

The Herzfeld Caribbean Basin Fund, Inc.
Affirms its 15% Managed Distribution Policy and Declares Quarterly Distribution of
\$ 0.284625 Per Share; Reports Results of Stockholder Meeting

MIAMI BEACH, FLA., December 3, 2019 –The Herzfeld Caribbean Basin Fund, Inc. (NASDAQ: CUBA) (the “Fund”) today announced its quarterly distribution pursuant to the Fund’s managed distribution policy (the “MDP”) and reported the results of its 2019 Annual Meeting of Stockholders.

Quarterly Distribution

The Fund today declared the following distribution pursuant to the MDP:

Declaration Date	Ex-Date	Record Date	Payment Date	Per Share
12/3/2019	12/19/2019	12/20/2019	12/31/2019	\$0.284625

The primary purpose of the MDP is to provide stockholders with a constant, but not guaranteed, fixed minimum rate of distribution each quarter (currently set at the annual rate of 15% of the Fund’s net asset value (“NAV”) as determined on June 30, 2019 and payable in quarterly installments). The Fund cannot predict what effect, if any, the MDP will have on the market price of its shares or whether such market price will reflect a greater or lesser discount to NAV as compared to prior to the adoption of the MDP. The quarterly distribution for the Fund’s second fiscal quarter constitutes the second consecutive quarterly distribution under the MDP. The \$0.284625 per share amount announced today reflects a distribution of 17.60% based upon the market price of the Fund and 14.77% based upon the net asset value, each as of October 31, 2019. 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 MDP.

Mr. Thomas J. Herzfeld, Chairman of the Fund’s Board of Directors (the “Board”) commented, “Our commitment to provide current quarterly distributions to the Fund’s stockholders, together with our previously announced Tender Offer Policy, is a key component of our strategy to narrow the Fund’s current discount to NAV. While Fund performance is up 38% year to date (based on market price adjusted for distributions for the period January 1, 2019 through October 31, 2019), the Board continues to believe that efforts to reduce the discount should continue. Historical data shows that closed-end funds that provide regular distributions to stockholders throughout the year can be an effective strategy to reduce a discount.”

See important additional information below with respect to the MDP.

Results of 2019 Annual Meeting

In addition, the Fund held its annual stockholder meeting on November 14, 2019 (“Annual Meeting”). At the Annual Meeting, the Fund’s stockholders re-elected Ms. Ann Lieff and Mr. John Gelety, Esq. as Class II Directors for the Fund, each for a term of three years. Ms. Lieff is

President of The Lieff Company, a management consulting firm, and has been a member of the Board since 1998. Mr. Gelety is an attorney and Partner at Greenspoon Marder, LLP and has been a member of the Board since 2011. Mr. Herzfeld commented: “Our Board continues to provide stable and expert guidance to the Fund and its stockholders. Ms. Lieff and Mr. Gelety have served our stockholders well and we are fortunate to have Board members of such high quality and expertise guiding the Fund through the current complicated investment environment.”

The Fund’s stockholders also considered a non-binding stockholder proposal recommending that the Fund be dissolved. The number of votes cast “For” the proposal constituted 51% of the votes cast at the Annual Meeting and the number of votes cast “Against” the proposal constituted 49% of the votes cast at the Annual Meeting. The results of the voting as a percentage of outstanding shares with respect to the non-binding stockholder proposal were:

	As a Percentage of Outstanding Shares*
For	28.404%
Against	26.904%
Abstain	0.458%
Broker Non-Votes	26.969%
Total:	82.735%

*Broker Non-Votes and Abstentions are not considered votes cast.

After the Annual Meeting, the Board met to consider the results of the stockholder vote on the non-binding stockholder proposal. Mr. Herzfeld commented: “Consistent with the results of the vote, the Board considered whether, at this time, the Fund’s dissolution was in the best interest of all of the Fund’s stockholders. The Board evaluated a number of factors, including that less than 29% of the Fund’s outstanding shares voted for the proposal with almost 27% of the Fund’s outstanding shares voting against the proposal and approximately 45% of the Fund’s outstanding shares expressing no view on the proposal. The Board noted that, with respect to the stockholder proposal, almost 72% of the Fund’s outstanding shares voted against, abstained from voting or did not vote. The Board also considered the current year-to-date performance of the Fund, which is up approximately 38% in price for the period January 1, 2019 through October 31, 2019, adjusted for distributions, the previously announced three year plan to address the Fund’s discount, which has yet to fully take effect, and the upcoming U.S. Presidential election, which may prove to be an important event impacting both the Fund’s market price and its discount/premium to NAV. Consistent with the Board’s obligation to consider the most appropriate course for all stockholders, the Board determined to take no action to dissolve the Fund at this time and to allow the three year plan previously announced and any impact of the upcoming Presidential election to fully realize before adopting such a draconian course.”

Details regarding the Managed Distribution Policy:

Under the MDP, 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 of capital to its stockholders in order to maintain its managed distribution level. The Fund is currently not relying on any exemptive relief from Section 19(b) of the Investment Company Act of 1940, as amended (the “1940 Act”). 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 1940 Act. Please note that for stockholders enrolled in the Fund’s Dividend Distribution Reinvestment Plan (“DRIP”), the distribution will be reinvested in additional shares of the Fund as described in the DRIP.

The Fund expects that distributions under the MDP will exceed investment income and available capital gains and thus expects that distributions under the MDP will likely include returns of capital for the foreseeable future. A return of capital may occur, for example, when some or all of a stockholder’s investment is paid back to the stockholder. A return of capital distribution does not necessarily 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 maintain the level of distributions called for under its MDP, the Fund may have to sell portfolio securities at a less than opportune time.

The following table sets forth the estimated amounts of the current quarterly distribution and the cumulative distributions paid this fiscal year to date from the following sources: net investment income, net realized capital gains and return of capital. All amounts are expressed per common share.

	Current Distribution	% Breakdown of the Current Distribution	Total Cumulative Distributions for the Fiscal Year to Date	% Breakdown of the Total Cumulative Distributions for the Fiscal Year to Date
Net Investment Income	\$0.00	0%	\$0.00	0%
Net Realized Short-Term Capital Gains	\$0.00	0%	\$0.00	0%
Net Realized Long-Term Capital Gains	\$0.107599	37.80%	\$0.107599	18.90%
Return of Capital	\$0.177026	62.20%	\$0.461651	81.10%
Total (per common share)	\$0.284625	100%	\$0.569250	100%

Average annual total return (in relation to NAV) for the 5-year period ending on October 31, 2019	0.93%
Annualized current distribution rate expressed as a percentage of NAV as of October 31, 2019	14.77%

Annualized current distribution rate expressed as a percentage of PRICE as of October 31, 2019	17.60%
Cumulative total return (in relation to NAV) for the fiscal year through October 31, 2019	5.40%
Cumulative fiscal year distributions as a percentage of NAV as of October 31, 2019	3.69%

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 MDP.

The amount distributed per share is subject to change at the discretion of the Board. The MDP is subject to ongoing review by the Board to determine whether it should be continued, modified or terminated. The Board may amend the terms of the MDP, suspend the MDP, or terminate the MDP 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 MDP could have an adverse effect on the market price of the Fund's shares.

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.**

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 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 and on the Fund's website at www.herzfeld.com/cuba, and may discuss these or other factors that affect the Fund. The information contained on TJHA's or the Fund's website is not a part of this press release.

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