

KOREA FUND INC
Form DEF 14A
September 28, 2010

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

**SCHEDULE 14A
(RULE 14a-101)**

**INFORMATION REQUIRED IN PROXY STATEMENT
SCHEDULE 14A INFORMATION**

**PROXY STATEMENT PURSUANT TO SECTION 14(a) OF THE SECURITIES
EXCHANGE ACT OF 1934 (Amendment No.)**

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to Section 240.14a

THE KOREA FUND, INC.
(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
 - (1) Title of each class of securities to which transaction applies:
 - (2) Aggregate number of securities to which transaction applies:
 - (3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (Set forth the amount on which the filing fee is calculated and state how it was determined):
 - (4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

- o Fee paid previously with preliminary materials.
- o Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

The Korea Fund, Inc.

Dear Fellow Stockholders:

The Annual Meeting of Stockholders (the Annual Meeting) of The Korea Fund, Inc. (the Fund) is to be held at 9:30 a.m., Eastern time, on Wednesday, October 27, 2010, at the offices of Allianz Global Investors Fund Management LLC, 1345 Avenue of the Americas (at 54th 5th Streets), 49th floor, New York, New York 10105. Stockholders who are unable to attend the Annual Meeting are strongly encouraged to vote by proxy, which is customary in corporate meetings of this kind. A Proxy Statement regarding the Annual Meeting, a proxy card for your vote at the Annual Meeting, and an envelope postage-prepaid in which to return your proxy card are enclosed. You may also vote through the Internet or by telephone by following the instructions on the enclosed proxy card.

At the Annual Meeting, your Board will be seeking your support to elect two Class I Directors (the Proposal). Your Board has three classes of Directors, and stockholders are asked to elect the Directors of one of those classes at each annual meeting of stockholders. Your Board has carefully considered the proposal and recommends that you vote in favor of the nominees for Class I Directors.

Your Board looks forward to meeting stockholders at the Annual Meeting at which time we shall be available to discuss any issues of interest to you with regard to our Fund. Further, our Hong Kong based investment manager will present the investment case to stockholders. For stockholders unable to attend this meeting the investment manager's presentation will be available subsequently on the Fund's website, www.thekoreafund.com.

Yours very sincerely,

Julian Reid
Chairman of the Board

STOCKHOLDERS ARE URGED TO SIGN AND DATE THE ENCLOSED PROXY CARD AND MAIL IT IN THE ENCLOSED POSTAGE-PREPAID ENVELOPE, OR TO VOTE THROUGH THE INTERNET OR BY TELEPHONE, SO AS TO ENSURE A QUORUM AT THE MEETING. THIS IS IMPORTANT WHETHER YOU OWN FEW OR MANY SHARES. WE ALSO URGE YOU TO RESPOND TO THE QUESTION ON THE PROXY CARD.

THE KOREA FUND, INC.
Notice of Annual Meeting of Stockholders

To the Stockholders of
The Korea Fund, Inc.:

Please take notice that the Annual Meeting of Stockholders (the Meeting) of The Korea Fund, Inc. (the Fund) has been called to be held at the offices of Allianz Global Investors Fund Management LLC, 1345 Avenue of the Americas (at 54th 5⁵ Streets), 49th Floor, New York, New York 10105, on Wednesday, October 27, 2010 at 9:30 a.m., Eastern time,

1. To elect two Class I Directors of the Fund, each to hold office for a term of three years and until his successor shall have been duly elected and qualified; and
2. To transact such other business as may properly come before the Meeting or any adjournments or postponements thereof.

The Board of Directors has fixed the close of business on September 3, 2010 as the record date for the determination of stockholders entitled to notice of, and to vote at, the Meeting or any postponement or adjournment thereof. The enclosed proxy is being solicited on behalf of the Board of Directors.

By order of the Board of Directors of the Fund

Thomas J. Fuccillo
Secretary

New York, New York
September 28, 2010

It is important that your shares be represented at the Meeting in person or by proxy, no matter how many shares you own. If you do not expect to attend the Meeting, please complete, date, sign and return the applicable enclosed proxy or proxies in the accompanying envelope, which requires no postage if mailed in the United States, or vote through the Internet or by telephone. Please mark and mail your proxy or proxies, or vote through the Internet or by telephone, promptly in order to save the Fund any additional costs of further proxy solicitations and in order for the Meeting to be held as scheduled.

PROXY STATEMENT

GENERAL

This Proxy Statement is furnished in connection with the solicitation of proxies by the Board of Directors of The Korea Fund, Inc., a Maryland corporation (the Fund), for use at the Annual Meeting of Stockholders, to be held at the offices Allianz Global Investors Fund Management LLC (AGIFM), 1345 Avenue of the Americas (at ~~54~~ ⁵⁵ Streets), 49th Floor, New York, New York 10105, on Wednesday, October 27, 2010 at 9:30 a.m., Eastern time (the Meeting), and at any adjournments or postponements thereof.

This Proxy Statement, the Notice of Annual Meeting of Stockholders, and the proxy card are first being mailed to stockholders on or about September 28, 2010 or as soon as practicable thereafter.

The Board has fixed the close of business on September 3, 2010 as the record date (the Record Date) for the determination of stockholders of the Fund entitled to notice of, and to vote at, the Meeting and any postponement or adjournment thereof. Stockholders on the Record Date will be entitled to one vote for each full share and a proportionate fraction of a vote for each fractional share held, with no cumulative voting rights, with respect to each matter on which they are entitled to vote. As of the Record Date, there were 10,205,577 shares of common stock of the Fund outstanding (the Shares).

If the enclosed proxy is executed and returned, that vote may nevertheless be revoked at any time prior to its use by written notification received by the Fund (addressed to the Fund's Secretary at the Fund's principal executive offices, 1345 Avenue of the Americas, New York, New York 10105), by the execution of a later-dated proxy, by the Fund's receipt of a subsequent valid Internet or telephone vote, or by attending the Meeting and voting in person. Proxies voted through the Internet or by telephone may be revoked at any time before they are voted in the same manner that proxies voted by mail may be revoked. Please note that merely attending the Meeting without voting will not revoke a valid proxy.

All properly executed proxies received in time for the Meeting (as explained on the enclosed proxy card) will be voted as specified in the proxy. Unless instructions to the contrary are marked, proxies will be voted FOR the election of the Class I Director nominees, Julian Reid and Christopher Russell (the Proposal).

The presence at the Meeting, in person or by proxy, of stockholders entitled to cast a majority of the votes entitled to be cast thereat shall be necessary and sufficient to constitute a quorum for the transaction of business. For purposes of determining the presence of a quorum for transacting business at the Meeting, abstentions and broker non-votes will be treated as shares that are present, but which have not been voted. Broker non-votes are proxies received by the Fund from brokers or nominees for which the broker or nominee has neither received instructions from the beneficial owner or other persons entitled to vote nor discretionary power to vote on a particular matter. Abstentions and broker non-votes will have the effect of a vote against the Proposal. Stockholders are urged to forward their voting instructions promptly.

The Fund provides periodic reports to all stockholders, which highlight relevant information, including investment results and a review of portfolio changes. You may receive an additional copy of the Fund's annual report for its fiscal year ended June 30, 2010 and a copy of the Fund's semi-annual report for the six-month period ended December 31, 2009, without charge, by calling the Fund's stockholder servicing agent at (800) 331-1710 or writing the Fund at 1345 Avenue of the Americas, New York, New York 10105.

**IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS
FOR THE ANNUAL MEETING OF STOCKHOLDERS TO BE HELD ON OCTOBER 27, 2010**

The 2010 Proxy Statement and the Annual Report to Stockholders for the fiscal year ended June 30, 2010 are available at www.thekoreafund.com.

PROPOSAL: ELECTION OF CLASS I DIRECTORS

The Board of Directors is divided into three classes, with each Director serving for a term of three years. Two Class I Directors are up for election at the Meeting. The terms of the Class II and Class III Directors do not expire this year.

Persons named in the accompanying proxy card intend, in the absence of contrary instructions, to vote all proxies in favor of the election of the nominees listed below as Class I Directors of the Fund, to serve for a term of three years and until their successors are duly elected and qualified, or their earlier death, resignation, retirement or removal. Messrs. Reid and Russell are currently Class I Directors. The nominees have consented to stand for election and to serve if elected. If any nominee should be unable to serve, an event not now anticipated, the proxies will be voted for such person, if any, as shall be designated by the Board of Directors to replace that nominee. The Board of Directors has approved the nomination of Messrs. Reid and Russell as the Class I Directors.

Information Concerning the Nominees

The following table sets forth certain information concerning the nominees for Class I Directors of the Fund.

Name, Address* and Age	Position(s) Held with the Fund	Year First Became a Director	Principal Occupation(s) During the Past 5 Years	Number of Portfolios in Fund Complex Overseen by Director/ Nominee	Other Directorships Held by Director/ Nominee
Julian Reid (66)	Director and Chairman of the Board	2004	Director and Chairman of the Board of the Fund; Director and Chairman of 3a Funds Group (since 1998); Director of JF China Region Fund, Inc. (since 1997); Director and Chairman of Prosperity Voskhod Fund Ltd. (since 2006); Director (since 2008) and Chairman (since 2009) of ASA Ltd.; Director and Chairman of Morgan's Walk Properties Ltd. (2002-2006) (residential property owner/manager).	1	None
Christopher Russell (61)	Director	2004	Director of the Fund; Director of Enhanced Index Funds pcc (since 2002); Director of JP Morgan Fleming Japanese Smaller Companies Investment Trust plc (since 2006); Director of Hanseatic Asset Management LBG (asset management company) (since 2008); Director of The Association of Investment Companies Ltd (trade body representing UK investment companies) (since 2009); Director of Schroders (C.I.) Ltd. (private bank) (since 2009); Director of Castle Asia Alternative pcc Ltd (fund of Asian hedge funds) (since 2009); Director of F&C Commercial Property Trust Ltd., (UK commercial property investment co.) (since 2009); Director of HSBC Infrastructure company Ltd. (fund	1	None

of infrastructure investments) (since 2010); Directors of Salters Management Company (charitable endowment) since 2003; Associate of Gavekal Research (since 2001). Formerly, Director of Candover Investments plc (private equity) (since 2004).

Information Concerning Continuing Directors

The following table sets forth certain information regarding the Fund's Class II and Class III Directors. As noted above, these Directors are not up for election this year. They each will serve until the applicable stockholder meeting noted below and his successor is elected and has qualified, or his earlier death, resignation, retirement or removal.

Class II Directors Serving until 2011 Annual Meeting of Stockholders

Name, Address* and Age	Position(s) Held with the Fund	Year	Principal Occupation(s) During the Past 5 Years	Number of Portfolios in Fund Complex Overseen by Director	Other Directorships Held by Director
		First Became a Director			
Kesop Yun** (65)	Director	1999**	Director of the Fund; Professor, College of Business Administration, Seoul National University, Seoul, Korea. Formerly Director of DWS Global Commodities Stock Fund, Inc. (2004-2005) and DWS Global High Income Fund, Inc. (2001-2005).	1	None

Class III Directors Serving until 2012 Annual Meeting of Stockholders

Name, Address* and Age	Position(s) Held with the Fund	Year	Principal Occupation(s) During the Past 5 Years	Number of Portfolios in Fund Complex Overseen by Director/ Nominee	Other Directorships Held by Director/ Nominee
		First Became a Director			
Ronaldo A. da Frota Nogueira (72)	Director	2000	Director of the Fund; Director and Chief Executive Officer, IMF Editora Ltd. (financial publisher). Formerly, Chairman of the Certification Committee and Director, APIMEC Nacional (Brazilian Association of Investment Professionals and Analysts) (until 2009); Member, Board of the Association of Certified	1	None

			International Investment Analysts (ACIIA) (until 2009); Director of The Brazil fund, Inc. (1987-2006); Director of DWS Global Commodities Stock Fund, Inc. (2004-2005) and DWS Global High Income Fund, Inc. (1992-2005).		
Richard A. Silver (63)	Director	2006	Director of the Fund; Retired. Formerly, Executive Vice President, Fidelity Investments (2000-2005).	1	None

* For purposes of Fund business, all Directors may be contacted at the following address: c/o Allianz Global Investors Fund Management LLC, 1345 Avenue of the Americas, New York, New York 10105.

** Mr. Yun previously served on the Board of the Fund from 1984 to 1988.

All Directors are considered by the Fund not to be interested persons (as defined in Section 2(a)(19) of the Investment Company Act of 1940, as amended (the 1940 Act)) of the Fund, the Fund's investment manager, RCM Capital Management LLC (RCM or the Manager), or the Fund's sub-adviser, RCM Asia Pacific Limited (RCM AP or the Sub-Adviser).

As of August 31, 2010, the dollar range of equity securities in the Fund owned by each Director was as follows:

Name of Director	Dollar Range of Equity Securities in the Fund	Aggregate Dollar Range of Equity Securities in All Funds Overseen by Director in Family of Investment Companies*
Ronaldo A. da Frota Nogueira	over \$100,000	over \$100,000
Julian Reid	\$1 – 10,000	\$1 – \$10,000
Christopher Russell	\$10,001 – \$50,000	\$10,001 – \$50,000
Richard A. Silver	\$50,001 – 100,000	\$50,001 – \$100,000
Kesop Yun	None**	None

* There are no other funds in the same family of investment companies as the Fund.

** Mr. Yun, as a professor at Seoul National University, is subject to the Code of Professional Ethics of Government Officials, which currently prevents him from owning real estate or financial assets in foreign countries (including securities of the Fund).

As of August 31, 2010, no officer of the Fund owned shares of the Fund. As of August 31, 2010, all Directors and officers of the Fund as a group owned less than 1% of the outstanding shares of the Fund.

Section 16(a) Beneficial Ownership Reporting Compliance The Fund's Directors and certain officers, investment advisers, certain affiliated persons of the investment advisers and persons who own more than 10% of any class of outstanding securities of the Fund are required to file forms reporting their relationship with the Fund and reports of ownership and changes in ownership of the Fund's securities with the Securities and Exchange Commission (the SEC) and the New York Stock Exchange (the NYSE). These persons and entities are required by SEC regulation to furnish the Fund with copies of all such forms they file. Based solely on a review of these forms furnished to the Fund, the Fund believes that each of the Directors and relevant officers, investment advisers and relevant affiliated persons of the investment advisers and the persons who beneficially own more than 10% of the Fund's Shares has complied with all applicable filing requirements during the Fund's fiscal year ended June 30, 2010.

As of September 9, 2010, the following stockholders owned beneficially more than 5% of the Fund's outstanding Shares as reported to the SEC pursuant to Rule 13d-1 of the Securities Exchange Act of 1934:

Title of Class	Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class
Common Stock	City of London Investment Group, PLC c/o City of London Investment Management Company Limited, 10 Eastcheap, London, EC3M 1LX, England	3,007,869 shares ¹	29.47%
Common Stock	Lazard Asset Management LLC	945,924 shares	9.06%

- 1 City of London Investment Group, PLC is deemed to have sole voting power and sole investment power with respect to the above number of shares through its control of City of London Investment Management Company Limited.

Except as noted above, to the best of the Fund's knowledge, as of September 9, 2010 no other person owned beneficially more than 5% of the Fund's outstanding Shares.

Directors and Officers

The business of the Fund is managed under the direction of the Fund's Board of Directors. Subject to the provisions of the Fund's Articles of Incorporation, its Bylaws and Maryland law, the Directors have all powers necessary and convenient to carry out this responsibility, including the election and removal of the Fund's officers.

Board Leadership Structure The Fund's Board of Directors consists of five Directors, none of whom are interested persons (within the meaning of Section 2(a)(19) of the 1940 Act) of the Fund or of the Manager (the Independent Directors). An Independent Director serves as Chairman of the Directors and is selected by vote of the majority of the Independent Directors. The Chairman of the Directors presides at meetings of the Board and acts as a liaison with service providers, officers, attorneys and other Directors generally between meetings, and performs such other functions as may be requested by the Board from time to time.

The Board of Directors meets regularly four times each year to discuss and to consider matters concerning the Fund, and also holds special meetings to address matters arising between regular meetings. The Independent Directors regularly meet outside the presence of Fund management.

The Board of Directors has established seven standing Committees to facilitate the Directors' oversight of the management of the Fund: the Audit and Compliance Committee, the Contracts Committee, the Executive Committee, the Governance, Nominating and Remuneration Committee, the Investment Committee, the Korean Affairs Committee and the Valuation Committee. The functions and role of each Committee are described below under Committees of the Board of Directors. The membership of each Committee consists of all of the Independent Directors, which the Directors believe allows them to participate in the full range of the Board's oversight duties.

The Board reviews its leadership structure periodically and has determined that this leadership structure, including an independent chairman, a Board composed solely of Independent Directors and full Independent Director membership on each Committee, is appropriate in light of the characteristics and circumstances of the Fund. In reaching this conclusion, the Board considered, among other things, the predominant role of the Manager and the Sub-Adviser in the day-to-day management of Fund affairs, the extent to which the work of the Board is conducted through the Committees, the net assets of the Fund and the management, administrative and other service arrangements of the Fund. The Board also believes that its structure, including the active role of the Independent Directors, facilitates an efficient flow of information concerning the management of the Fund to the Independent Directors.

Risk Oversight The Fund has retained the Manager, and the Manager has retained the Sub-Adviser and the Sub-Administrator to provide advisory services and administrative services, respectively, and those service providers are immediately responsible for the management of risks that may arise from Fund investments and operations. Some employees of the Manager and the Sub-Administrator serve as officers of the Fund, including the Fund's principal executive officer and principal financial and accounting officer. The Board oversees the performance of those functions by the Manager, the Sub-Adviser and the Sub-Administrator, both directly and through the Committee structure it has established. The Board receives from the Manager, the Sub-Adviser and the Sub-Administrator a wide range of reports, on both a regular basis and an as-needed basis, relating to the Fund's activities and to the actual and potential risks of the Fund. These include, among others, reports on investment risks, compliance with applicable laws and the Fund's financial accounting and reporting. In addition, the Board meets periodically with the portfolio managers of the Fund to receive reports regarding the portfolio management of the Fund and its performance, including its investment risks, and the Korean market in general.

In addition, the Board has appointed a Chief Compliance Officer (CCO). The CCO oversees the development of compliance policies and procedures that are reasonably designed to minimize the risk of violations of the federal securities laws (Compliance Policies). The CCO reports directly to the Independent Directors, and the CCO or a

member of his team provides presentations to the Board

at its quarterly meetings and an annual report on the application of the Compliance Policies. The Board periodically discusses relevant risks affecting the Fund with the CCO at these meetings. The Board has approved the Compliance Policies and reviews the CCO's reports. Further, the Board annually reviews the sufficiency of the Compliance Policies, as well as the appointment and compensation of the CCO.

Executive and Other Officers of the Fund. The table below provides certain information concerning the executive officers of the Fund and certain other officers who perform similar duties. Officers hold office at the pleasure of the Board and until their successors are appointed and qualified or until their earlier resignation or removal. Officers and employees of the Fund who are principals, officers, members or employees of the Manager, the Sub-Adviser or their affiliates are not compensated by the Fund.

Name, Address* and Date of Birth	Position(s) with the Funds	Length of Time Served	Other Positions
Robert Goldstein 555 Mission Street, 17th Floor, San Francisco, CA 94105 2/8/1963	President and Chief Executive Officer	Since April 2007	Managing Director and Chief Executive Officer of RCM Capital Management LLC.
Brian S. Shlissel 11/14/1964	Treasurer, Principal Financial and Accounting Officer	Since April 2007	Managing Director, Director of Fund Administration, Allianz Global Investors Fund Management LLC; President and Chief Executive Officer of 29 funds in the Allianz Global Investors Fund Complex; Treasurer, Principal Financial and Accounting Officer of 52 funds in the Allianz Global Investors Fund Complex. Formerly, Director of Premier VIT.
Thomas J. Fuccillo 03/22/1968	Secretary and Chief Legal Officer	Since April 2007	Executive Vice President, Chief Legal Officer and Secretary of Allianz Global Investors Fund Management LLC; Executive Vice President of Allianz Global Investors of America L.P.; Vice President, Secretary and Chief Legal Officer of 81 funds in the Allianz Global Investors Fund Complex; Formerly, Vice President, Chief Legal Officer and Secretary of Premier VIT.
Lawrence G. Altadonna 03/10/1966	Assistant Treasurer	Since April 2007	Senior Vice President, Allianz Global Investors Fund Management LLC; Treasurer, Principal Financial and Accounting Officer of 29 funds in the Allianz Global Investors Fund Complex; Assistant Treasurer of 52 funds in the Allianz Global Investors Fund Complex.

Richard J. Cochran 01/23/1961	Assistant Treasurer	Since January 2009	Formerly, Treasurer, Principal Financial and Accounting Officer of Premier VIT. Vice President, Allianz Global Investors Fund Management LLC; Assistant Treasurer of 81 Funds in the Allianz Global Investors Fund Complex; Formerly, Assistant Treasurer of Premier VIT. Formerly, Tax Manager, Teachers Insurance Annuity Association/College Retirement Equity Fund (TIAA-CREF) (2002-2008).
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Name, Address* and Date of Birth	Position(s) with the Funds	Length of Time Served	Other Positions
Youse Guia 680 Newport Center Drive, Suite 250 Newport Beach, CA 92660 09/03/1972	Chief Compliance Officer	Since April 2007	Senior Vice President, Group Compliance Manager, Allianz Global Investors of America L.P.; Chief Compliance Officer of 81 funds in the Allianz Global Investors Fund Complex; Formerly, Chief Compliance Officer of Premier VIT.
Lagan Srivastava 09/20/1977	Assistant Secretary	Since April 2007	Assistant Secretary of 81 funds in the Allianz Global Investors Fund Complex; formerly, Assistant Secretary of Premier VIT.

* Unless otherwise noted, the address of the Fund's officers is c/o Allianz Global Investors Fund Management LLC, 1345 Avenue of the Americas, New York, New York 10105.

Transactions with and Remuneration of Directors and Officers

The Board's remuneration policy is to emphasize commitment to the Fund, involvement in Fund issues and attendance by Directors at Board meetings. Directors receive an annual retainer fee of \$15,000, except the Chairman of the Board, who receives an additional \$12,000 annual retainer fee. Each Independent Director receives a fee, paid by the Fund, of \$3,000 per Directors' meeting attended. The Chairman of the Audit and Compliance Committee receives an additional \$7,000 annual fee for serving in that capacity. Each Independent Director also receives \$3,000 per Audit and Compliance Committee meeting (unless only compliance matters are discussed) and Contracts Committee meeting attended (there is a \$3,000 annual maximum remuneration for attendance at Contracts Committee meetings).

In addition, each Independent Director is eligible to receive a per diem fee for a full day of \$1,500 or a pro-rated fee for a lesser period as compensation for taking on special assignments at the request of the Board. Such special assignments must be approved in advance by the Governance, Nominating and Remuneration Committee, except that special assignments for which compensation will be less than \$5,000 may be approved in advance by the Chairman of the Governance, Nominating and Remuneration Committee. A report regarding compensation for such assignments is provided to the Governance, Nominating and Remuneration Committee at its next regular meeting.

RCM supervises the Fund's investments, pays the compensation and certain expenses of its personnel who serve as officers of the Fund, and receives a management fee for its services. The Fund's other officers are also officers, employees, or stockholders of RCM's affiliates and are paid a salary by those firms. The Fund makes no direct payments to its officers.

The following Compensation Table provides the aggregate compensation received by each Director from the Fund for the fiscal year ended June 30, 2010. For the calendar year ended December 31, 2009, the Directors and nominees received the compensation set forth in the table below for serving as Directors of the Fund and other funds in the same fund complex as the Fund. None of the Directors serves on any other registered investment company in the fund complex advised by RCM and its affiliates. The Fund does not pay retirement benefits to its Directors.

Compensation Table

Independent Director/Nominee	Aggregate Compensation from the Fund for the Fiscal Year Ended June 30, 2010	Total Compensation from the Fund and Fund Complex* Paid to Directors/Nominees for the Calendar Year Ended December 31, 2009
Ronaldo A. da Frota Nogueira	\$ 42,000	\$ 39,000
Julian Reid	\$ 54,000	\$ 51,000
Christopher Russell	\$ 42,000	\$ 39,000
Richard A. Silver	\$ 49,000	\$ 46,000
Kesop Yun	\$ 42,000	\$ 39,000

* The Fund Complex includes only funds advised by RCM and its affiliates.

Each of the Fund's executive officers is an interested person of the Fund as a result of his or her position set forth in the table above.

Director Qualifications The Board has determined that each Director should continue to serve as such based on several factors (none of which alone is decisive). Each Director has served in such role for a substantial period of time and is intimately familiar with the Fund's business and service provider arrangements. Among the factors the Board considered when concluding that an individual should serve on the Board were the following: (i) the individual's business and professional experience and accomplishments; (ii) the individual's ability to work effectively with other members of the Board; (iii) the individual's prior experience, if any, serving on the boards of public companies (including, when relevant, other investment companies) and other complex enterprises and organizations; and (iv) how the individual's skills, experiences and attributes would contribute to an appropriate mix of relevant skills and experience on the Board.

In respect of each current Director, the individual's substantial professional accomplishments and prior experience, including, in some cases, in fields related to the operations of the Fund, were a significant factor in the determination that the individual should serve as a Director of the Fund. Following is a summary of various qualifications, experiences and skills of each Director (in addition to business experience during the past five years set forth in the table above) that contributed to the Board's conclusion that an individual should serve on the Board:

Julian Reid Mr. Reid has more than 30 years of U.S. and non-U.S. closed-end fund experience, including, among other things, serving as the head of the closed-end fund business for Jardine Fleming Investment Management (at the time, a leading investment management company in Asia, subsequently acquired by JP Morgan) and as the chairman and/or a director of numerous closed-end funds. He has spent over 40 years in the financial services industry spanning Europe, Asia and the Americas. He was based in Asia for approximately 25 years, and during that time, spent time focusing on, among others, the Korean stock market. He is an Affiliate of the Securities Industry of Australia and has been licensed by the respective regulatory bodies in the United Kingdom, Hong Kong, Singapore and Australia. In 2007, Mr. Reid was named Small Board Trustee of the Year by Fund Directions, a U.S. magazine focusing on corporate governance matters, for his work as the independent chairman of the Fund.

Ronaldo A da Frota Nogueira Mr. Nogueira has substantial senior executive experience and substantial familiarity with the investment management industry. He is a director and the chief executive officer of IMF Editora Ltd., a

financial publisher, and previously was a member of the board of the Association of Certified International Investment Analysts and a director of APIMEC Nacional (a Brazilian association of investment professionals and analysts). Mr. Nogueira also is an experienced investment company director, with more than 15 years of experience as a director of various funds.

Christopher Russell Mr. Russell has approximately 30 years of institutional investment experience globally and in Asia on behalf of U.S. and non-U.S. institutions, including more than 10 years of experience as an institutional fund manager responsible for investment in Asia, including Korea. He

was based in Asia for several years. Mr. Russell also is an experienced director of investment companies and other companies in the investment management industry, with more than 12 years of experience as a director of various funds and companies.

Richard A. Silver Mr. Silver has more than 30 years of senior executive experience in the investment management industry. He served as treasurer and chief financial officer (for three years) and executive vice president (for five years) of Fidelity Investments, during which time he oversaw accounting, financial reporting and related operations for more than 400 mutual funds and 2,300 other investment portfolios. He also served as senior vice president, treasurer and chief financial officer of The Colonial Group, Inc. for nearly 19 years, heading the company's financial services group. In addition, Mr. Silver served as the chairman of the Accounting/Treasurers' Committee of the Investment Company Institute for approximately seven years.

Kesop Yun Mr. Yun is an experienced investment company director, with more than 15 years of experience as a director of various funds. Mr. Yun also has substantial knowledge of Korean business, having been a professor of business at Seoul National University for many years (and previously the dean of its College of Business Administration), and having previously served as president of the Korea Securities & Economy Institute and the Korea Tax Association.

Committees of the Board of Directors

Audit and Compliance Committee. The Fund's Audit and Compliance Committee is currently composed of all of those Directors who are not interested persons (as defined in the 1940 Act) of the Fund (collectively, the Independent Directors) and is chaired by Mr. Silver. The members of the Audit and Compliance Committee are independent, as independence is defined in the listing standards of the New York Stock Exchange applicable to closed-end funds. The Audit and Compliance Committee's purposes are: (i) to oversee the integrity of the Fund's financial statements, the Fund's compliance with legal and regulatory requirements, the qualifications and independence of the Fund's independent registered public accounting firm, the performance of the Fund's internal control systems and independent registered public accounting firm and, as appropriate, the internal controls of certain Fund service providers; (ii) to oversee the quality and objectivity of the Fund's financial statements and the independent audit thereof; (iii) to exercise direct responsibility for the appointment, compensation, retention and oversight of the work performed by the Fund's independent registered public accounting firm for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Fund; (iv) to act as a liaison between the Fund's independent registered public accounting firm and the Board; (v) to oversee the Fund's compliance with legal and regulatory requirements, including through periodic meetings with and review of reports provided by the Fund's Chief Compliance Officer; and (vi) to prepare the audit committee report as required by Item 407(d)(3)(i) of Regulation S-K, to be included in the Fund's annual proxy statement relating to the election of directors. The Audit and Compliance Committee met six times during the fiscal year ended June 30, 2010.

The Board of Directors has adopted a charter for the Audit and Compliance Committee. The charter, which was amended on January 27, 2010, is available at the Fund's website, www.thekoreafund.com.

Audit and Compliance Committee's Pre-Approval Policies and Procedures. The Audit and Compliance Committee must approve in advance the engagement of the Fund's independent registered public accounting firm to provide (i) audit or permissible non-audit services to the Fund and (ii) nonaudit services to RCM or its control affiliates that relate directly to the Fund's operations and financial reporting. The Audit and Compliance Committee pre-approves such services on at least an annual basis, and receives at least annually a report of all audit and non-audit services rendered in the previous calendar year by the Fund's independent registered public accounting firm for the Fund and its Affiliated Fund Service Providers (defined on page 15). Such services, including services provided to Affiliated Fund Service Providers, may be preapproved by the Audit and Compliance Committee

chairman, or by any other member of the Audit and Compliance Committee who is an Independent Director and to whom such responsibility has been delegated, so long as the aggregate fees for such services do not exceed certain maximum amounts. In such case, the Audit and Compliance Committee must be notified of such preapproval at its next regularly scheduled meeting.

At a meeting held on October 27, 2009, the Audit and Compliance Committee and the Board of Directors of the Fund, including a majority of the Independent Directors, selected PricewaterhouseCoopers LLP (PWC) to act as the independent registered public accounting firm for the Fund for the fiscal year ending June 30, 2010. The Board of Directors intends to select the independent registered public accounting firm for the Fund for the fiscal year ending June 30, 2011 at its October 2010 meeting. The Fund's financial statements for the fiscal years ended June 30, 2010 and June 30, 2009 were audited by PWC.

Audit and Compliance Committee Report. In connection with the audited financial statements as of and for the fiscal year ended June 30, 2010 included in the Fund's 2010 Annual Report (the Annual Report), at a meeting held on August 19, 2010, the Audit and Compliance Committee considered and discussed the audited financial statements with management and the independent registered public accounting firm, and discussed the audit of such financial statements with the independent registered public accounting firm. The Audit and Compliance Committee also discussed with the independent registered public accounting firm the matters required to be discussed by Statement on Auditing Standards No. 61 (Communications with Audit Committees), as amended, as adopted by the Public Company Accounting Oversight Board in Rule 3200T. The Audit and Compliance Committee received the written disclosures and letter required by applicable requirements of the Public Company Accounting Oversight Board (United States) regarding the independent accountant's communications with the Audit and Compliance Committee concerning independence, and has discussed with representatives of the independent registered public accounting firm the firm's independence.

The members of the Audit and Compliance Committee are not professionally engaged in the practice of auditing or accounting and are not employed by the Fund for accounting, financial management or internal control. Moreover, the Audit and Compliance Committee relies on and makes no independent verification of the facts presented to it or representations made by management or the independent registered accounting firm. Accordingly, the Audit and Compliance Committee's oversight does not provide an independent basis to determine that management has maintained appropriate accounting and financial reporting principles or policies, or internal controls and procedures, designed to assure compliance with accounting standards and applicable laws and regulations. Furthermore, the Audit and Compliance Committee's considerations and discussions referred to above do not provide assurance that the audit of the Fund's financial statements has been carried out in accordance with the auditing standards of the Public Company Accounting Oversight Board (United States) generally accepted in the United States of America or that the financial statements are presented in accordance with accounting principles generally accepted in the United States of America. Based on its consideration of the audited financial statements and the discussions referred to above with management and the independent registered public accounting firm and subject to the limitation on the responsibilities and role of the Audit and Compliance Committee set forth in the Audit and Compliance Committee's Charter and those discussed above, the Audit and Compliance Committee of the Fund recommended to the Fund's Board of Directors that the audited financial statements be included in the Fund's Annual Report.