

Holland & Company L.L.C.

375 Park Avenue
New York, NY 10152

(212) 486-2058

www.thehollandfund.com

Form ADV Part 2: Brochure

December 20, 2017

This brochure provides information about the qualifications and business practices of Holland & Company L.L.C. (“Holland”). If you have any questions about the contents of this brochure, please contact us at (212) 486-2058. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Additional information about Holland also is available on the SEC’s website at www.adviserinfo.sec.gov.

An investment adviser’s registration with the SEC does not imply a certain level of skill or training.

ITEM 2. MATERIAL CHANGES

There have been no material changes to this Form ADV Part 2A brochure since the brochure was last updated on December 20, 2016.

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ITEM 4. ADVISORY BUSINESS

Holland & Company L.L.C. (“Holland”) is a limited liability company organized under the laws of the State of New York and provides investment advisory services predominantly to individuals (other than high net worth individuals) and registered investment companies. Holland was founded in 1995. Michael Francis Holland and Louise Holland jointly and in the aggregate own 100% of the interests in Holland. No other person owns 25% or more of the interests in Holland.

Holland provides consulting services to certain family trusts and investment advice to the Holland Balanced Fund (the “Holland Fund”), a series of Holland Series Fund, Inc. and a registered investment company. Holland makes investment decisions with regard to equity securities, warrants and corporate debt securities for the Holland Fund, and provides consulting services and investment advice to the family trusts with regard to asset allocation, its outlook on the markets, industry and other relevant economic matters. As an investment adviser, Holland implements the Holland Fund’s strategy in accordance with the Holland Fund’s investment objective, strategies and restrictions stated in its prospectus, statement of additional information and other governing documents.

As of September 30, 2017, Holland managed assets totaling \$31,581,839 on a discretionary basis. Holland did not manage assets on a non-discretionary basis.

ITEM 5. FEES AND COMPENSATION

Holland generally is paid either an asset-based fee for its advisory services or a fixed fee for its consulting services.

The Holland Fund pays Holland advisory fees at the annual rate of 0.75% of the average daily net assets of the Holland Fund. The Holland Fund’s advisory fees are included in its prospectus, as updated from time to time. Holland may waive or reduce these advisory fees from time to time. Advisory fees payable by the Holland Fund are accrued daily and paid monthly in arrears.

The family trusts pay Holland fixed fees at rates that are negotiated by Holland. The typical fixed fee received from the family trusts is \$100,000 or more depending on the services provided. Holland typically bills the family trust clients monthly, quarterly or annually. Such a client may pay fees directly or instruct its custodian to pay fees from the client’s account.

The Holland Fund pays brokerage commissions and any other costs associated with the trading, maintenance, and operations of its accounts. Please see Item 12, “Brokerage Practices,” for additional information.

The Holland Fund pays interest expense, taxes, custodian fees and charges, professional fees, and administrative service fees incurred in connection with its operation. In addition, the Holland Fund pays other fees and expenses, including, but not limited to, transfer agent fees, registration fees, fees related to the preparation of shareholder reports,

fees of the funds' independent trustees, and insurance expenses. Information regarding these fees and expenses is included in the Holland Fund's offering documents.

Family trust clients typically engage their own custodians and are responsible for fees and other charges associated with their custodians.

Holland does not accept compensation for the sale of securities or other investment products.

ITEM 6. PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

Generally, performance-based fee structures may create a conflict of interest by creating incentives regarding portfolio investments that could compromise the independent judgment of the investment adviser. Holland does not currently receive performance-based fees; however, Holland may enter into performance-based fee arrangements in the future to the extent permitted by applicable law.

ITEM 7. TYPES OF CLIENTS

Holland provides investment advisory services primarily to the Holland Fund and consulting services to family trusts. There is no minimum account size for the family trusts Holland advises.

The Holland Fund, a registered investment company, generally requires a minimum initial investment of \$1,000, although the Holland Fund or Holland may waive or lower the minimum in certain cases. The Holland Fund may involuntarily redeem shares in an account if the account value drops below \$500.

ITEM 8. METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

Below is a general description of each of Holland's investment strategies offered by Holland as of the date of this Brochure. Descriptions of strategies offered through the Holland Fund are qualified in their entirety by the information in the Holland Fund's offering materials. Descriptions of strategies offered to family trust clients are qualified in their entirety by reference to the applicable investment advisory agreement and related investment guidelines.

Investment Strategies

Holland Fund

Holland's balanced strategy seeks to have the Holland Fund invest at least 50% of its total assets in equity securities, at least 25% of its total assets in investment grade fixed-income securities, including U.S. Government securities of any maturity, and up to 25% of its total assets in high-quality money market securities. However, Holland has discretion to determine the proportion of the

Holland Fund's portfolio that will be invested in such equity and fixed-income securities at any given time depending on Holland's perception of existing and anticipated market and economic conditions. Holland reserves the right to invest as much as one-third of the Holland Fund's total assets in foreign securities.

Family Trust Clients

Holland provides family trust clients with advice regarding asset allocation, Holland's outlook on the markets, industries and other relevant economic factors and Holland's assessment of managers in asset classes in which the clients may invest.

Methods of Analysis

Holland Fund

A key component of Holland's approach is seeking to identify securities that Holland believes have been fundamentally mispriced by investor sentiment or other market forces. Holland identifies such opportunities as those in which earnings and profitability outlooks exceed the market's expectations. Where Holland believes such opportunities exist, the Holland Fund's assets will be positioned in an effort to produce long-term price performance. Holland seeks to make the Holland Fund tax efficient by offsetting portfolio gains with losses when such action is consistent with the Holland Fund's primary investment objective.

Family Trust Clients

Holland's outlook on asset classes, markets and industries is shaped by its analysis of economic and market conditions. Holland provides clients with its views on potential methods of investing given these analyses.

Material Risks of Investment Strategies and Methods of Analysis

There is no guarantee that an investment strategy will achieve its objective, and a client may lose money by investing. Investing in securities involves risk of loss that clients should be prepared to bear.

Holland Fund

Stock and Bond Market Volatility: Stock and bond prices may fall or fail to rise over time for several reasons, including general financial market conditions, factors related to a specific issuer or industry and, with respect to bond prices, changing market perceptions of the risk of default and changes in government intervention. These developments can affect a single issuer, issuers within an industry or economic sector or geographic region, or the market as a whole.

Risks of Investing in Fixed-Income Securities: In addition to the foregoing, investments in fixed-income securities are subject to several significant risks. These include:

- *Interest Rate Risk.* Interest rate increases can cause the price of a debt security to decrease. In addition, if a security is prepaid in a period of falling interest rates, the Holland Fund may have to reinvest the proceeds in lower-yielding investments. Interest rate risk is generally greater in the case of securities with longer durations and in the case of portfolios of securities with longer average durations.
- *Income Risk.* To the extent the Holland Fund's income is based on short-term interest rates, which may fluctuate over short periods of time, income received by the Holland Fund may decrease as a result of a decline in interest rates.
- *Credit Risk.* The ability, or perceived ability, of the issuer of a debt security to make timely payments of interest and principal on the security will affect the value of the security.

Risks of Foreign Securities: Foreign securities may be riskier than U.S. investments because of factors such as unstable international political and economic conditions, currency fluctuations, foreign controls on investment and currency exchange, withholding taxes, a lack of adequate company information, less liquid and more volatile markets, and a lack of governmental regulation.

Family Trust Clients

Allocation of Investments: The asset allocation advice provided by Holland may not result in optimal allocation. Since the process involves human input there is the risk that human error may cause harm to a client. Poor or mistaken allocation advice could result in the loss of client money.

Investment Risk: Holland's analysis of markets, industries or other economic factors can be incorrect and its advice concerning certain investments can lead to a client account's underperforming. Holland may not properly ascertain the appropriate mix of investments for any particular economic cycle. Also, the timing of movements from one type of investment to another could have a negative effect on the overall investment performance of a client's account. If Holland advises a client with respect to the retention of third-party investment advisers, Holland's analysis of those advisers may be incorrect or based on incorrect or incomplete information.

ITEM 9. DISCIPLINARY INFORMATION

Holland has not been involved in legal or disciplinary events that are material to its advisory business or the integrity of its management.

ITEM 10. OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

A. Neither Holland nor its management persons are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.

B. Neither Holland nor its management persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, commodity trading advisor, or an associated person of the foregoing entities.

Registered investment companies: Holland acts as investment adviser to the Holland Fund. Holland's Chairman also serves as an officer and director of the Holland Fund and beneficially owns equity securities of the Holland Fund.

ITEM 11. CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

Holland has adopted a Code of Ethics (the "Code") in accordance with Rule 17j-1 under the Investment Company Act of 1940, as amended, and Rule 204A-1 under the Advisers Act that is applicable to all Holland's employees. The Code is designed to limit the effect of any conflicts of interest that may exist between Holland's clients and employees. For example, the Code restricts certain persons related to Holland, including its officers, advisory personnel, and certain employees ("Access Persons"), from acquiring any beneficial ownership in any security (with limited exceptions) that is being actively considered for purchase or sale for any client account or is in the process of being purchased or sold by any client account. In addition, the Code requires periodic reporting of brokerage transactions and portfolio holdings by Access Persons. A copy of the Code is available to clients and prospective clients upon request.

Holland and its related persons may recommend that the Holland Fund purchase securities in which Holland or its related persons have a material financial interest. As a result, Holland and its related persons may be directly or indirectly benefitted as a result of investments by clients in those securities. Holland and its related persons may purchase or otherwise acquire securities in which Holland and its related persons have a material financial interest on terms different from, and more favorable than, those available to the Holland Fund. Holland, when making investment decisions, may have an incentive to favor accounts in which it or its related persons have material financial interests.

Holland and its related persons may invest in securities that Holland purchases for, or that are held by, the Holland Fund, and Holland and its related persons may own securities that are subsequently purchased for the Holland Fund. The prices or terms on which Holland and its related persons invest may be more favorable than the prices or terms on which the Holland Fund may subsequently invest or previously have invested in such securities. Holland and its related persons also may buy or sell a specific security for their own accounts that they do not buy or sell for the Holland Fund. In addition, Holland and its related persons may take a conflicting position in a security in which Holland has invested the Holland Fund's assets. For example, Holland and its related

persons may sell a security that the Holland Fund continues to hold, or may buy a security that Holland has sold for the Holland Fund. This may be the case whether or not Holland or its related persons are aware of such contrary positions. As described above, the Code seeks to limit the effects of conflicts that arise as a result of personal trading.

ITEM 12.BROKERAGE PRACTICES

Fixed-income securities, certain short-term securities and certain equities normally will be purchased or sold from or to issuers directly or from or to dealers serving as market makers for the securities at a net price, which may include dealer spreads and underwriting commissions. Equity securities may also be purchased or sold through brokers who will be paid on commission. In selecting brokers and dealers, it is the policy of Holland to obtain the best results taking into account factors such as the general execution and operational facilities of the brokers or dealer, the type and size of transaction involved, the creditworthiness and stability of the broker or dealer, execution and settlement capabilities, time required to negotiate and execute the trade, research services and Holland's arrangements related thereto (as described below), overall performance, the dealer's risk in positioning the securities involved and the broker's commissions and dealer's spread or mark-up. While Holland generally seeks the best execution in placing its orders, a client may not necessarily be paying the lowest price available. Given the Holland Fund's limited trading, Holland executes all trades through one broker-dealer.

Notwithstanding the above, in compliance with Section 28(e) of the Securities Exchange Act of 1934, as amended, Holland may select brokers or dealers who charge a commission in excess of that charged by other brokers or dealers if Holland determines in good faith that the commission to be charged is reasonable in relation to the brokerage and research services provided to Holland by such brokers or dealers. The types of research services and products that may be received, include research and statistical reports or oral advice regarding particular companies, industries or general economic conditions. Holland's receipt of research services from brokers may create conflicts of interest. During the last fiscal year, Holland did not receive any research services and products from brokers or dealers.

Holland does not consider, in selecting brokers or dealers to be used in effecting securities transactions for clients, whether Holland or any of its affiliates received client referrals from the broker or dealer.

Holland does not permit clients to direct brokerage.

ITEM 13.REVIEW OF ACCOUNTS

Holland regularly reviews the portfolios of each account managed by Holland to determine whether to take any actions for that portfolio, based on its investment objectives, policies, restrictions and assets, and more generally, based on Holland's review of economic and market conditions. Compliance oversight of investment activity in client accounts is also conducted by Holland's chief compliance officer.

The portfolio manager of the Holland Fund regularly reports to the Board of Directors of the Holland Fund regarding the Holland Fund's performance. In addition, the Holland Fund provides shareholders with a semi-annual written report containing performance and financial information, as required by applicable law. The Holland Fund also files with the SEC an annual report regarding the Holland Fund's proxy voting records and a quarterly report regarding the funds' portfolio holdings.

ITEM 14. CLIENT REFERRALS AND OTHER COMPENSATION

Holland does not receive economic benefits for providing investment advice or other advisory services to its clients from parties other than its clients. As explained in Item 12, "Brokerage Services," Holland, may however, receive certain research or other products or services in connection with the execution of securities transactions for client accounts.

Holland does not directly or indirectly compensate any person who is not a Holland supervised person for client referrals.

ITEM 15. CUSTODY

Not applicable.

ITEM 16. INVESTMENT DISCRETION

Holland accepts discretionary authority to manage securities accounts on behalf of its clients. Before accepting discretionary authority, Holland generally enters into a written agreement with clients. Holland exercises discretionary authority with respect to the Holland Fund in accordance with the objective, strategy, restrictions, and benchmark set forth in the Holland Fund's offering documents. Certain investment restrictions may limit Holland's ability to execute the strategy and, as a result, may reduce performance.

ITEM 17. VOTING CLIENT SECURITIES

Holland has adopted proxy voting policies and procedures ("Proxy Voting Policies") that govern how it votes proxies relating to securities owned by clients who have delegated voting authority and discretion to Holland. The Proxy Voting Policies do not apply to securities held by any client that has not delegated to Holland voting authority and discretion with respect to securities held in the client's account. At this time, only the Holland Fund has delegated proxy voting authority to Holland.

When voting on matters submitted to security holders, Holland seeks to act in a manner that it believes will be consistent with efforts to maximize shareholder values. The Proxy Voting Policies set forth how Holland plans to vote on specific matters presented for shareholder vote. The indicated vote in the Proxy Voting Policies is the governing position on any matter specifically addressed by the Proxy Voting Policies.

Because Holland does not engage in activities other than investment management, is not part of a larger organization that engages in other lines of business and has the Holland Fund as its only discretionary client, it is unlikely that any material conflicts of interest will arise. Michael Holland recognizes, however, that circumstances such as his personal relationships, may cause a conflict interest. In the event of a conflict of interest, Holland will disclose the conflict to the Board of Directors of the Holland Fund and obtain its consent before voting.

Holland shall maintain such records as are necessary to allow the Holland Fund to comply with its recordkeeping, reporting and disclosure obligations under applicable laws, rules and regulations.

In lieu of keeping copies of proxy statements, Holland may rely on proxy statements filed on the EDGAR system as well as on third party records of proxy statements and votes cast if the third party provides an undertaking to provide the documents promptly upon request.

Holland will provide a copy of the Proxy Voting Policies and Holland's proxy voting records with respect to a client's account to that client or its representatives upon the client's request or as may be required by applicable law.

The Proxy Voting Policies are subject to change at any time without notice.

ITEM 18. FINANCIAL INFORMATION

Holland does not require or solicit prepayment of fees from its clients six months or more in advance. Holland is not aware of any financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients, nor has Holland been the subject of a bankruptcy petition at any time during the past ten years.

ITEM 19. REQUIREMENTS FOR STATE-REGISTERED ADVISERS

Not applicable.