

THE TAIWAN FUND, INC.

Manager's Commentary

Market Review

COMPUTEX Taipei, the annual computer and technology trade show, took place from June 4 - June 7, 2024, hosting one of the largest gatherings of global tech executives and investors worldwide. This highlights the significance of Taiwan's technology ecosystem and signals promising prospects for future growth. The Taiwan TAIEX Total Return Index, (the "Benchmark") rose 9.12% in June 2024, in US dollar terms. The rise was driven by the Utilities and the Information Technology ("IT") sectors, with both demonstrating robust performance during the period. Within IT, Semiconductors & Semiconductor Equipment and Technology Hardware & Equipment were the best-performing industry groups. During the month, the top two underperforming sectors were Energy and Materials.

Fund Review (Attribution Reports)

The Taiwan Fund, Inc. (the "Fund") rose 9.59% in June 2024, outperforming the Benchmark in US dollar terms. The Fund's outperformance was primarily driven by an overweight position in the Semiconductors & Semiconductor Equipment industry group and underweight positions in the Banks and Automobiles & Components industry groups. Conversely, the Fund's performance was negatively impacted by the overweight position in Consumer Durables & Apparel, Consumer Staples Distribution & Retail and Consumer Services industry groups.

On a stock selection level, the largest relative contributors to performance were Taiwan Semiconductor Manufacturing Company, Ltd., Fortune Electronic Co., Ltd., eMemory Technology Inc., Quanta Computer Inc. and MediaTek Inc. Conversely, the largest relative detractors to performance were Alchip Technologies Ltd., Gigabyte Technologies Co., Ltd., Asia Vital Components Co., Ltd., Merida Industry Co., Ltd. and Visual Photonics Epitaxy Co., Ltd.

Key Transactions

The Fund's total securities holdings represented 90.5% of net assets as of June 30, 2024. This represented a slight decrease from the 91.0% held as of May 31, 2024. The major change in the portfolio was the continued reduction of holdings in Wistron Corporation on the anticipated significant impact on its growth as a result of NVIDIA Corporation ("NVIDIA")

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)	\$374.0
Median Market Cap (in billions)	\$4.72
Distribution Frequency	Annual
Management Firm	Nomura Asset Management U.S.A. Inc.

Fund Manager



Sky Chen
Lead Portfolio Manager

Performance

(US\$ Returns as of 6/30/2024)

	Fund	Benchmark ¹
One Month	9.59%	9.12%
Three Month	12.65%	12.57%
One Year	47.09%	34.27%
Three Year (Annualized)	12.76%	7.67%

Net Asset Value/Market Price

(as of 6/30/2024)

NAV/Market Price	\$54.40 / \$43.94
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High/Low Ranges (52-Week)

High/Low NAV	\$55.68 / \$35.87
High/Low Market Price	\$43.94 / \$28.20
Premium/Discount to NAV (as of 6/30/2024)	-19.23%

Fund Data (Common Shares)

Shares Outstanding	6,876,057
Average Daily Volume	21,916
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.

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Manager's Commentary (continued)

orders being obtained by its competitors. In consideration of capital efficiency, (the ratio of capital expenditure to revenue generated), the Fund proactively reduced its holdings to mitigate the potential risk in the upcoming quarters.

Conversely, the Fund added Visual Photonics Epitaxy Co., Ltd. to its holdings in the Semiconductors and Semiconductor Equipment industry group as it will benefit from the continued increase in 5G penetration, inventory normalization and the growth and usage of WiFi-7. Furthermore, the Fund has strategically kept the portfolio relatively stable with fewer changes on the back of positive forward looking business guidance and positive macroeconomics outlook for the overall market.

Outlook and Strategy

The Consumer Price Index ("CPI") in the United States rose 3.3% year-on-year ("YoY") in May, following the 3.4% increase in April. Inflation moderated across categories such as food, shelter, transportation, and apparel. Despite interest rates remaining high, both the CPI and Personal Consumption Expenditures ("PCE") continue to demonstrate long-term trends toward converging with the Federal Reserve's 2% objective.

Every two years, NVIDIA introduces updates to its GPU architecture, delivering significant performance advancements. Many of the artificial intelligence ("AI") models released in recent years were trained on NVIDIA's Hopper architecture, notably on chips such as the H100, which was unveiled in 2022. At the recent GPU Technology Conference ("GTC"), NVIDIA introduced its next-generation AI chip, the GB200, offering a huge upgrade in performance over NVIDIA's H100 chip. The enhanced processing power enables AI companies to train larger and more complex models.

The GB200 unit is priced tenfold higher than the H100. Its hardware specifications are also higher than those of the H100, particularly in power supply, cooling, mechanical parts and connectors. The design of the GB200 rack, coupled with its increasing deployment across data centers, will benefit cooling companies. According to Goldman Sachs Research (May 2024), the penetration rate of liquid cooling would be anticipated to rise significantly from 23% this year, to 82% by 2030. Furthermore, this trend is also expected to drive the demand for electricity over the next three to five years. This increase in demand will inevitably drive the need for electricity power equipment and components. Although Taiwan currently holds a modest global market share in power supplies, Taiwanese manufacturers can produce high-quality electrical equipment, indicating significant growth potential. As AI technology continues to evolve, we believe Taiwan's supply chains will continue to benefit in the long term.

THE TAIWAN FUND, INC.

Returns (%)

	1 Month	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception
NAV	9.59	12.65	24.91	47.09	12.76	30.01	15.72	10.80
Market Price	10.29	10.90	27.03	42.65	11.32	28.03	13.27	9.18
Taiwan TAIEX Total Return Index	9.12	12.57	22.53	34.27	7.67	19.90	12.71	—
Taiwan TAIEX Price Index	8.62	11.96	21.52	30.72	3.67	15.49	8.48	—
MSCI Taiwan Index (net)	11.88	15.10	29.40	40.71	7.98	21.20	13.11	—

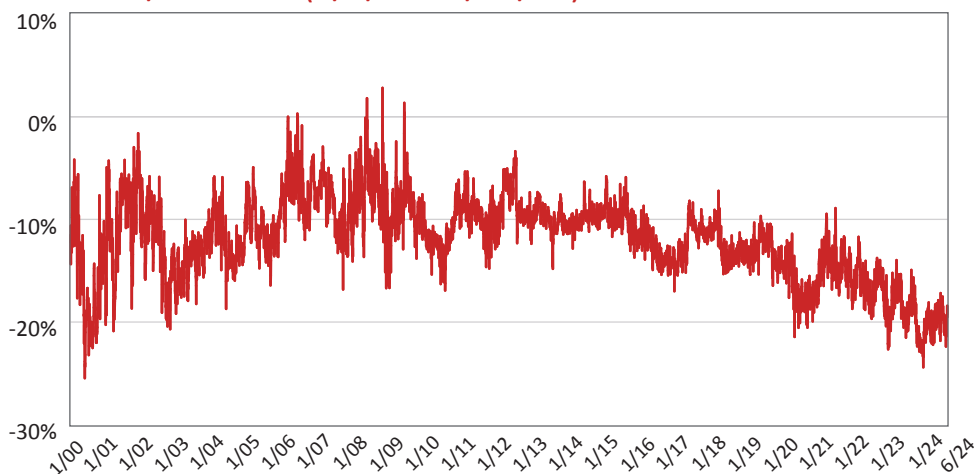
Calendar Year Returns (%)

	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 - 6/30/24)



Past performance is not indicative of future results.

Sector Breakdown (%)

	Fund	Benchmark
Information Technology	71.67	65.59
Consumer Discretionary	6.08	4.43
Industrials	5.73	6.93
Materials	3.70	4.89
Consumer Staples	1.96	1.73
Communication Services	1.33	2.34
Financials	0	10.76
Real Estate	0	1.38
Health Care	0	0.89
Energy	0	0.85
Utilities	0	0.22

Top 10 Holdings (%)

Taiwan Semiconductor Manufacturing Co. Ltd.	24.46
Fortune Electric Co. Ltd.	4.81
Quanta Computer, Inc.	4.58
Asia Vital Components Co. Ltd.	4.27
MediaTek, Inc.	4.23
eMemory Technology, Inc.	3.96
Gigabyte Technology Co. Ltd.	3.92
Century Iron & Steel Industrial Co. Ltd.	3.70
Alchip Technologies Ltd.	3.54
Nien Made Enterprise Co. Ltd.	2.41

Holdings and sector weightings are subject to change. Source: State Street Bank & Trust Company, Bloomberg L.P. as of 6/30/2024.

THE TAIWAN FUND, INC.

Portfolio Characteristics

	Fund
Number of Issues	39
Foreign Holdings (%)	90.5
Cash and Other Assets less Liabilities (%)	9.5

As of 6/30/2024.

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 June 30, 2024

Sector	Company (exchange ticker)	Price TWD	Holding	Value US\$	% of Fund	
INFORMATION TECHNOLOGY					71.67	
	Taiwan Semiconductor Manufacturing Co. Ltd.	2330-TW	966.00	3,127,000	91,473,945	24.46
	Quanta Computer, Inc.	2382-TW	312.00	1,781,000	17,128,431	4.58
	Asia Vital Components Co. Ltd.	3017-TW	765.00	677,705	15,980,899	4.27
	MediaTek, Inc.	2454-TW	1,400.00	367,000	15,837,739	4.23
	eMemory Technology, Inc.	3529-TW	2,570.00	187,000	14,814,050	3.96
	Gigabyte Technology Co. Ltd.	2376-TW	305.50	1,556,000	14,652,775	3.92
	Alchip Technologies Ltd.	3661-TW	2,455.00	175,000	13,243,068	3.54
	ASMedia Technology, Inc.	5269-TW	2,240.00	116,000	8,009,494	2.14
	King Slide Works Co. Ltd.	2059-TW	1,240.00	200,000	7,644,529	2.04
	Lotes Co. Ltd.	3533-TW	1,630.00	108,000	7,335,666	1.96
	Fositek Corp.	9805-TW	760.00	276,000	6,465,792	1.73
	Delta Electronics, Inc.	2308-TW	387.50	524,000	6,258,958	1.67
	E Ink Holdings, Inc.	8069-TW	252.00	731,000	5,678,283	1.52
	WinWay Technology Co. Ltd.	6515-TW	1,050.00	174,000	5,631,675	1.51
	Visual Photonics Epitaxy Co. Ltd.	2455-TW	165.00	744,000	4,730,053	1.26
	Grand Process Technology Corp.	3131-TW	1,355.00	108,000	4,510,889	1.21
	Jentech Precision Industrial Co. Ltd.	3653-TW	1,200.00	120,000	4,438,759	1.19
	Global Unichip Corp.	3443-TW	1,605.00	86,000	4,254,735	1.14
	Elite Material Co. Ltd.	2383-TW	475.00	283,000	4,143,612	1.11
	ASPEED Technology, Inc.	5274-TW	4,840.00	27,000	4,028,174	1.08
	SDI Corp.	2351-TW	139.50	895,000	3,848,543	1.03
	Phison Electronics Corp.	8299-TW	617.00	178,000	3,385,355	0.91
	Wistron NeWeb Corp.	6285-TW	161.00	689,000	2,565,757	0.69
	Globalwafers Co. Ltd.	6488-TW	539.00	103,000	1,711,296	0.46
	M31 Technology Corp.	6643-TW	1,135.00	8,400	293,883	0.08
CONSUMER DISCRETIONARY					6.08	
	Nien Made Enterprise Co. Ltd.	8464-TW	390.00	749,000	9,004,207	2.41
	Merida Industry Co. Ltd.	9914-TW	216.50	652,000	4,351,155	1.16
	Makalot Industrial Co. Ltd.	1477-TW	421.00	196,000	2,543,532	0.68
	Fulgent Sun International Holding Co. Ltd.	9802-TW	123.00	505,000	1,914,677	0.51
	Feng TAY Enterprise Co. Ltd.	9910-TW	155.00	324,800	1,551,840	0.41
	Giant Manufacturing Co. Ltd.	9921-TW	212.00	220,000	1,437,665	0.38
	Gourmet Master Co. Ltd.	2723-TW	86.10	526,000	1,396,008	0.37
	Bafang Yunji International Co. Ltd.	2753-TW	162.50	110,000	550,992	0.15
INDUSTRIALS					5.73	
	Fortune Electric Co. Ltd.	1519-TW	945.00	618,000	18,001,942	4.81
	Sunonwealth Electric Machine Industry Co. Ltd.	2421-TW	115.00	846,000	2,998,937	0.80
	Advanced Energy Solution Holding Co. Ltd.	6781-TW	631.00	23,000	447,359	0.12
MATERIALS					3.70	
	Century Iron & Steel Industrial Co. Ltd.	9958-TW	302.00	1,488,000	13,851,887	3.70
CONSUMER STAPLES					1.96	
	President Chain Store Corp.	2912-TW	273.50	869,000	7,326,156	1.96
COMMUNICATION SERVICES					1.33	
	Chunghwa Telecom Co. Ltd.	2412-TW	125.50	1,285,000	4,971,025	1.33

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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. **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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