



ADVISER'S PERSPECTIVE QUARTERLY QUAKER MID-CAP VALUE FUND

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

JUNE 30, 2007

Coming out of the 2002 Recession, investors feared risk by driving the spread between low-grade bonds and treasuries to 10%. After five years of strong economic growth causing junk default rates to dive to just 1.3% of issuance, the disregard of risk can be found throughout capital markets. In mid-June, the yield on the JP Morgan Emerging Markets Bonds Index hovered at 1.6% points above 10-year treasuries nearly the narrowest spread on record and the High Yield 100 to Treasury Spread collapsed to just 2.16%, nearly the lowest in 10 years (1.96%). Much of the decline in spreads can be traced to the long length of the current economic recovery which has driven corporate default rates to extraordinarily low levels. By January of 2007, Junk Bond defaults had fallen to just 1.3% of total issuance versus the traditional default rate of 4.5%. Since default rates had been low and falling, investors have been encouraged and rewarded for taking more and more risk. This risk partiality supported Wall Street's issuance of \$1.9 trillion in Sub-Prime Mortgage-Backed Securities since 2000 and \$770 billion of Collateralized Debt Obligations in the last 18 months.

Investors' willingness to take on risk in exchange for little extra return is at record levels:

1. In mid-June, the yield on the JP Morgan Emerging Markets Bonds Index hovered at 1.6% points above 10-year Treasuries nearly the narrowest spread on record.
2. The High Yield 100 to Treasury Spread collapsed to 2.16% nearly the lowest in 10 years (1.96%).
3. The relative Price to Value ratio of high quality stocks to low quality stocks is 0.45, a record low.
4. The price/earnings ratio of emerging market stocks exceeds the price/earnings ratio of developed market stocks.

The Quaker Mid Cap Value Fund strategy has always respected the risk factors inherent in the market. Our high quality analysis insures that the companies we invest in have little or no debt. We value consistent and high cash flows with low earnings variability. The spread between high quality and low quality companies has reached a 35-year low. The opportunity we are pursuing is in the mis-pricing of high quality companies. Looking ahead, we believe the global economy is still dependent on tight supplies in oil, materials, and industrial products. Domestically, we anticipate entering into a growth phase for technology. We expect there will continue to be "headline" risk with respect to oil, defense stocks, and health care election rhetoric, but in the end the Fed will have orchestrated a near perfect performance with domestic secular growth being aided by demand for raw materials and our goods and services from the emerging global economies.

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Sub-Adviser:
Global Capital Management, Inc.

Fund Assets: \$154,655,457
Public Offering Price: \$18.88

Mutual Fund Exposures	% Assets
Stocks	96.3%
Cash	3.7%

Top 10 Positions	% Assets
L 3 Communications Hldgs	3.78%
Johnson Controls Inc.	3.74%
Trinity Industries Inc.	3.52%
Altera Corp	3.47%
AMBAC Financial Group	3.38%
Barr Pharmaceuticals	3.25%
Phila Cons Holding Corp.	3.24%
HCC Ins Holdings Inc.	3.24%
Maxim Integrated Products	3.24%
Parker-Hannifan Corp	3.17%
Total	34.03%

The Fund's holdings and characteristics are as of 6/30/2007 and are subject to change.

Performance	For Calendar Quarter Ended 6/30/2007		
	Before Sales Charges	After Sales Charges	Russell Midcap Value Index
Class A Inception 12/31/1997			
3 Months	5.00%	-0.77%	3.65%
Year-to-Date	9.65%	3.62%	8.69%
1 Year (Cumulative)	14.51%	8.22%	22.09%
5 Years (Annualized)	15.27%	13.97%	17.16%
Life of Share Class (Annualized)	10.31%	9.66%	11.89%
<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.

Additional disclosures about the Fund appear on the next page.

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QUAKER MID-CAP VALUE FUND

JUNE 30, 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.

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Top Performing Stocks For June 2007	Symbol	3 Month Advance	% Fund as of 6/30/2007
Armor Holdings Inc.	AH	24.52%	na
Lincoln Electronic Holdings Inc.	LECO	22.51%	2.98%
Johnson Controls Inc.	JCI	20.81%	3.74%
Southern Copper Inc.	PCU	30.13%	2.01%
Oshkosh Truck Corp Inc.	OSK	18.03%	2.44%

Bottom Performing Stocks For June 2007	Symbol	3 Month Advance	% Fund as of 6/30/2007
American Eagle Outfitters Inc.	AEO	-14.27%	2.65%
Skywest Inc.	SKYW	-11.16%	1.85%
Forest Laboratories, Inc.	FRX	-13.19%	2.48%
Philadelphia Consolidated Holding Corp	PHLY	-4.95%	3.24%
JC Penney Co. Inc.	JCP	-1.15%	2.55%

Source: Global Capital Management

Price/Earnings: the ratio of a firm's closing stock price & its trailing 12 months' earnings/share.

Price to Value: price-to-sales divided by margins.

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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