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HERZFELD CARIBBEAN BASIN FUND INC

Form N-Q

May 02, 2006

FORM N-Q  
 QUARTERLY SCHEDULE OF PORFOLIO HOLDINGS OF REGISTERED MANAGEMENT  
 INVESTMENT COMPANY

Investment Company Act file number 811-06445

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 The Herzfeld Caribbean Basin Fund, Inc.

-----  
 (Exact name of registrant as specified in charter)

P.O. BOX 161465, MIAMI, FLORIDA 33116

-----  
 (Address of principal executive offices) (Zip code)

THOMAS J. HERZFELD  
 P.O. BOX 161465, MIAMI, FL 33116

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 (Name and address of agent for service)

Registrant's telephone number, including area code: 305-271-1900

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 Date of fiscal year end: 06/30/06

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 Date of reporting period: 03/31/06

ITEM 1. SCHEDULE OF INVESTMENTS

SCHEDULE OF INVESTMENTS AS OF MARCH 31, 2006 (unaudited)

Shares or Principal Amount	Description	Market Value
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Common stocks - 100.17% of net assets		
Banking and finance - 5.53%		
10,000	Bancolombia, S.A	\$ 349,000
22,920	Banco Latinoamericano de Exportaciones, S.A	389,869
2,000	Doral Financial Corp.	23,100
16,400	Grupo Financiero Banorte, S.A. de C.V. Series O	38,840
9,900	Grupo Financiero Inbursa, S.A. de C.V. Series O*	14,722
Communications - 11.99%		
35,600	America Movil, S.A. de C.V. Series A	60,455
137,300	America Movil, S.A. de C.V. Series L	234,925
12,500	America Telecom, S.A. de C.V. Series A1*	72,838
4,100	Atlantic Tele-Network, Inc.	233,700
11,900	Carso Global Telecom, S.A. de C.V. Series A1*	26,871
7,000	Garmin Ltd.	556,010
725	Grupo Iusacell, S.A. de C.V. *	1,867
16,800	Grupo Radio Centro, S.A. ADR	96,600
14,300	Grupo Televisa, S.A. ADR	284,570

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13,400 Grupo Televisa, S.A. Series CPO	53,199
1,000 Telefonos de Mexico ADR	22,480
23,800 Telefonos de Mexico, S.A. de C.V. Series A	26,653
78,600 Telefonos de Mexico, S.A. de C.V. Series L	88,528
13,900 TV Azteca, S.A. de C.V. Series CPO	8,740
Conglomerates and holdings companies - 2.31%	
5,400 Alfa, S.A. de C.V. Series A	30,728
42,595 BB Holdings Ltd.*	195,937
13,000 Carlisle Group Ltd.*	26,429
3,200 Corporacion Interamericana de Entretenimiento, S.A. de C.V. Series B*	6,316
1,580 Desc, S.A. de C.V. Series B*	1,826
11,000 Grupo Carso, S.A. de C.V. Series A1	25,435
600 Grupo Imsa, S.A. de C.V. Series UBC	2,054
2,525 OneSource Services, Inc.	31,151
3,300 U.S. Commercial Corp., S.A. de C.V.*	1,045
2,900 Vitro, S.A. Series A	2,662
6,000 Vitro, S.A. ADR	16,500
Construction and related - 11.88%	
22,716 Cemex, S.A. de C.V. Series CPO	148,048
1,500 Cemex S.A. de C.V. ADR	97,920
2,032 Ceramica Carabobo Class A ADR*	4,228
4,300 Consorcio ARA, S.A. de C.V.	19,104
3,583 Empresas ICA, Sociedad Controladora, S.A. de C.V.*	11,051
800 Grupo Cementos de Chihuahua, S.A. de C.V	2,497
20,600 Florida Rock Industries, Inc.	1,158,132
21,950 Mastec, Inc.*	311,032
Consumer products and related manufacturing - 9.55%	
800,000 Atlas Electricas, S.A	35,594
5,900 Grupo Casa Saba, S.A. ADR	129,682
17,500 Watsco Incorporated	1,243,375
Food, beverages and tobacco - 1.86%	
300 Alsea, S.A. de C.V.	1,033
4,800 Coca-Cola Femsa, S.A. de C.V. ADR	159,360
200 Coca-Cola Femsa, S.A. de C.V., Series L	664
6,300 Fomento Economico Mexicano, S.A. de C.V. Series UBD	58,003
800 Gruma S.A. de C.V. Series B	2,350
7,600 Grupo Bimbo, S.A. de C.V. Series A	24,947
7,700 Grupo Modelo, S.A. de C.V. Series C	28,096
Housing - 0.08%	
1,700 Corporacion Geo S.A. de C.V., Series B*	6,258
100 Desarrolladora Homex, S.A. de C.V.	587
400 Sare Holding, S.A. de C.V. Series B*	466
500 Urbi Dessarrollos Urbanos, S.A. de C.V.*	3,783
Investment companies - 1.82%	
4,000 The Mexico Fund	121,920
11,000 Salomon Brothers Worldwide Income Fund	146,410
Leisure - 9.22%	
10,500 Carnival Corp.	497,385
20,500 Royal Caribbean Cruises Ltd.	861,410
Medical - 3.50%	
25,159 CancerVax Corp.	71,200
11,160 Orthofix International N.V.*	444,391

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Mining - 0.02%		
1,200	Grupo Mexico, S.A. de C.V., Series B	3,409
Pulp and paper - 0.14%		
6,100	Kimberly-Clark de Mexico, S.A. de C.V. Series A	20,830
Railroad and landholdings - 18.10%		
49,500	Florida East Coast Industries Inc.	2,668,050
Retail - 0.95%		
3,700	Controladora Comercial Mexicana, S.A. de C.V. Series UBC	6,317
1,380	Grupo Elektra, S.A. de C.V. Series CPO	13,871
44,612	Wal-Mart de Mexico, S.A. de C.V. Series V	119,372
Service - 0.01%		
700	Grupo Aeroportuario del Sureste, S.A. de C.V. Series B	2,332
100	Promotora Ambiental S.A. de C.V.*	133
Trucking and marine freight - 10.70%		
14,800	Grupo TMM, S.A. ADR*	72,816
700	Seaboard Corporation	1,115,800
41,799	Trailer Bridge, Inc.*	388,731
Utilities - 9.27%		
12,000	Caribbean Utilities Ltd. Class A	145,080
49,600	Consolidated Water, Inc.	1,214,704
700	Cuba Electric Company*	6,930
Other - 3.24%		
3,000	Copa Holdings	68,550
54,921	Margo Caribe, Inc.*	390,488
100	Mexichem S.A. de C.V.	128
843	Siderurgica Venezolana Sivensa ADR	3,438
75	Siderurgica Venezolana Sivensa Series B	306
45,000	Xcelera, Inc.*	14,175
Total common stocks (cost \$8,374,039)		\$ 14,767,436
Bonds - 0% of net assets		
165,000	Republic of Cuba - 4.5%, 1977 - in default (cost \$63,038)*	--
Other assets less liabilities - (0.17%) of net assets		\$ (24,687)
Net assets - 100% (applicable to 1,677,636 shares; equivalent to \$8.79 per share) (a)		\$ 14,742,739

\*Non-income producing

(a) The cost for federal income tax purposes was \$8,374,039. At March 31, 2006, net unrealized gain for all securities based on tax cost was \$6,393,397. This consisted of aggregate gross unrealized appreciation for all securities in which there was an excess value over tax cost of \$6,798,642 and aggregate gross unrealized depreciation for all securities in which there was an excess of tax cost over value of \$405,245.

### ITEM 2. CONTROLS AND PROCEDURES

- (a) The registrant's principal executive and principal financial officer have concluded that the registrant's disclosure controls and

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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 of the Investment Company Act of 1940, as amended, is 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  
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Thomas J. Herzfeld  
Chairman and President

Date: May 2, 2006

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  
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Thomas J. Herzfeld  
Chairman and President

Date: May 2, 2006

By /s/ Cecilia L. Gondor  
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Cecilia L. Gondor  
Treasurer

Date: May 2, 2006