

# THE TAIWAN FUND, INC.

## Manager’s Commentary

### Market Review

Taiwan’s stock market posted solid gains in July, driven by sustained strength in artificial intelligence (“AI”) infrastructure, with the next key focus being on tariff cost-sharing. The Taiwan TAIEX Total Return Index, (the “Benchmark”) increased by 4.65% in July 2025 in U.S. dollar terms. The Energy, Materials and Information Technology sectors were the best performing sectors. Within Information Technology, the increase was primarily driven by the Technology Hardware & Equipment and Semiconductors & Semiconductor Equipment industry groups. During the month, the poorest performing sectors were Health Care, Utilities and Real Estate. Within the Health Care sector, the Pharmaceuticals, Biotechnology & Life Sciences industry group was the poorest performing industry group.

### Fund Review (Attribution Reports)

The Taiwan Fund, Inc. (the “Fund”) increased by 5.15% in July 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., Delta Electronics Inc., King Slide Works Co. Ltd., Alchip Technologies Ltd. and Land Mark Optoelectronics Corporation. Conversely, the largest detractors to relative performance were Century Iron & Steel Industrial Co. Ltd., Merida Industry Co. Ltd., eMemory Technology, Inc., WinWay Technology Co. Ltd., Jentech Precision Industrial Co. Ltd. and Grand Process Technology Corporation.

Regarding industry allocation, relative outperformance was primarily driven by underweight positions in Banks and Insurance industry groups and an overweight position in the Technology Hardware & Equipment industry group. Conversely, relative underperformance was driven by an underweight position in the Materials industry group.

### Key Transactions

The Fund’s total securities holdings represented 93.8% of net assets as of July 31, 2025. This represented a slight decrease from the 94.4% held as of June 30, 2025.

The major changes in the portfolio were in the Capital Goods and Semiconductors & Semiconductor Equipment industry groups. In the Capital Goods industry group, the Fund increased its holdings in Shin Zu Shing Co. Ltd. With its industry leading metal injection molding (MIM) technology, Shin Zu

### 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)	\$340.3
Median Market Cap (in billions)	\$5.09
Distribution Frequency	Annual
Management Firm	Nomura Asset Management U.S.A. Inc.

### Fund Manager



Sky Chen  
Lead Portfolio Manager

### Performance (US\$ Returns as of 7/31/2025)

	Fund	Benchmark <sup>1</sup>
One Month	5.15%	4.65%
Three Month	40.29%	27.18%
One Year	31.08%	20.32%
Three Year (Annualized)	30.04%	20.04%

### Net Asset Value/Market Price (as of 7/31/2025)

NAV/Market Price	\$55.50 / \$45.79
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### High/Low Ranges (52-Week)

High/Low NAV	\$56.53 / \$33.32
High/Low Market Price	\$46.93 / \$27.66
Premium/Discount to NAV (as of 7/31/2025)	-17.50%

### Fund Data (Common Shares)

Shares Outstanding	6,131,319
Average Daily Volume	10,072
Expense Ratio <sup>2</sup>	0.78%

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

<sup>1</sup>Taiwan TAIEX Total Return Index.  
<sup>2</sup>Six months ended February 28, 2025, annualized, unaudited.

## THE TAIWAN FUND, INC.

### Manager's Commentary (continued)

Shing Co. Ltd. is well-positioned to be a key beneficiary of the foldable device trend. In the Semiconductors & Semiconductor Equipment industry group, the Fund increased its holdings in MediaTek Inc. following its successful garnering of major cloud service provider ("CSP") projects.

Meanwhile, the Fund divested its holdings in Visual Photonics Epitaxy Co. Ltd. in the Semiconductors & Semiconductor Equipment industry group. In the near term, reciprocal tariffs imposed by the U.S. could weigh on global consumer demand. The potential impact on profitability is difficult to assess at this stage. Given this uncertainty, we decided to continue to divest from the security for the time being.

### Outlook and Strategy

On August 1, 2025, the U.S. government announced a 20% tariff on imports from Taiwan, effective August 7, 2025. This rate is five percentage points higher than the 15% tariff applied to Japan and South Korea, though the 20% tariff aligns with the rate imposed on Vietnam. The potential impact of this measure on trade flows and market dynamics remains uncertain and will depend on how businesses and supply chains adjust in the coming months.

The timing of the U.S. Federal Reserve's (the "Fed") anticipated rate cut remains uncertain. In its most recent meeting, the Fed announced that it will keep its benchmark interest rate unchanged due to ongoing economic uncertainty. Going forward, the Fed is expected to closely monitor inflation data to evaluate whether recent tariff developments may have a pass-through effect on consumer prices.

As major U.S. CSP companies continue to release their earnings reports, AI-related capital expenditure (CAPEX) projections are being revised upward, indicating sustained demand for AI infrastructure. However, attention must be paid to the ongoing U.S. Section 232 investigation, (an investigation into the effects of imports on U.S. national security) and its potential impact on Taiwan's semiconductor industry. Given the time required to establish a fully localized semiconductor supply chain in the U.S., the likelihood of significant short-term tariffs that would indirectly raise the cost of electronics exported to the U.S. remains low.

# THE TAIWAN FUND, INC.

## Returns (%)

	1 Month	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception
NAV	5.15	40.29	17.49	31.08	30.04	22.33	18.98	11.03
Market Price	2.19	42.20	18.47	29.21	28.52	23.26	18.07	9.52
Taiwan TAIEX Total Return Index	4.65	27.18	14.89	20.32	20.04	16.63	15.32	—
Taiwan TAIEX Price Index	3.53	24.67	12.26	16.79	16.33	12.78	11.13	—
MSCI Taiwan Index (net)	5.43	29.76	16.14	26.01	22.84	17.35	15.78	—

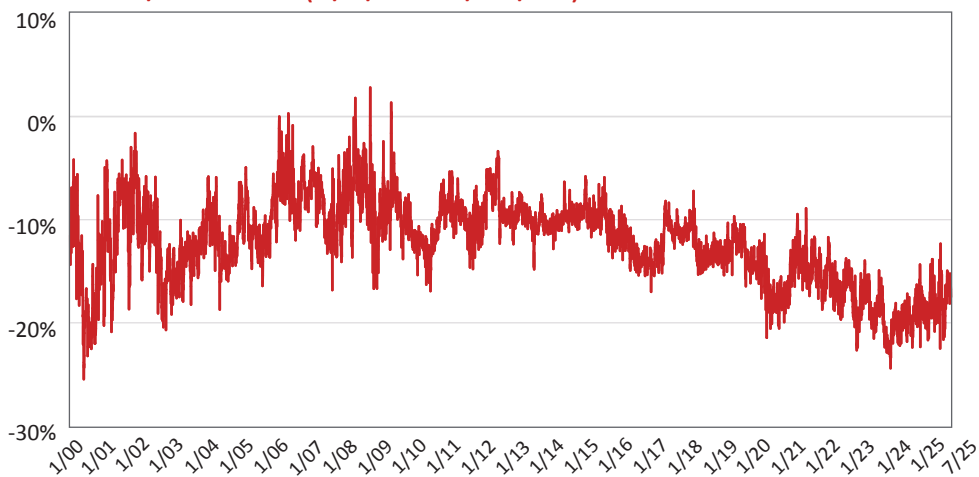
## Calendar Year Returns (%)

	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 - 7/31/25)



Past performance is not indicative of future results.

## Sector Breakdown (%)

	Fund	Benchmark
Information Technology	74.89	68.72
Industrials	9.10	6.47
Consumer Discretionary	7.22	3.53
Materials	2.57	3.82
Financials	0	10.8
Communication Services	0	2.27
Consumer Staples	0	1.52
Health Care	0	1.07
Real Estate	0	1.05
Energy	0	0.55
Utilities	0	0.19
N/A	0	0.01

## Top 10 Holdings (%)

Taiwan Semiconductor Manufacturing Co. Ltd.	26.98
Delta Electronics, Inc.	5.28
King Slide Works Co. Ltd.	5.20
Jentech Precision Industrial Co. Ltd.	4.31
eMemory Technology, Inc.	4.01
Bizlink Holding, Inc.	3.71
Nien Made Enterprise Co. Ltd.	3.38
Alchip Technologies Ltd.	3.25
Shin Zu Shing Co. Ltd.	3.09
LandMark Optoelectronics Corp.	2.92

Holdings and sector weightings are subject to change. Source: State Street Bank & Trust Company, Bloomberg L.P. as of 7/31/2025.

# THE TAIWAN FUND, INC.

## Portfolio Characteristics

	Fund
Number of Issues	33
Foreign Holdings (%)	93.8
Cash and Other Assets less Liabilities (%)	6.2

As of 7/31/2025.

## 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 July 31, 2025

Sector	Company (exchange ticker)	Price TWD	Holding	Value US\$	% of Fund
<b>INFORMATION TECHNOLOGY</b>					<b>74.89</b>
Taiwan Semiconductor Manufacturing Co. Ltd.	2330-TW	1,160.00	2,362,000	91,797,303	26.98
Delta Electronics, Inc.	2308-TW	567.00	945,000	17,951,755	5.28
King Slide Works Co. Ltd.	2059-TW	2,665.00	198,000	17,678,868	5.20
Jentech Precision Industrial Co. Ltd.	3653-TW	1,440.00	304,000	14,666,555	4.31
eMemory Technology, Inc.	3529-TW	2,035.00	200,000	13,635,983	4.01
Alchip Technologies Ltd.	3661-TW	3,885.00	85,000	11,063,741	3.25
LandMark Optoelectronics Corp.	3081-TW	410.00	724,000	9,945,221	2.92
MediaTek, Inc.	2454-TW	1,370.00	192,000	8,812,798	2.59
WinWay Technology Co. Ltd.	6515-TW	1,120.00	215,000	8,067,677	2.37
Lotes Co. Ltd.	3533-TW	1,420.00	146,000	6,945,976	2.04
Quanta Computer, Inc.	2382-TW	281.50	736,000	6,941,419	2.04
Grand Process Technology Corp.	3131-TW	1,500.00	122,000	6,131,167	1.80
Dynapack International Technology Corp.	3211-TW	231.00	724,000	5,603,283	1.65
Wistron Corp.	3231-TW	123.00	1,299,000	5,353,112	1.57
Asia Vital Components Co. Ltd.	3017-TW	923.00	150,000	4,638,579	1.36
Fositek Corp.	9805-TW	911.00	141,000	4,303,577	1.26
MPI Corp.	6223-TW	1,050.00	120,000	4,221,459	1.24
Global Unichip Corp.	3443-TW	1,215.00	100,000	4,070,693	1.20
Wiwynn Corp.	6669-TW	2,765.00	40,000	3,705,503	1.09
EZconn Corp.	6442-TW	610.00	166,000	3,392,579	1.00
Accton Technology Corp.	2345-TW	892.00	101,000	3,018,410	0.89
Chroma ATE, Inc.	2360-TW	430.50	111,000	1,600,988	0.47
E Ink Holdings, Inc.	8069-TW	206.00	187,000	1,290,627	0.38
<b>INDUSTRIALS</b>					<b>9.10</b>
Bizlink Holding, Inc.	3665-TW	911.00	413,319	12,615,248	3.71
Shin Zu Shing Co. Ltd.	3376-TW	235.50	1,332,000	10,509,624	3.09
Advanced Energy Solution Holding Co. Ltd.	6781-TW	1,245.00	188,000	7,841,862	2.30
<b>CONSUMER DISCRETIONARY</b>					<b>7.22</b>
Nien Made Enterprise Co. Ltd.	8464-TW	429.50	799,000	11,497,462	3.38
Merida Industry Co. Ltd.	9914-TW	116.50	1,562,000	6,096,758	1.79
Fulgent Sun International Holding Co. Ltd.	9802-TW	102.50	1,234,899	4,240,796	1.25
Giant Manufacturing Co. Ltd.	9921-TW	115.00	370,000	1,425,580	0.42
Gourmet Master Co. Ltd.	2723-TW	80.40	461,000	1,241,793	0.36
KMC Kuei Meng International, Inc.	5306-TW	94.20	20,000	63,121	0.02
<b>MATERIALS</b>					<b>2.57</b>
Century Iron & Steel Industrial Co. Ltd.	9958-TW	188.00	1,388,000	8,742,575	2.57

## 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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