

THE TAIWAN FUND, INC.

Manager's Commentary

Market Review

The Taiwan's equity market returns reflected the optimism in the market in September. The Taiwan TAIEX Total Return Index, (the "Benchmark") increased by 7.11% in September 2025 in U.S. dollar terms, outperforming regional peers on the strong demand for artificial intelligence ("AI") and electronic component related stocks. Semiconductors & Semiconductor Equipment, Technology Hardware & Equipment and Insurance were the best performing industry groups. During the month, the poorest performing industry groups were Capital Goods, Software & Services and Transportation.

Fund Review (Attribution Reports)

The Taiwan Fund, Inc. (the "Fund") increased by 5.80% in September 2025, underperforming the Benchmark in U.S. dollar terms. The Fund's underperformance was primarily driven by stock selection.

On a stock selection basis, the largest negative contributors to relative performance were Advanced Energy Solution Holding Co. Ltd., Alchip Technologies Ltd., Fositek Corporation, Parade Technologies Ltd. and EZconn Corporation. Conversely, the largest contributors to relative performance were Taiwan Semiconductor Manufacturing Co. Ltd. ("TSMC"), WinWay Technology Co. Ltd., Delta Electronics Inc., Jentech Precision Industrial Co. Ltd. and MPI Corporation.

Regarding industry allocation, relative underperformance was primarily driven by overweight positions in the Semiconductors & Semiconductor Equipment and the Consumer Durables & Apparel industry groups. Conversely, relative outperformance was primarily driven by the underweight position in the Transportation, Materials and Banks industry groups.

Key Transactions

The Fund's total securities holdings represented 94.5% of net assets as of September 30, 2025. This represented a decrease from the 95.1% held as of August 31, 2025.

The major changes in the portfolio were in the Semiconductors & Semiconductor Equipment and Technology Hardware & Equipment industry group where the Fund increased its holdings in Parade Technologies Ltd, driven by its gradually improving near-term fundamentals. Additionally, the Fund added to its holdings in Elite Material Co. Ltd. in the Technology Hardware & Equipment industry group. With the continued rise in computing power, AI specifications are

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)	\$379.6
Median Market Cap (in billions)	\$4.51
Distribution Frequency	Annual
Management Firm	Nomura Asset Management U.S.A. Inc.

Fund Manager



Sky Chen
Lead Portfolio Manager

Performance (US\$ Returns as of 9/30/2025)

	Fund	Benchmark ¹
One Month	5.80%	7.11%
Three Month	18.53%	12.93%
One Year	39.22%	24.23%
Three Year (Annualized)	42.61%	29.93%

Net Asset Value/Market Price (as of 9/30/2025)

NAV/Market Price	\$62.56 / \$54.12
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High/Low Ranges (52-Week)

High/Low NAV	\$64.45 / \$33.32
High/Low Market Price	\$54.88 / \$27.66
Premium/Discount to NAV (as of 9/30/2025)	-13.49%

Fund Data (Common Shares)

Shares Outstanding	6,067,933
Average Daily Volume	10,509
Expense Ratio ²	0.78%

NOMURA

NOMURA ASSET MANAGEMENT
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)

evolving rapidly, driving clear upgrades in Concise Command Language (CCL) standards. Elite Material Co. Ltd., as a certified supplier for M9, (NVIDIA's latest board material specification for next-generation Graphics Processing Unit (GPU)/AI platforms), is well positioned to be a major beneficiary.

Meanwhile, the Fund reduced its holdings in Grand Process Technology Corporation in the Semiconductors & Semiconductor Equipment industry group. Recently, TSMC indicated that after 2028, additional CoWoS (Chip-on-Wafer-on-Substrate) capacity will be achieved primarily through debottlenecking rather than new capacity expansion. This is expected to significantly reduce order volumes for equipment vendors; therefore, we reduced our position in Grand Process Technology Corporation.

Outlook and Strategy

In the September Federal Open Market Committee (FOMC) meeting of the Federal Reserve Board, (the "Fed"), as expected, the Fed cut its benchmark rate by 0.25% (25 basis points) to the target range of 4.0%-4.25%. This was the first rate cut since December 2024. Further cuts are anticipated in both October and December of this year. Looking ahead to 2026, while the Fed's projections reflect only one rate cut, market expectations are for a more accommodative path. We forecast cumulative cuts of 25–50 basis points in 2026, depending on inflation dynamics and labor market conditions.

The impact of tariffs has eased, and the economic effects remain manageable, leading to an upward revision of the global economic outlook. In Taiwan, while equity valuations remain relatively elevated, the potential rate cuts and continued increases in Cloud Service Providers (CSPs) capital expenditures are expected to drive further earnings upgrades. Any potential market pullbacks in the 4th quarter of 2025 are likely to be supported by the underlying strength of fundamentally sound blue-chip stocks.

Looking ahead, AI demand is expected to persist, reinforcing investment opportunities across AI servers, thermal solutions, power management and Copper-Clad Laminates (CCL), along with key components such as slide rails and foldable phone hinges. At the same time, advanced semiconductor manufacturing and Application Specific Integrated Circuit (ASIC)-related segments are likely to remain areas of focus.

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Returns (%)

	1 Month	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception
NAV	5.80	18.53	32.43	39.22	42.61	26.34	21.15	11.32
Market Price	7.70	20.78	40.03	46.56	45.87	27.97	21.09	9.95
Taiwan TAIEX Total Return Index	7.11	12.93	23.98	24.23	29.93	18.24	17.21	—
Taiwan TAIEX Price Index	6.87	11.20	20.58	20.64	26.07	14.41	13.05	—
MSCI Taiwan Index (net)	9.38	14.33	25.96	30.17	34.26	19.22	18.01	—

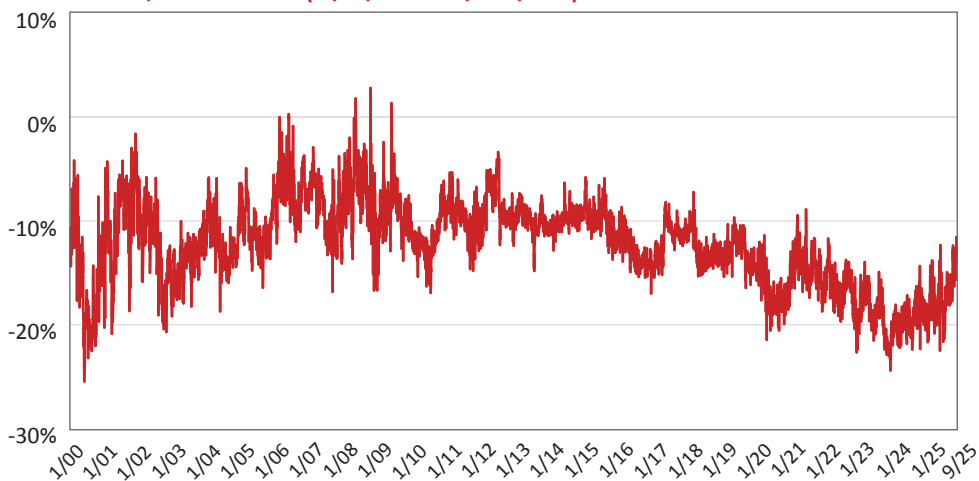
Calendar Year Returns (%)

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

Premium/Discount (1/3/00 - 9/30/25)



Past performance is not indicative of future results.

Sector Breakdown (%)

	Fund	Benchmark
Information Technology	76.51	70.65
Industrials	9.91	6.01
Consumer Discretionary	5.98	3.24
Materials	2.10	3.46
Financials	0	10.38
Communication Services	0	2.16
Consumer Staples	0	1.38
Health Care	0	1.16
Real Estate	0	0.93
Energy	0	0.47
Utilities	0	0.16
N/A	0	0.01

Top 10 Holdings (%)

Taiwan Semiconductor Manufacturing Co. Ltd.	26.64
Jentech Precision Industrial Co. Ltd.	4.62
King Slide Works Co. Ltd.	4.55
Delta Electronics, Inc.	4.46
Bizlink Holding, Inc.	4.34
WinWay Technology Co. Ltd.	4.21
MediaTek, Inc.	3.91
Elite Material Co. Ltd.	3.55
eMemory Technology, Inc.	3.48
Parade Technologies Ltd.	3.08

Holdings and sector weightings are subject to change. Source: State Street Bank & Trust Company, Bloomberg L.P. as of 9/30/2025.

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Portfolio Characteristics

	Fund
Number of Issues	32
Foreign Holdings (%)	94.5
Cash and Other Assets less Liabilities (%)	5.5

As of 9/30/2025.

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 September 30, 2025

Sector	Company (exchange ticker)	Price TWD	Holding	Value US\$	% of Fund
INFORMATION TECHNOLOGY					76.51
Taiwan Semiconductor Manufacturing Co. Ltd.	2330-TW	1,305.00	2,362,000	101,135,573	26.64
Jentech Precision Industrial Co. Ltd.	3653-TW	2,410.00	222,000	17,554,301	4.62
King Slide Works Co. Ltd.	2059-TW	3,290.00	160,000	17,271,475	4.55
Delta Electronics, Inc.	2308-TW	854.00	604,000	16,924,208	4.46
WinWay Technology Co. Ltd.	6515-TW	2,265.00	215,000	15,977,919	4.21
MediaTek, Inc.	2454-TW	1,315.00	344,000	14,842,181	3.91
Elite Material Co. Ltd.	2383-TW	1,225.00	335,000	13,464,630	3.55
eMemory Technology, Inc.	3529-TW	2,015.00	200,000	13,222,652	3.48
Parade Technologies Ltd.	4966-TW	741.00	481,000	11,694,370	3.08
Alchip Technologies Ltd.	3661-TW	3,465.00	88,000	10,004,594	2.64
MPI Corp.	6223-TW	1,715.00	158,000	8,890,675	2.34
Dynapack International Technology Corp.	3211-TW	373.00	724,000	8,860,555	2.33
Accton Technology Corp.	2345-TW	1,045.00	224,000	7,680,294	2.02
Lotes Co. Ltd.	3533-TW	1,545.00	146,000	7,401,076	1.95
Grand Process Technology Corp.	3131-TW	1,560.00	85,000	4,350,679	1.15
Wiwynn Corp.	6669-TW	3,315.00	40,000	4,350,679	1.15
EZconn Corp.	6442-TW	793.00	166,000	4,319,115	1.14
Asia Vital Components Co. Ltd.	3017-TW	981.00	115,000	3,701,522	0.98
Fositek Corp.	9805-TW	996.00	106,000	3,464,007	0.91
Chroma ATE, Inc.	2360-TW	579.00	111,000	2,108,702	0.56
LandMark Optoelectronics Corp.	3081-TW	455.00	117,000	1,746,670	0.46
E Ink Holdings, Inc.	8069-TW	240.50	187,000	1,475,605	0.39
INDUSTRIALS					9.91
Bizlink Holding, Inc.	3665-TW	1,030.00	487,317	16,468,814	4.34
Shin Zu Shing Co. Ltd.	3376-TW	260.00	1,265,000	10,791,391	2.84
Advanced Energy Solution Holding Co. Ltd.	6781-TW	1,160.00	272,000	10,352,385	2.73
CONSUMER DISCRETIONARY					5.98
Nien Made Enterprise Co. Ltd.	8464-TW	424.50	799,000	11,128,536	2.93
Merida Industry Co. Ltd.	9914-TW	101.50	1,562,000	5,201,883	1.37
Fulgent Sun International Holding Co. Ltd.	9802-TW	99.90	1,234,899	4,047,720	1.07
Giant Manufacturing Co. Ltd.	9921-TW	94.90	370,000	1,152,077	0.30
Gourmet Master Co. Ltd.	2723-TW	74.00	461,000	1,119,299	0.29
KMC Kuei Meng International, Inc.	5306-TW	86.30	20,000	56,631	0.01
MATERIALS					2.10
Century Iron & Steel Industrial Co. Ltd.	9958-TW	175.00	1,388,000	7,969,683	2.10

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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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