

STATE OF NEW JERSEY
NEW JERSEY STATE EMPLOYEES DEFERRED COMPENSATION PLAN
Financial Statements and Schedule
June 30, 2003 and 2002
(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, 2003 and 2002, 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, 2003 and 2002, 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.

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.

September 19, 2003

KPMG LLP

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Management's Discussion and Analysis

June 30, 2003 and 2002

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, 2003 and 2002. Please read it in conjunction with the basic financial statements and financial statement footnotes that follow this discussion.

FINANCIAL HIGHLIGHTS

2003 - 2002

- Fiduciary net assets increased by \$87,732,656 as a result of this year's operations from \$1,048,587,466 to \$1,136,320,122.
- Additions for the year were \$150,015,336, which is comprised of contributions of \$127,006,020 and investment gains of \$23,009,316. Revenues are up compared to the prior year due to an increase in contributions from the Plan's members and a general improvement in investment performance.
- Deductions for the year were \$62,282,680, which are comprised of benefit payments of \$61,619,829 and administrative expenses of \$662,851.

2002 - 2001

- Fiduciary net assets decreased by \$52,826,700 as a result of the year's operations from \$1,101,414,166 to \$1,048,587,466.
- Additions for the year were \$15,151,333, which is comprised of contributions of \$121,675,078 partially offset by investment losses of \$106,523,745. Revenues were 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 is 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 to determine whether the Plan is becoming financially stronger or weaker.

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Management's Discussion and Analysis, Continued

FINANCIAL ANALYSIS

STATEMENTS OF FIDUCIARY NET ASSETS

2003 - 2002

Total assets increased by \$80,767,938 or 7.6% from \$1,062,684,388 to \$1,143,452,326 between fiscal years 2002 and 2003 primarily due to better market conditions and member contributions.

Total liabilities decreased by \$6,964,718 or 49.4% from \$14,096,922 to \$7,132,204 mainly due to decrease in participant distribution payable.

Net assets increased by \$87,732,656 or 8.4% from \$1,048,587,466 to \$1,136,320,122.

2002 - 2001

Total assets decreased by \$43,246,391 or 3.9% from \$1,105,930,779 to \$1,062,684,388 between fiscal years 2001 and 2002 primarily due to poor market conditions.

Total liabilities increased by \$9,580,309 or 212.1% from \$4,516,613 to \$14,096,922 mainly due to increase in participant distribution payable.

Net assets decreased by \$52,826,700 or 4.8% from \$1,101,414,166 to \$1,048,587,466.

STATEMENTS OF CHANGES IN FIDUCIARY NET ASSETS

ADDITIONS TO FIDUCIARY NET ASSETS

2003 - 2002

	2003	2002	Increase (Decrease)
Member Contributions	\$127,006,020	\$121,675,078	\$5,330,942
Investment & Other	23,009,316	(106,523,745)	129,533,061
Totals	\$150,015,336	\$15,151,333	\$134,864,003

Additions primarily consist of member contributions and earnings from investment activities. Total revenues increased by 890.1% between fiscal year 2002 and 2003 from \$15,151,333 to \$150,015,336 primarily because of an improvement in investment performance.

2002 - 2001

	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

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.

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Management's Discussion and Analysis, Continued

DEDUCTIONS FROM FIDUCIARY NET ASSETS

2003 - 2002

	2003	2002	Increase (Decrease)
Benefits	\$61,619,829	\$67,273,610	\$(5,653,781)
Administrative Expenses	662,851	704,423	(41,572)
Totals	\$62,282,680	\$67,978,033	\$(5,695,353)

Deductions consist of benefit payments and administrative expenses during the year. Total expenses decreased by 8.4% between fiscal year 2002 and 2003 from \$67,978,033 to \$62,282,680. The decrease in expenses is mainly due to a reduction in benefit payments.

2002 - 2001

	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

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.

CONTACTING SYSTEM FINANCIAL MANAGEMENT

The financial report is designed to provide our members, beneficiaries, 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.

**STATE OF NEW JERSEY
EMPLOYEES DEFERRED COMPENSATION PLAN**

Statements of Fiduciary Net Assets

June 30, 2003 and 2002

	<u>2003</u>	<u>2002</u>
Assets:		
Cash	\$ 340,818	69,837
Investments at fair value:		
U.S. Treasury notes	119,225,451	110,102,844
Other notes	120,983,134	77,317,773
Cash Management Fund	250,919,149	224,394,713
Common and preferred stocks	<u>648,273,725</u>	<u>647,377,231</u>
Total investments	<u>1,139,401,459</u>	<u>1,059,192,561</u>
Receivables:		
Accrued interest	2,938,855	2,669,041
Accrued dividends	661,180	666,591
Participant contributions	<u>110,014</u>	<u>86,358</u>
Total receivables	<u>3,710,049</u>	<u>3,421,990</u>
Total assets	<u>1,143,452,326</u>	<u>1,062,684,388</u>
Liabilities:		
Participant distributions payable	6,773,476	13,378,878
Administrative fees payable	<u>358,728</u>	<u>718,044</u>
Total liabilities	<u>7,132,204</u>	<u>14,096,922</u>
Net Assets:		
Held in trust for pension benefits	<u>\$ 1,136,320,122</u>	<u>1,048,587,466</u>

See accompanying notes to financial statements.

**STATE OF NEW JERSEY
EMPLOYEES DEFERRED COMPENSATION PLAN**

Statements of Changes in Fiduciary Net Assets

Years ended June 30, 2003 and 2002

	<u>2003</u>	<u>2002</u>
Additions:		
Member contributions	\$ 127,006,020	121,675,078
Investment income:		
Net (depreciation) in fair value of investments	(1,078,920)	(131,290,133)
Interest	14,569,343	15,589,670
Dividends	9,679,980	9,331,525
	<u>23,170,403</u>	<u>(106,368,938)</u>
Less : investment expense	<u>161,087</u>	<u>154,807</u>
Net investment (loss) income	<u>23,009,316</u>	<u>(106,523,745)</u>
Total additions	<u>150,015,336</u>	<u>15,151,333</u>
Deductions:		
Benefits	61,619,829	67,273,610
Administrative expense	662,851	704,423
Total deductions	<u>62,282,680</u>	<u>67,978,033</u>
Change in net assets	87,732,656	(52,826,700)
Net assets - Beginning of year	<u>1,048,587,466</u>	<u>1,101,414,166</u>
Net assets - End of year	<u>\$ 1,136,320,122</u>	<u>1,048,587,466</u>

See accompanying notes to financial statements.

STATE OF NEW JERSEY
NEW JERSEY STATE EMPLOYEES DEFERRED COMPENSATION PLAN

Notes to Financial Statements

June 30, 2003 and 2002

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

The financial statements of the New Jersey State Employees Deferred Compensation Plan (the Plan) are prepared using the accrual basis of accounting and conform to the provisions of Government Accounting Standards Board (GASB) Statements No. 25, "Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans," and No. 32, "Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans."

Investment valuation

Investments, including short-term investments (State of New Jersey Cash Management Fund) are reported at fair value. Common stocks, U.S. Treasury 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 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.

State of New Jersey Cash Management Fund units are stated at a cost of \$1 per unit, which approximates quoted market value. Investment income is recognized when earned and is distributed daily on the basis of units of ownership.

Investment transactions and related investment income

Investment transactions are accounted for on a trade date basis. Realized gains and losses from investment transactions are determined using the average cost method and recognized as investment income when they occur. 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 expenses

Expenses associated with the Plan, which include but are not limited to administrative and investment costs, are charged against the Plan's 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 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 fund's net assets divided by the total outstanding units of the fund.

STATE OF NEW JERSEY
NEW JERSEY STATE EMPLOYEES DEFERRED COMPENSION PLAN

Notes to Financial Statements, Continued

(2) DESCRIPTION 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 33,079 and 33,051 at June 30, 2003 and 2002, 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 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

Participants may defer between 1% and 100% of their salary, as defined, and less any 414h reductions or \$12,000 annually. Under the limited "catch-up" provision, a participant may be eligible to defer up to a maximum of twice the annual maximum in the three years immediately preceding the retirement age at which no reduction in benefits would be applicable. 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.

STATE OF NEW JERSEY
NEW JERSEY STATE EMPLOYEES DEFERRED COMPENSION PLAN

Notes to Financial Statements, Continued

Distribution of assets

A participant of the Plan or beneficiary may receive a distribution of assets under the Plan upon the participant's retirement, termination of service, disability, or death. Distribution of the participant's account will be made in a single lump-sum payment within two months after the administrator is notified of the event for all accounts unless the participant elects to delay distribution from the Plan. In all cases, distribution must commence 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 may choose distribution as a lump-sum payment or, in substantially equal installments over a period not to exceed fifteen years. Additionally, the participant may 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.

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.

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 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.

(3) 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 uninsured and 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, 2003 are designated category 3.

(4) INVESTMENTS

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 Division 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.

STATE OF NEW JERSEY
NEW JERSEY STATE EMPLOYEES DEFERRED COMPENSION PLAN

Notes to Financial Statements, Continued

The purchases, sales, receipts 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 as of June 30, 2003, and 2002. 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, 2003, and 2002, all investments held by the Plan (other than State of New Jersey Cash Management Funds, which are not categorized) are classified as Category 1.

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 corporate equity and debt securities is maintained by the Depository Trust Company (DTC) through the custodian banks in trust for the Plan. The custodian banks, as agents for the Plan, maintain internal accounting records identifying the securities maintained by the DTC as securities owned by the Plan.

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

(5) INCOME TAX STATUS

Based on a 1986 declaration of the Attorney General of the State of New Jersey, the Fund 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.

STATE OF NEW JERSEY
NEW JERSEY STATE EMPLOYEES DEFERRED COMPENSATION PLAN

Portfolio of Investment Securities

June 30, 2003

<u>Description</u>	<u>Shares or Number of Units</u>	<u>Cost</u>	<u>Fair Value</u>
Bond Fund			
United States Treasury Notes dated 15-May-1996, 5.750%, Due 15-Aug-2003	14,000,000	\$13,986,857	\$14,083,160
United States Treasury Notes dated 31-Jan-1997, 7.250%, Due 15-May-2004	5,000,000	5,031,619	5,268,750
United States Treasury Notes dated 21-Sep-2000, 7.875%, Due 15-Nov-2004	3,825,000	3,917,731	4,174,031
United States Treasury Notes dated 21-Mar-2001, 5.875%, Due 15-Nov-2004	10,000,000	10,189,686	10,643,800
United States Treasury Notes dated 15-Feb-1996, 6.500%, Due 15-Aug-2005	5,000,000	5,069,432	5,540,650
United States Treasury Notes dated 30-Oct-2002, 5.750%, Due 15-Nov-2005	5,000,000	5,379,688	5,503,150
United States Treasury Notes dated 8-Apr-1998, 5.875%, Due 15-Nov-2005	5,000,000	5,030,269	5,517,200
United States Treasury Notes dated 15-May-2002, 4.625%, Due 15-May-2006	3,500,000	3,523,401	3,794,210
United States Treasury Notes dated 29-Jun-1999, 6.875%, Due 15-May-2006	4,900,000	4,986,593	5,615,106
United States Treasury Notes dated 2-Sep-1999, 6.500%, Due 15-Oct-2006	13,000,000	13,132,894	14,937,780
United States Treasury Inflation Protected Security dated 14-Feb-1996, 3.375%, Due 15-Jan-2007	4,000,000	4,005,571	5,094,640
United States Treasury Notes dated 24-Nov-1998, 6.125%, Due 15-Aug-2007	12,900,000	13,432,506	14,923,752
United States Treasury Notes dated 26-Jul-2001, 5.625%, Due 15-May-2008	8,174,000	8,413,351	9,371,982
United States Treasury Notes dated 30-Oct-2002, 4.750%, Due 15-Nov-2008	5,000,000	5,320,936	5,542,200
United States Treasury Notes dated 8-Jun-2001, 5.500%, Due 15-May-2009	8,000,000	8,096,067	9,215,040
Total United States Treasury Notes and Inflation Protected Securities		<u>\$109,516,601</u>	<u>\$119,225,451</u>
Federal Home Loan Mortgage Corp. NTS dated 26-Jul-2001, 5.00%, Due 15-May-2004	4,809,000	4,822,385	4,971,303
Federal Home Loan Mortgage Corp. NTS dated 28-Jun-2000, 6.25%, Due 15-Jul-2004	7,000,000	6,935,757	7,369,670
General Electric Capital Corp. NTS dated 28-Jun-2000, 7.50%, Due 15-May-2005	5,000,000	5,013,142	5,548,100

**STATE OF NEW JERSEY
NEW JERSEY STATE EMPLOYEES DEFERRED COMPENSATION PLAN**

Portfolio of Investment Securities

Federal Home Loan Mortgage Corp. DEB dated 21-Sep-2000, 7.00%, Due 15-Jul-2005	4,000,000	4,022,800	4,445,000
Federal Farm Credit Bank dated 1-Sep-1998, 5.75%, Due 1-Sep-2005	7,000,000	7,005,715	7,632,311
American International Group Inc. Med Term Notes dated 2-Dec-2002, 2.85%, Due 1-Dec-2005	5,000,000	4,987,192	5,106,800
Federal National Mortgage Association NTS dated 29-Nov-2001, 6.000%, Due 15-Dec-2005	7,500,000	7,760,287	8,292,225
Federal National Mortgage Association Deb dated 30-Jan-2002, 5.500%, Due 15-Feb-2006	7,500,000	7,684,697	8,233,575
Federal National Mortgage Association NTS dated 30-Jan-2002, 5.000%, Due 15-Jan-2007	7,500,000	7,548,315	8,254,725
Federal National Mortgage Association Conv. AGB dated 9-Mar-2001, 6.625%, Due 15-Oct-2007	10,000,000	10,403,254	11,721,900
EI Dupont De Nemours NTS dated 12-Nov-2002, 3.375%, Due 15-Nov-2007	10,000,000	9,959,843	10,288,500
Citigroup Inc. Notes dated 31-Jan-2003, 3.500%, Due 1-Feb-2008	10,000,000	9,952,482	10,285,900
Federal Home Loan Mortgage Corp. NTS dated 7-Apr-2003, 2.750%, Due 15-Mar-2008	15,000,000	14,675,114	15,126,600
Federal Home Loan Mortgage Corp. Deb dated 29-Nov-2001, 5.750%, Due 15-Apr-2008	7,500,000	7,691,483	8,571,075
Verizon Virginia Inc. NTS dated 11-Mar-2003, 4.625%, Due 15-Mar-2013	5,000,000	4,991,529	5,135,450
		<hr/>	
Total other notes		113,453,995	120,983,134
State Of New Jersey Cash Management Fund	19,337,353	<hr/>	<hr/>
		19,337,353	19,349,290
Total Bond Fund		<hr/>	<hr/>
		\$242,307,949	\$259,557,875

Equity Fund

3com Corp	10,000	\$81,286	\$46,700
3m Co.	14,000	511,478	1,805,720
Aar Corp.	4,500	93,900	31,770
Abbott Laboratories	70,000	1,044,785	3,063,200
Acclaim Entertainment, Inc.	1,800	26,213	1,368
Activision Inc.	22,500	71,000	289,575
ADC Telecommunications, Inc.	68,000	383,596	156,400
Adtran Inc.	5,000	146,320	258,100
Advanced Micro Devices, Inc.	17,000	162,077	108,970
AES Corp. (The)	19,000	622,450	120,650
Aetna Inc.	4,003	86,236	240,981
Affymetrix Inc.	5,000	199,025	98,550

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Portfolio of Investment Securities

AFLAC Inc.	15,000	421,050	461,250
Agere Systems Inc. CI A	862	5,165	2,008
Agere Systems Inc. CI B	21,165	125,428	48,680
Agilent Technologies Inc.	23,084	303,624	451,292
Air Products & Chemicals, Inc.	20,000	944,905	832,000
Airborne Inc.	10,000	97,225	209,000
AK Steel Holding Corp.	10,000	226,500	36,200
Alcoa Inc.	45,000	2,013,597	1,147,500
Allied Waste Industries Inc.	26,250	618,312	263,813
Allstate Corp.	33,810	493,533	1,205,327
Alltel Corp.	13,700	373,161	660,614
Altria Group Inc.	116,000	3,121,052	5,271,040
Amazon.Com Inc.	10,000	160,408	363,200
AMB Property	1,000	27,990	28,170
Ambac Financial Group Inc.	6,000	376,170	397,500
Amerada Hess Corp.	5,000	365,834	245,900
Ameren Corp.	10,000	386,858	441,000
American Electric Power Co.,Inc.	14,760	573,743	440,291
American Express Co.	60,000	943,500	2,508,600
American Greetings Corp.	10,000	278,750	196,400
American International Group Inc.	160,252	8,121,842	8,842,705
American Online Latin America Inc.	20,000	127,086	12,020
American Power Conversion Corp.	15,000	375,000	234,150
American Tower Corp.	30,000	473,700	265,500
Amerisourcebergen Corp.	14,999	794,866	1,040,181
Amgen Inc.	43,200	692,857	2,848,608
AMR Corp.	10,000	174,497	110,000
Anadarko Petroleum Corp.	28,275	1,239,732	1,257,389
Anheuser-Busch Companies, Inc.	60,000	1,896,461	3,063,000
AOL Time Warner Inc.	450,000	5,412,399	7,240,500
Apache Corp.	4,620	180,800	300,577
Apple Computer Inc.	10,000	183,440	190,600
Applied Materials, Inc.	70,000	597,259	1,108,800
Archer-Daniels-Midland Co.	26,964	309,058	347,027
Archstone-Smith Trust	10,000	259,889	240,000
Arrow Electronics Inc.	1,750	44,873	26,670
Arvinmeritor Inc.	4,500	109,020	90,810
Ascential Software Corp.	2,186	214,620	35,916

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Portfolio of Investment Securities

Ashland Inc.	5,000	211,720	153,400
Aspect Communications Corp.	20,000	685,208	70,400
Astoria Financial Corp.	10,000	291,500	279,300
AT&T Corp.	45,292	1,990,399	871,871
AT&T Wireless Services, Inc.	195,875	5,230,959	1,608,134
Autodesk, Inc.	25,000	442,028	404,250
Autonation, Inc.	25,000	594,624	393,000
Avalon Bay Communities, Inc.	8,000	373,740	341,120
Avaya Inc.	9,999	72,598	64,594
Avery Dennison Corp.	20,000	414,950	1,004,000
Avnet Inc.	2,610	109,437	33,095
Avon Products, Inc.	40,000	1,443,075	2,488,000
Axcelis Technologies Inc.	9,432	30,393	57,630
Baker Hughes Incorporated	26,250	553,111	881,213
Ball Corp.	3,000	48,369	136,530
Bank Of America Corp.	110,823	4,816,637	8,758,342
Bank Of New York Co., Inc.	70,000	474,480	2,012,500
Barnes & Noble Inc.	4,000	83,850	92,200
Barr Labs Inc.	3,000	132,400	196,500
Bassett Furniture Industries Inc.	2,500	59,250	32,850
Bausch & Lomb Inc.	11,000	533,892	412,500
Baxter International Inc.	55,000	1,464,849	1,430,000
Becton, Dickinson And Company	20,000	569,500	777,000
Bed Bath & Beyond Inc.	20,000	552,001	776,400
Bellsouth Corp.	90,000	1,765,289	2,396,700
Belo A.H. Corp.	2,500	47,156	55,900
Berkshire Hathaway Inc.	525	558,375	1,275,750
Best Buy Co., Inc.	40,750	1,141,626	1,789,740
Big Lots Inc.	10,000	215,282	150,400
Biogen Inc.	16,000	600,250	607,520
BJ's Wholesale Club, Inc.	30,000	1,289,914	451,800
Black & Decker Corp.	5,000	243,622	217,250
Block (H&R), Inc.	9,000	159,030	389,250
Boeing Company	45,000	1,630,300	1,544,400
Borland Software Corp.	1,900	76,375	18,601
Boston Properties Inc.	6,000	232,500	262,800
Boston Scientific Corp.	10,000	353,213	611,000
Brinker International Inc.	5,000	171,162	180,100

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Portfolio of Investment Securities

Bristol-Myers Squibb Co.	100,000	2,693,984	2,715,000
Broadcom Corp.	5,000	1,089,274	124,550
Brown Shoe Co., Inc.	3,500	63,588	104,300
Burlington Northern Santa Fe Cor	33,000	526,518	938,520
Burlington Resources Inc.	27,625	1,138,595	1,493,684
Cablevision Systems Corp.	17,000	724,550	352,920
Cadence Design Systems, Inc.	38,250	176,800	461,295
Calpine Corp.	20,000	543,000	132,000
Capital One Financial Corp.	30,000	574,563	1,475,400
Cardinal Health Inc.	35,000	1,413,373	2,250,500
Carmax Inc.	12,555	160,094	378,533
Carnival Corp.	60,000	1,568,464	1,950,600
Casella Waste System Inc.	8,000	216,165	71,280
Caterpillar Inc.	30,000	1,600,458	1,669,800
Cendant Corp.	89,296	1,868,400	1,635,903
Centerpoint Energy Inc.	15,000	579,920	122,250
Centex Construction Products Inc.	5,000	205,866	200,450
Centex Corp.	30,000	781,036	2,333,700
Central Parking Corp.	10,000	196,750	123,600
Champion Enterprises Inc.	12,000	217,288	62,160
Charter Communications Inc.	20,000	47,076	74,600
Chevrontexaco Corp.	60,000	2,609,239	4,332,000
Chubb Corp.	30,000	1,162,989	1,800,000
Cincinnati Bell Inc.	7,500	86,712	50,250
Circuit City Group	40,000	316,413	352,000
Cisco Systems Inc.	500,000	3,702,589	8,395,000
Citigroup Inc.	302,962	4,613,027	12,966,774
Citrix Systems Inc.	25,000	381,790	509,000
Clear Channel Communications, Inc.	30,000	1,218,971	1,271,700
CMGI Inc.	220,000	7,212,499	332,200
Cnet Networks Inc.	7,000	129,500	41,650
CNF Transportation Inc.	3,000	104,775	76,140
Coachmen Industries, Inc.	2,000	37,350	23,900
Coca-Cola (The) Co.	105,000	3,780,079	4,873,050
Colgate-Palmolive Co.	44,000	1,636,319	2,549,800
Comcast Corp New CI A	90,260	3,316,146	2,724,047
Comcast Corp. CI A Special	47,000	1,352,179	1,362,530
Commscope Inc.	3,333	57,872	31,663

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Portfolio of Investment Securities

Computer Associates Intl., Inc.	30,000	1,016,600	668,400
Computer Horizons Corp.	2,000	78,560	9,080
Conagra, Inc.	25,000	607,500	590,000
Concord EFS Inc.	30,000	521,895	441,600
Conexant Systems Inc.	18,000	48,786	75,420
Conocophillips	23,903	1,192,411	1,309,884
Constellation Energy Corp.	10,000	265,811	343,000
Convergys Corp.	7,500	127,413	120,000
Corn Products Intl. Inc.	1,875	29,524	56,306
Corrections Corp. Of America	4,225	78,597	107,019
Costco Wholesale Corp.	25,000	715,713	915,000
Cox Communications Inc. A	30,000	909,339	957,000
Cox Radio Inc.	30,000	201,750	693,300
Credence Systems Corp.	5,000	72,195	42,950
Crown Holdings Inc.	12,000	514,676	85,680
CVS Corp.	20,000	526,780	560,600
Cypress Semiconductor Corp.	4,000	75,305	48,000
Dana Corp.	10,000	298,663	115,600
Danaher Corp.	15,000	738,813	1,020,750
Darden Restaurants, Inc.	15,000	87,209	284,700
Deere & Co.	25,000	1,057,805	1,142,500
Del Monte Foods Co.	10,160	76,274	89,814
Dell Computer Corp.	105,000	2,950,920	3,343,200
Delphi Automotive Systems	34,597	485,149	298,572
Dentsply International Inc.	3,000	40,765	122,880
Devon Energy Corp.	3,405	141,658	181,827
Diebold Inc.	20,000	732,310	865,000
Dillard's Inc. CI A	17,000	602,023	228,990
Disney (Walt) Co.	104,313	1,841,981	2,060,182
Dominion Resources Inc.	22,364	968,805	1,437,334
Dover Corp.	15,000	240,726	449,400
Dow Chemical Co.	90,165	2,300,114	2,791,508
Du Pont (E.I.) De Nemours & Co.	44,918	1,179,278	1,870,386
Duke Energy Corp.	44,200	1,287,100	881,790
Duke Realty Corp.	7,000	182,210	192,850
Eastman Chemical Co.	4,000	246,700	126,680
Eaton Corp.	8,000	290,007	628,880
Ebay Inc.	20,000	1,321,506	2,080,000

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Portfolio of Investment Securities

Echostar Communications Corp. A	10,000	414,649	346,200
Edison International Inc.	55,000	754,618	903,650
El Paso Corp.	40,808	760,693	329,729
Electronic Art Inc.	8,000	465,987	591,200
Electronic Data Systems Corp.	30,000	1,385,109	643,500
Electronics For Imaging Inc.	10,000	246,250	202,000
EMC Corp.	100,250	659,868	1,049,617
Emerson Electric Co.	20,000	881,479	1,022,000
Engelhard Corp.	10,000	304,637	247,700
Entergy Corp.	5,000	192,250	263,900
Enzon Inc.	5,000	276,629	62,750
Equifax Inc.	15,000	327,850	390,000
Equity Office Properties Trust	20,000	624,213	540,200
Equity Residential Properties Trust	20,000	467,567	519,000
Exelon Corp.	12,600	466,532	753,606
Exxon Mobil Corp.	360,970	7,558,497	12,962,433
Federal Home Loan Mortgage Corp.	50,000	1,332,125	2,538,500
Federal National Mortgage Assoc.	70,000	2,613,578	4,720,800
Federal Signal Corp.	20,000	488,718	351,400
Federated Department Stores, Inc	20,000	723,038	737,000
Fifth Third Bancorp	11,137	126,775	639,487
First Data Corp.	40,000	1,694,380	1,657,600
Fleet Boston Financial Corp.	80,000	983,800	2,376,800
Fluor Corp.	5,000	128,076	168,200
FMC Corp.	13,000	384,757	294,190
FMC Technologies Inc.	22,356	348,524	470,594
Ford Motor Co.	68,948	884,154	757,739
Forest Laboratories, Inc. Class A	28,000	143,780	1,533,000
FPL Group Inc.	5,000	279,015	334,250
Franklin Electronic Publishers	20,000	130,611	80,000
Gannett Co., Inc.	17,000	416,840	1,305,770
Gap (The), Inc.	67,500	444,375	1,266,300
Gateway Inc.	15,000	232,400	54,750
Gemstar TV Guide Intl. Inc.	40,000	1,170,201	200,400
General Dynamics Corp.	15,000	855,246	1,087,500
General Electric Co.	430,000	4,428,664	12,332,400
General Mills, Inc.	8,600	120,595	407,726
General Motors Corp.	29,500	1,377,764	1,062,000

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Portfolio of Investment Securities

Georgia-Pacific Corp.	20,000	499,031	379,000
Gilead Sciences Inc.	15,000	237,313	833,250
Gillette Co.	80,000	1,355,327	2,548,800
Glenayre Technologies Inc.	10,000	235,705	13,700
Goldman Sachs Group Inc.	10,000	530,000	837,500
Goodrich Corp.	17,000	559,924	357,000
Goodyear Tire & Rubber Co.	10,000	756,750	52,500
Grainger (W.W.), Inc.	8,000	227,293	374,080
Grant Prideco Inc.	1,900	24,060	22,325
Great Lakes Chemical Corp.	6,000	328,084	122,400
Greenpoint Financial Corp.	10,000	388,399	509,400
Halliburton Co.	22,000	476,850	506,000
Harland (John H.) Co.	4,000	92,700	104,640
Harley-Davidson, Inc.	15,000	84,272	597,900
Harmonic Inc.	7,597	72,954	30,920
Harris Corp.	20,000	653,663	601,000
Hartford Financial Services	20,000	1,204,768	1,007,200
HCA -The Healthcare Co.	40,000	1,297,920	1,281,600
Heinz (H.J.) Co.	22,750	693,713	750,295
Hercules Inc.	30,000	548,207	297,000
Hewlett-Packard Co.	118,625	1,430,069	2,526,712
Home Depot (The), Inc.	147,744	2,727,873	4,893,281
Honeywell International Inc.	80,000	2,771,783	2,148,000
Hudson United Bancorp	1,200	24,657	40,980
Human Genome Sciences Inc.	5,000	157,355	63,250
Hunt (J.B.) Transport Svcs Inc.	7,000	101,283	266,700
I2 Technologies Inc.	16,000	92,260	16,320
Ikon Office Solutions Inc.	15,000	370,125	133,500
Illinois Tool Works Inc.	15,000	421,470	987,750
Infousa Inc.	10,000	100,416	81,000
Ingersoll-Rand Co.	10,000	270,133	473,200
Input/Output Inc.	2,000	30,100	10,760
Integrated Device Technology, Inc.	5,000	101,558	55,150
Intel Corp.	305,000	1,542,252	6,347,050
Interactivecorp	15,500	165,567	609,615
Interpublic Group Companies, Inc.	9,000	102,645	120,420
Intervoice Inc.	9,571	86,875	45,749
Intl Business Machines Corp.	120,000	4,010,574	9,900,000

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Portfolio of Investment Securities

Intl Rectifier Corp.	5,000	185,595	134,100
Iomega Corp.	4,000	196,000	42,400
ITT Industries Inc.	6,000	190,050	392,760
Jabil Circuit Inc.	40,000	390,813	884,000
Jacuzzi Brands Inc.	8,500	165,963	44,965
Janus Capital Group Inc.	12,000	96,874	196,800
JDS Uniphase Corp.	59,000	2,114,792	206,323
Jefferson-Pilot Corp.	7,500	331,614	310,950
JLG Industries Inc.	10,000	153,625	68,000
Johnson & Johnson	210,000	6,694,410	10,857,000
Johnson Controls, Inc.	10,000	288,823	856,000
Jones Apparel Group Inc.	5,000	85,250	146,300
J.P. Morgan Chase & Co.	95,000	2,538,079	3,247,100
Juniper Networks Inc.	15,000	1,100,798	187,050
Kana Software Inc.	200	34,500	606
Kansas City Southern Industries Inc.	3,000	2,976	36,090
Kerr-Mcgee Corp.	10,000	479,238	448,000
Keycorp	4,000	87,350	101,080
Kimberly-Clark Corp.	27,500	1,466,919	1,433,850
Kimco Realty Corp.	20,000	602,442	758,000
King Pharmaceuticals Inc.	10,000	435,950	147,600
KLA-Tencor Corp.	20,000	423,026	929,200
Kohl's Corp.	20,000	267,125	1,027,600
Kroger Co.	50,000	1,004,520	834,000
Kulicke & Soffa Industries, Inc.	12,000	201,480	76,680
Laboratory Corp.	20,000	722,250	603,000
Lam Research Corp.	30,000	276,571	546,300
Lattice Semiconductor Corp.	8,000	71,350	66,320
Lear Corp.	15,000	531,188	690,300
Legg Mason Inc.	13,332	234,125	865,913
Lennar Corp.	5,000	236,625	357,500
Lennar Corp.	500	26,000	34,350
Level 3 Communications Inc.	6,000	421,016	39,960
Liberate Technologies	2,500	266,094	7,412
Liberty Media Corp.	102,424	378,682	1,184,021
Liberty Property Trust	4,000	128,345	138,400
Lifepoint Hospitals Inc.	2,105	34,474	44,437
Lilly (Eli) & Co.	95,000	4,250,411	6,552,150

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Portfolio of Investment Securities

Limited Inc.	31,982	639,311	495,721
Liz Claiborne, Inc.	40,000	693,402	1,410,000
Lockheed Martin Corp.	37,707	1,668,128	1,793,722
Louisiana-Pacific Corp.	20,000	676,975	216,800
Lowes Companies	51,000	1,553,518	2,190,450
LSI Logic Corp.	18,060	124,396	127,865
Lucent Technologies, Inc.	80,000	583,429	162,400
Manor Care Inc.	10,000	326,501	250,100
Manpower Inc.	11,000	379,065	407,990
Manugistics Group Inc.	13,000	187,720	53,300
Marathon Oil Corp.	10,000	303,000	263,500
Marsh & McLennan Companies, Inc.	20,000	938,326	1,021,400
Massey Energy Corp.	5,000	43,424	65,750
Mattel, Inc.	21,250	351,305	402,050
May Department Stores Co.	22,500	486,032	500,850
Maytag Corp.	5,000	334,625	122,100
MBNA Corp.	60,000	1,424,250	1,250,400
McData Corp. Class A	30,088	293,430	440,789
McDermott International, Inc.	20,000	614,750	126,600
McDonald's Corp.	80,000	1,536,106	1,764,800
McGraw-Hill Companies, Inc.	20,000	339,250	1,240,000
McKesson Inc.	7,000	271,100	250,180
Meadwestvaco Corp.	1,940	58,975	47,918
Medtronic, Inc.	60,000	271,442	2,878,200
Mellon Financial Corp.	34,000	1,019,575	943,500
MEMC Electronics Materials Inc.	5,000	135,612	49,000
Merck & Co., Inc.	120,000	4,387,759	7,266,000
Mercury General Corp.	5,000	325,250	228,250
Merrill Lynch & Co., Inc.	75,000	1,351,622	3,501,000
Michaels Stores Inc.	16,000	156,930	608,960
Microchip Technology Inc.	30,375	221,260	751,781
Microsoft Corp.	731,200	5,471,981	18,747,968
Midway Games Inc.	5,000	102,075	18,150
Milacron Inc.	9,000	209,865	44,010
Mindspeed Technologies	6,000	2,668	16,200
MIPS Technologies Inc.	1,801	99,791	4,448
Mirant Corp.	22,723	408,539	65,897
Mississippi Chemical Corp.	6,674	128,891	400

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Portfolio of Investment Securities

Monsanto Co.	25,597	388,755	553,919
Morgan Stanley Dean Witter & Co.	62,700	458,664	2,680,425
Motorola, Inc.	110,000	1,164,235	1,037,300
Msc.Software Corp.	10,000	123,950	67,400
Mylan Laboratories Inc.	46,500	493,164	1,616,805
National Semiconductor Corp.	30,062	838,464	592,823
Nationwide Health Properties Inc.	5,000	108,375	79,650
Navistar International Corp.	5,000	108,250	163,150
NCR Corp.	3,125	83,132	80,062
Net.B@Nk Inc.	30,000	608,658	391,500
Networks Associates Inc.	50,000	727,878	634,000
New Jersey Resources Corp.	10,500	166,545	372,750
Newell Rubbermaid Inc.	33,912	1,161,904	949,536
Newpark Resources, Inc.	100,000	1,048,440	548,000
Nextel Communications, Inc.	40,000	1,924,687	722,800
Nisource Inc.	10,000	237,500	190,000
Nordstrom Inc.	6,000	233,250	117,120
Norfolk Southern Corp.	19,500	269,571	374,400
Northern Trust Corp.	10,000	378,750	416,000
Northrop Gruman Corp.	17,678	1,573,824	1,525,435
Novell Inc.	29,600	610,491	92,056
Novellus Systems, Inc.	5,000	129,974	183,250
Nucor Corp.	8,000	418,235	390,800
Occidental Petroleum Corp.	67,000	1,315,214	2,247,850
Office Depot Inc.	23,625	204,710	342,799
Openwave Systems Inc.	2,400	313,200	4,800
Oracle Corp.	100,000	2,094,664	1,201,000
Orbital Sciences Corp.	10,000	265,748	73,000
Orbital Sciences Wts Exp 8/31/04	1,603	0	5,402
Outback Steakhouse Inc.	5,000	175,550	195,000
Paccar Inc.	6,750	203,858	457,312
Pacificare Health Systems CI A	1,000	62,062	49,330
Pactiv Corp.	6,500	190,076	128,115
Pall Corp.	20,000	495,921	450,000
Palm, Inc.	751	331,939	12,061
Parker-Hannifin Corp.	5,000	242,125	209,950
Paxson Communications Corp.	100,000	542,894	599,000
Paychex Inc.	20,000	740,300	587,800

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Portfolio of Investment Securities

Peabody Energy Corp.	1,000	28,000	33,590
Penney (J.C.) Co., Inc.	15,000	261,375	252,750
Peoplesoft Inc.	20,000	360,002	351,200
Pep Boys - Manny, Moe & Jack	7,500	174,975	101,325
Pepsi Bottling Group Inc. (The)	30,000	827,745	600,600
Pepsico, Inc.	69,000	1,075,556	3,070,500
Per-Se Technologies Inc.	3,333	72,750	36,996
Pfizer Inc.	535,567	9,354,705	18,289,613
PG&E Corp.	32,700	989,007	691,605
Pier 1 Imports Inc. Del	20,000	395,000	408,000
Pinnacle West Capital Corp.	7,000	270,002	262,150
Plum Creek Timber Co., Inc.	13,700	208,969	355,515
PNC Bank Corp.	14,000	544,950	683,340
PNM, Resources Inc.	5,000	59,000	133,750
PPG Industries, Inc.	14,000	431,575	710,360
Praxair Inc.	14,000	569,825	841,400
Precision Castparts Corp.	6,000	142,974	186,600
Price (T Rowe) Group Inc.	8,000	40,150	302,160
Principal Financial Group Inc.	2,500	46,250	80,625
Procter & Gamble Co.	82,000	2,430,079	7,312,760
Progress Energy Inc.	5,000	211,287	219,500
Prologis Trust	10,000	228,680	273,000
Providian Financial Corp.	21,500	945,319	199,090
Public Storage Inc.	3,200	120,403	108,384
Public Svc Enterprise Group Inc.	20,000	582,250	845,000
Pulte Homes Inc.	22,728	489,630	1,401,408
Qualcomm Inc.	95,000	744,127	3,414,300
Rambus Inc.	4,000	43,250	66,080
Raytheon Co.	20,000	924,212	656,800
Reliant Resources Inc.	11,829	98,401	72,512
Remec Inc.	8,000	184,000	55,200
Respironics Inc.	3,000	75,375	111,690
Reynolds & Reynolds Co.	3,000	57,638	85,680
Reynolds (RJ) Tobacco Holdings Inc.	10,000	527,718	372,100
Rite Aid Corp.	11,000	436,696	48,950
Robert Half International, Inc.	39,000	244,293	738,660
Rockwell Collins Inc.	18,000	401,672	443,340
Rockwell International Corp.	30,000	468,121	715,200

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Portfolio of Investment Securities

Rohm & Haas Co.	13,425	375,770	416,578
Rouse Company	10,000	315,044	381,000
RSA Security Inc.	4,500	97,875	48,465
Ryerson Tull Inc.	4,000	100,200	35,120
Sabre Corp.	4,335	126,338	106,858
Safeguard Scientifics Inc.	11,000	501,313	29,700
Safeway Inc.	26,000	811,975	531,960
Saks Inc.	10,000	340,131	97,000
Sanmina-Sci Corp.	24,480	759,450	154,714
Sara Lee Corp.	32,000	363,724	601,920
SBC Communications, Inc.	120,000	4,089,188	3,066,000
Schering-Plough	180,000	5,748,574	3,348,000
Schlumberger Ltd.	30,000	1,391,203	1,427,100
Scholastic Corp.	10,000	369,375	297,800
Schulman (A.) Inc.	6,000	137,895	96,480
Schwab (Charles) Corp. (The)	25,000	540,525	252,250
Scientific-Atlanta, Inc.	16,000	164,355	381,440
SEI Investments Co.	20,000	516,528	639,800
Sempra Energy	10,000	256,300	285,300
Sepracor Inc.	2,000	142,625	35,860
Sigma Aldrich Corp.	3,500	167,610	190,120
Simon Property Group Inc.	10,000	316,287	390,300
Sinclair Broadcasting Group Inc.	8,000	203,500	92,960
Skyworks Solutions Inc.	6,318	84,273	42,773
SLM Corp.	157,500	1,100,000	6,169,275
Smucker (J.M.) Co. (The)	1,640	18,869	65,420
Solectron Corp.	65,000	286,801	243,100
Solutia Inc.	7,500	75,436	16,350
Southern Co.	32,000	451,691	997,120
Southwest Airlines Co.	15,000	281,250	258,000
Sovereign Bancorp Inc.	10,000	163,625	156,500
Speedway Motorsports, Inc.	2,000	46,600	53,600
Spherion Corp.	6,000	78,050	41,700
Sprint Corp.	60,000	673,848	864,000
Sprint Corp. PCS Group	46,000	816,330	264,500
SPX Corp.	21,412	429,040	943,413
St. Jude Medical, Inc.	2,072	31,671	119,140
St. Paul Companies Inc. (The)	11,284	431,000	411,979

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Portfolio of Investment Securities

Standard Register Co.	2,500	41,400	41,200
Stanley Works	20,000	498,548	552,000
Staples Inc.	120,232	311,283	2,206,257
Storage Technology Corp.	4,000	104,906	102,960
Stryker Corp.	5,200	45,663	360,724
Sun Microsystems, Inc.	90,000	419,548	418,500
Sunco Inc.	10,000	348,750	377,400
Super Valu Inc.	10,000	216,750	213,200
Symbol Technologies, Inc.	20,000	215,635	260,200
Synopsys Inc.	371	21,568	22,976
Sysco Corp.	42,000	253,870	1,261,680
Target Corp.	45,000	1,102,812	1,702,800
Tektronix, Inc.	9,000	96,075	194,400
Tellabs Inc.	5,000	257,500	32,800
Tenet Healthcare Corp.	40,000	961,518	466,000
Texas Genco Holdings Inc.	750	35,446	17,437
Texas Instruments Inc.	85,000	344,232	1,496,000
Textron Inc.	8,000	406,400	312,160
Thermo Electron Corp.	27,000	850,383	567,540
Timco Aviation Services Inc.	464	0	176
Timco Aviation Ser Wt 2/27/07	1,481	0	1
Timco Aviation Svs Nt 8% 1/2/07	1,428	0	100
Tollgrade Communications Inc.	2,000	19,280	37,320
Toro (The) Co.	12,000	183,550	477,000
Toys R Us Inc.	5,000	89,938	60,600
Transkaryotic Therapies Inc.	10,000	215,558	115,000
Transocean Inc.	14,759	621,409	324,255
Travelers Property Casualty Corp. Class A	22,373	525,835	355,731
Travelers Property Casualty Corp. Class B	26,448	326,511	417,085
Triad Hospitals Inc.	4,105	87,982	101,886
Tribune Co.	42,000	1,570,606	2,028,600
Trinity Industries, Inc.	10,000	338,180	185,100
Triumph Group Inc.	2,500	73,563	70,425
TXU Corp.	10,000	480,500	224,500
Tyco International Inc.	227,496	7,272,299	4,317,874
U.S. Bancorp	97,950	2,702,250	2,399,775
Union Pacific Corp.	8,500	309,240	493,170
United Parcel Service	5,000	233,125	318,500

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Portfolio of Investment Securities

United States Steel Corp.	10,000	267,950	163,700
United Technologies Corp.	25,000	955,284	1,770,750
Unitedhealth Group Inc.	36,800	419,285	1,849,200
Universal Health Services Inc.	4,000	108,225	158,480
Univision Communications Inc.	10,000	170,313	304,000
Unocal Corp.	20,000	706,440	573,800
Unova Inc.	7,500	99,901	83,250
Unumprovident Corp.	28,000	568,313	375,480
UST Inc.	40,000	1,185,533	1,401,200
V.F. Corp.	4,000	89,460	135,880
Veritas Software Corp.	15,000	657,448	432,300
Verity, Inc.	2,000	34,790	25,400
Verizon Communications Inc.	113,200	3,974,434	4,465,740
Viacom Inc. Class A	20,000	400,500	874,000
Viacom Inc. Class B	90,000	2,079,018	3,929,400
Viasys Healthcare Inc.	3,944	99,176	81,641
Vishay Intertechnology, Inc.	15,087	302,908	199,148
Visteon Corp.	3,666	15,646	25,185
Wachovia Corp.	49,400	1,387,866	1,974,024
Walgreen Co.	46,000	287,112	1,384,600
Wal-Mart Stores, Inc.	270,000	6,049,446	14,490,900
Washington Federal Inc.	3,220	49,500	74,575
Washington Mutual Inc.	37,364	635,580	1,543,133
Waste Industries USA Inc.	10,000	215,779	71,300
Waste Management, Inc.	21,218	701,070	511,142
Watson Pharmaceuticals Inc.	5,000	295,123	201,850
Weatherford International Ltd.	1,900	48,040	79,610
Wellpoint Health Networks	8,000	608,836	674,400
Wells Fargo & Co.	85,000	2,748,563	4,284,000
Wendy's International, Inc.	10,000	132,236	289,700
Weyerhaeuser Co.	31,000	1,333,198	1,674,000
Whirlpool Corp.	10,000	552,668	637,000
Williams Companies Inc.	50,000	1,268,336	395,000
Wind River Systems Inc.	1,840	22,000	7,010
Worldgate Communications Inc.	40,000	242,164	13,600
WPS Resources Corp.	6,800	191,726	273,360
Wrigley (Wm.) Jr. Co.	8,000	191,900	449,840
Wyeth	135,000	5,551,282	6,149,250

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Portfolio of Investment Securities

Xcel Energy Inc.	16,243	297,010	244,295
Xerox Corp.	44,000	1,383,858	465,960
Yahoo! Inc.	15,000	239,063	490,500
York International Corp.	2,000	83,600	46,800
Yum! Brands Inc.	13,800	94,634	407,928
Zimmer Holdings Inc.	8,200	100,192	369,410
Total Common Stock		380,149,197	513,898,898
State of New Jersey Cash Management Fund	14,463,589	14,463,589	14,472,518
Total Equity Fund		\$394,612,786	528,371,416

Small Cap Equity Fund

AAR Corporation	20,000	346,513	141,200
Abbott Laboratories	2,700	50,655	118,152
Abercrombie & Fitch Co.	25,000	804,254	710,250
Abgenix Inc.	10,000	509,625	104,500
AC Moore Arts & Crafts Inc.	50,000	606,938	1,006,000
Acclaim Entertainment, Inc.	15,000	120,000	11,400
Acme Communication Inc.	15,000	208,213	114,000
Activision Inc.	45,000	187,373	579,150
ADC Telecommunications, Inc.	100,000	264,591	230,000
Adolor Corp.	10,000	201,400	122,700
Adtran Inc.	5,000	346,250	258,100
Advanced Fibre Communications Inc.	30,000	530,394	491,400
Affiliated Managers Group Inc.	20,000	1,062,592	1,219,000
Affymetrix Inc.	40,000	1,047,335	788,400
AGCO Corp.	50,000	924,015	854,000
Airborne Inc.	6,000	86,400	125,400
AK Steel Holding Corp.	31,487	647,175	113,983
Albemarle Corp.	6,500	153,031	181,805
Alexion Pharmaceuticals Inc.	2,000	81,750	34,000
Alkermes Inc.	20,000	547,215	212,400
Alliant Techsystems Inc.	15,000	695,876	778,650
Allied Waste Industries Inc.	18,250	199,679	183,413
Alpharma Inc.	15,000	430,340	324,000
Amazon.Com Inc.	4,000	65,153	145,280
AMC Entertainment Inc.	20,000	83,500	228,800

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Portfolio of Investment Securities

America On Line Latin America Inc.	30,000	126,796	18,030
American Axle & Manufacturing	15,000	449,930	358,500
Amerisourcebergen Corp.	2,312	77,625	160,337
Ameritrade Holding Corp.	15,000	300,938	111,000
Ametek Inc.	10,000	271,294	366,500
Amylin Pharamaceuticals Inc.	45,000	529,860	990,000
Anadigics Inc.	4,000	349,031	12,720
Andrew Corp.	8,500	253,125	79,390
Angelica Corp.	70,000	1,117,790	1,186,500
Answerthink Consulting Group Inc.	20,000	152,350	41,000
Aptargroup Inc.	15,000	439,038	540,000
Aradigm Corp.	4,000	55,000	7,160
Arthrocare Corp.	25,000	422,012	406,750
Arvinmeritor Inc.	25,625	615,578	517,112
Ascential Software Corp.	5,750	173,688	94,472
Aspect Communications Corp.	15,000	607,927	52,800
Astropower Inc.	12,000	288,583	40,560
AT&T Corp.	1,389	63,166	26,738
AT&T Wireless Services, Inc.	2,235	50,855	18,349
Atari Inc.	3,000	18,150	13,440
Autodesk Inc.	20,000	233,750	323,400
Avalon Bay Communities, Inc.	10,000	363,938	426,400
Aviall, Inc.	12,000	138,724	136,440
Avid Technology Inc.	13,000	243,750	459,290
Avnet Inc.	21,750	541,963	275,790
Ball Corp.	20,000	382,838	910,200
Barnes & Noble, Inc.	17,000	439,498	391,850
Barr Laboratories Inc.	4,500	220,337	294,750
Bassett Furniture Industries Inc.	5,000	146,855	65,700
Beasley Broadcast Group Inc.	5,000	65,625	67,750
Beazer Homes USA Inc.	5,032	246,921	420,172
Beckman Coulter Inc.	17,000	628,625	690,880
Belo (A.H.) Corp.	20,000	442,982	447,200
Bemis Co., Inc.	5,000	149,000	234,000
Berry Petroleum Co.	15,000	211,375	269,250
Biocryst Pharmaceuticals Inc.	10,000	124,155	36,390
BJ'S Wholesale Club, Inc.	10,000	248,167	150,600
Blackrock Inc.	10,000	265,500	450,400

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Portfolio of Investment Securities

Blockbuster Inc.	10,000	141,976	168,500
Blyth Industries, Inc.	10,000	254,250	272,000
BOK Financial Corp.	31,374	580,569	1,210,723
Borders Group Inc.	20,000	310,125	352,200
Borland Software Corp.	3,100	31,712	30,349
Boston Properties Inc.	7,000	245,788	306,600
Brinker International Inc.	15,000	292,000	540,300
Brinks Co.	35,000	757,303	509,950
Brown Shoe Co., Inc.	6,500	113,613	193,700
Bruker Daltonics Inc.	20,000	261,550	107,000
Brunswick Corp.	35,000	668,475	875,700
Brush Engineered Materials Inc.	10,000	181,666	83,500
Buckle (The) Inc.	5,000	152,750	96,150
Burlington Coat Factory Warehouse	7,200	148,848	128,880
Cabot Corp.	20,000	484,625	574,000
Cambrex Corp.	4,000	156,000	92,080
Carlisle Companies Inc.	5,000	210,469	210,800
Carmax Inc.	7,846	136,758	236,557
Carr America Realty Corp.	15,500	350,025	431,055
Casella Waste System	70,000	992,014	623,700
Cavalier Homes Inc.	10,000	95,500	20,700
Celera Genomics Group	1,490	72,750	15,377
Centex Construction Products Inc.	5,000	205,866	200,450
Centex Corp.	3,000	77,356	233,370
Central Parking Corp.	10,000	202,219	123,600
Champion Enterprises Inc.	7,000	119,163	36,260
Chateau Communities Inc.	6,000	161,488	177,540
Checkfree Corp.	10,000	162,226	280,000
Checkpoint Systems, Inc.	10,000	171,188	141,500
Chesapeake Energy Corp.	40,000	252,182	404,000
Childrens Place Retail Stores	20,000	450,178	402,400
Chubb Corp.	3,705	188,775	222,300
Church & Dwight Co., Inc.	35,000	644,877	1,145,550
Cimarex Energy Co.	15,943	301,104	378,646
Circuit City Group	25,000	270,292	220,000
Citigroup Inc.	9,163	187,958	392,176
City National Corp.	10,000	327,031	445,600
Claire's Stores Inc.	5,000	106,500	126,800

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Portfolio of Investment Securities

Clarcor Inc.	5,000	90,025	192,750
Clear Channel Communications, Inc.	5,086	315,317	215,596
CMGI Inc.	35,256	350,078	53,237
CNET Networks Inc.	3,000	42,060	17,850
CNF Transportation, Inc.	10,000	327,438	253,800
CNS Inc.	15,000	79,625	127,500
Coach Inc.	20,000	605,420	994,800
Coachmen Industries Inc.	4,500	90,194	53,775
Comcast Corp.	2,247	90,872	67,814
Commerce Bancorp, Inc. (NJ)	20,126	439,944	746,675
Computer Horizons Corp.	10,000	137,935	45,400
Computer Task Group, Inc.	7,000	190,625	19,880
Corn Products Intl. Inc.	20,000	613,118	600,600
Corvas International Inc.	3,000	23,938	8,100
Coventry Healthcare Inc.	15,000	449,645	692,400
Cox Communications Inc.	2,772	31,915	88,427
Cox Radio, Inc.	12,000	99,138	277,320
Crane Co.	17,000	410,258	384,710
CBRL Group Inc.	10,000	300,760	388,500
Crompton Corporation	50,000	553,117	352,500
Crown Holding Inc.	20,000	163,450	142,800
Cullen Frost Bankers Inc.	8,000	305,338	256,800
Cummins Engine Co. , Inc.	7,000	288,710	251,230
Cumulus Media Inc.	21,000	346,875	394,170
Curis Inc.	9,000	250,412	32,940
Cymer Inc.	4,300	132,043	137,901
Cytyc Corp.	25,000	521,075	263,750
Dana Corp.	30,000	643,700	346,800
Deluxe Corp.	5,000	92,527	224,000
Dentsply International Inc.	7,500	136,593	307,200
Devon Energy Corp.	9,630	388,294	514,242
Devry Inc.	8,000	110,106	186,320
Dial (The) Corp.	17,000	318,913	330,650
Diebold Inc.	10,000	300,188	432,500
Digital River Inc.	25,000	276,738	478,750
Dillard's Inc. Cl A	23,000	336,501	309,810
Dimon, Inc.	21,500	280,356	153,940
Dionex Corp.	9,000	237,625	357,660

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Portfolio of Investment Securities

Disney (Walt) Co.	667	100,403	13,173
Docucorp International Inc.	400	2,000	2,580
Dover Motorsports Inc.	14,400	73,136	59,040
Drugstore.Com Inc.	15,000	257,750	87,600
Duke Realty Corp.	30,000	556,038	826,500
Dun & Bradstreet Corp.	12,000	314,376	493,200
E*Trade Group Inc.	12,000	77,246	102,000
Earthlink, Inc.	19,690	455,063	157,126
Eaton Vance Corp.	10,000	326,941	316,000
Echelon Corp.	15,000	425,777	208,950
Edo Corp.	45,000	1,118,473	796,500
Edwards Lifesciences Corp.	20,000	391,069	642,800
Efunds Corp.	30,757	457,953	355,243
Electronics Boutique Holdings Co.	30,000	810,954	688,200
Electronics for Imaging Inc.	5,000	97,650	101,000
Emisphere Technologies, Inc.	6,000	154,938	21,600
Entercom Communications Corp. Cla	8,000	348,025	392,080
Entertainment Properties Trust	40,000	614,032	1,150,000
Entravision Communications Corp.	15,000	276,032	170,250
Enzon Inc.	10,000	441,750	125,500
Equity Marketing Inc.	15,000	203,645	222,000
Equity Office Properties Trust	14,958	434,541	404,016
ESCO Technologies Inc.	4,500	76,685	198,000
Esterline Technologies Corp.	55,000	965,601	957,550
Ethan Allen Interiors, Inc.	15,000	385,172	527,400
Exar Corp.	60,000	794,247	936,000
Express Scripts Inc.	14,000	261,750	957,740
Factset Research Systems Inc.	10,000	318,575	440,500
Fairchild Semiconductor Intl. Inc.	10,000	243,500	127,900
Federal Signal Corp.	25,000	621,767	439,250
First Consulting Group Inc.	20,000	140,328	91,000
Fleetwood Enterprises Inc.	50,000	282,850	370,000
Florida East Coast Ind., Inc.	8,000	193,194	204,400
FMC Corp.	10,000	402,872	226,300
FMC Technologies Inc.	17,197	364,933	361,997
Franklin Electronic Publishers	10,000	65,305	40,000
Friedman Billings Ramsey Group I	10,000	77,188	134,000
General Growth Properties Inc.	17,500	661,237	1,092,700

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Portfolio of Investment Securities

General Maritime Corp.	10,000	180,000	101,500
Glenayre Technologies, Inc.	9,000	99,320	12,330
Granite Construction Inc.	4,500	74,400	86,220
Great Atlantic & Pacific Tea Co.	50,000	568,651	440,000
Grey Wolf Inc.	30,000	192,000	121,200
Griffon Corp.	10,000	120,250	160,000
Guilford Pharmaceuticals Inc.	6,000	148,219	26,760
Hardinge Inc.	20,000	222,500	162,000
Harland (John H.) Co.	4,000	92,700	104,640
Harmonic Inc.	7,055	251,027	28,714
Harris Corp.	38,000	1,248,229	1,141,900
Hasbro Inc.	40,000	653,306	699,600
Hauppauge Digital Inc.	19,000	249,250	61,940
Helix Technolgy Corp.	5,000	250,000	65,450
Helmerich & Payne, Inc.	30,000	823,134	876,000
Henry Schein Inc.	22,000	492,700	1,155,220
Hercules Inc.	50,000	673,781	495,000
Hewlett-Packard Co.	5,352	354,452	113,998
Hi / Fn Inc.	4,000	319,700	35,640
Hibernia Corp.	25,000	350,008	454,000
Hispanic Broadcasting Corp.	10,000	237,750	254,500
Host Marriott Corp.	50,000	461,875	457,500
Hudson United Bancorp	5,871	137,109	200,494
Huffy Corp.	6,000	88,862	42,000
Humana Inc.	30,000	329,403	453,000
Hunt (J.B.) Transport Services, Inc.	5,500	81,876	209,550
I2 Technologies Inc.	10,000	57,663	10,200
ICN Pharmaceuticals Inc.	18,000	644,663	301,680
Idacorp Inc.	11,000	456,550	288,750
Identix, Inc.	9,000	87,761	57,060
Idexx Laboratories Inc.	7,000	253,375	233,310
IDT Corp.	10,500	129,215	187,950
IDT Corp. Cl. B	10,500	103,962	184,800
Ikon Office Solutions Inc.	10,000	123,000	89,000
Illumina Inc.	20,000	358,179	56,200
Imclone Systems Inc.	3,928	214,813	125,578
Impco Technologies Inc.	20,000	164,308	123,000
Incyte Pharmaceuticals Inc.	10,000	680,187	48,600

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Portfolio of Investment Securities

Infousa Inc.	7,000	99,890	56,700
Insight Communications Co. Inc.	10,000	255,000	133,400
InteractiveCorp	9,350	231,150	367,736
Interactive Data Corp.	13,000	89,152	219,700
Internet Corp.	10,000	147,500	34,500
International Rectifier Corp.	15,000	562,041	402,300
Intervoice Inc.	13,400	130,938	64,052
Intl Flavors & Fragrances Inc.	20,000	432,864	638,600
Intl. Speedway Corp.	6,200	138,865	244,962
Invacare Corp.	5,000	189,630	165,000
Investment Technology Group	7,500	241,730	139,500
Invitrogen Corp.	3,000	97,402	115,200
Isis Pharmaceuticals Inc.	50,000	678,249	267,000
ITT Educational Services Inc.	12,000	127,050	351,000
Ivax Corp.	23,000	210,422	410,550
Jabil Circuit Inc.	10,000	94,368	221,000
Jacobs Engineering Group Inc.	24,000	641,619	1,011,600
JDS Uniphase Corp.	8,000	27,363	27,976
JLG Industries Inc.	50,000	598,956	340,000
Kemet Corp.	12,500	328,281	126,250
Kos Pharmaceuticals Inc.	20,000	552,000	468,800
Kosan Biosciences Inc.	20,000	141,445	116,600
Kulicke & Soffa Industries, Inc.	9,000	148,281	57,510
K-V Pharmacuetical Co.	25,000	393,944	695,000
L-3 Communications Holdings Inc.	16,000	393,097	695,840
LaFarge North America Inc.	10,000	250,375	309,000
Lam Research Corp.	9,000	115,093	163,890
Landrys Restaurants Inc.	10,500	228,898	247,800
Lattice Semiconductor Corp.	10,000	157,965	82,900
La-Z-Boy Inc.	6,000	94,050	134,280
Lear Corp.	6,000	173,175	276,120
Legg Mason Inc.	10,332	231,131	671,063
Lending Tree Inc.	65,000	621,380	1,576,250
Lennar Corp.	12,000	238,067	858,000
Lennar Corp.	1,200	26,158	82,440
Lennox International Inc.	15,000	158,400	193,050
Liberate Technologies	7,500	71,625	22,238
Liberty Media Corp.	40,397	739,592	466,989

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Portfolio of Investment Securities

Liberty Property Trust	25,000	651,599	865,000
Ligand Pharmaceuticals Inc.	40,000	587,685	543,600
Lincare Holding Inc.	26,000	386,430	821,860
Lindsay Manufacturing Co.	25,000	581,099	580,500
Linens 'N Things, Inc.	20,000	612,242	472,200
Liz Claiborne, Inc.	20,000	495,577	705,000
Lockheed Martin Corp.	2,256	76,978	107,318
Lojack Corp.	9,000	127,960	44,550
Lone Star Technologies Inc.	2,500	98,875	52,950
Longs Drug Stores Corp.	20,000	512,485	332,000
Lubrizol Corp. (The)	6,000	159,900	185,940
Lyondell Chemical Co.	80,000	1,048,228	1,082,400
Macdermid Inc.	7,000	135,475	184,100
Manugistics Group Inc.	10,000	138,660	41,000
Marketwatch.Com Inc.	1,600	53,850	13,280
Mastec Inc.	10,000	263,419	57,600
McCormick & Co. Inc.	10,000	158,688	272,000
McData Corp. Class A	241	4,103	3,531
McDermott International, Inc.	8,000	155,025	50,640
MEMC Electronics Materials Inc.	7,500	162,244	73,500
Mentor Graphics Corp.	5,000	141,740	72,650
Mercury Computer Systems Inc.	25,000	693,945	455,000
Mesaba Holdings Inc.	12,750	145,855	75,098
Meta Group Inc.	6,000	81,120	25,500
Michaels Stores Inc.	10,000	117,974	380,600
Microsoft Corp.	3,150	123,699	80,766
Midwest Express Holdings Inc.	5,900	138,483	15,458
Milacron Inc.	12,000	174,025	58,680
Millenium Chemicals Inc.	9,000	148,763	85,590
Mills Corp.	15,000	418,838	503,250
Mississippi Chemical Corp.	5,000	115,625	300
Monaco Coach Corp.	45,000	359,010	689,850
Monsanto Co.	865	6,827	18,719
Moore Wallace Inc.	3,639	19,437	53,421
MSC Industrial Direct Co. Inc.	10,000	179,615	179,000
Myriad Genetics Inc.	2,000	165,551	27,180
National R.V. Holdings Inc.	24,000	411,138	124,320
Nationwide Health Properties, Inc.	4,000	86,700	63,720

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Portfolio of Investment Securities

Nautica Enterprises Inc.	4,000	103,465	52,560
NCO Group Inc.	20,000	347,036	359,000
Nektar Therapeutics	15,000	436,050	137,550
Nelson (Thomas), Inc.	16,000	210,844	200,000
Net.B@nk Inc.	7,000	110,591	91,350
Netopia Inc.	18,000	455,793	70,020
Netscout Systems Inc.	10,000	80,000	53,700
New Jersey Resources Corp.	4,500	103,250	159,750
New York Community Bancorp Inc.	40,000	346,777	1,163,600
Newpark Resources, Inc.	30,000	345,231	164,400
Noble Energy Inc.	10,000	315,213	378,000
Oak Technology Inc.	9,000	89,901	55,620
Office Depot Inc.	40,000	389,228	580,400
Office Max Inc.	75,000	213,975	491,250
Oneok Inc.	20,000	430,375	392,600
Orbital Sciences Corp.	30,000	424,972	219,000
Oregon Steel Mills Inc.	10,000	161,750	29,000
OSI Pharmaceuticals Inc.	6,000	342,188	193,200
Outback Steakhouse Inc.	15,000	346,425	585,000
Pacificare Health Systems Cl. A	9,000	144,090	443,970
Packeteer Inc.	20,000	205,914	309,600
Palm Inc.	500	43,700	8,030
Patterson-Uti Energy Inc.	15,000	422,468	485,550
Paxson Communications Corp.	130,000	993,117	778,700
Peabody Energy Corp.	1,000	28,000	33,590
Pegasus Communications Corp.	1,500	221,613	43,740
Pentair, Inc.	25,000	898,632	976,500
Peoples Bank Bridgeport Conn.	3,000	58,348	86,970
Perrigo Co.	30,000	383,264	469,200
Per-Se Technologies Inc.	3,333	72,390	36,996
Pfizer Inc.	7,100	106,828	242,465
Pharmaceutical Resources Inc.	20,000	373,012	973,200
Pharmacopeia, Inc.	7,500	132,071	61,875
Philadelphia Suburban Corp.	12,500	143,894	304,750
Phillips-Van Heusen Corp.	20,000	307,218	272,600
Phosphate Resrc Prtnr Ltd. Prtnsp	30,000	135,249	37,800
Photronics, Inc.	5,000	72,575	85,950
Pier 1 Imports Inc. Del	55,000	854,271	1,122,000

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Portfolio of Investment Securities

Polyone Corp.	9,000	100,413	40,050
Precision Castparts Corp.	6,200	171,992	192,820
Prepaid Legal Services Inc.	30,000	532,892	735,900
PRG -Schultz International Inc.	100,000	1,226,806	591,000
Priceline.Com Inc.	1,166	485,063	26,025
Pride Intl Inc.	30,000	600,946	564,600
Protective Life Corp.	15,000	461,590	401,250
Protein Design Labs Inc.	8,000	315,359	113,600
Public Storage Inc.	22,000	479,912	745,140
Pulte Homes Inc.	7,152	210,726	440,992
Quanta Services Inc.	25,000	506,355	177,500
Quantum Fuel Systems Tech (QTWW)	20,000	129,756	44,600
Radian Group Inc.	8,600	221,015	315,190
Radiant Systems Inc.	20,000	391,626	136,800
Ramtron International Corp.	17,000	261,872	38,590
Red Hat Inc.	10,000	60,600	75,400
Reebok International Ltd.	20,000	567,556	672,600
Regency Centers Corp.	25,000	503,550	874,500
Register.Com Inc.	7,000	142,338	42,210
Remec Inc.	5,000	91,155	34,500
Respironics Inc.	8,000	166,625	297,840
Reynolds (RJ) Tobacco Holdings Inc.	10,000	197,531	372,100
Roslyn Bancorp.	50,000	925,375	1,079,500
Ross Stores, Inc.	18,000	455,632	773,280
Rowan Companies, Inc.	17,000	481,006	380,800
RSA Security Inc.	10,000	437,484	107,700
Russ Berrie & Co., Inc.	10,000	172,925	365,100
Russell Corp.	10,000	178,674	190,000
Ryerson Tull Inc.	5,000	112,750	43,900
S1 Corporation	2,316	75,074	9,264
Salem Communications Corp.	6,000	65,125	121,380
Sangamo Biosciences Inc.	6,000	95,340	17,220
Sangstat Medical Corp.	18,000	292,995	235,980
Sapient Corp.	10,000	128,500	27,600
Scholastic Corp.	20,000	518,655	595,600
Selective Insurance Group Inc.	7,000	152,435	175,350
Sensient Technologies Corp.	45,000	935,861	1,034,550
Sharper Image Corp.	60,000	809,376	1,636,200

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Portfolio of Investment Securities

Shurgard Storage Centers Inc.	6,000	152,696	198,480
Sierra Health Services, Inc.	4,500	78,900	90,000
Sierra Pacific Resources	22,000	401,700	130,680
Silicon Storage Technology Inc.	15,000	196,563	63,150
Snap -On Inc.	15,000	396,525	435,450
Solutia Inc.	30,000	396,276	65,400
Soundview Technology Group N	3,100	218,469	31,372
Southwest Gas Corp.	20,000	396,913	423,600
Speedway Motorsports, Inc.	8,500	217,050	227,800
Spherion Corp.	10,000	191,150	69,500
Spinnaker Exploration Co.	15,000	596,050	393,000
SPX Corp.	7,200	232,195	317,232
Standard Register Co.	7,000	150,725	115,360
Stride Rite Corp.	12,000	145,850	119,520
Sylvan Learning System Inc.	7,500	158,579	170,925
Symantec Corp.	12,000	78,930	526,920
Symbol Technologies, Inc.	3,750	68,915	48,787
Systems & Computer Tech. Corp.	12,000	164,120	105,720
Take Two Interactive Software Inc.	35,000	896,344	991,200
Tanox Inc.	10,000	124,500	160,100
Tasty Baking Co.	45,000	687,593	472,500
TCF Financial Corp.	20,000	529,945	796,800
Teleflex Inc.	8,000	276,713	340,400
Terayon Communications Systems Inc.	7,000	292,688	18,970
Terex Corp.	45,000	939,791	878,400
Texas Industries, Inc.	10,000	320,974	238,000
Timberland (The) Co.	5,000	325,200	264,300
Timco Aviation Ser Wt 02/27/07	1,481	0	1
Timco Aviation Services Inc.	464	0	176
Timco Aviation SVS NT 1/2/07	1,428	0	100
Timken Co. (The)	5,000	90,875	87,550
Toll Brothers Inc.	14,000	182,651	396,340
Tollgrade Communications Inc.	8,000	265,376	149,280
Toro (The) Co.	10,000	154,000	397,500
Transkaryotic Therapies Inc.	20,000	836,384	230,000
Trex Company Inc.	10,000	293,900	392,500
Triarc Companies Inc.	5,000	129,750	149,950
Triquint Semiconductor Inc.	25,000	799,000	102,500

**STATE OF NEW JERSEY
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Portfolio of Investment Securities

Tweeter Home Entertainment Group	35,000	672,907	303,800
Tyco International Inc.	9,384	274,813	178,108
Ultratech Stepper Inc.	15,000	197,500	277,650
United Defense Industries Inc.	20,000	478,083	518,800
United Parcel Service Inc.	4,800	266,590	305,760
United States Steel Corp.	10,000	208,205	163,700
Universal Health Services Inc.	20,000	433,783	792,400
Univision Communications Inc.	10,000	169,134	304,000
Urban Outfitters Inc.	10,000	112,308	359,500
Valero Energy Corp.	20,000	811,942	726,600
Value City Department Stores Inc.	10,000	101,625	22,100
Valueclick Inc.	50,000	149,110	303,000
Verity Inc.	2,000	104,250	25,400
Vertex Pharmaceuticals Inc.	10,000	275,213	146,300
V.I. Technologies Inc.	18,000	120,625	44,100
Viasat Inc.	18,000	478,100	258,300
Viasys Healthcare Inc.	328	8,872	6,790
Vical Inc.	10,000	192,810	45,200
Vicor Corp.	16,000	401,938	155,200
Vishay Intertechnology, Inc.	25,000	875,625	330,000
Visteon Corp.	30,000	484,383	206,100
Visual Networks Inc.	17,000	373,813	23,290
Wackenhut Corrections Corp.	4,500	76,851	61,695
Washington Mutual Inc.	24,822	377,831	1,025,149
Washington Federal Inc.	4,831	77,340	111,886
Waste Industries USA Inc.	35,000	447,765	249,550
Webmd Corp.	45,000	401,562	489,150
Werner Enterprises, Inc.	19,000	264,311	402,610
Westwood One, Inc.	10,000	101,780	339,300
Wind River Systems Inc.	45,000	267,713	171,450
Winnebago Industries, Inc.	15,000	254,088	568,500
Woodward Governor Co.	5,000	276,200	215,050
Worldgate Communications Inc.	20,000	241,570	6,800
WPS Resources Corp.	5,000	161,688	201,000
York International Corp.	10,000	297,650	234,000
Zale Corp.	5,000	186,250	200,000
Zoran Corp.	15,000	239,353	287,850

STATE OF NEW JERSEY
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Portfolio of Investment Securities

Total Common Stock		135,021,678	134,374,827
State of New Jersey Cash Management Fund	13,259,372	13,259,372	13,267,557
Total Small Cap Equity Fund		148,281,050	147,642,384
<u>MONEY MARKET FUND</u>			
State of New Jersey Cash Management Fund	193,414,066	193,414,066	193,533,462
<u>TEMPORARY ACCOUNTS</u>			
Holding Account -			
State of New Jersey Cash Management Fund	10,007,630	10,007,630	10,013,807
Administrative Operating Account -			
State of New Jersey Cash Management Fund	282,340	282,340	282,515
Total temporary accounts		\$10,289,970	\$10,296,322
Total investments		\$988,905,821	\$1,139,401,459

Summary of Schedule A:

	US Treasury Notes	Other Notes	Common Stocks	Cash Management Fund	Total
Bond Fund	119,225,451	120,983,134		19,349,290	259,557,875
Equity Fund			513,898,898	14,472,518	528,371,416
Small Cap Equity Fund			134,374,827	13,267,557	147,642,384
Money Market Fund				193,533,462	193,533,462
Temporary Accounts				10,296,322	10,296,322
Total Investments	119,225,451	120,983,134	648,273,725	250,919,149	1,139,401,459