

The Volumetric Fund tracks down the bulls

By **TIM STOCKEN**

PEARL RIVER — Gabriel Gibs is a scientist who took up stock market analysis as a hobby. He is now a full-time financial forecaster, serving as founder, president and portfolio manager of the Volumetric Fund, Inc., Rockland's only home-grown mutual fund.

Gibs was a chemist in the early 1970s with Lederle Laboratories, St. Regis Paper and Lonza, Inc. In establishing a small, family investment fund, Gibs quickly acquired a taste for the bittersweet world of stock market maneuvering.

Taking his new hobby seriously, Gibs earned an MBA in finance from Pace University in 1974. It was at Pace that he developed his theories on volume analysis that he still employs today as his major forecasting tool.

Gibs' system, which he terms the Volumetric Timing System, compares

the flow of money into and out of a stock with its market activity. The primary indicator is when a stock trades at an unusually heavy volume while its price advances.

A study is then made of the stock, with emphasis on the stock's industry group, earnings prospects and debt level. Gibs then determines whether or not the stock has as yet over-appreciated. If the stock has already moved 50 percent from its low, it will not be considered.

The final analysis is through a proprietary volume model designed by Gibs. If the stock has a high enough up/down volume ratio or demand/supply ratio, it will be bought.

Once purchased, the stock undergoes daily observation. It will be sold if the volume analysis indicates a reversal of its demand/supply ratio.

The Gibs system then identifies un-

dervalued stocks, stocks under accumulation, those with takeover and restructuring potential and stocks that the big investors or "smart money" buy. He claims his is the only mutual fund that uses analysis based on volume.

The Volumetric Fund was born in 1978 when a group of co-workers at Lonza approached Gibs about forming an investment group. The 10 initial investors each put up \$1,000. As of last week, the group had grown to 558 investors with total net assets of \$4,773,754. The net asset value (NAV) reached an all-time high of \$14.77.

According to Gibs, if \$10,000 had

been invested on January 1, 1979 in Volumetric, with all dividends and interest reinvested, it would have been worth \$56,252 on August 7, 1989.

"We're hoping to reach 1,000 investors within the next two years," said Gibs. That would enable the mutual fund's daily asset values to be listed with the National Association of Securities Dealers releases to daily newspapers.

"We are looking to double our investment every four to five years," said Gibs, noting that the resulting 17 percent per year increase has been met in the 10-plus years of the fund's existence.

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VOLUMETRIC FUND
A No-Load Mutual Fund
ANNUAL RETURNS

AT YEAR END	% GAIN	GROWTH OF \$10,000 INVESTMENT ON 12/31/1978
1988	20.0%	\$ 46,339
1987	1.5	38,637
1986	7.4	39,225
1985	31.9	36,524
1984	6.7	27,696
1983	18.7	26,321
1982	16.9	21,876
1981	17.0	18,712
1980	37.5	15,991
1979	16.3	11,630
1978		10,000

10-Year Average Gain: 17.1% year



BULLISH — Gabriel J. Gibs poses next to a growth chart of the Volumetric Fund, a mutual fund that he founded and manages.