

TAIWAN FUND INC  
Form SC 13D/A  
November 30, 2018

---

---

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

---

SCHEDULE 13D  
(Rule 13d-101)  
(Amendment No. 4 )

INFORMATION TO BE INCLUDED IN STATEMENTS FILED PURSUANT  
TO RULE 13d-1(a) AND AMENDMENTS THERETO FILED PURSUANT TO  
RULE 13d-2(a)

The Taiwan Fund, Inc.  
(Name of Issuer)

Common Stock, par value \$.01 per share  
(Title of Class of Securities)

874036106  
(CUSIP Number)

Barry M. Olliff  
c/o City of London Investment Management Company Limited  
77 Gracechurch Street, London, UK EC3V 0AS  
+44 207 711 0771  
(Name, Address and Telephone Number of Person Authorized to Receive Notices and Communications)

November 29, 2018  
(Date of Event Which Requires Filing of This Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition which is the subject of this Schedule 13D, and is filing this schedule because of Rule 13d-1(e), (f) or (g), check the following box .

\*The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information, which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act.

---

NAMES OF REPORTING PERSONS

S.S. OR I.R.S. IDENTIFICATION

NOS. OF ABOVE PERSONS

1

City of London Investment Group PLC,  
(CLIG) a company incorporated under  
the laws of England and Wales.

CHECK THE APPROPRIATE BOX IF (a)  
A MEMBER OF A GROUP

2

(b)

SEC USE ONLY

3

SOURCE OF FUNDS

4

OO

CHECK BOX IF DISCLOSURE OF  
LEGAL PROCEEDINGS IS  
REQUIRED PURSUANT TO ITEM  
2(d) OR 2(e)

5

CITIZENSHIP OR PLACE OF  
ORGANIZATION

6

England and Wales

SOLE VOTING POWER

7

0

NUMBER OF  
SHARES  
BENEFICIALLY  
OWNED BY  
EACH  
REPORTING  
PERSON  
WITH:

SHARED VOTING POWER

8

3,304,581

SOLE DISPOSITIVE POWER

9

0

SHARED DISPOSITIVE POWER

10

3,304,581

11

AGGREGATE AMOUNT  
BENEFICIALLY OWNED BY EACH  
REPORTING PERSON

3,304,581

12

CHECK BOX IF THE AGGREGATE  
AMOUNT IN ROW (11) EXCLUDES  
CERTAIN SHARES

13

PERCENT OF CLASS  
REPRESENTED BY AMOUNT IN  
ROW (11)

41.1%

14

TYPE OF REPORTING PERSON\*  
HC

---

NAMES OF REPORTING PERSONS

S.S. OR I.R.S. IDENTIFICATION

NOS. OF ABOVE PERSONS

1

City of London Investment  
Management Company Limited  
(CLIM), a company incorporated under  
the laws of England and Wales.

CHECK THE APPROPRIATE BOX IF (a)  
A MEMBER OF A GROUP

2

(b)

SEC USE ONLY

3

SOURCE OF FUNDS\*

4

WC

CHECK BOX IF DISCLOSURE OF  
LEGAL PROCEEDINGS IS  
REQUIRED PURSUANT TO ITEM  
2(d) OR 2(e)

5

CITIZENSHIP OR PLACE OF  
ORGANIZATION

6

England and Wales

SOLE VOTING POWER

7

0

NUMBER OF  
SHARES  
BENEFICIALLY  
OWNED BY  
EACH  
REPORTING  
PERSON  
WITH:

SHARED VOTING POWER

8

3,304,581

SOLE DISPOSITIVE POWER

9

0

SHARED DISPOSITIVE POWER

10

3,304,581

11 AGGREGATE AMOUNT  
BENEFICIALLY OWNED BY EACH  
REPORTING PERSON

3,304,581

12 CHECK BOX IF THE AGGREGATE  
AMOUNT IN ROW (11) EXCLUDES  
CERTAIN SHARES

13 PERCENT OF CLASS  
REPRESENTED BY AMOUNT IN  
ROW (11)

41.1%

14 TYPE OF REPORTING PERSON\*  
IA

---

Item 1(a). Name of Issuer:

The Taiwan Fund, Inc.

Item 1(b). Address of Issuer's Principal Executive Offices:

The principal executive offices of the Fund are located at:

The Taiwan Fund, Inc.  
c/o State Street Bank and Trust  
One Lincoln Street, P.O. Box 5049  
Boston, MA 02111

Item 2. Identity and Background.

(a). This statement is being filed by City of London Investment Group PLC ("CLIG") and City of London Investment Management Company Limited ("CLIM," and together with CLIG, the "Reporting Persons").

(b). The business address and principal executive offices of CLIG are 77 Gracechurch Street London, EC3V 0AS England. The directors and executive officers of CLIG, their business addresses and present principal occupation or employment are set forth on Annex A attached to this Schedule 13D. The business address and principal executive offices of CLIM are 77 Gracechurch Street London, EC3V 0AS England. The directors and executive officers of CLIM, their business addresses and present principal occupation or employment are set forth on Annex A attached.

(c). CLIM is primarily an emerging markets fund manager, which specializes in investing in closed-end investment companies and is a registered investment adviser under Section 203 of the Investment Advisers Act of 1940. CLIM is controlled by CLIG. CLIM is principally engaged in the business of providing investment advisory services to various public and private investment funds, including:

Emerging (BMI) Markets Country Fund ("BMI"), a private investment fund organized as a Delaware business trust;  
Emerging Markets Free Fund ("CF"), a private investment fund organized as a Delaware business trust;  
Emerging Markets Global Fund ("CG"), a private investment fund organized as a Delaware business trust;  
Emerging Markets Investable Fund ("CI"), a private investment fund organized as a Delaware business trust;  
Global Emerging Markets Fund ("EUREKA"), a private investment fund organized as a Delaware business trust;  
The Emerging World Fund ("EWF"), a Dublin, Ireland-listed open-ended investment company;  
Emerging Free Markets Country Fund ("FREE"), a private investment fund organized as a Delaware business trust;  
Emerging Markets Country Fund ("GBL"), a private investment fund organized as a Delaware business trust;  
Investable Emerging Markets Country Fund ("INV"), a private investment fund organized as a Delaware business trust;  
The EM Plus CEF Fund ("PLUS"), a private investment fund organized as a Delaware business trust;  
and unaffiliated third-party segregated accounts over which CLIM exercises discretionary voting and investment authority (the "Segregated Accounts").

The Shares to which this Schedule 13D relates are owned directly by the City of London Funds and the Segregated Accounts, collectively "the Funds".

(d). None of the Reporting Persons has, during the last five years, been convicted in any criminal proceeding.

(e). None of the Reporting Persons has, during the last five years, been a party to any civil proceeding commenced

before a judicial or administrative body of competent jurisdiction as a result of which it or he was or is now subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities laws or finding any violation with respect to such laws.

(f). City of London Investment Group PLC, (CLIG) and City of London Investment Management Company Limited (CLIM) are companies incorporated under the laws of England and Wales.

---



Item 3. Source and Amount of Funds or Other Considerations.

Beneficial ownership of the Shares to which this statement relates was acquired by the Reporting Persons with invested capital of the City of London Funds and the Segregated Accounts. The aggregate purchase price of the 3,304,581 Shares beneficially owned by the Reporting Persons was \$55,548,093, inclusive of brokerage commissions. The aggregate purchase price of the 238,672 Shares owned directly by BMI was \$3,889,300, inclusive of brokerage commissions.

The aggregate purchase price of the 119,869 Shares owned directly by CF was \$2,119,373, inclusive of brokerage commissions.

The aggregate purchase price of the 236,418 Shares owned directly by CG was \$4,422,681, inclusive of brokerage commissions.

The aggregate purchase price of the 150,986 Shares owned directly by CI was \$2,721,247, inclusive of brokerage commissions.

The aggregate purchase price of the 239,287 Shares owned directly by EUREKA was \$4,360,542, inclusive of brokerage commissions.

The aggregate purchase price of the 199,550 Shares owned directly by EWF was \$3,248,064, inclusive of brokerage commissions.

The aggregate purchase price of the 243,552 Shares owned directly by FREE was \$3,860,693, inclusive of brokerage commissions.

The aggregate purchase price of the 236,130 Shares owned directly by GBL was \$3,738,914, inclusive of brokerage commissions.

The aggregate purchase price of the 75,204 Shares owned directly by INV was \$1,280,350, inclusive of brokerage commissions.

The aggregate purchase price of the 81,000 Shares owned directly by PLUS was \$1,316,689, inclusive of brokerage commissions.

The aggregate purchase price of the 1,483,913 Shares owned directly by the Segregated Accounts was \$24,590,240, inclusive of brokerage commissions.

Item 4. Purpose of Transaction.

The Reporting Persons sent the letter attached as Exhibit A to the Chairman of the Fund.

Item 5. Interests in Securities of the Issuer.

(a) and (b). As of the date hereof, CLIG, through its control of CLIM, and CLIM, in its capacity as investment adviser to the City of London Funds and the Segregated Accounts, have voting and dispositive power with respect to all 3,304,581 Shares owned directly by the City of London Funds and the Segregated Accounts, representing approximately 41.1% of the 8.048 million Shares outstanding as of November 28, 2018, as last reported by the Fund. As of the date hereof, BMI, CF, CG, CI, EUREKA, EWF, FREE, GBL, INV, PLUS, and the Segregated Accounts owned directly 238,672; 119,869; 236,418; 150,986; 239,287; 199,550; 243,552; 236,130; 75,204; 81,000; and 1,483,913 Shares, respectively, representing approximately 3.0%, 1.5%, 2.9%, 1.9%, 3.0%, 2.5%, 3.0%, 2.9%, 0.9%, 1.0% and 18.4% respectively, of the 8.048 million Shares outstanding as of November 28, 2018.

(c). Information with respect to all transactions in the Shares beneficially owned by the Reporting Persons that were effected during the past 60 days is set forth below:

None.

(d). Other than disclosed herein, no other person is known to have the right to receive or the power to direct the receipt of dividends from, or the proceeds from the sale of, such Shares.

(e). Not applicable.

Item 6. Contracts, Arrangements, Understandings or Relationships with Respect to Securities of the Issuer.

Except as set forth in Item 4 of this Schedule 13D, none of the Reporting Persons has any contract, arrangement, understanding or relationship (legal or otherwise) with any person with respect to any securities of the Fund including, but not limited to, any contract, arrangement, understanding or relationship concerning the transfer or the voting of any securities of the Fund, joint ventures, loan or option arrangements, puts or calls, guaranties of profits, division of profits or losses, or the giving or withholding of proxies.

Item 7. Materials to be Filed as Exhibits.

See Letter dated November 29, 2018, attached hereto as Exhibit A.

---

Signature

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete, and correct.

November 29, 2018

CITY OF LONDON INVESTMENT GROUP PLC

/ s / Barry M. Olliff  
Name: Barry M. Olliff  
Title: Director

CITY OF LONDON INVESTMENT  
MANAGEMENT COMPANY LIMITED

/ s / Barry M. Olliff  
Name: Barry M. Olliff  
Title: Director

---

ANNEX A

DIRECTORS AND EXECUTIVE OFFICERS

The names of the directors and executive officers of CLIG and their business addresses and present principal occupation or employment are set forth below. If no business address is given, the business address of such director or executive officer is c/o City of London Investment Group PLC, 77 Gracechurch Street, London EC3V 0AS, England.

Barry Aling	Non-Executive Chairman
Barry Olliff	Chief Executive Officer
Susannah Nicklin	Non-Executive Director
Mark Driver	Non-Executive Director
Jane Stabile	Non-Executive Director
Mark Dwyer	Executive Director
Tracy Rodrigues	Executive Director
Thomas Griffith	Executive Director

The names of the directors and executive officers of CLIM and their business addresses and present principal occupation or employment are set forth below. If no business address is given, the business address of such director or executive officer is c/o City of London Investment Management Limited, 77 Gracechurch Street, London EC3V 0AS, England.

Barry Ailing	Non-Executive Chairman
Barry Olliff	Chief Executive Officer / Chief Investment Officer
Tracy Rodrigues	Finance Director
Thomas Griffith	Director
Mark Dwyer	Director

Exhibit A

November 29, 2018

Professor William C. Kirby, Chairman  
The Taiwan Fund, Inc.  
Morgan Hall 167  
Harvard Business School  
Boston, MA 02163

RE: The Taiwan Fund, Inc.

Dear Professor Kirby,

City of London Investment Management Company Limited ("City of London"), on behalf of its clients, is a long-term investor in The Taiwan Fund, Inc. ("the Fund"). As we have stated privately in the past, we are concerned about the Fund's NAV performance and the discount. Our view is that far too little has been done to address the persistently-wide discount. The market has lost confidence in the Board's willingness and ability to confront this problem and now more substantial action is required. The weak NAV investment performance over an extended period has exacerbated the challenges, and now the Fund is in a situation where we would suggest its future is in doubt.

The Discount

The discount remains wide as measured by any available metric, closing at 13.5% on 27-Nov-18 (source Bloomberg). Since the announcement on October 18, 2018 that an "undisclosed, flexible trigger mechanism" would be used to facilitate the buyback, the Board has repurchased an average of 2,500 shares per day. The narrowest the discount has been since the announcement is 12.0% and on many occasions it closed wider than 14.0%. This action was clearly 'too little too late.' We would suggest a more aggressive posture should be considered, even if that means going outside of the safe harbor provisions for buying back shares.

Investment Performance

For the three years ending September 30, 2018, the Manager has underperformed (in NAV terms) the stated benchmark (TAIEX Total Return Index) by a cumulative 26.8% (source Company Fact Sheet). This level of underperformance is wholly unsatisfactory and implies an ineffective set of risk controls imposed by the Board. The Board owes all investors a detailed explanation of how this unfolded.

Conclusion

The Fund provides closed-end fund exposure to the Taiwanese equity markets which we view as potentially valuable. Unfortunately, the Board has been unable to deliver a competitive product because of failed discount control measures and unacceptable investment performance. We suggest that Board take bold steps to address these weaknesses.

Sincerely,

Jeremy Bannister  
Director, Corporate Governance