



**DIVISION OF INVESTMENT
DEPARTMENT OF THE TREASURY
STATE OF NEW JERSEY
CASH MANAGEMENT FUND**

Financial Statements, Management's Discussion and Analysis and
Supplemental Schedule

June 30, 2016 and 2015

(With Independent Auditors' Report Thereon)

**DIVISION OF INVESTMENT
DEPARTMENT OF THE TREASURY
STATE OF NEW JERSEY**

Cash Management Fund

June 30, 2016 and 2015

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Independent Auditors' Report

The Members
State Investment Council,
Division of Investment,
Department of the Treasury,
State of New Jersey:

Report on the Financial Statements

We have audited the accompanying statements of net position of the State of New Jersey Cash Management Fund (the Fund) as of June 30, 2016 and 2015, and the related statements of changes in net position for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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 from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the State of New Jersey Cash Management Fund as of June 30, 2016 and 2015, and the changes in its net position for the years then ended in accordance with U.S. generally accepted accounting principles.



Emphasis of Matter

The Fund

As discussed in Note 1, the financial statements of the Fund are intended to present the financial position, the changes in net position that is attributable to the transactions of the Fund. They do not purport to, and do not, present fairly the financial position of the State of New Jersey as of June 30, 2016 and 2015, the changes in its financial position, or, where applicable, its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Adoption of New Accounting Pronouncement

As discussed in Note 2 to the financial statements, as of July 1, 2014 the Fund adopted Governmental Accounting Standards Board Statement No. 72, *Fair Value Measurement and Application*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

U.S. generally accepted accounting principles require that the Management's Discussion and Analysis, on pages 3 through 4, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit for the year ended June 30, 2016 was conducted for the purpose of forming an opinion on the basic financial statements. The supplementary information included in the Schedule of Portfolio of Investments is presented for purposes of additional analysis and is not a required part of the basic financial statements. The Schedule of Portfolio of Investments is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Portfolio of Investments is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

KPMG LLP

October 19, 2016

**DIVISION OF INVESTMENT
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Management's Discussion and Analysis

June 30, 2016 and 2015

Introduction

This section of the financial statements of the State of New Jersey Cash Management Fund (the Fund) presents our discussion and analysis of the Fund's financial position as of June 30, 2016 and 2015. Since this discussion and analysis is designed to focus on current activities, it should be read in conjunction with the Fund's basic financial statements, which follow this section.

Financial Statements

The Fund's basic financial statements include statements of net position and statements of changes in net position, which have been presented in accordance with accounting principles generally accepted in the U.S. as applicable to governmental entities.

The statements of net position provide information on the financial position of the Fund at year-end. The statements of changes in net position present the results of investment activities during the fiscal year. The notes to the financial statements offer additional discussion that is essential to the full understanding of the data presented in the financial statements. The notes give more detail about accounting policies, significant account balances and activities, material risks, obligations, contingencies and subsequent events, if any.

Condensed Financial Information

The statements of net position present the assets, liabilities and net position (assets minus liabilities) of the Fund as of the end of the fiscal year and are point in time financial statements.

The statements of net position are comprised of the following major components:

<i>(in millions)</i>	June 30		
	2016	2015	2014
Assets:			
Cash and cash equivalents	\$ 280	240	11
Receivables	7	4	176
Investments	11,565	11,631	11,619
Total assets	11,852	11,875	11,806
Total liabilities	3	—	171
Net position	\$ 11,849	11,875	11,635

The Fund is available on a voluntary basis to participants. The net position of the Fund will therefore fluctuate based on the level of such participation. Receivables include interest receivable and cash received which has not yet been invested or credited to the respective participants' accounts. Liabilities include accruals for administrative expense and reserve fund fees not yet remitted and cash received which had not yet been invested or credited to the respective participants' accounts.

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Changes in net position from year to year are presented in the statements of changes in net position. The purpose of this statement is to present the net investment income earned by the Fund as well as the contributions of and distributions to participants. A summary follows:

<i>(in millions)</i>	Year ended June 30		
	2016	2015	2014
Net investment income	\$ 39	15	14
Administrative expenses and reserve fund fees	(2)	(2)	(2)
Net earnings distributed to participants	(35)	(14)	(11)
(Decrease) increase in net position resulting from unit transactions	(28)	241	275
(Decrease) increase in net position	(26)	240	276
Net position, beginning of year	11,875	11,635	11,359
Net position, end of year	\$ 11,849	11,875	11,635

Average Daily Rate (Annualized):

State participants	0.31%	0.13%	0.12%
Other-than-State participants	0.24%	0.06%	0.06%

During fiscal years ended June 30, 2016 and 2015, the net position decreased by \$26 million (-0.2%) and increased by \$240 million (2.0%), respectively, primarily due to participant contributions and withdrawals, which are at the discretion of the participants. Factors which may impact participation include availability of participant funds and the relative attractiveness of rates compared to those available for direct investment by the participant in the marketplace.

In fiscal years 2015 and 2014 the Federal Reserve's policy of maintaining lower short term interest rates in the marketplace contributed to the relatively flat returns for participants. In December 2015 the Federal Reserve Open Market Committee raised its target range for the federal funds rate from 0.25% to 0.5%, which was the first change since 2008. This increase caused the short term rates available in the marketplace to increase during the last six months of fiscal year 2016, resulting in higher returns for fiscal year 2016. The Other-than-State participants' return is reduced by the Reserve Fund Fee and the proportionate share of gain on investment transactions realized in the Fund which is credited to the Reserve Fund.

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Statements of Net Position

June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Assets:		
Cash and cash equivalents	\$ 279,927,426	239,665,049
Receivables	7,885,969	4,461,770
Investments	<u>11,564,913,002</u>	<u>11,631,253,530</u>
Total assets	<u>11,852,726,397</u>	<u>11,875,380,349</u>
Liabilities:		
Administrative expenses	2,979	3,545
Reserve fund fee	596	709
Advance Participant Deposits	<u>3,314,183</u>	<u>142,509</u>
Total liabilities	<u>3,317,758</u>	<u>146,763</u>
Net position	<u>\$ 11,849,408,639</u>	<u>11,875,233,586</u>

See accompanying notes to financial statements.

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Statements of Changes in Net Position

June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Additions:		
Net investment income:		
Interest and net realized gains	\$ 23,822,053	23,392,642
Net appreciation (depreciation) in fair value of investments	<u>15,315,467</u>	<u>(7,793,257)</u>
Net investment income	<u>39,137,520</u>	<u>15,599,385</u>
Deductions:		
Administrative expenses and reserve fund fees	1,683,335	1,819,214
Net earnings distributed to participants	<u>34,799,840</u>	<u>14,196,386</u>
Total deductions	<u>36,483,175</u>	<u>16,015,600</u>
Unit transactions:		
State participants:		
Deposits	49,112,274,684	48,396,344,958
Reinvestment of distributions	27,992,058	13,503,374
Cost of units redeemed	<u>(48,761,437,287)</u>	<u>(48,184,287,080)</u>
	<u>378,829,455</u>	<u>225,561,252</u>
Other-than-State participants:		
Deposits	4,699,543,151	6,199,179,572
Reinvestment of distributions	6,812,187	1,855,828
Cost of units redeemed	<u>(5,113,664,085)</u>	<u>(6,185,750,159)</u>
	<u>(407,308,747)</u>	<u>15,285,241</u>
(Decrease) increase in net position resulting from unit transactions	<u>(28,479,292)</u>	<u>240,846,493</u>
(Decrease) increase in net position	<u>(25,824,947)</u>	<u>240,430,278</u>
Net position as of beginning of year	<u>11,875,233,586</u>	<u>11,634,803,308</u>
Net position as of end of year	<u>\$ 11,849,408,639</u>	<u>11,875,233,586</u>

See accompanying notes to financial statements.

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Notes to Financial Statements

June 30, 2016 and 2015

(1) Organization

The Division of Investment, Department of the Treasury, State of New Jersey (the Division) manages and invests certain assets of various funds, divisions, agencies and employees of the State of New Jersey (the State) in various groups of funds, such as the Cash Management Fund and the Pension Fund. The accompanying financial statements represent the State of New Jersey Cash Management Fund (the Fund) which is available on a voluntary basis for investment by State and certain “Other-than-State” participants. “Other-than-State” participants include counties, municipalities and school districts, and the agencies or authorities created by any of these entities. The Fund is considered to be an investment trust fund as defined in Governmental Accounting Standards Board (GASB) Statement No. 31. The operations of this Fund are governed by the provisions of State Investment Council Regulations for the purpose of determining authorized investments for the Fund.

The Fund is not a legally separate entity within the State of New Jersey. The net position managed by the Division is included in the financial statements of the State.

These financial statements present only the Fund and do not purport to, and do not present fairly the financial position of the State of New Jersey as of June 30, 2016 and 2015, and the changes in its financial position for the years then ended in conformity with U.S. generally accepted accounting principles.

(2) Summary of Significant Accounting Policies

Measurement Focus and Basis of Accounting

The financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under this method, revenues (additions) are recorded when earned and expenses (deductions) are recorded at the time liabilities are incurred, regardless of when the related cash flow takes place.

Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between independent market participants at the measurement date. Inputs refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity’s own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The three levels of the fair value hierarchy are as follows:

Level 1 – Quoted prices are available in active markets for identical investments as of the reporting date.

Level 2 – Pricing inputs are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies.

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Level 3 – Pricing inputs are unobservable for the investment and inputs into the determination of fair value require significant management judgment or estimation, including assumptions about risk.

Investment Transactions

Investment transactions are accounted for on a trade date basis. Gains and losses from investment transactions are determined by the first in, first out method. Interest income is recorded on the accrual basis.

Administrative Expenses

Expenses of the Fund are paid by the Department of the Treasury of the State of New Jersey and are partially offset by the administrative expense fees collected from the “Other-than-State” participants (see Note 7). No operating expenses are allocated to the Fund.

Reserve Fund Fees

Other-than-State participants pay a fee of one hundredth of one percent (0.01%) per year of the value of the aggregate units owned by them to a Reserve Fund (See Note 7).

New Accounting Pronouncements

The Fund adopted Governmental Accounting Standards Board Statement No. 72, *Fair Value Measurement and Application* (GASB 72). GASB 72 addresses accounting and financial reporting issues related to fair value measurement of assets and liabilities. GASB 72 identifies various approaches to measuring fair value and levels of inputs based on the objectivity of the data used to measure fair value.

(3) Investments

New Jersey State statutes provide for a State Investment Council (Council) and a Director. Investment authority is vested in the Director of the Division and a role of the Council is to formulate investment policies. The Council issues regulations which establish guidelines for permissible investments which include obligations of the U.S. Treasury and government agencies, Canadian government and provinces and corporations. Such investments may be in the form of fixed income securities, commercial paper, certificates of deposit, repurchase agreements and money market funds. Canadian and corporate obligations must be payable in United States dollars.

Investments are reported at fair value as follows:

U.S. Government, Agency and corporate obligations and commercial paper are valued using an evaluated price which is based on a compilation of primarily observable market information or broker quotes in a non-active market. These investments are included as Level 2 in the charts below.

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Certificates of deposit are valued at cost, are held to maturity and have been excluded from the fair value hierarchy.

		Fair Value Measurements Using		
		Quoted Prices in Active Market for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	June 30, 2016			
(000's)				
Investments measured at fair value:				
U.S. Government and Agency obligations	\$ 5,186,035	—	5,186,035	—
Commercial paper	4,744,812	—	4,744,812	—
Corporate obligations	79,075	—	79,075	—
Subtotal	\$ 10,009,922	—	10,009,922	—
Investments measured at cost:				
Certificates of deposit	1,554,991			
Total investments	\$ 11,564,913			

		Fair Value Measurements Using		
		Quoted Prices in Active Market for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	June 30, 2015			
(000's)				
Investments measured at fair value:				
U.S. Government and Agency obligations	\$ 5,182,634	—	5,182,634	—
Commercial paper	4,574,013	—	4,574,013	—
Canadian Obligations	269,979	—	269,979	—
Corporate obligations	138,713	—	138,713	—
Subtotal	\$ 10,165,339	—	10,165,339	—
Investments measured at cost:				
Certificates of deposit	1,465,914			
Total investments	\$ 11,631,253			

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The Fund's investments are subject to various risks. Among these risks are custodial credit risk, credit risk, concentration of credit risk and interest rate risk. Each one of these risks is discussed in more detail below.

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

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The credit risk of a debt instrument is measured by nationally recognized statistical rating agencies such as Moody's Investors Service, Inc. (Moody's), Standard & Poor's Corporation (S&P) and Fitch Ratings (Fitch). Concentration of credit risk is the risk of loss attributed to the magnitude of an investment in a single issuer. There are no restrictions on the amount that can be invested in U.S. Treasury and government agency obligations. Council Regulations require minimum credit ratings for all other categories of fixed income obligations and limit the amount that can be invested in any one issuer or issue.

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At June 30, 2016 and 2015 these credit ratings and limits are as follows:

Category	Minimum rating (1)			Limitation of issuer's outstanding debt	Limitation of issue	Other limitations
	Moody's	S&P	Fitch			
Canadian government obligations (U.S. Dollar denominated)	Aa3	AA-	AA-	25%	25%	Not more than 5% of the Fund can be invested in one issuer.
Certificates of deposit						Split ratings allowable.
Domestic	A3/P-1	A-/A-1	A-/F-1	N/A	N/A	Cannot exceed 10% of issuer's primary capital.
International	Aa3/P-1	AA-/A-1	AA-/F-1	N/A	N/A	Not more than 5% of Fund can be invested in any one issuer and affiliated entities.
Collateralized notes and mortgages	Baa3	BBB-	BBB-	N/A	25%	Not more than 5% of Fund can be invested in one issue. Not more than 10% of the Fund can be invested in this category. Not more than 5% of Fund can be invested in any one issuer and affiliated entities.
Commercial paper	P-1	A-1	F-1	N/A	N/A	Split ratings allowable. Not more than 5% of Fund can be invested in any one issuer and affiliated entities.
Corporate obligations (U.S. Dollar denominated)	Baa3	BBB-	BBB-	10%	N/A	Not more than 5% of Fund can be invested in any one issuer and affiliated entities.
Money market funds	N/A	N/A	N/A	N/A	N/A	Not more than 10% of the Fund can be invested in money market funds; limited to 5% of shares or units outstanding.
Mortgage Backed Securities	N/A	N/A	N/A	N/A	25%	Not more than 5% of Fund can be invested in one issue.
Repurchase Agreements:						None
Bank or Trust Company	N/A	N/A	N/A	N/A	N/A	
Broker	P-1	A-1	F-1	N/A	N/A	

(1) Short-term ratings (e.g. P-1, A-1, F-1) are used for commercial paper and certificates of deposit.

N/A – Not applicable

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Notes to Financial Statements

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In addition, the Division sets individual issuer limits for commercial paper, certificates of deposit and other investments. At June 30, 2016 the Fund did hold investments in any one issuer, excluding investments in U.S. government securities, that exceeded 5% of total investments.

For securities exposed to credit risk in the fixed income portfolio, the following tables disclose the major credit quality rating category:

June 30, 2016

(000's)

		Moody's rating (1)			
		Aaa	A-1	P-1	Total
U.S. Government and					
Agency obligations	\$	5,186,035	—	—	5,186,035
Commercial paper		—	—	4,744,812	4,744,812
Certificates of deposit		—	—	1,554,991	1,554,991
Corporate obligations		14,990	64,085	—	79,075
	\$	5,201,025	64,085	6,299,803	11,564,913

June 30, 2015

(000's)

		Moody's rating (1)						
		Aaa	A-1	A3	Aa2	Baa1	P-1	Total
U.S. Government and								
Agency obligations	\$	5,182,634	—	—	—	—	—	5,182,634
Commercial paper		—	—	—	—	—	4,574,013	4,574,013
Canadian obligations		—	—	—	269,979	—	—	269,979
Certificates of deposit		—	—	—	—	—	1,465,914	1,465,914
Corporate obligations		15,033	68,060	45,620	—	10,000	—	138,713
	\$	5,197,667	68,060	45,620	269,979	10,000	6,039,927	11,631,253

(1) Short-term issuer ratings (e.g. P-1, A-1, F-1) are used for commercial paper and certificates of deposit.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Council Regulations provide that the maturities of corporate obligations must be twenty-five months or less. Certificates of deposits are limited to a term of one year or less. Commercial paper maturities cannot exceed 270 days. The maturity of repurchase agreements cannot exceed 30 days and the securities delivered pursuant to the agreement cannot exceed 10 years.

All investments held in the portfolio at June 30, 2016 mature within one year, except for certain positions with a fair value of approximately \$263 million, which will mature within two years.

(4) Advance Participant Deposits

Advance Participant Deposits represents cash received by the Fund after close of business, which has not yet been invested or credited to the participants' accounts.

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Notes to Financial Statements

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(5) Units Outstanding

In accordance with State Investment Council Regulations, units of ownership in the Fund may be purchased or redeemed on any business day (excluding State holidays) at the unit cost or value of \$1.00. Investment income and net realized gains and losses on investments are distributed daily in the form of additional whole units at the current day's net asset value. Fractional units are included in the succeeding day's distribution.

The Fund values participants' shares on a fair value basis. Specifically, the Fund distributes income to participants on a daily basis based on (1) realized investment gains and losses calculated at market (and added to the Reserve Fund for the pro-rata portion of such gains attributable to "Other-than-State" participants), (2) interest income based on stated rates, (3) amortization of discounts and premiums on a straight-line basis and (4) administrative and reserve fund fees charged only to "Other-than-State" participants.

As of June 30, 2016 and 2015, there were 11,845,990,428 and 11,874,465,354 units outstanding at a fair value per unit of \$1.000288554 and \$1.000064696, respectively.

(6) Net Position

Net position as of June 30, 2016 and 2015 consists of the following:

	2016	2015
State participants	\$ 9,665,649,643	9,286,819,070
"Other-than-State" participants	2,180,340,784	2,587,646,234
Undistributed and net unrealized gain	3,418,212	768,282
	<u>\$ 11,849,408,639</u>	<u>11,875,233,586</u>

(7) Reserve for Investment Losses and Administrative Expense Fund

"Other-than-State" participants pay a fee of one twentieth of one percent (0.05%) per year of the value of the aggregate units owned by them for the Administrative Expense Fund. This fund is used to reimburse the State of New Jersey for administrative and custodial fees of the Fund.

"Other-than-State" participants pay a fee of one hundredth of one percent (0.01%) per year of the value of the aggregate units owned by them to a Reserve Fund. These fees are supplemented by the proportionate share of "Other-than-State" participants in any gain on investment transactions realized in the Fund. Council Regulations provide that the Reserve Fund will be charged, to the extent that funds are available, with the proportionate share of the "Other-than-State" participants for (a) any loss occasioned by the bankruptcy of an issuer of an investment held by the Fund and (b) any loss realized upon the sale of an investment by the Fund. The Reserve Fund fees are reinvested and participate in the Fund. During the fiscal years ended June 30, 2002 and June 30, 2006, the Reserve Fund was restructured pursuant to the State of New Jersey Appropriations Acts for fiscal years 2001-2002 and 2005-2006. Pursuant to these restructuring plans, investments in the amount of \$72 million and \$12 million in fiscal 2002-2003 and 2006, respectively, were

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Notes to Financial Statements

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released to the General Fund of the State of New Jersey. As of June 30, 2002, the State of New Jersey obtained a financial guaranty insurance policy in the amount of \$72 million, which expired on December 1, 2012. The State of New Jersey obtained a second financial guaranty insurance policy as of June 30, 2007 in the amount of \$12 million, which expired on July 1, 2016. Neither policy was renewed upon expiration based upon the balance of the reserve account which will continue to be supplemented through the continuation of the Reserve Fund fee.

As of June 30, 2016, the Reserve Fund and the Administrative Expense Fund, included in investments and net position in the accompanying financial statements, were \$43,334,668 and \$1,371,301, respectively. As of June 30, 2015, the Reserve Fund and the Administrative Expense Fund, included in the accompanying financial statements, were \$42,887,648 and \$1,430,924, respectively.

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Portfolio of Investments

June 30, 2016

Description			Principal Amount	Fair Value
United States Government Obligations:				
U.S. TREASURY NOTES				
0.63%	due	August 15, 2016	\$ 150,000,000	150,071,250
0.38%	due	October 31, 2016	150,000,000	150,010,200
0.63%	due	November 15, 2016	215,000,000	215,210,055
0.50%	due	November 30, 2016	580,000,000	580,312,040
0.88%	due	November 30, 2016	225,000,000	225,461,250
0.63%	due	December 15, 2016	78,954,000	79,034,849
0.50%	due	January 31, 2017	1,210,000,000	1,210,401,720
0.63%	due	February 15, 2017	545,000,000	545,590,235
0.50%	due	February 28, 2017	551,336,000	551,486,515
0.75%	due	March 15, 2017	175,000,000	175,327,950
0.50%	due	March 31, 2017	325,000,000	325,028,600
0.63%	due	May 31, 2017	215,000,000	215,193,070
0.63%	due	July 31, 2017	202,500,000	202,697,843
0.88%	due	November 15, 2017	60,000,000	60,248,460
			<u>4,682,790,000</u>	<u>4,686,074,037</u>
Federal Agency Obligations:				
FEDERAL HOME LOAN BANK				
0.34%	due	July 11, 2016	260,000,000	259,987,780
0.35%	due	July 22, 2016	100,000,000	99,990,100
0.36%	due	July 25, 2016	60,000,000	59,993,220
0.37%	due	July 29, 2016	80,000,000	79,989,440
			<u>500,000,000</u>	<u>499,960,540</u>
Commercial Paper:				
APPLE INC				
0.43%	due	July 26, 2016	40,000,000	39,989,889
0.37%	due	July 29, 2016	73,000,000	72,979,007
0.35%	due	August 2, 2016	132,000,000	131,956,199
0.40%	due	August 16, 2016	75,000,000	74,963,673
ARCHER DANNIELS MIDLAND CO				
0.42%	due	July 11, 2016	72,000,000	71,991,641
0.42%	due	July 14, 2016	30,000,000	29,995,485
0.43%	due	July 22, 2016	10,000,000	9,997,550

**DIVISION OF INVESTMENT
DEPARTMENT OF THE TREASURY
STATE OF NEW JERSEY
CASH MANAGEMENT FUND**

Portfolio of Investments

June 30, 2016

Description	Principal Amount	Fair Value
Commercial Paper, continued:		
ARMY & AIR FORCE EXCHANGE		
0.35% due July 5, 2016	\$ 75,000,000	74,996,511
0.39% due July 6, 2016	37,000,000	36,997,922
BNP PARIBAS NEW YORK		
0.41% due July 5, 2016	70,000,000	69,996,559
0.41% due July 6, 2016	30,000,000	29,998,221
CARGILL INC		
0.36% due July 1, 2016	180,000,000	179,998,501
CATERPILLAR FINANCIAL SERVICE CORP		
0.42% due July 27, 2016	42,700,000	42,684,949
0.43% due August 25, 2016	100,000,000	99,913,356
COCA-COLA COMPANY		
0.39% due July 20, 2016	50,000,000	49,989,028
0.39% due July 21, 2016	25,100,000	25,094,144
0.34% due August 8, 2016	89,900,000	89,855,979
0.38% due August 23, 2016	35,000,000	34,973,645
CREDIT AGRICOLE		
0.36% due July 1, 2016	30,000,000	29,999,731
0.44% due August 1, 2016	75,000,000	74,972,267
DANSKE CORP		
0.57% due July 6, 2016	20,000,000	19,998,774
EMERSON ELECTRIC CO		
0.40% due July 1, 2016	24,657,000	24,656,795
0.37% due July 5, 2016	53,500,000	53,497,623
0.38% due July 12, 2016	50,700,000	50,694,001
0.40% due July 15, 2016	45,800,000	45,792,940
0.40% due July 26, 2016	20,343,000	20,336,800
EXXON MOBIL CORP		
0.38% due July 19, 2016	26,500,000	26,494,868
0.42% due August 1, 2016	50,000,000	49,982,978
GE CAPITAL TREASURY LLC		
0.33% due July 7, 2016	340,000,000	339,977,523
0.35% due July 7, 2016	90,000,000	89,994,051

**DIVISION OF INVESTMENT
DEPARTMENT OF THE TREASURY
STATE OF NEW JERSEY
CASH MANAGEMENT FUND**

Portfolio of Investments

June 30, 2016

Description	Principal Amount	Fair Value
Commercial Paper, continued:		
HONEYWELL INTERNATIONAL		
0.43% due July 27, 2016	\$ 70,000,000.00	69,975,325.00
INTEL CORPORATION		
0.37% due August 4, 2016	15,500,000.00	15,494,169.00
JOHN DEERE CAPITAL CORP		
0.42% due July 18, 2016	62,500,000	62,486,563
0.40% due July 26, 2016	43,000,000	42,985,497
JOHNSON & JOHNSON		
0.34% due July 1, 2016	25,000,000	24,999,813
KOCH RESOURCES LLC		
0.45% due July 5, 2016	44,400,000	44,397,935
0.44% due July 6, 2016	15,000,000	14,999,158
0.45% due July 8, 2016	52,000,000	51,996,048
0.46% due July 8, 2016	15,000,000	14,998,860
0.46% due July 13, 2016	30,000,000	29,996,155
0.46% due July 15, 2016	30,000,000	29,995,500
MICROSOFT CORP		
0.41% due July 20, 2016	40,000,000	39,992,578
0.38% due August 3, 2016	70,000,000	69,976,002
0.44% due August 3, 2016	45,000,000	44,984,573
0.41% due August 17, 2016	35,000,000	34,982,640
0.40% due August 24, 2016	30,000,000	29,982,721
0.42% due August 31, 2016	38,000,000	37,974,935
0.43% due September 7, 2016	62,000,000	61,953,418
NATIXIS NY		
0.45% due August 1, 2016	50,000,000	49,981,645
NATIONAL AUSTRALIA FUNDING		
0.45% due August 31, 2016	250,000,000	249,800,653
NESTLE CAPITAL CORP		
0.39% due July 1, 2016	30,000,000	29,999,741
0.35% due July 25, 2016	20,000,000	19,995,237
0.45% due August 11, 2016	20,000,000	19,991,087
0.41% due August 19, 2016	28,000,000	27,984,328
0.52% due September 19, 2016	42,657,000	42,609,587

**DIVISION OF INVESTMENT
DEPARTMENT OF THE TREASURY
STATE OF NEW JERSEY
CASH MANAGEMENT FUND**

Portfolio of Investments

June 30, 2016

Description	Principal Amount	Fair Value
Commercial Paper, continued:		
NOVARTIS FINANCE CORP	\$ 24,200,000	24,198,641
0.46% due July 6, 2016	20,850,000	20,848,416
0.37% due July 8, 2016	25,000,000	24,992,932
0.43% due July 27, 2016	35,000,000	34,988,085
0.42% due August 1, 2016	25,000,000	24,991,489
0.43% due August 1, 2016	33,150,000	33,135,525
0.49% due August 1, 2016	44,500,000	44,484,851
0.43% due August 9, 2016		
PEPSICO INC		
0.35% due July 18, 2016	16,900,000	16,896,747
0.36% due July 25, 2016	10,200,000	10,197,040
0.38% due August 8, 2016	25,000,000	24,987,759
0.40% due August 23, 2016	75,000,000	74,943,525
0.42% due August 25, 2016	27,900,000	27,877,823
PFIZER INC.		
0.40% due July 27, 2016	150,000,000	149,955,338
0.46% due September 19, 2016	19,200,000	19,176,888
0.49% due September 19, 2016	30,800,000	30,762,925
PRAXAIR INC		
0.38% due August 2, 2016	60,000,000	59,977,230
PRUDENTIAL FUNDING		
0.35% due July 5, 2016	25,000,000	24,998,837
SOCIETE GENERALE		
0.50% due August 1, 2016	75,000,000	74,972,867
TOYOTA MOTOR CREDIT		
0.40% due July 8, 2016	55,000,000	54,994,659
0.34% due July 18, 2016	75,000,000	74,982,713
0.37% due July 25, 2016	24,000,000	23,992,050
0.42% due August 1, 2016	76,000,000	75,966,628
0.43% due August 26, 2016	20,000,000	19,982,489
USAA CAPITAL CORP		
0.34% due July 7, 2016	225,000,000	224,985,126
WALMART STORES INC		
0.39% due July 6, 2016	22,500,000	22,498,894
0.38% due July 12, 2016	43,035,000	43,030,339
0.38% due July 25, 2016	146,765,000	146,725,456

**DIVISION OF INVESTMENT
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CASH MANAGEMENT FUND**

Portfolio of Investments

June 30, 2016

Description	Principal Amount	Fair Value
Commercial Paper, continued:		
WALT DISNEY COMPANY		
0.39% due July 18, 2016	\$ 115,000,000	114,977,863
0.39% due July 22, 2016	65,000,000	64,983,953
	<u>4,746,257,000</u>	<u>4,744,811,866</u>
Certificates of Deposit:		
BANK OF MONTREAL		
0.39% due July 1, 2016	155,000,000	154,999,824
0.43% due August 1, 2016	275,000,000	274,989,482
BANK OF TOKYO MITSUBISHI UFJ		
0.39% due July 1, 2016	45,000,000	45,000,010
0.49% due July 5, 2016	100,000,000	100,001,357
CANADIAN IMPERIAL BANK		
0.38% due August 1, 2016	55,000,000	54,999,168
0.43% due August 12, 2016	225,000,000	224,999,193
CREDIT INDUSTRIEL ET COMMERCIAL		
0.38% due July 1, 2016	150,000,000	150,000,113
SVENSKA HANDELSBANKEN		
0.44% due August 1, 2016	185,000,000	185,001,791
TORONTO DOMINION BANK		
0.50% due August 31, 2016	275,000,000	275,000,424
US BANK NA		
0.35% due July 1, 2016	90,000,000	90,000,062
	<u>1,555,000,000</u>	<u>1,554,991,424</u>
Corporate Obligations:		
AMERICAN HONDA FINANCE		
1.13% due October 7, 2016	30,000,000	30,031,350
CISCO SYSTEMS INC		
1.10% due March 3, 2017	9,000,000	9,022,320
JOHNSON + JOHNSON		
0.70% due November 28, 2016	15,000,000	14,989,665
PEPSICO INC		
0.95% due February 22, 2017	25,000,000	25,031,800
	<u>79,000,000</u>	<u>79,075,135</u>
Total	\$ <u>11,563,047,000</u>	\$ <u>11,564,913,002</u>
Total fair value of investments		\$ 11,564,913,002
Total cost of investments		<u>11,637,862,339</u>
Net unrealized depreciation as of end of year		\$ <u>(72,949,337)</u>