



ADVISER'S PERSPECTIVE QUAKER BIOTECH PHARMA-HEALTHCARE FUND

A: QBPAX

B: QBPBX

C: CBPCX

MARCH 31, 2008

For the first quarter ended March 31, 2008, the Nasdaq Biotech Index (NBI) lost -6.5% while the Philadelphia Drug Index (RXS) lost -12.5%. First quarter performance of the Nasdaq Composite was -14.1% while the S&P was down -9.9%. For the twelve months ended March 31, 2008, the NBI was up +0.5%, outperforming the RXS (-12.7%), the Nasdaq Composite (-5.9%) and the S&P (-6.9%). Biotech equities continued to outperform the broader markets since the emergence of the subprime problems and worries about an economic slowdown/recession – the NBI was down -5% and the Nasdaq Composite and S&P 500 were down -16% and -15% respectively since their mid July 2007 levels. The performance of the biotech sector was rather diverse this quarter as large caps were up about 7% while mid and small caps were down about 16%.

News flow this quarter was mixed – earnings were positive while clinical and regulatory developments were mixed. Earnings results for the fourth quarter of 2007 and full-year outlooks from large cap biotech companies were generally inline or above expectations. Clinical news flow was mixed with positive results reported for Gilead (with Atripla in HIV treatment), Amgen (with Denosumab in osteoporosis), and Cardiome (with oral vernakalant in atrial fibrillation) while negative results were reported for Human Genome Sciences (with Albuferon in Hepatitis C treatment) and Onyx (with Nexavar in a type of lung cancer). Regulatory decisions were generally positive – when the FDA did not fail to make approval decisions (as is the case with Cardiome's Kynapid and CV Therapeutics' Regadenoson). In particular, the FDA chose to approve Genentech's Avastin for breast cancer despite an FDA expert committee voting against its risk/benefit in December 2007 based upon incomplete data and skepticism about the primary endpoint. Other companies that received product approvals included Zymogenetics, Biogen-Idec and Regeneron.

Class A shares of the Fund were down -6.09% for the quarter ended 3/31/2008 and -2.00% for the last 12 months (before sales charges and -11.26% and -7.39% after sales charges, respectively). Positive contributors to performance were long positions in Celgene and Illumina and short positions in Merck, GlaxoSmithKline and Sangamo Biosciences.

We continue to look for outperformance of biotech equities. Large cap biotechs, some of which might have been looked upon by some as a safe haven given the terrible performance of pharmaceuticals, should continue to provide strength to the sector as many provided robust earnings outlooks coupled with good news over the quarter. Large caps remain near ten-year lows in valuation at 23x 2009 estimated earnings while generating earnings growth of 20%. Mid and small cap companies, many of which have suffered considerably as investor risk-aversion has increased, are looking relatively more attractive. In many cases, companies with products in late stage development or early marketing have suffered similarly to early development stage companies.

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Sub-Adviser:
Sectoral Asset Management, Inc.

Fund Assets: \$7,109,125.86
Public Offering Price: \$11.42

Mutual Fund Exposures	% Assets
Long	77.0%
Short	-10.7%
Cash	33.7%
Top Long Positions	% Assets
Celgene	6.1%
Genzyme	6.0%
Gilead	6.0%
Illumina	5.3%
Alexion	4.8%
	28.2%
Largest Short Position	-4.4%

The Fund's holdings and characteristics are as of 3/31/2008 and are subject to change.

Performance	For Calendar Quarter Ended 3/31/2008		
	Before Sales Charges	After Sales Charges	Nasdaq Biotech Index
Class A Inception 10/14/2002			
3 Months	-6.09%	-11.26%	6.47%
Year-to-Date	-6.09%	-11.26%	6.47%
1 Year (Cumulative)	-2.00%	-7.39%	0.51%
3 Years (Annualized)	4.45%	2.50%	6.27%
5 Years (Annualized)	8.17%	6.95%	8.79%
Life of Share Class (Annualized)	7.77%	6.66%	8.87%
<i>Expense Ratio: 2.19% as of June 30, 2007</i>			

Performance data shown before sales charge does not reflect the deduction of the sales load. Performance data shown after sales charges reflects the Class A maximum sales charge of 5.50%.

Performance data quoted represents past performance; past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance of the fund may be lower or higher than the performance quoted. Performance data current to the most recent month end is available by calling us toll free at 1-800-220-8888.

QUAKER BIOTECH PHARMA- HEALTHCARE FUND

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This Fund engages in short selling (selling securities not owned at time of sale), which involves special risks and requires special investment expertise.

As a non-diversified Fund, which invests in a small number of issuers, changes to a single security held in the Fund will have a more pronounced negative effect on the Fund than if the investments were more widely distributed. The Fund concentrates investments in the biotechnology, healthcare and pharmaceutical industries. This concentration increases the risk of loss to the Fund. The Fund will also invest in small and medium-sized companies which involve additional risks such as limited liquidity and greater volatility.

The NASDAQ Biotechnology Index contains companies primarily engaged in using biomedical research for the discovery or development of novel treatments or cures for human diseases, which also meet other eligibility criteria. The Index is calculated under a modified capitalization-weighted methodology. You cannot invest directly in an index.

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Of the companies mentioned in this article, the Fund held positions in Amgen, 2.93%, and Cardiome 1.98 as of the quarter ended March 31, 2008. The Fund did not hold positions in Onyx, Human Genome Sciences, CV Therapeutics, Genentech, Zymogenetics, Biogen-Idec, Merck, GlaxoSmithKline, Sangamo Biosciences and Regeneron at the quarter end.

Fund Mandate: The Fund has a very focused mandate and will invest in 25-35 long positions and 0-10 short positions in the Biotech and Pharmaceutical industries. The Fund also has the flexibility to go 100% cash if deemed necessary.



About The Sub-Adviser: Sectoral Asset Management (S.A.M.) has one of the world's longest track record (13 years) in managing Biotech mutual funds and is one of the largest investors in that sector with about USD3.5bn under management. For more info on S.A.M., you can visit the following web site: www.sectoral.com or www.quakerfunds.com.

Provided by Sectoral Asset Management, Inc.

Mutual fund investing involves risk, including the possible loss of capital.

Consider investment objectives risks, charges and expenses carefully before investing. The Prospectus contains this and other information and is available for download at www.quakerfunds.com or by calling 1-800-220-8888. Read the Prospectus carefully before investing.



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