

THE TAIWAN FUND, INC.

Manager's Commentary

Market Review

The Taiwan TAIEX Total Return Index, (the "Benchmark"), rose 13.12% in November 2023, in US dollar terms, with electronics leading the rally. The top three outperforming industry groups were Capital Goods, Semiconductors & Semiconductor Equipment and Consumer Discretionary Distribution & Retail. The top three underperforming industry groups were Pharmaceuticals, Biotechnology & Life Sciences, Telecommunication Services and Utilities.

Fund Review (Attribution Reports)

The Taiwan Fund, Inc. (the "Fund") outperformed the Benchmark in November primarily due to overweight positions in electrical and semiconductor equipment. At an industry group level, overweight positions in Semiconductors & Semiconductor Equipment, Capital Goods, and Consumer Durables & Apparel positively contributed to performance. Conversely, the Fund's performance was negatively impacted by the absence of positions in the Banks and Insurance industry groups, as well as by an underweight position in the Materials industry group. At the stock level, the largest contributors to performance were Taiwan Semiconductor Manufacturing Co. Ltd., eMemory Technology Inc. and Fortune Electric Co. Ltd., while the largest detractors to performance were Bafang Yunji International Co. Ltd., Makalot Industrial Co. Ltd. and Nak Sealing Technologies Corp.

Key Transactions

The total securities holdings represented 93.5% of net assets as of November 30, 2023. This represented a slight increase from the 93.0% held as of October 31, 2023. The major change in the portfolio was to increase the Semiconductors & Semiconductor Equipment industry group weighting based on the foreseeable growth potential. In the same space, the Fund reduced its position in Alchip Technologies Ltd. due to its short-term capacity to produce Chip-on-Wafer-on-Substrate (CoWoS) being limited. Furthermore, the Fund has strategically kept most of its positions and allocations unchanged because of the bullish guidance in earnings reports and in view of a positive outlook for the overall market in 2024.

¹Taiwan TAIEX Total Return Index.

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

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)	\$306.1
Median Market Cap (in billions)	\$3.38
Distribution Frequency	Annual
Management Firm	Nomura Asset Management U.S.A. Inc.

Fund Manager



Sky Chen
Lead Portfolio Manager

Performance

(US\$ Returns as of 11/30/2023)

	Fund	Benchmark ¹
One Month	16.34%	13.12%
Three Month	5.03%	7.07%
One Year	38.68%	20.18%
Three Year (Annualized)	17.09%	8.97%

Net Asset Value/Market Price

(as of 11/30/2023)

NAV/Market Price	\$41.73 / \$32.92
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High/Low Ranges (52-Week)

High/Low NAV	\$41.73 / \$27.85
High/Low Market Price	\$34.18 / \$23.06
Premium/Discount to NAV (as of 11/30/2023)	-21.11%

Fund Data (Common Shares)

Shares Outstanding	7,336,110
Average Daily Volume	17,264
Expense Ratio ²	1.47%

NOMURA

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

THE TAIWAN FUND, INC.

Manager's Commentary (continued)

Outlook and Strategy

The global economy is projected to expand by 2.7% in 2024 per OECD (Organization for Economic Co-operation and Development) forecasts. Notwithstanding that forecast, China's economy remains weak and it may take time for policy to generate expansion. Overall, Asian economies are expected to grow relatively faster in 2024. Furthermore, an in depth examination of the global Purchasing Managers Index ("PMI") reveals that new tech orders in Asia have already rebounded, while new tech orders in other regions continue to lose expansion momentum.

Taiwan corporate earnings are expected to resume their growth in 2024. Overall, earnings are anticipated to have double-digit growth. Technology is leading the recovery. For the foreseeable future, AI (Artificial Intelligence) continues to be the biggest structural change in technology. In addition to AI servers, we have seen more applications being introduced to the market, such as AI personal computers and AI smartphones. We believe that AI enabled devices will continue to increase their market penetration. On the other hand, semiconductor inventory levels, which have been high for the past five to seven quarters, are expected to return to normal levels in 2024 and thus, will be another driver for both earnings growth and share price appreciation in 2024.

THE TAIWAN FUND, INC.

Returns (%)

	1 Month	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception
NAV	16.34	5.03	49.57	38.68	17.09	25.18	13.14	10.14
Market Price	16.20	5.85	42.57	34.37	13.64	22.86	11.75	8.44
Taiwan TAIEX Total Return Index	13.12	7.07	25.58	20.18	8.97	15.96	11.08	—
Taiwan TAIEX Price Index	13.12	6.84	21.32	15.91	5.04	11.69	6.99	—
MSCI Taiwan Index (net)	13.16	7.08	23.62	16.88	6.56	15.85	11.05	—

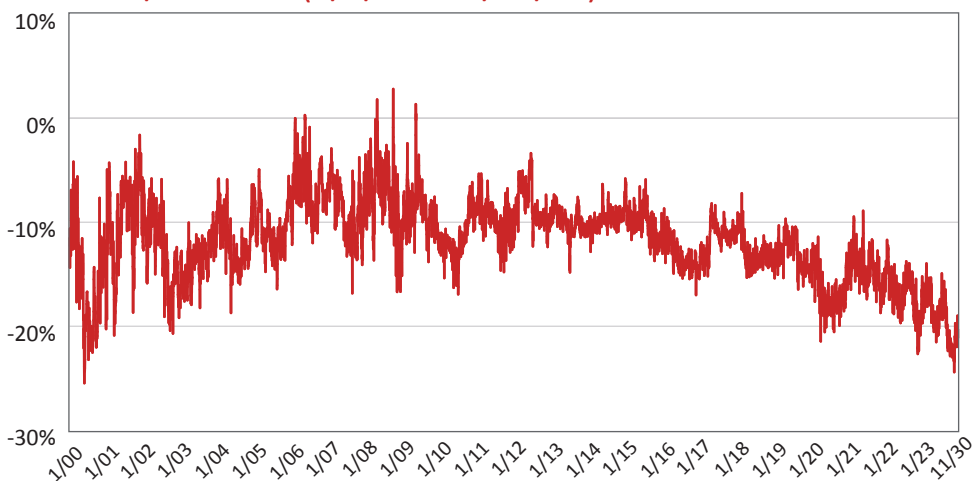
Calendar Year Returns (%)

	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 - 11/30/23)



Past performance is not indicative of future results.

Sector Breakdown (%)

	Fund	Benchmark
Information Technology	70.8	59.5
Industrials	9.0	6.9
Consumer Discretionary	6.5	5.5
Materials	3.1	7.0
Consumer Staples	2.4	2.2
Communication Services	1.6	2.9
Financials	0	12.5
Energy	0	1.5
Real Estate	0	1.3
Health Care	0	0.6
Utilities	0	0.2

Top 10 Holdings (%)

Taiwan Semiconductor Manufacturing Co. Ltd.	19.5
eMemory Technology, Inc.	4.6
Fortune Electric Co. Ltd.	4.5
MediaTek, Inc.	4.2
Global Unichip Corp.	4.2
Asia Vital Components Co. Ltd.	4.1
Quanta Computer, Inc.	4.0
Faraday Technology Corp.	3.9
Alchip Technologies Ltd.	3.7
Gigabyte Technology Co. Ltd.	3.4

Holdings and sector weightings are subject to change. Source: State Street Bank & Trust Company, Bloomberg L.P. as of 11/30/2023.

THE TAIWAN FUND, INC.

Portfolio Characteristics

	Fund
Number of Issues	38
Foreign Holdings (%)	93.5
Cash and Other Assets less Liabilities (%)	6.5
Dividend Yield (%)	N.A.

As of 11/30/2023.

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 November 30, 2023

Sector	Company (exchange ticker)	Price TWD	Holding	Value US\$	% of Fund	
INFORMATION TECHNOLOGY					70.80	
	Taiwan Semiconductor Manufacturing Co. Ltd.	2330-TW	577.00	3,235,000	59,750,160	19.52
	eMemory Technology, Inc.	3529-TW	2,515.00	174,000	14,008,003	4.58
	MediaTek, Inc.	2954-TW	945.00	428,000	12,946,863	4.23
	Global Unichip Corp.	3443 TW	1,650.00	241,000	12,728,873	4.16
	Asia Vital Components Co. Ltd.	3017-TW	308.00	1,264,705	12,468,923	4.07
	Quanta Computer, Inc.	2382-TW	203.00	1,899,000	12,339,853	4.03
	Faraday Technology Corp.	3035-TW	385.50	976,000	12,043,790	3.94
	Alchip Technologies Ltd.	3661-TW	3,110.00	113,000	11,249,360	3.68
	Gigabyte Technology Co. Ltd.	2376-TW	250.00	1,307,000	10,459,347	3.42
	Delta Electronics, Inc.	2308-TW	316.50	1,002,000	10,151,505	3.32
	Wistron Corp.	3231-TW	91.50	2,658,000	7,785,115	2.54
	ASPEED Technology, Inc.	5274-TW	2,945.00	77,000	7,258,803	2.37
	Nuvoton Technology Corp.	4919-TW	148.50	1,392,000	6,616,901	2.16
	Elite Material Co. Ltd.	2383-TW	380.00	424,000	5,157,490	1.69
	E Ink Holdings, Inc.	8069-TW	183.00	731,000	4,282,106	1.40
	Jentech Precision Industrial Co. Ltd.	3653-TW	648.00	200,000	4,148,528	1.36
	SDI Corp.	2351-TW	118.00	955,000	3,607,234	1.18
	WinWay Technology Co. Ltd.	6515-TW	775.00	124,000	3,076,184	1.01
	Wiwynn Corp.	6669-TW	1,760.00	38,000	2,140,845	0.70
	Globalwafers Co. Ltd.	6488-TW	584.00	103,000	1,925,480	0.63
	Parade Technologies Ltd.	4966-TW	1,075.00	53,000	1,823,784	0.60
	Gold Circuit Electronics Ltd.	2368-TW	228.00	100,100	730,563	0.24
INDUSTRIALS					9.03	
	Fortune Electric Co. Ltd.	1519-TW	280.00	1,539,000	13,793,854	4.51
	Sunonwealth Electric Machine Industry Co. Ltd.	2421-TW	98.40	2,391,000	7,531,191	2.46
	Advanced Energy Solution Holding Co. Ltd.	6781-TW	755.00	235,000	5,679,417	1.86
	Nak Sealing Technologies Corp.	9942-TW	138.50	143,000	633,979	0.21
CONSUMER DISCRETIONARY					6.52	
	Nien Made Enterprise Co. Ltd.	8464-TW	341.00	594,000	6,483,803	2.12
	Merida Industry Co. Ltd.	9914-TW	187.50	652,000	3,913,252	1.28
	Fulgent Sun International Holding Co. Ltd.	9802-TW	147.50	505,000	2,384,363	0.78
	Makalot Industrial Co. Ltd.	1477-TW	358.00	196,000	2,246,095	0.73
	Feng TAY Enterprise Co. Ltd.	9910-TW	183.50	324,800	1,907,836	0.62
	Gourmet Master Co. Ltd.	2723-TW	100.00	526,000	1,683,738	0.55
	Giant Manufacturing Co. Ltd.	9921-TW	190.00	120,000	729,834	0.24
	Bafang Yunji International Co. Ltd.	2753-TW	173.00	110,000	609,155	0.20
MATERIALS					3.09	
	Century Iron & Steel Industrial Co. Ltd.	9958-TW	166.00	1,446,000	7,683,611	2.51
	Swancor Holding Co. Ltd.	3708-TW	96.60	570,000	1,762,548	0.58
CONSUMER STAPLES					2.45	
	President Chain Store Corp.	2912-TW	269.50	869,000	7,496,655	2.45
COMMUNICATION SERVICES					1.61	
	Chunghwa Telecom Co. Ltd.	2412-TW	119.50	1,285,000	4,915,413	1.61

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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