

THE TAIWAN FUND, INC.

Manager's Commentary

Market Review

The Taiwan Stock Exchange Weighted Index ("TWSE") declined 3.85% in August 2023, in US dollar terms, with electronics leading the decline. The top three outperforming industry groups were Media & Entertainment, Automobiles & Components and Telecommunication Services. The top three underperforming industry groups were Pharmaceuticals, Biotechnology & Life Sciences, and Utilities and Household & Personal Products.

Fund Review (Attribution Reports)

The Taiwan Fund, Inc. (the "Fund") outperformed the Taiwan TAIEX Total Return Index (the "Benchmark") in August, as it benefited from its overweight position in Capital Goods. Performance also benefitted from its underweight positions in the Materials and Banks industry groups. Conversely, the Fund's performance was negatively impacted by its overweight positions in both the Consumer Durables & Apparel and Technology Hardware & Equipment industry groups. At the stock selection level, the largest contributors were Alchip Technologies Ltd., Gigabyte Technology Co. Ltd. and ASPEED Technology Inc., while the largest relative detractors were Taiwan Semiconductor Manufacturing Co. Ltd., Wistron Corporation and Global Unichip Corporation.

Key Transactions

The total securities holdings of the Fund stood at 89.50% of net assets at August month-end. This represented an increase from 86.81% at July month-end. The major changes in the portfolio were reductions to the Semiconductor & Semiconductor Equipment and Technology Hardware & Equipment industry groups as a result of the expected slow demand recovery in the second half of 2023. Conversely, the Fund has strategically increased its exposure to the Capital Goods industry group in order to better seize upon the potential trends of green energy and AI (artificial intelligence) servers. In the semiconductor space, the Fund has reduced its holdings in Nuvoton Technology Corporation and Taiwan Semiconductor Manufacturing Co. Ltd. as the industry recovery pace has been lagging and inventory adjustment levels are also expected to lag. In the Capital Goods industry group, the Fund increased its positions in Fortune Electric Co. Ltd., and Sunonwealth Electric Machine Industry Co. Ltd. on the expectation of rising demand for power transformers and AI server heat dissipation.

Outlook and Strategy

Despite the fact that the U.S. Consumer Price Index ("CPI") increased 3.2% from July 2022 to July 2023, the annual core CPI edged down to 4.7% for the same YoY (Year on Year) period.

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)	\$295.1
Median Market Cap (in billions)	\$3.024
Distribution Frequency	Annual
Management Firm	Nomura Asset Management U.S.A. Inc.

Fund Manager



Sky Chen
Lead Portfolio Manager

Performance

(US\$ Returns as of 8/31/2023)

	Fund	Benchmark ¹
One Month	-1.05%	-3.85%
Three Month	11.16%	-0.35%
One Year	32.61%	9.25%
Three Year (Annualized)	18.70%	10.78%

Net Asset Value/Market Price (as of 8/31/2023)

NAV/Market Price	\$39.73 / \$31.10
------------------	-------------------

High/Low Ranges (52-Week)

High/Low NAV	\$41.48 / \$23.07
High/Low Market Price	\$34.18 / \$18.70
Premium/Discount to NAV (as of 8/31/2023)	-21.72%

Fund Data (Common Shares)

Shares Outstanding	7,427,371
Average Daily Volume	19,272
Expense Ratio ²	1.62%

¹Taiwan TAIEX Total Return Index.

²Six months ended February 28, 2023, annualized, unaudited, before fee waiver. The unaudited expense ratio after the fee waiver is 1.45%.

NOMURA

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

THE TAIWAN FUND, INC.

Manager's Commentary (Key Transactions continued)

This was below market estimates and was at its lowest level since October 2021. As a result, we expect that consumer consumption in the US will gradually accelerate. Therefore, we have pivoted to a more positive outlook on consumer durables & apparel industries.

As carbon emissions have become a prime policy target for many countries, we expect that the demand for environmental industries and alternative energy will maintain stable growth. As such, we are positive on the long-term growth for capital goods driven by robust demand from the green energy industries.

The Taiwan market pulled back in August, primarily due to profit taking pressure in Semiconductors & Semiconductor Equipment and Technology Hardware & Equipment industry groups. We continue to be positive on these industry groups through 2024. After the ongoing inventory rebalancing comes to an end for semiconductors and in consideration of the strong order book for AI servers, we believe earnings will grow next year. As a result, we remain bullish on AI-related names, semiconductors, capital goods, and selective consumer goods.

THE TAIWAN FUND, INC.

Returns (%)

	1 Month	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception
NAV	-1.05	11.16	42.40	32.61	18.70	20.25	13.70	10.07
Market Price	-6.66	8.48	34.69	23.41	16.81	17.98	12.15	8.33
Taiwan TAIEX Total Return Index	-3.85	-0.35	17.29	9.25	10.78	11.81	10.98	—
Taiwan TAIEX Price Index	-4.26	-3.19	13.56	5.32	6.77	7.72	6.90	—
MSCI Taiwan Index (net)	-4.49	-2.12	15.45	6.52	8.73	11.23	10.85	—

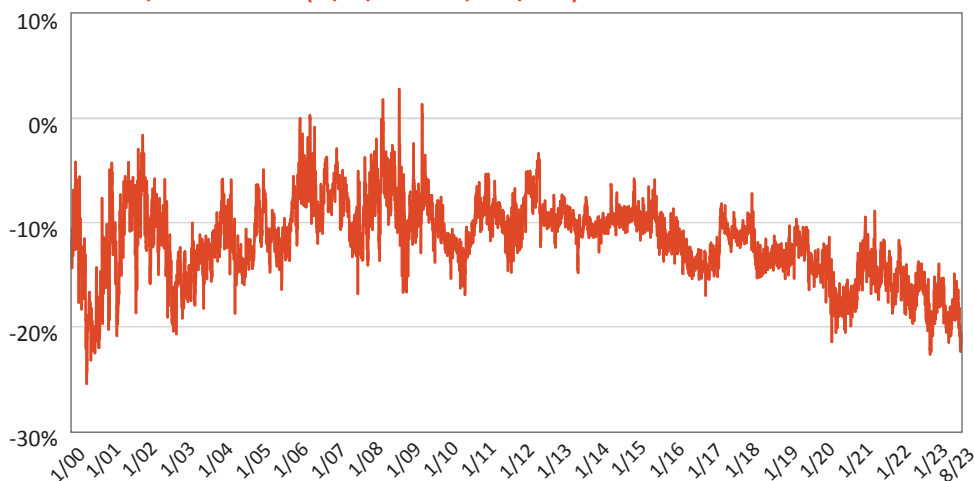
Calendar Year Returns (%)

	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: 1.62% for the six months ended February 28, 2023, annualized, unaudited, before fee waiver. The unaudited expense ratio after the fee waiver is 1.45%.

Premium/Discount (1/3/00 - 8/31/23)



Past performance is not indicative of future results.

Sector Breakdown (%)

	Fund	Benchmark
Information Technology	63.75	59.36
Industrials	10.42	7.00
Consumer Discretionary	6.26	5.52
Consumer Staples	3.19	2.22
Materials	3.06	7.15
Communication Services	2.82	2.87
Financials	0	12.32
Energy	0	1.46
Real Estate	0	1.26
Health Care	0	0.62
Utilities	0	0.22
N/A	0	0.01

Top 10 Holdings (%)

Taiwan Semiconductor Manufacturing Co. Ltd.	18.90
Fortune Electric Co. Ltd.	4.90
Gigabyte Technology Co. Ltd.	4.74
Alchip Technologies Ltd.	4.70
Quanta Computer, Inc.	4.54
Asia Vital Components Co. Ltd.	4.50
eMemory Technology, Inc.	4.33
Global Unichip Corp.	3.74
Delta Electronics, Inc.	3.69
Sunonwealth Electric Machine Industry Co. Ltd.	3.46

Holdings and sector weightings are subject to change. Source: State Street Bank & Trust Company, Bloomberg L.P. as of 8/31/2023.

THE TAIWAN FUND, INC.

Portfolio Characteristics

	Fund
Number of Issues	38
Foreign Holdings (%)	89.50
Cash and Other Assets less Liabilities (%)	10.50
Dividend Yield (%)	N.A.

As of 8/31/2023.

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 August 31, 2023

Sector	Company (exchange ticker)	Price TWD	Holding	Value US\$	% of Fund	
INFORMATION TECHNOLOGY					63.75	
	Taiwan Semiconductor Manufacturing Co. Ltd.	2330-TW	549.00	3,235,000	55,767,981	18.90
	Gigabyte Technology Co. Ltd.	2376-TW	341.00	1,307,000	13,994,850	4.74
	Alchip Technologies Ltd.	3661-TW	2,470.00	179,000	13,883,158	4.70
	Quanta Computer, Inc.	2382-TW	253.50	1,683,000	13,396,778	4.54
	Asia Vital Components Co. Ltd.	3017-TW	334.50	1,264,705	13,283,841	4.50
	eMemory Technology, Inc.	3529-TW	1,815.00	224,000	12,766,238	4.33
	Global Unichip Corp.	3443-TW	1,460.00	241,000	11,048,624	3.74
	Delta Electronics, Inc.	2308-TW	346.00	1,002,000	10,886,345	3.69
	Wistron Corp.	3231-TW	117.00	2,658,000	9,765,155	3.31
	ASPEED Technology, Inc.	5274-TW	2,700.00	77,000	6,528,190	2.21
	Nuvoton Technology Corp.	4919-TW	123.50	1,392,000	5,398,144	1.83
	E Ink Holdings, Inc.	8069-TW	182.50	731,000	4,189,079	1.42
	Jentech Precision Industrial Co. Ltd.	3653-TW	647.00	200,000	4,063,241	1.38
	Globalwafers Co. Ltd.	6488-TW	459.00	230,000	3,314,964	1.12
	SDI Corp.	2351-TW	100.50	955,000	3,013,754	1.02
	WinWay Technology Co. Ltd.	6515-TW	599.00	124,000	2,332,313	0.79
	Wiwynn Corp.	6669-TW	1,560.00	38,000	1,861,429	0.63
	Parade Technologies Ltd.	4966-TW	898.00	65,000	1,832,854	0.62
	Gold Circuit Electronics Ltd.	2368-TW	215.50	100,100	677,360	0.23
	Grand Process Technology Corp.	3131-TW	532.00	7,000	116,936	0.04
INDUSTRIALS					10.42	
	Fortune Electric Co. Ltd.	1519-TW	299.50	1,539,000	14,473,506	4.90
	Sunonwealth Electric Machine Industry Co. Ltd.	2421-TW	136.00	2,391,000	10,210,729	3.46
	Advanced Energy Solution Holding Co., Ltd.	6781-TW	626.00	276,000	5,425,274	1.84
	Nak Sealing Technologies Corp.	9942-TW	144.50	143,000	648,847	0.22
CONSUMER DISCRETIONARY					6.26	
	Nien Made Enterprise Co. Ltd.	8464-TW	299.00	594,000	5,576,939	1.89
	Merida Industry Co. Ltd.	9914-TW	193.00	652,000	3,951,329	1.34
	Makalot Industrial Co. Ltd.	1477-TW	334.50	196,000	2,058,688	0.70
	Fulgent Sun International Holding Co. Ltd.	9802-TW	129.00	505,000	2,045,594	0.69
	Gourmet Master Co. Ltd.	2723-TW	113.00	506,000	1,795,425	0.61
	Feng TAY Enterprise Co. Ltd.	9910-TW	168.00	324,800	1,713,419	0.58
	Giant Manufacturing Co. Ltd.	9921-TW	196.00	120,000	738,543	0.25
	Bafang Yunji International Co. Ltd.	2753-TW	168.50	110,000	582,010	0.20
CONSUMER STAPLES					3.19	
	President Chain Store Corp.	2912-TW	267.50	869,000	7,299,311	2.47
	Uni-President Enterprises Corp.	1216-TW	70.70	949,000	2,106,803	0.71
MATERIALS					3.06	
	Century Iron & Steel Industrial Co. Ltd.	9958-TW	160.00	1,446,000	7,264,849	2.46
	Swancor Holding Co. Ltd.	3708-TW	91.70	614,000	1,767,974	0.60
COMMUNICATION SERVICES					2.82	
	Chunghwa Telecom Co. Ltd.	2412-TW	116.00	1,285,000	4,680,577	1.59
	Far EasTone Telecommunications Co. Ltd.	4904-TW	70.60	1,639,000	3,633,473	1.23

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