

HOLLAND BALANCED FUND

Annual Report

September 30, 2009



CONTENTS

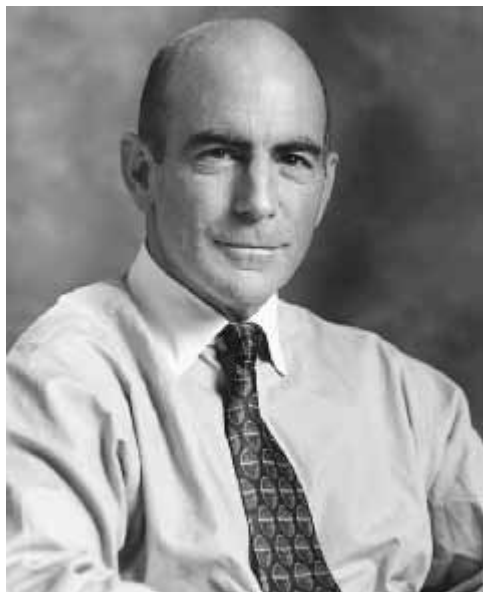
Letter from the President	1
Cumulative Performance	2
Management Discussion of Fund Performance and Notes to Performance	3
Statement of Net Assets	5
Statement of Operations	8
Statements of Changes in Net Assets	9
Financial Highlights	10
Notes to Financial Statements	11
Report of Independent Registered Public Accounting Firm	17
Unaudited Information	18
Directors and Officers	23

September 30, 2009

Dear Fellow Shareholders:

When Charles Dickens wrote “It was the best of times, it was the worst of times,” he could have been describing the period since our Fund was founded in 1995.

We have been fortunate to have a portfolio that has weathered the period’s ups and downs with its common sense holdings of U.S. Treasury obligations and equities of some of the world’s strongest companies.



Our Fund’s cumulative total return since inception (October 2, 1995 through September 30, 2009) is 96.20%. For the twelve months ended September 30, 2009, our Fund’s total return was –3.97%.

As our Fund’s largest individual shareholder since the Fund began, I have been pleased by our Fund’s performance during some of the most demanding and challenging periods in recent memory.

With Bullish Regards,

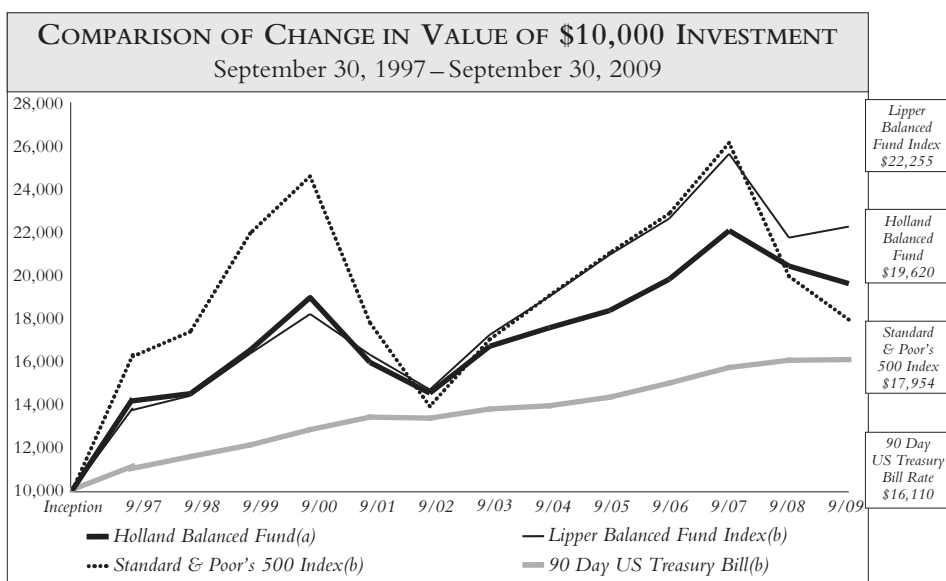
Michael F. Holland
President and Founder

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 more or less than their original cost. Current performance may be lower or higher 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, 2009

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, Standard & Poors 500 Index, 90 Day US Treasury Bill and the Lipper Balanced Fund Index 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. 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 more or less than their original cost. *Fund annual operating expense ratio net of Advisory Fee waivers as of September 30, 2009 is 1.50%.*



INVESTMENT PERFORMANCE						
<i>For the Periods Ended September 30, 2009</i>						
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)	-3.97%	2.22%	1.71%	18.53%	4.93%	96.20%
Lipper Balanced Fund Index (b)	2.34%	3.17%	3.13%	36.09%	6.01%	126.45%
Standard & Poor's 500 Index (b)	-10.04%	-1.20%	-1.99%	-18.20%	4.27%	79.54%
90 Day US Treasury Bill (b)	0.19%	2.88%	2.84%	32.40%	3.46%	61.10%

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

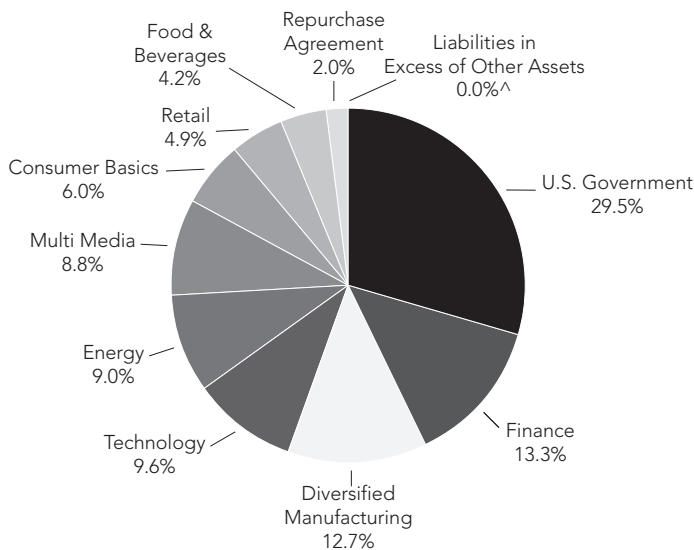
September 30, 2009

Since inception (October 2, 1995 through September 30, 2009), our Fund's total return was 96.20% compared to 79.54% for the S&P 500 and 126.45% for the Lipper Balanced Fund Index, each of which is an unmanaged index. For the past twelve months ended September 30, 2009, our Fund's total return was -3.97% compared to -10.04% for the S&P 500 and 2.34% for the Lipper Index.

Our Fund's holding of U.S. Treasury debt obligations, mostly U.S. Treasury TIPS (Treasury Inflation Protection Securities), have proved a rewarding investment. Likewise our investments in some of the strongest and most successful companies have performed admirably in a very volatile environment.

Our portfolio composition by sector, which is detailed below, was favored in part by the performance of the strong technology companies. Our large capitalization equities have also been relatively less volatile during this very volatile period.

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



^ Percentage is less than 0.01%

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

NOTES TO PERFORMANCE

- (a) Reflects waiver of fees and reimbursement of expenses by investment adviser. Absent such waiver and reimbursement, the Fund's total return would have been lower.
- (b) The Lipper Balanced Fund Index, an unmanaged index, is an index 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 & Poors 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 & Poors 500 Index is unmanaged and does not reflect the actual cost of investing in the instruments that comprise each index. You cannot invest directly in an index.

Holland Balanced Fund • STATEMENT OF NET ASSETS

September 30, 2009	Shares	Value [†]
Common Stocks—68.5%		
Computers—4.9%		
International Business Machines Corp.	12,800	<u>\$ 1,531,008</u>
Electronics—9.9%		
3M Co.	21,200	1,564,560
Intel Corp.	77,800	<u>1,522,546</u>
		<u>3,087,106</u>
Entertainment & Leisure—4.8%		
The Walt Disney Co.	55,000	<u>1,510,300</u>
Financial—6.0%		
American Express Co.	30,000	1,017,000
JPMorgan Chase & Co.	20,000	<u>876,400</u>
		<u>1,893,400</u>
Food & Beverages—4.2%		
PepsiCo, Inc.	22,500	<u>1,319,850</u>
Insurance—7.3%		
Berkshire Hathaway, Inc. Class A*	11	1,111,000
Chubb Corp	23,000	<u>1,159,430</u>
		<u>2,270,430</u>
Oil/Gas—9.0%		
Exxon Mobil Corp.	19,000	1,303,590
Schlumberger, Ltd.	25,200	<u>1,501,920</u>
		<u>2,805,510</u>
Pharmaceuticals—6.0%		
Johnson & Johnson	25,500	1,552,695
Pfizer, Inc.	20,000	<u>331,000</u>
		<u>1,883,695</u>
Producer Goods—2.8%		
General Electric Co.	52,900	<u>868,618</u>
Retail—4.9%		
Home Depot, Inc.	21,000	559,440
Wal-Mart Stores, Inc.	20,000	<u>981,800</u>
		<u>1,541,240</u>
Software—4.7%		
Microsoft Corp.	56,400	<u>1,460,196</u>
Telecommunications—4.0%		
Comcast Corp. Class A	75,000	<u>1,266,750</u>
Total Common Stocks (Cost—\$20,333,785)		<u>21,438,103</u>

See Accompanying Notes to Financial Statements.

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

September 30, 2009	Principal	Value [†]
U.S. Government Securities—29.5%		
U.S. Treasury Notes—29.5%		
United States Treasury Note, 5.000% due 2/15/11	\$ 500,000	\$ 530,137
United States Treasury Note**, 3.500% due 1/15/11	8,352,383	<u>8,694,312</u>
Total U.S. Government Securities (Cost—\$8,901,122)		<u>9,224,449</u>
Repurchase Agreement—2.0%		
State Street Bank and Trust Co. Repurchase Agreement, 0.01% due 10/01/09 in the amount \$646,000; issued 09/30/09 (Collateralized by \$660,000, FHLMC, 0.35% due 04/01/11 with a market value of \$660,825) (Cost \$646,000)	646,000	<u>646,000</u>
Total Investments—100.0% (Cost—\$29,880,907)		<u>31,308,552</u>
Liabilities In Excess Of Other Assets—0.0%[^]		
Net Assets—100%		
Applicable to 2,209,690 outstanding \$0.01 par value shares (authorized 1,000,000,000)		<u>\$31,295,588</u>
Net asset value, offering price and redemption price per share		<u>\$ 14.16</u>

See Accompanying Notes to Financial Statements.

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

September 30, 2009

Components of Net Assets as of September 30, 2009

Capital stock at par value (\$0.01)	\$ 22,097
Capital stock in excess of par value	29,415,354
Undistributed net investment income	133,277
Net accumulated realized gain on investments in securities	297,215
Net unrealized appreciation on investments in securities	<u>1,427,645</u>
Net Assets	<u><u>\$31,295,588</u></u>

See Accompanying Notes to Financial Statements.

* Non-income producing

** Treasury Inflation-Protection Security (TIPS)

† See Note 2 to Financial Statements

^ Percentage is less than 0.01%

Holland Balanced Fund • **STATEMENT OF OPERATIONS**

Year Ended September 30, 2009

Investment Income:

Dividends	\$ 490,713
Interest income (Note 2)	<u>167,639</u>
Total investment income	<u>658,352</u>

Expenses:

Investment advisory fees (Note 3)	225,290
Administration and custody fees (Note 4)	139,827
Transfer agent fees	67,333
Shareholder reports	50,065
Audit fees	22,499
Insurance fees	19,165
Registration fees	19,105
Directors' fees	14,301
Legal fees	3,500
Miscellaneous expenses	<u>2,181</u>
Total operating expenses	563,266
Waiver of investment advisory fee (Note 3)	<u>(112,687)</u>
Net Expenses	<u>450,579</u>
Net investment income	<u>207,773</u>

Net Realized and Unrealized Gain (Loss) on Investments

Net realized gain on investments	322,878
Net change in unrealized appreciation	<u>(2,448,944)</u>
Net realized and unrealized loss on investments	<u>(2,126,066)</u>
Net decrease in net assets resulting from operations	<u><u>\$(1,918,293)</u></u>

See Accompanying Notes to Financial Statements.

Holland Balanced Fund • STATEMENTS OF CHANGES IN NET ASSETS

	Year Ended September 30, 2009	Year Ended September 30, 2008
Net Increase/(Decrease) in Net Assets		
Resulting from Operations:		
Net investment income	\$ 207,773	\$ 836,602
Net realized gain	322,878	1,178,153
Net change in unrealized appreciation on investments	<u>(2,448,944)</u>	<u>(5,117,934)</u>
Decrease in net assets from operations	<u>(1,918,293)</u>	<u>(3,103,179)</u>
Dividends and Distributions to Shareholders from:		
Net investment income	(307,600)	(713,371)
Net realized gains	<u>(796,209)</u>	<u>(1,394,825)</u>
Total distributions	<u>(1,103,809)</u>	<u>(2,108,196)</u>
Capital Share Transactions, Net (Note 9)	<u>(2,649,067)</u>	<u>(2,169,437)</u>
Decrease in Net Assets	<u>(5,671,169)</u>	<u>(7,380,812)</u>
Net Assets:		
Beginning of year	<u>36,966,757</u>	<u>44,347,569</u>
End of year	<u>\$31,295,588</u>	<u>\$36,966,757</u>
Undistributed Net Investment Income, End of Year	<u>\$ 133,277</u>	<u>\$ 233,104</u>

See Accompanying Notes to Financial Statements.

Holland Balanced Fund • FINANCIAL HIGHLIGHTS

<i>For a capital share outstanding throughout each year</i>	<i>Year Ended September 30, 2009</i>	<i>Year Ended September 30, 2008</i>	<i>Year Ended September 30, 2007</i>	<i>Year Ended September 30, 2006</i>	<i>Year Ended September 30, 2005</i>
Per Share Data					
Net asset value, beginning of year	<u>\$ 15.29</u>	<u>\$ 17.39</u>	<u>\$ 16.38</u>	<u>\$ 15.41</u>	<u>\$ 15.04</u>
Increase/Decrease from Investment Operations:					
Net investment income	0.09	0.35	0.23	0.25	0.29
Net realized and unrealized gain (loss) on investments	<u>(0.76)</u>	<u>(1.60)</u>	<u>1.58</u>	<u>0.95</u>	<u>0.38</u>
Total income (loss) from operations	<u>(0.67)</u>	<u>(1.25)</u>	<u>1.81</u>	<u>1.20</u>	<u>0.67</u>
Less Dividends and Distributions From:					
Net investment income	(0.13)	(0.29)	(0.24)	(0.23)	(0.30)
Net realized gain on investments	<u>(0.33)</u>	<u>(0.56)</u>	<u>(0.56)</u>	<u>—</u>	<u>—</u>
Total dividends and distributions	<u>(0.46)</u>	<u>(0.85)</u>	<u>(0.80)</u>	<u>(0.23)</u>	<u>(0.30)</u>
Net asset value, end of year	<u>\$ 14.16</u>	<u>\$ 15.29</u>	<u>\$ 17.39</u>	<u>\$ 16.38</u>	<u>\$ 15.41</u>
Total return	(3.97%)(a)	(7.42%)(a)	11.33%(a)	7.90%(a)	4.48%
Ratios/Supplemental Data					
Net assets, end of year (000's)	\$31,296	\$36,975	\$44,348	\$46,591	\$50,454
Ratio of expenses to average net assets before fee waivers and reimbursement of other expenses	1.88%	1.63%	1.66%	1.71%	1.45%
Ratio of expenses to average net assets after fee waivers and reimbursement of other expenses	1.50%	1.50%	1.50%	1.50%	1.45%
Ratio of net investment income to average net assets after fee waivers and reimbursement of other expenses	0.69%	2.09%	1.34%	1.57%	1.89%
Portfolio turnover	2.54%	1.96%	1.22%	2.94%	7.60%

See Accompanying Notes to Financial Statements.

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

September 30, 2009

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 Fund is designed to provide investors with a convenient and professionally managed vehicle for seeking a high total investment return. Total investment return is the aggregate of dividend and interest income and realized and unrealized capital gains/losses on investments, less expenses. The Fund seeks to achieve its objective through a combined portfolio of equity and investment grade fixed-income securities.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

In preparing financial statements in conformity with generally accepted accounting principals in the United States of America, management makes estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the disclosure of contingent 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.

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 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). The principal value and interest payout of TIPS are periodically adjusted according to the rate of inflation based on the Consumer Price Index. The 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.

Income Tax

There is 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 applicable to RICs and to distribute substantially all of its taxable income and realized gains.

September 30, 2009

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Valuation

Securities traded on an exchange are valued at their last sales price on that exchange. Securities for which over-the-counter market quotations are available are valued at the latest bid price. The Fund uses the NASDAQ Official Closing Price, when available. 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 by or under the direction of the Directors of the Fund.

The Fund began using Financial Accounting Standards Board (“FASB”) Accounting Standards Codification No. 820, Fair Value Measurements (“ASC 820”), effective October 1, 2008. In accordance with ASC 820, fair value is defined as the price that a Fund would receive upon selling an investment in a timely transaction to an independent buyer in the principal or most advantageous market of the investment. ASC 820 established a three-tier hierarchy to maximize the use of observable market data and minimize the use of unobservable inputs and to establish classification of fair value measurements for disclosure purposes. Inputs refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk, for example, the risk inherent in a particular valuation technique used to measure fair value including such a pricing model and/or the risk inherent in the inputs to the valuation technique. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity’s own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available in the circumstances.

The three-tier hierarchy of inputs is summarized in the three broad levels listed 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.

September 30, 2009

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The following is a summary of the inputs used as of September 30, 2009 in valuing the Fund's investments:

	Level 1	Level 2	Level 3	Total
Investments in Securities				
Common Stocks	\$21,438,103	\$ —	\$—	\$21,438,103
Repurchase Agreement	—	646,000	—	646,000
U.S. Government Securities	—	9,224,449	—	9,224,449
Total	<u>\$21,438,103</u>	<u>\$9,870,449</u>	<u>\$—</u>	<u>\$31,308,552</u>

Distributions to Shareholders

The Fund distributes income 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 accounting principles generally accepted in the United States of America. 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 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 Holland & Company L.L.C. (the "Investment Adviser"). For its services as Investment Adviser, the Company 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 and to reimburse the Fund for expenses exceeding 1.50% of average daily net assets. The advisor may discontinue this cap on total expenses at any time in its sole discretion. During the year ended September 30, 2009, the Investment Adviser waived \$112,687 in advisory fees. The Investment Adviser is controlled by Michael F. Holland, its managing member and owner of 99% interest in the Investment Adviser.

September 30, 2009

3. INVESTMENT ADVISORY AGREEMENT (continued)

As of September 30, 2009, Michael F. Holland and affiliates owned 117,932 shares (5.34% 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, the Administrator is entitled to a minimum fee of \$7,500 per month unless waived by the Administrator. 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 provides distribution 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.

6. LIABILITIES

At September 30, 2009, the Fund had the following liabilities:

Payable for Capital Shares repurchased	\$ 13,212
Investment Advisory fee payable	30,921
Directors fee payable	378
Administration and custody fees payable	13,064
Other payable and accrued expenses	<u>45,380</u>
Total liabilities	<u>\$102,955</u>

September 30, 2009

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, 2009 aggregated \$742,373 and \$0 respectively. Purchases and sales of U.S. Government Securities for the year ended September 30, 2009 aggregated \$0 and \$3,802,031.

8. REPURCHASE AGREEMENTS

The Fund may enter into repurchase agreements under which a bank or securities firm 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 party's 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 subject to legal proceedings.

9. CAPITAL SHARE TRANSACTIONS

As of September 30, 2009, there were 1,000,000,000 shares of \$.01 par value capital stock authorized. Transactions in capital stock were as follows:

	Year Ended 9/30/09		Year Ended 9/30/08	
	Shares	Amount	Shares	Amount
Shares Sold	76,148	\$ 978,120	62,953	\$ 1,016,663
Shares Reinvested	<u>79,415</u>	<u>1,001,351</u>	<u>114,277</u>	<u>1,863,405</u>
	155,563	1,979,471	177,230	2,880,068
Shares Redeemed	<u>(364,001)</u>	<u>(4,628,538)</u>	<u>(309,106)</u>	<u>(5,049,505)</u>
Net Decrease	<u>(208,438)</u>	<u>\$(2,649,067)</u>	<u>(131,876)</u>	<u>\$(2,169,437)</u>

September 30, 2009

10. INCOME TAXES

The components of net unrealized appreciation/(depreciation) of investments based on federal tax cost at September 30, 2009 for the Fund were as follows:

<i>Appreciation</i>	<i>Depreciation</i>	<i>Net Appreciation</i>	<i>Cost for Federal Tax Purposes</i>
\$3,590,899	\$2,188,916	\$1,401,983	\$29,906,569

As of September 30, 2009 the components of distributable earnings on a tax basis were \$133,277, for undistributed ordinary income and \$322,877 of undistributed long term capital gains.

The tax character of distributions paid during the year ended September 30, 2009 was \$307,600 for distributions paid from ordinary income and \$796,209 for long term capital gains. The tax character of distributions paid during the year ended September 30, 2008 was \$713,371 for distributions paid from ordinary income and \$1,394,825 for long term capital gains.

On October 23, 2009, the Holland Balanced Fund paid a distribution of \$0.0635 per share in net investment income related to the period ended September 30, 2009.

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 (2006–2008), or expected to be taken in the Fund’s 2009 tax returns. The Fund identifies its major tax jurisdictions as the United States and Maryland.

11. SUBSEQUENT EVENTS

In accordance with the provisions set forth in FASB Accounting Standards Codification No. 855, “Subsequent Events,” adopted by the Fund as of September 30, 2009, management has evaluated the possibility of subsequent events existing in the Funds’ financial statements through November 23, 2009. Management has determined that there are no material events that would require disclosure in the Fund’s financial statement through this date.

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



**BRIGGS
BUNTING &
DOUGHERTY, LLP**
CERTIFIED
PUBLIC
ACCOUNTANTS

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, a series of shares of Holland Series Fund, Inc., as of September 30, 2009, 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 three-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. The financial highlights for each of the years through September 30, 2006 were audited by other auditors whose report dated November 6, 2006 expressed an unqualified opinion on such 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 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, 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 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, 2009, 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 three-year period then ended, in conformity with accounting principles generally accepted in the United States of America.

Briggs, Bunting & Dougherty, LLP

BRIGGS, BUNTING & DOUGHERTY, LLP

**Philadelphia, Pennsylvania
November 23, 2009**

PROXY VOTING POLICIES

The Fund has filed with the Securities and Exchange Commission its proxy voting record for the 12-month period ending June 30, 2009 on Form N-PX, which must be filed 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, DC. Information on the operation of the Public Reference Room may be obtained by calling 1.800.SEC.0330. The quarterly Portfolio of Investments is available without charge, upon request, by calling 1-800-30-HOLLAND.

APPROVAL OF CONTINUATION OF INVESTMENT ADVISORY AGREEMENT

General Background. On May 6, 2009, the Board of Directors, including all of the Independent Directors, approved renewal of the Fund's Advisory Agreement with Holland & Company L.L.C. (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 in accordance with Section 15(c) of the Investment Company Act of 1940, as amended.

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 US 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 Lipper Performance Universe and the Lipper Performance Group had been selected

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

APPROVAL OF CONTINUATION OF INVESTMENT ADVISORY AGREEMENT (continued)

by Lipper Inc. with no input from the Adviser. The Directors observed that the Fund's returns for the one- and three-year periods ended March 31, 2009 exceeded the return of the other indexes and the average returns of the universes and peer groups. 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 years had been good). 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 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.

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 comparable to 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.

The Directors discussed in detail 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

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

APPROVAL OF CONTINUATION OF INVESTMENT ADVISORY AGREEMENT (continued)

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 that 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 breakpoint 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 observed that the Adviser had never 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; (vii) the lack of breakpoints in the Fund's advisory fees is reasonable given the Fund's anticipated continued small asset size; and (viii) although the Fund has a relatively high expense ratio and has experienced relatively unfavorable performance over various periods, it appears that there remains a substantial core of investors who wish to remain with the Fund and the Adviser notwithstanding those factors.

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, 2009. The amounts shown may differ from those elsewhere in this report due to differences between tax and financial reporting requirements. In

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

FEDERAL TAX INFORMATION (continued)

January 2010, shareholders will receive Form 1099-DIV which will include their share of qualified dividends, and capital gains distributed during the calendar year 2009. 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 68.72% of ordinary income dividends as income qualifying for dividends received deduction for the fiscal year ended September 30, 2009.

Under Section 854(b)(2) of the Internal Revenue Code, the Holland Balanced Fund designates \$490,713 as qualified dividends received by the Fund and \$796,209 for long term capital gains, for the fiscal year ended September 30, 2009.

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, 2009.

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 with 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, 2009

<i>Actual</i>	<i>Value of a \$1,000 Investment at End of Period</i>	<i>Expenses* Paid During the Period</i>
	\$1,190.50	\$8.24

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

HYPOTHETICAL EXAMPLE FOR COMPARISON PURPOSES (continued)

For the Six Months Ended September 30, 2009

<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>
	\$1,017.55	\$7.59

* 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: 65	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: 65	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: 68	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: 65	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: 74	Vice President Chief Compliance Officer 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
Julie A. Tedesco 4 Copley Place, 5th Floor Boston, MA 02116 Age: 52	Secretary	Term: Indefinite Elected: 5/02	Senior Vice President and Senior Counsel of State Street Bank and Trust Company 2000 – present.	—	—
William C. Cox State Street Bank and Trust Company 2 Avenue de Lafayette, 4th Floor, Boston, MA 02110 Age: 43	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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CUSTODIAN AND FUND
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DISBURSING AGENT**

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Boston, MA 02110

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PUBLIC ACCOUNTING FIRM**

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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.*