

HUSSMAN INVESTMENT TRUST

Hussman Strategic International Equity Fund



Annual Report

June 30, 2010

HUSSMAN STRATEGIC INTERNATIONAL EQUITY FUND MANAGEMENT DISCUSSION OF FUND PERFORMANCE (Unaudited)

Hussman Strategic International Equity Fund commenced operations on December 31, 2009. During its initial fiscal period ended June 30, 2010, operational functions relating to trading, clearing, accounting, and custody were established and tested, and the Fund was managed with seed capital contributed by the investment manager. The Fund will begin accepting shareholder investments on September 1, 2010.

Strategic International Equity Fund achieved a total return of 0.80% from its inception on December 31, 2009 through June 30, 2010, compared to a loss of -12.93% in the MSCI EAFE Index during this same period. As of June 30, 2010, the Strategic International Equity Fund had net assets of \$8,801,638 and held 59 stocks in a wide variety of industries. The largest sector holdings as a percent of net assets were in Health Care (12.3%), Consumer Staples (9.1%), Information Technology (9.0%), Telecommunication Services (8.9%), Consumer Discretionary (8.6%), and Utilities (6.1%). The smallest industry weights were in Energy (2.8%), Industrials (2.6%) and Materials (1.3%). Exchange-traded funds accounted for 8.9% of net assets.

While the Fund is widely diversified and its performance is affected by numerous investment positions, hedging gains were primarily responsible for the reduced sensitivity of the Fund to market fluctuations from the Fund's inception through June 30, 2010. Individual equity holdings having appreciation in excess of \$10,000 included Icon PLC - ADR, Cia Saneamento Basico and Cia Paranaense - ADR. Holdings declining in value in excess of \$20,000 included Unilever, iShares Australia, Mindray Medical International, BP and Fugro.

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.

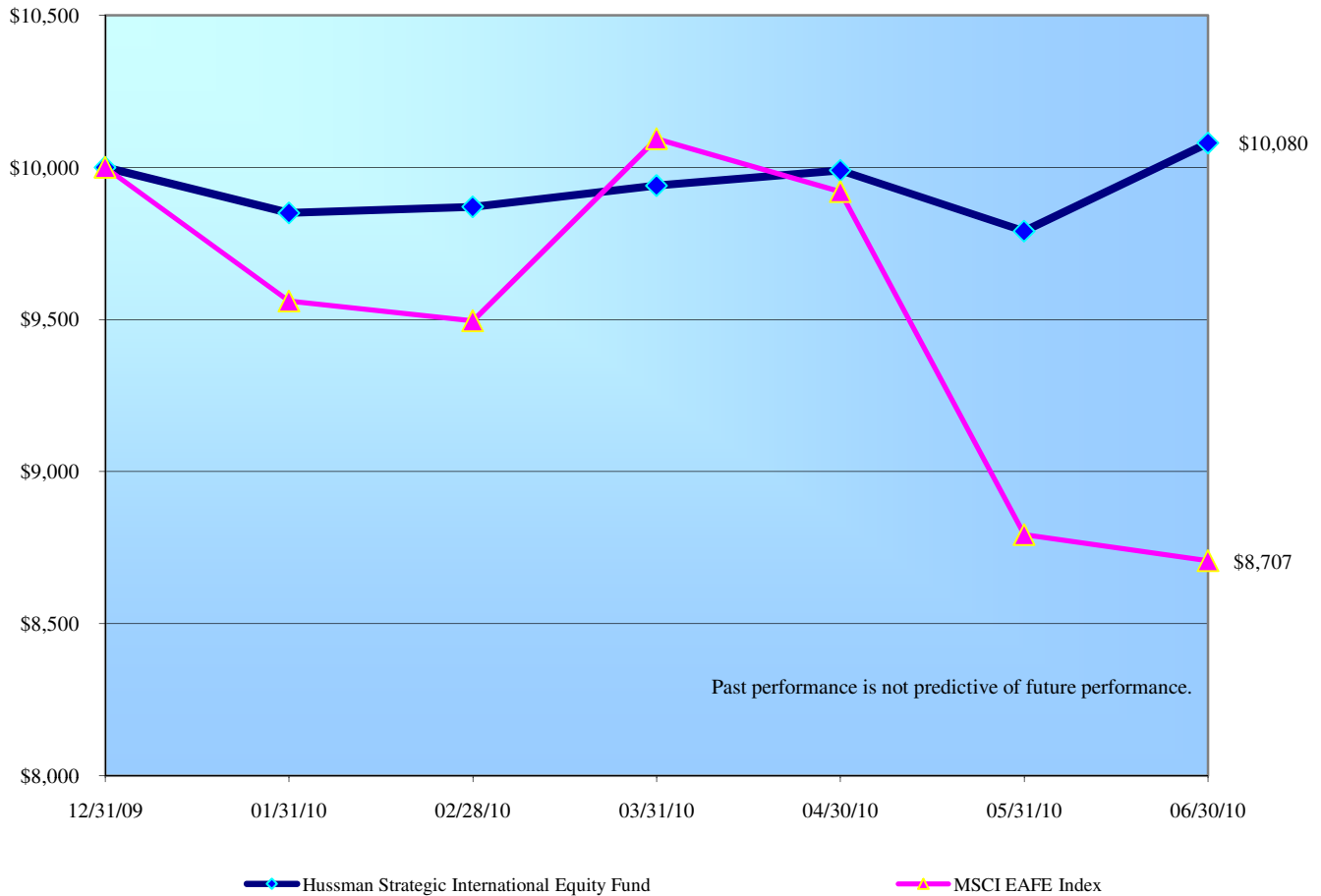
Weekly updates regarding market conditions and investment strategy, as well as special reports, analysis, and performance data current to the most recent month end, are available at the Hussman Funds website www.hussmanfunds.com.

An investor should consider the investment objectives, risks, charges and expenses of the Fund carefully before investing. The Fund's prospectus contains this and other important information. To obtain a copy of the Fund's prospectus 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 Fund that are discussed in the Letter to Shareholders were held during the period covered by this Report. They do not comprise the entire investment portfolio of the Fund, may be sold at any time and may no longer be held by the Fund. The opinions of the Adviser with respect to those securities may change at any time.

HUSSMAN STRATEGIC INTERNATIONAL EQUITY FUND

Comparison of the Change in Value of a \$10,000 Investment in the
Hussman Strategic International Equity Fund versus the MSCI EAFE Index



Total Return ^(a)	
(for period ended June 30, 2010)	
	<u>Since Inception</u> ^{(b)(c)}
Hussman Strategic International Equity Fund	0.80%
MSCI EAFE Index ^(d)	-12.93%

^(a) The return shown does not reflect the deduction of taxes a shareholder would pay on Fund distributions, if any, or the redemption of Fund shares.

^(b) Represents the period from the commencement of operations (December 31, 2009) through June 30, 2010.

^(c) The Fund's expense ratio was 2.00% during its most recent fiscal year ended June 30, 2010. The expense ratio as disclosed in the September 8, 2009 prospectus was 2.02%.

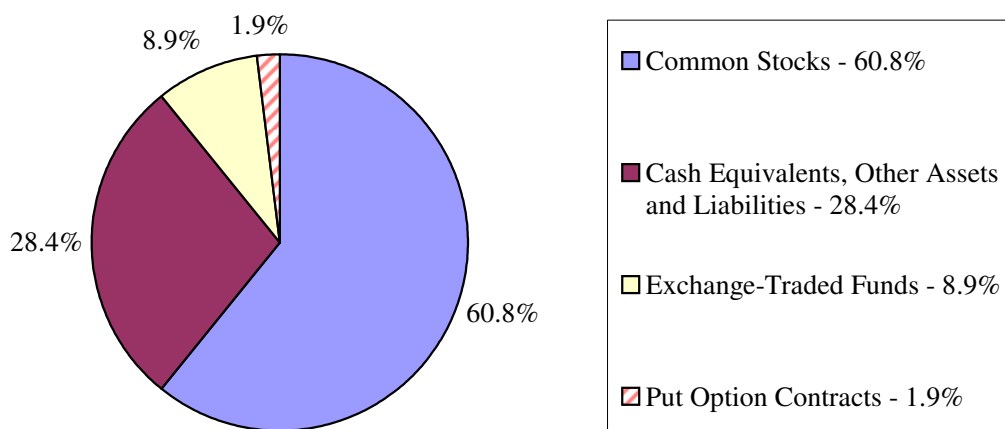
^(d) The MSCI EAFE (Europe, Australia, Far East) Index is a free float-adjusted market capitalization index that is designed to measure the equity market performance of developed markets, excluding the U.S. and Canada. As of May 29, 2010, the MSCI EAFE Index consisted of the following 22 developed market country indices: Australia, Austria, Belgium, Denmark, Finland, Greece, Hong Kong, Ireland, Israel, Italy, Japan, the Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland and the United Kingdom. Source: MSCIBarra.com

HUSSMAN STRATEGIC INTERNATIONAL EQUITY FUND

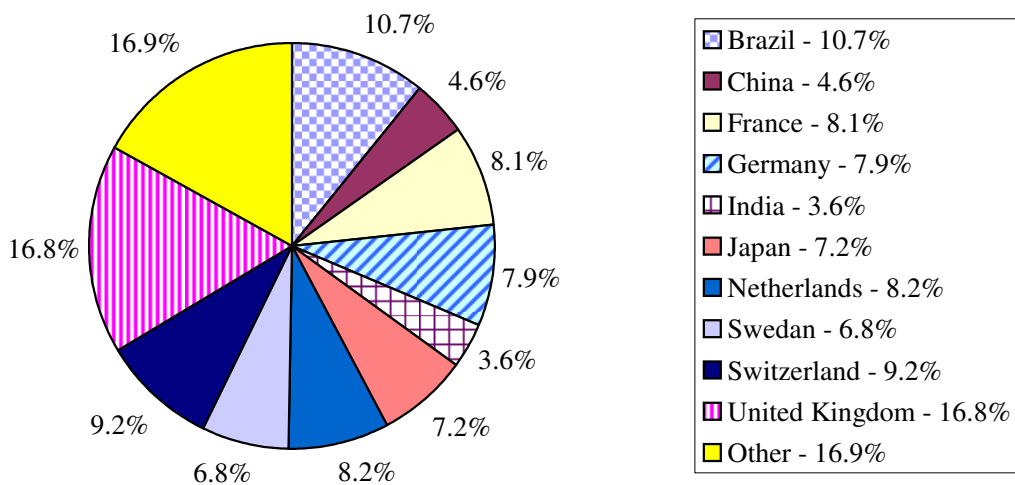
PORTFOLIO INFORMATION

June 30, 2010 (Unaudited)

Asset Allocation (% of Net Assets)



Country Allocation (% of Common Stocks)



HUSSMAN STRATEGIC INTERNATIONAL EQUITY FUND
SCHEDULE OF INVESTMENTS
June 30, 2010

COMMON STOCKS - 60.8%	Shares	Value
Argentina - 1.1%		
Telecom Argentina S.A. - ADR	6,000	\$ 98,580
Australia - 0.8%		
Telstra Corp. Ltd. - ADR	5,000	68,450
Bermuda - 1.1%		
Yue Yuen Industrial (Holdings) Ltd. - ADR	6,000	92,940
Brazil - 6.5%		
Companhia de Bebidas das Americas - ADR	1,000	101,010
Companhia de Saneamento Basico do Estado de Sao Paulo - ADR	5,500	227,370
Companhia Paranaense de Energia-Copel - ADR	5,000	103,250
CPFLI Energia S.A. - ADR	1,500	100,425
Telecomunicações de São Paulo S.A. - TELESP - ADR	2,000	40,720
		572,775
Chile - 1.3%		
Embotelladora Andina S.A. - ADR	200	4,472
Enersis S.A. - ADR	5,500	109,505
		113,977
China - 2.8%		
JA Solar Holdings Co. Ltd. - ADR ^(a)	8,000	37,200
Mindray Medical International Ltd. - ADR	4,000	125,680
Trina Solar Ltd. - ADR ^(a)	5,000	86,400
		249,280
France - 4.9%		
Alten ^(b)	3,000	72,985
Dassault Systèmes S.A. - ADR	2,250	135,787
L'Oréal ^(b)	1,000	98,075
Sanofi-Aventis - ADR	4,000	120,240
		427,087
Germany - 4.8%		
BASF SE - ADR	2,000	109,700
Beiersdorf AG	2,000	110,646
Puma AG Rudolf Dassler Sport ^(b)	350	93,179
SAP AG - ADR	2,500	110,750
		424,275

HUSSMAN STRATEGIC INTERNATIONAL EQUITY FUND
SCHEDULE OF INVESTMENTS (Continued)

COMMON STOCKS - 60.8% (Continued)	Shares	Value
India - 2.2%		
Infosys Technologies Ltd. - ADR	1,750	\$ 104,843
Wipro Ltd. - ADR	7,500	90,000
		<u>194,843</u>
Ireland - 1.3%		
ICON plc - ADR ^(a)	4,000	<u>115,560</u>
Israel - 1.0%		
Partner Communications Co. Ltd. - ADR	6,000	<u>91,560</u>
Japan - 4.4%		
Nintendo Co. Ltd. - ADR	3,000	111,816
Nippon Telegraph and Telephone Corp. - ADR	5,000	101,700
Nitori Co. Ltd. ^(b)	1,000	86,126
Takeda Pharmaceutical Co. Ltd. ^(b)	2,000	85,832
		<u>385,474</u>
Mexico - 1.1%		
América Móvil S.A.B. de C.V. - Series A - ADR	2,000	<u>95,160</u>
Netherlands - 5.0%		
Fugro N.V. ^(b)	3,500	161,963
TNT N.V. ^(b)	3,500	88,303
Unilever N.V.	7,000	191,240
		<u>441,506</u>
Philippines - 0.9%		
Philippine Long Distance Telephone Co. - ADR	1,500	<u>76,455</u>
Portugal - 0.9%		
Portugal Telecom, SGPS, S.A. - ADR	8,000	<u>79,360</u>
Russia - 0.6%		
Mobile TeleSystems OJSC - ADR	2,500	<u>47,900</u>
Sweden - 4.1%		
Alfa Laval AB ^(b)	8,000	104,096
Axfood AB ^(b)	3,000	78,762
Hennes & Mauritz AB (H&M) - B ^(b)	4,000	110,146
Telefonaktiebolaget LM Ericsson - ADR	6,000	66,120
		<u>359,124</u>
Switzerland - 5.6%		
Nestlé S.A. - ADR	3,000	144,720

**HUSSMAN STRATEGIC INTERNATIONAL EQUITY FUND
SCHEDULE OF INVESTMENTS (Continued)**

COMMON STOCKS - 60.8% (Continued)	Shares	Value
Switzerland - 5.6% (Continued)		
Novartis AG - ADR	3,500	\$ 169,120
Swisscom AG - ADR	2,000	67,300
Synthes, Inc. ^(b)	1,000	114,927
		<u>496,067</u>
Turkey - 0.2%		
Turkcell Iletisim Hizmetleri AS - ADR	1,500	<u>19,470</u>
United Kingdom - 10.2%		
AstraZeneca plc - ADR	3,000	141,390
Carnival plc - ADR	4,000	129,640
Marks & Spencer Group plc ^(b)	8,500	41,906
Next plc ^(b)	3,500	104,439
Pearson plc - ADR	7,500	98,625
Reckitt Benckiser Group plc - ADR	7,500	69,600
Sage Group plc (The) ^(b)	30,000	103,446
Shire plc - ADR	1,500	92,070
Smith & Nephew plc - ADR	2,500	117,500
		<u>898,616</u>
Total Common Stocks (Cost \$5,584,381)		<u>\$ 5,348,459</u>
EXCHANGE-TRADED FUNDS - 8.9%		
iShares MSCI Belgium Index	15,000	\$ 162,750
iShares MSCI Canada Index	6,000	148,920
iShares MSCI Netherlands Index	9,000	153,990
iShares MSCI Sweden Index	7,000	159,810
iShares MSCI United Kingdom Index	12,000	161,280
Total Exchange-Traded Funds (Cost \$851,021)		<u>\$ 786,750</u>
PUT OPTION CONTRACTS - 1.9%		
S&P 500 Index Option, 9/18/2010 at \$1,080 (Cost \$109,953)	20	\$ 168,000
Total Investments at Value - 71.6% (Cost \$6,545,355)		<u>\$ 6,303,209</u>

**HUSSMAN STRATEGIC INTERNATIONAL EQUITY FUND
SCHEDULE OF INVESTMENTS (Continued)**

MONEY MARKET FUNDS - 17.5%	Shares	Value
Northern Institutional Treasury Portfolio, 0.06% ^(c) (Cost \$1,538,327)	1,538,327	\$ 1,538,327
Total Investments and Money Market Funds at Value - 89.1% (Cost \$8,083,682)		\$ 7,841,536
Other Assets in Excess of Liabilities - 10.9%		960,102
Net Assets - 100.0%		\$ 8,801,638

ADR- American Depositary Receipt.

^(a) Non-income producing security.

^(b) Fair value priced (Note 1). Fair valued securities totaled \$1,344,185 at June 30, 2010, representing 15.3% of net assets.

^(c) Variable rate security. The rate shown is the 7-day effective yield as of June 30, 2010.

See accompanying notes to financial statements.

HUSSMAN STRATEGIC INTERNATIONAL EQUITY FUND
SCHEDULE OF OPEN WRITTEN OPTION CONTRACTS
June 30, 2010

WRITTEN CALL OPTION CONTRACTS	Contracts	Value of Options	Premiums Received
S&P 500 Index Option, 09/18/2010 at \$1,080	20	<u>\$ 59,420</u>	<u>\$ 137,471</u>

See accompanying notes to financial statements.

**HUSSMAN STRATEGIC INTERNATIONAL EQUITY FUND
SCHEDULE OF FUTURES CONTRACTS SOLD SHORT
June 30, 2010**

FUTURES CONTRACTS SOLD SHORT	Expiration Date	Contracts	Aggregate Market Value of Contracts	Unrealized Appreciation (Depreciation)
Euro STOXX 50 Index Future	9/18/2010	90	\$ 2,791,313	\$ 13,577
FTSE 100 Index Future	9/18/2010	15	1,080,902	44,646
Total Futures Contracts Sold Short			<u>\$ 3,872,215</u>	<u>\$ 58,223</u>

See accompanying notes to financial statements.

HUSSMAN STRATEGIC INTERNATIONAL EQUITY FUND
STATEMENT OF ASSETS AND LIABILITIES
June 30, 2010

ASSETS	
Investments in securities:	
At acquisition cost	\$ 6,545,355
At value (Note 1)	\$ 6,303,209
Investments in money market funds	1,538,327
Dividends receivable	7,052
Receivable from Adviser (Note 3)	43,262
Variation margin receivable (Note 1)	353,309
Margin deposits for futures (Note 1)	643,697
Other assets	14,027
Total assets	<u>8,902,883</u>
LIABILITIES	
Accrued liabilities:	
Written call options, at value (Notes 1 and 4) (premiums received \$137,471)	59,420
Payable to administrator (Note 3)	6,995
Other accrued expenses	34,830
Total liabilities	<u>101,245</u>
NET ASSETS	<u>\$ 8,801,638</u>
NET ASSETS CONSIST OF:	
Paid-in capital	\$ 8,702,614
Undistributed net realized gains from security transactions and option and futures contracts	205,377
Net unrealized appreciation (depreciation) on:	
Investment securities	(300,193)
Option contracts	136,098
Futures contracts	58,223
Translation of assets and liabilities in foreign currencies	(481)
NET ASSETS	<u>\$ 8,801,638</u>
Shares of beneficial interest outstanding (unlimited number of shares authorized, no par value)	<u>873,351</u>
Net asset value, offering price and redemption price per share ^(a)	<u>\$ 10.08</u>

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

See accompanying notes to financial statements.

HUSSMAN STRATEGIC INTERNATIONAL EQUITY FUND**STATEMENT OF OPERATIONS****For the Period Ended June 30, 2010** ^(a)

INVESTMENT INCOME	
Dividend income	\$ 54,995
Foreign withholding taxes on dividends	(5,132)
Total investment income	<u>49,863</u>
EXPENSES	
Professional fees	49,061
Trustees' fees and expenses	44,210
Investment advisory fees (Note 3)	36,962
Fund accounting fees (Note 3)	18,371
Administration fees (Note 3)	12,000
Transfer agent fees (Note 3)	9,000
Custody fees	7,381
Compliance fees (Note 3)	2,554
Postage and supplies	1,740
Registration fees	1,128
Other expenses	3,729
Total expenses	<u>186,136</u>
Less fee reductions and expense reimbursements by the Adviser (Note 3)	<u>(111,498)</u>
Net expenses	<u>74,638</u>
NET INVESTMENT LOSS	<u>(24,775)</u>
REALIZED AND UNREALIZED GAINS (LOSSES) ON INVESTMENTS	
Net realized gains (losses) from:	
Security transactions	(61,952)
Option contracts	93,062
Futures contracts	215,604
Foreign currency transactions	(16,562)
Net change in unrealized appreciation (depreciation) on:	
Security transactions	(300,193)
Option contracts	136,098
Futures contracts	58,223
Foreign currency translation	(481)
NET REALIZED AND UNREALIZED GAINS ON INVESTMENTS	<u>123,799</u>
NET INCREASE IN NET ASSETS FROM OPERATIONS	<u>\$ 99,024</u>

^(a) Represents the period from the commencement of operations (December 31, 2009) through June 30, 2010.

See accompanying notes to financial statements.

HUSSMAN STRATEGIC INTERNATIONAL EQUITY FUND
STATEMENT OF CHANGES IN NET ASSETS

	Period Ended June 30, 2010 ^(a)
FROM OPERATIONS	
Net investment loss	\$ (24,775)
Net realized gains (losses) from:	
Security transactions	(61,952)
Option contracts	93,062
Futures contracts	215,604
Foreign currency transactions	(16,562)
Net change in unrealized appreciation (depreciation) on:	
Security transactions	(300,193)
Option contracts	136,098
Futures contracts	58,223
Foreign currency translation	(481)
Net increase in net assets from operations	<u>99,024</u>
CAPITAL SHARE TRANSACTIONS	
Proceeds from shares sold	<u>8,702,614</u>
TOTAL INCREASE IN NET ASSETS	8,801,638
NET ASSETS	
Beginning of period	-
End of period	<u>\$ 8,801,638</u>
UNDISTRIBUTED NET INVESTMENT INCOME	<u>\$ -</u>
CAPITAL SHARE ACTIVITY	
Shares sold	<u>873,351</u>
Net increase in shares outstanding	873,351
Shares outstanding at beginning of period	-
Shares outstanding at end of period	<u>873,351</u>

^(a) Represents the period from the commencement of operations (December 31, 2009) through June 30, 2010.

See accompanying notes to financial statements.

HUSSMAN STRATEGIC INTERNATIONAL EQUITY FUND
FINANCIAL HIGHLIGHTS

Selected Per Share Data and Ratios for a Share Outstanding Throughout the Period

	Period Ended June 30, 2010 ^(a)
Net asset value at beginning of period	<u>\$ 10.00</u>
Income (loss) from investment operations:	
Net investment loss	(0.03)
Net realized and unrealized gains on investments and option and futures contracts	<u>0.11</u>
Total from investment operations	<u>0.08</u>
Net asset value at end of period	<u>\$ 10.08</u>
Total return ^(b)	<u>0.80%</u> ^(c)
Net assets at end of period (000's)	<u>\$ 8,802</u>
Ratios/supplementary data:	
Ratio of gross expenses to average net assets	5.00% ^(d)
Ratio of net expenses to average net assets ^(e)	2.00% ^(d)
Ratio of net investment loss to average net assets ^(e)	-0.67% ^(d)
Portfolio turnover rate	13% ^(c)

^(a) Represents the period from the commencement of operations (December 31, 2009) through June 30, 2010.

^(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. The return shown does not reflect the deduction of taxes a shareholder would pay on Fund distributions or the redemption of Fund shares.

^(c) Not annualized.

^(d) Annualized.

^(e) Ratio was determined after advisory fee reductions and expense reimbursements (Note 3).

See accompanying notes to financial statements.

HUSSMAN STRATEGIC INTERNATIONAL EQUITY FUND

NOTES TO FINANCIAL STATEMENTS

June 30, 2010

1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Hussman Strategic International Equity Fund (the “Fund”) is a diversified series of Hussman Investment Trust (the “Trust”), which is registered under the Investment Company Act of 1940 as an open-end management investment company. The Fund is authorized to issue an unlimited number of shares. The Fund commenced operations on December 31, 2009.

The Fund’s investment objective is to provide long-term capital appreciation, with added emphasis on the protection of capital during unfavorable market conditions. The Fund invests primarily in equity securities of non-U.S. issuers.

Securities and Options Valuation — The Fund’s 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 U.S. 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 no sales on that day, at the mean of the closing bid and asked prices. Because the value of foreign securities may be materially affected by events occurring before the Fund’s pricing time but after the close of the primary markets or exchanges on which such securities are traded, its portfolio securities may be priced at their fair value as determined by an independent pricing service approved by the Board of Trustees. As a result, the prices of securities used to calculate the Fund’s net asset value may differ from quoted or published prices for the same securities. Values of foreign securities are translated from the local currency into U.S. dollars using currency exchange rates supplied by an independent pricing quotation service.

HUSSMAN STRATEGIC INTERNATIONAL EQUITY FUND NOTES TO FINANCIAL STATEMENTS (Continued)

Pursuant to 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 Hussman Econometrics Advisors, Inc. (the “Adviser”) to most closely reflect market value as of the time of computation of the net asset value. 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 last sale price or, if not available, at the mean of the bid and ask prices 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 fair value of securities with remaining maturities of 60 days or less may be 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.

Accounting principles generally accepted in the United States (“GAAP”) establish a single authoritative definition of fair value, set out a framework for measuring fair value and require additional disclosures about fair value measurement.

Various inputs are used in determining the value of the Fund’s investments. These inputs are summarized in the three broad levels listed below:

- Level 1 – quoted prices in active markets for identical securities
- Level 2 – other significant observable inputs
- Level 3 – significant unobservable inputs

HUSSMAN STRATEGIC INTERNATIONAL EQUITY FUND NOTES TO FINANCIAL STATEMENTS (Continued)

For example, option contracts purchased and written by the Fund are classified as Level 2 since they are valued at prices between the closing bid and ask prices determined by the Adviser to most closely reflect market value. The inputs or methodology used for valuing securities are not necessarily an indication of the risks associated with investing in these securities. The inputs used to measure the value of a particular security may fall into more than one level of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy within which the fair value measurement falls is the lowest level input that is significant to the fair value measurement in its entirety.

The following is a summary of the inputs used to value the Fund's investments and other financial instruments as of June 30, 2010 by security type:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments in Securities:				
Common Stocks	\$ 4,004,274	\$ 1,344,185	\$ -	\$ 5,348,459
Exchange-Traded Funds	786,750	-	-	786,750
Put Option Contracts	-	168,000	-	168,000
Money Market Funds	1,538,327	-	-	1,538,327
Total Investments in Securities	<u>\$ 6,329,351</u>	<u>\$ 1,512,185</u>	<u>\$ -</u>	<u>\$ 7,841,536</u>
Other Financial Instruments:				
Liabilities				
Futures Contracts Sold Short	\$ (3,872,215)	\$ -	\$ -	\$ (3,872,215)
Written Call Option Contracts	-	(59,420)	-	(59,420)
Total Derivative Instruments	<u>\$ (3,872,215)</u>	<u>\$ (59,420)</u>	<u>\$ -</u>	<u>\$ (3,931,635)</u>

The Fund's Schedule of Investments identifies the specific securities (by type of security and geographical region) that comprise the Fund's holdings within the Level 1 and Level 2 categories shown in the tables above. During the period ended June 30, 2010, the Fund did not have any significant transfers in and out of Level 1 or Level 2. In addition, the Fund did not have any assets or liabilities that were measured at fair value on a recurring basis using significant unobservable inputs (Level 3) during or as of the period ended June 30, 2010.

Futures and Options Transactions — The 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. The 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 enter into forward foreign currency contracts to hedge against the adverse impact of changes in foreign exchange rates on its investments and transactions in foreign securities.

HUSSMAN STRATEGIC INTERNATIONAL EQUITY FUND NOTES TO FINANCIAL STATEMENTS (Continued)

When the 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.

When the Fund purchases or sells a stock index futures contract, no price is paid to or received by the Fund upon the purchase or sale of the futures contract. Instead, the Fund is required to deposit in a segregated asset account an amount of cash or qualifying securities currently ranging from 10% to 15% of the contract amount. This is called the "initial margin deposit." Subsequent payments, known as "variation margin," are made or received by the Fund each day, depending on the daily fluctuations in the fair value of the underlying stock index. The Fund recognizes a gain or loss equal to the daily variation margin. If market conditions move unexpectedly, the Fund may not achieve the anticipated benefits of the futures contracts and may realize a loss. In addition to the possibility that there may be an imperfect correlation or no correlation at all between the movements in the stock index future and the portion of the portfolio being hedged, the price of the stock index futures may not correlate perfectly with movements in the stock index due to certain market distortions.

Repurchase Agreements — The Fund may enter into repurchase agreements with certain banks or non-bank dealers. The value of the underlying securities collateralizing these agreements is monitored on a daily basis to ensure that the value of the collateral during the term of the agreements equals or exceeds the repurchase price plus accrued interest. If the bank or dealer defaults, realization of the collateral by the Fund may be delayed or limited, and the Fund may suffer a loss if the value of the collateral declines.

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 spot 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.

HUSSMAN STRATEGIC INTERNATIONAL EQUITY FUND

NOTES TO FINANCIAL STATEMENTS (Continued)

C. The Fund does 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 per share of the 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 the 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 the Fund is equal to the net asset value per share. However, shares of the Fund are generally subject to a redemption fee of 1.5%, payable to the Fund, if redeemed within sixty days of the date of purchase. During the period ended June 30, 2010, no redemption fees were collected.

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 — Distributions to shareholders arising from net investment income, if any, are declared and paid annually. 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 GAAP. There were no distributions to shareholders during the period ended June 30, 2010.

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 the Fund or solely to another series of the Trust are allocated among the Fund and other series of the Trust based on relative net assets or the nature of the expense and the relative applicability to the Fund.

HUSSMAN STRATEGIC INTERNATIONAL EQUITY FUND NOTES TO FINANCIAL STATEMENTS (Continued)

Accounting Estimates — The preparation of financial statements in conformity with GAAP 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 those estimates.

Federal Income Tax — It is the Fund’s policy to qualify as a regulated investment company under Subchapter M of the Internal Revenue Code. As provided therein, in any fiscal year in which the Fund so qualifies and distributes at least 90% of its taxable net income, the Fund (but not its 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 also the 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, 2010:

Cost of portfolio investments and option contracts	\$ 7,946,211
Gross unrealized appreciation	\$ 114,426
Gross unrealized depreciation	(459,265)
Net unrealized depreciation on investments and option contracts	(344,839)
Net unrealized depreciation of assets and liabilities in foreign currencies	(481)
Net unrealized appreciation on futures contracts	58,223
Undistributed ordinary income	117,074
Undistributed long-term gains	269,047
Total accumulated earnings	\$ 99,024

The difference between the federal income tax cost of portfolio investments and its financial statement cost is due to certain timing differences in the recognition of capital gains or losses under income tax regulations and GAAP. These “book/tax” differences are temporary in nature and are primarily due to option transactions.

For the period ended June 30, 2010, the Fund reclassified \$24,775 of net investment loss against undistributed net realized gains from security transactions and option and future contracts. This reclassification is reflected 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 total net assets or net asset value per share.

HUSSMAN STRATEGIC INTERNATIONAL EQUITY FUND NOTES TO FINANCIAL STATEMENTS (Continued)

2. INVESTMENT TRANSACTIONS

During the period ended June 30, 2010, cost of purchases and proceeds from sales and maturities of investment securities, other than short-term investments and U.S. government securities, amounted to \$6,902,432 and \$405,078, respectively.

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 Fund’s administrator, transfer agent and fund accounting agent.

Advisory Agreement

Under the terms of an Advisory Agreement between the Trust and the Adviser, the 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 average daily net assets; 0.95% of the next \$2 billion of such assets; and 0.90% of such assets over \$3 billion, less any fee reductions.

The Adviser has contractually agreed to reduce its advisory fees or to absorb the Fund’s operating expenses to the extent necessary so that the Fund’s ordinary operating expenses do not exceed an amount equal to 2.00% annually of its average daily net assets. This Expense Limitation Agreement remains in effect until at least December 31, 2012. During the period ended June 30, 2010, the Adviser did not collect any of its advisory fees and reimbursed the Fund \$74,536 of its other operating expenses.

Any fee reductions or expense reimbursements by the Adviser, either before or after December 31, 2012, are subject to repayment by the Fund provided that such repayment does not result in the Fund’s expenses exceeding the 2.00% annual limitation and provided further that the expenses which are the subject of the repayment were incurred within three years of such repayment. As of June 30, 2010, the amount available for recovery that has been paid and/or waived by the Adviser on behalf of the Fund is \$111,498, which expires during the year ended June 30, 2013.

The beneficial ownership, either directly or indirectly of more than 25% of the voting securities of a mutual fund creates a presumption of control of the fund, under section 2(a)(9) of the Investment Company Act of 1940. As of June 30, 2010, John P. Hussman, President of the Adviser, owned 100.0% of the outstanding shares of the Fund.

HUSSMAN STRATEGIC INTERNATIONAL EQUITY FUND NOTES TO FINANCIAL STATEMENTS (Continued)

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 (“SEC”) and state securities authorities. Under the terms of the Administration Agreement, Ultimus receives a monthly fee from the Fund at annual rates of 0.075% of the Fund’s average daily net assets up to \$500 million; 0.05% of the next \$1.5 billion of such assets; 0.04% of the next \$1 billion of such assets; 0.03% of the next \$2 billion of such assets; and 0.025% of such assets in excess of \$5 billion, subject to a minimum monthly fee of \$2,000.

Fund Accounting Agreement

Under the terms of a Fund Accounting Agreement, Ultimus calculates the daily net asset value per share and maintains the financial books and records of the Fund. For these services, Ultimus receives a monthly base fee of \$3,000, 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 assets in excess of \$500 million. In addition, the Fund reimburses Ultimus for certain out-of-pocket expenses incurred in obtaining valuations of the Fund’s portfolio securities.

Transfer Agent and Shareholder Services Agreement

Under the terms of a Transfer Agent and Shareholder Services Agreement, Ultimus maintains the records of each shareholder’s account, answers shareholders’ inquiries concerning their accounts, processes purchases and redemptions of the Fund’s shares, acts as dividend and distribution disbursing agent and performs other shareholder service functions. For these services, Ultimus receives a fee from the Fund, payable monthly, of \$22 annually for each direct account and \$12 annually for certain accounts established through financial intermediaries, subject to a minimum monthly fee of \$1,500. In addition, the Fund reimburses Ultimus for certain out-of-pocket expenses, including, but not limited to, postage and supplies.

For shareholder accounts held through financial intermediaries, the Fund may, in some cases, compensate these intermediaries for providing certain account maintenance and shareholder services. During the period ended June 30, 2010, no fees were paid by the Fund for such services.

HUSSMAN STRATEGIC INTERNATIONAL EQUITY FUND NOTES TO FINANCIAL STATEMENTS (Continued)

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 \$15,000 per annum, plus an asset-based fee computed at annual rates of .005% of the average value of the Trust's aggregate daily net assets from \$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. The Fund pays its proportionate share of such fee along with the other series of the Trust. In addition, the Trust reimburses Ultimus for reasonable out-of-pocket expenses, if any, incurred in connection with these services.

4. DERIVATIVES TRANSACTIONS

Transactions in option contracts written by the Fund during the period ended June 30, 2010 were as follows:

	Option Contracts	Option Premiums
Options outstanding at beginning of period	-	\$ -
Options written	40	331,493
Options cancelled in a closing purchase transaction	(20)	(194,021)
Options outstanding at end of period	20	\$ 137,472

As of June 30, 2010, the Fund sold 105 futures contracts on stock indices for delivery in September 2010. The Fund has recorded an unrealized gain of \$58,223 as of June 30, 2010 related to these contracts. The Fund has additionally recorded a receivable of \$353,309 as of June 30, 2010 related to the cumulative daily variation margin related to these contracts.

The locations in the Statement of Assets and Liabilities of the Fund's derivative positions are as follows:

Type of Derivative	Location	Fair Value		Gross Notional Amount Outstanding June 30, 2010
		Asset Derivatives	Liability Derivatives	
Index put options purchased	Investments in securities at value	\$ 168,000	\$ -	\$ 2,160,000
Index call options written	Written call options, at value	-	(59,420)	(2,160,000)

The average monthly net notional amount of option contracts during the year ended June 30, 2010 was \$0 for the Fund.

HUSSMAN STRATEGIC INTERNATIONAL EQUITY FUND NOTES TO FINANCIAL STATEMENTS (Continued)

Transactions in derivative instruments during the period ended June 30, 2010 by the Fund are recorded in the following locations in the Statements of Operations:

Type of Derivative	Location	Realized Gains (Losses)	Location	Change in Unrealized Gains (Losses)
Index put options purchased	Net realized gains (losses) from option contracts	\$ (7,932)	Net change in unrealized appreciation (depreciation) on option contracts	\$ 58,047
Index futures contracts written	Net realized gains (losses) from futures contracts	215,604	Net change in unrealized appreciation (depreciation) on option contracts	58,223
Index call options written	Net realized gains (losses) from option contracts	100,994	Net change in unrealized appreciation (depreciation) on option contracts	78,051

5. CONTINGENCIES AND COMMITMENTS

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

6. SUBSEQUENT EVENTS

The Fund is required to recognize in the financial statements the effects of all subsequent events that provide additional evidence about conditions that existed as of the date of the Statement of Assets and Liabilities. For nonrecognized subsequent events that must be disclosed to keep the financial statements from being misleading, the Fund is required to disclose the nature of the event as well as an estimate of its financial effect, or a statement that such an estimate cannot be made. Management has evaluated subsequent events through the date of the issuance of these financial statements and has noted no such events.

HUSSMAN STRATEGIC INTERNATIONAL EQUITY FUND NOTES TO FINANCIAL STATEMENTS (Continued)

7. RECENT ACCOUNTING PRONOUNCEMENT

In January 2010, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) No. 2010-06 “Improving Disclosures about Fair Value Measurements.” ASU No. 2010-06 amends FASB Accounting Standards Codification Topic 820, Fair Value Measurements and Disclosures, to require additional disclosures regarding fair value measurements. Certain disclosures required by ASU No. 2010-06 are effective for interim and annual reporting periods beginning after December 15, 2009 and others for fiscal years beginning after December 15, 2010 and for interim periods within those fiscal years. Management is currently evaluating the impact ASU No. 2010-06 will have on the Fund’s financial statement disclosures.

HUSSMAN STRATEGIC INTERNATIONAL EQUITY FUND
REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and Board of Trustees of
Hussman Investment Trust

We have audited the accompanying statement of assets and liabilities, including the schedule of investments, of Hussman Investment Trust (comprising the Hussman Strategic International Equity Fund) (the "Fund") as of June 30, 2010, and the related statement of operations for the period then ended, the statement of changes in net assets for the period then ended, and the financial highlights for the period then ended. These financial statements and financial highlights are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audit.

We conducted our audit in accordance with 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 audit 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 Fund's 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, 2010, by correspondence with the custodian and broker. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial positions of Hussman Strategic International Equity Fund of Hussman Investment Trust as of June 30, 2010, the results of its operations for the period then ended, the changes in its net assets for the period then ended, and the financial highlights for the period then ended, in conformity with U.S. generally accepted accounting principles.

Ernst & Young LLP

Cincinnati, Ohio
August 25, 2010

HUSSMAN STRATEGIC INTERNATIONAL EQUITY FUND

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 Fund, you incur two types of costs: (1) transactions 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 Fund 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 expenses in the table 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, 2010 – June 30, 2010).

The table below illustrates the Fund's ongoing 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 the 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 the 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 Fund under the heading “Expenses Paid During Period.”

Hypothetical 5% return – This section is intended to help you compare the Fund's ongoing costs with those of other mutual funds. It assumes that the Fund had an annual return of 5% before expenses during the period shown. In this case, because the return used is not the 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 SEC requires all mutual funds to provide an example of fund expenses based on a 5% annual return. You can assess the Fund's ongoing costs by comparing this hypothetical example with the hypothetical examples that appear in shareholder reports of other 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 the Fund's expenses, including annual expense ratios, can be found elsewhere in this report. For additional information on operating expenses and other shareholder costs, please refer to the Fund's prospectus.

**HUSSMAN STRATEGIC INTERNATIONAL EQUITY FUND
ABOUT YOUR FUND'S EXPENSES (Unaudited) (Continued)**

	Beginning Account Value January 1, 2010	Ending Account Value June 30, 2010	Expenses Paid During Period*
Based on Actual Fund Return	\$1,000.00	\$1,008.00	\$9.96
Based on Hypothetical 5% Return (before expenses)	\$1,000.00	\$1,014.88	\$9.99

* Expenses are equal to the Fund's annualized expense ratio of 2.00% for the period, multiplied by the average account value over the period, multiplied by 181/365 (to reflect the one-half year period).

OTHER INFORMATION (Unaudited)

A description of the policies and procedures the Fund uses 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 SEC's website at <http://www.sec.gov>. Information regarding how the Fund voted proxies relating to portfolio securities during the most recent 12-month period ended June 30, 2010 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 of the Fund with the SEC as of the end of the first and third quarters of each fiscal year on Form N-Q. These 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.

HUSSMAN STRATEGIC INTERNATIONAL EQUITY FUND
BOARD OF TRUSTEES AND OFFICERS (Unaudited)

Overall responsibility for management of the Fund 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 Trust. 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	47	President and Trustee	Since June 2000
David C. Anderson	916 North Oak Park Avenue Oak Park, IL 60302	59	Trustee	Since June 2000
Nelson F. Freeburg	9320 Grove Park Cove Germantown, TN 38139	58	Trustee	Since June 2000
William H. Vanover	36800 Woodward Avenue, Suite 200 Bloomfield Hills, MI 48304	63	Trustee	Since June 2000
Robert G. Dorsey	225 Pictoria Drive Cincinnati, OH 45246	53	Vice President	Since June 2000
Mark J. Seger	225 Pictoria Drive Cincinnati, OH 45246	48	Treasurer	Since June 2000
John F. Splain	225 Pictoria Drive Cincinnati, OH 45246	53	Secretary and Chief Compliance Officer	Since June 2000

*Dr. 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 three portfolios of the Trust. The principal occupations during the past five years of the Trustees and executive officers of the Trust and public directorships (if any) currently held by the Trustees are as follows:

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).

HUSSMAN STRATEGIC INTERNATIONAL EQUITY FUND
BOARD OF TRUSTEES AND OFFICERS (Unaudited) (Continued)

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 the Fund. To obtain a free copy of the SAI, please call 1-800-487-7626.

HUSSMAN STRATEGIC INTERNATIONAL EQUITY FUND
APPROVAL OF INVESTMENT ADVISORY AGREEMENT (Unaudited)

The Board of Trustees of Hussman Investment Trust, with the Trustees who are not “interested persons,” as defined by the Investment Company Act of 1940, of the Trust (the “Independent Trustees”) voting separately, have reviewed and approved the continuance of the Fund's Investment Advisory Agreement (the “Agreement”) with the Adviser. The most recent approval of the Agreement took place at a meeting held on June 18, 2010, at which all of the Trustees were present in person.

The Independent Trustees were advised by independent counsel of their responsibilities in determining whether to approve the continuance of the Agreement, and the Independent Trustees requested such information from the Adviser as they deemed reasonably necessary to evaluate the terms of the Agreement and whether the Agreement continues to be in the best interests of the Fund and its shareholders. The Trustees reviewed: (i) the nature, extent and quality of the services provided by the Adviser; (ii) the investment performance of the Fund; (iii) the costs of the services provided and the profits realized by the Adviser from its relationship with the Fund; (iv) the extent to which economies of scale may be realized as the Fund grows; and (v) whether fee levels reflect any such economies of scale for the benefit of the Fund's 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 determined that the Adviser was well-qualified to provide services to the Fund and to manage its assets in accordance with the Fund's investment policies, and considered it significant that the Adviser had invested a great deal of time and attention towards the planning and development of the investment program and operations of the Fund, not only through modeling and research, but through testing to help assure the efficiency of the Fund's trading and operations. 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 Agreement 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 information to assist the Trustees in analyzing the performance of the Fund since inception on December 31, 2009. The Fund's return was compared to the return of its primary benchmark, the MSCI Europe, Australasia, Far East (EAFE) Index and average returns of a selected peer group of other mutual funds. While acknowledging the limited operating history of the Fund, the Board reviewed the comparisons that showed that, since the inception of the Fund, the Fund outperformed the returns of the MSCI EAFE Index and the averages for the peer group of mutual funds.

HUSSMAN STRATEGIC INTERNATIONAL EQUITY FUND
APPROVAL OF INVESTMENT ADVISORY AGREEMENT (Unaudited)
(Continued)

In reviewing the fees payable under the Agreement, the Independent Trustees reviewed the advisory fee rates paid by the Fund and compared them to the advisory fees of a peer group of mutual funds. They also compared the total operating expense ratio of the Fund with the expense ratios of representative funds with similar investment objectives, taking into account the agreement of the Adviser to limit the ordinary operating expenses of the Fund by reducing its fee or absorbing Fund expenses. The Independent Trustees concluded that, based upon the investment strategy of the Fund and the complexity of the investment management services associated with management of the Fund's investment portfolio, the advisory fees paid by the Fund were fair and reasonable. In this regard, the Independent Trustees took cognizance of the fact that the advisory fee schedule contained several breakpoints that will allow shareholders to benefit from lower advisory fee rates to the extent that there is growth in the assets of the Fund.

With respect to the advisory fees paid by the Fund and the total operating expenses of the Fund, the Independent Trustees concluded that, although these fees and expenses were in the higher range of the fees and expenses paid by many other funds that invest in foreign equity securities, the investment process and techniques used by the Adviser in pursuing the Fund's investment program are more sophisticated and complex than those generally used by other advisers of other funds that invest in foreign equities. The Independent Trustees concluded that the Adviser's agreement to limit overall operating expenses of the Fund through fee reductions and expense reimbursements should enable the Fund to maintain a competitive overall expense ratio during the term of that agreement. The Independent Trustees did not review and consider the profitability of the Adviser with regards to its management of the Fund and did not evaluate whether the Adviser derives any ancillary benefits from its relationship with the Fund because the Fund only recently commenced operations and the Adviser has yet to collect any advisory fees from the Fund.

The Trustees also reviewed the Fund's brokerage costs and considered that the brokerage commissions negotiated by the Adviser on behalf of the Fund are significantly less than industry averages. The Independent Trustees concluded that the Adviser has adopted a brokerage placement policy which seeks to obtain best execution and low commissions on all of the Fund's brokerage transactions, and does not direct transactions to obtain "soft dollar" services, which significantly benefits the Fund by reducing transaction costs (which are not reflected in the expense ratio) and increasing the investment returns of the Fund.

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