

## **The Herzfeld Caribbean Basin Fund, Inc.**

### **Announces Results of Special Meeting of Stockholders; Approval of Conversion of Fund to CLO Equity Strategy**

MIAMI BEACH, FLA., June 18 2025 –The Herzfeld Caribbean Basin Fund, Inc. (NASDAQ: CUBA) (the “Fund”) today announced that the Fund’s Stockholders have approved the Fund’s conversion from its current investment strategy to focus on a “CLO Equity Strategy”. The approval was voted for at a Special Meeting of Stockholders held on June 17, 2025, with approximately 96% of the votes cast in favor of the changes.

With this change, the Fund’s primary investment objective will change to a total return strategy with a secondary objective of generating high current income for stockholders. In accordance with the change in investment objective, the Fund will focus on investing in equity and junior debt tranches of collateralized loan obligations, or “CLOs”. CLOs are portfolios of collateralized loans consisting primarily of below investment grade U.S. senior secured loans with a large number of distinct underlying borrowers across various industry sectors.

The three proposals approved by the Fund’s stockholders at the special meeting were:

- Proposal 1: approval of an amended and restated investment advisory agreement between the Fund and Thomas J. Herzfeld Advisors, Inc. (the “Adviser”) to permit the Adviser to receive a fee based on “managed assets” and an incentive fee.
- Proposal 2: approval to revise the Fund’s investment objective from obtaining “long term capital appreciation” to a primary objective of “maximizing risk adjusted total returns” with a secondary objective of “generating high current income;” and to reclassify the Fund’s investment objective as non-fundamental.
- Proposal 3: approval to amend the fundamental policies of the Fund related to borrowing, the issuance of senior securities, underwriting securities issued by other persons, industry concentration, the purchase or sale of real estate, the purchase or sale of commodities, and making loans to other persons.

The changes approved by the Fund’s Stockholders will go into effect July 1, 2025.

Cecilia Gondor, Chairperson of the Fund’s Board of Directors commented: “This marks an important day in the long history of our Fund and the beginning of what we hope is a bright future for our Fund investors. I want to thank my fellow board members and our Chairman Emeritus, Tom Herzfeld, for the hard work that was undertaken in managing this transition.”

#### **About Thomas J. Herzfeld Advisors, Inc.**

Thomas J. Herzfeld Advisors, Inc., founded in 1984, is an SEC registered investment advisor, specializing in investment analysis and account management in closed-end funds.

More information about the advisor can be found at [www.herzfeld.com](http://www.herzfeld.com).

*Past performance is no guarantee of future performance. An investment in the Fund is subject to certain risks, including market risk. In general, shares of closed-end funds often trade at a discount from their net asset value and at the time of sale may be trading on the exchange at a price which is more or less than the original purchase price or the net asset value. An investor should carefully consider the Fund’s investment objective, risks, charges and expenses. Please read the Fund’s disclosure documents before investing.*

#### **Forward-Looking Statements**

*This press release, and other statements that TJHA or the Fund may make, may contain forward looking statements within the meaning of the Private Securities Litigation Reform Act, with respect to the Fund’s or TJHA’s future financial or business performance, strategies or expectations. Forward-looking statements are typically identified by*

words or phrases such as “trend,” “potential,” “opportunity,” “pipeline,” “believe,” “comfortable,” “expect,” “anticipate,” “current,” “intention,” “estimate,” “position,” “assume,” “outlook,” “continue,” “remain,” “maintain,” “sustain,” “seek,” “achieve,” and similar expressions, or future or conditional verbs such as “will,” “would,” “should,” “could,” “may” or similar expressions. TJHA and the Fund caution that forward-looking statements are subject to numerous assumptions, risks and uncertainties, which change over time. Forward-looking statements speak only as of the date they are made, and TJHA and the Fund assume no duty to and do not undertake to update forward-looking statements. Actual results could differ materially from those anticipated in forward-looking statements and future results could differ materially from historical performance. With respect to the Fund, the following factors, among others, could cause actual events to differ materially from forward-looking statements or historical performance: (1) changes and volatility in political, economic or industry conditions, particularly with respect to Cuba and other Caribbean Basin countries, the interest rate environment, foreign exchange rates or financial and capital markets, which could result in changes in demand for the Fund or in the Fund’s net asset value; (2) the relative and absolute investment performance of the Fund and its investments; (3) the impact of increased competition; (4) the unfavorable resolution of any legal proceedings; (5) the extent and timing of any distributions or share repurchases; (6) the impact, extent and timing of technological changes; (7) the impact of legislative and regulatory actions and reforms, including the Dodd-Frank Wall Street Reform and Consumer Protection Act, and regulatory, supervisory or enforcement actions of government agencies relating to the Fund or TJHA, as applicable; (8) terrorist activities, international hostilities and natural disasters, which may adversely affect the general economy, domestic and local financial and capital markets, specific industries or TJHA or the Fund; (9) TJHA’s and the Fund’s ability to attract and retain highly talented professionals; (10) the impact of TJHA electing to provide support to its products from time to time; (11) the impact of problems at other financial institutions or the failure or negative performance of products at other financial institutions; and (12) the effects of an epidemic, pandemic or public health emergency, including without limitation, COVID-19. Annual and Semi-Annual Reports and other regulatory filings of the Fund with the SEC are accessible on the SEC’s website at [www.sec.gov](http://www.sec.gov) and on TJHA’s website at [www.herzfeld.com/cuba](http://www.herzfeld.com/cuba), and may discuss these or other factors that affect the Fund. The information contained on TJHA’s website is not a part of this press release.

TJHA has received certain nominations or awards by third-parties as reflected herein. Investors should review the criteria for each nomination or award as reflected on the third-party’s webpage. In addition, the nominations and awards reflect past performance of the nominee or award designee and may not reflect the current performance or status of any such firm or individual and may no longer be applicable. Morningstar award content presented with permission and licensing fee. Contact us for more information on how the ratings are apportioned and for full disclosures regarding third party news and awards.

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