

Herzfeld Credit Income Fund, Inc.

Announces Board Approval of Change in Dividend Reinvestment Policy

MIAMI BEACH, FLA., July 16, 2025 – Herzfeld Credit Income Fund, Inc. (NASDAQ: HERZ) (the “Fund”) today announced that the Fund’s Board of Directors (“Board”) approved amendments to the Fund’s Dividend Reinvestment Plan (the “Plan”), on May 8, 2025. The changes to the Plan will become effective thirty (30) days from the date that notice is mailed to shareholders of the Fund.

The amendments make a number of changes to the Plan to align the terms with more recently adopted dividend reinvestment plans of similar funds in our industry. Such changes include a modification that allows the Fund to issue new shares to Plan participants regardless of whether the Fund’s common stock is trading at a premium or discount to the Fund’s NAV. The prior plan required the Fund to purchase shares on the open marketing in cases where the market price of the common stock is trading at a price below NAV.

In addition, the Plan, as amended, determines the number of shares to be received when distributions are reinvested by dividing the amount of the distribution by 95% of (i) the market price per share of common stock at the close of regular trading on the securities exchange where the Fund’s securities are listed on that date (currently the NASDAQ Capital Market (the “Exchange”)), or, (ii) if there is no sale on the Exchange on that date, then the average between the closing bid and asked quotations on the Exchange on such date will be used.

The Fund encourages its shareholders to carefully review the Plan to determine whether they would like to remain or become a Plan participant.

About Thomas J. Herzfeld Advisors, Inc.

Thomas J. Herzfeld Advisors, Inc. (the “Advisor”), founded in 1984, is an SEC registered investment advisor, specializing in investment analysis and account management in closed-end funds.

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 the Advisor 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 the Advisor’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. The Advisor 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 the Advisor 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 risk factors, among others, could cause actual events to differ materially from forward-looking statements or historical performance: (1) portfolio fair value risk; (2) potential conflicts of interest risk; (3) collateralized loan obligation risk; (4) covenant-lite loans risk; (5) subordinated securities risk; (7) high yield investment risk; (8) default risk; (9) non-diversification risk; (10) leverage risk; (11) reliance on senior management personnel of the Adviser risk; (12) liquidity risk; (13) risks related to the Adviser’s incentive fee; (14) market risks; (15) inflation risk; (16) interest rate risk; (17) regulatory risk; (18) credit spread risk; (19) prepayment risk; (20) volatility risk; (21) equity risk; (22) foreign exchange rate risk; and (23) cybersecurity risk. 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 Advisor’s website at www.herzfeld.com/herz, and may discuss these or other factors that affect the Fund. The information contained on the Advisor’s website is not a part of this press release.

Contact:

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July 18, 2025

Dear Shareholders:

Having received the approval of our Board of Directors, we have modified the Dividend Reinvestment Plan (the “Plan”) for Herzfeld Credit Income Fund, Inc., formerly The Herzfeld Caribbean Basin Fund, Inc., (the “Fund”) as set forth in the attached Plan. The changes to the Plan will become effective thirty (30) days from the date of this mailing.

There are a number of changes made to the Plan to align the terms with more recently adopted dividend reinvestment plans of similar funds in our industry. Among the changes made is a modification that allows the Fund to issue new shares to Plan participants regardless of whether the Fund’s common stock is trading at a premium or discount to the Fund’s NAV. The prior plan required the Fund to purchase shares on the open market in cases where the market price of the common stock is trading at a price below NAV.

In addition, the new Plan determines the number of shares to be received when distributions are reinvested by dividing the amount of the distribution by 95% of (i) the market price per share of common stock at the close of regular trading on the securities exchange where the Fund’s securities are listed on that date (currently the NASDAQ Capital Market (the “Exchange”)), or, (ii) if there is no sale on the Exchange on that date, then the average between the closing bid and asked quotations on the Exchange on such date will be used.

Please review the Plan carefully to determine whether you would like to remain or become a Plan participant.

Of course any questions can be directed to the Equiniti Trust Company by phone at (877) 283-0317, by email at helpAST@equiniti.com or by mail at Equiniti Trust Company, LLC, P.O. Box 10027, Newark, NJ 07101.

Sincerely,



Alice Tham
Secretary
Herzfeld Credit Income Fund, Inc.

THE HERZFELD CARRIBEAN BASIN FUND, INC.

TERMS AND CONDITIONS OF THE DIVIDEND REINVESTMENT PLAN

Registered holders (“Stockholders”) of shares of common stock, \$0.001 par value (“Common Stock”) of Herzfeld Caribbean Basin Fund, Inc. (the “Fund”) will automatically be enrolled (“Participants”) in the Fund’s Dividend Reinvestment Plan (the “Plan”) and are advised as follows:

1. Equiniti & Trust Company, LLC (the “Agent”) will act as agent for each Participant. The Agent will open an account for each registered shareholder as a Participant under the Plan in the same name in which such Participant’s shares of Common Stock are registered. Under the Plan, the Fund’s Distributions (defined below), net of any applicable U.S. withholding tax, are reinvested in the same class of shares of the Fund.
2. Stockholders automatically participate in the Plan, unless and until an election is made to withdraw from the plan on behalf of such participating Stockholder. A Stockholder who does not wish to have Distributions automatically reinvested may terminate participation in the Plan by written instructions to that effect to the Agent. Shareholders who elect not to participate in the Plan will receive all distributions in cash paid to the Stockholder of record (or, if the shares are held in street or other nominee name, then to such nominee). Such written instructions must be received by Equiniti within 15 days prior to the applicable dividend payment date, or the Stockholder will receive such Distribution in shares through the Plan. Under the Plan, the Fund’s Distributions to Stockholder are automatically reinvested in full and fractional shares as described below.
3. When the Fund declares a dividend, capital gain or other distribution (each, a “Distribution” and collectively, “Distributions”) the Agent, on the Stockholder’s behalf, will receive additional authorized shares from the Fund either newly issued or repurchased from Stockholders by the Fund and held as treasury stock. Distributions that are reinvested through the issuance of new shares increase our Stockholders’ equity on which a management fee is payable to the Fund’s investment manager, Thomas J. Herzfeld Advisors, Inc. (the “Adviser”). The number of shares to be received when Distributions are reinvested will be determined by dividing the amount of the Distribution by 95% of the market price per share of the Fund’s common stock at the close of regular trading on the securities exchange where the Fund’s securities are listed on that date (currently the NASDAQ Capital Market)(the “Exchange”), or, if there is no sale on the Exchange on that date, then the average between the closing bid and asked quotations on the Exchange on such date will be used. The newly issued shares would be issued whether our shares are trading at a premium or discount to NAV. However, the Fund reserves the right to purchase shares in the open market in connection with the implementation of the Plan to the extent that shares are trading at a price below NAV per share. Shares purchased in open market transactions by the plan administrator will be allocated to a Stockholder based on the average purchase price, excluding any brokerage charges or other charges, of all shares purchased in the open market.

4. The Agent will maintain all Stockholder accounts and furnish written confirmations of all transactions in the accounts, including information needed by Stockholders for personal and tax records. The Agent will hold shares in the account of the Stockholders in non-certificated form in the name of the participant, and each Stockholder's proxy, if any, will include those shares purchased pursuant to the Plan. Each Participant, nevertheless, has the right to request certificates for whole and fractional shares owned. The Fund will issue certificates in its sole discretion. The Agent will distribute all proxy solicitation materials, if any, to participating Stockholders.
5. In the case of Stockholders, such as banks, brokers or nominees, that hold shares for others who are beneficial owners participating under the Plan, the Agent will administer the Plan on the basis of the number of shares certified from time to time by the record stockholder as representing the total amount of shares registered in the Stockholder's name and held for the account of beneficial owners participating under the Plan.
6. Neither the Agent nor the Fund shall have any responsibility or liability beyond the exercise of ordinary care for any action taken or omitted pursuant to the Plan, nor shall they have any duties, responsibilities or liabilities except such as expressly set forth herein. Neither shall they be liable hereunder for any act done in good faith or for any good faith omissions to act, including, without limitation, failure to terminate a participant's account prior to receipt of written notice of his or her death or with respect to prices at which shares are purchased or sold for the participant's account and the terms on which such purchases and sales are made, subject to applicable provisions of the federal securities laws.
7. The automatic reinvestment of Distributions will not relieve participants of any federal, state or local income tax that may be payable (or required to be withheld) on such Distributions. See "U.S. Federal Income Tax Matters."
8. The Fund reserves the right to amend or terminate the Plan upon 60 days' notice to Stockholders. There is no direct service charge to Participants with regard to purchases under the Plan; however, the Fund reserves the right to amend the Plan to include a service charge payable by the Participants.
9. All correspondence concerning the Plan should be directed to Equiniti Trust Company, LLC, P.O. Box 10027, Newark, NJ 07101. Certain transactions can be performed by calling the toll-free number (877) 283-0317.

As of May 8, 2025