

THE TAIWAN FUND, INC.

Manager's Commentary

Market Review

Taiwan equity markets had a strong start to 2026, primarily driven by Taiwan Semiconductor Manufacturing Co., Ltd.'s ("TSMC") better-than-expected Capital expenditure ("CAPEX") guidance supporting robust Artificial Intelligence ("AI") datacenter growth. The TAIEX Total Return Index, (the "Benchmark") increased by 10.58% in January 2026 in U.S. dollar terms, outperforming regional peers. During the month, the best three performing industry groups were Pharmaceuticals, Biotechnology & Life Sciences, Semiconductors & Semiconductor Equipment and Materials. The three poorest performing industry groups were Real Estate Management & Development, Food, Beverage & Tobacco and Consumer Staples Distribution & Retail. Note that we do not have any holdings in those three industry groups.

Fund Review (Attribution Reports)

The Taiwan Fund, Inc. (the "Fund") increased by 8.04% in January 2026, underperforming the Benchmark in U.S. dollar terms. The Fund's underperformance was primarily driven by asset allocation and stock selection in the Capital Goods, Technology Hardware & Equipment and Semiconductors & Semiconductor Equipment industry groups.

Regarding asset allocation, relative underperformance was also negatively impacted by the U.S. Investment Company Act of 1940 (the "1940 Act") diversified fund limitation of no more than 25% of assets (at time of purchase) limit in securities positions over 5% and U.S. Internal Revenue Code limitation of no more than 25% (at time of purchase) limit in any one security. TSMC, which performed well in January, represented 33.42% of net assets of the Fund on January 31, 2026 while it was 44.23% of the Benchmark, contributing to relative underperformance. As to stock selection, relative underperformance was driven by Bizlink Holding Inc., Advanced Energy Solution Holding Co. Ltd., King Slide Works Co. Ltd. and Fositek Corporation.

On the other hand, the Fund's under-performance was partially offset by having no exposure to the Insurance and Transportation industries, which performed poorly in January. For the whole portfolio at the stock level, the top positive contributors to relative performance were Winway Technology Co. Ltd., EZconn Corporation, Delta Electronics Inc. and Hon Precision Inc.

Key Transactions

The Fund's total securities holdings represented 95.7% of net assets as of January 31, 2026. This represented a decrease from the 98.1% held as of December 31, 2025.

¹Taiwan TAIEX Total Return Index.

²One year ended August 31, 2025.

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)	\$396.7
Median Market Cap (in billions)	\$5.76
Distribution Frequency	Annual
Management Firm	Nomura Asset Management U.S.A. Inc.

Fund Manager



Sky Chen
Lead Portfolio Manager

Performance

(US\$ Returns as of 01/31/2026)

	Fund	Benchmark ¹
One Month	8.04%	10.58%
Three Month	12.54%	11.15%
One Year	62.80%	45.93%
Three Year (Annualized)	43.19%	29.95%

Net Asset Value/Market Price (as of 01/31/2026)

NAV/Market Price	\$67.87 / \$57.61
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High/Low Ranges (52-Week)

High/Low NAV	\$70.36 / \$33.32
High/Low Market Price	\$59.71 / \$27.66
Premium/Discount to NAV (as of 01/31/2026)	-15.12%

Fund Data (Common Shares)

Shares Outstanding	5,845,611
Average Daily Volume	31,274
Expense Ratio ²	1.32%

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Nomura Asset Management U.S.A. Inc.

THE TAIWAN FUND, INC.

Manager's Commentary (continued)

The major changes in the portfolio were in the Technology Hardware & Equipment and Semiconductors & Semiconductor Equipment industry groups. In the Technology Hardware & Equipment industry group, the Fund increased its holdings in Unimicron Technology Corporation, benefiting from the growth of high-end Application-Specific Integrated Circuit (ASIC), Ajinomoto Build-up Film (ABF) substrates and high-end Printed Circuit Board (PCB) boards.

Meanwhile, the Fund eliminated its position in Asia Vital Components Co. Ltd. due to limited near-term upside catalysts in the same space. Additionally, the Fund reduced its holdings in Parade Technologies Ltd. ("Parade") within the Semiconductors & Semiconductor Equipment industry group. Parade's core products are consumer electronics, and with the industry entering a seasonal slowdown in the first quarter of 2026, operating momentum is expected to be subdued.

Outlook and Strategy

At the end of January, President Trump formally nominated Kevin Warsh as the next U.S. Federal Reserve (the "Fed") Chair, creating increased market uncertainty around policy direction during the Fed's leadership transition. Investors remain cautious of Mr. Warsh's policy stance, particularly regarding interest rates and inflation.

Meta and Microsoft released their fourth quarter 2025 earnings in January. Meta raised its 2026 full-year CAPEX to \$115–130 billion, up 73% Year-over-Year (YoY) and above market expectations. Microsoft's cloud growth slightly slowed, but CAPEX rose sharply, raising market concerns over AI investment payback periods. Overall, AI demand remains strong, but the monetization capabilities of Cloud Solution Providers ("CSPs") in AI continue to be a key focus.

Additionally, supply chains are starting to face capacity bottlenecks from rising AI-driven demand, supporting potential price increases, especially in memory and T-Glass substrates. CSPs' continued investments in AI infrastructure, including general server deployments, underpin long-term value in the semiconductor and AI supply chains. Key focus areas include advanced semiconductor processes, packaging and testing, Application Specific Integrated Circuits (ASICs), AI servers, heat dissipation modules, Battery Backup Units (BBUs), power management, Copper Clad Laminate (CCLs), Printed Circuit Board (PCBs), memory and sliding rails.

THE TAIWAN FUND, INC.

Returns (%)

	1 Month	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception
NAV	8.04	12.54	8.04	62.80	43.19	26.02	23.61	11.76
Market Price	7.92	11.40	7.92	65.78	43.82	25.46	23.15	10.34
Taiwan TAIEX Total Return Index	10.58	11.15	10.58	45.93	29.95	17.32	19.62	—
Taiwan TAIEX Price Index	10.53	10.93	10.53	41.74	26.08	13.51	15.35	—
MSCI Taiwan Index (net)	11.15	11.71	11.15	49.62	33.96	17.64	20.87	—

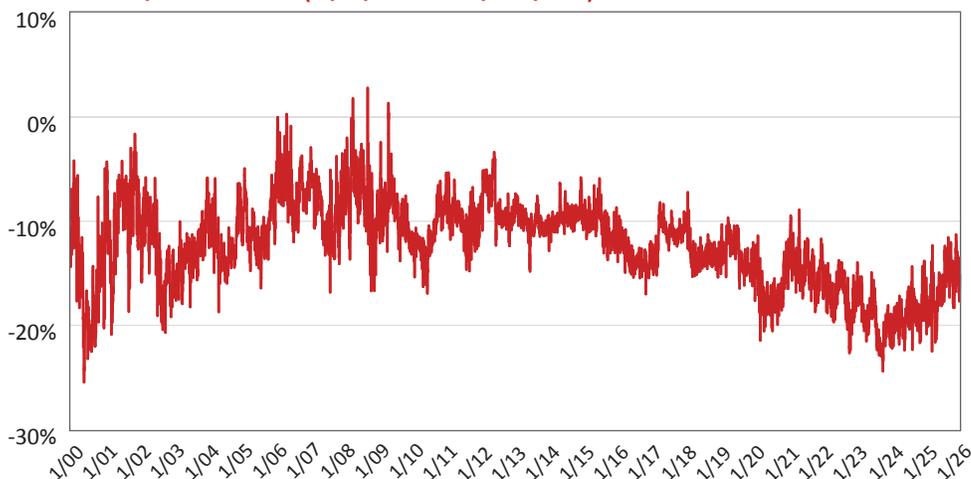
Calendar Year Returns (%)

	2018	2019	2020	2021	2022	2023	2024	2025
NAV	-14.96	47.11	41.97	55.09	-36.27	58.11	29.05	46.19
Market Price	-19.11	46.75	39.81	58.26	-38.54	51.74	32.93	51.83
Taiwan TAIEX Total Return Index	-7.86	32.19	35.62	29.04	-26.80	31.68	23.32	35.09
Taiwan TAIEX Price Index	-11.51	26.46	31.01	25.59	-30.15	27.02	20.26	31.19
MSCI Taiwan Index (net)	-8.93	36.37	40.99	26.13	-29.76	30.42	34.38	39.06

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: 1.32% for the year ended August 31, 2025.

Premium/Discount (1/3/00 - 01/31/26)



Past performance is not indicative of future results.

Sector Breakdown (%)

	Fund	Benchmark
Information Technology	81.39	74.86
Industrials	7.73	5.54
Consumer Discretionary	5.11	2.46
Materials	1.51	3.21
Financials	0	8.82
Communication Services	0	1.71
Health Care	0	1.07
Consumer Staples	0	1.03
Real Estate	0	0.70
Energy	0	0.49
Utilities	0	0.11
N/A	0	0

Top 10 Holdings (%)

Taiwan Semiconductor Manufacturing Co. Ltd.	33.42
WinWay Technology Co. Ltd.	5.10
Hon Precision, Inc.	5.05
Elite Material Co. Ltd.	4.93
Delta Electronics, Inc.	4.84
Jentech Precision Industrial Co. Ltd.	4.44
Bizlink Holding, Inc.	4.22
MPI Corp.	3.81
King Slide Works Co. Ltd.	3.57
Advanced Energy Solution Holding Co. Ltd.	3.51

Holdings and sector weightings are subject to change. Source: State Street Bank & Trust Company, Bloomberg L.P. as of 01/31/2026.

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 01/31/2026.

Distribution History (since 2015)

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
12/29/25	12/29/25	1/06/26	6.200200	0.037800	6.087300	0.075100

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

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

As of January 31, 2026

Sector	Company (exchange ticker)	Price TWD	Holding	Value US\$	% of Fund	
INFORMATION TECHNOLOGY					81.39	
	Taiwan Semiconductor Manufacturing Co. Ltd.	2330-TW	1,775.00	2,351,000	132,603,273	33.42
	WinWay Technology Co. Ltd.	6515-TW	3,905.00	163,000	20,226,088	5.10
	Hon Precision, Inc.	7769-TW	3,750.00	168,000	20,019,066	5.05
	Elite Material Co. Ltd.	2383-TW	1,745.00	353,000	19,573,721	4.93
	Delta Electronics, Inc.	2308-TW	1,220.00	495,000	19,189,704	4.84
	Jentech Precision Industrial Co. Ltd.	3653-TW	2,840.00	195,000	17,597,712	4.44
	MPI Corp.	6223-TW	2,515.00	189,000	15,104,385	3.81
	King Slide Works Co. Ltd.	2059-TW	3,140.00	142,000	14,168,414	3.57
	eMemory Technology, Inc.	3529-TW	1,830.00	200,000	11,630,124	2.93
	EZconn Corp.	6442-TW	1,785.00	166,000	9,415,634	2.37
	Accton Technology Corp.	2345-TW	1,115.00	224,000	7,936,447	2.00
	MediaTek, Inc.	2454-TW	1,760.00	129,000	7,214,490	1.82
	Unimicron Technology Corp.	3037-TW	378.50	462,000	5,556,625	1.40
	Fositek Corp.	9805-TW	1,425.00	106,000	4,799,809	1.21
	Wiwynn Corp.	6669-TW	3,575.00	40,000	4,544,010	1.15
	Gold Circuit Electronics Ltd.	2368-TW	701.00	199,000	4,432,761	1.12
	LandMark Optoelectronics Corp.	3081-TW	1,000.00	117,000	3,717,827	0.94
	Alchip Technologies Ltd.	3661-TW	3,125.00	26,000	2,581,824	0.65
	Parade Technologies Ltd.	4966-TW	529.00	81,000	1,361,582	0.34
	E Ink Holdings, Inc.	8069-TW	175.00	187,000	1,039,879	0.26
	Lotes Co. Ltd.	3533-TW	1,430.00	4,000	181,760	0.05
INDUSTRIALS					7.73	
	Bizlink Holding, Inc.	3665-TW	1,300.00	405,317	16,743,314	4.22
	Advanced Energy Solution Holding Co. Ltd.	6781-TW	1,130.00	388,000	13,931,999	3.51
CONSUMER DISCRETIONARY					5.11	
	Nien Made Enterprise Co. Ltd.	8464-TW	427.00	799,000	10,841,214	2.73
	Merida Industry Co. Ltd.	9914-TW	84.40	1,562,000	4,189,158	1.06
	Fulgent Sun International Holding Co. Ltd.	9802-TW	94.60	1,234,899	3,712,153	0.94
	Gourmet Master Co. Ltd.	2723-TW	75.00	461,000	1,098,665	0.28
	Giant Manufacturing Co. Ltd.	9921-TW	89.30	130,000	368,891	0.09
	KMC Kuei Meng International, Inc.	5306-TW	90.80	20,000	57,706	0.01
MATERIALS					1.51	
	Century Iron & Steel Industrial Co. Ltd.	9958-TW	136.00	1,388,000	5,998,348	1.51

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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. 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

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