

THE TAIWAN FUND, INC.

Manager's Commentary

Market Review

The Taiwan TAIEX Total Return Index, (the "Benchmark") rose 4.36% in May 2024, in US dollar terms. The rise was driven by the Real Estate and the Information Technology (IT) sectors, with both demonstrating robust performance during the month. In the Real Estate sector, performance was driven primarily by the Real Estate Management & Development industry group. Within the Information Technology sector, the Semiconductors & Semiconductor Equipment and the Technology Hardware & Equipment industry groups were the best-performing industries. During the month, the top two underperforming sectors were Energy and Utilities.

Fund Review (Attribution Reports)

The Taiwan Fund, Inc. (the "Fund") underperformed the Benchmark in May primarily due to stock selection. The largest detractors to relative performance were Fortune Electronic Co. Ltd., Alchip Technologies Ltd., Fositek Corporation, Nien Made Enterprise Co. Ltd. and Phison Electronics Corporation. Conversely, the largest contributors to relative performance were Taiwan Semiconductor Manufacturing Co. Ltd., Century Iron & Steel Industrial Co. Ltd., MediaTek, Inc., Asia Vital Components Co. Ltd. and Gigabyte Technology Co. Ltd.

With regards to industry group allocation, the Fund's underperformance was negatively impacted by underweight positions in the Transportation and Insurance industry groups and an overweight position in the Consumer Durables & Apparel industry group. The Fund's relative performance was positively impacted by underweight positions in the Banks, Energy, and Materials industry groups.

Key Transactions

The Fund's total securities holdings represented 91.0% of net assets as of May 31, 2024. This represented an increase from the 88.6% held as of April 30, 2024. The major change in the portfolio was a reduction of holdings in Wistron Corporation in anticipation of expected impact on Wistron's order growth due to the partial diversion of NVIDIA orders to its competitors. Considering the capital utilization efficiency, the Fund

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) | \$345.5 |
| Median Market Cap (in billions) | \$4.27 |
| Distribution Frequency | Annual |
| Management Firm | Nomura Asset Management U.S.A. Inc. |

Fund Manager



Sky Chen
Lead Portfolio Manager

Performance

(US\$ Returns as of 5/31/2024)

| | Fund | Benchmark ¹ |
|-------------------------|--------|------------------------|
| One Month | 3.57% | 4.36% |
| Three Month | 2.60% | 9.26% |
| One Year | 40.68% | 25.62% |
| Three Year (Annualized) | 13.66% | 5.73% |

Net Asset Value/Market Price

(as of 5/31/2024)

| | |
|------------------|-------------------|
| NAV/Market Price | \$49.64 / \$39.84 |
|------------------|-------------------|

High/Low Ranges (52-Week)

| | |
|---|-------------------|
| High/Low NAV | \$51.80 / \$35.74 |
| High/Low Market Price | \$40.97 / \$28.20 |
| Premium/Discount to NAV (as of 5/31/2024) | -19.74% |

Fund Data (Common Shares)

| | |
|----------------------------|-----------|
| Shares Outstanding | 6,959,757 |
| Average Daily Volume | 22,381 |
| Expense Ratio ² | 1.29% |

¹Taiwan TAIEX Total Return Index.

²Six months ended February 29, 2024, annualized, unaudited.

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Nomura Asset Management U.S.A. Inc.

THE TAIWAN FUND, INC.

Manager's Commentary (continued)

proactively reduced its holdings to mitigate the potential risk in the upcoming quarters.

On the other hand, the Fund added to its holdings in Gigabyte Technology Co. Ltd. on the expectation that the company will surpass artificial intelligence (“AI”) server shipments and on continued growth in shipments. Furthermore, the Fund has strategically kept most of its positions and allocations relatively unchanged due to the bullish guidance in earnings reports and in view of a positive outlook for the overall market in 2024.

Outlook and Strategy

The Consumer Price Index (CPI) in the United States rose by 3.4% year-over-year (YoY) in April, slightly lower than the 3.5% uptick in March. Despite interest rates remaining high, both the CPI and Personal Consumption Expenditures (PCE) demonstrate long-term trends toward converging with the Federal Reserve’s 2% rate objective over time.

With NVIDIA’s product expected to undergo a transition in the third quarter of 2024, AI related technology firms may potentially be expected to yield to consolidation pressures for overheated stocks. Regardless, we maintain an optimistic outlook for the AI sector, anticipating positive market sentiment in the fourth quarter 2024 and in 2025 following a likely correction.

As AI technology continues its evolution, the importance of the Edge AI theme (Edge AI utilizes neural networks and deep learning to train models to accurately recognize, classify, and describe objects) is expected to escalate. According to Gartner projections, by 2025, half of enterprise data will be created via Edge AI, across billions of battery-powered devices. This shift is driven by five key factors: the demand for personalized AI agents, cost-effective query processing, minimal latency, enhanced privacy/security measures, and accessibility in environments without internet connectivity. This transformation covers devices including smartphones, notebooks, wearables, drones, AR/VR systems, and automobiles. Recent developments highlighted at COMPUTEX Taipei (a computer expo held annually in Taipei), including notable headlines and new product unveilings, further contribute to the momentum dedicated to strengthening the AI personal computer (“PC”) and AI smartphone markets. The success of new AI-enabled PCs and smartphones will be pivotal for the longevity and strength of the ongoing semiconductor up-cycle.

THE TAIWAN FUND, INC.

Returns (%)

| | 1 Month | 3 Month | YTD | 1 Year | 3 Year | 5 Year | 10 Year | Since Inception |
|---------------------------------|---------|---------|-------|--------|--------|--------|---------|-----------------|
| NAV | 3.57 | 2.60 | 13.98 | 40.68 | 13.66 | 29.04 | 15.02 | 10.55 |
| Market Price | 2.81 | 2.63 | 15.18 | 40.75 | 11.39 | 27.02 | 13.61 | 8.92 |
| Taiwan TAIEX Total Return Index | 4.36 | 9.26 | 12.29 | 25.62 | 5.73 | 19.00 | 12.20 | — |
| Taiwan TAIEX Price Index | 4.35 | 8.94 | 11.88 | 21.15 | 1.87 | 14.50 | 8.00 | — |
| MSCI Taiwan Index (net) | 5.30 | 10.99 | 15.67 | 27.90 | 4.23 | 19.72 | 12.38 | — |

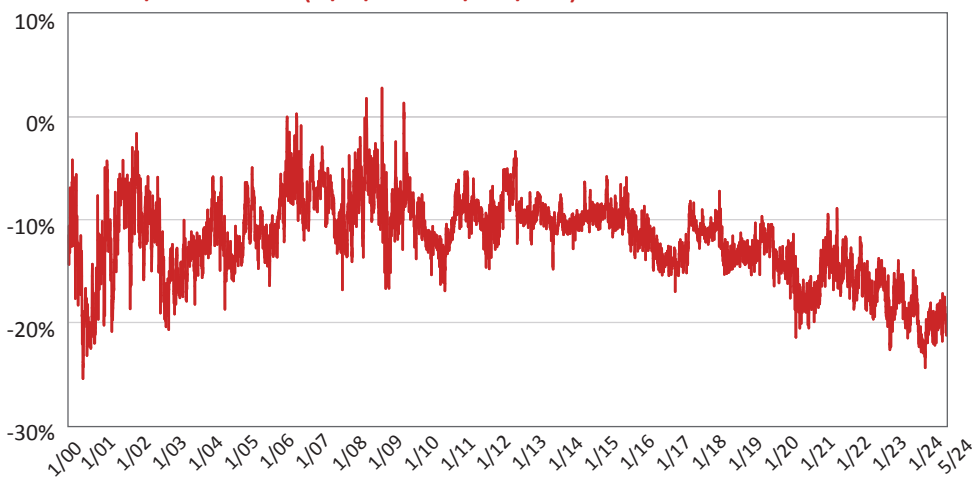
Calendar Year Returns (%)

| | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|---------------------------------|-------|-------|--------|-------|-------|-------|--------|-------|
| NAV | 11.17 | 28.44 | -14.96 | 47.11 | 41.97 | 55.09 | -36.27 | 58.11 |
| Market Price | 10.05 | 33.61 | -19.11 | 46.75 | 39.81 | 58.26 | -38.54 | 51.74 |
| Taiwan TAIEX Total Return Index | 17.81 | 29.45 | -7.86 | 32.19 | 35.62 | 29.04 | -26.80 | 31.68 |
| Taiwan TAIEX Price Index | 13.11 | 24.56 | -11.51 | 26.46 | 31.01 | 25.59 | -30.15 | 27.02 |
| MSCI Taiwan Index (net) | 18.54 | 27.53 | -8.93 | 36.37 | 40.99 | 26.13 | -29.76 | 30.42 |

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: 1.29% for the 6 months ended February 29, 2024; annualized and unaudited.

Premium/Discount (1/3/00 - 5/31/24)



Past performance is not indicative of future results.

Sector Breakdown (%)

| | Fund | Benchmark |
|------------------------|-------|-----------|
| Information Technology | 71.70 | 63.27 |
| Consumer Discretionary | 6.40 | 4.85 |
| Industrials | 4.97 | 7.22 |
| Materials | 4.34 | 5.46 |
| Consumer Staples | 2.10 | 1.85 |
| Communication Services | 1.47 | 2.57 |
| Financials | 0 | 11.24 |
| Real Estate | 0 | 1.52 |
| Energy | 0 | 0.96 |
| Health Care | 0 | 0.86 |
| Utilities | 0 | 0.20 |

Top 10 Holdings (%)

| | |
|---|-------|
| Taiwan Semiconductor Manufacturing Co. Ltd. | 23.73 |
| Asia Vital Components Co. Ltd. | 5.15 |
| Alchip Technologies Ltd. | 4.49 |
| Gigabyte Technology Co. Ltd. | 4.42 |
| Quanta Computer, Inc. | 4.36 |
| Century Iron & Steel Industrial Co. Ltd. | 4.34 |
| MediaTek, Inc. | 4.05 |
| Fortune Electric Co. Ltd. | 3.94 |
| eMemory Technology, Inc. | 3.68 |
| Nien Made Enterprise Co. Ltd. | 2.35 |

Holdings and sector weightings are subject to change. Source: State Street Bank & Trust Company, Bloomberg L.P. as of 5/31/2024.

THE TAIWAN FUND, INC.

Portfolio Characteristics

| | Fund |
|--|------|
| Number of Issues | 40 |
| Foreign Holdings (%) | 91.0 |
| Cash and Other Assets less Liabilities (%) | 9.0 |

As of 5/31/2024.

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 |
| 12/27/23 | 12/28/23 | 1/10/24 | 0.436500 | 0.000000 | 0.436500 | 0.000000 |

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

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

As of May 31, 2024

| Sector | Company (exchange ticker) | Price TWD | Holding | Value US\$ | % of Fund | |
|-------------------------------|--|-----------|----------|------------|--------------|-------|
| INFORMATION TECHNOLOGY | | | | | 71.70 | |
| | Taiwan Semiconductor Manufacturing Co. Ltd. | 2330-TW | 821.00 | 3,235,000 | 81,988,485 | 23.73 |
| | Asia Vital Components Co. Ltd. | 3017-TW | 769.00 | 749,705 | 17,797,220 | 5.15 |
| | Alchip Technologies Ltd. | 3661-TW | 2,870.00 | 175,000 | 15,504,414 | 4.49 |
| | Gigabyte Technology Co. Ltd. | 2376-TW | 318.00 | 1,556,000 | 15,274,680 | 4.42 |
| | Quanta Computer, Inc. | 2382-TW | 274.00 | 1,781,000 | 15,064,333 | 4.36 |
| | MediaTek, Inc. | 2454-TW | 1,235.00 | 367,000 | 13,991,634 | 4.05 |
| | eMemory Technology, Inc. | 3529-TW | 2,200.00 | 187,000 | 12,699,883 | 3.68 |
| | ASMedia Technology, Inc. | 5269-TW | 2,000.00 | 116,000 | 7,161,820 | 2.07 |
| | Faraday Technology Corp. | 3035-TW | 297.50 | 675,104 | 6,200,020 | 1.79 |
| | Fositek Corp. | 9805-TW | 715.00 | 276,000 | 6,091,869 | 1.76 |
| | King Slide Works Co. Ltd. | 2059-TW | 1,125.00 | 160,000 | 5,556,585 | 1.61 |
| | Delta Electronics, Inc. | 2308-TW | 325.00 | 524,000 | 5,257,146 | 1.52 |
| | E Ink Holdings, Inc. | 8069-TW | 219.50 | 731,000 | 4,953,217 | 1.43 |
| | WinWay Technology Co. Ltd. | 6515-TW | 852.00 | 174,000 | 4,576,403 | 1.32 |
| | Global Unichip Corp. | 3443 TW | 1,455.00 | 86,000 | 3,862,752 | 1.12 |
| | Jentech Precision Industrial Co. Ltd. | 3653-TW | 1,035.00 | 120,000 | 3,834,043 | 1.11 |
| | SDI Corp. | 2351-TW | 130.50 | 895,000 | 3,605,529 | 1.04 |
| | Elite Material Co. Ltd. | 2383-TW | 408.50 | 283,000 | 3,568,732 | 1.03 |
| | Lotes Co. Ltd. | 3533-TW | 1,605.00 | 72,000 | 3,567,327 | 1.03 |
| | Wistron Corp. | 3231-TW | 112.00 | 964,000 | 3,332,963 | 0.96 |
| | Wistron NeWeb Corp. | 6285-TW | 156.00 | 689,000 | 3,318,022 | 0.96 |
| | Phison Electronics Corp. | 8299-TW | 595.00 | 178,000 | 3,269,433 | 0.95 |
| | ASPEED Technology, Inc. | 5274-TW | 3,645.00 | 27,000 | 3,038,063 | 0.88 |
| | Grand Process Technology Corp. | 3131-TW | 1,105.00 | 68,000 | 2,319,565 | 0.67 |
| | Globalwafers Co. Ltd. | 6488-TW | 527.00 | 103,000 | 1,675,650 | 0.48 |
| | M31 Technology Corp. | 6643-TW | 1,095.00 | 7,000 | 236,618 | 0.07 |
| CONSUMER DISCRETIONARY | | | | | 6.40 | |
| | Nien Made Enterprise Co. Ltd. | 8464-TW | 351.00 | 749,000 | 8,115,670 | 2.35 |
| | Merida Industry Co. Ltd. | 9914-TW | 229.00 | 652,000 | 4,609,125 | 1.33 |
| | Makalot Industrial Co. Ltd. | 1477-TW | 385.00 | 196,000 | 2,329,444 | 0.67 |
| | Fulgent Sun International Holding Co. Ltd. | 9802-TW | 128.50 | 505,000 | 2,003,226 | 0.58 |
| | Feng TAY Enterprise Co. Ltd. | 9910-TW | 154.50 | 324,800 | 1,549,101 | 0.45 |
| | Giant Manufacturing Co. Ltd. | 9921-TW | 217.50 | 220,000 | 1,477,126 | 0.43 |
| | Gourmet Master Co. Ltd. | 2723-TW | 90.80 | 526,000 | 1,474,372 | 0.43 |
| | Bafang Yunji International Co. Ltd. | 2753-TW | 167.00 | 110,000 | 567,080 | 0.16 |
| INDUSTRIALS | | | | | 4.97 | |
| | Fortune Electric Co. Ltd. | 1519-TW | 714.00 | 618,000 | 13,621,411 | 3.94 |
| | Sunonwealth Electric Machine Industry Co. Ltd. | 2421-TW | 118.00 | 846,000 | 3,081,682 | 0.89 |
| | Advanced Energy Solution Holding Co. Ltd. | 6781-TW | 644.00 | 23,000 | 457,245 | 0.13 |
| MATERIALS | | | | | 4.34 | |
| | Century Iron & Steel Industrial Co. Ltd. | 9958-TW | 287.00 | 1,692,000 | 14,990,554 | 4.34 |
| CONSUMER STAPLES | | | | | 2.10 | |
| | President Chain Store Corp. | 2912-TW | 270.00 | 869,000 | 7,243,008 | 2.10 |
| COMMUNICATION SERVICES | | | | | 1.47 | |
| | Chunghwa Telecom Co. Ltd. | 2412-TW | 128.00 | 1,285,000 | 5,077,483 | 1.47 |

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. **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.

The Fund is a closed-end fund whose shares of common stock trade on the NYSE. Vision 4 Fund Distributors, LLC ("Vision 4") is a member of FINRA and has filed this material with FINRA on behalf of the Fund. Vision 4 does not serve as a distributor or as an underwriter to the Fund. Unlike open-end funds, shares are not continually offered. Vision 4 is contracted by NAM-USA to promote the Fund and provide secondary market support services.

NOT FDIC INSURED | MAY LOSE VALUE | NOT BANK GUARANTEED

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