

# **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” or the “Firm”). If you have any questions about the contents of this brochure, please contact the Firm at the telephone number listed above. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority. Additional information about the Firm is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The Firm is a registered investment adviser. Registration does not imply any level of skill or training.

## **Item 2. Material Changes**

There have been no material changes in this brochure from the last annual updating amendment on 02/08/2023 of New Century Financial Group, LLC. Material changes relate to New Century Financial Group, LLC's policies, practices or conflicts of interests.

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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. Richard Oring is the Firm's owner.

As of December 31, 2023, New Century had \$ 201,731,729.00 of assets under management on a 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

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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. Financial planning offered as part of investment management client fees. Firm will continue to offer financial planning as a stand-alone service.

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 and Wealth Management Services**

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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 Osaic Wealth, Inc. ("Osaic") and otherwise in accordance with the client's investment objectives. Currently, the Firm utilizes the following programs in managing client assets. In addition, New Century will provide additional documents to clients regarding the programs prior to or concurrent with enrollment in a program. Please read it thoroughly before investing."

#### *Vision2020 Wealth Management Platform – Advisor Managed Portfolios Program ("Advisor Managed Portfolios")*

The Advisor Managed Portfolios provides comprehensive investment management of client assets through the application of asset allocation planning software as well as the provision of execution, clearing and custodial services through Pershing, LLC ("Pershing").

Advisor Managed Portfolios provides risk tolerance assessment, efficient frontier plotting, fund profiling and performance data, and portfolio optimization and re-balancing tools. Utilizing these tools, and based

on client responses to a risk tolerance questionnaire (“Questionnaire”) and discussions that the Firm has together with clients regarding, among other things, investment objectives, risk tolerances, investment time horizons, account restrictions, and overall financial situations, the Firm constructs a portfolio of investments.

Portfolios may consist of mutual funds, exchange traded funds, equities, options, debt securities, variable life, variable annuity sub-accounts and other investments. Each portfolio is designed to meet your individual client needs, stated goals and objectives. Additionally, clients have the opportunity to place reasonable restrictions on the types of investments to be held in the portfolio.

For further Advisor Managed Portfolios details, please see the Advisor Managed Portfolios Wrap Fee Program Brochure. New Century provides this brochure to clients prior to or concurrent with enrollment in Advisor Managed Portfolios. Please read it thoroughly before investing.”

*Vision2020 Wealth Management Platform – Model Portfolios Program (“Model Program”)*

The Model Program offers clients managed asset allocation models (“Asset Allocation Models”) of mutual funds, exchange traded funds (“ETFs”) or a combination thereof diversified across various investment styles and strategies. The Asset Allocation Models are constructed by managers (“Program Managers”) such as Russell Investment Management Company, SEI Investments Management Corporation and Morningstar Associates, LLC.

Based upon the risk tolerance of each client, the Model Program utilizes a system that selects a specific Asset Allocation Model. After the Asset Allocation Model is chosen, the Firm, with the assistance of the Model Program sponsor, will open a Model Program account. Client assets will be invested in the specific investments contained within the recommended Asset Allocation Model. Clients have the opportunity to place reasonable restrictions on investments held within the Model Program account.

*Vision2020 Wealth Management Platform – SMA and UMA Program (“Wealth Managed Account Program” or “WMA”)*

The Wealth Managed Account Program provides clients with the opportunity to invest assets across multiple investment strategies and asset classes by implementing an asset allocation strategy. WMA is a Wrap Account program that offers these advisory services along with brokerage and custodial services for a single, asset-based, advisory fee.

New Century presents clients with a WMA asset allocation model (“WMA Model”) for approval which will consist of: 1) third party money managers (“WMA Managers”) who will manage the WMA account according to a particular equity or fixed income model or strategy, 2) no-load mutual funds (“Funds”), or 3) exchange traded funds (“ETFs”) or any combination thereof (individually or collectively, “WMA Investments”). WMA Investments will be managed according to the selected WMA Model. WMA

Investments are held within a separately managed account or a series of separately managed accounts (collectively, “SMA Account”) or in one, unified managed account (“UMA Account”).

New Century will suggest a WMAP Model based on responses to a risk tolerance questionnaire (“Questionnaire”) and discussion that the Firm has with the client regarding among other things, investment objective, risk tolerance, investment time horizon, account restrictions, and overall financial situation. In addition, clients have the opportunity to place reasonable restrictions on investments held within the WMAP account.

#### *Use of Independent Managers*

New Century may select certain Independent Managers to actively manage a portion of its clients’ assets. The specific terms and conditions under which a client engages an Independent Manager may be set forth in a separate written agreement with the designated Independent Manager. In addition to this brochure, clients may also receive the written disclosure documents of the respective Independent Managers engaged to manage their assets.

New Century evaluates a variety of information about Independent Managers, which may include the Independent Managers’ public disclosure documents, materials supplied by the Independent Managers themselves and other third-party analyses it believes are reputable. To the extent possible, the Firm seeks to assess the Independent Managers’ investment strategies, past performance and risk results in relation to its clients’ individual portfolio allocations and risk exposure. New Century also takes into consideration each Independent Manager’s management style, returns, reputation, financial strength, reporting, pricing and research capabilities, among other factors.

New Century continues to provide services relative to the discretionary or non-discretionary selection of the Independent Managers. On an ongoing basis, the Firm monitors the performance of those accounts being managed by Independent Managers. New Century seeks to ensure the Independent Managers’ strategies and target allocations remain aligned with its clients’ investment objectives and overall best interests.

#### **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.

#### **Educational Seminars, Speaking Engagements, and Online Education Courses**

New Century and their DBA’s currently offers seminars, accepts speaking engagements, and provides online and in-person educational content and courses. Educational courses and content are offered via our website to the public on a variety of financial topics.



## 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

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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 \$500 to \$5,000 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 Fees

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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, platform fees charged by wrap- and independent managers, and other related costs and expenses which are incurred by the client. Certain of these fees may be included in the platform or other fees charged by third parties where 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**

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As detailed in Item 4, New Century provides its clients with various advisory program offerings through Osaic 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.

**Educational Seminars, Speaking Engagements, and Online Education Course Fees**

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New Century provides periodic educational seminars and workshops to the general public. Fees for courses range up to \$1,000 per course. Payment for online, in-person educational courses the fees are set to the terms of the individual agreement. The fee can be refundable to individuals who complete the entire course and are not satisfied.

The fee range for live educational seminar is an negotiable agreement based on the terms agreed on by "NCFG" and the individual(s) or group agreement. The education material can be delivered through a software program like Zoom, or similar and in person. In addition the educational program will be hosted for prerecorded courses hosted on [www.thinkific.com](http://www.thinkific.com).

In the event of inclement weather or a flight cancellation, the Speaker shall make all reasonable attempts to make alternative travel arrangements to arrive in time for the presentation. If travel proves impracticable or the event is otherwise canceled, the Speaker's fee is waived, but the Client will still be responsible for reimbursement of any non-refundable travel expenses already incurred. In the event that the Client decides to cancel or change the date of the event for any reason besides weather or similar unforeseen causes, the Client will still be responsible for reimbursement of any non-refundable travel expenses already incurred and will provide payment for 50% of the Speaker's fee if the cancellation occurs within 30 days of the event. In the event that the Speaker must cancel due to health or similar unforeseen circumstances, the Speaker will make all attempts to find an qualified alternate speaker from "NCFG". The other option is for the advisor to try to find an alternate engagement date. Any additional cost associated with the speaker having to reschedule will be absorbed by "NCFG". In the event of not being able to reschedule or find an alternate speaker than all deposits will be returned to the client and the contract will be voided.

**Fee Discretion**

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New Century may, in its sole discretion, negotiate to charge a lesser fee based upon certain criteria, such as anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing/legacy client relationship, account retention and pro bono activities.

**Direct Fee Debit**

Clients generally provide New Century and/or certain Independent Managers with the authority to directly debit their accounts for payment of the investment advisory fees. The Financial Institutions that act as the qualified custodian for client accounts, from which the Firm retains the authority to directly deduct fees, have agreed to send statements to clients not less than quarterly detailing all account transactions, including any amounts paid to New Century. Alternatively, clients may elect to have New Century send a separate invoice for direct 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 Osaic, an SEC registered broker-dealer and member of FINRA. Osaic may charge brokerage commissions to effect these securities transactions and thereafter, a portion of these commissions may be paid by Osaic to such Supervised Persons. Prior to effecting any transactions clients are required to enter into a new account agreement with Osaic. The brokerage commissions charged by Osaic 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 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. Clients are under no obligation to purchase products or services recommended by the Supervised Persons in connection with providing any advisory service.

For accounts covered by ERISA (and such others that New Century, in its sole discretion deems appropriate including other retirement accounts such as traditional IRAs), 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 Osaic. The offset is done as a credit to the client's advisory custodial account.

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

New Century does not provide any services for a performance-based fee (i.e., a fee based on a share of capital gains or capital appreciation of a client's assets).

## **Item 7. Types of Clients**

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

### **Minimum Account Size**

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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. The minimums of each program will be specifically disclosed in the documents delivered regarding the particular program that a client may be considering with New Century.

In addition, 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**

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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.

The investment strategies and methods of analysis utilized may differ depending upon the services provided and the Supervised Person providing the services. 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.

In addition to Modern Portfolio Theory, New Century will also utilize fundamental and technical methods of analysis. Fundamental analysis involves an evaluation of the fundamental financial condition and competitive position of a particular fund or issuer. For New Century, this process typically involves an analysis of an issuer's management team, investment strategies, style drift, past performance, reputation and financial strength in relation to the asset class concentrations and risk exposures to clients. A substantial risk in relying upon fundamental analysis is that while the overall health and position of a company may be good, evolving market conditions may negatively impact the security.

Technical analysis involves the examination of past market data rather than specific issuer information in determining the recommendations made to clients. Technical analysis may involve the use of mathematical based indicators and charts, such as moving averages and price correlations, to identify market patterns and trends which may be based on investor sentiment rather than the fundamentals of the company. A substantial risk in relying upon technical analysis is that spotting historical trends may not help to 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.

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**

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As detailed in Item 4, New Century provides its clients with various advisory program offerings through Osaic 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.

**Risk of Loss**

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*Market Risks*

Investing involves risk, including the potential loss of principal, and all investors should be guided accordingly. The profitability of a significant portion of New Century's recommendations and/or investment decisions may depend to a great extent upon correctly assessing the future course of price movements of stocks, bonds and other asset classes. There can be no assurance that New Century will be able to predict those price movements accurately or capitalize on any such assumptions.

*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.

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 actual 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 potentially 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 20,000 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 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 (i.e., 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.

*Use of Independent Managers*

As stated above, New Century may select certain Independent Managers to manage a portion of its clients’ assets. In these situations, New Century continues to conduct ongoing due diligence of such managers, but such recommendations rely to a great extent on the Independent Managers’ ability to successfully implement their investment strategies. In addition, New Century generally may not have the ability to supervise the Independent Managers on a day-to-day basis.

*Master Limited Partnerships (MLPs)*

Master Limited Partnerships (“MLPs”) are collective investment vehicles, the partnership interests of which are publicly traded on national securities exchanges. MLPs invest primarily in companies within the energy sector that engage in qualifying lines of business, such as natural resource production and mineral refinement. MLPs are therefore subject to the underlying volatility of the energy industry and may be adversely affected by changes to supply and demand, regional instability, currency spreads, inflation and interest rate fluctuations, among other such factors. In addition, MLPs operate as pass-through tax entities, meaning that investors are liable for their pro rata share of the partnership taxes, regardless of the types of accounts where the interests are held.

*Real Estate Investment Trusts (REITs)*

New Century may recommend an investment in, or allocate assets among, various real estate investment trusts (“REITs”), the shares of which exist in the form of either publicly traded or privately placed securities. REITs are collective investment vehicles with portfolios comprised primarily of real estate and mortgage related holdings. Many REITs hold heavy concentrations of investments tied to commercial and/or residential developments, which inherently subject REIT investors to the risks associated with a downturn in the real estate market. Investments linked to certain regions that experience greater volatility in the local real estate market may give rise to large fluctuations in the value of the vehicle’s shares. Mortgage related holdings may give rise to additional concerns pertaining to interest rates, inflation, liquidity and counterparty risk.

*Management through Similarly Managed “Model” Accounts*

New Century manages certain accounts through the use of similarly managed “model” portfolios, whereby

the Firm allocates all or a portion of its clients' assets among various mutual funds and/or securities on a discretionary basis using one or more of its proprietary investment strategies. In managing assets through the use of models, the Firm remains in compliance with the safe harbor provisions of Rule 3a-4 of the Investment Company Act of 1940.

The strategy used to manage a model portfolio may involve an above average portfolio turnover that could negatively impact clients' net after tax gains. While the Firm seeks to ensure that clients' assets are managed in a manner consistent with their individual financial situations and investment objectives, securities transactions effected pursuant to a model investment strategy are usually done without regard to a client's individual tax ramifications. Clients should contact the Firm if they experience a change in their financial situation or if they want to impose reasonable restrictions on the management of their accounts.

#### *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, it may also increase overall portfolio risk. Margin transactions are generally effected using capital borrowed from a Financial Institution, which is secured by a client's holdings. Under certain circumstances, a lending Financial Institution may demand an increase in the underlying collateral. If the client is unable to provide the additional collateral, the Financial Institution may liquidate account assets to satisfy the client's outstanding obligations, which could have extremely adverse consequences. In addition, fluctuations in the amount of a client's borrowings and the corresponding interest rates may have a significant effect on the profitability and stability of a client's portfolio.

### **Item 9. Disciplinary Information**

New Century has not been involved in any legal or disciplinary events that are material to a client's evaluation of its advisory business or the integrity of its management.

### **Item 10. Other Financial Industry Activities and Affiliations**

This item requires investment advisers to disclose certain financial industry activities and affiliations.

Some IARs of New Century have received retention incentives in the form of forgivable loans. See Item 14 - Other Compensation for a more detailed explanation of the retention incentive.

#### **Registered Representatives of a Broker/Dealer**

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



**Receipt of Insurance Commission**

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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.

**Referrals to Related Certified Public Accountants**

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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.

**Item 11. Code of Ethics**

New Century has adopted a code of ethics in compliance with applicable securities laws ("Code of Ethics") that sets forth the standards of conduct expected of its Supervised Persons. New Century's Code of Ethics contains written policies reasonably designed to prevent certain unlawful practices such as the use of material non-public information by the Firm or any of its Supervised Persons and the trading by the same of securities ahead of clients in order to take advantage of pending orders.

The Code of Ethics also requires certain of New Century's personnel to report their personal securities holdings and transactions and obtain pre-approval of certain investments (*e.g.*, initial public offerings, limited offerings). However, the Firm's Supervised Persons are permitted to buy or sell securities that it also recommends to clients if done in a fair and equitable manner that is consistent with the Firm's policies and procedures. This Code of Ethics has been established recognizing that some securities trade in sufficiently broad markets to permit transactions by certain personnel to be completed without any appreciable impact on the markets of such securities. Therefore, under limited circumstances, exceptions may be made to the policies stated below.

When the Firm is engaging in or considering a transaction in any security on behalf of a client, no Supervised Person will access to this information may knowingly effect for themselves or for their

immediate family (i.e., spouse, minor children and adults living in the same household) a transaction in that security unless:

- the transaction has been completed;
- the transaction for the Supervised Person is completed as part of a batch trade 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.

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

## **Item 12. Brokerage Practices**

### **Recommendation of Broker/Dealers for Client Transactions**

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As discussed above, in Item 5, New Century generally recommends that clients utilize the brokerage and clearing services of Osaic and Asset Mark (CRD 109018).

Factors which New Century considers in recommending Osaic or any other broker-dealer to clients include their respective financial strength, reputation, execution, pricing, research and service. Osaic 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 Osaic 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.

Some IARs of New Century have received retention incentives in the form of forgivable loans. See Item 14 - Other Compensation for a more detailed explanation of the retention incentive.

### **Commissions or Sales Charges for Recommendations of Securities**

As discussed above, certain Supervised Persons in their respective individual capacities are registered representatives of Osaic. These Supervised Persons are subject to FINRA Rule 3040 which restricts registered representatives from conducting securities transactions away from their broker-dealer unless Osaic provides written consent. Therefore, clients are advised that certain Supervised Persons may be restricted to conducting securities transactions through Osaic unless they first secure written consent from Osaic to execute securities transactions through a different broker-dealer. Absent such written consent or separation from Osaic, these Supervised Persons are prohibited from executing securities transactions through any broker-dealer other than Osaic under Osaic'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, Osaic 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 Osaic. Under the rules and regulations of FINRA, Osaic, 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, Osaic will collect, as paying agent for New Century, the investment advisory fees to be paid to New Century by the account custodian, and Osaic, will retain a portion of New Century's fee as compensation for Osaic's administrative and supervisory functions. The portion of New Century's fee retained by Osaic 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 Osaic may be re-allowed to other registered representatives of Osaic 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 Osaic 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.

Osaic sponsors the Elite Focus Program. In this program, selected vendors will be invited to pay additional marketing fees to Osaic for its enhanced marketing and distribution efforts. As part of such compensation, such vendors will, at no additional charge, be invited to participate in Osaic's educational and sales seminars, and will also be granted access to lists containing Osaic'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 Osaic's Elite Focus Program members is available to clients upon request. Vendors will pay for events.

**Software and Support Provided by Financial Institutions**

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New Century may receive from Osaic, without cost to New Century, computer software and related systems support, which allow New Century to better monitor client accounts maintained at Osaic. New Century may receive the software and related support without cost because New Century renders investment management services to clients that maintain assets at Osaic. 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 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.

**Brokerage for Client Referrals**

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New Century does not consider, in selecting or recommending broker/dealers, whether the Firm receives client referrals from the Financial Institutions or other third party.

**Item 13. Review of Accounts****Account Reviews**

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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**

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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.

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**

### **Client Referrals**

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New Century does not compensate non-advisory personnel (solicitors) for client referrals.

### **Other Economic Benefits**

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New Century does 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.

### **Salary Guarantees & Bonuses**

New Century does provide IARs with salary guarantees or bonuses. These additional incentives are at the sole discretion of New Century and will be tied to the total assets under management by the IAR, the total amount of revenue generated by the IAR, or both. Clients should be aware of the possible conflict that performance-based incentives can create with the fiduciary duties of a registered investment advisor.

### **Other Compensation**

The broker-dealer/custodian recommended by New Century has provided compensation to New Century and/or its representatives, including a retention incentive in the form of forgivable loans.

The Retention incentive is used to assist New Century and/or its representative with the costs (including foregone revenues during account transition) associated with maintaining a relationship with the broker-dealer/custodian. The amount of Retention incentive is often significant in relation to the overall revenue earned or compensation received by representatives at potential other firms. The proceeds of such Retention incentive payments are intended to be used for a variety of purposes, including but not necessarily limited to, providing working capital to assist in funding the representative's business, satisfying any outstanding debt owed to the representative's prior firm, offsetting account transfer fees (ACATs) payable to the broker-dealer/custodian as a result of the representative's clients transitioning to the broker-dealer/custodian's platform, technology set-up fees, marketing and mailing costs, stationary and licensure transfer fees, moving expenses, office space expenses, staffing support and termination fees associated with moving accounts. Such payments are generally based on the size of the representative's business established at the firm and/or assets under custody at the broker-dealer/custodian.

The Retention incentive and other benefits provided to representatives of New Century creates conflicts of interest relating to New Century's advisory business because there is a financial incentive for New Century to recommend that clients maintain their accounts with the broker-dealer/custodian. The receipt of such benefits is dependent on a representative maintaining its clients' assets with the broker-dealer/custodian

and therefore New Century has an incentive to recommend that clients maintain their account with the broker-dealer/custodian in order to generate such benefits.

### **Item 15. Custody**

The Advisory Agreement and/or the separate agreement with any Financial Institution generally authorize New Century and/or the Independent Managers to debit client accounts for payment of the Firm's fees and to directly remit that those funds to the Firm in accordance with applicable custody rules. The Financial Institutions that act as the qualified custodian for client accounts, from which the Firm retains the authority to directly deduct fees, have agreed to send statements to clients not less than quarterly detailing all account transactions, including any amounts paid to New Century.

In addition, as discussed in Item 13, New Century may also send 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 may be 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 and/or direct transactions in client accounts without first seeking their 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 generally does not accept the authority to vote a client's securities (i.e., proxies) on their behalf. Clients receive proxies directly from the Financial Institutions where their assets are custodied and may contact the Firm at the contact information on the cover of this brochure with questions about any such issuer solicitations.

### **Item 18. Financial Information**

New Century is required to disclose any financial information 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;

- In light of the COVID-19 coronavirus and historic decline in market values, New Century has elected to participate in the CARES Act's Paycheck Protection Program ("PPP") to strengthen its balance sheet. New Century intends to use this loan predominantly to continue payroll for the firm and may ultimately seek loan forgiveness per the terms of the PPP. Due to this and other measures taken internally, New Century has been able to operate and continue serving its clients.
- The Firm has not been the subject of a bankruptcy petition at any time during the past ten years.