

THE TAIWAN FUND, INC.

Manager's Commentary

Market Review

The TWSE Index (which may also be referred to as the TAIEX Index or the TSEC Index, is a capitalization-weighted index of all listed common shares traded on the Taiwan Stock Exchange) rose 10.53% in January 2023, in US dollar terms. The top three performing industries were Semiconductors & Semiconductor Equipment, Retailing, and Software & Services. The top three underperforming industries were Transportation, Food & Staples Retailing and Telecommunication Services. The Taiwan TPEX Exchange Index, ("TWOTCI", the over-the-counter index) rose 10.37% in January.

Fund Review (Attribution Reports)

The Taiwan Fund, Inc. (the "Fund") outperformed the Taiwan TAIEX Total Return Index (the "benchmark") in January, 2023, as it benefitted largely from its overweight position in the Semiconductor & Semiconductor Equipment industry group and its underweight position in Transportation Infrastructure. Stock selection in the Capital Goods industry group contributed positively to performance. On the other hand, the Fund's overweight position in Technology Hardware & Equipment, Consumer Durables & Apparel and cash each contributed negatively to performance. At the stock selection level, the largest contributors were Taiwan Semiconductor Manufacturing Company, Ltd., eMemory Technology Inc., and Advanced Energy Solution Holding Co., Ltd., while the largest detractors were Lotes Co., Ltd., Fulgent Sun International (Holding) Co. Ltd., and Asia Vital Components Co., Ltd.

Key Transactions

The total securities holdings of the Fund stood at 90.6% at January month-end. This represented a slight increase from 87.7% at December 2022 year-end. Of the Fund's securities holdings, 80.4% were held in TWSE traded securities and 10.2% in OTC traded securities. The major changes in the portfolio were the addition of Food, Beverage & Tobacco and Food & Staples Retailing industry group securities in consideration of their stable earnings growth and an increased holding in the Materials industry group based upon higher demand, driven by green energy-related businesses. The Fund reduced its position in the Technology Hardware & Equipment industry group based on our expectation of continued weak demand.

We have added weightings to the Food, Beverage & Tobacco and Food & Staples Retailing industry groups by taking positions in Uni-President Enterprises Corp. and President Chain Store Corporation based on our expectation of domestic consumption recovery. In addition, we increased our position in the Materials industry group via Swancor Holding Co., Ltd. with a focus on its wind power-related business. We have reduced our position in E Ink Holdings Inc. in the Technology Hardware & Equipment industry, as its clients announced conservative business plans and component suppliers' announced higher inventories.

Fund Data

Description	Seeks long-term capital appreciation primarily through investments in equity securities listed in Taiwan.
Inception Date	December 23, 1986
Total Fund Assets (millions)	\$231.5
Median Market Cap (in billions)	\$3.3
Distribution Frequency	Annual
Management Firm	Nomura Asset Management U.S.A. Inc.

Fund Manager



Sky Chen
Lead Portfolio Manager

Performance

(US\$ Returns as of 1/31/2023)

	Fund	Benchmark ¹
One Month	11.08%	10.53%
Three Month	27.69%	26.72%
One Year	-22.54%	-16.16%
Three Year (Annualized)	17.74%	14.20%

Net Asset Value/Market Price (as of 1/31/2023)

NAV/Market Price	\$30.99 / \$25.957
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High/Low Ranges (52-Week)

High/Low NAV	\$42.43 / \$23.07
High/Low Market Price	\$35.67 / \$18.70
Premium/Discount to NAV (as of 1/31/2023)	-16.241

Fund Data (Common Shares)

Shares Outstanding	7,470,494
Average Daily Volume	7,679
Expense Ratio ²	1.02%

¹Taiwan TAIEX Total Return Index.

²12 months ended August 31, 2022, before waiver fee. The expense ratio after the fee waiver is 0.96%.

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NOMURA ASSET MANAGEMENT
Nomura Asset Management U.S.A. Inc.

THE TAIWAN FUND, INC.

Manager's Commentary (continued)

Outlook and Strategy

As we expected, the market rebounded in January based on a continued softening of inflation pressure. In addition, companies in the recent cycle of reporting results announced that inventory adjustments have progressed satisfactorily and are expected to return to normal levels sometime in the 1st half of 2023. Therefore, share prices went up sharply as a result even as the US Federal Reserve raised interest rates by 25 bps at its latest meeting. Foreign investors bought US\$6.68 billion (net) in the Taiwan stock market in January so as to not miss out on market sentiment, while mainly being focused on buying technology companies.

It remains to be seen whether the forecasted inventory consumption in the 1st half of 2023 and, more importantly, the speed of demand recovery in the 2nd half of 2023 will emerge. As interest rates have remained high, consumer spending is forecasted to be conservative in 2023. It is our belief that the weakening demand is likely to persist and would set up a trough in earnings for the first half of 2023. Therefore, a fundamental dip in the 1st half of 2023 could provide buying opportunities. We continue to maintain our stance of investing in companies which have benefitted from market share gains, secular growth trends and strong competitiveness as we believe they are more likely to outperform in a weaker cycle. We are also focused on companies in which earnings revisions are largely done and are trading at reasonable valuations, while also staying alert to the macro environment and potential recession risks.

THE TAIWAN FUND, INC.

Returns (%)

	1 Month	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception
NAV	11.08	27.69	11.08	-22.54	17.74	13.03	11.58	9.48
Market Price	12.43	38.31	12.43	-23.51	17.39	11.55	10.56	7.93
Taiwan TAIEX Total Return Index	10.53	26.72	10.53	-16.16	14.20	10.12	10.73	—
Taiwan TAIEX Price Index	10.53	26.51	10.53	-19.99	10.14	5.94	6.70	—
MSCI Taiwan Index (net)	12.67	30.19	12.67	-19.27	13.88	10.30	10.80	—

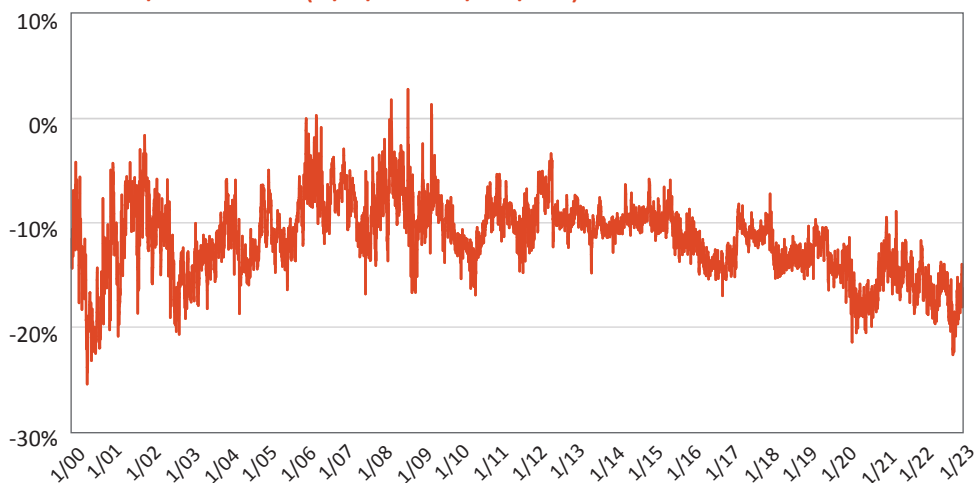
Calendar Year Returns (%)

	2015	2016	2017	2018	2019	2020	2021	2022
NAV	-6.43	11.17	28.44	-14.96	47.11	41.97	55.09	-36.27
Market Price	-10.52	10.05	33.61	-19.11	46.75	39.81	58.26	-38.54
Taiwan TAIEX Total Return Index	-10.40	17.81	29.45	-7.86	32.19	35.62	29.04	-26.80
Taiwan TAIEX Price Index	-13.81	13.11	24.56	-11.51	26.46	31.01	25.59	-30.15
MSCI Taiwan Index (net)	-11.72	18.54	27.53	-8.93	36.37	40.99	26.13	-29.76

Past performance is not indicative of future results.

Returns are expressed in US dollars and are annualized except for periods of less than one year. Source: Nomura Asset Management U.S.A. Inc., utilizing data from State Street Bank & Trust company. Returns for the Fund are historical returns that reflect changes in net asset value and market price per share during each period and assume that dividends and capital gains, if any, were reinvested. Net asset value is total assets less total liabilities divided by the number of shares outstanding. NAV performance includes the deduction of management fees and other expenses. NAV and market price returns do not reflect broker sales charges or commissions, which would reduce returns. Expense Ratio: 1.02% for the 12 month period ended August 31, 2022, before waiver fee. The expense ratio after the fee waiver is 0.96%.

Premium/Discount (1/3/00 - 1/31/23)



Past performance is not indicative of future results.

Sector Breakdown (%)

	Fund	Benchmark
Information Technology	71.12	56.34
Consumer Discretionary	5.83	5.86
Communication Services	4.16	3.07
Industrials	3.96	7.35
Consumer Staples	2.93	2.29
Financials	1.49	12.96
Materials	1.12	8.28
Energy	0.00	1.65
Real Estate	0.00	1.35
Health Care	0.00	0.69
Utilities	0.00	0.16

Top 10 Holdings (%)

Taiwan Semiconductor Manufac	25.55
Ememory Technology Inc	4.75
Delta Electronics Inc	4.06
Advanced Energy Solution Hol	3.83
Nuvoton Technology Corp	3.63
Global Unichip Corp	3.62
Aspeed Technology Inc	2.87
Alchip Technologies Ltd	2.61
Gold Circuit Electronics Ltd	2.23
Lotes Co Ltd	2.21

Holdings and sector weightings are subject to change. As of 1/31/2023.

THE TAIWAN FUND, INC.

Portfolio Characteristics

	Fund
Number of Issues	45
Foreign Holdings (%)	90.60
Cash and Other Assets less Liabilities (%)	9.40
Dividend Yield (%)	N.A.

As of 1/31/2023.

Distribution History (10 Year)

Ex-dividend Date	Record Date	Payable Date	Distribution/Share	Income	Long-term Capital Gain	Short-term Capital Gain
12/26/14	12/30/14	1/9/15	2.633200	0.000000	2.633200	0.000000
12/28/17	12/29/17	1/9/18	0.660000	0.660000	0.000000	0.000000
12/20/18	12/21/18	1/4/19	1.707800	0.000000	1.707800	0.000000
12/27/19	12/30/19	1/10/20	1.699100	1.469500	0.164500	0.065100
12/28/20	12/29/20	1/8/21	3.312200	0.375900	0.615600	2.320700
12/27/21	12/28/21	1/10/22	2.922700	0.478000	2.444700	0.000000

Distribution/Share includes income, long-term capital gains, and short-term capital gains.

THE TAIWAN FUND, INC.**All Portfolio Holdings**

As of January 31, 2023

Sector	Company (exchange ticker)	Price TWD	Holding	Value US\$	of Fund	
INFORMATION TECHNOLOGY					71.12	
	Taiwan Semiconductor Manufacturing Co. Ltd.	2330-TW	522.00	3,402,000	59,145,512	25.55
	eMemory Technology, Inc.	3529-TW	1,620.00	204,000	11,006,828	4.75
	Delta Electronics, Inc.	2308-TW	289.00	976,000	9,394,305	4.06
	Nuvoton Technology Corp.	4919-TW	129.50	1,950,000	8,410,491	3.63
	Global Unichip Corp.	3443 TW	782.00	322,000	8,386,478	3.62
	ASPEED Technology, Inc.	5274-TW	2,100.00	95,000	6,644,463	2.87
	Alchip Technologies Ltd.	3661-TW	843.00	215,000	6,036,470	2.61
	Gold Circuit Electronics Ltd.	2368-TW	87.30	1,772,100	5,152,517	2.23
	Lotes Co. Ltd.	3533-TW	758.00	203,000	5,124,863	2.21
	Asia Vital Components Co. Ltd.	3017-TW	117.50	1,406,000	4,963,730	2.14
	MediaTek, Inc.	2454-TW	718.00	202,000	4,830,508	2.09
	SDI Corp.	2351-TW	113.50	955,000	3,610,075	1.56
	Accton Technology Corp.	2345-TW	243.50	407,000	3,300,733	1.43
	E Ink Holdings, Inc.	8069-TW	172.50	536,000	3,079,434	1.33
	Hon Hai Precision Industry Co. Ltd.	2317-TW	99.70	916,000	3,041,639	1.31
	Realtek Semiconductor Corp.	2379-TW	320.00	282,000	3,005,495	1.30
	Jentech Precision Industrial Co. Ltd.	3653-TW	375.00	240,000	2,997,502	1.29
	Tong Hsing Electronic Industries Ltd.	6271-TW	228.00	350,100	2,658,544	1.15
	Genius Electronic Optical Co. Ltd.	3406-TW	365.50	181,000	2,203,347	0.95
	Compeq Manufacturing Co Ltd	2313-TW	45.55	1,376,000	2,087,487	0.90
	Wiwynn Corp.	6669-TW	750.00	76,000	1,898,418	0.82
	Gigabyte Technology Co. Ltd.	2376-TW	115.50	481,000	1,850,308	0.80
	Parade Technologies Ltd.	4966-TW	922.00	45,000	1,381,848	0.60
	Globalwafers Co. Ltd.	6488-TW	523.00	78,000	1,358,668	0.59
	Novatek Microelectronics Corp	3034-TW	355.00	101,000	1,194,172	0.52
	Largan Precision Co Ltd	3008-TW	2,125.00	15,000	1,061,615	0.46
	Unimicron Technology Corp.	3037-TW	136.50	185,000	841,049	0.36
CONSUMER DISCRETIONARY					5.83	
	Eclat Textile Co. Ltd.	1476-TW	496.50	287,000	4,745,895	2.05
	Fulgent Sun International Holding Co. Ltd.	9802-TW	132.50	505,000	2,228,559	0.96
	Feng TAY Enterprise Co. Ltd.	9910-TW	197.00	290,000	1,902,748	0.82
	Nien Made Enterprise Co. Ltd.	8464-TW	311.50	160,000	1,659,950	0.72
	Makalot Industrial Co. Ltd.	1477-TW	218.00	196,000	1,423,081	0.61
	Merida Industry Co. Ltd.	9914-TW	181.50	198,000	1,196,903	0.52
	Taiwan Paiho Ltd.	9938-TW	59.40	100,000	197,835	0.09
	Giant Manufacturing Co Ltd	9921-TW	205.00	20,000	136,553	0.06
COMMUNICATION SERVICES					4.16	
	Chunghwa Telecom Co. Ltd.	2412-TW	112.50	1,285,000	4,814,738	2.08
	Far EasTone Telecommunications Co. Ltd.	4904-TW	66.70	1,639,000	3,641,009	1.57
	Taiwan Mobile Co. Ltd.	3045-TW	94.60	373,000	1,175,214	0.51
INDUSTRIALS					3.96	
	Advanced Energy Solution Holding Co., Ltd.	6781-TW	784.00	340,000	8,877,935	3.83
	Nak Sealing Technologies Corp	9942-TW	108.50	80,000	289,093	0.12
CONSUMER STAPLES					2.93	
	President Chain Store Corp.	2912-TW	270.00	503,000	4,523,230	1.95
	Uni-President Enterprises Corp.	1216-TW	67.30	1,005,000	2,252,673	0.97
FINANCIALS					1.49	
	Chailease Holding Co. Ltd.	5871-TW	225.00	460,000	3,447,127	1.49
MATERIALS					1.12	
	Swancor Holding Co. Ltd.	3708-TW	109.50	628,000	2,290,291	0.99
	Century Iron & Steel Industrial Co. Ltd.	9958-TW	99.10	89,000	293,752	0.13

Source: State Street Bank and Trust Company, Nomura Asset Management U.S.A. Inc..

Note: Cash (including for these purposes cash equivalents) is not included.

THE TAIWAN FUND, INC.

The opinions expressed herein are those of Nomura Asset Management U.S.A. Inc. and are subject to change at any time and without notice. Past performance is not indicative of future results. This material is not intended as an offer or solicitation for the purchase or sale of any financial instrument, it is not provided in a fiduciary capacity, and may not be relied upon for or in connection with the making of investment decisions. Investors should consider the investment objectives, risks, charges, and expenses of any investment fund carefully before investing. This and other information is contained in the Fund's annual and semiannual reports, proxy statement, and other fund information, which may be obtained by contacting your financial professional or visiting the Fund's website at www.thetaiwanfund.com. This information is unaudited and is intended for informational purposes only. It is presented only to provide information on the Fund's holdings, performance, and strategies. The Fund is a closed-end exchange traded management investment company. This material is presented only to provide information and is not intended for trading purposes. Closed-end funds, unlike open-end funds, are not continuously offered. After the initial public offering by a closed-end fund, its shares can be purchased and sold on the open market through a stock exchange, where shares may trade at a premium or a discount the per share net asset value of the Fund's shares.

Index Descriptions

The Taiwan TAIEX Total Return Index is a stock market index for companies traded on the Taiwan Stock Exchange (TWSE). The index is calculated on a total return basis with net dividends reinvested. The MSCI Taiwan Index (net) is a free float-adjusted market capitalization-weighted index that measures the performance of the large and mid-cap segments of the Taiwan market. The index is calculated on a total return basis with net dividends reinvested. The Taiwan TAIEX Price Index is a stock market index for companies traded on the Taiwan Stock Exchange (TWSE). The index is calculated on a price return basis. The indexes are unmanaged, their returns do not reflect any fees, expenses, or sales charges, and they are not available for direct investment.

Important Information:

- Nomura Asset Management U.S.A. Inc. (NAM-USA) became the Investment Manager of the Fund on September 17, 2022. Portfolio holdings are subject to change daily. It should not be assumed that any of the securities transactions or holdings discussed here were or will prove to be profitable, or that the investment recommendations or decisions NAM-USA makes in the future will be profitable or will equal the investment performance of the securities discussed herein. Investing in the Fund involves certain considerations in addition to the risks normally associated with making investments in securities. The value of the shares issued by the Fund, and the income from them, may go down as well as up and there can be no assurance that upon sale, or otherwise, investors will receive back the amount originally invested. There can be no assurance that you will receive comparable performance returns. Movements in foreign exchange rates may have a separate effect, unfavorable as well as favorable, on the gain or loss otherwise experienced on an investment. Past performance is not a guide to future returns. Accordingly, the Fund is only suitable for investment by investors who are able and willing to withstand the total loss of their investment. In particular, prospective investors should consider the following risks:
- Discretionary investment is not risk free. The past operating performance does not guarantee a minimum return for the discretionary investment fund. Apart from exercising the duty of care of a prudent adviser, NAM-USA will not be responsible for the profit or loss of the Fund, nor guarantee a minimum return.
- It should be noted that investment in the Fund is only suitable for sophisticated investors who are aware of the risk of investing in Taiwan and should be regarded as long term. Funds that invest in one country carry a higher degree of risk than those with portfolios diversified across a number of markets.
- Investment in the securities of smaller and unquoted companies can involve greater risk than is customarily associated with investment in larger, more established, companies. In particular, smaller companies often have limited product lines, markets, or financial resources and their management may be dependent on a smaller number of key individuals. In addition, the market for stock in smaller companies is often less liquid than that for stock in larger companies, bringing with it potential difficulties in acquiring, valuing, and disposing of such stock. Proper information for determining their value, or the risks to which they are exposed, may not be available.
- Investments within emerging markets, such as Taiwan, can be of higher risk. Many emerging markets, and the companies quoted on their stock exchanges, are exposed to the risks of political, social, and religious instability, expropriation of assets or nationalization, rapid rates of inflation, high interest rates, currency depreciation, and fluctuations and changes in taxation which may affect the Fund's income and the value of its investments.
- The marketability of quoted shares may be limited due to foreign investment restrictions, wide dealing spreads, exchange controls, foreign ownership restrictions, the restricted opening of stock exchanges, and a narrow range of investors. Trading volume may be lower than on more developed stock markets, and equities are less liquid. Volatility of prices can also be greater than in more developed stock markets. The infrastructure for clearing, settlement, and registration on the primary and secondary markets may be undeveloped. Under certain circumstances, there may be delays in settling transactions in some of the markets.

Forward P/E Ratio: Per share stock price divided by projected future 12-months earnings per share. **P/B Ratio:** A ratio used to compare a stock's market value to its book value. **Dividend Yield:** Market cap weighted indicated annual yield on portfolio holdings based on the most recent announced distribution or dividend. **Beta:** A quantitative measure of the volatility, or systematic risk, of a security or a portfolio in comparison to the market as a whole. **R-Squared:** A measure that represents the percentage of a fund or security's movements that can be explained by movements in a benchmark index. **Standard Deviation:** Measures variability of returns around the average return for an investment portfolio. Higher standard deviation suggests greater risk.

NOT FDIC INSURED | MAY LOSE VALUE | NOT BANK GUARANTEED