

ALPINE TOTAL DYNAMIC DIVIDEND FUND
Form N-CSR
January 03, 2017
UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM N-CSR

**CERTIFIED SHAREHOLDER REPORT OF REGISTERED
MANAGEMENT INVESTMENT COMPANIES**

Investment Company Act file number: 811-21980

Alpine Total Dynamic Dividend Fund

(Exact name of registrant as specified in charter)

Alpine Woods Capital Investors, LLC

2500 Westchester Avenue, Suite 215

Purchase, New York, 10577

(Address of principal executive offices)(Zip code)

(Name and Address of Agent for Service) Copy to:

Rose DiMartino

Edgar Filing: ALPINE TOTAL DYNAMIC DIVIDEND FUND - Form N-CSR

Samuel A. Lieber
Alpine Woods Capital Investors, LLC
2500 Westchester Avenue, Suite 215
Purchase, New York, 10577

Attorney at Law
Willkie Farr & Gallagher, LLP
787 7th Avenue, 40th Floor
New York, New York 10019

Registrant's telephone number, including area code: (914) 251-0880

Date of fiscal year end: October 31

Date of reporting period: November 1, 2015 - October 31, 2016

Item 1: Shareholder Report

TABLE of CONTENTS

<u>Alpine View</u>	1
<u>Manager Commentary</u>	3
<u>Schedule of Portfolio Investments</u>	9
<u>Statement of Assets and Liabilities</u>	12
<u>Statement of Operations</u>	13
<u>Statements of Changes in Net Assets</u>	14
<u>Financial Highlights</u>	15
<u>Notes to Financial Statements</u>	16
<u>Report of Independent Registered Public Accounting Firm</u>	23
<u>Additional Information</u>	24

Alpine View
October 31, 2016

Dear Shareholders:

The fiscal year ended October 31, 2016 showed many of characteristics typical of an extended period of economic transition, as reflected through the capital markets. Uncertainty whether the slow growth, low inflation world economy would begin to trend toward growth or descend to deflation has made business cautious about spending for expansion. It has tempered even limited action by the Federal Reserve to normalize interest rates over the past few years. Thus, the collapse of commodity prices early in the year and Britain's "Brexit" vote significantly influenced short term capital market trends during the year, but then markets returned to trend.

SEA CHANGE

However, after the fiscal year, we experienced a dramatic sea change in the aftermath of the U.S. presidential election of 2016, which for better or for worse, has created the prospect for a significant reshuffling of expectations. Initially, the markets have to rely upon campaign rhetoric, which may be unrealistic in terms of future enactment or execution of new policies. That said, we have adjusted our investment framework from the expectation of lower interest rates and slower growth for longer periods of time to the possibility of moderately stronger growth and a stronger dollar with higher interest rates due to potentially higher future domestic inflation. For reasons we will discuss in the following paragraphs, we believe this can be positive for the stock market, negative for bonds and positive for the U.S. dollar over the next six to eighteen months, albeit, with likely heightened bouts of volatility. Over time, as the process of negotiating the implications and feasibility of these new policies unfolds, the impact on market direction will be more precise. Longer term, the risk of significantly higher interest rates might have a negative impact on both capital markets and the economy. However, for now, one does not have to pay the piper to play, as the positive headline of reform outweighs the possible pain of change.

President-elect Trump actually lost the popular vote by 46.2% to Secretary Clinton's 48.1%, yet he has made it very clear that he is going to push his agenda as if he has a mandate for change. We see proposed cabinet members who in many cases share his view and also share his lack of governmental experience. We believe that the President-elect sees this as providing a fresh perspective from which to restructure the various cabinet level departments ranging from education, labor, energy, Housing and Urban Development (HUD), Health and Human Services (HHS), the Environmental Protection Agency (EPA), transportation, among others. In a fundamental sense, he is seeking a potential structural reform of government processes and regulations which have shaped our daily lives for the past 30-50 years. While this could have profound consequences, both positive and negative, we believe the scale and scope of these departments of government will require a long learning curve for many of the inexperienced cabinet bosses, which suggests that any potential reform might take years to enact. Nonetheless, we believe that potential structural adjustments to our economy may have very long lasting effects which are not at this time understood.

"FISCAL STIMULUS"

What is very clear to investors is that the ongoing gradual cyclical recovery from the Great Financial Collapse of 2008-2009 has the potential to be jumpstarted by the first meaningful fiscal stimulus since 2009, as Republican alignment promises the end of political gridlock between the Executive and Congress, enabling fiscal spending to grow again. Specifically, via tax cuts, focused primarily on corporations based on their domestic/international production and sales activities appears to be a major form of implementing the stimulus. In essence, this is intended to support domestic production and inhibit off-shore production, which is then sold into the U.S. While this structural shift in taxation is designed to promote growth in new productive capacity, it is very much a federal fiscal redistribution of taxes, which will have an uncertain impact on job growth. In effect, by lowering domestic tax rates from the high of 38% to potentially around 20%, many smaller U.S. companies should experience growth in after-tax earnings of between 20-25% by 2018. Other possible offsets may scale back perhaps 5-10% of these potential gains for some companies. However, multi-national companies with significant earnings in manufacturing abroad may not be as fortunate as they may already be paying very low tax rates. That is why estimates for the average U.S. corporate tax rate is around 23% as opposed to the aforementioned 38% rate. So overall, various estimates of earnings for the S&P 500® Index is for between 8-15%.

The net effect is that the stock market may start to revalue many companies with a higher current price/earnings ratio in anticipation of the following calendar year than they do currently. This could be very positive for not only longer term earnings and dividend payout ratios, but share prices as well. However, there will likely be losers as well as winners. Companies which have been able to use a multi-national structure to shelter much of their taxable income may be disadvantaged. That said, those companies with significant retained earnings abroad may be able to bring cash back at a reduced tax rate, which might be redeployed in job creating or shareholder friendly ways, such as expenditures on plant and equipment, special dividends and perhaps even share buybacks. Thus, the new tax regime for corporations could have a positive impact for many companies. Companies optimized for the existing array of tax deductions, which might be eliminated or modified may have to restructure their business model, potentially leading to significant changes in how they use debt and equity in their capital structure.

“RISING INTEREST RATES”

While we have experienced 35 years of falling interest rates since Paul Volker led the Federal Reserve in breaking the back of inflationary expectations, it has been three and a half years since Ben Bernanke began warning the market that he would taper the quantitative easing program, which supported asset prices in recent years. Ironically, it was financial assets and financially sensitive stocks that benefited most from such easing and yet it also sustained fears of a deflationary spiral as the natural buyers of many of these financial instruments (such as bonds, loans, utility and real estate investment trust (REIT) stocks) chased the spiraling yields downward, effectively reducing their expected returns. Indeed, this has created a serious problem for

Alpine View (Continued)
October 31, 2016

very long term investors, such as pension funds and insurance companies, even though interest rates have only just begun to rise in the U.S. The prospects for another Fed Funds increase in December and possibly two or three in 2017 seem to be partly baked into market expectations. Although possible, longer term rate hikes are not.

“SPECTER OF INFLATION”

If the majority of Mr. Trump’s tax plan becomes reality, we would expect to see already historically low levels of unemployment gradually lead to rising wages by 2018, and if the fiscal stimulus is further boosted by significant infrastructure spending which could start to flow by then, the potential for an inflationary surge into 2019 is possible. Needless to say, we will monitor such impacts, but it remains a fundamental concern that the markets may price in a return to longer term inflation if budget deficits continue to grow or accelerate to the downside. As we said at the beginning, we have experienced a sea change in expectations of how our government is run. We do not know how developed President-elect Trump’s thinking is on major matters of state or how they might evolve with experience. However, we do know that his fundamental business model encourages affiliates or associates to design and manage operations. Coordination will be key as large decentralized organizations can be tripped up by the complexities of managing an enterprise, which is anything but an island in the world. Trade policies which encourage ties that bind, such as the North American Free Trade Agreement (NAFTA), lead to mutual investment and support, whereas punitive barriers to trade may lead to retaliation or unilateral alliances which bypass our economy. Such scenarios could interrupt the free flow of goods, services and investment capital upon which our economy, indeed the global economy, is primarily based. If this happens, we believe it would undo much of the positive benefit President-elect Trump seeks from his structural reforms. Thus, we believe that the markets will be watching his tweets on pins and needles, creating a potentially volatile environment over the near to medium term until long term policies become clarified. Even though the social, civil and even cultural impact of a Trump presidency may be in question for roughly half of the population, it appears that the short term economic program could jumpstart the American economy, which might even speed up the global recovery some eight years after the greatest recession of our lifetime.

“FOCUS ON FUNDAMENTALS”

The U.S. equity market has rebounded strongly post-election in anticipation of this possibility, despite uncertainty of its ultimate shape, but markets will adapt to new information as it becomes available over the following quarters. Another notable aspect of these potential tax and structural changes is that the market focus has shifted from macro-prudential (Central Bank) policy, which stimulated momentum investments and indeed has refocused on basic measures of business performance, profitability and growth at a reasonable price. As our investment approach is rooted in fundamentals, such as cash flow, replacement cost, and value creation through return on invested capital, Alpine is very pleased to see this change. We believe this may favor our investment methodology, which has historically led us to manage our funds with high active share as opposed to closely following indices.

We believe that our funds are well adapted to the current environment and we will continue to address them as economic and business conditions require. Thank you for your support and interest.

Sincerely,

Samuel A. Lieber

President

Past performance is not a guarantee of future results. The specific market, sector or investment conditions that contribute to a Fund's performance may not be replicated in future periods.

Investing involves risk. Principal loss is possible. Please refer to individual letters for risks specific to that Fund.

This letter and the letter that follows represent the opinions of the Funds' management and are subject to change, are not guaranteed and should not be considered recommendations to buy or sell any security. The information provided is not intended to be, and is not, a forecast of future events, a guarantee of results, or investment advice.

Active Share is a measure of the percentage of stock holdings in a manager's portfolio that differ from the benchmark index.

Price/Earnings Ratio (P/E) is a valuation ratio of a company's current share price compared to its per-share earnings. Normalized earnings — earnings metric that shows you want earnings look like smoothed out in the long run, taking into account the cyclical changes in an economy or stock.

S&P 500® Index is a total return, float-adjusted market capitalization-weighted index of 500 common stocks chosen for market size, liquidity, and industry group representation to represent U.S. equity performance. Total return indexes include reinvestments of all dividends.

The S&P 500® Index is a product of S&P Dow Jones Indices LLC and has been licensed for use by Alpine Woods Capital Investors, LLC. Copyright © 2015 by S&P Dow Jones Indices LLC. All rights reserved. Redistribution or reproductions in whole or in part are prohibited without written the permission of S&P Dow Jones Indices LLC. S&P

Edgar Filing: ALPINE TOTAL DYNAMIC DIVIDEND FUND - Form N-CSR

Dow Jones Indices LLC, its affiliates, and third party licensors make no representation or warranty, express or implied, with respect to the Index and none of such parties shall have any liability for any errors, omissions, or interruptions in the Index or the data included therein.

Quasar Distributors, LLC provides filing administration for Alpine's closed-end funds. The Funds are not bought or sold through Quasar Distributors; the Alpine closed-end funds are bought and sold through non-affiliated broker/dealers and trade on nationally recognized stock exchanges.

This is a closed-end fund and does not continuously offer shares.

Manager Commentary
October 31, 2016

Dear Shareholders:

For the fiscal year ended October 31, 2016, the Alpine Total Dynamic Dividend Fund (AOD) generated a total return of -0.40% on its net asset value (NAV) and a 0.81% return on the market price of AOD, versus its benchmark, the MSCI All Country World Index, which had a total return of 2.05%. All returns include reinvestment of all distributions. The Fund distributed \$0.69 per share during the period.

Performance Drivers

Global equities staged an impressive, albeit modest rally during the 12-month period ended October 31, 2016, climbing the proverbial “wall of worry.” It was far from a smooth ride, however, with the S&P 500 Index down 11% in the first 6 weeks of calendar year 2016 as concerns of a U.S. recession combined with a softening of macroeconomic indicators overseas. After recovering from this setback, global stocks faced a new challenge with the surprising outcome of the “Brexit” referendum, in which citizens of the United Kingdom voted in favor of leaving the European Union. While this also led to a brief panic-inspired selloff, investors once again generally shifted from risk aversion to risk seeking behavior as central banks banded together across the world to drive down interest rates and provide liquidity. While the volatility subsided, with the Chicago Board Options Exchange Volatility Index (VIX) declining from a peak of 28 in February to a trough of 11 in August 2016, investors were quite selective in where they chose to direct their funds. Stocks of regulated utilities and telecom services companies, known as “bond proxies” because their high dividend yields attract investors seeking income, performed quite well, with the S&P 500 Utilities Index up 17.11% and the S&P 500 Telecommunications Services Index up 10.75% for the 12-month period. Money flowed freely into emerging market stocks as well, with the Ibovespa Brasil Sao Paulo Stock Exchange Index up 71.85% in U.S. dollar terms, fueled in part by the prospect of a political regime change as a result of the impeachment of President Dilma Rousseff. Across the Atlantic, Europe struggled amidst fears that Brexit-inspired political change may put further pressure on the cohesion of the European Union. The MSCI Europe Index declined by 6.68% in U.S. dollar terms for the fiscal period ended October 31, 2016.

On a sector basis, information technology, utilities and industrials had the greatest positive effect on the absolute total return of the Fund. The health care, financials, and consumer discretionary sectors had the greatest negative effect on the absolute performance of the Fund. On a relative basis, the utilities sector generated the largest outperformance versus the MSCI All Country World Index, followed by information technology and industrials sectors. The telecom services, energy, and consumer staples sectors were the worst relative performers during the period.

Portfolio Analysis

Edgar Filing: ALPINE TOTAL DYNAMIC DIVIDEND FUND - Form N-CSR

The top five contributors to the Fund's performance for the fiscal year ended October 31, 2016 based on contribution to total return were Broadcom Ltd., Applied Materials, Rumo Logistica Operadora Multimodal S.A., NextEra Energy, and Samsung Electronics.

Semiconductor manufacturer Broadcom Ltd. continued to impress investors, realizing its synergy targets ahead of schedule following the first full quarter after the Avago/Broadcom merger. The company also benefited from significantly increased dollar content in the recently launched iPhone 7, which benefited from competitor Samsung's Galaxy Note 7 challenges.

Applied Materials, which supplies wafer fabrication equipment to the semiconductor industry, benefited from a surge in orders for equipment used to build logic semiconductors, dynamic random-access memory (DRAM) devices, and NAND flash memory. The company is especially well positioned for the shift towards higher resolution, thinner, less power consuming, foldable, stretchable displays in smartphones.

Rumo Logistica Operadora Multimodal ("Rumo") SA is a railway concession operator in Brazil. The stock outperformed after it raised \$2.6 billion Reals (\$705 million USD) through an equity stock offering. This allowed the company to significantly reduce its leverage and alleviate liquidity concerns, leading to a significant rerating of the stock.

Nextera Energy is an integrated utility company with a regulated utility in Florida and unregulated renewable assets throughout the United States. The stock outperformed as the regulated utility was able to reach a settlement on its regulatory rate review. The company also reinforced its position as the leading renewable operator in the U.S. by raising its renewable development targets. Nextera also announced a deal to acquire regulated utility assets in Texas, which would be accretive to its earnings and growth profile.

Samsung Electronics is a South Korean conglomerate that focuses primarily on consumer electronics, information technology and mobile communications, semiconductors, and display panels. Samsung outperformed during the fiscal year, after reporting better than expected profits in the first two quarters of 2016, despite the third quarter recall of the Note 7. In addition, the stock benefitted from an activist shareholder's "value enhancement proposals" that was sent to the board of directors. One of the suggestions was for Samsung to pay a special dividend of 30 trillion Korean won (approximately \$25 billion in USD).

The bottom five contributors to the Fund's performance for the fiscal year ended October 31, 2016 based on contribution to total return were The Williams Companies, BT Group PLC, Energy Transfer Partners, L.P., Nokia Oyj, and Teva Pharmaceutical Industries.

The Williams Companies is a midstream company with an extensive network of natural gas and natural gas liquids infrastructure. The company's underlying fundamentals deteriorated due to declining olefin fiber margins and the financial distress of a key customer, Chesapeake Energy, which suffered from its exposure to declining natural gas prices. Investors also soured on the merger between Energy Transfer Equity and Williams, implying that the low price paid for Williams suggested a bearish statement regarding midstream valuations. The Fund has since exited the position.

Manager Commentary (Continued)

October 31, 2016

BT Group is a telecommunications company in the United Kingdom. The stock underperformed due to worries about regulatory intervention over the company's broadband subsidiary, Openreach. In addition, pension liability concerns continued to rise as interest rates declined. Finally, the stock underperformed on a U.S. Dollar basis with the U.K. Pound falling 21% for the 12-month period ended Oct 31, 2016.

Energy Transfer Partners is a midstream Master Limited Partnership (MLP) with a stable and growing infrastructure footprint in some of the most prolific basins in the U.S., including the Permian and the Marcellus Shale. The stock underperformed following the unexpected departure of chief financial officer Jamie Welch amidst uncertainty around the merger between Energy Transfer Equity, L.P. and The Williams Companies. The Fund has since exited the position.

Nokia Oyj is a Finnish manufacturer of network equipment to telecom operators. The stock underperformed as the outlook for the communications service provider market worsened, particularly in mobile infrastructure, as large long term evolution (LTE) rollouts slowed down. Investors were also concerned by the unexpected departure of the company's well respected chief financial officer. The company has continued to execute well as it integrates Alcatel-Lucent, but the macro environment will likely remain challenging into 2017.

Teva Pharmaceutical is the world's largest generic drug manufacturer and has a branded pharmaceutical business. The company underperformed for two reasons in 2016. First, generic drug sales softened in 2016 due to consolidation of drug purchasing organizations and increased rates of generic drug approvals at the FDA, putting pressure on generic drug prices. Second, Teva's U.S. multiple sclerosis franchise was hit the second half of 2016, as the company failed to fend off patent challenges on their new 40mg formulation of Copaxone.

We have hedged a portion of our currency exposures to the Euro, the Japanese Yen and the British Pound.

Summary & Outlook

As we look towards the balance of 2016, we see reasons for cautious optimism. While President-elect Donald Trump is arguably a controversial figure, Republican control of both branches of Congress could secure him a mandate to deliver on his market-friendly economic proposals of cutting taxes, reducing non-entitlement and non-military spending, and increasing military and infrastructure spending. And the backdrop leading into Trump's inauguration is tilting in a positive direction. After five consecutive quarters of year-on-year earnings declines, the S&P 500 posted a year-over-year increase in earnings for the third quarter of 2016. In addition, the ISM Manufacturing PMI has spent 7 out of the last 8 months above 50, suggesting increased economic activity.

Europe also appears to be on the mend with the Markit Eurozone Manufacturing PMI remaining comfortably above 50 for all of calendar 2015 and 2016 through October 31st. Macroeconomic data

suggest that the U.K.'s decision to leave the European Union is at least at the outset having less of an impact on European economies than was first feared. Even so, it is early days with the Pound down over 18% versus the U.S.

dollar from June highs to October 2016 lows, and this deterioration in buying power is likely to be revealed in the months ahead. In 2017, France, the Netherlands and Germany will hold elections. Each event has the potential to dramatically alter the course of the “European project.”

The Asia-Pacific region has been more mixed. China continues to juggle the competing demands of economic rebalancing and a growth slowdown. The Japanese economy continues to chug along and the Bank of Japan’s decision to normalize the yield curve as part of their ongoing quantitative easing policy has had an arguably positive impact on sentiment in the region.

Finally, Brazil’s stock market has been having a banner year as investors look forward to the potential for meaningful political change. While there are still numerous headwinds, with fiscal deficits and lingering inflation concerns, investor confidence appears to have increased.

Beyond the macroeconomic environment, the Fund continues to emphasize its focus on high quality companies with strong balance sheets and a willingness to reward shareholders with dividends.

Sincerely,

Brian Hennessey

Joshua Duitz

Portfolio Managers

Past performance is not a guarantee of future results.

Please refer to the Schedule of Portfolio Investments for fund holdings information. Fund holdings and sector allocations are subject to change and should not be considered a recommendation to buy or sell any security.

Current and future holdings are subject to risk.

This letter represents the opinions of the Fund’s management and is subject to change, is not guaranteed and should not be considered recommendations to buy or sell any security.

The information provided is not intended to be, and is not, a forecast of future events, a guarantee of future results, or investment advice. Views expressed may vary from those of the firm as a whole.

Favorable tax treatment of Fund distributions may be adversely affected, changed or repealed by future changes in tax laws. Alpine may not be able to anticipate the level of dividends that companies may pay in any given timeframe.

The Fund's monthly distributions may consist of net investment income, net realized capital gains and/or a return of capital. If a distribution includes anything other than net investment income, the Fund will provide a notice of the best estimate of its distribution sources when distributed, which will be posted on the Fund's website; www.alpinefunds.com, or can be obtained by calling 1-800-617-7616. For fiscal annual period ended October 31, 2016, it is estimated that

Manager Commentary (Continued)
October 31, 2016

3.9% of the distributions Alpine Total Dynamic Dividend Fund paid were through a return of capital. A return of capital distribution does not necessarily reflect the Fund's performance and should not be confused with "yield" or "income." Final determination of the federal income tax characteristics of distributions paid during the calendar year will be provided on U.S. Form 1099-DIV, which will be mailed to shareholders. Please consult your tax advisor for further information.

The Fund may invest in equity-linked securities and various other derivative instruments, which may be illiquid, and which may disproportionately increase losses, and have a potentially large impact on Fund performance. Diversification does not assure a profit or protect against loss in a declining market.

Investing involves risk. Principal loss is possible. The Fund is subject to risks, including the following:

Credit Risk – Credit risk refers to the possibility that the issuer of a security will not be able to make payments of interest and principal when due. Changes in an issuer's credit rating or the market's perception of an issuer's creditworthiness may also affect the value of the Fund's investment in that issuer. The degree of credit risk depends on both the financial condition of the issuer and the terms of the obligation.

Currency Risk – The value of investments in securities denominated in foreign currencies increases or decreases as the rates of exchange between those currencies and the U.S. dollar change. Currency conversion costs and currency fluctuations could erase investment gains or add to investment losses. Currency exchange rates can be volatile, and are affected by factors such as general economic conditions, the actions of the U.S. and foreign governments or central banks, the imposition of currency controls and speculation.

Dividend Strategy Risk – The Fund's strategy of investing in dividend-paying stocks involves the risk that such stocks may fall out of favor with investors and underperform the market. Companies that issue dividend paying-stocks are not required to continue to pay dividends on such stocks. Therefore, there is the possibility that such companies could reduce or eliminate the payment of dividends in the future. The Fund may hold securities for short periods of time related to the dividend payment periods and may experience loss during these periods.

Emerging Market Securities Risk – The risks of foreign investments are heightened when investing in issuers in emerging market countries. Emerging market countries tend to have economic, political and legal systems that are less fully developed and are less stable than those of more developed countries. They are often particularly sensitive to market movements because their market prices tend to reflect speculative expectations. Low trading volumes may result in a lack of liquidity and in extreme price volatility.

Equity Securities Risk – The stock or other security of a company may not perform as well as expected, and may decrease in value, because of factors related to the company (such as poorer than expected earnings or certain management decisions) or to the industry in which the company is engaged (such as a reduction in the demand for products or services in a particular industry).

Foreign Currency Transactions Risk – Foreign securities are often denominated in foreign currencies. As a result, the value of the Fund’s shares is affected by changes in exchange rates. The Fund may enter into foreign currency transactions to try to manage this risk. The Fund’s ability to use foreign currency transactions successfully depends on a number of factors, including the foreign currency transactions being available at prices that are not too costly, the availability of liquid markets and the ability of the Adviser to accurately predict the direction of changes in currency exchange rates. The Fund may enter into forward foreign currency exchange contracts in order to protect against possible losses on foreign investments resulting from adverse changes in the relationship between the U.S. dollar and foreign currencies. Although this method attempts to protect the value of the Fund’s portfolio securities against a decline in the value of a currency, it does not eliminate fluctuations in the underlying prices of the securities and while such contracts tend to minimize the risk of loss due to a decline in the value of the hedged currency, they tend to limit any potential gain which might result should the value of such currency increase.

Foreign Securities Risk – The Fund’s investments in securities of foreign issuers or issuers with significant exposure to foreign markets involve additional risk. Foreign countries in which the Fund may invest may have markets that are less liquid, less regulated and more volatile than U.S. markets. The value of the Fund’s investments may decline because of factors affecting the particular issuer as well as foreign markets and issuers generally, such as unfavorable government actions, and political or financial instability. Lack of information may also affect the value of these securities. The risks of foreign investment are heightened when investing in issuers of emerging market countries.

Growth Stock Risk – Growth stocks are stocks of companies believed to have above-average potential for growth in revenue and earnings. Growth stocks typically are very sensitive to market movements because their market prices tend to reflect future expectations. When it appears those expectations will not be met, the prices of growth stocks typically fall. Growth stocks as a group may be out of favor and underperform the overall equity market while the market concentrates on undervalued stocks.

Initial Public Offerings and Secondary Offerings Risk – The Fund may invest a portion of its assets in shares of IPOs or secondary offerings of an issuer. IPOs and secondary offerings may have a magnified impact on the performance of a fund with a small asset base. The impact of IPOs and secondary offerings on a Fund’s performance likely will decrease as the Fund’s asset size increases, which could reduce a Fund’s returns. IPOs and secondary offerings may not be consistently available to the Fund for investing. IPO and secondary offering shares frequently are volatile in price due to the absence of a prior public market, the small number of shares available for trading and limited information about the issuer. Therefore, the Fund may hold IPO and secondary offering shares for a very short period of time. This may increase the turnover of the Fund and may lead to increased expenses for the Fund, such as commissions and transaction costs. In addition, IPO and secondary offering shares can experience an immediate drop in value if the demand for the securities does not continue to support the offering price.

Annual Report | October 31, 2016 5

Manager Commentary (Continued)
October 31, 2016

Leverage Risk – The Fund may use leverage to purchase securities. Increases and decreases in the value of the Fund’s portfolio will be magnified when the Fund uses leverage.

Management Risk – The Adviser’s judgment about the quality, relative yield or value of, or market trends affecting, a particular security or sector, or about interest rates generally, may be incorrect. The Adviser’s security selections and other investment decisions might produce losses or cause the Fund to underperform when compared to other funds with similar investment objectives and strategies.

Market Risk – The price of a security held by the Fund may fall due to changing market, economic or political conditions.

Micro-Capitalization Company Risk – Stock prices of micro-capitalization companies are significantly more volatile, and more vulnerable to adverse business and economic developments than those of larger companies. Micro-capitalization companies often have narrower markets for their goods and/or services and more limited managerial and financial resources than larger, more established companies, including small- or medium-capitalization companies.

Portfolio Turnover Risk – High portfolio turnover necessarily results in greater transaction costs which may reduce Fund performance.

Qualified Dividend Tax Risk – Favorable U.S. Federal tax treatment of Fund distributions may be adversely affected, changed or repealed by future changes in tax laws.

Small and Medium Capitalization Company Risk – Securities of small or medium capitalization companies are more likely to experience sharper swings in market values, less liquid markets, in which it may be more difficult for the Adviser to sell at times and at prices that the Adviser believes appropriate and generally are more volatile than those of larger companies.

Swaps Risk – Swap agreements are derivative instruments that can be individually negotiated and structured to address exposure to a variety of different types of investments or market factors. Depending on their structure, swap agreements may increase or decrease the Fund’s exposure to long- or short-term interest rates, foreign currency values, mortgage securities, corporate borrowing rates, or other factors such as security prices or inflation rates. The Fund also may enter into swaptions, which are options to enter into a swap agreement. Since these transactions generally do not

involve the delivery of securities or other underlying assets or principal, the risk of loss with respect to swap agreements and swaptions generally is limited to the net amount of payments that the Fund is contractually obligated to make. There is also a risk of a default by the other party to a swap agreement or swaption, in which case the Fund may not receive the net amount of payments that the Fund contractually is entitled to receive.

Undervalued Stock Risk – The Fund may pursue strategies that may include investing in securities, which, in the opinion of the Adviser, are undervalued. The identification of investment opportunities in undervalued securities is a difficult task and there is no assurance that such opportunities will be successfully recognized or acquired. While investments in undervalued securities offer opportunities for above-average capital appreciation, these investments involve a high degree of financial risk and can result in substantial losses.

The following are definitions of some of the terms used in this report:

Chicago Board Options Exchange SPX Volatility Index (VIX Index) reflects a market estimate of future volatility, based on the weighted average of the implied volatilities for a wide range of strikes.

Ibovespa Index is a total return index weighted by traded volume and is comprised of the most liquid stocks traded on the Sao Paulo Stock Exchange.

The Institute of Supply Management (ISM) Manufacturing Purchasing Managers Index (PMI) Report on Business is based on data compiled from monthly replies to questions asked of purchasing and supply executives in over 400 industrial companies.

Markit Eurozone Manufacturing PMI measures the performance of the manufacturing sector and is derived from a survey of 600 industrial companies.

MSCI All Country World Index is a total return, free-float adjusted market capitalization weighted index that captures large and mid-cap representation across 24 Developed and 21 Emerging Markets countries. With 2,483 constituents, the index covers approximately 85% of the global investable equity opportunity set. Net total return indices reinvest dividends after the deduction of withholding taxes, using (for international indices) a tax rate applicable to non-resident institutional investors who do not benefit from double taxation treaties. Source: MSCI. MSCI data may not be reproduced or used for any other purpose. MSCI provides no warranties, has not prepared or approved this report, and has no liability hereunder.

MSCI Europe Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of the developed markets in Europe. Source: MSCI. MSCI data may not be reproduced or used for any other purpose. MSCI provides no warranties, has not prepared or approved this report, and has no

liability hereunder.

S&P 500® Index is a total return, float-adjusted market capitalization-weighted index of 500 common stocks chosen for market size, liquidity, and industry group representation to represent U.S. equity performance.

S&P 500® Utilities Index comprises those companies included in the S&P 500® that are classified as members of the GICS utilities sector.

S&P 500® Telecommunications Services Index comprises those companies included in the S&P 500® that are classified as members of the GICS telecommunications services sector.

The S&P 500® Index, S&P 500® Telecommunications Services Index, and S&P 500® Utilities Index (the “Indices”) are products of S&P Dow Jones Indices LLC and have been licensed for use by Alpine Woods Capital Investors, LLC. Copyright © 2015 by S&P Dow Jones Indices LLC. All rights reserved. Redistribution or reproductions in whole or in part are prohibited without written the permission of S&P Dow Jones Indices LLC. S&P Dow Jones Indices LLC, its affiliates, and third party licensors make no representation or warranty, express or implied, with respect to the Index and none of such parties shall have any liability for any errors, omissions, or interruptions in the Index or the data included therein.

An investor cannot invest directly in an index.

This is a closed-end fund and does not continuously offer shares.

Manager Commentary (Continued)
October 31, 2016

PERFORMANCE⁽¹⁾ *As of October 31, 2016 (Unaudited)*

	Ending Value as of 10/31/16	1 Year	3 Years	5 Years	Since Inception⁽²⁾
Alpine Total Dynamic Dividend Fund NA ⁽³⁾⁽⁴⁾	\$8.69	-0.40 %	4.34 %	6.80 %	-1.90 %
Alpine Total Dynamic Dividend Fund Market Price ⁽⁴⁾	\$7.37	0.81 %	4.29 %	4.29 %	-4.01 %
MSCI All Country World Index		2.05 %	3.21 %	8.03 %	3.26 %
S&P 500 [®] Index		4.51 %	8.84 %	13.57 %	6.46 %

⁽¹⁾ *Performance information calculated assuming reinvestment of dividends and distributions including returns of capital, if any.*

⁽²⁾ *Commenced operations on January 26, 2007. Initial public offering split adjusted price of \$40 used in calculating performance information for the market price.*

⁽³⁾ *Performance at NAV includes fees and expenses.*

⁽⁴⁾ *On January 21, 2014, the Fund implemented a 1 for 2 reverse stock split. Shareholders received 1 share for every 2 shares owned and net asset value and market price per share increased correspondingly.*

To the extent that the Fund's historical performance resulted from gains derived from participation in initial public offerings ("IPOs") and/or secondary offerings, there is no guarantee that these results can be replicated in future periods or that the Fund will be able to participate to the same degree in IPOs/secondary offerings in the future.

All figures represent past performance and are not a guarantee of future results. Investment returns and principal value of the Fund will fluctuate so that shares, when redeemed, may be worth more or less than their original cost. Current performance may be higher or lower than the performance quoted. Call 1(800)617.7616 or visit www.alpinefunds.com for current month-end performance.

MSCI All Country World Index is a total return, free-float adjusted market capitalization weighted index that captures large and mid-cap representation across 24 developed and 21 emerging markets countries. With 2,483 constituents, the index covers approximately 85% of the global investable equity opportunity set. Net total return indices reinvest dividends after the deduction of withholding taxes, using (for international indices) a tax rate applicable to non-resident institutional investors who do not benefit from double taxation treaties. (Source: MSCI.) MSCI data may not be reproduced or used for any other purpose. MSCI provides no warranties, has not prepared or approved this report, and has no liability hereunder.

S&P 500[®] Index is a total return, float-adjusted market capitalization-weighted index of 500 common stocks chosen for market size, liquidity, and industry group representation to represent U.S. equity performance. Total return indexes include reinvestments of all dividends.

PORTFOLIO DISTRIBUTIONS* (Unaudited)

TOP 10 HOLDINGS* (Unaudited)

Apple, Inc.	1.94	%	United States
NextEra Energy, Inc.	1.62	%	United States
CVS Health Corp.	1.61	%	United States
CMS Energy Corp.	1.60	%	United States
Svenska Cellulosa AB SCA-B Shares	1.34	%	Sweden
Citizens Financial Group, Inc.	1.32	%	United States
American Tower Corp.	1.29	%	United States
Bank of America Corp.	1.28	%	United States
Ferrovial SA	1.28	%	United Kingdom
The Home Depot, Inc.	1.23	%	United States
Top 10 Holdings	14.51	%	

TOP 5 COUNTRIES* (Unaudited)

United States	59.6	%
United Kingdom	6.3	%
Japan	3.8	%
Switzerland	3.7	%
Finland	2.1	%

*Portfolio Distributions percentages are based on total investments. The Top 10 Holdings and Top 5 Countries do not include short-term investments and percentages are based on total net assets. Portfolio holdings and sector *distributions are as of 10/31/16 and are subject to change. Portfolio holdings are not recommendations to buy or sell any securities.*

Manager Commentary (Continued)

October 31, 2016

REGIONAL ALLOCATION** *As of October 31, 2016 (Unaudited)*

** *As a percentage of total investments, excluding any short-term investments.*

NAV AND MARKET PRICE *As of October 31, 2016 (Unaudited)*

Edgar Filing: ALPINE TOTAL DYNAMIC DIVIDEND FUND - Form N-CSR

Schedule of Portfolio Investments
October 31, 2016

Shares	Security Description	Value
Common Stocks-93.8%		
Aerospace & Defense-2.2%		
181,500	B/E Aerospace, Inc.	\$10,802,880
68,500	Orbital ATK, Inc.	5,093,660
34,800	Raytheon Co.	4,754,028
		20,650,568
Air Freight & Logistics-1.2%		
65,900	FedEx Corp.	11,487,688
Airlines-1.7%		
244,000	Delta Air Lines, Inc.	10,191,880
200,000	Japan Airlines Co., Ltd.	5,904,453
		16,096,333
Auto Components-0.9%		
63,000	Delphi Automotive PLC	4,099,410
1,168,500	GKN PLC	4,565,341
		8,664,751
Banks-8.3%		
739,030	Banco Bilbao Vizcaya Argentaria SA	5,336,539
723,100	Bank of America Corp.	11,931,150
146,000	Citigroup, Inc.	7,175,900
467,967	Citizens Financial Group, Inc.	12,326,251
204,000	Hana Financial Group, Inc.	5,847,673
1,047,500	Mitsubishi UFJ Financial Group, Inc.	5,439,768
979,700	Regions Financial Corp.	10,492,587
107,600	The PNC Financial Services Group, Inc.	10,286,560
187,500	Wells Fargo & Co.	8,626,875
		77,463,303
Beverages-0.7%		
54,900	Anheuser-Busch InBev NV-SP ADR	6,340,401
Biotechnology-0.7%		
37,700	Shire PLC-ADR	6,357,728
Capital Markets-3.1%		
325,000	Ares Capital Corp.	4,972,500
283,500	Azimut Holding SpA	4,549,922
87,000	Evercore Partners, Inc.-Class A	4,676,250
141,500	Federated Investors, Inc.-Class B	3,820,500
676,000	Mediobanca SpA	4,953,379
256,000	The Blackstone Group LP	6,407,680
		29,380,231
Chemicals-1.5%		
398,000	Clariant AG (a)	6,592,107

Edgar Filing: ALPINE TOTAL DYNAMIC DIVIDEND FUND - Form N-CSR

104,500	Symrise AG	7,170,829
		13,762,936

Commercial Services & Supplies-0.8%

184,000	ISS A/S	7,234,216
---------	---------	-----------

Shares	Description	Value
--------	-------------	-------

Communications Equipment-2.0%

167,200	Cisco Systems, Inc.	\$5,129,696
110,700	Harris Corp.	9,875,547
848,500	Nokia OYJ	3,789,102
		18,794,345

Construction & Engineering-3.1%

321,885	Bouygues SA	10,496,242
5,467,500	China Railway Construction Corp., Ltd.-Class H	6,852,396
612,689	Ferrovial SA	11,921,472
		29,270,110

Consumer Finance-1.2%

97,500	Discover Financial Services	5,492,175
201,000	Synchrony Financial	5,746,590
		11,238,765

Diversified Telecommunication Services-1.8%

427,500	BT Group PLC-SP ADR	9,892,350
416,000	Cellnex Telecom SAU (b)	6,831,695
		16,724,045

Electric Utilities-1.6%

118,500	NextEra Energy, Inc.	15,168,000
---------	----------------------	------------

Electronic Equipment, Instruments & Components-1.1%

160,000	TE Connectivity, Ltd.	10,059,200
---------	-----------------------	------------

Energy Equipment & Services-0.3%

31,000	Schlumberger, Ltd.	2,425,130
--------	--------------------	-----------

Equity Real Estate Investment-4.8%

103,000	American Tower Corp.	12,070,570
168,500	Colony Starwood Homes	4,888,185
49,000	CyrusOne, Inc.	2,185,890
73,000	Digital Realty Trust, Inc.	6,820,390
780	Nippon Building Fund, Inc.	4,633,737
224,500	The Geo Group, Inc.	5,379,020
674,738	Westfield Corp.	4,568,130
158,000	Weyerhaeuser Co.	4,728,940
		45,274,862

Food & Staples Retailing-2.9%

178,900	CVS Health Corp.	15,045,490
164,300	Seven & i Holdings Co., Ltd.	6,866,853
153,000	The Kroger Co.	4,739,940
		26,652,283

Food Products-4.0%

445,000	BRF SA-ADR	7,440,400
216,000	Mondelez International, Inc.-Class A	9,707,040
128,000	Nestle SA	9,280,986
118,500	The Kraft Heinz Co.	10,540,575
		36,969,001

The accompanying notes are an integral part of these financial statements.

Annual Report | October 31, 2016 9

Edgar Filing: ALPINE TOTAL DYNAMIC DIVIDEND FUND - Form N-CSR

Schedule of Portfolio Investments (Continued)
October 31, 2016

Shares	Security Description	Value
Gas Utilities-0.2%		
375,546	Infraestructura Energetica Nova SAB de CV	\$1,659,071
Health Care Equipment & Supplies-1.9%		
118,900	Medtronic PLC	9,752,178
75,500	Zimmer Biomet Holdings, Inc.	7,957,700
		17,709,878
Health Care Providers & Services-2.7%		
77,300	HCA Holdings, Inc. (a)	5,915,769
54,666	McKesson Corp.	6,951,875
40,200	UnitedHealth Group, Inc.	5,681,466
52,400	Universal Health Services, Inc.-Class B	6,325,204
		24,874,314
Hotels, Restaurants & Leisure-0.8%		
207,000	Aramark	7,706,610
Household Durables-2.8%		
169,500	Lennar Corp.-Class A	7,066,455
216,000	Newell Brands, Inc.	10,372,320
57,000	Whirlpool Corp.	8,539,740
		25,978,515
Household Products-1.3%		
441,000	Svenska Cellulosa AB SCA-B Shares	12,494,467
Independent Power and Renewables-1.6%		
545,000	NRG Yield, Inc.-Class C	8,393,000
282,100	Pattern Energy Group, Inc.	6,304,935
		14,697,935
Insurance-0.8%		
47,300	Allianz SE	7,373,150
Internet Software & Services-0.6%		
6,900	Alphabet, Inc.-Class C (a)	5,413,326
IT Services-0.5%		
196,000	CSRA, Inc.	4,917,640
Life Sciences Tools & Services-1.0%		
63,200	Thermo Fisher Scientific, Inc.	9,292,296
Machinery-1.5%		
5,209,950	CRRC Corp., Ltd.-Class H	4,729,265
61,500	Snap-on, Inc.	9,477,150
		14,206,415

Edgar Filing: ALPINE TOTAL DYNAMIC DIVIDEND FUND - Form N-CSR

Media-0.8%

116,500	Comcast Corp.-Class A	7,202,030
Shares	Description	Value

Metals & Mining-0.5%

235,000	Nippon Steel & Sumitomo Metal Corp.	\$4,657,648
---------	-------------------------------------	-------------

Mortgage Real Estate Investment-0.6%

311,500	Colony Capital, Inc.-Class A	5,921,615
---------	------------------------------	-----------

Multi-Utilities-2.5%

355,000	CMS Energy Corp.	14,963,250
399,500	Veolia Environnement SA	8,718,399
		23,681,649

Multiline Retail-0.8%

103,000	Dollar General Corp.	7,116,270
---------	----------------------	-----------

Oil, Gas & Consumable Fuels-6.3%

126,295	Anadarko Petroleum Corp.	7,506,975
311,000	BP PLC-SP ADR	11,056,050
71,300	Chevron Corp.	7,468,675
188,000	Enbridge, Inc.	8,115,960
55,300	EOG Resources, Inc.	5,000,226
441,000	Kinder Morgan, Inc.	9,009,630
154,500	Marathon Petroleum Corp.	6,734,655
51,000	Tesoro Corp.	4,333,470
		59,225,641

Paper & Forest Products-1.7%

811,000	Stora Enso OYJ-R Shares	7,669,723
359,000	UPM-Kymmene OYJ	8,354,758
		16,024,481

Personal Products-0.7%

151,000	Unilever NV	6,328,728
---------	-------------	-----------

Pharmaceuticals-3.4%

231,000	AstraZeneca PLC-SP ADR	6,541,920
123,500	Novartis AG-SP ADR	8,770,970
92,000	Novo Nordisk A/S-SP ADR	3,269,680
196,000	Pfizer, Inc.	6,215,160
168,600	Teva Pharmaceutical Industries, Ltd.-SP ADR	7,205,964
		32,003,694

Real Estate Management & Development-1.4%

4,210,000	Global Logistic Properties, Ltd.	5,371,249
357,000	Mitsui Fudosan Co., Ltd.	8,137,775
		13,509,024

Road & Rail-2.4%

63,500	Canadian Pacific Railway, Ltd.	9,077,960
76,500	Norfolk Southern Corp.	7,114,500
2,568,500	Rumo Logistica Operadora Multimodal SA (a)	5,745,329
		21,937,789

The accompanying notes are an integral part of these financial statements.

10

Schedule of Portfolio Investments (Continued)
October 31, 2016

Shares	Security Description	Value
Semiconductors & Semiconductor Equipment-3.7%		
268,000	Applied Materials, Inc.	\$7,793,440
62,200	Broadcom, Ltd.	10,591,416
260,000	Intel Corp.	9,066,200
192,500	SK Hynix, Inc.	6,897,531
		34,348,587
Software-0.9%		
61,470	Dell Technologies, Inc.-VMware, Inc.-Class V (a)	3,017,562
94,000	Microsoft Corp.	5,632,480
		8,650,042
Specialty Retail-3.5%		
95,300	Dick's Sporting Goods, Inc.	5,303,445
108,500	Foot Locker, Inc.	7,244,545
94,600	The Home Depot, Inc.	11,542,146
110,600	TJX Cos., Inc.	8,156,750
		32,246,886
Technology, Hardware, Storage & Peripherals-3.4%		
159,500	Apple, Inc.	18,109,630
3,150	Samsung Electronics Co., Ltd.	4,511,995
159,000	Western Digital Corp.	9,291,960
		31,913,585
Textiles, Apparel & Luxury Goods-0.5%		
55,000	Carter's, Inc.	4,748,700
Wireless Telecommunication Services-1.1%		
3,800,000	Vodafone Group PLC	10,455,904
TOTAL COMMON STOCKS (Cost \$820,281,239)		876,309,786
Exchange-Traded Funds-0.9%		
158,000	SPDR S&P Biotech Fund	8,871,700
TOTAL EXCHANGE-TRADED FUNDS (Cost \$9,728,965)		8,871,700
Rights-0.0% (c)		
Construction & Engineering-0.0% (c)		
612,689	Ferrovial SA	
	Expiration: November 18, 2016	262,306
TOTAL RIGHTS (Cost \$274,587)		262,306

Principal Amount	Security Description	Value
Short-Term Investments-4.3%		
\$40,169,000	State Street Eurodollar Time Deposit, 0.01%	\$40,169,000
TOTAL SHORT-TERM INVESTMENTS (Cost \$40,169,000)		40,169,000
TOTAL INVESTMENTS (Cost \$870,453,791) ^(d) —99.0%		925,612,792
OTHER ASSETS IN EXCESS OF LIABILITIES—1.0%		8,967,495
TOTAL NET ASSETS 100.0%		\$934,580,287

Percentages are stated as a percent of net assets.

(a) Non-income producing security.

Restricted under Rule 144A of the Securities Act of 1933. These securities may be resold in transactions exempt from registration, normally to qualified institutional buyers. These securities have been determined to be liquid^(b) under guidelines established by the Board of Trustees. Liquid securities restricted under Rule 144A comprised 0.7% of the Fund's net assets.

(c) Amount is less than 0.05%.

(d) See Note 6 for the cost of investments for federal tax purposes.

Common Abbreviations

ADR—American Depositary Receipt

AG—Aktiengesellschaft is a German term that refers to a corporation that is limited by shares, i.e., owned by shareholders.

A/S—Aktieselskab is the Danish term for a stock-based corporation.

NV—Naamloze Vennootschap is the Dutch term for a public limited liability corporation.

PLC—Public Limited Company

SA—Generally designates corporations in various countries, mostly those employing the civil law.

SP ADR—Sponsored American Depositary Receipt

SpA—Societa' Per Azioni is an Italian shared company.

The accompanying notes are an integral part of these financial statements.

Statement of Assets and Liabilities
October 31, 2016

ASSETS:

Investments, at value ⁽¹⁾	\$925,612,792
Foreign currencies, at value ⁽²⁾	1
Cash	2,932,042
Receivable from investment securities sold	18,819,269
Dividends receivable	3,006,669
Tax reclaim receivable	5,823,000
Unrealized appreciation on forward currency contracts	623,395
Prepaid expenses and other assets	199,348
Total assets	957,016,516

LIABILITIES:

Payable for investment securities purchased	21,291,769
Accrued expenses and other liabilities:	
Investment advisory fees (Note 4)	811,608
Trustee fees (Note 4)	22,133
Administration fees	50,170
Other	260,549
Total liabilities	22,436,229
Net Assets	\$934,580,287

NET ASSETS REPRESENTED BY:

Paid-in-capital	\$2,309,899,786
Distributions in excess of net investment income	(122,131)
Accumulated net realized loss from investments and foreign currency transactions	(1,429,715,501)
Net unrealized appreciation on investments and foreign currency translations	54,518,133
Net Assets	\$934,580,287
Net asset value	
Net assets	\$934,580,287
Shares of beneficial interest issued and outstanding	107,593,339
Net asset value per share	\$8.69
⁽¹⁾ Total cost of investments	\$870,453,791
⁽²⁾ Total cost of foreign currencies	\$1

The accompanying notes are an integral part of these financial statements.

Statement of Operations
For the Year Ended October 31, 2016

INVESTMENT INCOME:

Dividend income	\$82,288,198
Less: Foreign taxes withheld	(1,276,212)
Total investment income	81,011,986

EXPENSES:

Investment advisory fee (Note 4)	9,706,964
Printing and mailing fees	218,818
Administration fee (Note 4)	218,183
NYSE fees	122,520
Trustee fees (Note 4)	118,518
Audit and tax fees	102,860
Accounting and custody fees	85,078
Legal fees	84,066
Insurance fees	83,279
Compliance fees (Note 4)	39,610
Interest on loan (Note 7)	4,631
Other fees	218,996
Total expenses	11,003,523
Net investment income	70,008,463

NET REALIZED AND UNREALIZED GAIN/(LOSS) ON INVESTMENTS AND FOREIGN CURRENCY:

Net realized gain/(loss) from:	
Investments	(64,121,990)
Foreign currency transactions	3,023,022
Net realized gain/(loss) from investments and foreign currency	(61,098,968)
Change in net unrealized appreciation/(depreciation) on:	
Investments	(26,230,473)
Foreign currency translations	(2,083,836)
Change in net unrealized appreciation/(depreciation) on investments and foreign currency	(28,314,309)
Net loss on investments and foreign currency	(89,413,277)
Decrease in net assets from operations	\$(19,404,814)

The accompanying notes are an integral part of these financial statements.

Statements of Changes in Net Assets

	For the Year Ended October 31, 2016	For the Year Ended October 31, 2015
OPERATIONS:		
Net investment income	\$70,008,463	\$73,171,578
Net realized gain (loss) from:		
Investments	(64,121,990)	(5,546,871)
Foreign currency transactions	3,023,022	21,284,387
Change in net unrealized appreciation/(depreciation) on:		
Investments	(26,230,473)	(45,165,491)
Foreign currency translations	(2,083,836)	(9,780,335)
Increase (decrease) in net assets from operations	(19,404,814)	33,963,268
DISTRIBUTIONS TO COMMON SHAREHOLDERS (NOTE 6):		
From net investment income	(71,314,210)	(73,512,036)
From tax return of capital	(2,925,194)	(404,557)
Decrease in net assets from distributions to shareholders	(74,239,404)	(73,916,593)
CAPITAL SHARE TRANSACTIONS:		
Repurchase of shares	—	(8,875,032)
Increase (decrease) in net assets from capital share transactions	—	(8,875,032)
Net decrease in net assets	(93,644,218)	(48,828,357)
NET ASSETS:		
Beginning of year	1,028,224,505	1,077,052,862
End of year*	\$934,580,287	\$1,028,224,505
CAPITAL SHARE TRANSACTIONS:		
Common shares outstanding – beginning of year	107,593,339	108,615,166
Common shares retired	—	(1,021,827)
Common shares outstanding – end of year	107,593,339	107,593,339
* Including distributions in excess of net investment income of:	\$(122,131)	\$—

The accompanying notes are an integral part of these financial statements.

Edgar Filing: ALPINE TOTAL DYNAMIC DIVIDEND FUND - Form N-CSR

Financial Highlights

(For a share outstanding throughout each year)

	For the Year Ended October 31, 2016	For the Year Ended October 31, 2015 [†]	For the Year Ended October 31, 2014 [†]	For the Year Ended October 31, 2013 ^{†(a)}	For the Year Ended October 31, 2012 ^{†(a)}
PER COMMON SHARE OPERATING PERFORMANCE:					
Net asset value per share, beginning of year	\$9.56	\$9.92	\$9.82	(a) \$9.22	\$10.26
Income from investment operations:					
Net investment income	0.65	0.69	0.64	0.68	1.36
Net realized and unrealized gain (loss)	(0.83)	(0.38)	0.13	0.74	(1.08)
Total from investment operations	(0.18)	0.31	0.77	1.42	0.28
LESS DISTRIBUTIONS:					
From net investment income	(0.66)	(0.68)	(0.67)	(0.82)	(1.32)
Tax return of capital	(0.03)	(0.00) ^(b)	—	—	—
Total distributions	(0.69)	(0.68)	(0.67)	(0.82)	(1.32)
Anti-Dilutive effect of share repurchase program	—	0.01	—	—	—
Net asset value per share, end of year	\$8.69	\$9.56	\$9.92	\$9.82	\$9.22
Per share market value, end of year	\$7.37	\$8.01	\$8.67	\$8.34	\$8.44
Total return based on:					
Net Asset Value ^(c)	(0.40)%	4.39%	9.26%	17.60%	4.01%
Market Value ^(c)	0.81%	0.07%	12.44%	9.11%	(0.32)%
RATIOS/SUPPLEMENTAL DATA:					
Net Assets at end of year (000)	\$934,580	\$1,028,225	\$1,077,053	\$1,067,171	\$1,019,133
Ratio of total expenses to average net assets(d)	1.15%	1.16%	1.14%	1.19%	1.27%
Ratio of net investment income to average net assets	7.31%	6.74%	6.47%	7.24%	14.14%
Portfolio turnover	98%	127%	99%	192%	310%
Borrowing at End of year					
Aggregate Amount Outstanding (000)	N/A	N/A	\$8,301	\$5,897	\$51,500
Asset Coverage Per \$1,000 (000)	N/A	N/A	\$130,757	\$181,979	\$20,789

[†] Beginning with the year ended October 31, 2015, the Fund was audited by Ernst & Young LLP. The previous years were audited by another independent registered public accounting firm.

(a) On January 21, 2014, the Fund implemented a 1 for 2 reverse stock split. Net asset value and per share information through January 20, 2014 have been updated to reflect the effect of the split. Shareholders received 1

share for every 2 shares owned and net asset value per share increased correspondingly.

(b) The amount is less than \$0.005 per share.

Total investment return is calculated assuming a purchase of a common share at the opening on the first day and a sale at closing on the last day of each period reported. Dividends and distributions, if any, are assumed for

(c) purposes of this calculation to be reinvested at prices obtained under the Fund's dividend reinvestment plan. Total investment returns do not reflect brokerage commissions paid directly by the Fund's common shareholders. Past performance is not a guarantee of future results.

(d) Ratio of total expenses to average net assets excluding interest expense was 1.15%, 1.15%, 1.13%, 1.18% and 1.23% for the years ended October 31, 2016, 2015, 2014, 2013 and 2012, respectively.

The accompanying notes are an integral part of these financial statements.

Annual Report | October 31, 2016 15

Notes to Financial Statements
October 31, 2016

1. Organization:

Alpine Total Dynamic Dividend Fund (the “Fund”) is a diversified, closed-end management investment company. The Fund was organized as a Delaware statutory trust on October 27, 2006, and had no operating history prior to January 26, 2007. The Board of Trustees (the “Board”) authorized an unlimited number of shares with no par value. The Fund’s primary investment objective is to seek high current dividend income. The Fund also focuses on long-term growth of capital as a secondary investment objective.

The Fund is an investment company and accordingly follows the investment company accounting and reporting guidance of the Financial Accounting Standards Board (“FASB”) Accounting Standards Codification Topic (“ASC”) 946 Financial Services-Investment Companies.

2. Significant Accounting Policies:

The following is a summary of significant accounting policies consistently followed by the Fund in the preparation of its financial statements. The policies are in conformity with accounting principles generally accepted in the United States of America (“GAAP”), which require management to make estimates and assumptions that affect amounts reported herein. Actual results could differ from those estimates. Changes in the economic environment, financial markets and any other parameters used in determining these estimates could cause actual results to differ.

A. Valuation of Securities:

The net asset value (“NAV”) of shares of the Fund is calculated by dividing the value of the Fund’s net assets by the number of outstanding shares. NAV is determined each day the New York Stock Exchange (“NYSE”) is open as of the close of regular trading (normally, 4:00 p.m., Eastern Time). In computing NAV, portfolio securities of the Fund are valued at their current fair values determined on the basis of market quotations or if market quotations are not readily available or determined to be unreliable, through procedures and/or guidelines established by the Board. In computing the Fund’s NAV, equity securities that are traded on a securities exchange in the United States, except for those listed on NASDAQ Global Market, NASDAQ Global Select Market and NASDAQ Capital Market exchanges (collectively, “NASDAQ”) and option securities are valued at the last reported sale price as of the time of valuation. Securities traded on NASDAQ will be valued at the NASDAQ Official Closing Prices (“NOCP”). If, on a particular day, an exchange traded or NASDAQ security does not trade, then the mean between the most recent quoted bid and asked prices will be used. For equity investments traded on more than one exchange, the last reported sale price on the exchange where the stock is primarily traded is used. Equity-linked structured notes are valued by referencing the last reported sale or settlement price of the

underlying security on the day of valuation. Foreign exchange adjustments are applied to the last reported price to convert the underlying security's trading currency to the equity-linked structured note's settlement currency. Each option security traded on a securities exchange in the United States is valued at the last current reported sales price as of the time of valuation if the last current reported sales price falls within the consolidated bid/ask quote. If the last current reported sale price does not fall within the consolidated bid/ask quote, the security is valued at the mid-point of the consolidated bid/ask quote for the option security. Forward currency contracts are valued based on third-party vendor quotations. Each security traded in the over-the-counter market and quoted on the NASDAQ National Market System is valued at the NOCP, as determined by NASDAQ, or lacking an NOCP, the last current reported sale price as of the time of valuation by NASDAQ, or lacking any current reported sale on NASDAQ at the time of valuation, at the mean between the most recent bid and asked quotations. Each over-the-counter option that is not traded through the Options Clearing Corporation is valued by the counterparty of the option, or if the counterparty's price is not readily available, then by using the Black-Scholes method. Debt and short-term securities are valued based on an evaluated bid price as furnished by pricing services approved by the Board, which may be based on market transactions for comparable securities and various relationships between securities that are generally recognized by institutional traders, a computerized matrix system, or appraisals derived from information concerning the securities or similar securities received from recognized dealers in those securities. Each other security traded over-the-counter is valued at the mean between the most recent bid and asked quotations.

Securities that are principally traded in a foreign market are valued at the last current