

Form ADV, Part 2A Firm Brochure

Item 1 – Cover Page

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May 7, 2015

This brochure provides information about the qualifications and business practices of Zweig Advisers LLC (“Zweig”). If you have any questions about the contents of this brochure, please contact us at 800-248-7971. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) nor by any state securities authority.

Zweig is registered as an investment adviser with the SEC. Registration as an investment adviser does not imply any level of skill or training. The oral and written communications of an adviser provide you with information you may use to determine whether to hire or retain such adviser.

Additional information about Zweig is also available via the SEC’s web site www.adviserinfo.sec.gov. The SEC’s web site also provides information about any persons affiliated with Zweig who are registered, or are required to be registered, as investment adviser representatives of Zweig.

Item 2 – Material Changes

This Form ADV Part 2A brochure dated May 7, 2015 has been prepared according to the requirements and rules promulgated by the SEC. Pursuant to SEC Rules, we are required to prepare a summary of any material changes to our brochure within 120 days of the close of our fiscal year. We may also elect to include a summary of material changes to our brochure as part of other-than annual amendments filed by Zweig.

Zweig last filed an annual updating amendment to its Form ADV Part 2A brochure on March 31, 2015.

On April 16, 2015, James R. Sena was named Chief Compliance Officer of Zweig. There are no other material changes to our brochure.

We will provide an updated version of this brochure as required in the event of changes or new information. We will provide a copy of our current brochure upon request, at any time, without charge. Currently, our brochure may be requested by contacting the Chief Compliance Officer at **860-503-1130**, or james.sena@virtus.com.

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Item 4 – Advisory Business

Zweig is an indirect, wholly-owned subsidiary of Virtus Investment Partners, Inc. (“Virtus”), a publicly traded multi-manager asset management business (NASDAQ:VRTS) as of December 31, 2008. Zweig is the result of mergers of prior affiliated advisers which have provided investment advice to registered investment companies since 1986.

Zweig provides investment advisory services to closed-end registered investment companies. Zweig may employ affiliated or non-affiliated advisers to perform investment management services for the registered investment companies under sub-advisory or consultant relationships.

Types of Investments

Zweig offers investment advisory services primarily in the following types of instruments: equity securities (common stocks and equivalents) including exchange-listed securities, securities traded over-the-counter, foreign issues, warrants, corporate debt securities (other than commercial paper), certificates of deposit, investment company securities, including traditional mutual fund shares and exchange traded funds, and United States government securities. Zweig also utilizes, where appropriate, options contracts on securities, short sales of securities, futures contracts on intangibles, and foreign currencies both to purchase foreign securities and to hedge against the risk of a decline in the dollar.

Investment Restrictions

Zweig’s advisory services may be tailored to the needs and investment guidelines of clients. Client guidelines may include, but are not limited to, risk tolerance, type of security or industry restrictions, and cash or income requirements. Specific client guidelines and restrictions may be negotiated on an account by account basis. Although Zweig seeks to accommodate reasonable investment restrictions and guidelines, Zweig will not be able to accommodate investment restrictions that are unduly burdensome or materially incompatible with Zweig’s investment philosophy, and Zweig may decline to accept or terminate client accounts seeking to impose such restrictions.

Except as otherwise agreed upon by Zweig and the client, Zweig does not generally have any responsibility for the selection of the short term investment vehicles utilized by its clients. Clients, their consultants, their financial advisers or their custodians select the interest bearing accounts and/or short-term investment or money-market funds in which cash reserves are invested. Zweig also is not responsible for the selection of a client’s custodian.

Assets Under Management

The total firm assets under management, as of December 31, 2014, amounted to \$871,400,000. Zweig manages all such assets on a discretionary basis and does not currently manage any assets on a non-discretionary basis.

Item 5 – Fees and Compensation

This section describes Zweig's basic fee schedules, however, fees may be negotiable where special circumstances prevail, and arrangements with any particular client may vary. Zweig may group multiple accounts of one client relationship together for purposes of calculating the fee, or Zweig may elect to not charge a fee to small accounts of a client because of the fee the client is paying on the total relationship. Zweig reserves the right to negotiate fees with clients, and may charge higher or lower fees than those described.

Zweig's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, third-party investment advisers and other third parties such as fees charged by managers, custodial fees, deferred sales charges, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and ETFs bear their own operating expenses, including compensation paid to their advisers and other service providers as well as other expenses and fees. This information is disclosed in a fund's prospectus or offering documents.

Item 12, Brokerage Practices further describes the factors that Zweig considers in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (e.g., commissions).

Advisory Fees – Registered Investment Companies

The fee charged by Zweig to any particular registered investment company client is determined by the provisions of an investment advisory contract between Zweig and such investment company, which is approved by the investment company in accordance with the provisions of the Investment Company Act of 1940, as amended. The contracts may also provide that Zweig furnish to the investment company office space and all necessary office facilities, equipment and personnel for managing the investment and reinvestment of the assets of the investment company and arrange, if desired by the investment company, for members of Zweig's staff to serve, without salaries from the investment company, as officers or agents of the investment company. Fees are typically based on a percentage of assets under management. These fees are disclosed in the relevant prospectus or offering documents.

Advisory fees for services rendered under existing investment advisory contracts with registered investment companies range between 0.70% and 0.85%. Specific advisory fees and expense related information may be found in the annual report, prospectus and/or statement of additional information describing the investment policies and restrictions for the respective portfolio.

Item 6 – Performance-Based Fees and Side-By-Side Management

Zweig does not currently charge performance-based fees. Certain affiliate(s) of Zweig, however, receive performance-based fees in connection with strategies outside the scope of this brochure. In all cases

where Zweig or its affiliates charge a performance-based fee, any such arrangements will comply with Section 205 of the Investment Advisers Act of 1940, as amended, and the rules thereunder, and all applicable laws and regulations. Please see the relevant Part 2A Firm Brochures for more information.

Performance-based fee arrangements may potentially create a financial incentive for Zweig or an affiliate to favor the account with the performance-based fee because Zweig (and its employees and supervised persons) may have an opportunity to earn greater fees on such account as compared to client accounts without performance-based fees. Thus, Zweig may potentially have an incentive to direct its best investment ideas to a client account that pays performance-based fees, and to allocate, aggregate or sequence trades in favor of such account. Zweig may also have an incentive to give the account with the performance-based fee better execution and better brokerage commissions. Zweig has written compliance policies and procedures designed to mitigate or manage these conflicts of interest, including policies and procedures regarding the equitable allocation of investment opportunities.

Side-by-Side Management

“Side-by-side management” refers to the simultaneous management of multiple types of client accounts/investment products. Zweig manages multiple accounts with a variety of strategies. In addition, Zweig’s traders and portfolio managers serve as traders and portfolio managers for certain affiliates of Zweig, which may present conflicts of interest. For example, Zweig may be short a security in one client account and its affiliate may be long the same or substantially similar security in another client account due to different client investment objectives and strategies. Additionally, Zweig may be selling or short-selling securities for one or more portfolios while its affiliate is purchasing the same or substantially similar securities for other portfolios. Zweig has written compliance policies and procedures designed to mitigate or manage these conflicts of interest, including policies and procedures regarding the equitable allocation of investment opportunities.

Item 7 – Types of Clients

Generally, Zweig offers investment services to closed-end investment companies registered under the Investment Company Act of 1940, as amended.

Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss

Zweig employs a tactical investment strategy that seeks to generate strong returns over market cycles. The results for individual portfolios will vary depending on market conditions and the portfolio’s overall composition. All investments carry a certain degree of risk including the possible loss of principal and there is no assurance that an investment will provide positive performance over any period of time. Past performance is no guarantee of future results. Clients should not assume that portfolio investments in securities will be profitable.

Large Cap Core Discipline: Methods of Analysis and Risks

The Large Cap Core discipline uses econometric analysis as the framework for security selection that is influenced by macro forces, quantitative factors, and bottom-up fundamental research. The discipline focuses on large-cap, U.S. stocks employing a Growth at a Reasonable Price philosophy in the security selection process. The stock selection process begins with a top-down approach and econometric sector analysis. Industry level and fundamental security analysis is then utilized to identify securities that the portfolio managers believe offer superior return opportunity.

The principal risks of investing in this discipline are:

Equity Securities Risk. The risk that events negatively affecting issuers, industries or financial markets in which the discipline invests will impact the value of the stocks held by the client and thus, the value of the client's shares over short or extended periods. Investments in a particular style or in small or medium-sized companies may enhance that risk.

Market Volatility Risk. The risk that the value of the securities in which the discipline invests may go up or down in response to the prospects of individual companies and/or general economic conditions. Price changes may be temporary or may last for extended periods.

The Zweig Fund, Inc. and The Zweig Total Return Fund, Inc. are managed under the Large Cap Core discipline. The investment objective of The Zweig Fund, Inc. is capital appreciation, with income as a secondary objective. The investment objective of the The Zweig Total Return Fund, Inc. is to seek total return, consisting of capital appreciation and income.

Sources of information Zweig uses to manage the Large Cap Core discipline include financial newspapers and magazines, research materials provided by others, corporate rating services, annual reports, prospectuses, filings with the Securities and Exchange Commission, and company press releases. Other sources may include discussions of company activities with company spokespersons and others with knowledge of such activities, industry and trade publications, and statistical data prepared by others.

The investment strategies used to implement any investment advice given to clients may include one or all of the following:

- Long term purchases (securities held at least one year)
- Short term purchases (securities sold within a year)
- Trading (securities sold within 30 days)
- Leverage in the form of borrowing
- Short sales of securities
- Option writing, including covered options, uncovered options or spread strategies
- Purchase or sale of foreign currency futures and/or forward contracts
- Derivative contracts, credit default swaps and participation notes to gain or reduce synthetic exposure to one or more portfolio risks.

The value of securities used in any of these strategies, whether equity or fixed, may go up, or down, in response to factors not within the control of the investment manager, such as the status of an individual company underlying a security, or the general economic climate. Investors should be aware their investment is not guaranteed and understand that there is a risk of loss of value in their investment.

Other

Zweig may enter into derivative transactions for its clients so long as any use thereof is consistent with established client investment guidelines. A derivative is a financial arrangement between two parties whose payments or values are based on, or “derived” from, the performance of some agreed upon benchmark. Common benchmarks include securities, indices, commodities, interest rates, currency exchange rates, securities spreads and other assets or economic benchmarks with varying degrees and types of associated risks. Derivatives can be used for a variety of reasons. For example, hedging against price movements in markets in which a portfolio anticipates increasing its exposure; reducing the risk of fluctuations in the value of investments denominated in foreign currencies; modifying the risk/return profile of a portfolio without trading securities held by the portfolio; and more efficient transactions costs.

The primary risks associated with derivatives, credit default swaps and participation notes are (i) market risk, the risk that the market value of the investment will decline, (ii) credit risk, the risk that the counterparty to the transaction will default on its obligations, (iii) liquidity risk, the risk that the instrument will not be readily marketable and (iv) valuation risk, the risk that because the instrument is thinly traded, it may have only one pricing source.

The writing of covered call options on securities and securities indices and the purchase of call and put options on securities and securities indices may also be utilized. In addition, an appropriate transaction may be utilized to close an open options position. Zweig may utilize financial futures and related options for hedging and risk management purposes.

During the option period, the covered call writer has, in return for the premium on the option, given up the opportunity to profit from a price increase in the underlying securities above the exercise price, but, as long as its obligation as a writer continues, has retained the risk of loss should the price of the underlying security decline. The writer of an option has no control over the time when it may be required to fulfill its obligation as a writer of the option. Once an option writer has received an exercise notice, it cannot effect a closing purchase transaction in order to terminate its obligation under the option and must deliver the underlying securities at the exercise price. If a call option purchased for a client account is not sold when it has remaining value, and if the market price of the underlying security remains less than or equal to the exercise price, the client account will lose its entire investment in the option. Also, where an option on a particular security is purchased to hedge against price movements in a related security, the price of the option may move more or less than the price of the related security. There can be no assurance that a liquid market will exist when seeking to close out an option position. Furthermore, closing out an option position may not be possible if trading restrictions or suspensions are imposed on the options market.

As part of its overall portfolio management strategies, and in accordance with established client guidelines, Zweig may employ leverage in the form of borrowing and Zweig may sell securities short. A short sale is a transaction in which a security not owned by the client is sold in anticipation that the market price of that security will decline.

When an account that is a registered investment company borrows money, it may be required to maintain continuous asset coverage (total assets including borrowings, less liabilities exclusive of borrowings) of 300% of the amount borrowed. If the asset coverage declines, for example as a result of market fluctuations, the account may be required to sell some of its portfolio holdings quickly to reduce the debt and restore the required asset coverage, even though it may be disadvantageous from an investment standpoint to do so. Borrowing may exaggerate the effect on the account's net asset value of any increase or decrease in the market value of the portfolio. Money borrowed will be subject to interest costs that may or may not be offset by appreciation of the securities purchased. The account also may be subject to other conditions or fees that would increase the cost of borrowing over the stated interest rate. The various costs of borrowing may therefore ultimately exceed the income or potential capital gains from investments made with such leverage.

In order to establish a short position in a security, an account must first borrow the security from a broker or other institution to complete the sale. The account may not always be able to borrow a security, or to close out a short position at a particular time or at an acceptable price. If the price of the borrowed security increases between the date of the short sale and the date on which the account replaces the security, the account may experience a loss. The account's loss on a short sale is limited only by the maximum attainable price of the security (which could be limitless) less the price the account received for the security at the time it was borrowed. When engaging in short sales, the account will transact with a prime broker. In the event that the prime broker becomes insolvent, the account may be unable to settle pending short sales, engage in additional short sales and/or access its assets that are held by the broker for a period of time.

There are significant risks associated with derivatives, credit default swaps, participation notes, borrowing, short sales of securities and options that can result in the loss of principal, or, in certain cases, the loss of more than the initial investment.

Item 9 - Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Zweig, or the integrity of Zweig's management. Zweig has no information applicable to this item.

Item 10 - Other Financial Industry Activities and Affiliations

The following investment advisers are all subsidiaries of Virtus and affiliates of Zweig: Cliffwater Investments LLC, Duff & Phelps Investment Management Co., Euclid Advisors LLC, Kayne Anderson

Rudnick Investment Management, LLC, Newfleet Asset Management, LLC, Newfound Investments, LLC, Rampart Investment Management Company, LLC, Virtus Alternative Investment Advisers, Inc. and Virtus Investment Advisers, Inc.

Virtus Alternative Investment Advisers is registered as a commodity pool operator. Certain management persons of Zweig are an associated person of the foregoing entity.

VP Distributors, LLC, a subsidiary of Virtus and affiliate of Zweig, is a registered broker-dealer. Certain personnel of Zweig, including management persons, are FINRA registered representatives under VP Distributors.

Virtus Fund Services, LLC, an affiliate of Zweig, serves as the administrator to certain funds for which Zweig acts as adviser.

As of April 2015, ETFis Capital LLC and ETF Distributors LLC are subsidiaries of Virtus and affiliates of Zweig.

The investment management services of Zweig are offered by Virtus under its multi-adviser asset management platform. Distribution of investment products and services offered in conjunction with this platform may involve Zweig, its affiliates, and other entities in support of these activities. There may exist certain potential or actual conflicts of interests within these interrelationships, which may or may not be readily apparent to an investor.

In a variety of instances, Zweig may utilize the personnel and/or services of one or more of its affiliates in the performance of its business including, without limitation, investment advice and portfolio management, portfolio execution and trading, back office processing, accounting, reporting and client servicing. Moreover, Zweig's traders and portfolio managers may serve as traders and portfolio managers for Zweig's affiliates. Such utilization may take a variety of forms including dual employee or delegation arrangements, formal sub-advisory or servicing agreements, or other formal and informal arrangements among Zweig and its affiliates. In these circumstances, the registered affiliate, with which the client has its investment management agreement, remains responsible for the account within the framework of the Investment Advisers Act of 1940, as amended (the "Advisers Act") and/or other applicable regulatory frameworks and the relevant investment management agreement, and no additional fees are charged to the client for the affiliates' services except as set forth in the investment management agreement.

Additionally, Virtus and its affiliates may enter into marketing or sponsorship arrangements with third parties, sub-advisers and brokerage firms to promote the distribution of proprietary investment products including, but not limited to, mutual funds, closed-end funds, managed accounts or the general enhancement of the Virtus marketing image. Such third parties, sub-advisers and brokerage firms may concurrently have advisory, distribution or other relationships with Zweig. These arrangements may or may not necessarily result in additional assets under management by Zweig or inure to the direct or indirect benefit of clients of Zweig.

Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

To fully protect the interests of Zweig’s clients, Zweig has adopted the Virtus Code of Conduct and a Code of Ethics for personal trading, which are designed to prevent and detect possible conflicts of interest with client trades. Compliance with these codes is a condition of employment. All of Zweig’s Supervised Persons must acknowledge their terms annually, or as amended.

Any employee found to have engaged in improper or unlawful activity faces appropriate administrative and legal action. It is the responsibility of each associate to ensure that they and those they manage are conducting business professionally and are complying with the procedures and policies governing Zweig’s collective responsibility. Any employee becoming aware of others engaged in wrongdoing or improper conduct must immediately report such activity to their supervisor and compliance officer. Failure to do so may result in additional action being taken against that individual. Virtus has established formal reporting procedures and a confidential 24-hour “hotline” for the purpose of employees requesting assistance concerning the reporting of violations of the Code of Conduct or other related policies.

Zweig or a related person may recommend that clients buy or sell securities or investment products in which Zweig or a related person has some financial interest. Likewise, Zweig or a related person may buy or sell securities that Zweig also recommends to clients. The following highlights some of the provisions of the Virtus Code of Conduct:

Virtus Code of Conduct

Commitment to Shareholders

- Conflicts of interest
- Insider trading and personal trading
- Market timing

Commitment to Customers

- Safeguarding assets
- Other market conduct
- Privacy

Commitment to Corporate Citizenship

- Complying with the legal and regulatory requirements
- Anti-money laundering
- Lobbying and political contributions

Commitment to Employees

- Equal opportunities
- Sexual harassment
- Workplace safety

Commitment to Ethics and Compliance

- Ethical decision-making
- Monitoring Code compliance
- Whistleblower protection

A complete copy of the Virtus Code of Conduct is available upon request.

Zweig Code of Ethics

The following highlights some of the provisions of the Zweig Code of Ethics:

- Pre-clearance is required for all non-exempt transactions with respect to which an employee is beneficial owner in order to prevent the employee from buying or selling at the same time as the firm.
- 60 day holding period for covered securities.
- Brokerage provision of duplicate copies of brokerage statements and confirmations to our Compliance Department, or the electronic equivalent.
- Employee provision of Initial Holdings Reports, Quarterly Transaction Reports, and Annual Certification and Holdings Reports, which our Compliance Department reviews for trading activity.
- Requirement that personal transactions be consistent with the Code of Ethics in a manner that avoids any actual or potential conflict of interest.
- Any covered employee not in observance of the above may be subject to discipline.

Zweig does not purchase or sell securities for its own account. Zweig's directors, officers, and employees may buy, hold, or sell the same investments for their own accounts as are held or to be held or sold for a client account.

None of Zweig's directors, officers, or advisory persons may buy or sell any security or any option to buy or sell such security, such that they hold or acquire any direct or indirect beneficial ownership as a result of the transaction and that they know at the time of such transaction that is being bought, sold, or considered for purchase or sale for a client account, unless:

- they have no influence or control over the transaction from which they will acquire a beneficial interest
- the transaction is non-volitional on their part or the client's
- the transaction is a purchase under an automatic dividend reinvestment plan or pursuant to the exercise of rights issues, pro-rata to them and other holders of the same class of the issuer's securities, or
- they have obtained, in advance, approval from someone authorized to grant such approval when circumstances indicate no reasonable likelihood of harm to the client or violation of applicable laws and regulations

Under normal circumstances, Zweig's officers and employees are encouraged to invest in shares of the closed-end funds that Zweig advises.

Zweig has adopted the Insider Trading Policy and Procedures designed to mitigate the risks of Zweig and its employees misusing and misappropriating any material non-public information that they may become aware of, either on behalf of Zweig's clients or for their own benefit. The policy applies to every Supervised Person of Zweig and extends to activities both within and outside their duties to Zweig, including for an employee's personal account.

Zweig ensures that the investment management and overall business of the firm complies with both Zweig and Virtus policies and applicable U.S. federal and state securities laws and regulations.

A complete copy of Zweig's current Code of Ethics is available by sending a written request to Compliance Department, Zweig Advisers LLC, 100 Pearl Street, Hartford, CT 06103.

Item 12 – Brokerage Practices

Zweig is aware of its fiduciary obligation to seek the "best execution" of client transactions. Best execution is not measured solely by reference to commission rates. Zweig believes that paying fair and reasonable commission rates to broker-dealers in return for quality execution services benefits clients. Best execution is a process that entails the efficient placement of orders, clearance, settlement and overall execution quality, as well as the price obtained for the transaction. Zweig will seek to allocate client transactions to unaffiliated broker-dealers in the best interest of its clients, based on its review of the current market, and the broker-dealer. Various factors must be considered in the selection of a broker. The primary factors include the broker's execution capabilities, particularly with the size and difficulty of the transaction, the commission rate to be charged for the transaction, and the broker's operational facilities which should allow the timely and error-free settlement of the transaction. Other factors which may be considered when placing trades are the overall quality of the service provided by the broker, including transactional brokerage and research, and the value of an ongoing relationship with the broker.

With respect to its discretionary client accounts, Zweig generally has full authority to determine the broker-dealers through which transactions for any discretionary client accounts are executed. Zweig will consider the same factors to seek best execution for its discretionary client accounts as are described above.

Zweig has established a formal Brokerage Review Committee consisting of members from investment management, trading and compliance. The Brokerage Review Committee will meet to review the brokerage allocation activity of the firm. The Brokerage Review Committee will, as necessary, review and approve any arrangements for research and brokerage services provided by brokers. This committee will also serve as a focal point in managing Zweig's brokerage allocation practices so as to ensure there will be no improprieties or undisclosed referrals affecting the selection of brokers or allocation of brokerage transactions.

Research and Other Soft Dollar Benefits

Zweig will consider the amount and nature of research and research services to be provided by brokers, as well as the extent to which such services may be relied upon, and will attempt to allocate a portion of its brokerage business on the basis of that consideration. The actual allocation of brokerage business may vary, depending on Zweig's evaluation of all applicable considerations. In no case will Zweig make binding commitments as to the level of brokerage commissions it will allocate to a broker, nor will it commit to pay cash if an informal target is not met.

Subject to the criteria of Section 28(e) of the Securities and Exchange Act of 1934 (Section 28(e)), Zweig may pay a broker commission in excess of that which another broker may charge for effecting the same transactions, in recognition of the value of the brokerage and research services which may be provided by or through the broker. Zweig believes it is important to its investment decision-making processes to have access to independent research. Research and data furnished by brokers may be used to service any or all of Zweig's clients and may be used in connection with accounts other than those making the payment to the broker providing the research and/or data, including accounts of affiliates, as permitted by Section 28(e). Zweig generally seeks to allocate soft dollar client accounts proportionately to the soft dollar credits the accounts generate but does not represent this will always be the case. There can be no assurance that Zweig will allocate in a particular manner. A conflict of interest may exist by reason of Zweig's allocation of the costs of such services and benefits between those that primarily benefit Zweig and those that primarily benefit clients. When Zweig uses client brokerage commissions to obtain research and other products or services, Zweig receives a benefit because Zweig does not need to produce or pay for the research, products or services. Zweig may further benefit from the ability to obtain this information without additional expense related to personnel costs or direct payments to providers. Zweig may have an incentive to select or recommend a broker-dealer based on Zweig's interest in receiving the research or other products or services rather than our clients' interest in receiving the most favorable execution. The risks associated with soft dollars are managed through the Brokerage Review Committee.

Brokerage and research services provided by brokers may include effecting securities transactions and performing services incidental thereto (such as clearance, settlement, and custody), and providing information regarding: the economy; industries; sectors of securities; individual companies; statistical information; taxation; political developments; legal developments; technical market action; pricing and appraisal services; credit analysis; risk measurement analysis and performance analysis. Such research services are received primarily in the form of written reports, telephone contacts and personal meetings with security analysts. In addition, such research services may be provided in the form of access to various computer-generated data, computer software, and meetings arranged with corporate and industry spokespersons, economists and government representatives.

In some cases, research services are generated by third parties but are provided to Zweig by or through brokers Zweig will utilize for execution of transactions. Such brokers may pay for all or a portion of data-feed service costs relating to the pricing of securities. Zweig uses a variety of securities quotation services for day-to-day portfolio management of some or all of its accounts and also for end of the month pricing for its portfolio accounting needs. These services include Bloomberg, Factset, New York Stock Exchange, National Association of Security Quotations, Option Price Reporting, and Chicago Board of

Trade. Additional statistics, analytical tools and news used solely for portfolio management purposes may be received from Bloomberg, Factset, Stovel Research, Dow Jones and Company, The Markets.com, Valu-Trac Research, ISI Group, HOLT Lens, Renaissance Macro Research and Silver Dog.

From time to time, new issues of securities may be purchased for an account when appropriate, including affiliated and proprietary accounts, in a fixed price offering. In these situations, the seller may be a member of the selling group that will, in addition to selling the securities to clients, provide Zweig with research. The Financial Industry Regulatory Authority (formerly National Association of Securities Dealers) has adopted rules expressly permitting these types of arrangements under certain circumstances. Generally, the seller will provide research “credits” in these situations at a rate that is higher than that which is available for typical secondary market transactions. These arrangements may not fall within the safe harbor of Section 28(e).

Trade Aggregation and Allocation

Zweig provides investment advisory services to various clients. Zweig may give advice, and take action, with respect to any clients which may differ from the advice given, or the timing or nature of action taken, with respect to any one other account. Zweig, to the extent practical and over a period of time, allocates investment opportunities to each account on a fair and equitable basis relative to other similarly-situated client accounts.

Zweig may aggregate orders, or “block trade,” as part of its effort to obtain best execution. Each account that participates in a block trade receives the average share prices and, subject to any individually negotiated commission and/or fee arrangements, a pro-rata portion of the transaction cost. In addition, Zweig may allocate on a basis other than pro rata, if, under the circumstances, such other method of allocation is reasonable, does not result in improper or undisclosed advantage or disadvantage to non-client accounts, and results in fair access over time to trading opportunities for all eligible managed accounts. For example, Zweig may identify investment opportunities that are more appropriate for certain accounts than others, based on such factors as security restrictions, tax status, account size, available cash and cash flows. Consequently, Zweig may decide it is more appropriate to place a given security in one account rather than another account. Other non-pro rata methods include rotation allocation and random allocation. Alternative methods of allocation are appropriate, for example, when the transaction size is too limited to be effectively allocated pro rata among all eligible accounts. There can be no assurance that a particular order or investment opportunity will be allocated in a particular manner.

Zweig may direct the purchase of securities in secondary market transactions, in public offerings directly from an underwriter or in privately negotiated transactions with an issuer. Securities purchased in public offerings may be resold shortly after acquisition in the immediate aftermarket for the security in order to take advantage of price appreciation from the public offering price or for other reasons. Short-term trading of securities acquired in public offerings, or otherwise, may result in higher portfolio turnover and associated brokerage expenses.

To reduce transaction costs and promote trading efficiency, Zweig may engage in inter-account transactions between certain client portfolios and/or portfolios managed by affiliates of Zweig for which

Zweig shares traders and portfolio managers. Such transactions will be consistent with applicable law and client-specific or investment company procedures. Furthermore, such transactions will be made only when permitted by the advisory account(s) affected and when Zweig and, if applicable, its affiliate(s) determine the transaction to be in the best interests of affected clients. Zweig will comply with the applicable disclosure and consent requirements associated with such transactions under the Advisers Act, as necessary.

Item 13 – Review of Accounts

Zweig's portfolio management team regularly reviews client accounts to assess consistency with the relevant investment strategy and applicable account restrictions.

The portfolio management team has the responsibility to manage the portfolio in accordance with the client's selected strategy, investment objectives and constraints. This management process includes on-going oversight of the portfolio's investments, buying and selling securities, and communication with clients.

Item 14 – Client Referrals and Other Compensation

Zweig does not have any arrangements where it receives compensation (including cash, commissions, equipment or non-research services) from a non-client in connection with giving advice to clients. Zweig may enter into such arrangements pursuant to a written agreement.

Zweig may enter into arrangements through which an individual or entity not considered a supervised person of Zweig may be compensated for client referrals. Zweig may permit certain designated persons (referred to as "Solicitors") to refer potential clients to Zweig. Any solicitor will be required to enter into a written agreement with Zweig that contains an undertaking that the Solicitor will deliver a disclosure document relating to Zweig and a separate disclosure document relating to the Solicitor's relationship with Zweig. Payments to Solicitors will be subject to negotiation on a case-by-case basis.

VP Distributors may also pay additional marketing and related expenses to continue to offer certain retail and separately managed products under formally sponsored programs through unaffiliated brokerage firms.

Item 15 – Custody

Zweig does not serve as a custodian of client assets. Clients will receive account statements from their qualified custodians and should carefully review those statements. Some clients may also receive account statements from Zweig at least quarterly. Zweig's statements are not intended to replace the statement

sent directly by the client's qualified custodian which is the client's official record for all pertinent account information. Zweig urges clients to compare the information contained in any Zweig account statement to the information reflected on the statement sent directly by its qualified custodian. The information provided in an account statement is as of the date referenced on the report and is based on sources Zweig believes are accurate and reliable. Zweig's account statements may vary from custodial statements based on reporting dates, accounting procedures, or valuation methodologies of certain securities.

Item 16 – Investment Discretion

Zweig manages accounts on a discretionary basis with full authority to determine which securities are purchased or sold. For institutional and direct client accounts, Zweig generally obtains a client's written consent to its discretionary authority with respect to the client's assets in the form of an executed investment advisory agreement or other such comparable services agreement prior to providing discretionary advisory services.

Zweig exercises its investment discretion consistent with investment policies, as well as with the investment guidelines adopted by client accounts. Zweig's discretionary authority over an account is subject to directions, guidelines and limitations imposed by the client. In the course of providing services to any client account, Zweig relies on information or directions communicated by any adviser, broker, consultant, agent, representative or any other party acting with apparent authority on behalf of its client.

Class Actions

Securities litigation can be a potential additional income source for investment portfolios that have had trade activity in a security that subsequently became the source of an organized class action lawsuit. Whether Zweig has responsibility for addressing class action lawsuits on behalf of its clients is generally governed by the relevant investment advisory agreement or other such comparable services agreement. To the extent Zweig's discretionary authority involves responsibility in connection with class actions, the activities required for participation in class action settlements have been delegated to a non-affiliated third party vendor. The vendor determines eligibility pertinent to the specific class action, files the claim as appropriate, monitors the class action and processes receipt of any settlement.

Item 17 – Voting Client Securities

Zweig generally has responsibility to vote proxies on behalf of its clients. Proxies will be voted in a manner designed to accrue to the benefit of the underlying participants and beneficiaries, while using the care, skill and diligence that a prudent person acting in a like capacity and familiar with such matters would use under the circumstances then prevailing. Unless directed otherwise by a client, Zweig will delegate, to a non-affiliated third party vendor, the responsibility to review proxy proposals and make

voting recommendations on its behalf. Additionally, Zweig may vote a proxy contrary to the guidelines if it determines that such action is in the best interests of the client.

Conflicts of interests relating to proxy proposals will be handled in various ways depending on the type and materiality. Generally, where the guidelines outline Zweig's voting position, as either "for" or "against" such proxy proposal, voting will be in accordance with the guidelines. Where the guidelines outline the voting position to be determined on a "case by case" basis for such proxy proposal, or such proposal is not listed in the guidelines, then Zweig will choose either to vote the proxy in accordance with the voting recommendation of the non-affiliated third party vendor, or vote the proxy pursuant to client direction. The method selected by Zweig will depend upon the facts and circumstances of each situation and the requirements of applicable law.

Zweig may choose not to vote proxies in certain situations, such as: 1) where the cost of voting is deemed to exceed any anticipated benefit to the client, 2) where a proxy is received for a client account that has been terminated, 3) where a proxy is received for a security no longer managed within the account (i.e. the entire position had previously been sold), and/or 4) where the exercise of voting rights could restrict the ability of the portfolio manager to freely trade the security.

A complete copy of Zweig's current Proxy Voting Policies, Procedures and Guidelines may be obtained by sending a written request to Compliance Department, Zweig Advisers LLC, 100 Pearl Street, Hartford, CT 06103.

Item 18 – Financial Information

Registered investment advisers are required in this Item to provide you with certain financial information and disclosures about their financial condition. Zweig has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients. Zweig does not require or solicit prepayment of advisory fees six months or more in advance. Zweig will not act as custodian for any client account. Zweig has not been the subject of a bankruptcy proceeding.