

THE TAIWAN FUND, INC.

Manager's Commentary

Market Review

The Taiwan's equity market declined in March 2026, with the TAIEX Total Return Index (the "Benchmark") down 12.38% in U.S. dollar terms, driven by a record \$25.1 (USD) billion net sell-off by foreign institutional investors (FINIs), as the escalating conflict in the Middle East heightened concerns over energy supply disruptions and rising inflation. During the month, the three poorest performing industry groups were Pharmaceuticals, Biotechnology & Life Sciences, Health Care Equipment & Services and Consumer Discretionary Distribution & Retail. We do not have any holdings in those three industry groups. The best performing industry groups were Energy and Consumer Staples Distribution & Retail. Though both industry groups posted negative returns, they outperformed the broader benchmark.

Fund Review (Attribution Reports)

The Taiwan Fund, Inc. (the "Fund") decreased by 5.21% in March 2026 outperforming the Benchmark in U.S. dollar terms. The Fund's outperformance was primarily driven by stock selection in the Semiconductors & Semiconductor Equipment, Capital Goods and Technology Hardware & Equipment industry groups. For the whole portfolio at the stock selection level, the top positive contributors to relative performance were Taiwan Semiconductor Manufacturing Co. Ltd., (TSMC), Winway Technology Co. Ltd., MPI Corporation and Jentech Precision Industrial Co. Ltd.

On the other hand, the Fund's relative outperformance was negatively impacted by overweight positions in the weaker-performing Capital Goods industry group. For the portfolio at the stock level, the largest negative contributors to relative performance were Hon Precision Inc., Advanced Energy Solution Holding Co. Ltd., Unimicron Technology Corporation and MediaTek Inc.

Key Transactions

The major changes in the portfolio were in the Semiconductors & Semiconductor Equipment and Technology Hardware & Equipment industry groups. In the Semiconductors & Semiconductor Equipment industry group, the Fund increased its holdings in LandMark Optoelectronics Corporation. The company is supported by multiple tailwinds, including increasing silicon photonics penetration, rising demand for artificial intelligence ("AI") infrastructure, and backend capacity expansion. Additionally, the Fund added Horng Terng Automation Co. Ltd. to its portfolio holdings in the same industry group. The company is benefiting from the trend of increasing chip complexity, driven by larger die sizes and more advanced packaging (e.g., chiplet architecture, which are modular, specialized silicon dies designed to be interconnected via advanced packaging to form a single, high-performance system) as well as ongoing substrate upgrades. Meanwhile, the Fund reduced its holdings in E Ink Holdings

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)	\$425.9
Median Market Cap (in billions)	\$6.77
Distribution Frequency	Annual
Management Firm	Nomura Asset Management U.S.A. Inc.

Fund Manager



Sky Chen
Lead Portfolio Manager

Performance

(US\$ Returns as of 03/31/2026)

	Fund	Benchmark ¹
One Month	-5.21%	-12.38%
Three Month	19.71%	7.91%
One Year	116.90%	63.84%
Three Year (Annualized)	44.65%	27.74%

Net Asset Value/Market Price

(as of 03/31/2026)

NAV/Market Price	\$75.20 / \$65.74
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High/Low Ranges (52-Week)

High/Low NAV	\$80.96 / \$33.32
High/Low Market Price	\$66.03 / \$27.66
Premium/Discount to NAV (as of 03/31/2026)	-12.58%

Fund Data (Common Shares)

Shares Outstanding	5,663,820
Average Daily Volume	30,091
Expense Ratio ²	1.25%

¹Taiwan TAIEX Total Return Index.

²Six months ended February 28, 2026, annualized, unaudited.

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Nomura Asset Management U.S.A. Inc.

THE TAIWAN FUND, INC.

Manager's Commentary (continued)

Inc. within the Technology Hardware & Equipment industry group due to multiple near-term challenges, including rising memory prices and uncertainty in end-market demand.

Outlook and Strategy

Escalating geopolitical tensions in the Middle East have pushed up energy prices and risk premiums, increasing uncertainty and weighing on investor risk appetite. Taiwan equities may continue to see short-term consolidation amid external volatility.

However, Taiwan's outlook remains strong, supported by a robust AI-driven expansion, with surging demand for agentic AI (autonomous systems capable of pursuing complex goals with limited supervision by perceiving, reasoning, planning, and acting, rather than just generating text) and strong capital expenditures from cloud service providers (CSPs) expected to sustain earnings upgrades. This momentum is reflected by the Central Bank of Taiwan significantly raising its 2026 growth forecast to 7.3% (from 3.7% at the fourth quarter 2025 meeting), driven by a positive outlook for semiconductor and server exports.

Looking ahead, demand for AI servers, advanced packaging, and high-end chips remains robust. If global volatility eases, capital is likely to refocus on AI and semiconductor names with strong earnings growth potential, leaving Taiwan equities volatile but with an upside bias. Key areas of focus include advanced semiconductor processes, packaging and testing, Application-Specific Integrated Circuits (ASICs), AI servers, thermal management modules, power management, and Printed Circuit Boards (PCBs).

THE TAIWAN FUND, INC.

Returns (%)

	1 Month	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception
NAV	-5.21	19.71	19.71	116.90	44.65	27.24	23.85	12.00
Market Price	-0.36	23.15	23.15	120.22	48.41	27.51	23.90	10.66
Taiwan TAIEX Total Return Index	-12.38	7.91	7.91	63.84	27.74	15.25	18.06	—
Taiwan TAIEX Price Index	-12.55	7.64	7.64	59.19	23.94	11.50	13.83	—
MSCI Taiwan Index (net)	-12.96	9.09	9.09	73.62	32.32	16.26	19.19	—

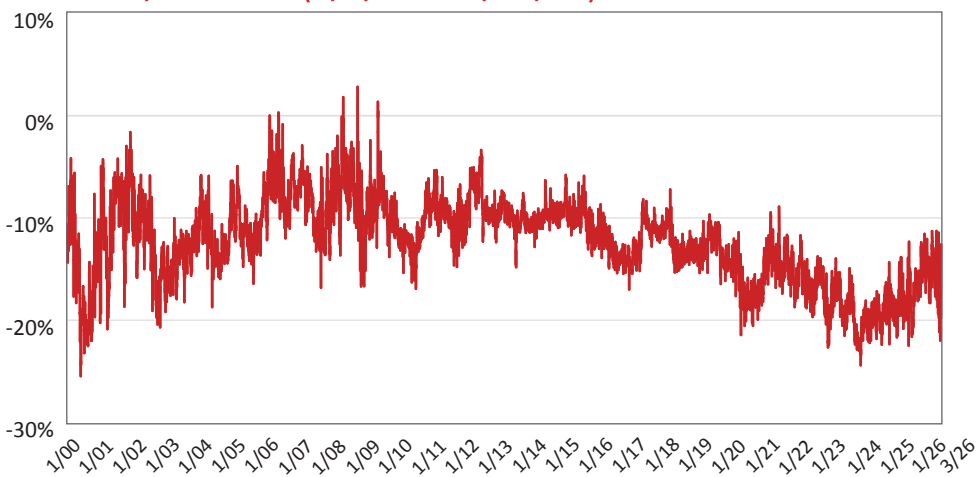
Calendar Year Returns (%)

	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: 1.25% for the six months ended February 28, 2026; annualized and unaudited.

Premium/Discount (1/3/00 - 03/31/26)



Past performance is not indicative of future results.

Sector Breakdown (%)

	Fund	Benchmark
Information Technology	83.09	75.56
Industrials	7.55	5.33
Consumer Discretionary	3.64	2.22
Materials	1.14	3.19
Financials	0	8.82
Communication Services	0	1.74
Consumer Staples	0	1.04
Health Care	0	0.80
Real Estate	0	0.68
Energy	0	0.51
Utilities	0	0.11
N/A	0	0

Top 10 Holdings (%)

Taiwan Semiconductor Manufacturing Co. Ltd.	30.39
WinWay Technology Co. Ltd.	5.25
MPI Corp.	4.83
Jentech Precision Industrial Co. Ltd.	4.82
Bizlink Holding, Inc.	4.74
Elite Material Co. Ltd.	4.41
Hon Precision, Inc.	4.32
Delta Electronics, Inc.	4.00
eMemory Technology, Inc.	3.86
Unimicron Technology Corp.	3.79

Holdings and sector weightings are subject to change. Source: State Street Bank & Trust Company, Bloomberg L.P. as of 03/31/2026.

THE TAIWAN FUND, INC.

Portfolio Characteristics

	Fund
Number of Issues	28
Foreign Holdings (%)	95.4
Cash and Other Assets less Liabilities (%)	4.6

As of 03/31/2026.

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 March 31, 2026

Sector	Company (exchange ticker)	Price TWD	Holding	Value US\$	% of Fund	
INFORMATION TECHNOLOGY					83.09	
	Taiwan Semiconductor Manufacturing Co. Ltd.	2330-TW	1,760.00	2,351,000	129,426,337	30.39
	WinWay Technology Co. Ltd.	6515-TW	7,150.00	100,000	22,364,717	5.25
	MPI Corp.	6223-TW	3,595.00	183,000	20,578,198	4.83
	Jentech Precision Industrial Co. Ltd.	3653-TW	3,795.00	173,000	20,535,971	4.82
	Elite Material Co. Ltd.	2383-TW	2,600.00	231,000	18,786,362	4.41
	Hon Precision, Inc.	7769-TW	3,505.00	168,000	18,418,517	4.32
	Delta Electronics, Inc.	2308-TW	1,380.00	395,000	17,050,360	4.00
	eMemory Technology, Inc.	3529-TW	2,630.00	200,000	16,452,925	3.86
	Unimicron Technology Corp.	3037-TW	444.50	1,160,000	16,128,245	3.79
	King Slide Works Co. Ltd.	2059-TW	3,175.00	142,000	14,102,283	3.31
	LandMark Optoelectronics Corp.	3081-TW	1,575.00	240,000	11,823,585	2.78
	MediaTek, Inc.	2454-TW	1,490.00	238,000	11,092,274	2.60
	Accton Technology Corp.	2345-TW	1,510.00	224,000	10,579,919	2.48
	EZconn Corp.	6442-TW	1,900.00	150,000	8,914,607	2.09
	Fositek Corp.	9805-TW	1,750.00	106,000	5,802,315	1.36
	Gold Circuit Electronics Ltd.	2368-TW	860.00	199,000	5,353,144	1.26
	Horng Terng Automation Co. Ltd.	7751-TW	1,380.00	100,000	4,316,547	1.01
	Alchip Technologies Ltd.	3661-TW	2,485.00	26,000	2,020,957	0.47
	Lotes Co. Ltd.	3533-TW	2,050.00	2,000	128,245	0.03
INDUSTRIALS					7.55	
	Bizlink Holding, Inc.	3665-TW	1,740.00	371,317	20,209,308	4.74
	Advanced Energy Solution Holding Co. Ltd.	6781-TW	985.00	388,000	11,954,332	2.81
CONSUMER DISCRETIONARY					3.64	
	Nien Made Enterprise Co. Ltd.	8464-TW	330.00	799,000	8,247,420	1.94
	Merida Industry Co. Ltd.	9914-TW	64.90	1,562,000	3,170,904	0.74
	Fulgent Sun International Holding Co. Ltd.	9802-TW	77.20	1,234,899	2,981,990	0.70
	Gourmet Master Co. Ltd.	2723-TW	68.10	436,000	928,733	0.22
	Giant Manufacturing Co. Ltd.	9921-TW	71.90	54,000	121,445	0.03
	KMC Kuei Meng International, Inc.	5306-TW	86.90	13,000	35,336	0.01
MATERIALS					1.14	
	Century Iron & Steel Industrial Co. Ltd.	9958-TW	112.00	1,388,000	4,862,559	1.14

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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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