated among four age bands, based on the age of the Beneficiary. Each Franklin Asset Allocation Investment Option 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 - 8 Years 529 Portfolio
Age 9 - 12 Years 529 Portfolio
Age 13 - 16 Years 529 Portfolio
Age 17+ Years 529 Portfolio

Franklin Asset Allocations - Conservative

Newborn - 8 Years 529 Portfolio
Age 9 - 12 Years 529 Portfolio
Age 13 - 16 Years 529 Portfolio
Age 17+ Years 529 Portfolio

Franklin Asset Allocations - Moderate

Newborn - 8 Years 529 Portfolio
Age 9 - 12 Years 529 Portfolio
Age 13 - 16 Years 529 Portfolio
Age 17+ 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 Growth 529 Portfolio
Franklin Income 529 Portfolio
Franklin Small-Mid Cap Growth 529 Portfolio
Franklin Mutual Shares 529 Portfolio
S&P 500 Index 529 Portfolio
Templeton Growth 529 Portfolio
Franklin Mutual Global Discovery 529 Portfolio
Templeton Global Bond 529 Portfolio
Franklin U.S. Government Money 529 Portfolio

Effective July 10, 2017, the Program began offering a new class of shares, Advisor Class Trust Shares.

The Franklin Growth, Conservative, Moderate and Objective-Based Allocations, excluding the Franklin Founding Funds 529 Portfolio, offer five classes of Trust Shares: Class A, Class B, Class C, Advisor and Direct Class. Within the Individual Portfolios, the S&P 500 Index 529 Portfolio also offers five classes; the Franklin U.S. Government Money 529 Portfolio offers four classes of Trust Shares: Class A, Class B, Class C and Direct Class. Franklin Mutual Global Discovery 529 Portfolio and Templeton Global Bond 529 Portfolio offer three classes: Class A, C and Advisor. The remaining Individual Portfolios, as well as Franklin Founding Funds 529 Portfolio, offer four classes of shares: Class A, Class B, Class C and Advisor shares. 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.

Effective April 1, 2012, the Program, except for the Franklin U.S. Government Money 529 Portfolio, no longer offers Class B Shares, including to existing owners. Existing owners may exchange Class B Shares of any portfolio for Class B of any other portfolios to the extent permitted.

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), whichever is earlier. 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

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)*

a. Financial Instrument Valuation *(continued)*

(VC). The VC provides administration and oversight of the Portfolio's valuation policies and procedures, which are approved annually by the Board. Among other things, these procedures allow the Portfolios to utilize independent pricing services, quotations from securities and financial instrument dealers, and other market sources to determine fair value.

Under compliance policies and procedures approved by Franklin Mutual, the Program's administrator has responsibility for oversight of valuation, including leading the cross-functional Valuation Committee (VC). The VC provides administration and oversight of the Program's valuation policies and procedures. Among other things, these procedures allow the Program to utilize independent pricing services, quotations from securities and financial instrument dealers, and other market sources to determine fair value.

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, 2018, 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.

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.

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)*

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:

Investment Option	Total Program Management Fee
Class A, B, C, & Advisor	0.25%
Direct Class	0.10%

The Program Manager and HESSA has 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%, 1.00%, and 1.00% per year of their average daily net assets of Class A, Class B and Class C, respectively, for costs incurred in marketing 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, ("FTI"), 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, 2018, net unrealized appreciation of portfolio investments was \$449,898,314 consisting of gross unrealized appreciation of \$536,516,605 and gross unrealized depreciation of \$86,618,291. 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, 2018, aggregated \$698,871,253 and \$512,089,038, respectively.

For a list of each Portfolio's investments at June 30, 2018, 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, 2018, the Underlying Funds held by the Portfolios consist of the following:

	Units	Cost	Value
Open End Mutual Funds			
Franklin Growth Fund, Advisor Class	5,246,092	\$ 353,569,499	\$ 519,730,378
Franklin Growth Opportunities Fund, Advisor Class	9,218,675	301,554,850	402,671,791
Franklin Income Fund, Advisor Class	122,345,843	280,028,825	280,171,980
Franklin International Small Cap Growth Fund, Advisor Class	9,769,625	199,174,386	188,944,546
Franklin Mutual European Fund, Class Z	8,319,294	172,357,614	171,211,084
Franklin Mutual Shares Fund, Class Z	18,306,302	455,398,022	519,532,866
Franklin Rising Dividends Fund, Advisor Class	3,439,039	171,895,702	210,882,023
Franklin Small-Mid Cap Growth Fund, Advisor Class	7,062,842	257,270,592	287,952,055
Franklin Strategic Income Fund, Advisor Class	26,224,801	258,697,876	250,184,585
Franklin Total Return Fund, Advisor Class	33,081,262	327,960,685	314,602,809
Franklin U.S. Government Securities Fund, Advisor Class	52,722,865	339,816,791	312,646,586
Franklin Utilities Fund, Advisor Class	5,661,717	91,514,249	105,534,421
Mutual Global Discovery Fund, Class Z	687,763	22,276,501	21,967,149
Templeton Foreign Fund, Advisor Class	23,783,002	170,315,442	182,177,799
Templeton Global Bond Fund, Advisor Class	30,319,193	369,534,514	347,761,131
Templeton Growth Fund Inc., Advisor Class	8,167,215	176,965,342	217,819,616
Exchange Traded Funds			
Franklin Liberty Short Duration U.S. Government ETF	764,586	74,549,191	72,559,211
Franklin LibertyQ Emerging Markets ETF	1,899,100	53,512,464	57,242,673
iShares Core S&P 500 ETF	904,100	184,166,349	246,864,505
Short Term Investment			
^a Institutional Fiduciary Trust Money Market Portfolio, 1.51%	472,374,746	472,374,746	472,374,746
		<u>\$ 4,732,933,640</u>	<u>\$ 5,182,831,954</u>

^aThe 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. The Underlying Funds listed below have significant investments exposed to interest rate risk. At June 30, 2018, the average weighted maturities are as follows:

Investment	Value	Average Weighted Maturity
Open End Mutual Funds		
Franklin Income Fund, Advisor Class	\$ 280,171,980	4.6 years
Franklin Strategic Income Fund, Advisor Class	250,184,585	6.2 years
Franklin Total Return Fund, Advisor Class	314,602,809	9.3 years
Franklin U.S. Government Securities Fund, Advisor Class	312,646,586	6.9 years
Templeton Global Bond Fund, Advisor Class	347,761,131	3.1 years
Exchange Traded Funds		
Franklin Liberty Short Duration U.S. Government ETF	72,559,211	4.2 years
Short Term Investment		
^a Institutional Fiduciary Trust Money Market Portfolio, 1.51%	472,374,746	0.1 year
	<u>\$ 2,050,301,048</u>	

^aThe 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. Certain Portfolios allocate assets to Underlying Funds that are exposed to foreign currency risk. At June 30, 2018, the value of investments in Underlying Funds that have exposure to foreign denominated investments are as follows:

Investment	Value
Open End Mutual Funds	
Franklin Income Fund, Advisor Class	\$ 280,171,980
Franklin International Small Cap Growth Fund, Advisor Class	188,944,546
Franklin Mutual European Fund, Class Z	171,211,084

New Jersey Better Educational Savings Trust Program

Franklin Templeton Managed Investment Options

Notes to Combined Financial Statements *(continued)*

4. INVESTMENT RISKS *(continued)*

d. Foreign Currency Risk *(continued)*

Investment	Value
Open End Mutual Funds <i>(continued)</i>	
Franklin Mutual Shares Fund, Class Z	\$ 519,532,866
Franklin Strategic Income Fund, Advisor Class	250,184,585
Mutual Global Discovery Fund, Class Z	21,967,149
Templeton Foreign Fund, Advisor Class	182,177,799
Templeton Global Bond Fund, Advisor Class	347,761,131
Templeton Growth Fund Inc., Advisor Class	217,819,616
Exchange Traded Funds	
Franklin LibertyQ Emerging Markets ETF	57,242,673
	<u>\$ 2,237,013,429</u>

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.

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

At June 30, 2018, 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 14, 2018, 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, 2018.

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

Schedules of Fiduciary Net Position
June 30, 2018

Franklin Asset Allocations - Growth

	Newborn - 8 years 529 Portfolio	Age 9 - 12 years 529 Portfolio	Age 13 - 16 years 529 Portfolio	Age 17+ years 529 Portfolio
Assets				
Investments, at fair value:				
Open End Mutual Funds				
Franklin Growth Fund, Advisor Class	\$ 63,306,170	\$ 81,040,341	\$ 70,524,563	\$ 24,769,142
Franklin Growth Opportunities Fund, Advisor Class	64,995,208	83,519,560	72,665,457	24,837,731
Franklin Income Fund, Advisor Class	-	-	-	-
Franklin International Small Cap Growth Fund, Advisor Class	37,103,568	45,961,227	39,480,358	13,329,501
Franklin Mutual European Fund, Class Z	37,651,241	37,512,001	34,586,635	12,393,591
Franklin Mutual Shares Fund, Class Z	63,118,997	68,700,443	54,864,764	19,733,017
Franklin Rising Dividends Fund, Advisor Class	41,883,180	51,985,533	42,449,831	14,672,846
Franklin Small-Mid Cap Growth Fund, Advisor Class	41,983,285	49,681,221	42,476,334	15,063,707
Franklin Strategic Income Fund, Advisor Class	-	25,366,289	65,966,131	69,493,550
Franklin Total Return Fund, Advisor Class	-	32,102,555	83,451,736	86,105,104
Franklin U.S. Government Securities Fund, Advisor Class	-	31,460,760	81,459,673	86,088,416
Franklin Utilities Fund, Advisor Class	22,490,491	23,866,386	20,268,825	7,729,134
Mutual Global Discovery Fund, Class Z	-	-	-	-
Templeton Foreign Fund, Advisor Class	38,104,822	41,878,361	38,199,439	13,236,236
Templeton Global Bond Fund, Advisor Class	-	34,822,824	90,468,069	95,279,241
Templeton Growth Fund Inc., Advisor Class	-	-	-	-
Subtotal	410,636,962	607,897,501	736,861,815	482,731,216
Exchange Traded Funds				
Franklin Liberty Short Duration U.S. Government ETF	-	7,468,915	19,720,789	20,088,432
Franklin LibertyQ Emerging Markets ETF	12,864,606	13,178,082	11,245,980	4,063,142
iShares Core S&P 500 ETF	-	-	-	-
Subtotal	12,864,606	20,646,997	30,966,769	24,151,574
Short Term Investment				
^a Institutional Fiduciary Trust Money Market Portfolio, 1.51%	317,706	35,361,415	88,521,847	84,757,124
Total investments	423,819,274	663,905,913	856,350,431	591,639,914
Cash				
Cash	459,992	343,750	352,182	-
Dividends receivable	-	16,435	43,394	44,203
Receivable from investment securities sold	-	-	-	-
Receivable from shares sold	120,519	116,130	140,687	36,060
Total assets	424,399,785	664,382,228	856,886,694	591,720,177
Liabilities				
Accrued expenses	396,581	501,015	593,844	455,319
Payable for shares redeemed	28,129	129,023	219,569	618,307
Total liabilities	424,710	630,038	813,413	1,073,626
Fiduciary net position held in trust for Account Owners in the Program				
	\$ 423,975,075	\$ 663,752,190	\$ 856,073,281	\$ 590,646,551
Net Position Value Class A:				
Net assets, at value	\$ 276,645,620	\$ 373,991,325	\$ 428,207,437	\$ 307,961,221
Shares outstanding	7,532,164	12,228,428	16,692,037	15,893,023
Net asset value per share	\$ 36.73	\$ 30.58	\$ 25.65	\$ 19.38
Maximum offering price per share				
(Net asset value per share / 94.25%)	\$ 38.97	\$ 32.45	\$ 27.22	\$ 20.56
(Net asset value per share / 95.75%)	-	-	-	-
Net Position Value Class B:				
Net assets, at value	\$ 2,848,044	\$ 8,538,510	\$ 9,364,714	\$ 6,502,005
Shares outstanding	87,083	315,284	415,310	373,818
Net asset value per share	\$ 32.70	\$ 27.08	\$ 22.55	\$ 17.39
Net Position Value Class C:				
Net assets, at value	\$ 58,196,699	\$ 89,534,521	\$ 127,211,281	\$ 126,136,893
Shares outstanding	1,755,646	3,259,245	5,636,086	7,122,000
Net asset value per share	\$ 33.15	\$ 27.47	\$ 22.57	\$ 17.71
Net Position Value Advisor:				
Net assets, at value	\$ 744,221	\$ 354,107	\$ 709,843	\$ 242,161
Shares outstanding	20,202	11,549	27,595	12,468
Net asset value per share	\$ 36.84	\$ 30.66	\$ 25.72	\$ 19.42
Net Position Value Direct:				
Net assets, at value	\$ 85,540,492	\$ 191,333,727	\$ 290,580,008	\$ 149,804,269
Shares outstanding	2,212,925	5,942,576	10,822,012	7,118,060
Net asset value per share	\$ 38.65	\$ 32.20	\$ 26.85	\$ 21.05
Investments at cost				
	\$ 371,350,230	\$ 596,172,486	\$ 810,389,253	\$ 594,821,899

^aThe 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, 2018

Franklin Asset Allocations - Conservative

	Newborn - 8 years 529 Portfolio	Age 9 - 12 years 529 Portfolio	Age 13 - 16 years 529 Portfolio	Age 17+ years 529 Portfolio
Assets				
Investments, at fair value:				
Open End Mutual Funds				
Franklin Growth Fund, Advisor Class	\$ 1,987,075	\$ 874,320	\$ -	\$ -
Franklin Growth Opportunities Fund, Advisor Class	2,045,616	875,673	-	-
Franklin Income Fund, Advisor Class	-	-	-	-
Franklin International Small Cap Growth Fund, Advisor Class	1,064,964	513,375	-	-
Franklin Mutual European Fund, Class Z	1,036,500	429,732	-	-
Franklin Mutual Shares Fund, Class Z	1,623,870	716,912	-	-
Franklin Rising Dividends Fund, Advisor Class	1,187,979	493,098	-	-
Franklin Small-Mid Cap Growth Fund, Advisor Class	1,183,373	519,138	-	-
Franklin Strategic Income Fund, Advisor Class	1,893,848	2,421,352	4,516,597	3,752,221
Franklin Total Return Fund, Advisor Class	2,396,318	3,068,685	6,022,426	4,746,491
Franklin U.S. Government Securities Fund, Advisor Class	2,276,209	3,011,206	6,030,385	4,808,281
Franklin Utilities Fund, Advisor Class	534,632	228,236	-	-
Mutual Global Discovery Fund, Class Z	-	-	-	-
Templeton Foreign Fund, Advisor Class	1,165,196	462,627	-	-
Templeton Global Bond Fund, Advisor Class	2,610,651	3,323,477	6,202,481	5,141,028
Templeton Growth Fund Inc., Advisor Class	-	-	-	-
Subtotal	21,006,231	16,937,831	22,771,889	18,448,021
Exchange Traded Funds				
Franklin Liberty Short Duration U.S. Government ETF	533,053	657,183	1,167,270	1,109,666
Franklin LibertyQ Emerging Markets ETF	292,377	120,568	-	-
iShares Core S&P 500 ETF	-	-	-	-
Subtotal	825,430	777,751	1,167,270	1,109,666
Short Term Investment				
^a Institutional Fiduciary Trust Money Market Portfolio, 1.51%	2,425,870	3,150,999	6,030,205	29,461,548
Total investments	24,257,531	20,866,581	29,969,364	49,019,235
Cash				
Dividends receivable	14,659	109,407	149,142	-
Receivable from investment securities sold	1,173	1,446	2,569	2,442
Receivable from shares sold	-	-	-	-
Receivable from shares sold	6,824	26,341	4,418	146,009
Total assets	24,280,187	21,003,775	30,125,493	49,167,666
Liabilities				
Accrued expenses	16,539	12,542	20,939	38,631
Payable for shares redeemed	4,991	-	235	35,947
Total liabilities	21,530	12,542	21,174	74,578
Fiduciary net position held in trust for Account Owners in the Program				
	\$ 24,258,657	\$ 20,991,233	\$ 30,104,319	\$ 49,093,108
Net Position Value Class A:				
Net assets, at value	\$ 13,601,719	\$ 12,933,065	\$ 15,849,751	\$ 21,961,043
Shares outstanding	832,924	920,730	1,346,647	2,187,793
Net asset value per share	\$ 16.33	\$ 14.05	\$ 11.77	\$ 10.04
Maximum offering price per share				
(Net asset value per share / 94.25%)	\$ 17.33	\$ 14.90	\$ 12.49	\$ 10.65
(Net asset value per share / 95.75%)	-	-	-	-
Net Position Value Class B:				
Net assets, at value	\$ 160,510	\$ 137,406	\$ 215,490	\$ 165,613
Shares outstanding	10,455	10,398	19,469	17,544
Net asset value per share	\$ 15.35	\$ 13.21	\$ 11.07	\$ 9.44
Net Position Value Class C:				
Net assets, at value	\$ 3,416,828	\$ 2,093,155	\$ 5,161,069	\$ 13,274,787
Shares outstanding	222,793	158,605	466,164	1,407,269
Net asset value per share	\$ 15.34	\$ 13.20	\$ 11.07	\$ 9.43
Net Position Value Advisor:				
Net assets, at value	\$ 24,156	\$ 5,094	\$ 73,926	\$ 609,653
Shares outstanding	1,476	362	6,262	60,577
Net asset value per share	\$ 16.37	\$ 14.07	\$ 11.81	\$ 10.06
Net Position Value Direct:				
Net assets, at value	\$ 7,055,446	\$ 5,822,512	\$ 8,804,083	\$ 13,082,013
Shares outstanding	417,123	400,222	723,535	1,260,425
Net asset value per share	\$ 16.91	\$ 14.55	\$ 12.17	\$ 10.38
Investments at cost				
	\$ 23,389,195	\$ 20,993,572	\$ 31,461,161	\$ 50,070,011

^aThe 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, 2018

Franklin Asset Allocations - Moderate

	Newborn - 8 years 529 Portfolio	Age 9 - 12 years 529 Portfolio	Age 13 - 16 years 529 Portfolio	Age 17+ years 529 Portfolio
Assets				
Investments, at fair value:				
Open End Mutual Funds				
Franklin Growth Fund, Advisor Class	\$ 19,246,157	\$ 10,471,921	\$ 6,307,363	\$ -
Franklin Growth Opportunities Fund, Advisor Class	20,283,089	10,780,985	6,323,245	-
Franklin Income Fund, Advisor Class	-	-	-	-
Franklin International Small Cap Growth Fund, Advisor Class	10,375,897	5,704,291	3,643,437	-
Franklin Mutual European Fund, Class Z	9,154,572	5,235,146	3,195,919	-
Franklin Mutual Shares Fund, Class Z	15,645,637	8,583,235	3,481,243	-
Franklin Rising Dividends Fund, Advisor Class	11,616,163	6,236,506	3,693,738	-
Franklin Small-Mid Cap Growth Fund, Advisor Class	11,755,256	6,163,071	3,905,842	-
Franklin Strategic Income Fund, Advisor Class	5,934,379	9,907,353	17,386,150	19,667,853
Franklin Total Return Fund, Advisor Class	7,508,302	12,534,636	21,996,309	24,459,704
Franklin U.S. Government Securities Fund, Advisor Class	7,484,770	12,138,037	22,081,361	24,603,751
Franklin Utilities Fund, Advisor Class	5,667,182	3,043,874	3,183,445	-
Mutual Global Discovery Fund, Class Z	-	-	-	-
Templeton Foreign Fund, Advisor Class	10,067,786	5,747,912	3,269,492	-
Templeton Global Bond Fund, Advisor Class	8,151,279	13,593,716	23,859,236	26,941,665
Templeton Growth Fund Inc., Advisor Class	-	-	-	-
Subtotal	142,890,469	110,140,683	122,326,780	95,672,973
Exchange Traded Funds				
Franklin Liberty Short Duration U.S. Government ETF	1,747,014	2,672,953	5,008,632	5,359,098
Franklin LibertyQ Emerging Markets ETF	3,023,243	1,651,782	994,686	-
iShares Core S&P 500 ETF	-	-	-	-
Subtotal	4,770,257	4,324,735	6,003,318	5,359,098
Short Term Investment				
^a Institutional Fiduciary Trust Money Market Portfolio, 1.51%	7,808,887	12,785,145	22,686,866	24,662,627
Total investments	155,469,613	127,250,563	151,016,964	125,694,698
Cash	1,002,576	726,622	187,083	59,973
Dividends receivable	3,844	5,882	11,021	11,792
Receivable from investment securities sold	-	-	-	-
Receivable from shares sold	49,594	15,650	11,455	79,654
Total assets	156,525,627	127,998,717	151,226,523	125,846,117
Liabilities				
Accrued expenses	114,514	98,334	126,624	121,152
Payable for shares redeemed	12,478	11,956	32,712	140,479
Total liabilities	126,992	110,290	159,336	261,631
Fiduciary net position held in trust for Account Owners in the Program	\$ 156,398,635	\$ 127,888,427	\$ 151,067,187	\$ 125,584,486
Net Position Value Class A:				
Net assets, at value	\$ 105,015,614	\$ 84,067,428	\$ 90,792,969	\$ 62,337,670
Shares outstanding	5,593,054	5,210,971	6,551,848	5,281,286
Net asset value per share	\$ 18.78	\$ 16.13	\$ 13.86	\$ 11.80
Maximum offering price per share				
(Net asset value per share / 94.25%)	\$ 19.92	\$ 17.12	\$ 14.70	\$ 12.52
(Net asset value per share / 95.75%)	-	-	-	-
Net Position Value Class B:				
Net assets, at value	\$ 989,559	\$ 1,227,721	\$ 1,322,079	\$ 1,076,297
Shares outstanding	56,066	80,953	101,336	96,912
Net asset value per share	\$ 17.65	\$ 15.17	\$ 13.05	\$ 11.11
Net Position Value Class C:				
Net assets, at value	\$ 22,496,951	\$ 22,122,980	\$ 34,384,791	\$ 44,620,914
Shares outstanding	1,277,007	1,456,437	2,638,239	4,017,999
Net asset value per share	\$ 17.62	\$ 15.19	\$ 13.03	\$ 11.11
Net Position Value Advisor:				
Net assets, at value	\$ 57,285	\$ 179,456	\$ 691,685	\$ 228,656
Shares outstanding	3,043	11,098	49,781	19,327
Net asset value per share	\$ 18.83	\$ 16.17	\$ 13.89	\$ 11.83
Net Position Value Direct:				
Net assets, at value	\$ 27,839,225	\$ 20,290,842	\$ 23,875,664	\$ 17,320,949
Shares outstanding	1,434,227	1,216,601	1,663,779	1,417,845
Net asset value per share	\$ 19.41	\$ 16.68	\$ 14.35	\$ 12.22
Investments at cost	\$ 141,509,378	\$ 121,889,542	\$ 152,390,324	\$ 130,259,474

^aThe 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, 2018

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
Assets					
Investments, at fair value:					
Open End Mutual Funds					
Franklin Growth Fund, Advisor Class	\$ 56,537,027	\$ -	\$ 41,039,108	\$ 15,261,056	\$ -
Franklin Growth Opportunities Fund, Advisor Class	58,588,120	-	42,035,530	15,721,577	-
Franklin Income Fund, Advisor Class	-	87,543,471	-	-	-
Franklin International Small Cap Growth Fund, Advisor Class	-	-	23,221,557	8,546,371	-
Franklin Mutual European Fund, Class Z	-	-	23,577,814	6,437,933	-
Franklin Mutual Shares Fund, Class Z	53,806,282	86,916,078	39,981,742	12,126,631	-
Franklin Rising Dividends Fund, Advisor Class	-	-	26,633,068	10,030,081	-
Franklin Small-Mid Cap Growth Fund, Advisor Class	-	-	27,714,512	9,882,721	-
Franklin Strategic Income Fund, Advisor Class	-	-	-	13,821,801	10,057,061
Franklin Total Return Fund, Advisor Class	-	-	-	17,487,223	12,723,320
Franklin U.S. Government Securities Fund, Advisor Class	-	-	-	18,030,062	13,173,675
Franklin Utilities Fund, Advisor Class	-	-	13,923,619	4,598,597	-
Mutual Global Discovery Fund, Class Z	-	-	-	-	-
Templeton Foreign Fund, Advisor Class	-	-	23,232,115	6,813,813	-
Templeton Global Bond Fund, Advisor Class	-	-	-	18,959,384	13,145,087
Templeton Growth Fund Inc., Advisor Class	52,967,592	86,315,554	-	-	-
Subtotal	221,899,021	260,775,103	261,359,065	157,717,250	49,099,143
Exchange Traded Funds					
Franklin Liberty Short Duration U.S. Government ETF	-	-	-	4,257,878	2,768,328
Franklin LibertyQ Emerging Markets ETF	-	-	7,387,804	2,420,403	-
iShares Core S&P 500 ETF	-	-	-	-	-
Subtotal	-	-	7,387,804	6,678,281	2,768,328
Short Term Investment					
^a Institutional Fiduciary Trust Money Market Portfolio, 1.51%	338,717	74,349	643,241	17,873,658	12,754,438
Total investments	222,237,738	260,849,452	269,390,110	182,269,189	64,621,909
Cash					
Cash	110,307	159,658	238,512	42,568	6,975
Dividends receivable	-	-	-	9,369	6,091
Receivable from investment securities sold	-	200,000	-	-	-
Receivable from shares sold	31,129	24,999	97,988	25,687	5,197
Total assets	222,379,174	261,234,109	269,726,610	182,346,813	64,640,172
Liabilities					
Accrued expenses	189,224	260,806	175,658	164,931	49,965
Payable for shares redeemed	58,766	26,205	110,772	16,362	10,370
Total liabilities	247,990	287,011	286,430	181,293	60,335
Fiduciary net position held in trust for Account Owners in the Program					
	\$ 222,131,184	\$ 260,947,098	\$ 269,440,180	\$ 182,165,520	\$ 64,579,837
Net Position Value Class A:					
Net assets, at value	\$ 114,236,567	\$ 182,722,887	\$ 124,392,642	\$ 87,882,633	\$ 29,545,346
Shares outstanding	3,223,703	9,473,655	3,397,536	3,500,733	1,904,441
Net asset value per share	\$ 35.44	\$ 19.29	\$ 36.61	\$ 25.10	\$ 15.51
Maximum offering price per share					
(Net asset value per share / 94.25%)	\$ 37.60	\$ 20.46	\$ 38.85	\$ 26.64	-
(Net asset value per share / 95.75%)	-	-	-	-	\$ 16.20
Net Position Value Class B:					
Net assets, at value	\$ 2,025,207	\$ 3,341,929	\$ 1,699,330	\$ 1,201,791	\$ 399,443
Shares outstanding	65,221	190,981	52,001	53,891	28,878
Net asset value per share	\$ 31.05	\$ 17.50	\$ 32.68	\$ 22.30	\$ 13.83
Net Position Value Class C:					
Net assets, at value	\$ 40,001,926	\$ 74,598,572	\$ 37,517,515	\$ 42,964,489	\$ 12,900,564
Shares outstanding	1,264,639	4,267,104	1,143,409	1,953,337	929,456
Net asset value per share	\$ 31.63	\$ 17.48	\$ 32.81	\$ 22.00	\$ 13.88
Net Position Value Advisor:					
Net assets, at value	\$ 110,675	\$ 283,708	\$ 297,558	\$ 14,401	\$ 41,042
Shares outstanding	3,116	14,674	8,103	572	2,638
Net asset value per share	\$ 35.52	\$ 19.33	\$ 36.72	\$ 25.18	\$ 15.56
Net Position Value Direct:					
Net assets, at value	\$ 65,756,810	\$ -	\$ 105,533,135	\$ 50,102,206	\$ 21,693,444
Shares outstanding	1,760,711	-	2,734,133	1,890,390	1,323,562
Net asset value per share	\$ 37.35	\$ -	\$ 38.60	\$ 26.50	\$ 16.39
Investments at cost					
	\$ 159,755,547	\$ 235,846,988	\$ 230,312,364	\$ 171,933,562	\$ 68,218,691

^aThe rate shown is the annualized seven-day effective yield at year end.

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Schedules of Fiduciary Net Position (continued)
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Individual Portfolios

	Franklin Growth 529 Portfolio	Franklin Income 529 Portfolio	Franklin Small-Mid Cap Growth 529 Portfolio	Franklin Mutual Shares 529 Portfolio	S&P 500 Index 529 Portfolio
Assets					
Investments, at fair value:					
Open End Mutual Funds					
Franklin Growth Fund, Advisor Class	\$ 128,366,135	\$ -	\$ -	\$ -	\$ -
Franklin Growth Opportunities Fund, Advisor Class	-	-	-	-	-
Franklin Income Fund, Advisor Class	-	192,628,509	-	-	-
Franklin International Small Cap Growth Fund, Advisor Class	-	-	-	-	-
Franklin Mutual European Fund, Class Z	-	-	-	-	-
Franklin Mutual Shares Fund, Class Z	-	-	-	90,234,015	-
Franklin Rising Dividends Fund, Advisor Class	-	-	-	-	-
Franklin Small-Mid Cap Growth Fund, Advisor Class	-	-	77,623,595	-	-
Franklin Strategic Income Fund, Advisor Class	-	-	-	-	-
Franklin Total Return Fund, Advisor Class	-	-	-	-	-
Franklin U.S. Government Securities Fund, Advisor Class	-	-	-	-	-
Franklin Utilities Fund, Advisor Class	-	-	-	-	-
Mutual Global Discovery Fund, Class Z	-	-	-	-	-
Templeton Foreign Fund, Advisor Class	-	-	-	-	-
Templeton Global Bond Fund, Advisor Class	-	-	-	-	-
Templeton Growth Fund Inc., Advisor Class	-	-	-	-	-
Subtotal	128,366,135	192,628,509	77,623,595	90,234,015	-
Exchange Traded Funds					
Franklin Liberty Short Duration U.S. Government ETF	-	-	-	-	-
Franklin LibertyQ Emerging Markets ETF	-	-	-	-	-
iShares Core S&P 500 ETF	-	-	-	-	246,864,505
Subtotal	-	-	-	-	246,864,505
Short Term Investment					
^a Institutional Fiduciary Trust Money Market Portfolio, 1.51%	-	-	-	-	-
Total investments	128,366,135	192,628,509	77,623,595	90,234,015	246,864,505
Cash	-	-	-	-	(748,319)
Dividends receivable	-	-	-	-	1,151,808
Receivable from investment securities sold	-	-	-	-	-
Receivable from shares sold	25,396	35,831	24,755	36,801	50,123
Total assets	128,391,531	192,664,340	77,648,350	90,270,816	247,318,117
Liabilities					
Accrued expenses	123,515	221,302	74,253	106,210	119,941
Payable for shares redeemed	160,387	70,029	41,777	25,419	24,289
Total liabilities	283,902	291,331	116,030	131,629	144,230
Fiduciary net position held in trust for Account Owners in the Program	\$ 128,107,629	\$ 192,373,009	\$ 77,532,320	\$ 90,139,187	\$ 247,173,887
Net Position Value Class A:					
Net assets, at value	\$ 99,534,299	\$ 134,220,695	\$ 60,970,202	\$ 67,742,030	\$ 71,273,658
Shares outstanding	2,693,965	4,678,225	1,422,049	2,250,985	1,911,189
Net asset value per share	\$ 36.95	\$ 28.69	\$ 42.87	\$ 30.09	\$ 37.29
Maximum offering price per share (Net asset value per share / 94.25%)	\$ 39.20	\$ 30.44	\$ 45.49	\$ 31.93	\$ 39.57
(Net asset value per share / 95.75%)	-	-	-	-	-
Net Position Value Class B:					
Net assets, at value	\$ 1,367,681	\$ 1,469,410	\$ 876,923	\$ 996,288	\$ 824,937
Shares outstanding	42,620	56,974	22,881	37,668	26,209
Net asset value per share	\$ 32.09	\$ 25.79	\$ 38.33	\$ 26.45	\$ 31.48
Net Position Value Class C:					
Net assets, at value	\$ 27,090,738	\$ 56,341,708	\$ 15,426,034	\$ 21,321,418	\$ 28,072,133
Shares outstanding	789,449	2,199,220	404,015	803,508	823,371
Net asset value per share	\$ 34.32	\$ 25.62	\$ 38.18	\$ 26.54	\$ 34.09
Net Position Value Advisor:					
Net assets, at value	\$ 114,911	\$ 341,196	\$ 259,162	\$ 79,451	\$ 439,945
Shares outstanding	3,102	11,863	6,030	2,634	11,769
Net asset value per share	\$ 37.04	\$ 28.76	\$ 42.98	\$ 30.16	\$ 37.38
Net Position Value Direct:					
Net assets, at value	\$ -	\$ -	\$ -	\$ -	\$ 146,563,214
Shares outstanding	-	-	-	-	3,668,421
Net asset value per share	\$ -	\$ -	\$ -	\$ -	\$ 39.95
Investments at cost	\$ 82,331,658	\$ 190,607,167	\$ 70,886,114	\$ 78,710,220	\$ 184,166,349

^aThe rate shown is the annualized seven-day effective yield at year end.

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Schedules of Fiduciary Net Position (continued)
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Individual Portfolios (continued)

	Templeton Growth 529 Portfolio	Franklin Mutual Global Discovery 529 Portfolio	Templeton Global Bond 529 Portfolio	Franklin U.S. Government Money 529 Portfolio	TOTAL
Assets					
Investments, at fair value:					
Open End Mutual Funds					
Franklin Growth Fund, Advisor Class	\$ -	\$ -	\$ -	\$ -	\$ 519,730,378
Franklin Growth Opportunities Fund, Advisor Class	-	-	-	-	402,671,791
Franklin Income Fund, Advisor Class	-	-	-	-	280,171,980
Franklin International Small Cap Growth Fund, Advisor Class	-	-	-	-	188,944,546
Franklin Mutual European Fund, Class Z	-	-	-	-	171,211,084
Franklin Mutual Shares Fund, Class Z	-	-	-	-	519,532,866
Franklin Rising Dividends Fund, Advisor Class	-	-	-	-	210,882,023
Franklin Small-Mid Cap Growth Fund, Advisor Class	-	-	-	-	287,952,055
Franklin Strategic Income Fund, Advisor Class	-	-	-	-	250,184,585
Franklin Total Return Fund, Advisor Class	-	-	-	-	314,602,809
Franklin U.S. Government Securities Fund, Advisor Class	-	-	-	-	312,646,586
Franklin Utilities Fund, Advisor Class	-	-	-	-	105,534,421
Mutual Global Discovery Fund, Class Z	-	21,967,149	-	-	21,967,149
Templeton Foreign Fund, Advisor Class	-	-	-	-	182,177,799
Templeton Global Bond Fund, Advisor Class	-	-	5,262,993	-	347,761,131
Templeton Growth Fund Inc., Advisor Class	78,536,470	-	-	-	217,819,616
Subtotal	78,536,470	21,967,149	5,262,993	-	4,333,790,819
Exchange Traded Funds					
Franklin Liberty Short Duration U.S. Government ETF	-	-	-	-	72,559,211
Franklin LibertyQ Emerging Markets ETF	-	-	-	-	57,242,673
iShares Core S&P 500 ETF	-	-	-	-	246,864,505
Subtotal	-	-	-	-	376,666,389
Short Term Investment					
^a Institutional Fiduciary Trust Money Market Portfolio, 1.51%	-	-	-	122,720,104	472,374,746
Total investments	78,536,470	21,967,149	5,262,993	122,720,104	5,182,831,954
Cash					
Cash	-	-	-	-	3,215,087
Dividends receivable	-	-	-	-	1,311,469
Receivable from investment securities sold	-	-	-	-	200,000
Receivable from shares sold	13,539	6,277	125	139,815	1,271,003
Total assets	78,550,009	21,973,426	5,263,118	122,859,919	5,188,829,513
Liabilities					
Accrued expenses	95,066	20,091	4,939	-	4,101,935
Payable for shares redeemed	40,310	15,063	-	42,830	1,876,405
Total liabilities	135,376	35,154	4,939	42,830	5,978,340
Fiduciary net position held in trust for Account Owners in the Program					
	\$ 78,414,633	\$ 21,938,272	\$ 5,258,179	\$ 122,817,089	\$ 5,182,851,173
Net Position Value Class A:					
Net assets, at value	\$ 61,147,628	\$ 16,768,842	\$ 3,923,636	\$ 52,952,380	
Shares outstanding	2,148,282	1,400,533	392,374	52,372,148	
Net asset value per share	\$ 28.46	\$ 11.97	\$ 10.00	\$ 1.01	
Maximum offering price per share					
(Net asset value per share / 94.25%)	\$ 30.20	\$ 12.70	\$ 10.61	\$ 1.07	
(Net asset value per share / 95.75%)	-	-	-	-	
Net Position Value Class B:					
Net assets, at value	\$ 766,451	\$ -	\$ -	\$ 1,057,663	
Shares outstanding	30,455	-	-	1,047,462	
Net asset value per share	\$ 25.17	\$ -	\$ -	\$ 1.01	
Net Position Value Class C:					
Net assets, at value	\$ 16,427,047	\$ 5,054,029	\$ 1,307,115	\$ 22,724,482	
Shares outstanding	660,142	434,274	134,610	22,473,291	
Net asset value per share	\$ 24.88	\$ 11.64	\$ 9.71	\$ 1.01	
Net Position Value Advisor:					
Net assets, at value	\$ 73,508	\$ 115,400	\$ 27,428	\$ -	
Shares outstanding	2,576	9,614	2,735	-	
Net asset value per share	\$ 28.54	\$ 12.00	\$ 10.03	\$ -	
Net Position Value Direct:					
Net assets, at value	\$ -	\$ -	\$ -	\$ 46,082,564	
Shares outstanding	-	-	-	45,586,425	
Net asset value per share	\$ -	\$ -	\$ -	\$ 1.01	
Investments at cost	\$ 65,046,819	\$ 22,276,501	\$ 5,425,031	\$ 122,720,104	\$ 4,732,933,640

^aThe rate shown is the annualized seven-day effective yield at year end.

New Jersey Better Educational Savings Trust Program

Franklin Templeton Managed Investment Options

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Schedules of Changes in Fiduciary Net Position

for the year ended June 30, 2018

Franklin Asset Allocations - Growth

	Newborn - 8 years 529 Portfolio	Age 9 - 12 years 529 Portfolio	Age 13 - 16 years 529 Portfolio	Age 17+ years 529 Portfolio
Additions:				
Subscriptions	\$ 101,648,539	\$ 205,099,614	\$ 312,908,217	\$ 232,869,127
Increase from investment operations:				
Dividend income distributions by Underlying Funds	6,988,992	13,058,236	17,573,581	13,572,326
Realized gain from sales of Underlying Funds	15,982,583	14,466,049	3,989,669	4,000,860
Capital gain distributions by Underlying Funds	14,888,564	17,955,918	13,838,509	4,736,332
Net change in unrealized appreciation on investments in Underlying Funds	5,814,296	7,469,217	2,752,366	-
Net increase in net position resulting from operations	43,674,435	52,949,420	38,154,125	22,309,518
Total additions	145,322,974	258,049,034	351,062,342	255,178,645
Deductions:				
Redemptions	151,670,740	274,562,687	226,188,459	193,478,385
Decrease from investment operations:				
Realized loss from sales of Underlying Funds	-	-	-	-
Net change in unrealized depreciation on investments in Underlying Funds	-	-	-	10,318,198
Program management fees (Note 2)	972,113	1,419,401	1,608,791	1,146,711
Sales fees (Note 2)				
Class A	712,760	937,465	1,004,044	692,301
Class B	47,788	126,093	122,213	82,225
Class C	629,798	953,285	1,238,988	1,188,448
Net decrease in net position resulting from operations	2,362,459	3,436,244	3,974,036	13,427,883
Total deductions	154,033,199	277,998,931	230,162,495	206,906,268
Changes in fiduciary net position held in trust for Account Owners in the Program				
	\$ (8,710,225)	\$ (19,949,897)	\$ 120,899,847	\$ 48,272,377
Fiduciary net position - beginning of year	432,685,300	683,702,087	735,173,434	542,374,174
Fiduciary net position - end of year	\$ 423,975,075	\$ 663,752,190	\$ 856,073,281	\$ 590,646,551

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Schedules of Changes in Fiduciary Net Position *(continued)*
for the year ended June 30, 2018

Franklin Asset Allocations - Conservative

	Newborn - 8 years 529 Portfolio	Age 9 - 12 years 529 Portfolio	Age 13 - 16 years 529 Portfolio	Age 17+ years 529 Portfolio
Additions:				
Subscriptions	\$ 5,975,936	\$ 10,707,104	\$ 15,974,904	\$ 23,718,749
Increase from investment operations:				
Dividend income distributions by Underlying Funds	557,107	510,358	829,909	844,056
Realized gain from sales of Underlying Funds	346,630	94,047	-	-
Capital gain distributions by Underlying Funds	436,282	181,226	-	-
Net change in unrealized appreciation on investments in Underlying Funds	-	-	-	-
Net increase in net position resulting from operations	<u>1,340,019</u>	<u>785,631</u>	<u>829,909</u>	<u>844,056</u>
Total additions	<u>7,315,955</u>	<u>11,492,735</u>	<u>16,804,813</u>	<u>24,562,805</u>
Deductions:				
Redemptions	8,368,259	9,698,955	14,340,122	18,283,647
Decrease from investment operations:				
Realized loss from sales of Underlying Funds	-	-	65,500	44,945
Net change in unrealized depreciation on investments in Underlying Funds	57,872	323,508	890,470	680,990
Program management fees (Note 2)	53,697	43,117	61,703	95,430
Sales fees (Note 2)				
Class A	36,442	31,901	37,294	51,235
Class B	2,131	1,456	2,460	1,788
Class C	<u>37,466</u>	<u>21,650</u>	<u>60,192</u>	<u>124,371</u>
Net decrease in net position resulting from operations	<u>187,608</u>	<u>421,632</u>	<u>1,117,619</u>	<u>998,759</u>
Total deductions	<u>8,555,867</u>	<u>10,120,587</u>	<u>15,457,741</u>	<u>19,282,406</u>
Changes in fiduciary net position held in trust for Account Owners in the Program				
Fiduciary net position - beginning of year	\$ (1,239,912)	\$ 1,372,148	\$ 1,347,072	\$ 5,280,399
Fiduciary net position - end of year	<u>25,498,569</u>	<u>19,619,085</u>	<u>28,757,247</u>	<u>43,812,709</u>
Fiduciary net position - end of year	<u>\$ 24,258,657</u>	<u>\$ 20,991,233</u>	<u>\$ 30,104,319</u>	<u>\$ 49,093,108</u>

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Schedules of Changes in Fiduciary Net Position *(continued)*
 for the year ended June 30, 2018

	Franklin Asset Allocations - Moderate			
	Newborn - 8 years 529 Portfolio	Age 9 - 12 years 529 Portfolio	Age 13 - 16 years 529 Portfolio	Age 17+ years 529 Portfolio
Additions:				
Subscriptions	\$ 34,725,531	\$ 51,495,949	\$ 64,554,535	\$ 56,902,395
Increase from investment operations:				
Dividend income distributions by Underlying Funds	2,919,940	2,699,734	3,652,600	3,137,203
Realized gain from sales of Underlying Funds	2,962,397	943,861	579,307	-
Capital gain distributions by Underlying Funds	4,056,636	2,113,214	1,242,649	-
Net change in unrealized appreciation on investments in Underlying Funds	1,934,208	138,003	-	-
Net increase in net position resulting from operations	<u>11,873,181</u>	<u>5,894,812</u>	<u>5,474,556</u>	<u>3,137,203</u>
Total additions	<u>46,598,712</u>	<u>57,390,761</u>	<u>70,029,091</u>	<u>60,039,598</u>
Deductions:				
Redemptions	38,477,594	45,898,743	51,870,622	37,316,948
Decrease from investment operations:				
Realized loss from sales of Underlying Funds	-	-	-	227,747
Net change in unrealized depreciation on investments in Underlying Funds	-	-	2,158,841	3,423,222
Program management fees (Note 2)	353,553	282,465	333,643	253,951
Sales fees (Note 2)				
Class A	263,248	204,523	217,387	133,222
Class B	12,534	12,867	14,476	10,613
Class C	<u>241,490</u>	<u>226,261</u>	<u>356,305</u>	<u>410,857</u>
Net decrease in net position resulting from operations	<u>870,825</u>	<u>726,116</u>	<u>3,080,652</u>	<u>4,459,612</u>
Total deductions	<u>39,348,419</u>	<u>46,624,859</u>	<u>54,951,274</u>	<u>41,776,560</u>
Changes in fiduciary net position held in trust for Account Owners in the Program	\$ 7,250,293	\$ 10,765,902	\$ 15,077,817	\$ 18,263,038
Fiduciary net position - beginning of year	149,148,342	117,122,525	135,989,370	107,321,448
Fiduciary net position - end of year	<u>\$ 156,398,635</u>	<u>\$ 127,888,427</u>	<u>\$ 151,067,187</u>	<u>\$ 125,584,486</u>

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Schedules of Changes in Fiduciary Net Position *(continued)*
for the year ended June 30, 2018

	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
Additions:					
Subscriptions	\$ 28,108,865	\$ 34,379,260	\$ 43,211,741	\$ 31,730,825	\$ 11,923,938
Increase from investment operations:					
Dividend income distributions by Underlying Funds	2,607,611	8,544,774	4,088,620	3,906,289	1,852,168
Realized gain from sales of Underlying Funds	3,349,655	2,710,116	1,079,125	1,579,020	-
Capital gain distributions by Underlying Funds	7,606,026	3,865,083	8,842,498	3,203,995	-
Net change in unrealized appreciation on investments in Underlying Funds	<u>10,232,507</u>	<u>-</u>	<u>11,114,381</u>	<u>370,207</u>	<u>-</u>
Net increase in net position resulting from operations	<u>23,795,799</u>	<u>15,119,973</u>	<u>25,124,624</u>	<u>9,059,511</u>	<u>1,852,168</u>
Total additions	<u>51,904,664</u>	<u>49,499,233</u>	<u>68,336,365</u>	<u>40,790,336</u>	<u>13,776,106</u>
Deductions:					
Redemptions	35,124,261	50,236,809	40,301,166	30,673,291	16,270,774
Decrease from investment operations:					
Realized loss from sales of Underlying Funds	-	-	-	-	108,515
Net change in unrealized depreciation on investments in Underlying Funds	-	5,894,373	-	-	1,970,316
Program management fees (Note 2)	445,704	668,409	495,525	375,870	133,377
Sales fees (Note 2)					
Class A	275,440	462,972	294,324	216,050	75,674
Class B	24,937	45,476	22,627	15,990	5,840
Class C	<u>400,808</u>	<u>773,978</u>	<u>373,874</u>	<u>432,830</u>	<u>135,447</u>
Net decrease in net position resulting from operations	<u>1,146,889</u>	<u>7,845,208</u>	<u>1,186,350</u>	<u>1,040,740</u>	<u>2,429,169</u>
Total deductions	<u>36,271,150</u>	<u>58,082,017</u>	<u>41,487,516</u>	<u>31,714,031</u>	<u>18,699,943</u>
Changes in fiduciary net position held in trust for Account Owners in the Program	\$ 15,633,514	\$ (8,582,784)	\$ 26,848,849	\$ 9,076,305	\$ (4,923,837)
Fiduciary net position - beginning of year	206,497,670	269,529,882	242,591,331	173,089,215	69,503,674
Fiduciary net position - end of year	<u>\$ 222,131,184</u>	<u>\$ 260,947,098</u>	<u>\$ 269,440,180</u>	<u>\$ 182,165,520</u>	<u>\$ 64,579,837</u>

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Schedules of Changes in Fiduciary Net Position *(continued)*
for the year ended June 30, 2018

	Individual Portfolios				
	Franklin Growth 529 Portfolio	Franklin Income 529 Portfolio	Franklin Small-Mid Cap Growth 529 Portfolio	Franklin Mutual Shares 529 Portfolio	S&P 500 Index 529 Portfolio
Additions:					
Subscriptions	\$ 27,665,213	\$ 29,924,923	\$ 13,854,676	\$ 12,182,014	\$ 48,893,008
Increase from investment operations:					
Dividend income distributions by Underlying Funds	700,125	10,336,457	-	2,092,350	4,375,845
Realized gain from sales of Underlying Funds	1,781,143	483,227	201,911	1,334,265	1,190,976
Capital gain distributions by Underlying Funds	2,695,949	-	5,292,714	4,006,486	-
Net change in unrealized appreciation on investments in Underlying Funds	<u>12,365,040</u>	<u>-</u>	<u>5,037,337</u>	<u>-</u>	<u>23,774,075</u>
Net increase in net position resulting from operations	<u>17,542,257</u>	<u>10,819,684</u>	<u>10,531,962</u>	<u>7,433,101</u>	<u>29,340,896</u>
Total additions	<u>45,207,470</u>	<u>40,744,607</u>	<u>24,386,638</u>	<u>19,615,115</u>	<u>78,233,904</u>
Deductions:					
Redemptions	18,000,767	39,712,140	11,246,217	17,827,447	34,458,126
Decrease from investment operations:					
Realized loss from sales of Underlying Funds	-	-	-	-	-
Net change in unrealized depreciation on investments in Underlying Funds	-	2,912,599	-	5,595,776	-
Program management fees (Note 2)	292,447	488,002	179,058	230,937	365,738
Sales fees (Note 2)					
Class A	224,754	335,147	139,610	172,469	161,523
Class B	15,972	19,620	11,287	13,259	10,952
Class C	<u>254,494</u>	<u>589,626</u>	<u>145,012</u>	<u>219,955</u>	<u>262,561</u>
Net decrease in net position resulting from operations	<u>787,667</u>	<u>4,344,994</u>	<u>474,967</u>	<u>6,232,396</u>	<u>800,774</u>
Total deductions	<u>18,788,434</u>	<u>44,057,134</u>	<u>11,721,184</u>	<u>24,059,843</u>	<u>35,258,900</u>
Changes in fiduciary net position held in trust for Account Owners in the Program	\$ 26,419,036	\$ (3,312,527)	\$ 12,665,454	\$ (4,444,728)	\$ 42,975,004
Fiduciary net position - beginning of year	101,688,593	195,685,536	64,866,866	94,583,915	204,198,883
Fiduciary net position - end of year	<u>\$ 128,107,629</u>	<u>\$ 192,373,009</u>	<u>\$ 77,532,320</u>	<u>\$ 90,139,187</u>	<u>\$ 247,173,887</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, 2018

	Individual Portfolios <i>(continued)</i>				
	Templeton Growth 529 Portfolio	Franklin Mutual Global Discovery 529 Portfolio	Templeton Global Bond 529 Portfolio	Franklin U.S. Government Money 529 Portfolio	TOTAL
Additions:					
Subscriptions	\$ 10,579,347	\$ 8,723,468	\$ 2,413,572	\$ 47,036,844	\$ 1,467,208,294
Increase from investment operations:					
Dividend income distributions by Underlying Funds	1,615,299	461,963	198,126	1,125,681	108,249,350
Realized gain from sales of Underlying Funds	1,099,034	4,296	8,366	-	58,186,537
Capital gain distributions by Underlying Funds	-	528,152	-	-	95,490,233
Net change in unrealized appreciation on investments in Underlying Funds	574,434	-	-	-	81,576,071
Net increase in net position resulting from operations	<u>3,288,767</u>	<u>994,411</u>	<u>206,492</u>	<u>1,125,681</u>	<u>343,502,191</u>
Total additions	<u>13,868,114</u>	<u>9,717,879</u>	<u>2,620,064</u>	<u>48,162,525</u>	<u>1,810,710,485</u>
Deductions:					
Redemptions	13,626,075	3,027,434	1,204,083	51,029,147	1,432,892,898
Decrease from investment operations:					
Realized loss from sales of Underlying Funds	-	-	-	-	446,707
Net change in unrealized depreciation on investments in Underlying Funds	-	820,074	307,953	-	35,354,192
Program management fees (Note 2)	199,534	48,918	12,217	-	10,560,311
Sales fees (Note 2)					
Class A	154,422	37,509	9,159	-	6,880,875
Class B	10,551	-	-	-	633,155
Class C	169,315	45,333	12,155	-	9,304,499
Net decrease in net position resulting from operations	<u>533,822</u>	<u>951,834</u>	<u>341,484</u>	<u>-</u>	<u>63,179,739</u>
Total deductions	<u>14,159,897</u>	<u>3,979,268</u>	<u>1,545,567</u>	<u>51,029,147</u>	<u>1,496,072,637</u>
Changes in fiduciary net position held in trust for Account Owners in the Program	\$ (291,783)	\$ 5,738,611	\$ 1,074,497	\$ (2,866,622)	\$ 314,637,848
Fiduciary net position - beginning of year	78,706,416	16,199,661	4,183,682	125,683,711	4,868,213,325
Fiduciary net position - end of year	<u>\$ 78,414,633</u>	<u>\$ 21,938,272</u>	<u>\$ 5,258,179</u>	<u>\$ 122,817,089</u>	<u>\$ 5,182,851,173</u>