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20,000	Western Union Company	352,000
	Communications - 9.95%	
71,200	America Movil, S.A.B. de C.V. Series A	88,983
209,144	America Movil, S.A.B. de C.V. Series L	259,910
44,690	America Movil, S.A.B. de C.V. ADR	1,109,653
12,698	Atlantic Tele-Network, Inc.	461,699
377,100	Fuego Enterprises Inc.	4,714
168	Garmin Ltd	7,888
23,666	Grupo Radio Centro, S.A.B. ADR	225,537
32,400	Grupo Televisa, S.A.B. ADR	682,992
8,030	Spanish Broadcasting System, Inc.	54,203
	Conglomerates and holdings companies - 0.09%	
250,000	Admiralty Holding Company	--
70,348	BCB Holdings Ltd.	23,042
3,250	Shellshock Ltd. Ord.	2,103
	Construction and related - 8.18%	
58,021	Cemex S.A.B. de C.V. Series CPO	44,839
57,656	Cemex S.A.B. de C.V. ADR	447,407
20	Ceramica Carabobo Class A ADR	--
4,100	Homex Development Corp	76,916
74,132	Mastec, Inc.	1,341,048
5,400	Vulcan Materials	230,742
2,800	Martin Marietta Materials	239,764
	Consumer products and related manufacturing - 7.64%	
15,273	Grupo Casa Saba, S.A.B. de C.V. ADR	144,941
28,100	Watsco Incorporated	2,080,524
	Food, beverages and tobacco - 12.56%	
20,000	Chiquita Brands International Inc.	175,800
53,874	Cleanpath Resources Corp.	11
22,500	Coca Cola Femsa, S.A.B. de C.V. ADR	2,382,975
6,000	Fomento Economico Mexicano, S.A.B. de C.V. ADR	493,620
18,900	Fomento Economico Mexicano, S.A.B. de C.V. Series UBD	155,207
19,690	Fresh Del Monte Produce Inc.	449,720
	Housing - 3.50%	
37,500	Lennar Corporation	1,019,250
	Investment companies - 0.01%	
4,420	Shellproof Limited	3,213
70,348	Waterloo Investment Holdings Ltd	--
	Leisure - 11.40%	
41,000	Carnival Corp.	1,315,280
44,000	Royal Caribbean Cruises Ltd.	1,294,920
14,527	Steiner Leisure Ltd.	709,353
	Mining - 0.30%	
3,872	Grupo Mexico, S.A.B. de C.V. Series B	12,211
2,000	Freeport Mcomoran Copper	76,080
	Pulp and paper - 0.14%	
18,300	Kimberly-Clark de Mexico, S.A.B. de C.V. Series A	40,856

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Railroad - 6.40%		
18,500	Norfolk Southern Corporation	1,217,855
30,000	RailAmerica Inc.	643,800
Retail - 4.45%		
1,270	Grupo Elektra, S.A.B. de C.V. Series CPO	118,568
12,000	Pricemart, Inc.	873,720
90,222	Wal-Mart de Mexico, S.A.B. de C.V. Series V	302,348
Service - 0.02%		
700	Grupo Aeroportuario del Sureste, S.A.B. de C.V. Series B	4,794
Trucking and marine freight - 12.16%		
12,280	Grupo TMM, S.A.B. ADR	24,560
1,321	Seaboard Corporation	2,577,271
2,000	Seacor Holdings, Inc.	191,560
10,000	Teekay Corporation	347,500
8,361	Teekay LNG Partners LP	327,417
93,687	Trailer Bridge, Inc.	14,521
28,000	Ultrapetrol Bahamas Ltd.	56,000
Utilities - 4.97%		
12,000	Caribbean Utilities Ltd. Class A	119,940
66,841	Consolidated Water, Inc.	528,712
700	Cuban Electric Company	--
45,500	Teco Energy Inc.	798,525
Other - 0.99%		
100,000	Cuba Business Development	--
25,000	Geltech Solutions Inc.	19,750
13,000	Impellam Group	72,698
55,921	Margo Caribe, Inc.	195,724
895	Siderurgica Venezolana Sivensa, S.A. ADR	--
79	Siderurgica Venezolana Sivensa, S.A. Series B	--
Total common stocks - 99.57% (cost \$25,383,545)		28,985,405
Bonds - 0.00% of net assets		
165,000	Republic of Cuba - 4.5%, 1977 - in default (cost \$63,038)	--
Other assets less liabilities - 0.43% of net assets		\$ 125,414
Net assets - 100% (applicable to 3,713,071 shares; equivalent to \$7.84 per share)		\$ 29,110,819

Security Valuation

The Herzfeld Caribbean Basin Fund, Inc. (the "Fund") records its investments in securities at fair value. Under generally accepted accounting principles ("GAAP"), fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e., the "exit price") in an orderly transaction between market participants at the measurement date.

In determining fair value, the Fund uses various valuation approaches. GAAP establishes a fair value hierarchy for inputs used in measuring fair value that

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maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available.

Observable inputs are those that market participants would use in pricing the asset or liability based on market data obtained from sources independent of the Fund. Unobservable inputs reflect the Fund's assumptions about the inputs market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The fair value hierarchy is categorized into three levels based on the inputs as follows:

- Level 1: quoted prices in active markets for identical investments
- Level 2: other significant observable inputs (including quoted prices for similar investments, interest rates, prepayment speeds, credit risk, etc.)
- Level 3: significant unobservable inputs (including the Fund's own assumptions in determining the fair value of investments)

The availability of valuation techniques and observable inputs can vary from security to security and is affected by a wide variety of factors including the type of security, whether the security is new and not yet established in the marketplace, and other characteristics particular to the transaction. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Those estimated values do not necessarily represent the amounts that may be ultimately realized due to the occurrence of future circumstances that cannot be reasonably determined. Because of the inherent uncertainty of valuation, those estimated values may be materially higher or lower than the values that would have been used had a ready market for the securities existed. Accordingly, the degree of judgment exercised by the Fund in determining fair value is greatest for securities categorized in Level 3. In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy within which the fair value measurement in its entirety falls, is determined based on the lowest level input that is significant to the fair value measurement.

Fair value is a market-based measure considered from the perspective of a market participant rather than an entity-specific measure. Therefore, even when market assumptions are not readily available, the Fund's own assumptions are set to reflect those that market participants would use in pricing the asset or liability at the measurement date. The Fund uses prices and inputs that are current as of the measurement date, including periods of market dislocation. In periods of market dislocation, the observability of prices and inputs may be reduced for many securities. This condition could cause a security to be reclassified to a lower level within the fair value hierarchy.

Investments in securities traded on a national securities exchange (or reported on the NASDAQ National Market or Capital Market) are stated at the last reported sales price on the day of valuation (or at the NASDAQ official closing price); other securities traded in the over-the-counter market and listed securities for which no sale was reported on the date are stated at the last quoted bid price. Restricted securities and other securities for which quotations are not readily available are valued at fair value as determined by the Board of Directors.

The following table summarizes the classification of the Fund's investments by the above fair value hierarchy levels as of March 31, 2012:

Level 1	Level 2	Level 3	Total
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Assets (at fair value)				
Common Stocks	\$28,983,302	\$2,103	\$0	\$28,985,405
Debt Securities	0	0	0	0
Total Investments in securities	\$28,983,302	\$2,103	\$0	\$28,985,405

The following is a reconciliation of assets in which significant unobservable inputs (Level 3) were used to determine fair value:

	Investments in Securities at Fair Value
Balance December 31, 2011	\$0
Unrealized gain/(loss)	0
Net purchases	0
Net sales	(0)
Transfers into Level 3	0
Transfers out of Level 3	(0)
Balance March 31, 2012	\$0

ITEM 2. CONTROLS AND PROCEDURES

- (a) The registrant's principal executive and principal financial officers have concluded that the registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940, as amended (the "1940 Act") (17 CFR 270.30a-3(c))) are effective, as of a date within 90 days of the filing date of this Form N-Q that includes the disclosure required by this paragraph based on their evaluation of the controls and procedures required by Rule 30a-3(b) under the 1940 Act (17 CFR 270.30a-3(b)) and Rules 13a-15(b) or 15d-15(b) under the Securities Exchange Act of 1934 (17 CFR 240.13a-15(b) or 240.15d-15(b)).
- (b) There were no changes in the registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the 1940 Act (17 CFR 270.30a-3(d))) that occurred during the registrant's last fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

ITEM 3. EXHIBITS

The certifications required by Rule 30a-2 under the Investment Company Act of 1940, as amended, and Section 302 of the Sarbanes-Oxley Act of 2002 are attached as an exhibit to this filing.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

The Herzfeld Caribbean Basin Fund, Inc.

By /s/ Thomas J. Herzfeld

Thomas J. Herzfeld
Chairman and President

Date: May 28, 2012

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Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By /s/ Thomas J. Herzfeld

Thomas J. Herzfeld
Chairman and President

Date: May 28, 2012

By /s/ Cecilia L. Gondor

Cecilia L. Gondor
Treasurer

Date: May 28, 2012