

PRESIDENT'S LETTER

Dear Fellow Shareholders:

I am pleased to present our Fifteenth Annual Report.

Political uncertainty (both domestic and foreign), economic data, corporate earnings and energy prices have created a challenging investment environment in 2004.

The calendar year began with the momentum of 2003 continuing through the first few months of 2004. The S&P 500[®] Composite Index posted a healthy gain of approximately 4% by the end of February. During the next 8 months, uncertainty gripped the markets. The threat of terrorist attacks, the U.S. presidential race, higher interest rates, rising inflation, and the cooling of corporate profits restrained the markets in a trading range below the February highs.

This dramatic shift in market momentum was reflected in the performance of the various sectors. During the 12-month period ended October 31, 2004, the value sector outperformed the growth sector in each of the large-cap, mid-cap and small-cap sectors. During the period, for example, the large-cap value sector, as measured by the iShares S&P 500/BARRA Value Index rose 14.25% while the large-cap growth sector, as measured by the iShares S&P 500/BARRA Growth Index gained 4.28%. Although the U.S. dollar continued to weaken against the Euro and the Yen, the foreign markets remained strong.

During the past twelve months, New Century Capital Portfolio increased its exposure to the value and international sectors, while reducing positions in the growth sector. The New Century Capital Portfolio gained 8.25% as compared to the S&P 500[®] Composite Index which gained 9.41%.

The New Century Balanced Portfolio also increased its allocation to the value sector and reduced its allocation in the growth sector. Its overall allocation between equities and fixed income remained constant. During the period, the New Century Balanced Portfolio gained 7.75%, as compared to the S&P 500[®] Composite Index which gained 9.41% and the Lehman Brothers Government/Corporate Bond Index which gained 5.59%.

Although the technology and biotechnology sectors were somewhat disappointing, the energy, natural resources, and emerging markets sectors generated strong returns during the twelve month period. Positions in these sectors helped the New Century Aggressive Portfolio post a gain of 5.04% during the period. The NASDAQ Index increased by 2.21% - with October's 4.12% gain creating the positive return for the period.

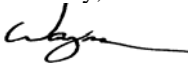
The New Century International Portfolio increased its positions in Europe and the Americas (ex-US) while reducing positions in the Pacific Rim. During the period, the New Century International Portfolio gained 16.01%. The international equity markets, as measured by the MSCI EAFE Index, increased 18.84%. International investments continue to perform well when compared to the domestic market despite the continued weakening of the dollar.

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 had a total return of 9.12% for the period, as compared to the S&P 500[®] Composite Index which gained 9.41% and the Lehman Brothers Government/Corporate Bond Index which gained 5.59%.

Looking forward, we believe that some of the uncertainty that characterized the beginning of 2004 will be resolved and that the financial markets will resume trading in a positive range. 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,



Wayne M. Grzecki
President