



ADVISER'S PERSPECTIVE QUARTERLY QUAKER MID-CAP VALUE FUND

A: QMVCX

B: QMCBX

C: QMCCX

I: QMVIX

SEPTEMBER 30, 2007

Equity markets started the month of September with a continuation of the volatility seen in late July and early August. However, the 50 basis point (or 0.5%) Fed funds rate cut gave equity markets the kick-start they needed to get out of their recent funk.

As we look over the investment landscape, the sub-prime market turmoil has produced a credit "flu" that, in theory, could threaten the health of the global economy. The de-levering of the portable alpha strategies and hedge funds and zero appetite for commercial paper across our global economy could compound problems in the U.S. and spill over into emerging and foreign markets.

But that was last month's news. Has the Fed rate cut only extended the party and postponed the inevitable? We have not experienced a solid 15+% cleansing correction in over 5 years. Why? Traditional inflation indicators are flaring up: Gold has risen to over \$700 an ounce. Oil prices continue to hover north of \$80. The U.S. dollar is in a free fall and the increasing money velocity continues. So what now?

Our work is uncompromising in its discipline. Through full market cycles our work seeks to identify companies that outperform in bull and bear markets. While it is a guessing game as to what comes next, our goal is to continue to remain fully invested, buying only high quality, undervalued companies with improving business prospects. Our commitment to this discipline has been rewarded with returns that out-paced the benchmark Russell Mid-Cap Value Index year-to-date (7.74% before sales charges, 1.82% after sales charges vs. the index return of 4.83%).

For the month of September we sold International Rectifier (IRF) and two companies that we have held a very long time, Sempra Energy (SRE) and Tellabs (TLAB). We purchased RF Micro Devices (RFMD), SEI Investment Company (SEIC) and NBTY Inc (NTY) that you might recognize as nutritional supplements provider Nature's Bounty.

Provided by John Hammerschmidt, Portfolio Manager, Global Capital Management

Of the companies mentioned in this article, the Fund held positions in RF Micro Devices, 2.14%, SEI Investment Company, 2.11%, and NBTY Inc., 3.01%, as of the quarter ended September 30, 2007.

Alpha: An annualized return measure of how much better or worse a fund's performance is relative to an index of funds in the same category, after allowing for differences in risk.

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Sub-Adviser:

Global Capital Management, Inc.

Fund Assets: \$161,870,369

Public Offering Price: \$18.55

Mutual Fund Exposures	% Assets
Stocks	99.1%
Cash	0.9%

Top 10 Positions

	% Assets
American Eagle Outfitters	4.06%
Altera Corp.	3.61%
Barr Pharmaceuticals Inc.	3.51%
Steel Dynamics Inc.	3.24%
W.R. Berkley Corp.	3.20%
L-3 Communication Holdings	3.15%
Trinity Industries Inc.	3.13%
Lincoln Electric Holdings Inc.	3.11%
Parker Hannifin Corp.	3.11%
Coventry Health Care Inc.	<u>3.07%</u>
Total	33.19%

The Fund's holdings and characteristics are as of 9/30/2007 and are subject to change.

Performance	For Calendar Quarter Ended 9/30/2007			
	Class A Inception 12/31/1997	Before Sales Charges	After Sales Charges	Russell Midcap Value Index
3 Months		-1.74%	-7.14%	-3.55%
Year-to-Date		7.74%	1.82%	4.83%
1 Year (Cumulative)		12.81%	6.60%	13.75%
3 Years (Annualized)		12.55%	10.45%	17.22%
5 Years (Annualized)		22.59%	21.22%	21.01%
Life of Share Class (Annualized)		9.84%	9.20%	11.15%
Expense Ratio: 1.64% as of June 30, 2007				

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

SEPTEMBER 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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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

Contact us:
Quaker Funds, Inc.
c/o U.S. Bancorp, LLC
P.O. Box 701
Milwaukee, WI 53201-0701
800.220.8888
www.quakerfunds.com