



# Volumetric Fund, Inc.

To Our Shareholders:

The year of 2009 was a very good one for Volumetric Fund and the stock market. After suffering huge losses in 2008 and the early part of 2009, the market bottomed out and turned around on March 9<sup>th</sup>. If you remember, we called the bottom in March and disclosed it in early April in our first quarter report. Overall, Volumetric Fund's net asset value per share (NAV) advanced 21.7% during 2009. The market, as measured by the Standard & Poor's 500 Index, gained 23.5% in the same period. Our NAV closed out the year at \$15.02 per share, up from its initial value of \$12.34 at the beginning of the year, and up 40.4% from its low point of \$10.70 on March 9<sup>th</sup>.

The Volumetric Index which indicates the value of a \$10,000 hypothetical investment in Volumetric on January 1, 1979, stood at \$164,687 on December 31, 2009. Our average annual return during our past 31 years of history has been 9.5%, as compared to that of 8.2% during the same period for the S&P 500 Index.

Since our proprietary "Volume and Range" portfolio management system was introduced over nine years ago, on September 1, 2000, we have substantially outperformed the major market indices. We have also outperformed the S&P Index six out of the past nine years.

	Year 2009	Fourth Quarter	Change since 9/1/2000*
Volumetric Fund	+21.7%	+ 3.9%	+ 22.7%
Standard & Poor's 500 Index	+23.5	+ 5.5	- 26.7
NYSE Composite Index	+24.8	+ 4.0	+ 0.4
Dow-Jones Industrials	+18.8	+ 8.5	- 7.2
NASDAQ Composite Index	+43.9	+ 6.9	- 46.6

\*Introduction of "Volume and Range" system.

## FOURTH QUARTER PORTFOLIO CHANGES

As mentioned above, the Fund's NAV advanced 3.9% during the fourth quarter. We have increased our cash position, which includes dividends receivables, slightly from 11.6%, as of September 30<sup>th</sup>, to 14.5% per statement of net assets. The Fund has 70 equities in its portfolio with 66 gainers and 4 losers. Our average equity is up 26.2%. Our ten top stocks are shown in the "Top Stocks and Industry Holdings" table.

The following diversified group of 21 stocks was added to our portfolio during the fourth quarter: Aetna, Inc., Alcoa, Alliant Techsystems, Aqua America, AT&T, Bard CR, Clarcor, Church & Dwight, Deere, Hansen Natural, JDS Uniphase, Leucadia National, L-3 Communications, McDonalds, Monsanto, Navigant Consulting, Orbital Sciences, PPL Corp., Southwest Air Lines, Stericycle and Waste Connections.

On the sell side, we sold 22 equities from our September 30th portfolio: Agilent Technologies, Autodesk, Baxter International, BJ Wholesale, Boston Scientific, ConocoPhillips, Danaher, Flower Industries, Lexmark, Maxim Integrated Products, Molson-Coors Brewing, Norfolk Southern, Olin, Owens & Minor, Polycom, Roper, Ruddick, SPDR Materials ETF, Teleflex, Toro, US Steel and Xerox. The best percentage gainer was US Steel with a 64% realized gain.

## TOP STOCKS AND INDUSTRY HOLDINGS

Our ten largest common stock holdings, excluding Technology and Financial ETFs, and our largest industry holdings are listed below. See "Statement of Net Assets" on page 4 for details.

	% of Fund's Net Assets	Unrealized Gain %	10 Largest Industry Holdings % of the Fund's Net Assets	
Dress Barn	2.82%	157.4%	Consumer Products	7.1%
Nu-Skin	2.15	62.2	Retail	6.7
Lancaster Colony	1.73	63.9	Aerospace/Defense	5.4
Tiffany	1.66	94.3	Indexes	5.0
McKesson	1.48	75.4	Electrical/Semiconductor	4.9
Overseas Shipholding	1.48	69.0	Miscellaneous/Diversified	4.8
Lincare Holdings	1.46	54.4	Medical/Health	4.8
Citrix Systems	1.45	79.0	Utilities	4.0
Mack-Cali Realty	1.43	72.8	Transportation	3.8
Bristol Myers Squibb	1.39	41.0	Oil/Energy	3.7

Total: 17.05%  
50.2%

Total:

## OTHER NEWS

As indicated in our January 4, 2010, memo to shareholders, Volumetric Fund did not declare any dividend and capital gain distributions for 2009, and consequently the Fund's net asset value was not reduced by a distribution at the beginning of January 2010.

As mentioned in our second quarter report, at the Fund's annual meeting on June 11, 2009, shareholders re-elected all nine nominated directors by at least 99.7% of the votes cast and approved the ratification of our new independent auditor, Briggs, Bunting & Dougherty, LLP, by 99.9% of the votes. Their name was changed to BBD, LLP, as of January 1, 2010.

The Board of Directors at their December 10, 2009, meeting approved the renewal of the Investment Advisory Contract between Volumetric Fund, Inc. and Volumetric Advisers, Inc. The Board discussed various factors that formed the basis for their renewal of the contract: 1) Volumetric Advisers, Inc. uses a proven, proprietary technique for managing the Fund's portfolio; 2) the Fund's performance indicates that it has outperformed significantly the Standard & Poor 500 Index and other appropriate indexes in 6 out of the past 9 years; 3) the Fund's expense ratio is in line with other no-load mutual fund's of similar size. Furthermore, if the Fund's assets grow, the expense ratio decreases on a sliding scale, as indicated in the Prospectus.

## UPDATE AND OUTLOOK

After strong gains in 2009 and then in early January of this year, the stock market declined, due mostly to profit taking, fear of high unemployment and global debt problems. The Standard & Poor's 500 Index slid 4.4% in 2010, as of February 5. Volumetric Fund's NAV declined only 2.9% in the same period. Since the beginning of the year, we have increased our cash position from 14% to 29% for protection. The current market outlook is mixed. Our proprietary volume indicator has turned from negative to neutral. We are ready to reduce our cash to a much lower level, as soon as, the turnaround is confirmed by our Volume and Range system.

We thank you for your confidence and trust. If you have any questions, please do not hesitate to call us.

February 6, 2010

Sincerely,

Gabriel J. Gibs  
Chairman and CEO

Irene J. Zawitkowski  
President

**VOLUMETRIC FUND, INC.**  
**STATEMENT OF NET ASSETS**  
December 31, 2009

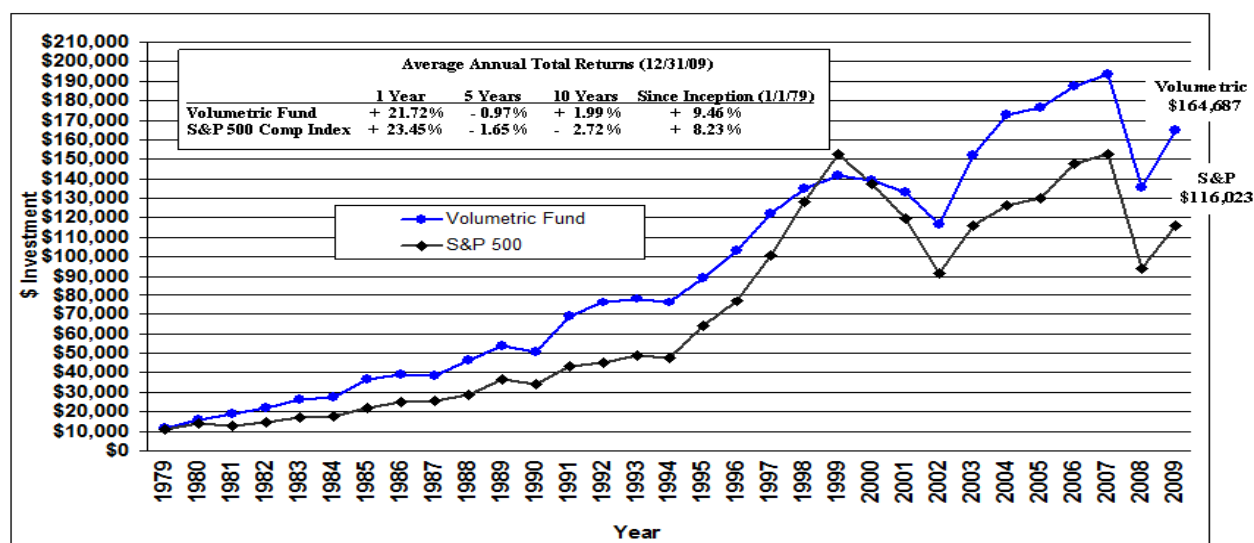
**Equities: 85.5%**

SHARES	COMPANY	VALUE	SHARES	COMPANY	VALUE
<b>Aerospace/Defense: 5.4%</b>			<b>Machinery: 3.5%</b>		
2,100	Alliant Techsystems*	\$185,367	3,700	Deere	\$200,133
2,200	L-3 Communications	191,290	3,700	Parker-Hannifin	199,356
12,000	Orbital Sciences*	183,120	4,600	Stanley Works	236,946
3,800	Raytheon	195,776			<u>636,435</u>
3,300	United Technologies	229,053	<b>Materials/Metals: 1.1%</b>		
		<u>984,606</u>	12,500	Alcoa	201,500
<b>Air Transport: 1.2%</b>			<b>Medical/Health : 4.8%</b>		
19,000	Southwest Air Lines	217,170	2,000	C.R. Bard	155,800
<b>Business Services: 0.9%</b>			7,100	Lincare Holdings*	263,694
11,400	Navigant Consulting*	169,404	4,300	McKesson	268,750
<b>Chemicals: 2.0%</b>			3,300	Stericycle*	182,061
2,500	Monsanto	204,375			<u>870,305</u>
5,000	Pentair	161,500	<b>Misc./Diversified: 4.8%</b>		
		<u>365,875</u>	5,400	Carlisle	185,004
<b>Communications: 3.4%</b>			5,400	Clarcor	175,176
6,500	AT&T Inc.	182,195	8,000	Leucadia National*	190,320
25,000	Earthlink	207,750	5,600	Mueller Industries	139,104
4,700	Harris Corp.	223,485	5,500	Waste Connections*	183,370
		<u>613,430</u>			<u>872,974</u>
<b>Computers/Hardware: 2.4%</b>			<b>Oil/Energy: 3.7%</b>		
8,000	Cisco Systems*	191,520	2,500	Diamond Offshore Drilling	246,050
1,800	IBM	235,620	3,000	Hess	181,500
		<u>427,140</u>	5,000	National Fuel Gas	250,000
<b>Computers/Software: 1.4%</b>					<u>677,550</u>
6,300	Citrix Systems*	262,143	<b>Precision Instruments: 1.2%</b>		
<b>Consumer Products: 7.1%</b>			3,300	Becman Coulter	215,952
3,000	Church & Dwight	181,350	<b>Real Estate: 1.4%</b>		
6,600	Hasbro	211,596	7,500	Mack-Cali Realty	259,275
6,300	Lancaster Colony	312,984	<b>Restaurants: 2.1%</b>		
14,500	Nu-Skin Enterprises	389,615	3,000	McDonald's	187,320
3,000	Procter & Gamble	181,890	3,000	Panera Bread*	200,820
		<u>1,277,435</u>			<u>388,140</u>
<b>Drugs: 3.5%</b>			<b>Retail: 6.7%</b>		
10,000	Bristol-Myers Squibb	252,500	3,700	Costco	218,929
3,100	Johnson & Johnson	199,671	22,100	Dress Barn*	510,289
10,300	Pfizer	187,357	7,000	Tiffany	301,000
		<u>639,528</u>	3,300	Wal-Mart	176,385
<b>Educational Services: 1.0%</b>					<u>1,206,603</u>
3,300	DeVry Inc.	187,209	<b>Transportation: 3.8%</b>		
<b>Electrical/Semiconductor: 4.9%</b>			4,000	C.H. Robinson Worldwide	234,920
9,000	Altera	203,670	10,000	Knight Transportation	192,900
10,000	Intel	204,000	6,100	Overseas Shipholding Group	268,095
20,000	JDS Uniphase*	165,000			<u>695,915</u>
8,000	Texas Instruments	208,480	<b>Utilities: 4.1%</b>		
1,100	W.W. Grainger	106,513	10,700	Aqua America	187,357
		<u>887,663</u>	5,500	Edison International	191,290
<b>Financial Services/Banks: 3.6%</b>			3,400	Exelon Corp.	166,158
9,000	Bank of America	135,540	5,800	PPL Corp.	187,398
36,000	SPDR Financial ETF	518,400			<u>732,203</u>
		<u>653,940</u>	<b>TOTAL EQUITIES:</b>		
<b>Foods/Beverage: 3.3%</b>			(COST: \$12,232,841)		
3,400	Coca Cola	193,800	<u>15,495,992</u>		
9,100	Conagra Foods	209,755	<b>CASH EQUIVALENTS &amp; RECEIVABLES: 14.5%</b>		
4,800	Hansen Natural*	184,320	Cash		
		<u>587,875</u>	JP Morgan Interest Bearing Deposit Acct.		
<b>Indexes: 5.0%</b>			Dividends and interest receivable		
2,000	SPDR S&P 500 Trust	222,880	<u>17,373</u>		
29,400	SPDR Technology ETF	674,142	TOTAL CASH EQUIVALENTS/ RECEIVABLES		
		<u>897,022</u>	<u>2,615,739</u>		
<b>Insurance: 1.1%</b>			TOTAL ASSETS		
6,000	Aetna Inc.	190,200	18,111,731		
<b>Internet Services: 2.1%</b>			Less liabilities:		
8,000	Verisign*	193,920	<u>-</u>		
11,000	Yahoo!*	184,580	<b>NET ASSETS: 100.0%</b>		
		<u>378,500</u>	<u>\$ 18,111,731</u>		
			VOLUMETRIC SHARES OUTSTANDING		
			<u>1,205,953</u>		
			NET ASSET VALUE PER SHARE		
			<u>\$15.02</u>		

\* Non-income producing security

\*\* See notes to financial statements

**Comparison of Changes in the Value of a \$10,000 Investment in Volumetric Fund  
Versus the Standard & Poor's 500 Index\* (Unaudited)  
(From January 1, 1979 to December 31, 2009)**



\* All distributions and dividends were reinvested. Past performance is not predictive of future performance. The performance shown above does not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares. The chart represents values for each year, as of December 31. The S&P 500 Index is an unmanaged index of common stocks.

**FINANCIAL HIGHLIGHTS  
(for a share outstanding throughout each year)**

<i>Years ended December 31</i>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Net asset value, beginning of year	<u>\$12.34</u>	<u>\$18.10</u>	<u>\$19.10</u>	<u>\$19.30</u>	<u>\$21.28</u>
Income from investment operations:					
Net investment loss	(0.02)	(0.03)	(0.03)	(0.02)	(0.08)
Net realized and unrealized gain (loss) on investments	<u>2.70</u>	<u>(5.25)</u>	<u>0.58</u>	<u>1.16</u>	<u>0.45</u>
Total from investment operations	<u>2.68</u>	<u>(5.28)</u>	<u>0.55</u>	<u>1.14</u>	<u>0.37</u>
Less distributions from:					
Net investment income	0.00	0.00	0.00	0.00	(0.15)
Net realized gains	<u>0.00</u>	<u>(0.48)</u>	<u>(1.55)</u>	<u>(1.34)</u>	<u>(2.20)</u>
Total distributions	<u>0.00</u>	<u>(0.48)</u>	<u>(1.55)</u>	<u>(1.34)</u>	<u>(2.35)</u>
Net asset value, end of year	<u>\$15.02</u>	<u>\$12.34</u>	<u>\$18.10</u>	<u>\$19.10</u>	<u>\$19.30</u>
Total return	<u>21.72%</u>	<u>(29.94)%</u>	<u>3.11%</u>	<u>6.34%</u>	<u>1.96%</u>
Ratios and Supplemental Data:					
Net assets, end of year (in thousands)	\$18,112	\$15,896	\$24,590	\$24,329	\$24,194
Ratio of expenses to average net assets	1.96%	1.93%	1.95%	1.94%	1.91% <sup>1</sup>
Ratio of net investment loss to average net assets	(0.17%)	(0.24%)	(0.14%)	(0.10%)	(0.42)% <sup>2</sup>
Portfolio turnover rate	170%	217%	141%	153%	160%

<sup>1</sup> Before waiver: 1.94%

<sup>2</sup> Before waiver: (0.45)%

See notes to financial statements

VOLUMETRIC FUND, INC.  
**STATEMENT OF OPERATIONS**  
For the Year Ended December 31, 2009

INVESTMENT INCOME		
Dividends.....		\$282,594
Interest.....		<u>4,607</u>
TOTAL INVESTMENT INCOME.....		287,201
EXPENSES		
Management Fee (Note 2).....		<u>314,166</u>
NET INVESTMENT LOSS.....		<u>(26,965)</u>
REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS		
Net realized loss on investments.....		(1,073,219)
Change in unrealized appreciation/depreciation on investments		
Beginning of year.....	\$(1,016,670)	
End of year.....	<u>3,263,151</u>	
Increase in unrealized appreciation.....		<u>4,279,821</u>
NET REALIZED AND UNREALIZED GAIN ON INVESTMENTS.....		<u>3,206,602</u>
NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS.....		<u><u>\$3,179,637</u></u>

VOLUMETRIC FUND, INC.  
**STATEMENT OF CHANGES IN NET ASSETS**

	<i>For the Years Ended</i>	
	<u>12/31/2009</u>	<u>12/31/2008</u>
CHANGES RESULTING FROM OPERATIONS		
Net investment loss.....	\$ (26,965)	\$ (49,775)
Net realized loss on investments.....	(1,073,219)	(3,038,028)
Net change in unrealized appreciation (depreciation) on investments.....	<u>4,279,821</u>	<u>(4,011,331)</u>
NET INCREASE (DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS...	<u>3,179,637</u>	<u>(7,099,134)</u>
DISTRIBUTIONS TO SHAREHOLDERS :		
From net realized gain on investments.....	<u>0</u>	<u>(651,485)</u>
CAPITAL SHARE TRANSACTIONS (NOTE 3) .....	<u>(964,169)</u>	<u>(913,327)</u>
NET INCREASE (DECREASE) IN NET ASSETS.....	2,215,468	(8,663,946)
NET ASSETS:		
BEGINNING OF YEAR.....	<u>15,896,263</u>	<u>24,560,209</u>
END OF YEAR.....	<u>\$18,111,731</u>	<u>\$ 15,896,263</u>
Undistributed net investment income	<u>\$ _____</u>	<u>\$ _____</u>

See notes to financial statements

## NOTES TO FINANCIAL STATEMENTS

### 1. Significant Accounting Policies

Volumetric Fund, Inc. (the "Fund") is registered with the Securities and Exchange Commission under the Investment Company Act of 1940, as amended, as a diversified, open-end investment company. The Fund's investment objective is capital growth. Its secondary objective is downside protection. The following is a summary of significant accounting policies consistently followed by the Fund in the preparation of its financial statements. The policies are in conformity with accounting principles generally accepted in the United States of America ("GAAP").

- a) Valuation of Securities: Investments in securities traded on a national securities exchange (or reported on the NASDAQ national market) are valued at the closing price on the day of valuation. If a market quote is not available, the Fund will value the security at fair market value as determined in good faith by Volumetric Advisers, Inc., as directed by the Board of Directors.

GAAP establishes a single authoritative definition of fair value, sets out a framework for measuring fair value and requires additional disclosures about fair value measurements. Various inputs are used in determining the value of the Fund's investments. These inputs are summarized in the three broad levels listed below:

- Level 1 – quoted prices in active markets for identical securities
- Level 2 – other significant observable inputs (including quoted prices for similar securities, interest rates, credit risk, etc.)
- Level 3 – significant unobservable inputs (including the Fund's own assumptions in determining fair value of investments)

The inputs or methodology used for valuing securities are not necessarily indications of the risk associated with investing in those securities.

As of December 31, 2009, all of the securities held by the Fund were valued using Level 1 inputs. See the Fund's Statement of Net Assets for a listing of securities valued using Level 1 inputs by security type and industry type, as required by GAAP.

- b) Securities Transactions and Investment Income: Realized gains and losses are determined on the identified cost basis which is the same basis used for federal income tax purposes. Dividend income and distributions to shareholders are recorded on the ex-dividend date and interest income is recognized on the accrual basis.

The Fund recognizes the tax benefits or expenses of uncertain tax positions only when the position is "more likely than not" to be sustained assuming examination by tax authorities. Management has reviewed the Fund's tax positions taken on Federal income tax returns for all open tax years (2006-2008) and during the year ended December 31, 2009, and concluded that no provision for unrecognized tax benefits or expenses is required in these financial statements.

- c) Federal Income Taxes: The Fund's policy is to comply with the requirements of the Internal Revenue Code that are applicable to regulated investment companies and to distribute all of the Fund's taxable income to its shareholders. Therefore no federal income tax provision is required. The difference between book basis and tax basis unrealized appreciation is attributable to the tax deferral of losses on wash sales.

At December 31, 2009, the Fund had the following capital loss carryforwards for federal income tax purposes available to offset future capital gains: Expiring December 31, 2016: \$2,966,200; December 31, 2017: \$1,142,494; Total: \$4,108,694.

Permanent book and tax differences, primarily due to the differing book/tax treatment of net investment losses, resulted in reclassification for the year ended December 31, 2009 as follows: a decrease of capital paid in of \$35,664, a decrease in accumulated net investment loss of \$26,965, and a decrease in accumulated net realized loss on investments of \$8,699. These reclassifications have no impact on net assets or results of operations.

- d) Distributions to Shareholders: It is the Fund's policy to distribute all net investment income and all net realized gains, in excess of any available capital loss carryovers, at year end. Distributions are taxable to shareholders in the year earned by the Fund. There were no distributions for years ending December 31, 2008 and 2009. Capital gain distributions for the year ended December 31, 2007, were paid in January 2008.

Dividends from net investment income and distributions from net realized gains are determined in accordance with federal income tax regulations which may differ from GAAP. These "book/tax" differences are considered temporary (e.g., deferred losses) or permanent in nature. To the extent these differences are permanent in

nature; such amounts are reclassified within the composition of net assets based on their federal tax-basis treatment: temporary differences do not require reclassification.

- e) Use of Estimates: The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of increases and decreases in net assets from operations during the reported period. Actual results could differ from those estimates.

## 2. Management Fee and Other Transactions with Affiliates

The Fund receives investment management and advisory services under an advisory agreement with Volumetric Advisers, Inc., that provides for fees to be paid at an annual rate of 2.0% of the first \$10,000,000 of average daily net assets, 1.9% of the next \$15,000,000 and declining thereafter to 1.5% on net assets over \$100,000,000. The Fund's advisor then pays the cost of all management, supervisory and administrative services required in the operation of the Fund. This includes investment management, fees of the custodian, independent public accountants and legal counsel, remuneration of officers and directors, state registration fees and franchise taxes, shareholder services, including maintenance of the shareholder accounting system, insurance, marketing expenses, shareholder reports, proxy related expenses and transfer agency. Certain officers and directors of the Fund are also officers and directors of the investment advisor.

## 3. Capital Stock Transactions

At December 31, 2009, there were 2,000,000 shares of \$0.01 par value capital stock authorized. Transactions in capital stock were as follows:

	Year Ended December 31, 2009		Year Ended December 31, 2008	
	Shares	Amount	Shares	Amount
Shares sold	20,747	\$279,785	25,422	\$ 412,690
Distributions reinvested	<u>0</u>	<u>0</u>	<u>35,652</u>	<u>628,180</u>
	20,747	279,785	61,074	1,040,870
Shares redeemed	<u>(102,823)</u>	<u>(1,243,954)</u>	<u>(130,304)</u>	<u>(1,954,197)</u>
Net decrease	<u>(82,076)</u>	<u>\$(964,169)</u>	<u>(69,230)</u>	<u>\$(913,327)</u>

## 4. Purchases and Sales of Investment Securities

For the year ended December 31, 2009, purchases and sales of securities were \$23,427,433 and \$20,938,016, respectively. At December 31, 2009 the cost of investments for Federal income tax purposes was \$12,235,385. Accumulated net unrealized appreciation on investments was \$3,260,607 consisting of \$3,294,575 gross unrealized appreciation and \$ 33,968 gross unrealized depreciation.

## 5. Composition of Net Assets

At December 31, 2009 net assets consisted of:

Net capital paid in on shares of stock.....	\$ 18,959,818
Accumulated net unrealized appreciation of investments.....	3,263,151
Accumulated net realized loss on investments.....	<u>(4,111,238)</u>
	<u>\$ 18,111,731</u>

## 6. Federal Income Tax

As of December 31, 2009, the components of the distributable earnings on a tax basis were as follows.

Undistributed ordinary income	\$ 0
Undistributed long-term capital gain	0
Capital loss carryforwards	(4,108,694)
Unrealized appreciation	<u>3,260,607</u>
	<u>\$ (848,087)</u>

## **7. Commitments and Contingencies**

Under the Fund's organizational documents, its Officers and Directors are indemnified against certain liabilities arising out of the performance of their duties to the Fund. In addition, in the normal course of the business, the Fund entered into contracts with its service providers, on behalf of the Fund, and others that provide for general indemnifications. The Fund's maximum exposure under these arrangements is unknown, as this would involve future claims that may be made against the Fund. The Fund expects the risk of loss to be remote.

## **8. Subsequent Events.**

Management has evaluated the impact of all subsequent events on the Fund through February 12, 2010, and has determined that there were no subsequent events requiring recognition or disclosure in the financial statements.

## **9. Change of Independent Registered Public Accounting Firm**

At Volumetric Fund's annual meeting on June 11, 2009, based on the recommendations of the Fund's Board of Directors, shareholders approved the engagement of Briggs, Bunting & Dougherty, LLP -- name changed to BBD, LLP as of 1/1/2010 -- to serve as the independent registered public accounting firm to audit the Fund's financial statements for the fiscal year ending December 31, 2009, replacing BKD, LLP.

BKD audited the Fund's financial statements for each of the fiscal years ended December 31, 2008 and December 31, 2007 and for prior years. These audits contained no adverse opinion or disclaimer of opinion nor were they qualified or modified as to uncertainty, audit scope or accounting principles. During the interim period between January 1, 2009 and June 11, 2009, ("the Interim Period") there were no disagreements with BKD on any matter of accounting principles or practices, financial statement disclosure or auditing scope or procedure.

During the Fund's fiscal years ended December 31, 2008 and December 31, 2007 and the Interim Period, neither Volumetric Advisers, Inc. and the Fund, nor anyone on their behalf had consulted BBD on items which concerned the application of accounting principles to a specified transaction, or the type of audit opinion the might be rendered on the Fund's financial statements.

## **PROSPECTUS, PROXY AND PORTFOLIO INFORMATION**

This report is intended for the shareholders of the Fund and may not be used as sales literature unless preceded or accompanied by a current prospectus. To obtain a current prospectus please call 1-800-541-3863.

Information is available to shareholders who are interested in the Fund's proxy voting guidelines and proxy voting record for the 12-month period ended June 30. This information may be obtained without charge 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).

The Fund files its complete schedule of portfolio holdings with Securities and Exchange Commission, for the first and third quarters of each fiscal year on form N-Q (previously N-30B-2). These forms are available on the Commission's website at [www.sec.gov](http://www.sec.gov). This information is also available from the Fund by calling 800-541-3863.

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

### To the Shareholders and Board of Directors of Volumetric Fund, Inc.

We have audited the accompanying statement of net assets of Volumetric Fund, Inc., as of December 31, 2009, and the related statement of operations, the statements of changes in net assets and the financial highlights for the year then ended. These financial statements and financial highlights are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audit. The statement of changes in net assets for the year ended December 31, 2008 and the financial highlights for each of the four years in the period ended December 31, 2008 were audited by other auditors whose report dated February 6, 2009, expressed an unqualified opinion on such financial statement and financial highlights.

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 audit 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 December 31, 2009, by correspondence with the custodian. 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 audit provides a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of Volumetric Fund, Inc., as of December 31, 2009, the results of its operations, the changes in its net assets and its financial highlights for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

/s/ BBD, LLP

Philadelphia, Pennsylvania  
February 12, 2010

### INFORMATION ABOUT YOUR FUND'S EXPENSES

For the six months ended December 31, 2009 (Unaudited)

As a shareholder of the Fund, you incur ongoing costs, including management fees and other Fund expenses. This example is intended to help you understand your ongoing costs (in dollars) of investing in the Fund and to compare these costs with ongoing costs of investing in other mutual funds. The example is based on an investment of \$1,000 made at the beginning of the period and held for the entire semi-annual period, July 1, 2009 – December, 2009.

The table illustrates your fund's costs in two ways.

**Actual Fund Return:** This section helps you to estimate the actual expenses that you paid over the period. The "Ending Account Value" shown is derived from the Fund's actual return for the six month period, the "Expense Ratio" column shows the period's annualized expense ratio and the "Expenses Paid During Period" column shows the dollar amount that would have been paid by an investor who started with \$1,000 in the fund at the beginning of the period. You may use the information here, together with your account value, to estimate the expenses that you paid over the period. To do so, simply divide your account value by \$1,000 (for example, a \$7,000 account value divided by \$1,000 = 7.0), then multiply the result by the number given in the first line under the heading entitled "Expenses Paid During Period."

**Hypothetical 5% Return:** This section is intended to help you compare your fund's costs with those of other mutual funds. It assumes that the fund had an annual return of 5% before expenses, the expense ratio is unchanged. Because the return used is not the fund's actual return, the results do not apply to your investment. This sample is useful in making comparisons to other mutual funds because the Securities and Exchange Commission requires all mutual funds to provide examples of expenses calculated and based on an assumed 5% annual return. You can assess your fund's costs by comparing this hypothetical example with the hypothetical examples that appear in shareholder reports of other funds.

Please note that the expense shown in the table are meant to highlight and help you compare your ongoing costs only and do not reflect any transactional costs such as sales charges (loads), redemption fees, or exchange fees. Volumetric Fund does not charge any sales loads, redemption fee, or exchange fees, but these fees may be present in other funds to which you compare our fund. Therefore, the hypothetical portions of the table are useful in comparing ongoing costs only, and will not help you to determine the relative total costs of owning different funds.

	Beginning Account Value, 07/01/09	Ending Account Value, 12/31/09*	Net Expense Ratio	Expenses Paid During Period**
Actual	\$1,000	\$1,175.30	1.95%	\$ 10.69
Hypothetical 5% Return	\$1,000	\$1,015.38	1.95%	\$ 9.91

\*The actual total returns for the six-month period ended December 31, 2009, was 17.53%.

\*\*Expenses are equal to the Fund's annualized expense ratio multiplied by the average account value over the period, multiplied by the number of days in the most recent fiscal half-year (184), and then divided by 365.

## GENERAL INFORMATION

### INVESTMENT ADVISOR and TRANSFER AGENT

Volumetric Advisers, Inc.  
87 Violet Drive  
Pearl River, NY 10965

### CUSTODIAN

JP Morgan Chase, N.A.  
270 Park Avenue  
New York, NY 10017

### IRA AND PENSION ACCOUNTS TRUSTEE

Principal Trust Company  
P.O. Box 8963  
Wilmington, DE 19899

### INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

BBD, LLP  
1835 Market Street  
Philadelphia, PA 19103

## DIRECTORS (Unaudited)

The Directors of the Fund and their ages, positions, addresses and principal occupations during the past five years are set forth below. There is no limit on the length of the term that each director serves. The Fund's Statement of Additional Information contains additional information about the Directors and is available without charge, upon request, by calling 1-800-541-FUND.

### Interested Directors

<u>Director</u>	<u>Occupation</u>	<u>Age</u>	<u>Director Since</u>
<b>Gabriel J. Gibs</b> Volumetric Fund, Inc. 87 Violet Drive Pearl River, NY 10965	Chairman, CEO, Founder and Portfolio Co-Manager of the Fund since 1978. Mr. Gibs is also President of Volumetric Advisers, Inc., the Fund's investment adviser and transfer agent.	73	1978
<b>Irene J. Zawitkowski</b> Volumetric Fund, Inc. 87 Violet Drive Pearl River, NY 10965	President and Portfolio Co-Manager of the Fund. Co-Founder and officer in various capacities since 1978. Also, Executive Vice President of Volumetric Advisers, Inc.	55	1978

### Independent Directors

<b>William P. Behrens</b> Fulcrum Securities, Inc. 80 Broad Street New York, NY 10004	Vice Chairman, Fulcrum Securities, since 2008. Vice Chairman, Northeast Securities, Inc. from 2001 to 2008. Chairman, Global Energy Systems since 2006. Member of the Fund's Audit Committee.	71	1987
<b>Josef Haupl</b> 9 Grove Place Mountain Lakes, NJ 07046	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. Member of the Fund's Governance & Nominating Committee.	64	2004
<b>Raymond T. Mundy</b> 332 Route 306 Monsey, NY 10952	Private practice of law since 1982. He is also an Adjunct Professor of Philosophy and Business Ethics at Rockland Community College, Suffern, NY. Member of the Fund's Audit Committee.	66	2006
<b>Stephen J. Samitt</b> Volumetric Fund, Inc. 87 Violet Drive Pearl River, NY 10965	Stephen Samitt, CPA, LLC, since 2008. Previously, Principal, Briggs Bunting & Dougherty, LLP, a full service public accounting firm, since 1997. Chairman of the Fund's Audit Committee. Member of the Fund's Governance & Nominating Committee. He was elected by the Board as the Fund's financial expert.	68	1996
<b>Allan A. Samuels</b> Rockland Business Assoc. One Blue Hill Plaza Pearl River, NY 10965	CEO and President of Rockland Business Association (RBA) since 2001. Board member of several non-profit and business organizations. Chairman of the Fund's Governance and Nominating Committee.	71	2007
<b>David L. Seidenberg</b> SQ Ventures, LLC 70 Kinderkamack Road Emerson, NJ 07630	President, SQ Ventures, LLC, since 2002. Previously, Vice President of Davos Chemical Company from 1972 until 2002. Member of the Fund's Audit Committee.	63	1983
<b>Raymond W. Sheridan</b> R. Sheridan Financial, Inc. 19 E. Washington Ave Pearl River, NY 10965	President, Raymond Sheridan Financial, Inc., insurance and financial services. Vice President of Volumetric Fund from 1997 to 2004. Member of the Fund's Governance & Nominating Committee.	59	1995

# **Volumetric Fund, Inc.**

87 Violet Drive  
Pearl River, New York 10965  
Tel: 845-623-7637  
800-541-FUND  
www.volumetric.com

## **Investment Adviser and Transfer Agent**

Volumetric Advisers, Inc.  
Pearl River, New York

## **Custodian**

J.P. Morgan Chase, N.A.  
New York, New York

## **Independent Registered Public Accounting Firm**

BBD, LLP  
Philadelphia, Pennsylvania

## **Board of Directors**

William P. Behrens  
Gabriel J. Gibs, Chairman  
Josef Haupl  
Raymond T. Mundy  
Stephen J. Samitt  
Allan A. Samuels  
David L. Seidenberg  
Raymond W. Sheridan  
Irene J. Zawitkowski

## **Officers**

Gabriel J. Gibs  
*Chairman, CEO, Portfolio Co-Manager*  
Irene J. Zawitkowski  
*President, Portfolio Co-Manager*  
Jeffrey M. Gibs  
*Vice President, Chief Compliance Officer*