



ADVISER'S PERSPECTIVE QUAKER STRATEGIC GROWTH FUND

A: QUAGX

B: QAGBX

C: QAGCX

I: QAGIX

NOVEMBER 30, 2006

For the month of November, the S&P 500 Index gained 1.90% while the Quaker Strategic Growth Fund gained 2.05% (for Class A Shares before sales charges, -3.56% after sales charges).^{*} Year to date, the Quaker Strategic Growth Fund is up 5.73% (for Class A Shares before sales charges, -0.08% after sales charges) versus a gain of 14.19% for the S&P 500 Index. Performance in November was driven by good stock picking in several sectors, most notably in consumer staples, materials and utilities.

While the U.S. economy continues to slow, strong export growth (due in part to the declining dollar) will help soften the blow for domestic companies. Despite problems at home, global growth continues to be strong and domestic companies that are properly positioned to capitalize on growing export demand should outperform. Current conditions benefit larger capitalization companies with reasonable valuations and a strong global presence. We continue to seek above market performance through stock selection, looking for companies that have visible earnings and GARP (Growth At a Reasonable Price) valuations. Companies we are avoiding are the higher multiple names with little valuation support. Here is a sector-by-sector summary:

- **Energy** – This sector had another strong month in November as oil prices inched up to end the month above \$63 a barrel. We have overweighted this area as we enter the winter heating season. Long-term earnings prospects continue to be positive in this sector. While China and India continue to consume increasing amounts of the world supply, uncertainty in the Middle East and potential production tinkering by OPEC also seems to have kept prices at a premium level.
- **Materials** – We added to this sector during the month as part of our long standing global growth thesis. This sector was also an above average performer during the month.
- **Industrials** – We still hold a large overweight in this sector as part of our global growth investment theme. With the dollar weakening, we have been investing in companies with strong export markets, especially in the Pacific Rim area and in defense related companies.
- **Financials** – While we still own several brokerage firms, we continue to reduce our exposure to finance due in part to the inverted yield curve (which is bad for spread lenders) and deteriorating bank balance sheets.
- **Healthcare** – Our below market weighting in healthcare (another underperformer for the month) is concentrated in medical device makers and HMOs.
- **Consumer** – While we continue to hold positions in the consumer area (another relative underperformer in November), we are heavily underweight in this sector. The names we do own are generally higher capitalization companies with a global presence.

Sub-Adviser:
DG Capital Management

Fund Assets: \$967,191,918
Public Offering Price: \$13.67

Mutual Fund Exposures	% Assets
Long Positions	85.6%
Short Positions	0.8%
Cash	14.4%

Top Positions	% Assets
General Dynamics	3.2%
Lockheed Martin Corp	2.6%
General Electric Co.	2.5%
Raytheon Company	2.4%
XTO Energy Corp.	2.2%
United Healthgroup Inc.	2.2%
Goldman Sachs Group	2.2%
Merrill Lynch	2.2%
American Ecology Corp.	2.2%
ConocoPhillips	2.1%
Total	23.8%

The Fund's holdings and characteristics are as of 11/30/2006 and are subject to change.

Performance	For Month Ended 11/30/2006		
	Before Sales Charges	After Sales Charges	S&P 500 Index
Class A Inception 11/25/1996			
1 Month	2.05%	-3.56%	1.90%
Year-to-Date	5.73%	-0.08%	14.19%
3 Months	5.07%	-0.72%	7.93%
	For Calendar Quarter Ended 9/30/2006		
1 Year (Cumulative)	3.00%	-2.66%	10.79%
5 Years (Annualized)	7.32%	6.12%	6.97%
Life of Share Class (Annualized)	17.60% [§]	16.93% [§]	7.63%

Class A Shares of the Fund have a maximum sales charge of 5.50%. [§]Performance reflects fee waivers and expense limitations in effect. Investment performance reflects fee waivers and expense limitations in effect. In the absence of such waivers and expense limitations, total return would be reduced.

**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 on our website, www.quakerfunds.com, by calling us toll free at 1-800-220-8888.*

**QUAKER STRATEGIC
GROWTH FUND**
NOVEMBER 30, 2006

This Fund engages in short selling (selling securities not owned at time of sale), which involves special risks and requires special investment expertise.

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.

- **Technology** – Our position in the tech sector continues to grow in response to near-term seasonal strength, however, the longer term earnings outlook continues to look mediocre.

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 \$2 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