



ADVISER'S PERSPECTIVE QUARTERLY QUAKER MID-CAP VALUE FUND

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

DECEMBER 31, 2007

Class A shares of Quaker Mid-Cap Value Fund returned -7.19% before sales charges for the quarter ended 12/31/2007 (-12.29% after sales charges) compared to -5.97% for the Russell MidCap Value Index. As of calendar year end 2007, the Fund returned 0.00% before sales charges compared to -1.42% for the index, (after sales charges, the Fund returned -5.50%).

Attribution results for Q4 2007 are as follows:

The top 5 leading contributors for the quarter were Steel Dynamics Inc., Amphenol Corporation, SEI Investments, Ametek Inc., and L-3 Communications. Our analysis shows the best performance was generated from the Technology & Materials and the Processing sectors with our holdings in the Financial sector coming in a close third.

The leading 5 detractors for the quarter were NBTY Inc., American Eagle Outfitters, Inc. Altera Corporation, Oshkosk Truck, and RF Micro Devices. NBTY, Inc. Earnings estimates were slashed and the company's growth rate decelerated. Despite quality and value being in place on the 9/9/2007 purchase date, the stock price of this consumer staple name moved lower quickly. With negative growth prospects and questionable valuations, we sold our entire position early December. We continue to hold the remaining detractors because we believe they all possess the quality, value and business prospects, factors which we evaluate on a consistent basis.

As we examine the economic landscape, our work suggests that unfavorable credit conditions continue to restrain economic growth. As the potential for U.S. recession increases, the market has been discounting a slowdown in 2008 earnings. Additionally, major U.S. financial institutions continue to seek fresh pools of capital from foreign resources to strengthen their balance sheets. Although the re-pricing of risk in the market place is not over, with one last confessional period looming, we think the most of share-price damage has been experienced such that the level of risk to high quality U.S. equities is now low.

Our confidence in high quality investing remains steadfast. We believe our unwavering commitment should be rewarded as high-quality stocks remain very undervalued relative to all stocks and have more traditional stable, economically-insensitive business models that have the potential to deliver superior relative growth.

Provided by John Hammerschmidt, Portfolio Manager, Global Capital Management

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Sub-Adviser:
Global Capital Management, Inc.

Fund Assets: \$153,065,901
Public Offering Price: \$16.55

Mutual Fund Exposures	% Assets
Stocks	100%
Cash	0%

Top 10 Positions	% Assets
Altera Corp.	3.79%
Barr Pharmaceuticals, Inc.	3.47%
W.R. Berkley Corporation	3.41%
Steel Dynamics, Inc.	3.41%
American Eagle Outfitters	3.39%
Parker Hannifin Corporation	3.32%
RF Micro Devices, Inc.	3.17%
Cigna Corporation	3.16%
KLA-Tencor Corporation	3.15%
Thor Industries, Inc.	<u>3.10%</u>
Total	33.37%

The Fund's holdings and characteristics are as of 12/31/2007 and are subject to change.

Performance	For Calendar Quarter Ended 12/31/2007		
	Before Sales Charges	After Sales Charges	Russell Midcap Value Index
Class A Inception 12/31/1997			
3 Months	-7.19%	-12.29%	-5.97%
Year-to-Date	0.00%	-5.50%	-1.42%
1 Year (Cumulative)	0.00%	-5.50%	-1.42%
5 Years (Annualized)	17.98%	16.66%	17.91%
10 Years (Annualized)	8.76%	8.15%	10.18%
Life of Share Class (Annualized)	8.76%	8.15%	10.18%
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

DECEMBER 31, 2007

This Fund invests in companies with a market capitalization range from \$1B to \$18B. 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 \$809 million and \$17.3 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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Of the companies mentioned in this article, the Fund held Amphenol Corporation, 3.03%, SEI Investments, 2.63%, Ametek Inc., 3.06%, L-3 Communications, 2.08%, and Oshkosk Truck, 3.09% as of the quarter ended December 31, 2007. The Fund did not hold positions in NBTY, Inc. at the end of the quarter.

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, 2007 GCM had \$900 million 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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