

ZWEIG TOTAL RETURN FUND INC

Form N-30B-2

November 29, 2012

OFFICERS AND DIRECTORS

George R. Aylward, *President, Chairman and Chief Executive Officer*

Charles H. Brunie, *Director*

Wendy Luscombe, *Director*

Alden C. Olson, Ph.D., *Director*

James B. Rogers, Jr., *Director*

R. Keith Walton, *Director*

Carlton Neel, *Executive Vice President*

David Dickerson, *Senior Vice President*

Kevin J. Carr, *Vice President, Chief Legal Officer and Secretary*

W. Patrick Bradley, *Vice President, Treasurer and Chief Financial Officer*

Jacqueline Porter, *Vice President and Assistant Treasurer*

Nancy Engberg, *Chief Compliance Officer and Vice President*

Investment Adviser

Zweig Advisers LLC

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Fund Administrator

VP Distributors, LLC

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Greenfield, MA 01301-9684

Custodian

The Bank of New York Mellon

One Wall Street

New York, NY 10005-2588

Transfer Agent

Computershare Trust Company, NA

P.O. Box 43078

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Fund Counsel

Dechert LLP

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This report is transmitted to the shareholders of The Zweig Total Return Fund, Inc. for their information. This is not a prospectus, circular or representation intended for use in the purchase of shares of the Fund or any securities mentioned in this report.

Q3-12

The Zweig Total Return Fund, Inc.

Quarterly Report

September 30, 2012

FUND DISTRIBUTIONS AND MANAGED DISTRIBUTION PLAN

The Fund has a Managed Distribution Plan to pay 7% (prior to the April dividend declaration, this rate was 10%) of the Fund's net asset value on an annualized basis. Distributions may represent earnings from net investment income, realized capital gains, or, if necessary, return of capital. The board believes that regular monthly, fixed cash payouts will enhance shareholder value and serve the long-term interests of shareholders. You should not draw any conclusions about the Fund's investment performance from the amount of the distributions or from the terms of the Fund's Managed Distribution Plan.

The Fund estimates that it has distributed more than its income and net realized capital gains in the fiscal year to date; therefore, a portion of your distributions may be a return of capital. A return of capital may occur, for example, when some or all of the money that you invested in the Fund is paid back to you. A return of capital distribution does not necessarily reflect the Fund's investment performance and should not be confused with yield or income.

The amounts and sources of distributions reported in Section 19(a) notices of the 1940 Act are only estimates and are not being provided for tax reporting purposes. The actual amounts and sources of the amounts for tax reporting purposes will depend upon the Fund's investment experience during the remainder of its fiscal year and may be subject to changes based on tax regulations. The Fund will send shareholders a Form 1099-DIV for the calendar year that will tell you how to report distributions for federal income tax purposes.

The Board may amend, suspend or terminate the Managed Distribution Plan at any time, without prior notice to shareholders if it deems such action to be in the best interest of the Fund and its shareholders.

Information on the Zweig funds is available at www.Virtus.com. Section 19(a) notices are posted on the website at:
<http://www.virtus.com/products/closed/details.aspx?type=individual&fundid=ZTR>

November 1, 2012

Dear Fellow ZTR Shareholder:

I am pleased to share with you the manager's report and commentary for the Zweig Total Return Fund, Inc. for the three months ended September 30, 2012.

The Zweig Total Return Fund's net asset value increased 3.65% for the quarter ending September 30, 2012, including \$0.248 in re-invested distributions. During the same period, the Fund's Composite Index⁽¹⁾ rose 3.45% including re-invested dividends. Please refer to the website for longer term and more current performance information. The Fund's average exposure for the quarter was approximately 55% in equities and 40% in bonds and 5% in cash equivalents.

For the nine months ended September 30, 2012, the Fund's net asset value rose 7.67%, including \$0.402 in re-invested distributions. During the same period, the Fund's Composite Index⁽¹⁾ rose 9.24%, including re-invested dividends. The Fund's average exposure for the nine months was approximately 51% in equities and 35% in bonds and 14% in cash equivalents.

Sincerely,

George R. Aylward

President, Chairman and

Chief Executive Officer

The Zweig Total Return

Fund, Inc.

⁽¹⁾ *The Zweig Total Return Fund Composite Index is a composite index consisting of 50% Barclays Capital U.S. Government Bond Index and 50% S&P 500® Index.*

THE ZWEIG TOTAL RETURN FUND, INC.

SCHEDULE OF INVESTMENTS

September 30, 2012

(Unaudited)

Asset Allocation as of September 30, 2012

The following graph illustrates asset allocations within certain sectors and as a percentage of total investments as of September 30, 2012.

Common Stocks	59%
U.S. Government Securities (includes U.S. Treasury Bills which are Short-term investments)	29%
Foreign Government Securities	8%
Corporate Bonds	2%
Exchange Traded Funds	1%
Money Market Mutual Funds - (Short-term investment)	1%
Total	100%

(\$ reported in thousands)

	Par	Value
INVESTMENTS		
U.S. GOVERNMENT SECURITIES	29.3%	
U.S. Treasury Bond 4.000%, 11/15/12	\$ 18,500	\$ 18,587
U.S. Treasury Inflation Indexed Note ⁽³⁾ 1.625%, 1/15/15	28,000	36,011
2.000%, 1/15/16	25,000	32,353
2.375%, 1/15/17	31,000	41,314
U.S. Treasury Note 1.750%, 5/15/22	20,000	20,289
Total U.S. Government Securities (Identified Cost \$134,499)		148,554
FOREIGN GOVERNMENT SECURITIES	8.4%	
Commonwealth of Australia 6.500%, 5/15/13	5,000	5,301
5.500%, 12/15/13	11,000	11,797
Commonwealth of New Zealand Series 413, 6.500%, 4/15/13	7,000	5,924
Kingdom of Norway Series 470 6.500%, 5/15/13	80,000 ⁽⁵⁾	14,370
Singapore Government Bond 3.625%, 7/1/14	6,000	5,176
Total Foreign Government Securities (Identified Cost \$41,005)		42,568

See notes to Schedule of Investments

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	2.2%	Par	Value
CORPORATE BONDS			
INDUSTRIALS 2.2%			
CSX Corp. 6.250%, 3/15/18		4,000	\$ 4,907
Ingersoll-Rand Global Holding Co., Ltd. 6.875%, 8/15/18		4,814	5,954
Total Corporate Bonds (Identified Cost \$8,364)			10,861
	58.9%	Number of Shares	
COMMON STOCKS			
CONSUMER DISCRETIONARY 7.1%			
Amazon.com, Inc. ⁽²⁾		9,600	2,441
AutoZone, Inc. ⁽²⁾		7,500	2,773
Coach, Inc.		44,000	2,465
Comcast Corp. Class A ⁽⁴⁾		162,000	5,795
DR Horton, Inc.		213,000	4,396
Goodyear Tire & Rubber Co. (The) ⁽²⁾		232,000	2,828
Leggett & Platt, Inc.		152,000	3,808
Lululemon Athletica, Inc. ⁽²⁾		34,000	2,514
McDonald's Corp.		32,000	2,936
Papa John's International, Inc. ⁽²⁾		18,000	961
Yum! Brands, Inc.		76,000	5,042
			35,959
CONSUMER STAPLES 7.2%			
Altria Group, Inc.		210,100	7,015
Campbell Soup Co.		184,000	6,407
Heinz (H.J.) Co.		99,000	5,539
Kimberly-Clark Corp.		54,000	4,632
PepsiCo, Inc.		89,000	6,299
Procter & Gamble Co. (The)		95,000	6,589
			36,481
ENERGY 6.5%			
Chevron Corp.		55,000	6,411
ConocoPhillips		64,000	3,659
Continental Resources, Inc. ⁽²⁾		39,000	2,999
Petroleo Brasileiro S.A. ADR		59,000	1,353
Total SA Sponsored ADR		51,000	2,555
Valero Energy Corp.		147,000	4,657
Whiting Petroleum Corp. ⁽²⁾⁽⁴⁾		44,000	2,085
Williams Cos., Inc. (The)		202,000	7,064
WPX Energy, Inc. ⁽²⁾		127,000	2,107
			32,890

See notes to Schedule of Investments

	Number of Shares	Value
FINANCIALS 8.2%		
Aflac, Inc.	109,000	\$ 5,219
BB&T Corp.	206,000	6,831
Goldman Sachs Group, Inc. (The) ⁽⁴⁾	22,000	2,501
HCP, Inc.	100,000	4,448
JPMorgan Chase & Co.	198,000	8,015
Lincoln National Corp.	183,000	4,427
New York Community Bancorp, Inc.	272,000	3,851
U.S. Bancorp	174,000	5,968
		41,260
HEALTH CARE 8.0%		
Abbott Laboratories	106,000	7,267
Biogen Idec, Inc. ⁽²⁾	22,000	3,283
Bristol-Myers Squibb Co.	115,000	3,881
Eli Lilly & Co.	133,000	6,306
Express Scripts Holding Co. ⁽²⁾⁽⁴⁾	44,000	2,757
Gilead Sciences, Inc. ⁽²⁾	63,000	4,179
Johnson & Johnson	127,000	8,752
UnitedHealth Group, Inc.	77,000	4,267
		40,692
INDUSTRIALS 4.2%		
Alaska Air Group, Inc. ⁽²⁾	39,000	1,367
Cummins, Inc.	38,000	3,504
Deere & Co.	48,000	3,959
Lockheed Martin Corp.	49,000	4,576
Robinson (C.H.) Worldwide, Inc.	41,000	2,401
Union Pacific Corp.	35,000	4,154
United Continental Holdings, Inc. ⁽²⁾	74,000	1,443
		21,404
INFORMATION TECHNOLOGY 9.9%		
Apple, Inc.	16,300	10,876
Citrix Systems, Inc. ⁽²⁾	35,000	2,680
Google, Inc. Class A ⁽²⁾	4,100	3,094
Intel Corp.	239,000	5,421
International Business Machines Corp.	32,000	6,638
MasterCard, Inc. Class A	8,200	3,702
Paychex, Inc.	136,000	4,527
QUALCOMM, Inc.	111,000	6,936