# The Zweig Fund, Inc. Declares Supplemental Distribution And Discloses Sources Of Distribution - Section 19(a) Notice

HARTFORD, Conn., Jan. 3, 2017 /PRNewswire/ -- The Zweig Fund, Inc. (NYSE: ZF) today announced that it has declared a supplemental distribution of $1.00 per share of long term capital gains to meet requirements under the Internal Revenue Code of 1986, as amended.

| Type | Amount of Distribution | Declaration Date | Record Date | Payable Date |
|---|---|---|---|---|
| Long Term Gain | $1.000 | January 3, 2017 | December 29, 2016 | January 10, 2017 |

In addition, the fund previously announced the following quarterly income distribution:

| Type | Amount of Distribution | Declaration Date | Record Date | Payable Date |
|---|---|---|---|---|
| Income | $0.361 | December 2, 2016 | December 29, 2016 | January 10, 2017 |

The ex-dividend date for both distributions will be January 5, 2017. The fund also announced today the final results of its tender offer; tendered shares will be entitled to these distributions. Thus, shareholders as of the record date will receive an aggregate distribution of $1.361 per share on January 10, 2017.

The fund's total distributions for the 2016 calendar year were $2.44 per share, including this special distribution as well as the fund's quarterly distributions. That is an annualized distribution rate of 18.2 percent, based on the fund's closing share price of $13.38 on December 30, 2016.

Under the terms of its managed distribution plan, the fund will seek to maintain a consistent distribution level that may be paid in part or in full from net investment income and realized capital gains, or a combination thereof. Shareholders should note, however, that if the fund's aggregate net investment income and net realized capital gains are less than the amount of the distribution level, the difference will be distributed from the fund's assets and will constitute a return of the shareholder's capital. You should not draw any conclusions about the fund's investment performance from the amount of this distribution or from the terms of the fund's managed distribution plan.

The fund provided this estimate of the sources of the distributions:

| **Distribution Estimates** | **December 2016 (QTD)** | | **Year-to-date (YTD)** [1] | |
|---|---|---|---|---|
| (Sources) | *Per Share Amount* | *Percentage of Current Distribution* | *Per Share Amount* | *Percentage of Current Distribution* |
| Net Investment Income | $0.099 | 7.3% | $0.228 | 9.3% |
| Net Realized Foreign Currency Gains | - | 0.0% | - | 0.0% |
| Net Realized Short-Term Capital Gains | - | 0.0% | - | 0.0% |
| Net Realized Long-Term Capital Gains | 1.262 | 92.7% | 2.212 | 90.7% |

| | | | | |
|---|---|---|---|---|
| Return of Capital (or other Capital Source) | - | 0.0% | - | 0.0% |
| **Total Distribution** | **$1.361** | **100.0%** | **$2.440** | **100.0%** |

(1) YTD January 12, 2016 to January 11, 2017. (The distribution paid on January 11, 2016 was reportable for tax on Form 1099 in 2015)

Information regarding the fund's performance and distribution rates is set forth below. Please note that all performance figures are based on the fund's NAV and not the market price of the fund's shares. Performance figures are not meant to represent individual shareholder performance.

| **December 30, 2016** | |
|---|---|
| *Average Annual Total Return on NAV for the 5-year period ended this quarter* [(2)] | |
| *Current Fiscal YTD Annualized Distribution Rate* [(3)] | 1 |
| *YTD Cumulative Total Return on NAV* [(4)] | - |
| *YTD Cumulative Distribution Rate* [(5)] | 1 |

(2) Average Annual Total Return on NAV is the annual compound return for the five-year period. It reflect change in the fund's NAV and reinvestment of all distributions.

(3) Current Fiscal YTD Annualized Distribution Rate is the current distribution rate (excluding the supplem annualized as a percentage of the fund's NAV at quarter end.

(4) YTD Cumulative Total Return on NAV is the percentage change in the fund's NAV from the first day of to this quarter end, including distributions paid and assuming reinvestment of those distributions.

(5) YTD Cumulative Distribution Rate is the dollar value of distributions from the first day of the year to th end as a percentage of the fund's NAV at quarter end.

The amounts and sources of distributions reported in this notice are estimates only and are not being provided for tax reporting purposes. The actual amounts and sources of the distributions will depend on the fund's investment experience during the remainder of its fiscal year and may be subject to changes based on tax regulations. The fund will send shareholders a Form 1099-DIV for the calendar year that will tell shareholders what distributions to report for federal income tax purposes.

**About the Fund**

The Zweig Fund is a diversified closed-end fund whose investment objective is capital appreciation, with current income as a secondary objective. It currently targets an allocation of 60 percent of its assets in equity securities and 40 percent fixed income. The equity allocation invests globally in owners/operators of infrastructure in the communications, utility, energy, and transportation industries. The fixed income portion utilizes a time-tested approach of active sector rotation, extensive credit research and disciplined risk management designed to capitalize on opportunities across undervalued areas of the fixed income markets. The fund also pursues an options income strategy whereby it purchases and sells out-of-the money puts and calls, creating an options spread.

Virtus Investment Advisers has been the investment adviser to the fund and Duff & Phelps Investment Management Co. and Newfleet Asset Management have been subadvisers since September 7, 2016. Performance and characteristics prior to that date were attained by the previous adviser using a different investment strategy.

For more information on the fund, contact shareholder services at (866) 270-7788, by email at closedendfunds@virtus.com, or through the closed end fund section on the web at www.virtus.com.

**Fund Risks**
An investment in the fund is subject to risk. The fund's shares may be worth less than what an investor paid for them when they are sold. The options strategy may not be successful in its objective of increasing distributable income while limiting the risk of loss and could result in increased losses for investors.

**About Duff & Phelps Investment Management Co.**
Duff & Phelps Investment Management is a leader in investing in real estate investment trusts, infrastructure, and utility companies and in developing and managing focused investment strategies for specialized clients. For more information about Duff & Phelps, visit www.dpimc.com.

**About Newfleet Asset Management**
Newfleet Asset Management provides comprehensive fixed income portfolio management in multiple strategies. Newfleet leverages the knowledge and skill of a team of investment professionals with expertise in every sector of the bond market, including evolving, specialized, and out-of-favor sectors. The team employs active sector rotation and disciplined risk management to portfolio construction, avoiding interest rate bets, and remaining duration neutral to each strategy's stated benchmark.

SOURCE The Zweig Fund, Inc.

For further information: For Further Information: Shareholder Services, (866) 270-7788, closedendfunds@virtus.com