

**The Herzfeld Caribbean Basin Fund, Inc.**  
**Announces Proposed Non-Transferable Rights Offer, Modification to Self-Tender Policy and Suspension of  
Managed Distribution Policy**

MIAMI BEACH, FLA., August 29, 2023 — Thomas J. Herzfeld Advisors, Inc., an SEC-registered investment advisor, today announced (i) the filing of a registration statement (the “Registration Statement”) with the Securities and Exchange Commission (“SEC”) for a proposed non-transferable rights offer to holders of common stock, par value \$0.001 per share (“Common Stock”), of The Herzfeld Caribbean Basin Fund, Inc. (the “Fund”); (ii) a modification to the Fund’s Self-Tender Policy; and (iii) the indefinite suspension of the Fund’s Managed Distribution Policy.

*Rights Offer*

Under the terms of the rights offer (the “Rights Offer”), the Fund will issue non-transferable rights (the “Rights”) to its stockholders of record on a date to be disclosed in the prospectus (the “Record Date”). Each stockholder of record on the Record Date will receive one Right for each full share of the Fund’s Common Stock owned on the Record Date. The Rights will entitle the holders to purchase one share of the Fund’s Common Stock for every one Right held, and stockholders of record on the Record Date who fully exercise their Rights will be entitled to subscribe for additional shares of Common Stock (“Over-Subscription Shares”) subject to the limitation set forth in the prospectus. The Over-Subscription Shares will be allocated pro rata to stockholders who over-subscribe based on the number of Rights originally issued to them. The Fund may increase the number of shares of Common Stock subject to subscription by up to 200% of the shares. The rights are non-transferable and, therefore, may not be purchased or sold. The shares of Common Stock issued pursuant to the Rights Offer will be listed on the Nasdaq Capital Market under the symbol “CUBA.”

The subscription price per share will be 92% of the average volume-weighted closing sale price at which the Common Stock trades on the Nasdaq Capital Market on the Expiration Date (as defined in the prospectus) and the four preceding trading days.

The Registration Statement relating to the Rights Offer has been filed with the SEC but has not yet become effective. Final terms and important details of the proposed Rights Offer, including but not limited to the Record Date, Subscription Price and Expiration Date, will be determined at a later date and disclosed in the prospectus. Subject to making the necessary filings with the SEC and the Registration Statement being declared effective, it is expected that the Rights Offer will commence in October 2023.

The securities to be offered may not be sold nor may offers to buy be accepted prior to the time that the Registration Statement becomes effective. This press release shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the securities to be offered in any state in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state.

*Self-Tender Policy*

In addition, the Fund’s Board of Directors has modified the Fund’s Self-Tender Policy. Under the terms of the Self-Tender Policy, the Fund has undertaken to commence a tender offer for its shares of common stock by October 31, 2023. Because of the uncertainty regarding the timing of the Rights Offer, the Board of Directors of the Fund modified the Self-Tender Policy to allow for the Fund to commence the tender offer within a reasonable amount of time following the conclusion of the Rights Offer. The formal offer and detailed terms of the tender offer will be announced following the conclusion of the Rights Offer.

The above statements are not intended to constitute an offer to participate in any tender offer. Stockholders will be notified of the terms of the tender offer in accordance with the requirements of the Securities Exchange Act of 1934, as amended, and the Investment Company Act of 1940, as amended, either by publication or mailing or both. The tender offer will be made by an offer to purchase, a related letter of transmittal, and other documents to be filed with the SEC. Stockholders of the Fund should read the offer to purchase and tender offer statement and related exhibits when those documents are filed and become available, as they will contain important information about the tender offer. These and other filed documents will be available to investors for free both at the website of the SEC ([www.sec.gov](http://www.sec.gov)) and from the Fund ([www.herzfeld.com/cuba](http://www.herzfeld.com/cuba)).

## *Managed Distribution Policy*

Additionally, the Fund's Board of Directors has indefinitely suspended the Fund's Managed Distribution Policy.

## **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](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. There can be no assurance that any Share repurchases will reduce or eliminate the discount of the Fund's market price to the Fund's net asset value per share. 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 Thomas J. Herzfeld Advisors, Inc. ("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](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.*

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