

The Herzfeld Caribbean Basin Fund, Inc.

Announces Revisions to Managed Distribution Plan; Suspension of Self-Tender Policy

MIAMI BEACH, FLA., June 5, 2020 – Thomas J. Herzfeld Advisors, Inc. (“TJHA”), an SEC registered investment advisor, today announced that the Board of Directors the (“Board”) of The Herzfeld Caribbean Basin Fund, Inc. (NASDAQ: CUBA) (the “Fund”) has revised the Fund’s Managed Distribution Plan (the “Plan”) and suspended its Self-Tender Policy (“Self-Tender Policy”) announced on May 31, 2019.

In approving both the revisions to the Plan and the Self-Tender Policy, the Board adopted recommendations from the Fund’s investment manager, TJHA, who recommended the changes due to the recent impacts of the COVID-19 pandemic on the Fund’s share price and securities markets generally.

Revisions to Managed Distribution Plan

The Board has revised the Plan to provide for quarterly distributions at an annual rate set at 15% of the Fund’s net asset value (“NAV”) as of March 31, 2020. Prior to this revision, the distribution was set an annual rate of 15% of the Fund’s NAV as of June 30, 2019. Based on the Fund’s NAV on March 31, 2020, the Fund expects to distribute \$0.15525 per quarter until the distribution is reset based upon the Fund’s NAV as of March 31, 2021. The next distribution is expected to be declared and paid in June 2020.

The primary purpose of the Plan is to provide stockholders with a constant, but not guaranteed, fixed minimum rate of distribution each quarter. The Fund cannot predict what effect, if any, the Plan will have on the market price of its shares or whether such market price will reflect a greater or lesser discount to net asset value as compared to prior to the adoption of the Plan.

Details regarding the Managed Distribution Policy

Under the Plan, the Fund will distribute all available investment income to its stockholders, consistent with its investment objective and as required by the Internal Revenue Code of 1986, as amended (the “Code”). The amount distributed per share is subject to change at the discretion of the Board. If sufficient investment income is not available on a quarterly basis, the Fund will distribute long-term capital gains and/or return capital to its stockholders in order to maintain its managed distribution level. Each quarterly distribution to shareholders is expected to be at the fixed amount established by the Board. However, the Fund may make additional distributions from time to time, including additional capital gain distributions at the end of the taxable year, if required to meet requirements imposed by the Code and/or the Investment Company Act of 1940, as amended (the “1940 Act”). The Fund is currently not relying on any exemptive relief from Section 19(b) of the 1940 Act. The Fund expects that distributions under the Plan will exceed investment income and capital gain and thus expects that such distributions will likely include return of capital for the foreseeable future.

No conclusions should be drawn about the Fund's investment performance from the amount of the Fund's distributions or from the terms of the Plan.

The amount distributed per share is subject to change at the discretion of the Fund's Board. The Plan will be subject to ongoing review by the Board to determine whether the Managed Distribution Policy should be continued, modified or terminated. The Board may amend the terms of the Plan or suspend or terminate the Plan at any time without prior notice to the Fund's stockholders if it deems such actions to be in the best interest of the Fund or its stockholders. The amendment or termination of the Managed Distribution Policy could have an adverse effect on the market price of the Fund's shares.

The Fund expects that a portion of the annual distribution will consist of a return of capital. A return of capital occurs when some or all of the money that stockholders invested in the Fund is paid back to them. A return of capital does not reflect the Fund's investment performance and should not be confused with "yield" or "income." Any such returns of capital will decrease the Fund's total assets and, therefore, could have the effect of increasing the Fund's expense ratio. In addition, in order to make the level of distributions called for under its Plan, the Fund may have to sell portfolio securities at a less than opportune time.

Distributions designated as return-of-capital are not taxed as ordinary income dividends and are referred to as tax-free dividends or nontaxable distributions. A return-of-capital distribution reduces the cost basis of an investor's shares in the Fund.

With each distribution that does not consist solely of net investment income, the Fund will issue a notice to stockholders and an accompanying press release that will provide detailed information regarding the amount and composition of the distribution and other related information. The amounts and sources of distributions reported in the notice to stockholders are only estimates and are not being provided for tax reporting purposes. The actual amounts and sources of the amounts for tax reporting purposes will depend upon the Fund's investment experience during its full fiscal year and may be subject to changes based on tax regulations. The Fund will send stockholders a Form 1099-DIV for the respective calendar year that will tell them how to report these distributions for federal income tax purposes. Stockholders should consult their tax advisor for proper tax treatment of the Fund's distributions.

Suspension of Self-Tender Policy

The Board also suspended the Fund's Self-Tender Policy previously approved by the Board in May 2019. Under the Self-Tender Policy, the Fund would undertake to conduct a tender offer within ninety (90) days after a fiscal year-end of 5% of outstanding shares of the Fund at 97.5% of NAV if the average discount was greater than 10% for the fiscal year just ended. The suspension of the Self-Tender Policy is subject to future review by the Board.

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. The Firm also specializes in investment in the Caribbean Basin. The HERZFELD/CUBA division of Thomas J. Herzfeld Advisors, Inc. serves as the investment advisor to The Herzfeld Caribbean Basin Fund, Inc. a publicly traded closed-end fund (NASDAQ: CUBA).

More information about the advisor can be found at 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; and (11) the impact of problems at other financial institutions or the failure or negative performance of products at other financial institutions. 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 and on TJHA's website at 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.

Contact:

Tom Morgan

Chief Compliance Officer

Thomas J. Herzfeld Advisors, Inc.

1-305-777-1660