

ADVISER'S PERSPECTIVE QUARTERLY | Q1 2009

QUAKER SMALL-CAP GROWTH TACTICAL ALLOCATION FUND

For the quarter ended March 31, 2009, the Russell 2000 Growth Index ('Index'), declined 9.74%; the Quaker Small-Cap Growth Tactical Asset Allocation Fund ('Fund') net asset value ('NAV') declined slightly less at 9.33%. During the worst part of this quarter, the Index fell nearly 26% calendar year-to-date as of March 9, 2009. The Fund out performed the Index by 6% (before sales charges) during the same period, illustrating the efficacy of a strategy that allows it to hold cash and/or to sell short the market index to modulate volatility. Since the inception of the Fund on September 30, 2008, the shares declined 14.50% by the end of the first calendar quarter 2009, doing 20% better than the Index, which fell 34.51% during the same time period. (Returns quoted are for Class A shares before sales charges. After sales charges, Class A shares declined 14.32% and 19.20% for the quarter and since inception, respectively. The Fund declined 24.14% calendar year-to-date as of March 9, 2009).

Adhering to its buy discipline, the Fund remained much more fully invested throughout the quarter than it was during the final quarter of 2008. The primary reasons were two-fold: 1) the number of companies meeting a strict screening methodology increased dramatically; and 2) valuations of these companies were significantly more compelling than they were during the previous quarter. A significant number of the new purchases involved companies whose market capitalization exceeded \$750 million, the highest quintile of market capitalization for the small cap market. These constituted nearly 50% of the portfolio and declined -2.45% in value in the quarter. By contrast, the Index companies of the same market capitalization declined -11.16% and constituted over 50% of the Index portfolio. Equally noteworthy, for a growth stock portfolio anyway, is the fact the Fund's companies in the fastest growing quintile outperformed the market equities with the same characteristics: +4.59% vs. -4.46%.

The largest sectoral weightings remained the Health Care and Technology, followed by the Finance sector. The first two, separately, represented roughly 19% of the Fund. Finance companies comprised roughly 10% and were nearly double the amount represented in the Index. Throughout the quarter, the Fund averaged nearly 10% of the portfolio in companies who were domiciled outside of the United States, but listed on our exchanges. Many of these are Chinese companies whose macroeconomic environment is quite favorable relative to the rest of the world.

At the time of this writing, general market conditions continue to be abnormal: the Fed's balance sheet is still bloated and expansive; credit spreads between Treasuries and almost any other bond are at historic levels; the banking system faces ongoing scrutiny about its cushion of equity capital. Fortunately, the Federal Government has begun to address some question able

Provided by Stephen W. Shipman, CFA, Century Management

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Performance	For Calendar Quarter Ended 3/31/2009		
	Before Sales Charges	After Sales Charges	Russell 2000® Growth Index
Class A Inception 9/30/2008			
3 Months	-9.33%	-14.32%	-9.74%
Year-to-Date	-9.33%	-14.32%	-9.74%
1 Year (Cumulative)	n/a	n/a	n/a
5 Years (Annualized)	n/a	n/a	n/a
10 Years (Annualized)	n/a	n/a	n/a
Life of Share Class (Annualized)*	-14.50%	-19.20%	-34.51%

Expense Ratio: 1.74% | * Returns shown represent performance for less than one year.

Performance data shown before sales charges does not reflect the deduction of the sales load. Short term performance, in particular, is not a good indication of a fund's future performance. Performance data shown after sales charges 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 800-220-8888.

Additional disclosures about the Fund appear on the next page.

Sub-Adviser: Century Management

Fund Assets: \$6.0 Million

Public Offering Price: \$9.05

Ticker Symbols

Class A: QGASX

Class C: QGCSX

Institutional Class: QGISX

Mutual Fund Exposures % Assets

Long Positions 90.60%

Cash 9.40%

Top Positions % Assets

AsiaInfo Holdings Inc. 3.02

Allegiant Travel Co. 2.74

NetEase.com 2.66

NetFlix Inc. 2.51

VistaPrint Ltd 2.46

Open Text Corp. 2.41

Green Mountain Coffee Roasters 2.26

RehabCare Group Inc. 2.21

Macrovision Solutions Corp. 2.17

Validus Holdings Ltd 2.16%

Total 24.60%

The Fund's holdings and characteristics are as of 3/31/2009 and are subject to change. Current and future holdings are subject to risk.



QUAKER SMALL-CAP GROWTH TACTICAL ALLOCATION FUND

Q1 2009

Quaker Small-Cap Growth Tactical Allocation 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 foreign securities which involve greater volatility and political, economic and currency risks and differences in accounting methods. Additionally, the Fund invests in smaller companies (generally less than \$1.5 billion market capitalization). Smaller companies can be riskier investments than larger companies. 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 value are wrong, the securities purchased may not perform as expected, reducing the Fund's return.

The Russell 2000® Growth Index measures the performance of those Russell® 2000 companies with higher price-to-book ratios and higher forecasted growth values. You cannot invest directly in an index.

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regulatory constraints, including its recent pronouncement to set aside 'mark to market' rules for pricing certain financial assets at the banks.

Finally, the perception is evolving with investors that the primary concern for the banks and insurance companies is liquidity, not solvency. As liquidity return and financial assets trade more proximate to the values of their cash flows, credit will once again begin to flow into the real economy. Earning prospects will brighten, and, hopefully the price of equities will respond in kind.

Cash Flow: Measures the cash generating capability of a company by adding non-cash charges (e.g. depreciation) and interest expense to pretax income.

Century Management (CM) succeeds Bjurman, Barry and Associates, Inc. (BBA) as sub-adviser to the Fund effective April 20, 2009. CM is a privately held investment advisory firm based in Austin, Texas. The firm was founded in 1974. At the end of March, CM had assets under management of approximately \$1.9 billion. Stephen W. Shipman, CFA, formerly with BBA, has managed the Fund continuously since its inception.

Mutual fund investing involves risk, including the possible loss of principal.

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 800-220-8888. Read the Prospectus carefully before investing.



QUAKER® FUNDS

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