



Zweig Fund

Market Price	\$12.82
Net Asset Value	\$14.60
Discount to Net Asset Value	-12.19%
Distributions calendar year to date*	\$0.431
Number of Shares Outstanding	21.9m
Total Net Assets	\$319.2m
Total Managed Assets	\$320.2m

Our first distribution, paid in January 2013, is related to the fourth quarter of 2012, and is taxable in 2012.

FUND DATA

Investment Adviser	Zweig Advisers LLC
Dividends:	Quarterly

INVESTMENT PROFESSIONALS

Carlton Neel
Industry start date: 1990
Start date with Fund: 2003

David Dickerson
Industry start date: 1993
Start date with Fund: 2003

INVESTMENT MANAGER OF THE FUND

Zweig Advisers LLC employs a tactical investment strategy that seeks to generate strong returns over market cycles.

INVESTMENT OPPORTUNITY

The fund employs a Growth at a Reasonable Price (GARP) approach, investing primarily in large capitalization companies, placing emphasis on the current income generated by the portfolio's equity securities.

Security selection is driven by a top-down approach using econometric analysis of each sector, followed by a detailed review of securities at an industry group level.

Fundamental analysis within industries is used to identify securities that the portfolio managers believe offer superior return opportunities.

Cash allocations are made opportunistically, based on the asset allocation decisions of the portfolio managers.

FUND DISTRIBUTION AND MANAGED DISTRIBUTION PLAN:

Under the terms of the Fund's managed distribution policy, the Fund seeks 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. A return of capital is not taxable; rather it reduces a shareholder's tax basis in his or her shares of the Fund.

YTD distributions are estimated to be 19.6% net income and 80.4% excess gains taxable as ordinary income.

Please note that the characterization of Fund distributions for federal income tax purposes is different from book accounting generally accepted accounting principles ("GAAP"). The amounts and sources of distributions reported in Section 19(a) notices of the 1940 Act are only estimates and are not being provided for tax reporting purposes. The actual amounts and sources of the amounts for tax reporting purposes will depend upon the Fund's investment experience during the remainder of its fiscal year and may be subject to changes based on tax regulations. It is only after December 31 that we will know the exact source of our distributions. Shareholders should use only the Form 1099-DIV that will be mailed by January 31, to determine the taxability of our distributions.

The Board may amend, suspend or terminate the Managed Distribution Plan without prior notice to shareholders if it deems such action to be in the best interest of the Fund and its shareholders. Contact your financial representative for more information, or email or call Zweig for service at 1-800-272-2700

Information on the Zweig funds is available at www.virtus.com. Pursuant to the requirements of the 1940 Act, a notice will accompany each distribution with respect to the estimated source of the distribution made on a GAAP basis. Section 19(a) notices are posted on the website.

Distribution Rates will vary.

Annualized Performance as of 06/30/2013 (in percent)

	MTD	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception 10/02/1986
NAV	-3.05	8.74	13.83	14.02	3.58	6.24	6.82
Index	-1.34	13.82	20.60	18.45	7.01	7.30	9.99

*MTD, YTD and 1 Year performance is not annualized.

Benchmark life performance is reported from 09/30/1986

Performance data quoted represents past results. Past performance is no guarantee of future results and current performance may be higher or lower than the performance shown. Investment return and principal value will fluctuate so your shares, when redeemed, may be worth more or less than their original cost. Please visit Virtus.com for performance data current to the most recent month-end.

Annual Performance NAV (in percent)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Fund	14.85	10.35	7.90	14.58	8.75	-29.75	23.22	10.36	-1.18	11.41
Index	28.71	10.86	4.93	15.78	5.49	-37.00	26.46	15.06	2.11	16.00

Index: The S&P 500® Index is a free-float market capitalization-weighted index of 500 of the largest U.S. companies. The index is calculated on a total return basis with dividends reinvested. The index is unmanaged, its returns do not reflect any fees, expenses, or sales charges, and is not available for direct investment.

Asset Allocation	% Fund
Cash	2.42
Equity	97.58

Top Ten Holdings	% Fund
Apple Inc.	3.15
MasterCard Inc. Cl A	2.07
BB&T Corp.	2.07
JPMorgan Chase & Co.	2.05
QUALCOMM Inc.	2.03
Gilead Sciences Inc.	1.96
Lear Corp.	1.72
Biogen Idec Inc.	1.71
Blackstone Group L.P.	1.70
PepsiCo Inc.	1.69

IMPORTANT RISK CONSIDERATIONS:
The market price of equity securities may be affected by financial market, industry, or issuer-specific events. Focus on a particular style or on small or medium-sized companies may enhance that risk. The Zweig Fund is a closed-end fund traded on the New York Exchange (Symbol ZF). Shares must be purchased through a professional financial advisor. There is no guarantee that the portfolio will meet its objective. Shares of closed-end investment companies such as the fund trade in the market above, at, and below net asset value. This characteristic is a risk separate and distinct from the risk that the fund's net asset value could decline. The fund is not able to predict whether its shares will trade above, below, or at net asset value in the future

Equity Sector Allocation	% Fund
Financials	18.20
Information Technology	17.51
Industrials	14.26
Energy	13.46
Consumer Discretionary	13.22
Health Care	9.70
Consumer Staples	3.86
Materials	3.81
Telecommunication Services	2.97
Utilities	0.58
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Total	97.58

This portfolio is actively managed and subject to change.

Net Asset Value vs. Market Price

Net Asset Value (NAV) represents the total value of all assets held by the Fund (minus its total liabilities), divided by the total number of common shares outstanding. The net asset value reflects the performance of the manager. Market price is the price at which investors may purchase or sell shares of the Fund on the New York Stock Exchange. Market price is determined in the open market by buyers and sellers, based on supply and demand. The Fund's Market Price fluctuates throughout the day and may differ from its underlying NAV. Shares of the Fund may trade at a premium (higher than) or a discount (lower than) to NAV. The fund has no control over the stock price on the New York Stock Exchange. The difference between the market price and the NAV (Premium/Discount) is expressed as a percentage of NAV. Average annual total return is the annual compound return for the indicated period. It reflects the change in share price and the reinvestment of all dividends and capital gains.