

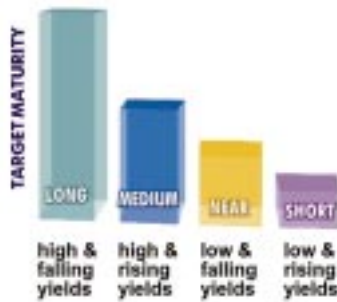


HUSSMAN INVESTMENT TRUST

Hussman Strategic Growth Fund



Hussman Strategic Total Return Fund



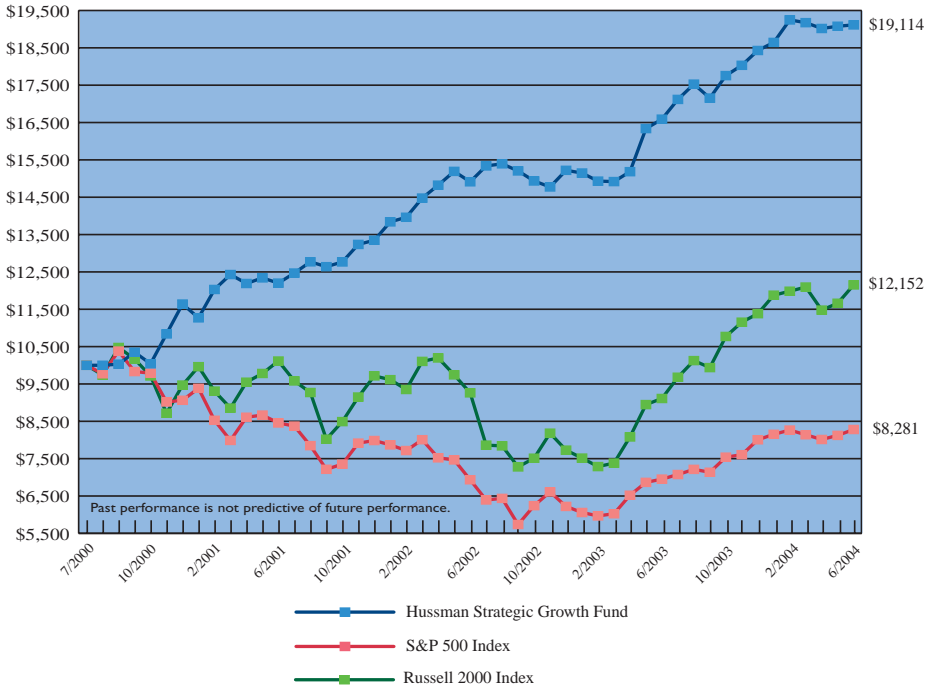
ANNUAL REPORT

JUNE 30, 2004



STRATEGIC GROWTH FUND

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



Average Annual Total Returns^(a)			
For Periods Ended June 30, 2004			
	<u>1 Year</u>	<u>3 Years</u>	Since Inception ^(c)
Hussman Strategic Growth Fund	15.22%	16.14%	17.90%
S&P 500 Index	19.11%	-0.69%	-4.68%
Russell 2000 Index	33.38%	6.31%	5.08%

^(a) The 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.

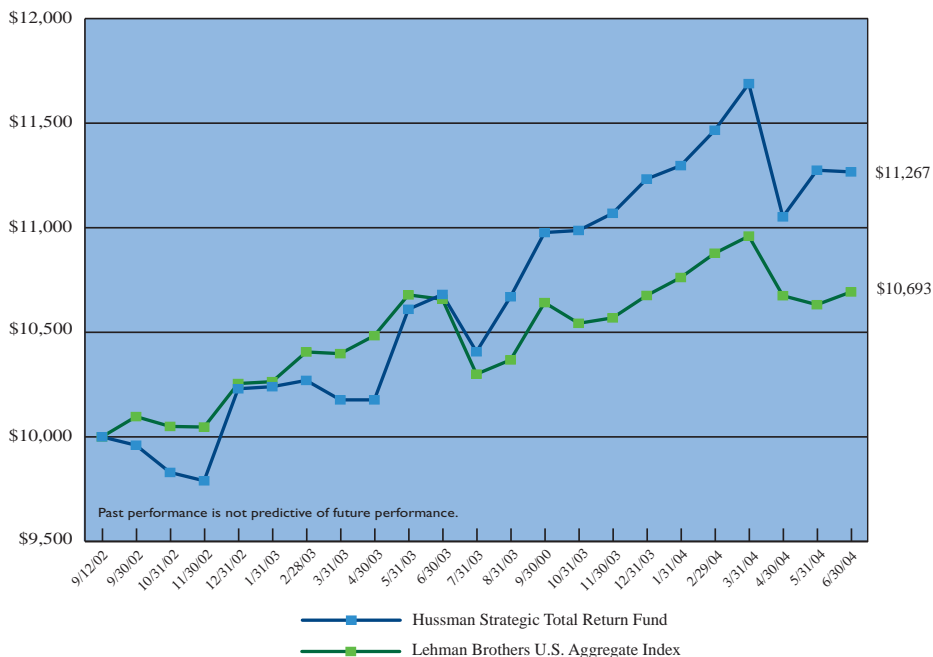
^(b) Returns do not reflect the deduction of taxes a shareholder would pay on Fund distributions or the redemption of Fund shares.

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



STRATEGIC TOTAL RETURN FUND

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



Average Annual Total Returns^(b)

For Periods Ended June 30, 2004

	1 Year	Since Inception ^(c)
Hussman Strategic Total Return Fund	5.49%	6.86%
Lehman Brothers U.S. Aggregate Index	0.33%	3.79%

^(a) The Lehman Brothers U.S. Aggregate Index covers the U.S. investment grade fixed rate bond market, with index components for U.S. government, government agency and corporate securities.

^(b) Returns do not reflect the deduction of taxes a shareholder would pay on Fund distributions or the redemption of Fund shares. The Fund manager has agreed until at least December 31, 2005 to waive its investment advisory fees and to absorb Fund expenses 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 provisions. Absent such fee waivers and expense reimbursements, Fund performance would be lower.

^(c) Annualized. Initial public offering of shares was September 12, 2002.

Dear Shareholder,

The Hussman Funds continued to perform as intended last year, with both the Strategic Growth Fund and the Strategic Total Return Fund achieving continued appreciation and relatively strong profiles of return per unit of risk. Our investment objective is to achieve long-term capital appreciation and total returns, with added emphasis on protecting capital during conditions that have generally been unfavorable toward market risk.

Over the past year the stock market amply rewarded investments in speculative, highly indebted companies, while the bond market rewarded junk credit, both which I view as outside of our investment discipline. Still, given prevailing valuations and market action in stocks and bonds, both Funds continued to serve their objectives by achieving sound, if less speculative gains.

Hussman Strategic Growth Fund

For the year ended June 30, 2004, the Strategic Growth Fund achieved a total return of 15.22%, compared with 19.11% for the S&P 500 and 33.38% for the Russell 2000 index. Because the advance that emerged in the spring of 2003 began at higher valuations than any previous bull market in history, the Fund's stockholdings were at least partially hedged during the entire year. As a result, the Fund's performance was less than I would expect during a typical bull market advance, when valuations are usually comfortable enough to make hedging unnecessary.

Still, as long-term investors, our interest is in the returns and risks that we experience over the complete market cycle. Since its inception on July 24, 2000, the Strategic Growth Fund has achieved an annualized total return of 17.90%, compared with annualized returns of -4.68% and 5.08% in the S&P 500 and Russell 2000, respectively. Meanwhile, the volatility of the Fund, as measured by both standard deviation and the depth of peak-to-trough pullbacks, has remained substantially lower than in the major indices.

The investment objective of the Strategic Growth Fund is to achieve long-term returns, with added emphasis on protecting capital during unfavorable market conditions. Though I wish it were possible to achieve consistently positive short-term returns and to outpace market advances even in very overvalued conditions, I'll disappoint you as a manager if I don't discourage those expectations. Rather, I attempt to achieve good results for our shareholders on two criteria: long-term total returns and risk-adjusted returns.

The Hussman Funds

Letter to Shareholders *(continued)*

In my view, the most appropriate way to evaluate performance is to measure from one peak in the market to the next, preferably across market cycles, but at least across periods of a year or more.

For example, from the standpoint of total returns, the 2002 peak in the S&P 500 index occurred on March 19, 2002. The 2004 peak occurred on March 5, 2004. Between these two dates, the Strategic Growth Fund achieved an annualized total return of 17.26%, compared with annualized total returns of 1.17% and 10.62% for the S&P 500 and Russell 2000 indices, respectively. The deepest peak-to-trough pullback in the Strategic Growth Fund during this period was less than 7%, compared with pullbacks of 33% and 36% for the S&P 500 and Russell 2000.

The Fund continues to be extremely manageable. On average, the Fund's positions in various stocks represent less than one-third of their respective average daily trading volumes, even among the Fund's largest holdings. Comparable figures for recently closed equity funds display well over ten times that concentration. The average commission paid by the Fund is less than 2 cents per share, compared with an estimated industry average between 5.1 and 5.5 cents. The Fund has no soft-dollar or trailing fee arrangements with brokers. Our estimated trading impact (execution price relative to last sale at the time of order entry) remains a small fraction of one percent. The expense ratio of the Fund (which is affected by factors such as net assets and may increase or decrease over time) has been repeatedly lowered, most recently to 1.26% as of July 2004. These indicators of manageability and cost reflect substantial capacity for our investment style at present. We monitor these carefully because the Fund is intended as a vehicle for recurring investments, as part of the long-term saving and investment programs of our shareholders.

Performance Drivers

The performance of the Strategic Growth Fund, relative to the market, is occasionally affected by various "themes" that investors adopt from time to time. For example, during the 2000-2002 market plunge, the collapse of technology stocks was an important theme. Because we identified that group as having particularly unfavorable valuation and market action, the avoidance of technology was among several themes that contributed to the returns of the Strategic Growth Fund during that period.

In contrast, an important theme of the market advance since early 2003 has been the "low quality trade." Stocks having small market capitalizations,

The Hussman Funds

Letter to Shareholders *(continued)*

high volatility and poor balance sheets have fared much better than larger stocks with more stable characteristics. Had I been willing to invest a substantial portion of shareholder assets in speculative companies, those trades might have added to our returns last year. Unfortunately, the low quality trade simply falls outside of our investment standards and risk tolerance. Buying low quality and weak balance sheets is a strategy that works out well until it doesn't.

As always, differences between the portfolio composition of the Fund and the major indices are driven by relative valuation and market action across various industries. Despite occasional shortfalls, this disciplined and intentional stock selection has contributed substantially to the performance of the Fund since its inception.

In my experience, one theme has tended to emerge repeatedly in the markets. Though the specific industries and stories change from cycle to cycle, over the long-term investors have generally rewarded securities that appear favorably valued on the basis of conservatively estimated free cash flows, particularly when market action displays a certain degree of sponsorship by other investors. Investing in securities having some combination of favorable valuation and market action, while eschewing those securities that do not, is certainly not rewarded with enough regularity to depend on it over short-term periods of a month, a quarter, or even a year. But as a long-term, testable investment approach, I have not found a superior alternative.

The Strategic Growth Fund was partially hedged through much of 2003 and early 2004. After being fully-hedged against the impact of market fluctuations during the preceding bear market, an improvement in the quality of market action during the spring of 2003 prompted me to remove the bulk of the Fund's hedges. Still, the recent bull market advance did not begin from attractive valuations, which might otherwise have warranted an aggressive investment stance. For that reason, I have gradually responded to higher valuations and deteriorating market action by reducing the Fund's exposure to market fluctuations.

In April 2004, with our measures of valuation already negative, our measures of market action also deteriorated enough to move the Fund to a defensive stance. In this position, the Fund remained fully invested in a broadly diversified portfolio of individual stocks, with an offsetting short sale in the S&P 100 and Russell 2000 indices, intended to reduce the impact of overall market fluctuations from the portfolio.

The Hussman Funds

Letter to Shareholders *(continued)*

None of these actions required forecasts of future market direction. Instead, they were attempts to align the Fund with market conditions that were objectively measured at each point in time. The refusal to attach ourselves to any particular market forecast, and to instead align ourselves consistently with what we observe, is one of the essential features of our investment approach.

During the past year, the largest industry holdings in the Fund have been in health care and consumer related stocks, largely reflecting a combination of favorable valuations and market action in these areas, based on our measures. From the standpoint of "themes," one of the characteristics shared by many of our largest holdings is a relatively low volatility in revenue growth and profitability.

Much of the market's advance over the past year has focused on stocks that are sensitive to the business cycle. More recently, there has been a growing amount of sponsorship – evident in market action – for stocks that do not rely on momentum in earnings or the economy. I have also observed an improvement in the valuations and market action of oil-related stocks, and have increased our exposure modestly in this sector as well. As in recent years, the Fund continues to hold a very limited exposure to financial stocks, which I view as precariously sensitive to credit risks and rising short-term interest rates.

Though the widely diversified portfolio of the Fund makes it impossible to attribute performance to any short list of securities, individual stocks contributing to the Fund's performance during the past 12 months included Pacificare Health, Research in Motion, Abercrombie & Fitch, American Power Conversion, Petroleo Brasileiro, Amazon, Biogen, Gap Stores, Lexmark, Guidant, Veeco Instruments, and Covance, each which achieved in excess of \$4 million in gains for the Fund. Losses above that amount were experienced by King Pharmaceuticals, UTStarcom, and Biovail.

Current information regarding market conditions and the investment stance of the Funds is available at www.hussmanfunds.com

Portfolio Insight

The Portfolio of Investments section of this report provides a detailed view of our investment stance. As of June 30, 2004, the Fund had net assets of \$1,316,703,301, and was invested in a diversified portfolio of 229 stocks, valued at \$1,281,144,002. The Fund's largest positions each represented close to 2% of assets, including Microsoft (2.2%), Home Depot (2.0%), Merck

The Hussman Funds

Letter to Shareholders *(continued)*

(2.0%), McDonalds (2.0%), Macromedia (1.9%), UTStarcom (1.7%), Eastman Kodak (1.5%), Johnson & Johnson (1.5%), General Mills (1.5%), and King Pharmaceuticals (1.4%).

While the Fund generally seeks to maintain a fully invested (90% or greater) position in individual stocks, it also has the flexibility to hedge that portfolio against the impact of market fluctuations, up to the full value of those holdings. The Fund, however, cannot take net short positions.

As of June 30, the Fund held 16,250 put-call combinations on the S&P 100 Index, and 5000 put-call positions on the Russell 2000 (the Fund also held a small position in 5000 OEX call options to allow for a possible favorable shift in market conditions).

Each put-call combination is created by purchasing one put option and selling short one call option having the same strike price and expiration as the put. This combination behaves as an interest-bearing short-sale on the index.

For example, on June 30, 2004, the S&P 100 Index closed at 553.87. Since each option controls 100 "shares" of the index, each S&P 100 put-call combination acted as a short sale of \$55,387 worth of the S&P 100. Similarly, the Russell 2000 closed at 591.52 on that date. So each Russell 2000 put-call combination acted as a short sale of \$59,152 worth of the Russell 2000.

In effect, the 16,250 S&P 100 option combinations and the 5000 Russell 2000 option combinations were equivalent to a short sale on major market indices, having a combined value of \$1,195,798,750. This hedge offset about 93.3% of the value of the stocks held by the Fund.

Notably, these option positions should not be interpreted as "bearish" positions or as forecasts of impending market weakness. The option positions periodically held by the Fund are generally intended to reduce the Fund's exposure to overall market fluctuations, while preserving its exposure to movements in the stock portfolio that are independent of the market.

Hussman Strategic Total Return Fund

For the year ended June 30 2004, the Strategic Total Return Fund achieved a total return of 5.49%, compared with a total return of 0.33% in the Lehman U.S. Aggregate Index. Since its inception on September 12, 2002, the Strategic Total Return Fund has achieved an annualized total return of 6.86%, compared with 3.79% for the Lehman index.

Performance Drivers

Over the past year, the Strategic Total Return Fund has shifted its duration profile modestly on a number of occasions, largely as the result of changes in valuations (as reflected in the level of bond yields and their relationship with yields on competing assets, economic growth, inflation and so forth). In April 2004, however, market action in bonds became hostile enough to warrant a more defensive reduction in the interest rate exposure of the Fund.

April 2004 was a particularly difficult month for the Fund, which declined by -5.45% that month, compared with a loss of -2.60% in the Lehman U.S. Aggregate. Although part of the decline was attributable to bond holdings, much of the pullback was attributable to the Fund's holdings in precious metals shares (which represented about 10% of net assets). For several weeks, the bond market and the U.S. dollar departed from their typically loose correlation and entered a very tight relationship – strength in the dollar was strongly accompanied by weakness in bonds, as the bond market adopted a theme that assumed rapid, noninflationary growth in the U.S. economy.

Since dollar strength typically implies weakness in precious metals, the combined result of this "theme trading" was a simultaneous decline in the values of straight Treasuries, inflation protected Treasuries, precious metals shares, and utility stocks. Rather than providing their typical diversification benefits, all of these groups declined in unison. Though our overall risk-management approach kept the Fund's overall exposure to these losses fairly limited, it was a deeper decline than I would have normally expected from a moderate investment position. In May, as market participants adopted less aggressive expectations about rapid economic growth and low inflation, a portion of the prior month's weakness was reversed.

In a year where the Lehman U.S. Aggregate achieved a total return of 0.33%, much of the performance in the Strategic Total Return Fund was derived from alternatives such as precious metals shares and utility shares. Though the overall return on the Fund primarily reflects modest gains across numerous securities, the Fund benefited most from investments in Placer Dome, PPL, Sempra Energy, USEC, and Scana. The Fund's performance was reduced by losses in long-term U.S. Treasury bonds, most notably a modest position in 30-year Treasuries that was held by the Fund during April 2004.

Portfolio Insight

The Portfolio of Investments section of this report provides a detailed view of our investment stance. As of June 30, 2004, the Fund had net assets of \$105,308,108.

As of June 30, 2004, I continued to view conditions for Treasury Inflation Protected Securities and precious metals as favorable, and the Strategic Total Return Fund remained positioned to benefit largely from declines in real interest rates and the U.S. dollar. Still, the overall size of these positions was fairly limited. The Fund's portfolio duration was about 3.25 years (meaning that a 100 basis point change in interest rates would be expected to affect Fund value by about 3.25% on account of bond price fluctuations). The bulk of this duration was held in Treasury Inflation Protected Securities, which represented 44.4% of net assets. The Fund also held 12.4% of net assets in precious metals shares, 5.8% in utilities shares, 3.4% in U.S. government agency obligations, and less than 1% in foreign government notes. Due to the generally unfavorable Market Climate for bonds, the remainder of the Fund was invested in U.S. Treasury bills and money market securities.

On a day-to-day basis, much of the fluctuation in the Fund in the coming months will likely be associated with fluctuation in the value of precious metals shares, and to a lesser extent, by fluctuations in inflation-protected securities (which are generally less volatile).

Current Outlook

The overriding theme of the financial markets in recent months has been the expectation of short-term interest rate hikes by the Federal Reserve. In general, the object of Fed rate hikes is not to slow the economy, but to reduce demand growth in periods when the economy has very restricted capacity to respond with new supply. For example, at the inception of the Fed's aggressive 1994 rate-hike campaign, factory use had risen to 83%, the "output gap" between actual and potential GDP was very small, and the economy was regularly producing over 300,000 jobs monthly at an unemployment rate that was low in the context of recent experience.

Those conditions certainly do not describe the present state of the U.S. economy, and as a result, the main reason for Fed rate hikes here is simply to "normalize" the level of short-term interest rates to something more consistent with prevailing rates of economic growth and inflation.

The Hussman Funds

Letter to Shareholders *(continued)*

I have frequently emphasized that current levels of U.S. domestic investment (capital spending, housing, etc) now rely on an enormous sustained inflow of foreign capital. To the extent that the U.S. current account deficit is already deeply negative, it is likely that gradual adjustment of this deficit will force a slowing in U.S. domestic investment growth in the coming years. Further growth in capital spending here will most probably come at the expense of housing investment, with overall domestic investment remaining stagnant. Given these realities, upward surprises in economic growth seem unlikely here.

It appears equally unlikely that the Fed will adopt an aggressive path of interest rate hikes, and it follows that a corresponding increase in long-term interest rates is not an obvious conclusion. Still, expectations for slower economic growth don't seem sufficient to warrant substantial investments in long-term, nominal yielding bonds. There has been a strong historical tendency for increases in Fed-controlled interest rates to raise monetary velocity enough to trigger accelerating inflation, at least over the short-term. While I don't anticipate persistent inflation pressures, it is possible that a short-term acceleration in inflation could destabilize market expectations enough to pose additional risk to nominal bonds. This seems particularly true given recent upward pressure on oil prices, combined with the fact that oil futures prices suggest (uncharacteristically) little decline in prices anytime soon. All of these considerations lean our holdings of fixed income securities toward inflation protected alternatives rather than nominal bonds.

In short, neither the Strategic Growth Fund nor the Strategic Total Return Fund are currently exposed to a substantial amount of risk from broad stock or bond market fluctuations. The hedge positions in the Strategic Growth Fund are intended to mute the impact of broad market fluctuations, but do not eliminate risks and returns that might emerge from differences in performance between our individual stock holdings and the market itself. The Strategic Total Return Fund has a relatively low 3.25 year duration, primarily in inflation-protected securities, and so is also not particularly sensitive to overall bond market fluctuations.

Given the relatively contained exposure to overall market fluctuations in both Funds at present, their investment returns are likely to be driven by "active risk" – areas where the Funds have exposure that is not closely mirrored in the general market. The Strategic Growth Fund would currently benefit most from investor preferences favoring value and revenue stability over small size and

The Hussman Funds

Letter to Shareholders *(continued)*

low quality. The Strategic Total Return Fund would benefit largely from a shift away from the "rapid, noninflationary growth" theme and toward a more plausible theme of reduced economic momentum and upward price pressures.

In any event, the investment positions held by the Funds at any particular time reflect prevailing market conditions, and those positions will shift as market conditions change. Though the broad stock and bond markets have achieved fairly unimpressive returns in recent years, and remain priced to deliver unsatisfactory returns in the coming decade, I expect that the flexibility of our investment approach will continue to serve our shareholders well.

I appreciate your investment in the Hussman Funds.

Best wishes,

John P. Hussman, Ph.D.

Weekly updates regarding market conditions and investment strategy, as well as special reports and analysis, are available at no charge at the Fund's website www.hussmanfunds.com.

The performance data quoted for the Funds represents past performance. The investment return of the Funds will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost.

Hussman Investment Trust

Statements of Assets and Liabilities

June 30, 2004

	Hussman Strategic Growth Fund	Hussman Strategic Total Return Fund
ASSETS		
Investments in securities:		
At acquisition cost	\$ 1,247,636,018	\$ 99,780,992
At value (Note 1)	\$ 1,304,610,502	\$ 99,747,506
Investments in money market funds	102,194,995	4,922,660
Cash	500,000	—
Dividends and interest receivable	917,006	495,615
Receivable for capital shares sold	9,558,299	530,467
Receivable for investment securities sold	3,796,500	—
Other assets	86,904	17,480
Total Assets	<u>1,421,664,206</u>	<u>105,713,728</u>
LIABILITIES		
Dividends payable	—	132,906
Written call options, at value (Notes 1 and 4) (premiums received \$48,315,053)	65,747,000	—
Payable for investment securities purchased	37,516,599	—
Payable for capital shares redeemed	275,408	194,795
Accrued investment advisory fees (Note 3)	1,121,184	36,043
Payable to administrator (Note 3)	104,000	17,100
Other accrued expenses	196,714	24,776
Total Liabilities	<u>104,960,905</u>	<u>405,620</u>
NET ASSETS	<u>\$ 1,316,703,301</u>	<u>\$ 105,308,108</u>
Net assets consist of:		
Paid-in capital	\$ 1,202,390,329	\$ 105,831,378
Undistributed net investment income	—	7,894
Accumulated net realized gains (losses) from security transactions and option contracts	74,770,435	(497,696)
Net unrealized appreciation/depreciation on investments and options	39,542,537	(100,101)
Net unrealized appreciation/depreciation on translation of assets and liabilities in foreign currencies	—	66,633
NET ASSETS	<u>\$ 1,316,703,301</u>	<u>\$ 105,308,108</u>
Shares of beneficial interest outstanding (unlimited number of shares authorized, no par value)	<u>82,881,319</u>	<u>9,997,594</u>
Net asset value, offering price and redemption price per share(a) (Note 1)	<u>\$ 15.89</u>	<u>\$ 10.53</u>

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

See accompanying notes to financial statements.

Hussman Investment Trust

Statements of Operations

For the Year Ended June 30, 2004

	Hussman Strategic Growth Fund	Hussman Strategic Total Return Fund
INVESTMENT INCOME		
Dividends	\$ 7,914,306	\$ 245,663
Foreign withholding taxes on dividends	(79,788)	(4,857)
Interest	—	1,414,156
Total Income	<u>7,834,518</u>	<u>1,654,962</u>
EXPENSES		
Investment advisory fees (Note 3)	9,414,841	305,928
Administration fees (Note 3)	642,078	73,162
Transfer agent, account maintenance and shareholder services fees (Note 3)	380,692	20,295
Custodian and bank service fees	172,559	29,689
Registration and filing fees	160,309	37,972
Fund accounting fees (Note 3)	97,993	35,037
Postage and supplies	68,750	12,191
Professional fees	52,487	38,487
Trustees' fees and expenses	33,197	28,667
Printing of shareholder reports	27,358	5,360
Insurance expense	22,201	1,285
Other expenses	40,610	9,551
Total Expenses	<u>11,113,075</u>	<u>597,624</u>
Less fees waived and expenses reimbursed by the Adviser (Note 3)	—	(138,732)
Net Expenses	<u>11,113,075</u>	<u>458,892</u>
NET INVESTMENT INCOME (LOSS)	<u>(3,278,557)</u>	<u>1,196,070</u>
REALIZED AND UNREALIZED GAINS (LOSSES) ON INVESTMENTS, OPTION CONTRACTS AND FOREIGN CURRENCIES (Note 4)		
Net realized gains (losses) from:		
Security transactions	119,355,647	84,715
Option contracts	(25,308,095)	—
Foreign currency transactions	—	81,150
Net change in unrealized appreciation/depreciation on:		
Investments	54,250,925	(655,732)
Option contracts	(49,101,072)	—
Foreign currency translation	—	(14,915)
NET REALIZED AND UNREALIZED GAINS (LOSSES) ON INVESTMENTS, OPTION CONTRACTS AND FOREIGN CURRENCIES	<u>99,197,405</u>	<u>(504,782)</u>
NET INCREASE IN NET ASSETS FROM OPERATIONS	<u>\$ 95,918,848</u>	<u>\$ 691,288</u>

See accompanying notes to financial statements.

Hussman Strategic Growth Fund

Statements of Changes in Net Assets

	Year Ended June 30, 2004	Year Ended June 30, 2003
FROM OPERATIONS		
Net investment loss	\$ (3,278,557)	\$ (625,304)
Net realized gains (losses) from:		
Security transactions	119,355,647	(3,058,255)
Option contracts	(25,308,095)	8,507,314
Net change in unrealized appreciation/depreciation on:		
Investments	54,250,925	45,889,879
Option contracts	(49,101,072)	(13,329,805)
Net increase in net assets resulting from operations	<u>95,918,848</u>	<u>37,383,829</u>
DISTRIBUTIONS TO SHAREHOLDERS		
From net realized gains	<u>(392,622)</u>	<u>(29,772,121)</u>
FROM CAPITAL SHARE TRANSACTIONS		
Proceeds from shares sold	886,768,872	535,925,193
Net asset value of shares issued in reinvestment of distributions to shareholders	367,109	27,707,111
Proceeds from redemption fees collected (Note 1)	502,840	1,511,290
Payments for shares redeemed	(178,389,520)	(234,169,641)
Net increase in net assets from capital share transactions	<u>709,249,301</u>	<u>330,973,953</u>
TOTAL INCREASE IN NET ASSETS	<u>804,775,527</u>	<u>338,585,661</u>
NET ASSETS		
Beginning of year	511,927,774	173,342,113
End of year	<u>\$ 1,316,703,301</u>	<u>\$ 511,927,774</u>
ACCUMULATED NET INVESTMENT INCOME	<u>\$ —</u>	<u>\$ —</u>
CAPITAL SHARE ACTIVITY		
Sold	57,650,681	40,124,497
Reinvested	24,872	2,258,118
Redeemed	(11,889,870)	(18,280,786)
Net increase in shares outstanding	45,785,683	24,101,829
Shares outstanding at beginning of year	37,095,636	12,993,807
Shares outstanding at end of year	<u>82,881,319</u>	<u>37,095,636</u>

See accompanying notes to financial statements.

Hussman Strategic Total Return Fund

Statements of Changes in Net Assets

	Year Ended June 30, 2004	Period Ended June 30, 2003 ^(a)
FROM OPERATIONS		
Net investment income	\$ 1,196,070	\$ 226,063
Net realized gains from:		
Security transactions	84,715	291,017
Foreign currency transactions	81,150	125
Net change in unrealized appreciation/depreciation on:		
Investments	(655,732)	555,631
Foreign currency translation	(14,915)	81,548
Net increase in net assets resulting from operations	<u>691,288</u>	<u>1,154,384</u>
DISTRIBUTIONS TO SHAREHOLDERS		
From net investment income	(1,269,355)	(226,063)
In excess of net investment income	—	(96)
From net realized gains	(873,428)	—
Net decrease in net assets from distributions to shareholders	<u>(2,142,783)</u>	<u>(226,159)</u>
FROM CAPITAL SHARE TRANSACTIONS		
Proceeds from shares sold	100,385,423	20,504,306
Net asset value of shares issued in reinvestment of distributions to shareholders	1,727,234	171,365
Proceeds from redemption fees collected (Note 1)	46,476	21,326
Payments for shares redeemed	(14,382,228)	(2,642,524)
Net increase in net assets from capital share transactions	<u>87,776,905</u>	<u>18,054,473</u>
TOTAL INCREASE IN NET ASSETS	<u>86,325,410</u>	<u>18,982,698</u>
NET ASSETS		
Beginning of period	18,982,698	—
End of period	<u>\$ 105,308,108</u>	<u>\$ 18,982,698</u>
UNDISTRIBUTED NET INVESTMENT INCOME	<u>\$ 7,894</u>	<u>\$ 29</u>
CAPITAL SHARE ACTIVITY		
Sold	9,396,331	2,044,554
Reinvested	164,425	16,545
Redeemed	(1,364,190)	(260,071)
Net increase in shares outstanding	8,196,566	1,801,028
Shares outstanding at beginning of period	1,801,028	—
Shares outstanding at end of period	<u>9,997,594</u>	<u>1,801,028</u>

^(a) Represents the period from commencement of operations (September 12, 2003) through June 30, 2003.

See accompanying notes to financial statements.

Hussman Strategic Growth Fund

Financial Highlights

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

	Year Ended June 30, 2004	Year Ended June 30, 2003	Year Ended June 30, 2002	Period Ended June 30, 2001^(a)
Net asset value at beginning of period	\$ 13.80	\$ 13.34	\$ 12.20	\$ 10.00
Income from investment operations:				
Net investment loss	(0.04)	(0.02)	(0.04)	(0.04)
Net realized and unrealized gains on investments and options	2.13	1.36	2.52	2.23
Total from investment operations	2.09	1.34	2.48	2.19
Distributions from net realized gains	(0.01)	(0.93)	(1.35)	—
Proceeds from redemption fees collected (Note 1)	0.01	0.05	0.01	0.01
Net asset value at end of period	\$ 15.89	\$ 13.80	\$ 13.34	\$ 12.20
Total return ^(b)	15.22%	11.25%	22.24%	22.00% ^(c)
Net assets at end of period (000's)	\$ 1,316,703	\$ 511,928	\$ 173,342	\$ 20,228
Ratio of net expenses to average net assets ^(d)	1.34%	1.45%	1.99%	1.99% ^(e)
Ratio of net investment loss to average net assets	(0.39%)	(0.15%)	(0.81%)	(0.53%) ^(e)
Portfolio turnover rate	66%	123%	199%	55% ^(e)

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

^(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 by the Adviser, the ratios of expenses to average net assets would have been 2.03% and 2.36%^(e) for the periods ended June 30, 2002 and 2001, respectively.

^(d) Not annualized.

^(e) Annualized.

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 Period

	Year Ended June 30, 2004	Period Ended June 30, 2003^(a)
Net asset value at beginning of period	\$ 10.54	\$ 10.00
Income from investment operations:		
Net investment income	0.21	0.14
Net realized and unrealized gains on investments and foreign currencies	0.35	0.52
Total from investment operations	<u>0.56</u>	<u>0.66</u>
Less distributions:		
Dividends from net investment income	(0.21)	(0.14)
Distributions from net realized gains	(0.37)	—
Total distributions	<u>(0.58)</u>	<u>(0.14)</u>
Proceeds from redemption fees collected (Note 1)	0.01	0.02
Net asset value at end of period	<u>\$ 10.53</u>	<u>\$ 10.54</u>
Total return ^(b)	<u>5.49%</u>	<u>6.81%</u> ^(c)
Net assets at end of period (000's)	<u>\$ 105,308</u>	<u>\$ 18,983</u>
Ratio of net expenses to average net assets ^(d)	0.90%	0.90% ^(e)
Ratio of net investment income to average net assets	2.34%	1.99% ^(e)
Portfolio turnover rate	174%	151% ^(e)

^(a) Represents the period from the commencement of operations (September 12, 2002) through June 30, 2003.

^(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 1.17% and 2.32%^(e) for the periods ended June 30, 2004 and 2003, respectively.

^(d) Not annualized.

^(e) Annualized.

See accompanying notes to financial statements.

Hussman Strategic Growth Fund

Portfolio of Investments

June 30, 2004

Shares	COMMON STOCKS – 97.30%	Value
Airlines – 0.13%		
100,000	SkyWest, Inc.	\$ 1,741,000
Auto Components – 0.64%		
200,000	Goodyear Tire & Rubber Co. ^(a)	1,818,000
77,700	Magna International, Inc.	6,617,709
		<u>8,435,709</u>
Automobiles – 0.11%		
60,600	Honda Motor Co., Ltd. - ADR	1,473,792
Banks – 0.03 %		
23,100	Flagstar Bancorp, Inc.	459,228
Beverages – 0.55%		
100,000	Adolph Coors Co. - Class B	7,234,000
Biotechnology – 3.64%		
200,000	Andrx Corp. ^(a)	5,586,000
267,800	Applera Corp. - Applied Biosystems Group	5,824,650
75,000	Biogen Idec, Inc. ^(a)	4,743,750
150,000	Cephalon, Inc. ^(a)	8,100,000
75,000	Covance, Inc. ^(a)	2,893,500
57,800	CuraGen Corp. ^(a)	347,378
175,000	Flamel Technologies S.A. - ADR ^(a)	4,310,250
350,000	MedImmune, Inc. ^(a)	8,190,000
250,000	Nanogen, Inc. ^(a)	1,680,000
103,000	SurModics, Inc. ^(a)	2,537,920
250,000	Transkaryotic Therapies, Inc. ^(a)	3,740,000
		<u>47,953,448</u>
Building Products – 0.31%		
100,000	York International Corp.	4,107,000
Chemicals – 1.40%		
304,900	Albany Molecular Research, Inc. ^(a)	3,942,357
97,800	Albemarle Corp.	3,095,370
200,000	Cabot Microelectronics Corp. ^(a)	6,122,000
4,400	International Flavors & Fragrances, Inc.	164,560
139,100	Lubrizol Corp. (The)	5,093,842
		<u>18,418,129</u>

Hussman Strategic Growth Fund

Portfolio of Investments *(continued)*

June 30, 2004

Shares	COMMON STOCKS – 97.30% (continued)	Value
Commercial Services and Supplies – 0.57%		
200,000	Convergys Corp. ^(a)	\$ 3,080,000
96,700	Sensient Technologies Corp.	2,077,116
78,200	Waste Management, Inc.	2,396,830
		7,553,946
Communications Equipment – 1.55%		
100,000	Adaptec, Inc. ^(a)	846,000
59,800	Cox Communications, Inc. - Class A ^(a)	1,661,842
230,000	Research In Motion Ltd. ^(a)	15,741,200
250,000	Tellabs, Inc. ^(a)	2,185,000
		20,434,042
Computers and Peripherals – 0.34%		
155,000	Ambient Corp. ^(a)	44,950
500,000	Gateway, Inc. ^(a)	2,250,000
100,000	Hewlett-Packard Co.	2,110,000
		4,404,950
Construction and Engineering – 0.27%		
75,000	Fluor Corp.	3,575,250
Construction Materials – 0.31%		
100,000	Nanophase Technologies Corp. ^(a)	747,000
99,200	RPM International, Inc.	1,507,840
100,000	USG Corp. ^(a)	1,758,000
		4,012,840
Diversified Financials – 0.49%		
100,000	H & R Block, Inc.	4,768,000
40,000	SLM Corp.	1,618,000
		6,386,000
Diversified Telecommunication Services – 4.06%		
100,000	BellSouth Corp.	2,622,000
100,000	CenturyTel, Inc.	3,004,000
100,000	Nokia Corp. - ADR	1,454,000
250,000	SBC Communications, Inc.	6,062,500
1,000,000	Sprint Corp. - FON Group	17,600,000
750,000	UTStarcom, Inc. ^(a)	22,687,500
		53,430,000
Electrical Equipment – 1.74%		
200,000	American Power Conversion Corp.	3,930,000
74,600	Garmin Ltd	2,763,184
350,000	Silicon Laboratories, Inc. ^(a)	16,222,500
		22,915,684

Hussman Strategic Growth Fund

Portfolio of Investments *(continued)*

June 30, 2004

Shares	COMMON STOCKS – 97.30% (continued)	Value
Electric Utilities – 0.12%		
37,200	Ameren Corp.	\$ 1,598,112
Electronic Equipment and Instruments – 0.52%		
105,800	Emerson Radio Corp. ^(a)	331,154
49,900	FEI Co. ^(a)	1,193,109
721,200	Nano-Proprietary, Inc. ^(a)	1,464,036
75,000	RSA Security, Inc. ^(a)	1,535,250
250,000	Sanmina-SCI Corp. ^(a)	2,275,000
		6,798,549
Energy Equipment and Services – 1.28%		
350,000	American Superconductor Corp. ^(a)	4,578,000
50,000	Distributed Energy Systems Corp. ^(a)	136,000
165,000	Valero Energy Corp.	12,170,400
		16,884,400
Food and Drug Retail – 0.22%		
40,000	Albertson's, Inc.	1,061,600
250,000	Winn-Dixie Stores, Inc.	1,800,000
		2,861,600
Food Products – 5.50%		
700,000	Archer-Daniels-Midland Co.	11,746,000
373,900	Campbell Soup Co.	10,050,432
400,000	General Mills, Inc.	19,012,000
75,000	Fresh Del Monte Produce, Inc.	1,895,250
100,000	J.M. Smucker Company (The)	4,591,000
400,000	Kraft Foods, Inc.	12,672,000
198,100	William Wrigley Jr. Co.	12,490,205
		72,456,887
Gas Utilities – 0.39%		
150,000	Sempra Energy	5,164,500
Health Care Equipment and Supplies – 4.39%		
250,000	Accelrys, Inc. ^(a)	2,465,000
60,000	Advanced Neuromodulation Systems, Inc. ^(a)	1,968,000
291,800	Biosite, Inc. ^(a)	13,107,656
100,000	CTI Molecular Imaging, Inc. ^(a)	1,418,000
75,000	Cytoc Corp. ^(a)	1,902,750
40,000	Guidant Corp.	2,235,200
193,900	Haemonetics Corp. ^(a)	5,749,135
125,000	Hillenbrand Industries, Inc.	7,556,250
1,500	Neogen Corp. ^(a)	25,817
250,000	Orthodontic Centers of America, Inc. ^(a)	2,047,500

Hussman Strategic Growth Fund

Portfolio of Investments *(continued)*

June 30, 2004

Shares	COMMON STOCKS – 97.30% (continued)	Value
Health Care Equipment and Supplies – 4.39% (continued)		
543,000	Steris Corp. ^(a)	\$ 12,250,080
200,000	Zoll Medical Corp. ^(a)	7,016,000
		57,741,388
Health Care Providers and Services – 5.80%		
25,000	Aetna, Inc.	2,125,000
143,000	Chronimed, Inc. ^(a)	1,165,450
695,000	First Health Group Corp. ^(a)	10,848,950
25,000	HCA, Inc.	1,039,750
300,000	Health Management Associates, Inc.	6,726,000
150,000	Health Net, Inc. ^(a)	3,975,000
350,000	Healthsouth Corp. ^(a)	2,082,500
80,000	Lincare Holdings, Inc. ^(a)	2,628,800
25,000	McKesson Corp.	858,250
30,150	Medco Health Solutions, Inc. ^(a)	1,130,625
184,900	Oxford Health Plans, Inc. ^(a)	10,176,896
400,000	PacifiCare Health Systems, Inc. ^(a)	15,464,000
377,200	Priority Healthcare Corp. - Class B ^(a)	8,656,740
203,250	Renal Care Group, Inc. ^(a)	6,733,672
200,000	Tenet Healthcare Corp. ^(a)	2,682,000
		76,293,633
Hotels, Restaurants and Leisure – 4.35%		
37,500	Applebee's International, Inc.	863,250
46,800	Bob Evans Farms, Inc.	1,281,384
150,000	California Pizza Kitchen, Inc. ^(a)	2,874,000
75,000	CBRL Group, Inc.	2,313,750
70,500	Lone Star Steakhouse & Saloon, Inc.	1,916,895
1,000,000	McDonald's Corp.	26,000,000
327,100	Outback Steakhouse, Inc.	13,528,856
75,000	Papa John's International, Inc. ^(a)	2,215,500
100,000	Ruby Tuesday, Inc.	2,745,000
100,000	Wendy's International, Inc.	3,484,000
		57,222,635
Household Durables – 2.59%		
283,600	American Greetings Corp. - Class A ^(a)	6,573,848
20,000	KB Home	1,372,600
97,800	Lancaster Colony Corp.	4,072,392
17,900	La-Z-Boy, Inc.	321,842
364,800	Linens 'n Things, Inc. ^(a)	10,692,288
150,000	Newell Rubbermaid, Inc.	3,525,000
100,000	Sherwin-Williams Co.	4,155,000
50,000	Whirlpool Corp.	3,430,000
		34,142,970

Hussman Strategic Growth Fund

Portfolio of Investments *(continued)*

June 30, 2004

Shares	COMMON STOCKS – 97.30% (continued)	Value
Household Products – 1.06%		
49,900	Blyth, Inc.	\$ 1,721,051
25,000	Kimberly-Clark Corp.	1,647,000
200,000	Wal-Mart Stores, Inc.	10,552,000
		<u>13,920,051</u>
Industrial Conglomerates – 0.13%		
40,000	General Electric Co.	1,296,000
50,000	Gerber Scientific, Inc. ^(a)	353,000
		<u>1,649,000</u>
Information Technology Consulting and Services – 1.08%		
50,000	Computer Sciences Corp. ^(a)	2,321,500
250,000	Electronic Data Systems Corp.	4,787,500
250,000	Synopsys, Inc. ^(a)	7,107,500
		<u>14,216,500</u>
Insurance – 1.23%		
67,830	Aegon N.V. - American Regular Shares	822,100
325,000	Aon Corp.	9,252,750
16,300	Principal Financial Group, Inc.	566,914
123,300	Protective Life Corp.	4,768,011
25,400	Arthur Gallagher	773,430
		<u>16,183,205</u>
Internet & Catalog Retail – 1.03%		
250,000	Amazon.com, Inc. ^(a)	13,600,000
Internet Software and Services – 1.53%		
250,000	Check Point Software Technologies, Ltd. ^(a)	6,747,500
24,000	Internet Security Systems, Inc. ^(a)	368,160
100,000	Red Hat, Inc. ^(a)	2,297,000
100,000	TIBCO Software, Inc. ^(a)	845,000
500,000	VeriSign, Inc. ^(a)	9,950,000
		<u>20,207,660</u>
Leisure Equipment and Products – 3.40%		
350,000	Borders Group, Inc. ^(a)	8,204,000
297,900	Callaway Golf Co.	3,378,186
750,000	Eastman Kodak Co.	20,235,000
16,800	Fuji Photo Film Co., Ltd. - ADR	531,216
200,000	Mattel, Inc.	3,650,000
450,000	Nautilus Group, Inc. (The)	8,779,500
		<u>44,777,902</u>

Hussman Strategic Growth Fund

Portfolio of Investments *(continued)*

June 30, 2004

Shares	COMMON STOCKS – 97.30% (continued)	Value
Marine – 0.17%		
97,100	CP Ships, Ltd.	\$ 1,730,322
18,800	General Maritime Corp. ^(a)	515,872
		<u>2,246,194</u>
Media – 1.29%		
100,000	Comcast Corp - Special Class A ^(a)	2,761,000
213,100	Fox Entertainment Group, Inc. ^(a)	5,689,770
156,500	Scholastic Corp. ^(a)	4,687,175
100,000	Sony Corp. - ADR	3,805,000
		<u>16,942,945</u>
Metals & Mining – 1.37 %		
350,000	Barrick Gold Corp.	6,912,500
200,000	Newmont Mining Corp.	7,752,000
200,000	Placer Dome, Inc.	3,328,000
		<u>17,992,500</u>
Multiline Retail – 2.75%		
250,000	American Eagle Outfitters, Inc. ^(a)	7,227,500
100,000	BJ's Wholesale Club, Inc. ^(a)	2,500,000
250,000	CVS Corp.	10,505,000
450,000	Dollar Tree Stores, Inc. ^(a)	12,343,500
75,000	Federated Department Stores, Inc.	3,682,500
		<u>36,258,500</u>
Office Electronics – 0.20%		
50,000	Canon, Inc. - ADR	<u>2,670,000</u>
Oil and Gas – 7.83%		
250,000	Anadarko Petroleum Corp.	14,650,000
150,000	Apache Corp.	6,532,500
150,000	BP Amoco PLC - ADR	8,035,500
88,800	Burlington Resources, Inc.	3,212,784
68,800	Cabot Corp.	2,800,160
25,000	ConocoPhillips	1,907,250
75,000	EOG Resources, Inc.	4,478,250
125,000	Exxon Mobil Corp.	5,551,250
250,000	Marathon Oil Corp.	9,460,000
100	MKS Instruments, Inc. ^(a)	2,282
300,000	Newfield Exploration Co. ^(a)	16,722,000
41,900	Petro-Canada	1,810,080
350,000	Petroleo Brasileiro S.A. - ADR	9,824,500
100,000	PPL Corp.	4,590,000
100,000	Royal Dutch Petroleum Co.	5,167,000

Hussman Strategic Growth Fund

Portfolio of Investments *(continued)*

June 30, 2004

Shares	COMMON STOCKS – 97.30% (continued)	Value
Oil and Gas – 7.83% (continued)		
100,000	Stone Energy Corp. ^(a)	\$ 4,568,000
100,000	Unocal Corp.	3,800,000
		103,111,556
Personal Products – 0.14%		
50,000	Ocular Sciences, Inc. ^(a)	1,900,000
Pharmaceuticals – 9.76%		
150,000	Abbott Laboratories	6,114,000
2,400	Accredo Health, Inc. ^(a)	93,480
250,000	Alpharma, Inc. - Class A	5,120,000
565,800	Altair Nanotechnologies, Inc. ^(a)	1,278,708
500,000	Biovail Corp. ^(a)	9,490,000
300,000	Bristol-Myers Squibb Co.	7,350,000
65,000	Elan Corp. PLC - ADR ^(a)	1,608,100
350,000	Johnson & Johnson	19,495,000
1,650,000	King Pharmaceuticals, Inc. ^(a)	18,892,500
550,000	Merck & Co., Inc.	26,125,000
500,000	Mylan Laboratories, Inc.	10,125,000
150,000	Novartis AG - ADR	6,675,000
150,000	Pfizer, Inc.	5,142,000
150,000	Pharmaceutical Product Development, Inc. ^(a)	4,765,500
125,000	Pharmacopeia Drug Discovery, Inc. ^(a)	710,000
300,000	Schering-Plough Corp.	5,544,000
		128,528,288
Real Estate – 0.24%		
65,000	Standard Pacific Corp.	3,204,500
Semiconductor Equipment and Products – 2.31%		
600,000	Intel Corp.	16,560,000
11,500	Kyocera Corp. - ADR	986,700
50,000	Nanometrics, Inc. ^(a)	569,000
855,750	Taiwan Semiconductor Manufacturing Co., Ltd. - ADR ^(a)	7,111,282
200,000	Veeco Instruments, Inc. ^(a)	5,162,000
		30,388,982
Software – 5.85%		
3,700	Cadence Design Systems, Inc. ^(a)	54,131
229,100	John H. Harland Co.	6,724,085
1,000,000	Macromedia, Inc. ^(a)	24,550,000
1,000,000	Microsoft Corp.	28,560,000
100,000	Novell, Inc. ^(a)	839,000
300,000	NVIDIA Corp. ^(a)	6,150,000
100,000	PeopleSoft, Inc. ^(a)	1,850,000

Hussman Strategic Growth Fund

Portfolio of Investments *(continued)*

June 30, 2004

Shares	COMMON STOCKS – 97.30% (continued)	Value
Software – 5.85% (continued)		
100,000	SunGard Data Systems, Inc. ^(a)	\$ 2,600,000
248,300	THQ, Inc. ^(a)	5,686,070
		<u>77,013,286</u>
Specialty Retail – 8.49%		
475,000	Abercrombie & Fitch Co. - Class A	18,406,250
350,000	Barnes & Noble, Inc. ^(a)	11,893,000
400,000	Blockbuster, Inc. - Class A	6,072,000
50,000	Children's Place Retail Stores, Inc. (The) ^(a)	1,176,000
400,000	Circuit City Stores, Inc.	5,180,000
600,000	Gap, Inc. (The)	14,550,000
750,000	Home Depot, Inc. (The)	26,400,000
100,000	Limited Brands	1,870,000
192,900	Men's Wearhouse, Inc. (The) ^(a)	5,090,631
250,000	Office Depot, Inc. ^(a)	4,477,500
50,000	School Specialty, Inc. ^(a)	1,815,500
250,000	Staples, Inc.	7,327,500
350,000	Toys "R" Us, Inc. ^(a)	5,593,000
1,000	Williams-Sonoma, Inc. ^(a)	32,960
70,000	Zale Corp. ^(a)	1,908,200
		<u>111,792,541</u>
Textiles & Apparel – 4.94%		
200,000	Jones Apparel Group, Inc.	7,896,000
175,000	Liz Claiborne, Inc.	6,296,500
75,000	Nike, Inc. - Class B	5,681,250
250,000	Oakley, Inc.	3,235,000
100,000	Pacific Sunwear of California, Inc. ^(a)	1,957,000
500,000	Reebok International Ltd.	17,990,000
165,000	Stride Rite Corp. (The)	1,819,950
100,000	Talbots, Inc.	3,915,000
750,000	Tommy Hilfiger Corp. ^(a)	11,355,000
100,000	V.F. Corp.	4,870,000
		<u>65,015,700</u>
Tobacco – 0.95%		
250,000	Altria Group, Inc.	12,512,500
Trading Companies & Distributors – 0.11%		
25,000	W.W. Grainger, Inc.	1,437,500
Wireless Telecommunications Services – 0.14%		
250,000	RF Micro Devices, Inc. ^(a)	1,875,000
Total Common Stocks (Cost \$1,192,386,018)		<u>\$ 1,281,144,002</u>

Hussman Strategic Growth Fund

Portfolio of Investments *(continued)*

June 30, 2004

Contracts	CALL OPTIONS CONTRACTS – 0.15%	Value
2,500	S&P 100 Index Option, 07/17/04 at \$555	\$ 1,270,000
2,500	S&P 100 Index Option, 07/17/04 at \$560	730,000
	Total Call Options Contracts (Cost \$2,472,500)	<u>\$ 2,000,000</u>
Contracts	PUT OPTION CONTRACTS – 1.63%	Value
3,500	Russell 2000 Index Option, 09/18/04 at \$550	\$ 3,430,000
1,500	Russell 2000 Index Option, 09/18/04 at \$570	2,265,000
2,750	S&P 100 Index Option, 09/18/04 at \$520	1,677,500
13,500	S&P 100 Index Option, 09/18/04 at \$540	14,094,000
	Total Put Option Contracts (Cost \$52,777,500)	<u>\$ 21,466,500</u>
	Total Investments at Value – 99.08% (Cost \$1,247,636,018)	<u>\$ 1,304,610,502</u>
Shares	Money Markets – 7.76%	Value
102,194,995	First American Treasury Obligation Fund - Class S (Cost \$102,194,995)	\$ 102,194,995
	Total Investments and Money Markets at Value – 106.84% (Cost \$1,349,831,013)	<u>\$ 1,406,805,497</u>
	Liabilities in Excess of Other Assets – (6.84%)	<u>(90,102,196)</u>
	Net Assets – 100.00%	<u><u>\$ 1,316,703,301</u></u>

^(a) Non-income producing security.

ADR - American Depository Receipt

See accompanying notes to financial statements.

Hussman Strategic Growth Fund

Portfolio of Investments *(continued)*

June 30, 2004

Contracts	WRITTEN CALL OPTIONS	Value of Options	Premiums Received
3,500	Russell 2000 Index Option, 09/18/04 at \$550	\$ 17,500,000	\$ 10,843,000
1,500	Russell 2000 Index Option, 09/18/04 at \$570	5,295,000	4,027,000
2,750	S&P 100 Index Option, 09/18/04 at \$520	10,862,500	8,244,500
13,500	S&P 100 Index Option, 09/18/04 at \$540	32,089,500	25,200,553
		<u>\$ 65,747,000</u>	<u>\$ 48,315,053</u>

See accompanying notes to financial statements.

Hussman Strategic Total Return Fund Portfolio of Investments

June 30, 2004

Shares	COMMON STOCKS – 18.22%	Value
Electrical Equipment – 0.18%		
10,000	Endesa S.A. - ADR	\$ 189,300
Electric Utilities – 1.97%		
4,000	Ameren Corp.	171,840
35,000	Korea Electric Power Corp. - ADR	320,600
45,000	MDU Resources Group, Inc.	1,081,350
12,500	Public Service Enterprise Group, Inc.	500,375
		2,074,165
Energy Equipment and Services – 0.86%		
20,000	Black Hills Corp.	630,000
14,000	DPL, Inc.	271,880
		901,880
Gas Utilities – 1.36%		
3,500	Nicor, Inc.	118,895
500	UGI Corp.	16,050
45,000	WGL Holdings, Inc.	1,292,400
		1,427,345
Metals and Mining – 12.42%		
230,000	Barrick Gold Corp.	4,542,500
120,000	Newmont Mining Corp.	4,651,200
170,000	Placer Dome, Inc.	2,828,800
50,000	Stillwater Mining Co. ^(a)	750,500
35,000	USEC, Inc.	306,950
		13,079,950
Oil and Gas – 1.43%		
25,000	PPL Corp.	1,147,500
10,000	Scana Corp.	363,700
		1,511,200
	Total Common Stocks (Cost \$19,072,949)	\$ 19,183,840

Hussman Strategic Total Return Fund

Portfolio of Investments *(continued)*

June 30, 2004

Par Value	U.S. TREASURY OBLIGATIONS — 72.87%	Value
U.S. Treasury Bills — 28.44%		
\$ 20,000,000	discount, due 08/05/2004	\$ 19,977,200
10,000,000	discount, due 09/16/2004	9,973,260
		<u>29,950,460</u>
U.S. Treasury Inflation-Protection Notes — 44.43%		
9,527,940	3.375%, due 01/15/2012	10,558,901
25,433,750	2.00%, due 01/15/2014	25,290,711
8,576,100	3.875%, due 04/15/2029	10,938,550
		<u>46,788,162</u>
	Total U.S. Treasury Obligations (Cost \$76,927,817)	<u>\$ 76,738,622</u>
Par Value	U.S. GOVERNMENT AGENCY OBLIGATIONS — 3.41%	Value
Federal Farm Credit Bank — 0.37%		
\$ 400,000	2.625%, due 09/24/2007	\$ 388,248
Federal Home Loan Bank — 1.17%		
750,000	2.22%, due 09/12/2006	735,635
500,000	5.70%, due 04/16/2018	496,771
		<u>1,232,406</u>
Federal National Mortgage Association — 1.87%		
1,500,000	2.25%, due 12/30/2005	1,491,065
JPY50,000,000	2.125%, due 10/09/2007	482,321
		<u>1,973,386</u>
	Total U.S. Government Agency Obligations (Cost \$3,569,671)	<u>\$ 3,594,040</u>

Hussman Strategic Total Return Fund

Portfolio of Investments *(continued)*

June 30, 2004

Par Value	FOREIGN GOVERNMENT OBLIGATIONS – 0.22%	Value
Canadian Government Note – 0.22%		
JPY25,000,000	0.70%, due 03/20/2006 (Cost \$210,555)	\$ 231,004
Total Investments at Value – 94.72%		
	(Cost \$99,780,992)	\$ 99,747,506
Shares	MONEY MARKETS – 4.67%	Value
4,922,660	First American Treasury Obligation Fund - Class S (Cost \$4,922,660)	\$ 4,922,660
Total Investments and Money Markets at Value – 99.39%		
	(Cost \$104,703,652)	\$ 104,670,166
Other Assets in Excess of Liabilities – 0.61%		637,942
Net Assets – 100.00%		<u>\$ 105,308,108</u>

^(a) Non-income producing security.

ADR - American Depository Receipt

JPY - Japanese Yen

See accompanying notes to financial statements.

Hussman Investment Trust

Notes to Financial Statements

June 30, 2004

1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

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

As part of the Trust's organization, the 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. The Fund commenced operations on July 24, 2000. The Hussman Strategic Total Return Fund commenced operations on September 12, 2002.

The 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.

The 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 the over-the-counter market, and which are not quoted by NASDAQ, are valued at the last sales price, if available, otherwise at the mean of the closing bid and asked prices. 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 a price between the

Hussman Investment Trust

Notes to Financial Statements *(continued)*

June 30, 2004

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, 2004, all options held by the 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 shall be valued at the mean of their closing bid and asked prices. When market quotations are not readily available, fixed income securities may 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 in good faith 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 — The 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.

The 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 that it intends to purchase. 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

Hussman Investment Trust

Notes to Financial Statements *(continued)*

June 30, 2004

value of its portfolio or to gain exposure to securities which the Fund otherwise wishes to purchase.

When a Fund writes an option, an amount equal to the net premium (the premium less the commission) received by the Fund is recorded in the liabilities section of the Fund's Statement of Assets and Liabilities and is subsequently valued. If an option expires 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 option is exercised, the Fund may deliver the underlying security in the open market. 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 will be monitored on an ongoing 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 of 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

Hussman Investment Trust

Notes to Financial Statements *(continued)*

June 30, 2004

gains and losses arise from changes in the value of assets and liabilities, other than investment securities, resulting from changes in exchange rates.

Share Valuation and Redemption Fees — The net asset value of each Fund is calculated at 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 daily by dividing the total value of each Fund's assets, less liabilities, by the number of 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, equal to 1.5% of the lower of the cost or value of such shares, if redeemed within six months of the date of purchase. During the periods ended June 30, 2004 and 2003, proceeds from redemption fees totaled \$502,840 and \$1,511,290, respectively, for the Hussman Strategic Growth Fund and \$46,476 and \$21,326, respectively, for the 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 arising from net investment income, if any, are declared and paid annually to shareholders of the Hussman Strategic Growth Fund and are declared and paid quarterly to shareholders of the 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 distributed at least once each year. 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.

Hussman Investment Trust

Notes to Financial Statements *(continued)*

June 30, 2004

The tax character of distributions paid during the periods ended June 30, 2004 and 2003 were as follows:

	Periods Ended	Ordinary Income	Long-Term Capital Gains	Total Distributions
Hussman Strategic Growth Fund	6/30/04	\$ —	\$ 392,622	\$ 392,622
	6/30/03	\$ 13,032,474	\$ 16,739,647	\$ 29,772,121
Hussman Strategic Total Return Fund	6/30/04	\$ 2,142,783	\$ —	\$ 2,142,783
	6/30/03	\$ 226,159	\$ —	\$ 226,159

Security Transactions — Security transactions are accounted for on trade date. Cost of securities sold is determined on a specific identification basis.

Common Expenses — Common expenses of the Trust are allocated among the Funds of the Trust 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 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 the excise tax applicable to regulated investment companies, it is also 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.

Hussman Investment Trust

Notes to Financial Statements *(continued)*

June 30, 2004

The following information is computed on a tax basis for each item as of June 30, 2004:

	Hussman Strategic Growth Fund	Hussman Strategic Total Return Fund
Cost of portfolio investments and written options	\$ 1,252,318,673	\$ 104,703,652
Gross unrealized appreciation	\$ 145,835,667	\$ 973,727
Gross unrealized depreciation	(57,095,843)	(1,007,213)
Net unrealized appreciation/depreciation	\$ 88,739,824	\$ (33,486)
Net unrealized foreign exchange gains	—	19
Undistributed ordinary income	32,873,981	141,345
Post-October losses	(7,300,832)	(498,242)
Other temporary differences	—	(132,906)
Total distributable earnings (deficit)	<u>\$ 114,312,973</u>	<u>\$ (523,270)</u>

The difference between the federal income tax cost of portfolio investments and written options and the financial statement cost for the 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.

The Hussman Strategic Growth Fund and the Hussman Strategic Total Return Fund had realized capital losses of \$7,300,832 and \$498,242, respectively, during the period November 1, 2003 through June 30, 2004, which are treated for federal income tax purposes as arising during each Funds' tax year ended June 30, 2005. These "post-October losses" may be utilized in future years to offset net realized capital gains prior to distributing such gains to shareholders.

For the year ended June 30, 2004, the Hussman Strategic Growth Fund reclassified net investment losses of \$3,278,557 against undistributed gains and the Hussman Strategic Total Return Fund reclassified \$81,150 of foreign exchange gains from undistributed net realized gains to undistributed net investment income on the Statement of Assets and Liabilities. Such reclassifications, the result of permanent differences between financial statement and income tax reporting requirements, have no effect on the Funds' net assets or net asset value per share.

Hussman Investment Trust

Notes to Financial Statements *(continued)*

June 30, 2004

2. INVESTMENT TRANSACTIONS

During the year ended June 30, 2004, cost of purchases and proceeds from sales and maturities of investment securities, other than short-term investments and U.S. government securities, amounted to \$1,150,387,590 and \$531,111,220, respectively, for the Hussman Strategic Growth Fund and \$21,286,522 and \$7,665,825, respectively, for the Hussman Strategic Total Return Fund.

3. TRANSACTIONS WITH AFFILIATES

The President of the Adviser is President and a Trustee of the Trust. Other officers of the Trust are affiliated with the Adviser or Ultimus Fund Solutions, LLC ("Ultimus"), the Funds' administrator, transfer agent and fund accounting agent, and Ultimus Fund Distributors, LLC, the Fund's principal underwriter.

Advisory Agreement

Under the terms of Advisory Agreements between the Trust and the Adviser, the Adviser serves as the investment advisor to the Funds and continuously reviews, supervises and administers each Fund's investment program. The Hussman Strategic Growth Fund pays the Adviser a fee, which is computed and accrued daily and paid monthly, at an annual rate of 1.25% of the first \$250 million of its average daily net assets; 1.15% of the next \$250 million of such assets; 1.05% of the next \$500 million of such assets; and 0.95% of such assets in excess of \$1 billion. The Hussman Strategic Total Return Fund pays the Adviser a fee, which is computed and accrued daily and paid monthly, at an annual rate of 0.60% of its average daily net assets.

Pursuant to an Expense Limitation Agreement with respect to the Hussman Strategic Total Return Fund, the Adviser has contractually agreed to waive a portion of its advisory fees or to absorb operating expenses 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. The Expense Limitation Agreement remains in effect until at least December 31, 2005. Any fee waivers or expense reimbursements by the Adviser, either before or after December 31, 2005, are subject to repayment by the 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, 2004, the Adviser waived advisory fees of \$138,732. As of June 30, 2004, the amount

Hussman Investment Trust

Notes to Financial Statements *(continued)*

June 30, 2004

of fee waivers and expense reimbursements available for reimbursements to the Adviser is \$301,029. The Adviser may recapture a portion of this amount no later than the dates as state below:

	<u>June 30, 2006</u>	<u>June 30, 2007</u>
Hussman Strategic Total Return Fund	\$162,297	\$138,732

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.

For these services, Ultimus receives a monthly fee from each Fund at an annual rate of 0.15% of its average daily net assets up to \$50 million; 0.125% of the next \$50 million of such assets; 0.10% of the next \$150 million of such assets; 0.075% of the next \$250 million of such assets; and 0.05% of such net assets in excess of \$500 million, subject to a 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 each Fund. For these services, Ultimus receives from each Fund a monthly base fee of \$2,500, plus an asset based fee equal to 0.01% of its average daily net assets up to \$500 million and 0.005% of such net assets in excess of \$500 million. In addition, the Funds pay certain out-of-pocket expenses incurred by Ultimus 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 at an annual rate of \$17 per account, subject to a minimum fee of \$1,500 per month. For the year ended June 30, 2004, the Hussman Strategic Growth Fund and the Hussman Strategic Total Return Fund paid \$182,319 and \$20,295, respectively, to Ultimus under the Agreement. In addition, the

Hussman Investment Trust

Notes to Financial Statements *(continued)*

June 30, 2004

Funds pay certain out-of-pocket expenses incurred by Ultimus 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 account maintenance services to their customers at an annual rate of not more than \$17 per account.

4. OPTION CONTRACTS WRITTEN

Transactions in option contracts written by the Hussman Strategic Growth Fund during the year ended June 30, 2004 were as follows:

	<u>Option Contracts</u>	<u>Option Premiums</u>
Options outstanding at beginning of year	—	\$ —
Options written	67,500	201,122,073
Options cancelled in a closing purchase transaction	<u>(46,250)</u>	<u>(152,807,020)</u>
Options outstanding at end of year	<u>21,250</u>	<u>\$ 48,315,053</u>

No option contracts were written by the Hussman Strategic Total Return Fund during the year ended June 30, 2004.

5. BANK LINE OF CREDIT

The Hussman Strategic Growth Fund has an unsecured bank line of credit in the amount of \$10,000,000. The Hussman Strategic Total Return 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 bank at the time of borrowing. During the year ended June 30, 2004, the Funds had no outstanding borrowings under these lines of credit.

6. CONTINGENCIES AND COMMITMENTS

The Funds indemnify the Trust's officers and trustees for certain liabilities that might arise in the 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 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 yet occurred. However, based on experience, the Funds expect the risk of loss to be remote.

Report of Independent Registered Public Accounting Firm

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

We have audited the accompanying statements of assets and liabilities, including the portfolios of investments, of the Hussman Investment Trust (comprising the Hussman Strategic Growth Fund and the Hussman Strategic Total Return Fund) (collectively, the "Funds") as of June 30, 2004, and the related statements of operations for the year then ended, and for the Hussman Strategic Growth Fund, the statements of changes in net assets for each of the two years in the period then ended and financial highlights for each of the three years in the period then ended, and for the Hussman Strategic Total Return Fund, the statements of changes and financial highlights for the year ended June 30, 2004 and for the period from the commencement of operations, September 12, 2002, through June 30, 2003. 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. The financial highlights for the Hussman Strategic Growth Fund presented herein for the period ended June 30, 2001 were audited by other auditors who have ceased operations. Those auditors expressed an unqualified opinion on those financial highlights in their report dated July 27, 2001.

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. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned as of June 30, 2004 by correspondence with the custodian and brokers. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our 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 position of the Hussman Strategic Growth Fund and Hussman Strategic Total Return Fund of the Hussman Investment Trust as of June 30, 2004, the results of their operations for the year then ended, the changes in their net assets for each of the two years or periods in the period then ended and for the Hussman Strategic Growth Fund, its financial highlights for each of the three years in the period then ended and for the Hussman Strategic Total Return Fund, its financial highlights for each of the two years or periods in the period then ended in conformity with U.S. generally accepted accounting principles.

Ernst & Young LLP

Cincinnati, Ohio
August 4, 2004

Board of Trustees and Officers *(Unaudited)*

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 Funds to actively supervise its day-to-day operations. The officers have been elected for an annual term. The following are the Trustees and executive officers of the Funds:

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	41	President and Trustee	Since June 2000
David C. Anderson	916 North Oak Park Avenue Oak Park, IL 60302	53	Trustee	Since June 2000
Nelson F. Freeburg	9320 Grove Park Cove Germantown, TN 38139	52	Trustee	Since June 2000
William H. Vanover	838 Long Lake Road, Suite 100 Bloomfield Hills, MI 48302	57	Trustee	Since June 2000
Robert G. Dorsey	135 Merchant Street Cincinnati, OH 45246	47	Vice President	Since June 2000
Mark J. Seger	135 Merchant Street Cincinnati, OH 45246	42	Treasurer	Since June 2000
John F. Splain	135 Merchant Street Cincinnati, OH 45246	47	Secretary	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 two portfolios of the Trust. The principal occupations of the Trustees and executive officers of the Funds 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).

Board of Trustees and Officers *(Unaudited) (continued)*

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 and Ultimus Fund Distributors, LLC.

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 Officers is available in the Statement of Additional Information (SAI). To obtain a free copy of the SAI, 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, 2004. 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. The Hussman Strategic Total Return Fund intends to designate up to a maximum amount of \$2,142,783 as taxed at a maximum rate of 15%. For the fiscal year ended June 30, 2004, 18% of the dividends paid from ordinary income by the 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 2004 Form 1099-DIV.



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
135 Merchant Street, Suite 230
Cincinnati, Ohio 45246

CUSTODIAN

US Bank
425 Walnut Street
Cincinnati, Ohio 45202

INDEPENDENT AUDITORS

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



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 website at <http://www.sec.gov>.

This Semi-Annual Report is authorized for distribution only if accompanied or preceded by a current Prospectus for the Funds.