



The Korea Fund, Inc. (NYSE: KF)

## Press Release

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## The Korea Fund, Inc. Discount Management Policy

New York, November 16, 2016 – The Board of Directors (the “Board”) of The Korea Fund, Inc. (NYSE:KF) (the “Fund”) today announced:

Following input from stockholders at the time of the Annual General Meeting, the Board has reviewed the composition and policies of the Discount Management Committee (“DMC”) and the management of the Fund's share price discount relative to net asset value (“NAV”) and advises that:

- While the DMC has acted in accordance with consensus views of the Board, it has been expanded to include all Board members, with a quorum of any two;
- The strategic intent of the DMC, acting in the best interest of all stockholders, is to purchase shares in the open market in an endeavor to maintain the discount relative to its five-year average;
- Such a reduction in the Fund’s NAV discount, from the current 12-13% range, may be harder to achieve in the short term given the recent increases in discounts of Asian single country and regional funds that are listed on the NYSE to the 13-15% range; and
- The DMC operates all share buy-back programs consistent with the applicable rules of the Securities and Exchange Commission and the New York Stock Exchange, as well as with cognizance of the market environment for similar closed end funds and hence, there can be no guarantee that the program will achieve its intended aim.

The share repurchase program is intended to enhance shareholder value, as repurchases made at a discount have the effect of increasing the net asset value per share of the Fund's remaining shares.

There is no assurance that the market price of the Fund's shares, either absolutely or relative to net asset value, will increase as a result of any share repurchases. These repurchases may be commenced or suspended at any time or from time to time without prior notice. The Fund's repurchase activity will be disclosed in its shareholder reports for the relevant fiscal periods.

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The Korea Fund, Inc. is a non-diversified, closed-end investment company. The Fund seeks long-term capital appreciation through investing primarily in equity securities trading on the Korean stock exchanges. Its shares are listed on the New York Stock Exchange under the symbol "KF."

Allianz Global Investors U.S. LLC is the Fund's investment manager. Investment in closed end funds involves risks. Additional risks are associated with international investing, such as currency fluctuation, government regulations, economic changes and differences in liquidity, which may increase the volatility of your investment. Foreign security markets generally exhibit greater price volatility and are less liquid than the U.S. market. Additionally, this Fund focuses its investments in certain geographical regions, thereby increasing its vulnerability to developments in that region. All of these factors potentially subject the Fund's shares to greater price volatility. The net asset value of the Fund will fluctuate with the value of the underlying securities. Closed-end funds trade on their market value, not net asset value, and closed-end funds often trade at a discount to their net asset value.

The Fund's daily New York Stock Exchange closing price and net asset value per share, as well as other information, including updated portfolio statistics and performance are available at [www.thekoreafund.com](http://www.thekoreafund.com) or by calling the Fund's shareholder servicing agent at (800) 254- 5197.

Statements made in this release that look forward in time involve risks and uncertainties and are forward looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such risks and uncertainties include, without limitation, the adverse effect from a decline in the securities markets or a decline in the Fund's performance, a general downturn in the economy, competition from other companies, changes in government policy or regulation, inability to attract or retain key employees, inability to implement its operating strategy and/or acquisition strategy, and unforeseen costs and other effects related to legal proceedings or investigations of governmental and self-regulatory organizations.

This announcement is not an offer to purchase or the solicitation of an offer to sell shares of the Fund or a prospectus, circular or representation intended for use in the purchase or sale of Fund shares.

Fund shares are not FDIC-insured and are not deposits or other obligations of, or guaranteed by, any bank. Fund shares involve investment risk, including possible loss of principal.