

THE TAIWAN FUND, INC.

Manager's Commentary

Market Review

The Taiwan TAIEX Total Return Index, (the "Benchmark") rose by 2.37% in U.S. dollar terms, surpassing regional benchmarks. The Energy, Health Care and Information Technology sectors were the top performers. Within the Health Care sector, Pharmaceuticals, Biotechnology & Life Sciences was the best-performing industry group. In the Information Technology sector, the performance was primarily driven by the Semiconductors & Semiconductor Equipment industry group. During the month, the three poorest performing sectors were the Real Estate, Utilities, and Industrials. Within the Real Estate sector, the Real Estate Management & Development industry group was the largest detractor to sector performance.

Fund Review (Attribution Reports)

The Taiwan Fund, Inc. (the "Fund") decreased by 1.82% in January, 2025, underperforming the Benchmark in U.S. dollar terms. The Fund's underperformance was mainly driven by sector allocation.

Regarding industry allocation, the Fund's underperformance was negatively impacted by overweight positions in the Technology Hardware & Equipment and Capital Goods industry groups and the underweight position in the Pharmaceuticals, Biotechnology & Life Sciences industry group. Conversely, relative outperformances was primarily driven mostly by the overweight position in the Consumer Durables & Apparel and Consumer Services industry groups.

At the stock selection level, the largest detractors to relative performance were Jentech Precision Industrial Co., Ltd., Wiyynn Corporation, Quanta Computer Inc., Fositek Corporation and Asia Vital Components Co., Ltd. Conversely, the largest contributors to relative performance were Taiwan Semiconductor Manufacturing Co., Ltd. ("TSM"), LandMark Optoelectronics Corporation, Nien Made Enterprise Co., Ltd., Fulgent Sun International Co., Ltd. and Bizlink Holding Inc.

The unexpected release from DeepSeek, a Chinese Artificial Intelligence ("AI") startup, which claims to rival technology developed by ChatGPT, rattled the markets. The Technology & Equipment sector, and in particular, TSM, experienced heightened volatility.

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)	\$298.2
Median Market Cap (in billions)	\$3.79
Distribution Frequency	Annual
Management Firm	Nomura Asset Management U.S.A. Inc.

Fund Manager



Sky Chen
Lead Portfolio Manager

Performance

(US\$ Returns as of 1/31/2025)

	Fund	Benchmark ¹
One Month	-1.82%	2.37%
Three Month	1.17%	1.15%
One Year	21.08%	28.95%
Three Year (Annualized)	11.78%	8.03%

Net Asset Value/Market Price (as of 1/31/2025)

NAV/Market Price	\$46.38 / \$38.66
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High/Low Ranges (52-Week)

High/Low NAV	\$56.82 / \$42.01
High/Low Market Price	\$46.93 / \$33.53
Premium/Discount to NAV (as of 1/31/2025)	-16.64%

Fund Data (Common Shares)

Shares Outstanding	6,428,693
Average Daily Volume	21,062
Expense Ratio ²	0.91%

¹Taiwan TAIEX Total Return Index.

²One year ended August 31, 2024.

NOMURA

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

THE TAIWAN FUND, INC.

Manager's Commentary (continued)

Key Transactions

The Fund's total securities holdings represented 95.7% of net assets as of January 31, 2025. This represented an increase from the 89.9% held on December 31, 2024 (Note that this is without the impact of the distribution in the amount of \$7.3984 per share, with both an ex-date and record date of December 27, 2024, payable on January 10, 2025 to stockholders of record.) The major changes in the portfolio were in the Consumer Durables & Apparel, Technology Hardware & Equipment and Telecommunication Services and Utilities industry groups. In the Technology Hardware & Equipment industry group, the Fund continued adding to its position in Dynapack International Technology Corporation, in anticipation of notable growth in its battery modules in 2025. Additionally, the Fund added to its holding in Fulgent Sun International (Holding) Co., Ltd. in the Consumer Durables & Apparel industry group, anticipating an upward revision in its 2025 earnings per share.

The Fund reduced its position in Chunghwa Telecom Co., Ltd. due to its current 5G signal coverage in Taiwan having reached 90%. Increased costs and expenses have limited Chunghwa Telecom Co., Ltd.'s profits.

Outlook and Strategy

U.S. tariff increases, which take effect on February 4, were largely anticipated by the market. While global GDP (Gross Domestic Product) growth could be negatively impacted, the precise magnitude of the effect remains uncertain. Companies with production bases in the affected countries are likely to face operational challenges and may need to adjust their manufacturing allocations for the long term; particularly in industries such as automotive, textiles and electronics. Further negotiations are to be expected, and we will closely monitor the situation.

Additionally, DeepSeek's unexpected announcement of a significant drop in AI token pricing surprised the market. In the short term, we expect the impact of DeepSeek on the AI industry chain to become clearer with NVIDIA's financial results and outlook conference call in mid-February and the upcoming GTC (GPU Technology Conference) in March. For the long term, we believe that the launch of DeepSeek R1, along with a steeper cost curve, will accelerate the adoption of new technology. AI capital expenditure budgets in 2025/2026 are unlikely to see immediate changes.

Looking ahead, U.S. economic data remains strong, and the demand for non-electronic products continues to improve, likely providing diversified investment opportunities. After some market volatility, we expect a potential shift to a bullish trend over the next month. The Fund plans to diversify investments in AI

THE TAIWAN FUND, INC.

Returns (%)

	1 Month	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception
NAV	-1.82	1.17	-1.82	21.08	11.78	24.10	16.63	10.66
Market Price	0.03	6.10	0.03	27.19	11.13	23.76	15.83	9.16
Taiwan TAIEX Total Return Index	2.37	1.15	2.37	28.95	8.03	17.50	13.39	—
Taiwan TAIEX Price Index	2.31	0.92	2.31	25.77	4.19	13.57	9.24	—
MSCI Taiwan Index (net)	3.30	2.91	3.30	40.47	9.06	18.86	14.01	—

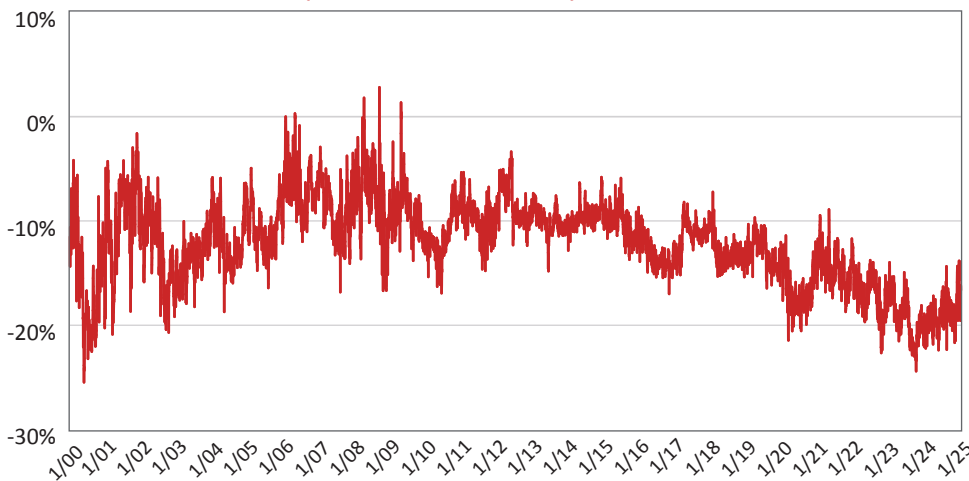
Calendar Year Returns (%)

	2017	2018	2019	2020	2021	2022	2023	2024
NAV	28.44	-14.96	47.11	41.97	55.09	-36.27	58.11	29.05
Market Price	33.61	-19.11	46.75	39.81	58.26	-38.54	51.74	32.93
Taiwan TAIEX Total Return Index	29.45	-7.86	32.19	35.62	29.04	-26.80	31.68	23.32
Taiwan TAIEX Price Index	24.56	-11.51	26.46	31.01	25.59	-30.15	27.02	20.26
MSCI Taiwan Index (net)	27.53	-8.93	36.37	40.99	26.13	-29.76	30.42	34.38

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: 0.91% for the year ended August 31, 2024.

Premium/Discount (1/3/00 - 1/31/25)



Past performance is not indicative of future results.

Sector Breakdown (%)

	Fund	Benchmark
Information Technology	76.00	67.72
Consumer Discretionary	8.56	4.17
Industrials	7.66	6.61
Materials	2.45	3.84
Consumer Staples	1.02	1.55
Financials	0	10.98
Communication Services	0	2.29
Real Estate	0	1.18
Health Care	0	1.01
Energy	0	0.47
Utilities	0	0.19
N/A	0	0

Top 10 Holdings (%)

Taiwan Semiconductor Manufacturing Co. Ltd.	25.02
Bizlink Holding, Inc.	5.32
King Slide Works Co. Ltd.	5.28
eMemory Technology, Inc.	4.74
Jentech Precision Industrial Co. Ltd.	4.60
Quanta Computer, Inc.	4.48
Delta Electronics, Inc.	4.24
LandMark Optoelectronics Corp.	3.92
Grand Process Technology Corp.	3.85
Nien Made Enterprise Co. Ltd.	3.57

Holdings and sector weightings are subject to change. Source: State Street Bank & Trust Company, Bloomberg L.P. as of 1/31/2025.

THE TAIWAN FUND, INC.

Portfolio Characteristics

	Fund
Number of Issues	30
Foreign Holdings (%)	95.7
Cash and Other Assets less Liabilities (%)	4.3

As of 1/31/2025.

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
12/27/24	12/27/24	1/10/25	7.398400	0.000000	7.398400	0.000000

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

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

As of January 31, 2025

Sector	Company (exchange ticker)	Price TWD	Holding	Value US\$	% of Fund	
INFORMATION TECHNOLOGY					76.00	
	Taiwan Semiconductor Manufacturing Co. Ltd.	2330-TW	978.00	2,497,000	74,617,025	25.02
	King Slide Works Co. Ltd.	2059-TW	1,520.00	339,000	15,744,317	5.28
	eMemory Technology, Inc.	3529-TW	3,380.00	137,000	14,148,741	4.74
	Jentech Precision Industrial Co. Ltd.	3653-TW	1,385.00	324,000	13,711,195	4.60
	Quanta Computer, Inc.	2382-TW	270.00	1,624,000	13,372,892	4.48
	Delta Electronics, Inc.	2308-TW	438.00	945,000	12,632,532	4.24
	LandMark Optoelectronics Corp.	3081-TW	529.00	724,000	11,702,395	3.92
	Grand Process Technology Corp.	3131-TW	1,490.00	252,000	11,472,745	3.85
	Lotes Co. Ltd.	3533-TW	1,880.00	146,000	8,386,702	2.81
	Alchip Technologies Ltd.	3661-TW	3,130.00	85,000	8,129,125	2.73
	Asia Vital Components Co. Ltd.	3017-TW	579.00	420,000	7,430,335	2.49
	Fositek Corp.	9805-TW	720.00	276,000	6,071,865	2.04
	Wiwynn Corp.	6669-TW	2,240.00	84,000	5,749,205	1.93
	Visual Photonics Epitaxy Co. Ltd.	2455-TW	164.00	1,124,000	5,632,364	1.89
	Dynapack International Technology Corp.	3211-TW	205.00	724,000	4,523,894	1.52
	Global Unichip Corp.	3443-TW	1,320.00	100,000	4,033,244	1.35
	EZconn Corp.	6442-TW	629.00	166,000	3,190,357	1.07
	WinWay Technology Co. Ltd.	6515-TW	1,225.00	77,000	2,882,089	0.97
	MPI Corp.	6223-TW	881.00	60,000	1,615,131	0.54
	E Ink Holdings, Inc.	8069-TW	281.00	187,000	1,602,710	0.54
CONSUMER DISCRETIONARY					8.56	
	Nien Made Enterprise Co. Ltd.	8464-TW	436.00	799,000	10,632,012	3.57
	Merida Industry Co. Ltd.	9914-TW	158.00	1,290,000	6,207,987	2.08
	Fulgent Sun International Holding Co. Ltd.	9802-TW	141.00	1,234,899	5,301,372	1.78
	Gourmet Master Co. Ltd.	2723-TW	104.00	476,000	1,512,589	0.51
	Giant Manufacturing Co. Ltd.	9921-TW	147.00	320,000	1,432,413	0.48
	Feng TAY Enterprise Co. Ltd.	9910-TW	132.00	110,800	446,883	0.15
INDUSTRIALS					7.66	
	Bizlink Holding, Inc.	3665-TW	637.00	815,000	15,862,717	5.32
	Advanced Energy Solution Holding Co. Ltd.	6781-TW	1,215.00	188,000	6,979,345	2.34
MATERIALS					2.45	
	Century Iron & Steel Industrial Co. Ltd.	9958-TW	161.00	1,488,000	7,297,238	2.45
CONSUMER STAPLES					1.02	
	President Chain Store Corp.	2912-TW	260.00	384,000	3,050,599	1.02

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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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