

THE TAIWAN FUND, INC.

Manager's Commentary

Market Review

The Taiwan TAIEX Total Return Index, (the "Benchmark"), declined 2.80% in September 2023, in US dollar terms, with electronics continuing to lead the decline. The top three outperforming industry groups were Automobiles & Components, Commercial & Professional Services and Transportation. The top three underperforming industry groups were Consumer Services, Consumer Discretionary Distribution & Retail and Semiconductors & Semiconductor Equipment.

Fund Review (Attribution Reports)

The Taiwan Fund, Inc. (the "Fund") underperformed the Benchmark in September primarily due to an overweight position in Capital Goods. The overweight position in the Semiconductors & Semiconductor Equipment industry group and the underweight position in Materials and Insurance contributed positively to performance. Conversely, the Fund's performance was negatively impacted by its overweight positions in the Technology Hardware & Equipment, Capital Goods and Banks industry groups. At the stock selection level, the largest contributors were eMemory Technology Inc., Alchip Technologies Ltd., and Century Iron & Steel Industrial Co. Ltd., while the largest relative detractors were Gigabyte Technology Co. Ltd., Sunonwealth Electric Machine Industry Co. Ltd. and Fortune Electric Co. Ltd.

Key Transactions

The total securities holdings represented 91.4% of net assets at September month-end. This represented an increase from 89.5% at August month-end. The major change in the portfolio were ongoing reductions to the Semiconductor & Semiconductor Equipment industry group as a result of inventory correction and conservative order placement by customers in the 2nd half of 2023. On the other hand, the Fund has strategically increased its exposure to the Technology Hardware & Equipment industry group in order to seize upon the potential trends of artificial intelligence ("AI"). In the semiconductor space, the Fund has reduced its holdings in both Global Wafers Co. Ltd. and Parade Technologies Ltd. as the pace of recovery has been slower than expected and channel inventory levels remained high. In the Technology Hardware & Equipment industry group, the Fund added a new position in Elite Material Co. Ltd. in light of rising demand for AI servers.

Outlook and Strategy

Despite the fact that the U.S. Consumer Price Index ("CPI") rose 3.7% from August 2022, core CPI growth edged down 4.3% over the period, aligning with market estimates and to its lowest level since September 2021. As a

Fund Data

Description	Seeks long-term capital appreciation primarily through investments in equity securities listed in Taiwan.
Inception Date	December 23, 1986
Total Fund Net Assets (millions)	\$283.6
Median Market Cap (in billions)	\$3.29
Distribution Frequency	Annual
Management Firm	Nomura Asset Management U.S.A. Inc.

Fund Manager



Sky Chen
Lead Portfolio Manager

Performance

(US\$ Returns as of 9/30/2023)

	Fund	Benchmark ¹
One Month	-3.52%	-2.80%
Three Month	-0.57%	-5.13%
One Year	47.48%	24.22%
Three Year (Annualized)	17.84%	9.38%

Net Asset Value/Market Price

(as of 9/30/2023)

NAV/Market Price	\$38.33 / \$29.98
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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 9/30/2023)	-21.79

Fund Data (Common Shares)

Shares Outstanding	7,399,119
Average Daily Volume	15,963
Expense Ratio ²	1.47%

¹Taiwan TAIEX Total Return Index.

²One year ended August 31, 2023, before fee waiver. The expense ratio after the fee waiver is 1.40%.

NOMURA

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

THE TAIWAN FUND, INC.

Manager's Commentary (continued)

result, we expect that consumer consumption in the US will continue to accelerate. In fact, personal spending in the US increased 0.4% month - month in August 2023 evidencing the strength in consumer confidence. Combined with lower industry inventories, we have a more positive outlook on both the Consumer Durables & Apparel and Consumer Services industry groups.

We have seen the demand for consumer electronics recently rebound on seasonality. However, it remains to be seen if the demand will last through late 2023. In 2024, it is forecasted that earnings growth in Taiwan will see a double digit rebound after an expected drop of more than 20% forecasted for 2023, led by the Information Technology sector. We expect that the headwinds from inventory adjustments and the macro environment to gradually diminish by the end of 2023. We will continue to invest in semiconductors and technology hardware industries that are expected to be the two major beneficiaries from the high growth potential of AI servers. We also expect that the Capital Goods industry group will enjoy favorable longterm growth as a result of strong demand for carbon emission reduction capabilities worldwide.

THE TAIWAN FUND, INC.

Returns (%)

	1 Month	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception
NAV	-3.52	-0.57	37.38	47.48	17.84	20.43	12.82	9.93
Market Price	-3.60	-4.34	29.84	42.69	16.42	17.94	11.37	8.21
Taiwan TAIEX Total Return Index	-2.80	-5.13	14.00	24.22	9.38	11.13	10.32	—
Taiwan TAIEX Price Index	-3.01	-6.72	10.14	19.81	5.44	7.04	6.24	—
MSCI Taiwan Index (net)	-3.78	-7.38	11.09	21.78	6.62	10.42	10.18	—

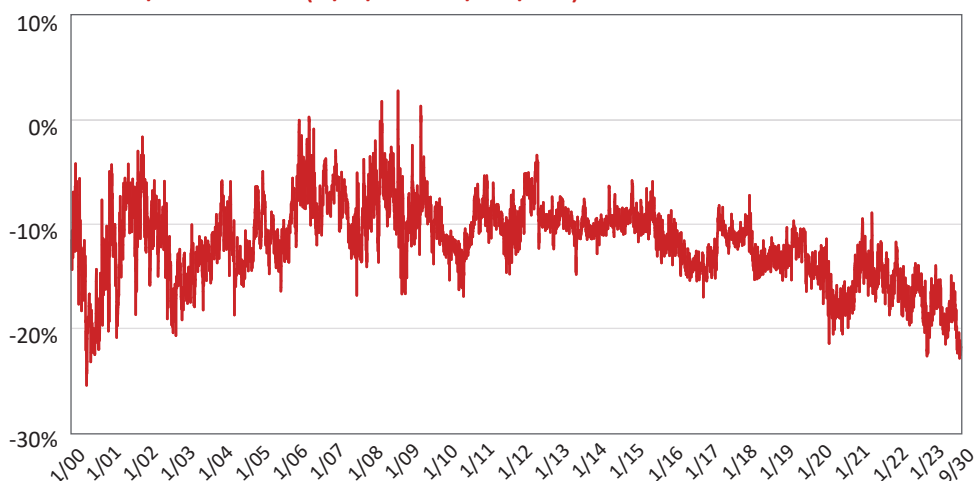
Calendar Year Returns (%)

	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: 1.47% for the year ended August 31, 2023, before fee waiver. The expense ratio after the fee waiver is 1.40%.

Premium/Discount (1/3/00 - 9/30/23)



Past performance is not indicative of future results.

Sector Breakdown (%)

	Fund	Benchmark
Information Technology	65.81	58.61
Industrials	9.69	7.17
Consumer Discretionary	6.34	5.59
Materials	3.46	7.24
Consumer Staples	3.21	2.23
Communication Services	2.93	2.94
Financials	0	12.58
Energy	0	1.51
Real Estate	0	1.27
Health Care	0	0.62
Utilities	0	0.22

Top 10 Holdings (%)

Taiwan Semiconductor Manufacturing Co. Ltd.	18.48
Alchip Technologies Ltd.	5.02
Asia Vital Components Co. Ltd.	4.71
eMemory Technology, Inc.	4.69
Fortune Electric Co. Ltd.	4.56
Quanta Computer, Inc.	4.40
Gigabyte Technology Co. Ltd.	4.02
Global Unichip Corp.	3.59
Delta Electronics, Inc.	3.55
Sunonwealth Electric Machine Industry Co. Ltd.	3.04

Holdings and sector weightings are subject to change. Source: State Street Bank & Trust Company, Bloomberg L.P. as of 9/30/2023.

THE TAIWAN FUND, INC.

Portfolio Characteristics

	Fund
Number of Issues	40
Foreign Holdings (%)	91.4
Cash and Other Assets less Liabilities (%)	8.6
Dividend Yield (%)	N.A.

As of 9/30/2023.

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 September 30, 2023

Sector	Company (exchange ticker)	Price TWD	Holding	Value US\$	% of Fund	
INFORMATION TECHNOLOGY					65.81	
	Taiwan Semiconductor Manufacturing Co. Ltd.	2330-TW	523.00	3,235,000	52,412,602	18.48
	Alchip Technologies Ltd.	3661-TW	2,690.00	171,000	14,249,779	5.02
	Asia Vital Components Co. Ltd.	3017-TW	341.00	1,264,705	13,359,905	4.71
	eMemory Technology, Inc.	3529-TW	2,015.00	213,000	13,295,798	4.69
	Quanta Computer, Inc.	2382-TW	239.50	1,683,000	12,486,749	4.40
	Gigabyte Technology Co. Ltd.	2376-TW	281.50	1,307,000	11,397,608	4.02
	Global Unichip Corp.	3443-TW	1,365.00	241,000	10,190,827	3.59
	Delta Electronics, Inc.	2308-TW	324.50	1,002,000	10,072,614	3.55
	Wistron Corp.	3231-TW	101.50	2,658,000	8,357,584	2.95
	ASPEED Technology, Inc.	5274-TW	2,765.00	77,000	6,595,468	2.33
	Elite Material Co. Ltd.	2383-TW	428.00	424,000	5,621,722	1.98
	Nuvoton Technology Corp.	4919-TW	125.00	1,392,000	5,390,251	1.90
	E Ink Holdings, Inc.	8069-TW	179.50	731,000	4,064,822	1.43
	Jentech Precision Industrial Co. Ltd.	3653-TW	623.00	200,000	3,859,915	1.36
	SDI Corp.	2351-TW	106.50	955,000	3,150,741	1.11
	MediaTek, Inc.	2954-TW	735.00	122,000	2,777,838	0.98
	WinWay Technology Co. Ltd.	6515-TW	678.00	124,000	2,604,421	0.92
	Globalwafers Co. Ltd.	6488-TW	453.50	183,000	2,570,917	0.91
	Wiwynn Corp.	6669-TW	1,495.00	38,000	1,759,886	0.62
	Parade Technologies Ltd.	4966-TW	984.00	53,000	1,615,588	0.57
	Gold Circuit Electronics Ltd.	2368-TW	219.50	100,100	680,657	0.24
	Grand Process Technology Corp.	3131-TW	507.00	7,000	109,943	0.04
INDUSTRIALS					9.69	
	Fortune Electric Co. Ltd.	1519-TW	271.00	1,539,000	12,920,153	4.56
	Sunonwealth Electric Machine Industry Co. Ltd.	2421-TW	116.50	2,391,000	8,629,095	3.04
	Advanced Energy Solution Holding Co., Ltd.	6781-TW	639.00	270,000	5,344,713	1.88
	Nak Sealing Technologies Corp.	9942-TW	134.00	143,000	593,609	0.21
CONSUMER DISCRETIONARY					6.34	
	Nien Made Enterprise Co. Ltd.	8464-TW	310.00	594,000	5,704,373	2.01
	Merida Industry Co. Ltd.	9914-TW	175.00	652,000	3,534,642	1.25
	Makalot Industrial Co. Ltd.	1477-TW	336.00	196,000	2,040,117	0.72
	Fulgent Sun International Holding Co. Ltd.	9802-TW	119.00	505,000	1,861,650	0.66
	Feng TAY Enterprise Co. Ltd.	9910-TW	183.00	324,800	1,841,310	0.65
	Gourmet Master Co. Ltd.	2723-TW	105.50	526,000	1,719,087	0.61
	Giant Manufacturing Co. Ltd.	9921-TW	178.50	120,000	663,559	0.23
	Bafang Yunji International Co. Ltd.	2753-TW	179.50	110,000	611,670	0.22
CONSUMER STAPLES					3.21	
	President Chain Store Corp.	2912-TW	262.50	869,000	7,066,573	2.49
	Uni-President Enterprises Corp.	1216-TW	70.10	939,000	2,039,123	0.72
MATERIALS					3.46	
	Century Iron & Steel Industrial Co. Ltd.	9958-TW	181.00	1,446,000	8,107,867	2.86
	Swancor Holding Co. Ltd.	3708-TW	91.10	608,000	1,715,859	0.61
COMMUNICATION SERVICES					2.93	
	Chunghwa Telecom Co. Ltd.	2412-TW	116.00	1,285,000	4,617,648	1.63
	Far EasTone Telecommunications Co. Ltd.	4904-TW	72.70	1,639,000	3,691,247	1.30

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