

ALPINE TOTAL DYNAMIC DIVIDEND FUND
Form N-CSRS
July 09, 2012

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FORM N-CSR

CERTIFIED SHAREHOLDER REPORT OF REGISTERED MANAGEMENT INVESTMENT COMPANIES

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Alpine Total Dynamic Dividend Fund

(Exact name of registrant as specified in charter)

Alpine Woods Capital Investors, LLC
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Purchase, New York, 10577

(Address of principal executive offices)(Zip code)

(Name and Address of Agent for Service)

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Date of fiscal year end: October 31

Date of reporting period: November 1, 2011 - April 30, 2012

Item 1: Shareholder Report

Total Dynamic Dividend Fund

April 30,

2012

Semi-Annual Report

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Alpine View

April 30, 2012 (Unaudited)

Dear Investor:

Beneath the day-to-day noise of news and data, there is a dialogue playing out in the capital markets which questions (a) whether an effective fiscal European Union (EU) can emerge from the current stresses brought on by a decade of imprudent fiscal laxity, and (b) what are the broader global economic implications whether or not the EU succeeds. Complicating these scenarios are the ongoing after effects of the financial crisis of 2008, which have highlighted the constraints on how countries provide a broad array of health, education and social services when the population is aging or even declining and productivity growth slows. Most of the developed economies have known such issues for years, but this ongoing slowdown may force a restructuring of revenue collection and the availability of those services. This issue is not about big vs. limited government, or socialist vs. laissez-faire ideologies. Rather, it should be about how much of a base shall a country provide and how best to pay for it. Revenues from gambling, tolls, asset sales, licenses, fees, consumption taxes, asset taxes as well as income and transaction taxes are, globally, all part of the possible sources which have varying economic and societal impacts.

Where is the Train Heading?

Much of the fear and uncertainty in the market revolves around who is conducting the course and pace of response to today's economic dilemmas. Europe's leaders have fallen behind the pace of events. The markets have lost patience with EU politicians and bankers who failed to achieve much in the way of labor and business reforms, economic restructuring, or balance sheet recapitalizations between 2008 through this summer. Potential scenarios range from the hopeful implementation of constructive reforms, which may take a long time to implement, to the uncertain implications of Greece's potential exit from the Euro. Perhaps the most benign scenario would be a decisive U.S. election followed by minimal political brinksmanship regarding budget/tax reform while, at the same time, sovereign debt burdens stabilize and confidence improves that Europe can muddle through their problems. Further comfort could be derived if China would achieve a soft landing before resuming growth, and the risk of war in the Middle East and/or potential disruption of oil flows would lessen as a factor. This scenario assumes a rational world motivated by mutual interest, and more than a little good luck. On the other hand, misfortune, combined with a panicked and protectionist environment motivated by self preservation could also emerge.

The most pessimistic scenarios depict a world where confidence in institutions and societal or economic structures which worked for over sixty years fail to perform. Bank runs, margin calls, credit withdrawals, currency collapses, all reflect the sort of contagion that could be imagined to spring from a worst case collapse of the Euro. Such fears are reminiscent of late 2008, when the genuine dysfunction and lack of tools to address the structural problems contributed to the crisis at that time. Now, fears of societal unrest or further external conflicts in the Middle East, Asia or Africa, could create another desperate dimension in extreme circumstances.

Unfortunately, investors can only model scenarios of what might happen along each route as the journey unfolds over time, and then weigh the probabilities as we evaluate portfolio positioning in terms of potential risk or reward. Potential reward can be measured in terms of growth and value metrics. Current valuations vary by country or industry, but many individual stocks are priced at valuations similar to early 2009. Yet economic measures of demand, financial stability and overall integrity are far better than 2008 or 2009, so if the political and economic concerns begin to align into action, then equity valuations could prove compelling.

We believe the market has already discounted some percentage of both best and worst scenarios, with a higher likelihood that a messy, muddled, mix of positive actions, fearful reactions and modicum of inaction will carry the day. Since the collapse of Lehman Brothers, the fear and loathing trade has over-emphasized the negative risk scenarios, by inducing the withdrawal of equity capital into bonds and alternative investments. The subsequent reduction in both breadth and depth of market participation and liquidity has aggravated volatility, both on the downsizing and on the rebound. Compounding this has been the so called risk on, risk off trades driven by quantitative algorithms which tend to exacerbate shifts in market sentiment.

Outside of big picture news flow, the important factors driving underlying business performance and, hence, the fundamental drivers of equity performance have been pretty spotty but generally solid in the U.S., and selectively stronger in Asia and Latin America, although the Euro area slowdown is affecting these economies as well. While liquidity is still difficult in some markets and for certain industries, the flow of capital has improved over the past fifteen months, although European credit is understandably more difficult to come by. That said, large private equity funds have been raised to participate in potential European

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recapitalizations or mergers and acquisitions (M&A), which we believe could play a significant role over the next 12 to 24 months. In general, high commodity prices have also declined with the ongoing slowdown of marginal global demand, which should have a positive effect upon corporate profitability around the world, mitigating the top line impact of an economic slowdown.

Signals Say Proceed Cautiously Avoid Congestion

For the U.S., the trend in costs is particularly positive for ongoing economic activity given the abundance of natural gas and our existing infrastructure to distribute it and cut back on coal and oil. However, after a six month run of good economic data through April, the latest (May) reviews of purchasing managers orders books, consumer confidence, industrial production and, notably, leading indicators reveal a weakening trend is emerging. Admittedly, while job growth is positive, it is diminishing and far below a desirable 300+ thousand per month. Improvement in the housing statistics is also supportive as new home sales begins to rise off a very low base and, barring any significant downturn, should enhance economic activity and job growth after over five years of negative contribution. Even Fannie Mae

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produced positive earnings in the first quarter of this year after eighteen negative quarters suggesting that the poor performing financial underpinnings of the past have worked their way through the system and that even the system itself is healing without having been significantly restructured. Combine this with the current strong balance sheet strength of large public companies and historically strong profit margins, and it suggests that it is a matter of time before America's private sector increases capital spending and starts adding jobs.

Given the continued support of the Federal Reserve, it appears clear that a cheap monetary policy will continue to keep the flame of economic potential burning. In this context it is encouraging to see that Central Banks around the world, from Beijing to Oslo, and Bangkok to Brasília, continue to provide low cost liquidity to their domestic sectors. Given the global output gap, it is reasonable to assume that the potential creation of an inflation bubble is still a long way off, and certainly not a foregone conclusion. Thus, we remain confident in our belief that given this global cyclical upturn, albeit slow and narrow so far, and constrained by fragile confidence, that growth can continue in many countries. Notably, global growth and demand is staggered by region with projections that emerging economies will create 80% of global growth over the next few years. That said, there are many companies in the already developed economies that produce much of their revenue from growing countries.

Mind the Gap, Before Boarding the Train

The gap between demand and productive capability may change the trend of globalization which previously emphasized cheap exports. Production may become more focused on the domestic needs of individual countries. While this may prove inflationary for specific goods in certain countries or regions, the output gap will likely have a moderating effect on global inflation for several years.

We should also be mindful that a gap still exists between the traditional sources of economic growth. Typically, the manufacturing or private sector and the government or public sector have evolved in most economies to either supplement or offset each other during weak phases of the business cycle. However, during a protracted downturn, such as we are currently experiencing, resources can be exhausted or stretched beyond comfortable norms. In the U.S., for example, corporate spending, while improving, has yet to recover from the downdraft of 2008. The balance sheets for large corporations are in great shape, because many smaller firms are still constrained, allowing big or public companies to grow market share at low cost. However, this period of improving margins and low cost growth may begin to fade. Meanwhile, the Government's spending on transfer payments, including unemployment benefits and municipal support has offset the impact of reduced corporate capex and employment declines since 2008. Significant supplemental spending packages have made up for revenue shortfalls at both the state and municipal levels of government and minimized the potential for further layoffs and service reductions brought on by diminished local tax receipts. Alas, this is not just an American

problem. After four years with total Federal government outlays far exceeding tax receipts already diminished by slower economic activity, governments around the world have fallen into excessive fiscal deficits which have overloaded debt burdens. This has been especially prevalent in most developed countries with established social services covering health, education and welfare.

Significantly, these fiscal deficiencies cannot be fixed by just raising taxes and cutting spending without creating other problems. Now the gap between corporate capital spending on plant equipment and employment must shift back to the corporate sector if these countries hope to maintain economic momentum. Recent increases in corporate spending, with the U.S. leading European companies, has been primarily limited to technology, marketing and sales, as opposed to new production, but this may not be enough to stimulate employment gains before the stimulus gap begins to widen. The rapid expansion of shale and coal seam gas extraction, initially in the U.S., to be followed by Australia and China, could lower fuel costs in many countries, stimulating large infrastructure spending and supporting further business activity. We think investors will have to watch the gap between corporate and Federal spending trends as a precursor to our getting the global economy back on track.

Even though so called Emerging Market (EM) economies have maintained fiscal capacity through both lower debt levels and superior economic growth, those with export oriented economies such as China, Taiwan and Korea are not immune to falling or stagnant demand from Europe, Japan and, possibly, the U.S.A. While this has reduced EM Gross Domestic Product (GDP) growth potential, economic forecasts still remain well ahead of those for developed economies. The combination of population growth, expanding proportion of middle class people, aggregate wealth accumulation and continued corporate expansion would likely lead

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to extending the rising trends in income and consumption. Nonetheless, we believe the prospect of the emerging middle class consumer in EM s fully offsetting the decline in buying power of developed economies is unlikely for the next decade or so, until median incomes begin to approach ours and the number of people included is far in excess. Thus, the U.S. and Europe must take rational steps to stabilize the balance sheets of both the public and private sectors of their economies.

While Europe s troubles and the U.S. fiscal cliff have received the most attention, perhaps of greater importance to the global economy is the transition of the Chinese economy from an export-led, low cost production model towards a broader focus on services and capabilities to meet the demands of a growing middle class. We are seeing a similar effort take place in Brazil where the middle class has grown from the ranks of impoverished masses. As incomes and standards of living rise, people in these countries will likely aspire to lifestyles similar to those which we have enjoyed for decades. This is the direction in which the global locomotive of growth will be traveling. As Alpine s analysts and managers annually participate in over 1,000 company meetings, and visits, we will continue to assess whether different countries, companies or industries are positioned at the front of the train or towards the caboose. Over time, perhaps

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the biggest risk to investors during these volatile times of economic transition would be staying put when the train leaves the station.

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.

Mutual fund investing involves risk. Principal loss is possible. Please refer to the individual fund letter for risks specific to the fund.

This letter and the letter that follow represent the opinion of Alpine Funds' management and are subject to change, are not guaranteed, and should not be considered investment advice.

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

Manager Commentary

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Performance

The Alpine Total Dynamic Dividend Fund (AOD) completed first half of fiscal 2012 with a total return of 4.54% on the Fund's Net Asset Value (NAV) and a 1.57% return on the market price of AOD including dividend reinvestments. The Fund paid a regular monthly distribution of \$0.055 per share, or \$0.66 per share annualized. The comparative returns of broad-based global indices for the same time period were 12.77% for the S&P 500 TR Total Return Index, 2.26% for the STOXX Europe 600 Index, and 7.66% return for the MSCI All Country World ex-Japan Index in U.S. dollar terms.

Our U.S. based holdings provided a solid return of 9.88% during the six months ended April 30, 2012. Our worst performing country was Germany with a small 2.2% average weighting in the Fund but with a negative return of 19.84% return during the period. With our international weightings representing more than 50% of our holdings, the correction in March and April in these Markets has been deep and detrimental to the Fund.

Drivers of Performance

The performance of AOD during the first half of fiscal 2012 is attributed primarily to strong overall appreciation in our U.S. based assets but continued challenging performance in our investment positions in international markets. In comparison to the S&P 500 Index, AOD has a large portion of its assets invested overseas to help achieve our goal of high dividends and capital appreciation since the U.S. is one of the lowest yielding global equity markets. We do not actively manage our country weightings—we pick our holdings on a stock by stock basis based on dividend potential and total return. This bottom-up approach has historically taken a portion of our holdings to Europe, as the dividend payout ratios remain higher than any other region, in addition to finding what we believe are numerous compelling growth and income stories that have led us to invest in Asia and Latin America.

The U.S. and international markets reached the lows of the semi-annual reporting period in late November 2011 on fears of a global double dip recession and an escalation of the European sovereign debt crisis. The European Central Bank stepped in to prevent a worsening crisis by providing inexpensive financing to European banks on December 21, 2011 and again on February 29, 2012, known as the Long Term Refinancing Operation, or (LTRO). This buoyed the international markets during that time period and stocks rallied. However, renewed concerns about the longer term structural problems in Europe following the second LTRO payment plus the slowdown in economic growth in countries like China and Brazil led to overall negative performance in many of the international and cyclical holdings in the portfolio in the months of March and April, 2012, with the U.S. being viewed as a safe haven. From March 1, 2012, the day after the last LTRO payment, through the end of the first fiscal half of 2012 on April 30, 2012, the S&P 500 Index increased 2.01% versus the Brazilian Bovespa Index which

declined 16.29%, the STOXX Euro 600 Index decreased by 3.25%, and the Hang Seng Index was down by 1.01%. This particularly impacted the portfolio because of our long term emphasis on the search for high yielding, high quality securities overseas that were sold off despite what we believe were attractive fundamentals and positive longer term growth and income opportunities.

We responded to the volatility in the markets and the outlook for subdued global economic growth by bringing more assets back to the U.S. We believe that many U.S. companies will continue to report strong earnings and cash flow in the months ahead and the U.S. will likely maintain its safe haven status. We ended the fiscal first half 2012 with a 46.4% weight of assets in U.S. based companies and 50.1% in companies based in 13 different countries, with 3.5% in cash and equivalents. Following the U.S., our top five countries by weight on April 30, 2012 were the United Kingdom (17.2%), Sweden (9.1%), Brazil (5.6%), Switzerland (4.0%), and Norway (3.5%). In addition, we shifted to larger capitalization stocks, reviewed our economically sensitive stocks to look for growth based more on secular forces or innovation and less economic growth, and searched for companies we believe will continue to have strong margin improvements and productivity initiatives.

Given the continued uncertain outlook that still remains for the Euro region, we have strived to diversify our exposure in the region by moving away from companies with Euro denominated currencies. On April 30, 2012, 36.1% of the Fund's assets were invested in Europe due to the dividend capture season in Europe, but only 1.4% in Euro denominated currencies, with the rest being in Norway, Sweden, Switzerland, and the UK. Our dividend capture strategy tends to be seasonally focused in Europe in the spring and we hedged the currency exposure related to our dividend capture trades in Europe during this time. We have also continued to employ leverage at times in the execution of the Fund's strategy. The Fund's sector exposures and stock selection were also a

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driver of returns during the reporting period. We had eight sectors that provided positive total returns in the portfolio with the top two being Consumer Staples and Technology, with two sectors having negative performance Materials and Consumer Discretionary.

Top Five Contributors

The top five contributors to the Fund's total return performance during the reporting period based on contribution to total return were Petrofac Ltd. (24.97%), JPMorgan Chase (25.43%), Sara Lee Corp. (25.28%), Wells Fargo (30.57%), and Yum! Brands (36.71%):

Petrofac Ltd. (average weight 1.64%) is a UK based oil services company that provides outsourced production of oil fields. The stock performed well in first half fiscal 2012 as oil prices increased and the company experienced high demand for their services in the more challenging areas of oil production. In addition, the company has structured favorable contracts that offer upside from production and profit sharing contracts.

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JPMorgan Chase (average weight 2.01%) and Wells Fargo (average weight 1.66%) are two of the largest banks in the U.S. that both benefited in first half fiscal 2012 from a rebound in financial stocks following the European Central Bank's LTRO. Also, better economic data in the U.S. and a stabilization of the housing market also helped propel these financial stocks from the fears of a double dip recession in late 2011.

Sara Lee Corp. (average weight 2.03%) is a global food manufacturer that has plans to split into two companies on June 30, 2012—a faster growing coffee business and a more mature meats business—and will pay shareholders a \$3 special dividend at the time of the split. The stock has appreciated into the split as investors realize the potential value that will be unlocked by the action. In addition, we have a favorable view on the growth potential for the coffee business and the cost cutting potential at the meat company.

Wells Fargo (average weight 1.66%) is one of the largest banks in the U.S. that benefited in the first half fiscal 2012 from a rebound in financial stocks following the European Central Bank's LTRO. Also, better economic data in the U.S. and a stabilization of the housing market also helped propel these financial stocks from the fears of a double dip recession in late 2011.

Yum! Brands (average weight 1.46%) operates a worldwide system of over 36,000 quick serve restaurants with their main brands being Taco Bell, Pizza Hut, and KFC. With about 75% of profits generated from international markets and substantial growth opportunities in countries like China, we believe YUM offers attractive access to the emerging consumer growth markets.

Bottom Five Contributors

The bottom five contributors that had the largest adverse impact on the Fund's performance during the reporting period were PDG Realty (-46.76%), Wynn Resorts (-13.38%), LVMH Moët Hennessy Louis Vuitton (-14.02%), Potash Corp. (-17.45%), and Baker Hughes (-18.46%):

PDG (average weight 1.14%) is one of Brazil's largest home builders. We believe the home building sector in Brazil is an attractive high growth market due to rising discretionary income and subsidized government financing. However, PDG experienced weak share performance in first half 2012 due to fears of rising interest rates and cost overruns which impacted profitability. We believe PDG will have a turnaround in profitability in second half 2012 and we continue to hold the position.

Wynn Resorts (average weight 0.20%) operates casinos and resorts in Las Vegas and Macau. We purchased the stock following its announcement of a special dividend payment of \$5 per share, or about 4% of the stock price, in November 2011. However, WYNN has a higher percentage of VIP versus mass

gaming exposure that was slower than expected in first half 2012 on the economic slowdown in China and there was more competitive pressure than anticipated. We no longer hold the shares.

LVMH (average weight 0.49%) is one of the world's leading producers of luxury products such as champagne, cosmetics, luggage, and watches. The company is benefiting from strong demand for its luxury brands in emerging markets, but the stock sold off in first half fiscal 2012 on the rising fears of a hard landing in China, which is one of its major growth regions. We no longer hold the shares.

Potash (average weight 0.81%) is the largest producer of potash fertilizer in the world that we believe had favorable demand fundamentals entering 2012 with historically high grain prices, healthy farmer balance sheets, and low interest rates, plus constrained supply. Due to a confluence of negative external shocks (Indian budget crisis leading to fertilizer subsidy cuts, Chinese slowdown leading to inventory destocking, European macro fears leading to cautious buying patterns) and Potash's own execution issues, we sold the stock as risk/reward deteriorated.

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Baker Hughes (average weight 0.44%) is a leading provider of oil services to the global oil and gas industry, with a key focus being developing technologies and services that increase the production efficiency of wells while minimizing costs. Early in the year, we began to see signs that the pressure pumping market in North America was stalling, and Baker Hughes was especially ill-prepared as its logistics were stretched due to the integration of its BJ Services acquisition and it was having difficulties gaining access to materials. We sold the position as these issues became apparent in early 2012.

Summary & Outlook for the Market and Economy

We remain cautious as we enter second half 2012 based on uncertainty surrounding global economic growth and European financial risks, but we believe that the longer term outlook for dividend paying equities remains positive especially in the U.S. We expect continued volatility in the near term in equity markets as four of the main pillars of global economic growth – the U.S., Europe, China, and Latin America – face significant challenges. We do see a number of positives offsetting these challenges, such as a decline in commodity and energy prices versus the first half of fiscal 2012 which should be a benefit for consumer spending and business input costs. In addition, the housing market in the U.S., which has been a drag on the economy for several years, appears to be stabilizing. And while sovereign nations are struggling with large debt burdens, corporate balance sheet quality is high and many companies are sitting on record amounts of cash which should support capital growth initiatives, mergers and acquisitions, and the return of cash to shareholders via share buybacks and dividend increases, if we can see some clarity coming out of Europe and volatility declines.

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Over the long term, we continue to remain optimistic that dividend stocks will attract increasing amounts of capital as investors around the world search for income. Global demographics point to an aging population in the industrialized world and these millions of savers are facing zero to low interest rates for quarters or potentially years to come. For example, the U.S. in the 1930's and Japan in the past 20 years have shown that when interest rates go close to zero they can stay there for extended periods of time until structural economic issues are resolved. Since the year 2000, dividends (including the reinvestment of those dividends), not stock price appreciation, are the reason for the S&P 500's positive return. Without these dividends, the price of the S&P 500 Index declined by -4.86% but with reinvested dividends the total return for the S&P 500 is +19.47%.

Our goals remain clear. We intend to continue to seek to provide high current income and to grow our Net Asset Value over the long term and we want to achieve that goal with lower volatility than we have seen over the past several years as we strive to be the dividend income fund of choice for investors. Thank you for your support of the Alpine Total Dynamic Dividend Fund and we look forward to more prosperous years in 2012 and beyond.

Sincerely,

Jill K. Evans and Kevin Shacknofsky
Co-Portfolio Managers

Past performance is not a guarantee of future results.

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.

Please refer to the schedule of investments for fund holding 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 portfolio holdings are subject to risk.

The information provided is not intended to be 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.

All index performance reflects no deduction for direct fees, expenses or taxes. Please note that an investor cannot invest directly in an index.

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 will pay in any given timeframe.

This is provided to you for informational purposes only, and should not be considered tax advice. Please consult your tax advisor for further assistance.

A portion of the Fund's distributions may be comprised of return of capital or short-term or long-term capital gains. To the extent that the distribution is from a source other than net investment income, a 19a-1 notice will be provided and is available on our website.

The Fund may include equity-linked securities and various other derivative instruments, which can be illiquid, may disproportionately increase losses, and have a potentially large impact on Fund performance. Leverage may magnify gains or increase losses in the Fund's portfolio.

Diversification does not assure a profit or protect against loss in a declining market.

Investing in small and mid-cap stocks involves additional risks such as limited liquidity and greater volatility as compared to large cap stocks.

Fund investing involves risk. Principal loss is possible. The Fund is subject to the following risks:

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.

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 underperforms 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 or the anticipated acceleration of dividends could not occur.

Emerging Market Securities Risk The risks of investing in foreign securities can be intensified in the case of investments in issuers domiciled or operating in emerging market countries. These risks include lack of liquidity and greater price volatility, greater risks of expropriation, less developed legal systems and less reliable custodial services and settlement practices.

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).

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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. A Fund may enter into foreign currency transactions to try to manage this risk. A 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 portfolio managers to accurately predict the direction of changes in currency exchange rates.

Foreign Securities Risk Public information available concerning foreign issuers may be more limited than would be with respect to domestic issuers. Different accounting standards may be used by foreign issuers, and foreign trading markets may not be as liquid as U.S. markets. Currency fluctuations could erase investment gains or add to investment losses. Additionally, foreign securities also involve possible imposition of withholding or confiscatory taxes and adverse political or economic developments. These risks may be greater in emerging markets.

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.

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 Investments in micro-cap companies are associated with similar risks as investments in small and medium capitalization companies, but these risks may be even greater with respect to investments in micro-cap 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. Under current law, favorable U.S.

federal tax treatment of Fund distributions as qualified dividend income will expire as of December 31, 2012 unless new legislations extending that deadline is enacted.

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 a 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. A 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 a Fund may not receive the net amount of payments that such Fund contractually is entitled to receive.

Undervalued Stock Risk Undervalued stocks may perform differently from the market as a whole and may continue to be undervalued by the market for long periods of time. Although the Fund will not concentrate its investments in any one industry or industry groups, it may weigh its

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investments towards certain industries, thus increasing its exposure to factors adversely affecting issues within these industries.

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

Average Weight refers to the average weight of the holding in the portfolio during the reporting period.

Cash flow measures the cash generating capability of a company by adding non-cash charges (e.g. depreciation) and interest expense to pretax income.

Dividend Yield: The yield a company pays out to its shareholders in the form of dividends. It is calculated by taking the amount of dividends paid per share over a specific period of time and dividing by the stock's price.

LTRO is long term refinancing operation.

The MSCI AC World Ex Japan Index Gross USD is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging

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markets, excluding Japan. Source: MSCI. MSCI makes no express or implied warranties or representations and shall have no liability whatsoever with respect to any MSCI data contained herein. The MSCI data may not be further redistributed or used as a basis for other indices or any securities or financial products. This report is not approved, reviewed or produced by MSCI.

The S&P 500® Index is 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.

The STOXX Europe 600 (Price) Index is a broad based capitalization-weighted index of European stocks designed to provide a broad yet liquid representation of companies in the European region. The equities use free float shares in the index calculation. The index was developed with a base value of 100 as of December 31, 1991. This index uses float shares.

The Hang Seng Property Index is a capitalization-weighted index of all the stocks designed to measure the performance of the property sector of the Hang Seng Index.

BOVESPA (Brazil) 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.

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

Manager Commentary

April 30, 2012 (Unaudited)

PERFORMANCE⁽¹⁾ *As of April 30, 2012 (unaudited)*

	Ending Value as of 4/30/12	Six Months	1 Year	3 Years	5 Years	Since Inception ⁽²⁾⁽³⁾⁽⁴⁾
Alpine Total Dynamic Dividend Fund NAV	\$5.00	4.54%	(16.25%)	8.24%	(10.57%)	(8.56%)
Alpine Total Dynamic Dividend Fund Market Price	\$4.64	1.57%	(16.39%)	3.44%	(12.85%)	(10.67%)
S&P 500 TR Index		12.77%	4.76%	19.46%	1.00%	1.82%
MSCI All Country World ex-Japan Index		7.66%	(5.38%)	17.39%	(0.31%)	1.00%
STOXX Europe 600 Index		2.26%	(15.84%)	12.85%	(4.90%)	(2.95%)

⁽¹⁾ Performance information calculated after consideration of dividend and distribution reinvestment including returns of capital, if any. Performance figures for periods shorter than one year represent cumulative figures and are not annualized.

⁽²⁾ Commenced operations on January 26, 2007.

⁽³⁾ Annualized.

⁽⁴⁾ IPO price of \$20 used in calculating performance information.

To the extent that the Fund's historical performance resulted from gains derived from participation in initial public offerings (IPOs), 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 IPO offerings in the future.

All figures represent past performance and are not a guarantee of future results and 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.

The Standard & Poor's 500 Index (S&P 500) is an unmanaged index containing common stocks of 500 industrial, transportation, utility and financial companies, regarded as generally representative of the U.S. stock market. The index return reflects the reinvestment of income dividends and capital gain distributions, if any, but does not reflect fees, brokerage commissions, or other expenses of investing.

The MSCI All Country World ex-Japan Index (MSCI ACWI ex-Japan) is a market capitalization weighted index that is designed to measure performance of stocks throughout the world with the exception of Japan based companies. The MSCI ACWI ex-Japan includes both developed and emerging markets.

The STOXX Europe 600 Index is derived from the STOXX Europe Total Market Index (TMI) and is a subset of the STOXX Global 1800 Index. With a fixed number of 600 components, the STOXX Europe 600 Index represents large, mid and small capitalisation companies across 18 countries of the European region: Austria, Belgium, Denmark, Finland, France, Germany, Greece, Iceland, Ireland, Italy, Luxembourg, the Netherlands, Norway, Portugal, Spain, Sweden, Switzerland and the United Kingdom.

PORTFOLIO DISTRIBUTIONS*

TOP TEN HOLDINGS*

Nestle SA	2.5%	Switzerland
Seadrill, Ltd.	2.4%	Norway
Sara Lee Corp.	2.3%	United States
International Business Machines Corp.	2.3%	United States
McDonald's Corp.	2.3%	United States
ITC Holdings Corp.	2.2%	United States
JPMorgan Chase & Co.	2.2%	United States
Diageo PLC	2.2%	United Kingdom
Centrica PLC	2.1%	United Kingdom
British American Tobacco PLC	2.1%	United Kingdom
Top 10 Holdings	22.6%	

TOP 5 COUNTRIES*

United States	46.4%
United Kingdom	17.2%
Sweden	9.1%
Brazil	5.6%
Switzerland	4.0%

* Top 10 Holdings do not include short-term investments and percentages are based on total net assets. Portfolio Distributions percentages are based on total investments. Portfolio holdings and sector distributions are as of 4/30/12 and are subject to change. Portfolio holdings are not recommendations to buy or sell any securities.

Manager Commentary

April 30, 2012 (Unaudited)

REGIONAL ALLOCATION* *As of April 30, 2012*

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

NAV AND MARKET PRICE *As of April 30, 2012*

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Schedule of Portfolio Investments

April 30, 2012 (Unaudited)

Description	Shares	Value (Note 1)
COMMON STOCKS (97.2%)		
Australia (3.3%)		
Arcor, Ltd.	1,451,400	\$ 11,372,392
QR National, Ltd.	4,994,712	18,943,433
Whitehaven Coal, Ltd.	1,070,356	5,933,169
		36,248,994
Brazil (5.6%)		
Anhanguera Educacional Participacoes SA	815,296	10,838,392
Arcos Dorados Holdings, Inc.	607,900	10,863,173
BR Malls Participacoes SA	919,800	11,426,626
CCR SA	1,353,100	10,505,931
PDG Realty SA Empreendimentos e Participacoes	2,873,452	6,783,587
Telefonica Brasil SA-ADR	390,500	11,117,535
		61,535,244
Canada (0.5%)		
PetroBakken Energy, Ltd.-Class A		