

Dear Fellow Shareholders:

I am pleased to present our 19th Annual Report.

Over the past twelve months, to say that risk and volatility have returned to the investment markets is a colossal understatement. What began as a growing concern over the valuation of mortgage pools and a drop in home prices, mushroomed into a liquidity crisis that all but removed the names of household financial organizations from our investment landscape. Our financial markets ceased working. To paraphrase an anonymous trader – “a healthy market balances fear and greed, right now, there is no greed in the market.” Having lost confidence in capitalism, we turned to increasing government bailouts, guarantees, and stimulus programs.

The current financial crisis impacted all asset classes – equity, fixed income, alternative strategies, and even cash. The benefits that generally result from allocating a portfolio across a number of market caps, geographic locations, and asset styles disappeared.

It is normal to become overwhelmed by current market conditions and to abandon long-term investment strategies. However, it is precisely during these times that we should cling to a carefully-developed long-term investment plan.

As history has demonstrated, the current market, just like prior bear markets, will eventually recover. Perhaps the anonymous trader quoted above was actually recommending a long-term perspective that was suggested by the following quote from Warren Buffett – “Be fearful when others are greedy. Be greedy when others are fearful.”

We may find that the rise in the U.S. Dollar and the dramatic reduction in energy costs will reduce the immediate threat of inflation. Also, proactive endeavors by U.S. and Global governments may limit the duration of the current recession and ensure that our market economy does not fail.

During the twelve-month period ended October 31, 2008, the U.S. equity markets, as measured by the S&P 500[®] Composite Index, declined 36.10%. During the same 12-month period, the international equity markets, which had previously outperformed the U.S. equity markets, declined 46.62%, as measured by the MSCI EAFE Index. The fixed income market, as measured by the Lehman Brothers Intermediate U.S. Government/Credit Index, actually gained 0.98% during the twelve-month period ended October 31, 2008. Investment grade corporate bonds and high yield bonds, however, declined in value as investors bid treasury bond prices to historic low yields.

During this past year of continued market volatility, the New Century Capital Portfolio implemented several shifts in its sector allocations. The Portfolio reduced the foreign, large-cap, and small-cap sectors, while increasing its cash position. The Portfolio also repositioned capital into several sectors which typically perform well during recessionary times, such as consumer staples and food products. The Portfolio also added investments in the biotech and pharmaceutical sectors. Nonetheless, the New Century Capital Portfolio declined 40.06%, as compared to the S&P 500[®] Composite Index which declined 36.10%, during the twelve-month period ended October 31, 2008.

Similar to New Century Capital, the New Century Balanced Portfolio reduced its allocation to the large-cap, small-cap and foreign sectors, while increasing its cash and its allocation to government bonds. The Portfolio also invested in the consumer staples, food, biotech and pharmaceutical sectors. Throughout the twelve month period, the Portfolio reduced its equity allocation to 44%. For the twelve-month period ended October 31, 2008, the New Century Balanced Portfolio declined 29.46% as compared to the S&P 500[®] Composite Index which declined 36.10% and the Lehman Brothers Intermediate U.S. Government/Credit Index which gained 0.98%.

The New Century Opportunistic Portfolio decreased its holdings in the large-cap and emerging markets sectors while increasing its allocation to cash. Positions in the energy, networking and global real estate sectors were reduced, while investments in the biotech, consumer staples, and pharmaceutical sectors were increased. The Portfolio also added a long position in the U.S. Dollar. During the twelve-month period ended October 31, 2008, the New Century Opportunistic Portfolio declined 37.74% while the NASDAQ Composite Index declined 39.31% and the Russell 3000 Growth Index declined 37.04%.

Over the last twelve months, the New Century International Portfolio reduced its allocation to China, India and Europe. The Portfolio added positions in the global infrastructure and global materials sectors. The Portfolio also increased its cash position and added a long position in the U.S. Dollar. The New Century International Portfolio declined 47.52% over the twelve-month period ended October 31, 2008. The international equity markets, as measured by the MSCI EAFE Index, declined 46.62% during the same time period.

The New Century Alternative Strategies Portfolio maintained diversified positions in ten investment strategies, reducing its exposure to the natural resources category while increasing its exposure to the asset allocation strategies. The high-yield category was expanded to include other fixed income strategies such as municipal bond funds and foreign bond funds. The New Century Alternative Strategies Portfolio declined 23.44% for the twelve-month period ended October 31, 2008, as compared to the S&P 500[®] Composite Index which declined 36.10% and the Lehman Brothers Intermediate U.S. Government/Credit Index which gained 0.98% during the same time period.

Future performance is always unpredictable. At times like these, the future can be terrifying. However, we remain confident in the long-term viability of the U.S. and the global economies. We are also confident that New Century's investment philosophy - diversification, risk assessment and long-term focus - will enhance risk-adjusted returns.

New Century is committed to its shareholders and appreciates your selection of New Century as part of your long-term investment strategy.

Sincerely,

A handwritten signature in black ink, appearing to read 'Wayne M. Grzecki', with a stylized flourish at the end.

Wayne M. Grzecki
President