

Disclosure Brochure

FEBRUARY 20, 2015

New Century Financial Group, LLC

a Registered Investment Adviser

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This brochure provides information about the qualifications and business practices of New Century Financial Group, LLC (hereinafter "New Century"). If you have any questions about the contents of this brochure, please contact Richard Oring at (609) 924-2049. 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 Financial Group, LLC is available on the SEC's website at www.adviserinfo.sec.gov.

New Century Financial Group, LLC is an SEC registered investment adviser. Registration does not imply any level of skill or training.

Item 2. Material Changes

This Item discusses only the material changes that have occurred since New Century's last annual update filed March 21, 2014. New Century has the following material changes to disclose:

Change of Address

Since the firm's last update, New Century has changed its main office location. New Century does not anticipate that this change will have any impact on the investment advisory services that New Century provides to its clients.

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Firm Disclosure Brochure

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Item 4. Advisory Business

New Century's overriding goal is to help its clients and their families achieve financial independence. To that end, New Century provides a full range of financial, retirement, and estate planning services. New Century's team of professionals seeks to craft practical solutions to its clients' most pressing concerns, from funding their children's education and their own retirement to supporting favorite charities and providing a comfortable life for their children and grandchildren.

New Century provides financial planning, consulting, investment and wealth management services. Prior to engaging New Century to provide any of the foregoing investment advisory services, the client is required to enter into one or more written agreements with New Century setting forth the terms and conditions under which New Century renders its services (collectively the "*Agreement*").

New Century has been in business since February 9, 1996. Jeffrey A. Hamburger is the principal owner of New Century.

New Century had approximately \$140,230,000 of assets under management as of December 31, 2014. \$140,000,000 of these assets is managed on a discretionary basis and \$230,000 is managed on a non-discretionary basis.

This Disclosure Brochure describes the business of New Century. Certain sections will also describe the activities of *Supervised Persons*. *Supervised Persons* are any of New Century's officers, partners, directors (or other persons occupying a similar status or performing similar functions), employees or any other person who provides investment advice on New Century's behalf and is subject to New Century's supervision or control.

Financial Planning and Consulting Services

New Century may provide its clients with a broad range of comprehensive financial planning and consulting services. These services may include business planning, investments, retirement, estate planning, education and tax and cash flow needs of the client. These services may be included as part of New Century's wealth management services, described below.

In performing its services, New Century is not required to verify any information received from the client or from the client's other professionals (e.g., attorney, accountant, etc.) and is expressly authorized to rely on such information. New Century may recommend the services of itself, its *Supervised Persons* in their individual capacities as registered representatives of a broker-dealer, and/or other professionals to implement its recommendations. Clients are advised that a conflict of interest exists if New Century recommends its own services. The client is under no obligation to act upon any of the recommendations made by New Century under a financial planning or consulting engagement or to engage the services of any such recommended professional, including New Century itself. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any of New Century's

recommendations. Clients are advised that it remains their responsibility to promptly notify New Century if there is ever any change in their financial situation or investment objectives for the purpose of reviewing, evaluating, or revising New Century's previous recommendations and/or services.

Investment Management and Wealth Management Services

Clients can engage New Century to manage all or a portion of their assets on a discretionary or non-discretionary basis. In addition, New Century may provide clients with wealth management services which may include financial planning and consulting services as well as discretionary and/or non-discretionary management of investment portfolios.

New Century tailors its advisory services to the individual needs of clients. New Century consults with clients initially and on an ongoing basis to determine risk tolerance, time horizon and other factors that may impact the clients' investment needs. New Century ensures that clients' investments are suitable for their investment needs, goals, objectives and risk tolerance. Certain clients may receive more formal financial planning services as part of the initial assessment either for a fixed or hourly fee, or as part of the overall management fee (as described below).

Clients are advised to promptly notify New Century if there are changes in their financial situation or investment objectives or if they wish to impose any reasonable restrictions upon New Century's management services. Clients may impose reasonable restrictions on the management of their account if, in New Century's sole discretion, the conditions will not materially impact the performance of a portfolio strategy or prove overly burdensome to its management efforts.

To implement its management recommendations, New Century offers a variety of investment programs through Royal Alliance Associates, Inc. ("Royal") and otherwise in accordance with the client's investment objectives.

Tactical MPT and Dynamic Asset Allocation Programs

As detailed in Item 8, a majority of New Century clients are invested in a tactical modern portfolio theory program ("Tactical MPT Program"). Certain client assets are also invested in New Century's dynamic asset allocation program ("Dynamic Asset Allocation Program"). New Century primarily allocates clients' investment management assets among mutual funds and exchange-traded funds ("ETFs"), but may provide advice about any type of investment held in clients' portfolios including individual equity and debt securities and options.

Vision2020 Wealth Management Platform – Advisor Managed Portfolios Program

Certain clients may be invested in the Vision 2020 Wealth Management Platform – Advisor Managed Portfolios Program ("Advisor Managed Portfolios"). Advisor Managed Portfolios provides comprehensive investment management of clients' assets through application of asset allocation planning software as well as the provision of execution, clearing and custodial services through Pershing, LLC ("Pershing").

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Advisor Managed Portfolios provides risk tolerance assessment, efficient frontier plotting, fund profiling and performance date, and portfolio optimization and re-balancing tools. Utilizing these tools, and based on the client's responses to a risk tolerance questionnaire and discussions regarding, among other things, investment objective, risk tolerance, investment time horizon, account restrictions, and overall financial situation, New Century constructs a portfolio of investments for the client. The portfolio may consist of mutual funds, exchange traded funds, equities, options, debt securities, variable life, variable annuity sub-accounts and other investments.

A complete description of the *Advisor Managed Portfolios'* terms and conditions (including fees) are contained in the *Advisor Managed Portfolios* Disclosure Brochure. The written disclosure brochure is provided to each client pursuant to Rule 204-3 of the Investment Advisers Act of 1940. Clients should read it thoroughly prior to investing.

Royal Alliance Managed Assets Program

New Century may also offer its clients the Curian Capital Wrap Fee Program ("*Curian Capital Program*"), a wrap fee program sponsored by *Royal*. The *Curian Capital Program* is a comprehensive, personal investment management program which provides clients with access to *Independent Managers* (as defined below) who will provide investment advice to client portfolios consisting of individual debt and equity securities and mutual funds. In the event the client participates in the *Curian Capital Program*, New Century shall provide its investment management services, arrange for the services of other *Independent Managers* and brokerage transactions under a single annualized fee. Participants in the *Curian Capital Program* may pay a higher aggregate fee than if investment management and brokerage services are purchased separately. A complete description of the *Program's* terms and conditions (including fees) are contained in *Curian Capital Program's* Disclosure Brochure. The written disclosure brochure shall be provided to each client pursuant to Rule 204-3 of the Investment Advisers Act of 1940. Clients should read it thoroughly prior to investing.

In computing the market value of assets, fund shares will be calculated at their respective net asset values as of the valuation date in accordance with each fund's prospectus. Any such valuation shall not be deemed a guarantee of any kind with respect to the value of those assets. In the event that additions to, or withdrawals from, the account are made during any given quarter, the applicable account fee will be adjusted on a *pro-rata* basis, based on the market value of the assets at such time to reflect the addition or withdrawal.

SEI Asset Management Program

Clients may also be invested in the SEI Asset Management Program ("*SEI Program*"). The *SEI Program* is a program whereby New Century can make the SEI family of mutual funds available to its clients. SEI is not an investment adviser in this instance and does not have the investment adviser relationship with the client. New Century will assist the client in selecting a relevant asset allocation model. The client chooses one of several mutual fund asset allocation models. The client may also purchase the individual

mutual funds without choosing one of the asset allocation models. If the client so chooses, automatic re-balancing to model allocation and recommended model allocation changes will not be available.

Although SEI rebalances the client's portfolio to maintain the proper asset allocation to each asset class, SEI does not exercise discretion when providing re-balancing services. SEI re-balances pursuant to the client's written instruction.

SEI Trust Company (a subsidiary of SEI Investments Company) acts as the transfer agent and custodian for the investor's account. SEI Trust Company provides reporting services including consolidated monthly statements, quarterly performance reports, and year-end tax reports. ***Vision2020 Wealth Management Platform – Model Portfolio Strategies Program***

Certain clients may also be invested in the Vision2020 Wealth Management Platform – Model Portfolio Strategies Program (*“Model Program”*) depending on their individual needs. The *Model Program* is offered as a discretionary wrap fee program which bundles advisory and administrative fees, as well as transaction charges into one asset-based fee. The *Model Program* offers clients managed asset allocation models (*“Asset Allocation Models”*) of mutual funds or ETFs diversified across various investment styles and strategies. The *Asset Allocation Models* are constructed by managers (*“Program Managers”*), as described below.

Program Managers that recommend mutual fund *Asset Allocation Models* use load waived or no-load mutual funds. The cost of purchasing and holding mutual fund shares through the *Model Program* may be more or less than investing in mutual fund shares in a brokerage account, depending upon the amount of the advisory fees and the specific mutual funds selected for investment within the *Model Program*.

Based upon the risk tolerance of each client, the *Model Program* utilizes a system that selects a specific *Asset Allocation Model* which may contain either (i) a combination of mutual funds, or (ii) a combination of ETFs. Whether mutual funds or ETFs are used will depend on which *Program Manager* is used. New Century and the client will select an *Asset Allocation Model*. After such determination is made, New Century, with the assistance of the program sponsor, VISION2020 Wealth Management Corp. (*“Program Sponsor”*), will open an account and client assets will be invested in the specific investments contained within the recommended *Asset Allocation Model*.

With the client's assistance, New Century will determine initial and ongoing suitability of the *Model Program* selected. *Program Sponsor* will provide monitoring and review of *Asset Allocation Models*. *Program Sponsor* has the discretion to modify and/or rebalance a *Program Manager's Asset Allocation Model* and its associated client accounts without client consent consistent with the client's agreed upon investment objectives and risk tolerance. The following are a list of *Program Managers* available for this strategy:

SunAmerica Asset Management Company: Program Manager, SunAmerica Asset Management Company (*“SAAMCo”*) will provide *Asset Allocation Models* composed of SunAmerica mutual funds

("SunAmerica Funds"). The assets will be invested in a recommended *Asset Allocation Model* of SunAmerica Funds suitable to the risk tolerance and investment objectives of the client. *Program Sponsor* will be responsible for rebalancing the portfolio of mutual funds within the client account generally in accordance with the instructions provided by SAAMCo.

Russell Investment Management Company: The Russell Investment Company Funds ("Russell Funds") are managed by Russell Investment Management Company and other managers as disclosed by the respective prospectus for each of the Russell Funds. The assets will be invested in a recommended *Asset Allocation Model* of Russell Funds suitable to the risk tolerance and investment objectives of the client. If suitable, assets may be invested in an *Asset Allocation Model* of Russell Funds designed to help minimize taxable events ("Russell – Tax Managed Model"). *Program Sponsor* will be responsible for rebalancing the portfolio of Russell Funds, generally in accordance with the instructions provided by Russell Investment Management Company.

LWI Financial Inc.: Program Manager, LWI Financial Inc. ("Loring Ward" or "LWI") will provide *Asset Allocation Models* composed of SA Funds which are advised and administered by Loring Ward and sub-advised by Dimensional Fund Advisors, Inc. ("DFA"); or a group of mutual funds advised by DFA ("DFA Funds") mutual funds. The assets will be invested in a recommended *Asset Allocation Model* of SA and DFA Funds (collectively, "SA/DFA Funds") suitable to the risk tolerance and investment objectives of the client. *Program Sponsor* will be responsible for rebalancing the portfolio of SA/DFA Funds within the client account generally in accordance with the instructions provided by Loring Ward.

OAM Avatar, LLC: Program Manager, OAM Avatar, LLC. ("Avatar") will provide *Asset Allocation Models* composed of between 20 to 35 ETFs across different asset classes and industry sectors. The assets will be invested in a recommended *Asset Allocation Model* of ETF funds suitable to the risk tolerance and investment objectives of the client. *Program Sponsor* will be responsible for rebalancing the portfolio of ETF funds within the client account generally in accordance with the instructions provided by Avatar.

ICON Advisers, Inc.: Program Manager, ICON Advisers, Inc. ("ICON") will provide mutual fund *Asset Allocation Models* composed of a series of ICON funds offered within 7 different portfolios. The assets will be invested in a recommended *Asset Allocation Model* of ICON funds suitable to the risk tolerance and investment objectives of the client. *Program Sponsor* will be responsible for rebalancing the portfolio of mutual funds within the client account generally in accordance with the instructions provided by ICON.

Morningstar Associates, LLC: Program Manager, Morningstar Associates, LLC ("Morningstar") will provide mutual fund *Asset Allocation Models* composed of a series of mutual funds offered within 8 different portfolios with each portfolio generally consisting of between 10 to 15 mutual funds. The assets will be invested in a recommended *Asset Allocation Model* of mutual funds suitable to the risk tolerance and investment objectives of the client. *Program Sponsor* will be responsible for rebalancing the portfolio of mutual funds within the client account generally in accordance with the instructions provided by Morningstar.

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All assets within the *Model Programs* will be held by the custodian designated in a customer agreement provided to the client. The custodian will provide statements of account to each client including consolidated monthly statements. The client will also be provided with quarterly performance reports and year-end tax statements. Fees payable to New Century will be deducted from the accounts quarterly and reflected within the statements provided to the clients.

Clients selecting the *Model Program* are charged quarterly fees based upon the assets under management. Fees are negotiable and range up to 3.00% (annualized) of the assets under management. All mutual funds comprising the portfolio of funds will be purchased at Net Asset Value without the imposition of any sales charges.

Clients will bear a proportionate share of the fees and expenses of mutual funds selected. These fees and expenses may include investment advisory, administrative, distribution, transfer agent, custodial, legal, audit and other customary fees and expenses related to investment in mutual funds and are in addition to the fee for the *Model Programs*. Clients are encouraged to read the prospectuses of the mutual funds selected for a more complete explanation of these fees and expenses.

A complete description of the *Model Program's* terms and conditions (including fees) are contained in the *Model Program's* Disclosure Brochure(s). The written disclosure brochure is provided to each client pursuant to Rule 204-3 of the Investment Advisers Act of 1940. Clients should read it thoroughly prior to investing.

Vision2020 Wealth Management Platform – SMA and UMA Account Program

Certain advisory clients may also be invested in the Vision2020 Wealth Management Platform – SMA and UMA Account Program ("*WMAP*"). *WMAP* provides suitable clients with the opportunity to invest their assets across multiple investment strategies and asset classes by implementing an asset allocation strategy. *WMAP* is a wrap fee program that offers advisory services and arranges for brokerage transactions under a single annualized fee. *WMAP* is sponsored by VISION2020 Wealth Management Corp. ("*WMAP Program Sponsor*").

New Century will present the client with a *WMAP* asset allocation model ("*WMAP Model*") for client approval which will consist of: (i) third party money managers ("*WMAP Managers*") who will manage client funds according to a particular equity or fixed income model or strategy, (ii) no-load mutual funds, or (iii) ETFs, or any combination thereof (individually or collectively, "*WMAP Investments*"). *WMAP Investments* will be managed according to the selected *WMAP Model*. *WMAP Models* consist of a separately managed account or a series of separately managed accounts (collectively, "*SMA Account*") or a unified managed account ("*UMA Account*").

A complete description of the *WMAP's* terms and conditions (including fees) are contained in the *WMAP* Disclosure Brochure. The written disclosure brochure is provided to each client pursuant to Rule 204-3 of the Investment Advisers Act of 1940. Clients should read it thoroughly prior to investing.

Use of Independent Managers

As mentioned above, many of the programs offered by New Century recommend that certain clients authorize the active discretionary management of a portion of their assets by and/or among certain independent investment managers ("*Independent Managers*"), based upon the stated investment objectives of the client. The terms and conditions under which the client engages the *Independent Managers* are set forth in a separate written agreement between New Century, the respective program sponsor, or the client and the designated *Independent Managers*. New Century renders services to the client relative to the discretionary and/or non-discretionary selection or recommendation of *Independent Managers*. New Century also monitors and reviews the account performance and the client's investment objectives. New Century receives an annual advisory fee which is based upon a percentage of the market value of the assets being managed by the designated *Independent Managers*.

When recommending or selecting an *Independent Manager* for a client, New Century reviews information about the *Independent Manager* such as its disclosure brochure and/or material supplied by the *Independent Manager* or independent third parties for a description of the *Independent Manager's* investment strategies, past performance and risk results to the extent available. Factors that New Century considers in recommending an *Independent Manager* include the client's stated investment objectives, management style, performance, reputation, financial strength, reporting, pricing, and research. The investment management fees charged by the designated *Independent Managers*, together with the fees charged by the corresponding designated broker-dealer/custodian of the client's assets, may be exclusive of, and in addition to, New Century's investment advisory fee set forth above. As discussed above, the client may incur additional fees than those charged by New Century, the designated *Independent Managers*, and corresponding broker-dealer and custodian.

In addition to New Century's written disclosure brochure, the client also receives the written disclosure brochure of the designated *Independent Managers*. Certain *Independent Managers* may impose more restrictive account requirements and varying billing practices than New Century. In such instances, New Century may alter its corresponding account requirements and/or billing practices to accommodate those of the *Independent Managers*.

Sale of Research

New Century may sell its research and analysis to various institutions as part of its institutional consulting services. New Century's institutional consulting services are generally related to its proprietary signals. New Century will charge a fixed fee for these services and does not render such consulting services to its investment advisory clients.

Item 5. Fees and Compensation

New Century offers its services on a fee basis, which may include hourly and/or fixed fees, as well as fees based upon assets under management. Additionally, certain of New Century's *Supervised Persons*, in their individual capacities, may offer securities brokerage services and insurance products under a commission arrangement.

Financial Planning and Consulting Fees

New Century may charge a fixed fee and/or hourly fee for financial planning and consulting services. These fees are negotiable, but generally range from \$250 to \$3,000 on a fixed fee basis and/or from \$100 to \$400 on an hourly rate basis, depending upon the level and scope of the services and the professional rendering the financial planning and/or the consulting services. If the client engages New Century for additional investment advisory services, New Century may offset all or a portion of its fees for those services based upon the amount paid for the financial planning and/or consulting services.

Prior to engaging New Century to provide financial planning and/or consulting services, the client is required to enter into a written agreement with New Century setting forth the terms and conditions of the engagement. Generally, New Century requires one-half of the financial planning / consulting fee (estimated hourly or fixed) payable upon entering the written agreement. The balance is generally due upon delivery of the financial plan or completion of the agreed upon services.

Investment Management and Wealth Management Fee

New Century provides investment management services for an annual fee based upon a percentage of the market value of the assets being managed by New Century. New Century's annual fee is generally exclusive of, and in addition to brokerage commissions, transaction fees, and other related costs and expenses which are incurred by the client unless the client participates in one of the third-party sponsored wrap fee programs described in Item 4. New Century does not, however, receive any portion of these commissions, fees, and costs. New Century's annual fee is prorated and generally charged quarterly, in advance, based upon the market value of the assets on the last day of the previous quarter. The annual fee may also be charged, in arrears, in limited circumstances. The annual fee varies (between 0.25% and 2.75%) depending upon the market value of the assets under management and the type of investment management services to be rendered.

As stated in Item 4, New Century may be engaged by certain clients to provide wealth management services, which shall include management of the client's investments as well as financial planning and consulting services. New Century provides wealth management services for an asset-based fee based upon the same fee range as set forth above.

Program Fees

As detailed in Item 4, New Century provides its clients with various advisory program offerings through *Royal* and otherwise in accordance with the clients' investment objectives. Certain of these programs are wrap fee programs which provide investment management services and brokerage transactions as part of a single annualized fee. Participants in a wrap fee program may pay a higher aggregate fee than if investment management and brokerage services are purchased separately. A complete description of these programs' terms and conditions (including fees) are contained in their respective Disclosure Brochures and Wrap Fee Brochures which are provided to clients pursuant to Rule 204-3 of the Investment Advisers Act of 1940. Clients should read these brochures thoroughly prior to investing.

Fee Discretion

New Century, in its sole discretion, may negotiate to charge a lesser management fee based upon certain criteria (i.e., anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing client, account retention, *pro bono* activities, etc.).

Fees Charged by Financial Institutions

As further discussed in response to Item 12 (below), New Century generally recommends that clients utilize the brokerage and clearing services of *Royal* for investment management accounts.

New Century may only implement its investment management recommendations after the client has arranged for and furnished New Century with all information and authorization regarding accounts with appropriate financial institutions. Financial institutions include, but are not limited to, *Royal*, any other broker-dealer recommended by New Century, broker-dealer directed by the client, trust companies, banks etc. (collectively referred to herein as the "*Financial Institutions*").

Clients may incur certain charges imposed by the *Financial Institutions* and other third parties such as fees charged by *Independent Managers* (as defined below), custodial fees, charges imposed directly by a mutual fund or ETF in the account, which are disclosed in the fund's prospectus (e.g., fund management fees and other fund expenses), 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. Additionally, for assets outside of any wrap fee programs, clients may incur brokerage commissions and transaction fees. Such charges, fees and commissions are exclusive of and in addition to New Century's fee.

Fee Debit

New Century's *Agreement* and the separate agreement with any *Financial Institutions* may authorize New Century or *Independent Managers* to debit the client's account for the amount of New Century's fee and

to directly remit that management fee to New Century or the *Independent Managers*. Any *Financial Institutions* recommended by New Century have agreed to send a statement to the client, at least quarterly, indicating all amounts disbursed from the account including the amount of management fees paid directly to New Century. Alternatively, clients may elect to have New Century send an invoice for payment.

Fees for Management During Partial Quarters of Service

For the initial period of investment management services, the fees are calculated on a *pro rata* basis.

The *Agreement* between New Century and the client will continue in effect until terminated by either party pursuant to the terms of the *Agreement*. New Century's fees are prorated through the date of termination and any remaining balance is charged or refunded to the client, as appropriate.

Clients may make additions to and withdrawals from their account at any time, subject to New Century's right to terminate an account. Additions may be in cash or securities provided that New Century reserves the right to liquidate any transferred securities or decline to accept particular securities into a client's account. Clients may withdraw account assets on notice to New Century, subject to the usual and customary securities settlement procedures. However, New Century designs its portfolios as long-term investments and the withdrawal of assets may impair the achievement of a client's investment objectives. New Century may consult with its clients about the options and ramifications of transferring securities. However, clients are advised that when transferred securities are liquidated, they are subject to transaction fees, fees assessed at the mutual fund level (i.e. contingent deferred sales charge) and/or tax ramifications.

If assets are deposited into or withdrawn from an account after the inception of a quarter, the fee payable with respect to such assets will be prorated based on the number of days remaining in the quarter.

Commissions or Sales Charges for Recommendations of Securities

Clients can engage certain persons associated with New Century (but not New Century) to render securities brokerage services under a commission arrangement. Clients are under no obligation to engage such persons and may choose brokers or agents not affiliated with New Century. Under this arrangement, clients may implement securities transactions through certain of New Century's *Supervised Persons* in their respective individual capacities as registered representatives of *Royal*, an SEC registered broker-dealer and member of FINRA. *Royal* may charge brokerage commissions to effect these securities transactions and thereafter, a portion of these commissions may be paid by *Royal* to such *Supervised Persons*. Prior to effecting any transactions clients are required to enter into a new account agreement with *Royal*. The brokerage commissions charged by *Royal* may be higher or lower than those charged by other broker-dealers. In addition, certain of New Century's *Supervised Persons* may also receive ongoing 12b-1 fees for mutual fund purchases from the mutual fund company during the

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period that the client maintains the mutual fund investment. Certain of the Programs described in Item 4 use no-load funds.

A conflict of interest exists to the extent that New Century recommends the purchase of securities where New Century's *Supervised Persons* receive commissions or other additional compensation as a result of New Century's recommendations. New Century has procedures in place to ensure that any recommendations made by such *Supervised Persons* are in the best interest of clients.

For accounts covered by ERISA (and such others that New Century, in its sole discretion deems appropriate), New Century provides its investment advisory services on a fee-offset basis. In this scenario, New Century may offset its fees by an amount equal to the aggregate commissions and 12b-1 fees earned by New Century's *Supervised Persons* in their individual capacities as registered representatives of *Royal*.

Item 6. Performance-Based Fees and Side-by-Side Management

New Century does not provide any services for performance-based fees. Performance-based fees are those based on a share of capital gains on or capital appreciation of the assets of a client.

Item 7. Types of Clients

New Century generally provides its services to individuals. However, New Century may also provide advice to pension and profit sharing plans, trusts, estates, charitable organizations, corporations and business entities.

Minimum Account Size

New Century does not impose a minimum portfolio size. However, certain programs offered to advisory clients as described in Item 4 may have account minimums.

Specifically, the minimum account size for the *GFWM Platform* will generally be \$50,000 for mutual fund and variable annuity accounts, and \$100,000 for ETF accounts. The minimum account sizes for privately managed accounts on the *GFWM Platform* range from \$50,000 to \$500,000.

The minimum account size to initiate and maintain a *Vision2020 Program* account is \$50,000 for a non-wrap fee account and \$100,000 for a wrap fee account.

The minimum account size to initiate and maintain a *Model Program* account depends on the *Program Manager* utilized.

The minimum account size to initiate and maintain an SMA account is \$100,000.

The minimum account size to initiate and maintain a UMA Account is \$150,000.

Certain *Independent Managers* may impose more restrictive account requirements and varying billing practices than New Century. In such instances, New Century may alter its corresponding account requirements and/or billing practices to accommodate those of the *Independent Managers*.

Item 8. Methods of Analysis, Investment Strategies and Risk of Loss

Investment Strategies and Methods of Analysis

New Century consults with clients initially and on an ongoing basis to determine risk tolerance, time horizon and other factors that may impact the clients' investment needs. As described in Items 4 and 5, certain clients may receive more formal financial planning services as part of the initial assessment depending on their individual needs.

New Century generally uses Modern Portfolio Theory when managing investments for its clients. New Century believes an investment portfolio's risk, return, and liquidity posture are, in large part, a function of the asset classes that are included in the portfolio. A majority of New Century clients are invested in the Tactical MPT Program. Certain client assets are also invested in the Dynamic Asset Allocation Program. Generally, New Century follows a two-step process in constructing and maintaining a client's portfolio:

The first step is known as "portfolio optimization." This includes the use of portfolio analysis tools and computer modeling systems to quantify potential investment risks and returns to arrive at a strategic asset mix tailored to the client's investment profile.

The second step is to reserve up to 30% of this "optimized" portfolio in a tactical, trend following component that will be allocated either to equities or to cash, depending on the trend and momentum of the markets. The overlay of the tactical, trend following component seeks to provide the dual benefit of improved diversification and enhanced risk management to a client's asset mix.

The types of investments New Century uses to implement the portfolio allocation for its clients generally include actively managed mutual funds and/or passively managed ETFs. Actively managed funds seek to provide the benefits of objective, independent investment company research and professional management while the addition of ETF's to a portfolio may help to enhance style consistency at a relatively lower cost. New Century may also provide advice about any type of investment held in clients' portfolios including individual equity and debt securities and options.

Program Investment Strategies

As detailed in Item 4, New Century provides its clients with various advisory program offerings through *Royal* and otherwise in accordance with the clients' investment objectives. New Century has described these strategies in Item 4. However, a complete description of these programs terms and conditions (including investment strategies) are contained in their respective Disclosure Brochures and Wrap Fee Brochures which are provided to clients pursuant to Rule 204-3 of the Investment Advisers Act of 1940. Clients should read these brochures thoroughly prior to investing.

Risks of Loss

Mutual Funds and ETFs

An investment in a mutual fund or ETF involves risk, including the loss of principal. Mutual fund and ETF shareholders are necessarily subject to the risks stemming from the individual issuers of the fund's underlying portfolio securities. Such shareholders are also liable for taxes on any fund-level capital gains, as mutual funds and ETFs are required by law to distribute capital gains in the event they sell securities for a profit that cannot be offset by a corresponding loss. As such, a fund investor may incur substantial tax liabilities even when the fund underperforms.

Shares of mutual funds are generally distributed and redeemed on an ongoing basis by the fund itself or a broker acting on its behalf. The trading price at which a share is transacted is equal to a fund's stated daily per share net asset value ("NAV"), plus any shareholders fees (e.g., sales loads, purchase fees, redemption fees). The per share NAV of a mutual fund is calculated at the end of each business day, although the actual NAV fluctuates with intraday changes to the market value of the fund's holdings. The trading prices of a mutual fund's shares may differ significantly from the NAV during periods of market volatility, which may, among other factors, lead to the mutual fund's shares trading at a premium or discount to NAV.

Shares of ETFs are listed on securities exchanges and transacted at negotiated prices in the secondary market. Generally, ETF shares trade at or near their most recent NAV, which is generally calculated at least once daily for indexed-based ETFs and more frequently for actively managed ETFs. However, certain inefficiencies may cause the shares to trade at a premium or discount to their pro rata NAV. There is also no guarantee that an active secondary market for such shares will develop or continue to exist. Generally, an ETF only redeems shares when aggregated as creation units (usually 50,000 shares or more). Therefore, if a liquid secondary market ceases to exist for shares of a particular ETF, a shareholder may have no way to dispose of such shares.

Options

Options allow investors to buy or sell a security at a contracted "strike" price (not necessarily the current market price) at or within a specific period of time. Clients may pay or collect a premium for buying or selling an option. Investors transact in options to either hedge (limit) losses in an attempt to reduce risk or to speculate on the performance of the underlying securities. Options transactions contain a number of inherent risks, including the partial or total loss of principal in the event that the value of the underlying security or index does not increase/decrease to the level of the respective strike price. Holders of options contracts are also subject to default by the option writer which may be unwilling or unable to perform its contractual obligations.

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Market Risks

The profitability of a portion of New Century's recommendations may depend to a great extent upon correctly assessing the future course of price movements of stocks and bonds. There can be no assurance that New Century will be able to predict those price movements accurately.

Use of Independent Managers

New Century may recommend the use of *Independent Managers* for certain clients. New Century will continue to do ongoing due diligence of such managers, but the such recommendations relies, to a great extent, on the *Independent Managers* ability to successfully implement their investment strategy. In addition, New Century does not have the ability to supervise the *Independent Managers* on a day-to-day basis other than as previously described in response to Item 4, above.

Management Through Similarly Managed Accounts

For certain clients, New Century may manage portfolios by allocating portfolio assets among various mutual funds and ETFs on a discretionary basis using one or more of its proprietary investment strategies (collectively referred to as "*investment strategy*"). In so doing, New Century buys, sells, exchanges and/or transfers shares based upon the *investment strategy*.

New Century's management using the *investment strategy* complies with the requirements of Rule 3a-4 of the Investment Company Act of 1940, as amended. Rule 3a-4 provides similarly managed accounts, such as the *investment strategy*, with a safe harbor from the definition of an investment company.

The *investment strategy* may involve an above-average portfolio turnover that could negatively impact upon the net after-tax gain experienced by an individual client. Securities in the *investment strategy* are usually exchanged and/or transferred without regard to a client's individual tax ramifications. Certain investment opportunities that become available to New Century's clients may be limited. For example, various mutual funds or insurance companies may limit the ability of New Century to buy, sell, exchange or transfer securities consistent with its *investment strategy*. As further discussed in response to Item 12B (below), New Century allocates investment opportunities among its clients on a fair and equitable basis.

Use of Margin To the extent that a client authorizes the use of margin, and margin is thereafter employed by New Century in the management of the client's investment portfolio, the market value of the client's account and corresponding fee payable by the client to New Century will not be increased.

While the use of margin borrowing can substantially improve returns, such use may also increase the adverse impact to which a client's portfolio may be subject. Borrowings will usually be from securities brokers and dealers and will typically be secured by the client's securities and/or other assets. Under certain circumstances, such a broker-dealer may demand an increase in the collateral that secures the client's obligations and if the client were unable to provide additional collateral, the broker-dealer could

liquidate assets held in the account to satisfy the client's obligations to the broker-dealer. Liquidation in that manner could have extremely adverse consequences. In addition, the amount of the client's borrowings and the interest rates on those borrowings, which will fluctuate, will have a significant effect on the client's profitability.

General Risk of Loss

Investing in securities involves the risk of loss. Clients should be prepared to bear such loss.

Item 9. Disciplinary Information

New Century is required to disclose the facts of any legal or disciplinary events that are material to a client's evaluation of its advisory business or the integrity of management. New Century does not have any required disclosures to this Item.

Item 10. Other Financial Industry Activities and Affiliations

New Century is required to disclose any relationship or arrangement that is material to its advisory business or to its clients with certain related persons. New Century has described such relationships and arrangements below.

Registered Representatives of Broker Dealer

As discussed in Items 5 and 12, certain of New Century's *Supervised Persons* are registered representatives of *Royal*. Please see those sections for additional disclosures related to this relationship.

Receipt of Insurance Commission

Certain of New Century's *Supervised Persons*, in their individual capacities, are also licensed insurance agents with various insurance companies, and in such capacity, may recommend, on a fully-disclosed commission basis, the purchase of certain insurance products. While New Century does not sell such insurance products to its investment advisory clients, New Century does permit its *Supervised Persons*, in their individual capacities as licensed insurance agents, to sell insurance products to its investment advisory clients. A conflict of interest exists to the extent that New Century recommends the purchase of insurance products where New Century's *Supervised Persons* receive insurance commissions or other additional compensation.

Mortgage Solicitor

New Century does not render real estate or mortgage services to its clients. However, certain of New Century's *Supervised Persons* may act as solicitors and recommend certain of its clients to unaffiliated and independent licensed mortgage brokers. These mortgage brokers shall render their services independently of New Century. New Century's *Supervised Persons* shall be entitled to receive a referral fee which is usually calculated as a percentage of the amount of the client's mortgage.

Referrals to Related Certified Public Accountants

New Century does not render accounting advice or tax preparation services to its clients. Rather, to the extent that a client requires accounting advice and/or tax preparation services, New Century, if requested, will recommend the services of a Certified Public Accountant ("CPA"), all of which services shall be rendered independent of New Century pursuant to a separate agreement between the client and the CPA. Specifically, certain of New Century's *Supervised Persons*, are CPAs. To the extent that CPAs provide accounting and/or tax preparation services to any of New Century's clients, all such services shall be performed by CPAs, in their separate capacities, independent of New Century, for which services New Century shall not receive any portion of the fees charged by CPAs, referral or otherwise. Although New Century shall not receive referral fees from CPAs, these individuals shall be entitled to compensation based on the services performed as CPAs.

Referrals to Curian Capital

New Century may refer clients to Curian Capital pursuant to a solicitation arrangement under which New Century may be entitled to a referral fee or other form of compensation. As such, New Century may have an incentive to recommend the services of Curian Capital over those offered by other *Independent Managers* that do not provide New Century with compensation. This results in a conflict of interest and therefore New Century seeks to ensure that any such recommendations are aligned with clients' best interests and made on a fully-disclosed basis.

Item 11. Code of Ethics

New Century and persons associated with New Century ("Associated Persons") are permitted to buy or sell securities that it also recommends to clients consistent with New Century's policies and procedures.

New Century has adopted a code of ethics that sets forth the standards of conduct expected of its associated persons and requires compliance with applicable securities laws ("*Code of Ethics*"). New Century's *Code of Ethics* contains written policies reasonably designed to prevent the unlawful use of material non-public information by New Century or any of its associated persons. The *Code of Ethics* also requires that certain of New Century's personnel (called "*Access Persons*") report their personal securities holdings and transactions and obtain pre-approval of certain investments such as initial public offerings and limited offerings.

When New Century is engaging in or considering a transaction in any security on behalf of a client, no *Access Person* may effect for themselves or for their immediate family (i.e., spouse, minor children, and adults living in the same household as the *Access Person*) a transaction in that security unless:

- the transaction has been completed;
- the transaction for the *Access Person* is completed as part of a batch trade (as defined below in Item 12) with clients; or
- a decision has been made not to engage in the transaction for the client.

These requirements are not applicable to: (i) direct obligations of the Government of the United States; (ii) money market instruments, bankers' acceptances, bank certificates of deposit, commercial paper, repurchase agreements and other high quality short-term debt instruments, including repurchase agreements; (iii) shares issued by mutual funds or money market funds; and (iv) shares issued by unit investment trusts that are invested exclusively in one or more mutual funds.

This *Code of Ethics* has been established recognizing that some securities trade in sufficiently broad markets to permit transactions by *Access Persons* to be completed without any appreciable impact on the markets of such securities. Therefore, under certain limited circumstances, exceptions may be made to the policies stated above.

Clients and prospective clients may contact New Century to request a copy of its *Code of Ethics*.

Item 12. Brokerage Practices

As discussed above, in Item 5, New Century generally recommends that clients utilize the brokerage and clearing services of *Royal*.

Factors which New Century considers in recommending *Royal* or any other broker-dealer to clients include their respective financial strength, reputation, execution, pricing, research and service. *Royal* enables New Century to obtain many mutual funds without transaction charges and other securities at nominal transaction charges. The commissions and/or transaction fees charged by *Royal* may be higher or lower than those charged by other *Financial Institutions*.

The commissions paid by New Century's clients comply with New Century's duty to obtain "best execution." Clients may pay commissions that are higher than another qualified *Financial Institution* might charge to effect the same transaction where New Century determines that the commissions are reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a *Financial Institution's* services, including among others, the value of research provided, execution capability, commission rates, and responsiveness. New Century seeks competitive rates but may not necessarily obtain the lowest possible commission rates for client transactions.

New Century periodically and systematically reviews its policies and procedures regarding its recommendation of *Financial Institutions* in light of its duty to obtain best execution.

The client may direct New Century in writing to use a particular *Financial Institution* to execute some or all transactions for the client. In that case, the client will negotiate terms and arrangements for the account with that *Financial Institution*, and New Century will not seek better execution services or prices from other *Financial Institutions* or be able to "batch" client transactions for execution through other *Financial Institutions* with orders for other accounts managed by New Century (as described below). As a result, the client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case. Subject to its duty of best execution, New Century may decline a client's request to direct brokerage if, in New Century's sole discretion, such directed brokerage arrangements would result in additional operational difficulties or violate restrictions imposed by other broker-dealers (as further discussed below).

Transactions for each client generally will be effected independently, unless New Century decides to purchase or sell the same securities for several clients at approximately the same time. New Century may (but is not obligated to) combine or "batch" such orders to obtain best execution, to negotiate more favorable commission rates, or to allocate equitably among New Century's clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will generally be averaged as to price and allocated among New Century's clients pro rata to the purchase and sale orders placed for each client on any given

day. To the extent that New Century determines to aggregate client orders for the purchase or sale of securities, including securities in which New Century's *Supervised Persons* may invest, New Century generally does so in accordance with applicable rules promulgated under the Advisers Act and no-action guidance provided by the staff of the U.S. Securities and Exchange Commission. New Century does not receive any additional compensation or remuneration as a result of the aggregation. In the event that New Century determines that a prorated allocation is not appropriate under the particular circumstances, the allocation will be made based upon other relevant factors, which may include: (i) when only a small percentage of the order is executed, shares may be allocated to the account with the smallest order or the smallest position or to an account that is out of line with respect to security or sector weightings relative to other portfolios, with similar mandates; (ii) allocations may be given to one account when one account has limitations in its investment guidelines which prohibit it from purchasing other securities which are expected to produce similar investment results and can be purchased by other accounts; (iii) if an account reaches an investment guideline limit and cannot participate in an allocation, shares may be reallocated to other accounts (this may be due to unforeseen changes in an account's assets after an order is placed); (iv) with respect to sale allocations, allocations may be given to accounts low in cash; (v) in cases when a pro rata allocation of a potential execution would result in a *de minimis* allocation in one or more accounts, New Century may exclude the account(s) from the allocation; the transactions may be executed on a pro rata basis among the remaining accounts; or (vi) in cases where a small proportion of an order is executed in all accounts, shares may be allocated to one or more accounts on a random basis.

Consistent with obtaining best execution, brokerage transactions may be directed to certain broker-dealers in return for investment research products and/or services which assist New Century in its investment decision-making process. Such research generally will be used to service all of New Century's clients, but brokerage commissions paid by one client may be used to pay for research that is not used in managing that client's portfolio. The receipt of investment research products and/or services as well as the allocation of the benefit of such investment research products and/or services poses a conflict of interest because New Century does not have to produce or pay for the products or services.

Commissions or Sales Charges for Recommendations of Securities

As discussed above, certain *Supervised Persons* in their respective individual capacities are registered representatives of *Royal*. These *Supervised Persons* are subject to FINRA Rule 3040 which restricts registered representatives from conducting securities transactions away from their broker-dealer unless *Royal* provides written consent. Therefore, clients are advised that certain *Supervised Persons* may be restricted to conducting securities transactions through *Royal* unless they first secure written consent from *Royal* to execute securities transactions through a different broker-dealer. Absent such written consent or separation from *Royal*, these *Supervised Persons* are prohibited from executing securities transactions through any broker-dealer other than *Royal* under *Royal's* internal supervisory policies. New Century is

cognizant of its duty to obtain best execution and has implemented policies and procedures reasonably designed in such pursuit.

In return for providing certain administrative and supervisory functions, *Royal* may receive a portion of New Century's investment management fee. However, at all times New Century will be acting as the investment adviser to the client and not *Royal*. Under the rules and regulations of FINRA, *Royal*, as a registered broker-dealer, has obligations to maintain certain books and records and perform other functions regarding certain aspects of the investment advisory activities of its registered representatives.

In certain instances, *Royal* will collect, as paying agent for New Century, the investment advisory fees to be paid to New Century by the account custodian, and *Royal*, will retain a portion of New Century's fee as compensation for *Royal's* administrative and supervisory functions. The portion of New Century's fee retained by *Royal* comes directly from New Century's compensation, and therefore, will not increase execution or brokerage charges to the client or the fee the client has agreed to pay New Century pursuant to the *Agreement*. A portion of the fee retained by *Royal* may be re-allowed to other registered representatives of *Royal* who, as registered representatives of the broker-dealer, are responsible for the supervision of other representatives and assist the broker-dealer with the functions described above.

New Century's *Supervised Persons*, in their individual capacities as registered representatives of *Royal* may also, from time to time, receive incentive awards for the recommendation and introduction of investment products, or 12b-1 distribution fees from investment companies in connection with the placement of clients' funds into certain investment companies. Therefore, the receipt of this compensation may affect New Century's objectivity in recommending products to its clients.

Royal sponsors the Elite Focus Program. In this program, selected vendors will be invited to pay additional marketing fees to *Royal* for its enhanced marketing and distribution efforts. As part of such compensation, such vendors will, at no additional charge, be invited to participate in *Royal's* educational and sales seminars included in *Royal's* "Sourcebook" publication, and will also be granted access to lists containing *Royal's* registered representatives such as New Century's *Supervised Persons* and marketing information. In addition, ticket charges for purchasing such funds may be reduced or waived. A list of *Royal's* Elite Focus Program members is available to clients upon request.

Software and Support Provided by Financial Institutions

New Century may receive from *Royal*, without cost to New Century, computer software and related systems support, which allow New Century to better monitor client accounts maintained at *Royal*. New Century may receive the software and related support without cost because New Century renders investment management services to clients that maintain assets at *Royal*. The software and support is not provided in connection with securities transactions of clients (i.e., not "soft dollars"). The software and related systems support may benefit New Century, but not its clients directly. In fulfilling its duties to its clients, New Century endeavors at all times to put the interests of its clients first. Clients should be

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aware, however, that New Century's receipt of economic benefits from a broker-dealer creates a conflict of interest since these benefits may influence New Century's choice of broker-dealer over another broker-dealer that does not furnish similar software, systems support, or services.

Item 13. Review of Accounts

Account Reviews

For those clients to whom New Century provides investment management services, New Century monitors those portfolios as part of an ongoing process while regular account reviews are conducted on at least a quarterly basis. For those clients to whom New Century provides financial planning and/or consulting services, reviews are conducted on an “as needed” basis. Such reviews are conducted by one of New Century’s investment adviser representatives. All investment advisory clients are encouraged to discuss their needs, goals, and objectives with New Century and to keep New Century informed of any changes thereto. New Century contacts ongoing investment advisory clients at least annually to review its previous services and/or recommendations and to discuss the impact resulting from any changes in the client’s financial situation and/or investment objectives.

Account Statements and Reports

Unless otherwise agreed upon, clients are provided with transaction confirmation notices and regular summary account statements directly from the broker-dealer or custodian for the client accounts. Those clients to whom New Century provides investment management services will also receive a report from New Century that may include such relevant account and/or market-related information such as an inventory of account holdings and account performance on a quarterly basis. Clients should compare the account statements they receive from their custodian with those they receive from New Century.

Clients on the *GWFM Platform* are provided with periodic custodial reports from a custodian, and *GFWM* provides the financial advisory firms with quarterly performance reports for each of their client’s accounts. The periodic custodial reports include a listing of all investments in the client’s account, their current valuation, and a listing of all transactions occurring during the period. The quarterly performance reports include information concerning the allocation of the assets in each client account among various asset classes and the investment performance of the client’s account during the quarter.

Those clients to whom New Century provides financial planning and/or consulting services will receive reports from New Century summarizing its analysis and conclusions as requested by the client or otherwise agreed to in writing by New Century.

Item 14. Client Referrals and Other Compensation

New Century is required to disclose any relationship or arrangement where it receives an economic benefit from a third party (non-client) for providing advisory services. In addition, New Century is required to disclose any direct or indirect compensation that it provides for client referrals.

Client Referrals

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 Advisers Act and any corresponding state securities law requirements. Any such referral fee is paid solely from New Century's investment management fee, and does not result in any additional charge to the client. If the client is introduced to New Century by an unaffiliated solicitor, the solicitor provides the client with a copy of New Century's written disclosure brochure which meets the requirements of Rule 204-3 of the Advisers Act and a copy of the solicitor's disclosure statement containing the terms and conditions of the solicitation arrangement including compensation. Any affiliated solicitor of New Century discloses the nature of his/her 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 brochure at the time of the solicitation.

In addition, New Century has a written agreement with *GFWM* to have certain of its *Supervised Persons* provide personal advisory services to their clients. Such personal advisory services include: qualifying their clients for a particular *Independent Manager* as well as determining client's goals and objectives (determining risk tolerance and investment styles). New Century and its *Supervised Persons* receive compensation pursuant to these agreements for introducing clients to the *Independent Manager* and for providing the aforementioned personal advisory services. Due to the fact that such compensation may differ depending on the individual agreement with each *Independent Manager*, the *Supervised Persons* may have an incentive to recommend a particular *Independent Manager* over other *Independent Managers* with which New Century has less favorable compensation arrangements.

Other Economic Benefits

New Century may receive economic benefits from non-clients for providing advice or other advisory services to clients. This type of relationship poses a conflict of interest and any such relationship is disclosed in responses to Items 10 and 12, above.

Item 15. Custody

New Century's *Agreement* and/or the separate agreement with any *Financial Institution* may authorize New Century through such *Financial Institution* to debit the client's account for the amount of New Century's fee and to directly remit that management fee to New Century in accordance with applicable custody rules.

The *Financial Institutions* recommended by New Century have agreed to send a statement to the client, at least quarterly, indicating all amounts disbursed from the account including the amount of management fees paid directly to New Century. In addition, as discussed in Item 13, New Century also sends periodic supplemental reports to clients. Clients should carefully review the statements sent directly by the *Financial Institutions* and compare them to those received from New Century.

Item 16. Investment Discretion

New Century is generally given the authority to exercise discretion on behalf of clients. New Century is considered to exercise investment discretion over a client's account if it can effect transactions for the client without first having to seek the client's consent. New Century is given this authority through a power-of-attorney included in the agreement between New Century and the client. Clients may request a limitation on this authority (such as certain securities not to be bought or sold). New Century takes discretion over the following activities:

- The securities to be purchased or sold;
- The amount of securities to be purchased or sold;
- When transactions are made; and
- The *Independent Managers* to be hired or fired.

Item 17. Voting Client Securities

New Century may vote client securities (proxies) on behalf of its clients. When New Century accepts such responsibility, it will only cast proxy votes in a manner consistent with the best interest of its clients. Absent special circumstances, which are fully- described in New Century's Proxy Voting Policies and Procedures, all proxies will be voted consistent with guidelines established and described in New Century's Proxy Voting Policies and Procedures, as they may be amended from time-to-time. Clients may contact New Century to request information about how New Century voted proxies for that client's securities or to get a copy of New Century's Proxy Voting Policies and Procedures. A brief summary of New Century's Proxy Voting Policies and Procedures is as follows:

- New Century has formed a Proxy Voting Committee that will be responsible for monitoring corporate actions, making voting decisions in the best interest of clients, and ensuring that proxies are submitted in a timely manner.
- The Proxy Voting Committee will generally vote proxies according to New Century's then current Proxy Voting Guidelines. The Proxy Voting Guidelines include many specific examples of voting decisions for the types of proposals that are most frequently presented, including: composition of the board of directors; approval of independent auditors; management and director compensation; anti-takeover mechanisms and related issues; changes to capital structure; corporate and social policy issues; and issues involving mutual funds.
- Although the Proxy Voting Guidelines are followed as a general policy, certain issues are considered on a case-by-case basis based on the relevant facts and circumstances. Since corporate governance issues are diverse and continually evolving, New Century devotes an appropriate amount of time and resources to monitor these changes.
- Clients cannot direct New Century's vote on a particular solicitation but can revoke New Century's authority to vote proxies.

In situations where there may be a conflict of interest in the voting of proxies due to business or personal relationships that New Century maintains with persons having an interest in the outcome of certain votes, New Century takes appropriate steps to ensure that its proxy voting decisions are made in the best interest of its clients and are not the product of such conflict.

Item 18. Financial Information

New Century is not required to disclose any financial information pursuant to this Item due to the following:

- The firm does not require or solicit the prepayment of more than \$1,200 in fees six months or more in advance of services rendered;
- The firm does not have a financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients; and
- The firm has not been the subject of a bankruptcy petition at any time during the past ten years.

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