

STATE OF NEW JERSEY
NEW JERSEY STATE EMPLOYEES DEFERRED COMPENSATION PLAN
Financial Statements and Schedule
June 30, 2002 and 2001
(With Independent Auditors' Report Thereon)

KPMG LLP
New Jersey Headquarters
150 John F. Kennedy Parkway
Short Hills, NJ 07078

Independent Auditors' Report

New Jersey State Employees Deferred
Compensation Plan Board
New Jersey State Employees Deferred
Compensation Plan:

We have audited the accompanying statements of fiduciary net assets of the State of New Jersey Employees Deferred Compensation Plan (the Plan) as of June 30, 2002 and 2001, and the related statements of changes in fiduciary net assets for the years then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the New Jersey State Employees Deferred Compensation Plan as of June 30, 2002 and 2001, and the changes in its financial position for the years then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 1, the Plan adopted Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, as amended by No. 37, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments: Omnibus*, as of July 1, 2000.

Management's Discussion and Analysis is not a required part of the financial statements, but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit this information and express no opinion on it.

Our audits were made for the purpose of forming an opinion on the financial statements taken as a whole. The supplementary information included in Schedule A is presented for purposes of additional analysis and is not a required part of the financial statements of the Plan. Such information has been subjected to the auditing procedures applied in the audits of the financial statements and, in our opinion, is fairly presented in all material respects in relation to the financial statements taken as a whole.

KPMG LLP

September 6, 2002

MANAGEMENT'S DISCUSSION AND ANALYSIS
New Jersey State Employees Deferred Compensation Plan

June 30, 2002 and 2001

Our discussion and analysis of the New Jersey State Employees Deferred Compensation Plan (the Plan)'s financial performance provides an overview of the Plan's financial activities for the fiscal year ended June 30, 2002. Please read it in conjunction with the basic financial statements and financial statement footnotes that follow this discussion.

FINANCIAL HIGHLIGHTS

- Fiduciary net assets decreased by \$52,826,700 as a result of this year's operations from \$1,101,414,166 to \$1,048,587,466.
- Additions for the year were \$15,151,333, which are comprised of contributions of \$121,675,078 partially offset by investment losses of \$106,523,745. Revenues are up compared to the prior year due to an increase in contributions from the Plan's members.
- Deductions for the year were \$67,978,033, which are comprised of benefit payments of \$67,273,610 and administrative expenses of \$704,423.

**THE STATEMENTS OF FIDUCIARY NET ASSETS AND
THE STATEMENTS OF CHANGES IN FIDUCIARY NET ASSETS**

This annual report consists of two financial statements: *The Statements of Fiduciary Net Assets* and *The Statements of Changes in Fiduciary Net Assets*. These financial statements report information about the Plan and about its activities to help you assess whether the Plan, as a whole, has improved or declined as a result of the year's activities. The financial statements were prepared using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized in the period they are earned and expenses are recorded in the year they are incurred, regardless of when cash is received or paid.

The Statements of Fiduciary Net Assets show the balances in all of the assets and liabilities of the Plan at the end of the fiscal year. The difference between assets and liabilities represents the Plan's fiduciary net assets. Over time, increases or decreases in the Plan's fiduciary net assets provide one indication of whether the financial health of the Plan is improving or declining. *The Statements of Changes in Fiduciary Net Assets* show the results of financial operations for the year. The statements provide an explanation for the change in the Plan's fiduciary net assets since the prior year. These two financial statements should be reviewed along with the information contained in the financial statement footnotes, including the required supplementary schedules, to determine whether the Plan is becoming financially stronger or weaker.

FINANCIAL ANALYSIS

STATEMENTS OF FIDUCIARY NET ASSETS

Total assets decreased by \$43,246,391 from \$1,105,930,779 to \$1,062,684,388 between fiscal year 2001 and 2002 primarily due to market conditions and benefit payments.

STATEMENTS OF CHANGES IN FIDUCIARY NET ASSETS

ADDITIONS TO FIDUCIARY NET ASSETS

	2002	2001	Increase(Decrease)
Member Contributions	\$ 121,675,078	\$ 111,782,107	\$ 9,892,971
Investment & Other	(106,523,745)	(103,206,570)	(3,317,175)
Totals	\$ 15,151,333	\$ 8,575,537	\$ 6,575,796

Additions primarily consist of member contributions and earnings from investment activities. Total revenues increased by 76.7% between fiscal year 2001 and 2002 from \$8,575,537 to \$15,151,333 primarily because of an increase in contributions from the Plan's members.

DEDUCTIONS FROM FIDUCIARY NET ASSETS

	2002	2001	Increase(Decrease)
Benefits	\$ 67,273,610	\$ 43,063,635	\$ 24,209,975
Administrative Expenses	704,423	731,027	(26,604)
Totals	\$ 67,978,033	\$ 43,794,662	\$ 24,183,371

Deductions consist of benefit payments and administrative expenses during the year. Total expenses increased by 55.2% between fiscal year 2001 and 2002 from \$43,794,662 to \$67,978,033. The increase in expenses is mainly due to lump-sum benefit payments. The participants now have the ability to transfer to retirement accounts at retirement or terminations.

RETIREMENT SYSTEM AS A WHOLE

Members are 100% vested in the present value of their contributions and the Plan has assets sufficient to meet its benefit obligations now and in the future.

CONTACTING SYSTEM FINANCIAL MANAGEMENT

The financial report is designed to provide our members, taxpayers, investors and other interested parties with a general overview of the Plan's finances and to show the Plan's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295.

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NEW JERSEY STATE EMPLOYEES DEFERRED COMPENSATION PLAN

Statements of Fiduciary Net Assets
Years ended June 30, 2002 and 2001

	2002	2001
Assets:		
Cash	\$ 69,837	126,512
Investments at fair value:		
U.S. Treasury notes	110,102,844	118,477,288
Other notes	77,317,773	40,899,100
Cash Management Fund	224,394,713	186,924,378
Common and preferred stocks	647,377,231	756,326,387
Total investments	1,059,192,561	1,102,627,153
Receivables:		
Accrued interest	2,669,041	2,565,612
Accrued dividends	666,591	506,434
Participant contributions	86,358	105,068
Total receivables	3,421,990	3,177,114
Total assets	1,062,684,388	1,105,930,779
Liabilities:		
Participant distributions payable	13,378,878	3,669,669
Administrative fees payable	718,044	846,944
Total liabilities	14,096,922	4,516,613
Net Assets:		
Held in trust for pension benefits	\$ 1,048,587,466	1,101,414,166

See accompanying notes to financial statements.

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NEW JERSEY STATE EMPLOYEES DEFERRED COMPENSATION PLAN

Statements of Changes in Fiduciary Net Assets
Years ended June 30, 2002 and 2001

	2002	2001
Additions:		
Member contributions	\$ 121,675,078	111,782,107
Investment income:		
Net (depreciation) appreciation in fair value of investments	(131,290,133)	(129,886,198)
Interest	15,589,670	18,480,417
Dividends	9,331,525	8,346,807
	(106,368,938)	(103,058,974)
Less investment expense	154,807	147,596
Net investment (loss) income	(106,523,745)	(103,206,570)
Total additions	15,151,333	8,575,537
Deductions:		
Benefits	67,273,610	43,063,635
Administrative expense	704,423	731,027
Total deductions	67,978,033	43,794,662
Change in net assets	(52,826,700)	(35,219,125)
Net assets - Beginning of year	1,101,414,166	1,136,633,291
Net assets - End of year	\$ 1,048,587,466	1,101,414,166

See accompanying notes to financial statements.

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Notes to Financial Statements

June 30, 2002 and 2001

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Measurement Focus and Basis of Accounting:

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The New Jersey State Employees Deferred Compensation Plan (the Plan) is accounted for using an economic resources measurement focus. Funds that focus on total economic resources employ the accrual basis of accounting, which recognizes increases and decreases in economic resources as soon as the underlying event or transaction occurs.

The accrual basis of accounting is used for measuring financial position and changes in fiduciary net assets of pension trust funds. Under this method, revenues are recorded in the accounting period in which they are earned and deductions are recorded at the time the liabilities are incurred. The financial statements of the pension trust funds conform to the provisions of Governmental Accounting Standards Board (GASB) Statement No. 25, "Financial Reporting for Defined Benefit Plans and Note Disclosures for Defined Contributions Plans." Plan assets are recorded at fair value. Benefits and refunds are recognized when payable in accordance with the terms of the Plan.

The financial statements of the Plan are prepared using the accrual basis of accounting and conform to the provisions of Government Accounting Standards Board (GASB) Statement No. 32, "Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans."

New Accounting Standards Adopted:

Effective July 1, 2000, the Division adopted two new statements of financial accounting standards issued by the Governmental Accounting Standards Board (GASB):

Statement No. 34 Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments

Statement No. 37 Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments: Omnibus

Statement No. 34 (as amended by Statement No. 37) requires as required supplementary information Management's Discussion and Analysis which includes an analytical overview of the Plan's financial activities.

Investment Valuation:

Investments, including short-term investments (State of New Jersey Cash Management Fund) are reported at fair value. U.S. Treasury and other notes and State of New Jersey Cash Management Fund Units are valued in accordance with fair market value procedures established by the State Investment Council, primarily through valuations obtained by the State Investment Council pricing service.

Common stocks are stated at quoted market values. Investments in common stock traded on a national securities exchange (or reported on the NASDAQ national market) are stated at the last reported sales price

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Notes to Financial Statements, Continued

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

on the day of valuation. Other securities traded in the over-the-counter market and listed securities for which no sale was reported on that date are stated at the last quoted bid price.

Investment Transactions and Related Investment Income:

Investment transactions are accounted for on a trade date basis. Interest and dividend income is recorded on the accrual basis with dividends accruing on the ex-dividend date. Investment income on the State of New Jersey Cash Management Fund is recognized when earned and is distributed daily on the basis of units of ownership. Net appreciation (depreciation) in fair value of investments is the change in market value of the investments.

Administrative Fees Payable:

Expenses associated with the Plan, which include but are not limited to administrative and investment costs, are charged against the Plan's fiduciary net assets as determined by the action of the New Jersey State Employees Deferred Compensation Board (the Board). The fee is charged to participants' accounts on a monthly basis. Amounts charged against the fiduciary net assets by the Plan to date have exceeded the payments made, the excess of which has been recorded as administrative fees payable.

Unit Valuation:

Participants' net asset value per unit is determined on a monthly basis for each of the Plan's four investment fund options. Net asset value per unit is computed on the total fair value at the end of the month of the Plan's fiduciary net assets divided by the total outstanding units of the Plan.

The following description of the Plan provides only general information. Participants should refer to the plan information statement, which is available from the State of New Jersey, Division of Pensions and Benefits, for a more complete description of the Plan's provisions.

General:

The Plan was established by Chapter 39, P.L. 1978, which became effective June 19, 1978, amended by Chapter 449, P.L. 1985, effective January 14, 1986, and by Chapter 116, P.L. 1997, effective June 6, 1997, and is available to any state employee who is a member of a state-administered retirement system or an employee of an eligible state agency, authority, commission or instrumentality of state government provided the employee has at least 12 continuous months of employment, and any individual employed through a Governor's appointment. The Plan's membership was 33,051 and 32,047 at June 30, 2002 and 2001, respectively. The State of New Jersey, Division of Pensions and Benefits, is the plan administrator.

The assets of the Plan are being held in trust for the exclusive benefit of Plan members and their beneficiaries as required by Internal Revenue Code Section 457.

There are four investment options available to plan participants. The Bond Fund seeks to provide high income by investing in long-term bonds and other fixed-income securities. A second option, the Equity Fund, seeks to provide long-term capital appreciation with investments in the common stock of established, well-managed companies. A third investment option, the State of New Jersey Cash Management Fund, seeks to provide maximum current income by investing in high-quality money market instruments

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Notes to Financial Statements, Continued

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

such as U.S. Treasury bills, obligations of U.S. Government agencies, commercial paper and certificates of deposit. All of the assets of the State of New Jersey Cash Management Fund are invested in securities maturing in one year or less. A fourth option, the Small Cap Equity Fund, seeks to provide long-term capital appreciation by investing in the common stock of companies with total market capitalization representing the smallest 5% of companies in the investable universe approved for investment by the State Investment Council.

Contributions:

Through December 31, 2001, participants could defer between 1% and 25% of their salary, as defined, and less any 414h or 403b reductions or \$8,500 annually (indexed to changes in the consumer price index), whichever is less. Under the limited "catch-up" provision, a participant may be eligible to defer up to a maximum of \$15,000 annually in the three years immediately preceding normal retirement age.

Effective January 1, 2002, participants could defer between 1% and 100% of their salary, as defined, or \$11,000 annually (this amount will be raised by \$1,000 each year from 2003 through 2006 until it reaches \$15,000 when it will be indexed to changes in the consumer price index), whichever is less. Individuals age 50 or older are permitted to defer an additional \$1,000 annually (this amount will be raised by \$1,000 each year from 2003 through 2006 until it reaches an additional \$5,000). Under the limited "catch-up" provision, a participant may be eligible to defer up to an amount equal to the twice the normal annual maximum (\$22,000 in 2002) in the three years immediately preceding normal retirement age.

Participants must defer at least 1% of their annual salary but no less than \$10 biweekly or \$20 monthly. Federal income taxes are not due on deferred amounts or on any accumulated earnings until the participant receives a distribution of assets. Participants may elect to invest their contributions in multiples of 1% in any of the four investment fund options, and may increase, decrease or suspend their deferrals once a month. Compensation amounts deferred and accumulated earnings thereon, while in trust for the exclusive benefit of the participants, remain the property of the State of New Jersey until distributed to participants. Participants are always fully vested for the accumulated units in their accounts. Participation in the Plan ceases at retirement, termination of service, disability or death.

Participants' Accounts:

The administrator maintains a bookkeeping account for each participant that is credited as of the date at which the participant's compensation is deferred.

The account is also credited with any increase or charged with any decrease related to the transactions of the Plan.

The State of New Jersey is only under a contractual obligation to make payments under this Plan in accordance with the provisions of the applicable statute as payments become due. The State of New Jersey is not a guarantor of the Plan.

Distribution of Assets:

A participant of the Plan or beneficiary may receive a distribution of assets under the Plan upon the par-

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Notes to Financial Statements, Continued

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

participant's retirement, termination of service, disability, or death. Prior to January 1, 2002, distribution of the participant's account were made in a single lump-sum payment within two months after the administrator was notified of the event for all accounts unless the participant elected to delay distribution from the Plan. In all cases, distribution commenced no later than 90 days following the close of the calendar year in which the participant retired, terminated service, became disabled, died or attained age 70½, whichever is later. If the value of the participant's account is at least \$5,000, the participant could choose distribution as a lump-sum payment or, in substantially equal installments over a period not to exceed fifteen years. Additionally, the participant could select a combination payment consisting of an initial lump-sum payment followed by installments over a period not to exceed fifteen years if the balance in the account following the initial lump-sum payment is at least \$5,000. Accounts are valued for distribution purposes as of the end of the month immediately preceding distribution.

After December 31, 2001, distribution of the participant's account is made upon the members election following their separation from employment. Participants are required take annual minimum distributions from the plan commencing not later than 90 days following the close of the calendar year in which the participant retired, terminated service, became disabled, died or attained age 70½, whichever is later. If the value of the participant's account is at least \$5,000, the participant may choose distribution as a full lump-sum payment, partial lump-sum payment or, in a series of monthly installments over a period not to exceed the members life expectancy. Additionally, the participant may select a combination payment consisting of an initial lump-sum payment followed by a series of monthly installments over a period not to exceed the members life expectancy if the balance in the account following the initial lump-sum payment is at least \$5,000. Accounts are valued for distribution purposes as of the end of the month immediately preceding distribution.

Distribution is also permitted in the case of an unforeseen emergency, as defined by Internal Revenue Code 457 regulations. A participant may also elect to receive an in-service distribution if the participant has not made deferrals into the plan for 24 consecutive months and the total value of the participant's account does not exceed \$5,000.

After December 31, 2001, distributions may be eligible for rollover to an Individual Retirement Account or an employer's qualified retirement plan.

Income Tax Status:

Based on a 1986 declaration of the Attorney General of the State of New Jersey, the Plan is an eligible plan as described in Section 457 of the Internal Revenue Code. The Plan operates within the terms of the Plan and remains eligible under the applicable provisions of the Internal Revenue Code.

Termination of the Plan:

The Board, in accordance with the provisions of Chapter 39, P.L. 1978, has the authority to terminate this Plan or to substitute a new plan consistent with the requirements of the United States Internal Revenue Service.

Upon termination, each participant shall be deemed to have withdrawn from the Plan as of the date of such

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Notes to Financial Statements, Continued

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

termination; the participant's full compensation on a non-deferred basis will be restored; and the administrator shall treat such participants as if they had termination of service on the date of such termination and pay such deferred compensation in accordance with provisions of the Plan.

Any substitute of a new plan, consistent with the requirements of the United States Internal Revenue Service, shall provide for the retention by the employer of the amounts already deferred under the prior plan and for the distribution of said amounts in accordance with the irrevocable written elections made pursuant to the Plan.

(2) CASH AND CASH EQUIVALENTS

The Governmental Accounting Standards Board Statement 3 requires the bank balances of deposits to be categorized to indicate the level of risk assumed by the entity. Category 1 consists of deposits that are insured or collateralized with securities held by the entity or by its agent in the entity's name. Category 2 consists of deposits collateralized with securities held by the pledging financial institutions trust department or agent in the entity's name. Category 3 consists of deposits which are uncollateralized.

Based upon aggregate collateral levels maintained for all state bank accounts as a whole, substantially all cash balances maintained in financial institutions as of June 30, 2002 are designated category 3.

(3) INVESTMENTS

The State of New Jersey, Department of the Treasury, Division of Investment, issues publicly available financial reports that include the financial statements of the State of New Jersey Cash Management Fund. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Investment, P.O. Box 290, Trenton, New Jersey 08625-0290.

The State of New Jersey Division of Investment (the Division), under the jurisdiction of the State Investment Council (the Council), has the investment responsibility of all funds administered by the State of New Jersey Division of Pensions and Benefits. All investments under the supervision of the Council must conform to standards of prudence set by state law, which mandate that the Division make investments in which fiduciaries of trust estates may legally invest.

The purchase, sale, receipt of income, and other transactions affecting investments are governed by a custodian agreement between the Plan, through the State Treasurer, and the custodian bank as an agent for the Plan. State of New Jersey laws and policies set forth the requirements of the agreement and other particulars as to the size of the custodial institution, amount of the portfolio to be covered by the agreement, and other pertinent matters.

Government Accounting Standards Board Statement No. 3 requires disclosure of the level of risk assumed by the Plan. Category 1 includes investments that are insured or registered or for which the securities are held by the Plan or its agent in the Plan's name. As of June 30, 2002 and 2001, all investments held by the Plan (other than the State of New Jersey Cash Management Funds, which are not categorized) are classified as Category 1.

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Notes to Financial Statements, Continued

(3) INVESTMENTS, Continued

Federal securities are maintained at Federal Reserve Banks in Philadelphia and New York through the custodian bank in trust for the Plan. The Plan's portfolio of equity securities is maintained by the Depository Trust Company (DTC) through the custodian bank in trust for the Plan. The custodian bank, as agent for the Plan, maintains internal accounting records identifying the securities maintained by the DTC as securities owned by or pledged to the Plan.

Securities not maintained by the DTC are held in the name of the designated nominee representing the securities, which establishes the Plan's unconditional right to the securities.

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Portfolio of Investment Securities

June 30, 2002

<u>Description</u>	<u>Shares or Number of Units</u>	<u>Cost</u>	<u>Fair Value</u>
Bond Fund			
United States Treasury Notes dated 4-Mar-1994, 6.250%, due 15-Feb-2003	5,000,000	\$ 4,997,492	\$ 5,135,950
United States Treasury Notes dated 15-May-1996, 5.750%, due 15-Aug-2003	14,000,000	13,907,552	14,560,000
United States Treasury Notes dated 31-Jan-1997, 7.250%, due 15-May-2004	5,000,000	5,066,241	5,407,800
United States Treasury Notes dated 21-Mar-2001 5.875%, due 15-Nov-2004	10,000,000	10,321,048	10,628,100
United States Treasury Notes dated 21-Sep-2000 7.875%, due 15-Nov-2004	3,825,000	3,980,871	4,238,597
United States Treasury Notes dated 15-Feb-1996, 6.500%, due 15-Aug-2005	5,000,000	5,099,461	5,445,300
United States Treasury Notes dated 8-Apr-1998, 5.875%, due 15-Nov-2005	5,000,000	5,042,018	5,357,800
United States Treasury Notes dated 15-May-2002, 4.625%, due 15-May-2006	3,500,000	3,530,934	3,605,000
United States Treasury Notes dated 29-Jun-1999, 6.875%, due 15-May-2006	4,900,000	5,013,474	5,440,519
United States Treasury Notes dated 2-Sep-1999, 6.500%, due 15-October-2006	13,000,000	13,168,699	14,312,220
United States Treasury Inflation Protected Security dated 14-Feb-1996, 3.375%, due 15-Jan-2007	4,000,000	4,007,041	4,719,772
United States Treasury Notes dated 24-Nov-1998, 6.125%, due 15-Aug-2007	12,900,000	13,546,192	14,061,000
United States Treasury Notes dated 26-Jul-2001, 5.625%, due 15-May-2008	8,174,000	8,455,888	8,725,745
United States Treasury Notes dated 8-Jun-2001, 5.500%, due 15-May-2009	8,000,000	8,109,771	8,465,041
Total United States Treasury Notes and Inflation Protected Securities		\$ 104,246,682	\$ 110,102,844
Federal National Mortgage Association NT dated 7-Feb-2001, 5.750%, due 15-Apr-2003	5,000,000	\$ 5,023,389	\$ 5,140,650
Federal Home Loan Mortgage Corp. dated 26-Jul-2001 5.00%, due 15-May-2004	4,809,000	4,837,320	4,990,828
Federal Home Loan Mortgage Corp. NTS dated 28-Jun-2000, 6.25%, due 15-Jul-2004	7,000,000	6,878,631	7,446,250
General Electric Capital Corp. NT dated 28-Jun-2000, 7.50%, due 15-May-2005	5,000,000	5,019,761	5,479,550
Federal Home Loan Mortgage Corp. DEB dated 21-Sep-2000, 7.00%, due 15-Jul-2005	4,000,000	4,032,976	4,380,000
Federal Farm Credit Bank dated 1-Sep-1998, 5.75%, due 1-Sep-2005	7,000,000	7,008,391	7,407,820
Federal National Mortgage Association NT dated 29-Nov-2001, 6.000%, due 15-Dec-2005	7,500,000	7,858,369	8,008,575
Federal National Mortgage Association DEB dated 30-Jan-2002, 5.500%, due 15-Feb-2006	7,500,000	7,749,734	7,875,000

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Portfolio of Investment Securities, Continued

June 30, 2002

<u>Description</u>	<u>Shares or Number of Units</u>	<u>Cost</u>	<u>Fair Value</u>
Bonds (continued):			
Federal National Mortgage Association DEB dated 30-Jan-2002, 5.000%, due 15-Jan-2007	7,500,000	7,560,594	7,703,925
Federal National Mortgage Association Conv. AGB dated 9-Mar-2001, 6.625%, due 15-Oct-2007	10,000,000	10,484,584	10,975,000
Federal Home Loan Mortgage Corp. DEB dated 29-Nov-2001 5.750%, due 15-Apr-2008	7,500,000	7,726,021	7,910,175
Total other notes		<u>74,179,770</u>	<u>77,317,773</u>
State Of New Jersey Cash Management Fund	3,462,383	3,462,383	3,471,338
Total bond fund		<u>\$ 181,888,835</u>	<u>\$ 190,891,955</u>

Equity Fund

3com Corp	10,000	\$ 81,286	\$ 44,000
3m Co	14,000	511,478	1,722,000
Aar Corp.	4,500	93,900	45,900
Abbott Laboratories	70,000	1,044,785	2,635,500
Acclaim Entertainment, Inc.	1,800	26,213	6,354
Activision Inc.	15,000	71,000	435,900
ADC Telecommunications, Inc.	68,000	383,596	155,720
Adtran Inc.	5,000	146,320	94,995
Advanced Micro Devices, Inc.	17,000	162,077	165,240
AES Corp.	19,000	622,450	102,980
Aetna Inc New	4,003	86,236	192,024
Affymetrix Inc.	5,000	199,025	119,950
AFLAC	15,000	421,050	480,000
Agere Systems Inc. Cl A	862	5,165	1,207
Agere Systems Inc. Cl B	21,165	125,428	31,748
Agilent Technologies Inc.	23,084	303,624	545,937
Air Prod & Chem.	20,000	944,904	1,009,400
Airborne Inc.	10,000	97,225	192,000
AK Steel Holding Corp.	10,000	226,500	128,100
Albertson's, Inc.	20,240	383,343	616,510
Alcan Inc.	45,000	2,116,404	1,688,400
Alcoa Inc.	45,000	2,013,597	1,491,750
Allied Waste	26,250	618,312	252,000
Allstate Corp.	33,810	493,533	1,250,294
Alltel Corp.	13,700	373,161	643,900
AMB Property	1,000	27,990	31,000
Ambac Financial	6,000	376,170	403,200
Amer. Power Conv	15,000	375,000	189,450
Amerada Hess	5,000	365,834	412,500
Ameren Corp.	10,000	386,858	430,100
American Electric Power Co., Inc.	14,760	573,743	590,695
American Express Co.	60,000	943,500	2,179,200
American Greetings Corp.	10,000	278,750	166,600
American International Group Inc	160,252	8,121,842	10,933,994

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Portfolio of Investment Securities, Continued

June 30, 2002

<u>Description</u>	<u>Shares or Number of Units</u>	<u>Cost</u>	<u>Fair Value</u>
Common Stocks (continued):			
American Online Latin Amer	20,000	127,086	12,800
American Tower Corp.	30,000	473,700	103,500
Amerisourcebergen Corp.	14,999	794,866	1,139,924
Amgen Inc.	30,000	262,525	1,256,400
AMR Corp.	10,000	174,497	168,600
Anadarko Petroleum Corp.	28,275	1,239,732	1,393,957
Anheuser-Busch Companies, Inc.	70,000	2,212,538	3,500,000
AOL Time Warner Inc.	435,000	5,185,599	6,398,850
Apache Corp.	4,400	180,800	252,912
Apple Computer Inc.	10,000	183,440	177,200
Applied Materials, Inc.	70,000	597,259	1,331,400
Archer-Daniels-Midland Co.	26,964	309,058	344,870
Archstone Smith Tr	5,000	134,570	133,500
Arrow Electronics Inc.	1,750	44,872	36,313
Arvinmeritor Inc.	4,500	109,020	108,000
Ascential Software Corp.	8,745	214,620	24,399
Ashland Inc.	5,000	211,720	202,500
Aspect Communications Corp.	20,000	685,208	64,000
Astoria Fncl Cr	10,000	291,500	320,500
AT&T Corp.	226,463	4,853,838	2,423,154
AT&T Wireless Svcs Inc	195,875	5,230,959	1,145,869
Autodesk, Inc.	25,000	442,028	331,250
Autonation, Inc.	25,000	594,624	362,500
Avalon Bay Communities, Inc.	8,000	373,740	373,600
Avaya Inc	9,999	72,598	49,495
Avery Dennison Corp.	20,000	414,950	1,255,000
Avnet Inc.	2,610	109,437	57,394
Avon Products, Inc.	34,000	1,036,229	1,776,160
Axcelis Technologies Inc.	9,432	30,393	106,582
Baker Hughes Incorporated	26,250	553,111	873,862
Ball Corp.	3,000	48,369	124,440
Bank Of New York Co., Inc.	100,000	677,828	3,375,000
BankAmerica CORP.	110,823	4,816,637	7,797,506
Barnes & Noble Inc.	4,000	83,850	105,720
Barr Labs Inc.	2,000	132,400	127,060
Bassett Furniture Industries Inc	2,500	59,250	48,748
Bausch & Lomb Inc.	11,000	533,892	372,350
Baxter Intl	10,000	528,600	444,500
Becton, Dickinson And Company	20,000	569,500	689,000
Bed Bath & Beyond	20,000	552,001	754,800
Bellsouth Corp.	90,000	1,765,289	2,835,000
Belo A.H. Corp.	2,500	47,156	56,525
Berkshire Hathaway Inc.	525	558,375	1,172,850
Best Buy	30,750	889,879	1,116,225
Big Lots Inc.	10,000	215,281	196,800
Biogen Inc.	16,000	600,250	662,880
BJ'S Wholesale Club, Inc.	30,000	1,289,913	1,155,000

STATE OF NEW JERSEY
NEW JERSEY STATE EMPLOYEES DEFERRED COMPENSATION PLAN

Portfolio of Investment Securities, Continued

June 30, 2002

<u>Description</u>	<u>Shares or Number of Units</u>	<u>Cost</u>	<u>Fair Value</u>
Common Stocks (continued):			
Black & Decker Corp.	5,000	243,622	241,000
Block (H&R), Inc.	9,000	159,030	415,350
Boeing Company	45,000	1,630,300	2,025,000
Borland Software Corp.	1,900	76,375	19,570
Boston Properties Inc.	6,000	232,500	239,700
Boston Scientific Corp.	10,000	353,213	293,200
Brinker International Inc.	5,000	171,162	158,750
Bristol-Myers Squibb Co.	100,000	2,693,984	2,570,000
Broadcom Corp.	5,000	1,089,273	87,700
Broadwing Inc.	7,500	86,712	19,500
Brown Shoe Co., Inc.	3,500	63,588	98,350
Burlington Northern Santa Fe Cor	33,000	526,518	990,000
Burlington Resources Inc.	27,625	1,138,595	1,049,750
Cablevision	17,000	724,550	160,820
Cadence Design Systems, Inc.	38,250	176,800	616,590
Calpine Corp.	20,000	543,000	140,600
Capital One Financial Corp.	30,000	574,563	1,831,500
Cardinal Health Inc.	35,000	1,413,373	2,149,350
Carnival Corp.	60,000	1,568,464	1,661,400
Casella Waste System	8,000	216,165	96,080
Caterpillar Inc.	15,000	837,250	734,250
Cendant Corp.	89,296	1,868,400	1,418,020
Centex Construction Products Inc	5,000	205,865	182,000
Centex Corp.	30,000	781,036	1,733,700
Central Parking	10,000	196,750	228,500
Certegy Inc.	7,500	225,999	278,325
Champion Enterprises Inc.	12,000	217,288	67,440
Chemfirst Inc.	11,000	199,210	315,150
ChevronTexaco CORP.	60,000	2,609,239	5,310,000
Chubb Corp.	30,000	1,162,989	2,124,000
Circuit City Group	40,000	476,507	750,000
Cisco Systems Inc.	390,000	2,363,733	5,440,500
Citigroup	297,964	5,198,999	11,546,105
Citizens Communications	25,000	242,295	209,000
Citrix Systems Inc.	25,000	381,790	151,000
Clear Channel Communications, Inc.	30,000	1,218,971	960,600
CMGI Inc.	220,000	7,212,499	105,600
Cnet Networks Inc.	7,000	129,500	13,930
CNF Transportation Inc.	3,000	104,775	113,940
Coachmen Industries, Inc.	2,000	37,350	29,000
Coca-Cola (The) Co.	100,000	3,552,579	5,600,000
Colgate-Palmolive Co.	44,000	1,636,319	2,202,200
Comcast "A" Com	17,000	452,707	411,400
Comcast Corp. Cl A Special	47,000	1,352,179	1,120,480
CommScope Inc.	3,333	57,872	41,663
Computer Associates Intl., Inc.	30,000	1,016,600	476,700
Computer Horizons Corp.	2,000	78,560	9,740

STATE OF NEW JERSEY
NEW JERSEY STATE EMPLOYEES DEFERRED COMPENSATION PLAN

Portfolio of Investment Securities, Continued

June 30, 2002

<u>Description</u>	<u>Shares or Number of Units</u>	<u>Cost</u>	<u>Fair Value</u>
Common Stocks (continued):			
Conexant Systems Inc.	18,000	135,727	29,160
Conoco	36,141	798,661	1,004,720
Constellation Energy Corp.	10,000	265,811	293,400
Convergys Corp.	7,500	127,413	146,100
Corn Products	1,875	29,524	58,350
Corrections Corp. Amer. New	4,225	78,597	73,092
Costco Wholesale Corp.	25,000	715,713	965,500
Cox Radio Inc.	30,000	201,750	723,000
Credence Systems Corp.	5,000	72,195	88,850
Crown Cork & Seal Co., Inc.	12,000	514,676	82,200
CVS Corp.	20,000	526,780	612,000
Cypress Semiconductor Corp.	4,000	75,305	60,720
Dana Corp.	10,000	298,663	185,300
Danaher Corp.	15,000	738,812	995,250
Darden Restaurants, Inc.	15,000	87,209	370,500
Deere & Co	25,000	1,057,805	1,197,500
Dell Computer Corp.	80,000	2,289,040	2,091,200
Delphi Automotive Systems	34,597	485,149	456,680
Dentsply International Inc.	3,000	40,765	110,730
Devon Energy Corp. New	3,405	141,658	167,798
Diebold Inc.	20,000	732,310	744,800
Dillard's Inc. Cl A	17,000	602,023	446,930
Disney (Walt) Co.	104,313	1,841,981	1,971,516
Dobson Communications Corp.	1,000	22,000	860
Dominion Resources Inc.	22,364	968,805	1,480,497
Dover Corp.	15,000	240,726	525,000
Dow Chemical	72,165	1,745,035	2,481,033
Du Pont (E.I.) De Nemours & Co.	44,918	1,179,278	1,994,359
Duke Energy Corp.	38,200	1,194,819	1,188,020
Duke Weeks Real	7,000	182,210	202,650
Dynegy Inc.	15,000	840,947	108,000
Eastman Chemical Co.	4,000	246,700	187,600
Eaton Corp.	8,000	290,007	582,000
Ebay Inc.	20,000	1,321,506	1,232,400
Echostar Communications Corp.	10,000	414,648	185,600
Edison Intl	55,000	754,618	935,000
El Paso Corp.	40,808	760,693	841,053
Electronic Art	8,000	465,987	528,400
Electronic Data Systems	30,000	1,385,109	1,114,500
Electronics For Imaging Inc.	10,000	246,250	159,100
EMC Corp/Ma	100,250	659,868	756,888
Emerson Electric Co.	20,000	881,479	1,070,200
Engelhard Corp.	10,000	304,637	283,200
Enpro Industries Inc.	3,400	21,401	17,850
Entergy Corp.	5,000	192,250	212,200
Enzon Inc	5,000	276,629	125,600
Equifax Inc.	15,000	327,850	405,000

STATE OF NEW JERSEY
NEW JERSEY STATE EMPLOYEES DEFERRED COMPENSATION PLAN

Portfolio of Investment Securities, Continued

June 30, 2002

<u>Description</u>	<u>Shares or Number of Units</u>	<u>Cost</u>	<u>Fair Value</u>
Common Stocks (continued):			
Equity Office	20,000	624,213	602,000
Equity Res. Prop	14,000	319,287	402,500
Exelon Corp.	12,600	466,532	658,980
Exxon Mobil Corp.	360,970	7,558,497	14,770,892
Federal Home Loan Mortgage Corp.	50,000	1,332,125	3,060,000
Federal National Mortgage Assoc.	65,000	2,245,216	4,793,750
Federal Signal Corp.	20,000	488,718	480,000
Federated Department Stores, Inc	20,000	723,038	794,000
Fifth Third Bancorp	11,137	126,775	742,281
First Data Corp	40,000	1,694,379	1,488,000
Fleet Boston Financial Corp.	80,000	983,800	2,588,000
Fluor Corp.	5,000	128,076	194,750
FMC Corp.	13,000	384,757	392,210
FMC Technologies Inc	22,356	348,524	464,111
Ford Motor Co. Del	68,948	884,154	1,103,168
Forest Laboratories, Inc.. Class A	14,000	143,780	991,200
FPL Group Inc.	5,000	279,015	299,950
Franklin Electronic Publishers	20,000	130,611	25,000
Gannett Co., Inc.	17,000	416,840	1,290,300
Gap (The), Inc.	67,500	444,375	958,500
Gateway Inc.	15,000	232,400	66,600
Gemstar Intl Gr	40,000	1,170,201	215,600
General Dynamics Corp.	10,000	367,330	1,063,500
General Electric Co.	560,000	5,767,562	16,268,000
General Mills, Inc.	8,600	120,595	379,088
General Motors Corp.	29,500	1,377,764	1,576,775
Georgia-Pacific Corp.	20,000	499,031	491,600
Gilead Sciences Inc.	10,000	70,825	328,800
Gillette Co.	80,000	1,355,327	2,709,600
Glenayre Technologies Inc.	10,000	235,705	12,490
Golden State Bancorp.	6,000	109,050	217,500
Goldman Sachs Group Inc.	10,000	530,000	733,500
Goodrich (B.F.) Co.	17,000	559,924	464,440
Goodyear Tire & Rubber Co.	10,000	756,750	187,100
Grainger (W.W.), Inc.	8,000	227,293	400,800
Grant Prideco Inc.	1,900	24,060	25,840
Great Lakes Chemical Corp.	6,000	328,084	158,940
Greenpoint Fncl	10,000	388,399	491,000
Halliburton Co.	22,000	476,850	350,680
Harland (John H.) Co.	4,000	92,700	112,800
Harley-Davidson, Inc.	96,000	539,340	4,921,920
Harmonic Inc.	7,597	72,954	27,797
Harris Corp.	20,000	653,663	724,800
Hartford Financial Services	20,000	1,204,768	1,189,400
HCA-The Healthcare Co.	40,000	1,297,920	1,900,000
Heinz (H.J.) Co.	22,750	769,987	935,025
Hercules Inc.	30,000	548,207	348,000

STATE OF NEW JERSEY
NEW JERSEY STATE EMPLOYEES DEFERRED COMPENSATION PLAN

Portfolio of Investment Securities, Continued

June 30, 2002

<u>Description</u>	<u>Shares or Number of Units</u>	<u>Cost</u>	<u>Fair Value</u>
Common Stocks (continued):			
Hewlett-Packard Co.	118,625	1,430,069	1,812,590
Home Depot (The), Inc.	137,744	2,390,373	5,059,337
Honeywell International Inc.	80,000	2,771,783	2,818,400
Household International, Inc.	78,000	1,047,332	3,876,600
Hudson United Bancorp	1,200	24,657	34,272
Human Genome Sciences	5,000	157,355	67,000
Hunt (J.B.) Transport Svcs Inc	7,000	101,283	206,640
I2 Technologies Inc.	16,000	92,260	23,680
Ikon Office Solutions Inc.	15,000	370,125	141,000
Illinois Tool Works Inc.	15,000	421,470	1,024,500
Immunes Corp.	30,000	558,648	670,200
Infousa Inc.	10,000	100,416	54,710
Ingersoll-Rand Co.	10,000	270,133	456,600
Input/Output Inc.	2,000	30,100	18,000
Integrated Device Technology, Inc.	5,000	101,558	90,700
Intel Corp.	305,000	1,542,252	5,572,350
Interpublic Group Companies, Inc..	9,000	102,645	222,840
Intervoice Inc.	9,571	86,875	15,409
Intl Business Machines Corp.	100,000	2,658,450	7,200,000
Intl Rectifier Corp.	5,000	185,595	145,750
Iomega Corp.	4,000	196,000	51,400
ITT Industries	6,000	190,050	423,600
Jabil Circuit	40,000	390,813	844,400
JDS Uniphase Corp.	59,000	2,114,792	157,530
Jefferson Pilot Corp.	7,500	331,614	352,500
JLG Industries	10,000	153,625	140,300
Johnson & Johnson	159,000	3,873,939	8,309,340
Johnson Controls, Inc.	10,000	288,823	816,100
Jones Apparel Group Inc.	5,000	85,250	187,500
J.P. Morgan Chase & Co.	95,000	2,538,078	3,222,400
Juniper Network	15,000	1,100,798	84,750
Kadant Inc.	1,652	39,075	27,258
Kana Software Inc	200	34,500	800
Kansas City Southern Industries	3,000	2,976	51,000
Kerr-Mcgee Corp.	10,000	479,237	535,500
KeyCorp	4,000	87,350	109,200
Kimberly-Clark Corp.	27,500	1,466,919	1,705,000
Kimco Realty Corp.	15,000	446,600	502,350
King Pharmaceuticals	10,000	435,950	222,500
KLA-Tencor Corp.	20,000	423,026	879,800
Kohl's Corp.	20,000	267,125	1,401,600
Kroger Co.	50,000	1,004,520	995,000
Kulicke & Soffa Industries, Inc.	12,000	201,480	148,680
Laboratory Corp.	20,000	722,250	913,000
Lam Research Corp.	30,000	276,571	539,400
Lattice Semiconductor Corp.	8,000	71,350	69,520
Lear Corp.	15,000	531,188	693,750

STATE OF NEW JERSEY
NEW JERSEY STATE EMPLOYEES DEFERRED COMPENSATION PLAN

Portfolio of Investment Securities, Continued

June 30, 2002

<u>Description</u>	<u>Shares or Number of Units</u>	<u>Cost</u>	<u>Fair Value</u>
Common Stocks (continued):			
Legg Mason Inc.	13,332	234,125	657,801
Level 3 Communications	6,000	421,016	17,700
Liberate Technologies	2,500	266,094	6,597
Liberty Media Corp New	98,368	354,346	983,680
Liberty Property Trust	4,000	128,345	140,000
Lifepoint Hospitals Inc.	2,105	34,474	76,433
Lilly (Eli) & Co.	95,000	4,250,411	5,358,000
Limited Inc.	31,982	639,311	681,217
Liz Claiborne, Inc.	40,000	693,402	1,272,000
Lockheed Martin Corp.	32,707	1,373,128	2,273,136
Louisiana-Pacific Corp.	20,000	676,975	211,800
Lowes Companies	51,000	1,553,518	2,315,400
LSI Logic Corp.	18,060	124,396	158,025
Lucent Technologies, Inc.	80,000	583,429	132,800
Manor Care Inc.	10,000	326,501	230,000
Manpower Inc.	11,000	379,065	404,250
Manugistics	13,000	187,720	79,430
Marathon Oil Corp	10,000	303,000	271,200
Massey Energy Cop.	5,000	43,424	63,500
Mattel, Inc.	21,250	351,305	447,950
May Department Stores Co.	22,500	486,032	740,925
Maytag Corp.	5,000	334,625	213,250
MBNA Corp.	40,000	1,424,250	1,322,800
McData CORP CLASS A	30,088	293,430	265,075
McDermott INTERNATIONAL, INC.	20,000	614,750	162,000
McDonald's CORP.	80,000	1,536,106	2,276,000
McGraw-Hill Companies, Inc.	20,000	339,250	1,194,000
McKesson HBOC INC.	7,000	271,100	228,900
Meadwestvaco Corp	1,940	58,975	65,106
Medtronic, Inc.	112,000	506,692	4,799,200
Mellon Financial Corp.	34,000	1,019,575	1,068,620
MEMC Electronics Materials Inc.	5,000	135,612	24,500
Merck & Co., Inc.	140,000	5,119,053	7,089,600
Mercury General Corp.	5,000	325,250	242,500
Merrill Lynch & Co., Inc.	75,000	1,351,622	3,037,500
Michaels Stores Inc.	16,000	156,930	624,000
Microchip Technology Inc.	30,375	221,260	833,186
Microsoft Corp.	365,600	5,471,981	19,998,320
Midway Games Inc.	5,000	102,075	42,500
Milacron Inc.	9,000	209,865	91,350
MIPS Technologies Inc.	1,801	99,791	10,032
Mirant Corp.	22,723	408,539	165,878
Mississippi Chemical Corp.	6,674	128,891	7,475
Morgan S D Witter Discover & Co.	62,700	458,664	2,701,116
Motorola, Inc.	110,000	1,164,235	1,604,900
Msc.Software Corp.	10,000	123,950	89,500
Mylan Laboratories Inc.	31,000	493,164	971,850

STATE OF NEW JERSEY
NEW JERSEY STATE EMPLOYEES DEFERRED COMPENSATION PLAN

Portfolio of Investment Securities, Continued

June 30, 2002

<u>Description</u>	<u>Shares or Number of Units</u>	<u>Cost</u>	<u>Fair Value</u>
Common Stocks (continued):			
National Semiconductor Corp.	17,062	628,219	497,699
Nationwide Health Properties Inc	5,000	108,375	93,750
Navistar	5,000	108,250	160,000
NCR Corp.	3,125	83,132	108,125
Net.B@nk Inc.	30,000	608,658	359,400
Networks Associates	25,000	349,687	481,750
New Jersey Resources Corp.	10,500	166,545	313,425
Newell Rubbermaid Inc.	13,912	597,994	487,755
Newpark Resources, Inc.	100,000	1,048,440	735,000
Nextel Communications, Inc.	40,000	1,924,687	128,400
Nisource	10,000	237,500	218,300
Nordstrom Inc.	6,000	233,250	135,900
Norfolk Southern Corp.	19,500	269,571	455,910
Nortel Networks Corp.	130,000	2,130,817	188,500
Northern Trust	10,000	378,750	440,600
Northrop Gruman Corp.	10,000	911,250	1,250,000
Novell, Inc.	29,600	610,491	95,016
Novellus Systems, Inc.	5,000	129,974	170,000
Nucor Corp.	8,000	418,235	520,320
Occidental Petroleum Corp.	67,000	1,315,214	2,009,330
Office Depot Inc.	23,625	204,710	396,900
Openwave Sys Inc.	2,400	313,200	13,464
Oracle Corporation	60,000	1,784,664	568,200
Orbital Sciences Corp.	10,000	265,748	79,700
Orbital Sciences Wts Exp 8/31/04	1,603	-	6,973
Outback Steakhouse Inc.	5,000	175,550	175,500
Paccar Inc.	6,750	203,857	299,632
PacifiCare Health Systems Cl - A	1,000	62,062	27,200
Pactiv Corp.	6,500	190,076	154,700
Pall Corp.	20,000	495,921	415,000
Palm, Inc.	15,032	331,939	26,456
Parker-Hannifin Corp.	5,000	242,125	238,950
Paxson Communications Corp.	40,000	377,720	220,000
Paychex Inc.	20,000	740,300	625,800
Peabody Energy Corp.	1,000	28,000	28,300
Penney J.C.	15,000	261,375	330,300
Pep Boys - Manny, Moe & Jack	7,500	174,975	126,375
PepsiCo, INC.	69,000	1,075,556	3,325,800
Per-Se Technologies Inc.	3,333	72,750	30,660
Pfizer Inc.	413,500	4,155,888	14,472,500
PG&E Corp.	32,700	989,007	585,003
Pharmacia Corp.	150,048	6,472,017	5,619,298
Philip Morris Companies Inc.	116,000	3,121,052	5,066,880
Phillips Petroleum Co.	7,000	393,750	412,160
Pier 1 Imports Inc.	20,000	395,000	420,000
Pinnacle West C	7,000	270,002	276,500
Plum Creek Timber Co Inc	13,700	208,969	420,590

STATE OF NEW JERSEY
NEW JERSEY STATE EMPLOYEES DEFERRED COMPENSATION PLAN

Portfolio of Investment Securities, Continued

June 30, 2002

<u>Description</u>	<u>Shares or Number of Units</u>	<u>Cost</u>	<u>Fair Value</u>
Common Stocks (continued):			
PNC Bank Corp.	14,000	544,950	731,920
PNM Res. Inc	5,000	59,000	121,000
PPG Industries, Inc.	14,000	431,575	866,600
Praxair Inc.	14,000	569,825	797,580
Precision Castparts Corp.	6,000	142,974	198,000
Price T Rowe Group Inc.	8,000	40,150	263,040
Principal Financial Group	2,500	46,250	77,500
Procter & Gamble Co.	82,000	2,430,079	7,322,600
Progress Energy Inc.	5,000	211,287	260,050
Prologis Trust	8,000	178,720	208,000
Providian Corp.	21,500	945,319	126,420
Public Storage	3,200	120,403	118,720
Public Svc Enterprise Group Inc.	20,000	582,250	866,000
Pulte Corp.	22,728	489,630	1,306,405
Qualcomm Inc.	95,000	744,127	2,611,550
Rambus Inc.	4,000	43,250	16,360
Raytheon Co.	20,000	924,212	815,000
Reliant Energy Inc.	15,000	713,767	253,500
Respironics Inc.	3,000	75,375	102,150
Reynolds & Reynolds Co.	3,000	57,638	83,850
Rite Aid Corp.	11,000	436,696	25,850
Robert Half International, Inc.	39,000	244,292	908,700
Rockwell Collins Inc.	18,000	401,672	493,560
Rockwell International Corp.	18,000	249,614	359,640
Rohm & Haas Co.	13,425	375,770	543,578
Rouse Company	1,000	32,200	33,000
Royal Dutch Petroleum Co.	105,000	4,479,960	5,803,350
RSA Security Inc.	4,500	97,875	21,645
Ryerson Tull Inc.	4,000	100,200	46,520
Sabre Corp.	4,335	126,338	155,193
Safeguard Scientifics Inc.	11,000	501,313	22,000
Safeway Inc.	26,000	811,975	758,940
Saks, Inc.	10,000	340,131	128,400
Sanmina Sci Corp	24,480	759,450	154,469
Sara Lee Corp.	32,000	363,724	660,480
SBC Communications, Inc.	120,000	4,089,188	3,660,000
Schering-Plough	90,000	4,030,836	2,214,000
Schlumberger Ltd.	30,000	1,391,203	1,395,000
Scholastic Corp.	10,000	369,375	379,000
Schulman (A.) Inc.	6,000	137,895	128,694
Schwab Charles	25,000	540,525	280,000
Scientific-Atlanta, Inc.	16,000	164,355	263,200
SEI Investments	20,000	516,528	563,400
Sempra Energy	10,000	256,300	221,300
Sepracor Inc.	2,000	142,625	19,100
Sigma Aldrich	3,500	167,610	175,525
Simon Property Group Inc.	5,000	137,700	184,200

STATE OF NEW JERSEY
NEW JERSEY STATE EMPLOYEES DEFERRED COMPENSATION PLAN

Portfolio of Investment Securities, Continued

June 30, 2002

<u>Description</u>	<u>Shares or Number of Units</u>	<u>Cost</u>	<u>Fair Value</u>
Common Stocks (continued):			
Sinclair Broadcasting Group Inc.	8,000	203,500	116,480
SLM Corp.	52,500	1,100,000	5,087,250
Smucker (J.M.) Co. (The)	1,640	18,869	55,973
Solelectron Corp.	15,000	125,050	92,250
Solutia Inc.	7,500	75,436	52,650
Southern Co.	32,000	451,691	876,800
Southwest Airlines Co.	15,000	281,250	242,400
Sovereign Bancorp Inc.	10,000	163,625	149,500
Spectrian Corp.	8,000	184,000	82,960
Speedway Motorsports, Inc.	2,000	46,600	50,860
Spherion Corp.	6,000	78,050	71,400
Sprint Corp.	60,000	673,848	636,600
Sprint Pcs Group	46,000	816,330	205,620
SPX Corp.	10,706	429,040	1,257,955
St. Jude Medical, Inc.	1,036	31,671	76,509
St. Paul Companies Inc. (The)	11,284	431,000	439,173
Standard Register Co.	2,500	41,400	85,475
Stanley Works	20,000	498,548	820,200
Staples Inc.	120,232	311,283	2,368,570
Stilwell Financial Inc.	12,000	96,874	218,400
Storage Technology Corp.	4,000	104,906	63,880
Stryker Corp.	5,200	45,663	278,252
Sun Microsystems, Inc.	90,000	419,548	450,900
Sunco Inc.	10,000	348,750	356,300
Super Valu Inc.	10,000	216,750	245,300
Symbol Technologies, Inc.	10,000	123,385	85,000
Synopsys Inc.	371	21,568	20,335
Sysco Corp.	42,000	253,870	1,143,240
Target Corp.	45,000	1,102,812	1,714,500
Tektronix, Inc.	9,000	96,075	168,390
Tellabs Inc.	5,000	257,500	31,000
Tenet Healthcare Corp.	20,000	781,248	1,431,000
Texas Instruments Inc.	85,000	344,232	2,014,500
Textron	8,000	406,400	375,200
Thermo Electron Corp.	27,000	850,383	445,500
Timco Aviation Ser Wt 12/31/07	1,199	-	108
Tollgrade Communications Inc.	2,000	19,280	29,340
Toro (The) Co.	6,000	183,550	341,040
Toys R Us Inc.	5,000	89,938	87,350
Transkaryotic Therapies Inc.	10,000	215,558	360,500
Transocean Inc.	14,759	621,409	459,743
Travelers Prty Casualty Class A	9,500	175,750	168,150
Triad Hospitals Inc.	4,105	87,982	173,970
Tribune Co.	42,000	1,570,606	1,827,000
Trinity Industries, Inc.	10,000	338,180	207,200
Triumph Group	2,500	73,563	111,500
TRW Inc.	5,000	174,814	284,900

STATE OF NEW JERSEY
NEW JERSEY STATE EMPLOYEES DEFERRED COMPENSATION PLAN

Portfolio of Investment Securities, Continued

June 30, 2002

<u>Description</u>	<u>Shares or Number of Units</u>	<u>Cost</u>	<u>Fair Value</u>
Common Stocks (continued):			
TXU Corp.	10,000	480,500	515,500
Tyco International Inc.	202,496	6,961,947	2,735,721
U.S. Bancorp	97,950	2,702,250	2,287,132
U.S. Industries, Inc.	8,500	165,963	29,325
Unilever N V NY Shs	22,321	1,845,580	1,446,401
Union Pacific Corp.	8,500	309,240	537,880
United Parcel Service	5,000	233,125	308,750
United States Stl Corp New	10,000	267,950	198,900
United Technologies Corp.	35,000	1,337,397	2,376,500
Unitedhealth Group Inc.	18,400	419,285	1,684,520
Universal Health Services	4,000	108,225	196,000
Univision Communications	10,000	170,313	314,000
Unocal Corp.	20,000	706,440	738,800
Unova Inc.	7,500	99,901	48,675
Unumprovident Corp.	28,000	568,313	712,600
USA Interactive	15,500	165,567	363,475
UST Inc.	40,000	1,185,533	1,360,000
V.F. Corp.	4,000	89,460	156,840
Veritas Software Corp.	15,000	657,448	296,850
Verity, Inc.	2,000	34,790	22,180
Verizon Communications	113,200	3,974,434	4,544,980
Viacom Inc. Class A	20,000	400,500	889,200
Viacom Inc. Class B	90,000	2,079,018	3,993,300
Viasys Healthcare Inc	3,944	99,176	68,823
Vishay Intertechnology, Inc.	15,087	302,908	331,914
Visteon Corp.	3,666	15,646	52,057
Wachovia Corp 2nd New	49,400	1,387,866	1,886,092
Walgreen Co.	46,000	287,112	1,776,980
Wal-Mart Stores, Inc.	235,000	4,289,170	12,927,350
Washington Federal Inc.	2,928	49,500	73,961
Washington Mutual Inc.	37,364	635,580	1,386,578
Waste Holdings Inc.	10,000	215,779	71,300
Waste Management, Inc. Del	21,218	701,070	552,729
Watson Pharmace	5,000	295,123	126,350
Weatherford Intl Lt	1,900	48,040	82,080
Wells Fargo & Co.	85,000	2,748,563	4,255,100
Wendy's International, Inc.	10,000	132,236	398,300
Weyerhaeuser Co.	31,000	1,333,198	1,979,350
Whirlpool Corp.	10,000	552,668	653,600
Williams Companies Inc.	50,000	1,268,336	299,500
Wind River Systems Inc.	1,840	22,000	9,218
Worldgate Communications Inc.	40,000	242,164	55,200
WPS Resources Corp.	6,800	191,726	277,644
Wrigley (Wm.) Jr. Co.	8,000	191,900	442,800
Wyeth	135,000	5,551,282	6,912,000
Xcel Energy Inc.	16,243	297,010	272,395
Xerox Corp.	44,000	1,383,858	306,680

STATE OF NEW JERSEY
NEW JERSEY STATE EMPLOYEES DEFERRED COMPENSATION PLAN

Portfolio of Investment Securities, Continued

June 30, 2002

<u>Description</u>	<u>Shares or Number of Units</u>	<u>Cost</u>	<u>Fair Value</u>
Common Stocks (continued):			
Yahoo! Inc.	15,000	239,063	221,400
York International	2,000	83,600	67,580
Yum! Brands Inc.	13,800	94,634	403,650
Zimmer Hldgs Inc	8,200	100,192	292,412
Total Common Stocks		373,855,431	520,782,852
State of New Jersey Cash Management Fund	17,864,788	17,864,788	17,910,989
Total equity fund		\$ 391,720,219	\$ 538,693,841

Small Cap Equity Fund

AAR Corporation	20,000	\$ 346,513	\$ 204,000
Abbott Laboratories	2,700	50,655	101,655
Abercrombie & Fitch Co.	25,000	804,254	603,000
Abgenix	10,000	509,625	98,000
AC Moore Arts & Crafts	20,000	360,784	947,000
Acclaim Entertainment, Inc.	15,000	120,000	52,950
Acme Communication	15,000	208,213	110,250
Acterna Corp.	4,111	35,294	1,690
Activision Inc.	30,000	187,373	871,800
Adolor Corp.	10,000	201,400	112,600
Adtran Inc.	5,000	346,250	94,995
Affil Mgrs. Grp.	12,000	684,195	738,000
Airborne Freight Corp.	6,000	86,400	115,200
AK Steel Holding Corp.	31,487	647,175	403,348
Albemarle Corp.	6,500	153,031	199,875
Alexion Pharmaceutical	2,000	81,750	30,300
Alkermes Inc.	20,000	547,215	320,200
Alliant Techsystems	13,500	605,504	861,300
Allied Waste	18,250	199,679	175,200
Alpharma Inc.	15,000	430,340	254,700
Amazon.Com Inc.	4,000	65,153	65,000
AMC Entertainment Inc.	20,000	83,500	284,000
America On Line Latin America Inc.	30,000	126,796	19,200
American Axle	15,000	449,930	446,100
Amerisourcebergen Corp.	2,312	77,625	175,712
Ameritrade Holding	15,000	300,937	68,700
Ametek Inc.	10,000	271,294	372,500
Amylin Pharmaceuticals Inc.	35,000	403,450	382,900
Anadigics Inc.	4,000	349,031	32,960
Andrew Corp.	8,500	253,125	126,820
Angelica Corp.	50,000	684,164	860,000
Answerthink Consulting Group Inc.	20,000	152,350	75,800
Aptargroup Inc.	15,000	439,038	461,250
Aradigm Corp.	4,000	55,000	17,452

STATE OF NEW JERSEY
NEW JERSEY STATE EMPLOYEES DEFERRED COMPENSATION PLAN

Portfolio of Investment Securities, Continued

June 30, 2002

<u>Description</u>	<u>Shares or Number of Units</u>	<u>Cost</u>	<u>Fair Value</u>
Common Stocks (continued):			
Arthrocare Corp.	25,000	422,012	321,500
Arvinmeritor Inc.	25,625	615,578	615,000
Ascential Software Corp.	23,000	173,687	64,170
Aspect Communications Corp.	15,000	607,927	48,000
Astropower Inc.	12,000	288,583	235,680
AT&T Corp.	6,948	154,038	74,344
AT&T Wireless Svcs Inc.	2,235	50,855	13,075
Autodesk Inc.	20,000	233,750	265,000
Avalon Bay Communities, Inc.	10,000	363,938	467,000
Aviall, Inc.	12,000	138,724	168,000
Avid Technology Inc.	13,000	243,750	120,380
Avnet Inc.	21,750	541,963	478,283
Ball Corp.	20,000	382,838	829,600
Barnes & Noble, Inc.	17,000	439,497	449,310
Barr Laboratories Inc.	3,000	220,337	190,590
Bassett Furniture Industries Inc.	5,000	146,855	97,495
Beasley Broadcast Group Inc.	5,000	65,625	73,745
Beazer Homes USA Inc.	5,032	246,921	402,560
Beckman Coulter Inc.	17,000	628,625	848,300
Belo (A.H.) Corp.	10,000	210,219	226,100
Bemis Co. Inc.	10,000	298,000	475,000
Berry Petroleum Co.	15,000	211,375	252,750
Big City Radio	35,000	164,777	49,000
Biocryst Pharmaceuticals Inc.	10,000	124,154	8,700
BJ'S Wholesale Club, Inc.	10,000	248,167	385,000
Blackrock Inc.	10,000	265,500	443,000
Blockbuster Inc.	10,000	141,976	269,000
Blyth Industries, Inc.	10,000	254,250	312,200
BOK Financial Corp.	25,461	412,888	851,925
Borders Group	20,000	310,125	368,000
Borland Software Corp.	3,100	31,712	31,930
Boston Props. Inc.	7,000	245,788	279,650
Brinker International Inc.	15,000	292,000	476,250
Brown Shoe Co., Inc.	6,500	113,613	182,650
Bruker Daltonics Inc	20,000	261,550	79,000
Brunswick Corp.	35,000	668,475	980,000
Brush Engineered Matls Inc	10,000	181,666	124,000
Buckle (The) Inc.	5,000	152,750	123,250
Burlington Coat Factory	7,200	148,847	153,000
Cabot Corp.	20,000	484,625	573,000
Cambrex	4,000	156,000	160,400
Caminus Corp.	10,000	321,276	58,300
Carlisle Companies Inc.	5,000	210,469	224,900
Carr America Realty Corp.	15,500	350,025	478,175
Casella Waste System	70,000	992,014	840,700
Cavalier Homes Inc.	10,000	95,500	38,000
Celera Genomics Group-Aplera	1,490	72,750	17,880

STATE OF NEW JERSEY
NEW JERSEY STATE EMPLOYEES DEFERRED COMPENSATION PLAN

Portfolio of Investment Securities, Continued

June 30, 2002

<u>Description</u>	<u>Shares or Number of Units</u>	<u>Cost</u>	<u>Fair Value</u>
Common Stocks (continued):			
Centex Construction Products Inc.	5,000	205,865	182,000
Centex Corp.	3,000	77,356	173,370
Central Parking	10,000	202,219	228,500
Champion Enterprises	7,000	119,163	39,340
Chateau Communities Inc.	6,000	161,487	183,600
Checkpoint Systems, Inc.	10,000	171,188	117,000
Chesapeake Energy Corp.	40,000	252,182	288,000
Children's Place Retail Stores	20,000	450,177	530,020
Chubb Corp.	3,705	188,775	262,314
Church & Dwight Co. Inc.	30,000	491,544	939,900
Circuit City Group	25,000	407,050	468,750
City National Corp.	10,000	327,031	537,500
Claire's Stores	5,000	106,500	114,500
Clarcor	5,000	90,025	158,250
Clear Channel Communications	5,086	315,317	162,854
CMG Information Services, Inc.	35,256	350,078	16,923
CNET Networks Inc.	3,000	42,060	5,970
CNF Transportation, Inc.	10,000	327,438	379,800
CNS Inc.	15,000	79,625	90,000
Coachmen Industries	4,500	90,194	65,250
Commerce Bancorp, Inc. (NJ)	20,126	439,944	889,569
Computer Horizons Corp.	10,000	137,935	48,700
Computer Task Group, Inc.	7,000	190,625	34,790
Corn Products	20,000	613,118	622,400
Corvas International	3,000	23,938	6,450
Cox Communications Inc. New	2,772	31,915	76,369
Cox Radio, Inc.	12,000	99,137	289,200
Crane Co.	17,000	410,258	431,460
CRBL Group Inc	10,000	300,760	304,300
Crompton Corp.	50,000	553,117	637,500
Crown Cork & Seal Co., Inc.	20,000	163,450	137,000
Cullen Frost Bankers Inc.	8,000	305,338	287,600
Cummins Engine Co Inc.	7,000	288,710	231,700
Cumulus Media	21,000	346,875	289,380
Curis Inc.	9,000	250,412	10,980
Cymer Inc.	4,300	132,042	150,672
Cytec Corp.	25,000	521,075	190,500
Dana Corp	30,000	643,700	555,900
Deluxe Corp.	5,000	92,527	194,450
Dentsply International Inc.	7,500	136,593	276,825
Devon Energy Corp. New	9,630	388,294	474,566
Devry Inc.	8,000	110,106	182,720
Dial (The) Corp.	17,000	318,912	340,340
Diebold Inc.	10,000	300,188	372,400
Digital River	25,000	276,737	229,750
Dillard's Inc. A	23,000	336,501	604,670
Dime Bancorp Warrant Ltw	35,000	-	3,500

STATE OF NEW JERSEY
NEW JERSEY STATE EMPLOYEES DEFERRED COMPENSATION PLAN

Portfolio of Investment Securities, Continued

June 30, 2002

<u>Description</u>	<u>Shares or Number of Units</u>	<u>Cost</u>	<u>Fair Value</u>
Common Stocks (continued):			
Dimon, Inc.	21,500	280,356	148,780
Dionex Corp.	9,000	237,625	241,110
Disney (Walt) Co.	667	100,402	12,606
Dobson Communications Corp.	5,000	110,000	4,300
Docucorp International Inc.	400	2,000	4,092
Dover Motorsports Inc.	14,400	73,136	82,080
Drugstore.Com I	15,000	257,750	40,350
Duke Realty Corpy Corp	30,000	556,038	868,500
Dun & Bradstreet Corp.	12,000	314,376	396,600
E*Trade Group	12,000	77,246	65,520
Earthlink Network	19,690	455,063	130,545
Eaton Vance Corp.	10,000	326,941	312,000
Echelon Corp.	15,000	425,776	193,200
Edo Corp.	35,000	934,059	997,500
Edwards Lifesciences Corp.	20,000	391,069	464,000
Efunds Corp.	30,757	457,953	291,853
Electronics Boutique Holdings	30,000	810,954	879,000
Electronics for Imaging Inc.	5,000	97,650	79,550
Emisphere Technologies, Inc.	6,000	154,938	25,140
Entercom Communications	8,000	348,025	367,200
Entertainment Properties Trust	40,000	614,032	986,000
Entravision Communications Corp.	15,000	276,032	183,750
Enzon Inc.	10,000	441,750	251,200
Equity Mkting	15,000	203,645	198,750
Equity Office Properties Trust	14,958	434,541	450,236
ESCO Technologies Inc.	4,500	76,684	157,500
Ethan Allen Interiors, Inc.	15,000	385,172	522,750
Exar Corp.	25,000	259,657	493,000
Express Scripts Inc.	14,000	261,750	701,540
Factset Research Systems	10,000	318,575	297,700
Fairchild Semiconductor Intl Inc.	10,000	243,500	243,000
Federal Signal Corp.	25,000	621,766	600,000
First Consulting Group Inc.	20,000	140,328	172,000
Fleming Companies Inc.	35,000	944,980	635,250
Florida East Coast Ind., Inc.	8,000	193,194	202,400
Florida Rock Industries, Inc.	15,000	358,295	537,150
FMC Corp.	10,000	402,872	301,700
FMC Technologies Inc	17,197	364,933	357,010
Forest Laboratories, Inc. Class A	12,000	148,138	849,600
Franklin Electronic Publishers	10,000	65,305	12,500
Friedman Billings Ramsey Group	10,000	77,188	127,300
General Growth Properties Inc.	17,500	661,237	892,500
General Maritime Corp.	10,000	180,000	96,000
Gerber Scientific Inc.	10,000	164,144	35,100
Glenayre Technologies, Inc.	9,000	99,320	11,241
Golden State Bancorp.	11,000	226,175	398,750
Granite Construction Inc.	4,500	74,400	113,850

STATE OF NEW JERSEY
NEW JERSEY STATE EMPLOYEES DEFERRED COMPENSATION PLAN

Portfolio of Investment Securities, Continued

June 30, 2002

<u>Description</u>	<u>Shares or Number of Units</u>	<u>Cost</u>	<u>Fair Value</u>
Common Stocks (continued):			
Great Atlantic & Pacific Tea Co.	40,000	465,691	747,600
Grey Wolf Inc.	30,000	192,000	122,700
Guilford Pharmaceuticals Inc.	6,000	148,219	45,240
Hardinge Inc.	20,000	222,500	201,400
Harland (John H.) Co.	4,000	92,700	112,800
Harmonic Inc.	7,055	251,027	25,814
Harris Corp.	20,000	700,067	724,800
Hasbro Inc	40,000	653,306	542,400
Hauptpage Digital Inc.	19,000	249,250	40,090
Helix Technology	5,000	250,000	103,000
Helmerich & Payne, Inc.	30,000	1,124,238	1,071,600
Henry Schein Inc.	20,000	351,000	890,000
Hercules Inc.	50,000	673,781	580,000
Hewlett-Packard Co.	5,352	354,452	81,779
Hi / Fn Inc.	4,000	319,700	26,200
Hibernia Corp.	25,000	350,008	494,750
Hispanic Broadcasting Corp.	10,000	237,750	261,000
Host Marriott Corp.	50,000	461,875	565,000
Hudson United Bancorp	5,871	137,109	167,676
Huffy Corp.	6,000	88,862	51,780
Humana Inc	30,000	329,403	468,900
Hunt (J.B.) Transport Services, Inc.	5,500	81,876	162,360
I2 Technologies Inc.	10,000	57,663	14,800
ICN Pharmactcal	18,000	644,663	435,780
Idacorp Inc.	11,000	456,550	304,700
Identix, Inc.	9,000	87,760	65,691
IDT Corp.	10,500	129,215	177,660
IDT Corp. Cl. B	10,500	103,962	169,050
Ikon Office Solutions Inc.	10,000	123,000	94,000
Illumina Inc.	20,000	358,179	134,400
Imclone Systems Inc.	3,928	214,813	34,154
Impco Technologies Inc.	20,000	294,064	262,000
Incyte Pharmaceuticals Inc.	10,000	680,187	72,700
Infogrames Inc.	3,000	18,150	8,190
Infousa Inc.	7,000	99,890	38,297
Inhale Therapeutic Systems Inc.	15,000	436,050	142,350
Insight Communications Co. Inc.	10,000	255,000	117,300
Interactive Data Corp.	13,000	89,152	189,280
Intermet Corp.	10,000	147,500	107,400
International Rectifier Corp.	15,000	562,041	437,250
Intervoice Inc.	13,400	130,937	21,574
Intl Flavors & Fragrances Inc.	20,000	432,864	649,800
Intl. Speedway Corp.	6,200	138,865	248,620
Invacare Corp.	5,000	189,630	185,000
Investment Technology Group	7,500	241,730	245,250
Invitrogen Corp.	3,000	97,402	96,030
Isis Pharma	35,000	567,090	332,850

STATE OF NEW JERSEY
NEW JERSEY STATE EMPLOYEES DEFERRED COMPENSATION PLAN

Portfolio of Investment Securities, Continued

June 30, 2002

<u>Description</u>	<u>Shares or Number of Units</u>	<u>Cost</u>	<u>Fair Value</u>
Common Stocks (continued):			
ITT Educational Services Inc.	12,000	127,050	261,600
Ivax Corp.	23,000	210,422	248,400
Jabil Circuit	10,000	94,368	211,100
Jacobs Engineering Group Inc.	24,000	641,619	834,720
JDS Uniphase Corp.	8,000	27,362	21,360
JLG Industries	50,000	598,956	701,500
Kemet Corp.	12,500	328,281	223,250
Kos Pharmaceut	20,000	552,000	407,000
Kosan Biosciences Inc	20,000	141,444	174,200
Kulicke & Soffa Industries Inc.	9,000	148,281	111,510
KV Pharmaceutical Inc.	15,000	240,500	405,000
L-3 Communications Holdings Inc.	16,000	393,097	864,000
LaFarge North America Inc	10,000	250,375	351,500
Lam Research Corp.	9,000	115,093	161,820
Landrys Seafood Restaurants	10,500	228,898	267,855
Lattice Semiconductor Corp.	10,000	157,965	86,900
La-Z-Boy Inc.	6,000	94,050	151,320
Lear Corp.	6,000	173,175	277,500
Legg Mason, Inc.	10,332	231,131	509,781
Lending Tree.Com	55,000	478,552	699,050
Lennar Corp.	12,000	264,225	734,400
Lennox International	15,000	158,400	269,850
Liberate Technologies	7,500	71,625	19,792
Liberty Media Corp New	38,798	729,997	387,980
Liberty Property Trust	25,000	651,599	875,000
Ligand Pharmaceuticals Inc.	40,000	587,685	580,000
Lincare Holding	26,000	386,430	839,800
Linens N Things	20,000	612,242	656,200
Liz Claiborne, Inc.	20,000	495,577	636,000
Lockheed Martin Corp.	2,256	76,978	156,792
Lojack Corp.	9,000	127,960	31,500
Lone Star Technologies Inc.	2,500	98,875	57,250
Longs Drug Stores Corp.	20,000	512,485	565,800
Lubrizol Corp. (The)	6,000	159,900	201,000
Lyondell Chemical Co.	10,000	143,000	151,000
Macdermid Inc.	7,000	135,475	150,500
Manugistics Group, Inc.	10,000	138,660	61,100
Marketwatch.Com Inc.	1,600	53,850	7,520
Mastec Inc.	10,000	263,419	73,600
McCormick & Co. Inc.	10,000	158,687	257,500
McData Corp. Class A	241	4,103	2,123
McDermott International, Inc.	8,000	155,025	64,800
MEMC Electronics Materials Inc.	7,500	162,244	36,750
Mentor Graphics	5,000	141,740	71,100
Mercury Compute	5,000	170,931	103,500
Mesaba Holdings, Inc.	12,750	145,855	74,843
Meta Group, Inc.	6,000	81,120	13,500

STATE OF NEW JERSEY
NEW JERSEY STATE EMPLOYEES DEFERRED COMPENSATION PLAN

Portfolio of Investment Securities, Continued

June 30, 2002

<u>Description</u>	<u>Shares or Number of Units</u>	<u>Cost</u>	<u>Fair Value</u>
Common Stocks (continued):			
Michaels Stores, Inc.	10,000	117,974	390,000
Microsoft Corp.	1,575	123,699	86,152
Midwest Express Holdings, Inc.	5,900	138,483	77,880
Milacron Inc.	12,000	174,025	121,800
Millennium Chemicals Inc.	9,000	148,762	126,450
Mills Corp	15,000	418,838	465,000
Mississippi Chemical Corp.	5,000	115,625	5,600
Monaco Coach Corp.	37,500	239,046	798,750
Multex.Com Inc.	2,500	63,750	10,200
Myriad Genetics	2,000	165,551	40,680
National Golf Properties	5,000	106,919	42,750
National RV Holdings Inc.	24,000	411,138	240,000
Nationwide Health Properties, Inc.	4,000	86,700	75,000
Nautica Enterprises, Inc.	4,000	103,465	51,960
NCO Group Inc.	7,000	130,750	154,630
Nelson (Thomas), Inc.	16,000	210,844	168,960
Net.B@nk Inc.	7,000	110,591	83,860
Netopia Inc.	18,000	455,793	49,140
Netscout Systems Inc	10,000	80,000	68,200
New Jersey Resources Corp.	4,500	103,250	134,325
New York Community Bancorp Inc.	40,000	462,369	1,067,200
Newpark Resources, Inc.	30,000	345,231	220,500
Noble Energy Inc.	10,000	315,213	360,500
Oak Technology, Inc.	9,000	89,901	40,770
Office Depot Inc.	40,000	389,228	672,000
Office Max Inc.	75,000	213,975	441,750
Oneok Inc.	20,000	430,375	439,000
Orbital Sciences Corp.	30,000	424,972	239,100
Orbital Sciences Wts Exp. 8/31/04	2,183	-	9,496
Oregon Steel Mills Inc.	10,000	161,750	60,000
OSI Pharmaceutc	6,000	342,188	145,860
Outback Steakhouse Inc.	15,000	346,425	526,500
PacifiCare Health Systems Cl. A	9,000	144,090	244,800
Packeteer Inc.	20,000	205,913	88,400
Palm Inc	10,000	43,700	17,600
Patterson-UTI Energy	15,000	422,468	423,450
Paxson Communications Corp.	100,000	898,181	550,000
Peabody Energy Corp.	1,000	28,000	28,300
Pegasus Communications Corp.	15,000	221,613	10,950
Pennzoil - Quaker State	8,000	93,900	172,240
Pentair Inc.	25,000	898,631	1,202,000
Peoples Bank Bridgeport Conn.	3,000	58,348	78,330
Perrigo Co.	30,000	383,264	390,000
Per-Se Technologies Inc.	3,333	72,390	30,660
Pharm Resources	20,000	373,012	555,600
Pharmacia Corp.	5,072	113,655	189,946
Pharmacopeia, Inc.	7,500	132,071	63,892

STATE OF NEW JERSEY
NEW JERSEY STATE EMPLOYEES DEFERRED COMPENSATION PLAN

Portfolio of Investment Securities, Continued

June 30, 2002

<u>Description</u>	<u>Shares or Number of Units</u>	<u>Cost</u>	<u>Fair Value</u>
Common Stocks (continued):			
Philadelphia Suburban Corp.	12,500	143,894	252,500
Phillips-Van Heusen Corp.	20,000	307,218	312,000
Phosphate Resrc Prtnr Ltd. Prtnsp	30,000	135,249	120,000
Photronics, Inc.	5,000	72,575	94,700
Pier 1 Imports	50,000	741,080	1,050,000
Pittston Brinks Group	35,000	757,303	840,000
Polyone Corp.	9,000	100,413	101,250
Precision Castparts Corp.	6,200	171,992	204,600
Prepaid Legal Services Inc.	10,000	131,486	199,000
PRG -Schultz International In	50,000	605,950	615,500
Priceline.Com Inc.	7,000	485,063	19,530
Pride Intl Inc Del	30,000	600,946	469,800
Protective Life	15,000	461,590	496,500
Protein Design	8,000	315,359	86,880
Public Storage	22,000	479,912	816,200
Pulte Homes Inc.	7,152	210,726	411,097
Quanta Services Inc.	25,000	506,355	246,750
Radian Group Inc.	8,600	221,015	420,110
Radiant Systems Inc.	20,000	391,626	260,600
Ramtron International Corp.	17,000	261,872	36,040
Rational Software Corp.	7,000	56,214	57,470
Red Hat Inc.	10,000	60,600	58,700
Reebok Intl Ltd.	20,000	567,556	590,000
Regency Centers Corp.	25,000	503,550	741,250
Register Com. Inc.	7,000	142,338	53,340
Respironics Inc.	8,000	166,625	272,400
Reynolds (RJ) Tobacco Holdings Inc.	10,000	197,531	537,500
Roslyn Bancorp.	50,000	925,375	1,091,500
Ross Stores, Inc.	23,000	582,197	937,250
Rowan Cos.	17,000	481,006	364,650
RSA Security Inc.	10,000	437,484	48,100
Rus Berrie & Co., Inc	10,000	172,925	354,000
Russell Corp.	10,000	178,674	192,500
Ryerson Tull Inc.	5,000	112,750	58,150
S1 Corporation	2,316	75,074	17,115
Salem Communications	6,000	65,125	149,220
Sangamo Biosciences Inc.	6,000	95,340	35,280
Sangstat Medical Corp.	18,000	292,995	413,640
Sapient Corp	10,000	128,500	10,600
Scholastic Corp.	20,000	518,655	758,000
Selective Insurance Group, Inc.	7,000	152,435	198,310
Sensient Technologies Corp.	35,000	750,361	796,600
Sharper Image Corp.	40,000	509,500	806,000
Shurgard Storage Centers Inc.	6,000	152,696	208,200
Sierra Health Services, Inc.	4,500	78,900	100,575
Sierra Pacific Resources	22,000	401,700	171,600
Silicon Storage Technology Inc.	15,000	196,563	117,000

STATE OF NEW JERSEY
NEW JERSEY STATE EMPLOYEES DEFERRED COMPENSATION PLAN

Portfolio of Investment Securities, Continued

June 30, 2002

<u>Description</u>	<u>Shares or Number of Units</u>	<u>Cost</u>	<u>Fair Value</u>
Common Stocks (continued):			
Sirius Satellite Radio Inc.	80,000	1,014,488	301,520
Snap-On Inc.	15,000	396,525	445,350
Solutia Inc.	30,000	396,276	210,600
Sonicblue Inc.	5,000	47,813	5,150
Soundview Technology Group	15,500	218,469	26,350
Southwest Gas Corp.	20,000	396,913	495,000
Spectrian Corp.	5,000	91,155	51,850
Speedway Motorsports Inc.	8,500	217,050	216,155
Spherion Corp.	10,000	191,150	119,000
Spinnaker Exploration Co.	15,000	596,050	540,300
SPX Corp.	3,600	232,195	423,000
Standard Register Co.	7,000	150,725	239,330
Stride Rite Corp.	12,000	145,850	96,000
Sylvan Learning System Inc.	7,500	158,579	149,550
Symantec Corp.	12,000	78,930	394,200
Symbol Technologies, Inc.	3,750	68,915	31,875
Synaptic Pharmaceuticals	10,000	83,625	58,500
Systems & Computer Tech. Corp.	12,000	164,120	162,120
Take Two Interactive Software In	5,000	84,220	102,950
Tanox Inc.	10,000	124,500	108,300
Tasty Baking Co.	45,000	687,593	607,500
TCF Financial Corp.	20,000	529,945	982,000
Teleflex Inc.	8,000	276,713	457,200
Terayon Communications Systems Inc.	7,000	292,688	9,310
Terex Corp.	43,000	898,100	967,070
Texas Industries, Inc.	10,000	320,974	314,900
Ticketmaster	10,000	231,150	187,100
Timberland (The) Co.	5,000	325,200	179,100
Timco Aviation Ser Wt 12/31/07	1,199	-	108
Timken Co.	5,000	90,875	111,650
Toll Brothers, Inc.	14,000	182,651	410,200
Tollgrade Communications, Inc.	8,000	265,376	117,360
Tommy Hilfiger Corp.	10,000	153,100	143,200
Toro Company	5,000	154,000	284,200
Transkaryotic Therapies Inc.	25,000	1,045,480	901,250
Triangle Pharmaceuticals	25,000	299,791	67,750
Triarc Companies Inc.	5,000	129,750	138,000
Triquint Semiconductor Inc.	15,000	736,200	96,150
Tweeter Home Entertainment Group	25,000	589,922	408,500
Tyco International Inc.	9,384	274,813	126,778
Ultratech Stepper Inc.	5,000	92,500	80,950
United Defense Inds Inc	20,000	478,083	460,000
United Parcel Service Inc.	4,800	266,590	296,400
United States Stl Corp NEW	10,000	208,205	198,900
Universal Health Services	20,000	433,783	980,000
Univision Communications	10,000	169,134	314,000
Urban Outfitters, Inc.	10,000	112,308	347,200

STATE OF NEW JERSEY
NEW JERSEY STATE EMPLOYEES DEFERRED COMPENSATION PLAN

Portfolio of Investment Securities, Continued

June 30, 2002

<u>Description</u>	<u>Shares or Number of Units</u>	<u>Cost</u>	<u>Fair Value</u>
Common Stocks (continued):			
US Airways Grp	50,000	343,705	185,000
Valero Energy	20,000	811,942	748,400
Value City Department Stores Inc.	10,000	101,625	28,000
Valueclick Inc.	50,000	149,110	162,000
Verity Inc.	2,000	104,250	22,180
Vertex Pharmaceuticals, Inc.	10,000	275,213	162,800
VI Technologies	18,000	120,625	65,700
Viasat Inc.	18,000	478,100	151,740
Viasys Healthcare Inc	328	8,872	5,724
Vical Inc.	10,000	192,810	52,800
Vicor Corp.	16,000	401,938	111,840
Vishay Intertec	25,000	875,625	550,000
Visteon Corp.	30,000	484,383	426,000
Visual Networks	17,000	373,813	24,140
Wackenhut Corrections Corp.	4,500	76,851	65,700
Wallace Computer Services	10,000	116,881	215,000
Washington Mutual Inc.	24,822	377,831	921,144
Washington Federal, Inc.	4,392	77,340	110,942
Waste Holdings Inc.	35,000	447,765	249,550
Webmd Corp.	45,000	401,562	253,350
Werner Enterprises Inc.	19,000	264,311	404,890
Westwood One, Inc.	10,000	101,780	334,200
Winnebago Industries Inc.	15,000	254,088	660,000
Woodward Govern	5,000	276,200	295,600
Worldgate Comm. Inc.	20,000	241,570	27,600
WPS Resources Corp.	5,000	161,688	204,150
York International	10,000	297,650	337,900
Zale Corp.	5,000	186,250	181,250
Zoran Corp.	15,000	239,353	343,650
Total Common Stock		124,997,327	126,594,379
State of New Jersey Cash Management Fund	18,442,408	18,442,408	18,490,104
Total Small Cap Equity Fund		\$ 143,439,735	\$ 145,084,483
Money Market Fund			
State of New Jersey Cash Management Fund	172,710,393	\$ 172,710,393	\$ 173,157,055
Temporary Accounts			
Holding Account -			
State of New Jersey Cash Management Fund	10,689,590	\$ 10,689,590	\$ 10,717,235
Administrative Operating Account -			
State of New Jersey Cash Management Fund	646,320	646,320	647,992
Total temporary accounts		11,335,910	11,365,227
Total investments		\$ 901,095,092	\$ 1,059,192,561