

THE TAIWAN FUND, INC.

Manager's Commentary

Market Review

Taiwan's equity market delivered resilient performance in June 2026, with the TAIEX Total Return Index (the "Benchmark") rising 1.79% in U.S. dollar terms, driven by surging gains in defensive and cyclical sectors such as Healthcare and Materials, which helped the market weather profit-taking in the Technology sector and a record foreign institutional (FINI) net sell-off of U.S. \$16.6 billion. During the month, the best three performing industry groups were Pharmaceuticals, Biotechnology & Life Sciences, Banks and Materials. We have holdings in the Materials industry group. The three poorest performing industry groups were Software & Services, Technology Hardware & Equipment and Automobiles & Components. We do not have any holdings in the Software & Services and Automobiles & Components industry groups.

Fund Review (Attribution Reports)

The Taiwan Fund, Inc. (the "Fund") decreased by 2.92% in June, underperforming the Benchmark in U.S. dollar terms. The Fund's underperformance was primarily driven by stock selection in the Semiconductors & Semiconductor Equipment, Capital Goods and Materials industry groups. For the portfolio at the stock level, the top detractors to relative performance were Hon Precision, Inc., LandMark Optoelectronics Corp. and eMemory Technology, Inc.

Hon Precision, Inc. declined in June as investors took profits following its strong rally, driven by elevated valuations and high expectations for AI-driven growth. Despite the near-term pullback, we remain bullish on the company's long-term growth prospects. LandMark Optoelectronics Corp. also retreated as stricter valuation standards for AI-related high-priced stocks and broader market corrections prompted profit-taking, despite reporting robust June revenue. Similarly, eMemory Technology, Inc. experienced a valuation-driven correction in June after reaching record highs.

Also detracting from relative performance was the lack of exposure in the Financials sector which represented 7.88% of the Benchmark and performed well in the month.

On the other hand, the lack of exposure to the Automobiles & Components and Software & Services sectors partially offset the underperformance, as both sectors posted negative returns during the period. For the whole portfolio at the stock level, the best positive contributors to relative performance were King Slide Works Co. Ltd., Kinsus Interconnect Technology Corp. and Taiwan Semiconductor Manufacturing Co. Ltd.

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)	\$631.9
Median Market Cap (in billions)	\$11.21
Distribution Frequency	Annual
Management Firm	Nomura Asset Management U.S.A. Inc.

Fund Manager



Sky Chen
Lead Portfolio Manager

Performance (US\$ Returns as of 06/30/2026)

	Fund	Benchmark ¹
One Month	-2.92%	1.79%
Three Month	50.92%	46.52%
One Year	139.21%	94.56%
Three Year (Annualized)	58.03%	42.38%

Net Asset Value/Market Price (as of 06/30/2026)

NAV/Market Price	\$113.49 / \$96.17
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High/Low Ranges (52-Week)

High/Low NAV	\$120.28 / \$45.73
High/Low Market Price	\$101.53 / \$37.48
Premium/Discount to NAV (as of 06/30/2026)	-15.26%

Fund Data (Common Shares)

Shares Outstanding	5,567,873
Average Daily Volume	67,385
Expense Ratio ²	1.25%

¹Taiwan TAIEX Total Return Index.

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

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Manager's Commentary (continued)

Key Transactions

The major changes in the portfolio were in the Semiconductors & Semiconductor Equipment and Technology Hardware & Equipment industry groups. In that industry group, the Fund increased its holdings in Jentech Precision Industrial Co. Ltd. ("Jentech"), as the company is expected to benefit from continued adoption of its thermal solutions in AMD's MI450 platform, while Google is also expected to adopt its thermal products in the second half of 2027. We believe Jentech's long-term competitive advantages remain strong. Additionally, the Fund also increased its holdings in Browave Corp. in the Technology Hardware & Equipment industry group. Co-Packaged Optics (CPO) is expected to gradually become a fundamental interconnect architecture option for AI servers starting in 2027. The company has successfully entered NVIDIA's CPO shuffle module supply chain, with related revenue expected to begin contributing in the second half of 2026.

Meanwhile, the Fund reduced its holdings in Unimicron Technology Corp. within the Technology Hardware & Equipment industry group, as rising raw material costs are expected to weigh on near-term margins. Over the long term, the company remains well positioned to benefit from growing demand for high-end Ajinomoto Build-up Film ("ABF") substrates driven by AI servers and High-Performance Computing (HPC).

Outlook and Strategy

The provisional 60-day United States – Iran ceasefire has triggered a strong equity market rally as geopolitical tensions eased. However, energy-related risks remain a key risk given the fragile diplomatic environment, potential military escalations, and continued uncertainty surrounding transit through the Strait of Hormuz. While the ceasefire has allowed investors to refocus on the structural AI growth cycle, persistent trade-route vulnerabilities are likely to limit broader market upside.

Taiwan equities have demonstrated resilience, supported by the Taiwan Central Bank's upward revision of its 2026 economic growth forecast to 9.5% and sustained export momentum. Key catalysts include continued strength in AI infrastructure demand, which remains robust despite some profit-taking by institutional investors in the technology sector during June. Ongoing optimism surrounding future demand from major cloud service providers (CSPs), together with rising GPU rental prices for H100 and B200 chips, continues to reinforce the long-term growth outlook and support further valuation re-rating.

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Returns (%)

	1 Month	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception
NAV	-2.92	50.92	80.66	139.21	58.03	31.28	29.19	13.09
Market Price	-3.01	46.29	80.16	138.76	60.23	31.56	28.95	11.66
Taiwan TAIEX Total Return Index	1.79	46.52	58.10	94.56	42.38	21.82	22.67	—
Taiwan TAIEX Price Index	1.40	45.92	57.08	90.05	38.66	17.84	18.35	—
MSCI Taiwan Index (net)	1.21	48.86	62.38	104.97	48.87	24.17	23.94	—

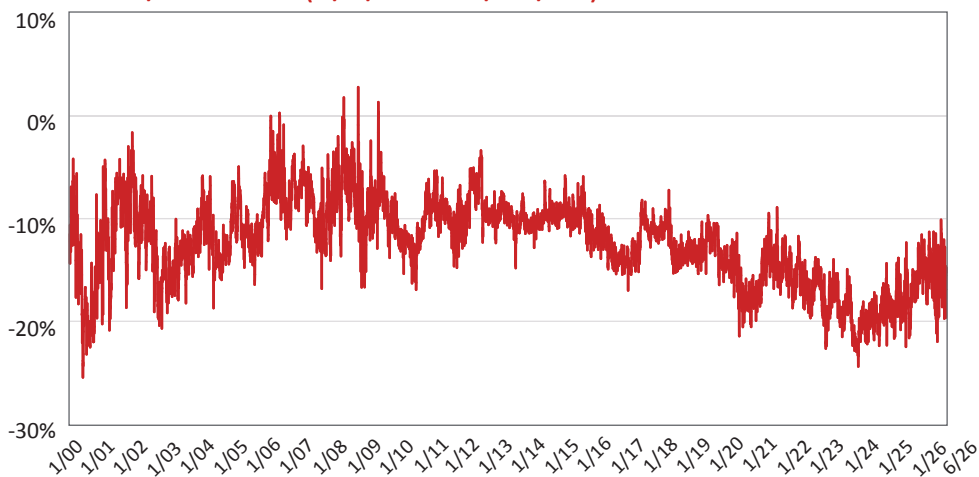
Calendar Year Returns (%)

	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 - 06/30/26)



Past performance is not indicative of future results.

Sector Breakdown (%)

	Fund	Benchmark
Information Technology	88.45	79.54
Industrials	4.99	4.40
Consumer Discretionary	2.98	1.58
Materials	0.81	2.91
Financials	0	7.88
Communication Services	0	1.29
Health Care	0	0.78
Consumer Staples	0	0.71
Real Estate	0	0.48
Energy	0	0.35
Utilities	0	0.08

Top 10 Holdings (%)

Taiwan Semiconductor Manufacturing Co. Ltd.	28.15
MediaTek, Inc.	8.14
Elite Material Co. Ltd.	5.01
Unimicron Technology Corp.	4.82
King Slide Works Co. Ltd.	4.79
Hon Precision, Inc.	4.79
MPI Corp.	4.39
Jentech Precision Industrial Co. Ltd.	3.63
Delta Electronics, Inc.	3.59
LandMark Optoelectronics Corp.	3.13

Holdings and sector weightings are subject to change. Source: State Street Bank & Trust Company, Bloomberg L.P. as of 06/30/2026.

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Portfolio Characteristics

	Fund
Number of Issues	32
Foreign Holdings (%)	97.2
Cash and Other Assets less Liabilities (%)	2.8

As of 06/30/2026.

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.

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All Portfolio Holdings

As of June 30, 2026

Sector	Company (exchange ticker)	Price TWD	Holding	Value US\$	% of Fund
INFORMATION TECHNOLOGY					88.45
Taiwan Semiconductor Manufacturing Co. Ltd.	2330-TW	2,410.00	2,351,000	177,857,266	28.15
MediaTek, Inc.	2454-TW	4,245.00	386,000	51,435,971	8.14
Elite Material Co. Ltd.	2383-TW	5,390.00	187,000	31,639,697	5.01
Unimicron Technology Corp.	3037-TW	1,070.00	907,000	30,464,426	4.82
King Slide Works Co. Ltd.	2059-TW	7,360.00	131,000	30,265,723	4.79
Hon Precision, Inc.	7769-TW	6,470.00	149,000	30,261,642	4.79
MPI Corp.	6223-TW	6,090.00	145,000	27,719,618	4.39
Jentech Precision Industrial Co. Ltd.	3653-TW	3,430.00	213,000	22,933,781	3.63
Delta Electronics, Inc.	2308-TW	1,950.00	371,000	22,709,651	3.59
LandMark Optoelectronics Corp.	3081-TW	2,020.00	312,000	19,783,718	3.13
Kinsus Interconnect Technology Corp.	3189-TW	891.00	700,000	19,578,422	3.10
WinWay Technology Co. Ltd.	6515-TW	8,085.00	75,000	19,034,577	3.01
eMemory Technology, Inc.	3529-TW	2,925.00	200,000	18,363,599	2.91
Gold Circuit Electronics Ltd.	2368-TW	1,200.00	355,000	13,372,467	2.12
Accton Technology Corp.	2345-TW	2,495.00	112,000	8,771,836	1.39
Horng Terng Automation Co. Ltd.	7751-TW	1,370.00	150,000	6,450,803	1.02
Global Unichip Corp.	3443-TW	4,845.00	38,000	5,779,354	0.91
Fositek Corp.	9805-TW	1,680.00	106,000	5,590,068	0.88
Chroma ATE, Inc.	2360-TW	2,160.00	78,000	5,288,717	0.84
Largan Precision Co. Ltd.	3008-TW	4,290.00	38,000	5,117,323	0.81
Alchip Technologies Ltd.	3661-TW	4,180.00	26,000	3,411,549	0.54
Browave Corp.	3163-TW	792.00	118,000	2,933,656	0.46
Lotes Co. Ltd.	3533-TW	2,110.00	2,000	132,469	0.02
INDUSTRIALS					4.99
Bizlink Holding, Inc.	3665-TW	1,915.00	285,317	17,151,352	2.71
Advanced Energy Solution Holding Co. Ltd.	6781-TW	1,180.00	388,000	14,371,949	2.27
CONSUMER DISCRETIONARY					2.98
Nien Made Enterprise Co. Ltd.	8464-TW	346.00	1,019,000	11,067,569	1.75
Merida Industry Co. Ltd.	9914-TW	78.30	1,562,000	3,839,235	0.61
Fulgent Sun International Holding Co. Ltd.	9802-TW	72.70	1,234,899	2,818,174	0.45
Gourmet Master Co. Ltd.	2723-TW	66.80	436,000	914,250	0.14
Giant Manufacturing Co. Ltd.	9921-TW	78.70	54,000	133,404	0.02
KMC Kuei Meng International, Inc.	5306-TW	85.50	13,000	34,891	0.01
MATERIALS					0.81
Century Iron & Steel Industrial Co. Ltd.	9958-TW	117.50	1,388,000	5,119,520	0.81

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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 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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