Zweig Fund and Zweig Total Return Fund Announce Actions

Stock repurchase program and reverse split approved; investment and distribution policies and advisory agreements revised

NEW YORK, March 13, 2012 /PRNewswire/ -- The Boards of Directors of The Zweig Fund, Inc. (NYSE: ZF) and The Zweig Total Return Fund, Inc. (NYSE: ZTR) today announced that each has approved a set of actions intended to enhance shareholder value. These actions resulted from a comprehensive assessment of the funds and their competitive positioning in the current market environment.

The boards have authorized the following for each fund: Open-market stock repurchases; a reverse stock split; enhancements to the investment strategies and policies; and changes in the distribution rate and the advisory agreements. These measures are being taken as part of ongoing efforts to address each fund's current discount to its net asset value (NAV), provide greater investment flexibility, increase each fund's earned yield, and provide a reasonable distribution rate.

Open-Market Stock Repurchase Program

Each board authorized a stock repurchase program that allows its respective fund to repurchase up to 5 percent of its outstanding shares. The intent of the repurchase program, which extends through March 31, 2015, is to narrow each fund's discount to its NAV. The repurchase authorization allows each fund to acquire its own shares in the open market at a discount to NAV. There is no assurance that either fund will purchase shares at any specific discount levels or in any specific amounts; that a fund's market price or discount will improve; or that the plan will enhance shareholder value over the long-term. Each fund's repurchase activity will be disclosed in its shareholder report for the relevant fiscal period.

Reverse Stock Split

The boards approved a 1-for-4 reverse stock split of the issued and outstanding shares of each fund, with an effective date that will be determined and announced separately. As a result of the reverse stock split, one new share will be issued for every four currently outstanding shares. Shareholders will be paid cash for any fractional shares that may result from the reverse split. Each shareholder will hold the same percentage of the fund's outstanding common stock immediately following the reverse stock split as held immediately prior to the split, subject to adjustments for the intended cash repurchase of fractional shares resulting from the transaction.

The reverse stock split is expected to result in a higher per share market price for each fund's common shares, and may benefit shareholders and the funds by reducing certain per-share transaction fees and other administrative costs, such as stock exchange listing fees. The funds will retain their trading symbols but will be assigned new CUSIP numbers at the time of the reverse split transaction.

Investment Strategy and Policy Enhancements

The boards and investment adviser assessed the funds' investment strategies and policies to address appropriate competitive positioning and consistency with the funds' goals of capital appreciation and total return, while generating appropriate levels of income to support distributions. The boards approved changes

return, while generating appropriate levels of income to support distributions. The boards approved changes in their respective funds' investment objectives, policies and restrictions to provide more investment flexibility and be more consistent with industry practices. These changes are described either in the funds' 2012 annual reports or, for those items that require shareholder approval, in the proxy statement that will be filed with the Securities and Exchange Commission and sent to shareholders in connection with the funds' 2012 Annual Meetings scheduled for May 15, 2012 in New York City.

The boards also supported refinements of the funds' investment strategies with the primary intent of increasing the potential for enhanced yield through the use of options strategies and an increased emphasis on higher yielding stocks and fixed income instruments. In connection with these changes, the funds' asset allocation methodology will be revised to be more reflective of the current and expected interest rate environment that is generating historically low yields. Dr. Martin Zweig, whose research into the financial markets has been part of the tactical asset allocation methodology used by the funds' investment adviser, will continue to provide services to the adviser through his firm, Zweig Consulting, under a research and consulting agreement directly with the adviser, rather than as a subadviser to the funds.

Distribution Policy

The boards remain committed to each fund's managed distribution policy, the intent of which is to provide a reasonable and predictable distribution to shareholders over various market cycles. The boards approved changes in the distribution rates in order to better align them with current market expectations and dividend and earnings projections.

The funds' current Managed Distribution Plans, which provide for a level distribution rate of 10 percent of each fund's NAV on an annualized basis, will be revised to provide for a 7 percent annual rate for the Zweig Total Return Fund and 6 percent for the Zweig Fund, effective with the next distribution declarations.

The boards believe these levels of distribution are more appropriate and consistent with market conditions, the interest rate environment, and each fund's investment earnings forecasts. The boards will continue to assess the level of distributions, giving consideration to market conditions and fiscal policy.

Amendment to the Advisory Agreements

While neither fund currently employs, or has ever utilized, leverage, each is permitted to borrow or incur leverage in amounts consistent with its investment restrictions. Each board has approved a change to its fund's advisory agreement to compensate the adviser on all assets managed, including any related to the use of leverage. This change will also be submitted for approval by shareholders at the funds' 2012 Annual Meetings.

About the Funds

The Zweig Fund, Inc. (NYSE: ZF) and The Zweig Total Return Fund, Inc. (NYSE: ZTR) are closed-end funds advised by Zweig Advisers LLC. For more information on the funds, please contact Shareholder Services at 800.272.2700, by email at zweig@virtus.com, or visit us on the web at virtus.com.

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