

PRESIDENT'S LETTER

Dear Fellow Shareholders:

I am pleased to present our fourteenth Annual Report.

The economy continues to benefit from recent monetary and fiscal policy. The Federal Reserve Board is maintaining historically low interest rates; inflation remains dormant; and the recent tax cuts and relief measures are beginning to stimulate the economy.

Through the twelve-month period ended October 31, 2003, the equity markets responded by rebounding. While each of the New Century Portfolios continues to diversify its portfolio among multiple market sectors, each Portfolio assumed a less-defensive stance over the year. During the period, the large-cap growth sector, as measured by the iShares S&P 500/BARRA Growth Index increased more than 17%, and the large-cap value sector, as measured by the iShares S&P 500/BARRA Value Index increased more than 25%. The Russell 2000 Index, which reflects the performance of stocks of smaller-capitalized domestic companies, gained more than 43%.

During the period, the New Century Capital Portfolio increased positions in the growth sector. The New Century Capital Portfolio gained 22.50% as compared to the S&P 500 Composite Index which gained 20.79%.

The New Century Balanced Portfolio increased its positions in the growth sector and its overall allocation to equities and decreased its overall allocation to fixed income. The New Century Balanced Portfolio gained 18.84% during the period, as compared to a blended index of 60% S&P 500 Composite Index/40% Lehman Brothers Government/Corporate Bond Index which gained 14.75%.

The New Century Aggressive Portfolio took positions in the biotechnology, technology and the small-cap sectors. The New Century Aggressive Portfolio gained 27.06% during the period, as compared to the NASDAQ which surged more than 45%.

The New Century International Portfolio increased its concentrations in the Pacific Rim, the emerging markets sector and the international small-cap sector. During the period, the New Century International Portfolio gained 33.13%. The international equity markets, as measured by the MSCI EAFE Index, increased 27.03%.

The New Century Alternative Strategies Portfolio maintained diversified positions in eleven investment strategies with minor adjustments to the weighting of each investment style. The New Century Alternative Strategies Portfolio gained 18.20% during the period.

The Portfolios will maintain their diversification and risk management strategies. We will continue to monitor economic and market conditions and position the Portfolios to maximize risk-adjusted return. Although we cannot predict future market conditions, we are confident that the disciplined investment approach of the New Century Portfolios will provide a risk-adjusted performance consistent with each portfolio's objectives.

Unfortunately, a number of mutual fund families have been charged with misconduct because they permitted improper market timing and late trading. These activities are not in the best interests of all shareholders.

New Century is committed to act in the best interests of all of its shareholders. We do so not only in the way we invest your assets, but also in the way that we conduct our business.

New Century does not permit market timing. We review the activity of each portfolio to insure that each transaction complies with our policies and procedures. If we determine that a shareholder is violating these rules, we will restrict that shareholder's future trading privileges. New Century does not permit late trading. Orders received prior to 4:00 PM Eastern Time are executed at that day's closing price. Orders received after 4:00 PM Eastern Time are executed at the following day's closing price. This rule also applies to orders that are processed through agents, brokers and other intermediaries, such as retirement plan platforms. New Century demands that its agents, brokers and intermediaries comply with these rules.

We also monitor the activities of the mutual funds in which we invest. New Century will sell a specific mutual fund that has engaged in illegal or unethical trading activity. We will monitor the performance of funds that have not engaged in illegal or unethical trading activity, but that are in fund families that have been implicated. We will not immediately sell such funds unless the performance of the specific fund fails to satisfy our investment criteria – to maximize after-tax, risk-adjusted returns.

New Century's commitment to act in the best interests of all of its shareholders is a fundamental element of our investment philosophy. We thank you for selecting us to be part of your long-term investment strategy.

Sincerely,



Wayne M. Grzecki
President