

New Century Asset Management, Inc.

FORM ADV PART 2A – DISCLOSURE BROCHURE

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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.

Item 2 – Material Changes

This item discusses specific material changes to the New Century Asset Management, Inc. disclosure brochure since the filing of its last annual updating amendment (March 26, 2014).

Pursuant to current SEC Rules, New Century Asset Management, Inc. will ensure that clients receive a summary of any materials changes to this and subsequent brochures within 120 days of the close of the firm's fiscal year which occurs at the end of the calendar year. New Century Asset Management, Inc. may further provide other ongoing disclosure information about material changes as necessary.

New Century Asset Management, Inc. will also provide clients with a new brochure as necessary based on changes or new information, at any time, without charge.

New Century Asset Management, Inc. has made the following changes to this brochure:

New Century Asset Management, Inc. has disclosed that clients may open up a trading only account that is used to custody investments that are outside of the firm's investment recommendations. Please see the full disclosures under Items 4 and 5.

New Century Asset Management, Inc. has also disclosed that it is now licensed as an insurance producer. Please see the full disclosures under Item 10.

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Item 4 - Advisory Business

A. The 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 using 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 thirty 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. Kate holds the Series 7 and 63 securities licenses as well as life, health and variable insurance licenses.

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 and sector research, analysis and selection process. He is responsible for management of the core equity portfolios and covered call writing strategies for the firm's clients. Greg manages balanced and fixed income portfolios as well.

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 providing discretionary management for equity, balanced and fixed income portfolios. At GMP, his focus was on equity research and stock selections revolving around theme-based sector and covered call writing strategies.

Before 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. Greg is a longtime Board and Executive Member of the Lakeland Hills Family YMCA. He is Board Treasurer and serves on numerous committees, including Finance and Investment, Audit and Financial Development (Fundraising). Rounding out his community services, Greg is a member of the Tri-Town Chamber of Commerce, served on the Board of Directors and was past President.

Leanne M. Polizzano
Senior Investment Analyst

Leanne is our Research Analyst and a member of the Investment Team. She is responsible for conducting analytical equity, fixed income and mutual fund research ranging from broad sector analysis to individual company valuation. In addition, she monitors, rebalances portfolios and handles trading on equities, mutual funds, fixed income and options. She also prepares client portfolio reviews and proposals for existing and prospective clients. Leanne also plays an important role in the 401(k) mutual fund selection process.

Prior to joining New Century, Leanne was a senior research analyst at Sherwood Securities where she concentrated on equities in the consumer sector of the economy. Before that, she worked as an associate at Morgan Stanley where she developed her analytical and technical skills while working with the equity, M&A, fixed income and real estate divisions. Prior to that she worked in the equity research department of Prudential - Bache Securities. Leanne also taught as an adjunct professor for the International Business graduate studies program at Centenary College.

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.

B. Advisory 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 identifies investment allocations for a client and creates and manages a portfolio based on those investment allocations. 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 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 of services 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. 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) employee enrollment documents.
- Group employee educational meetings.

Trading-Only Services

As a courtesy, New Century upon request will set up a non-discretionary, non-managed “trading only” account for clients. As detailed in the applicable agreement, New Century will not have any initial or ongoing management responsibility over this type of account. This arrangement is used to house client legacy assets that are a result of client direction and are not the result of New Century’s recommendations. Trading-Only accounts are not subject to New Century’s periodic review, reporting or any other services that are covered under a discretionary managed account.

C. Wrap Fee Programs

New Century does not participate in wrap fee programs. Under a wrap fee program, advisory services (which may include portfolio management or advice concerning the selection of other investment advisers) and transaction services (*e.g.*, execution of trades) are provided for one fee. This is different than traditional investment management programs whereby services are provided for a fee, but transaction services are billed separately on a per-transaction basis.

D. Client Tailored Services and Client Imposed Restrictions

New Century offers a full range of investment advisory services which can be tailored to meet the specific needs of each client. In order to provide appropriately individualized services, New Century will work with the client to obtain information regarding the client’s financial circumstances, investment objectives, overall financial condition, income and tax status, personal and business assets, risk profile and other information regarding the client’s financial and investment needs.

New Century will periodically review with clients their financial circumstances, investment objectives and risk profile. In order for New Century to provide effective advisory services, it is critical that clients provide accurate and complete information to New Century and inform New Century anytime such information needs to be updated or anytime there is a change in their financial circumstances, investment objectives and/or risk profile.

Generally, clients are permitted to impose reasonable restrictions on investing in certain securities or types of securities in their advisory accounts, provided, however, that some restrictions may not be accommodated when utilizing Exchange Traded Funds, mutual funds or with respect to certain third-party products or services made available through New Century. In addition, a restriction request may not be honored if it is fundamentally inconsistent with New Century's investment philosophy, runs counter to the client's stated investment objectives, or would prevent New Century from properly servicing client accounts.

E. Assets Under Management

As of December 31, 2014, the total amount of client assets managed by New Century is approximately \$235,000,000.

Of this total amount, approximately \$179,000,000 of client assets are managed on a discretionary basis and \$56,000,000 of client assets are managed on a non-discretionary basis.

Item 5 - Fees And Compensation

A. Advisory Fees

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 thirty (30) 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 will not exceed .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.

Trading Only Fees

New Century does not charge a management fee for this type of account, but does charge an annual service fee to maintain the account. The annual service fee is equal to 25% of assets in the client's trading only account.

B. Payment Method

Unless otherwise agreed to, New Century's advisory agreement and/or the separate agreement the client enters into with the account custodian will authorize New Century, through the account custodian, to debit the client's account for the amount of New Century's fee and to directly remit that portfolio management fee to New Century. Details of the portfolio management fee charged are more fully described in the advisory agreement entered into with each client.

In order for New Century's advisory fees to be directly debited from a client's account, the client must provide written authorization permitting New Century to bill the custodian. In addition, the account must be held by a qualified custodian and the qualified custodian must agree to send to the client an account statement on at least a quarterly basis. The account statement must indicate 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 account custodian will not determine whether the fee is properly calculated.

C. Additional Fees and Expenses

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 “Brokerage Practices” section of this disclosure brochure for additional information on brokerage and other transaction costs.

D. Termination and Refunds

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.

E. Additional Compensation

Licensed Insurance Agents

Certain persons providing investment advice on behalf of New Century are also licensed as independent insurance agents. These related persons will earn commission-based compensation for selling insurance products, including insurance products they sell to clients. They may, from time to time, also earn incentive awards, increased bonus payments or seminars/trips treated as earned compensation for the recommendation of insurance products. Insurance commissions earned by these related persons are separate and in addition to New Century’s advisory fees. While these individuals endeavor at all times to put the interest of the clients first as part of New Century’s fiduciary duty, clients should be aware that this practice presents a conflict of interest because individuals providing investment advice on behalf of the firm who are also insurance agents have an incentive to recommend insurance product to clients for the purpose of generating commissions, rather than solely based on client needs. However, clients are under no obligation, contractually or otherwise, to purchase insurance products through any individual affiliated with New Century.

F. 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.

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.

Item 6 - Performance-Based Fees and Side-By-Side Management

New Century does not accept performance-based fees or engage in side-by-side management of client accounts. Performance-based fees are fees that are based on a share of capital gains or capital appreciation of a client's account. Side-by-side management refers to the practice of managing accounts that are charged performance-based fees while at the same time managing accounts that are not charged performance-based fees. New Century's fees are calculated as described above in Item 5 - Fees and Compensation - and are not charged on the basis of a share of the capital gains upon, or capital appreciation of, the funds in a client's account.

Item 7 - 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 \$2,000 for 401(k) Retirement Consulting Services clients. New Century retains the right to reduce or waive the minimum annual fee.

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

A. Methods of Analysis and Investment Strategies

New Century may employ any of the investment analysis, investment strategies or sources of information that are defined below. Any or all of these methods are supplied to New Century by third-party research providers.

Methods of Analysis

Fundamental Analysis

Fundamental analysis is a method of evaluating securities by attempting to measure the intrinsic value of a stock. Fundamental analysts study the overall economy and industry conditions, the financial condition of a company, details regarding the company's product line, and the experience and expertise of the company's management. The resulting data is used to measure the true value of the company's stock compared to the current market value.

Technical Analysis

Technical analysis involves the examination of past market data rather than specific company data in determining which securities to buy/sell. Technical analysis may involve the use of various quantitative-based calculations, variation metrics and charts to identify market patterns and trends which may be based on investor sentiment rather than the fundamentals of a company. These trends may include put/call ratios, pricing trends, moving averages, volume, and changes in volume, among many others. These trends, both short and long-term, are used for determining specific trade entry and exit points and broad economic analysis.

Cyclical Analysis

Cyclical analysis is similar to technical analysis in that it involves the assessment of market conditions at a macro (e.g., the entire market/economy) or micro (e.g., company specific) level, rather than the overall fundamental analysis of the health of a particular company. Cyclical analysis involves the historical patterns and trends of securities, markets or economies as a whole in an effort to determine future behaviors, the estimation of price movement and an evaluation of a transaction before entry into the market in terms of risk and profit potential.

Charting

Charting involves the use of patterns in performance charts which might identify favorable conditions for buying and/or selling a security. Charts of market and security activity are reviewed in an attempt to identify when the market is moving up or down and to predict how long the trend will last and when that trend may reverse.

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.

Long-Term Purchases

Securities are purchased with the expectation that the value of those securities will grow over a relatively long period of time, generally greater than one year.

Short-Term Purchases

Securities are purchased with the expectation that they will be sold within a relatively short period of time, generally less than one year, to take advantage of the securities' short-term price fluctuations.

Trading

Securities are purchased with the expectation that they will be sold within a very short period of time, generally less than 30 days, in an effort to capture significant market gains and avoid significant market losses during a volatile market.

Short Sales

A securities transaction in which an investor sells borrowed securities in anticipation of a price decline. The investor is then required to return an equal number of shares at some point in the future. A short seller will profit if the stock goes down in price.

Margin Transactions

A securities transaction in which an investor borrows money to purchase a security, in which case the security serves as collateral on the loan.

Option Writing

An option is the right, but not the obligation, to buy or sell a particular security at a specified price before the expiration date of the option. An investment strategy utilizing option writing involves selling (writing) an option. When an investor sells (writes) an option, he or she must deliver to the buyer a specified number of shares if the buyer exercises the option. The seller receives from the buyer a premium (the market price of the option at a particular time) in exchange for writing the option.

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. Investments may include 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, exchange-traded funds, variable annuities, options, futures and limited partnerships and master limited partnerships investing in real estate, oil, gas, natural resources and pipelines.

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 programs and third-party providers for sources of

information for the development of investment strategies, methods of analysis and security selections such as Standard & Poor's, Schwab Advisor Center, Morningstar, Performance Technologies, Thompson Reuters, ValueLine, Bloomberg and Fidelity Advisor Channel

Investing Involves Risk

Investing in securities involves risk of loss that each client should be prepared to bear. The value of a client's investment may be affected by one or more of the following risks, any of which could cause a client's portfolio return, the price of the portfolio's shares or the portfolio's yield to fluctuate:

- *Market Risk.* The value of portfolio assets will fluctuate as the stock or bond market fluctuates. The value of investments may decline, sometimes rapidly and unpredictably, simply because of economic changes or other events that affect large portions of the market.
- *Management Risk.* A client's portfolio is subject to management risk because it is actively managed by New Century's investment professionals. New Century will apply its investment techniques and risk analysis in making investment decisions for a client's portfolio, but there is no guarantee that these techniques and New Century's judgment will produce the intended results.
- *Interest Rate Risk.* Changes in interest rates will affect the value of a portfolio's investments in fixed-income securities. When interest rates rise, the value of investments in fixed-income securities tend to fall and this decrease in value may not be offset by higher income from new investments. Interest rate risk is generally greater for fixed-income securities with longer maturities or durations.
- *Credit Risk.* An issuer or guarantor of a fixed-income security, or the counterparty to a derivatives or other contract, may be unable or unwilling to make timely payments of interest or principal, or to otherwise honor its obligations. The issuer or guarantor may default causing a loss of the full principal amount of a security. The degree of risk for a particular security may be reflected in its credit rating. There is the possibility that the credit rating of a fixed-income security may be downgraded after purchase, which may adversely affect the value of the security. Investments in fixed-income securities with lower ratings tend to have a higher probability that an issuer will default or fail to meet its payment obligations.
- *Allocation Risk.* The allocation of investments among different asset classes may have a significant effect on portfolio value when one of these asset classes is performing more poorly than the others. As investments will be periodically reallocated, there will be transaction costs which may be, over time, significant. In addition, there is a risk that certain asset allocation decisions may not achieve the desired results and, as a result, a client's portfolio may incur significant losses.
- *Foreign (Non-U.S.) Risk.* A portfolio's investments in securities of non-U.S. issuers may involve more risk than those of U.S. issuers. These securities may fluctuate more widely in price and may be less liquid due to adverse market, economic, political, regulatory or other factors.
- *Emerging Markets Risk.* Securities of companies in emerging markets may be more volatile than those of companies in developed markets. By definition, markets, economies and government institutions are generally less developed in emerging market countries. Investment in securities of companies in emerging markets may entail special risks relating to the potential for social instability and the risks of expropriation, nationalization or confiscation. Investors may also face the imposition

of restrictions on foreign investment or the repatriation of capital and a lack of hedging instruments.

- *Currency Risk.* Fluctuations in currency exchange rates may negatively affect the value of a portfolio's investments or reduce its returns.
- *Derivatives Risk.* Certain strategies involve the use of derivatives to create market exposure. Derivatives may be illiquid, difficult to price and leveraged so that small changes may produce disproportionate losses for a client's portfolio and may be subject to counterparty risk to a greater degree than more traditional investments. Because of their complex nature, some derivatives may not perform as intended. As a result, a portfolio may not realize the anticipated benefits from a derivative it holds or it may realize losses. Derivative transactions may create investment leverage, which may increase a portfolio's volatility and may require the portfolio to liquidate portfolio securities when it may not be advantageous to do so.
- *Capitalization Risk.* Investments in small- and mid-capitalization companies may be more volatile than investments in large-capitalization companies. Investments in small-capitalization companies may have additional risks because these companies have limited product lines, markets or financial resources.
- *Liquidity Risk.* Liquidity risk exists when particular investments are difficult to purchase or sell, possibly preventing New Century from selling out of such illiquid securities at an advantageous price. Derivatives and securities involving substantial market and credit risk also tend to involve greater liquidity risk.
- *Issuer Specific Risk.* The value of an equity security or debt obligation may decline in response to developments affecting the specific issuer of the security or obligation, even if the overall industry or economy is unaffected. These developments may comprise a variety of factors, including, but not limited to, management issues or other corporate disruption, political factors adversely affecting governmental issuers, a decline in revenues or profitability, an increase in costs, or an adverse effect on the issuer's competitive position.
- *Concentrated Portfolios Risk.* Certain investment strategies focus on particular asset classes, countries, regions, industries, sectors or types of investments. Concentrated portfolios are an aggressive and highly volatile approach to trading and investing. Concentrated portfolios hold fewer different stocks than a diversified portfolio and are much more likely to experience sudden dramatic prices swings. In addition, the rise or drop in price of any given holding is likely to have a larger impact on portfolio performance than a more broadly diversified portfolio.
- *Legal or Legislative Risk.* Legislative changes or court rulings may impact the value of investments or the securities' claim on the issuer's assets and finances.

B. Risks Associated with Investment Strategies and Methods of Analysis

Long-Term Purchases

Using a long-term purchase strategy generally assumes the financial markets will go up in the long-term which may not be the case. There is also the risk that the segment of the market that you are invested in or your particular investments will decrease in value even if the overall financial markets advance. Purchasing investments long-term may create an opportunity cost (e.g., "locking-up" assets that may be better utilized in the short-term in other investments).

Short-Term Purchases

Using a short-term purchase strategy generally assumes that the performance of the financial markets can be accurately predicted over the short-term. The risk associated with a short-term purchase strategy is that there are many factors that may affect market performance in the short-term including interest rate fluctuations, cyclical earnings, etc. Such factors may have a smaller impact over the longer-term. In addition, short-term trading may incur a disproportionately higher amount of transaction costs compared to long-term trading.

Trading

Strategies involving frequent trading of securities can affect investment performance through increased brokerage and other transaction costs and taxes.

Short Sales

Short selling is very risky. The primary risk associated with selling a security that was borrowed in anticipation of a price decline is that if the price of those borrowed shares *increases*, the potential losses are *unlimited*.

Margin Transactions

When buying stocks on margin, you are employing leverage as an investing strategy. Leverage allows an investor to extend their financial reach by investing using borrowed funds while limiting the amount of their own cash they expend. This can involve a high degree of risk, including, but not limited to:

- Losing more money than you have invested;
- Paying interest on your loan;
- 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/or
- Having your brokerage firm sell some or all of your securities without consulting you to pay off the loan it made to you.

Option Writing

There are numerous risks associated with transactions in options on securities or securities indexes and therefore, are not suitable for everyone. Option trading can be speculative in nature and carry substantial risk of loss of principal. 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. For example, 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 (e.g., 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).

Risk Associated with Methods of Analysis

The analysis of securities requires subjective assessments and decision-making by experienced investment professionals, however, there is always the risk of an error in judgment.

New Century's securities analysis methods rely on the assumption that the companies whose securities the firm purchases and sells, the rating agencies that review these securities, and other publicly-available sources of information about these securities, are providing accurate and unbiased data. While New Century is alert to indications that data may be incorrect, there is always the risk that the firm's analysis may be compromised by inaccurate or misleading information.

Fundamental Analysis

Fundamental analysis, when used in isolation, has a number of risks:

- Information obtained may be incorrect and the analysis may not provide an accurate estimate of earnings, which may be the basis for a stock's value. If securities prices adjust rapidly to new information, utilizing fundamental analysis may not result in favorable performance.
- The data used may be out of date.
- It ignores the influence of random events such as oil spills, product defects being exposed, acts of God and so on.
- It assumes that there is no monopolistic power over markets.
- The market may fail to reach expectations of perceived value.

Technical Analysis

The primary risk in using technical analysis is that spotting historical trends may not help predict such trends in the future. Even if the trend will eventually reoccur, there is no guarantee that New Century will be able to accurately predict such a reoccurrence.

Charting

The primary risk in using charting analysis is that it may not accurately detect anomalies or predict future price movements. Current prices of securities may reflect all information known about a security and yet, day-to-day changes in the market prices of securities may follow random patterns and may not be predictable with any reliable degree of accuracy.

C. Risks Associated with Specific Securities Utilized

Common Stocks

The major risks associated with investing in common stocks relate to the issuer's capitalization, quality of the issuer's management, quality and cost of the issuer's services, the issuer's ability to manage costs, efficiencies in the manufacturing or service delivery process, management of litigation risk and the issuer's ability to create shareholder value (e.g., increase the value of the company's stock price).

Fixed-Income Securities

Different forms of fixed-income instruments, such as bonds, money market funds, and certificates of deposit may be affected by various forms of risk, including:

- *Interest Rate Risk.* The risk that the value of the fixed-income holding will decrease because of an increase in interest rates.
- *Liquidity Risk.* The inability to readily buy or sell an investment for a price close to the true underlying value of the asset due to a lack of buyers or sellers. While certain types of fixed-income securities are generally liquid (e.g., corporate bonds), there are risks which may occur such as when an issue trading in any given period does not readily support buys and sells at an efficient price. Conversely, when trading volume is high, there is also the risk of not being able to purchase a particular issue at the desired price.
- *Credit Risk.* The potential risk that an issuer would be unable to pay scheduled interest or repay principal at maturity, sometimes referred to as “default risk.” Credit risk may also occur when an issuer’s ability to make payments of principal and interest when due is interrupted. This may result in a negative impact on all forms of debt instruments.
- *Reinvestment Risk.* With declining interest rates, investors may have to reinvest income or principal at a lower rate.
- *Duration Risk.* Duration is a measure of a bond’s volatility, expressed in years to be repaid by its internal cash flow (interest payments). Bonds with longer durations carry more risk and have higher price volatility than bonds with shorter durations.

Municipal Bonds

In addition to the risks set forth under “Fixed-Income Securities” above, municipal bonds are susceptible to events in the municipality that issued the bond or the security posted for the bond. These events may include economic or political policy changes, changes in law, tax base erosion, state constitutional limits on tax increases, budget deficits or other financial difficulties and changes in the credit rating assigned to municipal issues.

Federal Agency Securities

Although the issuer may be chartered or sponsored by an Act of Congress, the issuer is not funded by Congressional appropriations and its debt and equity securities are neither guaranteed nor insured by the U.S. Government. Without a more explicit commitment, there can be no assurance that the U.S. Government will provide financial support to such issuers or their securities.

Exchange Traded Funds

ETFs are subject to risks similar to those of stocks. Investment returns will fluctuate and are subject to market volatility, so that when shares are sold they may be worth more or less than their original cost. ETF shares are bought and sold at market price (not Net Asset Value) and are not individually redeemed from the fund. There is also the risk that a manager may deviate from the stated investment mandate or strategy of the ETF which could make the holdings less suitable for a client’s portfolio. ETFs may also carry additional expenses based on their share of operating expenses and certain brokerage fees, which may result in the potential duplication of certain fees. In addition, while many ETFs are known

for their potential tax efficiency and higher “qualified dividend income” (QDI) percentages, there are assets classes within these ETFs or holding periods that may not benefit. Shorter holding periods, as well as commodities and currencies that may be part of an ETF’s portfolio, may be considered “non-qualified” under certain tax code provisions.

Equity Funds

The major risks associated with investing in equity mutual funds is similar to the risks associated with investing directly in equity securities, including market risk, which is the risk that investment returns will fluctuate and are subject to market volatility, so that an investor’s shares, when redeemed or sold, may be worth more or less than their original cost. Other risks include the quality and experience of the portfolio management team and its ability to create fund value by investing in securities that have positive growth, the amount of individual company diversification, the type and amount of industry diversification and the type and amount of sector diversification within specific industries. In addition, there is the risk that a manager may deviate from the stated investment mandate or strategy of the mutual fund which could make the holdings less suitable for a client’s portfolio. Also, mutual funds tend to be tax inefficient and therefore investors may pay capital gains taxes on fund investments while not having yet sold their shares in the fund. Mutual funds may also carry additional expenses based on their share of operating expenses and certain brokerage fees, which may result in the potential duplication of certain fees.

Fixed-Income Funds

The major risks associated with investing in fixed-income mutual funds include the same risks as set forth under “Fixed-Income Securities” listed above. In addition investment returns and share price will fluctuate with market conditions, and investors may experience a gain or loss when shares are sold. Unlike owning an individual fixed income security, there is no maturity date on a fixed income.

Indexed Funds

Indexed Funds have the potential to be affected by “tracking error risk” which means a deviation from a stated benchmark index. Since the core of a portfolio may attempt to closely replicate a benchmark, the source of the tracking error (deviation) may come from a “sample index” that may not closely align the benchmark. In addition, while many index mutual funds are known for their potential tax efficiency and higher “qualified dividend income” (QDI) percentages, there are assets classes within these funds or holding periods that may not benefit. Shorter holding periods, as well as commodities and currencies that may be part of a fund’s portfolio, may be considered “non-qualified” under certain tax code provisions.

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. 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.

Real Estate Related Securities

Investing in real estate related securities includes, among others, the following risks: possible declines in the value of real estate; risks related to general and local economic conditions, including increases in the rate of inflation, possible lack of availability of mortgage funds, overbuilding, extending vacancies of properties, increases in competition, property taxes and operating expenses, changes in zoning laws, costs resulting from clean up of, and liability to third-parties for damages resulting from, environmental problems, casualty and condemnation losses, uninsured damages from floods, earthquakes or other natural disasters, limitations on and variations in rents and changes in interest rates. Investing in Real Estate Investment Trusts (“REITs”) involves certain unique risks in addition to those risks associated with investing in real estate in general. REITs are dependent upon the skills of management, are not diversified and are subject to cash flow dependency, default by borrowers and self-liquidation.

Master Limited Partnerships

Master Limited Partnerships (MLPs) are a type of limited partnership that is publicly traded and sells like a common stock on the major stock exchanges. There are two types of partners in this type of partnership: The limited partner is the person or group that provides the capital to the MLP and receives periodic income distributions from the MLP’s cash flow, whereas the general partner is the party responsible for managing the MLP’s affairs and receives compensation that is linked to the performance of the venture. MLP investors face several kinds of risk that are inherent in these types of investments and in the market, including loss of money, volatility and interest rate risk.

Alternative Investments

The performance of alternative investments (e.g., commodities, futures, hedge funds; funds of hedge funds, private equity or other types of limited partnerships) can be volatile. Alternative investments generally involve various risk factors and liquidity constraints, a complete discussion of which is set forth in the offering documents of each specific alternative investment. Due to the speculative nature of alternative investments a client must satisfy certain income or net worth standards prior to investing.

Please note that there may be other circumstances not described here that could adversely affect a client’s investment and prevent their portfolio from reaching its objective.

C. 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.

Item 9 - Disciplinary History

New Century is required to disclose any legal or disciplinary events that are material to a client’s or a prospective client’s evaluation of the firm’s advisory business or the integrity of New Century’s management. Neither New Century nor its management persons have any reportable disciplinary history.

Item 10 - Other Financial Industry Activities and Affiliations

A. Broker-Dealer Registration and Registered Representatives

New Century is not registered, nor does it have an application pending to register, as a broker-dealer.

B. Futures and Commodity Registration

New Century is not registered, nor does it have an application pending to register, as a futures commission merchant, commodity pool operator or a commodity trading advisor. No management person is registered, nor does any management person have an application pending to register, as an associated person of a futures commission merchant, commodity pool operator or a commodity trading advisor.

C. Financial Industry Affiliations

New Century is a wholly-owned subsidiary of Valley National Bank, a national banking association that provides commercial and retail banking 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.

New Century is also licensed by the State of New Jersey Department of Banking and Insurance as an insurance producer. New Century, or individuals affiliated with New Century, may offer clients life, health, accident, sickness or variable insurance products. New Century and/or these related persons will earn commission-based compensation for selling insurance products, including insurance products they sell to clients. Insurance commissions earned by these related persons are separate and in addition to New Century’s advisory fees. While New Century and these individuals endeavor at all times to put the interest of the clients first as part of their fiduciary duty, clients should be aware that this practice presents a conflict of interest because individuals providing investment advice on behalf of the firm who are also insurance agents have an incentive to recommend insurance products to clients for the purpose of generating commissions, rather than solely based on client needs. However, clients are under no obligation, contractually or otherwise, to purchase insurance products through New Century or any individual affiliated with New Century.

Item 11 - 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 transactions involving initial public offerings or private offerings. New Century will 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.

Item 12 - Brokerage Practices

A. 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 accounts against the value of custodian or other services that is recommended by New Century.

B. 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.

Item 13 - 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 views each client's account performance on a quarterly basis and reviews 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 consistent with 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.

Item 14 - Client Referrals And Other Compensation

A. Economic Benefits

New Century does not receive any economic benefits such as sales awards or other prizes from any non-client for providing investment advisory services to the firm's clients.

B. Client Referrals

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.

In addition, Valley National Bank, New Century's sole shareholder, may provide its employee's with some economic benefit for referring a Valley National Bank customer to New Century for advisory services.

Item 15 - 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.

Item 16 - 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*.

Item 17 - 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 directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted. 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.

Item 18 - Financial Information

A. 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.

B. Financial Condition

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

C. Bankruptcy

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

Item 19 - Additional Information

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.

Requests for Additional Information

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