

TAIWAN FUND INC  
Form 8-K  
May 16, 2003

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**SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

**FORM 8-K**

**CURRENT REPORT  
PURSUANT TO SECTION 13 OR 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934**

**April 1, 2003**

Date of Report (Date of Earliest Event Reported)

**The Taiwan Fund, Inc.**

(Exact Name of Registrant as Specified in Its Charter)

**Delaware**  
(State or Other Jurisdiction  
of Incorporation)

**811-04893**  
(Commission  
File Number)

**042942862**  
(IRS Employer  
Identification Number)

**225 Franklin Street, Boston, Massachusetts**  
(Address of Principal Executive Offices)

**02110**  
(Zip Code)

**(212) 662-2789**  
(Registrant's Telephone Number, Including Area Code)

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Item 9. Regulation FD Disclosure.  
SIGNATURES

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**Item 9. Regulation FD Disclosure.**

Pursuant to Regulation FD Rules 100-103, The Taiwan Fund, Inc. (the Fund ) furnishes the April 2003 Monthly Review on the Fund by the Fund's investment adviser.

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**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: May 16, 2003

By: /s/ Carol Wang

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Name: Carol Wang  
Title: Secretary and Treasurer

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***THE TAIWAN FUND, INC. REVIEW***

HSBC Asset Management (Taiwan) Limited  
24/F No. 99, Tunhwa S. Rd., Sec. 2  
Taipei 106, Taiwan

*April 2003*

Tel: (8862) 2325-7888  
Fax: (8862) 2706-5371

**Portfolio Review**

The decline in market activity in April was a result of investors selling stocks in anticipation of a regional economic slowdown from the spread of SARS. With the exception of the technology sector, all other sectors fell in April with intensive sell-offs following news of the outbreak of SARS. In NT dollar terms, non-technology sectors collectively declined by 7.22%, as compared to a 1.00% decline for the technology sector. During this period, the non-technology sectors performed poorly adversely affecting the Fund's performance, as we were overweight in this sector. In NT dollar terms, the Fund's net asset value fell by 4.42%, compared to the decline of 4.01% for the TAIEX. One of the Fund's focus areas, China-related stocks, was hit hard as a result of increasing concerns over China's ability to control the spread of the deadly virus. In China, the auto sector fell 12.94% while the transportation sector fell 7.24% as investors feared that the virus would cause a decrease in domestic demand and plant shutdowns in China.

We believe that the market overreacted to the SARS outbreak and we see good buying opportunities for our long-term investment strategies. The fear concerning the spread of SARS should decrease over the next few months as the number of new cases drops due to increased safety precautions. As was the case in Canada and Hong Kong, the economies in China and Taiwan should gradually recover from outbreak of the disease and return to normal. In short, we believe that SARS is only a temporary setback to regional economies. More importantly, the economy in China will gradually return to its long-term growth pattern. We will therefore stay on the buy side for China-related shares which look attractive, such as China Motor (2204) or TYC (1522).

We are also looking to accumulate technology stocks to achieve a better than neutral position. Although the expected late-year IT recovery has yet to occur, technology stocks are worth the investment on the basis of their attractive valuations and improving outlook. The recent positive earnings results from U.S. corporations is the major reason for our increasing optimism, as capital spending is likely to increase after corporate profits recover. On the other hand, we will reduce our weighting in the finance sector in the near-term future as financial stocks have become less attractive compared to other sectors.

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*\*Disclaimer: This report is based on information believed by us to be reliable. No representation is made that it is accurate or complete. The figures mentioned above are unaudited. This report is not an offer to buy or sell or a solicitation of an offer to buy or sell the securities mentioned.*

*\*Effective from 1st November 1999, the daily NAV of the Fund is available at Lipper and CDA Weisenberger, or you may call toll free (800)636-9242.*

*\*Please notify us immediately if you are having problems receiving this telecopy.*

*<sup>1</sup>The % of Active portfolio is classified into 100% for easier comparison with core portfolio and Index.*

***Fund Manager: Vincent Lai  
Deputy Fund Manager: Jovi Chen***