

HERZFELD CARIBBEAN BASIN FUND INC
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PROSPECTUS SUPPLEMENT
(To Prospectus dated June 11, 2015)

THE HERZFELD CARIBBEAN BASIN FUND, INC.

\$17,900,000

Common Stock

We are a non-diversified, closed-end management investment company registered under the Investment Company Act of 1940, or the “1940 Act.” Our investment adviser is HERZFELD/CUBA, a division of Thomas J. Herzfeld Advisors, Inc., or the “Adviser.” Our investment objective is long-term capital appreciation. To achieve our objective, we invest in issuers that are likely, in the Adviser’s view, to benefit from economic, political, structural and technological developments in the countries in the Caribbean Basin, which include, among others, Cuba, Jamaica, Trinidad and Tobago, the Bahamas, the Dominican Republic, Barbados, Aruba, Haiti, the former Netherlands Antilles, the Commonwealth of Puerto Rico, Mexico, Honduras, Guatemala, Belize, Costa Rica, Panama, Colombia, the United States and Venezuela, or the “Caribbean Basin Countries.” We invest at least 80% of our total assets in equity and equity-linked securities of issuers, including U.S.-based companies which engage in substantial trade with, and derive substantial revenue from, operations in the Caribbean Basin Countries. The Fund may invest more than 25% of its total assets in the securities of U.S.-based companies, which constituted approximately 54% of the Fund’s total assets as of June 30, 2015. Total assets includes the amount of any borrowings for investment purposes. For additional information, see “Investment Objective and Policies” in the accompanying prospectus. Equity and equity-linked securities include, but are not limited to, common stock, preferred stock, debt securities convertible into equity, warrants, options and futures. An investment in the Fund is not appropriate for all investors and should not constitute a complete investment program. No assurances can be given that our investment objective will be achieved.

We have entered into an equity distribution agreement, dated September 10, 2015, with Ladenburg Thalmann & Co. Inc. relating to the shares of common stock offered by this prospectus supplement and the accompanying prospectus.

The equity distribution agreement provides that we may offer and sell shares of our common stock having an aggregate offering price of up to \$17,900,000 from time to time through Ladenburg Thalmann & Co. Inc., as our sales agent. Sales of our common stock, if any, under this prospectus supplement and the accompanying prospectus may be made in negotiated transactions or transactions that are deemed to be “at the market,” as defined in Rule 415 under the Securities Act of 1933, as amended, or the “Securities Act,” including sales made directly on the Nasdaq Capital Market or similar securities exchange or sales made to or through a market maker other than on an exchange, at prices related to the prevailing market prices or at negotiated prices.

Ladenburg Thalmann & Co. Inc. will receive a commission from us equal to 2.0% of the gross sales price of any shares of our common stock sold through Ladenburg Thalmann & Co. Inc. under the equity distribution agreement, in addition to reimbursement by us of certain expenses Ladenburg Thalmann & Co. Inc. may incur. Ladenburg Thalmann & Co. Inc. is not required to sell any specific number of shares or dollar amount of common stock, but will use its commercially reasonable efforts consistent with its normal sales and trading practices to sell the shares of our common stock offered by this prospectus supplement and the accompanying prospectus. See “Plan of Distribution” in

this prospectus supplement. The sales price per share of our common stock offered by this prospectus supplement and the accompanying prospectus, less Ladenburg Thalmann & Co. Inc.'s commission, will not be less than the net asset value, or "NAV," per share of our common stock at the time of such sale, unless we have received the requisite approval from stockholders as required pursuant to the 1940 Act.

Under the terms of the equity distribution agreement, we also may sell shares to Ladenburg Thalmann & Co. Inc., as principal for its own account, at a price agreed upon at the time of sale. If we sell shares to Ladenburg Thalmann & Co. Inc. as principal, we will enter into a separate agreement with it setting forth the terms of such transaction, and we will describe the agreement in a separate prospectus supplement or pricing supplement.

Our common stock is traded on the NASDAQ Capital Market under the symbol "CUBA." On September 9, 2015, the last reported sales price on the NASDAQ Capital Market for our common stock was \$7.91 per share. We determine the NAV per share of our common stock no less frequently than monthly. Our NAV per share of our common stock as of September 9, 2015 was \$6.72 (unaudited) and our total net assets were \$37,629,782.71 (unaudited). As of September 9, 2015, there were 5,599,584 shares of our common stock outstanding.

As of September 9, 2015, the aggregate market value of the outstanding shares of our common stock held by non-affiliates was approximately \$53,733,994, which was calculated on the basis of 5,171,703 outstanding shares of our common stock held by non-affiliates (our "public float") as of such date and at a price of \$10.39 per share, the last reported sales price per share on the NASDAQ Capital Market on July 20, 2015 (which is the highest closing sale price per share for our common stock within the last 60 days). Pursuant to certain SEC rules, in no event will we sell our securities in any public primary offering or offerings with an aggregate market value exceeding one-third of our public float in any 12-month period so long as our public float remains below \$75.0 million. During the prior 12 calendar month period that ends on, and includes, the date of this prospectus supplement, we have offered and sold no securities pursuant to General Instruction I.B.6 to Form S-3, excluding the shares of our common stock offered by this prospectus supplement and the accompanying prospectus.

Please carefully read this prospectus supplement and the accompanying prospectus before investing in our common stock and keep each for future reference. This prospectus supplement and the accompanying prospectus set forth concisely important information about us that a prospective investor ought to know before investing in our securities. We are required to file with or submit to the U.S. Securities and Exchange Commission, or "SEC," annual, semi-annual and quarterly reports, proxy statements and other information about us. You may request copies of these reports and filings, including this prospectus supplement and accompanying prospectus, free of charge, make inquiries or request other information about us by contacting us by mail at 119 Washington Avenue, Suite 504 Miami Beach, FL 33139 or by telephone at (800) TJH-FUND (toll-free) or (305) 271-1900. Copies of these reports and filings are also available free of charge through our website at <http://herzfeld.com/cuba>. The SEC also maintains a website at <http://www.sec.gov> that contains this information. The inclusion of our website address above and elsewhere in this prospectus supplement and the accompanying prospectus is, in each case, intended to be an inactive textual reference only and not an active hyperlink to our website. The information contained in, or that can be accessed through, our website is not part of this prospectus supplement or the accompanying prospectus.

An investment in our common stock should be considered speculative and involves a high degree of risk, including the risk of a total loss of investment. Shares of closed-end investment companies frequently trade at a discount to their net asset value. See "Prospectus Supplement Summary—Summary Risk Factors" beginning on page S-3 of this prospectus supplement, "Supplemental Risk Factors" beginning on page S-9 of this prospectus supplement, "Prospectus Summary—Risk Factors and Special Considerations" beginning on page 2 of the accompanying prospectus and "Risk Factors and Special Considerations" beginning on page 15 of the accompanying prospectus to read about the risks you should carefully consider before investing in our common stock.

Neither the SEC nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

Ladenburg Thalmann

Prospectus Supplement dated September 10, 2015.

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ABOUT THIS PROSPECTUS SUPPLEMENT

We have filed with the SEC a registration statement on Form N-2 (Securities Act File No. 333-202213; Investment Company Act File No. 811-06445) utilizing a shelf registration process relating to the securities described in this prospectus supplement, which registration statement was declared effective on June 11, 2015. This document is in two parts. The first part is the prospectus supplement, which describes the terms of this offering of common stock and also adds to and updates information contained in the accompanying prospectus. The second part is the accompanying prospectus, which gives more general information and disclosure. To the extent the information contained in this prospectus supplement differs from or is additional to the information contained in the accompanying prospectus, you should rely only on the information contained in this prospectus supplement. This prospectus supplement may add, update or change information contained in the accompanying prospectus. To the extent that any statement we make in this prospectus supplement is inconsistent with statements made in the accompanying prospectus or any previously filed documents incorporated by reference herein or therein, the statements made in this prospectus supplement will be deemed to modify or supersede those made in the accompanying prospectus and such documents incorporated by reference herein and therein. Please carefully read this prospectus supplement and the accompanying prospectus, including the sections entitled “Prospectus Supplement Summary—Summary Risk Factors” and “Supplemental Risk Factors” in this prospectus supplement and “Prospectus Summary—Risk Factors and Special Considerations” and “Risk Factors and Special Considerations” in the accompanying prospectus, together with the additional information described under the heading “Available Information” included in this prospectus before investing in our common stock.

Neither we nor Ladenburg Thalmann & Co. Inc. has authorized any dealer, salesperson, representative or other person to give any information or to make any representation other than those contained in this prospectus supplement or the accompanying prospectus. If anyone provides you with different or inconsistent information, you should not rely on it. This prospectus supplement and the accompanying prospectus do not constitute an offer to sell or a solicitation of any offer to buy any security other than the registered securities to which they relate, nor do they constitute an offer to sell or a solicitation of an offer to buy any securities in any jurisdiction or to any person to whom it is unlawful to make such an offer or solicitation in such jurisdiction.

The information contained in this prospectus supplement and the accompanying prospectus is accurate as of the dates on their respective covers. Our financial condition, results of operations and prospects may have changed since those dates. To the extent required by law, we will amend or supplement the information contained in this prospectus supplement and the accompanying prospectus to reflect any material changes subsequent to the date of this prospectus supplement and the accompanying prospectus and prior to the completion of any offering pursuant to this prospectus supplement and the accompanying prospectus.

CAUTIONARY NOTICE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus supplement and the accompanying prospectus contain forward-looking statements that involve substantial risks and uncertainties. All statements other than statements of historical facts included in this prospectus supplement and the accompanying prospectus that address activities, events or developments that we expect, believe or anticipate will or may occur in the future are forward-looking statements, including, without limitation, the statements about our plans, objectives, strategies and prospects regarding, among other things, our financial condition, results of operations and business. These forward-looking statements are based on current expectations, estimates and projections about our company, our current and prospective portfolio investments, our industry, our beliefs, and our assumptions. Words such as “anticipates,” “expects,” “intends,” “plans,” “predicts,” “will,” “may,” “continue,” “believes,” “sees,” “estimates,” “would,” “could,” “should,” “targets,” “projects,” “continue,” “forecast,” “possible,” “potential,” “approximate” and similar words and similar expressions, or the negatives of such words, are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words.

The forward-looking statements contained in this prospectus supplement and the accompanying prospectus involve risks and uncertainties, including statements as to:

- our future operating results;
- our business prospects and the prospects of the companies in which we invest;
- the impact of investments that we expect to make;
- our contractual arrangements and relationships with third parties;
- the dependence of our future success on the general economy and its impact on the markets and industries in which we invest;
- the ability of the Fund to achieve its objectives;
- our expected financing activities and investments;
- the adequacy of our cash resources and working capital; and
- the timing of cash flows, if any, from our investments.

These statements are not guarantees of future performance and are subject to risks, uncertainties, and other factors, some of which are beyond our control and difficult to predict and could cause actual results to differ materially from those expressed or forecasted in the forward-looking statements, including without limitation:

- an economic downturn could impair the ability of the companies in which we invest to continue to operate, which could lead to the loss of some or all of our investment in such companies;
- the bankruptcy or liquidation of any of the companies in which we invest, which could lead to the loss of some or all of our investment in those companies;
- securities traded in foreign markets have often (though not always) performed differently from securities traded in the United States and often involve special risks not present in U.S. investments that can increase the chances that we will lose money;
- the risks associated with investments in emerging markets, including many Caribbean Basin Countries in which we invest, are usually much greater than those associated with other foreign or U.S. markets;
- we may invest from time to time a substantial amount of our assets in issuers located in a single country or a limited number of countries, which could increase the risk and/or volatility of our investment performance;
- an inability to access the equity markets could impair our investment activities;
 - currency fluctuations could adversely affect the results of our investments in foreign companies, particularly to the extent that we receive payments denominated in foreign currency rather than U.S. dollars; and
- the other risks, uncertainties and other factors we identify in “Prospectus Supplement Summary—Summary Risk Factors” and “Supplemental Risk Factors” in this prospectus supplement and “Prospectus Summary—Risk Factors and Special Considerations” and “Risk Factors and Special Considerations” in the accompanying prospectus and elsewhere in this prospectus supplement, the accompanying prospectus and in our filings with the SEC.

Although we believe that the assumptions on which these forward-looking statements are based are reasonable, any of those assumptions could prove to be inaccurate. Important assumptions include our ability to originate new investments, certain margins and levels of profitability and the availability of additional capital. The forward-looking statements included in this prospectus supplement or the accompany prospectus may be affected by inaccurate assumptions we might make or by known or unknown risks and uncertainties. The factors identified in the list above, in “Prospectus Supplement Summary—Summary Risk Factors” and “Supplemental Risk Factors” in this prospectus supplement and in “Prospectus Summary—Risk Factors and Special Considerations” and “Risk Factors and Special Considerations” in the accompanying prospectus and elsewhere in this prospectus supplement and the accompanying prospectus are believed to be important factors, but not necessarily all of the important factors, that could cause our actual results to differ materially from those expressed in any forward-looking statement. Unpredictable or unknown factors could also have material adverse effects on us. Since our actual results, performance or achievements could differ materially from those expressed in, or implied by, these forward-looking statements, we cannot give you any assurance that any of the events anticipated by the forward-looking statements will occur or, if any of them do, what impact they will have on our results of operations and financial condition, and the inclusion of a projection or forward-looking statement in this prospectus supplement or the accompanying prospectus should not be regarded as a representation by us that our plans and objectives will be achieved.

All forward-looking statements included in this prospectus supplement or the accompanying prospectus are expressly qualified in their entirety by the foregoing cautionary statements. You should not place undue reliance on these forward-looking statements, which are made only as of the respective dates of this prospectus supplement and the accompanying prospectus.

We do not undertake any obligation to update, amend or clarify these forward-looking statements or the risk factors contained therein, whether as a result of new information, future events or otherwise, except as may be required under the federal securities laws. You should not assume that our silence over time means that actual events are bearing out as expressed or implied in such forward-looking statements. Before deciding to purchase our securities, you should carefully consider the risk factors discussed and incorporated by reference in this prospectus supplement and the accompanying prospectus.

The forward-looking statements contained in this prospectus supplement and the accompanying prospectus are excluded from the safe harbor protection provided by Section 27A of the Securities Act.

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PROSPECTUS SUPPLEMENT SUMMARY

This summary highlights some information that is described more fully elsewhere in this prospectus supplement and is qualified in its entirety by the more detailed information included elsewhere in this prospectus supplement and the accompanying prospectus. This summary does not purport to be a complete discussion of all matters referred to in this prospectus supplement and may not contain all of the information that is important to you. For a more complete understanding of the offering of shares of our common stock pursuant to this prospectus supplement and the accompanying prospectus, we encourage you to read this entire prospectus supplement and the accompanying prospectus and the documents to which we have referred in this prospectus supplement and the accompanying prospectus. Together, these documents describe the specific terms of the shares we are offering.

You should carefully read the sections entitled “—Summary Risk Factors” and “Supplemental Risk Factors” in this prospectus supplement and “Prospectus Summary—Risk Factors and Special Considerations” and “Risk Factors and Special Considerations” in the accompanying prospectus, our quarterly schedule of investments for the quarter ended March 31, 2015, filed with the SEC on May 29, 2015, our financial statements included in our Semi-Annual Report to stockholders for the period ended December 31, 2014, filed with the SEC on March 5, 2015, our financial statements included in our Annual Report to stockholders for the fiscal year ended June 30, 2014, filed with the SEC on August 29, 2014 and our financial statements for the fiscal year ended June 30, 2015 included in this prospectus supplement. References to “fiscal year” mean our applicable fiscal year which ends on June 30th in such year.

Except where the context requires otherwise, the terms the “Fund,” “we,” “us” and “our” refer to The Herzfeld Caribbean Basin Fund, Inc. and the “Adviser” refers to HERZFELD/CUBA, a division of Thomas J. Herzfeld Advisors, Inc.

Overview

We are a non-diversified, closed-end management investment company organized under the laws of the State of Maryland that has registered as an investment company under the 1940 Act. The Fund has elected and intends to continue to qualify annually to be treated as a regulated investment company under the Internal Revenue Code of 1986, as amended, or the “Code.”

Our investment objective is long-term capital appreciation. To achieve our objective, we invest in issuers that are likely, in the Adviser’s view, to benefit from economic, political, structural and technological developments in the countries in the Caribbean Basin, which include, among others, Cuba, Jamaica, Trinidad and Tobago, the Bahamas, the Dominican Republic, Barbados, Aruba, Haiti, the former Netherlands Antilles, the Commonwealth of Puerto Rico, Mexico, Honduras, Guatemala, Belize, Costa Rica, Panama, Colombia, the United States and Venezuela, or the “Caribbean Basin Countries.” We invest at least 80% of our total assets in equity and equity-linked securities of issuers, including U.S.-based companies which engage in substantial trade with, and derive substantial revenue from, operations in the Caribbean Basin Countries. The Fund may invest more than 25% of its total assets in the securities of U.S.-based companies, which constituted approximately 54% of the Fund’s total assets as of June 30, 2015. Total assets includes the amount of any borrowings for investment purposes. At such time as it becomes legally permissible for U.S. entities to invest directly in Cuba, the Fund will consider such investments. For additional information, see “Investment Objective and Policies” in the accompanying prospectus. Equity and equity-linked securities include, but are not limited to, common stock, preferred stock, debt securities convertible into equity, warrants, options and futures. An investment in the Fund is not appropriate for all investors and should not constitute a complete investment program. No assurances can be given that our investment objective will be achieved.

Distributions

We currently intend to distribute to stockholders, at least annually at such time so as to avoid imposition of excise taxes, substantially all of our investment company taxable income (i.e., net investment income and any net short-term capital gains less expenses). Net investment income for this purpose is income other than realized net capital gain (i.e.,

the extent of net long-term capital gains over net short-term capital losses). We determine annually whether to distribute any net realized long-term capital gains in excess of net realized short-term capital losses. Our current policy is to comply with the provisions of the Code, that are applicable to regulated investment companies and to distribute substantially all our taxable income to our stockholders. Under these provisions, we are not subject to federal income tax on our taxable income and no federal tax provision is required.

We paid annual distributions to our common stockholders in fiscal year 2015 of \$0.64 per share and in fiscal year 2014 of \$1.14 per share.

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For additional information, see “Dividends and Distributions; Dividend Reinvestment Plan” and “Taxation” in the accompanying prospectus.

Investment Advisory Agreement

Our Investment Advisory Agreement with the Adviser, or the “Investment Advisory Agreement,” sets forth the services to be provided by the Adviser. The Investment Advisory Agreement was last approved by our board of directors (the “board of directors” or “board”) on August 4, 2015, and is required to be approved annually by our board. The Fund pays the Adviser an advisory fee at the annual rate of 1.45% of the Fund’s average weekly net assets and payable at the end of each month. That fee is higher than the advisory fee paid by most investment companies. For the fiscal years ended June 30, 2015, 2014 and 2013, the Adviser earned \$558,086, \$494,178, and \$472,075, respectively, for investment advisory services provided to the Fund pursuant to the Investment Advisory Agreement.

For additional information about the Investment Advisory Agreement, see “Management of the Fund—Investment Advisory Agreement” in the accompanying prospectus.

Closed-End Fund Structure

The Fund is a non-diversified, closed-end management investment company under the 1940 Act, commonly referred to as a “closed-end fund.” Closed-end management investment companies differ from open-end management investment companies (commonly referred to as “mutual funds”) in that closed-end funds generally list their shares for trading on a stock exchange and do not redeem their stock at the request of the stockholder. This means that if a stockholder wishes to sell shares of a closed-end management investment company, he or she must trade them on the market, like any other stock, at the prevailing market price at that time. With respect to a mutual fund, if the stockholder wishes to sell shares of the company, the mutual fund will redeem, or buy back, the shares at NAV. Mutual funds also generally offer new shares on a continuous basis to new investors, and closed-end management investment companies generally do not. The continuous inflows and outflows of assets in a mutual fund can make it difficult to manage the company’s investments. By comparison, closed-end management investment companies are generally able to stay more fully invested in securities that are consistent with their investment objectives and also have greater flexibility to make certain types of investments and to use certain investment strategies, such as investments in illiquid securities.

When shares of closed-end management investment companies are traded, they may trade at a discount to their NAV. This characteristic of shares of closed-end management investment companies is a risk separate and distinct from the risk that the closed-end management investment company’s NAV may decrease as a result of investment activities. Our conversion to an open-end mutual fund would require an amendment to the Fund’s articles of incorporation.

Investment Focus

The Fund’s investment objective is to obtain long-term capital appreciation. This objective may not be changed without the prior approval of the holders of a majority of the Fund’s outstanding voting securities. As further described below, the Fund pursues its objective by investing primarily in equity and equity-linked securities of public and private companies, including U.S.-based companies, (i) whose securities are traded principally on a stock exchange in a Caribbean Basin Country, (ii) that have at least 50% of the value of their assets in a Caribbean Basin Country or (iii) that derive at least 50% of their total revenue from a Caribbean Basin Country, which we refer to collectively as “Caribbean Basin Companies.” Current income through receipt of interest or dividends from the Fund’s securities is incidental to the Fund’s efforts to attain its investment objective.

The Fund invests in Caribbean Basin Companies that are likely, in the opinion of the Adviser, to benefit from economic, political, structural and technological developments in the Caribbean Basin Countries. Under normal market conditions, the Fund invests at least 80% of its total assets in equity and equity-linked securities of Caribbean

Basin Companies. This 80% policy may be changed without stockholder approval upon sixty days written notice to stockholders. Total assets includes the amount of any borrowings for investment purposes. The Fund may invest more than 25% of its total assets in the securities of U.S.-based companies, which constituted approximately 54% of the Fund's total assets as of June 30, 2015.

Investment in Cuban securities or any investment in Cuba directly or indirectly is currently prohibited under U.S. law. At such time as it becomes legally permissible for U.S. entities to invest directly in Cuba, the Fund will consider such investments. U.S. law currently prohibits the Fund from investing its assets in securities of companies that benefit from free trade with Cuba, which we refer to as "companies strategically linked to Cuba." Companies strategically linked to Cuba may include a company that benefits from free trade with Cuba, but does not meet the definition of Caribbean Basin Company set forth above. If permitted to make such investments upon a lifting or easing of the U.S. trade embargo against Cuba or pursuant to regulations promulgated by a department or agency of the U.S. Government, the Fund may invest up to 20% of its assets in equity and equity-linked securities of non-Caribbean Basin Companies strategically linked to Cuba.

The United States re-established diplomatic relations with Cuba and reopened the U.S. embassy in Havana on July 20, 2015. Additionally, the U.S. Department of the Treasury has implemented certain regulatory changes that may facilitate travel to Cuba by U.S. trade delegations and by U.S. citizens who engage in certain commercial activities, although the future impact that these changes may have on travel related to possible investment in Cuba or Cuban securities (if any such investment activities become legally permissible) is not yet clear. There can be no assurances that the U.S. trade embargo against Cuba will ever be lifted or eased or, if and when such lifting or easing of the embargo commences, that the Adviser will be able to identify direct investments in issuers domiciled in Cuba that are acceptable for the Fund. If investment in securities issued by companies domiciled in Cuba were to be permitted under U.S. law, certain risks and special considerations not typically associated with investing in securities of U.S. companies would be relevant to such securities. These risks include, among others, restrictions on foreign investment and on repatriation of capital invested in Cuba, unstable currency exchange and fluctuation, the absence of a capital market structure or market oriented economy, potential price volatility and lesser or lack of liquidity of shares listed on a securities market (if one is established), continued political and economic risks and other risks described in “—Summary Risk Factors” in this prospectus supplement and “Prospectus Summary—Risk Factors and Special Considerations” and “Risk Factors and Special Considerations” in the accompanying prospectus.

Equity securities of public and private companies that may be purchased by the Fund consist of common stock, convertible and non-convertible preferred stock (whether voting or non-voting), debt with equity warrants and unattached warrants. Debt issued with a warrant entitles the holder to purchase equity shares and differs from convertible debt because the conversion feature is in the form of a separately traded warrant. Equity-linked securities of public and private companies that may be purchased by the Fund consist of debt securities convertible into equity and securities such as warrants, options and futures, the prices of which are functions of the value of the equity securities receivable upon exercise or settlement thereof.

We may invest up to 20% of our assets in non-equity linked debt securities including foreign denominated corporate debt and sovereign debt issued by foreign governments, their agencies or instrumentalities, or other government-related entities.

For more information, see “Investment Objective and Policies” in the accompanying prospectus.

Investment Opportunity

We intend to use all or substantially all of the net proceeds from this offering, if any, to acquire investments in accordance with our investment objective and policies as described in this prospectus supplement and for general corporate purposes. Our Adviser believes any such net proceeds may permit the Fund to make strategic investments in additional securities of issuers currently held by us or in other issuers not currently held by us without having to dispose of any securities we hold. Accordingly, we believe this offering may permit the Adviser to implement the Fund’s investment strategy more effectively. In addition to providing us the ability to invest pursuant to our investment strategy with more flexibility and efficiency, we may achieve certain economies of scale by spreading our fixed costs over a larger asset base, thereby reducing the Fund’s expense ratio per share. See also “Use of Proceeds” in this prospectus supplement.

Summary Risk Factors

The value of our assets, as well as the market price of our securities, will fluctuate. Our investments may be risky, and you may lose all or part of your investment in us. The Fund is a non-diversified, closed-end investment company designed primarily as a long-term investment and not as a trading tool. The Fund invests generally in a portfolio of Caribbean Basin Companies. An investment in the Fund should be considered speculative and involves a high degree of risk. The Fund’s shares do not represent a deposit or obligation of, and are not guaranteed or endorsed by, any bank or other insured depository institution, and are not federally insured by the Federal Deposit Insurance Corporation, the Federal Reserve Board or any governmental agency.

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Risks that you should carefully consider before investing in our common stock include, but are not limited to, the following:

Investing in the securities of Caribbean Basin Companies involves certain risks and considerations not typically associated with investing in securities of U.S. issuers, including, but not limited to, currency fluctuations, political and economic risks, limited liquidity, high inflation and monetary repatriation restrictions.

Equity securities in which we invest are sensitive to general movements in the stock market, may experience a decline in value due to adverse events affecting the issuer of such securities and, in the event of liquidation or bankruptcy of the issuer, would generally have a lower priority with respect to any distribution of the assets of the issuer than holders of other classes of securities or creditors.

Equity-linked securities are subject to market risk and other risks of the referenced equity security, risks related to the market prices for debt securities and counterparty risk, among other risks.

Investment in Cuban securities or any investment in Cuba directly or indirectly is currently prohibited under U.S. law; if investment in securities issued by companies domiciled in Cuba were to be permitted under U.S. law, certain risks and special considerations not typically associated with investing in securities of U.S. companies would be relevant to those securities.

As a “non-diversified” investment company, the Fund’s investments involve greater risks than would be the case for a similar diversified investment company.

The Adviser’s judgment about the attractiveness, relative value or potential appreciation of a particular security or investment strategy may prove to be incorrect.

We may not distribute to stockholders any net realized long-term capital gains in excess of net realized short-term capital losses.

A stockholder’s economic and/or voting interest in the Fund may be diluted if we issue additional shares of common stock in this offering or in any subsequent offering.

Certain provisions in our articles of incorporation, as amended, and our bylaws could deter takeover attempts and have an adverse impact on the price of our common stock.

Certain local or global events have had, and may in the future have, a disruptive effect on the securities markets, including the market on which our common stock is traded.

The NAV of our common stock may fluctuate significantly, and the NAV and liquidity of the market for shares of our common stock may be significantly affected by numerous factors, some of which are beyond our control and may not be directly related to our operating performance.

Under the 1940 Act, we generally are prohibited from issuing or selling our common stock at a price below NAV per share.

Securities traded in foreign markets have often (though not always) performed differently from securities traded in the United States and often involve special risks not present in U.S. investments that can increase the chances that we will lose money.

We may invest from time to time a substantial amount of our assets in issuers located in a single country or a limited number of countries, which may increase the risk and/or volatility of our investment performance.

Changes in foreign currency exchange rates may affect the value of our portfolio as securities and other instruments in which we invest may be denominated or quoted in currencies other than the U.S. dollar.

The risks associated with investments in emerging markets, including many Caribbean Basin Countries in which we invest, are usually much greater than those associated with other foreign or U.S. markets.

Certain actual or potential conflicts of interest and risks may arise in connection with the Adviser, including conflicts of interest caused by compensation arrangements, competition for the time and resources of the Adviser, conflicts of interest in connection with the management of the Fund's business affairs, conflicts of interest with the Adviser's management of other accounts, risk due to the Adviser's actions on behalf of its other accounts and clients, risk due to inside information and risk in transactions with affiliates.

Shares of our common stock may trade at a market price that is less than the NAV attributable to those shares.

Sales of our common stock in this offering, or the perception that such sales may occur, may cause the market price of our common stock to decline.

We may allocate the net proceeds, if any, from this offering in ways with which you may not agree or which may not enhance stockholder value.

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· We may be unable to invest a portion of the net proceeds, if any, from this offering in a timely manner.

The risks and special considerations discussed above apply generally to the investments and strategies that the Adviser will use under normal market conditions. The Fund and the Adviser also may use other strategies and engage in other investment practices. Additional information about these investment strategies and practices and related risks is provided in the accompanying prospectus.

For more information about the risks described above and other risks, see “Supplemental Risk Factors” in this prospectus supplement and “Prospectus Summary—Risk Factors and Special Considerations” and “Risk Factors and Special Considerations” in the accompanying prospectus. In addition, the other information included in this prospectus supplement and the accompanying prospectus contains a discussion of factors you should carefully consider before deciding to invest in shares of our common stock.

Corporate Information

We were incorporated in the State of Maryland on March 10, 1992 and completed our initial public offering in 1993. We are a non-diversified closed-end management investment company that has registered as an investment company under the 1940 Act. Our offices are located at 119 Washington Avenue, Suite 504 Miami Beach, FL 33139, and our telephone number is (800) TJH-FUND (toll-free) or (305) 271-1900. Our website address is <http://herzfeld.com/cuba>. The inclusion of our website address above and elsewhere in this prospectus supplement and the accompanying prospectus is, in each case, intended to be an inactive textual reference only and not an active hyperlink to our website. The information contained in, or that can be accessed through, our website is not part of this prospectus supplement or the accompanying prospectus.

THE OFFERING

Common stock offered by us	Shares of our common stock having an aggregate offering price of up to \$17,900,000.
Common stock outstanding prior to this offering	5,599,584 shares.
Manner of offering	<p>“At the market” offering that may be made from time to time through Ladenburg Thalmann & Co. Inc., as sales agent using commercially reasonable efforts. See “Plan of Distribution.”</p> <p>We intend to use all or substantially all of the net proceeds from this offering, if any, for acquiring investments in accordance with our investment objective and policies described in this prospectus supplement and for general corporate purposes. The Adviser anticipates that such proceeds, if received, will be invested promptly as investment opportunities are identified, depending on market conditions and the availability of appropriate securities, which we anticipate will take not more than approximately three to six months from the time of any sales made under this offering. Pending investment, the proceeds will be invested in short-term cash-equivalent instruments. Although the Adviser anticipates that all of the proceeds from this offering will be invested pursuant to our investment objective and policies, some of the proceeds may be used to make capital gain distributions required to maintain our tax status as a regulated investment company. See “Use of Proceeds” in this prospectus supplement.</p>
Use of proceeds	<p>We distribute annually to our stockholders substantially all of our net investment income and net short-term capital gains, if any. We determine annually whether to distribute any net realized long-term capital gains in excess of net realized short-term capital losses. See “Prospectus Supplement Summary—Distributions” in this prospectus supplement and “Dividends and Distributions; Dividend Reinvestment Plan” and “Taxation” in the accompanying prospectus.</p>
Distributions	
NASDAQ Capital Market symbol of common stock	“CUBA”
Risk factors	<p>An investment in our common stock is subject to risks and involves a heightened risk of total loss of investment. In addition, the companies in which we invest are subject to special risks. See “Prospectus Supplement Summary—Summary Risk Factors” and “Supplemental Risk Factors” in this prospectus supplement and “Prospectus Summary—Risk Factors and Special Considerations” and “Risk Factors and Special Considerations” in the accompanying prospectus to read about factors you should carefully consider before investing in our common stock.</p>