

ADVISER'S PERSPECTIVE QUARTERLY | Q3 2009

QUAKER® GLOBAL TACTICAL ALLOCATION FUND

Domestic markets gained ground for a second quarter in a row with the S&P 500 Index gaining 15.61% over the last three months (posting the best two consecutive quarters since 1975) and the NASDAQ Index advancing 15.90%. The global markets again posted even better positive results for the quarter with the MSCI World Index rising 17.45%.

For the quarter ended September 30, 2009, Class A shares of the Quaker Global Total Return Fund had a gain of 17.50% (before sales charges, 11.04% after sales charges).

All sectors posted gains for the quarter with financials, industrials and materials sectors advancing the most and utilities rising the least. Over the quarter, the portfolios were helped by stock picks in the consumer discretionary, energy and industrials sectors, and hurt by an overweight in healthcare, an underweight in financials and our cash position, which we maintained as a defensive measure in an uncertain market environment.

As the domestic market's momentum continues to buoy itself to new heights, the technicals of the market are much stronger than the fundamentals supporting the U.S. economy and corporate profitability. While the resumption of auto production and restocking of depleted inventory may turn domestic growth positive in the third quarter, those consumption gains are likely to be the result of government enticements (cash for clunkers, enhanced tax incentives or low mortgage rates), or export growth buoyed by the weak dollar. While data on housing and employment continue to be "less bad," they are still not yet "good." Until a floor on housing prices and a ceiling on the unemployment rate is reached, the catalysts for growth in personal consumption and business investment will likely be muted.

Domestically, we continue to feel that there is a disconnect between market prices and the underlying fundamentals, especially the consensus projections for U.S. corporate profit growth of up to 35% in 2010. While companies that cleaned up their balance sheets and have aggressively cut permanent fixed costs do have enhanced earnings leverage (that will kick in when revenue growth returns), it is difficult to justify the current rosy projections across such a large swath of the corporate landscape given the anemic projections for economic growth, and potential for higher inflation, taxes and market interest rates.

In contrast, we continue to believe that developing foreign markets will recover faster than domestic ones, especially given the weakening U.S. dollar which should benefit export driven and commodity based businesses.

Looking forward, our strategy continues to:

- emphasize companies we believe will benefit from secular strength in consumption in China, Brazil and other developing

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| Performance | For Calendar Quarter Ended 9/30/2009 | | |
|------------------------------------|--------------------------------------|---------------------|------------------|
| | Before Sales Charges | After Sales Charges | MSCI World Index |
| Class A Inception 5/01/2008 | | | |
| 3 Months | 17.50% | 11.04% | 17.45% |
| Year-to-Date | 19.28% | 12.72% | 24.90% |
| 1 Year (Cumulative) | -8.82% | -13.83% | -2.29% |
| 5 Years (Annualized) | n/a | n/a | n/a |
| 10 Years (Annualized) | n/a | n/a | n/a |
| Life of Share Class (Annualized) | -27.75% | -30.58% | -16.85% |

Maximum Expense Ratio: 1.99%

Performance data shown before sales charges does not reflect the deduction of the sales load for period end. Performance data shown after sales charge 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 800-220-8888.

Additional disclosures about the Fund appear on the next page.

Sub-Adviser: DG Capital Management, Inc.
Fund Assets: \$31.5 Million
Public Offering Price: \$6.68

Ticker Symbols

Class A: QTRAX
 Class C: QTRCX
 Institutional Class: QTRIX

Mutual Fund Exposures % Assets

Long Positions 94.87%
 Cash 5.13%

Top Positions % Assets

Fairfax Financial Holdings Ltd. 4.60
 Anadarko Petroleum Corp. 3.55
 Amgen Inc. 3.35
 Suncor Energy Inc. 3.05
 Merck & Co. Inc. 2.76
 Goldman Sachs Group Inc. 2.44
 Apple Inc. 2.31
 General Electric Co. 2.30
 Pfizer Inc. 2.07
 Qualcomm Inc. 2.06%
 Total 28.49%

The Fund's holdings and characteristics are as of 9/30/2009 and are subject to change. Current and future holdings are subject to risk.



QUAKER® FUNDS

Quaker® Global Tactical Allocation Fund invests in “special situation” securities and engages in short selling (selling securities not owned at time of sale), which involves special risks and requires special investment expertise.

The Fund invests in foreign securities which involve greater volatility and political, economic and currency risks and differences in accounting methods.

The Fund will also invest in U.S. and foreign small and medium-sized companies, which involve additional risks such as limited liquidity and greater volatility.

The Morgan Stanley Capital International (MSCI) World Index measures developed-market equity performance throughout the world. You cannot invest directly in an index.

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countries,

- emphasize back-end companies we believe will benefit from economic growth in developing countries, specifically emphasizing agriculture, materials and infrastructure,
- emphasize front-end companies we believe will benefit from economic growth in developing countries, specifically emphasizing food, consumer services and financial businesses,
- avoid companies in developed countries—such as the US, Japan and the UK—that exhibit secular front-end weakness,
- have significant exposure to commodities, driven largely by demand among developing countries for steel, concrete and copper for road building, power distribution and electrical transmission,

We have broadened the portfolio's sector exposure with an emphasis on picking names on a stock-by-stock basis, rather than broader themes (like a clothing retailer, for example, who has exhibited strong overseas expansion, or smartphone manufacturers whose products have become a consumer staple even in an economic downturn). As the global recovery begins in earnest, the market should begin to reward the higher quality names that we seek: those exhibiting favorable valuations, positive cash flow characteristics and the potential for the aforementioned earnings growth leverage.

As always, we appreciate your continued confidence and welcome comments or questions.

Provided by DG Capital Management, Inc.

Free cash flow is a measure of financial performance calculated as operating cash flow minus capital expenditures.

Fund Mandate: Our Investment Process is designed to create a flexible strategy that allows us to opportunistically react to market changes. The Fund can hold up to 25% in short positions or go to 100% cash if deemed necessary.



The Sub-Adviser: DG Capital Management, Inc., based in downtown Boston, MA, was founded in 1996 and currently has approximately \$1.9 billion under management.

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

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 800-220-8888. Read the Prospectus carefully before investing.



QUAKER® FUNDS

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