



ADVISER'S PERSPECTIVE QUARTERLY QUAKER SMALL-CAP VALUE FUND

A: QUSVX B: QSVBX C: QSVCX I: QSVIX

MARCH 31, 2008

The Quaker Small-Cap Value Fund returned -7.51% for Class A shares before sales charges (-12.60% after sales charges) for the quarter ended March 31, 2008, beating the Russell® 2000 Index return of -9.90%.

The choice of holdings for the Quaker Small-Cap Value Fund is driven by a bottom-up, three-part evaluation of the attractiveness of each company in the investment universe. First, value is assessed — a company must prove its value according to fairly traditional measures, like price-to-book or price-to-earnings. Next, company management is considered. Management must show evidence, strictly by the numbers, that it can continue to produce earning power. Lastly, momentum is evaluated by taking the pulse of Wall Street to better distinguish future leaders from laggards.

Looking at the broad market, all market sectors (with the exception of energy) were down this quarter, with telecommunications, technology, and services stocks among the worst performers. According to AJO's measures of expected return (value, management, and momentum), stocks with positive momentum and good value performed best.

In contrast to last quarter, performance of the Quaker Small-Cap Value Fund was positively impacted by a tilt towards value stocks. In addition, holdings that exhibited evidence of share repurchase, good long term growth prospects, and positive momentum also helped performance. AJO's method for picking stocks proved most effective in the technology and consumer discretionary sectors with winning names like Omnivision Technology, Netflix, and Gymboree. The same method was less helpful in the materials sector, particularly the metals & mining industry, with positions in lagging holdings such as Carpenter Technology and Spartech. The Fund's aggregate industry bets (though modest) detracted from performance, especially an underweight to real estate companies.

AJO is a disciplined investor, maintaining a broadly diversified portfolio of small-cap value stocks. The Fund is always fully invested, sector-neutral, and makes modest stock-specific bets vis-à-vis its benchmark, the Russell 2000 Index. The Fund's level of broad diversification ensures that no one name has a significant impact on performance, and purchase and sale decisions are driven by the fundamentals employed in the valuation model. Positive and negative influences will come from the market's reaction to those fundamentals — namely, value, management, and momentum — and the Fund's intended bias toward value.

Provided by Aronson+Johnson+Ortiz, LP

Continued on next page

Sub-Adviser:
Aronson+Johnson+Ortiz, LP

Fund Assets: \$55,400,083
Public Offering Price: \$14.20

Mutual Fund Exposures	% Assets
Long Positions	99.1%
Cash	0.9%

Top Positions	% Assets
Patterson-UTI Energy, Inc.	1.18%
Greif Corporation	1.12%
Aerostale, Inc.	1.04%
Jack In The Box, Inc.	1.03%
Cimarex Energy Company	1.03%
Hewitt Associates, Inc.	0.99%
Hasbro, Inc.	0.97%
Safeco Corporation	0.95%
BMC Software, Inc.	0.95%
Acuity Brands, Inc.	0.94%
Total	10.20%

The Fund's holdings and characteristics are as of 3/31/2008 and are subject to change.

Performance	For Calendar Quarter Ended 3/31/2008		
	Before Sales Charges	After Sales Charges	Russell 2000® Index
Class A Inception 11/25/1996			
3 Months	-7.51	-12.60	-9.90
Year-to-Date	-7.51	-12.60	-9.90
1 Year (Cumulative)	-16.22	-20.82	-13.00
5 Years (Annualized)	15.33	14.04	14.88
10 Years (Annualized)	7.73	7.12	4.96
Life of Share Class (Annualized)	11.10	10.55	7.42
<i>Expense Ratio: 1.82% as of June 30, 2007</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.

QUAKER SMALL-CAP VALUE FUND

MARCH 31, 2008

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. The Index currently represents approximately 8% of the market capitalization of the Russell 3000 Index, with a market capitalization range from \$128 million to \$1.3 billion. The Index assumes reinvestment of all dividends and distributions and does not reflect any asset-based charges for investment management or other expenses. You cannot invest directly in an index.

Continued from previous page

Of the companies mentioned in this article, the Fund held positions in Omnivision Technology, 0.62%, Netflix, 0.89%, Gymboree, 0.84%, and Carpenter Technology, 0.81% as of the quarter ended March 31, 2008. The Fund did not hold positions in Spartech at the quarter end.

Price to Book (P/B) Ratio: compares a stock's market value to the value of total assets less total liabilities.

Price to Earnings (P/E) Ratio: Reflects the multiple of earnings at which a stock sells.

The Sub-Adviser: Aronson+Johnson+Ortiz, LP, Philadelphia, PA, was founded in 1984 and currently has more than \$27.4 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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