

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

Combined Financial Statements
June 30, 2020



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

Combined Financial Statements and Supplemental Information

Year ended June 30, 2020

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

Report of Independent Auditors

To the Trustees of

New Jersey Better Educational Savings Trust Program - New Jersey Division of Investments 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 - New Jersey Division of Investments Managed Investment Options (the "Trust") as of June 30, 2020, and the related combined statement of changes in fiduciary net position for the year then ended, and the related notes to the combined financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the combined financial position of the New Jersey Better Educational Savings Trust Program - New Jersey Division of Investments Managed Investment Options at June 30, 2020, 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 6 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 statement of investments – NJBest Pooled Equity Fund, the schedule of each portfolio's fiduciary net position as of June 30, 2020, and the schedule 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 15, 2020

New Jersey Better Educational Savings Trust Program

New Jersey Division of Investment 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 Investment ("Division of Investment") for accounts open prior to March 17, 2003 and portfolios managed by Franklin Templeton for accounts opened after March 17, 2003. The financial data for the Program for the year ended June 30, 2020, is contained in two separate audited financial reports: 1) the New Jersey Division of Investment Managed Investment Options (the "Division of Investment Options") and 2) the Franklin Templeton Managed Investment Options.

These financial statements pertain solely to the Division of Investments Options and offer readers of the financial statements this discussion and analysis of the financial performance for the year ended June 30, 2020. Readers should consider the information presented in this section in conjunction with the combined financial statements and notes to combined financial statements. The Division of Investments Options consist of six (6) investment portfolios (the "Portfolios") in which account owners ("Account Owners") may invest.

Financial Highlights

During the year ended June 30, 2020, the Portfolios within the Program posted returns below. The expense ratio for all Portfolios is 0.40% per annum based on the average daily net assets of each portfolio.

NJ Best Trust A	2.09%
NJ Best Trust B	2.19%
NJ Best Trust C	3.07%
NJ Best Trust D	3.21%
NJ Best Trust E	3.36%
NJ Best Better Educational Savings Trust	3.09%

Overview of the Combined Financial Statements

The Division of Investments 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 Division of Investments Options' assets and liabilities, with the difference between the two reported as net position as of June 30, 2020. This statement, along with all of the Division of Investments Options combined financial statements, is prepared using the accrual basis of accounting. Contributions are recognized when enrollment in the Division of Investments Options is finalized; all 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 Division of Investments Options' assets changed during the year ended June 30, 2020. 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

New Jersey Division of Investment Managed Investment Options

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

Financial Analysis

The following are condensed Combined Statements of Fiduciary Net Position as of June 30, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Investments	\$ 209,741,301	\$ 263,894,961
Receivables	249,381	359,381
Total assets	<u>209,990,682</u>	<u>264,254,342</u>
Payables	196,701	356,864
Total liabilities	<u>196,701</u>	<u>356,864</u>
Fiduciary Net Position held in trust for Account Owners in the Program	<u>\$ 209,793,981</u>	<u>\$ 263,897,478</u>

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

The investments in the six (6) Portfolios of the Division of Investments Options comprise 99.9% of total assets. Other assets consist of receivables for shares sold and accrued income. Liabilities consist of payables for shares redeemed and accrued expenses.

New Jersey Better Educational Savings Trust Program

New Jersey Division of Investment Managed Investment Options

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

Financial Analysis (continued)

The following are condensed Combined Statements of Changes in Fiduciary Net Position for the years ended June 30, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Additions:		
Subscriptions	\$ 15,539,678	\$ 16,297,195
Net increase in Fiduciary Net Position resulting from operations	<u>15,808,625</u>	<u>18,792,094</u>
Total additions	<u>31,348,303</u>	<u>35,089,289</u>
Deductions:		
Redemptions	77,086,399	76,140,378
Net decrease in Fiduciary Net Position resulting from operations	<u>8,365,401</u>	<u>10,763,869</u>
Total deductions	<u>85,451,800</u>	<u>86,904,247</u>
Changes in Fiduciary Net Position held in trust for Account		
Owners in the Program	<u>(54,103,497)</u>	<u>(51,814,958)</u>
Fiduciary Net Position - beginning of year	<u>263,897,478</u>	<u>315,712,436</u>
Fiduciary Net Position - end of year	<u>\$ 209,793,981</u>	<u>\$ 263,897,478</u>

The Division of Investments Options paid \$61.5 million in net redemptions to Account Owners during the year ended June 30, 2020.

The Division of Investments Options earned \$2.8 million of investment income and incurred \$0.9 million of Program management fees during the year ended June 30, 2020.

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

Combined Financial Statements

Combined Statement of Fiduciary Net Position
June 30, 2020

Assets:

Investments, at fair value (Cost: \$158,663,955)	\$	209,741,301
Interest receivable		241,261
Receivable from Plan shares sold		8,120
Total assets		<u>209,990,682</u>

Liabilities:

Accrued expenses		68,927
Payable for Plan shares redeemed		127,774
Total liabilities		<u>196,701</u>

Fiduciary Net Position held in trust for Account Owners in the Program	\$	<u>209,793,981</u>
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The accompanying notes are an integral part of these combined financial statements.

New Jersey Better Educational Savings Trust Program

New Jersey Division of Investment Managed Investment Options

Combined Financial Statements *(continued)*

Combined Statement of Changes in Fiduciary Net Position for the year ended June 30, 2020

Additions:	
Subscriptions	\$ 15,539,678
Increase from investment operations:	
Dividend income	2,132,323
Interest income	636,693
Net realized gain from sale of investments	13,039,609
Net change in unrealized appreciation on investments	-
Net increase in net position resulting from operations	<u>15,808,625</u>
Total additions	<u>31,348,303</u>
Deductions:	
Redemptions	77,086,399
Decrease from investment operations:	
Net change in unrealized depreciation on investments	7,456,155
Program management fees (Note 2)	909,246
Net decrease in net position resulting from operations	<u>8,365,401</u>
Total deductions	<u>85,451,800</u>
Changes in Fiduciary Net Position held in trust for Account Owners in the Program	(54,103,497)
Fiduciary Net Position - beginning of year	<u>263,897,478</u>
Fiduciary Net Position - end of year	<u>\$ 209,793,981</u>

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

New Jersey Better Educational Savings Trust Program

New Jersey Division of Investment 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 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 and the various plans included in 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 affiliated or non-affiliated subcontractors, certain administrative services relating to 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 Portfolios, as defined below, managed by the New Jersey Department of the Treasury, Division of Investment ("Division of Investment") which serves as investment manager for the investment options ("Division of Investment Options") that are part of the NJBEST 529 College Savings Plan ("NJBEST" or "Plan") but are no longer available to new shareholders. The Division of Investment Options consists of six portfolios ("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 the Program and managed by the Division of Investment are maintained in a managed equity Portfolio called the NJBEST Pooled Equity Fund. Each of the six portfolios owns a portion of the NJBEST Pooled Equity Fund. The net assets and related dividend and interest income of the NJBEST Pooled Equity Fund have been allocated among the portfolios. This allows for a high level of diversification and reduces the costs of managing the Plan.

New Jersey Better Educational Savings Trust Program

New Jersey Division of Investment Managed Investment Options

Notes to Combined Financial Statements *(continued)*

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

For information regarding the Franklin Templeton Managed Investment Options, including those within the Franklin Templeton 529 College Savings Plan, please see the combined financial statements entitled “New Jersey Better Educational Savings Trust Program – 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 Program’s significant accounting policies.

a. Financial Instrument Valuation

The Program's investments in financial instruments are carried at fair value daily. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date. The Program calculates the net asset value (NAV) per share each business day as of 4 p.m. Eastern time or the regularly scheduled close of the New York Stock Exchange (NYSE). Under compliance policies and procedures approved by HESAA, the Program’s administrator has responsibility for oversight of valuation, including leading the cross-functional Valuation Committee (VC). The Program may utilize independent pricing services, quotations from securities and financial instrument dealers, and other market sources to determine fair value.

Equity securities listed on an exchange or on the NASDAQ National Market System are valued at the last quoted sale price or the official closing price of the day, respectively. Over-the-counter (OTC) securities are valued within the range of the most recent quoted bid and ask prices. Securities that trade in multiple markets or on multiple exchanges are valued according to the broadest and most representative market. Certain equity securities are valued based upon fundamental characteristics or relationships to similar securities. Investments in non-registered money market funds and managed equity accounts are valued at the closing NAV.

Debt securities generally trade in the OTC market rather than on a securities exchange. The Program's pricing services use multiple valuation techniques to determine fair value. In instances where sufficient market activity exists, the pricing services may utilize a market-based approach through which quotes from market makers are used to determine fair value. In instances where sufficient market activity may not exist or is limited, the pricing services also utilize proprietary valuation models which may consider market characteristics such as benchmark yield curves, credit spreads, estimated default rates, anticipated market interest rate volatility, coupon rates, anticipated timing of principal repayments, underlying collateral, and other unique security features in order to estimate the relevant cash flows, which are then discounted to calculate the fair value.

The Program has procedures to determine the fair value of financial instruments for which market prices are not reliable or readily available. Under these procedures, the Portfolios primarily employ a market-based approach which may use related or comparable assets or liabilities, recent transactions, market multiples, book values, and other relevant information for the investment to determine the fair value of the investment. An income-based valuation approach may also be used in which the anticipated future cash flows of the investment are discounted to calculate fair value. Discounts may also be applied due to the nature or duration of any restrictions on the disposition of the investments. Due to the inherent uncertainty of valuations of such investments, the fair values may differ significantly from the values that would have been used had an active market existed.

New Jersey Better Educational Savings Trust Program

New Jersey Division of Investment Managed Investment Options

Notes to Combined Financial Statements *(continued)*

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

b. Income Taxes

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 Division of Investment Options 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, 2020, the Division of Investment Options 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 in future tax returns). Open tax years are those that remain subject to examination and are based on the statute of limitation in each jurisdiction which the fund invests.

c. Security Transactions, Investment Income and Expenses

Security transactions are accounted for on trade date. Realized gains and losses on security transactions are determined on a average cost basis. Interest income and estimated expenses are accrued daily. Amortization of premium and accretion of discount on debt securities are included in interest income. Dividend income is recorded on the ex-dividend date.

Inflation-indexed bonds are adjusted for inflation through periodic increases or decreases in the security's interest accruals, face amount, or principal redemption value, by amounts corresponding to the rate of inflation as measured by an index. Any increase or decrease in the face amount or principal redemption value will be included as interest income on the Combined Statement of Changes in Fiduciary Net Position.

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 combined financial statements and the amounts of income and expenses during the reporting period. Actual results could differ from those estimates.

e. Guarantees and Indemnifications

Under the Program's organizational documents, its trustee is indemnified by the Program against certain liabilities arising out of the performance of their 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.

New Jersey Better Educational Savings Trust Program

New Jersey Division of Investment Managed Investment Options

Notes to Combined Financial Statements (continued)

2. MANAGEMENT AGREEMENTS

The Division of Investment Options pays a total program management fee of 0.40% per annum based on the average daily net assets of each portfolio.

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 Division of Investment Options for administrative or transfer agency services.

3. INVESTMENTS

At June 30, 2020, net unrealized appreciation of portfolio investments was \$51,077,346 consisting of gross unrealized appreciation of \$51,077,346 and gross unrealized depreciation of \$0.

Purchases and sales of Portfolio securities (excluding short term securities) for the year ended June 30, 2020, aggregated \$0 and \$18,319,911, respectively.

For a list of each Portfolio’s investments at June 30, 2020, please see the Schedule of Fiduciary Net Position for each Portfolio in the Supplemental Information.

As of June 30, 2020, the investments held by the Portfolios consisted of the following:

	Shares	Cost	Value
Equity			
NJBEST Pooled Equity Fund	2,332,670	\$ 20,138,630	\$ 68,659,319
	Principal Amount		
Fixed Income			
AT&T Inc., senior bond, 6.50%, 11/15/36	\$ 3,000,000	3,684,126	3,974,577
U.S. Treasury Bonds,			
7.25%, 8/15/22	1,235,000	1,280,537	1,421,094
6.25%, 8/15/23	1,100,000	1,139,882	1,308,270
6.00%, 2/15/26	1,000,000	1,000,359	1,314,375
U.S. Treasury Notes, Index Linked,			
2.375%, 1/15/25	12,244,346	12,471,646	14,114,891
	Shares		
Short Term Investment			
^a State of New Jersey Cash Management			
Fund, 0.23%	118,948,775	118,948,775	118,948,775
		<u>\$ 158,663,955</u>	<u>\$ 209,741,301</u>

^a The rate shown is the average annualized monthly rate of return at year end.

New Jersey Better Educational Savings Trust Program

New Jersey Division of Investment Managed Investment Options

Notes to Combined Financial Statements *(continued)*

4. INVESTMENT RISKS

Certain investments are subject to a variety of investment risks. GASB requires that entities disclose certain essential risk information about deposits and investments.

a. Interest Rate and Credit Risk

Interest rate risk is the risk that the value of bond investments will decrease as a result of a rise in interest rates. Credit risk refers to the ability of the issuer to make timely payments of interest and principal. The following instruments held by the Division of Investment Options at June 30, 2020, were exposed to interest rate and credit risk:

Investment	Value	Credit Rating
Fixed Income		
AT&T Inc., senior bond, 6.50%, 11/15/36	3,974,577	BBB
U.S. Treasury Bonds,		
7.25%, 8/15/22	1,421,094	AA+
6.25%, 8/15/23	1,308,270	AA+
6.00%, 2/15/26	1,314,375	AA+
U.S. Treasury Notes, Index Linked,		
2.375%, 1/15/25	14,114,891	AA+

Investment	Value	Average Maturity
Short Term Investment		
^a State of New Jersey Cash Management Fund, 0.23%	118,948,775	0.12 years

^a The rate shown is the average annualized monthly rate of return at year end.

b. Custodial Credit Risk

Custodial credit risk, as it relates to investments, is the risk that in the event of the failure of the custodian, the Division of Investment Options will not be able to recover the value of investments that are in the possession of the custodian. The Division of Investment Options' investment securities are not exposed to custodial credit risk as they are held in a segregated trust account with the custodian.

5. NOVEL CORONAVIRUS PANDEMIC

The global outbreak of the novel coronavirus disease, known as COVID-19, has caused adverse effects on many companies, sectors, nations, regions and the markets in general, and may continue for an unpredictable duration. The effects of this pandemic may materially impact the value and performance of the Fund, its ability to buy and sell fund investments at appropriate valuations and its ability to achieve its investment objectives.

New Jersey Better Educational Savings Trust Program

New Jersey Division of Investment Managed Investment Options

Notes to Combined Financial Statements *(continued)*

6. 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 Program's financial instruments and are summarized in the following fair value hierarchy:

- Level 2 – other significant observable inputs (including quoted prices for similar financial instruments, interest
- 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 Program has adopted a policy of recognizing the transfers as of the date of the underlying event which caused the movement.

At June 30, 2020, all of the Portfolio's investments in financial instruments carried at fair value were valued using Level 2 inputs.

7. SUBSEQUENT EVENTS

The Program has evaluated subsequent events through September 15, 2020, 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 financial statements of the New Jersey Better Educational Savings Trust Program, New Jersey Division of Investment Managed Investment Options. It shows financial information relating to the investment Portfolios, which were included in the Program during the year ended June 30, 2020.

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

Schedules of Fiduciary Net Position

June 30, 2020

	NJ BEST Portfolio A	NJ BEST Portfolio B	NJ BEST Portfolio C	NJ BEST Portfolio D
Assets				
Investments, at fair value:				
Equity				
NJBEST Pooled Equity Fund	\$ 191,533	\$ 520,747	\$ 2,919,728	\$ 6,162,440
Fixed income				
AT&T Inc., senior bond, 6.50%, 11/15/36	-	-	1,324,859	1,324,859
U.S. Treasury Bonds,				
7.25%, 8/15/22	-	-	-	575,342
6.25%, 8/15/23	-	-	-	713,602
6.00%, 2/15/26	-	-	-	-
U.S. Treasury Notes, Index Linked,				
2.375%, 1/15/25	-	-	-	-
Total fixed income	-	-	1,324,859	2,613,803
Short term investment				
^a State of New Jersey Cash Management Fund, 0.23%	841,231	2,164,826	9,785,353	16,641,301
Total investments	1,032,764	2,685,573	14,029,940	25,417,544
Interest receivable	-	-	8,306	36,063
Receivable from Plan shares sold	-	-	-	-
Total assets	1,032,764	2,685,573	14,038,246	25,453,607
Liabilities				
Accrued expenses	338	883	4,608	8,387
Payable for Plan shares redeemed	-	-	-	40,819
Total liabilities	338	883	4,608	49,206
Fiduciary Net Position held in trust for Account				
Owners in the Program	<u>\$ 1,032,426</u>	<u>\$ 2,684,690</u>	<u>\$ 14,033,638</u>	<u>\$ 25,404,401</u>
Shares outstanding	<u>60,274</u>	<u>136,924</u>	<u>632,324</u>	<u>1,066,353</u>
Net Position Value per Share	<u>\$ 17.13</u>	<u>\$ 19.61</u>	<u>\$ 22.19</u>	<u>\$ 23.82</u>
Investments at cost	<u>\$ 884,139</u>	<u>\$ 2,286,867</u>	<u>\$ 11,891,347</u>	<u>\$ 20,706,514</u>

^aThe rate shown is the average annualized monthly rate of return at year end.

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

Schedules of Fiduciary Net Position (*continued*)

June 30, 2020

	NJ BEST Portfolio E	NJ Better Educational Savings Trust	TOTAL
Assets			
Investments, at fair value:			
Equity			
NJBEST Pooled Equity Fund	\$ 57,795,183	\$ 1,069,688	\$ 68,659,319
Fixed income			
AT&T Inc., senior bond, 6.50%, 11/15/36	1,324,859	-	3,974,577
U.S. Treasury Bonds,			
7.25%, 8/15/22	845,752	-	1,421,094
6.25%, 8/15/23	594,668	-	1,308,270
6.00%, 2/15/26	1,314,375	-	1,314,375
U.S. Treasury Notes, Index Linked,			
2.375%, 1/15/25	14,114,891	-	14,114,891
Total fixed income	18,194,545	-	22,133,207
Short term investment			
^a State of New Jersey Cash Management Fund, 0.23%	88,231,997	1,284,067	118,948,775
Total investments	164,221,725	2,353,755	209,741,301
Interest receivable	196,892	-	241,261
Receivable from Plan shares sold	8,120	-	8,120
Total assets	164,426,737	2,353,755	209,990,682
Liabilities			
Accrued expenses	53,941	770	68,927
Payable for Plan shares redeemed	86,955	-	127,774
Total liabilities	140,896	770	196,701
Fiduciary Net Position held in trust for Account Owners in the Program			
	<u>\$ 164,285,841</u>	<u>\$ 2,352,985</u>	<u>\$ 209,793,981</u>
Shares outstanding	<u>6,589,404</u>	<u>103,797</u>	
Net Position Value per Share	<u>\$ 24.93</u>	<u>\$ 22.67</u>	
Investments at cost	<u>\$ 121,281,206</u>	<u>\$ 1,613,882</u>	<u>\$ 158,663,955</u>

^a The rate shown is the average annualized monthly rate of return at year end.

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Schedules of Changes in Fiduciary Net Position
for the year ended June 30, 2020

	NJ BEST Portfolio A	NJ BEST Portfolio B	NJ BEST Portfolio C	NJ BEST Portfolio D
Additions:				
Subscriptions	\$ 172,968	\$ 429,591	\$ 487,264	\$ 1,932,956
Increase from investment operations:				
Dividend income	12,382	33,022	165,848	302,316
Interest income	-	-	55,728	115,798
Net realized gain from sale of investments	11,395	82,185	297,978	1,658,600
Net increase in net position resulting from operations	23,777	115,207	519,554	2,076,714
Total additions	196,745	544,798	1,006,818	4,009,670
Deductions:				
Redemptions	128,872	467,977	2,341,634	10,890,758
Decrease from investment operations:				
Net change in unrealized depreciation on investments	615	48,048	9,439	1,059,603
Program management fees (Note 2)	3,945	10,631	58,581	112,557
Net decrease in net position resulting from operations	4,560	58,679	68,020	1,172,160
Total deductions	133,432	526,656	2,409,654	12,062,918
Changes in Fiduciary Net Position held in trust for Account Owners in the Program				
	63,313	18,142	(1,402,836)	(8,053,248)
Fiduciary Net Position - beginning of year	969,113	2,666,548	15,436,474	33,457,649
Fiduciary Net Position - end of year	<u>\$ 1,032,426</u>	<u>\$ 2,684,690</u>	<u>\$ 14,033,638</u>	<u>\$ 25,404,401</u>

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Schedules of Changes in Fiduciary Net Position *(continued)*
for the year ended June 30, 2020

	NJ BEST Portfolio E	NJ Better Educational Savings Trust	TOTAL
Additions:			
Subscriptions	\$ 12,132,059	\$ 384,840	\$ 15,539,678
Increase from investment operations:			
Dividend income	1,594,748	24,007	2,132,323
Interest income	465,167	-	636,693
Net realized gain from sale of investments	10,844,646	144,805	13,039,609
Net increase in net position resulting from operations	12,904,561	168,812	15,808,625
Total additions	25,036,620	553,652	31,348,303
Deductions:			
Redemptions	62,129,180	1,127,978	77,086,399
Decrease from investment operations:			
Net change in unrealized depreciation on investments	6,261,327	77,123	7,456,155
Program management fees (Note 2)	713,193	10,339	909,246
Net decrease in net position resulting from operations	6,974,520	87,462	8,365,401
Total deductions	69,103,700	1,215,440	85,451,800
Changes in Fiduciary Net Position held in trust for Account Owners in the Program	(44,067,080)	(661,788)	(54,103,497)
Fiduciary Net Position - beginning of year	208,352,921	3,014,773	263,897,478
Fiduciary Net Position - end of year	\$ 164,285,841	\$ 2,352,985	\$ 209,793,981

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New Jersey Division of Investment Managed Investment Options
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NJBest Pooled Equity Fund

Statement of Investments, June 30, 2020

	SHARES / WARRANTS / RIGHTS	VALUE
Common Stocks 97.5%		
Aerospace & Defense 3.0%		
The Boeing Co.	1,100	\$ 201,629
CPI Aerostructures Inc.	31,300	102,977
Huntington Ingalls Industries Inc.	1,900	331,531
L3Harris Technologies Inc.	750	127,253
Lockheed Martin Corp.	400	145,968
Northrop Grumman Corp.	1,900	584,136
Textron Inc.	6,300	207,333
Raytheon Technologies Corp.	5,868	361,586
		<u>2,062,413</u>
Air Freight & Logistics 0.5%		
FedEx Corp.	1,500	210,330
United Parcel Service Inc., B	1,000	111,180
		<u>321,510</u>
Airlines 0.3%		
Delta Air Lines Inc.	5,000	140,250
Southwest Airlines Co.	2,900	99,122
		<u>239,372</u>
Automobiles 0.6%		
General Motors Co.	2,900	73,370
Thor Industries Inc.	3,500	372,855
		<u>446,225</u>
Banks 4.3%		
Bank of America Corp.	26,300	624,625
Citigroup Inc.	3,800	194,180
JPMorgan Chase & Co.	9,500	893,570
Pinnacle Financial Partners Inc.	4,900	205,751
PNC Financial Services Group Inc.	900	94,689
SVB Financial Group	1,400	301,742
Truist Financial Corp.	7,122	267,431
Wells Fargo & Co.	11,700	299,520
Zions Bancorp., NA	4,400	149,600
		<u>3,031,108</u>
Beverages 2.0%		
Monster Beverage Corp.	2,500	173,300
PepsiCo Inc.	5,600	740,656
The Coca-Cola Co.	10,200	455,736
		<u>1,369,692</u>
Biotechnology 2.3%		
AbbVie Inc.	6,452	633,457
Amgen Inc.	2,300	542,478
Biogen Inc.	500	133,775
Gilead Sciences Inc.	2,200	169,268
Rigel Pharmaceuticals Inc.	44,900	82,167
		<u>1,561,145</u>
Building Products 0.5%		
Carrier Global Corp.	2,600	57,772
Patrick Industries Inc.	4,900	300,125
		<u>357,897</u>

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NJBest Pooled Equity Fund (continued)
Statement of Investments, June 30, 2020

	SHARES / WARRANTS / RIGHTS	VALUE
Common Stocks (continued)		
Capital Markets 0.9%		
CBOE Global Markets Inc.	2,100	\$ 195,888
CME Group Inc.	800	130,032
Intercontinental Exchange Inc.	1,300	119,080
The Goldman Sachs Group Inc.	800	158,096
		<u>603,096</u>
Chemicals 1.5%		
Air Products and Chemicals Inc.	600	144,876
Albemarle Corp.	1,600	123,536
Corteva Inc.	3,733	100,007
DuPont de Nemours Inc.	1,533	81,448
Ecolab Inc.	700	139,265
Koppers Holdings Inc.	4,900	92,316
Linde PLC	1,000	212,110
Livent Corp.	8,500	52,360
The Sherwin-Williams Co.	200	115,570
		<u>1,061,488</u>
Commercial Services & Supplies 0.6%		
Pitney Bowes Inc.	33,300	86,580
Republic Services Inc.	1,400	114,870
Waste Management Inc.	1,900	201,229
		<u>402,679</u>
Communications Equipment 1.0%		
Cisco Systems Inc.	14,200	662,288
Construction & Engineering 0.4%		
Limbach Holdings Inc.	33,900	124,752
MasTec Inc.	3,700	166,019
		<u>290,771</u>
Construction Materials 0.4%		
Martin Marietta Materials Inc.	800	165,256
Summit Materials Inc., A	8,100	130,248
		<u>295,504</u>
Consumer Finance 0.4%		
American Express Co.	1,300	123,760
Discover Financial Services	2,500	125,225
		<u>248,985</u>
Distributors 0.2%		
LKQ Corp.	4,300	112,660
Diversified Financial Services 2.2%		
Berkshire Hathaway Inc., B	8,400	1,499,484
Diversified Telecommunication Services 2.0%		
AT&T Inc.	19,700	595,531
Verizon Communications Inc.	13,800	760,794
		<u>1,356,325</u>
Electric Utilities 2.5%		
American Electric Power Co. Inc.	2,600	207,064
Duke Energy Corp.	2,500	199,725
Exelon Corp.	3,600	130,644
NextEra Energy Inc.	2,700	648,459

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NJBest Pooled Equity Fund (continued)
Statement of Investments, June 30, 2020

	SHARES / WARRANTS / RIGHTS	VALUE
Common Stocks (continued)		
Electric Utilities (continued)		
PPL Corp.	5,500	\$ 142,120
The Southern Co.	3,400	176,290
Xcel Energy Inc.	3,000	187,500
		<u>1,691,802</u>
Electrical Equipment 0.6%		
Rockwell Automation Inc.	2,000	<u>426,000</u>
Electrical Equipment, Instruments & Component 0.1%		
Keysight Technologies Inc.	1,000	<u>100,780</u>
Energy Equipment & Services 0.1%		
Mammoth Energy Services Inc.	31,600	37,288
ProPetro Holding Corp.	3,500	17,990
		<u>55,278</u>
Entertainment 1.3%		
Netflix Inc.	700	318,528
The Walt Disney Co.	4,950	551,975
		<u>870,503</u>
Equity Real Estate Investment Trusts 2.7%		
Alexandria Real Estate Equities Inc.	700	113,575
American Tower Corp.	2,100	542,934
AvalonBay Communities Inc.	500	77,320
Crown Castle International Corp.	1,300	217,555
EPR Properties	1,400	46,382
Equinix Inc.	350	245,805
Extra Space Storage Inc.	1,800	166,266
Prologis Inc.	1,900	177,327
Simon Property Group Inc.	2,300	157,274
Vornado Realty Trust	2,700	103,167
		<u>1,847,605</u>
Food & Staples Retailing 1.4%		
Costco Wholesale Corp.	1,600	485,136
Walmart Inc.	3,800	455,164
		<u>940,300</u>
Food Products 1.3%		
Freshpet Inc.	2,850	238,431
Mondelez International Inc., A	6,500	332,345
The Hershey Co.	700	90,734
Tyson Foods Inc.	3,900	232,869
		<u>894,379</u>
Health Care Equipment & Supplies 2.7%		
Abbott Laboratories	4,700	429,721
Baxter International Inc.	1,300	111,930
Becton Dickinson and Co.	1,100	263,197
Boston Scientific Corp.	2,600	91,286
Danaher Corp.	1,600	282,928
Intuitive Surgical Inc.	200	113,966
Medtronic PLC	5,300	486,010
Stryker Corp.	600	108,114
		<u>1,887,152</u>

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NJBest Pooled Equity Fund (continued)
Statement of Investments, June 30, 2020

	SHARES / WARRANTS / RIGHTS	VALUE
Common Stocks (continued)		
Health Care Providers & Services 1.8%		
Centene Corp.	2,500	\$ 158,875
Cigna Corp.	1,500	281,475
CVS Health Corp.	2,700	175,419
UnitedHealth Group Inc.	2,100	619,395
		<u>1,235,164</u>
Healthcare Technology 0.8%		
Teladoc Inc.	2,700	<u>515,268</u>
Hotels, Restaurants & Leisure 1.4%		
Chipotle Mexican Grill Inc.	65	68,403
McDonald's Corp.	2,400	442,728
Starbucks Corp.	4,600	338,514
Yum! Brands Inc.	1,000	86,910
		<u>936,555</u>
Household Products 2.0%		
Church & Dwight Co. Inc.	1,400	108,220
Colgate-Palmolive Co.	2,500	183,150
Kimberly-Clark Corp.	900	127,215
The Procter & Gamble Co.	8,000	956,560
		<u>1,375,145</u>
Independent Power & Renewable Electricity 0.1%		
NRG Energy Inc.	2,300	<u>74,888</u>
Industrial Conglomerates 0.3%		
General Electric Co.	15,700	107,231
Honeywell International Inc.	1,300	187,967
		<u>295,198</u>
Insurance 2.1%		
Aon PLC/Ireland., A	600	115,560
Chubb Ltd.	1,100	139,282
Lincoln National Corp.	1,700	62,543
Marsh & McLennan Cos. Inc.	1,200	128,844
MetLife Inc.	2,200	80,344
Prudential Financial Inc.	3,100	188,790
The Allstate Corp.	1,000	96,990
The Progressive Corp.	1,500	120,165
The Travelers Cos. Inc.	900	102,645
Trupanion Inc.	9,900	422,631
		<u>1,457,794</u>
Interactive Media & Services 5.6%		
Alphabet Inc., A	500	709,025
Alphabet Inc., C	1,175	1,660,992
Facebook Inc., A	6,550	1,487,309
		<u>3,857,326</u>
Internet & Direct Marketing Retail 5.5%		
Amazon.com Inc.	1,300	3,586,466
Booking Holdings Inc.	100	159,234
		<u>3,745,700</u>

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NJBest Pooled Equity Fund (continued)
Statement of Investments, June 30, 2020

	SHARES / WARRANTS / RIGHTS	VALUE
Common Stocks (continued)		
Information Technology Services 5.9%		
Accenture PLC, A	1,600	\$ 343,552
Automatic Data Processing Inc.	1,400	208,446
Fidelity National Information Services Inc.	900	120,681
Fiserv Inc.	1,200	117,144
International Business Machines Corp.	2,000	241,540
Mastercard Inc., A	3,550	1,049,735
PayPal Holdings Inc.	3,400	592,382
Visa Inc., A	7,000	1,352,190
		<u>4,025,670</u>
Life Sciences Tools & Services 0.9%		
Illumina Inc.	700	259,245
Mettler-Toledo International Inc.	200	161,110
Thermo Fisher Scientific Inc.	600	217,404
		<u>637,759</u>
Machinery 0.4%		
Otis Worldwide Corp.	1,300	73,918
The Shyft Group Inc.	9,900	166,716
		<u>240,634</u>
Media 0.8%		
Comcast Corp., A	13,500	526,230
Metals & Mining 0.3%		
Cleveland-Cliffs Inc.	19,360	106,867
Hecla Mining Co.	29,900	97,773
		<u>204,640</u>
Multiline Retail 0.9%		
Dollar General Corp.	700	133,357
Dollar Tree Inc.	3,000	278,040
Target Corp.	1,600	191,888
		<u>603,285</u>
Multiline Utilities 0.7%		
CMS Energy Corp.	1,800	105,156
Consolidated Edison Inc.	1,200	86,316
Dominion Energy Inc.	2,400	194,832
WEC Energy Group Inc.	1,200	105,180
		<u>491,484</u>
Oil, Gas & Consumable Fuels 2.4%		
Cheniere Energy Inc.	2,000	96,640
Chevron Corp.	4,000	356,920
ConocoPhillips	6,000	252,120
Denbury Resources Inc.	129,300	35,700
Exxon Mobil Corp.	10,800	482,976
HollyFrontier Corp.	2,100	61,320
Kinder Morgan Inc.	8,600	130,462
ONEOK Inc.	4,800	159,456
The Williams Companies Inc.	3,600	68,472
		<u>1,644,066</u>

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NJBest Pooled Equity Fund (continued)
Statement of Investments, June 30, 2020

	SHARES / WARRANTS / RIGHTS	VALUE
Common Stocks (continued)		
Pharmaceuticals 5.4%		
Bristol-Myers Squibb Co.	13,300	\$ 782,040
Eli Lilly and Co.	3,000	492,540
Johnson & Johnson	7,600	1,068,788
Merck & Co. Inc.	10,900	842,897
Pfizer Inc.	16,300	533,010
Teligent Inc.	8,370	20,423
		<u>3,739,698</u>
Road & Rail 0.5%		
Knight-Swift Transportation Holdings Inc.	4,200	175,182
Union Pacific Corp.	800	135,256
		<u>310,438</u>
Semiconductors & Semiconductor Equipment 4.1%		
Broadcom Inc.	1,500	473,415
Intel Corp.	11,950	714,969
Microchip Technology Inc.	1,900	200,089
NVIDIA Corp.	1,200	455,892
QUALCOMM Inc.	3,800	346,598
Skyworks Solutions Inc.	2,200	281,292
Texas Instruments Inc.	2,500	317,425
		<u>2,789,680</u>
Software 9.6%		
Adobe Inc.	800	348,248
Asure Software Inc.	18,700	120,241
Autodesk Inc.	1,300	310,947
Intuit Inc.	500	148,095
Microsoft Corp.	23,400	4,762,134
Oracle Corp.	3,700	204,499
Salesforce.com Inc.	3,000	561,990
ServiceNow Inc.	385	155,948
		<u>6,612,102</u>
Specialty Retail 2.0%		
AutoZone Inc.	100	112,812
Lowe's Cos. Inc.	1,200	162,144
Ross Stores Inc.	1,200	102,288
The Home Depot Inc.	3,200	801,632
The TJX Cos. Inc.	3,900	197,184
		<u>1,376,060</u>
Technology Hardware Storage & Peripheral 6.4%		
Apple Inc.	11,850	4,322,880
Hewlett Packard Enterprise Co.	7,100	69,083
		<u>4,391,963</u>
Textiles Apparel & Luxury Goods 0.5%		
NIKE Inc., B	3,265	320,133
Tobacco 0.8%		
Altria Group Inc.	7,500	294,375
Philip Morris International Inc.	4,000	280,240
		<u>574,615</u>
Trading Companies & Distributors 0.0%		
United Rentals Inc.	1,100	163,944

New Jersey Better Educational Savings Trust Program
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NJBest Pooled Equity Fund (continued)
Statement of Investments, June 30, 2020

	SHARES / WARRANTS / RIGHTS	VALUE
Common Stocks (continued)		
Wireless Telecommunication Services 0.2%		
Boingo Wireless Inc.	9,400	\$ 125,208
Total Common Stocks (Cost \$56,151,810) 97.5%		<u>66,907,088</u>
Warrants 0.0%†		
Health Care Providers & Services 0.0%†		
Option Care Health Inc., wts., A, 3/09/25	1,425	1,814
Option Care Health Inc., wts., B, 3/09/25	1,425	1,649
Total Warrants (Cost \$5,225) 0.0%†		<u>3,463</u>
Rights (Cost \$26,098) 0.0%		
Health Care Providers & Services 0.0%†		
Bristol-Myers Squibb Co., rts., 4/24/49	7,500	26,850
Short Term Investments (Cost \$1,673,102) 2.4%		
^a State of New Jersey Cash Management Fund, 0.23%	1,673,102	<u>1,673,102</u>
Total Investments (Cost \$57,856,235) 99.9%		68,610,503
Other Assets, less Liabilities 0.1%		<u>48,816</u>
Net Assets 100.0%		<u>\$ 68,659,319</u>

† Rounds to less than 0.1% of net assets.

^a The rate shown is the average annualized monthly rate of return at year end.