

HOLLAND BALANCED FUND

Annual Report

September 30, 2011



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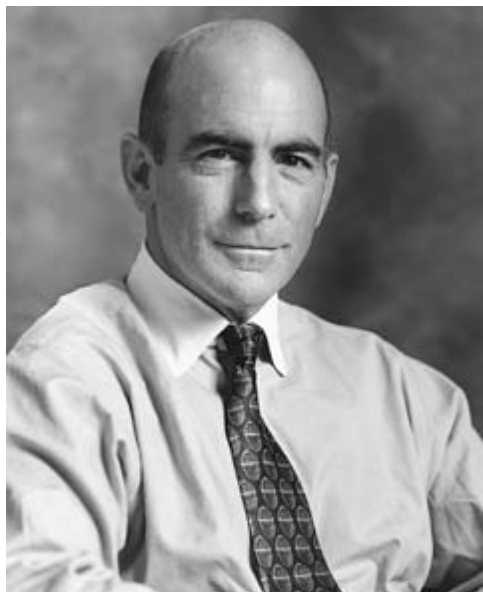
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Holland Balanced Fund • **LETTER FROM THE PRESIDENT**

September 30, 2011

Dear Fellow Shareholders:

Once again the headlines during the last year have reminded us of the common sense of holding high quality equities and fixed income securities. As our Fund's largest shareholder, I am pleased to report our Fund has again weathered this challenging period in sound condition and I believe the future may provide periodic pleasant surprises as well!



Our Fund's cumulative total return since inception (October 2, 1995 through September 30, 2011) is 110.48%. For the twelve months ended September 30, 2011, our Fund's total return was 1.73%.

With Bullish Regards,

A handwritten signature in black ink that reads "Michael F. Holland". The signature is written in a cursive, flowing style.

Michael F. Holland
President and Founder

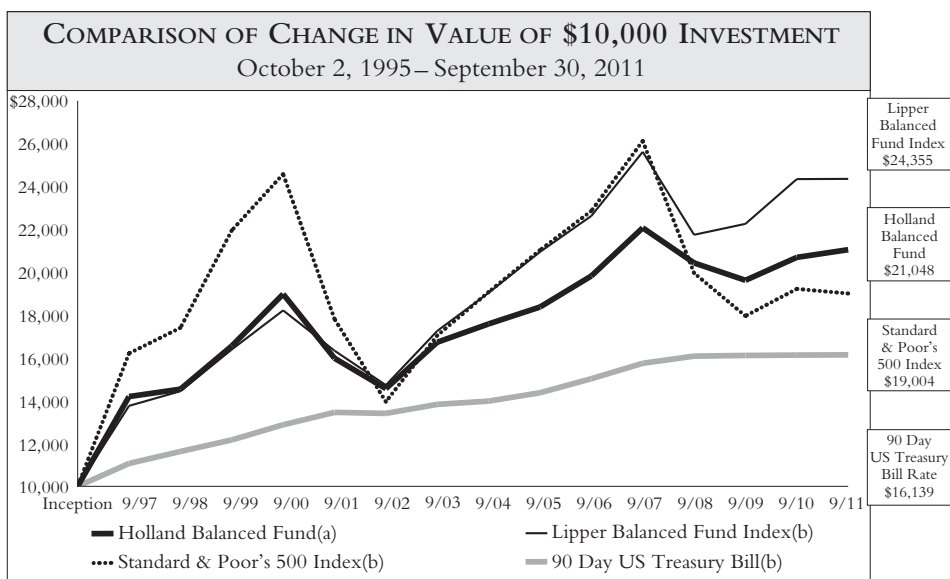
Investing involves risk, including possible loss of principal.

Performance data quoted represents past performance. Past performance does not guarantee future results. All performance assumes reinvestment of dividends and capital gains. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth less than their original cost. Current performance may be lower than the performance data quoted. Performance data current to the most recent month-end may be obtained by calling: 1-800-304-6552.

Holland Balanced Fund • CUMULATIVE PERFORMANCE

September 30, 2011

Set forth below are the cumulative total return figures for the periods indicated and a graph showing a hypothetical \$10,000 investment made in the Holland Balanced Fund, Lipper Balanced Fund Index, Standard & Poors 500 Index and the 90 Day US Treasury Bill on October 2, 1995. The cumulative and annualized total return figures and the information in the graph represent past performance and are not indicative of future results. Cumulative performance is the aggregate amount that an investment has gained or lost over the specified time period. The total returns reflect changes in price of the Fund's shares and assume that any income dividends and/or capital gain distributions made by the Fund during the period were reinvested in additional shares of the Fund. Investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth less than their original cost. *Fund annual operating expenses gross of Advisory Fee waiver as of September 30, 2011 is 1.87%.*



INVESTMENT PERFORMANCE						
For the Periods Ended September 30, 2011						
Return over the period	One Year	Average Annualized Five Year	Average Annualized Ten Year	Total Return Cumulative Ten Year	Average Annualized Since Inception (10/2/95)	Total Return Cumulative Since Inception (10/2/95)
Holland Balanced Fund (a)	1.73%	1.21%	2.79%	31.70%	4.76%	110.48%
Lipper Balanced Fund Index (b)	0.30%	1.53%	4.13%	49.86%	5.72%	143.55%
Standard & Poor's 500 Index (b)	-1.11%	-3.62%	0.65%	6.69%	4.09%	90.04%
90 Day US Treasury Bill (b)	0.07%	1.44%	1.84%	20.01%	3.04%	61.39%

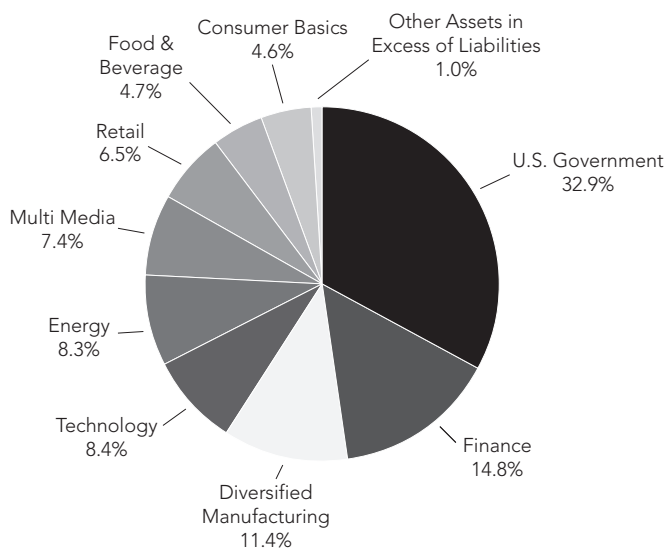
Holland Balanced Fund • **MANAGEMENT DISCUSSION OF
FUND PERFORMANCE**

September 30, 2011

Since inception (October 2, 1995 through September 30, 2011), our Fund's total cumulative return is 110.48% compared to 90.04% for the Standard & Poor's 500 Index and 143.55% for the Lipper Balanced Fund Index, both of which are unmanaged indexes. For the twelve months ended September 30, 2011, our Fund's total return was 1.73% compared to (1.11)% for the Standard & Poor's 500 Index and 0.30% for the Lipper Balanced Fund Index.

Our Fund's performance has been increasingly favored by our equity holdings in large blue chip companies that have performed well in the global marketplace and have shared that success in the form of increased cash dividends. Companies like International Business Machines Corp., one of our long-term holdings, have actually hit new stock price levels despite the downward pressure on the general market. Detractors to performance have, of course, been the financial stock holdings, such as J.P. Morgan Chase & Co., which have experienced a difficult operating environment.

Portfolio composition by sector
(as a % of total net assets) – Unaudited



Holland Balanced Fund • **MANAGEMENT DISCUSSION OF
FUND PERFORMANCE** *(continued)*

NOTES TO PERFORMANCE

- (a) Reflects waiver of fees by the investment adviser. Absent such waiver, the Fund's total return would have been lower.
- (b) The Lipper Balanced Fund Index is an index of open-end mutual funds whose primary objective is to conserve principal by maintaining at all times a balanced portfolio of both stocks and bonds. Typically, the stock/bond ratio ranges around 60%/40%. The Standard & Poor's 500 Index is a capitalization-weighted index of 500 widely held stocks recognized by investors to be representative of the stock market in general. The 90-Day U.S. Treasury Bill rate is the average return on three month U.S. Treasury Bills. The Standard & Poor's 500 Index is unmanaged and does not reflect the actual cost of investing in the instruments that comprise the index. You cannot invest directly in an index.

Holland Balanced Fund · STATEMENT OF NET ASSETS

September 30, 2011	Shares	Value [†]
Common Stocks—66.1%		
Computers—4.2%		
International Business Machines Corp.	6,400	<u>\$ 1,120,192</u>
Electronics—8.3%		
3M Co.	13,600	976,344
Intel Corp.	58,300	<u>1,243,539</u>
		<u>2,219,883</u>
Entertainment & Leisure—3.9%		
The Walt Disney Co.	33,900	<u>1,022,424</u>
Financial—6.2%		
American Express Co.	23,000	1,032,700
JPMorgan Chase & Co.	20,000	<u>602,400</u>
		<u>1,635,100</u>
Food & Beverages—4.7%		
PepsiCo, Inc.	20,000	<u>1,238,000</u>
Insurance—8.7%		
Berkshire Hathaway, Inc. Class A*	11	1,174,800
Chubb Corp.	19,000	<u>1,139,810</u>
		<u>2,314,610</u>
Oil/Gas—8.3%		
Exxon Mobil Corp.	17,500	1,271,025
Schlumberger, Ltd.	15,800	<u>943,734</u>
		<u>2,214,759</u>
Pharmaceuticals—4.6%		
Johnson & Johnson	19,300	<u>1,229,603</u>
Producer Goods—3.0%		
General Electric Co.	52,900	<u>806,196</u>
Retail—6.5%		
Home Depot, Inc.	21,000	690,270
Wal-Mart Stores, Inc.	20,000	<u>1,038,000</u>
		<u>1,728,270</u>
Software—4.2%		
Microsoft Corp.	45,000	<u>1,120,050</u>
Telecommunications—3.5%		
Comcast Corp. Class A	45,000	<u>940,500</u>
Total Common Stocks (Cost—\$15,946,703)		<u>17,589,587</u>

See Accompanying Notes to Financial Statements

Holland Balanced Fund • **STATEMENT OF NET ASSETS** (continued)

<i>September 30, 2011</i>	<i>Principal</i>	<i>Value[†]</i>
U.S. Government Securities—32.9%		
U.S. Treasury Notes—32.9%		
United States Treasury Note, 0.375% due 10/31/12 (Cost \$8,736,278)	\$8,750,000	\$ 8,769,486
Total Investments—99.0% (Cost—\$24,682,981)		<u>26,359,073</u>
Other Assets In Excess Of Liabilities—1.0%		<u>256,266</u>
Net Assets—100%		
Applicable to 1,842,735 outstanding \$0.01 par value shares (authorized 1,000,000,000)		<u>\$26,615,339</u>
Net asset value, offering price and redemption price per share		<u>\$ 14.44</u>

See Accompanying Notes to Financial Statements

Holland Balanced Fund • **STATEMENT OF NET ASSETS** (concluded)

September 30, 2011

Components of Net Assets as of September 30, 2011

Capital stock at par value (\$0.01)	\$ 18,427
Capital stock in excess of par value	23,936,878
Undistributed net investment income	32,448
Net accumulated realized gain on investments in securities	951,494
Net unrealized appreciation on investments in securities	<u>1,676,092</u>
Net Assets	<u><u>\$26,615,339</u></u>

See *Accompanying Notes to Financial Statements*

* *Non-income producing*

† *See Note 2 to Financial Statements*

Holland Balanced Fund • **STATEMENT OF OPERATIONS**

Year Ended September 30, 2011

Investment Income:

Dividends	\$ 453,988
Interest income (Note 2)	<u>144,317</u>
Total investment income	<u>598,305</u>

Expenses:

Investment advisory fees (Note 3)	229,681
Administration and custody fees (Note 4)	141,324
Transfer agent fees	60,852
Shareholder reports	40,869
Registration fees	28,181
Audit fees	22,072
Legal fees	15,927
Insurance fees	14,713
Directors' fees	14,658
Miscellaneous expenses	<u>4,510</u>
Total operating expenses	572,787
Waiver of investment advisory fee (Note 3)	<u>(113,929)</u>
Net Expenses	<u>458,858</u>
Net investment income	<u>139,447</u>

Net Realized and Unrealized Gain (Loss) on Investments

Net realized gain on investments	951,495
Net change in unrealized appreciation/(depreciation)	<u>(388,425)</u>
Net realized and unrealized gain on investments	<u>563,070</u>
Net increase in net assets resulting from operations	<u>\$ 702,517</u>

See Accompanying Notes to Financial Statements

Holland Balanced Fund • STATEMENTS OF CHANGES IN NET ASSETS

	Year Ended September 30, 2011	Year Ended September 30, 2010
Net Increase/(Decrease) in Net Assets		
Resulting from Operations:		
Net investment income	\$ 139,447	\$ 354,323
Net realized gain	951,495	697,448
Net change in unrealized appreciation/(depreciation) on investments	<u>(388,425)</u>	<u>636,872</u>
Increase in net assets from operations	<u>702,517</u>	<u>1,688,643</u>
Dividends and Distributions to Shareholders from:		
Net investment income	(164,577)	(430,022)
Net realized gains	<u>(578,694)</u>	<u>(415,970)</u>
Total distributions	<u>(743,271)</u>	<u>(845,992)</u>
Capital Share Transactions, Net (Note 9)	<u>(3,393,201)</u>	<u>(2,088,945)</u>
Decrease in Net Assets	<u>(3,433,955)</u>	<u>(1,246,294)</u>
Net Assets:		
Beginning of year	<u>30,049,294</u>	<u>31,295,588</u>
End of year	<u>\$26,615,339</u>	<u>\$30,049,294</u>
Undistributed Net Investment Income, End of Year	<u>\$ 32,448</u>	<u>\$ 57,578</u>

See Accompanying Notes to Financial Statements

Holland Balanced Fund • FINANCIAL HIGHLIGHTS

<i>For a capital share outstanding throughout each year</i>	<i>For the Year Ended</i>				
	<i>9/30/11</i>	<i>9/30/10</i>	<i>9/30/09</i>	<i>9/30/08</i>	<i>9/30/07</i>
Per Share Data					
Net asset value, beginning of year	<u>\$ 14.54</u>	<u>\$ 14.16</u>	<u>\$ 15.29</u>	<u>\$ 17.39</u>	<u>\$ 16.38</u>
Increase/(Decrease) from Investment Operations:					
Net investment income	0.07	0.17	0.09	0.35	0.23
Net realized and unrealized gain (loss) on investments	<u>0.19</u>	<u>0.60</u>	<u>(0.76)</u>	<u>(1.60)</u>	<u>1.58</u>
Total income (loss) from operations	<u>0.26</u>	<u>0.77</u>	<u>(0.67)</u>	<u>(1.25)</u>	<u>1.81</u>
Less Dividends and Distributions From:					
Net investment income	(0.08)	(0.20)	(0.13)	(0.29)	(0.24)
Net realized gain on investments	<u>(0.28)</u>	<u>(0.19)</u>	<u>(0.33)</u>	<u>(0.56)</u>	<u>(0.56)</u>
Total dividends and distributions	<u>(0.36)</u>	<u>(0.39)</u>	<u>(0.46)</u>	<u>(0.85)</u>	<u>(0.80)</u>
Net asset value, end of year	<u>\$ 14.44</u>	<u>\$ 14.54</u>	<u>\$ 14.16</u>	<u>\$ 15.29</u>	<u>\$ 17.39</u>
Total return(a)	1.73%	5.46%	(3.97)%	(7.42)%	11.33%
Ratios/Supplemental Data					
Net assets, end of year (000's)	\$26,615	\$30,049	\$31,296	\$36,975	\$44,348
Ratio of expenses to average net assets before fee waivers	1.87%	1.92%	1.88%	1.63%	1.66%
Ratio of expenses to average net assets after fee waivers	1.50%	1.50%	1.50%	1.50%	1.50%
Ratio of net investment income to average net assets after fee waivers	0.46%	1.14%	0.69%	2.09%	1.34%
Portfolio turnover	30.00%	0.00%	2.54%	1.96%	1.22%

See Accompanying Notes to Financial Statements

(a) Total return would have been lower had certain expenses not been waived or reimbursed.

September 30, 2011

1. ORGANIZATION

The Holland Series Fund, Inc. (the “Company”) was organized as a Maryland corporation on June 26, 1995 and is registered under the Investment Company Act of 1940, as amended (the “1940 Act”), as an open-end management investment company. The Company currently has one portfolio, the Holland Balanced Fund (the “Fund”).

Investment Objective

The objective of the Fund is to provide a high total investment return.

The total investment return is a combination of, among other things, 1) income from interest and dividends on securities owned by the Fund, 2) capital gains and losses on securities owned by the Fund, and 3) the Fund’s expenses. In seeking this objective, Holland & Company, L.L.C., the Fund’s investment adviser (the “Investment Adviser”), gives consideration to risk and volatility.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

In preparing financial statements in conformity with accounting principles generally accepted in the United States of America (“GAAP”), management makes estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements as well as the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Management has evaluated the impact of all events or transactions occurring after year end through the date these financial statements were issued, and has determined that there were no subsequent events requiring recognition or disclosure.

Securities

Securities transactions are accounted for as of the trade date. Interest income and expenses are recorded on an accrual basis. The Fund amortizes discount or premium using the effective yield-to-maturity method on a daily basis, except for securities having a maturity date of sixty days or less at the time of acquisition which are amortized on a straight-line basis. Dividend income is recorded on the ex-dividend date. The Fund uses the specific identification method for determining gain or loss on sales of securities.

The Fund may invest in Treasury Inflation-Protection Securities (“TIPS”), Treasury securities that are indexed to inflation. The principal value and interest payout of TIPS are periodically adjusted according to the rate of inflation based on the Consumer Price Index. Adjustments for interest income due to inflation are reflected in interest income in the Statement of Operations.

Indemnifications

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 business the Fund enters into contracts that provide general indemnifications to other parties. The Fund’s maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Fund that have not yet occurred. However, based on experience, the Fund does not expect any significant claims.

September 30, 2011

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)*Income Tax*

The Fund has made no provision for federal income or excise tax since the Fund continues to qualify as a regulated investment company (“RIC”) and intends to comply with the requirements of Subchapter M of the Internal Revenue Code of 1986, as amended (the “Code”), applicable to RICs and to distribute substantially all of its taxable income and realized gains.

Valuation

Equity securities traded on an exchange are valued at their last sales price on that exchange with the exception of equity securities listed on NASDAQ where the NASDAQ Official Closing Price is used. Debt securities for which over-the-counter market quotations are available are valued at the latest bid price. Debt securities purchased with sixty days or less remaining to maturity are valued at amortized cost which approximates fair value.

Securities for which market quotations are not readily available are valued at fair value as determined in good faith under procedures adopted by the Directors of the Fund.

In accordance with the authoritative guidance on fair value measurements and disclosures under GAAP, the Fund discloses the fair value of its investments in a hierarchy that prioritizes the inputs to valuation techniques used to measure the fair value. The three-tier hierarchy of inputs is summarized in the three broad levels listed below. The Fund’s hierarchy can be found below.

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

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

The following is a summary of the inputs used as of September 30, 2011 in valuing the Fund’s investments at value:

	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>Total</i>
Investments in Securities				
Common Stocks	\$17,589,587	\$ —	\$—	\$17,589,587
U.S. Government Securities	—	8,769,486	—	8,769,486
Total	<u>\$17,589,587</u>	<u>\$8,769,486</u>	<u>\$—</u>	<u>\$26,359,073</u>

For a further break down of each investment by type please refer to the Statement of Net Assets.

September 30, 2011

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The Fund's policy is to disclose significant transfers between Levels based on valuations at the end of the reporting period. The portfolio may hold securities which are periodically fair valued in accordance with the Fund's Fair Value Procedures. This may result in movements between Level 1 and Level 2 throughout the period. At September 30, 2011, there were no significant transfers between Level 1, 2 or 3 based on the valuation input Levels on September 30, 2010.

In May 2011, the Financial Accounting Standards Board issued ASU 2011-04 "Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and International Financial Reporting Standards ("IFRS")." ASU 2011-04 includes common requirements for measurement of and disclosure about fair value between U.S. GAAP and IFRS. ASU 2011-04 will require reporting entities to make disclosures about amounts and reasons for all transfers in and out of Level 1 and Level 2 fair value measurements. In addition, ASU 2011-04 will require reporting entities to disclose the following information for fair value measurements categorized within Level 3 of the fair value hierarchy: quantitative information about the unobservable inputs used in the fair value measurement, the valuation processes used by the reporting entity and a narrative description of the sensitivity of the fair value measurement to changes in unobservable inputs and the interrelationships between those unobservable inputs. The new and revised disclosures are effective for interim and annual reporting periods beginning after December 15, 2011. Management is currently evaluating the implications of ASU 2011-04 and its impact on the financial statements.

Distributions to Shareholders

The Fund distributes income dividends quarterly and capital gains annually. Distributions from net short-term capital gains and net long-term capital gains, if any, will typically be declared and paid in December. To the extent that a net realized capital gain can be reduced by a capital loss carryover, such gain will not be distributed.

Distributions to shareholders are recorded on the ex-date of the dividend or the distribution. Distributions from net investment income and net realized capital gains are determined in accordance with federal income tax regulations, which may differ from those amounts determined under GAAP. These book/tax differences are either temporary or permanent in nature. To the extent these differences are permanent in nature, such amounts are reclassified within the capital accounts based on their federal tax-basis treatment; temporary differences do not require reclassification. Distributions that exceed net investment income or net realized capital gains for financial reporting purposes, but not for tax purposes, are reported as distributions in excess of net investment income or distributions in excess of net realized gains on investments. To the extent they exceed net investment income and/or net realized gains for tax purposes, they are reported as distributions of capital.

3. INVESTMENT ADVISORY AGREEMENT

The Company's Board of Directors has approved an investment advisory agreement with the Investment Adviser. For its services as Investment Adviser, the Company

September 30, 2011

3. INVESTMENT ADVISORY AGREEMENT (continued)

pays the Investment Adviser a monthly fee at an annual rate of 0.75% of the Fund's average daily net assets. The Investment Adviser has agreed to voluntarily waive its fee to the extent necessary to keep the Fund's expenses from exceeding 1.50% of average daily net assets. The Investment Adviser may discontinue this cap on total expenses at any time, in its sole discretion. During the year ended September 30, 2011, the Investment Adviser waived \$113,929 in advisory fees. The Investment Adviser is controlled by Michael F. Holland, its managing member and owner of 99% interest in the Investment Adviser.

As of September 30, 2011, Michael F. Holland and affiliates owned 124,060 shares (6.7% of the shares outstanding) of the Fund.

**4. ACCOUNTING, CUSTODY,
ADMINISTRATION AND DISTRIBUTION AGREEMENTS**

State Street Bank and Trust Company ("State Street"), pursuant to its Administration Agreement, provides or arranges for the provision of, certain administrative and accounting services for the Company, including maintaining the books and records of the Company, and preparing certain reports and other documents required by federal and/or state laws and regulations.

For these services, the Company pays State Street a fee at the annual rate of 0.10% of the Fund's average daily net assets up to \$100 million, 0.08% of the next \$100 million, and 0.06% of those assets in excess of \$200 million, subject to certain minimum requirements, and reimbursement for out-of-pocket expenses pursuant to the Administration Agreement. Pursuant to the Administration Agreement, State Street is entitled to a minimum fee of \$7,500 per month unless waived by State Street. State Street also serves as the Fund's custodian and accounting agent. Fees paid for custody and accounting services rendered by State Street are based upon assets of the Fund and on transactions entered into by the Fund during the period and are included in the administration and custody fees in the Statement of Operations.

ALPS Distributors, Inc., pursuant to a distribution agreement with the Fund, acts as distributor of the Fund's shares. The Investment Adviser bears the distribution cost.

5. DIRECTORS' FEES

The Fund pays each Independent Director an annual fee, paid quarterly, of \$3,000, plus \$500 per meeting attended and pays all Directors' actual out-of-pocket expenses relating to attendance at meetings. The Fund does not provide any pension or retirement benefits to its Directors or Officers.

September 30, 2011

6. LIABILITIES

At September 30, 2011, the Fund had the following liabilities:

Payable for capital shares repurchased	\$ 53,095
Investment Advisory fee payable	17,241
Administration and custody fees payable	11,632
Other payable and accrued expenses	<u>43,865</u>
Total liabilities	<u>\$125,833</u>

7. INVESTMENT TRANSACTIONS

Purchases and sales of investment securities, other than short-term investments and U.S. Government securities, for the year ended September 30, 2011 aggregated \$0 and \$3,103,108 respectively. Purchases and sales of U.S. Government securities for the year ended September 30, 2011 aggregated \$8,977,188 and \$9,234,458.

8. REPURCHASE AGREEMENTS

The Fund may enter into repurchase agreements under which a bank or securities firm that is a primary or reporting dealer in U.S. Government securities agrees, upon entering into a contract, to sell U.S. Government securities to the Fund and repurchase such securities from the Fund at a mutually agreed upon price and date. The Fund will engage in repurchase transactions with parties selected on the basis of such parties' creditworthiness. The collateral on repurchase agreements must have an aggregate market value greater than or equal to the repurchase price plus accrued interest at all times. If the value of the underlying securities falls below the value of the repurchase price plus accrued interest, the Fund will require the seller to deposit additional collateral by the next business day. If the request for additional collateral is not met, or the seller defaults on its repurchase obligation, the Fund maintains the right to sell the underlying securities at market value and may claim any resulting loss against the seller. However, in the event of default or bankruptcy by the counterparty to the agreement, realization and/or retention of the collateral may be difficult or impossible.

September 30, 2011

9. CAPITAL SHARE TRANSACTIONS

As of September 30, 2011, there were 1,000,000,000 shares of \$.01 par value capital stock authorized. Transactions in capital stock were as follows:

	Year Ended 9/30/2011		Year Ended 9/30/2010	
	Shares	Amount	Shares	Amount
Shares Sold	63,938	\$ 982,784	85,839	\$ 1,243,608
Shares Reinvested	<u>46,740</u>	<u>704,509</u>	<u>55,149</u>	<u>801,415</u>
	110,678	1,687,293	140,988	2,045,023
Shares Redeemed	<u>(334,551)</u>	<u>(5,080,494)</u>	<u>(284,070)</u>	<u>(4,133,968)</u>
Net Decrease	<u>(223,873)</u>	<u>\$(3,393,201)</u>	<u>(143,082)</u>	<u>\$(2,088,945)</u>

10. INCOME TAXES

The components of net unrealized appreciation/(depreciation) of investments based on federal tax cost at September 30, 2011 for the Fund were as follows:

Appreciation	Depreciation	Net Appreciation	Cost for Federal Tax Purposes
\$3,323,957	\$1,647,865	\$1,676,092	\$24,682,981

As of September 30, 2011 the components of distributable earnings on a tax basis were \$33,427 for undistributed ordinary income and \$950,515 of undistributed long term capital gains.

The tax character of distributions paid during the year ended September 30, 2011 was \$164,577 for distributions paid from ordinary income and \$578,694 from long term capital gains. The tax character of distributions paid during the year ended September 30, 2010 was \$430,022 for distributions paid from ordinary income and \$415,970 from long term capital gains.

On October 28, 2011, the Holland Balanced Fund paid a distribution of \$0.0110 per share in net investment income related to the year ended September 30, 2011.

The Fund recognizes the tax benefits of uncertain tax positions only where the position is “more likely than not” to be sustained assuming examination by tax authorities. Management has analyzed the Fund’s tax positions, and has concluded that no liability for unrecognized tax benefits should be recorded related to uncertain tax positions taken on returns filed for open tax years (2008–2010), or expected to be taken in the Fund’s 2011 tax returns. The Fund remains subject to review by its major tax jurisdictions, which include the United States of America and the State of Maryland.

Holland Balanced Fund. **REPORT OF INDEPENDENT REGISTERED
PUBLIC ACCOUNTING FIRM**

**To the Board of Directors of Holland Series Fund, Inc.
and the Shareholders of Holland Balanced Fund**

We have audited the accompanying statement of net assets of the Holland Balanced Fund (the “*Fund*”), a series of shares of Holland Series Fund, Inc., as of September 30, 2011, and the related statement of operations for the year then ended and the statement of changes in net assets for each of the years in the two-year period then ended and the financial highlights for each of the years in the five-year period 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 audits.

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 September 30, 2011 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 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 Holland Balanced Fund as of September 30, 2011, the results of its operations for the year then ended, the changes in its net assets for each of the years in the two-year period then ended and its financial highlights for each of the years in the five-year period then ended, in conformity with accounting principles generally accepted in the United States of America.

BBD, LLP

BBD, LLP

**Philadelphia, Pennsylvania
November 22, 2011**

PROXY VOTING POLICIES

Information regarding how the Fund voted proxies related to portfolio securities during the most recent 12-month period ending June 30 is filed with the Securities and Exchange Commission on Form N-PX each year by August 31. Once filed, the most recent Form N-PX will be available without charge, upon request, by calling 1-800-30-HOLLAND or on the Securities and Exchange Commission's website at <http://www.sec.gov>.

QUARTERLY PORTFOLIO OF INVESTMENTS

A Portfolio of Investments is filed as of the end of the first and third quarter of each fiscal year on Form N-Q and is available on the Security Exchange Commission's website at <http://www.sec.gov>. Additionally, the Portfolio of Investments may be reviewed and copied at the Commission's Public Reference Room in Washington, D.C. Information on the operation of the Public Reference Room may be obtained by calling 1-800-SEC-0330. The quarterly Portfolio of Investments will be made available without charge, upon request, by calling 1-800-30-HOLLAND.

APPROVAL OF CONTINUATION OF INVESTMENT ADVISORY AGREEMENT

General Background. On May 4, 2011, the Board of Directors, including all of the Independent Directors, approved the renewal of the Fund's Advisory Agreement with Holland and Company LLC (the "Adviser") for an additional one-year term. During the course of each year, the Directors receive a wide variety of materials relating to the services provided by the Adviser, including reports on the Fund's investment results, portfolio composition, compliance with applicable regulations, portfolio trading practices, and shareholder services. In determining whether to renew the Advisory Agreement, the Board also reviewed additional information provided by the Adviser.

The information below summarizes the Board's considerations and conclusions in connection with its approving the renewal of the Advisory Agreement. In considering the continuation of the Agreement, the Directors did not identify any particular information that was all-important or controlling and each Director attributed different weights to various factors. In considering these matters, the Directors were advised with respect to relevant legal standards by counsel to the Fund.

Quality of Services. In reviewing the services that the Adviser provides to the Fund, the Directors considered Michael Holland's extensive experience in the securities and investment management industries. They noted that Mr. Holland is the largest shareholder of the Fund. The Directors also noted that the Adviser has no clients other than the Fund and thus devotes all its research and energy to managing the Fund.

In reviewing the quality of services provided to the Fund, the Directors reviewed the performance of the Fund compared with the returns of the S&P 500 Index, the 90 Day U.S. Treasury Bill, the Lipper Balanced Fund Index and the average returns of all funds in the balanced funds category of Lipper Inc. (the "Lipper Performance Universe") and of a group of balanced funds considered to be comparable to the Fund by Lipper Inc. (the "Lipper Performance Group"). The funds comprising the

Holland Balanced Fund • **UNAUDITED INFORMATION** (continued)

APPROVAL OF CONTINUATION OF INVESTMENT ADVISORY AGREEMENT (continued)

Lipper Performance Universe and the Lipper Performance Group had been selected by Lipper Inc. with no input from the Adviser. The Directors observed that the Fund's returns for three-year period ended March 31, 2011 exceeded the return of the S&P 500 Index and 90 Day U.S. Treasury Bill, but lagged the average returns of the Universe and Group, and that the Fund's returns for the one-year period ended March 31, 2011 were below those of the indexes, the Universe and the Group, though were still positive in absolute terms. The Directors noted that the Fund has historically been positioned for a market that favors large capitalization growth stocks, and considered that such stocks had relatively underperformed over the past ten years, a period of underperformance for the Fund (noting that the Fund's relative performance over the past three- and five-year periods had been favorable). They observed that the Fund appeared unusual among balanced funds because the allocation of assets among asset categories (equity securities vs. investment grade fixed-income securities and money market instruments) is fixed within prescribed ranges under ordinary market conditions thereby limiting the Adviser's ability to take advantage of outperformance, or to avoid underperformance, in a particular asset category. They noted that such an approach might generally be expected to lead to periods of underperformance and that the Fund is intended as a long-term investment. They noted generally that the Fund's asset allocation resulted in significant outperformance during the period of the recent financial crisis, although the Fund had underperformed in its most recent fiscal year.

The Directors noted that, although there had been a number of redemptions in the recent periods, the shareholder base appeared generally to be made up of people who desire Mr. Holland's expertise and judgment and are committed to the Fund's investment mandate.

Advisory Fees and Total Expenses. In reviewing the advisory fees borne by the Fund, the Directors reviewed information regarding the advisory fees of funds included in a group of balanced funds considered to be comparable to the Fund by Lipper Inc. (the "Lipper Expense Group"), and all funds in the retail no-load balanced fund category of Lipper Inc. (the "Lipper Expense Universe"). They noted that the Fund's advisory fees were greater than the average fees of the Lipper Expense Group and the Lipper Expense Universe and that the total expenses were greater than the average expense ratios of the other funds in the Lipper Expense Group and the Lipper Expense Universe.

The Directors observed that in the interest of limiting the expenses of the Fund, the Adviser had voluntarily capped the Fund's total expenses at 1.50% of the Fund's average daily net assets since the Fund's inception. Under the voluntary cap, the Adviser reimburses the Fund when the actual expenses of the Fund exceed this cap and thus, so long as the voluntary cap remains in place, the total expenses paid by the Fund's shareholders never exceed 1.50%. They noted that the Fund's total expense ratio was higher than the total expense ratios of other similar funds.

Profitability and Economies of Scale. The Directors considered information prepared by the Adviser with respect to the profitability of its relationship with the Fund, the extent to which economies of scale are realized by the Adviser in managing the Fund, and whether the Fund should implement advisory fee breakpoints to reflect any such economies of scale.

Holland Balanced Fund • **UNAUDITED INFORMATION** (continued)

APPROVAL OF CONTINUATION OF INVESTMENT ADVISORY AGREEMENT (continued)

The Directors discussed in the analysis presented regarding the Adviser's profitability. The Directors determined that the Adviser's profitability appeared reasonable.

The Directors agreed that due to the Fund's small asset size and the fact that the Adviser only manages the Fund, the Fund has not to date realized appreciable economies of scale. They agreed generally with the Adviser's views that (i) while there is no uniformity or pattern in the fees and asset levels at which breakpoints occur, the first breakpoint is generally at an asset level higher than the current asset level of the Fund; (ii) it is unlikely that the Fund's assets will grow to a level at which economies of scale would be realized; and (iii) unlike the Adviser, a substantial number of the advisers of competing products manage assets across a variety of products and services, resulting in potential economies of scale to an adviser from non-mutual fund products. On that basis, the Directors determined not to require implementation of breakpoints at this time.

Ancillary Benefits and Other Factors. The Directors also considered that the Adviser and its affiliates appear to receive no significant benefits other than investment advisory fees as a result of the Adviser's relationship with the Fund. The Directors noted the Adviser's statements that it has not entered into soft dollar, revenue sharing or directed brokerage arrangements.

Conclusions. After reviewing various materials and reports provided, the Directors concluded that (i) the Adviser and Mr. Holland were sufficiently experienced and qualified to provide investment advisory services for the Fund; (ii) the Adviser is committed to the Fund, as evidenced by the fee cap and the fact that the Fund is the Adviser's sole client; (iii) Mr. Holland is committed to the Fund, as evidenced by his large ownership in the Fund; (iv) the profitability of the Adviser for providing services to the Fund appears reasonable; (v) the Fund's expenses and performance are disclosed in the Fund's registration statement and/or reports to shareholders, allowing investors to make informed decisions about investment in the Fund; (vi) the Fund's small asset size limits the Fund's potential to generate economies of scale; and (vii) the lack of breakpoints in the Fund's advisory fees is not unreasonable given the Fund's anticipated continued small asset size.

The Directors also noted generally that the Fund had been in existence for a substantial period of time, that investors in the Fund appear to appreciate the expertise and judgment Mr. Holland brings to the Fund from his long experience in the securities and investment management industries, and that, from their apparent commitment to the Fund, shareholders appear satisfied with the level of fees charged by the Adviser to access Mr. Holland's expertise and judgment.

In light of the information presented to them and the other factors described above, the Directors concluded, in the exercise of their business judgment, that the fee paid by the Fund under the Advisory Agreement generally appeared reasonable and voted to approve the continuation of the Agreement for the coming year.

FEDERAL TAX INFORMATION

Certain tax information for the Fund is required to be provided to shareholders based on the Fund's income and distributions for the taxable year ended September 30, 2011. The amounts shown may differ from those elsewhere in this

Holland Balanced Fund • **UNAUDITED INFORMATION** (continued)

FEDERAL TAX INFORMATION (continued)

report due to differences between tax and financial reporting requirements. In January 2012, shareholders will receive Form 1099-DIV which will include their share of qualified dividends, and capital gains distributed during the calendar year 2011. Shareholders are advised to check with their tax advisors for information on the treatment of these amounts on their individual income tax returns.

The Holland Balanced Fund designated 100% of ordinary income dividends as income qualifying for dividends received deduction for the fiscal year ended September 30, 2011.

Under Section 854(b)(2) of the Code, the Holland Balanced Fund designates \$453,987 as qualified dividends received by the Fund and \$578,694 for long term capital gains, for the fiscal year ended September 30, 2011.

SHAREHOLDER EXPENSES

As a shareholder of the Fund, you incur two types of costs: (1) transaction costs and (2) ongoing costs, including management fees and other Fund expenses. This example is intended to help you understand your ongoing costs of investing in the Fund and to compare these costs with the ongoing costs of investing in other mutual funds. It is based on an investment of \$1,000 invested at the beginning of the period and held for the entire six-month period ended September 30, 2011.

ACTUAL EXPENSES

The first table below provides information about actual account values and actual expenses. You may use the information in this line, together with the amount you invested, to estimate the expenses that you incurred over the period. Simply divide your account value at the end of the period by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number under the heading entitled “Expenses Paid during the Period” to estimate the expenses attributable to your investment during this period.

HYPOTHETICAL EXAMPLE FOR COMPARISON PURPOSES

The second table below provides information about hypothetical account values and hypothetical expenses based on the Fund’s actual expense ratios and an assumed rate of return of 5% per year before expenses, which is not the Fund’s actual return. Thus, you should not use the hypothetical account values and expenses to estimate the actual ending account balance or your expenses for the period. Rather, these figures are provided to enable you to compare the ongoing costs of investing in the Fund and other funds. To do so, compare the 5% hypothetical examples with the 5% hypothetical examples that appear in the shareholder reports of the other funds.

For the Six Months Ended September 30, 2011

<i>Actual</i>	<i>Value of a \$1,000 Investment at End of Period</i>	<i>Expenses* Paid During the Period</i>
	\$926.09	\$7.23

Holland Balanced Fund • **UNAUDITED INFORMATION** (continued)

HYPOTHETICAL EXAMPLE FOR COMPARISON PURPOSES (continued)

For the Six Months Ended September 30, 2011

<i>Hypothetical (assuming a 5% return before expenses)</i>	<i>Value of a \$1,000 Investment at End of Period</i>	<i>Expenses* Paid During the Period</i>
	\$1,017.56	\$7.57

* Expenses are equal to the Fund's annualized net expense ratio of 1.50% multiplied by the average account value over the period multiplied by 183/365 to reflect the one-half year period.

Holland Balanced Fund · DIRECTORS AND OFFICERS (UNAUDITED)

Name, Address, and Age	Position(s) Held with Fund	Term of Office and Length of Time Served	Principal Occupation During Past Five Years	Number of Portfolios in Fund Complex Overseen by Director	Other Directorships Held by Director
Interested Director:					
Michael F. Holland 375 Park Avenue New York, NY 10152 Age: 67	Director, Chairman of the Board, President and Treasurer	Term: Unlimited Elected: 9/95	Holland & Company L.L.C., Chairman, 1995 – present.	1	Trustee, State Street Master Funds and State Street Institutional Investment Trust; and Director, The China Fund, Inc., The Taiwan Fund, Inc. and Reaves Utility Income Fund.
Independent Directors:					
Desmond G. FitzGerald 375 Park Avenue New York, NY 10152 Age: 67	Director	Term: Unlimited Elected: 9/95	Chairman, North American Properties Group (Real Estate), 1987 – present.	1	Chairman, U.S. Guaranteed Finance Corp.; Advisory Director, Bank of New York; Director, Hilliard Farber & Co., Inc.; and Trustee, Williams Capital Management Trust.
James Lee 900 South Bay View Avenue Seaside Park, NJ 08752 Age: 70	Director	Term: Unlimited Elected: 5/08	Investment Adviser, James Lee Investment Advisers LLC, 1996 – present.	1	Director, Scholarship Fund for Inner City Children.
Jeff C. Tarr Junction Advisors Apartment 25C 145 Central Park West New York, NY 10023 Age: 67	Director	Term: Unlimited Elected: 9/95	Chairman, Junction Advisors (Financial Services), 1981 – present.	1	None
Officers:					
Tana Tselepis 375 Park Avenue New York, NY 10152 Age: 76	Vice President, Chief Compliance Officer and Anti-Money Laundering Compliance Officers	Term: Unlimited Elected Vice President: 5/02 Elected Chief Compliance Officer: 9/04 Elected Anti-Money Laundering Compliance Officer: 5/09	Consultant to Holland & Company, LLC, 1997 – 1999.	—	Member of the Board of Governors of Tufts Medical Center; Director and Treasurer of YWCAMalden
David James 4 Copley Place, 5th Floor Boston, MA 02116 Age: 40	Secretary	Term: Indefinite Elected: 2/10	Vice President and Managing Counsel, State Street Bank and Trust Company, November 2009 to present; and Vice President and Counsel, PNC Global Investment Servicing (US), Inc. June 2006 to October 2009.	—	—
William C. Cox State Street Bank and Trust Company 2 Avenue de Lafayette, 4th Floor, Boston, MA 02110 Age: 45	Assistant Treasurer	Term: Indefinite Elected: 5/05	Vice President and Department Head, Fund Administration Division, State Street Bank and Trust Company, 2003 to present.	—	—

* Michael F. Holland is an interested person of the Fund because of his employment relationship with Holland & Company L.L.C., the Investment Adviser.

The Statement of Additional Information for the Fund includes additional information about the Fund's Directors and Officers and is available without charge, upon request, by calling 1-800-30-HOLLAND.

ADVISER

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*This report has been prepared for the
Holland Balanced Fund's Shareholders
and may be distributed to others only
if preceded or accompanied by a prospectus.*