



ADVISER'S PERSPECTIVE QUARTERLY QUAKER STRATEGIC GROWTH FUND

A: QUAGX

B: QAGBX

C: QAGCX

I: QAGIX

MARCH 31, 2007

For the month of March, the S&P 500 Index rose 1.12% while the Quaker Strategic Growth Fund gained 3.45% (for Class A Shares before sales charges, -2.24% after sales charges). For the first quarter, the Quaker Strategic Growth Fund rose 2.61% (before sales charges, -3.03% after sales charges) versus a gain of 0.64% for the S&P 500 Index. Strong performance in the materials and energy sectors helped the Fund outperform in March.

We believe that global growth will continue to be robust in spite of the slowing domestic economy. With inflation starting to creep up and the ailing sub-prime market starting to affect lending standards, we have concentrated the portfolio in stocks with reasonable valuations and high free cash flow. Clean balance sheets and the ability to self-capitalize will be important as lending standards tighten, especially in companies sensitive to business cycles. Here is a sector-by-sector summary:

Energy – Recent increased demand coupled with heightened Mid-East tensions helped push oil prices above \$68 per barrel by month-end. With a cooler than normal spring pushing up natural gas prices and long-term forecasts predicting a hotter than normal summer with above average hurricane intensity, there may be further increases on demand and limits on energy supplies. Overall, long-term earnings potential continues to be good in this sector, as global growth remains strong. We continued to overweight this area, concentrating on companies with high free cash flow and good growth prospects.

Materials – While domestic growth seems to be moderating, the expanding economies of India, China, Brazil and Russia are consuming increasing amounts of raw commodities. A falling dollar will improve prices and help boost exports in this area as well. As a result, we continued to have an overweight in this area.

Industrials – Our overweight in this area continues to be tied to our long-term global infrastructure growth thesis, especially in companies providing infrastructure expansion of basic services (in India and China) and transmission capacity (in developing nations and the US).

Financials – We continued to hold an underweight in this area. While sub-prime is only a small portion of the overall mortgage market, weakness in that area is beginning to spread. With the threat of stricter regulations on the horizon and lending standards tightening, the recent fallout may have widening effects.

Healthcare – While still underweight, we held several healthcare services companies that have good valuations, high free cash flow and the potential to benefit from a congressional push towards universal healthcare.

Consumer – With mortgage refinancing cash-outs falling dramatically and gas prices expected to exceed \$3 again this summer, we expect consumer spending to be lackluster in the near term (as

Sub-Adviser:
DG Capital Management, Inc.

Fund Assets: \$701,058,251
Public Offering Price: \$24.12

Mutual Fund Exposures	% Assets
Long Positions	91.1%
Short Positions	2.1%
Cash	8.9%

Top Positions	% Assets
Williams Companies Inc.	4.3%
United Healthgroup Inc.	3.9%
Conoco Phillips	3.8%
Canadian Natural Resources	3.8%
Freeport-McMoran Corp.	3.6%
Burlington Northern	3.5%
Archer Daniels Midland	3.4%
CVS Corp.	3.2%
Bunge Limited	3.0%
XTO Energy Corp.	3.0%
Total	26.2%

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	S&P 500 Index
Class A Inception 11/25/1996			
3 Months	2.61%	-3.03%	0.64%
Year-to-Date	2.61%	-3.03%	0.64%
1 Year (Cumulative)	2.56%	-3.08%	11.83%
5 Years (Annualized)	10.33%	9.09%	6.26%
10 Years (Annualized)	17.61%	16.95%	8.20%
Life of Share Class (Annualized)	17.48%	16.84%	7.99%
Expense Ratio: 1.90% as of June 30, 2006			

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.

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This Fund 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 "special situation" companies in which the adviser believe unique events at the company may offer a compelling investment opportunity, but could cause the investment to be more risky than other investments.

The S&P 500, Total Return Index is a widely recognized, unmanaged index of the approximately 500 largest companies in the United States as measured by market capitalization. The index assumes reinvestment of all dividends and distributions and does not reflect any asset-based charges for investment management or other expenses.

evidenced by rising inventories at several consumer retailers). However, with corn and wheat prices skyrocketing due to increased exports and higher ethanol production, we have invested in several seed and fertilizer suppliers (but not the food producers themselves) that should benefit from increased demand.

Technology – We continued to underweight this sector due to our avoidance of consumer hardware related companies, but we have been investing in companies providing bandwidth expansion and potential targets of equity buyouts.

Provided by DG Capital

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, Boston, MA, was founded in 1996 and currently has more than \$1.7 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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