

THE TAIWAN FUND, INC.

Manager's Commentary

Market Review

The Taiwan Stock Exchange closed the month of February 2022 down 0.91% in US dollar terms, with the technology sector down 2.85%, the non-technology sector up 3.99%, the financial sector down 0.47% and over-the-counter ("OTC") stocks down 0.80%. The top three outperforming sectors were shipping, printed circuit board (PCB) manufacturing and leisure & tourism. The bottom three underperforming sectors were smartphone manufacturing, solar energy and integrated circuit original equipment manufacturers ("IC OEM").

Fund Review (Attribution Reports)

The Taiwan Fund, Inc. (the "Fund") outperformed the Taiwan TAIEX Total Return Index (the "benchmark"). Although sector allocation was negative, stock selection was positive. On the sector level, the Fund's overweight positions in health care equipment & services, as well as underweight positions in consumer durables & apparel, retailing and food & staples retailing helped performance. In contrast, the Fund's overweight positions in semiconductors, semiconductor equipment and insurance hurt performance, as did underweight positions in transportation, materials and telecommunication services. On the stock level, the best active contributors were Alchip Technologies Ltd., Faraday Technology Corp. and Unimicron Technology Corp.; the worst active detractors were Formosa Sumco Technology Corp., Evergreen Marine Corporation and SDI Corp.

Key Transactions

Performance this month continued to suffer from our technology-heavy bias. As the global market panic found more fuel in the Ukraine crisis, Taiwan was relatively calm in February. We saw some volatility, but the local benchmark TAIEX closed the shortened month just a little below where we began. The MSCI Taiwan Index suffered greater losses. We took advantage of this weakness in the latter part of February to initiate positions in two stocks: Asia Vital Components Co., Ltd. ("AVC") and uPI Semiconductor Corp.

AVC produces equipment for thermal management solutions used in servers and related hardware. The company has enjoyed steady sales growth momentum into 2022, driven by the increasing share of highly profitable server-related sales in its product mix. Our analysis of AVC and gross margin suggests that this steady improvement will persist, supporting overall earnings growth which is currently not fully reflected in the stock. We have added AVC as a potential re-rating opportunity.

Turning to uPI Semiconductor Corp., this newly listed analog integrated circuit design company has a solid technology background, once again related to the server industry. We expect that the company's products could successfully penetrate the notebook/personal computer market, which would likely increase its earnings over the coming years. Furthermore, this firm is a good substitute for Silergy Corp., which has a similar profile but is more expensive and suffers from more China-related risk than uPI Semiconductor Corp.

We also added slightly to our holdings in Advanced Energy Solution Holding Co., Ltd., Nan Ya Printed Circuit Board Corp., Faraday Technology Corp. and Sino-American Silicon Products, Inc. on price weakness.

During this uncertainty, we are, in general, looking to add companies with growth potential that will be sustainable into at least 2023. On the other hand, we sold out of Novatek Microelectronics Corp. this month at levels which might be considered cheap. We now believe, however, that the driver integrated circuit industry could suffer going forward due to weak end-demand through second half 2022 into 2023.

Fund Data

Description	Seeks long-term capital appreciation primarily through investments in equity securities listed in Taiwan.
Inception Date	December 31, 1986
Total Fund Assets (millions)	\$301.5
Median Market Cap (in billions)	\$2.7
Distribution Frequency	Annual
Management Firm	Allianz Global Investors US LLC

Fund Manager



Corrina Xiao
Lead Portfolio Manager

Performance

(US\$ Returns as of 2/28/2022)

	Fund	Benchmark ¹
One Month	0.87%	-0.91%
Three Month	-4.49%	0.60%
One Year	31.79%	12.96%
Three Year (Annualized)	39.26%	27.53%

Net Asset Value/Market Price (as of 2/28/2022)

NAV/Market Price	\$40.36 / \$33.83
------------------	-------------------

High/Low Ranges (52-Week)

High/Low NAV	\$46.45 / \$31.06
High/Low Market Price	\$39.60 / \$26.94
Premium/Discount to NAV (as of 2/28/2022)	-16.18

Fund Data (Common Shares)

Shares Outstanding	7,470,494
Average Daily Volume	7,342
Expense Ratio ²	1.44%

¹Taiwan TAIEX Total Return Index.

²One year ended August 31, 2021.

THE TAIWAN FUND, INC.

Manager's Commentary

Outlook and Strategy

Many voices in the media are breathlessly comparing Taiwan's position to that of Ukraine. Superficial differences aside, this comparison does not stand up to any serious degree of scrutiny. Nonetheless, we have seen foreign investors express their concerns, notably with the American Depositary Receipt ("ADR") for Taiwan Semiconductor Manufacturing Co., Ltd. trading at a discount for the first time since the COVID market crash.

The performance of the Russians in Ukraine, along with the surprisingly unified response from the democratic world, has made chances of a similar tragedy here even less likely than before. In China, cooler heads prevail, despite all the inflammatory rhetoric in the media on the Taiwan issue. Russia's rapid economic collapse at the hands of a coordinated and stunningly effective series of global sanctions is all the more reason not to expect Beijing to emulate.

Turning to the supply chain for commodities linked to semiconductor manufacturing, we checked with the industry and there is no immediate threat to the overall semiconductor supply chain. From the demand side, Russia accounts for less than 0.1% of global chip purchases, according to Semiconductor Industry Association.

Furthermore, given the improvements made to the semiconductor supply chain in the face of the uncertainties caused by COVID, we expect that the industry is well prepared for these relatively minor disruptions, due to higher levels of inventory. As always, we will stick to analyzing the fundamentals and remain alert for any signs of significant change in the supply chain situation.

THE TAIWAN FUND, INC.

Returns (%)

	1 Month	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception
NAV	0.87	-4.49	-7.81	31.79	39.26	24.56	14.36	10.56
Market Price	-0.32	-2.58	-9.95	28.16	38.07	23.96	13.20	8.96
Taiwan TAIEX Total Return Index	-0.91	0.60	-4.37	12.96	27.53	19.01	12.57	—
MSCI Taiwan Index (net)	-2.55	0.72	-4.46	8.15	29.55	19.62	12.84	—
Taiwan TAIEX Price Index	-0.91	0.45	-4.38	9.93	23.10	14.69	8.59	—

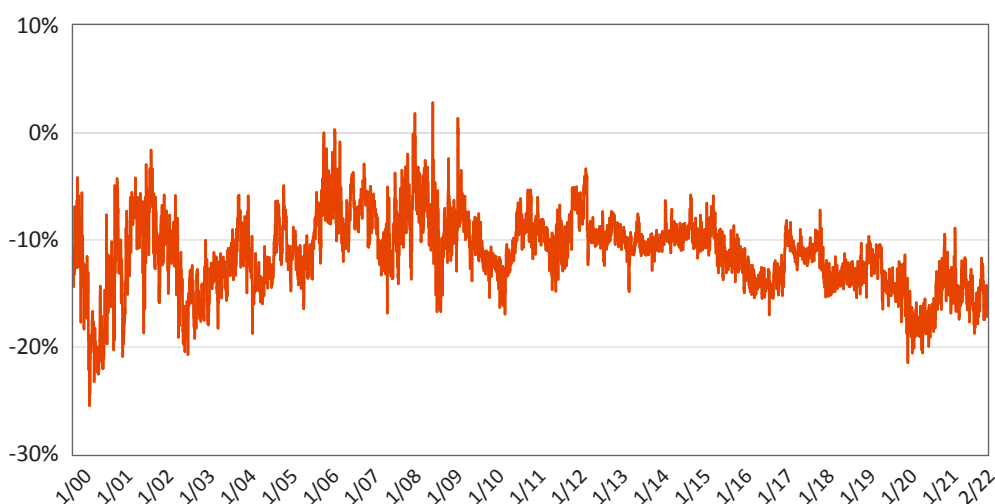
Calendar Year Returns (%)

	2014	2015	2016	2017	2018	2019	2020	2021
NAV	-2.25	-6.43	11.17	28.44	-14.96	47.11	41.97	55.09
Market Price	-1.28	-10.52	10.05	33.61	-19.11	46.75	39.81	58.26
Taiwan TAIEX Total Return Index	5.05	-10.40	17.81	29.45	-7.86	32.19	35.62	29.04
MSCI Taiwan Index (net)	9.36	-11.72	18.54	27.53	-8.93	36.37	40.99	26.13
Taiwan TAIEX Price Index	1.93	-13.81	13.11	24.56	-11.51	26.46	31.01	25.59

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: Virtus, 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: 1.44%. For the one year ended August 31, 2021.

Premium/Discount (1/3/00 - 2/28/22)



Past performance is not indicative of future results.

Sector Breakdown (%)

	Fund	Benchmark
Information Technology	84.28	57.33
Financials	6.52	12.51
Health Care	2.48	0.40
Industrials	2.45	8.07
Consumer Discretionary	0.10	5.23
Materials	0.00	8.34
Communication Services	0.00	2.96
Real Estate	0.00	1.26
Utilities	0.00	0.14
Consumer Staples	0.00	2.05
Energy	0.00	1.72

Top 10 Holdings (%)

Taiwan Semiconductor Manufacturing Co., Ltd.	25.22
Alchip Technologies Ltd.	7.82
Unimicron Technology Corp.	5.11
Faraday Technology Corp.	4.01
Nanya Technology Corporation	3.70
Formosa Sumco Technology Corporation	3.51
Cathay Financial Holdings Co., Ltd.	3.27
Winbond Electronics Corp.	3.25
Pan Jit International Inc.	3.16
Asmedia Technology Inc.	2.98

Holdings and sector weightings are subject to change. As of 2/28/2022.

THE TAIWAN FUND, INC.

Portfolio Characteristics

	Fund	Benchmark
Forward P/E Ratio	18.78	15.84
P/B Ratio	3.07	1.74
Number of Issues	33	938
Foreign Holdings (%)	95.83	100.00
Cash (%)	4.17	0.00
Dividend Yield (%)	1.52	2.07

As of 2/28/2022.

Risk Statistics (3 Year)

Beta	1.16
R ²	0.85
Standard Deviation of NAV	23.94
Standard Deviation of Market Price	23.24

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

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

THE TAIWAN FUND, INC.

All Portfolio Holdings

As of February 28, 2022

Sector	Company (exchange ticker)	Price TWD	Holding	Value US\$	% of Fund	
Information Technology					84.28	
	Taiwan Semiconductor Manufacturing Co., Ltd.	2330-TW	604.00	3,529,000	76,030,533	25.22
	Alchip Technologies Ltd.	3661-TW	1075.00	615,000	23,582,129	7.82
	Unimicron Technology Corp.	3037-TW	254.00	1,702,000	15,420,296	5.11
	Faraday Technology Corp.	3035-TW	272.50	1,245,000	12,101,391	4.01
	Nanya Technology Corporation	2408-TW	77.10	4,052,000	11,143,542	3.70
	Formosa Sumco Technology Corporation	3532-TW	257.00	1,155,000	10,588,015	3.51
	Winbond Electronics Corp.	2344-TW	33.00	8,325,000	9,799,358	3.25
	Pan Jit International Inc.	2481-TW	100.50	2,654,000	9,514,072	3.16
	Asmedia Technology Inc.	5269-TW	1700.00	148,000	8,974,496	2.98
	Silergy Corp.	6415-TW	3640.00	64,000	8,309,613	2.76
	eMemory Technology, Inc.	3529-TW	1845.00	125,000	8,226,324	2.73
	Nan Ya Printed Circuit Board Corporation	8046-TW	524.00	392,000	7,326,841	2.43
	GlobalWafers Co., Ltd.	6488-TW	688.00	249,000	6,110,647	2.03
	Gigabyte Technology Co., Ltd.	2376-TW	140.00	1,124,000	5,612,984	1.86
	SDI Corporation	2351-TW	131.00	1,094,000	5,111,967	1.70
	Kinsus Interconnect Technology Corp.	3189-TW	227.00	611,000	4,947,280	1.64
	uPI Semiconductor Corp.	6719-TW	776.00	149,000	4,124,273	1.37
	Nuvoton Technology Corporation	4919-TW	136.50	839,000	4,085,019	1.35
	Visual Photonics Epitaxy Co., Ltd.	2455-TW	111.50	881,000	3,503,888	1.16
	Win Semiconductors Corp.	3105-TW	302.00	303,000	3,263,991	1.08
	LARGAN Precision Co., Ltd.	3008-TW	2020.00	45,000	3,242,376	1.08
	ASPEED Technology, Inc.	5274-TW	2720.00	30,000	2,910,647	0.97
	Hon Hai Precision Industry Co., Ltd.	2317-TW	103.00	790,000	2,902,443	0.96
	Sino-American Silicon Products Inc.	5483-TW	182.00	417,000	2,707,116	0.90
	Asia Vital Components Co., Ltd.	3017-TW	110.00	537,000	2,107,009	0.70
	Jentech Precision Industrial Co., Ltd.	3653-TW	382.00	127,000	1,730,480	0.57
	Yageo Corporation	2327-TW	451.50	46,000	740,824	0.25
Financials					6.52	
	Cathay Financial Holdings Co., Ltd.	2882-TW	62.30	4,439,000	9,864,444	3.27
	Fubon Financial Holding Co., Ltd.	2881-TW	75.10	2,304,694	6,173,801	2.05
	Chailease Holding Co. Ltd.	5871-TW	251.00	404,000	3,617,050	1.20
Health Care					2.48	
	Pegavision Corp.	6491-TW	437.00	480,000	7,482,076	2.48
Industrials					2.45	
	Advanced Energy Solution Holding Co., Ltd.	6781-TW	1305.00	159,000	7,401,284	2.45
Consumer Discretionary					0.10	
	Global PMX Co., Ltd.	4551-TW	160.50	52,000	297,699	0.10

Source: State Street Bank and Trust Company, Virtus.

Note: Cash (including for these purposes cash equivalents) is not included.

THE TAIWAN FUND, INC.

The opinions expressed herein are those of Allianz Global Investors US LLC 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:

Allianz Global Investors US LLC became the Investment Manager of the Fund on June 1, 2019.

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 AllianzGI 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, AllianzGI 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. **Dividend Yield:** Market cap weighted indicated annual yield on portfolio holdings based on the most recent announced distribution or dividend. **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.

NOT FDIC INSURED | MAY LOSE VALUE | NOT BANK GUARANTEED