

## PART B

### STATEMENT OF ADDITIONAL INFORMATION



**VOLUMETRIC FUND, INC.**

Ticker: VOLMX

This Statement of Additional Information is not a prospectus. It should be read in conjunction with the Fund's Prospectus dated April 18, 2019. This SAI is incorporated by reference into the Fund's Prospectus. Portions of the Fund's Annual Report to shareholders are incorporated by reference into this SAI. A free copy of the Prospectus and Annual Report may be obtained by contacting the Fund at:

**Volumetric Fund, Inc.**

87 Violet Drive  
 Pearl River, New York 10965  
 Phone: 800-541-3863 or 845-623-7637  
 Website: [www.volumetric.com](http://www.volumetric.com)

### TABLE OF CONTENTS

CONTENT	PAGE
Fund History	2
Investment Objectives, Strategies and Risks	2
Investment Restrictions	2
Disclosure of Portfolio Holdings	3
Management of the Fund	4
Sales Loads	7
Code of Ethics	7
Proxy Voting Disclosure Policy	7
Control Persons and Principal Holders of Securities	8
Investment Advisory and Other Services	8
Portfolio Managers	10
Brokerage Allocation	10
Capital Stock	11
Purchase, Redemption and Pricing of Securities	11
Taxation of the Fund	11
Underwriters	11
Calculation of Performance Data	11
Financial Statements	12

## **FUND HISTORY**

Volumetric Fund, Inc. -- formerly named The Volumetric Investment Society -- was founded in August of 1978 by Mr. Gabriel J. Gibbs, as a private investment partnership for his friends, relatives and associates. At that time, he had worked as a chemist for Lonza, Inc., a large multinational chemical firm, where some of his co-workers encouraged him to start the fund. The Fund started its operations on September 1, 1978 with 19 charter shareholders and with net assets of \$17,712, and an initial offering price of \$10.00 per share.

The Fund's name was changed from the Volumetric Investment Society to Volumetric Fund on June 15, 1986. It was incorporated under the laws of the State of New York on July 25, 1986, after at the Annual Meeting the shareholders approved the reorganization. The fund has been open to the general public since September 3, 1987.

## **INVESTMENT OBJECTIVES, STRATEGIES AND RISKS**

Volumetric Fund is an open-end diversified fund. The Fund's investment objective is capital growth. Its secondary objective is downside protection.

The Fund's investment strategies and risks are described in the appropriate section of the Prospectus.

In the following, some additional details of the Fund's investment approach are provided.

The Fund's investment decisions, buying and selling common stocks, are made with the utilization of volume analysis, specifically the Fund's proprietary Volumetric Trading System. This is a technical system, based on the analysis of stocks and the market's trading volume and in which fundamental aspects are of only minor significance.

Volumetric Fund introduced the so-called "Volume and Range" system, (the "System") on September 1, 2000. Although the Fund had used various volume-based systems before, we believe, this is the most advanced system in the Fund's history. The System utilizes a computerized, methodology to manage the Fund's portfolio. The objective of the System is growth with protection. Specifically, to match or surpass the growth of the market during bull markets and to provide safety in bear markets. This is achieved by the combination of: 1) cash management; 2) superior stock selection with diversification; and 3) disciplined selling of stocks whenever a stock's volume and range indicators forecast a potential weakening.

According to the System, every day, after the market closes the Fund's managers do the following: 1) calculate the Fund's optimum cash position; 2) determine what stocks should be sold from the portfolio, if any; 3) create a list of stocks as potential buys, based on computerized selection and volume analysis. These findings will then be implemented during the next business day. The Fund may also invest up to 15% of its assets in ETFs.

## **INVESTMENT RESTRICTIONS**

- (1) The Fund will not issue senior securities.
- (2) The Fund cannot borrow money except as a temporary emergency measure and not exceeding 10% of its total assets. The Fund may not purchase additional securities while borrowings exceed 5% of the value of its total assets

- (3) The Fund will not underwrite securities of other issuers, except when purchasing or selling portfolio securities.
- (4) The Fund typically invests in a broadly diversified portfolio of large and mid-cap domestic stocks; although its portfolio may also contain small-cap stocks with annual revenues over \$1 billion.
- (5) The Fund will not purchase or sell commodities, real estate or non-financial assets
- (6) The Fund will not make loans.
- (7) Additional policies:
  - a) The Fund will not purchase securities on margin.
  - b) The Fund will not sell any security short or engage in the purchase of call, put or other options.
  - c) The Fund will not invest more than 5% of its assets in the securities of any one issuer. However, United States government securities, index related securities, such as S&P 500 Index Trust, NASDAQ 100 Trust and various exchange-traded funds (ETFs) are excluded from this requirement. The Fund will not invest more than 20% of its assets in any single industry. The Fund will not invest more than 15% of its net assets, in SPDR based ETFs or equivalents.
  - d) The Fund will not purchase more than 5% of any class of securities of any one issuer or invest for the purpose of exercising control of the issuer's management.
  - e) The Fund will not invest more than 5% of its total assets in the securities of other investment companies.
  - f) The Fund will not invest in securities for which there exists no readily available market or for which there are legal or contractual restrictions on resale.

These investment restrictions, except for (7b), may not be changed, without the approval by a vote of a majority of the Fund's outstanding voting shares. Under the Investment Company Act of 1940, such approval requires the affirmative vote, at the meeting of shareholders, of the lesser of (a) more than 50% of the Fund's outstanding shares, or (b) at least 67% of shares present or represented at the meeting, provided that the holders of more than 50% of the Fund's outstanding shares are present in person or represented by proxy.

Under negative stock market conditions, the Fund may allocate, for temporary defensive purposes, a large portion of its assets in cash equivalents or United States government securities for downside protection.

## **DISCLOSURE OF PORTFOLIO HOLDINGS**

The Fund intends to publicly disclose all of its portfolio holdings quarterly within 60 days after each quarter-end. The Fund's management intends to publicly disclose all portfolio holdings with a delay of at least 15 days after each quarter-end to facilitate timely release of information to rating agencies such as Lipper, Inc., Morningstar, Inc., Bloomberg L.P. and others. The Fund does not make selective non-public disclosures of portfolio holdings to third parties. Furthermore, the Fund may publicly disclose its top ten holdings on a monthly basis, after a minimum of 3-day

delay, along with information regarding the percentage of the Fund that each holding comprises, on the Fund's website [www.volumetric.com](http://www.volumetric.com).

The policy and procedures generally prohibit the disclosure of the Fund's portfolio schedule until it has been made available to the public through regulatory filing with the Securities and Exchange Commission ("SEC") or posted to the Fund's website. The Fund's complete portfolio holdings are made available to the public on a quarterly basis generally no later than 60 days after the end of each calendar quarter end. A detailed portfolio is reported in the annual, semi-annual, 1<sup>st</sup> quarter and 3<sup>rd</sup> quarter reports. These reports can be found on the Fund's website at [www.volumetric.com](http://www.volumetric.com).

The Fund also may disclose its complete portfolio holdings, on a daily basis and without a time lag to the custodian, the Fund's custodian and its brokers, in their capacities as the Fund's service providers who require such information to perform their contractual duties and responsibilities to the Fund. The Fund may also disclose its complete holdings to Directors and to the Chief Compliance Officer ("CCO") of the Fund at Board meetings discussing the Fund's performance and portfolio. In addition, complete portfolio holdings information may be provided to the Fund's independent registered public accounting firm (the "Auditor"), for purposes of preparing the annual audit of the Fund and related shareholder reports. The service providers and the Auditor are subject to duties of confidentiality, including a duty not to trade on non-public information, whether by contract, applicable law, or relevant accounting standards. The Fund's Chief Compliance Officer periodically may request that the service providers confirm their compliance with these restrictions.

Neither the Fund nor the Advisor receives any compensation or other consideration for the disclosure of the Fund's portfolio holdings to the rating agencies, service providers, and the Auditor.

Only executive officers of the Fund, subject to the Board's oversight, may authorize disclosure of the Fund's portfolio securities. The Fund has adopted policies and procedures that are designed to ensure that disclosure of the information regarding portfolio holdings is in the best interest of the Fund's shareholders, including addressing any conflicts of interest between the interest of the Fund's shareholders and that of the Advisor, and any affiliated persons thereof. The Fund's Chief Compliance Officer, at least annually, reports to the Board regarding these policies and procedures and their application.

## **MANAGEMENT OF THE FUND**

The Fund's every day operations are managed by the Fund's Adviser and the Fund's officers. Major policy decisions must be approved by the Board of Directors. The number of directors is currently set at nine. The Board must approve any change in the number of directors.

The Fund's interested and independent directors and their occupations in the past five years are shown in the following.

<u>Name, Address and Age</u>	<u>Position(s) Held with Fund</u>	<u>Term of Office and Length of Time Served</u>	<u>Occupation</u>	<u>Number of Portfolios in Fund Complex Overseen by Director</u>	<u>Other Director- ships Held by Director during Past Five Years</u>
<b>Interested Directors</b>					
<b>Jeffrey M. Gibbs</b> Volumetric Fund, Inc. 87 Violet Drive Pearl River, NY 10965 <a href="mailto:info@volumetric.com">info@volumetric.com</a> Age: 52	President, Portfolio Co- Manager, Chief Compliance Officer	Annually 2018	President and Portfolio Co-Manager since 2016 and CCO since 2005. Jeffrey was Executive Vice President from 2015 to 2016 and Vice President from 1997 to 2015. He had worked as a consultant to the Fund from 1989 to 2015. He was previously employed by US Bank and AIS (acquired by US Bank) as Vice President of hedge fund accounting and operations (2005 to 2015). Mr. Gibbs is also the President of Volumetric Advisers Inc. Jeffrey is the son of the Founder, Gabriel Gibbs.	1	None
<b>Irene J. Zawitkowski</b> Volumetric Fund, Inc. 87 Violet Drive Pearl River, NY 10965 <a href="mailto:info@volumetric.com">info@volumetric.com</a> Age: 66	Chair, CEO, Senior Portfolio Manager and Director	Annually 1978	CEO and Senior Portfolio Manager since 2016 and Chair since 2018. Ms. Zawitkowski was President and Portfolio Co-manager from 2003 to 2016 and Executive Vice President of the Fund from inception to 2003. Ms. Zawitkowski is also Executive Vice President of Volumetric Advisers	1	None
<b>Independent Directors</b>					
<b>Josef Haupl</b> 9 Grove Place Mountainside, NJ 07046 <a href="mailto:bod@volumetric.com">bod@volumetric.com</a> Age: 74	Director (1)	Annually 2004	Engineering Consultant to the chemical industry, since 2002. Previously, Director of Technology of Lurgi PSI, an engineering and construction services company for the chemical industry.	1	None
<b>Alexandre M. Olbrecht, Dr.</b> 7 Main Street, RR 5 Mt. Kisco, NY 10549-3923 <a href="mailto:bod@volumetric.com">bod@volumetric.com</a> Age 40	Director (3)	Annually 2012	Associate Professor of Economics, Anisfield School of Business at Ramapo College of New Jersey, since 2005. Executive Director of the Eastern Economic Association. He was elected by the Board as the Fund's Vice Financial Expert.	1	None
<b>Cornelius O'Sullivan</b> 38 South Main Street Pearl River, NY 10965 <a href="mailto:bod@volumetric.com">bod@volumetric.com</a> Age 50	Director (3)	Annually 2017	Proprietor of Neil T. O'Sullivan, CPA, PLLC since 2009. Previously Partner, Cherian, O'Sullivan & Tatapudy, LLP, certified public accountants, since 2003. Mr. O'Sullivan started his accounting career with Ernst & Young, LLP certified public accountants.	1	None
<b>Stephen J. Samitt</b> Volumetric Fund, Inc. 87 Violet Drive Pearl River, NY 10965 <a href="mailto:shareholdercomments@volumetric.com">shareholdercomments@volumetric.com</a> Age: 77	Director (1)(4)	Annually 1996	Stephen Samitt, CPA, LLC since 2008. Previously Principal, Briggs Bunting & Dougherty, LLP, certified public accountants, since 1997. Previously, Partner, Tait, Weller & Baker, a full-service accounting firm. He was elected by the Board as the Fund's Financial Expert.	1	None

<u>Name, Address and Age</u>	<u>Position(s) Held with Fund</u>	<u>Term of Office and Length of Time Served</u>	<u>Occupation</u>	<u>Number of Portfolios in Fund Complex Overseen by Director</u>	<u>Other Director- ships Held by Director during Past Five Years</u>
<b>Allan A. Samuels</b> Rockland Business Assoc. One Blue Hill Plaza Pearl River, NY 10965 <a href="mailto:bod@volumetric.com">bod@volumetric.com</a> Age: 81	Director (2)	Annually 2007	President and CEO of Rockland Business Association (RBA) since 2001. RBA is a non-profit organization of about 700 businesses in Rockland County, NY, for the advancement of its members via public relations, seminars, networking and legislation. He is also Board member of several non-profit and business organizations	1	None
<b>David L. Seidenberg</b> 29 Shaw Road Woodcliff Lake, NJ 07677 <a href="mailto:bod@volumetric.com">bod@volumetric.com</a> Age: 72	Director (3)	Annually 1983	President, SQ Ventures, LLC, since 2002. Previously he was Vice President of Davos Chemical Company since 1972.	1	None
<b>Raymond W. Sheridan</b> R. Sheridan Financial, Inc. 19 E. Washington Ave Pearl River, NY 10965 <a href="mailto:bod@volumetric.com">bod@volumetric.com</a> Age: 68	Director (1)	Annually 1995	President, Raymond Sheridan Financial, Inc., insurance and financial services. Previously, Mr. Sheridan was Vice President and Treasurer of the Fund between 1997 and 2005.	1	None
<b>Non-Director - Officer</b>					
<b>Gabriel J. Gibs</b> Volumetric Fund, Inc. 87 Violet Drive Pearl River, NY 10965 <a href="mailto:info@volumetric.com">info@volumetric.com</a> Age: 82	Chair Emeritus, Portfolio Co- Manager	N/A	Chair Emeritus, since 2018, Portfolio Co-manager, since 2003, and Founder of the Fund. Gabriel was Chair from 1978 (inception) to 2018, Chief Executive Officer (CEO) from 1978 to 2016 and Portfolio Manager from inception to 2003.	N/A	N/A

(1) Member of the Governance & Nominating Committee; (2) Chair of the Governance & Nominating Committee; (3) Member of the Audit Committee; (4) Chair of the Audit Committee

**Board Committees.** The Fund has an Audit Committee and a Governance & Nominating Committee. The Audit Committee includes Stephen Samitt, Chair, who is also the Fund's Financial Expert, Alexandre Olbrecht, who is also the Fund's Vice-Financial Expert, Cornelius O'Sullivan and David Seidenberg. The Audit Committee is responsible for recommending the selection of external auditors to the Board; receiving, reviewing, and forwarding to the Board the annual financial report of the external auditors; and such other matters as may warrant attention. The Governance & Nominating committee's members are: Allan Samuels, Chair, Joseph Haupl, Stephen Samitt and Raymond Sheridan. This committee is responsible for the oversight of the Board of Directors and making recommendation of directors to the Board. All directors of the Audit Committee and the Governance & Nominating Committee are independent. The Fund does not have a lead independent director.

The risk oversight of the Fund is addressed at Board meetings. The full Board of Directors met three times and the Independent Directors met three times in the last fiscal year. In addition, the Audit Committee met twice and the Governance & Nominating Committee met once last fiscal year.

Shareholders may make recommendations for a nominee. Any recommendation may be made to either Governance & Nominating Committee or any other member of the Board of Directors.

The table below sets forth the aggregate dollar range of shares owned beneficially by each director of the Fund as of the most recent fiscal year end, December 31, 2018. The dollar ranges are: \$1 - \$10,000; \$10,001 - \$50,000; \$50,001 - \$100,000; or over \$100,000.

<b>Name of Director</b>	<b>Dollar Range of Equity Securities in the Fund</b>	<b>Aggregate Dollar Range of Equity Securities in All Registered Investment Companies Overseen by Director in Family of Investment Companies</b>
Jeffrey Gibbs	Over \$100,000	Over \$100,000
Irene J. Zawitkowski	Over \$100,000	Over \$100,000
Josef Haupl	Over \$100,000	Over \$100,000
Alexandre M Olbrecht, Dr.	\$10,001 to \$50,000	\$10,001 to \$50,000
Cornelius T. O'Sullivan	\$1 - \$10,000	\$1 - \$10,000
Stephen J. Samitt	Over \$100,000	Over \$100,000
Allan A. Samuels	\$50,001 to \$100,000	\$50,001 to \$100,000
David L. Seidenberg	Over \$100,000	Over \$100,000
Raymond W. Sheridan	Over \$100,000	Over \$100,000

No officers or directors of the Fund received any compensation from the Fund but, are compensated by the Adviser. The amount of such fees is subject to increase or decrease at any time.

Directors receive a meeting fee of \$175 for each board and committee meeting they attend. However, directors receive \$275 for attending the Annual Meeting. The Chair of the Committees receive \$275 per meeting. The Financial Expert receives an annual fee of \$1,000. Total fees paid to independent board members were \$6,975 during 2018. Director fees and compensation of all officers are paid by the Adviser.

## **SALES LOADS**

There are no sales loads, as the Fund is a no-load fund.

## **CODE OF ETHICS**

The Fund has adopted and amended its Code of Ethics under Rule 17j-1 of the 1940 Act which governs the personal trading activities of all "Access Persons". Access Persons generally include all officers and interested directors of the Fund and those of the Adviser. The Code of Ethics is based upon the principle that the Access Persons have the fiduciary duty to place the interest of Fund's shareholders above their own.

The Code of Ethics permits Access Persons to buy and sell securities for their own accounts, including securities that may be purchased or held by the Fund, subject to certain exceptions. The Code of Ethics requires all Access Persons to report personal security holdings and personal securities transactions regularly. The Code of Ethics requires Access Persons, who are investment personnel, to pre-clear most of their personal securities transactions.

## **PROXY VOTING DISCLOSURE POLICY**

The Board of Directors of Volumetric Fund, Inc. has adopted a proxy voting disclosure policy and procedure that delegates the authority to vote proxies to the Chair of the Board and President of the Fund, subject to the supervision of the Board of Directors. The proxy voting policy generally provides that proxy voting will be decided on by a case-by-case basis, with the intention being to vote all proxies in the best interest of the Fund's shareholders.

The following guidelines summarize the policy in routine issues of proxies. Accordingly, the voting generally will support the management's slate of directors of the company being voted upon. Regarding the selection of independent auditors of the company being voted upon, the voting as a general rule, will support the management's choice of auditors. All other non-routine issues will be voted on a case-by-case basis in the best interest of shareholders.

In situations where there is a conflict of interest, or apparent conflict with the Fund, the vote will be based upon the recommendation of the majority of Volumetric Fund's independent directors.

The Fund files Form N-PX with its complete proxy voting record for the twelve months ended June 30, no later than August 31 of each year. This filing is available without charge, upon request, by calling the Fund toll-free (800) 541-3863 and on the SEC's website at [www.sec.gov](http://www.sec.gov). The Fund will provide the Form N-PX information within three business days of the request.

## **CONTROL PERSONS AND PRINCIPAL HOLDERS OF SECURITIES**

There are no controlling person as of March 31, 2019, that own or control more than 25% of the shares outstanding of the Fund.

Volumetric Advisers, Inc., 87 Violet Drive, Pearl River, NY 10965, acts as transfer agent for the Fund. Volumetric Adviser, Inc., for the benefit of its customers, is considered a Principal of the fund with 100% ownership of the shares outstanding, as of record March 31, 2019.

Management ownership, as of March 31, 2019, includes directors and their immediate family members, such as their spouses and minors, beneficially owned 205,872.4696 shares or 12.27% of the outstanding common stock of the Fund.

## **INVESTMENT ADVISORY AND OTHER SERVICES**

Volumetric Advisers, Inc., until August of 1986 named Volumetric, Inc., is the investment adviser of the Fund, 87 Violet Drive, Pearl River, New York, 10965, pursuant to an Investment Advisory Agreement (the "Agreement") dated November 29, 2018. The Adviser is registered with the Securities and Exchange Commission pursuant to the Investment Advisers Act of 1940. Volumetric Inc. was incorporated in New York in 1983.

Gabriel Gibs is considered a controlling person of Volumetric Advisers, Inc., the adviser to the Fund. He is the Founder, Portfolio Co-Manager and Chair Emeritus to the Fund. He is also the former Chair, CEO and President of the Fund. Gabriel is the former President of Volumetric Advisers, Inc.

The following are "affiliated persons" with both the Adviser and the Fund, in their respective capacity: Irene Zawitkowski is CEO and Senior Portfolio Manager of Volumetric Fund and Executive Vice President and a partial owner of Volumetric Advisers; Jeffrey Gibs is President, Portfolio Co-Manager and Chief Compliance Officer of Volumetric Fund and President and partial owner of Volumetric Advisers. Jeffrey Gibs is the son of Gabriel Gibs. Agnes Gibs, the wife of Gabriel Gibs, is strictly an owner of the Adviser and is not involved with the day to day activity of the Fund.

The fee received by the Adviser is described in detail in the Prospectus. The Investment Adviser's fee will be reduced for any fiscal year by any amount necessary to prevent Fund expenses, exclusive of interest, taxes, brokerage commissions and extraordinary expenses, from exceeding

2.0%. The daily management fee is calculated each day and deducted from total assets, as an accrued expense, to obtain net assets. The management fee is paid to the Adviser monthly. The daily management fee is determined by multiplying the Fund's net assets by the appropriate rate, currently 1.90%, and dividing the resulting number by the number of calendar days of the year. Performance of the Fund does not affect the fee paid to the Adviser.

Management fees paid by the Fund to the Adviser for the past three years were as follows:

2018	\$ 669,644
2017	\$ 624,712
2016	\$ 535,195

The Agreement was approved by the Board of Directors (including the affirmative vote of all Directors who were not parties to the Agreement or interested persons of any such party) on November 29, 2018. The Agreement may be terminated without penalty on 60 days written notice by a vote of the majority of the Fund's Board of Directors or by the Adviser or by holders of a majority of the Fund's outstanding shares. The Agreement will be approved by the Board at least annually, in the manner stipulated in the Investment Company Act of 1940. This requires that the Agreement and any renewal be approved by a vote of the majority of the Fund's directors who are not parties there to or interested persons of any such party, cast in person at a meeting specifically called for the purpose of voting on such approval.

The Adviser, in addition to providing investment advice, pays all expenses of the Fund. These include: salaries of personnel, research, data processing, printing and postage, clerical, administrative, advertising and marketing expenses. Furthermore, the Adviser also pays the Fund's custodian fees, state registration fees and franchise taxes, legal and auditing fees, and all other operating expenses, such as shareholder's report and proxy statements. The Adviser also acts as the Fund's Transfer Agent. The Adviser does not pay the Fund's brokerage commissions. The Adviser shall not pay those expenses of the Fund which are related to litigation against the Fund, if any; or if the Fund is required to pay income taxes or penalties associated with those taxes.

The Fund does not receive any 12b-1 fees.

**The investment advisory agreement may not be assigned or transferred to another investment adviser without the consent of Board of Directors.**

**- TRANSFER AGENT AND DIVIDEND PAYING AGENT**

Volumetric Advisers, Inc., 87 Violet Drive, Pearl River, New York 10965, acts in the capacity as transfer agent and dividend paying agent, in addition to being the Fund's investment adviser. No additional compensation is paid for such services by the Fund, as it is a service provided by the Adviser as part of the management fee.

**- CUSTODIAN**

The Custodian of the Fund's securities is: US Bank, N.A., 1555 North Rivercenter Drive, Milwaukee, WI 53212. The Custodian does not have any part in determining the investment policies of the Fund or which securities are to be purchased or sold.

- *IRA AND PENSION ACCOUNTS TRUSTEE*

Equity Trust Company, P.O. Box 45274, Westlake, OH 44145

- *INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM*

The firm of BBD, LLP, 1835 Market Street, 3<sup>rd</sup> Floor, Philadelphia, PA 19103, has been acting as the Fund's Independent Registered Public Accountant during calendar years from 2009 to 2018.

## **PORTFOLIO MANAGERS**

- Gabriel J. Gibbs is Portfolio Co-Manager of one registered investment company with assets of \$30.9 million in assets (as of December 31, 2018) under management and no pooled investment vehicles or other accounts.
- Irene Zawitkowski is Senior Portfolio Manager of one registered investment company with assets of \$30.9 million in assets (as of December 31, 2018) under management and no pooled investment vehicles or other accounts.
- Jeffrey Gibbs is Portfolio Co-Manager of one registered investment company with assets of \$30.9 million in assets (as of December 31, 2018) under management and no pooled investment vehicles or other accounts.

There are no accounts which the advisory fee is based on the performance of the account.

The Fund's Portfolio Managers are employed and compensated by the Fund's Adviser, not the Fund. The Portfolio Managers are salaried employees with a potential bonus. The size of the assets under management and the performance of the fund do not determine compensation.

The Portfolio Manager's ownership of the Fund's shares is as follows: Gabriel Gibbs \$500,000 to \$1,000,000; Irene Zawitkowski is \$100,001 to \$500,000; Jeffrey Gibbs is \$100,001 to \$500,000.

## **BROKERAGE ALLOCATION**

To minimize brokerage commissions the Fund predominantly utilizes the services of discount brokers and full-service brokers whose negotiated rates are competitive with discount brokers. Brokers are selected based on their fees, services and execution capability. The Fund does not obtain research services ("soft-dollar" services) from these brokers. There are no affiliated brokers.

The aggregate commissions paid by the Fund for the three previous calendar years are indicated below.

2018	\$ 7,309
2017	\$ 9,796
2016	\$ 8,215

## **CAPITAL STOCK**

The Fund is authorized to issue 4,000,000 shares of Common Stock with a par value of \$.01 per share. Each share has one vote and all shares participate equally in dividends and other distributions by the Fund. Fractional shares have the same rights proportionately as do full shares.

The Fund's Board of Directors may authorize the issuance of additional shares of common stock, if demand for the Fund's shares surpasses currently authorized shares.

## **PURCHASE, REDEMPTION AND PRICING OF SECURITIES**

Shares of the Fund may be purchased and redeemed as outlined in the Prospectus and Summary Prospectus.

The Fund is a no-load fund; therefore, there are no sales loads. The offering price and the net asset value ("NAV") are the same. It is offering and redeeming its shares at the net asset value.

An Automatic Investment Plan is available to shareholders to purchase shares. Period investments may be made on the 5<sup>th</sup> or 20<sup>th</sup> of the month at regular time intervals (ex: monthly, bi-monthly, quarterly). The transactions are processed electronically from the shareholders bank account.

## **TAXATION OF THE FUND**

The Fund is qualified or intends to qualify annually as a "Regulated Investment Company" ("RIC") under Subchapter M of the Internal Revenue Code. Qualified investment companies, such as most mutual funds, are exempt from Federal income taxes. In order to qualify as a RIC the Fund must distribute annually to its shareholders substantially all of its net investment income and net capital gains in the form of dividends or capital gain distributions.

## **UNDERWRITERS**

The Fund has no underwriters.

## **CALCULATION OF PERFORMANCE DATA**

The Fund's average annual total returns, for the year ending December 31, 2018, for periods of 1, 5 and 10 years, before and after-tax returns, with or without redemptions, are indicated in the Prospectus and Summary Prospectus.

The performance of the Fund is expressed as total return. Total return is the change in value of an investment in a Fund over a particular period, assuming that all distributions have been reinvested. Thus, total return reflects dividend income, capital gain distributions and variations in share prices at the beginning and end of a period.

- The **Average Annual Total Return** of the Fund, is computed by finding the average annual compounded rates of return over the periods that would equate the initial amount invested to the ending redeemable value, according to the following formula:

$$P (1+T)^n = ERV$$

Where: P = a hypothetical initial payment of \$1,000  
T = average annual total return  
n = number of years  
ERV = ending redeemable value of a hypothetical \$1,000 payment made at the beginning of the stated period at the end of stated periods.

- The **Average Annual Total Return (After Taxes on Distributions)** of the Fund, is computed by finding the average annual compounded rates of return (after taxes on distributions) over the stated periods that would equate the initial amount invested to the ending redeemable value, according to the following formula:

$$P (1+T)^n = ATVD$$

Where: P = a hypothetical initial payment of \$1,000  
T = average annual total return (after taxes on distributions)  
n = number of years  
ATVD = ending value of a hypothetical \$1,000 payment made at the beginning of the stated period at the end of stated periods, after taxes on fund distribution but not after taxes on redemptions

- The **Average Annual Total Return (After Taxes on Distributions and Redemptions)** of the Fund, is computed by finding the average annual compounded rates of return (after taxes on distributions and redemptions) over the stated periods that would equate the initial amount invested to the ending redeemable value, according to the following formula:

$$P (1+T)^n = ATVDR$$

Where: P = a hypothetical initial payment of \$1,000  
T = average annual total return (after taxes on distributions and redemptions)  
n = number of years  
ATVDR = ending value of a hypothetical \$1,000 payment made at the beginning of the stated period, after taxes on fund distribution and redemptions.

## FINANCIAL STATEMENTS

The Fund's 2018 Annual Report, containing the audited financial statements for year ending December 31, 2018, notes to financial statements, and the opinion of the Fund's Independent Registered Public Accountants, BBD, LLP, has been filed with the Securities and Exchange Commission and is hereby incorporated by reference into this Statement of Additional Information. A copy of the Annual Report is available, free of charge, by calling the Fund's toll-free number at 800-541-3863 or visiting the Fund's website: [www.volumetric.com](http://www.volumetric.com)

## PART C

### OTHER INFORMATION

#### Item 28. Exhibits

- \*(a) Articles of Incorporation of Volumetric Fund, Inc.
- (b) By-Laws of Volumetric Fund, Inc.
- (c) Instruments Defining Rights of Security Holder. None
- (d) Investment Advisory Agreement between Registrant and Volumetric Advisers, Inc.
- (e) Underwriting Contracts. None
- (f) Bonus or Profit-Sharing Contracts. None
- (g) Custodian Agreement between the Fund and US Bank N.A.
- (h) Other Material Contracts. None
- \*(i) Legal Opinion
- (j) Consent of Independent Registered Public Accounting Firm for the Fund.
- (k) Omitted Financial Statements. None
- (l) Initial Capital Agreements. None
- (m) Rule 12b-1 Plan. None
- (n) Rule 18f-3 Plan. None
- (o) Reserved. None
- (p) Code of Ethics

\* Previously filed

#### Item 29 Persons Controlled by or Under Common Control with Registrant

None

#### Item 30 Indemnification

To the extent permitted by law, the Fund shall indemnify each Director and Officer of the Fund, against all expenses and liabilities reasonably incurred by their connection with or arising out of any action, suit, or proceeding in which they may be involved by reason of their being or having been a Director or Officer of the Fund, whether or not they continued to be a Director or Officer at the time of incurring such expenses and liabilities; such expenses and liabilities to include, but not limited to, judgments, court costs, attorneys' fees and the cost of settlements. The Fund shall not, however, indemnify such Director or Officer with respect to matters as to which they shall be finally adjudged in any such action, suit, or proceeding to have been liable because of willful misconduct in the performance of their duties as such Director or Officer. In the event a settlement or compromise is effected, indemnification may be had only if the Board of Directors shall have been furnished with an opinion of counsel for the Fund to the effect that such settlement or compromise is in the best interest of the Fund, and that such Director or Officer is not liable for willful misconduct in the performance of their duties with respect to such matters, and if the Board shall have adopted a resolution approving such settlement or compromise. The foregoing right of

indemnification shall not be exclusive of other rights to which any Director or Officer may be entitled as a matter of law.

Item 31 Business and Other Connection of Investment Adviser

None

Item 32 Principal Underwriters

None

Item 33 Location of Accounts and Records

Volumetric Advisers, Inc. maintains all records at the office of the Registrant: 87 Violet Drive, Pearl River, NY 10965.

Item 34 Management Services

None

Item 35 Undertakings

None

## SIGNATURES

Pursuant to the requirements of the Securities Act of 1933 and the Investment Company Act of 1940, the Fund certifies that it meets all of the requirement for effectiveness of this registration statement under rule 485(b) under the Securities Act and has duly caused this registration statement to be signed on its behalf by the undersigned, duly authorized, in the Town of Orangetown, and State of New York on the 18th day of April 2019.

### **Volumetric Fund, Inc.**

\_\_\_\_\_  
By: Irene J. Zawitkowski, Chair

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed below by the following persons in the capacities and dates indicated.

\_\_\_\_\_  
Irene J. Zawitkowski, Chair, CEO and Director

\_\_\_\_\_  
Date

\_\_\_\_\_  
Jeffrey Gibbs, President and Director

\_\_\_\_\_  
Date

\_\_\_\_\_  
Stephen J. Samitt, Independent Director

\_\_\_\_\_  
Date