

The Quaker(TM) Funds

GRAPHIC OMITTED

ANNUAL REPORT

JUNE 30, 2001

The Quaker(TM) Funds  
800 o 220 o 8888  
[HTTP://WWW.QUAKERFUNDS.COM](http://WWW.QUAKERFUNDS.COM)

June 30, 2001

DEAR FELLOW SHAREHOLDER:

This has been the most exciting year in the history of your fund company. A year ago, the Quaker Family of Funds had total assets of approximately \$50 million. As of June 30, 2001, your fund family had total assets of approximately \$150 million, a threefold increase in total fund assets. This despite the fact that the equity markets suffered significant setbacks during the same period.

The reasons for our success this past year are many. We converted from a no-load family to a load share family offering a variety of investing options and significantly increasing our distribution capabilities. We added three new funds to our family, the Quaker Small-Cap Growth Fund, The Quaker High Yield Fund and the Quaker Government Money Market Fund, which allowed for our clients to better allocate their investments. And last, but not least, we continue to be blessed with fund managers who are among the best in the country. The Quaker Aggressive Growth Fund, managed by Manu Daftary, has been ranked at various times during the last year as one of the top rated funds in the country by such publications as Morningstar, Barrons, The Philadelphia Inquirer and Mutual Fund Magazine. The High Yield Fund, managed by Jeff Rollert of ALM Advisors, and the Quaker Small-Cap Value Fund, managed by Ted Aronson of Aronson + Partners, have each been similarly honored during the year.

The picture for our funds has not been without some darkness. In May, 2001, your Board of Trustees voted to close the Quaker Large-Cap Value fund due to lack of shareholders and excessive expenses. Furthermore, the markets over this last year have been very difficult to navigate. Each of our managers discusses their fund's performance and the major factors influencing that performance in the letters that follow.

Due to your faith and support, and the continued efforts of our uniformly excellent fund managers, we have high hopes for the future of the Quaker Family of Funds. It is one of life's great truths that "past performance is not an indication of future results," but that being said, we are setting our sights on having an even better year in 2002 than this year.

On behalf of all of us at the Quaker Family of Funds, thank you for investing with us. We will continue to do all in our power to justify your faith in our ability to enhance your investment.

Very truly yours,

/s/ Jeffry H. King, Sr.

Jeffry H. King, Sr.

President &  
Chairman of the Board

August 31, 2001

DEAR FELLOW QUAKER CORE EQUITY FUND SHAREHOLDERS:

The past year was a tumultuous time period for your fund and growth managers in general. During this time period, your Portfolio trailed the performance of the S&P 500 Index (-37.33% vs. -14.82%)\*. Earnings expectations for large capitalization growth stocks rapidly diminished during the past year as hopes for a swift recovery in the economy dissipated.

As a residual of our investment process of identifying potential losers, your Portfolio will have a bias towards stocks exhibiting positive earnings surprises, which is normally a positive attribute. However, during the past fiscal year, stocks with negative earnings surprises actually outperformed positive earnings surprises (-14% vs. -45%). During periods of heightened market volatility this can be the case as normally positive attributes are cast aside due to investor irrationality. Thus far in 2001, the marketplace has rewarded stocks with reasonable valuations. Stocks with lower price-earnings ratios and growth-at-a-reasonable price attributes have outperformed, which have benefited your Portfolio.

Your Portfolio has also capitalized by avoiding the worst negative earnings surprises and revisions. Currently, your Portfolio's largest sector overweight is within Financials due to their earnings visibility including names such as Fannie Mae and Freddie Mac. Your Portfolio continues to de-emphasize the Technology sector as many of these companies continue to experience declines on their return on invested capital due to excess capacity. Accordingly, your Portfolio has little representation within Semiconductors, Telecommunication Equipment and Data Storage stocks. Your Portfolio's Technology exposure is focused on dominant providers such as Microsoft, Dell and IBM. Within Health Care, your Portfolio is positioned in the service-related companies such as Health Management Associates and Healthsouth rather than large capitalization Pharmaceuticals due to slowing revenue growth.

Going forward, look for your Portfolio to continue its bias toward holding stocks with reasonable valuations, sustainable long-term earnings growth rates and high earnings visibility. Volatility will continue to be above average as the marketplace begins to discount next year's earnings and anticipates additional Federal Reserve monetary policy changes. However, as long as positive earnings surprise, positive earnings revisions and financial quality are rewarded we remain comfortable with the structure of your Portfolio heading into the second half of the year.

Respectfully submitted,

/s/ John Geewax

John Geewax

Geewax, Terker & Co.

\*Calculated based on the Fund's Class A shares prior to deduction of the maximum sales charges. The Fund's total return after deduction of the maximum sales charge was -40.77%.

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August 31, 2001

DEAR FELLOW AGGRESSIVE GROWTH FUND SHAREHOLDER:

For the fiscal year ending June 30, 2001, the Quaker Aggressive Growth Fund

achieved a -5.0%\* overall total return versus the S&P 500 Index total return of -14.82% and the NASDAQ Index total return of -45.37% for the same period. From these numbers it is clear that while we were able to preserve capital very well, we did not make you money. And I am sure that is the main reason that you (and me) invest in the Fund. We do believe, however, that the markets will "come our way" soon. And I want to take this opportunity to thank you for your continued confidence and hope you will "keep the faith" as the years progress.

On a brighter note, the Quaker Aggressive Growth Fund was chosen by Barron's as one of the top performing Mutual Funds in the country overall, and was Number 1 in their Aggressive Growth Fund category. It was the only Fund to achieve these rankings two years in a row. We are very proud of this achievement and be assured that we are working very hard for a "three-peat!"

Our relative out-performance over the last year was mainly due to our taking defensive measures to protect capital. Last year, we were quite bullish on the bandwidth build-out around the globe and positioned the Fund accordingly in the beneficiaries of this build-out. However, with the "bubble break" that occurred in March of last year, we became quite concerned with future business prospects for technology and communication stocks and began to raise cash in the Fund over the summer of 2000. This move served us well as technology stocks broke hard in the last quarter of 2000 and the first two quarters of 2001.

We believe that we now have to deal with the consequences of the bubble-break and, unfortunately, the repair of this break will take time. We do believe that the inflection point in corporate profitability will occur sometime in the middle of next year (2002); equity markets should begin to discount this recovery sometime later this year. Within the equity market, as we approach that inflection point, we will emphasize "growth at a reasonable price stocks" since earnings growth and momentum become more important as the economy picks up.

Again, we thank you for your continued confidence and faith.

Respectfully submitted,

/s/ Manu Daftary

Manu Daftary

Portfolio Manager  
Quaker Management Corp.

\*Calculated based on the Fund's Class A shares prior to deduction of the maximum sales charges. The Fund's total return after deduction of the maximum sales charge was -10.3%.

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August 31, 2001

DEAR FELLOW QUAKER MID-CAP VALUE FUND SHAREHOLDER:

Schneider Capital Management was hired by the fund's board of directors to manage the fund effective December 15, 2000. For the six months ended June 30, 2001, the Quaker Mid-Cap Value Fund-Class I provided a 7.48% return and outperformed the benchmark Russell Midcap Value Index, which returned 3.26% during the same period.

During the six months ended June 30, 2001, differences between the economic sector weightings of the fund versus the Russell Midcap Value Index did not substantially impact performance. Strong investment results from a number of individual holdings in various industries made a positive contribution. Specifically, the fund benefited from its holdings in several undervalued retail stocks that are at various stages of turning around their operations. Timely investments in selected rail, trucking and auto parts issues also boosted returns. On the flip side, unfavorable short-term performance in our health care management company holdings negatively impacted returns. The prices of these

HMOs were punished after reporting disappointing first quarter earnings. We believe the investment case for improved profitability is still intact, so we added to our position in HMOs during the second quarter.

There were no strategic shifts in sector weightings during the period. The fund continues to be substantially underweighted in the energy, consumer discretionary and utilities sectors when compared to Russell Midcap Value Index. We generally regard the consumer discretionary sector to be overvalued in relation to our assessment of deteriorating business fundamentals, although we have found opportunities to invest in several company-specific situations. The portfolio is most overweighted in the materials & processing and autos & transportation sectors. In autos & transportation, we believe we uncovered promising potential in selected holdings in rail transportation, auto parts and truck manufacturing.

We believe that stock market valuations at mid-year reflected the expectation that the stimulative measures taken by U.S. policy makers will keep consumers spending and engineer a moderate recovery beginning in the second half. History offers evidence that their efforts usually work, although the results of central bank actions are decidedly mixed in turning around post-bubble economies (versus a "normal" postwar recession). In our opinion, it will take more aggressive action than usual to reverse the current investment-led slump, so we take some comfort that the Fed has still left itself room to cut rates even further without rekindling inflation. Turning points are awfully difficult to predict, but we suspect that the Fed might need to dispense more of the "medicine" in its cabinet in order to get the economy firmly back on its feet.

We appreciate your support as we work energetically every day to invest in companies that have temporarily fallen from favor but are near a turning point in their fortunes. The rewards can be handsome when these stocks eventually earn back the respect they once had among investors.

Respectfully Submitted,

/s/ Arnold Schneider

Arnold Schneider

Schneider Capital Management

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August 31, 2001

DEAR FELLOW SHAREHOLDER:

The Quaker Small-Cap Value Fund had its best fiscal year ever, and has achieved an average annual total return on its Class A shares since inception of the Fund of 14.22% (after deduction of the maximum sales charge) vs. 9.14% for the Russell 2000 Index. We hope it never happens again, at least not in the same way and here's why.

Two years ago the scene was dramatically different. The 1999-2000 fiscal year was characterized by wild speculation in high-valuation stocks -- just the sort of stocks the Fund doesn't buy. As a result, our relative performance suffered, big time.

What a difference a year makes.

In 2000-2001, rational sobriety replaced the irrational exuberance of 1999-2000. In other words, fundamental valuation prevailed, our kind of stocks (the ones associated with cash earnings) returned to favor, and our relative performance rebounded in an even bigger way.

When these two periods are combined, we come out on top, but such volatility, or risk, exacts a price. Pity the shareholders who liquidated at the peak of the speculative frenzy -- ouch! It's this risk aspect that makes us hope the extremes of the recent past are not repeated.

We continue to make every effort to outperform our benchmark by sticking to our disciplined investment process. The "bumpiness" of the ride, however, is up to the capital markets.

/s/ Ted Aronson

/s/ Kevin Johnson

/s/ Martha Ortiz

Ted Aronson, Kevin Johnson, Martha Ortiz

Aronson+Partners Portfolio Management Team

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August 31, 2001

DEAR FELLOW QUAKER SMALL-CAP GROWTH FUND SHAREHOLDER:

The past year was a tumultuous time period for your fund and growth managers in general. Since inception, your Portfolio has slightly underperformed the Russell 2000 Index (-10.70%\* vs. -1.64%). Small capitalization growth stocks fared significantly better than large capitalization growth stocks during this time period mainly due to their attractive relative valuations coupled with the fact that earnings expectations held up much stronger than large capitalization growth stocks. As a residual of our investment process of identifying potential losers, your Portfolio will have a bias towards stocks exhibiting positive earnings surprises, which is normally a positive attribute. However, during the past fiscal year, stocks with negative earnings surprises actually outperformed positive earnings surprises (2% vs. -3%). During periods of heightened market volatility this can be the case as normally positive attributes are cast aside due to investor irrationality.

However, the biggest factor affecting the small capitalization universe and your Portfolio has unquestionably been the micro-cap effect. During 2001, stocks in the highest decile of market capitalization returned -20% versus the lowest decile, which returned +22%. This is noteworthy due to the fact that your Portfolio will be situated in the larger names within the small capitalization universe due to their trading liquidity. Our investment process is predicated on the ability to establish and liquidate positions in a timely manner without having significant market impact. This has represented the largest headwind for your Portfolio year-to-date.

Thus far in 2001, the marketplace has rewarded stocks with reasonable valuations. Stocks with lower price-earnings ratios and growth-at-a-reasonable price attributes have outperformed, which have benefited your Portfolio. Currently, your Portfolio's largest sector overweight is within Financials. Your Portfolio continues to de-emphasize the Technology sector as many of these companies continue to experience declines on their return on invested capital due to excess capacity. Accordingly, your Portfolio has minimal representation within Semiconductors and Telecommunication Equipment stocks. Within Health Care, your Portfolio is positioned in the service-related companies such as Renal Care Group and Respiroics rather than volatile Biotechnology stocks.

Going forward, look for your Portfolio to continue its bias toward holding stocks with reasonable valuations, sustainable long-term earnings growth rates and high earnings visibility. Volatility will continue to be above average as the marketplace begins to discount next year's earnings and anticipates additional Federal Reserve monetary policy changes. However, as long as positive earnings surprises, positive earnings revisions and financial quality are rewarded we remain comfortable with the structure of your Portfolio heading into the second half of the year.

Respectfully submitted,

/s/ John Geewax

John Geewax  
Geewax, Terker & Co.

\*Calculated based on the Class I shares.

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August 31, 2001

DEAR FELLOW QUAKER SHAREHOLDERS:

THE QUAKER FIXED INCOME FUND  
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From the Fund's inception to June 30, 2001, the average annual total return on the Class A shares of The Quaker Fixed Income Fund prior to deducting the maximum sales charge was +5.14% vs. an average annual total return of 6.92% for the Salomon Brothers Broad Investment Grade Bond Index for the same period. Although we slightly under performed our benchmark index for the period, we are very encouraged by the business trends in the overall economy. We recently have sold a number of well performing positions in order to raise cash to invest in high value securities we identify going forward. Looking out twelve months, we think it's reasonable to expect 8% overall returns, with yields currently on ten year treasuries of about 5.15%. The prior three-year drought has ended in the US corporate bond market and we expect the next three year's returns to afford us a wonderful investing opportunity.

The last eighteen months have been a nice change, as bonds began to perform better. We believe now the interest rate cuts are largely behind us. The last three years have seen a dramatic outperformance of governments versus treasury bonds (known as spread widening). It began with the Long Term Capital Management crisis in 1998, and corporate began to recover only recently.

We are very excited about prospects for the Fund over the next year, and we thank you for your continued support and faith in our investment management of the Fund.

THE QUAKER HIGH YIELD FUND  
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The total return for Class A shares of the Quaker High Yield Fund for the period from September 5, 2000 (commencement of operations) to June 30, 2001 was 1.77% (after deducting the maximum sales charge) vs. a -0.61% total return for the Lehman Corporate High Yield Bond Index for the same period. We have repeatedly been ranked among the top ten bond funds during the year, and have been ranked # 1 a number of times.

Our investment philosophy is company specific and is not necessarily related to specific industry changes. Many companies are issuing debt to reduce their dependency on the banking community, and we see this trend continuing into the foreseeable future.

One of the most frequently asked questions among our investors is, "Have I missed the move?" In our opinion, no, you have not. We expect the high yield sector of the market to continue to perform well for another two to three years, with the sector possibly outperforming all other securities, including equities. There are many companies issuing debt with 15-20% effective yields that we feel are reasonable credit risks. We will continue to aggressively seek out investments that maximize our shareholders' wealth.

THE QUAKER GOVERNMENT MONEY MARKET FUND  
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The money market fund was opened on July 5, 2001 and was up and running favorably. Its aggregate total return for the fiscal year ending June 30, 2001 was 5.76%. We hold positions that are either government guaranteed, or are an agency of the US government. We continue to buy and hold smaller "lots" where we feel we can get a slightly better price than larger pieces. Overall, the yields

and returns on the fund have been satisfactory, and we hope that the next year will be even better.

We thank you for your continued faith and confidence in our investment management of your Fund.

Respectfully Submitted,

/s/ Jeffrey Rollert

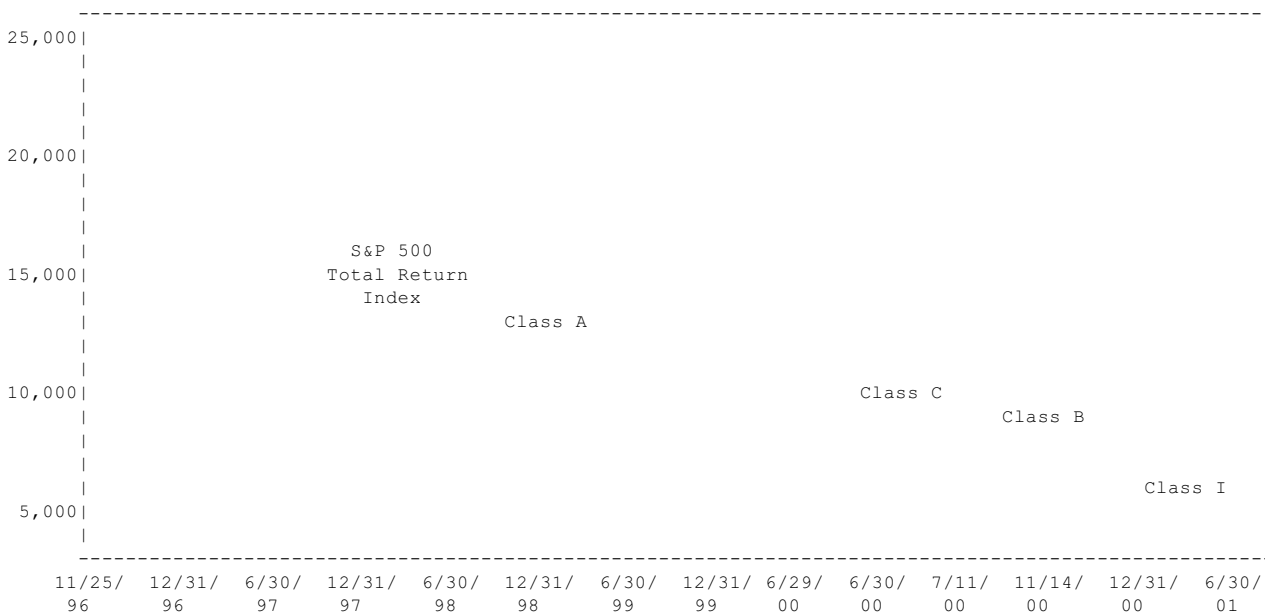
Jeffrey Rollert

Managing Director  
ALM Advisors, Inc.

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QUAKER CORE EQUITY FUND

PERFORMANCE UPDATE--\$10,000 INVESTMENT  
FOR THE PERIOD FROM NOVEMBER 25, 1996 (COMMENCEMENT OF OPERATIONS)  
TO JUNE 30, 2001



AVERAGE ANNUALIZED TOTAL RETURN

	1 Year		Commencement of operations through 6/30/01	
	with sales charge	without sales charge	with sales charge	without sales charge
Class A	(40.77)%	(37.33)%	5.47%	6.78%
Class B*	n/a	n/a	(29.02)%	(25.36)%
Class C	(39.31)%	(38.09)%	(36.95)%	(36.32)%
Class I*	n/a	n/a	n/a	(40.71)%
S&P 500 Total Return	n/a	(14.82)%	n/a	12.61%

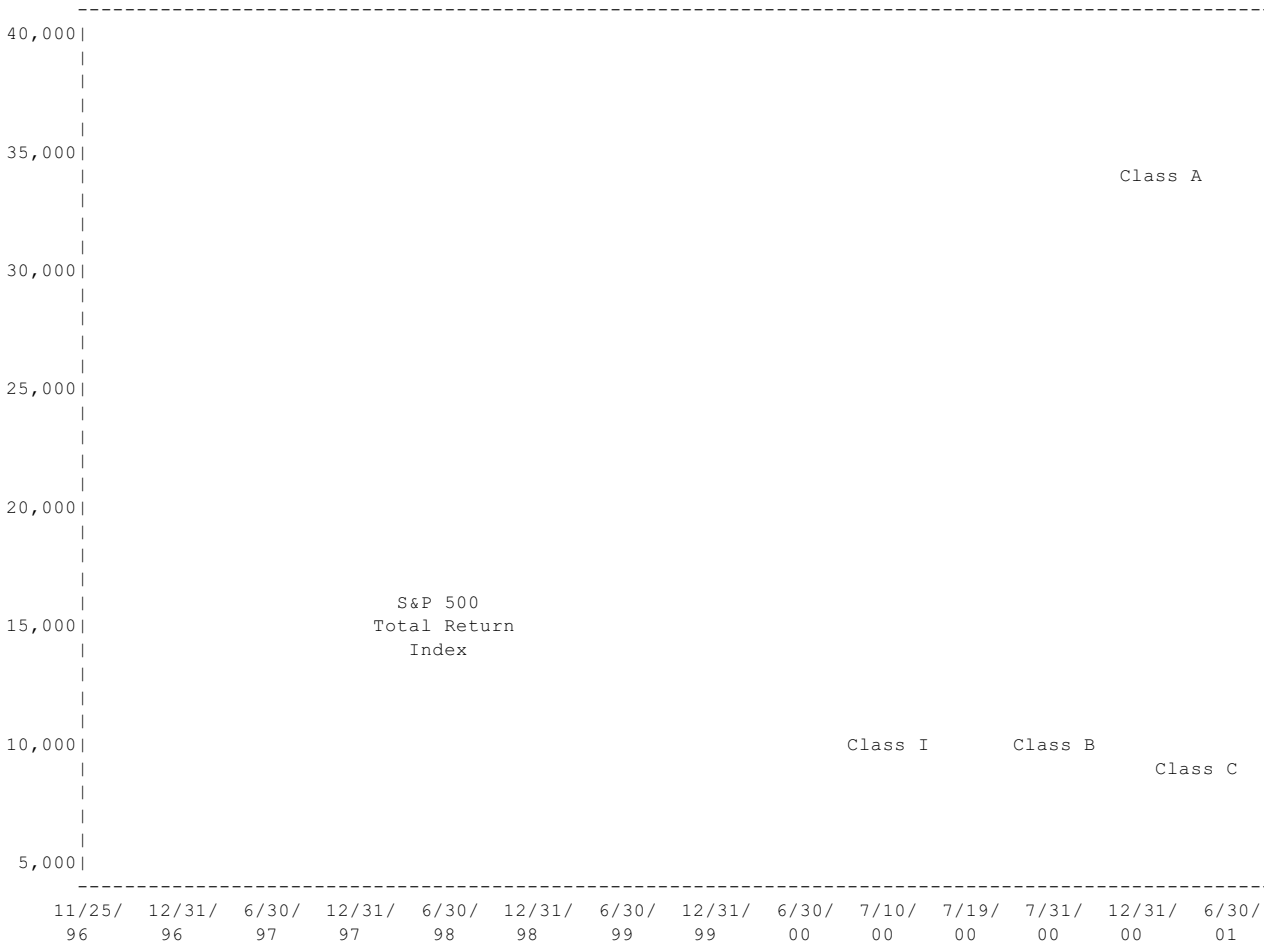
\*Aggregate return, class less than one year from inception

Past performance is no guarantee of future results and investment results and principal value will fluctuate so that shares, when redeemed, may be worth more or less than their original cost. Total return includes reinvestment of dividends and capital gains.

The Fund's portfolio holdings may differ significantly from the securities held in the index and, unlike a mutual fund, an unmanaged index assumes no transaction costs, taxes, management fees or other expenses.

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QUAKER AGGRESSIVE GROWTH FUND  
 PERFORMANCE UPDATE--\$10,000 INVESTMENT  
 FOR THE PERIOD FROM NOVEMBER 25, 1996 (COMMENCEMENT OF OPERATIONS)  
 TO JUNE 30, 2001



AVERAGE ANNUALIZED TOTAL RETURN

	1 Year		Commencement of operations through 6/30/01	
	with sales charge	without sales charge	with sales charge	without sales charge
Class A	(10.29)%	(5.06)%	29.86%	31.47%



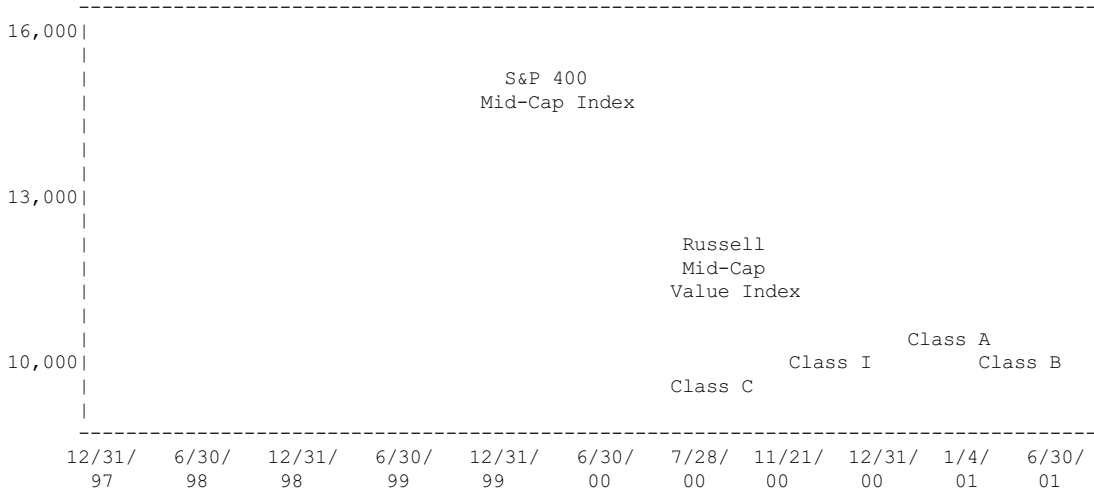
Class B*	n/a	n/a	(14.88)%	(6.33)%
Class C*	n/a	n/a	(8.23)%	(6.49)%
Class I*	n/a	n/a	n/a	(6.92)%
S&P 500 Total Return	n/a	(14.82)%	n/a	12.61%

\*Aggregate return, class less than one year from inception

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QUAKER MID-CAP VALUE FUND  
PERFORMANCE UPDATE--\$10,000 INVESTMENT  
FOR THE PERIOD FROM JANUARY 6, 1998 (COMMENCEMENT OF OPERATIONS)  
TO JUNE 30, 2001



AVERAGE ANNUALIZED TOTAL RETURN

	1 Year		Commencement of operations through 6/30/01	
	with sales charge	without sales charge	with sales charge	without sales charge
Class A	1.03%	6.95%	2.96%	4.64%
Class B*	n/a	n/a	4.32%	9.32%
Class C*	n/a	n/a	11.83%	12.83%
Class I*	n/a	n/a	n/a	13.83%
S&P 400 Mid-Cap	n/a	7.75%	n/a	13.49%

Russell Mid-Cap Value      n/a                      23.93%                      n/a                      7.59%

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\*Aggregate return, class less than one year from inception

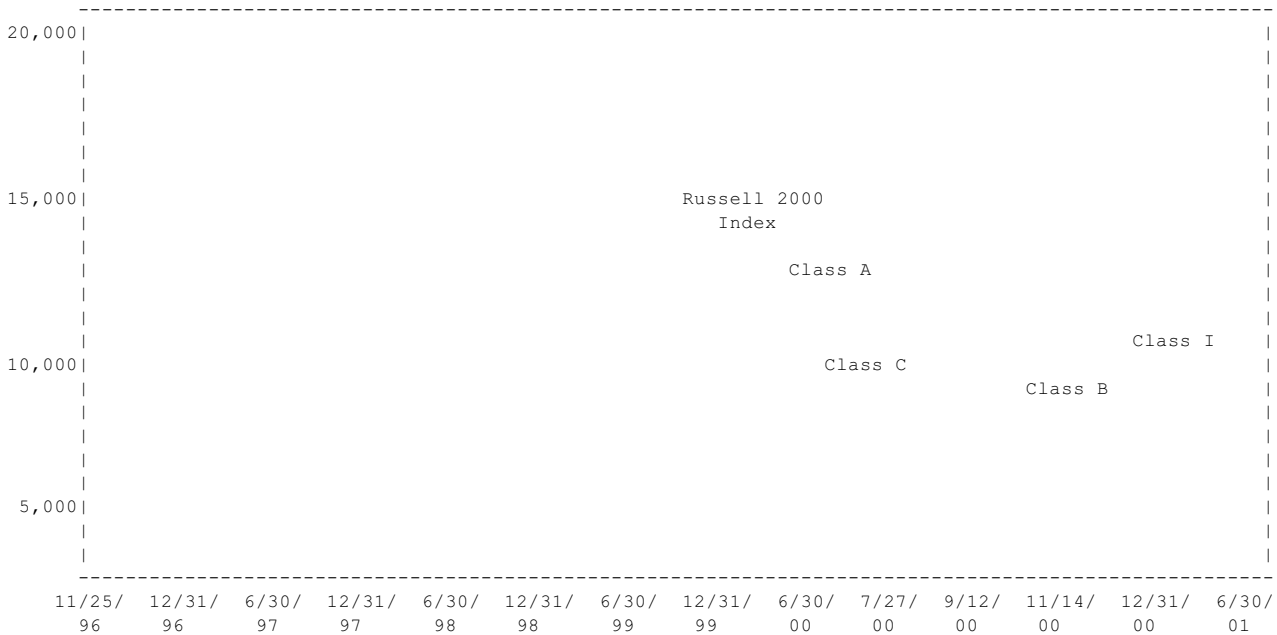
The Russell Mid-Cap Value Index has been determined to be the most appropriate index to be used for comparative purposes based on the Fund's portfolio and current investment strategy. In the future the Russell Mid-Cap Value Index will be the only index compared to the Fund.

Past performance is no guarantee of future results and investment results and principal value will fluctuate so that shares, when redeemed, may be worth more or less than their original cost. Total return includes reinvestment of dividends and capital gains.

The Fund's portfolio holdings may differ significantly from the securities held in the index and, unlike a mutual fund, an unmanaged index assumes no transaction costs, taxes, management fees or other expenses.

QUAKER SMALL-CAP VALUE FUND

PERFORMANCE UPDATE--\$10,000 INVESTMENT  
 FOR THE PERIOD FROM NOVEMBER 25, 1996 (COMMENCEMENT OF OPERATIONS)  
 TO JUNE 30, 2001



AVERAGE ANNUALIZED TOTAL RETURN

	1 Year		Commencement of operations through 6/30/01	
	with sales charge	without sales charge	with sales charge	without sales charge
Class A	22.55%	29.67%	14.22%	15.64%
Class B*	n/a	n/a	11.96%	16.96%
Class C*	n/a	n/a	26.74%	27.74%

Class I*	n/a	n/a	n/a	15.31%
Russell 2000	n/a	(0.86)%	n/a	9.14%

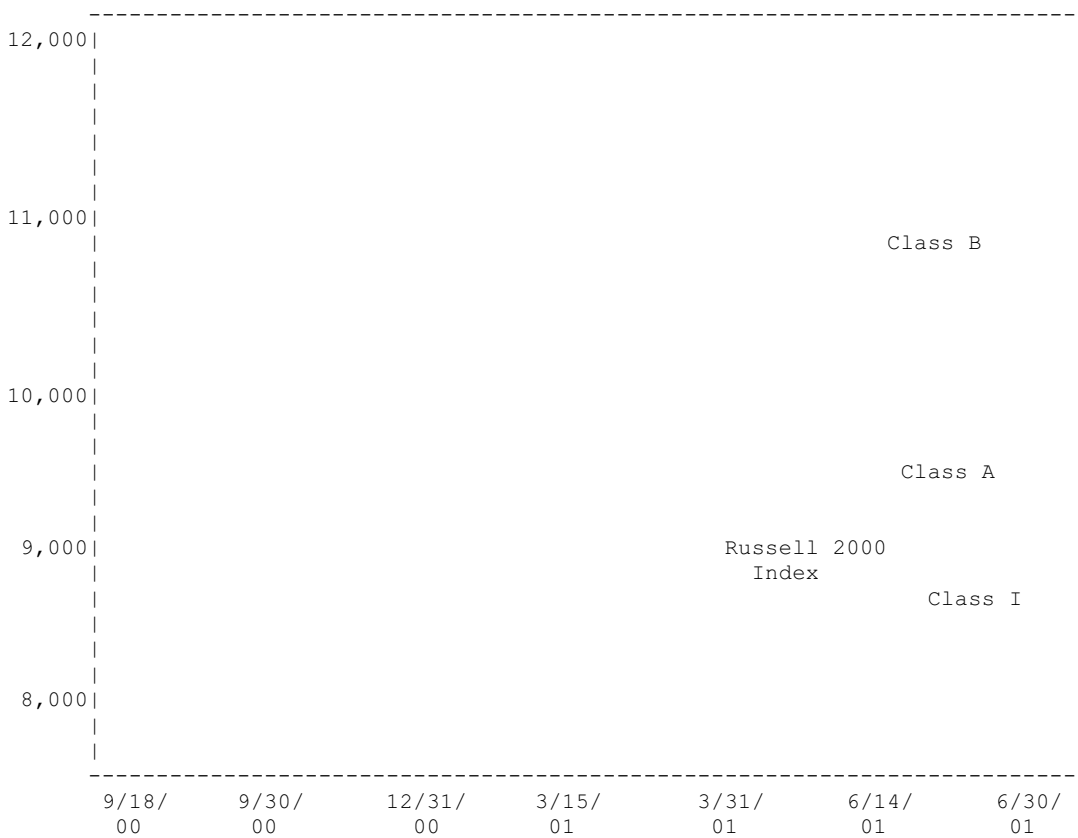
\*Aggregate return, class less than one year from inception

Past performance is no guarantee of future results and investment results and principal value will fluctuate so that shares, when redeemed, may be worth more or less than their original cost. Total return includes reinvestment of dividends and capital gains.

The Fund's portfolio holdings may differ significantly from the securities held in the index and, unlike a mutual fund, an unmanaged index assumes no transaction costs, taxes, management fees or other expenses.

QUAKER SMALL-CAP GROWTH FUND

PERFORMANCE UPDATE--\$10,000 INVESTMENT  
FOR THE PERIOD FROM SEPTEMBER 18, 2000 (COMMENCEMENT OF OPERATIONS)  
TO JUNE 30, 2001



AVERAGE ANNUALIZED TOTAL RETURN

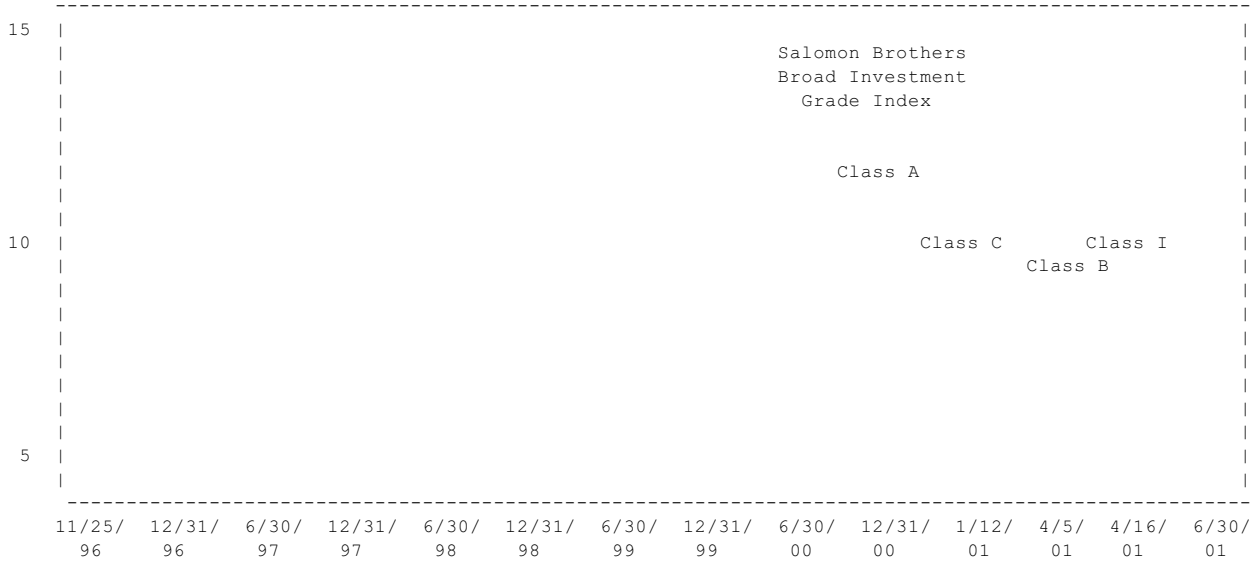
	Commencement of operations through 6/30/01	
	with sales charge	without sales charge
Class A*	(3.55)%	2.07%
Class B*	6.81%	11.81%
Class I*	n/a	(10.70)%
Russell 2000	n/a	(1.64)%

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 \*Aggregate return, class less than one year from inception

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The Fund's portfolio holdings may differ significantly from the securities held in the index and, unlike a mutual fund, an unmanaged index assumes no transaction costs, taxes, management fees or other expenses.

QUAKER FIXED INCOME FUND  
 PERFORMANCE UPDATE--\$10,000 INVESTMENT  
 FOR THE PERIOD FROM NOVEMBER 25, 1996 (COMMENCEMENT OF OPERATIONS)  
 TO JUNE 30, 2001



AVERAGE ANNUALIZED TOTAL RETURN

	1 Year		Commencement of operations through 6/30/01	
	with sales charge	without sales charge	with sales charge	without sales charge
Class A	3.82%	8.37%	4.15%	5.14%
Class B*	n/a	n/a	(6.42)%	(1.55)%
Class C*	n/a	n/a	0.46%	1.46%
Class I*	n/a	n/a	n/a	(0.52)%
Salomon Brothers Broad Investment Grade	n/a	11.26%	n/a	6.92%

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 \*Aggregate return, class less than one year from inception

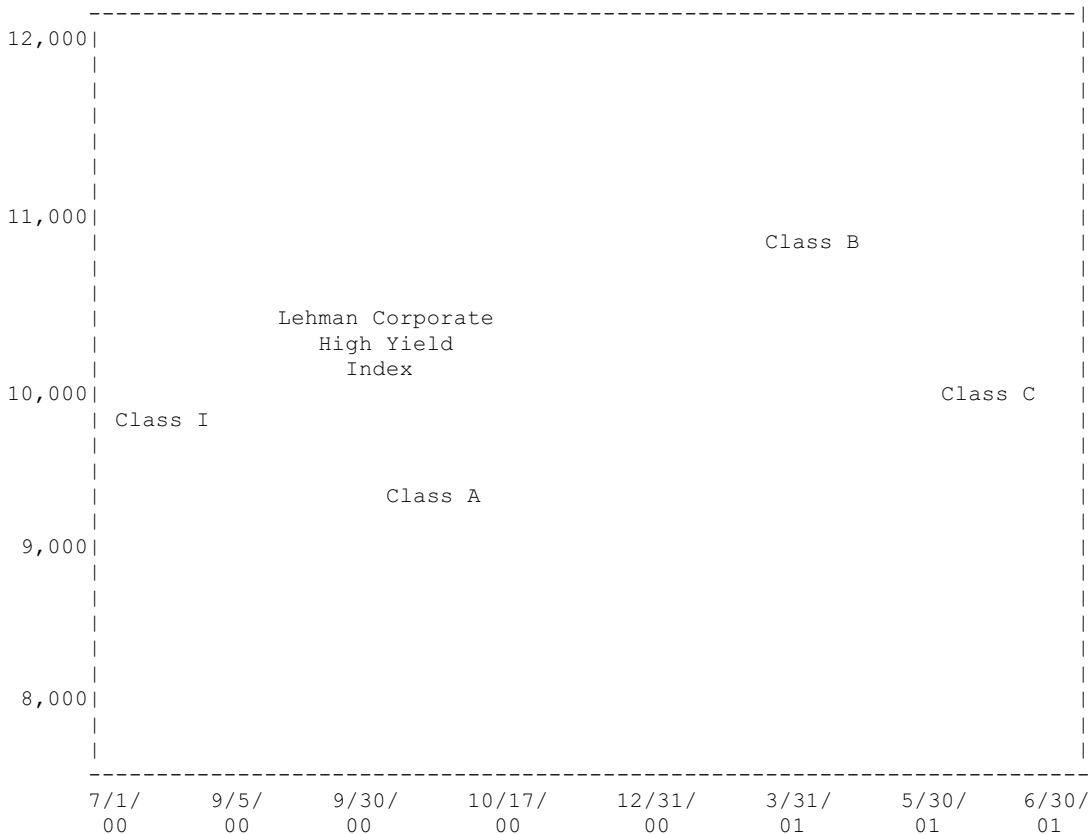
Past performance is no guarantee of future results and investment results

and principal value will fluctuate so that shares, when redeemed, may be worth more or less than their original cost. Total return includes reinvestment of dividends and capital gains.

The Fund's portfolio holdings may differ significantly from the securities held in the index and, unlike a mutual fund, an unmanaged index assumes no transaction costs, taxes, management fees or other expenses.

QUAKER HIGH YIELD FUND

PERFORMANCE UPDATE--\$10,000 INVESTMENT  
FOR THE PERIOD FROM JULY 6, 2000 (COMMENCEMENT OF OPERATIONS)  
TO JUNE 30, 2001



AVERAGE ANNUALIZED TOTAL RETURN

	Commencement of operations through 6/30/01	
	with sales charge	without sales charge
Class A*	1.77%	6.29%
Class B*	3.92%	8.92%
Class C*	(1.38)%	(0.50)%
Class I*	n/a	4.61%
Lehman Corporate High Yield	n/a	(0.61)%

\*Aggregate return, class less than one year from inception

Past performance is no guarantee of future results and investment results and principal value will fluctuate so that shares, when redeemed, may be worth

more or less than their original cost. Total return includes reinvestment of dividends and capital gains.

The Fund's portfolio holdings may differ significantly from the securities held in the index and, unlike a mutual fund, an unmanaged index assumes no transaction costs, taxes, management fees or other expenses.

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QUAKER CORE EQUITY FUND  
SCHEDULE OF INVESTMENTS  
JUNE 30, 2001

	NUMBER OF SHARES	MARKET VALUE
	-----	-----
COMMON STOCK -- 95.36%		
ADVERTISING -- 0.65%		
Omicom Group Inc.	1,430	\$ 122,980
		-----
AEROSPACE -- 1.09%		
General Dynamics Corporation	700	54,467
United Technologies Corporation	2,050	150,183
		-----
		204,650
		-----
AIRLINES -- 0.33%		
Southwest Airlines Co.	3,370	62,311
		-----
APPAREL -- 0.13%		
Coach, Inc.*	650	24,732
		-----
AUTO PARTS & EQUIPMENT -- 0.23%		
Autozone, Inc.*	70	2,625
Lear Corporation*	1,170	40,833
		-----
		43,458
		-----
BANKS -- 0.60%		
Bank of New York Company, Inc.	900	43,200
Fifth Third Bancorp	300	18,015
First Tennessee National Corporation	80	2,777
Northern Trust Corporation	770	48,125
		-----
		112,117
		-----
BROADCASTING -- 0.11%		
Cablevision Systems Corporation*	360	21,060
		-----
CHEMICALS -- 0.02%		
Albany Molecular Research, Inc.*	100	3,801
		-----
COMMERCIAL SERVICES -- 0.60%		
Concord EFS, Inc.*	2,010	104,540
Total System Services, Inc.	280	7,952
		-----
		112,492
		-----
COMPONENTS -- 0.10%		
Microchip Technology Incorporated*	530	18,152
		-----
COMPUTER HARDWARE -- 1.68%		
CDW Computer Centers, Inc.*	50	1,985
Dell Computer Corporation*	12,090	313,735
		-----
		315,720
		-----
COMPUTER SERVICES & SOFTWARE -- 16.90%		
AOL Time Warner Inc.*	18,290	969,370
BMC Software, Inc.*	1,980	44,629
Ceridian Corporation*	1,190	22,812

Citrix Systems, Inc.*	2,070	72,243
Compuware Corporation*	900	12,591
Electronic Data Systems Corporation	1,610	100,625
Fiserv, Inc.*	470	30,071
i2 Technologies, Inc.*	910	18,018
Internet Security Systems, Inc.*	870	42,247
Micromuse Inc.*	1,680	47,023

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QUAKER CORE EQUITY FUND  
SCHEDULE OF INVESTMENTS  
JUNE 30, 2001

	NUMBER OF SHARES	MARKET VALUE
	-----	-----
COMMON STOCK -- (continued)		
COMPUTER SERVICES & SOFTWARE -- (continued)		
Microsoft Corporation*	19,500	\$ 1,415,700
Pixar, Inc.*	130	5,304
Quest Software, Inc.*	1,570	59,267
Rational Software Corporation*	4,390	123,139
Siebel Systems, Inc.*	3,710	173,999
Synopsys, Inc.*	110	5,323
VeriSign, Inc.*	575	34,506
		-----
		3,176,867
		-----
COMPUTER SYSTEMS -- 4.79%		
Extreme Networks, Inc.*	260	7,670
International Business Machines Corporation	7,910	893,830
		-----
		901,500
		-----
CONSUMER PRODUCTS -- 0.37%		
The Estee Lauder Companies Inc.	365	15,731
Phillip Morris Companies Inc.	1,000	50,750
UST Inc.	90	2,597
		-----
		69,078
		-----
DISTRIBUTION -- 0.09%		
Waters Corporation*	600	16,566
		-----
DIVERSIFIED CONGLOMERATES -- 9.60%		
Corning Incorporated	2,230	37,263
General Electric Company	36,270	1,768,162
		-----
		1,805,425
		-----
EDUCATION -- 0.02%		
Apollo Group, Inc.*	105	4,457
		-----
ELECTRONICS & ELECTRICAL EQUIPMENT -- 2.13%		
Intel Corporation	12,900	377,325
TECO Energy, Inc.	790	24,095
		-----
		401,420
		-----
ELECTRICAL SERVICES -- 0.22%		
Mirant Corporation*	940	32,336
Molex Incorporated	230	8,402
		-----
		40,738
		-----
ENERGY -- 0.39%		
Allegheny Energy, Inc.	1,060	51,145
Black Hills Corporation	40	1,609

Utilicorp United Inc.	700	21,497
		-----
		74,251
		-----
ENTERTAINMENT & LEISURE -- 0.29%		
International Game Technology*	560	35,050
MGM Mirage Inc.	660	19,774
		-----
		54,824
		-----

9

QUAKER CORE EQUITY FUND  
SCHEDULE OF INVESTMENTS  
JUNE 30, 2001

	NUMBER OF SHARES	MARKET VALUE
	-----	-----
COMMON STOCK -- (continued)		
FINANCIAL SERVICES -- 7.30%		
Citigroup Inc.	2,210	\$ 116,776
Countrywide Credit Industries, Inc.	660	30,281
Equifax Inc.	1,320	48,418
Fannie Mae	4,490	382,324
Freddie Mac	5,450	381,500
The Goldman Sachs Group, Inc.	210	18,018
H&R Block, Inc.	30	1,937
Investors Financial Services Corp.	240	16,080
MBNA Corporation	4,590	151,241
Morgan Stanley Dean Witter & Co.	850	54,596
Paychex, Inc.	1,390	55,600
S&P Mid-Cap 400	1,030	98,108
USA Education Inc.	250	18,250
		-----
		1,373,129
		-----
FOOD & BEVERAGE -- 4.15%		
Albertson's, Inc.	2,040	61,180
The Kroger Co.	3,020	75,500
McCormick & Company, Incorporated	50	2,101
PepsiCo, Inc.	10,590	468,078
Safeway Inc.*	1,580	75,840
Starbucks Corporation	1,230	28,290
SYSCO Corporation	2,530	68,690
		-----
		779,679
		-----
HEALTH CARE -- 2.71%		
Community Health Care*	930	27,435
First Health Group Corp.*	300	7,236
Health Management Associates, Inc.*	3,760	79,110
HEALTHSOUTH Corporation*	4,030	64,359
Lincare Holdings Inc.*	2,300	69,023
Manor Care, Inc.*	2,450	77,788
McKesson Corporation	600	22,272
Unitedhealth Group Incorporated	1,850	114,238
Universal Health Services, Inc.	180	8,190
Wellpoint Health Networks Inc.*	420	39,581
		-----
		509,232
		-----
INSURANCE -- 4.82%		
American International Group, Inc.	6,360	546,960
Express Scripts, Inc.*	720	39,622
Humana Inc.*	6,880	67,768
MBIA, Inc.	960	53,453
MGIC Investment Corporation	910	66,102
The Progressive Corporation	910	123,023
Unitrin, Inc.	220	8,448
		-----



905,376

INTERNET SERVICES & SOFTWARE -- 1.29%

Juniper Networks, Inc.*	2,380	74,018
ONI Systems Corp.*	2,510	70,029
Openwave Systems Inc.*	1,660	57,602
Riverstone Networks, Inc.*	2,080	41,371

243,020

QUAKER CORE EQUITY FUND  
SCHEDULE OF INVESTMENTS  
JUNE 30, 2001

	NUMBER OF SHARES	MARKET VALUE
COMMON STOCK -- (continued)		
MACHINERY, GENERAL INDUSTRIAL -- 0.31%		
Thermo Electron Corporation*	2,620	\$ 57,692
MANUFACTURING -- 0.60%		
Harley-Davidson, Inc.	2,400	112,992
MEDICAL - DRUGS -- 0.40%		
Celgene Corporation*	170	4,905
Genzyme Corporation*	520	31,720
Ivax Corporation	1,012	39,468
		76,093
MEDICAL PRODUCTS -- 7.37%		
American Home Products Corporation	3,770	220,319
Apogent Technologies Inc.*	100	2,460
Baxter International Inc.	800	39,200
Becton, Dickinson and Company	740	26,485
Biogen, Inc.*	1,580	85,889
Biomet, Inc.	1,230	59,114
IMS Health Incorporated.	2,150	61,275
Oxford Health Plans, Inc.*	690	19,734
Pfizer Inc.	21,215	849,661
St. Jude Medical, Inc.	370	22,200
		1,386,337
OIL & GAS -- 1.98%		
Anadarko Petroleum Corporation	620	33,499
Apache Corporation	2,440	123,830
Baker Hughes Incorporated	770	25,795
Burlington Resources Inc.	600	23,970
Devon Energy Corporation	790	41,475
EOG Resources, Inc.	440	15,642
Global Marine Inc.*	1,580	29,435
Marine Drilling Companies, Inc.*	770	14,715
Murphy Oil Corporation*	260	19,136
Noble Drilling Corporation*	630	20,633
Smith International, Inc.*	270	16,173
Weatherford International, Inc.*	160	7,680
		371,983
PHARMACEUTICALS -- 9.17%		
Abbott Laboratories	4,090	196,361
Allergan, Inc.	910	77,805
Bergen Brunswig Corporation	3,660	70,345
Cardinal Health, Inc.	5,465	377,085
Forest Laboratories, Inc.*	2,850	202,350
Johnson & Johnson	7,447	372,340
Eli Lilly and Company	1,890	139,860

Mylan Laboratories Inc.	1,260	35,444
Omnicare, Inc.	690	13,938
Pharmacia Corporation	4,030	185,178
Watson Pharmaceuticals, Inc.*	880	54,243
		-----
		1,724,949
		-----

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QUAKER CORE EQUITY FUND  
SCHEDULE OF INVESTMENTS  
JUNE 30, 2001

	NUMBER OF SHARES	MARKET VALUE
	-----	-----
COMMON STOCK -- (continued)		
PIPELINES -- 2.26%		
Dynegy Inc.	984	\$ 45,756
El Paso Corporation	1,930	101,402
Enron Corp.	4,020	196,980
The Williams Companies, Inc.	2,430	80,069
		-----
		424,207
		-----
PUBLISHING -- 0.15%		
The New York Times Company	680	28,560
		-----
RETAIL -- 8.03%		
Barnes & Noble, Inc.*	1,920	75,552
Bed Bath & Beyond Inc.*	1,100	34,320
BJ's Wholesale Club, Inc.*	60	3,196
CVS Corporation	2,220	85,692
Ebay Inc.*	2,090	143,144
The Home Depot, Inc.	7,430	345,867
Kohl's Corporation*	1,510	94,722
Payless Shoesource, Inc.*	880	56,936
Wal-Mart Stores, Inc.	9,900	483,120
Walgreen Co.	4,720	161,188
Williams Sonoma, Inc.*	670	26,009
		-----
		1,509,746
		-----
SEMI-CONDUCTORS -- 0.69%		
Agere Systems Inc.*	10,620	79,650
Intersil Corporation*	1,360	49,504
		-----
		129,154
		-----
TELECOMMUNICATIONS -- 1.38%		
Sonus Networks, Inc.*	3,340	78,022
Tekelec*	1,280	34,688
Verizon Communications Inc.	2,740	146,590
		-----
		259,300
		-----
UTILITIES -- 2.26%		
AES Corporation*	2,240	96,432
Calpine Corporation*	530	20,034
DPL Inc.	770	22,299
Duke Energy Corporation	2,510	97,915
NiSource Inc.	1,200	32,796
Pinnacle West Capital Corporation	430	20,382
PPL Corporation	2,440	134,200
		-----
		424,058
		-----
WASTE MANAGEMENT -- 0.02%		
Allied Waste Industries, Inc.*	160	2,989
		-----

WATER -- 0.13%		
American Water Works Company, Inc.	720	23,738
		-----
TOTAL COMMON STOCK (COST \$17,278,779)		17,928,833
		-----

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QUAKER CORE EQUITY FUND  
SCHEDULE OF INVESTMENTS  
JUNE 30, 2001

	NUMBER OF SHARES	MARKET VALUE
	-----	-----
INVESTMENT COMPANIES -- 0.40%		
Evergreen Money Market Institutional Treasury Money Market Fund Institutional Service Shares	74,778	\$ 74,778
		-----
TOTAL INVESTMENT COMPANIES (COST \$74,778)		74,778
		-----
INDEX FUNDS -- 4.35%		
Ishares Russell 1000 Growth Index Fund	12,100	675,180
S&P Mid-Cap 400 Depository Receipts	1,230	143,603
		-----
TOTAL INDEX FUNDS (COST \$829,369)		818,783
		-----
TOTAL VALUE OF INVESTMENTS (COST \$18,182,926) (100.11%)		18,822,394
LIABILITIES IN EXCESS OF OTHER ASSETS, NET (-0.11%)		(20,283)
		-----
NET ASSETS (100.00%)		\$18,802,111
		=====

\*Non-income producing investment

See notes to financial statements.

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QUAKER AGGRESSIVE GROWTH FUND  
SCHEDULE OF INVESTMENTS  
JUNE 30, 2001

	NUMBER OF SHARES	MARKET VALUE
	-----	-----
COMMON STOCK -- 45.49%		
AEROSPACE/DEFENSE -- 2.21%		
United Technologies Corporation	21,800	\$ 1,597,068
		-----
AGRICULTURAL OPERATIONS -- 0.13%		
Delta and Pine Land Company	4,700	92,355
		-----
AIRLINES -- 0.33%		
Mesaba Holdings, Inc.*	25,500	235,110
		-----
AUTOMOBILE MANUFACTURERS -- 0.77%		
General Motors Corporation	8,600	553,410
		-----
AUTOMOBILE PARTS & EQUIPMENT -- 1.30%		
CSK Auto Corporation*	39,000	323,700
Delphi Automotive Systems Corporation	38,700	616,491
		-----
		940,191
		-----
BANKS -- 0.30%		
Waypoint Financial Corp.	17,600	220,000

BUILDING -- 0.43%		
Comfort Systems USA, Inc.*	34,074	123,348
Dycom Industries, Inc.*	5,800	132,994
Layne Christensen Company*	6,500	55,250
		-----
		311,592
		-----
CABLE TV -- 1.94%		
Comcast Corporation, Class A*	32,300	1,401,820
		-----
CHEMICALS -- 1.12%		
E.I. du Pont de Nemours and Company	13,500	651,240
Spartech Corporation	6,600	159,390
		-----
		810,630
		-----
COMPUTERS -- 0.54%		
Dell Computer Corporation*	15,000	389,250
		-----
COMPUTER SERVICES & SOFTWARE -- 4.43%		
Microsoft Corporation*	29,100	2,112,660
Novell, Inc.*	65,900	374,971
Sybase, Inc.*	43,400	713,930
		-----
		3,201,561
		-----
COMMERCIAL SERVICES -- 1.05%		
Cendant Corporation*	26,800	522,600
Encompass Services Corporation*	26,200	234,490
		-----
		757,090
		-----
CONSULTING SERVICES -- 0.32%		
Navigant Consulting, Inc.*	27,900	228,780
		-----
CONTAINERS -- 0.50%		
Smurfit - Stone Container Corporation*	22,500	364,500
		-----
COSMETICS & TOILETRIES -- 0.31%		
Helen of Troy Limited	25,000	221,000
		-----

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QUAKER AGGRESSIVE GROWTH FUND  
SCHEDULE OF INVESTMENTS  
JUNE 30, 2001

	NUMBER OF SHARES	MARKET VALUE
	-----	-----
COMMON STOCK -- (continued)		
CRUISE LINES -- 0.45%		
Royal Caribbean Cruises Ltd.	14,600	\$ 322,806
		-----
DATA PROCESSING -- 1.40%		
FileNet Corporation*	43,300	640,840
Informix Corporation*	64,300	375,512
		-----
		1,016,352
		-----
DIVERSIFIED MANUFACTURING OPERATIONS -- 2.80%		
FMC Corporation*	8,300	569,048
GSI Lumonics Inc.*	39,600	366,300
Pittston Brink's Group	6,200	138,198
Tyco International Ltd.	13,200	719,400
U.S. Industries, Inc.	57,600	236,160
		-----
		2,029,106
		-----
E-SERVICES/CONSULTING -- 0.31%		

Keynote Systems, Inc.*	20,800	227,760
-----		
FINANCE - INVESTMENT BANKING -- 0.96%		
The Goldman Sachs Group, Inc.	6,400	549,120
WIT Soundview Group, Inc.*	77,700	142,191
-----		
		691,311
-----		
HUMAN RESOURCES -- 0.73%		
Modis Professional Services, Inc.*	36,500	251,850
Spherion Corporation*	31,100	278,345
-----		
		530,195
-----		
INDEX FUNDS -- 5.82%		
iShares S&P 100	13,500	866,700
SPDR Trust Series 1	27,100	3,341,972
-----		
		4,208,672
-----		
INDUSTRIAL AUTOMATION/ROBOTICS -- 0.10%		
Rockwell International Corporation	1,900	72,428
-----		
INTERNET SECURITY -- 0.83%		
Networks Associates, Inc.*	48,500	603,825
-----		
MACHINERY -- 0.37%		
Columbus McKinnon Corporation	23,800	267,750
-----		
MEDICAL - DRUGS -- 1.18%		
Bristol-Myers Squibb Company	9,700	507,310
Pfizer Inc.	8,600	344,430
-----		
		851,740
-----		
MEDICAL PRODUCTS -- 0.55%		
Johnson & Johnson	8,000	400,000
-----		
MULTI-LINE INSURANCE -- 0.77%		
Allmerica Financial Corporation	5,100	293,250
Conseco, Inc.*	19,300	263,445
-----		
		556,695
-----		

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QUAKER AGGRESSIVE GROWTH FUND  
SCHEDULE OF INVESTMENTS  
JUNE 30, 2001

NUMBER MARKET  
OF SHARES VALUE  
-----

COMMON STOCK -- (continued)

MULTIMEDIA -- 2.57%		
Entravision Communications Corporation*	33,800	\$ 415,740
The Walt Disney Company	17,300	499,797
Viacom Inc., Class B*	18,300	947,025
-----		
		1,862,562
-----		
NETWORKING PRODUCTS -- 1.09%		
Adapttec, Inc.*	35,900	356,846
Cabletron Systems, Inc.*	19,000	434,150
-----		
		790,996
-----		
OIL & GAS -- 4.27%		
Alberta Energy Company Ltd.	5,300	218,572
Anadarko Petroleum Corporation	19,100	1,031,973

Chesapeake Energy Corporation*	41,700	283,560
NATCO Group Inc.*	10,700	94,160
Noble Affiliates, Inc.	5,100	180,285
Rowan Companies, Inc.*	28,800	636,480
Suncor Energy, Inc.	8,800	226,160
Swift Energy Company*	4,800	144,624
Universal Compression Holdings, Inc.*	3,600	102,240
Vintage Petroleum, Inc.	9,200	172,040
		-----
		3,090,094
		-----
PAPER & RELATED PRODUCTS -- 1.60%		
Abitibi-Consolidated Inc.	37,700	288,405
Georgia-Pacific Group	22,400	758,240
Longview Fibre Company	9,000	110,880
		-----
		1,157,525
		-----
POULTRY -- 0.25%		
Tyson Foods, Inc.	19,400	178,674
		-----
REMEDIATION SERVICES -- 0.10%		
The IT Group, Inc.*	11,600	73,660
		-----
RENTAL AUTO/EQUIPMENT -- 0.26%		
ANC Rental Corporation*	63,200	189,600
		-----
RESORTS/THEME PARKS -- 0.38%		
Six Flags, Inc.	13,100	275,624
		-----
RETAIL - BOOKSTORE -- 0.31%		
Borders Group, Inc.*	10,000	224,000
		-----
RETAIL - DRUG STORE -- 0.28%		
Rite Aid Corporation*	22,800	205,200
		-----
RETAIL - OFFICE SUPPLIES -- 0.39%		
Office Depot, Inc.*	27,300	283,374
		-----
SEMICONDUCTORS -- 1.29%		
Applied Materials, Inc.*	13,800	677,580
Intersil Corporation*	7,100	258,440
		-----
		936,020
		-----

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QUAKER AGGRESSIVE GROWTH FUND  
SCHEDULE OF INVESTMENTS  
JUNE 30, 2001

	NUMBER OF SHARES	MARKET VALUE
	-----	-----
COMMON STOCK -- (continued)		
STEEL -- 0.61%		
Universal Stainless & Alloy Products, Inc.*	8,700	\$ 80,040
USX - U.S. Steel Group	18,000	362,700
		-----
		442,740
		-----
TELECOMMUNICATION EQUIPMENT -- 0.00%		
Nortel Networks Corporation*	90	818
		-----
VITAMINS & NUTRITION PRODUCTS -- 0.14%		
NBTY, Inc.*	8,100	100,764
		-----
TOTAL COMMON STOCK (COST \$32,675,953)		32,914,648
		-----
GOVERNMENT SECURITIES -- 2.86%		

U.S. TREASURY NOTES -- 2.86%		
U.S. Treasury Notes, 5.625%, 11/30/2002	2,030,000	2,071,903
		-----
TOTAL GOVERNMENT SECURITIES (COST \$2,049,989)		2,071,903
		-----
OTHER INVESTMENTS -- 34.72%		
Merrill Master Repo Trust	25,122,150	25,122,150
		-----
TOTAL OTHER INVESTMENTS (COST \$25,122,150)		25,122,150
		-----
TOTAL VALUE OF INVESTMENTS (COST \$59,848,092) (83.07%)		60,108,701
SECURITIES SOLD SHORT -- (PROCEEDS \$14,088,286) (-20.27%)		(14,673,474)
OTHER ASSETS LESS LIABILITIES, NET (37.20%)		26,922,270
		-----
NET ASSETS (100.00%)		\$72,357,497
		=====

SECURITIES SOLD SHORT

	NUMBER OF SHARES	MARKET VALUE
	-----	-----
COMMON STOCK		
Administaff, Inc.*	(9,500)	\$ (247,000)
Akamai Technologies, Inc.*	(25,400)	(233,045)
Albertson's, Inc.	(11,900)	(356,881)
Alkermes, Inc.*	(3,300)	(115,830)
Amazon.com, Inc.*	(25,700)	(363,655)
Andrx Group*	(3,700)	(284,900)
AnnTaylor Stores Corporation*	(4,800)	(171,840)
bebe stores, inc.*	(11,500)	(335,340)
CSG Systems International, Inc.*	(7,900)	(458,200)
Cabot Corporation	(4,600)	(165,692)
Cintas Corporation	(5,700)	(263,625)
DMC Stratex Networks*	(32,400)	(324,000)
Del Webb Corporation*	(3,400)	(131,546)
Dollar General Corporation	(7,500)	(146,250)
Esterline Technologies Corporation*	(10,000)	(217,500)
Ethan Allen Interiors Inc.	(3,800)	(123,500)
Exelon Corporation	(7,200)	(461,664)
FleetBoston Financial Corporation	(3,700)	(145,965)

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QUAKER AGGRESSIVE GROWTH FUND  
SCHEDULE OF INVESTMENTS  
JUNE 30, 2001

SECURITIES SOLD SHORT

	NUMBER OF SHARES	MARKET VALUE
	-----	-----
COMMON STOCK -- (continued)		
FreeMarkets, Inc.*	(10,300)	\$ (206,000)
Getty Images, Inc.	(7,000)	(183,820)
IONA Technologies PLC*	(6,500)	(250,250)
Illinois Tool Works Inc.	(3,500)	(221,550)
Intel Corporation	(11,700)	(342,225)
J.P. Morgan Chase & Co.	(6,800)	(303,280)
Jones Apparel Group, Inc.*	(6,000)	(259,200)
KB HOME	(4,700)	(141,799)
Level 3 Communications, Inc.*	(30,700)	(168,543)
MGIC Investment Corporation	(9,800)	(711,872)
Marriott International, Inc.	(7,400)	(350,316)
MatrixOne, Inc.*	(11,900)	(275,961)
National City Corporation	(9,200)	(283,176)
Newell Rubbermaid Inc.	(9,800)	(245,980)
NiSource Inc.	(15,200)	(415,416)
Nortel Networks Corporation*	(135)	(1,227)
Orthodontic Centers of America, Inc.*	(4,800)	(145,920)

Qlogic Corporation*	(4,600)	(296,470)
R.J. Reynolds Tobacco Holdings, Inc.	(6,400)	(349,440)
RSA Security Inc.*	(11,000)	(340,450)
Regions Financial Corporation	(4,800)	(153,600)
Rudolph Technologies, Inc.*	(1,200)	(56,400)
Seitel, Inc.*	(7,400)	(96,940)
Stewart & Stevenson Services, Inc.	(5,800)	(191,400)
TMP Worldwide Inc.	(11,100)	(656,121)
TXU Corp.	(17,100)	(824,049)
Tech Data Corporation*	(6,800)	(226,848)
TETRA Technologies, Inc.*	(1,900)	(46,455)
The Lubrizol Corporation	(5,800)	(180,090)
The Stanley Works	(5,800)	(242,846)
The Valspar Corporation	(7,000)	(248,500)
Toll Brothers, Inc.*	(6,100)	(239,791)
Tricon Global Restaurants, Inc.*	(7,400)	(324,860)
UnitedHealth Group Incorporated	(4,300)	(265,525)
Western Wireless Corporation*	(7,300)	(313,900)
Williams-Sonoma, Inc.*	(8,300)	(322,206)
Woodward Governor Company	(2,900)	(244,615)
		-----
TOTAL (PROCEEDS \$14,088,286)		\$ (14,673,474)
		=====

\* Non-income producing investment  
ADR - American Depository Receipt

See notes to financial statements

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QUAKER MID-CAP FUND  
SCHEDULE OF INVESTMENTS  
JUNE 30, 2001

	NUMBER OF SHARES	MARKET VALUE
	-----	-----
COMMON STOCK-- 96.24%		
AEROSPACE/DEFENSE -- 2.26%		
Raytheon Company	7,600	\$ 201,780
		-----
AGRICULTURAL -- 1.97%		
IMC Global, Inc.	17,200	175,440
		-----
AUTOMOBILE MANUFACTURERS -- 3.34%		
PACCAR Inc.	5,800	298,236
		-----
AUTO PARTS & EQUIPMENT -- 4.03%		
Visteon Corporation	19,600	360,248
		-----
BANKS -- 3.96%		
Golden State Bancorp Inc.	11,500	354,200
		-----
BROADCASTING -- 1.16%		
Loral Space & Communications Ltd.*	37,100	103,880
		-----
BUILDING -- 3.55%		
Clayton Homes, Inc.	4,100	64,452
Technip	1,800	252,353
		-----
		316,805
		-----
COMMERCIAL SERVICES -- 0.00%		
Pfsweb, Inc.*	15	16
		-----
DIVERSIFIED HOLDINGS -- 2.16%		
Loews Corporation	3,000	193,290
		-----
FINANCIAL SERVICES -- 0.85%		
Washington Federal, Inc.	3,100	76,012



FOOD & BEVERAGE -- 10.60%		
Archer-Daniels-Midland Company	27,300	354,900
Tate & Lyle PLC	26,700	423,195
Tyson Foods, Inc.	18,300	168,543
		946,638
HEALTHCARE -- 1.67%		
Tenet Healthcare Corporation*	2,900	149,611
INSURANCE -- 26.67%		
ACE Limited	9,900	386,991
Aetna Inc.*	18,700	483,769
American Financial Group, Inc.	2,300	69,690
AON Corporation	11,000	385,000
Cincinnati Financial Corporation	1,800	71,100
Fairfax Financial Holdings Limited*	2,300	345,394
HCC Insurance Holdings, Inc.	8,200	200,900
Humana Inc.*	10,300	101,455
PartnerRe Ltd.	6,100	337,940
		2,382,239
METALS - ALUMINUM -- 5.27%		
Alcan Inc.	11,200	470,624
OFFICE EQUIPMENT -- 0.81%		
Office Depot, Inc.*	7,000	72,660

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QUAKER MID-CAP FUND  
SCHEDULE OF INVESTMENTS  
JUNE 30, 2001

	NUMBER OF SHARES	MARKET VALUE
	-----	-----
COMMON STOCK -- (continued)		
OIL & GAS -- 4.84%		
Diamond Offshore Drilling, Inc.	3,000	\$ 99,150
Tidewater Inc.	5,000	188,500
Transocean Sedco Forex Inc.	3,500	144,375
		432,025
RETAIL STORES -- 7.07%		
J.C. Penney Company, Inc.	18,700	492,932
Toys 'R' Us, Inc.*	5,600	138,600
		631,532
SEMI-CONDUCTORS -- 1.96%		
Amkor Technology, Inc.*	1,800	39,780
Hynix Semiconductor Inc.*	12,600	135,402
		175,182
STEEL -- 2.63%		
Nucor Corporation	4,800	234,672
TELECOMMUNICATIONS -- 2.00%		
Sprint Corporation	4,000	85,440
WorldCom, Inc. - MCI Group	5,800	93,380
		178,820
TRANSPORTATION -- 3.85%		
CSX Corporation	9,500	344,280

UTILITIES -- 4.91%		
DTE Energy Company	2,800	130,032
Niagara Mohawk Holdings Inc.	6,300	111,447
PG&E Corporation*	17,600	197,120
		-----
		438,599
		-----
WHOLESALE -- 0.68%		
Ingram Micro Inc.*	4,200	60,858
		-----
TOTAL COMMON STOCK (COST \$8,056,415)		8,597,647
		-----
INVESTMENT COMPANIES -- 2.27%		
Evergreen Money Market Institutional Treasury		
Money Market Fund Institutional Service Shares	203,203	203,203
		-----
TOTAL INVESTMENT COMPANIES (COST \$203,203)		203,203
		-----
TOTAL VALUE OF INVESTMENTS (COST \$8,259,618) (98.51%)		8,800,850
OTHER ASSETS LESS LIABILITIES, NET (1.49%)		132,753
		-----
NET ASSETS (100.00%)		\$ 8,933,603
		=====

\* Non-income producing investment.

See notes to financial statements

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QUAKER SMALL-CAP VALUE FUND  
SCHEDULE OF INVESTMENTS  
JUNE 30, 2001

	NUMBER OF SHARES	MARKET VALUE
	-----	-----
COMMON STOCK -- 98.71%		
AIRLINES -- 0.48%		
Airtran Holdings, Inc.*	11,400	\$ 119,700
		-----
APPAREL -- 2.13%		
Russell Corporation	9,600	163,103
Tommy Hilfiger Corporation*	12,400	173,600
The Wet Seal, Inc.*	5,700	197,277
		-----
		533,980
		-----
APPLIANCES -- 0.52%		
Whirlpool Corporation	2,100	131,250
		-----
AUTOMOBILE MANUFACTURERS -- 0.61%		
Sonic Automotive, Inc.*	8,000	152,800
		-----
AUTOMOTIVE -- 0.91%		
Dura Automotive Systems, Inc.*	3,300	52,800
Lear Corporation*	5,000	174,500
		-----
		227,300
		-----
BANKS -- 8.98%		
Associated Banc-Corp	5,600	201,544
Astoria Financial Corporation	4,300	236,500
Banco Latinoamericano de Exportaciones	2,900	106,633
BancWest Corporation	3,300	113,520
Dime Bancorp, Inc.	3,200	119,200
Downey Financial Corp.	3,100	146,506
Espirito Santo Financial Group ADR	3,800	69,160
FirstFed Financial Corp.	6,000	178,800
Golden State Bancorp Inc.	3,100	95,480

GreenPoint Financial Corp.	6,400	245,760
Hibernia Corporation	13,300	236,740
Indymac Bancorp, Inc.*	6,500	174,200
Sovereign Bancorp, Inc.	9,400	122,200
Staten Island Bancorp, Inc.	7,300	203,305
		-----
		2,249,548
		-----
BUILDING MAINTENANCE & SERVICE -- 0.37%		
Nortek, Inc.*	3,000	93,660
		-----
BUSINESS SERVICES -- 0.87%		
Actrade Financial Technologies, Ltd.*	5,000	118,200
Nova Corporation*	3,200	100,640
		-----
		218,840
		-----
CHEMICALS -- 2.16%		
Albany Molecular Research, Inc.*	2,500	95,025
Albemarle Corporation	4,300	99,631
ArQule Inc.*	7,700	166,782
Cabot Microelectronics Corporation*	2,700	167,400
W.R. Grace & Co.*	6,300	11,025
		-----
		539,863
		-----

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QUAKER SMALL-CAP VALUE FUND  
SCHEDULE OF INVESTMENTS  
JUNE 30, 2001

	NUMBER OF SHARES	MARKET VALUE
	-----	-----
COMMON STOCK-- (continued)		
COMPONENTS -- 1.43%		
Checkpoint Systems, Inc.*	11,100	\$ 197,580
Electro Scientific Industries, Inc.*	4,200	160,020
		-----
		357,600
		-----
COMPUTER HARDWARE -- 0.57%		
Paxar Corporation*	4,500	64,800
Quantum Corp. - DLT & Storage Systems*	7,600	76,684
		-----
		141,484
		-----
COMPUTER SERVICES & SOFTWARE -- 10.35%		
Activision, Inc.*	5,000	196,250
American Management Systems, Incorporated*	4,500	106,200
Anixter International Inc.*	6,800	208,760
AremisSoft Corporation*	6,500	105,300
Autodesk, Inc.	4,500	167,850
Avid Technology, Inc.*	3,100	48,670
BARRA, Inc.*	3,300	133,914
Black Box Corporation*	2,400	161,664
Comdisco, Inc.	10,900	14,497
Electronics For Imaging, Inc.*	6,000	177,000
Fair, Issac and Company, Incorporated	2,850	176,187
Iomega Corporation*	12,300	29,397
Mentor Graphics Corporation*	10,100	176,750
National Data Corporation	1,800	58,320
Storage Technology Corporation*	7,500	103,200
Sybase, Inc.*	11,000	180,950
Sykes Enterprises, Incorporated*	16,200	178,200
Synopsys, Inc.*	1,900	91,941
The Reynolds and Reynolds Company	8,400	184,380
Wallace Computer Services, Inc.	5,600	92,624

		-----	2,592,054	-----
COMPUTER SYSTEMS -- 0.52%				
Avant! Corporation*	9,700		129,010	-----
CONSUMER PRODUCTS -- 1.35%				
The Scotts Company*	3,800		157,510	
The Toro Company	4,000		179,800	-----
			337,310	-----
CONTAINERS -- 1.26%				
Ball Corporation	3,700		175,972	
Crown Cork & Seal Company, Inc.*	12,600		47,250	
Pactiv Corporation*	6,900		92,460	-----
			315,682	-----
DISTRIBUTION WHOLESALE -- 0.30%				
Ingram Micro Inc.*	5,200		75,348	-----
DIVERSIFIED CONGLOMERATES -- 0.51%				
National Service Industries, Inc.	5,700		128,649	-----

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QUAKER SMALL-CAP VALUE FUND  
SCHEDULE OF INVESTMENTS  
JUNE 30, 2001

	NUMBER OF SHARES	MARKET VALUE
	-----	-----
COMMON STOCK -- (continued)		
ELECTRONICS & ELECTRICAL EQUIPMENT -- 3.56%		
Belden Inc.	2,700	\$ 72,225
C & D Technologies, Inc.	6,400	198,400
Fairchild Semiconductor Corporation*	4,100	94,300
General Semiconductor, Inc.	4,200	43,932
Lam Research Corporation*	5,500	163,075
Microsemi Corporation	3,500	248,500
Pioneer-Standard Electronics, Inc.	5,600	71,680
		-----
		892,112
		-----
ENERGY -- 3.14%		
Companhia Paranaense de Energia-Copel ADR	23,200	174,232
EMCOR Group, Inc.*	3,300	119,295
NorthWestern Corporation	4,500	100,800
Puget Energy, Inc.	8,100	212,220
Unisource Energy Corporation	7,900	181,463
		-----
		788,010
		-----
ENGINEERING & CONSTRUCTION -- 4.75%		
Del Webb Corporation*	5,600	216,664
The IT Group, Inc.*	9,100	57,785
Lennar Corporation	3,000	125,100
M.D.C. Holdings, Inc.	3,850	136,290
NVR, Inc.*	1,100	162,800
Pulte Homes, Inc.	2,700	115,101
The Ryland Group, Inc.	4,200	212,520
Toll Brothers, Inc.*	4,200	165,102
		-----
		1,191,362
		-----
ENTERTAINMENT & LEISURE -- 3.18%		
Anchor Gaming*	2,800	180,936
Argosy Gaming Company*	7,700	213,752

Aztar Corporation*	7,200	87,120
GTECH Holdings Corporation*	6,400	227,264
Harrah's Entertainment, Inc.*	2,500	88,250
		-----
		797,322
		-----
FINANCIAL SERVICES -- 3.70%		
AmeriCredit Corp.*	4,000	207,800
Deluxe Corporation	7,200	208,080
Doral Financial Corp.	6,100	209,230
Heller Financial, Inc.	4,900	196,000
Service Corporation International*	16,700	106,212
		-----
		927,322
		-----
FOOD & BEVERAGE -- 2.79%		
Constellation Brands, Inc.	3,400	139,400
Dole Food Company, Inc.	10,000	190,500
Fleming Companies, Inc.	6,600	235,620
Smithfield Foods, Inc.*	3,300	132,990
		-----
		698,510
		-----

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QUAKER SMALL-CAP VALUE FUND  
SCHEDULE OF INVESTMENTS  
JUNE 30, 2001

	NUMBER OF SHARES	MARKET VALUE
	-----	-----
COMMON STOCK -- (continued)		
HEALTHCARE -- 4.62%		
Apria Healthcare Group Inc.*	6,800	\$ 196,180
Health Net Inc.*	11,400	198,360
Lincare Holdings Inc.*	7,200	216,072
Manor Care, Inc.*	4,000	127,000
Mid Atlantic Medical Services, Inc.*	7,600	136,268
PacifiCare Health Systems, Inc.*	6,400	104,320
Pediatrics Medical Group*	3,600	119,520
Triad Hospitals, Inc.*	2,012	59,294
		-----
		1,157,014
		-----
INSURANCE -- 5.10%		
AmerUs Group Co.	1,100	39,017
The Commerce Group, Inc.	6,200	228,098
Express Scripts, Inc.*	4,200	231,126
Fidelity National Financial, Inc.	8,700	213,759
First American Corporation	7,600	143,944
Humana Inc.*	9,200	90,620
Old Republic International Corporation	5,800	168,200
Renaissance Re Holdings Ltd.	2,200	163,020
		-----
		1,277,784
		-----
INVESTMENT COMPANIES -- 1.42%		
Eaton Vance Corp.	3,200	111,360
Federated Investors, Inc.	3,900	125,580
Investment Technology Group, Inc.	900	45,261
Jefferies Group, Inc.	2,300	74,520
		-----
		356,721
		-----
MANUFACTURING -- 1.49%		
JLG Industries, Inc.	9,000	111,150
NACCO Industries, Inc.	1,400	109,186
Zebra Technologies Corporation*	3,100	152,272
		-----
		372,608

MARKETING SERVICES -- 0.80%		
Direct Focus, Inc.*	4,200	199,500
MEDICAL PRODUCTS -- 4.56%		
Barr Laboratories, Inc.*	1,800	126,738
DENTSPLY International Inc.	1,300	57,655
Gene Logic Inc.*	4,400	95,920
Henry Schein, Inc.*	4,100	156,825
IDEXX Laboratories, Inc.*	3,800	118,750
Invacare Corporation	1,800	69,534
Oxford Health Plans, Inc.*	2,900	82,940
Professional Detailing, Inc.*	1,300	119,600
STERIS Corporation*	9,800	196,490
Techne Corporation*	3,600	117,000
		1,141,452

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QUAKER SMALL-CAP VALUE FUND  
SCHEDULE OF INVESTMENTS  
JUNE 30, 2001

	NUMBER OF SHARES	MARKET VALUE
	-----	-----
COMMON STOCK -- (continued)		
METAL PRODUCTS -- 1.70%		
Commercial Metals Company	3,300	\$ 105,699
Nucor Corporation	4,800	234,672
Precision Castparts Corp.	2,300	86,066
		426,437
METALS -- 0.67%		
Freeport-McMoRan Copper & Gold, Inc.*	15,300	169,065
OFFICE EQUIPMENT -- 1.88%		
Harris Corporation	4,600	125,166
IKON Office Solutions, Inc.	22,100	216,580
John H. Harland Company	5,500	128,150
		469,896
OIL & GAS -- 5.20%		
Airgas, Inc.*	6,700	79,730
Energen Corporation	3,200	88,320
HS Resources, Inc.*	2,300	149,040
Key Production Company, Inc.*	4,300	71,595
ONEOK, Inc.	6,400	126,080
Seitel, Inc.*	4,700	61,570
Sunoco, Inc.	4,600	168,498
Tesoro Petroleum Corporation*	13,200	166,320
Ultramar Diamond Shamrock Corporation	4,000	189,000
Unit Corporation*	7,900	125,215
Valero Energy Corporation	2,100	77,238
		1,302,606
PAINT & RELATED PRODUCTS -- 0.40%		
RPM, Inc.	11,000	101,200
PHARMACEUTICALS -- 0.97%		
DaVita, Inc.*	11,400	231,762
Herbalife International, Inc.	1,133	11,319
		243,081
PUBLISHING -- 1.19%		
Banta Corporation	4,600	134,780

Hollinger International Inc.	11,900	163,625
		-----
		298,405
		-----
REAL ESTATE -- 1.92%		
Catellus Development Corporation*	7,800	136,110
LNR Property Corporation	5,800	203,000
The Rouse Company	2,700	77,355
Sun International Hotels Limited*	2,400	64,800
		-----
		481,265
		-----
RECREATION VEHICLE MANUFACTURING -- 0.71%		
Polaris Industries Inc.	3,900	178,620
		-----
RENTAL EQUIPMENT -- 0.46%		
United Rentals, Inc.*	4,400	114,180
		-----

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QUAKER SMALL-CAP VALUE FUND  
SCHEDULE OF INVESTMENTS  
JUNE 30, 2001

	NUMBER OF SHARES	MARKET VALUE
	-----	-----
COMMON STOCK -- (continued)		
RESTAURANT - RETAIL -- 0.58%		
Landry's Restaurants, Inc.	4,900	\$ 83,300
Papa John's International, Inc.*	2,400	60,840
		-----
		144,140
		-----
RETAIL -- 3.15%		
Blockbuster Inc.	8,800	160,600
Christopher & Banks Corporation*	4,100	133,660
Longs Drug Stores Corporation	3,900	84,045
Payless ShoeSource, Inc.*	3,100	200,570
Rent-A-Center, Inc.*	4,000	210,400
		-----
		789,275
		-----
SHIPPING/TRANSPORT -- 0.34%		
Overseas Shipholding Group, Inc.	2,800	85,512
		-----
TELECOMMUNICATIONS -- 1.99%		
General Cable Corporation	10,900	202,195
Compania Anonima Nacional Telefonos de Venezuela ADR	3,400	79,696
Tekelec*	8,000	216,800
		-----
		498,691
		-----
TOBACCO -- 0.41%		
Universal Corporation	2,600	103,116
		-----
TRANSPORT SERVICES -- 1.00%		
Knightsbridge Tankers Ltd.	7,200	144,000
Ryder Systems, Inc.	5,500	107,800
		-----
		251,800
		-----
TRANSPORTATION -- 0.92%		
Offshore Logistics, Inc.	4,300	81,700
Teekay Shipping Corporation	3,700	148,074
		-----
		229,774
		-----
TRAVEL SERVICES -- 1.04%		
Galileo International, Inc.	8,000	260,000
		-----

UTILITIES -- 1.52%		
El Paso Electric Company	4,000	63,960
Huaneng Power International, Inc. ADR	5,400	130,248
Public Service Company of New Mexico	5,800	186,180
		-----
		380,388
		-----
VITAMINS & NUTRITION PRODUCTS -- 0.23%		
NBTY, Inc.*	4,700	58,468
		-----
TOTAL COMMON STOCK (COST \$21,207,283)		24,729,714
		-----

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QUAKER SMALL-CAP VALUE FUND  
SCHEDULE OF INVESTMENTS  
JUNE 30, 2001

	NUMBER OF SHARES	MARKET VALUE
	-----	-----
INVESTMENT COMPANIES -- 1.39%		
Evergreen Money Market Institutional Treasury Money Market Fund Institutional Service Shares	347,976	\$ 347,976
		-----
TOTAL INVESTMENT COMPANIES (COST \$347,976)		347,976
		-----
TOTAL VALUE OF INVESTMENTS (COST \$21,555,259) (100.10%)		25,077,690
OTHER ASSETS LESS LIABILITIES, NET (-0.10%)		(21,469)
		-----
NET ASSETS (100.00%)		\$25,056,221
		=====

\* Non-income producing investment.  
ADR - American Depository Receipt

See notes to financial statements

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QUAKER SMALL-CAP GROWTH FUND  
SCHEDULE OF INVESTMENTS  
JUNE 30, 2001

	NUMBER OF SHARES	MARKET VALUE
	-----	-----
COMMON STOCK -- 99.89%		
AEROSPACE -- 1.21%		
Alliant Techsystems, Inc.*	130	\$ 11,687
BE Aerospace, Inc.*	1,610	30,670
DRS Technologies, Inc.*	280	6,434
		-----
		48,791
		-----
AIRLINES -- 0.28%		
Airtran Holdings, Inc.*	1,080	11,340
		-----
APPAREL -- 2.14%		
Columbia Sportswear Co.*	255	13,002
Hot Topic, Inc.*	430	13,373



Oakley, Inc.*	450	8,325
Quicksilver, Inc.*	370	9,250
Timberland Co.*	400	15,804
Tropical Sportswear International*	200	4,162
Vans, Inc.*	320	7,520
Wet Seal, Inc.*	430	14,882
		-----
		86,318
		-----
AUTO PARTS & EQUIPMENT -- 0.93%		
Lear Corp.*	1,070	37,343
		-----
BANKS -- 3.81%		
Boston Private Financial Holdings	700	15,680
CCBT Financial Companies, Inc.	150	4,498
First BanCorp	290	7,827
Greater Bay Bancorp	860	21,483
Independent Bank Corp - Michigan	160	3,928
New York Community Bancorp, Inc.	315	11,859
Pacific Capital Bancorp	580	17,661
S&T Bancorp, Inc.	80	2,009
S.Y. Bancorp, Inc.	240	8,160
Silicon Valley Bancshares	650	14,300
SJNB Financial Corp.	100	4,324
Staten Island Bancorp, Inc.	350	9,747
Sterling Bancshares, Inc.	310	5,946
TrustCo Bank Corp.	1,670	22,294
Wintrust Financial Corporation	170	4,224
		-----
		153,940
		-----
BIOMEDICAL -- 3.50%		
Aurora Biosciences Corp.*	570	17,670
Enzo Biochem, Inc.*	640	21,952
Cima Labs, Inc.*	890	69,865
Genzyme Corp.*	228	13,908
Inhale Therapeutic Systems*	780	17,940
		-----
		141,335
		-----
BUSINESS EQUIPMENT & SERVICES -- 0.08%		
Fiserv, Inc.*	50	3,199
		-----

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QUAKER SMALL-CAP GROWTH FUND  
SCHEDULE OF INVESTMENTS  
JUNE 30, 2001

	NUMBER OF SHARES	MARKET VALUE
	-----	-----
COMMON STOCK -- (continued)		
CHEMICALS -- 1.17%		
Albany Molecular Research, Inc.*	420	\$ 15,964
Church & Dwight Co., Inc.	860	21,887
Tetra Tech, Inc.*	390	9,535
		-----
		47,386
		-----
COMMERCIAL SERVICES -- 0.28%		
Actrade Financial Technologies, LTD*	470	11,111
		-----
COMPONENTS -- 0.26%		
Rogers Corporation*	400	10,600
		-----
COMPUTER HARDWARE -- 0.38%		
Advanced Digital Information Corp.*	880	15,224
		-----
COMPUTER SERVICES & SOFTWARE -- 6.87%		

Actuate Corp.*	1,380	13,179
Advent Software, Inc.*	610	38,735
Anixter International, Inc.*	140	4,298
Aremissoft Corporation*	560	9,072
Barra, Inc.*	380	15,420
Caci International, Inc.*	60	2,820
Catapult Communications Corporation*	250	5,625
Cognizant Technology Solutions Corp.*	260	11,037
EPIQ Systems, Inc.*	360	9,248
Factset Research Systems, Inc.	550	19,635
Fair Issac & Co.	435	26,892
HNC Software Inc.*	790	15,405
Informatica Corp.*	1,260	21,874
Interwoven, Inc.*	1,650	27,885
MSC Software Corp.	650	12,187
National Data Corp.	200	6,480
Plato Learning, Inc.*	290	8,975
Sanchez Computer Associates, Inc.*	500	6,625
Synplicity, Inc.*	470	4,705
Talx Corporation*	460	17,020
		-----
		277,117
		-----
COMPUTER SYSTEMS -- 0.21%		
3D Systems Corporation*	510	8,670
		-----
CONSULTING SERVICES -- 0.50%		
FTI Consulting, Inc.*	670	14,606
Right Management Consultants, Inc.*	220	5,742
		-----
		20,348
		-----
CONSUMER PRODUCTS -- 0.28%		
Scotts Company*	270	11,191
		-----
DISTRIBUTION -- 0.69%		
ScanSource, Inc.*	330	15,649
SCP Pool Corp.*	350	12,054
		-----
		27,703
		-----

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QUAKER SMALL-CAP GROWTH FUND  
SCHEDULE OF INVESTMENTS  
JUNE 30, 2001

	NUMBER OF SHARES	MARKET VALUE
	-----	-----
COMMON STOCK -- (continued)		
DIVERSIFIED HOLDINGS -- 1.28%		
Matthews International Corp.	340	\$ 14,949
Roper Industries, Inc.	700	29,225
Teleflex Inc.	170	7,480
		-----
		51,654
		-----
E-COMMERCE -- 0.04%		
Manugistics Group, Inc.*	70	1,757
		-----
ELECTRONICS & ELECTRICAL EQUIPMENT -- 5.78%		
Ametek, Inc.	740	22,607
AXT, Inc.*	420	11,214
C & D Technology, Inc.	600	18,600
Cirrus Logic, Inc.*	1,150	26,484
Cree Research, Inc.*	20	523
Daktronics, Inc.*	960	14,774
EDO Corporation	560	8,932
FLIR Systems, Inc.*	470	11,764

Frequency Electronics, Inc.	330	6,105
Intermagnetics General Corp.*	1,070	34,668
Itron, Inc.*	700	13,279
MDU Resources Group, Inc.	130	4,113
Measurement Specialties, Inc.*	450	7,092
Rudolph Technologies, Inc.*	210	9,870
Technitrol, Inc.	500	13,000
Varian, Inc.*	760	24,548
Zygo Corporation*	250	5,562
		-----
		233,135
		-----
ENGINEERING & CONSTRUCTION -- 1.34%		
D. R. Horton, Inc.	130	2,951
Hovnanian Enterprises, Inc.*	300	4,353
Newpark Resources, Inc.*	1,820	20,202
NVR, Inc.*	120	17,760
TRC Companies, Inc.*	220	8,837
		-----
		54,103
		-----
ENERGY -- 0.48%		
Consol Energy, Inc.	690	17,457
Otter Tail Power Company	70	1,942
		-----
		19,399
		-----
ENTERTAINMENT & LEISURE -- 0.72%		
GTECH Holdings Corp.*	490	17,400
Paxson Communication Corp.*	850	11,475
		-----
		28,875
		-----
FILTRATION SYSTEMS -- 0.30%		
Donaldson Company, Inc.	390	12,149
		-----
FINANCIAL SERVICES -- 5.93%		
Americredit Corp.*	1,830	95,069
Clarks/Bardes Holding, Inc.*	230	5,198
Financial Federal Corp.*	130	3,764
Investors Financial Services Corp.	680	45,560

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QUAKER SMALL-CAP GROWTH FUND  
SCHEDULE OF INVESTMENTS  
JUNE 30, 2001

	NUMBER OF SHARES	MARKET VALUE
	-----	-----
COMMON STOCK -- (continued)		
FINANCIAL SERVICES -- (continued)		
Roslyn Bancorp, Inc.	35	\$ 9,205
S&P Mid-Cap 400 Depository Receipts	750	71,438
John Nuveen Company	160	9,064
		-----
		239,298
		-----
FOOD & BEVERAGES -- 1.63%		
Constellation Brands, Inc.*	220	9,020
Dreyer's Grand Ice Cream, Inc.	400	11,160
Performance Food Group*	520	15,720
Whole Foods Market, Inc.*	1,100	29,810
		-----
		65,710
		-----
FURNITURE -- 0.11%		
Stanley Furniture Co., Inc.*	160	4,304
		-----
HEALTHCARE -- 5.18%		
Corvel Corporation*	80	2,980

Health Net, Inc.*	650	11,310
Henry Schein, Inc.*	300	11,475
Lincare Holdings, Inc.*	2,020	60,620
Manor Care, Inc.*	1,580	50,165
Mid Atlantic Medical Services, Inc.*	580	10,399
Pediatrics Medical Group*	310	10,292
Rehabcare Group, Inc.*	340	16,388
Renal Care Group, Inc.*	1,080	35,521
		-----
		209,150
		-----
HOME FURNISHINGS -- 0.13%		
American Woodmark Corporation	140	5,379
		-----
HOTELS -- 0.16%		
Extended Stay America, Inc.*	420	6,300
		-----
HUMAN RESOURCES -- 0.27%		
Heidrick & Struggles International, Inc.*	530	10,775
		-----
INDEX FUND -- 4.88%		
Ishares Russell 2000 Growth	3,090	196,833
		-----
INSTRUMENTS - SCIENTIFIC -- 0.37%		
FEI Company*	360	14,760
		-----
INSURANCE -- 1.87%		
Brown & Brown	610	25,614
Healthextras, Inc.*	440	4,171
Humana, Inc.*	4,220	41,567
Triad Guaranty Inc.*	100	4,000
		-----
		75,352
		-----
INTERNET SERVICES & SOFTWARE -- 0.89%		
Ixia*	1,010	19,190
Secure Computing Corporation*	1,070	16,810
		-----
		36,000
		-----
INVESTMENT COMPANIES -- 1.18%		
Eaton Vance Corp.	1,370	47,676
		-----

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QUAKER SMALL-CAP GROWTH FUND  
SCHEDULE OF INVESTMENTS  
JUNE 30, 2001

	NUMBER OF SHARES	MARKET VALUE
	-----	-----
COMMON STOCK -- (continued)		
MACHINERY -- 0.41%		
Graco, Inc.	510	\$ 16,830
		-----
MANUFACTURING -- 0.11%		
Quixote Corporation	150	4,286
		-----
MARKETING SERVICES -- 0.22%		
Advanced Marketing Services, Inc.	435	9,070
		-----
MEDICAL PRODUCTS -- 6.58%		
American Medical Systems Holdings*	460	7,061
Bruker Daltonics, Inc.	990	14,919
Cerner Corp.*	410	17,220
Cooper Companies, Inc.	360	18,504
Gene Logic, Inc.*	700	15,260
ICU Medical, Inc.*	280	11,558
IDEXX Labs, Inc.*	910	28,438

Integra Lifesciences Holdings*	370	8,011
Inverness Medical Technology, Inc.*	690	25,530
Patterson Dental Co.*	80	2,640
PolyMedica Corp.*	250	10,125
Regeneration Technologies, Inc.*	760	6,688
Respironics, Inc.*	550	16,368
Specialty Laboratories, Inc.*	310	11,734
SRI/Surgical Express, Inc.*	130	3,953
Tripath Imaging, Inc.*	1,410	13,973
Varian Medical Systems, Inc.	750	53,625
		-----
		265,607
		-----
METAL PRODUCTS -- 0.37%		
Precision Castparts Corp.	400	14,968
		-----
MISCELLANEOUS -- 0.54%		
Blyth, Inc.	630	16,197
Callaway Golf Co.	50	790
Global Payments, Inc.	160	4,816
		-----
		21,803
		-----
OIL & GAS -- 7.94%		
3TEC Energy Corp.*	220	3,905
Cabot Oil & Gas Corp.	390	9,516
Chesapeake Energy Corp.	2,750	18,700
Evergreen Resources, Inc.*	260	9,880
The Houston Exploration Co.*	220	6,875
HS Resources, Inc.*	420	27,216
Hydril Co.	270	6,148
Key Energy Group, Inc.*	2,230	24,173
Key Production Co.*	160	2,664
Lone Star Technologies, Inc.*	590	21,358
Louis Dreyfus Natural Gas Corp.*	540	18,819
Magnum Hunter Resources, Inc.*	300	2,670
Mitchell Energy & Development Corp.	460	21,275
Penn Virginia Corp.	150	4,935
Plains Resources, Inc.*	400	9,504
Quicksilver Resources, Inc.*	420	7,560

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QUAKER SMALL-CAP GROWTH FUND  
SCHEDULE OF INVESTMENTS  
JUNE 30, 2001

	NUMBER OF SHARES	MARKET VALUE
	-----	-----
COMMON STOCK -- (continued)		
OIL & GAS -- (continued)		
Spinaker Exploration Co.*	240	\$ 9,566
Stone Energy Corp.*	545	24,144
Superior Energy Services, Inc.*	1,150	9,085
Swift Energy Co.*	520	15,668
The Meridian Resource Corp.*	690	4,947
Veritas DGC, Inc.*	660	18,315
Vintage Petroleum, Inc.	580	10,846
XTO Energy, Inc.	2,280	32,718
		-----
		320,487
		-----
PHARMACEUTICALS -- 9.55%		
Advance PCS*	600	38,430
Alexion Pharmaceuticals, Inc.*	350	8,400
Amerisource Health Corp.*	1,200	66,360
Bergen Brunswig Corp.	2,150	41,323
Caremark RX, Inc.*	5,300	87,185
First Horizon Pharmaceutical*	290	9,309
Genencor International, Inc.*	780	12,394
Kendal International, Inc.*	260	5,210

Medicis Pharmaceutical Corp.*	680	36,040
Omnicare, Inc.	1,520	30,704
Sicor, Inc.*	1,250	28,875
Trimeris, Inc.*	420	21,029
		-----
		385,259
		-----
PRIVATE CORRECTIONS -- 0.15%		
Wackenhut Corrections Corp.*	460	6,026
		-----
PUBLISHING -- 0.48%		
Scholastic Corp.*	460	19,366
		-----
REAL ESTATE -- 0.82%		
Catellus Development Corp.*	1,650	28,793
Mission West Properties, Inc.	320	4,496
		-----
		33,289
		-----
RESTAURANT - RETAIL -- 4.12%		
Applebee's International, Inc.*	675	13,507
Buca, Inc.*	290	6,308
CEC Entertainment, Inc.*	455	22,454
Cheesecake Factory, Inc.*	967	27,366
Jack in the Box, Inc.*	690	18,009
Landry's Restaurants, Inc.	120	2,040
P.F. Chang's China Bistro, Inc.*	250	9,475
Panera Bread Company*	380	11,997
Rare Hospitality International, Inc.*	375	8,475
Ruby Tuesday, Inc.	1,380	23,598
Sonic Corp.*	725	23,004
		-----
		166,233
		-----

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QUAKER SMALL-CAP GROWTH FUND  
SCHEDULE OF INVESTMENTS  
JUNE 30, 2001

	NUMBER OF SHARES	MARKET VALUE
	-----	-----
COMMON STOCK -- (continued)		
RETAIL -- 8.12%		
Abercrombie & Fitch Co.*	2,100	\$ 93,450
Action Performance Companies, Inc.*	790	19,750
American Eagle Outfitters*	795	28,016
Barnes & Noble, Inc.*	1,210	47,614
bebe stores, inc.*	90	2,624
Charlotte Russe Holdings, Inc.*	390	10,452
Chico's FAS, Inc.*	495	14,726
Christopher & Banks Corp.*	900	29,340
Genesco, Inc.*	580	19,488
Hibbett Sporting Goods, Inc.*	220	8,153
Payless Shoesource, Inc.*	540	34,938
Rent-A-Center, Inc.*	310	16,306
Urban Outfitters, Inc.*	280	3,007
		-----
		327,864
		-----
SECURITY SERVICES -- 0.37%		
Sonicwall, Inc.*	590	14,874
		-----
STEEL -- 0.33%		
Maverick Tube Corp.*	790	13,391
		-----
TELECOMMUNICATIONS -- 2.48%		
Applied Innovation, Inc.*	550	4,593
Boston Communications Group*	560	8,064
Illuminet Holdings, Inc.*	510	16,040

Metro One Telecommunications*	890	57,734
Performance Technologies, Inc.*	490	7,350
Symmetricom, Inc.*	440	6,442
		-----
		100,223
		-----
TRANSPORT SERVICES -- 0.35%		
Gulfmark Offshore, Inc.*	230	7,096
Knight Transportation*	345	7,090
		-----
		14,186
		-----
TRANSPORTATION -- 1.04%		
Landstar System, Inc.*	265	18,027
Newport News Shipbuilding, Inc.	390	23,888
		-----
		41,915
		-----
TRAVEL SERVICES -- 0.11%		
Ambassadors International, Inc.*	180	4,446
		-----
WASTE MANAGEMENT -- 0.67%		
Stericycle, Inc.*	310	14,555
Waste Connections, Inc.*	350	12,600
		-----
		27,155
		-----
TOTAL COMMON STOCK (COST \$3,789,293)		4,031,503
		-----

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QUAKER SMALL-CAP GROWTH FUND  
SCHEDULE OF INVESTMENTS  
JUNE 30, 2001

	NUMBER OF SHARES	MARKET VALUE
	-----	-----
INVESTMENT COMPANIES -- 0.33%		
Evergreen Money Market Institutional Treasury Money Market Fund Institutional Service Shares	13,436	\$ 13,436
		-----
TOTAL INVESTMENT COMPANIES (COST \$13,436)		13,436
		-----
TOTAL VALUE OF INVESTMENTS (COST \$3,802,729) (100.22%)		4,044,939
LIABILITIES IN EXCESS OF OTHER ASSETS, NET (-0.22%)		(9,007)
		-----
NET ASSETS (100.00%)		\$ 4,035,932
		=====

\* Non-income producing investment.

See notes to financial statements

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QUAKER FIXED BOND FUND  
SCHEDULE OF INVESTMENTS  
JUNE 30, 2001

	PRINCIPAL	VALUE
	-----	-----
AGENCY OBLIGATIONS (3.69%)		

FEDERAL HOME LOAN MORTGAGE CORP. (2.67%)		
Freddie Mac 22 C, 9.50%, 04/15/20	\$204,524	\$ 214,965
		-----
FEDERAL NATIONAL MORTGAGE ASSOC. (1.02%)		
Fannie Mae 1993-152 K, P.O., 0.00%, 08/25/23	113,260	82,553
		-----
TOTAL AGENCY OBLIGATIONS (COST \$281,815)		297,518
		-----
ASSET BACKED SECURITIES (43.29%)		
FINANCIAL SERVICES (43.29%)		
Asset Securitization Corp. 1997-MD7 A1A, 7.32%, 01/13/30	59,096	61,213
Chase Commercial Mortgage Securities Corp. 1996-1 A1, 7.60%, 12/18/05	63,930	66,785
Chase Commercial Mortgage Securities Corp. 1996-2 A2, 6.90%, 09/19/06	85,000	87,443
Chase Commercial Mortgage Securities Corp. 1999-2 A1, 7.032%, 10/15/08	72,346	74,724
Chase Funding Mortgage, 7.494%, 10/25/26	20,000	20,542
Chemical Master Credit Card Trust I 1996-3 A, 5.875%, 02/15/09	100,000	105,296
Citibank Credit Card Master Trust I 1992-2 A, 5.875%, 03/10/11	61,000	59,264
Comed Transitional Funding Trust I 1998-1 A6, 5.63%, 06/25/09	295,000	291,215
Commercial Mortgage, 7.03%, 05/15/09	20,000	20,525
Conseco Finance Securitizations Corp. 2000-1 M2, 9.08%, 05/01/31	25,000	25,410
CS First Boston Mortgage Securities Corp. 1997-C1 A1B, 7.15%, 08/20/06	80,000	83,010
CS First Boston Mortgage Securities Corp. 1998-C1 A1A, 6.26%, 12/17/07	49,352	49,918
CS First Boston Mortgage Securities Corp. 1998-C1 A1B, 6.48%, 05/17/08	90,000	89,934
Deutsche Mortgage And Asset Receiving Corp. 1998-C1 A2, 6.538%, 02/15/08	65,000	65,034
DLJ Commercial Mortgage Corp. 1998-CF1 A1B, 6.41%, 02/15/08	25,000	24,967
DLJ Commercial Mortgage Corp. 1998-CG1 A1B, 6.41%, 05/10/08	105,000	104,761
DLJ Commercial Mortgage Corp. 1999-CF2 A1B, 7.30%, 06/10/09	150,000	156,342
Emergent Home Equity, 7.08%, 12/15/98	20,000	20,394
FDIC REMIC Trust 1996-C1 1A, 6.75%, 05/25/26	139,851	142,002
First Boston Mortgage Securities, 7.24%	218,000	226,675
First Union-Lehman Bros. Comm. Mortgage 1997-C1 A1, 7.15%, 02/18/04	47,617	49,133
First Union-Lehman Bros. Comm. Mortgage 1997-C1 A3, 7.38%, 04/18/07	110,000	115,197
GMAC Commercial Mortgage Sec. Corp. 1997-C2 A3, 6.566%, 11/15/07	45,000	45,026
GMAC Commercial Mortgage Sec. Corp. 1999-C3 A1B, 7.273%, 08/15/09	305,000	317,087
Green Tree Financial Corporation 1994-5 A5, 8.30%, 11/15/19	216,000	224,931
Illinois Power Special Power Trust 1998-1 A6, 5.54%, 06/25/09	130,000	128,187
JP Morgan Commercial Mort. Finance Corp. 1999-C7 A1, 6.18%, 10/15/35	44,454	44,762
LB Commercial Conduit Mortgage Trust 1999-C1 A2, 6.78%, 04/15/09	55,000	55,761
Lehman Large Loan 1997-LLI A1, 6.79%, 06/12/04	40,882	41,959
Merrill Lynch Mortgage Investors, Inc. , 7.0332%	71,764	73,512
Merrill Lynch Mortgage Investors, Inc. 1998-C1 A1, 6.31%, 11/15/26	25,050	25,198
Merrill Lynch Mortgage Investors, Inc. 1998-C2 A2, 6.39%, 02/15/30	65,000	64,827
Merrill Lynch Mortgage Investors, Inc. 1996-C1 A1, 7.15%, 04/25/28	3,601	3,695
Merrill Lynch Mortgage Investors, Inc. 1997-C1 A3, 7.12%, 06/18/29	20,000	20,659
Morgan Stanley Capital I 1997-ALIC A2, 5.99%, 03/15/05	102,879	104,233
Morgan Stanley Capital I 1998-HF1 A1, 6.19%, 01/15/07	36,041	36,518
Mortgage Capital Funding, Inc. 1998-MC1 A1, 6.417%, 06/18/07	55,815	56,725
Mortgage Capital Funding, Inc. 1998-MC3 A1, 6.001%, 11/18/31	19,606	19,600
Nomura Asset Securities Corp. 6.3368%	50,000	50,199
Prudential Home Mortgage Securities 1993-47 A11, 6.10%, 12/25/23	100,000	100,162
Salomon Brothers Mortgage Securities VI 1986-1 A, 6.00%, 12/25/11	135,444	135,169
		-----
TOTAL ASSET BACKED SECURITIES (COST \$3,251,668)		3,487,994
		-----

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QUAKER FIXED BOND FUND  
SCHEDULE OF INVESTMENTS  
JUNE 30, 2001

	PRINCIPAL	VALUE
	-----	-----
CORPORATE BONDS (37.69%)		
BANKS (0.26%)		
BSCH Issuances Ltd, 7.625%, 11/03/2009	\$ 20,000	\$ 20,644
		-----
ENERGY (4.25%)		
Calpine Energy Corp. 8.5%, 02/15/01	355,000	342,781



-----		
ENTERTAINMENT & LEISURE (1.15%)		
Circus Circus, 6.70%, 11/15/96	95,000	92,336
-----		
FINANCIAL SERVICES (7.60%)		
Ford Motor Credit Co., 7.5%, 06/15/03	395,000	411,017
General Motors Acceptance Corp., 5.75%, 11/19/03	200,000	201,522
-----		
		612,539
-----		
HOTELS (5.15%)		
Hilton Hotels, 7.625%, 05/15/08	425,000	415,030
-----		
MEDICAL PRODUCTS (6.68%)		
Bard (C.R.) Inc., 6.7%, 12/01/26	250,000	247,091
Boston Scientific, 6.625%, 03/15/05	190,000	185,688
Columbia/HCA, 8.36%, 04/15/24	110,000	105,329
-----		
		538,108
-----		
PIPELINES (4.78%)		
PG&E Gas Trans., 7.10%, 06/01/05	400,000	385,418
-----		
RETAIL (5.39%)		
Ikon Office Solutions, 6.75%, 11/01/04	130,000	121,806
Safeway Inc., 7.25%, 9/15/19	300,000	312,284
-----		
		434,090
-----		
TRANSPORT SERVICES (2.43%)		
Stagecoach Holdings PLC, 8.625%, 11/15/09	210,000	195,870
-----		
TOTAL CORPORATE BONDS (COST \$3,039,250)		3,036,816
-----		
U.S. GOVERNMENT SECURITIES (10.54%)		
TREASURY NOTES (10.54%)		
U.S. Treasury Note, 5.00%, 02/15/11	875,000	849,298
-----		
TOTAL U.S. GOVERNMENT SECURITIES (COST \$861,616)		849,298
-----		
INVESTMENT COMPANIES (8.54%)		
Evergreen Money Market Institutional Treasury Money Market Fund Institutional Service Shares	688,193	688,193
-----		
TOTAL INVESTMENT COMPANIES (COST \$688,193)		688,193
-----		
TOTAL INVESTMENTS (COST \$8,122,542) (103.75%)		8,359,819
OTHER ASSETS & LIABILITIES, NET (-3.75%)		(301,959)
-----		
Net Assets (100%)		\$ 8,057,860
=====		

+ Denominated in U.S. Dollars

See notes to financial statements

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QUAKER HIGH YIELD BOND FUND  
SCHEDULE OF INVESTMENTS  
JUNE 30, 2001

	PRINCIPAL	VALUE
	-----	-----
ASSET BACKED SECURITIES -- 4.89%		
FINANCIAL SERVICES -- 4.89%		
Green Tree Financial Corp., 1994-3 B2, 8.65%, 06/15/19	\$ 500,000	\$ 463,139
-----		
TOTAL ASSET BACKED SECURITIES (COST \$451,685)		463,139

CORPORATE BONDS -- 51.67%		
AGRICULTURAL CHEMICALS -- 2.91%		
IMC Global, Inc., 7.40%, 11/01/02	290,000	276,009
AUTO PARTS & EQUIPMENT -- 2.59%		
Dana Corp., 6.50%, 03/01/09	285,000	245,538
BUILDING -- 7.01%		
Foster Wheeler Corp. 6.75%, 11/15/2005	265,000	198,646
K. Hovnanian Enterprises, 9.75%, 06/01/05	126,000	121,275
McDermott, Inc., 9.375%, 03/15/02	425,000	344,250
		664,171
CHEMICALS -- 3.04%		
Lyondell Chemical Co., 9.875%, 05/01/07	290,000	287,825
COMMERCIAL SERVICES -- 3.04%		
Reynolds and Reynolds, 7.00%, 12/15/06	280,000	287,992
CONTAINERS -- 1.56%		
Crown Cork & Seal Co. Inc., 7.125%, 09/01/02	255,000	147,900
DISTRIBUTION/WHOLESALE -- 2.80%		
Boise Cascade Office Products, 7.05%, 05/15/05	275,000	265,046
MACHINERY -- 2.45%		
Case Corp., 6.25%, 12/01/03	265,000	232,398
MANUFACTURING -- 2.61%		
US Industries Inc., 7.125%, 10/15/03	330,000	247,500
MEDICAL INSTRUMENTS -- 6.55%		
Boston Scientific Corp., 6.625%, 03/15/05	380,000	371,077
FHP International PHY 7.00%, 9/15/03	260,000	249,443
		620,520
OIL & GAS -- 4.58%		
Pennzoil - Quaker, 6.75%, 04/01/2009	500,000	434,377
RESORTS/THEME PARK -- 0.63%		
Bluegreen Corp., 10.5%, 04/01/08	100,000	59,500
RETAIL STORES -- 5.92%		
J.C. Penney & Co. Inc., 7.60%, 04/01/07	250,000	233,750
J.C. Penney & Co. Inc., 6.50%, 12/15/07	100,000	77,000
Rite Aid Corp., 7.125%, 01/15/07	300,000	250,500
		561,250
TIRE & RUBBER -- 2.76%		
Goodyear Tire & Rubber Co., 6.625%, 12/01/06	270,000	261,223
TRANSPORT / SHIPPING -- 3.22%		
Airborne Freight, 7.35%, 09/19/05	300,000	305,597
TOTAL CORPORATE BONDS (COST \$4,762,418)		4,896,846

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QUAKER HIGH YIELD BOND FUND  
SCHEDULE OF INVESTMENTS  
JUNE 30, 2001

	PRINCIPAL	VALUE
	-----	-----
FOREIGN BONDS-- 0.32%		
FOREIGN CORPORATE BONDS -- 0.32%		
App Finance 1X Ltd., 10.75%, 10/04/01	\$ 500,000	\$ 30,000
TOTAL FOREIGN BONDS (COST \$198,449)		30,000

GOVERNMENT SECURITIES-- 37.61%		-----
U.S. Treasury Bill, 09/20/01	3,650,000	3,564,234
		-----
TOTAL GOVERNMENT SECURITIES (COST \$3,564,234)		3,564,234
		-----
PREFERRED STOCK-- 3.30%		
Chelsea GCA Realty, Inc. Pfd A, 8.375%	8,000	312,750
		-----
TOTAL PREFERRED STOCK (COST \$315,250)		312,750
		-----
OTHER INVESTMENTS-- 4.57%		
Merrill Master Repo Trust	433,658	433,658
		-----
TOTAL OTHER INVESTMENTS (COST \$433,658)		
TOTAL INVESTMENTS (COST \$9,725,694) (102.36%)		9,700,627
OTHER ASSETS & LIABILITIES, NET (-2.36%)		(223,938)
		-----
NET ASSETS (100%)		\$ 9,476,689
		=====

See notes to financial statements

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QUAKER GOVERNMENT MONEY MARKET FUND  
SCHEDULE OF INVESTMENTS  
JUNE 30, 2001

	PRINCIPAL	VALUE
	-----	-----
TREASURY BILLS-- 99.00%		
U.S. Treasury Bill, 08/30/01 (a)	\$ 630,000	\$ 626,236
U.S. Treasury Bill, 09/20/01 (a)	40,000	39,695
		-----
TOTAL TREASURY BILLS (COST \$665,931)		665,931
		-----
INVESTMENT COMPANIES-- 0.75%		
Evergreen Money Market Institutional Treasury Money Market Fund Institutional Service Shares	5,027	5,027
		-----
TOTAL INVESTMENT COMPANIES (COST \$5,027)		5,027
		-----
TOTAL INVESTMENTS (COST \$670,958) (99.75%)		670,958
OTHER ASSETS & LIABILITIES, NET (0.25%)		1,711
		-----
NET ASSETS (100%)		\$ 672,669
		=====

(a) Priced at amortized cost

See notes to financial statements

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JUNE 30, 2001

	CORE EQUITY FUND	AGGRESSIVE GROWTH FUND	MID-CAP VALUE FUND	SMALL-CAP VALUE FUND	SMALL-CAP GROWTH FUND	FIXED INCOME FUND	HIGH YIELD FUND	MONEY MARKET FUND
<b>ASSETS:</b>								
Investments, at value (cost \$18,182,926, \$59,848,092, \$8,259,618, \$21,555,259, \$3,802,729, \$8,122,542, \$9,725,694 and \$670,958) (note 2)	\$18,822,394	\$60,108,701	\$8,800,850	\$25,077,690	\$4,044,939	\$8,359,819	\$9,700,627	\$670,958
Cash	--	5,250	--	--	304	--	--	--
Deposits with brokers for securities sold short	--	23,579,388	--	--	--	--	--	--
Receivables:								
Dividends and interest	5,129	72,406	5,903	15,728	757	76,326	97,195	115
Fund shares sold	1,950	765,069	20,651	4,825	--	13,547	10,000	--
Investment securities sold	147,355	5,611,968	149,697	1,728,318	10,843	--	3,248,415	--
Due from fund sponsor	--	1,346	5,768	--	--	--	1,050	867
Deferred organization expenses, net (notes 2 and 4)	2,246	2,246	2,997	2,246	--	2,246	--	--
Prepaid expenses and other assets	35,399	45,720	19,648	19,103	528	17,045	--	1,095
<b>TOTAL ASSETS</b>	<b>19,014,473</b>	<b>90,192,094</b>	<b>9,005,514</b>	<b>26,847,910</b>	<b>4,057,371</b>	<b>8,468,983</b>	<b>13,057,287</b>	<b>673,035</b>
<b>LIABILITIES:</b>								
<b>Payables:</b>								
Securities sold short (proceeds \$14,088,286)	--	14,673,474	--	--	--	--	--	--
Fund shares redeemed	--	71,089	--	25,747	--	9,723	334	--
Investment securities purchased	175,072	2,969,631	57,430	1,653,307	13,982	386,841	3,564,234	--
Distributions	--	--	--	--	--	38	721	--
Accrued expenses	22,887	58,849	8,661	17,051	4,014	8,350	8,937	366
Due to sponsor (notes 2 and 3)	1,917	--	--	4,001	820	947	--	--
Due to adviser	12,486	61,140	5,820	91,583	2,623	5,224	6,239	--
Other payables	--	414	--	--	--	--	133	--
<b>TOTAL LIABILITIES</b>	<b>212,362</b>	<b>17,834,597</b>	<b>71,911</b>	<b>1,791,689</b>	<b>21,439</b>	<b>411,123</b>	<b>3,580,598</b>	<b>366</b>
<b>NET ASSETS</b>	<b>\$18,802,111</b>	<b>\$72,357,497</b>	<b>\$8,933,603</b>	<b>\$25,056,221</b>	<b>\$4,035,932</b>	<b>\$8,057,860</b>	<b>\$9,476,689</b>	<b>\$672,669</b>
<b>NET ASSETS CONSIST OF:</b>								
Paid-in capital	\$22,205,656	\$74,504,095	\$8,082,337	\$20,332,504	\$4,180,589	\$8,265,910	\$9,797,270	\$672,667
Undistributed net investment income	--	260,461	--	--	--	--	--	2
Accumulated net realized gain (loss) on investments	(4,043,013)	(2,082,480)	310,034	1,201,286	(386,867)	(445,327)	(295,514)	--
Net unrealized appreciation (depreciation) on investments	639,468	(324,579)	541,232	3,522,431	242,210	237,277	(25,067)	--
<b>Total Net Assets</b>	<b>\$18,802,111</b>	<b>\$72,357,497</b>	<b>\$8,933,603</b>	<b>\$25,056,221</b>	<b>\$4,035,932</b>	<b>\$8,057,860</b>	<b>\$9,476,689</b>	<b>\$672,669</b>
<b>CLASS A SHARES:</b>								
Net Assets (Applicable to 1,112,683, 3,457,950, 123,141, 353,243, 3,444, 794,134 and 22,446 shares outstanding, respectively; unlimited shares of \$0.01 par value, beneficial interest authorized)	\$13,887,856	\$64,636,922	\$1,405,458	\$ 5,522,087	\$ 30,637	\$7,990,967	\$ 212,230	
Net Asset Value and redemption price per share	\$ 12.48	\$ 18.69	\$ 11.41	\$ 15.63	\$ 8.89	\$ 10.06	\$ 9.46	
Offering price per share	\$ 13.21	\$ 19.78	\$ 12.07	\$ 16.54	\$ 9.41	\$ 10.51	\$ 9.88	
<b>CLASS B SHARES:</b>								
Net Assets (Applicable to 9,031, 108,440, 45,697, 6,642, 3,078, 98 and 12,952 shares outstanding, respectively, unlimited shares of \$0.01 par value, beneficial interest authorized)	\$ 112,156	\$ 2,023,326	\$ 520,084	\$ 103,539	\$ 27,383	\$ 984	\$ 122,349	
Net Asset Value, offering and redemption(1) price per share	\$ 12.42	\$ 18.66	\$ 11.38	\$ 15.59	\$ 8.90	\$ 10.06	\$ 9.45	
<b>CLASS C SHARES:</b>								
Net Assets (Applicable to 44,555, 78,999, 134,743, 17,900, 0, 3,199 and 3,166 shares outstanding, respectively, unlimited shares of \$0.01 par value, beneficial interest authorized)	\$ 549,976	\$ 1,468,557	\$1,523,330	\$ 273,071		\$ 32,177	\$ 29,881	
Net Asset Value, offering and redemption(1) price per share	\$ 12.34	\$ 18.59	\$ 11.31	\$ 15.25		\$ 10.06	\$ 9.44	
<b>CLASS I SHARES:</b>								
Net Assets (Applicable to 359,308, 225,938, 477,484, 1,222,727, 445,681, 3,354, 963,580 and 672,667 shares outstanding, respectively, unlimited shares of \$0.01 par value, beneficial interest authorized)	\$ 4,252,123	\$ 4,228,692	\$5,484,731	\$19,157,524	\$3,977,912	\$ 33,732	\$9,112,229	\$672,669
Net Asset Value, offering and redemption price per share	\$ 11.83	\$ 18.72	\$ 11.49	\$ 15.67	\$ 8.93	\$ 10.06	\$ 9.46	\$ 1.00

(1) Redemption price per share may be reduced for any applicable contingent deferred sales charges.

See notes to the financial statements.



-- Class B	(37)	(38,039)	--	(735)	--	--	--	--
Net realized capital gain								
-- Class C	(8,205)	(65,288)	(2,872)	(5,484)	--	--	--	--
Net realized capital gain								
-- Class I	(103,600)	(587,387)	(31,327)	(645,190)	--	--	--	--
TOTAL DISTRIBUTIONS	(440,241)	(3,618,933)	(41,476)	(875,893)	--	(433,637)	(798,657)	(9,786)
CAPITAL SHARE TRANSACTIONS								
Increase (decrease) in net assets from Fund share transactions (note 7)	52,770	59,807,401	184,238	10,137,495	4,214,675	(427,080)	9,797,270	672,667
TOTAL INCREASE (DECREASE) IN NET ASSETS	(11,478,504)	53,894,021	542,254	13,842,023	4,035,932	(226,206)	9,476,689	672,669
NET ASSETS								
Beginning of period	30,280,615	18,463,476	8,391,349	11,214,198	--	8,284,066	--	--
End of period	\$18,802,111	\$72,357,497	\$8,933,603	\$25,056,221	\$4,035,932	\$8,057,860	\$9,476,689	\$672,669
FOR THE YEAR ENDED JUNE 30, 2000								
INCREASE IN NET ASSETS								
OPERATIONS								
Net investment income (loss)	\$ (264,882)	\$ 168,132	\$ (21,660)	\$ (16,511)		\$ 390,740		
Net realized gain (loss) from investment transactions	948,403	3,939,054	(162,008)	1,058,105		(443,329)		
Net unrealized appreciation (depreciation) on investments	3,362,528	(225,536)	(275,088)	(961,261)		232,756		
NET INCREASE (DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS	4,046,049	3,881,650	(458,756)	80,333		180,167		
DISTRIBUTIONS TO SHAREHOLDERS FROM								
Net investment income -- No Load-Class	--	(22,518)	--	--		(390,710)		
Net realized capital gain -- No Load-Class	(543,296)	(583,162)	--	(388,757)		--		
TOTAL DISTRIBUTIONS	(543,296)	(605,680)	--	(388,757)		(390,710)		
CAPITAL SHARE TRANSACTIONS								
Increase (decrease) in net assets from Fund share transactions (note 7)	1,370,850	11,322,574	(3,305,389)	(1,497,853)		819,191		
TOTAL INCREASE (DECREASE) IN NET ASSETS	4,873,603	14,598,544	(3,764,145)	(1,806,277)		608,648		
NET ASSETS								
Beginning of period	25,407,012	3,864,932	12,155,494	13,020,475		7,675,418		
End of period	\$30,280,615	\$18,463,476	\$8,391,349	\$11,214,198		\$8,284,066		

See notes to the financial statements.

QUAKER INVESTMENT TRUST  
FINANCIAL HIGHLIGHTS  
(FOR A SHARE OUTSTANDING THROUGHOUT THE PERIOD)

CORE EQUITY FUND

	CLASS A	CLASS B	CLASS C		INSTITUTIONAL CLASS		NO LOAD CLASS		
	FOR THE PERIOD FROM NOVEMBER 14, 2000 (COMMENCEMENT OF OPERATIONS) ENDED JUNE 30, 2001	FOR THE PERIOD FROM NOVEMBER 14, 2000 (COMMENCEMENT OF OPERATIONS) ENDED JUNE 30, 2001	FOR THE PERIOD FROM JUNE 29, 2000 (COMMENCEMENT OF OPERATIONS) ENDED JUNE 30, 2001	FOR THE PERIOD FROM JULY 14, 2000 (COMMENCEMENT OF OPERATIONS) ENDED JUNE 30, 2001	FOR THE PERIOD FROM JUNE 30, 1999 ENDED JUNE 30, 1999	FOR THE PERIOD FROM JUNE 30, 1998 ENDED JUNE 30, 1998	FOR THE PERIOD FROM NOVEMBER 25, 1996 (COMMENCEMENT OF OPERATIONS) ENDED JUNE 30, 1997		
NET ASSET VALUE, BEGINNING OF PERIOD	\$20.31	\$16.97	\$20.33	\$19.79	\$20.37	\$17.78	\$14.42	\$11.61	\$10.00
INCOME FROM INVESTMENT OPERATIONS:									
Net investment income (loss)	(0.25)	(0.19)	(0.34)	--	(0.18)	(0.18)	(0.06)	--	0.04
Net realized and unrealized gain (loss) on investments	(7.28)	(4.06)	(7.35)	0.54	(8.06)	3.09	4.10	2.81	1.61
TOTAL FROM INVESTMENT OPERATIONS	(7.53)	(4.25)	(7.69)	0.54	(8.24)	2.91	4.04	2.81	1.65
DISTRIBUTIONS TO SHAREHOLDERS FROM:									
Net investment income	--	--	--	--	--	--	--	--	(0.04)
Net realized capital gain	(0.30)	(0.30)	(0.30)	--	(0.30)	(0.38)	(0.68)	--	--
TOTAL DISTRIBUTIONS	(0.30)	(0.30)	(0.30)	--	(0.30)	(0.38)	(0.68)	--	(0.04)
NET ASSET VALUE - END OF PERIOD	\$12.48	\$12.42	\$12.34	\$20.33	\$11.83	\$20.31	\$17.78	\$14.42	\$11.61
TOTAL RETURN	(37.33)%	(25.36)% (b)	(38.09)%	2.73% (b)	(40.71)% (b)	16.34%	28.16%	24.20%	16.50% (b)
RATIOS/SUPPLEMENTAL DATA									
NET ASSETS, END OF PERIOD (000'S OMITTED)	\$13,888	\$112	\$550	\$5	\$4,252	30,275	\$25,407	\$4,777	\$519
RATIO OF EXPENSES TO AVERAGE NET ASSETS:									
Before expense reimbursements and waived fees	2.11%	2.86% (a)	2.86%	28.51% (a)	1.86% (a)	1.70%	1.44%	3.48%	21.30% (a)

After expense reimbursements and waived fees	2.11%	2.86% (a)	2.86%	0.00% (a)	1.86% (a)	1.48%	1.29%	1.35%	1.35% (a)
RATIO OF NET INVESTMENT INCOME (LOSS) TO AVERAGE NET ASSETS:									
Before expense reimbursements and waived fees	(1.58)%	(2.33)% (a)	(2.33)% (a)	(28.51)% (a)	(1.33)% (a)	(1.17)%	(0.73)%	(2.10)%	(19.47)% (a)
After expense reimbursements and waived fees	(1.58)%	(2.33)% (a)	(2.33)% (a)	0.00% (a)	(1.33)% (a)	(0.95)%	(0.58)%	0.03%	0.49%
PORTFOLIO TURNOVER RATE	127.53%	127.53%	127.53%	82.54%	127.53%	82.54%	78.45%	64.36%	11.49%

(a) Annualized.

(b) Aggregate total return, not annualized.

See notes to the financial statements.

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QUAKER INVESTMENT TRUST  
FINANCIAL HIGHLIGHTS  
(FOR A SHARE OUTSTANDING THROUGHOUT THE PERIOD)

AGGRESSIVE GROWTH FUND

	INSTITUTIONAL CLASS				NO LOAD CLASS			FOR THE PERIOD FROM NOVEMBER 25, 1996 (COMMENCEMENT OF OPERATIONS)
	CLASS A	CLASS B	CLASS C	CLASS	YEAR ENDED JUNE 30, 2000	YEAR ENDED JUNE 30, 1999	YEAR ENDED JUNE 30, 1998	
YEAR ENDED JUNE 30, 2001	FOR THE PERIOD FROM AUGUST 1, 2000 (COMMENCEMENT OF OPERATIONS) TO JUNE 30, 2001	FOR THE PERIOD FROM JULY 11, 2000 (COMMENCEMENT OF OPERATIONS) TO JUNE 30, 2001	FOR THE PERIOD FROM JULY 20, 2000 (COMMENCEMENT OF OPERATIONS) TO JUNE 30, 2001	YEAR ENDED JUNE 30, 2000	YEAR ENDED JUNE 30, 1999	YEAR ENDED JUNE 30, 1998	FOR THE PERIOD FROM NOVEMBER 25, 1996 (COMMENCEMENT OF OPERATIONS) TO JUNE 30, 1997	
NET ASSET VALUE, BEGINNING OF PERIOD	\$22.64	\$22.89	\$22.83	\$23.16	\$14.10	\$12.01	\$11.16	\$10.00
INCOME FROM INVESTMENT OPERATIONS:								
Net investment income (loss)	0.17	(0.06)	(0.01)	0.28	0.24	0.12	--	0.04
Net realized and unrealized gain (loss) on investments	(1.24)	(1.32)	(1.39)	(1.82)	9.88	5.54	2.69	1.23
TOTAL FROM INVESTMENT OPERATIONS	(1.07)	(1.38)	(1.40)	(1.54)	10.12	5.66	2.69	1.27
DISTRIBUTIONS TO SHAREHOLDERS FROM:								
Net investment income	(0.34)	(0.31)	(0.30)	(0.36)	(0.06)	(0.12)	--	(0.04)
Net realized capital gain	(2.54)	(2.54)	(2.54)	(2.54)	(1.52)	(3.45)	(1.38)	(0.07)
Distribution in excess of net realized gain	--	--	--	--	--	--	(0.46)	--
TOTAL DISTRIBUTIONS	(2.88)	(2.85)	(2.84)	(2.90)	(1.58)	(3.57)	(1.84)	(0.11)
NET ASSET VALUE - END OF PERIOD	\$18.69	\$18.66	\$18.59	\$18.72	\$22.64	\$14.10	\$12.01	\$11.16
TOTAL RETURN	(5.06)% (b)	(6.33)% (b)	(6.49)% (b)	(6.92)% (b)	73.68%	49.44%	26.57%	12.68% (b)

RATIOS/SUPPLEMENTAL DATA

NET ASSETS, END OF PERIOD (000'S OMITTED)	\$64,637	\$2,023	\$1,469	\$4,229	\$18,463	\$3,865	\$1,714	\$1,121
RATIO OF EXPENSES TO AVERAGE NET ASSETS:								
Before expense reimbursements and waived fees	2.32%	3.07% (a)	3.07% (a)	2.07% (a)	2.02%	2.84%	8.09%	13.44% (a)
After expense reimbursements and waived fees	2.32%	3.07% (a)	3.07% (a)	2.07% (a)	1.57%	1.35%	1.35%	1.34% (a)
RATIO OF NET INVESTMENT INCOME (LOSS) TO AVERAGE NET ASSETS:								
Before expense reimbursements and waived fees	0.88%	0.13% (a)	0.13% (a)	1.13% (a)	1.40%	(0.45)%	(6.72)%	(9.18)% (a)
After expense reimbursements and waived fees	0.88%	0.13% (a)	0.13% (a)	1.13% (a)	1.84%	1.04%	(0.04)%	0.64% (a)
PORTFOLIO TURNOVER RATE	641.59%	641.59%	641.59%	641.59%	886.14%	1696.00%	887.13%	778.01%

(a) Annualized.

(b) Aggregate total return, not annualized.

See notes to the financial statements.

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Net realized capital gain	(0.61)	(0.61)	(0.61)	(0.61)	(0.41)	(0.22)	(1.04)	(0.49)
Distribution in excess of net realized gain	--	--	--	--	--	--	--	--
TOTAL DISTRIBUTIONS	(0.61)	(0.61)	(0.61)	(0.61)	(0.41)	(0.22)	(1.04)	(0.50)
NET ASSET VALUE - END OF PERIOD	\$15.63	\$15.59	\$15.25	\$15.67	\$12.57	\$12.81	\$13.47	\$11.53
TOTAL RETURN	29.67%	16.96% (b)	27.74% (b)	15.31% (b)	1.38%	(2.96)%	27.04%	20.35% (b)

RATIOS/SUPPLEMENTAL DATA

NET ASSETS, END OF PERIOD (000'S OMITTED)	\$5,522	\$104	\$273	\$19,158	\$11,214	\$13,020	\$3,792	\$1,333
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RATIO OF EXPENSES TO AVERAGE

NET ASSETS:								
Before expense reimbursements and waived fees	2.65%	3.48% (a)	3.48% (a)	2.48% (a)	1.58%	1.78%	4.20%	10.50% (a)
After expense reimbursements and waived fees	2.65%	3.48% (a)	3.48% (a)	2.48% (a)	1.35%	1.35%	1.35%	1.31% (a)

RATIO OF NET INVESTMENT INCOME

(LOSS) TO AVERAGE NET ASSETS:								
Before expense reimbursements and waived fees	(1.46)%	(2.29)% (a)	(2.29)% (a)	(1.29)% (a)	(0.37)%	(0.82)%	(3.03)%	(8.96)% (a)
After expense reimbursements and waived fees	(1.46)%	(2.29)% (a)	(2.29)% (a)	(1.29)% (a)	(0.14)%	(0.40)%	(0.18)%	0.22% (a)

PORTFOLIO TURNOVER RATE	124.37%	124.37%	124.37%	124.37%	138.59%	113.99%	129.58%	90.63%
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(a) Annualized.

(b) Aggregate total return, not annualized.

See notes to the financial statements.

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QUAKER INVESTMENT TRUST  
FINANCIAL HIGHLIGHTS  
(FOR A SHARE OUTSTANDING THROUGHOUT THE PERIOD)

SMALL-CAP GROWTH FUND

	CLASS A	CLASS B	INSTITUTIONAL CLASS
	FOR THE PERIOD FROM JUNE 14, 2001 (COMMENCEMENT OF OPERATIONS) TO JUNE 30, 2001	FOR THE PERIOD FROM MARCH 15, 2001 (COMMENCEMENT OF OPERATIONS) TO JUNE 30, 2001	FOR THE PERIOD FROM SEPTEMBER 18, 2000 (COMMENCEMENT OF OPERATIONS) TO JUNE 30, 2001
NET ASSET VALUE, BEGINNING OF PERIOD	\$8.71	\$7.96	\$10.00
INCOME FROM INVESTMENT OPERATIONS:			
Net investment income (loss)	(0.01)	(0.06)	(0.11)
Net realized and unrealized gain (loss) on investments	0.19	1.00	(0.96)
TOTAL FROM INVESTMENT OPERATIONS	0.18	0.94	(1.07)
DISTRIBUTIONS TO SHAREHOLDERS FROM:			
Net investment income	--	--	--
Net realized capital gain	--	--	--
TOTAL DISTRIBUTIONS	--	--	--
NET ASSET VALUE - END OF PERIOD	\$8.89	\$8.90	\$ 8.93
TOTAL RETURN	2.07% (b)	11.81% (b)	(10.70)% (b)
RATIOS/SUPPLEMENTAL DATA			
NET ASSETS, END OF PERIOD (000'S OMITTED)	\$31	\$27	\$3,978
RATIO OF EXPENSES TO AVERAGE NET ASSETS:			
Before expense reimbursements and waived fees	2.86% (a)	3.61% (a)	2.61% (a)
After expense reimbursements and waived fees	2.26% (a)	3.01% (a)	2.01% (a)
RATIO OF NET INVESTMENT INCOME (LOSS) TO AVERAGE NET ASSETS:			
Before expense reimbursements and waived fees	(2.49)% (a)	(3.24)% (a)	(2.24)% (a)
After expense reimbursements and waived fees	(1.89)% (a)	(2.64)% (a)	(1.64)% (a)
PORTFOLIO TURNOVER RATE	151.73%	151.73%	151.73%

(a) Annualized.

(b) Aggregate total return, not annualized.

See notes to the financial statements.

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QUAKER INVESTMENT TRUST  
FINANCIAL HIGHLIGHTS  
(FOR A SHARE OUTSTANDING THROUGHOUT THE PERIOD)

FIXED INCOME FUND

	CLASS A	CLASS B	CLASS C	CLASS I	NO LOAD CLASS			
	FOR THE PERIOD FROM APRIL 5, 2001		FOR THE PERIOD FROM JANUARY 12, 2001	FOR THE PERIOD FROM APRIL 16, 2001	YEAR ENDED JUNE 30, 2000	YEAR ENDED JUNE 30, 1999	YEAR ENDED JUNE 30, 1998	FOR THE PERIOD FROM NOVEMBER 25, 1996
	YEAR (COMMENCEMENT ENDED OF OPERATIONS) JUNE 30, 2001 TO JUNE 30, 2001		YEAR (COMMENCEMENT ENDED OF OPERATIONS) TO JUNE 30, 2001	YEAR (COMMENCEMENT ENDED OF OPERATIONS) TO JUNE 30, 2001	YEAR ENDED JUNE 30, 2000	YEAR ENDED JUNE 30, 1999	YEAR ENDED JUNE 30, 1998	YEAR (COMMENCEMENT ENDED OF OPERATIONS) TO JUNE 30, 1997
NET ASSET VALUE, BEGINNING OF PERIOD	\$ 9.80	\$10.33	\$10.14	\$10.25	\$10.13	\$10.41	\$ 9.89	\$10.00
INCOME FROM INVESTMENT OPERATIONS:								
Net investment income (loss)	0.55	0.09	0.20	0.11	0.53	0.48	0.47	0.26
Net realized and unrealized gain (loss) on investments	0.26	(0.25)	(0.05)	(0.16)	(0.33)	(0.27)	0.50	(0.11)
TOTAL FROM INVESTMENT OPERATIONS	0.81	(0.16)	0.15	(0.05)	0.20	0.21	0.97	0.15
DISTRIBUTIONS TO SHAREHOLDERS FROM:								
Net investment income	(0.55)	(0.11)	(0.23)	(0.14)	(0.53)	(0.48)	(0.45)	(0.26)
Net realized capital gain	--	--	--	--	--	(0.01)	--	--
TOTAL DISTRIBUTIONS	(0.55)	(0.11)	(0.23)	(0.14)	(0.53)	(0.49)	(0.45)	(0.26)
NET ASSET VALUE - END OF PERIOD	\$10.06	\$10.06	\$10.06	\$10.06	\$ 9.80	\$10.13	\$10.41	\$ 9.89
TOTAL RETURN	8.37%	(1.55)%(b)	1.46%(b)	(0.52)%(b)	2.13%	1.84%	9.97%	1.57%(b)
RATIOS/SUPPLEMENTAL DATA								
NET ASSETS, END OF PERIOD (000'S OMITTED)	\$7,991	\$1	\$32	\$34	\$8,284	\$7,675	\$5,682	\$576
RATIO OF EXPENSES TO AVERAGE NET ASSETS:								
Before expense reimbursements and waived fees	2.08%	2.90%(a)	2.90%(a)	1.90%(a)	1.57%	1.41%	2.53%	16.56%(a)
After expense reimbursements and waived fees	2.08%	2.90%(a)	2.90%(a)	1.90%(a)	0.98%	0.90%	0.90%	0.90%(a)
RATIO OF NET INVESTMENT INCOME (LOSS) TO AVERAGE NET ASSETS:								
Before expense reimbursements and waived fees	5.43%	4.61%	4.61%	5.61%	4.92%	4.03%	2.96%	(10.87)%(a)
After expense reimbursements and waived fees	5.43%	4.61%	4.61%	5.61%	5.51%	4.54%	4.59%	4.79%(a)
PORTFOLIO TURNOVER RATE	180.47%	180.47%	180.47%	180.47%	282.71%	276.94%	81.55%	0%

(a) Annualized.

(b) Aggregate total return, not annualized.

See notes to the financial statements.

QUAKER INVESTMENT TRUST  
FINANCIAL HIGHLIGHTS  
(FOR A SHARE OUTSTANDING THROUGHOUT THE PERIOD)

HIGH YIELD FUND

	CLASS A	CLASS B	CLASS C	INSTITUTIONAL CLASS
	FOR THE PERIOD FROM SEPTEMBER 5, 2000 (COMMENCEMENT OF OPERATIONS) TO JUNE 30, 2001	FOR THE PERIOD FROM OCTOBER 17, 2000 (COMMENCEMENT OF OPERATIONS) TO JUNE 30, 2001	FOR THE PERIOD FROM MAY 30, 2001 (COMMENCEMENT OF OPERATIONS) TO JUNE 30, 2001	FOR THE PERIOD FROM JULY 6, 2000 (COMMENCEMENT OF OPERATIONS) TO JUNE 30, 2001
NET ASSET VALUE, BEGINNING OF PERIOD	\$9.68	\$9.34	\$9.65	\$10.00
INCOME FROM INVESTMENT OPERATIONS:				
Net investment income (loss)	0.92	0.65	0.06	0.98
Net realized and unrealized gain (loss) on investments	(0.35)	0.15	(0.11)	(0.57)%
TOTAL FROM INVESTMENT OPERATIONS	0.57	0.80	(0.05)	0.41
DISTRIBUTIONS TO SHAREHOLDERS FROM:				
Net investment income	(0.79)	(0.69)	(0.16)	(0.95)
Net realized capital gain	--	--	--	--
Distribution in excess of net realized gain	--	--	--	--
TOTAL DISTRIBUTIONS	(0.79)	(0.69)	(0.16)	(0.95)
NET ASSET VALUE - END OF PERIOD	\$9.46	\$9.45	\$9.44	\$9.46

TOTAL RETURN	6.29% (b)	8.92% (b)	(0.50)% (b)	4.61% (b)
RATIOS/SUPPLEMENTAL DATA				
NET ASSETS, END OF PERIOD (000'S OMITTED)	\$212	\$122	\$30	\$9,112
RATIO OF EXPENSES TO AVERAGE NET ASSETS:				
Before expense reimbursements and waived fees	2.35% (a)	3.10% (a)	3.10% (a)	2.10% (a)
After expense reimbursements and waived fees	2.35% (a)	3.10% (a)	3.10% (a)	2.10% (a)
RATIO OF NET INVESTMENT INCOME (LOSS) TO AVERAGE NET ASSETS:				
Before expense reimbursements and waived fees	10.23% (a)	9.48% (a)	9.48% (a)	10.48% (a)
After expense reimbursements and waived fees	10.23% (a)	9.48% (a)	9.48% (a)	10.48% (a)
PORTFOLIO TURNOVER RATE	622.75%	622.75%	622.75	622.75%

(a) Annualized

(b) Aggregate total return, not annualized.

See notes to the financial statements.

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QUAKER INVESTMENT TRUST  
FINANCIAL HIGHLIGHTS  
(FOR A SHARE OUTSTANDING THROUGHOUT THE PERIOD)

Government Money Market Fund

-----  
Institutional Class  
-----

For the  
period from  
July 5, 2000  
(commencement  
of operations) to  
June 30, 2001  
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NET ASSET VALUE, BEGINNING OF PERIOD	\$1.00
	-----
INCOME FROM INVESTMENT OPERATIONS:	
Net investment income (loss)	0.06
Net realized and unrealized gain on investments	--
	-----
TOTAL FROM INVESTMENT OPERATIONS	0.06
	-----
DISTRIBUTIONS TO SHAREHOLDERS FROM:	
Net investment income	(0.06)
Net realized capital gain	--
Distribution in excess of net realized gain	--
	-----
TOTAL DISTRIBUTIONS	(0.06)
	-----
NET ASSET VALUE - END OF PERIOD	\$1.00
	=====
TOTAL RETURN	5.76% (b)
RATIOS/SUPPLEMENTAL DATA	
NET ASSETS, END OF PERIOD (000'S OMITTED)	\$673
RATIO OF EXPENSES TO AVERAGE NET ASSETS:	
Before expense reimbursements and waived fees	12.10% (a)
After expense reimbursements and waived fees	0.00% (a)
RATIO OF NET INVESTMENT INCOME (LOSS) TO AVERAGE NET ASSETS:	
Before expense reimbursements and waived fees	(7.88)% (a)
After expense reimbursements and waived fees	4.33% (a)
PORTFOLIO TURNOVER RATE	N/A

(a) Annualized.

(b) Aggregate total return, not annualized.

See notes to the financial statements.

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QUAKER INVESTMENT TRUST  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2001

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NOTE 1 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER INFORMATION

The Quaker Investment Trust (the "TRUST"), a diversified, open-end management investment company, was organized as a Massachusetts Business Trust on October 24, 1990, and is registered under the Investment Company Act of 1940, as amended. The Trust's Agreement and Declaration of Trust permits the Trustees to issue an unlimited number of shares of beneficial interest. The Trust has established nine series: the Quaker Core Equity Fund, the Quaker Aggressive Growth Fund, the Quaker Large-Cap Value Fund, the Quaker Small-Cap Value Fund, the Quaker Mid-Cap Value Fund, the Quaker Fixed Income Fund, the Quaker High Yield Fund, the Quaker Small-Cap Growth Fund and the Quaker Government Money Market Fund (each a "Fund" and collectively, the "FUNDS"). The Investment objectives of each Fund are set forth below.

The Quaker Core Equity Fund ("CORE EQUITY"), the Quaker Aggressive Growth Fund ("AGGRESSIVE GROWTH"), the Quaker Large-Cap Value Fund ("LARGE-CAP VALUE") and the Quaker Small-Cap Value Fund ("SMALL-CAP VALUE") all commenced operations on November 25, 1996. The Quaker Mid-Cap Value Fund ("MID-CAP VALUE") commenced operations on January 6, 1998. The Quaker Small-Cap Growth Fund (the "SMALL-CAP GROWTH") commenced operations on September 18, 2000. The investment objective of these Funds is to provide shareholders with long-term capital growth by investing primarily in equity securities of domestic U.S. companies.

The shares of Quaker Large-Cap Value Fund are not currently offered for sale. It is anticipated the Fund will cease operations, wind its affairs and distribute its net assets to the remaining shareholders.

The Quaker Fixed Income Fund ("FIXED INCOME") commenced operations on November 25, 1996. The investment objective of this Fund is to generate current income, preserve capital and maximize total returns through active management of investment grade fixed income securities.

The Quaker High Yield Fund ("HIGH YIELD") commenced operations on July 6, 2000. The investment objective of this fund is to generate current income and maximize total returns through active management of non-investment grade fixed income securities.

The Quaker Government Money Market Fund ("MONEY MARKET") commenced operations on July 5, 2000. The investment objective of this fund is to maximize current income while preserving capital and maintaining liquidity.

Prior to June 23, 2000, each existing Fund of the Trust offered only No-Load shares. As of June 23, 2000, the shareholders of all Funds except the Small-Cap Value and Fixed Income Funds approved the conversion of all existing No-Load shares to Class A shares. On August 7, 2000 and October 10, 2000, respectively, the Small-Cap Value and Fixed Income Funds' shareholders also approved the conversion of their No-Load shares to Class A shares. As a result of the conversion, each Fund currently offers four classes of shares; Class A shares with a front-end sales charge, Class B shares with an additional distribution and servicing fee and contingent deferred sales charge ("CDSC") that declines to zero over a period of years, Class C shares with an additional distribution and servicing fee and a CDSC of 1% for a period of thirteen months, and Institutional Class shares, with no front-end sales charges or CDSC's, but higher minimum investment limitations.

A. SECURITY VALUATION. Each Fund's investments in securities are carried at value. Securities listed on an exchange or quoted on a national market system are valued at 4:00 p.m. (3:00 p.m. for securities of the Fixed Income Fund), New York time on the day of valuation. Other securities traded in the over-the-counter market and listed securities for which no sale was reported on that date are valued at the most recent bid price. Securities for which market quotations are not readily available, if any, are valued by using an independent

pricing service or by following procedures approved by the Board of Trustees. Short-term investments are valued at amortized cost, which approximates fair market value.

B. FEDERAL INCOME TAXES. No provision has been made for federal income taxes or personal holding company taxes since it is the policy of each Fund to comply with the provisions of the Internal Revenue Code applicable to regulated investment companies and personal holding companies and to make sufficient distributions of taxable income to relieve it from substantially all federal income taxes.

Net investment income (loss) and net realized gains (losses) may differ for financial statement and income tax purposes primarily due to investments which have a different basis for financial statement and income tax purposes. The character of distributions made during the year from net investment income or net realized gains may differ from their ultimate characterization for federal income tax purposes. Also, due to the timing of dividend distributions, the fiscal year in which amounts are distributed may differ from the year that the income or realized gains were recorded by each Fund.

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QUAKER INVESTMENT TRUST  
NOTES TO THE FINANCIAL STATEMENTS -- (CONTINUED)  
JUNE 30, 2001

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NOTE 1 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER INFORMATION --  
(CONTINUED)

C. INVESTMENT TRANSACTIONS. Investment transactions are recorded on the trade date. Realized gains and losses are determined using the specific identification cost method. Interest income is recorded daily on an accrual basis. Discounts and premiums on debt securities are amortized to income over their respective lives. Dividend income is recorded on the ex-dividend date, or as soon as information is available to the Fund.

The Aggressive Growth Fund makes short sales of investments, which are transactions in which the Fund sells a security it does not own. To complete such a transaction, the Fund must borrow the security to make delivery to the buyer. The Fund is then obligated to replace the security borrowed by purchasing it at the market price at the time of replacement. The proceeds of short sales are retained by the broker to the extent necessary to meet margin requirements, until the short position is closed out. At June 30, 2001 the Fund had \$23,579,388 on deposit with a broker to cover its obligations for securities sold short.

D. FOREIGN CURRENCY TRANSLATION. Securities and other assets and liabilities denominated in foreign currencies are converted each business day into U.S. dollars based on the prevailing rates of exchange. Purchases and sales of portfolio securities and income and expenses are converted into U.S. dollars on the respective dates of such transactions.

Gains and losses resulting from changes in exchange rates applicable to foreign securities are not reported separately from gains and losses arising from movements in securities prices.

Net realized foreign exchange gains and losses include gains and losses from sales and maturities of foreign currency exchange contracts, gains and losses realized between the trade and settlement dates of foreign securities transactions, and the difference between the amount of net investment income accrued on foreign securities and the U.S. dollar amount actually received. Net unrealized foreign exchange gains and losses include gains and losses from changes in the value of assets and liabilities other than portfolio securities, resulting from changes in exchange rates.

E. MULTIPLE CLASS ALLOCATIONS. Investment income, expenses (other than distribution fees), and realized and unrealized gains and losses are allocated to each class of shares based upon the relative net asset value on the date such items are recognized. Distribution fees are charged directly to the respective class.

F. DISTRIBUTIONS TO SHAREHOLDERS. Except for the Fixed Income Fund, the High Yield Fund and the Money Market Fund, which declare dividends monthly, each Fund generally declares dividends annually, payable in December, on a date selected by the Trust's Board of Trustees. In addition, distributions may be made annually in December out of net realized gains through October 31 of that year. Distributions to shareholders are recorded on the ex-dividend date. Each Fund may make a supplemental distribution subsequent to the end of its fiscal year ending June 30.

G. USE OF ESTIMATES. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that may affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 -- INVESTMENT ADVISORY FEE AND OTHER RELATED PARTY TRANSACTIONS

Quaker Management Corp. ("QMC") serves as Investment Advisor to each Fund (the "Advisor"). Pursuant to separate investment sub-advisory agreements QMC has selected the following persons to serve as sub-advisors who are responsible for providing each Fund with a continuous program of supervision of the Fund's assets, including the composition of its portfolio, and furnishing advice and recommendations with respect to investments, investment policies and the purchase and sale of securities, Geewax, Terker & Co., Inc. for the Core Equity Fund and Small-Cap Growth Fund, Quaker Financial Advisors, Inc. for the Aggressive Growth Fund, Aronson + Partners for the Small-Cap Value Fund, Schneider Capital Management, Inc. for the Mid-Cap Value Fund, and ALM Advisors, Inc. for the Fixed Income Fund, the High Yield Fund and the Government Money Market Fund. Schneider Capital Management became investment advisor for the Mid-Cap Value Fund pursuant to an Investment Advisory Agreement dated December 15, 2000 following the resignation of Compu-Val Investments, Inc.

As compensation for its services, the Advisor receives a fee, computed daily and paid monthly, based on an annual rate of .80%, 1.05%, .80%, .80%, .75%, .80% and .55% for the Core Equity, Aggressive Growth, Mid-Cap Value, Small-Cap Growth, Fixed Income, High Yield and Money Market Funds, respectively. The sub-advisor receives a performance-based fee from the Small-Cap Value Fund. The fee is based on the Fund's performance as measured against the Russell 2000 Index. The base fee is 0.95%. It can

QUAKER INVESTMENT TRUST  
NOTES TO THE FINANCIAL STATEMENTS -- (CONTINUED)  
JUNE 30, 2001

NOTE 2 -- INVESTMENT ADVISORY FEE AND OTHER RELATED PARTY TRANSACTIONS --  
(CONTINUED)

reach as high as 1.55% and can be reduced as low as 0.35% of the average daily net assets. For the year ended June 30, 2001 this performance-based fee amounted to 1.34% of the Fund's average daily net assets. The sub-advisors are paid fees by QMC.

For the year ended June 30, 2001, the Advisor waived its fees for the Government Money Market Fund.

Effective July 1, 2001 CITCO-Quaker Fund Services, Inc. (the "ADMINISTRATOR") (the "TRANSFER AGENT") replaced The Declaration Service Company as the Administrator and Transfer Agent for the Trust. The Administrator provides administrative services to and is generally responsible for the overall management and day-to-day operations of each Fund pursuant to an accounting and administrative agreement with the Trust. The Transfer Agent maintains the records of each shareholder's account, answers shareholder inquiries concerning accounts, processes purchases and redemptions of Fund shares, acts as dividend and distribution disbursing agent, and performs other shareholder servicing functions. As compensation for its services, the Administrator receives a fee at the annual rate of 0.40% of the aggregate of the TRUST'S first \$100 million of

average daily net assets, 0.30% of the next \$100 million of average daily net assets, 0.25% of the next \$100 million of average daily net assets, 0.20% of the next \$200 million and 0.15% of the net assets in excess of \$500 million.

Effective March 31, 2001, Quaker Securities, Inc. (the "DISTRIBUTOR") replaced Declaration Distributors, Inc. as distributor for the Trust.

The Trust has adopted distribution and shareholder servicing plans pursuant to Rule 12b-1 of the Investment Company Act of 1940 for each class for each Fund with the exception of Class I. The Class A Plan provides that each Fund may pay a servicing or Rule 12b-1 fee at an annual rate of 0.25% of the Funds average net assets on a monthly basis to persons or institutions for performing certain servicing functions for the Funds shareholders. The Plan also allows the Fund to pay or reimburse expenditures in connection with sales and promotional services related to distribution of the Funds shares, including personal services provided to prospective and existing shareholders. The Class B and C Plans provides that each Fund may pay a servicing or Rule 12b-1 fee at an amount rate of 0.25% on a monthly basis and provides that each Fund may compensate Quaker Funds, Inc. (the "SPONSOR") and others for services provided and expenses incurred in the distribution of shares at an annual rate of 0.75% on a monthly basis.

The Sponsor has informed the Trust that for the year ended June 30, 2001 it received contingent deferred sales charges from certain redemptions of the Funds' Class B shares and Class C shares of \$1,908 and \$2,927, respectively and received \$1,003 in front-end sales charges from sales of the Funds' Class A shares. The respective shareholders pay such charges which are not an expense of the Fund.

For the year ended June 30, 2001 Aggressive Growth, Mid-Cap Value and Small-Cap Growth Funds incurred \$505,156, \$56 and \$11,955, respectively in brokerage commissions with the Distributor, an affiliate of the Sponsor and Advisor, for portfolio transactions executed on behalf of the Funds.

Certain Trustees and officers of the Trust are also officers of the Advisor, the Distributor or the Administrator.

#### NOTE 3 -- SERVICE FEES

The Board of Trustees, including a majority of the Trustees who are not "interested persons" of the Trust as defined in the Investment Company Act of 1940 (the "ACT"), adopted a Shareholder Servicing Agreement (the "AGREEMENT"). Pursuant to this Agreement, the Sponsor will provide oversight with respect to each Fund's investment advisor, arrange for payment of investment advisory and administrative fees, coordinate payments under each Fund's Distribution Plan, develop communications with existing Fund shareholders, assist in responding to shareholder inquiries, and will provide other shareholder services. As compensation for these services, Quaker Funds, Inc. receives a fee at the annual rate of 0.25% of each Fund's average daily net assets. The Sponsor may voluntarily waive all or a portion of its fee and reimburse expenses on a fund-by-fund basis to limit total Fund operating expenses. There can be no assurance that the voluntary fee waivers or reimbursements will continue. For the period ended June 30, 2001, the Sponsor reimbursed \$12,662 of expenses for Small-Cap Growth and waived all of its fees and reimbursed all other expenses for Money Market.

#### NOTE 4 -- DEFERRED ORGANIZATION EXPENSES

Expenses totaling \$33,324 incurred in connection with the Fund's initial organization and the registration of its shares, which were originally paid by the Fund's Sponsor, have been assumed by each Fund except the Mid-Cap Value Fund. The Mid-Cap Value Fund incurred \$10,000 in connection with its organization and registration of shares and has assumed that amount.

NOTE 4 -- DEFERRED ORGANIZATION EXPENSES -- (CONTINUED)

The organization expenses are being amortized using the straight-line method over a period of sixty months. Investors purchasing shares of the Fund bear such expenses only as they are amortized against the Fund's investment income.

Additional organization costs incurred in connection with the registration of the shares of the Small-Cap Growth, High Yield and Government Money Market Funds have been borne by the Sponsor.

NOTE 5 -- PURCHASES AND SALES OF INVESTMENTS

During the period ended June 30, 2001, purchases and sales of investment securities (excluding short-term investments and U.S. government securities) aggregated as follows:

	PURCHASES	SALE
	-----	-----
Core Equity Fund .....	\$29,888,318	\$30,590,116
Aggressive Growth Fund.....	58,260,026	44,133,554
Mid-Cap Value Fund .....	13,301,635	13,078,650
Small-Cap Value Fund .....	30,977,799	21,969,013
Fixed Income Fund .....	6,101,113	7,345,456
Small-Cap Growth Fund.....	8,333,013	4,156,854
High Yield Fund .....	12,993,007	4,225,914

During the period ended June 30, 2001, purchases and sales of U.S. government securities aggregated as follows:

	PURCHASES	SALE
	-----	-----
Aggressive Growth Fund.....	\$40,572,561	\$38,583,406
Fixed Income Fund .....	7,502,311	6,662,256
High Yield Fund .....	27,767,565	27,745,299
Government Money Market.....	2,212,801	2,391,351

NOTE 6 -- TAX MATTERS

At June 30, 2001 the Core Equity Fund had a capital loss carryforward for Federal income tax purposes of \$283,117 which expires in 2009. This Fund also had realized additional capital losses of \$3,759,896 for financial reporting purposes which have been deferred for Federal income tax purposes. For Federal income tax purposes, cost of investments was \$18,413,403 and gross unrealized appreciation, gross unrealized depreciation and net unrealized appreciation was \$1,628,361, \$1,219,370 and \$408,991, respectively.

At June 30, 2001 the Aggressive Growth Fund had a capital loss carryforward for Federal income tax purposes of \$415,845 which expires in 2009. This Fund also had realized additional capital losses of \$1,666,635 for financial reporting purposes which have been deferred for Federal income tax purposes. For Federal income tax purposes, cost of investments was \$60,025,841 and gross unrealized appreciation, gross unrealized depreciation and net unrealized appreciation was \$1,490,239, \$1,407,379 and \$82,860, respectively.

At June 30, 2001, for the Mid-Cap Value Fund for Federal income tax purposes, cost of investments was \$8,265,147 and gross unrealized appreciation, gross unrealized depreciation and net unrealized appreciation was \$994,631, \$458,928 and \$535,703, respectively.

At June 30, 2001, for the Small-Cap Value Fund for Federal income tax purposes, cost of investments was \$21,555,259 and gross unrealized appreciation, gross unrealized depreciation and net unrealized appreciation was \$4,723,344, \$1,200,913 and \$3,522,431, respectively.

At June 30, 2001 the Small Cap Growth Fund had a capital loss carryforward for Federal income tax purposes of \$17 which expires in 2009. This Fund also had realized additional capital losses of \$386,850 for financial reporting purposes which have been deferred for Federal income tax purposes. For Federal income tax purposes, cost of investments was \$3,808,918 and gross unrealized appreciation, gross unrealized depreciation and net unrealized appreciation was \$563,955, \$327,934 and \$236,021, respectively.



QUAKER INVESTMENT TRUST  
 NOTES TO THE FINANCIAL STATEMENTS -- (CONTINUED)  
 JUNE 30, 2001

## NOTE 6 -- TAX MATTERS -- (CONTINUED)

At June 30, 2001 the Fixed Income Fund had capital loss carryforwards for Federal income tax purposes of \$445,327 of which \$443,329 expires in 2008 and \$1,998 expires in 2009. For Federal income tax purposes, cost of investments was \$8,122,542 and gross unrealized appreciation, gross unrealized depreciation and net unrealized appreciation was \$276,229, \$38,952 and \$237,277, respectively.

At June 30, 2001 the High Yield Fund had a capital loss carryforward for Federal income tax purposes of \$66,161 which expires in 2009. This Fund also had realized additional capital losses of \$229,353 for financial reporting purposes which have been deferred for Federal income tax purposes. For Federal income tax purposes, cost of investments was \$9,725,694 and gross unrealized appreciation, gross unrealized depreciation and net unrealized depreciation was \$340,436, \$365,503 and \$25,067, respectively.

At June 30, 2001, for the Government Money Market Fund for Federal income tax purposes, cost of investments was \$670,958 and gross unrealized appreciation, gross unrealized depreciation and net unrealized appreciation was \$0, \$0 and \$0, respectively.

## NOTE 7 -- FUND SHARE TRANSACTIONS

At June 30, 2001, there were an unlimited number of shares of beneficial interest with a \$0.01 par value, authorized. The following table summarizes the activity in shares of each Fund:

## CORE EQUITY FUND -- CLASS A

	FOR THE YEAR ENDED JUNE 30, 2001		FOR THE YEAR ENDED JUNE 30, 2000	
	SHARES	AMOUNT	SHARES	AMOUNT
Shares sold .....	1,517,760	\$ 23,197,773	366,379	\$ 7,387,857
Shares issued to shareholders in reinvestment of distributions...	21,987	327,396	26,200	540,951
Shares redeemed .....	(1,917,604)	(31,290,845)	(330,684)	(6,562,958)
Net increase .....	(377,857)	\$ (7,765,676)	61,895	\$ 1,365,850
Shares outstanding:				
Beginning of period .....	1,490,540		1,428,645	
End of period .....	1,112,683		1,490,540	

## CORE EQUITY FUND -- CLASS B

	FOR THE YEAR ENDED JUNE 30, 2001	
	SHARES	AMOUNT
Shares sold.....	9,029	\$ 117,566
Shares issued to shareholders in reinvestment of distributions...	2	37
Shares redeemed.....	--	--
Net increase.....	9,031	\$ 117,603
Shares outstanding:		
Beginning of period.....	--	

End of period..... 9,031  
 =====

QUAKER INVESTMENT TRUST  
 NOTES TO THE FINANCIAL STATEMENTS-- (CONTINUED)  
 JUNE 30, 2001

NOTE 7 -- FUND SHARE TRANSACTIONS -- (CONTINUED)

CORE EQUITY FUND -- CLASS C

	FOR THE YEAR ENDED JUNE 30, 2001		FOR THE YEAR ENDED JUNE 30, 2000	
	SHARES	AMOUNT	SHARES	AMOUNT
Shares sold.....	44,475	\$ 756,267	253	\$ 5,000
Shares issued to shareholders in reinvestment of distributions...	555	8,205		
Shares redeemed.....	(728)	(9,121)		
Net increase.....	44,302	\$ 755,351		
Shares outstanding:				
Beginning of period.....	253			
End of period.....	44,555			

CORE EQUITY FUND -- CLASS I

	FOR THE YEAR ENDED JUNE 30, 2001	
	SHARES	AMOUNT
Shares sold.....	433,123	\$ 8,161,470
Shares issued to shareholders in reinvestment of distributions...	7,348	103,600
Shares redeemed.....	(81,163)	(1,319,578)
Net increase.....	359,308	\$ 6,945,492
Shares outstanding:		
Beginning of period.....	--	
End of period.....	359,308	

AGGRESSIVE GROWTH FUND -- CLASS A

	FOR THE YEAR ENDED JUNE 30, 2001		FOR THE YEAR ENDED JUNE 30, 2000	
	SHARES	AMOUNT	SHARES	AMOUNT
Shares sold.....	3,429,391	\$ 67,280,686	647,690	\$13,419,016
Shares issued to shareholders in reinvestment of distributions...	145,812	2,793,758	31,314	604,352
Shares redeemed.....	(932,948)	(19,348,173)	(137,378)	(2,700,794)
Net increase.....	2,642,255	\$ 50,726,271	541,626	\$11,322,574
Shares outstanding:				
Beginning of period.....	815,695		274,069	
End of period.....	3,457,950		815,695	

QUAKER INVESTMENT TRUST  
 NOTES TO THE FINANCIAL STATEMENTS -- (Continued)  
 JUNE 30, 2001

## NOTE 7 -- FUND SHARE TRANSACTIONS -- (CONTINUED)

## AGGRESSIVE GROWTH FUND -- CLASS B

	FOR THE YEAR ENDED JUNE 30, 2001	
	SHARES	AMOUNT
Shares sold.....	108,604	\$ 2,128,390
Shares issued to shareholders in reinvestment of distributions...	2,010	38,458
Shares redeemed.....	(2,174)	(41,919)
	108,440	\$ 2,124,929
		=====
Shares outstanding:		
Beginning of period.....	0	
	108,440	
		=====

## AGGRESSIVE GROWTH FUND -- CLASS C

	FOR THE YEAR ENDED JUNE 30, 2001	
	SHARES	AMOUNT
Shares sold.....	79,070	\$ 1,600,388
Shares issued to shareholders in reinvestment of distributions...	3,799	72,699
Shares redeemed.....	(3,870)	(73,487)
	78,999	\$ 1,599,600
		=====
Shares outstanding:		
Beginning of period.....	0	
	78,999	
		=====

## AGGRESSIVE GROWTH FUND -- CLASS I

	FOR THE YEAR ENDED JUNE 30, 2001	
	SHARES	AMOUNT
Shares sold.....	272,301	\$ 6,270,839
Shares issued to shareholders in reinvestment of distributions...	35,076	671,700
Shares redeemed.....	(81,439)	(1,585,938)
	225,938	\$ 5,356,601
		=====
Shares outstanding:		
Beginning of period.....	0	
	225,938	
		=====

QUAKER INVESTMENT TRUST  
 NOTES TO THE FINANCIAL STATEMENTS -- (CONTINUED)  
 JUNE 30, 2001

## NOTE 7 -- FUND SHARE TRANSACTIONS-- (Continued)

## MID-CAP VALUE FUND -- CLASS A

	FOR THE YEAR ENDED JUNE 30, 2001		FOR THE YEAR ENDED JUNE 30, 2000	
	SHARES	AMOUNT	SHARES	AMOUNT
Shares sold.....	169,190	\$ 1,805,551	376,096	\$ 3,923,036
Shares issued to shareholders in reinvestment of distributions...	673	7,145	0	0
Shares redeemed.....	(826,999)	(8,524,769)	(700,762)	(7,228,425)
Net increase/(decrease).....	(657,136)	\$ (6,712,073)	(324,666)	\$ (3,305,389)
Shares outstanding:				
Beginning of period.....	780,277		1,104,943	
End of period.....	123,141		780,277	

## MID-CAP VALUE FUND -- CLASS B

	FOR THE YEAR ENDED JUNE 30, 2001	
	SHARES	AMOUNT
Shares sold.....	45,697	\$ 503,942
Shares issued to shareholders in reinvestment of distributions...	0	0
Shares redeemed.....	0	0
Net increase.....	45,697	\$ 503,942
Shares outstanding:		
Beginning of period.....	0	
End of period.....	45,697	

## MID-CAP VALUE FUND -- CLASS C

	FOR THE YEAR ENDED JUNE 30, 2001	
	SHARES	AMOUNT
Shares sold.....	138,297	\$ 1,473,896
Shares issued to shareholders in reinvestment of distributions...	272	2,872
Shares redeemed.....	(3,826)	(41,439)
Net increase.....	134,743	\$ 1,435,329
Shares outstanding:		
Beginning of period.....	0	
End of period.....	134,743	

QUAKER INVESTMENT TRUST  
NOTES TO THE FINANCIAL STATEMENTS -- (CONTINUED)  
JUNE 30, 2001

NOTE 7 -- FUND SHARE TRANSACTIONS -- (CONTINUED)

MID-CAP VALUE FUND -- CLASS I

	FOR THE YEAR ENDED JUNE 30, 2001	
	SHARES	AMOUNT
Shares sold.....	493,427	\$ 5,135,764
Shares issued to shareholders in reinvestment of distributions...	2,939	31,327
Shares redeemed.....	(18,882)	(210,051)
	477,484	\$ 4,957,040
Net increase.....		=====
Shares outstanding:		
Beginning of period.....	0	
End of period.....	477,484	
		=====

SMALL-CAP VALUE FUND -- CLASS A

	FOR THE YEAR ENDED JUNE 30, 2001		FOR THE YEAR ENDED JUNE 30, 2000	
	SHARES	AMOUNT	SHARES	AMOUNT
Shares sold.....	294,241	\$ 4,191,405	328,885	\$ 3,944,546
Shares issued to shareholders in reinvestment of distributions...	14,704	210,714	29,546	364,010
Shares redeemed.....	(847,879)	(11,983,574)	(482,778)	(5,806,409)
	(538,934)	\$ (7,581,455)	(124,347)	\$ (1,497,853)
Net increase/(decrease).....		=====		=====
Shares outstanding:				
Beginning of period.....	892,177		1,016,524	
End of period.....	353,243		892,177	
		=====		=====

SMALL-CAP VALUE FUND -- CLASS B

	FOR THE YEAR ENDED JUNE 30, 2001	
	SHARES	AMOUNT
Shares sold.....	6,591	\$ 95,745
Shares issued to shareholders in reinvestment of distributions...	51	736
Shares redeemed.....	0	0
	6,642	\$ 96,481
Net increase.....		=====
Shares outstanding:		
Beginning of period.....	0	
End of period.....	6,642	
		=====

QUAKER INVESTMENT TRUST  
 NOTES TO THE FINANCIAL STATEMENTS -- (CONTINUED)  
 JUNE 30, 2001

## NOTE 7 -- FUND SHARE TRANSACTIONS -- (CONTINUED)

## SMALL-CAP VALUE FUND -- CLASS C

	FOR THE YEAR ENDED JUNE 30, 2001	
	SHARES	AMOUNT
Shares sold.....	17,510	\$ 247,035
Shares issued to shareholders in reinvestment of distributions...	390	5,484
Shares redeemed.....	0	0
Net increase.....	17,900	\$ 252,519
Shares outstanding:		
Beginning of period.....	0	
End of period.....	17,900	=====

## SMALL-CAP VALUE FUND -- CLASS I

	FOR THE YEAR ENDED JUNE 30, 2001	
	SHARES	AMOUNT
Shares sold.....	1,197,430	\$ 17,009,528
Shares issued to shareholders in reinvestment of distributions...	44,961	645,190
Shares redeemed.....	(19,664)	(284,768)
Net increase.....	1,222,727	\$ 17,369,950
Shares outstanding:		
Beginning of period.....	0	
End of period.....	1,222,727	=====

## SMALL-CAP GROWTH FUND -- CLASS A

	FOR THE YEAR ENDED JUNE 30, 2001	
	SHARES	AMOUNT
Shares sold.....	3,444	\$ 30,000
Shares issued to shareholders in reinvestment of distributions...	0	0
Shares redeemed.....	0	0
Net increase.....	3,444	\$ 30,000
Shares outstanding:		
Beginning of period.....	0	
End of period.....	3,444	=====

QUAKER INVESTMENT TRUST  
NOTES TO THE FINANCIAL STATEMENTS -- (CONTINUED)  
JUNE 30, 2001

NOTE 7 -- FUND SHARE TRANSACTIONS -- (CONTINUED)

SMALL-CAP GROWTH FUND -- CLASS B

	FOR THE YEAR ENDED JUNE 30, 2001	
	SHARES	AMOUNT
Shares sold.....	3,078	\$ 24,500
Shares issued to shareholders in reinvestment of distributions...	0	0
Shares redeemed.....	0	0
	3,078	\$ 24,500
Net increase.....		=====
Shares outstanding:		
Beginning of period.....	0	
End of period.....	3,078	

SMALL-CAP GROWTH FUND -- CLASS I

	FOR THE YEAR ENDED JUNE 30, 2001	
	SHARES	AMOUNT
Shares sold.....	449,056	\$ 4,188,243
Shares issued to shareholders in reinvestment of distributions...	0	0
Shares redeemed.....	(3,375)	(28,068)
	445,681	\$ 4,160,175
Net increase.....		=====
Shares outstanding:		
Beginning of period.....	0	
End of period.....	445,681	

FIXED INCOME FUND -- CLASS A

	FOR THE YEAR ENDED JUNE 30, 2001		FOR THE YEAR ENDED JUNE 30, 2000	
	SHARES	AMOUNT	SHARES	AMOUNT
Shares sold.....	152,674	\$ 1,555,384	261,638	\$ 2,549,061
Shares issued to shareholders in reinvestment of distributions...	42,894	431,649	39,296	386,400
Shares redeemed.....	(246,644)	(2,482,144)	(213,192)	(2,116,270)
	(51,076)	\$ (495,111)	87,742	\$ 819,191
Net increase/(decrease).....		=====		=====
Shares outstanding:				
Beginning of period.....	845,210		757,468	
End of period.....	794,134		845,210	

NOTE 7 -- FUND SHARE TRANSACTIONS -- (CONTINUED)

FIXED INCOME FUND -- CLASS B

	FOR THE YEAR ENDED JUNE 30, 2001	
	SHARES	AMOUNT
Shares sold.....	97	\$ 1,000
Shares issued to shareholders in reinvestment of distributions...	1	11
Shares redeemed.....	0	0
Net increase/(decrease).....	98	\$ 1,011
Shares outstanding:		
Beginning of period.....	0	
End of period.....	98	

FIXED INCOME FUND -- CLASS C

	FOR THE YEAR ENDED JUNE 30, 2001	
	SHARES	AMOUNT
Shares sold.....	3,258	\$ 33,248
Shares issued to shareholders in reinvestment of distributions...	58	596
Shares redeemed.....	(117)	(1,200)
Net increase/(decrease).....	3,199	\$ 32,644
Shares outstanding:		
Beginning of period.....	0	
End of period.....	3,199	

FIXED INCOME FUND -- CLASS I

	FOR THE YEAR ENDED JUNE 30, 2001	
	SHARES	AMOUNT
Shares sold.....	3,309	\$ 33,919
Shares issued to shareholders in reinvestment of distributions...	45	457
Shares redeemed.....	0	0
Net increase/(decrease).....	3,354	\$ 34,376
Shares outstanding:		
Beginning of period.....	0	
End of period.....	3,354	



HIGH YIELD FUND -- CLASS A

		FOR THE YEAR ENDED JUNE 30, 2001	
		SHARES	AMOUNT
		-----	-----
Shares sold.....		21,662	\$ 205,988
Shares issued to shareholders in reinvestment of distributions...		794	7,498
Shares redeemed.....		(10)	(100)
		-----	-----
Net increase.....		22,446	\$ 213,386
			=====
Shares outstanding:			
Beginning of period.....		0	
		-----	
End of period.....		22,446	
		-----	

HIGH YIELD FUND -- CLASS B

		FOR THE YEAR ENDED JUNE 30, 2001	
		SHARES	AMOUNT
		-----	-----
Shares sold.....		12,599	\$ 120,000
Shares issued to shareholders in reinvestment of distributions...		353	3,284
Shares redeemed.....		0	0
		-----	-----
Net increase.....		12,952	\$ 123,284
			=====
Shares outstanding:			
Beginning of period.....		0	
		-----	
End of period.....		12,952	
		-----	

HIGH YIELD FUND -- CLASS C

		FOR THE YEAR ENDED JUNE 30, 2001	
		SHARES	AMOUNT
		-----	-----
Shares sold.....		3,131	\$ 30,000
Shares issued to shareholders in reinvestment of distributions...		35	339
Shares redeemed.....		0	--
		-----	-----
Net increase.....		3,166	\$ 30,339
			=====
Shares outstanding:			
Beginning of period.....		0	
		-----	
End of period.....		3,166	
		-----	

HIGH YIELD FUND -- CLASS I

	FOR THE YEAR ENDED JUNE 30, 2001	
	SHARES	AMOUNT
Shares sold.....	904,331	\$ 8,867,723
Shares issued to shareholders in reinvestment of distributions...	83,575	785,926
Shares redeemed.....	(24,326)	(223,388)
Net increase.....	963,580	\$ 9,430,261
Shares outstanding:		
Beginning of period.....	--	
End of period.....	963,580	

GOVERNMENT MONEY MARKET FUND -- CLASS I

	FOR THE YEAR ENDED JUNE 30, 2001	
	SHARES	AMOUNT
Shares sold.....	2,816,858	\$ 2,816,858
Shares issued to shareholders in reinvestment of distributions...	9,726	9,726
Shares redeemed.....	(2,153,917)	(2,153,917)
Net increase.....	672,667	\$ 672,667
Shares outstanding:		
Beginning of period.....	0	
End of period.....	672,667	

INDEPENDENT AUDITORS' REPORT

Shareholders and Board of Trustees  
 Quaker Investment Trust  
 Valley Forge, Pennsylvania

We have audited the statements of assets and liabilities, including the schedule of investments, of the Quaker Investment Trust (comprising, respectively, the Quaker Core Equity Fund, the Quaker Aggressive Growth Fund, the Quaker Mid-Cap Value Fund, the Quaker Small-Cap Value Fund, the Quaker Small-Cap Growth Fund, the Quaker Fixed Income Fund, the Quaker High Yield Fund, and the Quaker Money Market Fund) as of June 30, 2001, and the related statements of operations and changes in net assets, and the financial highlights for the year then ended or the period from commencement of operations to June 30, 2001. These financial statements and financial highlights are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audit. The statements of changes in net assets for the year ended June 30, 2000 and the financial highlights for each of the periods presented through June 30, 2000 were audited by other auditors whose report dated August 11, 2000, expressed an unqualified opinion on the financial statement and financial highlights.

We conducted our audit in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial

highlights are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned as of June 30, 2001, by correspondence with the custodian and brokers. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of each of the portfolios constituting the Quaker Investment Trust, as of June 30, 2001, the results of their operations, the changes in their net assets, and the financial highlights for the year then ended or the period from commencement of operations to June 30, 2001 in conformity with U.S. generally accepted accounting principles.

BRIGGS, BUNTING & DOUGHERTY, LLP

Philadelphia, Pennsylvania  
August 2, 2001