

New Century Advisors, LLC

Investment Adviser Brochure (Form ADV: Part 2A)

SEC File Number 801-61423

March 31, 2011

This brochure provides information about the qualifications and business practices of New Century Advisors, LLC. If you have any questions about the contents of this brochure, please contact Thomas Hines, Chief Compliance Officer at 240-395-0550 or thines@ncallc.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about New Century Advisors, LLC is also available on the SEC's website at www.adviserinfo.sec.gov.

2 Wisconsin Circle, Suite 940
Chevy Chase, Maryland 20815
240-395-0550
www.newcenturyadvisors.com

ITEM 2 - MATERIAL CHANGES

In 2010, the United States Securities and Exchange Commission (SEC) amended the disclosure document that investment advisers provide to clients. This brochure, dated March 31, 2011, is a new document prepared according to the SEC's amendments. This brochure is different in structure and requires new information that our previous brochure, dated February 24, 2010, did not require.

New Century Advisors, LLC will update this brochure: 1) annually, and 2) promptly when certain information becomes materially inaccurate. In the future, this section will contain a discussion of the material changes to the brochure since the last annual update.

New Century Advisors, LLC will provide you with a summary of any materials changes to this and subsequent brochures by April 30 of each year. You can request our brochure at any time by contacting Thomas Hines, Chief Compliance Officer at 240-395-0550 or thines@ncallc.com.

ITEM 3 - TABLE OF CONTENTS

Item 1 – Cover Page	i
Item 2 - Material Changes.....	ii
Item 3 - Table of Contents	iii
Item 4 - Advisory Business.....	1
Item 5 – Fees and Compensation	1
Item 6 - Performance-Based Fees and Side-By-Side Management	2
Item 7 - Types of Clients	2
Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss	3
Item 9 - Disciplinary Information	4
Item 10 - Other Financial Industry Activities and Affiliations.....	4
Item 11 - Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	4
Item 12 - Brokerage Practices	5
Item 13 - Review of Accounts	6
Item 14 - Client Referrals and Other Compensation.....	6
Item 15 - Custody.....	6
Item 16 - Investment Discretion	7
Item 17 - Voting Client Securities	7
Item 18 - Financial Information	8

ITEM 4 - ADVISORY BUSINESS

New Century Advisors, LLC ("NCA LLC"), founded in March 2002, provides discretionary fixed-income portfolio management services utilizing separate accounts. The principal owner of the firm is Ellen B. Safir.

NCA LLC offers the following fixed income strategies to clients:

- Short Duration Plus Bond – portfolios that seek to preserve and enhance the real value of assets relative to a U.S. benchmark, e.g. Merrill Lynch 1-3 year Treasury.
- Core Bond - portfolios that seek to achieve a value-added rate of return relative to a U.S. benchmark, e.g. Barclays Aggregate Index.
- US TIPS - portfolios that seek to achieve a value-added rate of return relative to a U.S. benchmark, e.g. Barclays U.S. TIPS Index.
- US TIPS 1-5- portfolios that seek to achieve a value-added rate of return relative to a U.S. benchmark, e.g. Barclays 1-5 TIPS Index.
- Global Inflation Linked - portfolios that seek to achieve a value-added rate of return relative to a non-U.S. benchmark, e.g. Barclays Global Bond Index.
- Absolute Return - portfolios that seek to achieve a value-added rate of 300 basis points above the 12-month Consumer Price Index (CPI) level.

NCA LLC tailors its strategies to a client's needs. NCA LLC works closely with clients to: 1) determine the risk and return objectives, 2) define the asset allocation, and 3) select specific securities and market sectors. NCA LLC assumes discretionary responsibility for all aspects of the day-to-day management and investment of the client's account.

Clients can impose investment guideline restrictions on investing in certain securities or types of securities.

On a limited basis, NCA LLC invests client assets in other types of securities, including individual equity securities, options, futures, forward contracts and ETFs.

As of 12/31/2010, NCA LLC managed \$1,066,616,000 in client assets on a discretionary basis. NCA does not manage assets on a non-discretionary basis.

ITEM 5 - FEES AND COMPENSATION

NCA LLC charges a management fee based on assets under management. This fee is payable quarterly in arrears. If a client relationship terminates during the quarter, NCA LLC only bills the client for the time assets were under management. Below are NCA's basic fee schedules. Fees and minimum balances are negotiable in certain circumstances. For certain accounts that have less than \$10 million, the management fee is higher.

Short –Duration Plus, Core Bond and US TIPS Strategies

.35 of 1% (.0035) per annum on the first \$25,000,000

.25 of 1% (.0025) per annum on the next \$25,000,000

.20 of 1% (.0020) per annum on the next \$25,000,000

.15 of 1% (.0015) per annum on the balance

Global Inflation Linked Strategy

.55 of 1% (.0055) per annum on the first \$25,000,000

.45 of 1% (.0045) per annum on the next \$25,000,000

.35 of 1% (.0035) per annum on the next \$25,000,000

.25 of 1% (.0025) per annum on the balance

Absolute Return Strategy

.50 of 1% (.0050) per annum

NCA LLC sends an invoice to the client and does not deduct management fees from its client's accounts.

In addition to NCA LLC's fee, clients pay brokerage and other transaction costs (as described in Item 12 below). Clients also pay charges to financial institutions and other third parties such as custodial fees, charges imposed directly by a mutual fund or exchange traded fund in the account, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. NCA LLC encourages clients to obtain a complete schedule of these fees from the service provider before entering into any engagement. NCA LLC does not receive any portion of these other fees.

ITEM 6 - PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

NCA LLC and its supervised persons do not accept performance-based fees.

ITEM 7 - TYPES OF CLIENTS

NCA LLC provides investment advice to banking or thrift institutions, corporate and state pension and profit sharing plans, charitable organizations, and universities. NCA LLC is also a sub-advisor to investment managers and consultants.

NCA LLC's minimum account size is USD \$10 million. In certain circumstances, NCA LLC accepts lower account sizes. For certain accounts managed with less than \$10 million, the investment management fee is higher.

ITEM 8 - METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

NCA employs a team investment approach and uses both top-down and bottom-up analytics to generate investment ideas. For example, team members evaluate sectors from a fundamental, top-down perspective and also analyze relative value at the security level. Team members also closely follow trades and/or themes for exit and entry points. Investment strategies used to implement any investment advice given include long and short purchases of securities, short-term trading strategies, margin transactions, option writing, including covered options, long and short transactions in cash securities and financial futures.

In its analysis, NCA LLC uses financial databases containing current and historical business and financial statistics, financial newspapers and magazines, research materials prepared by others, corporate rating services, annual reports, prospectuses and filings with the SEC, and company press releases. NCA LLC also obtains estimates of future prospects for the economy and various market sectors. In addition to these vendor purchased tools and websites, NCA LLC has developed several proprietary tools, which are used in both relative value analysis and risk management.

NCA LLC divides the fixed income market into the six risk factors listed below. NCA LLC evaluates the relative attractiveness of each risk factor and uses valuation models, technical factors and human judgment to create a client portfolio.

1. Interest Rate
2. Term Structure
3. Inflation
4. Volatility
5. Credit
6. Non-U.S.

NCA LLC manages risk within a strategy using a proprietary tracking model that calculates portfolio risk. The output lists: 1) the relative risks or tracking error compared to the benchmark, 2) the benefits of diversification, 3) the top portfolio risks, and 4) the distribution of portfolio returns based on history. This output helps NCA LLC see the risks the portfolio contains and how much of the portfolio's value is at risk. Scenario analysis that includes modeling the risk inherent in potential portfolio changes and size exposures is also conducted.

NCA LLC uses derivative instruments to build and manage portfolios. Specifically, NCA LLC purchases treasury, non-US sovereign, and money market futures, as well as exchange-traded options on these futures. NCA LLC believes that derivative instruments increase manager flexibility by allowing the management of exposures at a more granular level. Further, NCA LLC utilizes these instruments to manage interest rate, yield curve, inflation and volatility risk. All of the abovementioned derivatives are highly liquid, exchange-traded instruments and are not subject to counter-party risk. NCA also utilizes forward contracts on currencies. These contracts are highly liquid, but subject to counter-party risk. NCA mitigates the counter-party risk by utilizing more than one counter-party.

Investing in securities involves risk of loss that clients should be prepared to bear.

ITEM 9 - DISCIPLINARY INFORMATION

NCA LLC and its employees have no legal or disciplinary events to disclose.

ITEM 10 - OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

NCA LLC and its employees do not have any other financial industry activities or affiliations.

ITEM 11 - CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

Employees must follow the Code of Ethics and Standards of Professional Conduct promulgated by the CFA Institute. In addition, NCA LLC has a code of ethics that all employees must follow. The overriding principal of NCA LLC's code of ethics is that the clients' interests always come first. NCA has also adopted procedures regarding the use of material non-public information and procedures to control access to sensitive information, including restricting access to computer files that contain non-public information.

NCA LLC employees invest and transact in certain of the same securities or related securities (e.g., warrants, options, or futures) that it purchases in client accounts. To address this conflict of interest, the code of ethics states:

- Employees cannot transact for their own account before considering their fiduciary obligations to their clients.
- If an employee knows that NCA LLC is transacting in (or considering transacting in) any security on behalf of a client, the employee may not transact in the same security.

In addition, every employee provides NCA LLC with a record of his/her personal securities holdings and transactions. NCA LLC reviews this information and makes sure that an

employee's holdings and transactions do not conflict with the best interests of clients. A copy of the NCA LLC's code of ethics is available to any client or prospective client upon request.

ITEM 12 - BROKERAGE PRACTICES

NCA LLC seeks to execute client transactions at the most favorable and reasonable commission rates in relation to the benefits the clients' receive. NCA LLC chooses broker-dealers to execute client transactions based on a number of factors, including: (1) the price of the securities which they offer, (2) the value and quality of their services, and (3) their professional capabilities (including use of capital, clearance and settlement procedures, market familiarity, integrity and reliability).

Broker-dealers provide NCA LLC with investment research products and/or services that assist in the investment decision-making process (i.e., soft dollar benefits). Although NCA, LLC does not have any formal soft dollar agreements in place, NCA LLC receives security, sector, market and economic research reports and security pricing services from broker-dealers. This creates a conflict of interest since there is an incentive to select or recommend a broker-dealer that provide these benefits that NCA LLC would otherwise have to pay for. NCA LLC uses these soft dollar benefits to service all of its client accounts and does not allocate soft dollar benefits to client accounts in proportion to the commissions and fees the accounts generate.

The value of any products, research and services given to NCA LLC are not factors considered in selecting broker-dealers and determining the reasonableness of their commissions. Further, NCA LLC does not cause clients to pay commissions (or markups or markdowns) higher than what other broker-dealers charge in return for soft dollar benefits.

If it is consistent with best execution and the terms of the client's agreement, NCA LLC aggregates client transactions. Each client that participates in an aggregated order participates at the average share price for all client transactions in that security on a given business day. In addition, clients share transaction costs pro-rata based on their participation in the transaction. NCA LLC allocates a partially filled order pro-rata based on the initial allocation. If all client accounts receive fair and equitable treatment, NCA LLC could allocate the order on a basis different from the initial allocation.

NCA LLC permits clients to direct brokerage. However, NCA LLC only directs brokerage if it is able to obtain the most favorable execution of all client transactions. When a client directs brokerage, it affects NCA LLC's ability to negotiate commissions and to include the client's account in aggregated transactions. A client that is not included in an aggregate

transaction will not receive benefits such as receiving the average price or transactional costs.

On occasion, NCA LLC effects cross transactions between client accounts. This means that NCA LLC arranges for one client to sell securities to another client. NCA LLC effects these cross transactions through a third party broker-dealer who determines the respective purchase and sale price based on the market.

ITEM 13 - REVIEW OF ACCOUNTS

A Portfolio Manager is responsible for performing ad hoc (generally daily) reviews of account holdings, investment guideline compliance, sector reviews and daily market movement effects on the strategies. On a monthly basis, a Portfolio Manager or Investment Analyst performs a formal review of the account to ensure that the account is in compliance with the current investment strategy and the account's investment guidelines. The Portfolio Manager or Investment Analyst documents this evaluation in the client's file. The evaluation is also reviewed by the Compliance Officer.

Clients can elect to receive valuation and transaction statements at the end of each month or quarter. Standard written reports NCA LLC provides to clients include:

1. Current holdings report
2. Monthly transactions report
3. Current Cash Balance report
4. Custodian vs. NCA LLC Reconciliation report
5. Monthly performance

Clients also receive monthly or quarterly statements directly from the qualified custodian. Clients should compare the account statements they receive from their qualified custodian with those provided by NCA LLC.

ITEM 14 - CLIENT REFERRALS AND OTHER COMPENSATION

NCA LLC receives soft dollar benefits from broker-dealers, as described in Item 12 above. NCA LLC does not receive any other economic benefit from a non-client for providing investment advisory services.

NCA LLC and its employees do not compensate any person for client referrals.

ITEM 15 - CUSTODY

NCA LLC does not have custody of client funds or securities.

ITEM 16 - INVESTMENT DISCRETION

NCA LLC only manages client assets on a discretionary basis. Clients specify limitations on NCA LLC's authority in their written investment policy guidelines. Clients can change these guidelines by providing written notice to NCA LLC.

Before NCA LLC provides investment advisory services, clients must sign an investment management agreement and acknowledge mutually agreed upon investment policy guidelines. Clients also sign a limited power of attorney granting NCA LLC trading authority and allowing NCA LLC to access a client's custodian electronic data feed for reporting purposes.

ITEM 17 - VOTING CLIENT SECURITIES

NCA LLC votes proxies in a manner that serves the best interests of its clients. NCA LLC's proxy voting policies and procedures address the following common proxy issues: External Auditors, Board of Directors, Proxy Contests and Corporate Defenses, Corporate Governance Provisions, Capital Structure, Executive Compensation/Employee Consideration, State of Incorporation, Mergers and Corporate Restructuring, and Social Issues. Under certain circumstances, NCA LLC refrains from voting proxies taking into consideration, among other reasons, whether clients continue to hold the securities on the voting date and whether NCA LLC believes voting would be inappropriate given the cost of voting the proxy and the anticipated benefit to clients. In addition, upon receiving a written client request, we may vote proxies for that client in a particular manner overall.

In a situation where there is a conflict of interest in the voting of proxies, NCA LLC takes steps to ensure that its proxy voting decisions are in the best interest of its clients and are not the product of such conflict. A conflict of interest could occur due to business or personal relationships that NCA LLC maintains with persons having an interest in the outcome of votes.

If a client does not authorize NCA LLC to vote client securities, clients receive their proxies or other solicitations directly from the custodian or transfer agent. Clients may contact NCA LLC directly with any questions about a particular solicitation.

Clients can obtain a copy of NCA LLC's proxy voting policies and procedures upon request. Also upon request, clients can obtain information regarding how NCA LLC voted proxies with respect to their securities.

ITEM 18 - FINANCIAL INFORMATION

NCA LLC does not require or solicit prepayment of more than \$1,200 in fees per *client*, six months or more in advance. In addition, NCA LLC is financially capable of meeting all contractual commitments to its clients.