Letter to Shareholders December 2016

Dear Fellow Shareholders:

We are pleased to present our 27th Annual Report. This report summarizes the 12-month period ended October 31, 2016. This report presents important financial information for each of the New Century Portfolios (together, the "Portfolios" and each, a "Portfolio"). We invite you to visit our website at www.newcenturyportfolios.com for additional information.

• • •

We all have that place, that local eatery that is just "good". The menu, the service, the taste, you know you're going to be satisfied each time and are happy to bring friends and family to enjoy a good meal. We are also familiar with the eatery which is "not bad". Maybe you don't love the burger, or the decor isn't your style; it is the type of place that you wouldn't suggest to meet friends, but if they suggested it you wouldn't demand a different place.

2016 was a year in which we were concerned that an aging bull market might turn from "good" to "not bad" and we have been focused on signs and events to better understand if markets were in transition. To be clear we have not seen evidence that a recession or bear market conditions were imminent; however, as prudent managers we believe a change in conditions to "not bad" would suggest considering a rotation in sectors. What we have seen during the last six and twelve months ended October 31, 2016, is a very resilient market, one that has shaken off the U.K. vote to leave the European Union, and the much contested election season in the U.S. We believe this has left global markets in a strengthened position and with earnings finally expanding again during the third calendar quarter we believe the market both domestically and internationally is potentially poised to remain "good" in 2017.

We were very impressed by the orderly response to "Brexit" where the markets sold off for two days before staging a huge rally over the next couple weeks. It is this type of market action which reinforces our stance to refrain from market timing and instead stress rotating assets while staying fully invested. Looking forward to the end of 2016 and into 2017 we paid close attention to the European Central Bank ("ECB") meeting in early December as the decision was made to continue the program through at least the end of 2017 at a slightly lower monthly bond buying level. While the amount of bond purchases per month was reduced, the duration of the program was extended and comments made by the Committee made it evident the ECB is firmly in accommodation mode. Just as important, the Federal Reserve (the "Fed") increased the Fed Funds Rate by 0.25% in December and increased their projected rate hikes for 2017 from 2 hikes to 3 potential rate hikes. We will be paying close attention to inflation, employment and any changes to the labor force, and wage inflation in 2017 as factors in the future rate environment, which we continue to believe will be accommodative compared to history.

Further, major elections will again take the stage in 2017, this time in France and Germany among others and we believe more government spending to spur growth and strengthen the middle and lower classes will be a key theme. We continue to believe that European markets have the ability to strengthen with recovering growth and unemployment levels still above average allowing companies to expand without wage inflation pressures, which we are beginning to see in the U.S.

Domestically we believe that increased government spending could provide a tailwind to growth in 2017 as large infrastructure projects take center stage. Any changes to the corporate tax structure and the regulatory environment could also translate into higher corporate earnings and provide a valuation lift to equities. We are closely watching the Dollar as looser fiscal policy and tighter monetary policy are typically the recipe for a stronger currency. With this in mind we believe mid- and small-caps could be in line to outperform large caps for the first time in several years in 2017. In fixed income we have seen short-term rates and much of the yield curve rise as inflationary conditions strengthen and the Federal Reserve moves closer to another rate hike. We believe it is prudent to move into multisector investments, corporates, and high yield bonds in this environment as they can generate income while keeping duration low.

With regard to emerging markets, we believe a Trump presidency will provide a temporary headwind as threats of trade wars and currency valuations create uncertainty for those markets. With the growing middle class and favorable growth differential in the emerging markets as compared to the developed world, emerging markets should find solid footing after a difficult multi-year stretch. In commodities an oil supply glut remains and will persist through the first half of 2017. After appreciating almost 100% from its' low in February to the end of October 2016, oil now seems steady in the $45-$55/barrel range. We anticipate this range bound trade to remain until excess supply levels dissipate further, regardless of what OPEC decides in their late November meeting.

Bull markets don't die with age, they typically require exuberance by investors or excessive fiscal and/or monetary policy action. As such we don't foresee a bear market and are looking forward to taking advantage of the opportunities this "good" market presents.

New Century Portfolios – All portfolios are managed utilizing a three tier investment thesis consisting of Core, Strategic, and Tactical investments corresponding to initial target holding lengths. We believe this methodology allows all the portfolios to remain flexible while maximizing our near-term themes, long-term views and tax responsibility.

New Century Capital Portfolio (NCCPX) returned (0.34%) versus 1.59% for its' Morningstar category[i] and 4.51% for the S&P 500® Composite Index for the twelve-months ended October 31st. The election season in the U.S. provided a major headwind to our holdings in health care and small-caps. Health Care in particular was adversely hurt as several candidates threatened regulations targeting drug pricing. We consulted with industry experts and although we took down our holdings slightly we continue to agree with the analysts that health care remains uniquely positioned to serve an aging demographic with current and future drugs and services. Companies in the health care sector offer compelling valuations. During the past six months we also underweighted our lower volatility and high dividend yielding positions as those areas of the market look over valued and contain companies with less ability to grow revenues than other areas. We were rewarded from several of our concentrated managers who were overweight to the consumer and technology sectors, along with mid-cap managers where we remain very bullish.

New Century Balanced Portfolio (NCIPX) returned 1.70% versus 4.66% for the Morningstar Moderate Target Risk index, and 2.75% for the Morningstar 50-70% Equity category[ii] for the twelve-months ended October 31st. The Portfolio benefited from strong performance of our closed-end fund holdings which had been added during the first quarter of 2016. On the equity side, investments in mid-cap holdings provided positive contributions while health care and some international holdings were a headwind. Positive performance from fixed income investments in the BB and high-yield areas along with multi-sector funds were a bright spot as we continue to favor lower duration funds. The Portfolio has been removing certain lower volatility equity holdings which have met our price targets while adding to fixed income and floating rate loans which we believe will continue to outperform in a rising rate environment.

New Century International Portfolio (NCFPX) returned (2.60%) outperforming the (3.23%) for the MSCI EAFE index, while underperforming 0.22% for the MSCI ACWI ex- US index, and (2.08 %) for the Morningstar Foreign Large Blend category for the twelve-months ended October 31st. We have endeavored to manage the Portfolio to have lower volatility than our competitors and the benchmark. Within these risk/return parameters we are satisfied with the performance of the Portfolio and its outperformance against the MSCI EAFE Index. The Portfolios' standard deviation of 10.69 is well below the Foreign Large Blend category of 11.90, the MSCI EAFE of 12.46, and MSCI ACWI-ex US at 12.54. In addition our downside capture ratio of 78.8 is much better than the Morningstar category at 89.2[iii]. Having less volatility and absorbing less of the downside of markets should provide better returns over full market cycles and a smoother ride for our investors. During the past year we focused on tactically adding to emerging markets based on valuations. Our preference for Asian markets over commodity oriented markets in LATAM and Russia did cause us to underperform the MSCI ACWI-ex US as the price of oil rose, however we believe the positive demographic trends of Asian markets provide a more stable risk-reward proposition. Strong performance by several of our diversified holdings off-set a continued lag from European holdings. Heading into 2017 we believe the U.S. Dollar will strengthen and provide us an opportunity to gain against competitors as we have had prior success utilizing USD-hedged strategies.

New Century Alternative Strategies (NCHPX) returned 1.11% outperforming the HFRI FOF Diversified Index's (0.98%) and (1.53%) for the Morningstar Multi-alternative category for the twelve-months ended October 31st. The Portfolio benefited from its master limited partnership exposure which was retained during previous difficult periods based on valuations and our belief that oil was trading at the bottom of its range. Precious metals and funds that hold a portion in metals also benefited the Portfolio as low rates and periods of heightened volatility created tailwinds. Managers also identified and added to several unique strategies in the merger arbitrage space where we believe a new U.S. political administration will signal an increase in merger activity especially at lower market caps. The Portfolio also added to income generating positions during the summer as equity valuations remained elevated and rates remained low. Real estate was another bright spot for the Portfolio which utilizes both public and private investment vehicles in order to gain consistent income streams with lower volatility. We will be closely watching the level of global interest rates in 2017, and believe elections around the world coupled with continued central bank actions will provide opportunities for our long/short and managed futures holdings. Any changes to corporate tax codes could provide a tailwind to corporate earnings and lift our equity centric positions.

We appreciate and thank you for your trust in New Century Portfolios.

Sincerely,

Nicole

Nicole M. Tremblay, Esq.	Matthew I. Solomon	Ronald A. Sugameli
President, CEO	Portfolio Manager	Portfolio Manager

Investors should take into consideration the investment objectives, risks, charges and expenses of the New Century Portfolios ***carefully*** *before investing. The prospectus contains these details and other information and should be read* ***carefully*** *before investing. Principal value of an investment will fluctuate and shares when redeemed may be worth more or less than your original investment. Past performance is not indicative of future results. Portfolio holdings and opinions expressed herein are subject to change.*

---

[i] New Century Capital was moved from the U.S. Large Blend to the 85%+ Equity category by Morningstar in 4/2016 and then to the Morningstar U.S. Large Growth Category in 11/2016.

[ii] Morningstar renamed the Moderate Allocation category the 50-70% Equity category in 4/2016.

[iii] All numbers provided by Morningstar.com based on the 1-Year period ending 10/31/16.