

ZWEIG TOTAL RETURN FUND INC
Form DEF 14A
April 08, 2014

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the

Securities Exchange Act of 1934

(Amendment No.)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to §240.14a-12

The Zweig Total Return Fund, Inc.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

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(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

.. Fee paid previously with preliminary materials.

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(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

The Zweig Fund, Inc.
The Zweig Total Return Fund, Inc.
101 Munson Street, Greenfield, MA 01301-9683

NOTICE OF JOINT ANNUAL MEETING OF SHAREHOLDERS

MAY 13, 2014

TO THE SHAREHOLDERS:

This Combined Proxy Statement is furnished in connection with the solicitation of proxies on behalf of the Boards of Directors of The Zweig Fund, Inc. ("ZF") and The Zweig Total Return Fund, Inc. ("ZTR"), each a Maryland corporation, for use at the Joint Annual Meeting of Shareholders to be held at the offices of Virtus Investment Partners, Inc., 100 Pearl Street, 2nd Floor, Hartford, Connecticut 06103, on Tuesday, May 13, 2014 at 10:00 A.M. Eastern Time, and at any and all adjournments or postponements thereof (the "Meeting"), for the following purposes:

1.

• ELECT DIRECTORS:

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- With respect to both ZF and ZTR, to elect two Directors to serve until the Annual Meeting of Shareholders in 2017, or until their successors are duly elected and qualified ("Proposal 1").

2.

• OTHER BUSINESS:

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- In the discretion of the proxies with respect to such other business as may properly come before the Meeting.

THE BOARD OF DIRECTORS ("THE BOARD") OF EACH FUND, INCLUDING THE INDEPENDENT DIRECTORS, RECOMMENDS THAT YOU VOTE "FOR" THE ELECTION OF THE DIRECTOR NOMINEES IDENTIFIED IN PROPOSAL 1.

The close of business on March 24, 2014 has been fixed as the record date for the determination of shareholders entitled to notice of, and to vote at, the Meeting. The enclosed Proxy is being solicited on behalf of the Board of Directors of the Fund named therein.

Hartford, Connecticut
April 8, 2014

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

IMPORTANT: Shareholders are cordially invited to attend the Meeting. In order to avoid delay and additional expense, and to assure that your shares are represented, please vote as promptly as possible, even if you plan to attend the Meeting. Please refer to the website and telephone number indicated on your proxy card for instructions on how to cast your vote. To vote by telephone, please call the toll-free number located on your proxy card and follow the recorded instructions, using your proxy card as a guide. To vote by mail, please complete, sign, date, and mail the enclosed proxy card. No postage is required if you use the accompanying envelope to mail the proxy card in the United States. The proxy is revocable and will not affect your right to vote in person if you attend the Meeting and elect to vote in person.

The Zweig Fund, Inc.
The Zweig Total Return Fund, Inc.
101 Munson Street, Greenfield, MA 01301-9683
PROXY STATEMENT
JOINT ANNUAL MEETING OF SHAREHOLDERS
MAY 13, 2014

This Combined Proxy Statement is furnished in connection with the solicitation of proxies on behalf of the Boards of Directors (each a "Board") of The Zweig Fund, Inc. ("ZF") and The Zweig Total Return Fund, Inc. ("ZTR"), each a Maryland corporation, for use at the Joint Annual Meeting of Shareholders to be held at the offices of Virtus Investment Partners, Inc., 100 Pearl Street, 2nd Floor, Hartford, Connecticut 06103, on Tuesday, May 13, 2014 at 10:00 A.M. Eastern Time, 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 8, 2014.

The Meeting is scheduled as a joint meeting of the respective shareholders of ZF and ZTR (collectively, the "Funds" and each a "Fund") because the shareholders of both Funds are expected to consider and vote on similar proposals with respect to the election of Directors. Each Board has determined that the use of a combined 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 other Fund's 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(s) 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 represented will be voted in accordance with the instructions marked by the shareholder. Except for broker non-votes (as discussed below), executed proxies that are unmarked will be voted "FOR" any proposal for which no instruction is given. A shareholder can revoke the proxy prior to its use by appearing at the 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.

Shareholders may vote their shares by touchtone telephone or by Internet by following the instructions on the proxy card accompanying this Combined Proxy Statement. The Internet procedures are designed to authenticate a shareholder's identity, to allow shareholders to vote their shares and to confirm that their instructions have been properly recorded. To vote by Internet or by touchtone telephone, shareholders can access the website or call the toll-free number listed on the proxy card. To vote by touchtone telephone or by Internet, shareholders will need to input a control number, which appears on the proxy card.

The Board of each Fund has fixed the close of business on March 24, 2014 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 are being first sent to shareholders on or about April 8, 2014. In accordance with the rules of the Securities and Exchange Commission ("SEC"), we are advising our shareholders of the availability on the Internet of our proxy materials related to the Meeting. These rules allow companies to provide access to proxy materials in one of two ways. Because we have elected to utilize the "full set delivery" option, we are delivering to all shareholders paper copies of all of the proxy materials, as well as providing access to those proxy materials on a publicly accessible website.

Important Notice Regarding the Availability of Proxy Materials for the Shareholder Meeting to be held on Tuesday, May 13, 2014, at 10:00 A.M. Eastern Time, at the offices of Virtus Investment Partners, Inc., 100 Pearl Street, 2nd Floor, Hartford, Connecticut 06103. The Notice of Annual Meeting of Shareholders, Proxy Statement, form of proxy card and annual report to shareholders are available at www.edocumentview.com/zweig.

As of the record date, 20,675,593 shares of ZF's common stock were outstanding, and 34,643,334 shares of ZTR's common stock were outstanding.

The annual report of each Fund for the year ended December 31, 2013, including financial statements, has been mailed to shareholders, and each Fund will furnish, without charge, a copy of the Fund's 2013 Annual Report to any

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shareholder who requests it by contacting Shareholder Services, 101 Munson Street, Greenfield, MA 01301-9683; Toll-free telephone number 1-800-272-2700; or by E-Mail: Zweig@Virtus.com.

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PROPOSAL 1

ELECTION OF DIRECTORS

The members of the Board of ZF and ZTR are divided into three classes, with the term of office of one class expiring each year. At the forthcoming Meeting, two Directors will be elected to serve a three-year term (until the third succeeding Annual Meeting in 2017, or until their successors are duly elected and qualified). 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 Directors as the holders of the proxies may, in their discretion, determine.

Each Fund's Board has appointed a Nominating Committee which makes annual recommendations as to the individuals to be nominated by the Fund's Board for election as Directors at the next annual meeting and recommends to the Board candidates for election by the Board 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 the five current Directors who are not "interested persons" (as defined in the Investment Company Act of 1940, as amended (the "1940 Act")) of the Funds ("Independent Directors").

Based on the recommendations made by each Fund's Nominating Committee at its meeting held on March 17, 2014, the Boards of ZF and ZTR have nominated R. Keith Walton and Brian T. Zino for election, to serve until the third succeeding Annual Meeting in 2017, or until their successors are duly elected and qualified. Mr. Walton presently is a Director of ZF and ZTR and was last elected by shareholders in 2011 to serve until this Meeting. Mr. Zino, who is not currently a Director, was nominated by the Boards to stand for election to each Board, and will commence service as a Director of each Fund if elected by shareholders at this Meeting. Wendy Luscombe, who is currently a Director of ZF and ZTR in the class whose term is expiring at this Meeting, has chosen not to stand for re-election.

The classification of the Board may prevent the replacement of a majority of the Independent Directors for up to a two-year period.

Background and additional information with respect to the Nominees and other current Directors appears below.

Unless otherwise noted, the mailing address of each individual is 101 Munson Street, Greenfield, MA 01301-9683.

Information About the Nominees and Continuing Directors

Name, Address and Birth Year	Position(s) Held with Fund	Term of Office and Length Time Served	Principal Occupations During Past Five Years	Number of Portfolios in Fund Complex Overseen by Director *	Other Directorships Held by Director
Independent Directors and Nominees					
R. Keith Walton YOB: 1964	Lead Independent Director and Member of Audit and Nominating Committees	Term: Nominee to Serve Until 2017; Served since 2004	Vice President, Strategy, Arizona State University (2013-Present); Vice President, Global Government & Affairs, Alcoa (2010-2013); Counsel, Nelson Mullin, Riley (2010); Senior Managing Director, BSE Management LLC (2010); Principal and Chief Administrative Officer, Global Infrastructure Partners (2006-2010)	2	Director, Blue Crest Capital Management, LLC Funds (since 2006)
Brian T. Zino YOB: 1952	Nominee for Director **	Term: Nominee to Serve Until 2017; Has not previously served	President (1994-2008), J. & W Seligman Co. Incorporated (1982-2008)	0	Trustee (since 2011), Bentley University; Director (1998-2009), ICI Mutual Insurance Company
Charles H. Brunie, YOB:1930	Director and Member of Audit and Nominating Committees	Term: Until 2015; Served since: 1998	Chairman, Brunie Associates (investments) (since April 2001)	2	None
James B. Rogers, Jr., YOB: 1942	Director, Member of Audit Committee, and Chairman of the Nominating Committee	Term: Until 2015; Served since: 1986 (ZF) and 1988 (ZTR)	Private investor (since 1980)	2	Director, Geo Energy Resources, Limited (since 2012); Director, Genagro Services, Ltd. (since 2011); Chairman, Beeland Interests (Media and Investments) (since 1980)

Name, Address and Birth Year	Position(s) Held with Fund	Term of Office and Length Time Served	Principal Occupations During Past Five Years	Number of Portfolios in Fund Complex Overseen by Director *	Other Directorships Held by Director
William H. Wright II YOB: 1960	Director, Chairman of Audit Committee, and Member of Nominating Committee	Term: Until 2016; Served since: 2013	Managing Director, Morgan Stanley (1982-2010)	2	None
Interested Director					
George R. Aylward 100 Pearl Street, Hartford, CT 06103 YOB: 1964	Chairman of ***the Board, President and Chief Executive Officer	Term: Until 2016; Served since 2006	Director, President and Chief Executive Officer (since 2008), Virtus Investment Partners, Inc. and/or certain of its subsidiaries; various senior officer positions with Virtus affiliates (since 2005)	61	Trustee, Various Virtus-affiliated Mutual and Closed-End Funds

*

- The term “Fund Complex” means two or more registered investment companies that: (a) hold themselves out to investors as related companies for purposes of investment and investor services; or (b) have a common investment adviser or have an investment adviser that is an affiliated person of the investment adviser of any of the other registered investment companies.

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- If elected by each Fund's shareholders at the Meeting, Mr. Zino will become a Director of each Fund and a member of each Nominating Committee and Audit Committee.

- Mr. Aylward is considered an “interested person,” as that term is defined in the 1940 Act, of each Fund.

Director and Director Nominee Qualifications

Each Board has determined that each continuing Director and Director Nominee should serve as Directors of each Fund based on several factors (none of which alone is decisive). Among the factors the Boards considered when concluding that an individual should serve as Directors were the following: (i) personal and professional background, (ii) educational background, (iii) financial expertise, (iv) ability, judgment, attributes and expertise; and (v) availability and commitment to attend meetings and perform the responsibilities of a Director. In respect of each Director and Director Nominee, the individual's professional accomplishments and prior experience, including, in some cases, in fields related to the operations of the Funds, were a significant factor in the determination that the individual should serve as a Director of the Funds.

Following is a summary of various qualifications, experiences and skills of each continuing Director and Director Nominee (in addition to business experience during the past five years as set forth in the table above) that contributed to the Boards' conclusion that an individual should serve on the Boards. References to the qualifications, attributes and skills of each continuing Director and Director Nominee do not constitute the holding out of any continuing Director or Director Nominee as being an expert under Section 7 of the Securities Act of 1933, as amended, or the rules and regulations of the SEC.

George R. Aylward. In addition to his positions with the Funds, Mr. Aylward is a Director and the President and Chief Executive Officer of Virtus, the ultimate parent company of the Adviser. He also holds various executive positions with the Adviser, and previously held such positions with the former parent company of Virtus. He therefore has experience in all aspects of the development and management of registered investment companies, and the responsibility for various financial, staffing, regulatory and operational issues. Mr. Aylward is a certified public accountant and holds an MBA, and he also serves as an officer and director of other closed-end funds managed by the affiliates of the Adviser.

Charles H. Brunie. Mr. Brunie's years of extensive financial experience, and his management experience as the former Chairman of Oppenheimer Capital, provide valuable financial and business insight to each Board and its committees.

James B. Rogers, Jr. Mr. Rogers brings significant financial and economic experience to each Board, and provides innovative business insight to assist each Board and its committees.

R. Keith Walton. Mr. Walton's business and legal background, and his extensive service with other Boards, provide valuable insight to each Board and its committees regarding corporate governance and best practices.

William H. Wright II. Mr. Wright's years of service as a director of various organizations, his extensive financial experience and training and managerial skills bring valuable skills and knowledge of best practices to each Board and its committees.

Brian T. Zino. Mr. Zino's extensive mutual fund, financial and business background and years of service as a director of a large non-affiliated family of both open- and closed-end funds bring valuable skills and business judgment to each Board and its committees.

Required Vote

The election of each Director Nominee to each Board requires a plurality of the votes cast by the shareholders of that Fund at the Meeting, provided a quorum is present.

THE FUNDS' BOARDS, INCLUDING THE INDEPENDENT DIRECTORS, RECOMMEND THAT SHAREHOLDERS VOTE "FOR" THE ELECTION OF EACH DIRECTOR NOMINEE.

Signed but unmarked proxies will be voted in accordance with the Boards' recommendation.

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Compensation of Directors and Officers

Set forth below is a summary of the compensation paid by ZF and ZTR to continuing Directors for the year ended December 31, 2013. The Funds do not pay any pension or retirement benefits to 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-\$47,000 ZTR-\$47,000	\$0	\$0	\$94,000
James B. Rogers – Director	ZF-\$54,000 ZTR-\$54,000	\$0	\$0	\$108,000
R. Keith Walton – Director	ZF-\$61,500 ZTR-\$61,500	\$0	\$0	\$123,000
William H. Wright II – Director **	ZF-\$43,214 ZTR-\$43,214	\$0	\$0	\$86,428
George R. Aylward – Interested Director and President	ZF-\$0 ZTR-\$0	\$0	\$0	\$0

*

- The term “Fund Complex” means two or more registered investment companies that: (a) hold themselves out to investors as related companies for purposes of investment and investor services; or (b) have a common investment adviser or have an investment adviser that is an affiliated person of the investment adviser of any of the other registered investment companies.

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- Mr. Wright was elected to the Boards at the Funds' 2013 Annual Meeting of Shareholders.

Director Ownership of Securities

Set forth in the table below is the dollar range of equity securities (in the format specified by the SEC) of the Funds owned by each continuing Director or Nominee as of March 24, 2014 (based on the market value on such date).

Name of Director	Dollar Range of Equity Securities in the Fund *	Aggregate Dollar Range of Fund Ownership in all Funds Overseen by Director in the Family of Registered Investment Companies **
Charles H. Brunie	ZF-Over \$100,000 ZTR-Over \$100,000	Over \$100,000
James B. Rogers, Jr.	ZF-\$50,001-\$100,000 ZTR-\$10,001-\$50,000	\$50,001-\$100,000
R. Keith Walton	ZF-\$10,001-\$50,000 ZTR-\$10,001-\$50,000	\$50,001-\$100,000

Name of Director	Dollar Range of Equity Securities in the Fund *	Aggregate Dollar Range of Fund Ownership in all Funds Overseen by Director in the Family of Registered Investment Companies **
George R. Aylward	ZF-\$10,001-\$50,000 ZTR-\$10,001-\$50,000	Over \$100,000
William H. Wright	ZF-\$1-\$10,000	