

THE TAIWAN FUND, INC.

Manager's Commentary

Market Review

During the month of July 2024, the Taiwan market retreated after hitting a record high on July 11th. The rotation out of technology stocks and into other market segments began after inflation fears were tempered, which convinced investors that the U.S. Federal Reserve would lower interest rates at its September meeting. This market sentiment bolstered smaller and more cyclically oriented companies. We continue to expect that US economic growth will slowly revert to its mean and that Taiwan corporate earnings momentum to last through 2025.

The Taiwan TAIEX Total Return Index, (the "Benchmark") declined 3.90% in July 2024, in US dollar terms. The decline was driven by the Industrials and Information Technology ("IT") sectors. Within the Industrials sector, the poorest performing industry groups were Transportation and Capital Goods. Regarding IT, the downturn was primarily driven by the Technology Hardware & Equipment and the Semiconductors & Semiconductor Equipment industry groups. Conversely, the best two performing sectors were Real Estate and Financials. Within the Real Estate sector, the Real Estate Management & Development industry group was the main contributor to relative performance.

Fund Review (Attribution Reports)

The Taiwan Fund, Inc. (the "Fund") fell 7.41% in July 2024, in US dollar terms, underperforming the benchmark. The Fund's underperformance was primarily driven by its positions in the Technology Hardware & Equipment and Capital Goods industry groups and an underweight position in the Materials industry group. Conversely, the Fund's performance was positively impacted by its positions in the Consumer Durables & Apparel and Consumer Staples Distribution & Retail industry groups and an underweight position in the Transportation industry group.

On a stock selection level, the largest relative detractors to performance were Century Iron & Steel Industrial Co. Ltd., Taiwan Semiconductor Manufacturing Co. Ltd., Fortune Electric Co. Ltd., Asia Vital Components Co. Ltd. and Quanta Computers Inc. Conversely, the largest relative contributors to performance were Grand Process Technology Corporation, Merida Industry Co. Ltd., Alchip Technologies Ltd., E Ink Holdings Inc. and Nien Made Enterprise Co. Ltd.

Key Transactions

The Fund's total securities holdings represented 86.6% of net assets as of July 31, 2024. This represented a decrease from the 90.5% held as of June 30, 2024. The major changes in the portfolio were in the Semiconductors

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)	\$341.8
Median Market Cap (in billions)	\$4.21
Distribution Frequency	Annual
Management Firm	Nomura Asset Management U.S.A. Inc.

Fund Manager



Sky Chen
Lead Portfolio Manager

Performance

(US\$ Returns as of 7/31/2024)

	Fund	Benchmark ¹
One Month	-7.41%	-3.90%
Three Month	5.09%	9.43%
One Year	27.07%	27.11%
Three Year (Annualized)	10.32%	7.09%

Net Asset Value/Market Price

(as of 7/31/2024)

NAV/Market Price	\$50.37 / \$42.16
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High/Low Ranges (52-Week)

High/Low NAV	\$56.82 / \$35.87
High/Low Market Price	\$45.72 / \$28.20
Premium/Discount to NAV (as of 7/31/2024)	-16.30%

Fund Data (Common Shares)

Shares Outstanding	6,783,715
Average Daily Volume	20,069
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)

& Semiconductor Equipment, Technology Hardware & Equipment and Capital Goods industry groups. In the Semiconductors & Semiconductor Equipment industry group, the Fund reduced its holdings in MediaTek, Inc. due to the anticipated intense competition in Advanced Reduced Instruction Set Computer (RISC), (a type of microprocessor architecture that utilizes a small, highly-optimized set of instructions) Machine (ARM)-based personal computers (PCs) and high-end mobile phone markets which are expected to gradually impact MediaTek's revenue growth. The Fund also reduced its holdings in the Technology Hardware & Equipment industry group in anticipation of limited momentum in the Taiwan supply chain at the start of Nvidia's product transition period. The Fund added to its position in Delta Electronics Inc. due to its industry leading position in the fields of electric vehicles, energy storage and server power & cooling, where we anticipate Delta Electronics to deliver better than expected profits for both this year and 2025. Also, the Fund trimmed its holdings in the Capital Goods industry group on an anticipated modest upward revision of profits for electric equipment in 2025.

Outlook and Strategy

In June 2024, the Consumer Price Index ("CPI") in the United States rose by 3.0% year-over-year (YoY), down from the 3.3% increase in May 2024. This marks the lowest CPI increase since July 2023. As inflation continues to moderate, a potential rate cut is expected in the near term.

Despite recent geopolitical uncertainties, global macro, and US interest rate levels remaining high, the artificial intelligence ("AI") growth theme remains intact. The competition among cloud service providers ("CSPs") remains intense. CSPs are increasingly focused on developing their own chips, rather than relying on high-end chips from Nvidia, to meet their needs. While the share price of application-specific integrated circuits ("ASIC") design firms have declined sharply following comments by Jensen Huang, CEO of Nvidia, at the GPU Technology Conference (GTC), demand for ASICs and custom chips continues to rise. According to Morgan Stanley research, ASICs are expected to outpace graphics processing units (GPUs) in growth and potentially account for up to 30% of the cloud AI semiconductor market within the next four to five years.

In addition to the advancement in ASICs, the Apple Worldwide Developers Conference (WWDC) emerged as another highlight in the industry. Unlike past years, Apple did not introduce any new hardware at the June event. Instead, the company introduced several products that position Apple as a central player in the upcoming Internet of Things (IoT) computing cycle. This shift in focus from AI servers and AI applications to Apple-centric intelligence services marks a notable change in industry dynamics. We anticipate that this development will further enhance the growth potential of Taiwan Semiconductor Manufacturing Co. Ltd. (TSMC), particularly in its advanced process and advanced packaging. This trend is expected to continue, delivering sustained benefits to Taiwan's technology supply chains.

THE TAIWAN FUND, INC.

Returns (%)

	1 Month	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception
NAV	-7.41	5.09	15.66	27.07	10.32	26.95	15.14	10.54
Market Price	-4.05	8.80	21.88	28.16	8.87	25.70	14.37	9.04
Taiwan TAIEX Total Return Index	-3.90	9.43	17.75	27.11	7.09	18.25	12.21	—
Taiwan TAIEX Price Index	-4.87	7.82	15.60	23.79	3.07	14.18	8.08	—
MSCI Taiwan Index (net)	-4.28	12.77	23.86	33.64	7.21	19.38	12.60	—

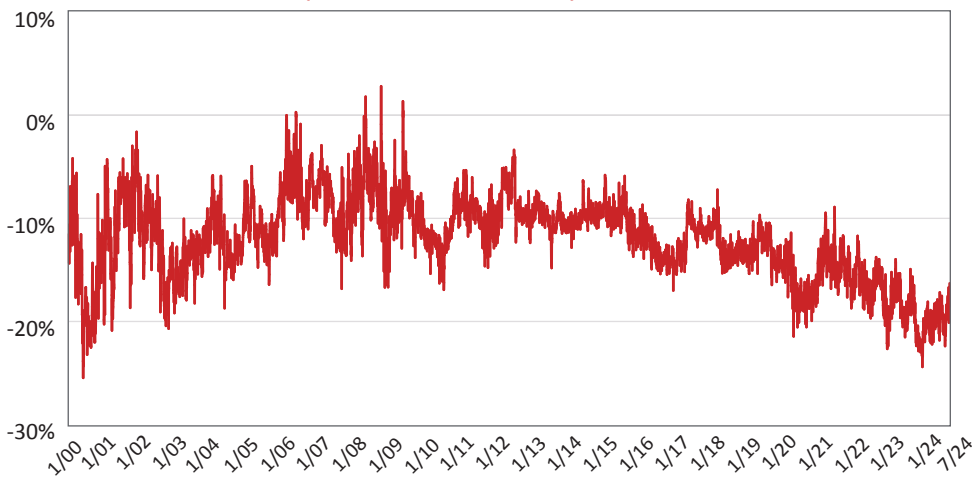
Calendar Year Returns (%)

	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 - 7/31/24)



Past performance is not indicative of future results.

Sector Breakdown (%)

	Fund	Benchmark
Information Technology	70.14	64.25
Consumer Discretionary	6.50	4.68
Industrials	3.56	6.67
Materials	2.91	5.04
Consumer Staples	2.15	1.82
Communication Services	1.39	2.38
Financials	0	11.51
Real Estate	0	1.64
Health Care	0	0.91
Energy	0	0.87
Utilities	0	0.23

Top 10 Holdings (%)

Taiwan Semiconductor Manufacturing Co. Ltd.	24.06
Delta Electronics, Inc.	4.39
Quanta Computer, Inc.	4.21
Alchip Technologies Ltd.	4.08
eMemory Technology, Inc.	3.84
Fortune Electric Co. Ltd.	3.56
Grand Process Technology Corp.	3.20
Century Iron & Steel Industrial Co. Ltd.	2.91
Asia Vital Components Co. Ltd.	2.88
Nien Made Enterprise Co. Ltd.	2.83

Holdings and sector weightings are subject to change. Source: State Street Bank & Trust Company, Bloomberg L.P. as of 7/31/2024.

THE TAIWAN FUND, INC.

Portfolio Characteristics

	Fund
Number of Issues	39
Foreign Holdings (%)	86.6
Cash and Other Assets less Liabilities (%)	13.4

As of 7/31/2024.

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 July 31, 2024

Sector	Company (exchange ticker)	Price TWD	Holding	Value US\$	% of Fund	
INFORMATION TECHNOLOGY					70.14	
	Taiwan Semiconductor Manufacturing Co. Ltd.	2330-TW	934.00	2,894,000	82,232,917	24.06
	Delta Electronics, Inc.	2308-TW	414.50	1,189,000	14,993,626	4.39
	Quanta Computer, Inc.	2382-TW	272.50	1,735,000	14,383,556	4.21
	Alchip Technologies Ltd.	3661-TW	2,620.00	175,000	13,948,889	4.08
	eMemory Technology, Inc.	3529-TW	2,305.00	187,000	13,113,325	3.84
	Grand Process Technology Corp.	3131-TW	1,550.00	232,000	10,940,067	3.20
	Asia Vital Components Co. Ltd.	3017-TW	636.00	508,000	9,829,267	2.88
	Visual Photonics Epitaxy Co. Ltd.	2455-TW	150.00	1,954,000	8,916,945	2.61
	Gigabyte Technology Co. Ltd.	2376-TW	259.00	1,007,000	7,934,682	2.32
	King Slide Works Co. Ltd.	2059-TW	1,105.00	200,000	6,723,456	1.97
	Lotes Co. Ltd.	3533-TW	1,390.00	146,000	6,174,019	1.81
	Fositek Corp.	9805-TW	712.00	276,000	5,978,461	1.75
	ASMedia Technology, Inc.	5269-TW	1,665.00	116,000	5,875,875	1.72
	WinWay Technology Co. Ltd.	6515-TW	1,045.00	174,000	5,531,792	1.62
	Jentech Precision Industrial Co. Ltd.	3653-TW	1,160.00	120,000	4,234,865	1.24
	Elite Material Co. Ltd.	2383-TW	438.00	283,000	3,771,037	1.10
	Wiwynn Corp.	6669-TW	2,030.00	56,000	3,458,473	1.01
	SDI Corp.	2351-TW	119.00	895,000	3,240,189	0.95
	MediaTek, Inc.	2454-TW	1,220.00	84,000	3,117,736	0.91
	E Ink Holdings, Inc.	8069-TW	269.50	374,000	3,066,413	0.90
	Globalwafers Co. Ltd.	6488-TW	496.00	203,000	3,063,219	0.90
	Phison Electronics Corp.	8299-TW	513.00	178,000	2,778,035	0.81
	ASPEED Technology, Inc.	5274-TW	4,080.00	21,000	2,606,632	0.76
	Chroma ATE, Inc.	2360-TW	301.00	184,000	1,684,941	0.49
	Winbond Electronics Corp.	2344-TW	23.15	2,388,000	1,681,844	0.49
	M31 Technology Corp.	6643-TW	1,115.00	8,400	284,941	0.08
	Arizon RFID Technology Cayman Co. Ltd.	6863-TW	220.50	23,000	154,290	0.05
CONSUMER DISCRETIONARY					6.50	
	Nien Made Enterprise Co. Ltd.	8464-TW	397.50	799,000	9,662,382	2.83
	Merida Industry Co. Ltd.	9914-TW	250.00	652,000	4,958,929	1.45
	Fulgent Sun International Holding Co. Ltd.	9802-TW	118.50	505,000	1,820,581	0.53
	Giant Manufacturing Co. Ltd.	9921-TW	237.00	220,000	1,586,249	0.46
	Feng TAY Enterprise Co. Ltd.	9910-TW	140.00	324,800	1,383,389	0.40
	Gourmet Master Co. Ltd.	2723-TW	82.90	526,000	1,326,601	0.39
	Eclat Textile Co. Ltd.	1476-TW	528.00	80,000	1,285,063	0.38
	Bafang Yunji International Co. Ltd.	2753-TW	159.00	37,000	178,978	0.05
INDUSTRIALS					3.56	
	Fortune Electric Co. Ltd.	1519-TW	694.00	576,400	12,169,808	3.56
MATERIALS					2.91	
	Century Iron & Steel Industrial Co. Ltd.	9958-TW	219.50	1,488,000	9,936,599	2.91
CONSUMER STAPLES					2.15	
	President Chain Store Corp.	2912-TW	277.50	869,000	7,336,401	2.15
COMMUNICATION SERVICES					1.39	
	Chunghwa Telecom Co. Ltd.	2412-TW	121.50	1,285,000	4,749,848	1.39

THE TAIWAN FUND, INC.

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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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