

THE TAIWAN FUND, INC.

Manager's Commentary

Market Review

In May, Taiwan's stocks rebounded, driven by the appreciation of the TWD versus the U.S. dollar and the easing of tariff concerns. At Computex 2025 (an annual tech convention/trade show, similar to CES (Consumer electronics Show), that takes place in Taiwan) it was evident that demand for artificial intelligence ("AI") in data centers remains strong, with NVIDIA confident in sustained growth. NVIDIA's rack-level production is expected to grow significantly in the second half of 2025, while competition in liquid cooling continues. The Taiwan TAIEX Total Return Index, (the "Benchmark") increased by 12.61% in May 2025 in U.S. dollar terms. The Industrials, Energy and Utilities sectors were the best performing sectors. Within Industrials, Transportation and Capital Goods were the best performing industry groups. During the month, the poorest performing sector was Materials, which still posted a positive total return.

Fund Review (Attribution Reports)

The Taiwan Fund, Inc. (the "Fund") increased by 18.35% in May 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 Taiwan Semiconductor Manufacturing Co. Ltd., Jentech Precision Industrial Co. Ltd., BizLink Holding Inc., King Slide Works Co. Ltd. and Grand Process Technology Corporation. Conversely, the largest detractors to relative performance were Merida Industry Co. Ltd., Shin Zu Shing Co. Ltd., Giant Manufacturing Co. Ltd., KMC Kuei Meng International Inc. and Elite Advanced Laser Corporation.

Regarding industry allocation, relative outperformance was primarily driven by overweight positions in the Semiconductors & Semiconductor Equipment, Technology Hardware & Equipment and Capital Goods industry groups. Conversely, relative underperformance was driven by an overweight position in the Consumer Durables & Apparel industry group and an underweight position in the Transportation and Consumer Staples Distribution & Retail industry groups.

Key Transactions

The Fund's total securities holdings represented 95.5% of net assets as of May 31, 2025. This represented an increase from the 94.6% held as of April 30, 2025.

The major changes in the portfolio were in the Capital Goods and Technology Hardware & Equipment industry groups. In the Capital Goods industry group, the Fund increased its holdings in Shin Zu Shing Co. Ltd. With its leading metal

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)	\$290.1
Median Market Cap (in billions)	\$3.51
Distribution Frequency	Annual
Management Firm	Nomura Asset Management U.S.A. Inc.

Fund Manager



Sky Chen
Lead Portfolio Manager

Performance (US\$ Returns as of 5/31/2025)

	Fund	Benchmark ¹
One Month	18.35%	12.61%
Three Month	2.41%	1.66%
One Year	12.21%	11.72%
Three Year (Annualized)	17.05%	11.10%

Net Asset Value/Market Price (as of 5/31/2025)

NAV/Market Price	\$46.82 / \$37.77
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High/Low Ranges (52-Week)

High/Low NAV	\$56.82 / \$33.32
High/Low Market Price	\$46.93 / \$27.66
Premium/Discount to NAV (as of 5/31/2025)	-19.33%

Fund Data (Common Shares)

Shares Outstanding	6,194,842
Average Daily Volume	28,559
Expense Ratio ²	0.78%

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Nomura Asset Management U.S.A. Inc.

¹Taiwan TAIEX Total Return Index.

²Six months ended February 28, 2025, annualized, unaudited.

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Manager's Commentary (continued)

injection molding (MIM) technology, Shin Zu Shing Co. Ltd. is well-positioned to be a key beneficiary of the foldable device trend. Additionally, in the Technology Hardware & Equipment industry group, the Fund increased its holdings in Accton Technology Corporation. Accton Technology Corporation holds a leadership position in AI accelerator cards and high-end switches, and we see the potential for an upward revision in demand.

Meanwhile, the Fund trimmed its holdings in Browave Corporation in the Technology Hardware & Equipment industry group. Although their long-term outlook remains positive, the delay in the scheduling of its Co-Packaged Optics (CPO) client will make it difficult to boost short-term profits. As a result, we have scaled back our position for the time being.

Outlook and Strategy

The 90-day tariff exemption announced on April 2 is set to expire in early July. If the reciprocal tariff negotiations can be concluded by then, at least some of the policy uncertainty will be resolved. However, if no agreement is reached, the uncertainty surrounding tariffs will persist.

Another uncertainty factor exists with regards to the foreign exchange rate. From late April 2025 through early May 2025, the New Taiwan Dollar ("TWD") appreciated significantly versus the U.S. dollar from TWD 32.5 to TWD 30 (per U.S. dollar). Taiwan is an export-dependent economy, this sharp appreciation could negatively impact gross margins. As exports are priced in U.S. dollars, a common currency in international trade, Taiwan exporters will receive fewer TWD when the local currency appreciates, while their production costs (in TWD) remain unchanged. We will continue to monitor whether the New Taiwan Dollar faces further appreciation pressure.

Overall, the market focus will remain fixed on the outcome of reciprocal tariff negotiations with the United States and TWD exchange rate movements. With the tariff exemption set to expire in early July, policy-related risks are expected to stay elevated. Despite these uncertainties, AI-related demand remains robust, with Google maintaining its 2025 capital expenditure ("CAPEX") target, Meta raising its CAPEX guidance, and Microsoft projecting year-over-year CAPEX growth. The Fund will continue to diversify across AI servers and components, thermal solutions, advanced semiconductor manufacturing, and domestic demand sectors that we believe are likely to benefit from TWD appreciation.

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Returns (%)

	1 Month	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception
NAV	18.35	2.41	-0.89	12.21	17.05	23.90	15.51	10.59
Market Price	17.30	1.42	-2.28	12.78	17.11	23.44	14.44	9.02
Taiwan TAIEX Total Return Index	12.61	1.66	1.72	11.72	11.10	18.30	12.62	—
Taiwan TAIEX Price Index	12.59	1.39	1.38	8.98	7.15	14.34	8.46	—
MSCI Taiwan Index (net)	12.54	1.98	0.73	17.03	12.41	19.62	12.92	—

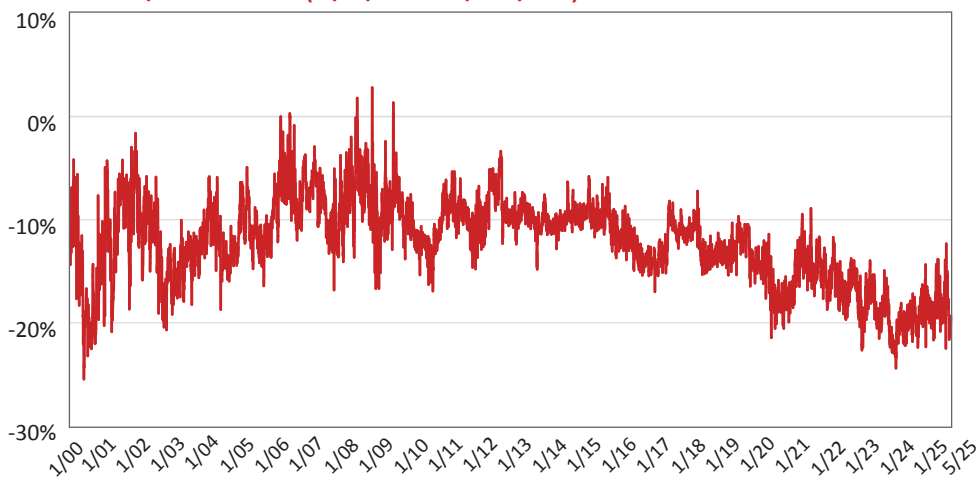
Calendar Year Returns (%)

	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: 0.78% for the six months ended February 28, 2025; annualized and unaudited.

Premium/Discount (1/3/00 - 5/31/25)



Past performance is not indicative of future results.

Sector Breakdown (%)

	Fund	Benchmark
Information Technology	75.75	65.55
Consumer Discretionary	8.57	4.21
Industrials	8.09	7.21
Materials	3.08	4.04
Financials	0	11.65
Communication Services	0	2.59
Consumer Staples	0	1.70
Real Estate	0	1.21
Health Care	0	1.08
Energy	0	0.53
Utilities	0	0.23
N/A	0	0.01

Top 10 Holdings (%)

Taiwan Semiconductor Manufacturing Co. Ltd.	27.77
Jentech Precision Industrial Co. Ltd.	5.21
Bizlink Holding, Inc.	4.94
King Slide Works Co. Ltd.	4.67
Delta Electronics, Inc.	4.06
Nien Made Enterprise Co. Ltd.	3.98
eMemory Technology, Inc.	3.79
Grand Process Technology Corp.	3.45
Quanta Computer, Inc.	3.28
Century Iron & Steel Industrial Co. Ltd.	3.08

Holdings and sector weightings are subject to change. Source: State Street Bank & Trust Company, Bloomberg L.P. as of 5/31/2025.

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Portfolio Characteristics

	Fund
Number of Issues	34
Foreign Holdings (%)	95.5
Cash and Other Assets less Liabilities (%)	4.5

As of 5/31/2025.

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.

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All Portfolio Holdings

As of May 31, 2025

Sector	Company (exchange ticker)	Price TWD	Holding	Value US\$	% of Fund
INFORMATION TECHNOLOGY					75.75
Taiwan Semiconductor Manufacturing Co. Ltd.	2330-TW	967.00	2,497,000	80,571,233	27.77
Jentech Precision Industrial Co. Ltd.	3653-TW	1,355.00	334,000	15,101,523	5.21
King Slide Works Co. Ltd.	2059-TW	2,050.00	198,000	13,544,222	4.67
Delta Electronics, Inc.	2308-TW	374.00	945,000	11,793,383	4.06
eMemory Technology, Inc.	3529-TW	2,405.00	137,000	10,994,377	3.79
Grand Process Technology Corp.	3131-TW	1,190.00	252,000	10,006,507	3.45
Quanta Computer, Inc.	2382-TW	271.50	1,050,000	9,512,488	3.28
Alchip Technologies Ltd.	3661-TW	2,810.00	85,000	7,970,035	2.75
LandMark Optoelectronics Corp.	3081-TW	294.50	724,000	7,114,737	2.45
Lotes Co. Ltd.	3533-TW	1,315.00	146,000	6,406,393	2.21
Fositek Corp.	9805-TW	583.00	276,000	5,369,238	1.85
Wistron Corp.	3231-TW	116.50	1,299,000	5,049,752	1.74
Dynapack International Technology Corp.	3211-TW	202.50	724,000	4,892,137	1.69
MediaTek, Inc.	2454-TW	1,260.00	96,000	4,036,238	1.39
Global Unichip Corp.	3443-TW	1,165.00	100,000	3,887,415	1.34
Wiwynn Corp.	6669-TW	2,420.00	40,000	3,230,058	1.11
MPI Corp.	6223-TW	795.00	120,000	3,183,343	1.10
Asia Vital Components Co. Ltd.	3017-TW	620.00	150,000	3,103,258	1.07
Accton Technology Corp.	2345-TW	745.00	121,000	3,007,992	1.04
WinWay Technology Co. Ltd.	6515-TW	1,110.00	77,000	2,851,995	0.98
EZconn Corp.	6442-TW	463.00	166,000	2,564,626	0.88
Visual Photonics Epitaxy Co. Ltd.	2455-TW	103.50	664,000	2,293,208	0.79
Elite Advanced Laser Corp.	3450-TW	191.00	308,000	1,962,995	0.68
E Ink Holdings, Inc.	8069-TW	212.00	187,000	1,322,856	0.46
CONSUMER DISCRETIONARY					8.57
Nien Made Enterprise Co. Ltd.	8464-TW	433.00	799,000	11,544,355	3.98
Merida Industry Co. Ltd.	9914-TW	118.50	1,542,000	6,097,302	2.10
Fulgent Sun International Holding Co. Ltd.	9802-TW	103.50	1,234,899	4,264,880	1.47
Giant Manufacturing Co. Ltd.	9921-TW	119.00	370,000	1,469,209	0.51
Gourmet Master Co. Ltd.	2723-TW	93.00	461,000	1,430,602	0.49
KMC Kuei Meng International, Inc.	5306-TW	100.00	20,000	66,737	0.02
INDUSTRIALS					8.09
Bizlink Holding, Inc.	3665-TW	645.00	666,000	14,334,051	4.94
Advanced Energy Solution Holding Co. Ltd.	6781-TW	1,030.00	188,000	6,461,451	2.23
Shin Zu Shing Co. Ltd.	3376-TW	180.00	444,000	2,666,800	0.92
MATERIALS					3.08
Century Iron & Steel Industrial Co. Ltd.	9958-TW	180.00	1,488,000	8,937,384	3.08

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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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