

Korea Fund Inc. (The)

Asset Class
Closed-end Fund

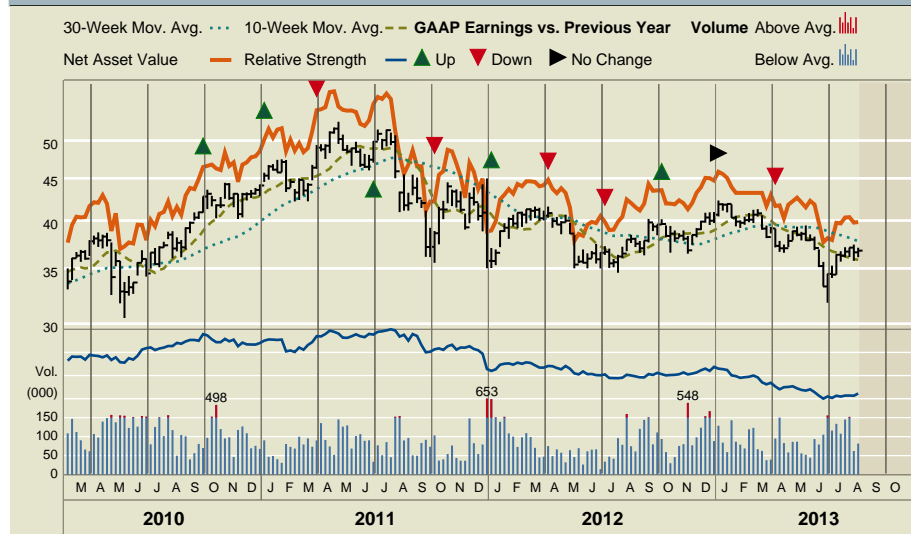
Summary KF seeks long term capital appreciation through investment in Korean securities.

Key Fund Statistics: Aug 16, 2013 (Source S&P, company reports; asterisk denotes data is most recent available at "Fund Overview" date below. Data as of different dates may not be directly comparable)

Price	\$36.78	Net Asset Value (NAV)	\$40.26	Beta	1.55	Annualized Total Returns: Price/NAV			
52-Wk Range	\$42.30-31.80	Premium/Discount(%)	-8.6%	Common Shares Outstg.(M)*	8.7	1-Yr	-3.9%	1-Yr	28.7%
Distribution Rate/Share	NA	Net Assets, Com.(M)*	365.10	Preferred Stock (M)*	Nil	5-Yr	-1.7%	5-Yr	--
Distribution Rate(%)	NA	Market Capitalization(M)	\$320.869	Preferred Shares Outstg.(000)*	Nil	10-Yr	9.2%	10-Yr	--

Distribution Rate (%) - Distribution Rate/Share divided by current share price (not indicative of fund performance as it may include return of capital, in addition to net investment income and capital gains; see glossary).

Price Performance



Key Growth Rates and Averages

Past Growth Rate (%)	1 Yr	3 Yrs	5 Yrs
Total Investment Income	-33.19	-10.77	-26.49
Net Investment Income	NM	NM	-99.03

Ratio Analysis (Annual Avg.)

Price/NAV	0.90	0.90	0.92
Net Investment Income/Com. Net Assets (%)	NA	NA	0.15
Total Expenses/ Common Net Assets (%)	1.12	1.14	1.18
Net Operating Expenses/ Common Net Assets (%)	1.12	1.14	1.18

Distribution Data

No Distribution Data Available

S&P Financial Writer **Nancy Drucker**

Fund Overview Jun 20, 2013

Total investment income for the six months ended December 31, 2012 was \$3,033,789 (net of foreign withholding taxes). Expenses absorbed 73.6% of total investment income and net investment income amounted to \$801,101 (\$0.07 per share). There was a net realized and unrealized gain on investments and foreign currency transactions of \$4.64 per share.

For the six months ended December 31, 2012, as measured by the Morgan Stanley Capital International (MSCI) Korea Index, the Korean stock market increased 15.2%. During the same period, the total return of the Korea Fund based on NAV increased 12.15% (net of fees) and, based on the market price, increased 12.85%.

KF stated that for the six months ended December 31, 2012, the underweight position in the financials sector and stock picks in information technology contributed to the fund's performance, while its stock picks in the consumer discretionary sector hindered performance.

On November 6, 2012, KF announced a new share repurchase program, under which the fund may repurchase up to 10% of its common shares in each 12 month period, in the open market on any

day that the shares are trading at a discount of 8% or more from net asset value the prior day and there is a daily average discount of 8% or more from net asset value over the 5-day period ending the prior day. The new repurchase program replaces the fund's existing share repurchase program announced in October 2011. For the year ended June 30, 2012, the fund repurchased 489,872 shares on the open market, and for the nine months ended March 31, 2013, 678,255 shares were repurchased in the open market.

Holdings By Sector (%) as of 05/31/13

Sector	Percentage (%)
Information Tech.	36.41
Consumer Disc.	23.13
Financials	10.98
Industrials	8.69
Materials	7.43
Consumer Staples	4.63
Telecomm. Services	1.58
Energy	1.26
Health Care	1.23

Net Investment Income/Net Asset Value

Net Investment Income/Share (\$)

	2013	2012	2011	2010	2009	2008
1Q	-0.12	-0.15	-0.07	-0.09	--	-0.90
2Q	0.19	0.19	0.18	0.13	--	2.40
3Q	-0.13	-0.08	-0.02	0.07	--	Nil
4Q	--	-0.10	-0.08	-0.09	--	--
Year	--	-0.14	0.01	0.02	0.07	0.11

Net Asset Value/Share (\$)

	2013	2012	2011	2010	2009	2008
1Q	43.52	42.17	46.00	38.06	--	489.2
2Q	45.44	38.87	48.54	39.48	37.48	290.0
3Q	42.97	44.14	53.59	40.70	24.70	247.9
4Q	--	40.51	54.59	38.54	29.41	227.2

Fiscal year ended Jun. 30.

Top Holdings as of 04/30/13

Company	Percentage (%)
Samsung Electronics Co. Ltd.	25.68
Hyundai Motor Co	4.50
POSCO	3.01
Samsung Heavy Industries	2.78
LG Electronics Inc.	2.64
LG Chem Ltd	2.53
Hotel Shilla Co Ltd	2.51
Shinhan Financial Group	2.47
Hyundai Mobis	2.46
LG Corp.	2.17

All of the views expressed in this research report accurately reflect our quantitative research models regarding any and all of the subject securities or issuers. No part of our compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed in this research report. This report is for information purposes and should not be considered a solicitation to buy or sell any security. Neither S&P nor any other party guarantees its accuracy or makes warranties regarding results from its usage. S&P receives compensation from the issuer or an agent thereof for initiating coverage, and for distribution including licensed redistribution of this report, and/or for inclusion in other S&P publications, generally in amounts up to U.S. \$14,175 per year. Redistribution is prohibited without written permission.

Korea Fund Inc. (The)

Fund Objective June 20, 2013

The Korea Fund is a non-diversified, closed-end management investment company registered under the Investment Company Act of 1940, as amended. Effective April 1, 2013, the investment manager, RCM Capital Management LLC (RCM) merged into Allianz Global Investors U.S. LLC. In connection with the merger, the name changed from RCM to AGI U.S. The investment manager, a direct, wholly-owned subsidiary of Allianz Global Investors U.S. Holdings LLC., is an international equity specialist.

According to the fund, AGI U.S., from its offices in Asia examines each company's prospects for growth, quality and valuation. The firm selects stocks based on a broad range of variables, including price to earnings ratios, dividend yields and earnings-per-share growth and through regular and intensive company visits and meetings with their management. In addition to bottom up fundamental research, the firm also utilizes GrassrootsSM Research, an extensive market research network, to affirm company analysis or macroeconomic trends. AGI U.S. has been operating in Asia since 1983.

It is the policy of the fund to invest, under normal circumstances, at least 80% of its net assets (plus borrowings for investment purposes) in the securities of Korean companies and instruments whose value is based on the value of a Korean company or companies. For these purposes, Korean companies include companies whose securities are traded on any Korean exchange.

The fund will be permitted to make securities loans to the extent provided by SEC staff guidance and to make other loans (including repurchase agreements with a maturity longer than seven days) without limit, so long as they are consistent with the fund's investment policies and are not made to persons who control or are under common control with the fund. The fund is exposed to certain risks as a result of making loans and to the extent the fund

uses the increased flexibility provided with the newly adopted investment restriction, the fund would be exposed to these risks to a greater extent; however, this risk is greatly reduced in the case of securities loans by the requirement that all such loans be fully collateralized by cash or cash equivalents.

KF pays its investment manager, RCM Capital Management LLC (now AGI U.S.), a monthly fee, at the annual rate of 0.75% of the value of the fund's average daily net assets up to \$250 million; 0.725% of the next \$250 million of average daily net assets; 0.70% of the next \$250 million of average daily net assets; 0.675% of the next \$250 million of average daily net assets and 0.65% of average daily net assets in excess of \$1 billion. The investment manager, and not the fund, pays a portion of the fee it receives to the sub-adviser and sub-administrator in return for their services. For the first half of FY 13 (Jun.), investment management fees totaled \$1,470,094.

On January 1, 2012, the fund's primary benchmark changed to the Morgan Stanley Capital International ("MSCI") Korea Index (Total Return) from the Korea Composite Stock Price Index ("KOSPI").

A dividend reinvestment plan is available.

Fund Performance (Aug 16, 2013)

In the past 30 trading days, KF's shares have increased 6.9%, compared to a rise of 1.5% in the S&P 500. Average trading volume for the past five days was 16,376 shares, compared with the 40-day moving average of 26,604 shares.

Fund Financials Fiscal Year Ended Jun. 30

Per Common Share Data (\$)	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Net Asset Value	40.51	54.59	38.54	29.41	227.20	425.70	388.70	291.00	215.50	176.20
Year End Share Price	36.56	49.27	34.74	27.43	213.70	395.90	363.30	273.50	188.50	149.90
Premium/Discount(%)	-9.75	-9.75	-9.86	-6.73	-5.94	-7.00	-6.53	-6.01	-12.53	-14.93
Distribution:Investment Income	Nil	0.30	Nil	Nil	1.70	4.50	5.00	4.50	3.00	1.80
Distribution:Capital Gains	5.45	Nil	Nil	21.08	172.40	66.70	3.50	2.00	Nil	6.70
Distribution:Return of Capital	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Portfolio Turnover	43%	83%	89%	80%	38%	50%	9%	10%	20%	7%

Income Statement Analysis (Million \$)

Total Investment Income	3.66	5.48	4.89	5.56	12.3	18.9	20.3	30.7	23.4	19.5
Net Investment Income:Total	-1.28	0.09	0.21	0.78	2.80	9.64	10.1	18.0	9.50	8.59
Net Investment Income:Per Share	-0.14	0.01	0.02	0.07	1.10	3.80	3.30	4.00	2.00	1.70
Realized Capital Gains:Total	-21.5	93.5	49.5	-91.1	311	465	452	21.5	22.5	-12.2
Realized Capital Gains:Per Share	-2.25	9.29	4.85	-8.72	127	192	168	4.80	5.00	-2.90
% Net Investment Income/Com. Net Assets	NM	0.02	0.05	0.23	0.31	0.99	0.90	1.58	0.94	0.99
% Total Exps./Common Net Assets	1.12	1.10	1.19	1.43	1.06	0.96	0.89	1.13	1.27	1.26
% Net Oper. Exps./Common Net Assets	1.12	1.10	1.19	1.43	1.06	0.96	0.89	1.13	1.27	1.26

Balance Sheet & Other Financial Data (Million \$)

Net Assets Available for Common	388	549	393	307	554	1,033	1,048	1,301	963	879
1 Year Total Return on NAV	-15.3%	42.5%	31.0%	-35.1%	-14.7%	31.1%	36.5%	38.7%	24.2%	-8.34%
% Change S&P 500	5.45	30.7	14.4	-26.2	-13.1	20.6	8.63	6.32	19.1	0.26
Cost of Investments	287	390	286	280	450	552	355	407	352	504
Market Value of Investments	395	564	387	337	628	1,097	1,111	1,279	896	868
% Net Asset Allocation:Net Cash	-1.90	-2.70	1.50	-9.60	-13.4	-6.20	-6.00	1.70	7.00	1.00
% Net Asset Allocation:ST Oblig.	4.5	5.2	2.1	13.0	19.4	6.2	7.2	0.1	Nil	0.1
% Net Asset Allocation:Bonds & Preferred	Nil	Nil	Nil	Nil	Nil	Nil	15.2	15.6	15.2	12.5
% Net Asset Allocation:Common Stock	97.4	97.5	96.4	96.6	94.0	100	83.6	82.6	77.8	86.4
% Net Asset Allocation:Other Investment	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Data as orig reptd.; bef. results of disc opers/spec. items. Per share data adj. for stk. divs.; EPS diluted. No historical adjustments have been made to reflect the January 29, 2009 fund share issuance. Beta based on 60 month end prices including dividends, as compared with the S&P 500 index price. E-Estimated. NA-Not Available. NM-Not Meaningful. NR-Not Ranked. UR-Under Review.

Office: 1345 Avenue of the Americas, New York, NY 10105.
Telephone: 800-285-4086.
Website: <http://www.thekoreafund.com>
Chrmn: J.M. Reid

CEO & Pres: C. Pachtner
CFO, Chief Acctg Officer & Treas: B.S. Shlissel
Secy & General Counsel: T.J. Fuccillo
CCO: Y.E. Guia

Board Members: C. B. Brader, J. T. Gause, Jr., M. H. Ogilvie, J. M. Reid, R. A. Silver

Auditor: PricewaterhouseCoopers
Founded: 1984
Domicile: Maryland
Employees: 0

Korea Fund Inc. (The)

S&P Analyst Research Notes and other Company News

June 20, 2013

The fund distributes to shareholders, at least annually, substantially all of its net income and net realized capital gains. The most recent payment was a long-term capital gains distribution of \$0.60 a share September 30, 1996. A dividend reinvestment plan is available.

May 30, 2013

The Korea Fund Inc. reported earnings results for the third quarter and nine months ended March 31, 2013. For the quarter, the company reported net investment loss of \$1,073,846 or \$0.13 per share compared to \$793,316 or \$0.08 per share a year ago. Net realized and change in unrealized loss was \$21,374,558 or \$2.40 per share compared to net realized and change in unrealized gain of \$51,467,219 or \$5.22 per share a year ago. For the nine months, the company reported net investment loss of \$272,745 or \$0.06 per share compared to \$413,612 or \$0.04 per share a year ago. Net realized and change in unrealized gain was \$21,227,297 or \$2.24 per share compared to net realized and change in unrealized loss of \$52,411,106 or \$5.16 per share a year ago. Net assets value as at March 31, 2013 was \$42.97 compared to \$44.14 as of March 31, 2012.

March 1, 2013

The Korea Fund Inc. announced financial results for the second quarter and six months ended December 31, 2012. For the quarter, the company reported net investment income of \$1,877,281 or \$0.19 per share compared to \$1,912,193 or \$0.19 per share a year ago. Net realized and change in unrealized gain was \$13,926,367 or \$1.61 per share compared to \$19,171,788 or \$1.92 per share a year ago. For the year, the company reported net investment income of \$801,101 or \$0.07 per share compared to \$379,704 or \$0.04 per share a year ago. Net realized and change in unrealized gain was \$42,601,855 or \$4.64 per share compared to net realized and change in unrealized loss of \$103,878,325 or \$10.38 per share a year ago. Net asset value was \$45.44 compared to \$38.87 a year ago.

December 3, 2012

The Korea Fund Inc. announced earnings results for the first quarter ended September 30, 2012. For the quarter, the company reported net investment loss of \$1,076,180 or \$0.12 per share against \$1,532,489 or \$0.15 per share for the same period a year ago. Net realized and change in unrealized gain was \$28,675,488 or \$3.03 per share against net realized and change in unrealized loss of \$123,050,113 or \$12.3 per share for the same period a year ago. Net asset value per share as on September 30, 2012 was \$43.52 compared to \$42.17 a year ago.

August 28, 2012

The Korea Fund Inc. announced earnings results for the fourth quarter and year ended June 30, 2012. For the quarter, the company reported net investment loss of \$862,997 or \$0.10 per share against \$825,793 or \$0.08 per share for the same period a year ago. Net realized and change in unrealized loss was \$34,206,470 or \$3.56 per share against net realized and change in unrealized gain of \$10,262,690 or \$1.04 per share for the same period a year ago. For the year, the company reported net investment loss of \$1,276,609 or \$0.14 per share against net investment income of \$94,027 or \$0.01 per share for the same period a year ago. Net realized and change in unrealized loss was \$86,617,576 or \$8.72 per share against net realized and change in unrealized gain of \$165,723,958 or \$16.29 per share for the same period a year ago.

June 5, 2012

The Korea Fund Inc. announced earnings results for the third quarter and nine months ended March 31, 2012. For the quarter, the company's net investment loss was \$793,316 or \$0.08 per share against \$207,811 or \$0.02 per share a year ago. Net realized and change in unrealized gain was \$51,467,219 or \$5.22 per share against \$51,503,850 or \$5.06 per share a year ago. For the nine months, the company's net investment loss was \$413,612 or \$0.04 per share against net investment income of \$919,820 or \$0.09 per share a year ago. Net realized and change in unrealized loss was \$52,411,106 or \$5.16 per share against net realized and change in unrealized gain of \$155,461,268 or \$15.25 per share a year ago.

February 29, 2012

The Korea Fund Inc. reported earnings results for the second quarter and six months ended December 31, 2011. For the quarter the company reported net investment income of \$1,912,193, or \$0.19 per share compared to \$1,824,626, or \$0.18 per share a year ago. Net realized and change in unrealized gain was \$19,171,788, or \$1.92 per share compared to \$27,172,730, or \$2.66 per share a year ago.

ago. For the six months period, the company reported net investment income of \$379,704, or \$0.04 per share compared to \$1,127,631, or \$0.11 per share a year ago. Net realized and change in unrealized loss was \$103,878,325, or \$10.38 per share compared to net realized and change in unrealized gain of \$103,957,418, or \$10.19 per share a year ago. Net asset value was \$38.87 per share compared to \$44.11 per share a year ago.

Korea Fund Inc. (The)

Glossary

Alternative Minimum Tax Bond

Certain types of municipal bonds whose income is subject to the alternative minimum tax. AMT bonds include those issued to finance such private purpose activities as industrial redevelopment and sports stadium construction.

Annualized Total Returns (Key Fund Statistics)

Represents annual compounded rates per year based on share price and net asset value per share (NAV). Updated weekly based on rolling periods.

Average Coupon

The coupon of each position in a mortgage pool or other debt instrument portfolio weighted by the size of the position to compute an average coupon for the pool.

Average Effective Maturity: for a Bond Fund

The average of the effective maturity dates of the fixed-income securities in the fund's holdings. Effective maturity takes into account the possibility that the bond may be called by the issuer before its stated maturity date.

Capital Appreciation Fund

A fund that seeks maximum capital appreciation by investing primarily in stocks with greater than average risk.

Capital Gain Distribution

A payment to fund shareholders of net capital gains realized on the sale of the fund's securities. The net asset value of the fund is reduced by the amount of the distribution. These amounts are usually paid out once a year in December.

Change in Unrealized Depreciation/Appreciation

Net change in value of assets (including changes in liabilities such as shorts and written options) still being held.

Coupon Rate

The interest rate that an issuer promises to pay over the life of a debt security, such as a bond, expressed as a percentage of face value.

Credit Rating

An evaluation of the creditworthiness of a debt security by an independent rating service.

Distribution(s)

Distributions are amounts paid by the fund to its shareholders. They may include amounts classified as net investment income, capital gains, amounts considered return of capital, or some combination of these. Distributions are approved by the fund's board of directors and not necessarily determined by fund performance.

Distribution Rate(%)

Distribution Rate(%) is obtained by dividing the fund's Distribution Rate/Share by its current share price.

Distribution Rate/Share

Distribution Rate/Share generally indicates an annualization of the most recent payment. Distribution rate may include net investment income, capital gains and/or return of capital and is not indicative of fund performance.

Distributions:Return of Capital

Distributions classified as Return of Capital as reported by fund (comprised of unrealized gains and/or a return of part of your original investment).

Duration

A mathematical measure of the price sensitivity of a bond fund's portfolio to changes in interest rates. Duration is stated in years; the shorter the duration, the less price variability you can expect in the fund's price per share.

Duration Adjusted for Portfolio Leverage

A measure of the fund's net asset value volatility in reaction to interest rate movements, adjusted for the use of borrowed money to increase investing power. The use of leverage results in greater duration.

Exchange Type

ASE - American Stock Exchange; NNM - Nasdaq National Market; NSC - Nasdaq SmallCap; NYSE - New York Stock Exchange; BB - OTC Bulletin Board; OT - Over-the-Counter; TO - Toronto Stock Exchange.

Income Fund

A fund that seeks current income rather than growth of capital. Income funds typically invest in bonds and/or high-yielding stocks.

Interest Expense

Includes all interest expense on short-or-long-term debt.

Investment Income

As reported by fund; total investment income including interest, dividends and other investment income.

Investments Cost

The original cost of the fund's investments.

Investments Market

The price, at which the fund's investments could be sold, based on current trading prices or other approximation, such as fair value.

Leverage

A method to potentially generate a higher level of income, which typically involves the issuance of preferred stock (and/or borrowings) by the fund that pays lower rates to buy long-term bonds offering higher interest rates.

Leverage Ratio

As reported by fund; may include preferred stock and/or borrowings.

Management Fee

The amount a fund pays to its investment advisor for the investment management of the fund's portfolio.

Municipal Bond

An IOU issued by a state, city or other municipality to finance public works such as the construction of roads or schools. The interest is usually free from federal income tax and may be free from state and local taxes as well.

Net Asset Value Per Share

The value of fund assets, less liabilities and preferred stock, divided by the number of common shares outstanding.

Net Assets Available for Common

Amount remaining after total liabilities and preferred stock are deducted from total assets.

Net Gain/Loss from Investments

The sum of both the realized and unrealized gains and losses in the income statement.

Net Investment Income/Com. Net Assets (%)

Net Investment Income/Com. Net Assets is as reported by fund based on average net assets applicable to common shares.

Net Oper. Exps./Com. Net Assets (%)

Net Oper.Exps./Com. Net Assets is as reported by fund based on average net assets applicable to common shares.

Other Expenses

Net expenses excluding management fee, interest expense and waivers/reimbursements.

Other Liabilities

Total liabilities less borrowings.

Past Growth Rate (%)

Represents the compounded annualized rate of growth of fund's total investment income and net investment income (total), using the least squares method.

Portfolio Turnover

As reported by fund. A measure of the trading activity in a fund's portfolio of investments, that is, how often securities are bought and sold by the fund.

Premium/Discount

The percentage by which a stock trades, above (premium) or below (discount) the NAV. Based on reported NAV and corresponding price. Premium/Discount may vary for many reasons including supply and demand, fund management team and portfolio expectation.

Rule 19b

Under the Investment Company Act of 1940 section 19(b), investment companies are limited to one distribution every twelve months of long-term capital gains (as defined in the Internal Revenue Code).

Share Price

The market price at which a fund's shares are traded on an exchange. Closed-end fund shares trade in the stock market based on investor demand. Therefore, the fund may trade at a price higher or lower than its NAV.

Total Exps./Com. Net Assets (%)

Total Exps./Com. Net Assets is as reported by fund based on average net assets applicable to common shares.

Undistributed Net Investment Income

The life-to-date balance of a fund's net investment income less life-to-date distributions of net investment income.

Waivers/Reimbursements

Includes custodian fee credits, management fee waivers and other expense reimbursements.

Weighted Average Maturity of Portfolio Holdings

For a bond fund or defined portfolio, the average of the stated maturity dates of the fixed-income securities in the fund, weighted by the size of the bond principal balances.

Other Disclosures

Key Fund Statistics; Update Frequency

Asterisk (*) denoted items in the Key Fund Statistics are updated when the "Fund Overview" section of the report is updated using the most recent data available as of the "Fund Overview" date. Data as of different dates may not be directly comparable.