

## PRESIDENT'S LETTER

Dear Fellow Shareholders:

I am pleased to present our 22<sup>nd</sup> Annual Report. The report summarizes the twelve-month period ended October 31, 2011. In addition, it presents important financial information for each of the New Century Portfolios. I also invite you to visit our website at [www.newcenturyportfolios.com](http://www.newcenturyportfolios.com) for additional information.

Although a strong month of October reversed a portion of the losses from the steep declines in August and September, the equity markets continue to exhibit abnormal levels of volatility. Since reaching an intra-year peak in late April, the equity markets have been driven by negative sentiment and forward-looking uncertainty. We believe the market's current sentiment is well-founded. Domestically, GDP growth remains anemic, unemployment remains stubbornly high and housing prices have been unable to sustain a much-needed recovery. Consumer confidence, even after a recent increase, remains low. Globally, the European debt crisis and its potential impact on the global economy have renewed concerns of another recession. Politically, the gridlock in Congress, exacerbated by election-year rhetoric, has precluded a clear source of confidence from Washington. However, we also see positive signs amid the gloomy headlines. Corporate balance sheets maintain higher than usual levels of cash, Q3 earnings announcements were mostly positive, and underlying valuation metrics appear compelling. We believe, and history has proven, that periods of uncertainty and volatility provide opportunity for the prudent investor.

During the twelve-month period ended October 31, 2011, New Century Capital Portfolio reduced its allocation to the International, Mid and Small-Cap sectors in favor of Large-Cap equities. The Portfolio also increased its holdings in the Health Care sector. The Portfolio maintained its cash position. These changes were made to reduce the overall volatility of the Portfolio and to take a more-defensive posture. Nonetheless, during the period, New Century Capital Portfolio's total return was 4.54% as compared to the S&P 500<sup>®</sup> Composite Index total return of 8.09%. The underperformance relative to the S&P 500<sup>®</sup> Composite Index was attributable to the Portfolio's exposure during the period to the International, Mid and Small-Cap sectors.

New Century Balanced Portfolio reduced its exposure to U.S. Government Bonds while increasing allocation to High Quality and Foreign Bonds within the fixed income category. Within the equity category, the Portfolio reduced its allocation to Small and Mid-Cap equities and the Biotech sector. The Portfolio increased its holdings in Large-Cap equities and the Consumer Staples and Health Care sectors. Similarly, these changes were made to reduce the overall volatility of the Portfolio and to take a more-defensive posture. Nonetheless, during the period, New Century Balanced Portfolio's total return was 4.29%, as compared to the S&P 500<sup>®</sup> Composite Index return of 8.09% and the Barclays Capital Intermediate Government/Credit Index total return of 3.22%. The underperformance relative to the S&P 500<sup>®</sup> Composite Index was attributable to the Portfolio's allocation to the fixed income sector and to its exposure to the International, Mid and Small-Cap sectors.

New Century Opportunistic Portfolio reduced its allocation to International, Small and Mid-Cap equities in favor of an increased allocation to the Large-Cap equity sector. The Portfolio also decreased its holdings in the Biotech sector and increased its cash position. Once again, these changes were made to reduce the overall volatility of the Portfolio and to take a more-defensive posture. Nonetheless, during the period, New Century Opportunistic Portfolio's total return was 4.21% as compared to the Russell 3000 Growth Index's total return of 9.92%. The underperformance relative to the Russell 3000 Growth Index was attributable to the Portfolio's allocation to the International, Small and Mid-Cap sectors.

New Century International Portfolio increased its position in the Asia Pacific economies while reducing its overall allocation to Emerging Markets and the Americas. Within the European sector, the Portfolio sold out of its holdings in Spain in favor of more diversified funds. The earlier catastrophe in Japan, unrest in the Middle East and concerns about Europe have all contributed to the weakness in diversified international markets relative to the U.S. marketplace over the last twelve months. During the period, New Century International Portfolio declined 7.22%. The international equity markets, as measured by the MSCI EAFE Index, declined 4.08% and the MSCI EM Index declined 7.72%. The underperformance relative to the MSCI EAFE Index was attributable primarily to the Portfolio's allocation to the emerging markets sector. Although concerns about the Euro Debt crisis have continued throughout the year, we have begun to see some positive developments.


New Century Alternative Strategies Portfolio added a tenth investment category: Managed Futures Funds, which utilize long/short trading strategies in commodities and currencies with an objective of generating absolute returns with a low correlation to stocks and bonds. The Deep Value/Distressed category exposure was reduced in response to high market volatility. The Portfolio maintained diversified positions in a broad global allocation portfolio. On April 29, 2011, Morningstar reclassified the Portfolio to the newly created Multialternative category. New Century Alternative Strategies Portfolio's total return was 0.62% for the period as compared to the Barclays Capital Intermediate Government/Credit Index's total return of 3.22% and the S&P 500<sup>®</sup> Composite Index's total return of 8.09%.

While future performance is always unpredictable, we are confident that New Century's investment philosophy - diversification, risk assessment and long-term focus - will maximize risk-adjusted returns.

New Century is committed to its shareholders and appreciates your selecting New Century as part of your long-term

investment strategy.

Sincerely,



Nicole M. Tremblay  
President, CEO



Wayne M. Grzecki  
Portfolio Manager



Ronald A. Sugameli  
Portfolio Manager



Susan K. Arnold  
Portfolio Manager



Andre M. Fernandes  
Portfolio Manager

*Investors should take into consideration the investment objectives, risks, charges and expenses of the New Century Portfolios **carefully** before investing. The prospectus contains these details and other information and should be read **carefully** before investing. Principal value of an investment will fluctuate and shares when redeemed may be worth more or less than your original investment. Past performance is not indicative of future results. Portfolio and opinions expressed herein are subject to change.*