

THE TAIWAN FUND, INC.

Manager's Commentary

Market Review

In September, the technology space drifted aimlessly, leading to a subdued month. Apple Inc. launched the iPhone 16 series, but attention is already turning to next year's iPhone 17, which is expected to include more significant artificial intelligence ("AI") features.

The Taiwan TAIEX Total Return Index, (the "Benchmark") increased 1.09% in September 2024 in U.S. dollar terms. The increase was driven by the Consumer Staples, Materials and Consumer Discretionary sectors. Within Consumer Staples, Consumer Staples Distribution & Retail was the best-performing industry group. In the Consumer Discretionary sector, the increase was driven by the Consumer Discretionary Distribution & Retail and Automobiles & Components industry groups. Conversely, the top underperforming sectors were Real Estate and Energy. Within the Real Estate sector, the Real Estate Management & Development industry group was the leading detractor to sector performance, as the Central Bank launched new policies to crack down on housing speculators.

Fund Review (Attribution Reports)

The Taiwan Fund, Inc. (the "Fund") declined 0.59% in September 2024, underperforming the Benchmark in U.S. dollar terms. The Fund's underperformance was primarily driven by stock selection and industry allocation.

On a stock selection level, the largest detractors to relative performance were Alchip Technologies Ltd., Grand Process Technology Corporation, King Slide Works Co., Ltd., Lotes Co., Ltd. and Century Iron & Steel Industry Co., Ltd. Conversely, the largest contributors to relative performance were Taiwan Semiconductor Manufacturing Co., Ltd., Visual Photonics Epitaxy Co. Ltd., Nien Made Enterprise Co. Ltd., President Chain Store Corporation and Winway Technology Co. Ltd.

With regards to industry allocation, the largest detractors to relative performance were due to an overweight position in the Technology Hardware & Equipment industry group and an underweight position in the Materials industry group. Conversely, the largest contributors to relative performance were due to overweight positions in the Semiconductors & Semiconductor Equipment and the Consumer Staples Distribution & Retail industry groups and an underweight position in Real Estate Management & Development industry group.

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)	\$356.9
Median Market Cap (in billions)	\$4.42
Distribution Frequency	Annual
Management Firm	Nomura Asset Management U.S.A. Inc.

Fund Manager



Sky Chen
Lead Portfolio Manager

Performance

(US\$ Returns as of 9/30/2024)

	Fund	Benchmark ¹
One Month	-0.59%	1.09%
Three Month	-1.73%	0.43%
One Year	41.27%	42.15%
Three Year (Annualized)	12.46%	8.78%

Net Asset Value/Market Price

(as of 9/30/2024)

NAV/Market Price	\$53.46 / \$43.93
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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 9/30/2024)	-17.83%

Fund Data (Common Shares)

Shares Outstanding	6,675,885
Average Daily Volume	18,881
Expense Ratio ²	1.29%

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

¹Taiwan TAIEX Total Return Index.

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

THE TAIWAN FUND, INC.

Manager's Commentary (continued)

Key Transactions

The Fund's total securities total holdings represented 89.0% of net assets as of September 30, 2024. This represented an increase from the 87.1% held as of August 31, 2024. The major changes in the portfolio were in the Technology Hardware & Equipment, Consumer Durables & Apparel and Semiconductors & Semiconductor Equipment industry groups. In the Technology Hardware & Equipment industry group, the Fund increased its holdings in Unimicron Technology Corporation, in anticipation of benefits from the newly launched Apple iPhone and the growing demand for the GB200 (Grace Blackwell Superchip) from NVIDIA. Additionally, the Fund added to its holding in Merida Industry Co., Ltd. within the Consumer Durables & Apparel industry group, as the company's inventory adjustment has come to an end and its EPS (Earnings Per Share) is expected to return to an upward cycle. Furthermore, the Fund decreased its holdings in Alchip Technologies Ltd. in the Semiconductors & Semiconductor Equipment industry group as a result of their revenue momentum being below expectation.

Outlook and Strategy

In August, the Consumer Price Index ("CPI") in the United States declined to 2.5% year-over-year ("YoY"), down from the 2.9% increase in July. This marks the lowest CPI increase since February 2021. Following the U.S. Federal Reserve's (the "Fed") 50-basis-point rate cut in September, we expect that the Fed will gradually cut interest rates until the end of the year as they move to a neutral stance.

As inflation concerns ease, the global economy is expected to grow at a steady pace, with market improvements across various industries in both the United States and Taiwan. Unlike in 2024, when only AI related companies thrived, a broader range of sectors are likely to excel in 2025. Consequently, the Fund is gradually investing in areas such as wind power and consumer consumption.

Meanwhile, we remain optimistic regarding AI. The semiconductor industry has entered an upward cycle this year, which is expected to continue into 2025. The main driver still comes from AI, leading to increased demand for data processing and communication related products. As semiconductor inventories have been reduced to a reasonable level, integrated circuit ("IC") design companies have resumed wafer production, driving a rise in wafer foundry shipments and an expected increase in utilization rates. Additionally, AI server growth remains strong, and the rise in AI computing power will boost the adoption of liquid cooling systems. As AI technology continues to evolve and the interest rate cut cycle begins, we believe Taiwan's supply chains will benefit over the long term.

THE TAIWAN FUND, INC.

Returns (%)

	1 Month	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception
NAV	-0.59	-1.73	22.76	41.27	12.46	27.04	16.35	10.67
Market Price	-1.79	-0.02	27.00	48.42	10.94	25.85	15.25	9.12
Taiwan TAIEX Total Return Index	1.09	0.43	23.06	42.15	8.78	18.99	13.19	—
Taiwan TAIEX Price Index	0.89	-1.08	20.20	38.62	4.93	15.01	9.07	—
MSCI Taiwan Index (net)	1.52	0.49	30.04	52.66	8.90	20.10	13.57	—

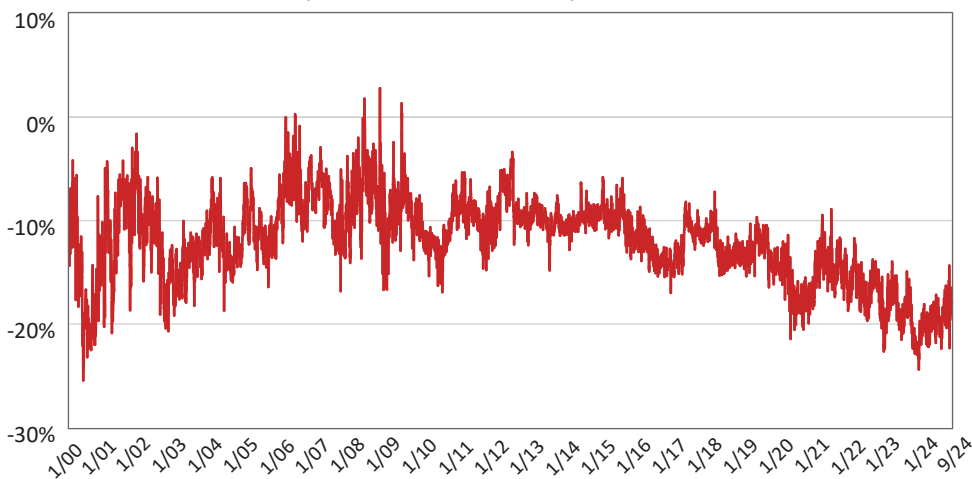
Calendar Year Returns (%)

	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 - 9/30/24)



Past performance is not indicative of future results.

Sector Breakdown (%)

	Fund	Benchmark
Information Technology	71.28	64.19
Consumer Discretionary	9.21	4.76
Materials	2.92	4.95
Consumer Staples	2.27	1.87
Industrials	1.84	6.97
Communication Services	1.43	2.49
Financials	0	11.56
Real Estate	0	1.38
Health Care	0	0.90
Energy	0	0.71
Utilities	0	0.23

Top 10 Holdings (%)

Taiwan Semiconductor Manufacturing Co. Ltd.	24.52
eMemory Technology, Inc.	4.35
Quanta Computer, Inc.	4.06
Delta Electronics, Inc.	4.01
Nien Made Enterprise Co. Ltd.	3.61
Grand Process Technology Corp.	3.37
Jentech Precision Industrial Co. Ltd.	3.26
Asia Vital Components Co. Ltd.	3.17
Century Iron & Steel Industrial Co. Ltd.	2.92
Visual Photonics Epitaxy Co. Ltd.	2.87

Holdings and sector weightings are subject to change. Source: State Street Bank & Trust Company, Bloomberg L.P. as of 9/30/2024.

THE TAIWAN FUND, INC.

Portfolio Characteristics

	Fund
Number of Issues	42
Foreign Holdings (%)	89.0
Cash and Other Assets less Liabilities (%)	11.0

As of 9/30/2024.

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 September 30, 2024

Sector	Company (exchange ticker)	Price TWD	Holding	Value US\$	% of Fund	
INFORMATION TECHNOLOGY					71.28	
	Taiwan Semiconductor Manufacturing Co. Ltd.	2330-TW	957.00	2,894,000	87,515,460	24.52
	eMemory Technology, Inc.	3529-TW	2,630.00	187,000	15,540,739	4.35
	Quanta Computer, Inc.	2382-TW	264.00	1,735,000	14,473,639	4.06
	Delta Electronics, Inc.	2308-TW	380.50	1,189,000	14,295,878	4.01
	Grand Process Technology Corp.	3131-TW	1,740.00	219,000	12,041,142	3.37
	Jentech Precision Industrial Co. Ltd.	3653-TW	1,295.00	284,000	11,621,506	3.26
	Asia Vital Components Co. Ltd.	3017-TW	590.00	607,000	11,316,575	3.17
	Visual Photonics Epitaxy Co. Ltd.	2455-TW	166.00	1,954,000	10,249,601	2.87
	Fositek Corp.	9805-TW	825.00	276,000	7,195,108	2.02
	King Slide Works Co. Ltd.	2059-TW	1,100.00	200,000	6,951,796	1.95
	Lotes Co. Ltd.	3533-TW	1,385.00	146,000	6,389,648	1.79
	WinWay Technology Co. Ltd.	6515-TW	1,225.00	154,000	5,961,165	1.67
	Alchip Technologies Ltd.	3661-TW	1,975.00	85,000	5,304,694	1.49
	Wiwynn Corp.	6669-TW	1,715.00	84,000	4,552,162	1.28
	ASMedia Technology, Inc.	5269-TW	1,615.00	80,000	4,082,600	1.14
	Elite Material Co. Ltd.	2383-TW	447.00	283,000	3,997,314	1.12
	Unimicron Technology Corp.	3037-TW	144.00	766,000	3,485,504	0.98
	E Ink Holdings, Inc.	8069-TW	293.00	374,000	3,462,689	0.97
	SDI Corp.	2351-TW	146.50	716,000	3,314,553	0.93
	MediaTek, Inc.	2454-TW	1,175.00	84,000	3,118,828	0.87
	Globalwafers Co. Ltd.	6488-TW	455.00	203,000	2,918,648	0.82
	ASPEED Technology, Inc.	5274-TW	4,305.00	21,000	2,856,714	0.80
	Phison Electronics Corp.	8299-TW	494.00	178,000	2,778,570	0.78
	Chroma ATE, Inc.	2360-TW	373.50	184,000	2,171,615	0.61
	Gigabyte Technology Co. Ltd.	2376-TW	258.50	250,000	2,042,090	0.57
	EZconn Corp.	6442-TW	374.00	150,000	1,772,708	0.50
	Winbond Electronics Corp.	2344-TW	21.35	2,388,000	1,611,041	0.45
	Hon Hai Precision Industry Co. Ltd.	2317-TW	187.50	236,000	1,398,259	0.39
	All Ring Tech Co. Ltd.	6187-TW	474.00	84,000	1,258,149	0.35
	Arizon RFID Technology Cayman Co. Ltd.	6863-TW	288.00	80,000	728,042	0.20
CONSUMER DISCRETIONARY					9.21	
	Nien Made Enterprise Co. Ltd.	8464-TW	510.00	799,000	12,876,305	3.61
	Merida Industry Co. Ltd.	9914-TW	230.00	1,180,000	8,575,988	2.40
	Giant Manufacturing Co. Ltd.	9921-TW	224.00	520,000	3,680,660	1.03
	Feng TAY Enterprise Co. Ltd.	9910-TW	156.00	564,800	2,784,156	0.78
	Fulgent Sun International Holding Co. Ltd.	9802-TW	124.00	505,000	1,978,734	0.55
	Gourmet Master Co. Ltd.	2723-TW	90.60	526,000	1,505,873	0.42
	Eclat Textile Co. Ltd.	1476-TW	545.00	80,000	1,377,720	0.39
	Bafang Yunji International Co. Ltd.	2753-TW	150.00	17,000	80,577	0.02
MATERIALS					2.92	
	Century Iron & Steel Industrial Co. Ltd.	9958-TW	222.00	1,488,000	10,438,311	2.92
CONSUMER STAPLES					2.27	
	President Chain Store Corp.	2912-TW	295.00	869,000	8,100,580	2.27
INDUSTRIALS					1.84	
	Fortune Electric Co. Ltd.	1519-TW	629.00	330,400	6,566,969	1.84
COMMUNICATION SERVICES					1.43	
	Chunghwa Telecom Co. Ltd.	2412-TW	125.50	1,285,000	5,095,903	1.43

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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