

September 30, 2019

**Volumetric Fund, Inc.**  
Conservative Equity Growth Fund

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**Third Quarter  
Report 2019**

3



## **IMPORTANT INFORMATION ABOUT ACCESS TO SHAREHOLDER REPORTS**

Beginning on January 1, 2021, as permitted by regulations adopted by the Securities and Exchange Commission, paper copies of Volumetric Fund's (the "Fund") shareholder reports like this one will no longer be sent by mail, unless you specifically request paper copies of the reports from the Fund. Instead, the reports will be made available on our website, and you will be notified by mail each time a report is posted and provided with a website link to access the report.

If you already elected to receive shareholder reports electronically, you will not be affected by this change and you need not take any action. You may elect to receive shareholder reports and other communications from the Fund electronically by contacting the Fund at 800-541-3863 or [info@volumetric.com](mailto:info@volumetric.com).

However, you may elect to receive all future reports in paper free of charge. You can inform the Fund that you wish to continue receiving paper copies of your shareholder reports and other communications by contacting the Fund at 800-541-3863 or [info@volumetric.com](mailto:info@volumetric.com).

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To Our Shareholders:

Volumetric Fund's net asset value (NAV) per share has advanced 14.06% in 2019, as of September 30<sup>th</sup>. This includes a slight decline of 0.38% during the third quarter. Overall, as of September 30, 2019, our NAV closed at \$21.01, down from the June 30, 2019 NAV of \$21.09. Our cash and money market positions, at the end of the third quarter, were 18.5% and securities were 81.5%.

The Volumetric Index, which indicates the value of a hypothetical investment of \$10,000 in the Fund on January 1, 1979, with all distributions reinvested, stood at \$350,013, as of September 30, 2019 (see Volumetric Index Table on page 2). This is equivalent to a 9.1% compounded annual growth rate since the Fund's first full year of operation in 1979.

## **PORTFOLIO REVIEW (unaudited)**

At the end of the third quarter we had 53 securities in our portfolio. The average security was up 46.6%, with 47 gainers and 6 losers. As of September 30, our best percentage gainer was Cintas Corp, a provider of corporate uniforms and other ancillary items, which more than doubled, with a 276.7% unrealized gain. Our worst percentage performer was Cooper Companies Inc., a medical device company operating through their vision and surgical business units, with a 10.7% unrealized loss.

During the third quarter we purchased 4 stocks and sold 9 stocks, as indicated below.

**Purchases:** Allstate Corp., Amphenol Corp., Cooper Companies Inc., and CSX Corp.

**Sales:** Bristol-Meyers Squibb Co., Caterpillar Inc., Darden Restaurants Inc., Humana Inc., Intel Corp., International Flavors & Fragrances Inc., J.M. Smucker Co., Pinnacle West Capital Corp., and Unum Group.

Our most profitable sale of a stock, on a percentage basis, was J.M. Smucker Co. with a 17.6% gain. Conversely, our worst performing sale of a stock, on a percentage basis was Unum Group with a 28.8% loss.

## **TOP STOCK GAINERS (unaudited)**

As of September 30, 2019, our ten greatest unrealized stock percentage gainers are listed below. See "Statement of Net Assets" on page 3 for details.

Stock Name	Unrealized % of Fund's	
	Gain (%)	Net Assets
Cintas Corp	276.7%	3.0%
HP Inc	163.1%	0.8%
Autodesk Inc	146.3%	2.2%
FMC Corp	144.3%	1.9%
Microsoft Corp	142.0%	2.1%
Atmos Energy Corp	124.0%	0.8%
Waste Connections Inc	110.2%	2.7%
Visa Inc Class A	105.0%	2.0%
Roper Technologies Inc	87.2%	1.8%
Amazon.com Inc	81.1%	1.8%

## **VOLUMETRIC INDEX TABLE** (unaudited)

The following table shows the change in value at period end of a \$10,000 investment in Volumetric Fund since its inception, January 1, 1979, as measured by the Volumetric Index.

<b>Period Ending 12/31</b>	<b>Volumetric Index* \$</b>	<b>Period Ending 12/31</b>	<b>Volumetric Index* \$</b>
9/30/2019	350,013	1998	134,918
2018	306,865	1997	121,987
2017	341,967	1996	103,189
2016	291,028	1995	89,336
2015	261,446	1994	76,104
2014	274,379	1993	77,839
2013	256,464	1992	76,311
2012	202,839	1991	68,902
2011	191,527	1990	50,963
2010	190,622	1989	53,743
2009	164,687	1988	46,349
2008	135,349	1987	38,637
2007	193,239	1986	39,225
2006	187,400	1985	36,524
2005	176,228	1984	27,696
2004	172,799	1983	25,963
2003	152,246	1982	21,876
2002	116,682	1981	18,712
2001	133,167	1980	15,991
2000	139,355	1979	11,630
1999	141,866	1978	10,000

*\*The Volumetric Index indicates the Fund's total return after expenses were deducted and dividend distributions were reinvested.*

## **PROXY VOTING INFORMATION**

Information is available to shareholders who are interested in the Fund's proxy voting record regarding its securities. This information is available without charge upon request. It may be obtained either by calling the Fund's toll-free number, 800-541-3863, or by visiting the SEC's website at [www.sec.gov](http://www.sec.gov).

## **UPDATE AND OTHER NEWS**

"No Fee" Roth and Traditional IRAs are available at Volumetric Fund. You may be eligible to contribute \$6,000 to your IRA or \$7,000, if you are age 50 or over. Please check with your tax preparer before contributing. Also, you may be interested in transferring your 401(K) or other retirement accounts into Volumetric Fund. As always, this may be a good time to review your beneficiary designations.

Volumetric Fund will declare its annual dividend and capital gain distribution in December. The date of record is scheduled for December 27, 2019 with the ex-dividend/reinvestment date of December 30, 2019 and the payment date of December 31, 2019.

October can be a volatile time for the stock market and as of this writing, October has opened the 4<sup>th</sup> quarter on a slight decline. Consequently, utilizing our Volume and Range System, the Fund has maintained a defensive cash position in the range of 19%. As soon as our volume analysis indicates a buy signal, we will aggressively put our cash back to work. Soon, we will enter the strongest seasonal period of the year for stocks, November and December. With our small fund flexibility, we can reduce our cash position quickly.

Thank you for your trust and confidence. Please do not hesitate to contact us, if you have any questions.

October 4, 2019

Sincerely,



Irene J Zawitkowski  
Chair & CEO



Jeffrey Gibbs  
President



Gabriel Gibbs  
Chair Emeritus

September 30, 2019  
(unaudited)

SHARES	COMPANY	VALUE	SHARES	COMPANY	VALUE
	<b>Aerospace &amp; Defense -- 4.4%</b>				
2,300	General Dynamics Corp	\$ 420,279	26,900	Regions Financial Corp	\$ 425,558
5,100	L3Harris Technologies Inc	1,064,064			1,669,469
		<u>1,484,343</u>		<b>Food &amp; Beverage -- 2.7%</b>	
	<b>Chemicals -- 4.6%</b>		7,400	Coca-Cola Co	402,856
2,400	Air Products & Chemicals	532,464	3,300	McCormick & Co Inc (Non-Vtg)	515,790
7,300	FMC Corp	640,064			<u>918,646</u>
17,700	Mosaic Company	362,850		<b>Healthcare -- 2.1%</b>	
		<u>1,535,378</u>	7,300	Cardinal Health Inc	344,487
	<b>Computer Software -- 7.2%</b>		1,200	Cooper Companies Inc	356,400
1,500	Adobe Systems Inc*	414,375			<u>700,887</u>
5,000	Autodesk Inc*	738,500		<b>Industrial Conglomerates -- 3.2%</b>	
5,200	Microsoft Corp	722,956	2,700	Honeywell International Inc	456,840
3,700	Salesforce.com Inc*	549,228	1,700	Roper Technologies Inc	606,220
		<u>2,425,059</u>			<u>1,063,060</u>
	<b>Computers and Semiconductors -- 3.8%</b>			<b>Insurance -- 1.2%</b>	
2,400	Apple Inc	537,528	3,700	Allstate Corp	402,116
9,600	Applied Materials Inc	479,040			<u>402,116</u>
14,000	HP Inc	264,880		<b>Media -- 1.4%</b>	
		<u>1,281,448</u>	3,500	The Walt Disney Co	456,120
	<b>Construction -- 6.1%</b>				<u>456,120</u>
6,200	Jacobs Engineering Group	567,300		<b>Retail -- 6.0%</b>	
8,600	Lennar Corp - Class A	480,310	350	Amazon.com Inc*	607,569
7,300	Owens Corning	461,360	2,200	Costco Wholesale Corp	633,842
3,600	Vulcan Materials Co	544,464	2,900	Mohawk Industries Inc*	359,803
		<u>2,053,434</u>	4,400	Tiffany & Co	407,572
	<b>Distributors -- 1.3%</b>				<u>2,008,786</u>
14,000	LKQ Corp*	440,300		<b>Services -- 8.4%</b>	
		<u>440,300</u>	350	Alphabet Inc - Class A*	427,399
	<b>Electrical Equipment -- 3.0%</b>		3,800	Cintas Corp	1,018,780
6,200	Ametek Inc	569,284	5,900	Republic Services Inc	510,645
5,200	Baxter International Inc	454,844	9,900	Waste Connections Inc	910,800
		<u>1,024,128</u>			<u>2,867,624</u>
	<b>Electronic Services -- 6.3%</b>			<b>Transportation -- 3.8%</b>	
3,300	Automatic Data Processing Inc	532,686	5,600	CSX Corp	387,912
3,900	Broadridge Financial Solutions Inc	485,277	6,200	Expeditors Int'l of Washington Inc	460,598
5,200	Paychex Inc	430,404	12,500	Werner Enterprises Inc	441,250
3,900	Visa Inc Class A	670,839			<u>1,289,760</u>
		<u>2,119,206</u>		<b>Utilities -- 0.8%</b>	
	<b>Electronics -- 4.8%</b>		2,300	Atmos Energy Corp	261,947
4,300	Amphenol Corp - Class A	414,950			<u>261,947</u>
10,400	Cisco Systems Inc	513,864		<b>TOTAL EQUITIES (Cost: \$ 19,434,879)</b>	<b>27,492,149</b>
10,100	Corning Inc	288,052		<b>INVESTMENT COMPANY 17.9%</b>	
7,800	Flir Systems Inc	410,202	6,033,580	Shares -- Fidelity Invest Money Market	
		<u>1,627,068</u>		Gov Portfolio - Class I, 1.86%** (Cost: \$6,033,580)	6,033,580
	<b>Energy -- 1.1%</b>			<b>TOTAL INVESTMENTS (Cost: \$25,468,459): 99.4%</b>	<b>33,525,729</b>
3,200	Chevron Corp	379,520		<b>CASH EQUIVALENTS/RECEIVABLE: 0.6%</b>	
		<u>379,520</u>		Cash	163,647
	<b>ETF (Exchange Traded Fund) -- 4.4%</b>			Dividends and Interest Receivable	47,582
5,000	SPDR S&P 500 Trust	1,483,850		<b>TOTAL CASH EQUIVALENTS/ RECEIVABLES</b>	<b>211,229</b>
		<u>1,483,850</u>		<b>TOTAL ASSETS</b>	<b>33,736,958</b>
	<b>Financials -- 4.9%</b>			Less Liabilities:	-
900	Blackrock Inc	401,076		<b>NET ASSETS 100.0%</b>	<b>\$ 33,736,958</b>
4,500	Global Life Inc	430,920		<b>VOLUMETRIC SHARES OUTSTANDING</b>	<b>1,605,464</b>
3,500	JPMorgan Chase & Co	411,915		<b>NET ASSET VALUE, OFFERING &amp; REDEMPTION</b>	
				<b>PRICE PER SHARE</b>	<b>\$21.01</b>

**Other Information** - At Sep 30, 2019, the cost of investment securities for income tax purposes was \$19,434,879. Net unrealized appreciation aggregated, \$8,057,269, of which \$8,169,970 related to appreciated investment securities and \$112,701 related to depreciated investment securities. For additional information on the Fund's policy regarding valuation of investments and other significant accounting policies, please refer to the Fund's most recent semi-annual or annual report.



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