

HUSSMAN INVESTMENT TRUST

HUSSMAN STRATEGIC GROWTH FUND

ANNUAL REPORT FOR THE PERIOD ENDING JUNE 30, 2001



Dear Shareholder,

The Hussman Strategic Growth Fund performed as intended in the past year, gaining 22.0% from inception on July 24, 2000 through June 30, 2001, versus a gain of 1.2% in the Russell 2000 (our primary benchmark). Other major indices such as the S&P 500 and Nasdaq Composite suffered losses over this period. For the first full year of the Fund's operations (ended July 23, 2001), the Fund gained 24.5%. While the Fund may take more significant market risks when appropriate, our defensive approach last year kept the volatility of the Fund quite low, with a maximum peak-to-trough pullback of just 5.6%.

I use the phrase "as intended" to describe our performance because the objective of the Fund is long-term capital appreciation, with added emphasis on preservation of capital in unfavorable market conditions. The past year provided a good display of this objective in action.

The Hussman Strategic Growth Fund is first and foremost a *growth* fund, and it is our business to take appropriate risks. We take risks that we expect to be compensated, and we try to avoid, hedge, or diversify away less favorable risks. As a result, when we hedge away market risk, or avoid overvalued or weak industry groups, unexpected advances in these areas may occasionally cause us to miss a gain or even lose ground. It is important to understand that these risks, like all the risks we take, are an *intentional* part of our discipline.

While the long-term success of the Fund can be measured by how well we satisfy our objectives of capital appreciation and preservation, I measure short-term success by our ability to add holdings that build good value and strong market action into the Fund. It is impossible to control the direction of the Fund on a short-term basis, and I do not attempt to "time" the market in this manner. In my view, a good day for the Fund is when we are able to purchase highly ranked candidates on short-term weakness, or to replace lower ranked holdings on short-term strength. I believe that this adherence to discipline over the short-term is what produces favorable investment returns over the long-term.

Performance Details

The performance of the Fund is driven by four engines: 1) the valuation of the individual stocks we hold; 2) the trend strength of the stocks we hold; 3) the valuation of the overall market and; 4) the trend strength of the overall market. The "strategic" aspect of the Fund is that we can actively choose which of these engines to engage, and which ones to shut down. Our stock selection is intended to build a portfolio of individual stocks displaying favorable valuation and signs of persistent buying interest. These stocks are also affected by movements in the overall market. Depending on the valuation and internal strength of the overall market, the Fund can take on the market risk of the stocks we own, or hedge it away.

Last year, we were able to fully engage our stock selection engines. The Fund generally maintained a fully invested position in favored stocks, emphasizing sectors displaying good value and favorable market action, including consumer cyclicals, defense stocks, apparel, healthcare, and utilities. In contrast, the Fund underweighted technology and financial stocks, which remain vulnerable based on our criteria.

The overall market engines were in flames and leaking fuel last year, so we chose to shut them down. The Market Climate was characterized by overvaluation and weak internal action, so the Fund hedged its stock portfolio with a slightly smaller short position (using long put-short call option combinations) in the S&P 100 Index and the Russell 2000. This position muted the influence of overall market fluctuations on the Fund's portfolio.

While the Fund held a lighter weight in technology stocks than the major indices, we did have several holdings in this area. Despite the dramatic weakness in the technology sector, the performance of our technology selections was mixed, as both the largest gainer in the Fund (NVIDIA) and the largest loser in the Fund (Antec) were in this area. Other top gainers in the Fund came from a diverse range of industries, including gaming (Anchor), drugs (Genzyme, McKesson), apparel (Reebok, Nautica), engineering (URS), and tobacco (Philip Morris, R.J. Reynolds). In contrast, the largest losses in the Fund squarely focused on technology (DSET, Philips Electronics, Molecular Devices, Pomeroy Computer, Cable Design).

Current Position

On a valuation basis, the overall market continues to be strenuously overvalued. The price/earnings ratio on the S&P 500 stands near 27, compared to a historical norm near 14, while measures such as price/book, price/revenue and price/dividend ratios are even more extreme. In an environment of rising labor costs and limited pricing power, there remains considerable downward pressure on profit margins, so alternative valuation measures based on book value, revenues and dividends may be more accurate. Even if one takes the fairly optimistic view that S&P 500 earnings will reach the peak of their long-term 6% growth channel a decade from now, and that the P/E ratio will remain at 20 (the highest level ever seen on peak-earnings in prior market cycles), one still concludes that the S&P 500 is priced to deliver an average return of only 5% annually over the coming decade.

Still, overvaluation implies only the likelihood of poor *long-term* returns from a buy-and-hold approach. Shorter term returns have historically been affected by the strength and uniformity of market action across a wide range of industry groups and security types (e.g. large stocks, small stocks, utilities, retail, transportation, financials, corporate bonds, Treasury securities, etc). When such "trend uniformity" is favorable, we are quite willing to take on at least some overall market risk. Presently, we do not observe such uniformity, but it is important to understand that the Fund will take at least a modestly constructive market position (even in the face of significant overvaluation) if such uniformity emerges.

Fortunately, even in a market that is priced to deliver poor long-term returns, one may expect a series of bull and bear markets over shorter horizons. This is of little consequence to a buy-and-hold approach, but it can be beneficial to an approach that takes market risk selectively (for example, when prices are depressed or trends are uniformly favorable) and avoids market risk selectively (for example, when prices are elevated and market internals are weak). Though there is no assurance that a given investment approach will be successful in every type of market, I do believe that a flexible approach to taking market risk will be an advantage in the coming decade.

Moreover, our stock selection approach is not confined to the handful of large-cap growth stocks that drive the S&P 500 and account for the bulk of market capitalization. Increasingly, our favored purchase candidates can be found in the broader market at valuations well below the S&P 500, with consistent historical revenue growth as well. These include companies which are leaders in their industries such as R.R. Donnelly (business printing), Whirlpool (consumer durables) and V.F. Corporation (jeans and apparel).

Such names certainly seem “boring” compared to many of the high-tech glamour stocks currently of interest to investors. I am certainly not averse to purchasing “exciting” stocks when they satisfy our criteria. But I view investment as the purchase of reasonably predictable cash flows, at an attractive price, preferably with evidence of persistent accumulation by other investors. Nowhere in that definition is a requirement that a company must be exciting. Indeed, the Hussman Strategic Growth Fund has been far less exciting to-date than the average technology fund.

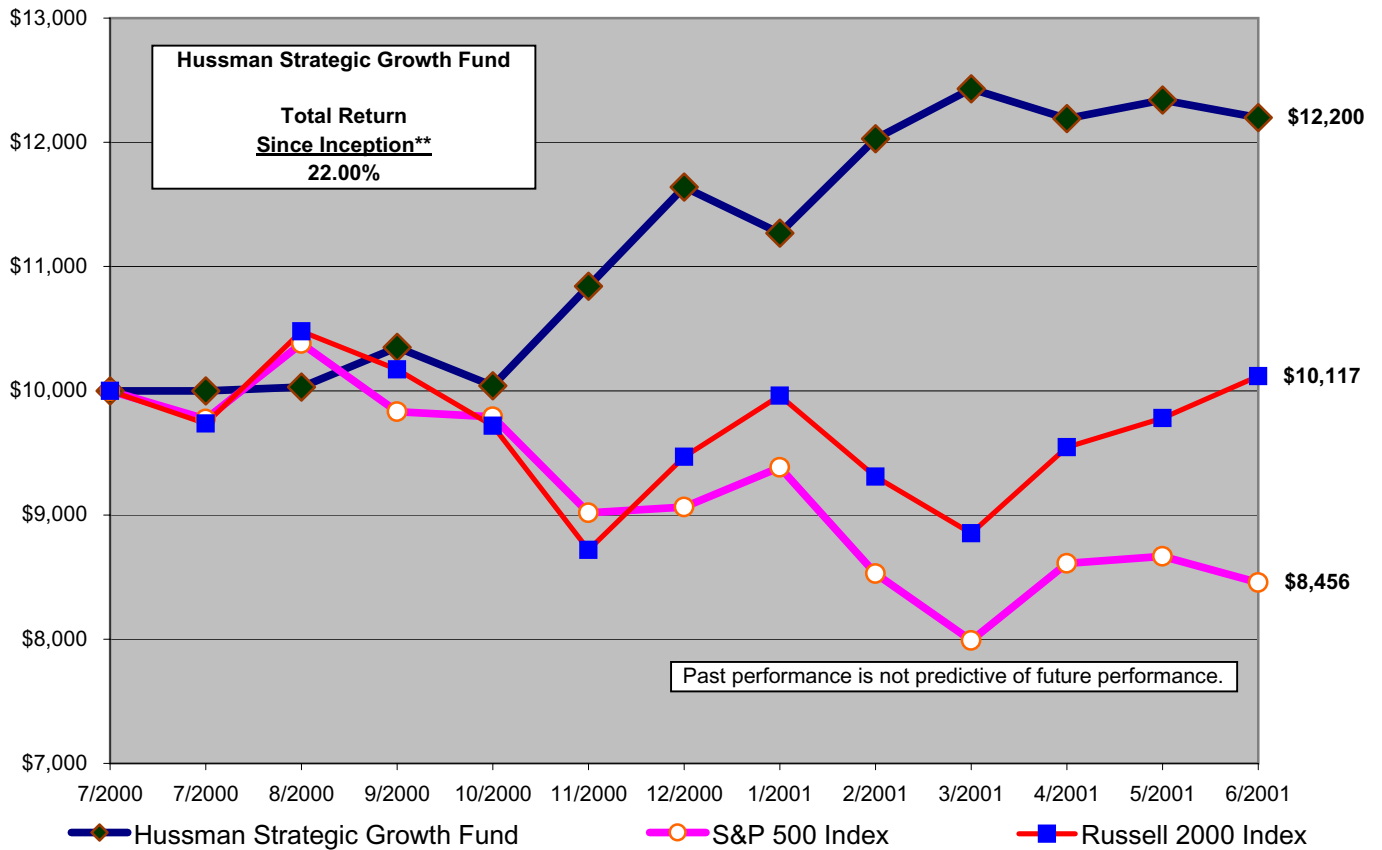
In short, the Fund has the ability to selectively take (and avoid) risks in individual stocks, industry groups, and the overall market. Our objective is not to forecast future conditions or “time” the market, nor do we attempt to find the bottom in exciting but high-risk industries. Our approach requires us only to maintain a position consistent with the current evidence: to build a portfolio of individual stocks emphasizing favorable value and market action, and to take a market position in line with the objective Market Climate we identify at any given time. I am pleased that this discipline has served our shareholders well.

Best wishes,

John P. Hussman, Ph.D.

Hussman Strategic Growth Fund

Comparison of the Change in Value of a \$10,000 Investment in the Hussman Strategic Growth Fund versus the Russell 2000 Index and the Standard & Poor's 500 Index*



* The Russell 2000 Index contains small and medium capitalization stocks, and is generally representative of the stocks held by the Hussman Strategic Growth Fund. The S&P 500 Index is a widely followed equity benchmark and is presented for comparative purposes only. Because the Hussman Strategic Growth Fund may vary its exposure to market fluctuations, Fund returns may differ from the performance of major stock market indices.

** Initial public offering of shares was July 24, 2000.

HUSSMAN INVESTMENT TRUST
Hussman Strategic Growth Fund
Financial Highlights
Selected Per Share Data and Ratios for a Share Outstanding Throughout
the Period Ended June 30, 2001*

Net asset value at beginning of period	<u>\$ 10.00</u>
Income from investment operations:	
Net investment income (loss)	(0.04)
Net realized and unrealized gains on investments	<u>2.24</u>
Total from investment operations	<u>2.20</u>
Net asset value at end of period	<u><u>\$ 12.20</u></u>
Total Return (not annualized)	<u><u>22.00%</u></u>
Net assets at end of period	<u><u>\$ 20,228,104</u></u>
Ratio of expenses to average net assets:	
Before advisory fees waived	2.36% (1)
After advisory fees waived	1.99% (1)
Ratio of net investment loss to average net assets	-0.53% (1)
Portfolio turnover rate	55% (1)

(1) Annualized.

* Represents the period from the commencement of operations (July 24, 2000) through June 30, 2001.

See accompanying notes to financial statements.

HUSSMAN INVESTMENT TRUST
Hussman Strategic Growth Fund
Statement of Changes in Net Assets
Period Ended June 30, 2001*

FROM OPERATIONS	
Net investment income (loss)	\$ (70,038)
Net realized gains from:	
Security transactions	76,642
Option contracts	565,289
Net change in unrealized appreciation/depreciation on investments	<u>1,933,963</u>
Net increase in net assets resulting from operations	<u>2,505,856</u>
 FROM CAPITAL SHARE TRANSACTIONS	
Proceeds from shares sold	18,793,475
Payments for shares redeemed	<u>(1,171,227)</u>
Net increase in net assets from capital share transactions	<u>17,622,248</u>
 TOTAL INCREASE IN NET ASSETS	 20,128,104
 NET ASSETS	
Beginning of period	<u>100,000</u>
End of period	<u>\$ 20,228,104</u>
 CAPITAL SHARE ACTIVITY	
Sold	1,743,744
Redeemed	<u>(95,868)</u>
Net increase in shares outstanding	1,647,876
Shares outstanding at beginning of period	<u>10,000</u>
Shares outstanding at end of period	<u>1,657,876</u>

* Represents the period from the commencement of operations (July 24, 2000) through June 30, 2001.

HUSSMAN INVESTMENT TRUST
Hussman Strategic Growth Fund
Statement of Operations
Period Ended June 30, 2001*

INVESTMENT INCOME	
Dividends	<u>\$ 191,740</u>
EXPENSES	
Investment advisory fees (Note 3)	163,612
Fund accounting fees (Note 3)	27,196
Administration fees (Note 3)	22,688
Transfer agent and shareholder services fees (Note 3)	16,875
Trustees' fees and expenses	14,213
Custodian and bank service fees	14,087
Professional fees	12,169
Registration and filing fees	10,949
Insurance expense	9,933
Printing of shareholder reports	9,784
Postage and supplies	4,681
Pricing fees	3,145
Other expenses	521
Total Expenses	<u>309,853</u>
Less fees waived by the Adviser (Note 3)	<u>(48,075)</u>
Net Expenses	<u>261,778</u>
NET INVESTMENT INCOME (LOSS)	<u>(70,038)</u>
REALIZED AND UNREALIZED GAINS ON INVESTMENTS	
Net realized gains from security transactions	76,642
Net realized gains on option contracts	565,289
Net change in unrealized appreciation/depreciation on investments	<u>1,933,963</u>
NET REALIZED AND UNREALIZED GAINS ON INVESTMENTS	<u>2,575,894</u>
NET INCREASE IN NET ASSETS FROM OPERATIONS	<u><u>\$ 2,505,856</u></u>

* Represents the period from the commencement of operations (July 24, 2000) through June 30, 2001.

See accompanying notes to financial statements.

HUSSMAN INVESTMENT TRUST
Hussman Strategic Growth Fund
Statement of Assets and Liabilities
June 30, 2001

ASSETS

Investments in securities:	
At acquisition cost	\$ 20,145,740
At value (Note 1)	\$ 21,931,040
Dividends receivable	17,195
Receivable for investment securities sold	165,594
Receivable for capital shares sold	258
Other assets	18,035
Total Assets	<u>22,132,122</u>

LIABILITIES

Written call options, at value (Notes 1 and 4)	
(premiums received \$1,887,163)	1,738,500
Payable for investment securities purchased	133,555
Payable for capital shares redeemed	1,075
Accrued investment advisory fees (Note 3)	3,943
Payable to Administrator (Note 3)	6,795
Other accrued expenses	20,150
Total Liabilities	<u>1,904,018</u>

NET ASSETS

\$ 20,228,104

Net assets consist of:

Paid-in capital	\$ 17,722,248
Accumulated net realized gains from security transactions	571,893
Net unrealized appreciation on investments	1,933,963
	<u>\$ 20,228,104</u>

Shares of beneficial interest outstanding (unlimited number of shares authorized, no par value)

1,657,876

Net asset value and offering price price per share (A) (Note 1)

\$ 12.20

(A) Redemption price varies based on length of time shares are held.

See accompanying notes to financial statements.

HUSSMAN INVESTMENT TRUST
Hussman Strategic Growth Fund
Portfolio of Investments
June 30, 2001

<u>Shares</u>		<u>Market Value</u>
	COMMON STOCKS - 106.8%	
	Aerospace/Defense - 7.7%	
3,000	Alliant Techsystems, Inc. (a)	\$ 269,700
4,000	Boeing Co. (The)	222,400
14,000	Esterline Technologies Corp. (a)	304,500
2,000	L-3 Communications Holdings, Inc. (a)	152,600
9,000	Lockheed Martin Corp.	333,450
3,500	Northrop Grumman Corp.	280,350
		<u>1,563,000</u>
	Air Freight - 0.2%	
59	FedEx Corp. (a)	2,372
2,000	Offshore Logistics, Inc. (a)	38,000
		<u>40,372</u>
	Banks - 0.8%	
3,000	KeyCorp	78,150
3,000	National City Corp.	92,340
		<u>170,490</u>
	Beverages - 1.2%	
6,000	Pepsi Bottling Group, Inc. (The)	240,600
		<u>240,600</u>
	Biotechnology - 1.5%	
2,000	Cell Therapeutics, Inc. (a)	55,280
4,000	Genzyme Corp. (a)	244,000
		<u>299,280</u>
	Building Materials - 0.6%	
5,000	Standard Pacific Corp.	115,750
		<u>115,750</u>
	Chemicals (Diversified) - 0.5%	
1,500	FMC Corp. (a)	102,840
		<u>102,840</u>
	Computers (Software and Services) - 1.1%	
17,000	Avant! Corp. (a)	226,100
		<u>226,100</u>
	Electrical Equipment - 3.8%	
10,000	Anixter International, Inc. (a)	307,000
17,000	Cable Design Technologies Corp. (a)	274,720
4,880	Koninklijke (Royal) Philips Electronics NV-ADR	128,978
2,000	Park Electrochemical Corp.	52,800
		<u>763,498</u>

See accompanying notes to financial statements.

HUSSMAN INVESTMENT TRUST
Hussman Strategic Growth Fund
Portfolio of Investments (continued)
June 30, 2001

<u>Shares</u>		<u>Market Value</u>
	COMMON STOCKS - 106.8% (continued)	
	Electric Companies - 5.5%	
2,000	Ameren Corp.	\$ 85,400
6,000	Cleco Corp.	136,500
3,000	DPL, Inc.	86,880
2,000	DTE Energy Co.	92,880
7,102	Progress Energy, Inc.	319,022
4,500	Reliant Energy, Inc.	144,945
5,000	UtiliCorp United, Inc.	152,750
3,000	Xcel Energy, Inc.	85,350
		<u>1,103,727</u>
	Electronics (Component Distributors) - 1.0%	
2,000	Bell Microproducts, Inc. (a)	23,920
5,000	Coherent, Inc. (a)	180,850
		<u>204,770</u>
	Electronics (Semiconductors) - 1.5%	
6,000	Integrated Silicon Solution, Inc. (a)	83,400
14,000	Pericom Semiconductor Corp. (a)	220,080
		<u>303,480</u>
	Engineering and Construction - 2.1%	
2,000	Jacobs Engineering Group, Inc. (a)	130,460
11,000	URS Corp. (a)	297,000
		<u>427,460</u>
	Entertainment - 1.9%	
6,000	Anchor Gaming (a)	387,720
	Equipment (Semiconductors) - 0.8%	
6,000	Nanometrics, Inc. (a)	164,922
	Foods - 2.0%	
7,500	Suiza Foods Corp. (a)	398,250
	Gold and Precious Metals Mining - 3.5%	
16,000	Barrick Gold Corp.	242,400
14,000	Homestake Mining Co.	108,500
11,000	Newmont Mining Corp.	204,710
15,000	Placer Dome, Inc.	147,000
		<u>702,610</u>
	Hardware and Tools - 1.3%	
6,000	Toro Co. (The)	269,700

See accompanying notes to financial statements.

HUSSMAN INVESTMENT TRUST
Hussman Strategic Growth Fund
Portfolio of Investments (continued)
June 30, 2001

<u>Shares</u>		<u>Market Value</u>
	COMMON STOCKS - 106.8% (continued)	
	Health Care (Drugs) - 2.7%	
11,000	McKesson HBOC, Inc.	\$ 408,320
7,000	VaxGen, Inc. (a)	133,000
		<u>541,320</u>
	Health Care (Managed Care) - 2.4%	
12,000	Health Net, Inc. (a)	208,800
5,000	Oxford Health Plans, Inc. (a)	143,000
1,500	Wellpoint Health Networks, Inc. - Class A (a)	141,360
		<u>493,160</u>
	Health Care (Medical Products and Supplies) - 6.1%	
7,000	Beckman Coulter, Inc.	285,600
7,000	DENTSPLY International, Inc.	310,450
7,000	Henry Schein, Inc. (a)	267,750
7,000	PolyMedica Corp. (a)	283,500
3,000	Respironics, Inc. (a)	89,280
		<u>1,236,580</u>
	Health Care (Specialized Services) - 2.3%	
3,000	IMPATH, Inc. (a)	132,900
3,000	RehabCare Group, Inc. (a)	144,600
20,000	US Oncology, Inc. (a)	177,800
		<u>455,300</u>
	Homebuilding - 4.3%	
2,000	Centex Corp.	81,500
8,880	D.R. Horton, Inc.	201,576
3,000	Del Webb Corp. (a)	116,070
3,500	Lennar Corp.	145,950
4,000	Ryland Group, Inc. (The)	202,400
3,000	Toll Brothers, Inc. (a)	117,930
		<u>865,426</u>
	Household Furnishings and Appliances - 2.7%	
13,000	Furniture Brands International, Inc. (a)	364,000
15,000	Pier 1 Imports, Inc.	172,500
		<u>536,500</u>
	Insurance (Life and Health) - 0.9%	
2,500	Everest Re Group, Ltd.	187,000
	Insurance (Multi-Line) - 1.3%	
9,000	Old Republic International Corp.	261,000

See accompanying notes to financial statements.

HUSSMAN INVESTMENT TRUST
Hussman Strategic Growth Fund
Portfolio of Investments (continued)
June 30, 2001

<u>Shares</u>		<u>Market Value</u>
	COMMON STOCKS - 106.8% (continued)	
	Insurance (Property-Casualty) - 2.8%	
5,000	ACE, Ltd.	\$ 195,450
7,000	Fidelity National Financial, Inc.	171,990
4,000	St. Paul Companies, Inc. (The)	202,760
		<u>570,200</u>
	Iron and Steel - 1.1%	
6,000	Precision Castparts Corp.	<u>224,520</u>
	Machinery (Diversified) - 0.8%	
5,000	Stewart & Stevenson Services, Inc.	<u>165,000</u>
	Manufacturing (Diversified) - 1.9%	
4,000	Cooper Industries, Inc.	158,360
4,000	National Service Industries, Inc.	90,280
6,000	Pittston Brink's Group	133,740
		<u>382,380</u>
	Manufacturing (Specialized) - 4.1%	
6,000	Englehard Corp.	154,740
6,000	Flowserve Corp. (a)	184,500
7,000	Goodrich Corp.	265,860
6,000	Kennametal, Inc.	221,400
		<u>826,500</u>
	Natural Gas - 3.0%	
4,000	Equitable Resources, Inc.	133,240
5,000	KeySpan Corp.	182,400
8,000	ONEOK, Inc.	157,600
5,000	Questar Corp.	123,800
		<u>597,040</u>
	Office Equipment and Supplies - 0.3%	
4,000	Wallace Computer Services, Inc.	<u>66,160</u>
	Oil and Gas (Exploration and Production) - 2.1%	
6,000	Energen Corp.	165,600
10,000	Patina Oil & Gas Corp.	265,000
		<u>430,600</u>
	Oil and Gas (Refining and Marketing) - 2.7%	
3,000	Phillips Petroleum Co.	171,000
5,000	Ultramar Diamond Shamrock Corp.	236,250
4,000	Valero Energy Corp.	147,120
		<u>554,370</u>

See accompanying notes to financial statements.

HUSSMAN INVESTMENT TRUST
Hussman Strategic Growth Fund
Portfolio of Investments (continued)
June 30, 2001

<u>Shares</u>		<u>Market Value</u>
	COMMON STOCKS - 106.8% (continued)	
	Personal Care - 1.1%	
5,500	Alberto-Culver Co. - Class B	\$ 231,220
	Publishing - 1.0%	
5,000	Scholastic Corp. (a)	210,500
	Railroads - 0.9%	
5,000	CSX Corp.	181,200
	Retail - 5.7%	
5,000	Children's Place Retail Stores, Inc. (The) (a)	134,000
2,000	Coldwater Creek, Inc. (a)	52,000
8,000	Dress Barn, Inc. (The) (a)	182,000
2,800	Rent-A-Center, Inc. (a)	147,280
7,000	School Specialty, Inc. (a)	180,950
5,000	TJX Companies, Inc. (The)	159,350
12,000	Toys "R" Us, Inc. (a)	297,000
		<u>1,152,580</u>
	Services (Advertising/Marketing) - 1.6%	
11,000	R.R. Donnelley & Sons Co.	326,700
	Services (Commerical and Consumer) - 2.2%	
10,000	Cendant Corp. (a)	195,000
4,000	H & R Block, Inc.	258,200
		<u>453,200</u>
	Shipping - 1.0%	
5,000	Teekay Shipping Corp.	200,100
	Textiles - 10.0%	
5,000	Jones Apparel Group, Inc. (a)	216,000
1,800	K-Swiss, Inc. - Class A	43,434
4,000	Lear Corp. (a)	139,600
4,000	Liz Claiborne, Inc.	201,800
4,000	Mohawk Industries, Inc. (a)	140,800
18,000	Nautica Enterprises, Inc. (a)	367,740
9,000	Reebok International, Ltd. (a)	287,550
4,000	Timberland Co. - Class A (The) (a)	158,040
15,000	Tommy Hilfiger Corp. (a)	210,000
7,000	V.F. Corp.	254,660
		<u>2,019,624</u>

See accompanying notes to financial statements.

HUSSMAN INVESTMENT TRUST
Hussman Strategic Growth Fund
Portfolio of Investments (continued)
June 30, 2001

Shares		Market Value
	COMMON STOCKS - 106.8% (continued)	
	Tobacco - 2.9%	
6,000	Philip Morris Companies, Inc.	\$ 304,500
5,000	R.J. Reynolds Tobacco Holdings, Inc.	273,000
		577,500
	Truckers - 0.7%	
2,000	Landstar System, Inc. (a)	136,040
	Waste Management - 1.2%	
5,000	Stericycle, Inc. (a)	234,750
	Total Common Stocks (Cost \$19,600,789)	\$ 21,601,039
	Contracts	
	PUT OPTION CONTRACTS - 1.4%	
225	Russell 2000 Index Option, 9/15/01 at \$480	\$ 134,325
105	S&P 100 Index Option, 9/15/01 at \$580	77,700
45	S&P 100 Index Option, 9/15/01 at \$620	75,600
	Total Put Option Contracts (Cost \$502,575)	\$ 287,625
	MONEY MARKETS - 0.2%	
42,376	Firststar Stellar Treasury Fund - Institutional Class (Cost \$42,376)	\$ 42,376
	Total Investments at Value - 108.4% (Cost \$20,145,740)	\$ 21,931,040
	Liabilities in Excess of Other Assets - (8.4)%	(1,702,936)
	Net Assets - 100.0%	\$ 20,228,104

(a) Non-income producing security

See accompanying notes to financial statements.

HUSSMAN INVESTMENT TRUST
Hussman Strategic Growth Fund
Schedule of Open Options Written
June 30, 2001

<u>Option Contracts</u>	<u>Written Call Options</u>	<u>Market Value of Options</u>	<u>Premiums Received</u>
225	Russell 2000 Index Option, 9/15/01 at \$480	\$ 898,200	\$ 786,800
105	S&P 100 Index Option, 9/15/01 at \$580	684,600	860,656
45	S&P 100 Index Option, 9/15/01 at \$620	<u>155,700</u>	<u>239,707</u>
		<u>\$ 1,738,500</u>	<u>\$ 1,887,163</u>

See accompanying notes to financial statements.

Report of Independent Public Accountants

To the Shareholders and Board of Trustees of
the Hussman Investment Trust:

We have audited the accompanying statement of assets and liabilities, including the portfolio of investments, of the Hussman Strategic Growth Fund (the Fund) of the Hussman Investment Trust as of June 30, 2001, and the related statements of operations, changes in net assets and financial highlights for the period then ended. 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.

We conducted our audit in accordance with auditing standards generally accepted in the United States. 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 the Hussman Strategic Growth Fund as of June 30, 2001, the results of its operations, the changes in its net assets and its financial highlights for the period then ended, in conformity with accounting principles generally accepted in the United States.

ARTHUR ANDERSEN LLP

Cincinnati, Ohio
July 27, 2001