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KOREA FUND INC
Form N-Q
May 27, 2005

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM N-Q
QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED
MANAGEMENT INVESTMENT COMPANY

Investment Company Act file number 811-4058

Korea Fund, Inc.

(Exact name of registrant as specified in charter)

345 Park Avenue
New York, NY 10154

(Address of principal executive offices) (Zip code)

Charles Rizzo
Two International Place
Boston, Massachusetts 02110

(Name and address of agent for service)

Registrant's telephone number, including area code: (617) 295-3488

Date of fiscal year end: 06/30

Date of reporting period: 3/31/05

Form N-Q is to be used by registered management investment companies, other than small business investment companies registered on Form N-5 (ss.ss. 239.24 and 274.5 of this chapter), to file reports with the Commission, not later than 60 days after the close of the first and third fiscal quarters, pursuant to rule 30b1-5 under the Investment Company Act of 1940 (17 CFR 270.30b1-4). The Commission may use the information provided on Form N-Q in its regulatory, disclosure review, inspection, and policymaking roles.

A registrant is required to disclose the information specified by Form N-Q, and the Commission will make this information public. A registrant is not required to respond to the collection of information contained in Form N-Q unless the Form displays a currently valid Office of Management and Budget ("OMB") control number. Please direct comments concerning the accuracy of the information collection burden estimate and any suggestions for reducing the burden to the Secretary, Securities and Exchange Commission, 450 Fifth Street, NW, Washington, DC 20549-0609. The OMB has reviewed this collection of information under the clearance requirements of 44 U.S.C. ss. 3507.

ITEM 1. SCHEDULE OF INVESTMENTS

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The Korea Fund, Inc.
Investment Portfolio as of March 31, 2005 (unaudited)

| | Shares |
|---------------------------------------|-----------|
| Common Stocks 80.8% | |
| Consumer Discretionary 12.8% | |
| Auto Components 4.4% | |
| Halla Climate Control Corp. | 600,000 |
| Hankook Tire Co., Ltd. | 4,464,307 |
| | |
| Automobiles 0.7% | |
| Nexen Tire Corp. | 400,000 |
| | |
| Hotels Restaurants & Leisure 2.2% | |
| Hotel Shilla Co., Ltd. | 858,391 |
| Kangwon Land, Inc. | 1,471,530 |
| | |
| Internet & Catalog Retail 0.3% | |
| LG Home Shopping, Inc. | 56,200 |
| | |
| Media 0.8% | |
| Cheil Communications, Inc. | 57,600 |
| | |
| Multiline Retail 4.2% | |
| Shinsegae Co., Ltd. | 135,787 |
| Taegu Department Store Co., Ltd. (b) | 1,336,800 |
| | |
| Textiles, Apparel & Luxury Goods 0.2% | |
| BYC Co., Ltd. (b) | 39,530 |
| | |
| Consumer Staples 5.5% | |
| Beverages 1.6% | |
| Hite Brewery Co., Ltd. | 50,000 |
| Nam Yang Dairy Products Co., Ltd. (b) | 33,641 |
| | |
| Food Products 1.9% | |
| CJ Corp. | 99,606 |
| Crown Confectionary Co., Ltd. | 46,200 |
| Nhong Shim Co., Ltd. | 38,229 |
| | |
| Tobacco 2.0% | |
| KT&G Corp. 144A (GDR) | 413,800 |
| KT&G Corp. | 552,570 |
| | |
| Energy 6.9% | |
| Oil & Gas 6.9% | |
| S-Oil Corp. | 827,300 |

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| | |
|---|-----------|
| SK Corp. | 408,800 |
| Financials 12.7% | |
| Banks 4.5% | |
| Jeonbuk Bank (b) | 2,787,695 |
| Kookmin Bank (ADR)* | 100,917 |
| Kookmin Bank * | 909,198 |
| Diversified Financial Services 0.7% | |
| LG Card Co., Ltd.* | 171,600 |
| Samsung Securities Co., Ltd. | 164,720 |
| Insurance 7.5% | |
| Korean Reinsurance Co. | 1,643,310 |
| Oriental Fire & Marine Insurance Co. (b) | 584,860 |
| Samsung Fire & Marine Insurance Co., Ltd. | 979,625 |
| Health Care 0.5% | |
| Pharmaceuticals 0.5% | |
| Choongwae Pharma Corp. | 88,600 |
| Yuhan Corp. | 48,798 |
| Industrials 7.5% | |
| Commercial Services & Supplies 2.3% | |
| Insun ENT Co., Ltd. | 377,203 |
| S1 Corp. | 564,270 |
| Electrical Equipment 0.4% | |
| Ace Digitech Co. Ltd.* | 423,300 |
| Industrial Conglomerates 3.0% | |
| Anycell, Inc. (b) (c) (d) (g) | 1,250,000 |
| Daeyang E&C Ltd.* | 1,153,948 |
| Hyundai Mobis | 350,480 |
| SFA Engineering Corp. (b) | 466,200 |
| Machinery 0.4% | |
| Samsung Climate Control Co., Ltd. (b) | 827,630 |
| Trading Companies & Distributors 0.6% | |
| Jahwa Electronics Co., Ltd. | 779,900 |
| Transportation Infrastructure 0.8% | |
| Korea Express Co., Ltd.* | 301,880 |
| Information Technology 20.0% | |
| Communications Equipment 0.2% | |
| INTOPS Co., Ltd. | 162,500 |

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| | | |
|--|--|-------------|
| Computers & Peripherals 0.2% | | |
| Ahnlab, Inc.* | | 119,466 |
| | | |
| Electronic Equipment & Instruments 4.0% | | |
| Dae Duck Electronics Co., Ltd. | | 360,901 |
| Hankuk Electric Glass Co., Ltd. | | 142,400 |
| Interflex Co., Ltd. (b) | | 667,800 |
| Mtekvision Co., Ltd.* | | 83,200 |
| Samsung SDI Co., Ltd. | | 209,956 |
| SE Co., Ltd. (b) (c) (d) | | 636,950 |
| Simm Tech Co., Ltd.* | | 631,213 |
| | | |
| Semiconductors & Semiconductor Equipment 15.6% | | |
| NEPES Corp.* | | 4,990 |
| Phicom Corp.* (b) | | 1,060,000 |
| Samsung Electronics Co., Ltd. (h) | | 340,299 |
| Seoul Semiconductor Co., Ltd. (b) | | 1,003,900 |
| | | |
| Materials 11.5% | | |
| Chemicals 1.4% | | |
| LG Chemical Ltd. | | 212,486 |
| Samsung Fine Chemicals Co., Ltd. | | 425,000 |
| | | |
| Construction Materials 0.4% | | |
| Sungshin Cement Co., Ltd. | | 276,200 |
| | | |
| Containers & Packaging 0.4% | | |
| Youlchon Chemical Co., Ltd. | | 351,300 |
| | | |
| Metals & Mining 9.3% | | |
| Dongkuk Steel Mill Co., Ltd. | | 1,170,900 |
| Korea Iron & Steel Co., Ltd. | | 227,200 |
| POSCO | | 443,000 |
| Samwoo EMC Co., Ltd. (b) | | 754,800 |
| | | |
| Telecommunication Services 3.4% | | |
| Wireless Telecommunication Services | | |
| SK Telecom Co., Ltd. | | 258,420 |
| | | |
| Total Common Stocks (Cost \$336,852,778) | | |
| | | Principal |
| | | Amount (\$) |
| | | |
| Convertible Bond 0.0% | | |
| Consumer Staples | | |
| Haitai Confectionery Loan Certificates, Zero Coupon, 11/28/2009 (c) (e) (f) | | 11,658,888 |
| (Cost \$0) | | |

Shares

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| | | | |
|---|--|------------|-----------|
| Preferred Stocks 15.6% | | | |
| Consumer Discretionary 5.6% | | | |
| Automobiles | | | |
| Hyundai Motor Co. (GDR) 144A | | | 3,020,000 |
| Hyundai Motor Co. (2nd) | | | 738,593 |
| | | | |
| Consumer Staples 1.4% | | | |
| Food Products | | | |
| CJ Corp. | | | 297,200 |
| CJ Corp. (2nd) | | | 50,335 |
| CJ Corp. (3rd) (convertible) | | | 30,201 |
| | | | |
| Energy 0.7% | | | |
| Oil & Gas | | | |
| S-Oil Corp. | | | 156,040 |
| | | | |
| Financials 2.2% | | | |
| Diversified Financial Services 0.5% | | | |
| Daishin Securities Co., Ltd. | | | 665,500 |
| | | | |
| Insurance 1.7% | | | |
| Samsung Fire & Marine Insurance Co., Ltd. | | | 533,850 |
| | | | |
| Information Technology 5.3% | | | |
| Electronic Equipment & Instruments 0.2% | | | |
| Samsung SDI Co., Ltd. | | | 34,318 |
| | | | |
| Semiconductors & Semiconductor Equipment 5.1% | | | |
| Samsung Electronics Co., Ltd. (h) | | | 198,201 |
| | | | |
| Materials 0.4% | | | |
| Chemicals | | | |
| LG Chemical Ltd. | | | 193,003 |
| | | | |
| Total Preferred Stocks (Cost \$38,433,288) | | | |
| | | | |
| Cash Equivalents 0.2% | | | |
| Scudder Cash Management QP Trust, 2.69% (a) | | | |
| (Cost \$2,471,595) | | | 2,471,595 |
| | | | |
| | | % of | |
| | | Net Assets | |
| | | ----- | |
| Total Investment Portfolio (Cost \$377,757,661) | | | 96.6 |
| Other Assets and Liabilities, Net | | | 3.4 |
| Net Assets | | | 100.0 |

For information on the Fund's policies regarding the valuation of investments and other significant accounting policies, please refer to the Fund's most recent semi-annual or annual financial statements.

* Non-income producing security.

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(a) Scudder Cash Management QP Trust is managed by Deutsche Investment Management Americas Inc. The rate shown is the annualized seven-day yield at period end.

(b) Affiliated issuers. An affiliated issuer is a company in which the Fund has ownership of at least 5% of the voting securities. A summary of the Fund's transactions during the nine months ended March 31, 2005 with companies which are or were affiliates is as follows:

| Affiliate | Common/ Preferred Shares | Purchase Cost (\$) | Sales Cost (\$) | Realized Gain/ (Loss) (\$) | Divid Income |
|-------------------------------------|--------------------------------|-----------------------|--------------------|----------------------------------|-----------------|
| Ancell, Inc. | 1,250,000 | - | - | - | |
| BYC Co., Ltd. | 39,530 | - | - | - | |
| Co., Ltd. | 1,003,900 | 4,775,077 | - | - | 2 |
| Control Co., Ltd. | 827,630 | - | - | - | |
| Interflex Co., Ltd. | 667,800 | 8,039,630 | - | - | |
| Jeonbuk Bank | 2,787,695 | - | - | - | 3 |
| Marine Insurance Co. | 584,860 | - | - | - | |
| Nam Yang Dairy Oriental Fire & | | | | | |
| Phicom Corp. | 1,060,000 | 4,401,309 | | | |
| Products Co., Ltd. | 33,641 | - | 1,152,104 | 2,847,366 | |
| Samsung Climate | | | | | |
| Samwoo EMC Co., Ltd. | 754,800 | 2,092,375 | - | - | |
| SE Co., Ltd. Seoul Semiconductor | 636,950 | - | - | - | |
| SFA Engineering Corp. | 466,200 | 5,302,292 | | | 2 |
| Store Co., Ltd. Taegu Department | 1,336,800 | 4,316,669 | - | - | |
| Telephus Co., Ltd.++ | - | - | 2,919,708 | (3,206,483) | |
| | | 28,927,352 | 4,071,812 | (359,117) | 1,1 |

+ Net of foreign taxes withheld.

++ At March 31, 2005 the fund no longer held Telephus Co., Ltd.

(c) Securities valued at fair value by management and approved in good faith following procedures approved by the Directors, amounted to \$1,979,848 (0.2% of net assets at March 31, 2005). Their values have been estimated by management in the absence of readily ascertainable market values. However, because of the inherent uncertainty of valuation, those estimated values may differ

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significantly from the values that would have been used had a ready market for the securities existed, and the difference could be material. The cost of these securities at March 31, 2005 aggregated \$3,637,411. The securities may also have certain restrictions as to resale.

(d) The Fund may purchase securities that are subject to legal or contractual restrictions on resale ("restricted securities"). Restricted securities are securities which have not been registered with the Securities and Exchange Commission under the Securities Act of 1933. The Fund may be unable to sell a restricted security and it may be more difficult to determine a market value for a restricted security. Moreover, if adverse market conditions were to develop during the period between the Fund's decision to sell a restricted security and the point at which the Fund is permitted or able to sell such security, the Fund might obtain a price less favorable than the price that prevailed when it decided to sell. This investment practice, therefore, could have the effect of increasing the level of illiquidity of the Fund.

The issuer of SE Co., Ltd. has given the Fund a put option at cost, payable on demand until it has an initial public offering. Information concerning such private placement securities at March 31, 2005 is as follows:

| Restricted Securities | Acquisition Date | Cost (\$) | Value (\$) | Value Net |
|------------------------------------|------------------|------------------|------------------|-----------|
| Ancell, Inc. | 12/22/2000 | 2,020,774 | - | |
| SE Co., Ltd. | 12/22/2000 | 1,616,637 | 1,969,496 | |
| Total Restricted Securities | | 3,637,411 | 1,969,496 | |

(e) Company in restructuring process, principal only subject to repayment.

(f) Principal amount stated in Korean Won.

(g) Company is in process of liquidation.

(h) At March 31, 2005, 19.1% of the Fund's investment portfolio is invested in Samsung Electronics Co., Ltd.

144A: Security exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be resold in transactions exempt from registration, normally to qualified institutional buyers.

ADR: American Depositary Receipt

GDR: Global Depositary Receipt

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Registrant: The Korea Fund, Inc.

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By: /s/Julian Sluyters

Julian Sluyters
Chief Executive Officer

Date: May 26, 2005

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Registrant: The Korea Fund, Inc.

By: /s/Julian Sluyters

Julian Sluyters
Chief Executive Officer

Date: May 26, 2005

By: /s/Paul Schubert

Paul Schubert
Chief Financial Officer

Date: May 26, 2005