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ZWEIG TOTAL RETURN FUND INC
Form DEF 14A
March 28, 2008

The Zweig Fund, Inc.
The Zweig Total Return Fund, Inc.

900 Third Avenue, New York, New York 10022

April 3, 2008

DEAR SHAREHOLDER:

You are cordially invited to attend the Joint Annual Meeting of Shareholders of The Zweig Fund, Inc. ("ZF") and The Zweig Total Return Fund, Inc. ("ZTR") (collectively, the "Funds") to be held on Tuesday, May 6, 2008, at 10:00 A.M. at the offices of Katten Muchin Rosenman LLP, located at 575 Madison Avenue (between 56th and 57th Streets), 11th Floor, New York, New York.

Details of the business to be presented at the meeting can be found in the accompanying Notice of Annual Meeting and Proxy Statement. This meeting will give you an opportunity to hear a report on the Funds and to discuss other matters of interest to you as a shareholder.

We hope that you will be able to attend the meeting. Whether or not you plan to attend, please complete, date, sign and mail the enclosed proxy card or cards to assure that your shares are represented at the meeting. Please return all proxy cards that you may receive from the Funds.

On behalf of the Boards of Directors of ZF and ZTR, I extend our appreciation for your continued support.

GEORGE R. AYLWARD,
Chairman of the Board and President of
The Zweig Fund, Inc.
The Zweig Total Return Fund, Inc.

The Boards of Directors of ZF and ZTR unanimously recommend that shareholders vote:

FOR the two nominees for election as Directors.

The Zweig Fund, Inc.
The Zweig Total Return Fund, Inc.

900 Third Avenue, New York, New York 10022

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS
MAY 6, 2008

TO THE SHAREHOLDERS:

This Joint Proxy Statement is furnished in connection with the solicitation of proxies on behalf of the Boards of Directors of The Zweig Fund, Inc., a Maryland corporation ("ZF"), and The Zweig Total Return Fund, Inc., a Maryland corporation ("ZTR"), for use at the Joint Annual Meeting of Shareholders to be held at the offices of Katten Muchin Rosenman LLP, located at 575 Madison

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Avenue (between 56th and 57th Streets), 11th Floor, New York, New York, on Tuesday, May 6, 2008 at 10:00 A.M. and at any and all adjournments or postponements thereof (the "Meeting") for the following purposes:

1. ELECT DIRECTORS:

- . With respect to ZF, to elect two Directors to serve until the Annual Meeting of Shareholders in 2011 and until their successors are elected and duly qualify.
- . With respect to ZTR, to elect two Directors to serve until the Annual Meeting of Shareholders in 2011 and until their successors are elected and duly qualify.

2. OTHER BUSINESS:

To transact such other business as may properly come before the Meeting.

Shareholders of record of ZF and/or ZTR at the close of business on March 11, 2008 are entitled to notice of, and will be entitled to vote at, the Meeting. The enclosed Proxy is being solicited on behalf of the Board of Directors.

By Order of the Boards of Directors of
The Zweig Fund, Inc. and
The Zweig Total Return Fund, Inc.
GEORGE R. AYLWARD,
Chairman of the Board and President

New York, New York
April 3, 2008

IMPORTANT:

You are invited to attend the Meeting. Whether or not you plan to attend the Meeting in person, you are requested to complete, date and sign the enclosed proxy card(s) and return it promptly in the envelope provided, which is addressed for your convenience to each Fund of which you are a shareholder and requires no postage if mailed in the United States. Your prompt return of the enclosed proxy card may save the Funds the necessity and expense of further solicitations to assure a quorum at the Meeting. A Proxy will not be required for admission to the Meeting.

The Zweig Fund, Inc.

The Zweig Total Return Fund, Inc.

900 Third Avenue, New York, New York 10022

PROXY STATEMENT
ANNUAL MEETING OF SHAREHOLDERS
MAY 6, 2008

This Joint Proxy Statement is furnished in connection with the solicitation of proxies on behalf of the Boards of Directors of The Zweig Fund, Inc., a Maryland corporation ("ZF"), and The Zweig Total Return Fund, Inc., a Maryland corporation ("ZTR"), for use at the Joint Annual Meeting of Shareholders to be held at 575 Madison Avenue (between 56th and 57th Streets), 11th Floor, New York, New York, on Tuesday, May 6, 2008 at 10:00 A.M., and at any and all adjournments or postponements thereof (the "Meeting"), for the purposes set forth in the accompanying Notice of Annual Meeting dated April 3, 2008.

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The Meeting is scheduled as a joint meeting of the respective shareholders of ZF and ZTR (the "Funds") because the shareholders of both Funds are expected to consider and vote on a similar proposal with respect to the election of Directors. The Boards of Directors of the Funds have determined that the use of a joint proxy statement for the Meeting is in the best interest of the shareholders of both Funds. In the event that any shareholder of a Fund present at the Meeting objects to the holding of a joint meeting and moves for adjournment of such Fund's meeting to immediately after the Meeting, so that such Fund's meeting may be held separately, the persons named as proxies will vote in favor of such adjournment. Shareholders of each Fund will vote separately on the proposal relating to their respective Fund, and an unfavorable vote on a proposal by the shareholders of one Fund will not affect the implementation by the other Fund of such proposal if the shareholders of such other Fund approve the proposal.

If the accompanying form of proxy is properly executed and returned in time to be voted at the Meeting, the shares will be voted in accordance with the instructions marked by the shareholder. Executed ZF proxies that are unmarked will be voted for the election of the two nominees of the ZF Board of Directors as Directors of ZF. Executed ZTR proxies that are unmarked will be voted for the election of the two nominees of the ZTR Board of Directors as Directors of ZTR. A shareholder can revoke the proxy prior to its use by appearing at the

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Meeting and voting in person, by giving written notice of such revocation to the Secretary of the respective Fund prior to the Meeting, or by returning a subsequently dated proxy prior to the Meeting.

The Board of Directors of each Fund has fixed the close of business on March 11, 2008 as the record date for the determination of shareholders of that Fund entitled to notice of and to vote at the Meeting. This Proxy Statement and the accompanying form of proxy will be first sent to shareholders on or about April 3, 2008.

As of the record date, 91,955,558 shares of ZF's common stock were outstanding, and 114,594,744 shares of ZTR's common stock were outstanding. To the best of each Fund's knowledge, no person beneficially owns more than five percent of the outstanding shares of that Fund's common stock.

The annual report of each Fund for the year ended December 31, 2007, including financial statements, has been mailed to shareholders of record of that Fund at the close of business on that date, and to persons who became shareholders of record between that time and the close of business on March 11, 2008.

Each Fund will furnish, without charge, a copy of the Fund's December 31, 2007 Annual Report to any shareholder who requests it by contacting the Fund's Administrator, Phoenix Equity Planning Corporation, 56 Prospect Street, P.O. Box 150480, Hartford, Connecticut 06115-0480, Attention: Shareholder Services; Toll-free telephone number 1-800-272-2700.

PROPOSAL 1 ELECTION OF DIRECTORS

The members of the Board of Directors of ZF and ZTR are divided into three classes, with the term of office of one class expiring each year. At the forthcoming Annual Meeting, two ZF and two ZTR Directors will be elected to serve a three-year term (until the third succeeding Annual Meeting in 2011 and

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until their successors are elected and duly qualify). Unless authority to vote for the election of Directors is withheld, the enclosed proxy will be voted for the election of the nominees named below, who have indicated their intention to serve if elected. While management has no reason to believe that the nominees will not be available as candidates, should such a situation arise, proxies may be voted for the election of such other persons as a Director as the holders of the proxies may, in their discretion, determine.

Each Fund's Board of Directors has appointed a Nominating Committee which makes annual recommendations as to the individuals to be nominated by the Fund's Board of Directors for election as Directors at the forthcoming Annual Meeting and recommends to the

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Board candidates for election by the Board of Directors to fill any vacancies in the Board of Directors, including those resulting from an increase in the number of Directors. Each Fund's Nominating Committee consists of three Directors who are not "interested persons" (as defined in the Investment Company Act of 1940, as amended (the "Act")) of the Fund, Phoenix/Zweig Advisers LLC, the Funds' investment adviser (the "Adviser") or Zweig Consulting LLC (the "Sub-Adviser").

Based on the recommendations made by ZF's Nominating Committee at its meeting held on February 12, 2008, the Board of Directors of ZF has nominated Wendy Luscombe and R. Keith Walton, who are presently Directors of ZF, for re-election to the ZF Board, to serve until the third succeeding Annual Meeting in 2011 and until their successors are elected and duly qualify. Based on the recommendations made by ZTR's Nominating Committee at its meeting held on February 12, 2008, the Board of Directors of ZTR has nominated Wendy Luscombe and R. Keith Walton, who are presently Directors of ZTR, for re-election to the ZTR Board, to serve until the third succeeding Annual Meeting in 2011 and until their successors are elected and duly qualify.

Background information with respect to the current Directors appears below.

Unless otherwise noted, the address of each individual is 900 Third Avenue, New York, NY 10022.

Name, Address, Age and Position(s) with Funds	Term of Office and Length of Time Served	Number of Portfolios in Fund Complex Overseen by Director	Principal Occupation(s) During Past 5 Years and Other Directorships Held
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DISINTERESTED DIRECTORS

Charles H. Brunie YOB: 1930 Director	Term: Until 2009. Served since: 1998 for ZF and 1988 for ZTR.	2	Chairman, Brunie Associates (investments) (since April 2001); Oppenheimer Capital (1969-2000), Chairman (1980-1990), Chairman Emeritus (1990-2000); Chairman Emeritus, Board of Trustees, Manhattan
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Institute (since 1990);
Trustee, Milton and Rose
D. Friedman Foundation for
Vouchers (since 1999);
Trustee, Hudson Institute
(since 2002); Chairman of
the Board, American
Spectator (since 2002);
Chartered Financial
Analyst (since 1969).

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Name, Address, Age and Position(s) with Funds	Term of Office and Length of Time Served	Number of Portfolios in Fund Complex Overseen by Director	Principal Occupation(s) During Past 5 Years and Other Directorships Held
Wendy Luscombe YOB: 1951 Director	Term: Until 2008. Served since: 2002 for ZF and ZTR.	2	Co-lead Independent Director of The Zweig Total Return Fund, Inc. and of The Zweig Fund, Inc. (since 2006); Principal, WKL Associates, Inc. (private investor and consultant) (since 1994); Fellow, Royal Institution of Chartered Surveyors; Member, Chartered Institute of Arbitrators; Director, Endeavour Real Estate Securities, Ltd. REIT Mutual Fund (2000-2005); Director, PXRE, Corp. (reinsurance) (1994-2007); Member and Chairman of Management Oversight Committee, Deutsche Bank Real Estate Opportunity Fund 1A and 1B (since 2003); Trustee, Acadia Realty Trust (since 2004); Member of National Association of Corporate Directors Teaching Facility (since 2007).
Alden C. Olson YOB: 1928 Director	Term: Until 2010. Served since: 1996 for ZF and ZTR.	2	Chairman of the Audit Committee of The Zweig Total Return Fund, Inc. and of The Zweig Fund, Inc.; Currently retired; Chartered Financial

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Analyst (since 1964);
 Professor of Financial
 Management, Investments
 at Michigan State
 University (1959 to 1990).

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Name, Address, Age and Position(s) with Funds	Term of Office and Length of Time Served	Number of Portfolios in Fund Complex Overseen by Director	Principal Occupation(s) During Past 5 Years and Other Directorships Held
James B. Rogers, Jr. YOB: 1942 Director	Term: Until 2009. Served since: 1986 for ZF and 1988 for ZTR.	2	Private investor (since 1980); Chairman, Beeland Interests (Media and Investments) (since 1980); Regular Commentator on Fox News (2002-2007); Author of "Investment Biker: On the Road with Jim Rogers" (1994), "Adventure Capitalist" (2003), "Hot Commodities" (2004); and "A BULL IN CHINA" (2007); Director, Levco Series Trust (1996- 2006).
R. Keith Walton YOB: 1964 Director	Term: Until 2008. Served since: 2004 for ZF and ZTR.	2	Co-lead Independent Director of The Zweig Total Return Fund, Inc. and of The Zweig Fund, Inc. (since 2006); Principal and Chief Administrative Officer, Global Infrastructure Partners (since 2007); Director, Blue Crest Capital Management Funds (since 2006); Executive Vice President and Secretary (1996-2007) of the University at Columbia University; Director (since 2002), Member, Executive Committee (since 2002), Chair, Audit Committee (since 2003), Apollo Theater Foundation, Inc.; Director, Orchestra of St. Luke's (since 2000); Vice President and Trustee, The Trinity Episcopal School

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Corporation (since 2003);
Member (since 1997),
Nominating and
Governance Committee
Board of Directors (since
2004), Council on Foreign
Relations.

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Name, Address, Age and Position(s) with Funds	Term of Office and Length of Time Served	Number of Portfolios in Fund Complex Overseen by Director	Principal Occupation(s) During Past 5 Years and Other Directorships Held

INTERESTED DIRECTOR*			
George R. Aylward 56 Prospect Street Hartford, CT 06115 YOB: 1964 Director, Chairman of the Board and President	Term: Until 2010. Served since: 2006 for ZF and ZTR.	2	Senior Executive Vice President and President, Asset Management (since 2007), Senior Vice President and President, Asset Management (since 2007), Senior Vice President and Chief Operating Officer, Asset Management (2004- 2007); Vice President (2001- 2004), The Phoenix Companies, Inc.; Director and President (2006- present), Chief Operating Officer (2004-present), Executive Vice President (2004-2006), Vice President, Finance (2001-2002), Phoenix Investment Partners, Ltd.; Various senior officer and directorship positions with Phoenix affiliates; President (2006-present), Executive Vice President, (2004-2006), the Phoenix Funds Family; Chairman, President and Chief Executive Officer, The Zweig Fund, Inc. and The Zweig Total Return Fund, Inc. (2006-present).

Position(s) with
the Funds and

Principal Occupation(s)

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Name, Address and Age	Length of Time Served	During Past 5 Years and Other Directorships Held
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OFFICERS WHO ARE NOT DIRECTORS**

Carlton Neel YOB: 1967	Executive Vice President since: 2003 for ZF and ZTR.	Senior Vice President and Portfolio Manager, Phoenix/Zweig Advisers LLC (since 2003); Managing Director and Co-Founder, Shelter Rock Capital Partners, LP (2002-2003); Senior Vice President and Portfolio Manager, Phoenix/Zweig Advisers LLC (1995-2002); Vice President, JP Morgan & Co. (1990-1995).
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Name, Address and Age	Position(s) with the Funds and Length of Time Served	Principal Occupation(s) During Past 5 Years and Other Directorships Held
David Dickerson YOB: 1967	Senior Vice President since: 2003 for ZF and ZTR.	Senior Vice President and Portfolio Manager, Phoenix/Zweig Advisers LLC (since 2003); Managing Director and Co-Founder, Shelter Rock Capital Partners, LP (2002-2003); Vice President and Portfolio Manager, Phoenix/Zweig Advisers LLC (1993-2002).
Marc Baltuch YOB: 1945	Vice President and Chief Compliance Officer since: 2004 for ZF and ZTR.	Chief Compliance Officer of Phoenix/Zweig Advisers LLC (since 2004); President and Director of Watermark Securities, Inc. (since 1991); Secretary of Phoenix-Zweig Trust (1989-2003); Secretary of Phoenix-Euclid Market Neutral Fund (1998-2002); Assistant Secretary of Gotham Advisors, Inc. (1990-2005); Chief Compliance Officer of the Zweig Companies (since 1989) and of the Phoenix Funds Complex (since 2004).
Kevin J. Carr One American Row Hartford, CT 06102 YOB: 1954	Secretary and Chief Legal Officer since: 2005 for ZF and ZTR.	Vice President and Counsel, Phoenix Life Insurance Company (since 2005); Vice President, Counsel, Chief Legal Officer and Secretary, certain Funds within Phoenix Fund Complex (since 2005); Compliance Officer of Investments and Counsel, Travelers Life and Annuity Company (January 2005-May 2005); Assistant General

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Counsel, The Hartford Financial Services Group (1999-2005).

Moshe Luchins YOB: 1971	Vice President since: 2004 for ZF and ZTR.	Associate Counsel (1996-2005), Associate General Counsel (since 2006) of the Zweig Companies.
Nancy Curtiss 56 Prospect Street Hartford, CT 06115 YOB: 1952	Treasurer since: 2003 for ZF and ZTR.	Vice President, Head of Operations, Phoenix Investment Partners (since 2007); Vice President, Operations (2003-2007); Vice President, Fund Accounting (1994-2003), Treasurer (1996-2003); Phoenix Equity Planning Corporation. Treasurer, multiple funds in the Phoenix Fund Complex (1994-2006).

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Name, Address and Age	Position(s) with the Funds and Length of Time Served	Principal Occupation(s) During Past 5 Years and Other Directorships Held
Jacqueline Porter 56 Prospect Street Hartford, CT 06115 YOB: 1958	Vice President and Assistant Treasurer since: 2006 for ZF and ZTR.	Assistant Vice President, Fund Administration and Tax, Phoenix Equity Planning Corporation (since 1995); Vice President and Assistant Treasurer, multiple funds in the Phoenix Fund Complex (since 1995).

* Director considered to be an "interested person," as that term is defined in the Act. George R. Aylward is considered an interested person because, among other things, he is an officer of the Funds.

** The Term of each Officer expires immediately following the 2008 Annual Meeting of Shareholders. The Board considers reappointments annually.

Compensation of Directors and Officers

During the year ended December 31, 2007, ZF paid Directors' fees aggregating \$137,000 and ZTR paid Directors' fees aggregating \$129,500 to the Directors who were not interested persons of the Funds or the Adviser. For the year ended December 31, 2007, each Fund paid each Director who is not an interested person of such Fund or the Adviser an annual fee of \$10,000 and a fee of \$1,500 for attendance at each meeting of the Board of Directors or a committee of the Board. Effective January 1, 2008, each Fund pays each Director who is not an interested person of such Fund or the Adviser an annual fee of \$11,000 and a fee of \$1,500 for attendance at each meeting of the Board of Directors or a committee of the Board. In addition, as of January 1, 2008, each Fund pays its Audit Committee Chairman a \$10,000 annual retainer. Each Fund also reimburses its Directors for their actual out-of-pocket expenses relating to attendance at such meetings.

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Set forth below is the compensation paid by ZF and ZTR to current Directors for the year ended December 31, 2007. The Funds do not pay any pension or retirement benefits to their Directors.

COMPENSATION TABLE

Name of Person, Position	Aggregate Compensation From the Fund	Pension or Retirement Benefits as Part of Fund Expenses	Estimated Annual Benefits Upon Retirement	Total Compensation From the Fund and Fund Complex Paid to Directors
Charles H. Brunie -- Director	ZF-\$20,500 ZTR-\$20,500	\$0	\$0	\$41,000
Wendy Luscombe -- Director	ZF-\$37,000 ZTR-\$34,000	\$0	\$0	\$71,000
Alden C. Olson -- Director	ZF-\$22,000 ZTR-\$20,500	\$0	\$0	\$42,500

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Name of Person, Position	Aggregate Compensation From the Fund	Pension or Retirement Benefits as Part of Fund Expenses	Estimated Annual Benefits Upon Retirement	Total Compensation From the Fund and Fund Complex Paid to Directors
James B. Rogers, Jr. -- Director	ZF-\$20,500 ZTR-\$20,500	\$0	\$0	\$41,000
R. Keith Walton -- Director	ZF-\$37,000 ZTR-\$34,000	\$0	\$0	\$71,000
George R. Aylward -- Interested Director and President	ZF-\$0 ZTR-\$0	\$0	\$0	\$0

Director Ownership of Securities

Set forth in the table below is the dollar range of equity securities of the Funds owned by each Director as of December 31, 2007.

Aggregate Dollar Range of
Fund Ownership in all

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Name of Director	Dollar Range of Equity Securities in the Fund (1)	Funds Overseen by Director in Family of Investment Companies (2)
Charles H. Brunie	ZF-Over \$100,000 ZTR-Over \$100,000	Over \$100,000
Wendy Luscombe	ZF-\$10,001-\$50,000 ZTR-\$10,001-\$50,000	\$10,001-\$50,000
Alden C. Olson	ZF-\$10,001-\$50,000 ZTR-\$10,001-\$50,000	\$10,001-\$50,000
James B. Rogers, Jr.	ZF-\$10,001-\$50,000 ZTR-\$1-\$10,000	\$10,001-\$50,000
R. Keith Walton	ZF-\$10,001-\$50,000 ZTR-\$10,001-\$50,000	\$10,001-\$50,000 - By Self \$50,001-\$100,000 (3)
George R. Aylward	ZF-\$1-\$10,000 ZTR-\$1-\$10,000	\$1-\$10,000

(1) The information as to beneficial ownership is based on statements furnished to each Fund by its Directors and reflects ownership as of December 31, 2007. Except as otherwise indicated, each person has sole voting and investment power with respect to the shares owned by him or her. The Directors and officers of the Funds, as a group, beneficially own less than 1% of the outstanding shares of each Fund.

(2) Pursuant to the Proxy Rules, ZF and ZTR are the only funds in the "Family of Investment Companies."

(3) This includes shares held by Mr. Walton's wife. Mr. Walton disclaims beneficial ownership of such securities held indirectly, and this shall not be deemed an admission that Mr. Walton is the beneficial owner of such securities.

Committees and Board of Directors' Meetings

Audit Committee Report

Each Fund's Board of Directors has appointed a standing Audit Committee. The ZF Board of Directors has adopted a written charter for the Audit Committee which is available on the Adviser's website at - http://www.phoenixinvestments.com/phxinv/Individual/Products/Closed_End_Funds/Zweig/ZF_Audit_Committee_Charter.pdf. The ZTR Board of Directors has adopted a written charter for the Audit Committee which is available on the Adviser's website at - http://www.phoenixinvestments.com/phxinv/Individual/Products/Closed_End_Funds/Zweig/ZTR_Audit_Committee_Charter.pdf. The purposes of each Board's Audit Committee are set forth in the Audit Committee Charter. In brief, the role of each Board's Audit Committee is to assist the Board of Directors in its oversight of the respective Fund's financial reporting

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process. As set forth in the Charter of each Board's Audit Committee, management of each Fund is responsible for the preparation, presentation and integrity of the Fund's financial statements, the Fund's accounting and financial reporting principles and internal controls and procedures designed to assure compliance with accounting standards and applicable laws and regulations. The independent registered public accounting firm for each Fund is responsible for auditing that Fund's financial statements and expressing an opinion as to their conformity with generally accepted accounting principles.

In the performance of its oversight function, each Audit Committee has considered and discussed the audited financial statements with management and the independent registered public accounting firm of the Fund. Each Audit Committee also has discussed with the independent registered public accounting firm the matters required to be discussed by Statement on Auditing Standards No. 61, "Communication with Audit Committees," as currently in effect. Each Audit Committee also has considered whether the provision by the Fund's independent registered public accounting firm of non-audit services to the Fund, and of professional services to the Adviser and affiliates of the Adviser that provide services to the Fund, is compatible with maintaining the independent registered public accounting firm's independence. Finally, each Audit Committee has received the written disclosures and the letter from the independent registered public accounting firm required by Independence Standards Board Standard No. 1, "Independence Discussions with Audit Committees," and has discussed with the independent registered public accounting firm the independence of that independent registered public accounting firm.

The members of each Audit Committee are not professionally engaged in the practice of auditing or accounting and are not experts in

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the fields of accounting or auditing or evaluating auditor independence. The Board of Directors of each Fund has determined that Wendy Luscombe is an "audit committee financial expert," as defined under Regulation S-K, Item 407(d). The Securities and Exchange Commission has stated that the designation or identification of a person as an audit committee financial expert does not impose on such person any duties, obligations or liability that are greater than the duties, obligations and liability imposed on such person as a member of the Audit Committee and the Board of Directors in the absence of such designation or identification. Each Audit Committee is in compliance with the New York Stock Exchange requirements applicable to closed-end fund audit committees, including the requirement that all members of the audit committee be "financially literate" and that at least one member of the audit committee have "accounting or related financial management expertise," as determined by the Board. Members of each Audit Committee rely without independent verification on the information provided to them and on the representations made by management and the independent registered public accounting firm. Accordingly, each Audit Committee's oversight does not provide an independent basis to determine that management has maintained appropriate accounting and financial reporting principles or appropriate internal controls and procedures designed to assure compliance with accounting standards and applicable laws and regulations. Furthermore, an Audit Committee's considerations and discussions referred to above do not assure that the audit of a Fund's financial statements have been carried out in accordance with generally accepted auditing standards, that the financial statements are presented in accordance with generally accepted accounting principles or that the Fund's independent registered public accounting firm is in fact "independent."

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Based upon the reports and discussions described in this report, and subject to the limitations on the role and responsibilities of the Audit Committees referred to above and in the Audit Committee Charters, each Audit Committee recommended to its Board of Directors that the audited financial statements of the applicable Fund be included in the Fund's annual report to shareholders for the year ended December 31, 2007. The members of each Audit Committee, Messrs. Brunie, Olson, Rogers and Walton and Ms. Luscombe, are "independent" within the meaning of the Act and the New York Stock Exchange corporate governance standards for audit committees applicable to closed-end funds.

Alden C. Olson
Charles H. Brunie
Wendy Luscombe
James B. Rogers, Jr.
R. Keith Walton

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Nominating Committee

Messrs. Brunie, Olson and Rogers, each of whom is not an interested person of the Funds, are members of the Nominating Committee of each Board of Directors. Each Fund's Board of Directors has adopted a written charter for its Nominating Committee, which is available on the Adviser's website at - http://www.phoenixinvestments.com/phxinv/Individual/Products/Closed_End_Funds/Zweig/Nominating_Committee_Charter.pdf. Each Nominating Committee considers candidates for election to fill vacancies on the Fund's Board of Directors.

Director nominees are identified based on persons known to the Boards of Directors or the Nominating Committees and any persons recommended to the Nominating Committees by shareholders or industry sources. Any recommendations made by shareholders or industry sources must be accompanied by a biography of the recommended candidate and should be submitted in writing to the principal executive office of the Funds, located at 900 Third Avenue, New York, New York 10022, addressed to the Secretary of the Funds. For more information, see "Additional Information: Proposals for 2009 Meeting."

Nominees are evaluated based on the criteria described below. The evaluation process does not depend on the source of the recommendation. It is expected that all candidates for the Board will possess the following minimum qualifications: (i) unquestioned personal integrity; (ii) sound business judgment; and (iii) the commitment required to be an effective director, including, without limitation, the ability to attend meetings regularly. The Nominating Committee takes into consideration such other factors as it deems appropriate. Except as provided above, in nominating candidates, each Nominating Committee does not believe that certain qualifications are controlling or paramount or that specific qualifications or skills are necessary for a candidate to possess. Each Nominating Committee may determine that a candidate who does not have all the qualifications referred to above should nevertheless be considered as a nominee if the Nominating Committee finds that the candidate's qualifications, taken as a whole, demonstrate an equivalent level of qualification to serve as a director.

Board of Directors' and Standing Committees' Meetings

The Board of Directors also has an Executive Committee, consisting of Wendy Luscombe and R. Keith Walton, each of whom is not an interested person of the Funds. The Executive Committee of the Board of Directors of each Fund, in the

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intervals between meetings of the Board of Directors, has all the authority of such Board of Directors,

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except as otherwise provided by that Fund's Articles of Incorporation, By-Laws or applicable law; provided, however, that the Executive Committee shall not exercise its authority in a manner inconsistent with any action, direction, or instruction of the Board of Directors.

The ZF Board of Directors held five meetings and the ZTR Board of Directors held four meetings during the year ended December 31, 2007. Each Fund's Nominating Committee held one meeting during the year ended December 31, 2007 and met on February 12, 2008, at which time each Nominating Committee recommended the nominees for election to the Board. Each Fund's Audit Committee held two meetings during the year ended December 31, 2007. The Executive Committee held ten meetings for ZTR and eleven meetings for ZF during the year ended December 31, 2007. All of the Directors attended at least 75% of the total number of Board meetings, and his or her respective committee meetings, held during the year ended December 31, 2007.

Shareholder Communications

Any shareholder that wishes to communicate with the Boards of Directors or a specific Director may do so by submitting correspondence in writing to the principal executive office of the Funds, located at 900 Third Avenue, New York, New York 10022, specifying the intended addressee. Shareholder communications addressed to the Boards of Directors will be forwarded promptly after receipt to George R. Aylward, President of the Funds, for review. Mr. Aylward will review each such communication in order to determine whether the communication should be relayed directly to each Board member. Shareholder communications that Mr. Aylward determines involve routine matters will be forwarded to the Funds' Administrator and/or officers of the Funds for review and response, and Mr. Aylward will report to the full Board, as appropriate, on the nature and substance of such communications. Shareholder communications that Mr. Aylward determines involve non-routine matters will be forwarded to each member of the Board for review. Shareholder communications addressed to a specific Director will be forwarded to the addressee promptly upon receipt.

It is the Funds' policy that all Directors attend the annual shareholders meeting, if reasonably possible. All of the directors attended the joint annual meeting of ZF and ZTR in 2007.

The Boards of Directors of ZF and ZTR recommend that shareholders vote FOR the re-election of the nominees.

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INVESTMENT ADVISER, ADMINISTRATOR AND SUB-ADVISER

Phoenix/Zweig Advisers LLC, the Adviser, serves as the investment adviser for ZF and ZTR. The Adviser's principal business office is located at 900 Third Avenue, New York, New York 10022. All of the Adviser's outstanding equity interests are directly owned by Phoenix Investment Partners, Ltd. ("PXP"), the wholly-owned investment management subsidiary of The Phoenix Companies, Inc. ("PNX") of Hartford, Connecticut. PNX is a leading provider of wealth management products and services to individuals and businesses. PNX is located at One American Row, Hartford, Connecticut, 06115-2520.

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PXP has served investors for over 70 years. As of December 31, 2007, PXP had approximately \$55.5 billion in assets under management. PXP's money management is provided by affiliated investment advisers, as well as through subadvisory arrangements with outside managers, each specializing in particular investment styles and asset classes. In February 2008, PXP announced that it intends to spin off PXP by the end of the third quarter of 2008.

Phoenix Equity Planning Corporation (the "Administrator") serves as the administrator for ZF and ZTR. The Administrator's principal business office is located at 56 Prospect Street, P.O. Box 150480, Hartford, Connecticut 06115-0480. All of the Administrator's outstanding equity interests are owned by PXP.

Zweig Consulting LLC, the Sub-Adviser, which serves as the sub-adviser for ZF and ZTR, provides asset allocation services to the Adviser. Dr. Martin E. Zweig is the President and owner of the Sub-Adviser. The Sub-Adviser's principal business office is located at 900 Third Avenue, New York, New York 10022. The Sub-Adviser's fees are paid by the Adviser.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934 and Section 30(h) of the Act require, among other persons, the officers and Directors of the Funds and the Adviser to file reports of ownership and changes in ownership of the shares of common stock of the Funds with the Securities and Exchange Commission and the New York Stock Exchange. The Securities and Exchange Commission's regulations also require such reporting persons to furnish each Fund with copies of all Section 16(a) forms they file. Based on its review of these reports and on written representations from the reporting persons that no other reports were required, each Fund believes that, during the year ended December 31, 2007, such reporting persons were in compliance with all Section 16(a) and Section 30(h) reporting requirements applicable to them.

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INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

At the recommendation of the Audit Committees of the Funds, the Board of Directors of each Fund, including a majority of the Directors who are not interested persons of such Fund, has selected the firm of PricewaterhouseCoopers LLP ("PwC") to serve as the independent registered public accounting firm of each Fund for the year ending December 31, 2008. A representative of PwC is expected to be present at the Meeting and will have the opportunity to make a statement if he or she so desires and to respond to questions from shareholders.

The aggregate fees billed for services rendered by PwC during the years ended December 31, 2006 and 2007, respectively, are described below.

Audit Fees

The aggregate fees billed by PwC to ZF in connection with the annual audit of ZF's financial statements for the fiscal years ended December 31, 2006 and 2007 were \$32,600 and \$32,600, respectively. The aggregate fees billed by PwC to ZTR in connection with the annual audit of ZTR's financial statements for the fiscal years ended December 31, 2006 and 2007 were \$32,600 and \$32,600, respectively.

Audit-Related Fees

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The fees billed by PwC to ZF for the fiscal years ended December 31, 2006 and December 31, 2007 for any audit-related services were \$1,000 and \$6,150, respectively. The fees billed by PwC to ZTR for the fiscal years ended December 31, 2006 and December 31, 2007 for any audit-related services were \$1,000 and \$6,150, respectively. These fees are related to the review of the Funds' semi-annual financial statements and matters related to the Funds' 2007 rights offerings and Financial Accounting Standards Board Interpretation (FIN) 48.

The aggregate fees billed by PwC to ZF for the fiscal years ended December 31, 2006 and 2007 in connection with tax review, compliance and advice were approximately \$5,025 and \$4,600, respectively. The aggregate fees billed by PwC to ZTR for the fiscal years ended December 31, 2006 and 2007 in connection with tax review, compliance and advice were approximately \$5,025 and \$4,600, respectively. These fees were related to determination of federal and excise taxes for the Funds.

All Other Fees

The fees billed by PwC to ZF for the fiscal years ended December 31, 2006 and December 31, 2007 for other services were \$907

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and \$1,250, respectively. The fees billed by PwC to ZTR for the fiscal years ended December 31, 2006 and December 31, 2007 for other services were \$906 and \$1,250, respectively. These fees relate to expenses for travel to meetings of the Board of Directors.

Aggregate Non-Audit Fees

The aggregate non-audit fees billed by PwC for services rendered to the Funds, the Adviser, and any entity controlling, controlled by, or under common control with the Adviser that provides ongoing services to the Funds for the fiscal years ended December 31, 2006 and 2007 were \$13,863 and \$16,500, respectively.

Each Audit Committee considered whether the non-audit services rendered to the Adviser or an affiliate of the Adviser that provides ongoing services to either Fund were compatible with maintaining the independence of PwC. The Audit Committees pre-approve: (i) all audit and non-audit services to be rendered to the respective Fund by PwC; and (ii) all non-audit services relating to the operations and financial reporting of the respective Fund provided by PwC to the Adviser or any affiliate thereof that provides ongoing services to the respective Fund (collectively, "Covered Services"). Each Audit Committee has adopted pre-approval procedures authorizing a member of the Audit Committee to pre-approve from time to time, on behalf of the Audit Committee, all Covered Services to be provided by PwC which are not otherwise pre-approved at a meeting of the Audit Committee, provided that such delegate reports to the full Audit Committee at its next meeting. The pre-approval procedures do not include delegation of the Audit Committee's responsibilities to management. Pre-approval has not been waived with respect to any of the services described above since the date on which the Audit Committee adopted its current pre-approval procedures.

ADDITIONAL INFORMATION

Other Matters

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The Boards of Directors of the Funds know of no matters to be presented at the Meeting other than those specified in the accompanying Notice of Annual Meeting. However, if any other matter is properly presented before the Meeting, it is the intention of the persons named as proxies to vote in accordance with their best judgment.

Expenses

The Funds will bear the expense of the Meeting, including preparation, printing and mailing of the enclosed form of proxy and

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accompanying Notice of Annual Meeting and this Proxy Statement. Each Fund will bear one half of such expenses. Each Fund, upon request, will reimburse banks, brokers and others for their reasonable expenses in forwarding proxy solicitation material to the beneficial owners of that Fund's common stock. In order to obtain the necessary quorum at the Meeting, supplementary solicitation may be made by mail, telephone or personal interviews by officers or employees of the Funds and/or Adviser, or their affiliates.

Vote Required

The election of Directors for each Fund requires a plurality of the votes cast at the Meeting by the shareholders of such Fund. The following principles of Maryland law apply to the voting of shares of common stock at the Meeting. The presence in person or by proxy of shareholders entitled to vote a majority of the outstanding shares will constitute a quorum. Shares represented by proxy or in person at the Meeting, including shares represented by proxies that reflect abstentions and broker non-votes (hereinafter defined), will be counted as present in the determination of a quorum. With respect to the election of directors, an abstention does not constitute a vote "for" or "against" and will be disregarded in calculating the votes cast as to such matter, and "broker non-votes" (i.e., where a broker or nominee submits a proxy specifically indicating the lack of discretionary authority to vote on a matter) will be treated in the same manner as abstentions. It is anticipated that votes will be tabulated by Computershare Trust Company, NA, the Funds' transfer agent.

Proposals for 2009 Meeting

Each Fund's Amended and Restated Bylaws contains an advance notice provision, which requires that the respective Fund be given advance notice of shareholder nominations for election to the Board of Directors and of other matters which shareholders wish to present for action at an annual meeting of shareholders, other than matters included in that Fund's proxy statement in accordance with Rule 14a-8 under the Securities Exchange Act of 1934. Any notice of shareholder nominations for election to the Board of Directors or notice of other matters which shareholders wish to present at the ZF or ZTR 2009 Annual Meeting of Shareholders must be received at such Fund's principal executive offices not less than ninety (90) days nor more than one hundred and twenty (120) days before the date in the then current year corresponding to the date on which such Fund first mailed its proxy materials for the annual meeting held in the prior year; provided, however, that in the event that the date of the annual meeting for such Fund is advanced by more than thirty (30) days or delayed by more than sixty (60) days from the first anniversary of the preceding year's annual

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would possess if personally present in accordance with the instructions on the reverse side of this proxy.

WHEN THIS PROXY IS PROPERLY EXECUTED, THE SHARES REPRESENTED HEREBY WILL BE VOTED AS SPECIFIED. IF NO SPECIFICATION IS MADE, THIS PROXY WILL BE VOTED FOR THE ELECTION OF ALL NOMINEES AS DIRECTORS AND IN DISCRETION OF THE PROXIES WITH RESPECT TO ALL OTHER MATTERS WHICH MAY PROPERLY COME BEFORE THE MEETING AND ANY ADJOURNMENTS THEREOF. THE UNDERSIGNED ACKNOWLEDGES RECEIPT OF THE ACCOMPANYING NOTICE OF ANNUAL MEETING AND PROXY STATEMENT.

(Continued, and to be signed and dated on the reverse side.)

Please mark boxes[] or[] in blue or black ink.

1. GRANTING[] WITHHOLDING[] authority to vote for the election as directors of all the nominees listed below: R. Keith Walton and Wendy Luscombe.

(Instructions: To withhold authority to vote for any individual nominee, strike a line through the nominee's name.)

2. In their discretion, on such other matters as may properly come before the meeting and any adjournments thereof.

Please sign exactly as name or names appears on this proxy. If stock is held jointly, each holder should sign. If signing as attorney, trustee, executor, administrator, custodian, guardian or corporate officer, please give full title.

Dated _____, 2008

Signature

Signature

Sign, Date and Return the Proxy Card Promptly Using the Enclosed Envelope.