

# THE TAIWAN FUND, INC.

## Manager's Commentary

### Market Review

The Taiwan TAIEX Total Return Index, (the "Benchmark") decreased by 2.26% in February 2025 in U.S. dollar terms, primarily due to geopolitical risks and the DeepSeek event. The decline was primarily driven by the Information Technology sector, which was the worst-performing sector. Within the Information Technology sector, Semiconductors & Semiconductor Equipment and Technology Hardware & Equipment were the poorest performing industry groups. During the month, the best performing sectors were Materials, Financials, and Industrials. Within the Financials sector, Banks and Financial Services were the main contributors to sector performance. In Industrials, performance was primarily driven by the Transportation industry group.

### Fund Review (Attribution Reports)

The Taiwan Fund, Inc. (the "Fund") decreased by 1.42% in February, 2025 outperforming the Benchmark in U.S. dollar terms. The Fund's outperformance was primarily driven by stock selection.

On a stock selection level, the largest contributors to relative performance were King Slide Works Co. Ltd., Century Iron and Steel Industrial Co. Ltd., Merida Industry Co. Ltd., Alchip Technologies Ltd. and Winway Technology Co. Ltd. Conversely, the largest detractors to relative performance were Taiwan Semiconductor Manufacturing Co. Ltd., Land Mark Optoelectronics Corporation, eMemory Technology Inc., Grand Process Technology Corporation and Advanced Energy Solution Holding Co. Ltd.

Regarding industry allocation, relative outperformance was primarily driven by overweight positions in Consumer Durables & Apparel and Capital Goods industry groups. Conversely, relative underperformance was driven by overweight positions in the Semiconductors & Semiconductor Equipment and Technology Hardware & Equipment industry groups.

### Key Transactions

The Fund's total securities holdings represented 94.6% of net assets as of February 28, 2025. This represented a decrease from the 95.7% held as of January 31, 2025. The major change to the portfolio was in the Technology Hardware & Equipment industry group. In the Technology Hardware & Equipment industry group, the Fund increased its holdings in Wistron Corporation, anticipating a strong long-term growth potential in AI (artificial

### 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)	\$291.4
Median Market Cap (in billions)	\$2.95
Distribution Frequency	Annual
Management Firm	Nomura Asset Management U.S.A. Inc.

### Fund Manager



Sky Chen  
Lead Portfolio Manager

### Performance

(US\$ Returns as of 2/28/2025)

	Fund	Benchmark <sup>1</sup>
One Month	-1.42%	-2.26%
Three Month	2.68%	2.74%
One Year	12.42%	20.06%
Three Year (Annualized)	10.93%	7.54%

### Net Asset Value/Market Price (as of 2/28/2025)

NAV/Market Price	\$45.72 / \$37.24
------------------	-------------------

### High/Low Ranges (52-Week)

High/Low NAV	\$47.76 / \$44.27
High/Low Market Price	\$39.06 / \$36.87
Premium/Discount to NAV (as of 2/28/2025)	-18.55%

### Fund Data (Common Shares)

Shares Outstanding	6,372,699
Average Daily Volume	22,184
Expense Ratio <sup>2</sup>	0.91%

# NOMURA

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

<sup>1</sup>Taiwan TAIEX Total Return Index.

<sup>2</sup>One year ended August 31, 2024.

## THE TAIWAN FUND, INC.

### Manager's Commentary (continued)

intelligence) servers. Additionally, the Fund added to its holdings in Browave Corporation anticipating notable growth in its Co-Packaged Optics (CPO) product line.

Meanwhile, the Fund decreased its holdings in Quanta Computer Inc. due to DeepSeek's ability to create a Large Language Model (LLM) with less computing power. This development is expected to reduce short-term demand for computing power, thereby affecting the supply and demand of its hardware.

### Outlook and Strategy

Since late February, several negative factors have influenced the global market, leading to rising inflation expectations. President Trump's threat to impose a 25% tariff on the European Union (EU) has further exacerbated trade war concerns and increased market risk aversion. Additionally, uncertainty surrounding the potential signing of a Russia-Ukraine peace agreement may continue to contribute to market volatility.

China's DeepSeek low-cost AI model has disrupted the market, raising investor concerns about high AI technology expenditures. This has led to a pullback in U.S. tech stocks, affecting AI-related stocks in Taiwan. However, capital expenditure projections by major U.S. cloud service providers (CSPs) remained intact, with an expectation in excess \$320 billion in 2025, a 30% annual increase. This suggests that the global AI competition remains intense, with hardware development expected to continue in 2025 and 2026, providing continued benefits to Taiwan's supply chains.

Looking ahead, despite these uncertainties, it is expected that the US economy will continue to grow in 2025, with AI-related and consumer-driven sectors remaining the main drivers of the Taiwan market. The Fund plans to diversify its investments across AI, edge computing, optical communications, ASIC (Application-Specific Integrated Circuit) and U.S. consumption-related stocks.

# THE TAIWAN FUND, INC.

## Returns (%)

	1 Month	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception
NAV	-1.42	2.68	-3.22	12.42	10.93	24.11	16.14	10.60
Market Price	-3.67	3.92	-3.65	14.12	9.87	23.48	14.87	9.04
Taiwan TAIEX Total Return Index	-2.26	2.74	0.06	20.06	7.54	17.44	12.78	—
Taiwan TAIEX Price Index	-2.26	2.51	-0.01	17.09	3.72	13.50	8.65	—
MSCI Taiwan Index (net)	-4.38	3.02	-1.23	27.37	8.37	18.25	13.09	—

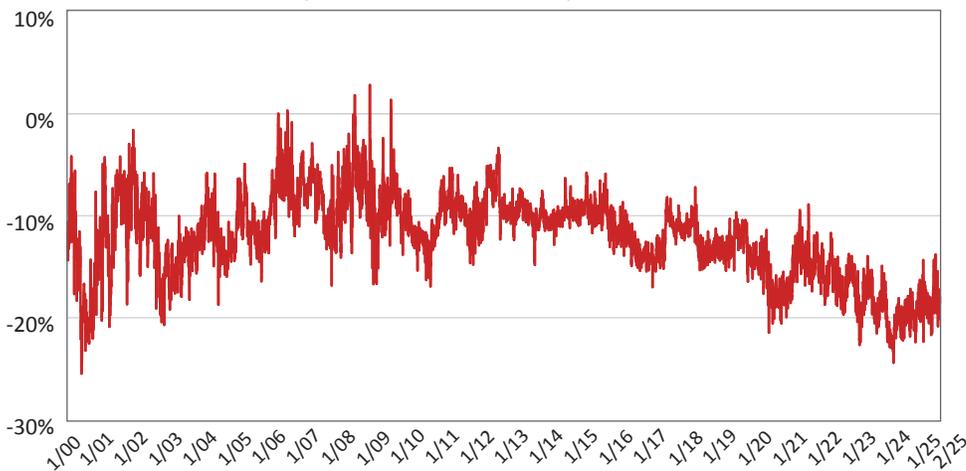
## Calendar Year Returns (%)

	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 - 2/28/25)



Past performance is not indicative of future results.

## Sector Breakdown (%)

	Fund	Benchmark
Information Technology	75.68	65.82
Consumer Discretionary	8.99	4.40
Industrials	6.00	6.93
Materials	2.91	4.27
Consumer Staples	1.00	1.63
Financials	0	11.44
Communication Services	0	2.40
Real Estate	0	1.27
Health Care	0	1.11
Energy	0	0.50
Utilities	0	0.22
N/A	0	0

## Top 10 Holdings (%)

Taiwan Semiconductor Manufacturing Co. Ltd.	27.16
King Slide Works Co. Ltd.	5.79
Jentech Precision Industrial Co. Ltd.	4.54
eMemory Technology, Inc.	4.22
Bizlink Holding, Inc.	4.14
Delta Electronics, Inc.	3.97
Nien Made Enterprise Co. Ltd.	3.73
Grand Process Technology Corp.	3.35
LandMark Optoelectronics Corp.	2.96
Alchip Technologies Ltd.	2.92

Holdings and sector weightings are subject to change. Source: State Street Bank & Trust Company, Bloomberg L.P. as of 2/28/2025.

# THE TAIWAN FUND, INC.

## Portfolio Characteristics

	Fund
Number of Issues	32
Foreign Holdings (%)	94.6
Cash and Other Assets less Liabilities (%)	5.4

As of 2/28/2025.

## 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 February 28, 2025

Sector	Company (exchange ticker)	Price TWD	Holding	Value US\$	% of Fund	
<b>INFORMATION TECHNOLOGY</b>					<b>75.68</b>	
	Taiwan Semiconductor Manufacturing Co. Ltd.	2330-TW	1,040.00	2,497,000	79,143,010	27.16
	Jentech Precision Industrial Co. Ltd.	3653-TW	1,990.00	278,000	16,860,038	5.79
	King Slide Works Co. Ltd.	2059-TW	1,340.00	324,000	13,231,543	4.54
	eMemory Technology, Inc.	3529-TW	2,945.00	137,000	12,296,076	4.22
	Delta Electronics, Inc.	2308-TW	402.00	945,000	11,577,600	3.97
	Grand Process Technology Corp.	3131-TW	1,270.00	252,000	9,753,600	3.35
	LandMark Optoelectronics Corp.	3081-TW	391.50	724,000	8,638,354	2.96
	Alchip Technologies Ltd.	3661-TW	3,285.00	85,000	8,509,714	2.92
	Quanta Computer, Inc.	2382-TW	250.50	1,050,000	8,016,000	2.75
	Lotes Co. Ltd.	3533-TW	1,655.00	146,000	7,363,962	2.53
	Fositek Corp.	9805-TW	701.00	276,000	5,896,411	2.02
	Wiwynn Corp.	6669-TW	1,965.00	84,000	5,030,400	1.73
	Visual Photonics Epitaxy Co. Ltd.	2455-TW	144.00	1,124,000	4,932,754	1.69
	Wistron Corp.	3231-TW	112.00	1,299,000	4,433,920	1.52
	Global Unichip Corp.	3443-TW	1,340.00	100,000	4,083,810	1.40
	Dynapack International Technology Corp.	3211-TW	175.00	724,000	3,861,333	1.33
	WinWay Technology Co. Ltd.	6515-TW	1,375.00	77,000	3,226,667	1.11
	Browave Corp.	3163-TW	166.50	628,000	3,186,652	1.09
	Elite Advanced Laser Corp.	3450-TW	272.50	308,000	2,557,867	0.88
	EZconn Corp.	6442-TW	489.00	166,000	2,473,874	0.85
	Asia Vital Components Co. Ltd.	3017-TW	537.00	150,000	2,454,857	0.84
	E Ink Holdings, Inc.	8069-TW	275.50	187,000	1,570,088	0.54
	MPI Corp.	6223-TW	781.00	60,000	1,428,114	0.49
<b>CONSUMER DISCRETIONARY</b>					<b>8.99</b>	
	Nien Made Enterprise Co. Ltd.	8464-TW	446.00	799,000	10,860,312	3.73
	Merida Industry Co. Ltd.	9914-TW	169.50	1,290,000	6,663,771	2.29
	Fulgent Sun International Holding Co. Ltd.	9802-TW	150.50	1,234,899	5,664,070	1.94
	Giant Manufacturing Co. Ltd.	9921-TW	158.00	320,000	1,540,876	0.53
	Gourmet Master Co. Ltd.	2723-TW	101.50	476,000	1,472,427	0.51
<b>INDUSTRIALS</b>					<b>6.00</b>	
	Bizlink Holding, Inc.	3665-TW	595.00	666,000	12,076,800	4.14
	Advanced Energy Solution Holding Co. Ltd.	6781-TW	945.00	188,000	5,414,400	1.86
<b>MATERIALS</b>					<b>2.91</b>	
	Century Iron & Steel Industrial Co. Ltd.	9958-TW	187.00	1,488,000	8,480,183	2.91
<b>CONSUMER STAPLES</b>					<b>1.00</b>	
	President Chain Store Corp.	2912-TW	262.50	384,000	3,072,000	1.00

## 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](http://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 to 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

©2025 The Taiwan Fund, Inc., c/o State Street Bank and Trust Company, One Congress Street, Suite 1, Boston, MA, 02111-2016