

# THE TAIWAN FUND, INC.

## Manager's Commentary

### Market Review

Taiwan's equity market delivered strong performance in May 2026, with the TAIEX Total Return Index (the "Benchmark") rising 16.24% in U.S. dollar terms, driven by an AI upcycle and broad-based gains across the technology sector along with strong foreign institutional inflows of U.S. \$8.5 billion. Average daily turnover surged 33% month over month. During the month, the best three performing industry groups were Technology Hardware & Equipment, Utilities and Semiconductors & Semiconductor Equipment. The three poorest performing industry groups were Energy, Health Care Equipment & Services and Consumer Staples Distribution & Retail. Note that we do not have any holdings in these industry groups.

### Fund Review (Attribution Reports)

The Taiwan Fund, Inc. (the "Fund") increased by 11.31% in May underperforming the Benchmark in U.S. dollar terms. The Fund's underperformance was primarily driven by stock selection in the Semiconductors & Semiconductor Equipment, Technology Hardware & Equipment and Capital Goods industry groups. For the portfolio at the stock level, the top detractors to relative performance were Jentech Precision Industrial Co. Ltd. ("Jentech"), BizLink Holding Inc. and WinWay Technology Co. Ltd. Jentech declined in May amid market speculation that Nvidia may revise the vapor chamber cooling design for its upcoming Vera Rubin GPUs (graphics processing units) back to a single-piece structure. As a key supplier of cooling and thermal management solutions, Jentech came under heavy selling pressure, alongside other stocks in the cooling component supply chain. We remain bullish on this stock. BizLink Holding Inc.'s stock dropped sharply in late May 2026 due to a temporary profit margin compression reported during its first quarter 2026 earnings report, combined with investor profit-taking. WinWay Technology Co. Ltd. declined sharply in May 2026, primarily due to investor profit-taking following a substantial, record-breaking rally earlier in the year.

On the other hand, underweight positions in the Financials, Materials and Telecommunications Services sectors partially offset the underperformance, as these sectors contributed positively, though they still lagged the Benchmark return. For the whole portfolio at the stock level, the best positive contributors to relative performance were Hon Precision Inc., MediaTek Inc. and King Slide Works Co. Ltd.

### 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 Global Unichip Corporation as the company is

<sup>1</sup>Taiwan TAIEX Total Return Index.

<sup>2</sup>Six months ended February 28, 2026, annualized, unaudited.

### 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)	\$650.9
Median Market Cap (in billions)	\$11.88
Distribution Frequency	Annual
Management Firm	Nomura Asset Management U.S.A. Inc.

### Fund Manager



Sky Chen  
Lead Portfolio Manager

### Performance

(US\$ Returns as of 05/31/2026)

	Fund	Benchmark <sup>1</sup>
One Month	11.31%	16.24%
Three Month	47.36%	26.12%
One Year	177.76%	106.27%
Three Year (Annualized)	63.67%	42.52%

### Net Asset Value/Market Price

(as of 05/31/2026)

NAV/Market Price	\$116.90 / \$99.15
------------------	--------------------

### High/Low Ranges (52-Week)

High/Low NAV	\$117.96 / \$39.56
High/Low Market Price	\$100.90 / 32.2
Premium/Discount to NAV (as of 05/31/2026)	-15.18%

### Fund Data (Common Shares)

Shares Outstanding	5,567,873
Average Daily Volume	50,315
Expense Ratio <sup>2</sup>	1.25%

# NOMURA

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

## THE TAIWAN FUND, INC.

### Manager's Commentary (continued)

benefiting from strong demand and improving project visibility across multiple programs. In addition, a favorable shift in the product mix should support a gradual improvement in gross margins.

Meanwhile, the Fund reduced its holdings in Accton Technology Corporation within the Technology Hardware & Equipment industry group, as volume production of AWS's (Amazon Web Services) T3 chip is now expected to be delayed again until June. Consequently, the increase in second quarter 2026 orders is likely to be driven primarily by the older T2 products, which are expected to generate lower margins than the newer T3 offerings. Additionally, the Fund also decreased its holdings in MPI Corporation within the Semiconductors & Semiconductor Equipment industry group. We remain positive on MPI Corporation's long-term outlook, driven by strong AI and High-Performance Computing (HPC) demand and ongoing capacity expansion. The Fund trimmed its position following a YTD share price increase of more than 90%.

### Outlook and Strategy

Regarding the Middle East, reports of a US-Iran ceasefire has allowed equity markets to stage a strong risk-off comeback as severe geopolitical anxieties cool down. However, even with the immediate threat of wider conflict diminishing, energy risks remain a key variable. While this shift has successfully redirected investor focus toward an intact AI upcycle, any persistence of energy-related vulnerabilities could keep pressure on underlying market metrics.

Taiwan equities have rebounded strongly. Key catalysts include the AI investment theme highlighted at Computex (a computer expo held annually in Taipei), continued optimism regarding future demand from major cloud service providers (CSPs), and expectations for earnings growth among Taiwan's large-cap stocks, all of which support the ongoing re-rating of valuations.

Looking ahead, the market is expected to focus on Taiwan's projected 2026–2027 earnings growth. Key areas of focus include advanced packaging and testing, Printed Circuit Boards (PCB), Copper Clad Laminate (CCL), Ajinomoto Build-up Film (ABF) substrates, optical communications, Power Supply Unit (PSU) and BBU (Battery Backup Unit).

# THE TAIWAN FUND, INC.

## Returns (%)

	1 Month	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception
NAV	11.31	47.36	86.09	177.76	63.67	35.55	29.90	13.20
Market Price	5.03	50.27	85.74	192.04	66.74	35.41	29.79	11.77
Taiwan TAIEX Total Return Index	16.24	26.12	55.32	106.27	42.52	22.19	22.90	—
Taiwan TAIEX Price Index	16.23	25.85	54.92	100.47	38.32	18.22	18.49	—
MSCI Taiwan Index (net)	16.53	28.03	60.45	121.51	49.11	24.03	24.34	—

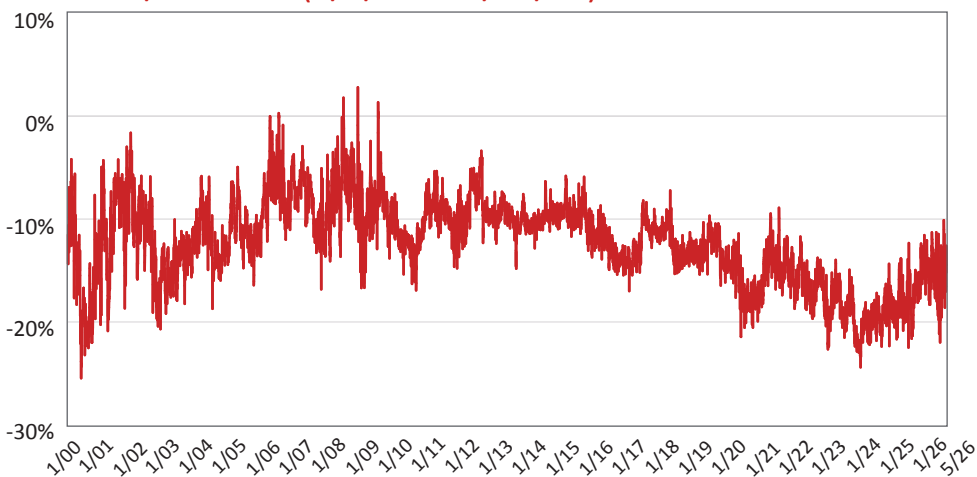
## Calendar Year Returns (%)

	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 - 05/31/26)



**Past performance is not indicative of future results.**

## Sector Breakdown (%)

	Fund	Benchmark
Information Technology	89.98	80.91
Industrials	5.13	4.50
Consumer Discretionary	2.70	1.60
Materials	0.70	2.52
Financials	0	6.93
Communication Services	0	1.27
Consumer Staples	0	0.72
Health Care	0	0.65
Real Estate	0	0.48
Energy	0	0.34
Utilities	0	0.08
N/A	0	0

## Top 10 Holdings (%)

Taiwan Semiconductor Manufacturing Co. Ltd.	27.15
MediaTek, Inc.	8.16
Hon Precision, Inc.	6.81
Unimicron Technology Corp.	5.39
King Slide Works Co. Ltd.	5.14
Delta Electronics, Inc.	4.74
Elite Material Co. Ltd.	4.70
MPI Corp.	4.24
LandMark Optoelectronics Corp.	3.55
eMemory Technology, Inc.	3.34

Holdings and sector weightings are subject to change. Source: State Street Bank & Trust Company, Bloomberg L.P. as of 05/31/2026.

# THE TAIWAN FUND, INC.

## Portfolio Characteristics

	Fund
Number of Issues	30
Foreign Holdings (%)	98.5
Cash and Other Assets less Liabilities (%)	1.5

As of 05/31/2026.

## 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 May 31, 2026

Sector	Company (exchange ticker)	Price TWD	Holding	Value US\$	% of Fund	
<b>INFORMATION TECHNOLOGY</b>					<b>89.98</b>	
	Taiwan Semiconductor Manufacturing Co. Ltd.	2330-TW	2,355.00	2,351,000	176,744,346	27.15
	MediaTek, Inc.	2454-TW	4,310.00	386,000	53,108,809	8.16
	Hon Precision, Inc.	7769-TW	8,260.00	168,000	44,298,734	6.81
	Unimicron Technology Corp.	3037-TW	1,055.00	1,042,000	35,093,135	5.39
	King Slide Works Co. Ltd.	2059-TW	5,065.00	207,000	33,469,697	5.14
	Delta Electronics, Inc.	2308-TW	2,445.00	395,000	30,830,314	4.74
	Elite Material Co. Ltd.	2383-TW	5,120.00	187,000	30,564,237	4.70
	MPI Corp.	6223-TW	5,960.00	145,000	27,587,748	4.24
	LandMark Optoelectronics Corp.	3081-TW	2,615.00	277,000	23,123,494	3.55
	eMemory Technology, Inc.	3529-TW	3,410.00	200,000	21,771,400	3.34
	WinWay Technology Co. Ltd.	6515-TW	8,665.00	75,000	20,745,878	3.19
	Jentech Precision Industrial Co. Ltd.	3653-TW	3,545.00	156,000	17,653,988	2.71
	Kinsus Interconnect Technology Corp.	3189-TW	729.00	700,000	16,290,243	2.50
	Gold Circuit Electronics Ltd.	2368-TW	1,320.00	355,000	14,959,059	2.30
	Accton Technology Corp.	2345-TW	2,430.00	112,000	8,688,129	1.33
	Hong Terng Automation Co. Ltd.	7751-TW	1,765.00	150,000	8,451,581	1.30
	Fositek Corp.	9805-TW	1,930.00	106,000	6,530,782	1.00
	Chroma ATE, Inc.	2360-TW	2,520.00	78,000	6,274,760	0.96
	Global Unichip Corp.	3443-TW	4,670.00	38,000	5,665,033	0.87
	Alchip Technologies Ltd.	3661-TW	4,415.00	26,000	3,664,427	0.56
	Lotes Co. Ltd.	3533-TW	2,650.00	2,000	169,191	0.03
<b>INDUSTRIALS</b>					<b>5.13</b>	
	Bizlink Holding, Inc.	3665-TW	2,085.00	285,317	18,990,469	2.92
	Advanced Energy Solution Holding Co. Ltd.	6781-TW	1,160.00	388,000	14,367,847	2.21
<b>CONSUMER DISCRETIONARY</b>					<b>2.70</b>	
	Nien Made Enterprise Co. Ltd.	8464-TW	317.50	1,019,000	10,328,087	1.59
	Merida Industry Co. Ltd.	9914-TW	66.70	1,562,000	3,325,897	0.51
	Fulgent Sun International Holding Co. Ltd.	9802-TW	73.60	1,234,899	2,901,424	0.45
	Gourmet Master Co. Ltd.	2723-TW	61.20	436,000	851,804	0.13
	Giant Manufacturing Co. Ltd.	9921-TW	69.30	54,000	119,462	0.02
	KMC Kuei Meng International, Inc.	5306-TW	83.40	13,000	34,611	0.01
<b>MATERIALS</b>					<b>0.70</b>	
	Century Iron & Steel Industrial Co. Ltd.	9958-TW	103.50	1,388,000	4,585,976	0.70

## THE TAIWAN FUND, INC.

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](http://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

©2026 The Taiwan Fund, Inc., c/o State Street Bank and Trust Company, One Congress Street, Suite 1, Boston, MA, 02111-2016