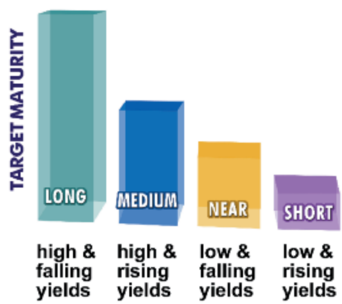
HUSSMAN INVESTMENT TRUST

Hussman Strategic Growth Fund

Hussman Strategic Total Return Fund

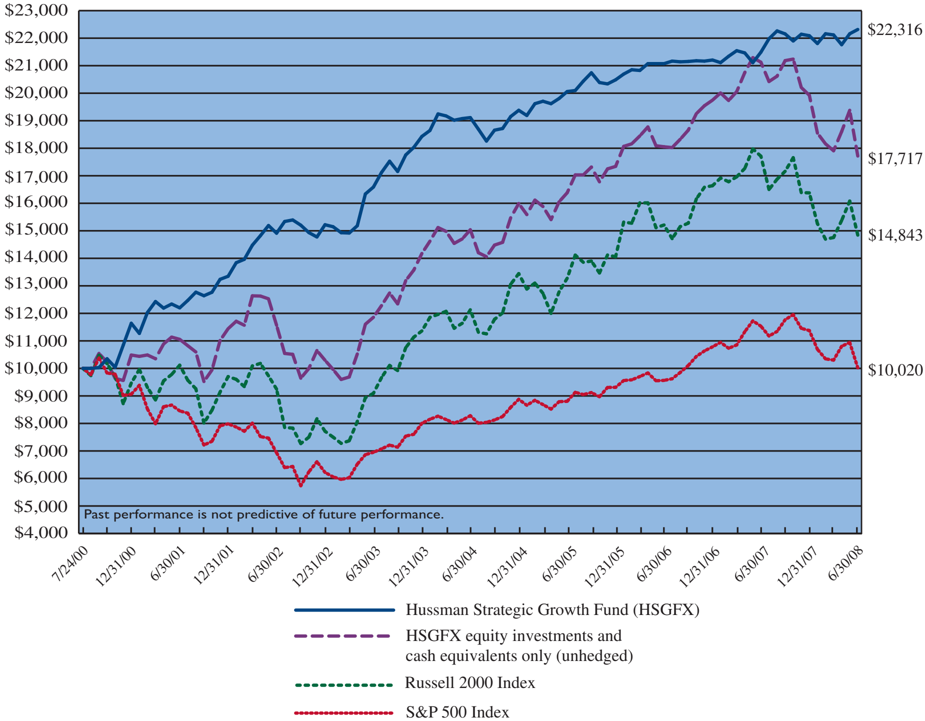


ANNUAL REPORT

JUNE 30, 2008

STRATEGIC GROWTH FUND

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



Average Annual Total Returns[(b)]

For Periods Ended June 30, 2008

	1 Year	3 Years	5 Years	Since Inception[(c)]
Hussman Strategic Growth Fund[(d)]	3.84%	3.62%	6.11%	10.65%
S&P 500 Index	(13.12%)	4.41%	7.58%	0.03%
Russell 2000 Index	(16.19%)	3.79%	10.29%	5.10%

(a) Hussman Strategic Growth Fund invests in stocks listed on the New York, American, and NASDAQ exchanges, and does not specifically restrict its holdings to a particular market capitalization. The S&P 500 and Russell 2000 are indices of large and small capitalization stocks, respectively. "HSGFX equity investments and cash equivalents only (unhedged)" reflects the performance of the Fund's stock investments and modest day-to-day cash balances, after fees and expenses, but excluding the impact of hedging transactions. The Fund's unhedged equity investments do not represent a separately available portfolio, and their peformance is presented solely for purposes of comparison and performance attribution.

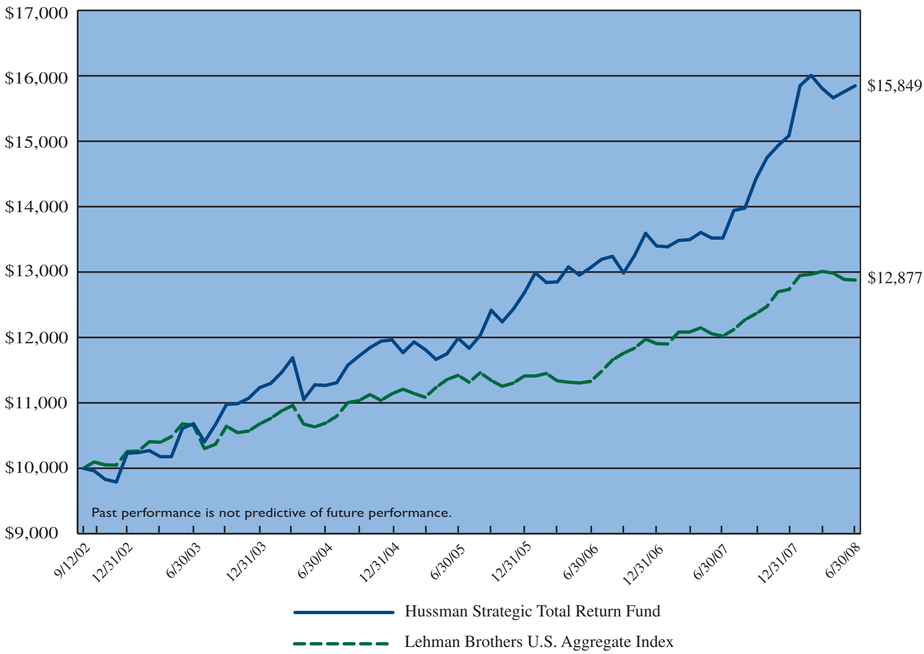
(b) Returns do not reflect the deduction of taxes a shareholder would pay on Fund distributions or the redemption of Fund shares.

(c) Initial public offering of shares was July 24, 2000.

(d) The Fund's expense ratio was 1.11% during its most recent fiscal year ended June 30, 2008.

STRATEGIC TOTAL RETURN FUND

Comparison of the Change in Value of a $10,000 Investment in Hussman Strategic Total Return Fund versus the Lehman Brothers U.S. Aggregate Index



Average Annual Total Returns[a]

For Periods Ended June 30, 2008

	1 Year	3 Years	5 Years	Since Inception[b]
Hussman Strategic Total Return Fund[c]	17.23%	9.75%	8.21%	8.27%
Lehman Brothers U.S. Aggregate Index[d]	7.12%	4.09%	3.87%	4.46%

[a] Returns do not reflect the deduction of taxes a shareholder would pay on Fund distributions or the redemption of Fund shares.

[b] Initial public offering of shares was September 12, 2002.

[c] The Fund manager has waived its investment advisory fees to the extent necessary to limit the Fund's annual ordinary operating expenses to 0.90% of its average daily net assets. The Fund's performance has been positively affected by these waivers. Absent such waivers, Fund performance would be lower. The Fund's expense ratio was 0.90% through its most recent fiscal year ended June 30, 2008.

[d] The Lehman Brothers U.S. Aggregate Index covers the U.S. investment grade fixed rate bond market, with index components for U.S. government, agency and corporate securities.

Dear Shareholder,

Hussman Strategic Growth Fund achieved its eighth consecutive year of positive total returns in the fiscal year ended June 30, 2008, while Hussman Strategic Total Return Fund achieved its sixth consecutive year of positive total returns. Both Funds have substantially outperformed their respective benchmarks in the most recent fiscal year, and since inception.

The Strategic Growth Fund has achieved an average annual total return of 10.65% from its inception on July 24, 2000 to June 30, 2008, compared with an average annual total return of 0.03% for the S&P 500 Index over the same period. With regard to periodic losses, the deepest peak-to-trough pullback in the Strategic Growth Fund within this period was –6.98%, compared with –47.41% for the S&P 500 Index. An initial $10,000 investment in the Fund on July 24, 2000 would have grown to $22,316, compared with $10,020 for the same investment in the S&P 500 index.

The Strategic Total Return Fund has achieved an average annual total return of 8.27% from its inception on September 12, 2002 to June 30, 2008, compared with an average annual total return of 4.46% for the Lehman Brothers U.S. Aggregate Index. An initial $10,000 investment in the Fund on September 12, 2002 would have grown to $15,849, compared with $12,877 for the same investment in the Lehman Brothers U.S. Aggregate Index.

More recently, for the fiscal year ended June 30, 2008, the Strategic Growth Fund achieved a total return of 3.84%, compared with a total return of -13.12% for the S&P 500 Index. For the fiscal year ended June 30, 2008, the Strategic Total Return Fund achieved a total return of 17.23%, compared with a total return of 7.12% for the Lehman Brothers U.S. Aggregate Index.

The investment objectives of the Hussman Funds are distinctly long-term and “full cycle” in nature, placing very little weight on tracking the market over short periods of time. Because of their emphasis on risk management, Fund returns will periodically behave differently than various market indices. The intent of our risk management is to outperform the major indices over the complete market cycle (bull and bear markets combined), with added emphasis on defending capital in unfavorable market conditions.

Strategic Growth Fund

Measured from its inception on July 24, 2000 through June 30, 2008, the Strategic Growth Fund has clearly achieved the goal of outperforming the S&P 500 Index over the full market cycle, with smaller periodic losses. In general, the most representative performance measurements for a risk-managed investment approach are those which extend from the peak of one market cycle to the peak of the next, or the trough of one market cycle to the trough of the next.

During the past fiscal year, the Fund has benefited from the general avoidance of financial stocks. I have been averse to these stocks for a number of years because of a combination of questionable credit quality and very high levels of gross leverage (total assets per dollar of shareholder equity). Prior to the recent turbulence, the earnings of financial companies benefited from this leverage, and financial companies were rewarded with very high market capitalizations relative to shareholder equity (put simply, price-to-book ratios approached three times the historical norm). The weight of financial companies also grew to about one-third the total market capitalization of the S&P 500 Index.

At present, the Strategic Growth Fund continues to have a far smaller weighting in financial stocks than is reflected in capitalization-weighted indices. The heavy schedule of mortgage loan resets suggests that foreclosures, loan losses and balance-sheet deleveraging have not yet run their course. Moreover, the lines of loan origination activity that produced strong earnings in recent years may be more difficult to resume in the face of higher credit standards and a weaker appetite for debt.

While the Fund benefited from an avoidance of financial stocks, the early portion of the recent market decline produced significant and indiscriminate losses for technology and consumer-related stocks, particularly in the retail area. Technology stocks have recovered moderately from the weakness in early 2008. However, consumer stocks have continued to lag. During typical market downturns, consumer stocks tend to achieve their lows earlier than other sectors, as nominal consumption spending has never declined on a year-over-year basis, even during recessions. From that standpoint, the sustained pressure on consumer stocks most probably contains an information component, suggesting that private consumption in the coming quarters may be less resilient than in prior economic downturns.

Even so, the heavy pressure on consumer stocks has, in some cases, priced out virtually all future prospects for growth. This has brought a number of stocks to valuations that – despite short-term uncertainties – appear very favorable from a long-term perspective. For that reason, the Strategic Growth Fund continues to invest in a variety of consumer-related equities. The Fund also holds significant weightings in the technology and health-care sectors.

Finally, commodity-related stocks have achieved unusually strong returns in recent years, helped by downward pressure on real interest rates, U.S. economic strength, and heavy foreign demand. As in past cycles, commodity prices have remained firm even through the initial portion of the recent economic downturn. However, commodities have historically tended to weaken in the face of a difficult economy as demand growth slows and inflation pressure abates. Despite the continued "global demand" theme, I believe it is unlikely that commodities have lost the cyclical tendencies that they have displayed throughout history. As oil prices surged to record highs during the second quarter of 2008, the Fund liquidated the bulk of its position in oil and energy related stocks.

The table below presents the total returns for the Strategic Growth Fund and S&P 500 Index since the inception of the Fund. In order to assist in attributing the effects of stock selection and hedging on the Fund, the table separately presents the returns of the stock positions and cash equivalents held by the Fund (after expenses), without the impact of hedging transactions.

Year	**HSGFX**	**HSGFX (Stocks Only)**	**S&P 500 Index**
2000*	16.40%	4.86%	-9.37%
2001	14.67%	9.13%	-11.89%
2002	14.02%	-10.03%	-22.10%
2003	21.08%	37.68%	28.68%
2004	5.16%	12.81%	10.88%
2005	5.71%	8.43%	4.91%
2006	3.51%	13.88%	15.79%
2007	4.16%	0.89%	5.49%
2008**	1.03%	-11.07%	-11.91%
Since Inception (Average annual return)	10.65%	7.48%	0.03%

* July 24, 2000 – December 31, 2000, not annualized

** Year-to-date through June 30, 2008, not annualized

The performance of the stocks held by the Fund has generally been a significant contributor to overall investment performance. Since inception, the average annualized return of the stocks held by the Fund has been 7.48% after expenses, accounting for much of the Fund's 10.65% average annual total return. In recent years, however, investors have had a speculative preference for stocks of lower quality (on the basis of earnings stability and balance sheet characteristics). As a result, the difference in performance between the stocks held by the Fund and the indices we use to hedge has been smaller than we have experienced in the past, and also smaller than I would expect over time. Meanwhile, the Fund's hedging has enhanced long-term returns while significantly reducing volatility and drawdown risk.

A Note on Valuations and Market Exposure

Since the inception of the Strategic Growth Fund in 2000, the Fund has outperformed the S&P 500 Index by 10.62% (1,062 basis points) annually, on average. The Fund is intended to outperform the stock market over the complete market cycle, with smaller periodic losses than a passive investment strategy. I view the Fund's long-term performance relative to the S&P 500 Index as consistent with that intent; neither disappointing nor extraordinary.

However, the period since 2000 is very unusual in one respect. Because of the high average level of market valuations during this period, the S&P 500 Index has itself achieved very poor average annual returns. Meanwhile, the measures we use to assess market conditions have encouraged us to hold a much smaller exposure to market risk than we generally expect over typical market cycles.

Specifically, in historical data, our best performing measures have generally suggested an average exposure to market risk of about 70% over the complete bull-bear cycle. This average exposure reflects some portions of the market cycle that warranted an aggressive investment position – fully invested or partially leveraged – and other portions that warranted a defensive investment position – fully or partially hedged. On average, about half of the average market cycle since 1950 would have warranted an aggressive investment position, and about half in a defensive investment position, based on the measures of valuation and market action we use to define market conditions.

Since 2000, however, these same measures have suggested an average exposure to market risk of less than 20%, with a defensive stance – fully or partially hedged – established fully 100% of the time. The fact that the S&P

500 Index has underperformed risk-free Treasury bills over the past decade provides some validation for that defensive stance, but it is important to recognize that our reluctance to accept substantial market risk over the recent cycle has been unusual.

From the standpoint of discounted long-term cash flows, I currently believe that the S&P 500 Index remains priced to achieve relatively unsatisfactory returns over the coming 5-7 year period. However, substantial market weakness over a shorter period could reduce valuations to the level where expected long-term market returns would appear satisfactory or even compelling. At that point, the Fund is likely to accept a substantially greater level of market risk than it has in recent years. Thus, the defensiveness of the Fund's investment position in recent years should not be viewed as typical.

Our exposure to market risk is generally proportional to the return that we can expect from such risk. So a more aggressive exposure to risk would, of course, be motivated by expectations of higher total returns over the complete market cycle.

In short, the recent market cycle warranted less exposure to market risk than I would expect over the long-term. While the performance of the Strategic Growth Fund relative to the S&P 500 Index has been generally consistent with my expectations since the inception of the Fund, the absolute returns of both have been lower than I would expect over the long-term, owing to an environment of rich valuations that is unlikely to persist over time.

Strategic Total Return Fund

For the fiscal year ended June 30, 2008, the Strategic Total Return Fund achieved a total return of 17.23%, compared with a total return of 7.12% in the Lehman Brothers U.S. Aggregate Index.

The performance of the Fund benefited both from strength in precious metals shares, in which the Fund generally held 10-25% of its assets, and from strength in Treasury Inflation Protected Securities ("TIPS"). The Fund's investments in these asset classes are dependent on the prevailing combination of valuations and market action in each sector. Early in 2008, real yields on TIPS moved to negative levels, as investors sought safety from credit risk as well as inflation protection. The Fund liquidated the bulk of its TIPS holdings into this demand. As the price of gold approached and then exceeded $1000 per ounce, the Fund also liquidated the bulk of its exposure in precious metals shares.

Treasury yields remain relatively depressed, providing little incentive for long-duration bond exposures having significant interest rate risk. At the same time, there remains some potential for a renewed flight to safety, as our measures of economic pressure continue to suggest greater risk of a U.S. recession than seems widely anticipated. As of June 2008, the majority of the Fund's investments were in near-term Treasury securities, with an overall portfolio duration of less than 2 years. The Fund also held approximately 15% of its investments in foreign currencies.

The relatively defensive stance of the Fund is likely to result in modest Fund returns and limited volatility over the near term. However, because the Fund has frequently altered its allocation to various asset classes in response to shifts in valuation and market action, I expect to accept increased interest rate and investment risks as market conditions change, particularly in the event that Treasury yields increase substantially.

The table below presents the total returns for the Strategic Total Return Fund since inception.

Year	HSTRX	Lehman Brothers U.S. Aggregate Index
2002*	2.30%	2.56%
2003	9.80%	4.10%
2004	6.50%	4.34%
2005	6.00%	2.43%
2006	5.66%	4.33%
2007	12.61%	6.97%
2008**	5.04%	1.13%
Since Inception (Average annual return)	8.27%	4.46%

* September 12, 2002 – December 31, 2002, not annualized

** Year-to-date through June 30, 2008, not annualized

Portfolio Composition and Performance Drivers

As of June 30, 2008, the Strategic Growth Fund had net assets of $3,275,007,964, and held 98 stocks in a wide variety of industries. The largest sector holdings as a percent of net assets were in information technology (32.5%), consumer discretionary (21.0%), health care (23.8%), and consumer staples (12.5%). The smallest industry weights relative to the S&P 500 Index were in energy (0.4%), financials (0.0%) and utilities (0.0%).

The Fund's holdings of individual stocks as of June 30, 2008 accounted for $2,946,765,924, or 90.0% of net assets. Against these stock positions, the Fund also held 14,500 option combinations (long put option, short call option) on the S&P 500 Index, 2,400 option combinations on the Nasdaq 100 Index and 9,000 option combinations on the Russell 2000 Index. Each option combination behaves as an interest-bearing short sale on the underlying index, with a notional value of $100 times the index value. On June 30, 2008, the S&P 500 Index closed at 1280.00, while the Nasdaq 100 Index and the Russell 2000 Index closed at 1837.09 and 689.66, respectively. The Fund's total hedge therefore represented a short position of $2,917,595,600, thereby hedging 99.0% of the dollar value of the Fund's long investment positions in individual stocks.

The overall returns on the hedged investment position can be expected to be driven by several factors. First, a hedged position earns the difference in performance between the stocks it holds long (after expenses) and the indices it uses to hedge. In addition, because of the way that options are priced, the combination of a put option and a short call option acts as an interest-bearing short position on the underlying index, and delivers implied interest at a rate close to short-term Treasury yields.

The strike prices of the long put and short call options held by the Fund may differ, provided that only one strike is "in the money" at the time a given option combination is established. It is possible to improve the defense against market losses by "staggering" these strike prices, placing the strike of the long put option higher than the strike of the short call option, with both strike prices below the level of the corresponding market index when the position is initiated. The potential risk – compared to a "flat hedge" where the strike prices of the put and call options are equal – is limited to a small amount of time premium (generally in the range of 1% of assets, which largely represents interest that would otherwise be earned on the hedge). Because our measures of valuation and market action have been unfavorable in recent months, the Fund has periodically maintained a "staggered strike" hedge in order to better defend against potential market weakness.

The Strategic Growth Fund continues to be very manageable, with substantial flexibility to respond to changing market conditions, low market impact of trading, commission costs well below estimated industry averages, and continued reductions in the Fund's expense ratio. The Fund's positions in individual stocks generally represent less than a single day's average trading volume in those securities. The Fund's average market impact of trading (the difference between the last sale at the time of order placement and the actual price at which the Fund's stock transactions are executed) is generally below 0.25%, and the Fund's average commission is 1.5 cents per share, compared with industry averages estimated to be several times that amount. Finally, the Fund's expense ratio during the fiscal year ended June 30, 2008 was 1.11%. According to recent statistics, the average expense ratio among the limited group of mutual funds pursuing similar strategies and classified as "long-short" by Morningstar is 1.76%.

Though the performance of the Strategic Growth Fund's diversified portfolio cannot be attributed to any narrow group of stocks, the following holdings achieved gains in excess of $15 million during current fiscal year ended June 30, 2008: Research in Motion, Western Digital and Medco Health Solutions. Holdings with losses in excess of $15 million were: Kohl's, Wellcare Health Plans, Dollar Tree Stores, Men's Wearhouse, Omnivision Technologies, Under Armour, Nvidia Corp. and Garmin.

As of June 30, 2008, the Strategic Total Return Fund had net assets of $330,965,072. Short-term Treasury bills accounted for 36.1% of the Fund's net assets, with Treasury notes, Treasury inflation protected securities and government agency securities representing an additional 44.5% of net assets. Foreign currencies accounted for 14.8% of net assets while precious metals shares accounted for only 1.2% of net assets. The Fund carried a duration of less than 2 years (meaning that a 1% change in interest rates would be expected to impact the Fund's asset value by less than 2% on the basis of bond price fluctuations).

In the Strategic Total Return Fund, during the fiscal year ended June 30, 2008 portfolio gains in excess of $1 million were achieved in Barrick Gold, Agnico-Eagle Mines, Compania de Minas Buenas ADR, US TIPS 3%, 7/2012, US TIPS 3.375% 1/2012, Goldcorp, US TIPS 2.375% 1/2025, Newmont Mining and Randgold Resources ADR. The Fund experienced no losses in excess of $1 million during the current fiscal year.

Present Conditions

Several years ago, I published an article titled "Freight Trains and Steep Curves," noting that corporations and homeowners were becoming increasingly dependent on adjustable-rate debt, and were placing an escalating bet on perpetually low short-term interest rates. I argued at the time that "this doesn't necessarily resolve into immediate risks, but it could profoundly affect the path that the economy and financial markets take during the next few years, by making the unwinding of debt much more abrupt." The near-term inflation risk and longer-term default risk that concerned me at that time are now becoming very evident.

Despite the substantial turbulence that the financial markets have experienced, the U.S. mortgage market still faces a heavy adjustable-rate reset schedule that will continue well into 2010. Meanwhile, despite substantial write-offs and increasing reserve provisions for bad debt held by U.S. banks, the FDIC noted in its recent quarterly banking profile that reserve growth has not kept pace with non-current loans, driving the "coverage ratio" of U.S. banks (loss reserves to non-current loans) to the lowest level in 15 years.

My concern is not simply whether financial companies have "priced in" the potential losses. The larger concern is that the losses of capital at financial companies may translate into a reduced ability to make new loans. In effect, the misallocation of capital during the recent housing boom is likely to slow and restrict the ability of the lending markets to recover.

With regard to the U.S. stock market, corporate earnings have softened considerably, driving the price-to-earnings multiple on the S&P 500 Index well above 20. Unfortunately, the reduced level of earnings for the S&P 500 is at about the level that we would historically expect on the basis of normal long-term profit margins. While price-to-earnings multiples appear much more reasonable on the basis of "forward operating earnings" forecasts from Wall Street analysts, these forecasts do not adjust for the cyclicality of profit margins, and continue to imply a prompt recovery to the record profit margins of recent years.

In my view, it is difficult to escape the fact that S&P 500 earnings, measured from peak-to-peak across market cycles, have been well contained by a long-term growth trendline rising at about 6% annually. This has remained true in recent decades. On that basis, it is straightforward to estimate the range of total returns for the S&P 500 Index that would result from applying a range of future price-to-earnings multiples to mid-channel earnings a decade from now. Multiples between 7 and 20 times earnings describe the vast majority of historical observations. Presently, such a calculation implies probable 10-year total returns on the S&P 500 Index of 3-5% annually, with annual total returns of as high as 9% if one assumes a rich future price-to-earnings multiple of 20 a decade from today (as was observed in 1929, 1972 and 1987), and annual total returns close to zero if one assumes a depressed future multiple of 7 (as was observed at the troughs of 1974 and 1982).

Meanwhile, the U.S. continues to run an enormous current account deficit, requiring the U.S. to import about $2 billion of capital daily from foreigners in order to finance our own gross domestic investment. Indeed, virtually all of the growth in U.S. domestic investment over the past decade has been financed through the import of foreign capital. While the deficit has declined somewhat in recent quarters, this has been matched by a similar decline in gross domestic investment. This is not a coincidence. Historically, there is a clear inverse relationship (nearly one-to-one) between annual changes in the current account deficit and annual changes in gross domestic investment.

Reducing our enormous current account deficit over time will equate to suppressing the growth rate of U.S. gross domestic investment as well. Most likely, housing will remain the weakest category of domestic investment for several years, while capital spending will continue to expand. In any event, it is important for investors to recognize that a heavy reliance on foreign capital, coupled with lack of fiscal discipline in the U.S., is likely to weigh on the growth potential of real U.S. investment for some time.

Wall Street continues to take a great deal of comfort from the belief that the global economy, particularly demand from China and India, will limit the prospects for a sustained economic downturn. This same thesis is evident in the recent surge in crude oil prices to record highs, reflecting a universal assumption that strong demand from these developing countries will continue without pause. In my view, the financial markets are overpaying for a wide range of securities on the basis of this “global demand” theme.

Unfortunately, the record of industrializing countries indicates that cycles of boom and bust are much more common than sustained exponential growth. Indeed, there are already emerging contradictions that challenge the notion of continuous growth from China and other industrializing countries. Such contradictions include the fact that the Shanghai stock index has dropped in half since its highs of last year, while inflation in China has increased enough for the government to raise reserve requirements and impose other monetary restrictions. China's rapid growth has also imposed a significant externality on its people in the form of increasing environmental pollution.

In recent years, China has maintained rapid growth partly by holding down the rate of appreciation in its currency. As this policy begins to produce inflationary consequences due to increasing resource constraints, China's imposition of monetary restraint may place additional upward pressure on the yuan. Accordingly, U.S. consumers are likely to observe continued import price inflation as either China's prices or its currency appreciate. For the same reasons, the growth rates of China's output and exports can be expected to slow. These factors will most probably combine to gradually reduce the U.S. current account deficit over time.

Investors can draw several implications from current economic conditions. First, given the relatively contained prospects for long-term returns in the stock and bond markets, periodically hedging or reducing market risk is not likely to forgo substantial long-term returns, and may substantially improve long-term returns during periods of market difficulty. I expect that we will probably observe normal or even depressed stock market valuations within the next few years, at which point the benefits of hedging will diminish, and the potential returns from accepting market risk will improve.

In the meantime, a variety of obstacles – including a depressed housing market, rising delinquencies and mortgage foreclosures, a wide U.S. current account deficit, and questionable stability of foreign demand – argue against the expectation of a quick resolution to recent market turbulence. Still, these risks should not be expected to translate into immediate or persistent difficulty for the markets. For that reason, I expect that our investment positions in stocks and bonds will tend to vary between moderate and defensive exposures, rather than maintaining a consistently defensive posture.

Aggressive exposures in the stock and bond markets will eventually be warranted by valuation. In stocks, value is reflected by prices that appear inexpensive in relation to expected future cash flows. In bonds, value is reflected by elevated yields, particularly relative to inflation and economic growth. It is the nature of market conditions to change over time, and there is every reason to expect that opportunities for aggressive investment will emerge in the years ahead. Meanwhile, we will continue to seek total return for the Funds by varying investment exposure in response to market fluctuations, and by focusing on investments in securities that demonstrate favorable valuation and market action based on our measures.

As always, the investment positions held by the Funds at any particular time reflect prevailing market conditions, and those positions will shift as market conditions change. I believe that our shareholders continue to be well served by our focus of aligning the market exposure and investment selection of the Funds in response to changing market conditions.

Sincerely,

John P. Hussman, Ph.D.

Past performance is not predictive of future performance. Investment results and principal value will fluctuate so that shares, when redeemed, may be worth more or less than their original cost. Current performance may be higher or lower than the performance data quoted.

Weekly updates regarding market conditions and investment strategy, as well as special reports, analysis, and performance data current to the most recent month end, are available at the Hussman Funds website www.hussmanfunds.com.

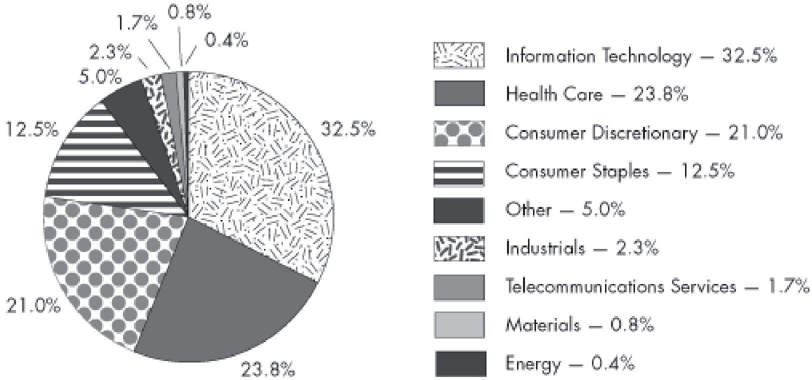
An investor should consider the investment objectives, risks, charges and expenses of the Funds carefully before investing. The Funds' prospectuses contain this and other important information. To obtain a copy of the Hussman Funds' prospectuses please visit our website at www.hussmanfunds.com or call 1-800-487-7626 and a copy will be sent to you free of charge. Please read the prospectus carefully before you invest. The Hussman Funds are distributed by Ultimus Fund Distributors, LLC.

The Letter to Shareholders seeks to describe some of the adviser's current opinions and views of the financial markets. Although the adviser believes it has a reasonable basis for any opinions or views expressed, actual results may differ, sometimes significantly so, from those expected or expressed. The securities held by the Funds that are discussed in the Letter to Shareholders were held during the period covered by this Report. They do not comprise the entire investment portfolios of the Funds, may be sold at any time and may no longer be held by the Funds. The opinions of the Funds' adviser with respect to those securities may change at any time.

Hussman Strategic Growth Fund
Portfolio Information

June 30, 2008 (Unaudited)

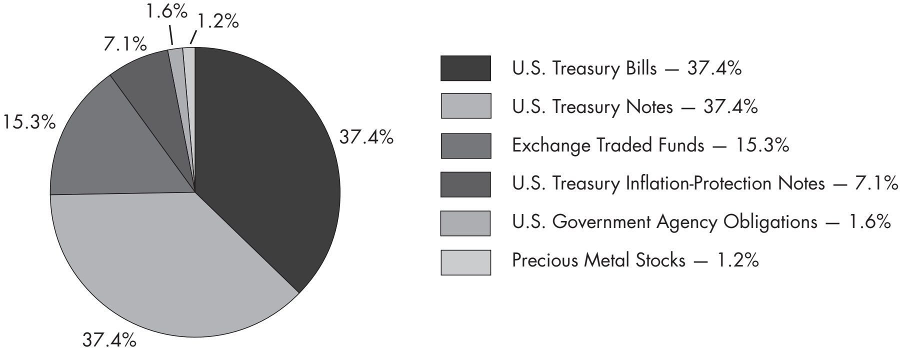
Sector Allocation (% of Total Investments)



Hussman Strategic Total Return Fund
Portfolio Information

June 30, 2008 (Unaudited)

Asset Allocation (% of Total Investments)



Statements of Assets and Liabilities

June 30, 2008

	Hussman Strategic Growth Fund	Hussman Strategic Total Return Fund
ASSETS		
Investments in securities:		
At acquisition cost	$ 3,377,229,482	$ 317,746,232
At value (Note 1)	$ 3,100,747,524	$ 319,665,404
Investments in money market funds	355,202,602	27,812,292
Cash	500,000	—
Dividends and interest receivable	2,090,893	781,096
Receivable for investment securities sold	36,710,019	—
Receivable for capital shares sold	4,290,887	3,204,665
Other assets	86,587	17,514
Total Assets	3,499,628,512	351,480,971
LIABILITIES		
Dividends payable	—	154,759
Written call options, at value (Notes 1 and 4) (premiums received $280,340,230)	158,261,600	—
Payable for investment securities purchased	61,313,256	19,952,106
Payable for capital shares redeemed	1,953,632	171,366
Accrued investment advisory fees (Note 3)	2,568,564	150,049
Payable to administrator (Note 3)	244,400	32,575
Other accrued expenses and liabilities	279,096	55,044
Total Liabilities	224,620,548	20,515,899
NET ASSETS	$ 3,275,007,964	$ 330,965,072
Net assets consist of:		
Paid-in capital	$ 3,200,346,971	$ 311,978,627
Undistributed net investment income	3,427,076	27,412
Undistributed net realized gains from security transactions and option contracts	225,637,245	17,039,861
Net unrealized appreciation (depreciation) on investments and options	(154,403,328)	1,919,172
NET ASSETS	$ 3,275,007,964	$ 330,965,072
Shares of beneficial interest outstanding (unlimited number of shares authorized, no par value)	208,227,484	27,608,469
Net asset value, offering price and redemption price per share[(a)] (Note 1)	$ 15.73	$ 11.99

[(a)] Redemption price varies based on length of time shares are held.

See accompanying notes to financial statements.

Statements of Operations

For the Year Ended June 30, 2008

	Hussman Strategic Growth Fund	Hussman Strategic Total Return Fund
INVESTMENT INCOME		
Dividends	$ 42,518,831	$ 1,147,110
Foreign withholding taxes on dividends	(959,800)	(10,543)
Interest	—	5,736,636
Total Income	41,559,031	6,873,203
EXPENSES		
Investment advisory fees (Note 3)	28,959,400	1,441,040 [(a)]
Administration fees (Note 3)	1,523,495	175,507
Transfer agent, account maintenance and shareholder services fees (Note 3)	1,446,467	99,474
Fund accounting fees (Note 3)	205,285	53,412
Custodian and bank service fees	221,543	31,840
Professional fees	126,245	83,145
Trustees' fees and expenses	102,264	102,264
Registration and filing fees	155,681	43,181
Postage and supplies	151,983	30,422
Printing of shareholder reports	102,703	12,603
Compliance service fees (Note 3)	61,945	10,340
Insurance expense	66,640	5,180
Other expenses	24,466	10,779
Total Expenses	33,148,117	2,099,187
NET INVESTMENT INCOME	8,410,914	4,774,016
REALIZED AND UNREALIZED GAINS (LOSSES) ON INVESTMENTS, OPTION CONTRACTS AND FOREIGN CURRENCIES (Note 4)		
Net realized gains (losses) from:		
Security transactions	120,852,054	25,769,121
Option contracts	444,750,445	—
Foreign currency transactions	—	(150,818)
Net change in unrealized appreciation (depreciation) on:		
Investments	(592,758,662)	131,221
Option contracts	125,723,300	—
Foreign currency translation	—	405,641
NET REALIZED AND UNREALIZED GAINS ON INVESTMENTS, OPTION CONTRACTS AND FOREIGN CURRENCIES	98,567,137	26,155,165
NET INCREASE IN NET ASSETS FROM OPERATIONS	$ 106,978,051	$ 30,929,181

[(a)] Includes previously waived investment advisory fees recouped by the Adviser of $158,202 (Note 3).

See accompanying notes to financial statements.

Statements of Changes in Net Assets

	Year Ended June 30, 2008	Year Ended June 30, 2007
FROM OPERATIONS		
Net investment income	$ 8,410,914	$ 25,856,188
Net realized gains (losses) from:		
Security transactions	120,852,054	233,531,062
Option contracts	444,750,445	(454,519,908)
Net change in unrealized appreciation (depreciation) on:		
Investments	(592,758,662)	207,026,921
Option contracts	125,723,300	41,102,500
Net increase in net assets resulting from operations	106,978,051	52,996,763
DISTRIBUTIONS TO SHAREHOLDERS		
From net investment income	(17,400,612)	(23,489,795)
From net realized gains	(114,944,646)	(82,737,302)
Decrease in net assets from distributions to shareholders	(132,345,258)	(106,227,097)
FROM CAPITAL SHARE TRANSACTIONS		
Proceeds from shares sold	1,393,246,801	1,059,530,817
Net asset value of shares issued in reinvestment of distributions to shareholders	110,537,588	91,037,302
Proceeds from redemption fees collected (Note 1)	1,327,985	1,117,226
Payments for shares redeemed	(923,061,260)	(1,196,239,367)
Net increase (decrease) in net assets from capital share transactions	582,051,114	(44,554,022)
TOTAL INCREASE (DECREASE) IN NET ASSETS	556,683,907	(97,784,356)
NET ASSETS		
Beginning of year	2,718,324,057	2,816,108,413
End of year	$3,275,007,964	$2,718,324,057
UNDISTRIBUTED NET INVESTMENT INCOME	$ 3,427,076	$ 12,416,774
CAPITAL SHARE ACTIVITY		
Sold	88,512,335	66,736,341
Reinvested	7,055,880	5,814,975
Redeemed	(58,798,862)	(75,716,471)
Net increase (decrease) in shares outstanding	36,769,353	(3,165,155)
Shares outstanding at beginning of year	171,458,131	174,623,286
Shares outstanding at end of year	208,227,484	171,458,131

See accompanying notes to financial statements.

Statements of Changes in Net Assets

	Year Ended June 30, 2008	Year Ended June 30, 2007
FROM OPERATIONS		
Net investment income	$ 4,774,016	$ 5,119,554
Net realized gains (losses) from:		
Security transactions	25,769,121	287,748
Foreign currency transactions	(150,818)	(2,220)
Net change in unrealized appreciation (depreciation) on:		
Investments	131,221	1,048,972
Foreign currency translation	405,641	(396,640)
Net increase in net assets resulting from operations	30,929,181	6,057,414
DISTRIBUTIONS TO SHAREHOLDERS		
From net investment income	(4,620,392)	(5,212,353)
From net realized gains	(8,955,458)	(6,811,839)
Decrease in net assets from distributions to shareholders	(13,575,850)	(12,024,192)
FROM CAPITAL SHARE TRANSACTIONS		
Proceeds from shares sold	174,234,766	55,949,249
Net asset value of shares issued in reinvestment of distributions to shareholders	12,210,240	10,639,496
Proceeds from redemption fees collected (Note 1)	172,048	76,402
Payments for shares redeemed	(47,485,755)	(44,953,233)
Net increase in net assets from capital share transactions	139,131,299	21,711,914
TOTAL INCREASE IN NET ASSETS	156,484,630	15,745,136
NET ASSETS		
Beginning of year	174,480,442	158,735,306
End of year	$ 330,965,072	$ 174,480,442
UNDISTRIBUTED NET INVESTMENT INCOME	$ 27,412	$ 24,469
CAPITAL SHARE ACTIVITY		
Sold	14,618,452	5,000,298
Reinvested	1,057,339	972,118
Redeemed	(4,051,804)	(4,037,214)
Net increase in shares outstanding	11,623,987	1,935,202
Shares outstanding at beginning of year	15,984,482	14,049,280
Shares outstanding at end of year	27,608,469	15,984,482

See accompanying notes to financial statements.

Hussman Strategic Growth Fund
Financial Highlights

Selected Per Share Data and Ratios for a Share Outstanding Throughout Each Year

	Year Ended June 30, 2008	Year Ended June 30, 2007	Year Ended June 30, 2006	Year Ended June 30, 2005	Year Ended June 30, 2004
Net asset value at beginning of year	$ 15.85	$ 16.13	$ 15.90	$ 15.89	$ 13.80
Income (loss) from investment operations:					
Net investment income (loss)	0.04	0.14	0.08	0.06	(0.04)
Net realized and unrealized gains on investments and options	0.55	0.16	0.69	0.68	2.13
Total from investment operations	0.59	0.30	0.77	0.74	2.09
Less distributions:					
Dividends from net investment income	(0.09)	(0.13)	(0.05)	(0.03)	—
Distributions from net realized gains	(0.63)	(0.46)	(0.50)	(0.71)	(0.01)
Total distributions	(0.72)	(0.59)	(0.55)	(0.74)	(0.01)
Proceeds from redemption fees collected (Note 1)	0.01	0.01	0.01	0.01	0.01
Net asset value at end of year	$ 15.73	$ 15.85	$ 16.13	$ 15.90	$ 15.89
Total return[a]	3.84%	1.98%	5.05%	4.95%	15.22%
Net assets at end of year (000's)	$3,275,008	$2,718,324	$2,816,108	$1,835,514	$1,316,703
Ratio of expenses to average net assets	1.11%	1.11%	1.14%	1.24%	1.34%
Ratio of net investment income (loss) to average net assets	0.28%	0.91%	0.63%	0.44%	(0.39%)
Portfolio turnover rate	150%	106%	63%	81%	66%

[a] Total return is a measure of the change in value of an investment in the Fund over the period covered, which assumes any dividends or capital gains distributions are reinvested in shares of the Fund. Returns do not reflect the deduction of taxes a shareholder would pay on Fund distributions or the redemption of Fund shares.

See accompanying notes to financial statements.

Hussman Strategic Total Return Fund
Financial Highlights

Selected Per Share Data and Ratios for a Share Outstanding Throughout Each Year

	Year Ended June 30, 2008	Year Ended June 30, 2007	Year Ended June 30, 2006	Year Ended June 30, 2005	Year Ended June 30, 2004
Net asset value at beginning of year	$ 10.92	$ 11.30	$ 10.94	$ 10.53	$ 10.54
Income from investment operations:					
Net investment income	0.24	0.32	0.32	0.24	0.21
Net realized and unrealized gains on investments and foreign currencies	1.59	0.06	0.65	0.42	0.35
Total from investment operations	1.83	0.38	0.97	0.66	0.56
Less distributions:					
Dividends from net investment income	(0.23)	(0.33)	(0.31)	(0.24)	(0.21)
Distributions from net realized gains	(0.54)	(0.43)	(0.30)	(0.02)	(0.37)
Total distributions	(0.77)	(0.76)	(0.61)	(0.26)	(0.58)
Proceeds from redemption fees collected (Note 1)	0.01	0.00 [a]	0.00 [a]	0.01	0.01
Net asset value at end of year	$ 11.99	$ 10.92	$ 11.30	$ 10.94	$ 10.53
Total return[b]	17.23%	3.46%	9.01%	6.40%	5.49%
Net assets at end of year (000's)	$ 330,965	$ 174,480	$ 158,735	$ 128,156	$ 105,308
Ratio of net expenses to average net assets[c]	0.90%	0.90%	0.90%	0.90%	0.90%
Ratio of net investment income to average net assets	2.05%	2.86%	2.94%	2.25%	2.34%
Portfolio turnover rate	212%	41%	55%	64%	174%

[a] Amount rounds to less than $0.01 per share.

[b] Total return is a measure of the change in value of an investment in the Fund over the period covered, which assumes any dividends or capital gains distributions are reinvested in shares of the Fund. Returns do not reflect the deduction of taxes a shareholder would pay on Fund distributions or the redemption of Fund shares.

[c] Absent investment advisory fees waived and expenses reimbursed by the Adviser, the ratios of expenses to average net assets would have been 0.92%, 1.01% and 1.17% for the years ended June 30, 2006, 2005 and 2004, respectively.

See accompanying notes to financial statements.

Shares	COMMON STOCKS — 90.0%	Value
	Aerospace & Defense — 0.8%	
400,000	United Technologies Corp.	$ 24,680,000
	Beverages — 5.6%	
1,650,000	Coca-Cola Co. (The)	85,767,000
600,000	Pepsi Bottling Group, Inc. (The)	16,752,000
1,250,000	Pepsico, Inc.	79,487,500
		182,006,500
	Biotechnology — 3.6%	
1,250,000	Amgen, Inc. [(a)]	58,950,000
750,000	Biogen Idec, Inc. [(a)]	41,917,500
530,000	Martek Biosciences Corp. [(a)]	17,866,300
		118,733,800
	Chemicals — 0.7%	
38,400	BASF SE - ADR	5,279,320
350,000	Sigma-Aldrich Corp.	18,851,000
		24,130,320
	Communications Equipment — 9.1%	
2,000,000	ADC Telecommunications, Inc. [(a)]	29,540,000
500,000	Ciena Corp. [(a)]	11,585,000
3,000,000	Cisco Systems, Inc. [(a)]	69,780,000
180,000	EchoStar Corp. - Class A [(a)]	5,619,600
670,000	NETGEAR, Inc. [(a)]	9,286,200
2,000,000	Nokia Corp. - ADR	49,000,000
1,600,000	Plantronics, Inc.	35,712,000
750,000	Research in Motion Ltd. [(a)]	87,675,000
		298,197,800
	Computers & Peripherals — 4.2%	
1,500,000	EMC Corp. [(a)]	22,035,000
300,000	International Business Machines Corp.	35,559,000
500,000	Seagate Technology	9,565,000
500,000	Synaptics, Inc. [(a)]	18,865,000
1,500,000	Western Digital Corp. [(a)]	51,795,000
		137,819,000
	Diversified Consumer Services — 0.4%	
300,000	Apollo Group, Inc. [(a)]	13,278,000
	Diversified Telecommunication Services — 1.5%	
100,000	BT Group plc - ADR	3,973,000
1,250,000	Verizon Communications, Inc.	44,250,000
		48,223,000

Shares	COMMON STOCKS — 90.0% (Continued)	Value
	Electronic Equipment & Instruments — 0.4%	
49,400	FUJIFILM Holdings Corp. - ADR	$ 1,692,938
500,000	Jabil Circuit, Inc.	8,205,000
40,000	Mettler Toledo International, Inc. [(a)]	3,794,400
		13,692,338
	Energy Equipment & Services — 0.4%	
150,000	ENSCO International, Inc.	12,111,000
	Food & Staples Retailing — 1.2%	
291,000	BJ's Wholesale Club, Inc. [(a)]	11,261,700
360,000	Sysco Corp.	9,903,600
600,000	Walgreen Co.	19,506,000
		40,671,300
	Food Products — 0.5%	
500,000	Archer-Daniels-Midland Co.	16,875,000
	Health Care Equipment & Supplies — 2.2%	
750,000	Arthrocare Corp. [(a)]	30,607,500
250,000	Gen-Probe, Inc. [(a)]	11,870,000
400,000	Hologic, Inc. [(a)]	8,720,000
400,000	Medtronic, Inc.	20,700,000
		71,897,500
	Health Care Providers & Services — 3.6%	
125,000	AMERIGROUP Corp. [(a)]	2,600,000
1,700,000	Medco Health Solutions, Inc. [(a)]	80,240,000
600,000	Patterson Cos., Inc. [(a)]	17,634,000
100,000	Pediatrix Medical Group, Inc. [(a)]	4,923,000
313,000	WellCare Health Plans, Inc. [(a)]	11,314,950
		116,711,950
	Hotels, Restaurants & Leisure — 3.2%	
216,000	Brinker International, Inc.	4,082,400
350,000	Chipotle Mexican Grill, Inc. - Class A [(a)]	28,917,000
800,000	McDonald's Corp.	44,976,000
1,750,000	Starbucks Corp. [(a)]	27,545,000
		105,520,400
	Household Durables — 0.3%	
200,000	Garmin Ltd.	8,568,000
	Household Products — 4.5%	
1,250,000	Colgate-Palmolive Co.	86,375,000
1,000,000	Procter & Gamble Co. (The)	60,810,000
		147,185,000

Shares	COMMON STOCKS — 90.0% (Continued)	Value
	Internet & Catalog Retail — 3.3%	
1,250,000	Amazon.com, Inc. [a]	$ 91,662,500
600,000	Netflix, Inc. [a]	15,642,000
		107,304,500
	IT Services — 1.6%	
500,000	Cognizant Technology Solutions Corp. - Class A [a]	16,255,000
750,000	Global Payments, Inc.	34,950,000
		51,205,000
	Leisure Equipment & Products — 0.3%	
279,800	Hasbro, Inc.	9,994,456
	Life Sciences Tools & Services — 2.7%	
160,000	Pharmaceutical Product Development, Inc.	6,864,000
1,250,000	Waters Corp. [a]	80,625,000
		87,489,000
	Machinery — 0.8%	
100,000	Actuant Corp.	3,135,000
500,000	Illinois Tool Works, Inc.	23,755,000
		26,890,000
	Marine — 0.6%	
250,000	DryShips, Inc.	20,045,000
	Media — 0.7%	
750,000	DISH Network Corp. - Class A [a]	21,960,000
100,000	Gannett Co., Inc.	2,167,000
50,000	Idearc, Inc.	117,500
		24,244,500
	Multi-Line Retail — 1.2%	
1,000,000	Kohl's Corp. [a]	40,040,000
	Pharmaceuticals — 10.5%	
1,650,000	AstraZeneca plc - ADR	70,174,500
500,000	Eli Lilly & Co.	23,080,000
150,000	Forest Laboratories, Inc. [a]	5,211,000
750,000	GlaxoSmithKline plc - ADR	33,165,000
1,750,000	Johnson & Johnson	112,595,000
400,000	King Pharmaceuticals, Inc. [a]	4,188,000
2,000,000	Pfizer, Inc.	34,940,000
452,000	Sanofi-Aventis - ADR	15,019,960
183,000	Shire plc - ADR	8,990,790
750,000	Wyeth	35,970,000
		343,334,250

Shares	COMMON STOCKS — 90.0% (Continued)	Value
	Semiconductors & Semiconductor Equipment — 8.7%	
120,000	Advanced Energy Industries, Inc. [a]	$ 1,644,000
1,500,000	Broadcom Corp. - Class A [a]	40,935,000
547,400	Cabot Microelectronics Corp. [a]	18,146,310
2,800,000	Intel Corp.	60,144,000
500,000	KLA-Tencor Corp.	20,355,000
4,000,000	NVIDIA Corp. [a]	74,880,000
2,000,000	OmniVision Technologies, Inc. [a]	24,180,000
2,500,000	ON Semiconductor Corp. [a]	22,925,000
1,050,000	Semtech Corp. [a]	14,773,500
750,000	Taiwan Semiconductor Manufacturing Co. Ltd. - ADR	8,182,500
		286,165,310
	Software — 6.8%	
400,000	Adobe Systems, Inc. [a]	15,756,000
1,000,000	Check Point Software Technologies Ltd. [a]	23,670,000
1,200,000	Citrix Systems, Inc. [a]	35,292,000
3,000,000	Microsoft Corp.	82,530,000
2,750,000	Oracle Corp. [a]	57,750,000
250,000	Sybase, Inc. [a]	7,355,000
		222,353,000
	Specialty Retail — 7.5%	
2,750,000	Aeropostale, Inc. [a]	86,157,500
1,750,000	Best Buy Co., Inc.	69,300,000
2,250,000	Home Depot, Inc. (The)	52,695,000
400,000	Men's Wearhouse, Inc. (The)	6,516,000
1,000,000	TJX Cos., Inc. (The)	31,470,000
		246,138,500
	Textiles, Apparel & Luxury Goods — 3.0%	
500,000	Fossil, Inc. [a]	14,535,000
1,250,000	NIKE, Inc. - Class B	74,512,500
350,000	Under Armour, Inc. - Class A [a]	8,974,000
		98,021,500
	Wireless Telecommunication Services — 0.1%	
200,000	Syniverse Holdings, Inc. [a]	3,240,000
	Total Common Stocks (Cost $3,272,030,552)	$ 2,946,765,924

Contracts	CALL OPTION CONTRACTS — 0.2%	Value
10,000	S&P 500 Index Option, 07/19/2008 at $1,320 (Cost $8,515,000)	$ 7,940,000

Contracts	PUT OPTION CONTRACTS — 4.5%	Value
2,400	NASDAQ 100 Index Option, 09/20/2008 at $1,900	$ 30,021,600
9,000	Russell 2000 Index Option, 09/20/2008 at $680	27,990,000
10,000	S&P 500 Index Option, 08/16/2008 at $1,290	46,540,000
4,500	S&P 500 Index Option, 09/20/2008 at $1,350	41,490,000
	Total Put Option Contracts (Cost $96,683,930)	$ 146,041,600
	Total Investments at Value — 94.7% (Cost $3,377,229,482)	$ 3,100,747,524

Shares	MONEY MARKET FUNDS — 10.8%	Value
106,560,780	Federated U.S. Treasury Cash Reserve Fund - Institutional Shares, 1.465%[b]	$ 106,560,780
248,641,822	First American Government Obligations Fund - Class Y, 1.672%[b]	248,641,822
	Total Money Market Funds (Cost $355,202,602)	$ 355,202,602
	Total Investments and Money Market Funds at Value — 105.5% (Cost $3,732,432,084)	$ 3,455,950,126
	Liabilities in Excess of Other Assets — (5.5%)	(180,942,162)
	Net Assets — 100.00%	$ 3,275,007,964

[a] Non-income producing security.

[b] Variable rate security. The rate shown is the 7-day effective yield as of June 30, 2008.

ADR - American Depositary Receipt

See accompanying notes to financial statements.

Hussman Strategic Growth Fund
Schedule of Open Written Option Contracts

June 30, 2008

Contracts	WRITTEN CALL OPTION CONTRACTS	Value of Options	Premiums Received
2,400	NASDAQ 100 Index Option, 09/20/2008 at $1,900	$ 16,161,600	$ 42,025,480
9,000	Russell 2000 Index Option, 09/20/2008 at $680	37,080,000	76,486,500
10,000	S&P 500 Index Option, 08/16/2008 at $1,200	95,660,000	119,985,000
4,500	S&P 500 Index Option, 09/20/2008 at $1,350	9,360,000	41,843,250
		$ 158,261,600	$ 280,340,230

See accompanying notes to financial statements.

Shares	COMMON STOCKS — 1.2%	Value
	Metals & Mining — 1.2%	
10,000	Agnico-Eagle Mines Ltd.	$ 743,700
10,000	AngloGold Ashanti Ltd. - ADR	339,400
10,000	Barrick Gold Corp.	455,000
10,000	Compania de Minas Buenaventura S.A. - ADR	653,700
10,000	Goldcorp, Inc.	461,700
10,000	Harmony Gold Mining Co. Ltd. - ADR [a]	122,500
10,000	Newmont Mining Corp.	521,600
10,000	Randgold Resources Ltd. - ADR	461,800
10,000	Stillwater Mining Co. [a]	118,300
	Total Common Stocks (Cost $3,894,101)	$ 3,877,700

Shares	EXCHANGE TRADED FUNDS — 14.8%	Value
75,000	CurrencyShares British Pound Sterling Trust	$ 14,991,750
125,000	CurrencyShares Euro Trust	19,730,000
150,000	CurrencyShares Japanese Yen Trust [a]	14,091,000
	Total Exchange Traded Funds (Cost $48,430,810)	$ 48,812,750

Par Value	U.S. TREASURY OBLIGATIONS — 79.1%	Value
	U.S. Treasury Bills — 36.1%	
$ 20,000,000	Discount note, 1.34%, due 07/10/2008	$ 19,996,000
50,000,000	Discount note, 1.84%, due 08/21/2008	49,878,150
50,000,000	Discount note, 1.54%, due 10/09/2008	49,746,950
		119,621,100
	U.S. Treasury Notes — 36.1%	
50,000,000	2.625%, due 05/31/2010	50,046,900
70,000,000	3.875%, due 05/15/2018	69,436,780
		119,483,680
	U.S. Treasury Inflation-Protection Notes — 6.9%	
21,642,800	2.00%, due 01/15/2016	22,802,724
	Total U.S. Treasury Obligations (Cost $260,443,425)	$ 261,907,504

Par Value	U.S. GOVERNMENT AGENCY OBLIGATIONS — 1.5%	Value
	Federal Home Loan Bank — 1.5%	
$ 5,000,000	5.75%, due 02/23/2017 (Cost $4,977,896)	$ 5,067,450
	Total Investments at Value — 96.6% (Cost $317,746,232)	$ 319,665,404

Shares	MONEY MARKET FUNDS — 8.4%	Value
8,343,688	Federated U.S. Treasury Cash Reserve Fund - Institutional Shares, 1.465%[b]	$ 8,343,688
19,468,604	First American Government Obligations Fund - Class Y, 1.672%[b]	19,468,604
	Total Money Markets (Cost $27,812,292)	$ 27,812,292
	Total Investments and Money Market Funds at Value — 105.0% (Cost $345,558,524)	$ 347,477,696
	Liabilities in Excess of Other Assets — (5.0%)	(16,512,624)
	Net Assets — 100.0%	$ 330,965,072

[a] Non-income producing security.

[b] Variable rate security. The rate shown is the 7-day effective yield as of June 30, 2008.

ADR - American Depositary Receipt

See accompanying notes to financial statements.

1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Hussman Strategic Growth Fund and Hussman Strategic Total Return Fund (each, a "Fund", and collectively, the "Funds") are each a diversified series of Hussman Investment Trust (the "Trust"), which is registered under the Investment Company Act of 1940 (the "1940 Act") as an open-end managment investment company. Each Fund is authorized to issue an unlimited number of shares.

As part of the Trust's organization, Hussman Strategic Growth Fund issued in a private placement 10,000 shares of beneficial interest to Hussman Econometrics Advisors, Inc. (the "Adviser") at $10.00 a share on June 20, 2000. Hussman Strategic Growth Fund commenced operations on July 24, 2000. Hussman Strategic Total Return Fund commenced operations on September 12, 2002.

Hussman Strategic Growth Fund's investment objective is to provide long-term capital appreciation, with added emphasis on protection of capital during unfavorable market conditions.

Hussman Strategic Total Return Fund's investment objective is to provide long-term total return from income and capital appreciation, with added emphasis on protection of capital during unfavorable market conditions.

Securities and Options Valuation — The Funds' portfolio securities are valued at market value as of the close of regular trading on the New York Stock Exchange ("NYSE") (normally, 4:00 Eastern time) on each business day the NYSE is open. Securities, other than options, listed on the NYSE or other exchanges are valued on the basis of their last sale prices on the exchanges on which they are primarily traded. However, if the last sale price on the NYSE is different than the last sale price on any other exchange, the NYSE price will be used. If there are no sales on that day, the securities are valued at the last bid price on the NYSE or other primary exchange for that day. Securities traded on a foreign stock exchange are valued based upon the closing price on the principal exchange where the security is traded. Securities which are quoted by NASDAQ are valued at the NASDAQ Official Closing Price. If there are no sales on that day, the securities are valued at the last bid price as reported by NASDAQ. Securities traded in over-the-counter markets, other than NASDAQ quoted securities, are valued at the last sales price, or if there are not sales on that day, at the mean of the closing bid and asked prices. Values of foreign securities are translated from the local currency into U.S. dollars using currency exchange rates supplied by a pricing quotation service.

Pursuant to valuation procedures approved by the Board of Trustees, options traded on a national securities exchange are valued at prices between the closing bid and ask prices determined by the Adviser to most closely reflect market value as of the time of computation of net asset value. As of June 30, 2008, all options held by Hussman Strategic Growth Fund have been valued in this manner. Options not traded on a national securities exchange or board of trade, but for which over-the-counter market quotations are readily available, are valued at the mean of their closing bid and ask prices. Futures contracts and options thereon, which are traded on commodities exchanges, are valued at their daily settlement value as of the close of such commodities exchanges.

Fixed income securities not traded or dealt in upon any securities exchange but for which over-the-counter market quotations are readily available generally are valued at the mean of their closing bid and asked prices. Fixed income securities may also be valued on the basis of prices provided by an independent pricing service. The Board of Trustees will review and monitor the methods used by such services to assure itself that securities are appropriately valued. The fair value of securities with remaining maturities of 60 days or less has been determined in good faith by the Board of Trustees to be represented by amortized cost value, absent unusual circumstances.

In the event that market quotations are not readily available or are determined by the Adviser to not be reflective of fair market value due to market events or developments, securities and options are valued at fair value as determined by the Adviser in accordance with procedures adopted by the Board of Trustees. Such methods of fair valuation may include, but are not limited to: multiple of earnings, multiple of book value, discount from market of a similar freely traded security, purchase price of security, subsequent private transactions in the security or related securities, or a combination of these and other factors.

Futures Contracts and Option Transactions — Hussman Strategic Growth Fund may purchase and write put and call options on broad-based stock indices. The Fund may also purchase and write call and put options on individual securities. Hussman Strategic Total Return Fund may use financial futures contracts and related options to hedge against changes in the market value of its portfolio securities. The Fund may also purchase a foreign currency option to establish or modify the Fund's exposure to foreign currencies, or an interest rate futures contract to protect against a decline in the value of its portfolio.

When a Fund writes an index option, an amount equal to the net premium (the premium less the commission) received by the Fund is recorded as a liability in the Fund's Statement of Assets and Liabilities and is subsequently valued. If an index option expires unexercised on the stipulated expiration date or if the Fund enters into a closing purchase transaction, it will realize a gain (or a loss if the cost of a closing purchase transaction exceeds the net premium received when the option is sold) and the liability related to such option will be eliminated. If an index option is exercised, the Fund will be required to pay the difference between the closing index value and the exercise price of the option. In this event, the proceeds of the sale will be increased by the net premium originally received and the Fund will realize a gain or loss.

Repurchase Agreements — The Funds may enter into repurchase agreements with certain banks or non-bank dealers. The value of the underlying securities is monitored on a daily basis to ensure that the value always equals or exceeds the repurchase price plus accrued interest.

Foreign Currency Translation — Amounts denominated in or expected to settle in foreign currencies are translated into U.S. dollars based on exchange rates on the following basis:

A. The market values of investment securities and other assets and liabilities are translated at the closing rate on the London Stock Exchange each day.

B. Purchases and sales of investment securities and income and expenses are translated at the rate of exchange prevailing on the respective date of such transactions.

C. The Funds do not isolate that portion of the results of operations caused by changes in foreign exchange rates on investments from those caused by changes in market prices of securities held. Such fluctuations are included with the net realized and unrealized gains or losses on investments.

Reported net realized foreign exchange gains or losses arise from 1) purchases and sales of foreign currencies, 2) currency gains or losses realized between the trade and settlement dates on securities transactions and 3) the difference between the amounts of dividends, interest and foreign withholding taxes recorded on the Fund's books, and the U.S. dollar equivalent of the amounts actually received or paid. Reported net unrealized foreign exchange gains and losses arise from changes in the value of assets and liabilities that result from changes in exchange rates.

Share Valuation and Redemption Fees — The net asset value of each Fund is calculated as of the close of regular trading on the NYSE (normally 4:00 p.m., Eastern time) on each day that the NYSE is open for business. The net asset value per share of each Fund is calculated by dividing the total value of the Fund's assets, less its liabilities, by the number of its shares outstanding. The offering price and redemption price per share of each Fund is equal to the net asset value per share, except that shares of each Fund are subject to a redemption fee of 1.5%, payable to the applicable Fund, if redeemed within six months of the date of purchase. During the years ended June 30, 2008 and June 30, 2007, proceeds from redemption fees totaled $1,327,985 and $1,117,226, respectively, for Hussman Strategic Growth Fund and $172,048 and $76,402, respectively, for Hussman Strategic Total Return Fund.

Investment Income — Interest income is accrued as earned. Dividend income is recorded on the ex-dividend date. Discounts and premiums on fixed income securities are amortized using the interest method.

Distributions to Shareholders — Dividends from net investment income, if any, are declared and paid annually to shareholders of Hussman Strategic Growth Fund and are declared and paid quarterly to shareholders of Hussman Strategic Total Return Fund. Net realized short-term capital gains, if any, may be distributed throughout the year and net realized long-term capital gains, if any, are generally distributed annually. The amount of distributions from net investment income and net realized gains are determined in accordance with federal income tax regulations which may differ from accounting principles generally accepted in the United States. These "book/tax" differences are either temporary or permanent in nature and are primarily due to timing differences in the recognition of capital gains or losses for option transactions, losses deferred due to wash sales and treatment for foreign currency transactions.

The tax character of distributions paid during the years ended June 30, 2008 and June 30, 2007 was as follows:

	Year Ended	Ordinary Income	Long-Term Capital Gains	Total Distributions
Hussman Strategic Growth Fund	6/30/08	$17,404,351	$ 114,940,907	$ 132,345,258
	6/30/07	$77,733,245	$ 28,493,852	$ 106,227,097
Hussman Strategic Total Return Fund	6/30/08	$ 9,244,095	$ 4,331,755	$ 13,575,850
	6/30/07	$ 9,684,385	$ 2,339,807	$ 12,024,192

Securities Transactions — For financial statement purposes, securities transactions are accounted for on trade date. Gains and losses on securities sold are determined on a specific identification basis.

Common Expenses — Expenses of the Trust not attributable solely to one of the Funds are allocated between the Funds based on relative net assets of each Fund or the nature of the services performed and the relative applicability to each Fund.

Accounting Estimates — The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. Actual results could differ from these estimates.

Federal Income Tax — It is each Fund's policy to comply with the special provisions of Subchapter M of the Internal Revenue Code applicable to regulated investment companies. As provided therein, in any fiscal year in which a Fund so qualifies and distributes at least 90% of its taxable net income, the Fund (but not the shareholders) will be relieved of federal income tax on the income distributed. Accordingly, no provision for income taxes has been made.

In order to avoid imposition of a Federal excise tax applicable to regulated investment companies, it is each Fund's intention to declare and pay as dividends in each calendar year at least 98% of its net investment income (earned during the calendar year) and 98% of its net realized capital gains (earned during the twelve months ended October 31) plus undistributed amounts from prior years.

The following information is computed on a tax basis for each item as of June 30, 2008:

	Hussman Strategic Growth Fund	Hussman Strategic Total Return Fund
Cost of portfolio investments	$3,624,167,802	$ 345,665,310
Gross unrealized appreciation	$ 263,116,447	$ 2,250,835
Gross unrealized depreciation	(589,595,723)	(438,449)
Net unrealized appreciation (depreciation)	$ (326,479,276)	$ 1,812,386
Undistributed ordinary income	47,055,521	9,170,338
Undistributed long-term gains	354,084,748	8,158,480
Other temporary differences	–	(154,759)
Total accumulated earnings	$ 74,660,993	$ 18,986,445

The difference between the federal income tax cost of portfolio investments and the financial statement cost for Hussman Strategic Growth Fund is due to certain timing differences in the recognition of capital gains or losses under income tax regulations and accounting principles generally accepted in the United States. These "book/tax" differences are temporary in nature and are primarily due to option transactions and losses deferred due to wash sales.

During the year ended June 30, 2008, Hussman Strategic Growth Fund utilized $179,313,026 of capital loss carryforwards to offset current year realized gains.

For the year ended June 30, 2008, Hussman Strategic Total Return Fund reclassified $150,818 of foreign exchange losses and $137 of ordinary income distributions paid from undistributed net realized gains to undistributed net investment income on the Statement of Assets and Liabilities. Such reclassification, the result of permanent differences between financial statement and income tax reporting requirements, has no effect on the Fund's net assets or net asset value per share.

The Financial Accounting Standards Board's ("FASB") Interpretation No. 48 ("FIN 48") "Accounting for Uncertainty in Income Taxes" provides guidance for how uncertain tax positions should be recognized, measured, presented and disclosed in the financial statements. FIN 48 requires the evaluation of tax positions taken in the course of preparing the Funds' tax returns to determine whether the tax positions are "more-likely-than-not" of being sustained by the applicable tax authority. Tax positions not deemed to meet the more-likely-than-not threshold would be recorded as a tax benefit or expense in the current year. Based on management's analysis, the application of FIN 48 does not have a material impact on these financial statements. The statute of limitations on the Funds' tax returns remains open for the years ended June 30, 2006 through June 30, 2008.

2. INVESTMENT TRANSACTIONS

During the year ended June 30, 2008, cost of purchases and proceeds from sales and maturities of investment securities, other than short-term investments and U.S. government securities, amounted to $4,975,281,184 and $4,239,427,965, respectively, for Hussman Strategic Growth Fund and $102,379,249 and $107,845,735, respectively, for Hussman Strategic Total Return Fund.

3. TRANSACTIONS WITH AFFILIATES

One of the Trustees and certain officers of the Trust are affiliated with the Adviser or with Ultimus Fund Solutions, LLC ("Ultimus"), the Funds' administrator, transfer agent and fund accounting agent.

Advisory Agreement

Under the terms of an Advisory Agreement between the Trust and the Adviser, Hussman Strategic Growth Fund pays a fee, which is computed and accrued daily and paid monthly, at annual rates of 1.00% of the first $1 billion of its average daily net assets; 0.95% of the next $2 billion of such assets; and 0.90% of such assets in excess of $3 billion. Under the terms of a separate Advisory Agreement between the Trust and the Adviser, Hussman Strategic Total Return Fund pays the Adviser a fee, which is computed and accrued daily and paid monthly, at annual rates of 0.55% of the first $500 million of its average daily net assets; and 0.50% of such assets in excess of $500 million.

Pursuant to an Expense Limitation Agreement with respect to Hussman Strategic Total Return Fund, the Adviser has contractually agreed to waive advisory fees or to absorb operating expenses of the Fund to the extent necessary so that the Fund's ordinary operating expenses do not exceed an amount equal to 0.90% annually of its average daily net assets. During the year ended June 30, 2008, there were no fees waived by the Adviser.

Any fee waivers or expense reimbursements by the Adviser are subject to repayment by Hussman Strategic Total Return Fund provided the Fund is able to effect such repayment and remain in compliance with the undertaking by the Adviser to limit expenses of the Fund, and provided further that the expenses which are the subject of the repayment were incurred within three years of such repayment. During the year ended June 30, 2008, the Adviser recouped $158,202 of previously waived fees from Hussman Strategic Total Return Fund. As of June 30, 2008, the amount of fee waivers available for recoupment by the Adviser is $4,444. The Adviser may recoup this amount no later than December 31, 2008.

Administration Agreement

Under the terms of an Administration Agreement, Ultimus supplies executive, administrative and regulatory services to the Trust, supervises the preparation of tax returns, and coordinates the preparation of reports to shareholders and reports to and filings with the Securities and Exchange Commission and state securities authorities.

Under the terms of the Administration Agreement, Ultimus receives a monthly fee from each Fund computed at annual rates of 0.075% on the Fund's average daily net assets up to $500 million; 0.05% on the next $1.5 billion of such assets; 0.04% on the next $1 billion of such assets; and 0.03% on such assets in excess of $3 billion, subject to a per Fund minimum monthly fee of $2,000.

Fund Accounting Agreement

Under the terms of a Fund Accounting Agreement between the Trust and Ultimus, Ultimus calculates the daily net asset value per share and maintains the financial books and records of the Funds. For these services, Ultimus receives from each Fund a monthly base fee of $2,500, plus an asset-based fee computed at annual rates of 0.01% of the Fund's average daily net assets up to $500 million and 0.005% of such net assets in excess of $500 million. In addition, the Funds reimburse Ultimus for certain out-of-pocket expenses incurred in obtaining valuations of the Funds' portfolio securities.

Transfer Agent and Shareholder Services Agreement

Under the terms of a Transfer Agent and Shareholder Services Agreement between the Trust and Ultimus, Ultimus maintains the records of each shareholder's account, answers shareholders' inquiries concerning their accounts, processes purchases and redemptions of each Fund's shares, acts as dividend and distribution disbursing agent, and performs other shareholder service functions. For these services, Ultimus receives from each Fund a monthly fee computed at an annual rate of $17 per account, subject to a per Fund minimum monthly fee of $1,500. For the year ended June 30, 2008, such fees paid by Hussman Strategic Growth Fund and Hussman Strategic Total Return were $858,882 and $54,814, respectively. In addition, the Funds reimburse Ultimus for certain out-of-pocket expenses, including, but not limited to, postage and supplies.

For shareholder accounts held through financial intermediaries, the Funds may, in some cases, compensate these intermediaries for providing equivalent account maintenance and shareholder services, at an annual rate of not more than $17 per account. During the year ended June 30, 2008, Hussman Strategic Growth Fund and Hussman Strategic Total Return Fund paid $587,585 and $44,660, respectively, to financial intermediaries for such services.

Compliance Consulting Agreement

Under the terms of a Compliance Consulting Agreement between the Trust and Ultimus, Ultimus provides an individual to serve as the Trust's Chief Compliance Officer and to administer the Trust's compliance policies and procedures. For these services, the Trust pays Ultimus a base fee of $1,000 per month, plus an asset-based fee computed at annual rates of .005% of the average value of its aggregate daily net assets in excess of $100 million to $500 million, .0025% of such assets from $500 million to $1 billion and .00125% of such assets in excess of $1 billion. In addition, the Funds reimburse Ultimus for reasonable out-of-pocket expenses, if any, incurred in connection with these services.

4. OPTION CONTRACTS WRITTEN

Transactions in option contracts written by Hussman Strategic Growth Fund during the year ended June 30, 2008 were as follows:

	Option Contracts	Option Premiums
Options outstanding at beginning of year	21,000	$ 285,778,500
Options written	207,300	2,421,006,110
Options cancelled in a closing purchase transaction	(202,400)	(2,426,444,380)
Options outstanding at end of year	25,900	$ 280,340,230

No contracts were written by Hussman Strategic Total Return Fund during the year ended June 30, 2008.

5. BANK LINE OF CREDIT

Hussman Strategic Growth Fund has an unsecured $10,000,000 bank line of credit. Hussman Strategic Total Fund has an unsecured bank line of credit in the amount of $2,000,000. Borrowings under these arrangements bear interest at a rate determined by the lending bank at the time of borrowing. During the year ended June 30, 2008, the Funds had no outstanding borrowings under their respective lines of credit.

6. CONTINGENCIES AND COMMITMENTS

The Trust's officers and Trustees are entitled to indemnifications from the Funds for certain liabilities that may arise from their performance of their duties to the Funds. Additionally, in the normal course of business the Funds enter into contracts that contain a variety of representations and warranties and which may provide general indemnifications. The Funds' maximum exposure under these arrangements is unknown, as this would involve future claims that may be made against the Funds that have not occurred. However, based on experience, the Funds expect the risk of loss to be remote.

7. NEW ACCOUNTING PRONOUNCEMENT

In September 2006, FASB issued Statement on Financial Accounting Standards ("SFAS") No. 157, "Fair Value Measurements." This standard establishes a single authoritative definition of fair value, sets out a framework for measuring fair value and requires additional disclosures about fair value measurements. SFAS No. 157 applies to fair value measurements already required or permitted by existing standards. SFAS No. 157 is effective for financial statements issued for fiscal years beginning after November 15, 2007 and interim periods within those fiscal years. The changes to current generally accepted accounting principles resulting from the application of SFAS No. 157 relate to the definition of fair value, the methods used to measure fair value, and expanded disclosures about fair value measurements. As of June 30, 2008, the Trust does not believe the adoption of SFAS No. 157 will impact the amounts reported in the Funds' financial statements, however, additional disclosures will be required about the inputs used to develop the measurements and the effect of the measurements reported on the statements of changes in net assets for a fiscal period.

Hussman Investment Trust
Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Trustees of
Hussman Investment Trust

We have audited the accompanying statements of assets and liabilities, including the portfolios of investments, of Hussman Investment Trust (comprising Hussman Strategic Growth Fund and Hussman Strategic Total Return Fund) (collectively, the "Funds") as of June 30, 2008, and the related statements of operations for the year then ended, the statements of changes in net assets for each of the two years in the period then ended, and the financial highlights for each of the five years in the period then ended. These financial statements and financial highlights are the responsibility of the Funds' management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. We were not engaged to perform an audit of the Funds' internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Funds' internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes, examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements and financial highlights, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our procedures included confirmation of securities owned as of June 30, 2008, by correspondence with the custodian and brokers or by other appropriate auditing procedures where replies from brokers were not received. We believe that our audits provide 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 positions of Hussman Strategic Growth Fund and Hussman Strategic Total Return Fund of Hussman Investment Trust as of June 30, 2008, the results of their operations for the year then ended, the changes in their net assets for each of the two years in the period then ended, and the financial highlights for each of the five years in the period then ended, in conformity with U.S. generally accepted accounting principles.

Ernst & Young LLP

Cincinnati, Ohio
August 22, 2008

About Your Fund's Expenses *(Unaudited)*

We believe it is important for you to understand the impact of costs on your investment. As a shareholder of the Funds, you incur two types of costs: (1) transaction costs, which may include redemption fees; and (2) ongoing costs, including management fees and other Fund expenses. The following examples are intended to help you understand your ongoing costs (in dollars) of investing in the Funds and to compare these costs with the ongoing costs of investing in other mutual funds. A mutual fund's ongoing costs are expressed as a percentage of its average net assets. This figure is known as the expense ratio.

The examples below are based on an investment of $1,000 made at the beginning of the period shown and held for the entire period (January 1, 2008 – June 30, 2008).

The table on the following page illustrates each Fund's costs in two ways:

Actual fund return – This section helps you to estimate the actual expenses that you paid over the period. The "Ending Account Value" shown is derived from each Fund's actual return, and the third column shows the dollar amount of operating expenses that would have been paid by an investor who started the period with $1,000 invested in that Fund. You may use the information here, together with the amount of your investment, to estimate the expenses that you paid over the period.

To do so, simply divide your account value by $1,000 (for example, an $8,600 account value divided by $1,000 = 8.6), and then multiply the result by the number given for the applicable Fund under the heading "Expenses Paid During Period."

Hypothetical 5% return – This section is intended to help you compare each Fund's costs with those of other mutual funds. It assumes that each Fund had an annual return of 5% before expenses during the period shown. In this case, because the return used is not each Fund's actual return, the results do not illustrate the actual expenses associated with your investment. However, the example is useful in making comparisons because the Securities and Exchange Commission requires all mutual funds to provide an example of fund expenses based on a 5% annual return. You can assess each Fund's costs by comparing this hypothetical example with the hypothetical examples that appear in shareholder reports of other mutual funds.

Note that expenses shown in the table are meant to highlight and help you compare ongoing costs only. The calculations assume no shares were bought or sold during the period. Your actual costs may have been higher or lower, depending on the amount of your investment and the timing of any purchases or redemptions.

More information about each Fund's expenses, including annual expense ratios for the past five years, can be found elsewhere in this report. For additional information on operating expenses and other shareholder costs, please refer to each Fund's prospectus.

Hussman Strategic Growth Fund

	Beginning Account Value January 1, 2008	Account Value June 30, 2008	Expenses Paid During Period*
Based on Actual Fund Return	$1,000.00	$1,010.30	$5.50
Based on Hypothetical 5% Annual Return (before expenses)	$1,000.00	$1,019.39	$5.52

* Expenses are equal to Hussman Strategic Growth Fund's annualized expense ratio of 1.10% for the period, multiplied by the average account value over the period, multiplied by 182/366 (to reflect the one-half year period).

Hussman Strategic Total Return Fund

	Beginning Account Value January 1, 2008	Account Value June 30, 2008	Expenses Paid During Period*
Based on Actual Fund Return	$1,000.00	$1,050.40	$4.59
Based on Hypothetical 5% Annual Return (before expenses)	$1,000.00	$1,020.39	$4.52

* Expenses are equal to Hussman Strategic Total Return Fund's annualized expense ratio of 0.90% for the period, multiplied by the average account value over the period, multiplied by 182/366 (to reflect the one-half year period).

Overall responsibility for management of the Funds rests with the Board of Trustees. The Trustees serve during the lifetime of the Trust and until its termination, or until death, resignation, retirement or removal. The Trustees, in turn, elect the officers of the Trust to supervise the day-to-day operations of the Funds. The officers are elected for annual terms. The following are the Trustees and executive officers of the Trust:

Trustee	Address	Age	Position Held with the Trust	Length of Time Served
*John P. Hussman, Ph. D.	5136 Dorsey Hall Drive Ellicott City, MD 21042	45	President and Trustee	Since June 2000
David C. Anderson	916 North Oak Park Avenue Oak Park, IL 60302	57	Trustee	Since June 2000
Nelson F. Freeburg	9320 Grove Park Cove Germantown, TN 38139	56	Trustee	Since June 2000
William H. Vanover	838 West Long Lake Road, Suite 100 Bloomfield Hills, MI 48302	61	Trustee	Since June 2000
Robert G. Dorsey	225 Pictoria Drive Cincinnati, OH 45246	51	Vice President	Since June 2000
Mark J. Seger	225 Pictoria Drive Cincinnati, OH 45246	46	Treasurer	Since June 2000
John F. Splain	225 Pictoria Drive Cincinnati, OH 45246	51	Secretary and Chief Compliance Officer	Since June 2000

* Mr. Hussman, as an affiliated person of the Adviser, is an "interested person" of the Trust within the meaning of Section 2(a)(19) of the Investment Company Act of 1940.

Each Trustee oversees two portfolios of the Trust. The principal occupations of the Trustees and executive officers of the Trust during the past five years and public directorships held by the Trustees are set forth below:

John P. Hussman, Ph.D. is Chairman, President and Treasurer of the Adviser. He was an Adjunct Assistant Professor of Economics and International Finance at the University of Michigan and the Michigan Business School from 1992 until 1999.

David C. Anderson is Network Administrator for Hephzibah Children's Association (a child welfare organization).

Nelson F. Freeburg is President and owner of Formula Research, Inc. (a financial newsletter publication). He is also owner of Freeburg Properties LLC, Freeburg Development LLC and Chickasaw Land & Investment Company.

William H. Vanover is Investment Officer for Planning Alternatives, Ltd. (a registered investment adviser).

Robert G. Dorsey is a Managing Director of Ultimus Fund Solutions, LLC (the Trust's administrator and transfer agent) and Ultimus Fund Distributors, LLC (the Trust's principal underwriter).

Mark J. Seger is a Managing Director of Ultimus Fund Solutions, LLC and Ultimus Fund Distributors, LLC.

John F. Splain is a Managing Director of Ultimus Fund Solutions, LLC and Ultimus Fund Distributors, LLC.

Additional information about members of the Board of Trustees and executive officers is available in the Statement of Additional Information ("SAI") of each Fund. To obtain a free copy of the SAI of each Fund, please call 1-800-487-7626.

Federal Tax Information *(Unaudited)*

In accordance with federal tax requirements, the following provides shareholders with information concerning distributions from ordinary income and net realized gains made by the Funds during the fiscal year ended June 30, 2008. Certain dividends paid by the Funds may be subject to a maximum tax rate of 15%, as provided by the Jobs and Growth Tax Relief Reconciliation Act of 2003. Hussman Strategic Growth Fund and Hussman Strategic Total Return Fund intend to designate up to a maximum amount of $17,404,351 and $9,244,095, respectively, as taxed at a maximum rate of 15%, as well as $114,940,907 and $4,331,755, respectively, as long-term gain distributions. For the fiscal year ended June 30, 2008, 63% and 6%, respectively, of the dividends paid from ordinary income by Hussman Strategic Growth Fund and Hussman Strategic Total Return Fund qualified for the dividends received deduction for corporations.

As required by federal regulations, complete information will be computed and reported in conjunction with your 2008 Form 1099-DIV.

A description of the policies and procedures the Funds use to determine how to vote proxies relating to portfolio securities is available without charge upon request by calling toll-free 1-800-HUSSMAN (1-800-487-7626), or on the Securities and Exchange Commission's ("SEC") website at http://www.sec.gov. Information regarding how the Funds voted proxies relating to portfolio securities during the most recent 12-month period ended June 30 is also available without charge upon request by calling toll-free 1-800-HUSSMAN, or on the SEC's website at http://www.sec.gov.

The Trust files a complete listing of portfolio holdings for each Fund with the SEC as of the end of the first and third quarters of each fiscal year on Form N-Q. The filings are available upon request, by calling 1-800-HUSSMAN (1-800-487-7626). You may also obtain copies of these filings on the SEC's website at http://www.sec.gov. The Trust's Forms N-Q may also be reviewed and copied at the SEC's Public Reference Room in Washington, DC, and information on the operation of the Public Reference Room may be obtained by calling 1-800-SEC-0330.

The Board of Trustees of the Trust, with the Trustees who are not "interested persons," as defined by the Investment Company Act of 1940, of the Fund (the "Independent Trustees") voting separately, have reviewed and annually approved the continuance of each Fund's Investment Advisory Agreement (the "Agreements") with the Adviser. The most recent approval of the Agreements took place at a meeting held on June 12, 2008, at which all of the Trustees were present in person.

The Independent Trustees were advised by independent counsel of their obligations in determining whether to approve the continuance of the Agreements, and the Independent Trustees requested such information from the Adviser as they deemed reasonably necessary to evaluate the terms of the Agreements and whether the Agreements continue to be in the best interests of the Funds and their shareholders. The Trustees reviewed: (i) the nature, extent and quality of the services provided by the Adviser; (ii) the investment performance of the Funds; (iii) the costs of the services provided and the profits realized by the Adviser from its relationship with the Funds; (iv) the extent to which economies of scale would be realized as the Funds grow; and (v) whether fee levels reflect these economies of scale for the benefit of the Funds' shareholders. The Trustees reviewed the background, qualifications, education and experience of the Adviser's investment professionals and support personnel. The Trustees also discussed and considered the quality of shareholder communications, administrative duties, and other services provided by the Adviser to the Trust, the Adviser's compliance program, and the Adviser's role in coordinating such services and programs. The Independent Trustees were advised and supported by independent counsel experienced in securities matters throughout the process. Prior to voting, the Independent Trustees reviewed the proposed continuance of the Agreements with management and also met in a private session with counsel at which no representatives of the Adviser were present.

The Adviser provided the Board with extensive information to assist the Trustees in analyzing both the absolute and risk-adjusted returns of the Funds over various periods. The Funds' returns were compared to the returns of relevant indices, similarly managed mutual funds, and other pooled investment vehicles. These analyses and comparisons showed that, since the inception of Hussman Strategic Growth Fund, the Fund's stock selection has substantially outperformed the returns of the S&P 500 Index and the Russell 2000 Index, and that the Fund's hedging strategies have generally been successful in enhancing the total returns of the Fund while substantially reducing volatility. Based upon their review, the Trustees found that, since inception, Hussman Strategic Growth Fund has outperformed relevant securities indices with substantially less downside risk than a passive investment approach, and that more recent periods of moderated performance due to hedging have been consistent with the investment objective of the Fund, and commensurate with the reduction in risk achieved. The Trustees, when reviewing the performance of Hussman Strategic Total Return, took note that during its period of operations, the Fund's average annual total return of 8.28% from inception on September 12, 2002 through May 31, 2008 compared favorably to the 4.54% return of the Lehman Brothers U.S. Aggregate Bond Index.

In reviewing the advisory fees and total expense ratios of the Funds, the Trustees were provided with comparative expense and advisory fee information for mutual funds and other pooled investment vehicles, categorized both by fund size and by investment style. The Trustees took note of the fact that, since Hussman Strategic Growth Fund's inception, its effective advisory fee and its expense ratio have declined as a result of revised advisory fee breakpoints and economies of scale in certain expenses of the Fund. The Trustees concluded that, based upon the investment strategy and the long-term performance of Hussman Strategic Growth Fund, the advisory fees to be paid by Hussman Strategic Growth Fund are reasonable. The Trustees noted that the current effective advisory fee rate (0.97%) and total expense ratio (1.11%) of Hussman Strategic Growth Fund are among the lowest of funds classified by Morningstar as "long-short" funds. It was noted that further growth in net assets of Hussman Strategic Growth Fund would result in even further decline in the effective advisory fee rate. It was the consensus of the Independent Trustees that the breakpoints reflected in the advisory fee schedule are appropriate and allow the Fund to participate in economies of scale commensurate with asset growth.

With respect to Hussman Strategic Total Return Fund, the Trustees observed that the effective advisory fee rate (0.55%) of Hussman Strategic Total Return Fund compares favorably to its peers in Morningstar "conservative allocation" category, and its total expense ratio is among the lowest of such "conservative allocation" funds. The Independent Trustees concluded that the advisory fees paid by Hussman Strategic Total Return Fund are fair and reasonable when considered in light of the absolute and risk-adjusted performance of the Fund and other relevant factors.

The Trustees reviewed a recent balance sheet of the Adviser, a statement of the Adviser's revenues and expenses with respect to the Funds for the year ended December 31, 2007 and for the quarter ended March 31, 2008, and an analysis of the Adviser's profitability with respect to each Fund covering the years 2005, 2006 and 2007. The Independent Trustees concluded, with respect to each Fund, that the Adviser's profitability was not excessive given the high quality and scope of services provided by the Adviser. The Trustees also reviewed the Funds' brokerage costs and noted that the brokerage commissions negotiated by the Adviser on behalf of the Funds are significantly less than industry averages.

The Independent Trustees concluded that: (i) based on a careful review of the investment performance and risk characteristics of the Funds, the effectiveness of the Funds in achieving their stated objectives, and the services provided by the Adviser, the Adviser has provided high quality services to the Funds; (ii) in their view, the nature of the services required by the Funds are broader and more sophisticated than those required by most investment companies because of the nature of the Funds' investment programs, which involve extensive risk-management activities including both hedging and leveraging (depending on the prevailing market environment); (iii) the current effective advisory fee rate of 0.97% for Hussman Strategic Growth Fund compares favorably to the average of 1.25% for other "long-short" funds, as categorized by Morningstar, and, when compared to hedge funds offering similar investment programs, the Fund is much less expensive; (iv) the effective advisory fee rate of 0.55% for Hussman Strategic Total Return Fund compares favorably to that of other funds of similar size investing in similar securities; (v) the scope and quality of services provided by the Adviser, which exceed the norm, support the appropriateness of the advisory fees payable by the Funds; (vi) Hussman Strategic Growth Fund has participated in economies of scale of expenses under its advisory fee structure and is expected to realize further benefits as the Fund's assets increase; (vii) the advisory fee structure of Hussman Strategic Total Return Fund enables that Fund to participate in future economies of scale of expenses to the extent the Fund's assets increase; (viii) Hussman Strategic Growth Fund has one of the lowest total expense ratios among funds classified by Morningstar as "long-short" funds, and the total expense ratio for Hussman Strategic Total Return Fund was also among the lowest among comparable "conservative allocation" funds tracked by Morningstar; and (ix) the Adviser has adopted a brokerage placement policy which seeks to obtain best execution and low commissions on all of the Funds' brokerage transactions, and does not direct transactions to obtain "soft dollar" services, which has significantly benefited the Funds by reducing transaction costs (which are not reflected in the expense ratios) and increasing the investment returns of the Funds.

No single factor was considered in isolation or to be determinative to the decision of the Independent Trustees to approve continuance of the Advisory Agreements. Rather, the Independent Trustees concluded, in light of a weighing and balancing of all factors considered, that the advisory fees payable by the Funds under the Agreements are fair and reasonable, and determined that it would be in the best interests of each Fund and its shareholders to renew the Agreements for an additional annual period.

INVESTMENT ADVISER
Hussman Econometrics Advisors, Inc.
5136 Dorsey Hall Drive
Ellicott City, Maryland 21042

www.hussmanfunds.com
1-800-HUSSMAN (1-800-487-7626)

ADMINISTRATOR/TRANSFER AGENT
Ultimus Fund Solutions, LLC
225 Pictoria Drive, Suite 450
Cincinnati, Ohio 45246

CUSTODIAN
US Bank
425 Walnut Street
Cincinnati, Ohio 45202

INDEPENDENT REGISTERED
PUBLIC ACCOUNTING FIRM
Ernst & Young LLP
1900 Scripps Center
312 Walnut Street
Cincinnati, Ohio 45202

LEGAL COUNSEL
Schulte Roth & Zabel LLP
919 Third Avenue
New York, New York 10022

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