

THE TAIWAN FUND, INC.

Manager's Commentary

Market Review

The Taiwan Stock Exchange Weighted Index ("TWSE") surged 19.80% in November 2022, in US dollar terms. The Information Technology sector rose 11.9%, followed by non-technology (TWSE market sectors exclusive of Information Technology and Financial), which was up 5.45% and the Financial sector which was up 2.42%. The Taiwan TPEX Exchange Index, ("TWOTCI", the over-the-counter index) was up 18.81% during the month in US dollar terms. The top three outperforming Industry Groups in the TWSE were Semiconductor & Semiconductor Equipment, Pharmaceuticals, Biotechnology & Life Sciences and Diversified Financials. The bottom three underperforming Industry Groups were Telecommunication Services, Food & Staples Retailing and Energy.

Fund Review (Attribution Reports)

The Taiwan Fund, Inc. (the "Fund") outperformed the Taiwan TAIEX Total Return Index (the "benchmark") in November, benefiting from positive stock selection effects. Additionally, the local cash position of New Taiwan Dollars (TWN) attributed positively as the currency appreciated against the US dollar. At the Industry Group level, overweight positions in Semiconductor & Semiconductor Equipment and Technology Hardware & Equipment bolstered performance. The Capital Goods Industry Group outperformed on the basis of better stock picks. On the other hand, the Fund's underweight position in Insurance and Transportation, and the overweight position in Telecommunication Services were major detractors to performance. On the stock level, the best performers were Taiwan Semiconductor Manufacturing Co Ltd., Global Unichip Corp. and eMemory Technology Inc. The worst performers were E Ink Holding Inc., Far Eastone Telecom Co., and Genius Electronic Optical Co.

Key Transactions

The total securities holding percentage at the end of November was 88.11% representing an increase from 82.6% at October month end. The major changes to the portfolio were additions to Capital Goods, and reallocations within the Technology Hardware & Equipment and Consumer Durables & Apparel, Those decisions were driven by the better growth forecast for those industries. The Fund's position in Semiconductor & Semiconductor Equipment rose to 48.6% at November month end, up from 43.9% at October month end, which was primarily driven by stronger share prices.

US Core CPI inflation for November was a softer than expected at +0.27% MoM. It is our belief that this may lead the Fed to slow down the pace of interest rate hikes to 50bp in December. This prospect has brought some relief and supports a long expected market rebound. Semiconductor and IP companies rebounded sharply in November after a long correction period commencing in mid-September.

The Fund has added positions in Capital Goods, such as AES-KY, which captures growing demand from data centers. Within the Technology Hardware & Equipment industry group, we have switched to data centers and cloud servers which we believe present long-term growth. The Fund has also added additional positions in Lotes Co. Ltd. In addition, the Fund has added Genius Electronic Optical on expected new product spec upgrades in the future. The Fund eliminated its position in Nanya Technology Corp due to high inventory levels. The Fund also reduced exposure to Hon Hai Precision Industry on the back of a weaker than forecasted iPhone shipments.

¹Taiwan TAIEX Total Return Index.

²12 months ended August 31, 2022, before waiver fee. The expense ratio after the fee waiver is 0.96%.

Fund Data

Description	Seeks long-term capital appreciation primarily through investments in equity securities listed in Taiwan.
Inception Date	December 23, 1986
Total Fund Assets (millions)	\$224.8
Median Market Cap (in billions)	\$3.4
Distribution Frequency	Annual
Management Firm	Nomura Asset Management U.S.A. Inc.

Fund Manager



Sky Chen
Lead Portfolio Manager

Performance (US\$ Returns as of 11/30/2022)

	Fund	Benchmark ¹
One Month	23.98%	19.80%
Three Month	0.43%	-2.66%
One Year	-28.80%	-19.52%
Three Year (Annualized)	17.93%	12.54%

Net Asset Value/Market Price (as of 11/30/2022)

NAV/Market Price	\$30.09 / \$24.50
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High/Low Ranges (52-Week)

High/Low NAV	\$46.65 / \$23.07
High/Low Market Price	\$39.60 / \$18.70
Premium/Discount to NAV (as of 11/30/2022)	-18.58

Fund Data (Common Shares)

Shares Outstanding	7,470,494
Average Daily Volume	13,456
Expense Ratio ²	1.02%

NOMURA

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

Manager's Commentary (continued)

Outlook and Strategy

Though the TWSE surged 19.80% in November, it remained down YTD on rising interest rates, the TWD's depreciation versus the US dollar, inventory destocking, and concerns over a decelerating global economy. Looking into 2023, we forecast fewer negative factors to be at play. Interest rates may continue to rise, but we believe with a much smaller magnitude. While overall inventory levels have remained high across various industries, we forecast that those levels to normalize in the 1st half of 2023. The local currency, the TWD, should also be more stable in 2023. The main concerns will be economic and corporate earnings growth, which could still remain and bring some uncertainties.

As we do not expect any V-shaped recovery in economic growth, the current rally could well take a pause or offer some consolidation. We forecast earnings to contract QoQ in 1Q 2023, partially due to the Chinese New Year effect. Earnings should remain relatively flat QoQ in 2Q 2023, before meaningful improvements in the second half of 2023. This could lead to some downward earnings revisions during the first half of 2023, reflecting uncertainties in inventory adjustments and a slower global economy. Hence, our strategy remains to add on weakness and accumulate positions in growth sectors and stocks in which earnings revisions are largely done and trading at reasonable valuations.

Returns (%)

	1 Month	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception
NAV	23.98	0.43	-31.27	-28.80	17.93	13.74	11.76	9.44
Market Price	30.53	-2.78	-34.79	-29.45	16.09	11.73	10.66	7.80
Taiwan TAIEX Total Return Index	19.80	-2.66	-23.50	-19.52	12.54	10.62	10.31	—
Taiwan TAIEX Price Index	19.80	-2.92	-26.89	-23.19	8.53	6.46	6.32	—
MSCI Taiwan Index (net)	22.21	-2.41	-25.71	-21.68	12.56	10.78	10.23	—

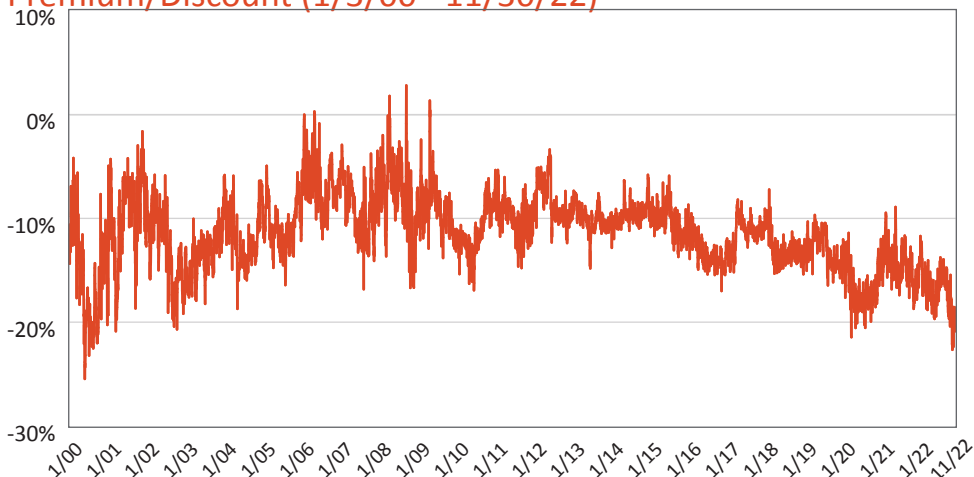
Calendar Year Returns (%)

	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
Taiwan TAIEX Price Index	1.93	-13.81	13.11	24.56	-11.51	26.46	31.01	25.59
MSCI Taiwan Index (net)	9.36	-11.72	18.54	27.53	-8.93	36.37	40.99	26.13

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: 1.02% for the 12 month period ended August 31, 2022, before waiver fee. The expense ratio after the fee waiver is 0.96%.

Premium/Discount (1/3/00 - 11/30/22)



Past performance is not indicative of future results.

Sector Breakdown (%)

	Fund	Benchmark
Information Technology	72.54	55.60
Consumer Discretionary	5.46	5.86
Communication Services	4.23	3.22
Industrials	3.46	7.40
Financials	1.35	13.23
Consumer Staples	0.61	2.36
Materials	0.46	8.37
Energy	0.00	1.75
Real Estate	0.00	1.42
Health Care	0.00	0.63
Utilities	0.00	0.15

Top 10 Holdings (%)

Taiwan Semiconductor Manufacturing Co. Ltd.	24.06
Delta Electronics, Inc.	4.16
eMemory Technology, Inc.	4.02
Nuvoton Technology Corp.	3.48
Global Unichip Corp.	3.47
Advanced Energy Solution Holding Co. Ltd.	3.46
Alchip Technologies Ltd.	2.94
ASPEED Technology, Inc.	2.94
Lotes Co. Ltd.	2.56
Gold Circuit Electronics Ltd.	2.52

Holdings and sector weightings are subject to change. As of 11/30/2022.

Portfolio Characteristics

	Fund
Number of Issues	40
Foreign Holdings (%)	88.11
Cash (%)	11.89
Dividend Yield (%)	1.95

As of 11/30/2022.

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.

All Portfolio Holdings

As of November 30, 2022

Sector	Company (exchange ticker)	Price TWD	Holding	Value US\$	% of Fund	
INFORMATION TECHNOLOGY					72.54	
	Taiwan Semiconductor Manufacturing Co. Ltd.	2330-TW	490.00	3,367,000	54,073,511	24.06
	Delta Electronics, Inc.	2308-TW	302.00	945,000	9,344,831	4.16
	eMemory Technology, Inc.	3529-TW	1,460.00	185,000	9,028,736	4.02
	Nuvoton Technology Corp.	4919-TW	121.00	1,950,000	7,820,213	3.48
	Global Unichip Corp.	3443-TW	731.00	322,000	7,791,738	3.47
	Alchip Technologies Ltd.	3661-TW	927.00	215,000	6,605,546	2.94
	ASPEED Technology, Inc.	5274-TW	2,085.00	95,000	6,605,517	2.94
	Lotes Co. Ltd.	3533-TW	864.00	203,000	5,749,252	2.56
	Gold Circuit Electronics Ltd.	2368-TW	97.50	1,772,100	5,671,685	2.52
	Asia Vital Components Co. Ltd.	3017-TW	113.00	1,406,000	5,238,155	2.33
	MediaTek, Inc.	2454-TW	733.00	202,000	4,881,088	2.17
	E Ink Holdings, Inc.	8069-TW	181.00	691,000	4,143,322	1.84
	Accton Technology Corp.	2345-TW	271.50	407,000	3,621,594	1.61
	Wiwynn Corp.	6669-TW	880.00	125,000	3,607,240	1.60
	Nan Ya Printed Circuit Board Corp.	8046-TW	269.50	387,000	3,465,426	1.54
	SDI Corp.	2351-TW	104.00	934,000	3,213,881	1.43
	Hon Hai Precision Industry Co. Ltd.	2317-TW	100.50	916,000	2,999,246	1.33
	Jentech Precision Industrial Co. Ltd.	3653-TW	379.00	240,000	2,994,209	1.33
	Realtek Semiconductor Corp.	2379-TW	317.00	282,000	2,931,656	1.30
	Unimicron Technology Corp.	3037-TW	155.50	566,000	2,913,737	1.30
	Tong Hsing Electronic Industries Ltd.	6271-TW	194.00	389,000	2,489,366	1.11
	Genius Electronic Optical Co. Ltd.	3406-TW	393.50	181,000	2,352,243	1.05
	Gigabyte Technology Co. Ltd.	2376-TW	108.00	481,000	1,714,305	0.76
	M31 Technology Corp.	6643-TW	508.00	83,000	1,391,435	0.62
	Globalwafers Co. Ltd.	6488-TW	470.00	78,000	1,211,305	0.54
	Parade Technologies Ltd.	4966-TW	794.00	45,000	1,180,987	0.53
CONSUMER DISCRETIONARY					5.46	
	Eclat Textile Co. Ltd.	1476-TW	457.00	241,000	3,621,106	1.61
	Fulgent Sun International Holding Co. Ltd.	9802-TW	151.00	505,000	2,493,753	1.11
	Feng TAY Enterprise Co. Ltd.	9910-TW	186.50	290,000	1,772,145	0.79
	Nien Made Enterprise Co. Ltd.	8464-TW	291.00	160,000	1,518,940	0.68
	Makalot Industrial Co. Ltd.	1477-TW	233.00	196,000	1,492,176	0.66
	Merida Industry Co. Ltd.	9914-TW	185.00	198,000	1,198,295	0.53
	Taiwan Paiho Ltd.	9938-TW	55.00	100,000	179,568	0.08
COMMUNICATION SERVICES					4.23	
	Chunghwa Telecom Co. Ltd.	2412-TW	113.50	1,285,000	4,729,969	2.10
	Far EasTone Telecommunications Co. Ltd.	4904-TW	68.00	1,639,000	3,619,039	1.61
	Taiwan Mobile Co. Ltd.	3045-TW	95.50	373,000	1,155,348	0.51
INDUSTRIALS					3.46	
	Advanced Energy Solution Holding Co., Ltd.	6781-TW	808.00	290,000	7,771,656	3.46
FINANCIALS					1.35	
	Chailease Holding Co. Ltd.	5871-TW	201.50	460,000	3,036,176	1.35
CONSUMER STAPLES					0.61	
	President Chain Store Corp.	2912-TW	272.50	155,000	1,370,292	0.61
MATERIALS					0.46	
	Swancor Holding Co. Ltd.	3708-TW	3,708.00	323,000	1,036,664	0.46

Source: State Street Bank and Trust Company, Nomura Asset Management U.S.A. Inc..

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

THE TAIWAN FUND, INC.

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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. **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