



ADVISER'S PERSPECTIVE QUARTERLY QUAKER MID-CAP VALUE FUND

A: QMVCX B: QMCBX C: QMCCX I: QMVIX

MARCH 31, 2007

Following the large one-day decline at the end of February, U.S. equity markets ended up making a moderate advance in March. However, the market indexes exhibited an increase in volatility as evidenced by multiple days of triple-digit point moves in the Dow. The Fed left rates unchanged, but the language that they used was read by The Street as an indication to a more neutral (dovish) stance. News of rising subprime mortgage defaults did not have an impact on the market averages that many expected while investors gravitated toward large cap growth and momentum stocks. The metal sector continued its streak of strong gains. Private Equity continues to support the lower quality end of the market as measured by the increased tightening of the 10-Year U.S. Treasury to Junk Bond spread. In 2002, this spread was at 10%. It closed the month of March at 2.45%; the tightest monthly closing to date. Junk defaults are now only 1.3% of total issuance versus the traditional default rate of 4.5%. We believe High Quality stocks are cheap!

The largest contributors to portfolio performance for the Fund in the first quarter were: Southern Copper, Steel Dynamics, Armor Holdings, First American, and CSX. The largest detractors were: Benchmark Electronics, CDW Corp., Bear Stearns, Barr Pharmaceuticals, and Thor Industries. GCM strategies tend to have fairly consistent exposure to Financials, Consumer Discretionary, Technology, Health Care, and Energy sectors.

Source: Global Capital Management, Inc.

Provided by John Hammerschmidt, Portfolio Manager, Global Capital Management

Of the companies mentioned in this article, the Fund held positions in Southern Copper, 1.74%, Steel Dynamics, 2.06%, Armor Holdings, 3.41%, First American, 1.86%, CSX, 2.50%, Barr Pharmaceuticals 2.55%, and Thor Industries, 1.16%. The Fund did not hold positions in CDW Corp as of the quarter ended March 31, 2007.

Sub-Adviser:
Global Capital Management, Inc.

Fund Assets: \$136,255,618
Public Offering Price: \$17.98

Mutual Fund Exposures	% Assets
Stocks	97.82%
Cash	2.18%

Top 10 Positions	% Assets
Sherman Williams	3.64%
Johnson Controls	3.47%
Armor Holdings	3.41%
KLA Tencor	3.33%
Bear Stearns	3.31%
Philadelphia Cons. Holding	3.23%
HCC Ins Holdings	3.16%
CIGNA Corp	3.14%
Berkley WR Corp	3.04%
Benchmark Electronics	3.03%
Total	32.76%

The Fund's holdings and characteristics are as of 3/31/2007 and are subject to change.

Performance	For Calendar Quarter Ended 3/31/2007		
	Before Sales Charges	After Sales Charges	Russell Midcap Value Index
Class A Inception 12/31/1997			
3 Months	4.43%	-1.32%	4.86%
Year-to-Date	4.43%	-1.32%	4.86%
1 Year (Cumulative)	2.78%	-2.87%	17.13%
5 Years (Annualized)	11.06%	9.81%	18.58%
Life of Share Class (Annualized)	10.02%	9.35%	11.79%
<i>Expense Ratio: 1.69% as of June 30, 2006</i>			

The returns shown above reflect the performance of the former No-Load Class for periods ending before June 23, 2000, and Class A Shares thereafter. Performance data shown before sales charges does not reflect the deduction of the sales load for periods end. Performance data shown after sales charges for periods after June 23, 2000 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 MID-CAP VALUE FUND

MARCH 31, 2007

This Fund invests in companies with a market capitalization range from \$1B to \$10B. Their stock prices often react more strongly to changes in the marketplace and can be more volatile. Additionally, the Fund invests in companies that appear to be "undervalued" in the marketplace (i.e. trading at prices below the company's true worth). If the Fund's perceptions of a company's value are wrong, the securities may not perform as expected, reducing the Fund's return.

The Russell MidCap® Value Index is a widely recognized, unmanaged index of companies included in the Russell 1000, Index with current market capitalizations between \$1.4 billion and \$17.2 billion. The index assumes reinvestment of all dividends and distributions and does not reflect any asset-based charges for investment management or other expenses.

The Sub-Adviser: Global Capital Management, Inc. (GCM) founded in 1997, is an independent –employee owned, SEC Registered Investment Advisory firm located in Conshohocken, Pennsylvania. We are committed to delivering consistent excess returns relative to our benchmark. GCM leverages the expertise of the firm's investment professionals in security selection, portfolio construction, and practical risk management to develop a continually scrutinized portfolio of mid cap stocks. As of December 31, 2006 GCM had \$1.01 billion under management.

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.



QUAKER® FUNDS

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