

New Century Asset Management, Inc.

1195 Hamburg Turnpike
Wayne, NJ 07470

Phone: 973-305-5505
Fax: 973-305-1105

www.newcenturylive.com

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This disclosure brochure provides clients with information about the qualifications and business practices of New Century Asset Management, Inc., an investment advisory firm registered with the United States Securities and Exchange Commission ("SEC"). It also describes the services New Century Asset Management, Inc. provides as well as background information on those individuals who provide investment advisory services on behalf of New Century Asset Management, Inc. Please contact Lesley Murray, Chief Compliance Officer of New Century Asset Management, Inc., at 973-305-5505 if you have any questions about the contents of this disclosure brochure.

The information in this disclosure brochure has not been approved or verified by the SEC or by any state securities authority. Registration with the SEC does not imply that New Century Asset Management, Inc. or any individual providing investment advisory services on behalf of New Century Asset Management, Inc. possess a certain level of skill or training. Additional information about New Century Asset Management, Inc. is available on the Internet at www.adviserinfo.sec.gov. You can search this site by a unique identifying number, known as a CRD number. The CRD number for New Century Asset Management, Inc. is 108863.

MATERIAL CHANGES

The following material changes have occurred since November 3, 2011, the date when New Century Asset Management, Inc. last updated its Form ADV Part 2A disclosure statement that we provide to our clients:

Investment Team Changes

Anthony Bruno, President of New Century Asset Management, LLC, was added to our investment team. Robert Kleiber and Jill Graceffo (*nee* Holly) are no longer associated with New Century Asset Management, LLC. For additional details on our current investment team, please see the information set forth in the section entitled “Our Investment Team” beginning on page 1 of this disclosure brochure.

Chief Compliance Officer

Lesley Murray has replaced Robert Kleiber as New Century Asset Management, LLC’s chief compliance officer.

Fee Schedule

New Century Asset Management, LLC has replaced its existing tiered asset-based advisory fee schedule with an advisory fee equal to a flat 1% of assets under management.

NEW CENTURY ASSET MANAGEMENT, INC.
DISCLOSURE BROCHURE

Table of Contents

ADVISORY BUSINESS	1
Our Company	
Our Investment Team	
Our Services	
Our Assets Under Management	
FEES AND COMPENSATION	5
Investment Management Fees	
401(k) Retirement Consulting Fees	
Important Additional Information	
PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT	7
TYPES OF CLIENTS	7
Engaging the Services of New Century	
Conditions for Managing Accounts	
METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS ...	8
Types of Investments	
Investment Strategies	
Security Analysis	
Sources of Information	
Risk	
Cash Management	
DISCIPLINARY INFORMATION	10
OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS	10
Relationships with Related Persons	
CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING	10
Code of Ethics	
Prohibition on Use of Insider Information	
Participation or Interest in Client Transactions	

NEW CENTURY ASSET MANAGEMENT, INC.
DISCLOSURE BROCHURE

Table of Contents

BROKERAGE PRACTICES	11
Brokerage Selection	
Directed Brokerage	
Trade Aggregation/Allocation	
REVIEW OF ACCOUNTS	14
Investment Management	
401(k) Retirement Consulting	
CLIENT REFERRALS AND OTHER COMPENSATION	14
CUSTODY	16
INVESTMENT DISCRETION	16
VOTING CLIENT SECURITIES	16
Proxy Voting	
Class Actions	
FINANCIAL INFORMATION	17
Payment of Fees	
Financial Condition	
Bankruptcy	
PRIVACY NOTICE	17
COMPLAINTS	18

ADVISORY BUSINESS

Our Company

New Century Asset Management, Inc., a New Jersey corporation, is a wholly-owned subsidiary of Valley National Bank, a national banking association that provides commercial and retail services. New Century has been providing investment advisory services since 1995. Throughout this disclosure brochure, the company is referred to as “New Century”.

Our Investment Team

All of our clients’ portfolios are managed on a team approach. New Century’s investment management process is overseen by a team of our most senior members. New Century’s Investment Team establishes, implements and monitors the investment process for each individual portfolio. The Investment Team meets regularly to review New Century’s market outlook, asset allocation strategies, portfolio review process, and the selection process of equities, mutual funds and fixed income vehicles.

The New Century Investment Team consists of the following individuals:

Anthony Bruno
President

Anthony has over 30 years of experience in the fields of finance, investments and business management. As President of New Century and member of the Investment Team, Anthony oversees all operations, including the asset management and 401(k) divisions and reviews the Investment Team recommendations on asset allocation strategies.

Anthony was a Founding Director, Chairman, President and CEO of Greater Community Bancorp and Founding Director and Chairman of Bergen Commercial Bank. He was also managing partner at Bruno DiBello & Co. LLC, a Certified Public Accounting firm and a founding principal at Metro Capital Appreciation, a Registered Investment Adviser. Anthony was also a Registered Representative with Raymond James Financial.

Anthony holds a Bachelor of Science degree from Montclair State University with a concentration in Accounting. He is a licensed CPA in New Jersey and New York and holds the Series 7, 66 and 63 securities licenses. Anthony is also a Foundation Trustee of St. Joseph’s Hospital Medical Center of Paterson and a member of the New Jersey Society and The American Institute of Certified Public Accountants.

Kathleen M. Buske, CFP®
Senior Director of Investment Strategy

Kate has over twenty-five years experience in the financial services industry. As portfolio manager and member of the Investment Team, Kate directs the firm's mutual fund analysis and research process. Her research includes direct interaction with mutual fund managers of New Century's core holdings. Additionally, Kate is responsible for the firm's fixed income analysis, research and selection process.

As a Certified Financial Planner, Kate works closely with clients in establishing personal and financial goals and objectives. She also provides comprehensive investment counseling to high net worth individuals and specializes in the management of retirement assets and other tax-deferred programs.

Prior to joining New Century Asset Management, Kate was a portfolio manager with Sarantos & Co., Inc. for 14 years. She gained investment experience through her associations with Raymond James & Associates and Royal Alliance Associates.

Kate holds a BS in Business Administration from West Chester University of Pennsylvania. Kate is also a member the Greater New Jersey Estate Planning Council.

Gregory M. Pizzano
Senior Portfolio Manager

Greg has been in the investment management business since 1981. He is our Senior Portfolio Manager and directs the firm's equity research, analysis and selection process.

Prior to joining New Century Asset Management, Inc., Greg was the founder and Managing Partner of GMP Asset Management, LLC, a fee-based registered investment advisory firm. As the Senior Portfolio Manager, Greg provided discretionary investment management for equity, fixed income and balanced portfolios. In addition to his focus on equity research, his portfolio management experience includes asset allocation and sector strategies. Prior to establishing GMP Asset Management, LLC in 1989, Greg gained investment experience at Kidder Peabody, Paine Webber, and Shearson Lehman. Since the beginning of his professional career Greg worked closely with clients, on a personal and confidential basis, to structure, implement, and monitor customized investment plans to ensure their long-term financial independence.

Greg holds a BS in Business Administration and Finance from University of Minnesota. His affiliations include the Lakeland Hills Family YMCA where he serves on the Executive & Finance Committee as Treasurer and is Chair of the Financial Development Committee. He is a member of the Tri-Town Chamber of Commerce, as well.

Leanne Dowd
Research Analyst

Leanne is our Research Analyst, responsible for conducting analytical equity, fixed income and mutual fund research ranging from broad sector analysis to individual company valuation. In addition, she prepares client portfolio reviews and proposals for existing and prospective clients.

Prior to joining New Century, Leanne was an equity research analyst with Sherwood Securities, Morgan Stanley and Prudential - Bache Securities in New York.

Leanne earned a BA in Economics/ Finance from Rutgers University and an MBA in Finance and International Business from New York University, Leonard N. Stern School of Business in New York.

Our Services

New Century provides the following investment advisory services:

Investment Management Services

New Century provides Investment Management Services to its clients by effecting purchases and sales of mutual fund shares and individual securities in its clients' accounts. Through personal discussions in which goals and objectives based on a client's particular circumstances are established, New Century develops investment guidelines for a client and creates and manages a portfolio based on those investment guidelines. Each portfolio will be designed with the goal of meeting a client's individual needs. Account supervision is guided by the stated objectives of the client.

Clients will have the opportunity to place reasonable restrictions on the types of investments which will be made on the client's behalf. Clients will retain individual ownership of all securities.

401(k) Retirement Consulting Services

New Century provides 401(k) Retirement Consulting Services to both the sponsor of the retirement plan (the "Client") and plan participants (the "Plan Participants").

Services Provided to the Client

New Century shall provide to the Client the scope of services in connection with the investment and reinvestment of securities, cash and/or other investments held from time to time in the Client's plan account (the "Plan"). New Century shall be a fiduciary of the Plan, as defined under the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), with respect to the investment advice New Century provides to the Plan.

The scope of services to the Client includes:

- Consultations with the Client with respect to the Plan's investment policy statement.
- Consultations with the Client regarding selection of investments offered under the Plan.
- Ongoing research and evaluation of Plan investment choices.
- Consultations with the Client with regard to a broad range of investment alternatives offered under the Plan.
- Qualitative and quantitative analysis of Plan investment choices.

Services Provided to the Plan Participants

To the extent the Client is a plan sponsor of an individual account plan as defined under Section 404(c) of ERISA, New Century shall provide Plan Participants the services set forth in the [scope] in connection with the investment and reinvestment of securities, cash and/or other investments held from time to time in the Plan Participants' accounts under the Plan. New Century shall not render investment advice to the Plan Participant. A Plan Participant shall exercise control over the assets in his or her account by providing the record-keeper with investment instructions in the form requested by the plan administrator regarding the investment of the account. New Century also provides Plan Participants with sufficient information to make informed decisions with regard to investment alternatives available under the Plan in accordance with ERISA regulation Section 2550.404c-1(b)(2)(i)(B)(1) and (2).

The scope of services to Plan Participants includes:

- Provide Plan Participants with general financial and investment information unrelated to the investment alternatives under the Plan.
- Provide Plan Participants with general asset allocation models based on generally accepted investment theories.
- Provide Plan Participants with investment materials.
- 401(k) introductory employee meetings.
- Group employee educational meetings.

Our Assets Under Management

As of December 31, 2011, the total amount of client assets managed by New Century is approximately \$194,000,000.

Of this total amount, \$144,000,000 of client assets are managed on a discretionary basis and \$50,000,000 of client assets are managed on a non-discretionary basis.

FEES AND COMPENSATION

Investment Management Fees

The annual fee for Investment Management Services is equal to 1% of assets under management (.25% on a quarterly basis). The fees for fixed income only accounts are discounted at 50% of the prevailing rate.

Clients will be billed in arrears at the end of each calendar quarter based upon the market value of the assets in the client's account at the end of that quarter. Market value will be determined by the account custodian. In the event that the account custodian cannot provide a market value for an asset, New Century will determine a fair market value for that asset. If an account is terminated during a calendar quarter, fees will be adjusted pro rata based upon the number of calendar days in the calendar quarter that the agreement was effective. Fees will be deducted directly from the Client's account within approximately fifteen (15) days of the end of the quarter in which the fees are incurred.

Details of the investment advisory fee charged are more fully described in the advisory agreement entered into with each client.

401(k) Retirement Consulting Fees

The fees for 401(k) Retirement Consulting Services are .75% of the value of the Plan account.

The fees for 401(k) Retirement Consulting Services are payable quarterly in advance, based upon the value (market value as determined by the account custodian or fair market value in the absence of market value as determined by New Century in its sole discretion, plus any credit balance or minus any debit balance), of the Plan account at the beginning of that quarter. New Century will be paid by the custodian/administrator of the Plan.

For those 401(k) accounts held at Fidelity Advisor 401(k) Program, the fees for 401(k) Retirement Consulting Services are billed in arrears on a quarterly basis during the twelve-month annual billing cycle which ends on November 30th. Quarterly basis for purposes of billing is defined as February 28th, May 31st, August 31st and November 30th for each calendar year.

Important Additional Information

Fees Negotiable

New Century retains the right to modify fees, including minimum annual fees and minimum account sizes, in its sole and absolute discretion, on a client-by-client basis based on the size, complexity and nature of the advisory services provided.

Direct Debiting of Client Accounts

Advisory fees may be directly debited on a quarterly basis from a client account only if the client provides written authorization permitting New Century's fees to be paid

directly from the client's account held by an independent custodian and the custodian agrees to send to the client a statement, at least quarterly, indicating all amounts disbursed from the account including the amount of advisory fees paid directly to New Century. Clients are informed that it is their responsibility to verify the accuracy of the fee calculation and that the custodian will not determine whether the fee is properly calculated.

Termination of Client Relationship

A client agreement may be canceled by either party, for any reason upon thirty (30) days written notice. Upon termination of any account, any earned, unpaid fees will be due and payable and any prepaid fees will be refunded within thirty (30) days of the termination of the agreement.

Mutual Fund Fees

All fees paid to New Century for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge. A client could invest in a mutual fund directly, without the services of New Century. In that case, the client would not receive the services provided by New Century which are designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate to each client's financial condition and objectives. To the extent that client assets are invested in money market funds or cash positions, the fees for monitoring those assets are in addition to the fees included in the internal expenses of those funds paid to their own investment managers, which are fully disclosed in each fund's prospectus. Accordingly, the client should review both the fees charged by the funds and the fees charged by New Century to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

Trading and Other Costs

All fees paid to New Century for investment advisory services are separate and distinct from transaction fees charged by broker dealers associated with the purchase and sale of equity securities, fixed income and options. In addition, fees do not include the services of any co-fiduciaries, accountants, broker dealers or attorneys. Please see the section entitled "Brokerage Practices" on page 11 of this disclosure brochure for additional information on brokerage and other transaction costs.

Prior Fee Schedule

The fees (including any minimum fees) charged to portfolio management clients whose assets have been managed by New Century prior to 2012 may differ from the fees charged to new advisory clients of New Century.

GMP Asset Management, LLC

Clients of GMP Asset Management, LLC have been assigned to New Century. New Century honors the previous fee agreements and terms as provided by GMP Asset Management, LLC. The fee charged shall vary (between 0.50% and 1.50%) depending upon the specific type of asset management services to be rendered as follows: Fixed Income/Bond 0.50%; Balanced 1.00%; Equity 1.00%; Aggressive Equity 1.50%; No Load Mutual Funds 1.00%. Annual investment fees shall be prorated and paid quarterly, in advance, based upon the market value of the assets on the last day of the previous quarter. In the event a client terminates their advisory relationship, clients will be eligible to receive refunds on a pro-rata basis. This program is not offered to new clients.

PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

New Century does not accept performance-based fees (e.g., fees based on a share of capital gains on or capital appreciated of the assets in a client's account).

TYPES OF CLIENTS

New Century may provide investment advisory services to individuals (including high net worth individuals), banks and thrift institutions, pension and profit sharing plans, trusts, estates, charitable organizations, corporations and other types of business entities.

Engaging the Services of New Century

All clients wishing to engage New Century for investment advisory services must first complete the applicable investment advisory agreement as well as any other document or questionnaire provided by New Century. The investment advisory agreement describes the services and responsibilities of New Century to the client. It also outlines New Century's fee in detail. In addition, clients must complete certain broker-dealer/custodial documentation. Upon completion of these documents, New Century will be considered engaged by the client. Clients will be responsible for ensuring that New Century is informed in a timely manner of changes in investment objectives and risk tolerance.

Conditions for Managing Accounts

Investment Management Services

New Century generally requires new clients have a minimum account size of \$250,000. New Century retains the right to reduce or waive this minimum account size. New Century will consider related accounts of the same client or family, and other accounts related to one another, in meeting the recommended minimum account size. Accounts of less than \$250,000 may be accepted when the client and

New Century anticipate the client will add additional funds to the accounts bringing the total to \$250,000 within a reasonable time.

401(k) Retirement Consulting Services

New Century requires a minimum annual fee of \$1,000 for 401(k) Retirement Consulting Services clients. New Century retains the right to reduce or waive the minimum annual fee.

METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

Types of Investments

Investment advice may be offered by New Century on any investments held by a client at the start of the advisory relationship. Recommendations for new investments will typically be limited to domestic and foreign equity securities, warrants, corporate debt securities, commercial paper, certificates of deposit, municipal and United States government securities, variable life insurance, mutual funds, variable annuities, options, futures and various limited partnerships investing in real estate and oil and gas.

Investment Strategies

New Century may utilize different investment strategies, based upon the needs of the client, including long-term purchases, short-term purchases, trading, short sales, margin transactions and option writing. New Century also utilizes asset allocation strategies to match client goals and objectives.

Security Analysis

The security analysis methods employed by New Century include charting, fundamental and technical analysis.

Sources of Information

In conducting security analysis, New Century may utilize the following sources of information: financial newspapers and magazines, inspection of corporate activities, research materials prepared by others, corporate rating services, annual reports, prospectuses, filings with the U.S. Securities and Exchange Commission and company press releases. In addition, New Century may also use various computer programs such as Standard & Poors, SchwabLink, MorningStar, Portfolio Center, Thompson Reuters, ValueLine, Bloomberg and Fidelity Advisor Channel as sources of information for the formulation of investment strategies and methods of analysis.

Risk

General

Investing in securities involves risk of loss that each client should be prepared to bear. Typical investment risks include market risk typified by a drop in a security's price due to a company specific event (e.g. unsystematic risk), or general market activity (e.g., systematic risk). In addition, certain strategies may impose more risk than others. For example, with fixed income securities, a period of rising interest rates could erode the value of bond since bond values generally fall as bond yields rise. Investment risk with international equities also includes fluctuation in currency values, differences in accounting and economic and political instability.

Options

There are numerous risks associated with transactions in options on securities or securities indexes. A decision as to whether, when and how to use options involves the exercise of skill and judgment, and even a well-conceived transaction may be unsuccessful to some degree because of market behavior or unexpected events. As the writer of covered call options, the client forgoes, during the option's life, the opportunity to profit from increases in the market value of the underlying security or the index above the sum of the option premium received and the exercise price of the call, but has retained the risk of loss, minus the option premium received, should the price of the underlying security decline. In the case of index options, the client incurs basis risk between the performance of the underlying portfolio and the performance of the underlying index. For example, the underlying portfolio may decline in value while the underlying index may increase in value, resulting in a loss on the call option while the underlying portfolio declines as well.

Margin Transactions

When buying stocks on margin, you are employing leverage as an investing strategy. Leverage allows you to extend your financial reach by investing using borrowed funds while limiting the amount of your own cash you expend. Please note, however, that this can involve a high degree of risk. Some of these risks include:

- Losing more money than you have invested;
- Being required to deposit additional cash or securities in your account on short notice to cover market losses;
- Being forced to sell some or all of your securities when falling stock prices reduce the value of your securities; and
- Having your brokerage firm sell some or all of your securities without consulting you to pay off the loan it made to you.

Cash Management

Cash is treated as an asset class by New Century. Typically, cash is held in a core money market fund. New Century may, on occasion, use certificates of deposit and

other cash alternatives. Cash may be held in a client's account if a client needs short-term liquidity.

DISCIPLINARY INFORMATION

Neither New Century nor its employees have any reportable disciplinary history.

OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Relationships with Related Persons

New Century is a wholly-owned subsidiary of Valley National Bank, a national banking association that provides commercial and retail services. Gerald H. Lipkin, President, Chief Executive Officer and Chairman of the Board of Valley National Bank is also Chairman of the Board and a Director of New Century. New Century has an arrangement with Valley National Bank in which Valley National Bank may recommend the investment advisory services of New Century to its banking clients. Please see the disclosures set forth in the section "Client Referrals and Other Compensation" below for additional information on this relationship.

Hallmark Capital Management, Inc., an investment adviser registered with the SEC, is a wholly owned subsidiary of Valley National Bank. The investment advisory services provided by Hallmark Capital Management, Inc. are provided separately and independently from those provided by New Century.

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

Our Code of Ethics

New Century has adopted a Code of Ethics to prevent violations of federal securities laws. The Code of Ethics is predicated on the principle that New Century and its employees owe a fiduciary duty to its clients. Accordingly, New Century expects all employees to act with honesty, integrity and professionalism and to adhere to federal securities laws. New Century and its employees are required to adhere to the Code of Ethics. At all times, New Century and its employees must (i) place client interests ahead of New Century's; (ii) engage in personal investing that is in full compliance with New Century's Code of Ethics; and (iii) avoid taking advantage of their position. Clients and prospective clients may request a copy of New Century's Code of Ethics by contacting Lesley Murray, Chief Compliance Officer of New Century, at 973-305-5505.

Prohibition on Use of Insider Information

New Century has also adopted policies and procedures to prevent the misuse of "insider" information. A copy of New Century's Insider Trading policies and

procedures is available to any client or prospective client upon request. For a copy of New Century's Insider Trading policies and procedures, please contact Lesley Murray, Chief Compliance Officer of New Century, at 973-305-5505.

Participation or Interest in Client Transactions

New Century or individuals associated with New Century also may buy or sell securities that it also recommends to clients.

To minimize conflicts of interest, and to maintain the fiduciary responsibility New Century has for its clients, New Century has established the following policies: (i) no security may be bought or sold by a principal, employee or related person of New Century before New Century's client accounts have had the opportunity to make such transactions as appropriate and (ii) all principals, employees and related persons of New Century must comply with New Century's Code of Ethics which imposes restrictions on the purchase or sale of securities for their own accounts and the accounts of certain affiliated persons.

To the extent principals, employees and related persons of New Century execute personal securities transactions with the same securities brokerage firm as advisory clients utilize for custody purposes on the same day that those securities are being purchased or sold by advisory clients, such principals, employees and/or related persons will not receive a more favorable execution price on any particular day as those received by advisory clients. Trades for portfolio manager(s) and employee personal accounts may be aggregated with trades for other clients only if the aggregation would not disadvantage any client.

New Century's Code of Ethics requires that all trades made by principals, employees and/or related persons of New Century, who make recommendations or participate in the determination of which recommendation shall be made, will require prior approval for all securities trades (except transactions in investment company securities and/or other exempt transactions) and will be reviewed by the designated person responsible. New Century will also maintain quarterly reports on all personal securities transactions, except transactions in investment company securities and/or other exempt transactions. Further, such written compliance policies and procedures impose certain policies and procedures concerning the misuse of material non-public information that are designed to prevent insider trading by any officer, partner, or associated person of New Century.

BROKERAGE PRACTICES

Brokerage Selection

Best Execution

Best execution has been defined by the SEC as the "execution of securities transactions for clients in such a manner that the client's total cost or proceeds in

each transaction is the most favorable under the circumstances.” The best execution responsibility applies to the circumstances of each particular transaction and an investment adviser must consider the full range and quality of a broker-dealer’s services, including, among other things, execution capability, commission rates, the value of any research, financial responsibility and responsiveness.

When placing portfolio transactions for client accounts, New Century’s primary objective is to obtain the best price and best execution, taking into account the costs, promptness of execution and other qualitative considerations.

Broker Analysis

New Century evaluates a wide range of criteria in seeking the most favorable price and market for the execution of transactions. These include the broker-dealer’s trading costs, efficiency of execution and error resolution, financial strength and stability, capability, positioning and distribution capabilities, information in regard to the availability of securities, trading patterns, statistical or factual information, opinion pertaining to trading and prior performance in serving New Century.

Also in consideration is such broker-dealers’ provision or payment of the costs of research and other investment management-related services (the provisional payment of such costs by brokers are referred to as payment made by “soft dollars”, as further discussed in the “Research/Soft Dollars Benefits” section immediately below). Accordingly, if New Century determines in good faith that the amount of trading costs charged by a broker-dealer is reasonable in relation to the value of the brokerage and research or investment management-related services provided by such broker, the client may pay trading costs to such broker in an amount greater than the amount another broker might charge.

New Century’s Investment Team is responsible for continuously monitoring and evaluating the performance and execution capabilities of brokers that transact orders for our client accounts to ensure consistent quality executions. In addition, New Century periodically reviews its transaction costs in light of current market circumstances and other relevant information.

Research/Soft Dollar Benefits

New Century utilizes the services of the multiple broker-dealers, including, but not limited to, Fidelity Investments Institutional Brokerage Group (“Fidelity”), Charles Schwab & Co., Inc. Adviser Services (“Schwab”). While there is no direct linkage between the investment advice given to clients and New Century’s use of these broker-dealers, economic benefits are received by New Century (e.g., benefits that New Century does not pay for), which would not otherwise be received if New Century did not direct client trades to these broker-dealers. While New Century is not affiliated with these broker-dealers, they may provide New Century with access to its institutional trading and operations services, which are typically not available to retail investors. These services may include research, brokerage, custody, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

These broker-dealers may also make available to New Century other products and services that benefit New Century, but may not benefit its clients' accounts. Some of these other products and services assist New Century in managing and administering clients' accounts. These include software and other technology that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts), provide research, pricing information and other market data, facilitate payment of New Century's fees from its clients' accounts, and assist with back-office support, record keeping and client reporting. Many of these services generally may be used to service all or a substantial number of New Century's accounts, including accounts not maintained at the specific broker-dealer that is offering this particular service. These broker-dealers also provide New Century with other services intended to help New Century manage and further develop its business enterprise. These services may include consulting, publications, conferences and presentations on practice management, information technology, business succession, regulatory compliance, and marketing. In addition, these broker-dealers may make available, arrange and/or pay for these types of services to New Century by independent third parties. These broker-dealers may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to New Century.

While as a fiduciary New Century endeavors to act in its clients' best interests, New Century's recommendation that clients maintain their assets in accounts with Fidelity and/or Schwab may be based in part on the benefit to New Century of the availability of some of the foregoing products and services and not solely on the nature, cost or quality of custody and brokerage provided by these broker-dealers which may create a conflict of interest.

Directed Brokerage

New Century Directed Brokerage

New Century does not have the discretionary authority to determine the broker-dealer to be used. As stated above, clients in need of brokerage will have Fidelity Investments Institutional Brokerage Group and/or Charles Schwab & Co., Inc. Institutional Services Group recommended to them. While there is no direct linkage between the investment advice given and usage of these broker-dealers, economic benefits are received which would not be received if New Century did not give investment advice to clients (please see additional disclosures in the "Research/Soft Dollars Benefits" section directly above). New Century does not participate in any transaction fees or commissions paid to the broker dealer or custodian and does not receive any fees or commissions for the opening or maintenance of client accounts at recommended brokers.

Not all investment advisers require their clients to direct brokerage. New Century is required to disclose that by directing brokerage, New Century may not be able to achieve most favorable execution of client transactions and that this practice may cost clients more money.

Client Directed Brokerage

Certain clients may direct New Century to use particular brokers for executing transactions in their accounts. With regard to client directed brokerage, New Century is required to disclose that New Century may be unable to negotiate commissions, block or batch orders or otherwise achieve the benefits described above, including best execution. Directed brokerage commission rates may be higher than the rates New Century might pay for transactions in non-directed accounts. Therefore, directing brokerage may cost clients more money.

As a general rule, New Century encourages each client to compare the possible costs or disadvantages of directed brokerage against the value of custodial or other services provided by the broker to the client in exchange for the directed brokerage designation.

Trade Aggregation/Allocation

Investment Management

It is the objective of New Century to provide a means of allocating trading and investment opportunities between advisory clients on a fair and equitable basis and in compliance with all applicable state and federal guidelines. With respect to clients' accounts with substantially similar investment objectives and policies, New Century may often seek to purchase or sell a particular security in each account. New Century will aggregate orders only when such aggregation is consistent with New Century's duty to seek best execution and is consistent with the investment objective of each client. No client account will be unfairly favored over any other account. Each client that participates in an aggregated order will participate based on the average execution price in that particular security. All transaction costs will be allocated pro rata based on each client's participation in the transaction. All securities purchased or sold, whether the order is filled completely or partially, will then be allocated pro rata based on the assets of each account.

401(k) Retirement Consulting Services

New Century's 401(k) Retirement Consulting Services practice, due to the nature of its business and client needs, does not include blocking trades, negotiating commissions with broker dealers or obtaining volume discounts, nor necessarily obtaining the best price.

REVIEW OF ACCOUNTS

Investment Management Services

Reviews

New Century offers managed account programs to its clients. These managed accounts are managed on a systematic basis where accounts are reviewed

periodically by members of the Investment Team. New Century reviews each client's account performance on a quarterly basis and compares each account's investments on a transaction basis to ensure that each transaction is: (1) suitable to the respective client's investment objectives; (2) meets that client's quality standards; and (3) to make sure that their investment objectives are still pertinent to the managed account arrangement. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, or the market, political or economic environment.

The New Century Investment Team consists of: Anthony Bruno, Kathleen Buske, Gregory Pizzano and Leanne Dowd. Please see additional information regarding the qualifications and experience of New Century's Investment Team starting on page 1 of this disclosure brochure.

Reports

The nature and frequency of reports to clients are determined primarily by the particular needs of each client. The managed accounts also receive monthly account statements detailing all activity in the client's managed account directly from the respective custodian holding the securities with the exception of other custodians who will issue quarterly reports only. Clients are urged to carefully review statements received from the custodian to ensure the accurate reporting of such information.

401(k) Retirement Consulting Services

In addition to ongoing research and evaluation of plan investment choices, New Century will undertake a semi-annual quantitative and qualitative analysis of plan investment choices.

CLIENT REFERRALS AND OTHER COMPENSATION

From time to time, New Century may retain solicitors to refer clients to New Century. If a client is introduced to New Century by either an unaffiliated or an affiliated solicitor, New Century may pay that solicitor a referral fee in accordance with the requirements of Rule 206(4)-3 of the Investment Advisers Act of 1940, and any corresponding state securities law requirements. Any such referral fee shall be paid solely from New Century's portfolio management fee, and shall not result in any additional charge to the client. If the client is introduced to New Century by an unaffiliated solicitor, the solicitor, at the time of the solicitation, shall disclose the nature of their solicitor relationship, and shall provide each prospective client with a copy of New Century's written disclosure statement together with a copy of the written disclosure statement from the solicitor to the client disclosing the terms of the solicitation arrangement between New Century and the solicitor, including the compensation to be received by the solicitor from New Century. Any affiliated solicitor of New Century shall disclose the nature of their relationship to prospective clients at the time of the solicitation and will provide all prospective clients with a copy of New Century's written disclosure statement.

CUSTODY

New Century is deemed to have custody because New Century deducts its fees directly from client accounts.

Custody of client assets will be maintained with the independent custodian selected by the client. New Century will not have physical custody of any assets in the client's account *except as permitted for payment of advisory fees*. Clients will be solely responsible for paying all fees or charges of the custodian. Clients will authorize New Century to give the custodian instructions for the purchase, sale, conversion, redemption, exchange or retention of any security, cash or cash equivalent or other investment for the client's account.

Clients will receive directly from the custodian at least quarterly a statement showing all transactions occurring in the client's account during the period covered by the account statement, and the funds, securities and other property in the client's account at the end of the period. Clients are urged to carefully review statements received from the custodian to ensure the accurate reporting of such information.

INVESTMENT DISCRETION

For those client accounts over which New Century has discretion, New Century requests that it be provided with written authority (e.g., limited power of attorney contained in New Century's Portfolio Management Agreement) to determine the amounts of securities that are bought or sold. Any limitations on this discretionary authority shall be included in this written authority statement. Clients may change or amend these limitations as required. New Century generally has discretionary authority to make the following determinations without obtaining the consent of the client before the transactions are effected: (1) which securities are bought and sold for the account and (2) the total amount of securities to be bought and sold. New Century's authority in making investment related decisions may be limited by account guidelines, investment objectives and trading restrictions, as agreed between New Century and the client.

Clients will retain ownership of all assets in their accounts. Neither New Century nor its supervised persons will have any right to withdraw either cash or securities from the client's account, *except for the direct deduction of advisory fees as authorized by the client*.

VOTING CLIENT SECURITIES

Proxy Voting

New Century does not vote proxies on behalf of its clients. Therefore, although New Century may provide investment advisory services relative to client investment assets, it is the client that maintains exclusive responsibility for: (1) directing the

manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceeding or other type events pertaining to the client's investment assets. New Century and/or the client shall correspondingly instruct each custodian of the assets to forward to the client copies of all proxies and shareholder communications relating to the client's investment assets. Clients can contact Lesley Murray, Chief Compliance Officer of New Century, at 973-305-5505 if they have questions regarding a particular solicitation.

Class Action Settlements

Although New Century has discretion over client accounts, it will not be responsible for handling client claims in class action lawsuits or similar settlements involving securities owned by the client. Clients will receive the paperwork for such claims directly from their account custodians. Each client should verify with their custodian or other account administrator whether such claims are being made on the client's behalf by the custodian or if the client is expected to file such claims directly.

FINANCIAL INFORMATION

Prepayment of Fees

Because New Century does not require or accept prepayment of more than \$1,200 in fees six months or more in advance, New Century is not required to include a balance sheet with this disclosure brochure.

Financial Condition

New Century does not have any adverse financial conditions to disclose.

Bankruptcy

New Century has never been the subject of a bankruptcy petition.

PRIVACY NOTICE

New Century views protecting its clients' private information as a top priority and has instituted policies and procedures to ensure that client information is private and secure. New Century does not disclose any nonpublic personal information about its clients or former clients to any nonaffiliated third parties, except as permitted or required by law. In the course of servicing a client's account, New Century may share some information with its service providers, such as transfer agents, custodians, broker-dealers, accountants, and lawyers, etc. New Century restricts internal access to nonpublic personal information about the client to those persons who need access to that information in order to provide services to the client and to perform administrative functions for New Century. As emphasized above, it has always been and will always be New Century's policy never to sell information

about current or former clients or their accounts to anyone. It is also New Century's policy not to share information unless required to process a transaction, at the request of a client, or as required by law. For the full text of New Century's Privacy Policy, please contact Lesley Murray, Chief Compliance Officer of New Century, at 973-305-5505.

CLIENT COMPLAINTS

Clients may contact Lesley Murray, Chief Compliance Officer of New Century, at 973-305-5505 to submit a complaint. Written complaints should be sent to New Century Asset Management, Inc., 1195 Hamburg Turnpike, Wayne, NJ 07470.