ALPINE TOTAL DYNAMIC DIVIDEND FUND
Form N-CSRS
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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)

2500 Westchester Avenue, Suite 215, Purchase, NY	10577
(Address of principal executive offices)	(Zip code)

Alpine Woods Capital Investors, LLC

2500 Westchester Avenue, Suite 215

Purchase, New York, 10577
(Name and address of agent for service)

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

Date of fiscal year end: October 31

Date of reporting period: November 1, 2008 - April 30, 2009

Form N-CSR is to be used by management investment companies to file reports with the Commission not later than 10 days after the transmission to stockholders of any report that is required to be transmitted to stockholders under Rule 30e-1 under the Investment Company Act of 1940 (17 CFR 270.30e-1). The Commission may use the information provided on Form N-CSR in its regulatory, disclosure review, inspection, and policymaking roles.

A registrant is required to disclose the information specified by Form N-CSR, and the Commission will make this information public. A registrant is not required to respond to the collection of information contained in Form N-CSR unless the Form displays a currently valid Office of Management and Budget (OMB) control number. Please direct comments concerning the accuracy of the information collection burden estimate and any suggestions for reducing the burden to Secretary, Securities and Exchange Commission, 450 Fifth Street, NW, Washington, DC 20549-0609. The OMB has reviewed this collection of information under the clearance requirements of 44 U.S.C. ss. 3507.

Item 1. **Reports to Stockholders.**

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ALPINE VIEW
April 30, 2009 (Unaudited)

Dear Shareholder:

We are pleased to present this semi-annual update for the period ending April 30, 2009. The past six months have challenged both investors and investment managers with unparalleled complexity, uncertainty and velocity. The nearly unprecedented disruption of the capital markets from September through March reflects the structural problems afflicting global finance and the resulting impact on employment and production. Excessive financial leverage accumulated over the previous three years may have set the stage for the economic unraveling which occurred in the wake of the Lehman Brothers bankruptcy. In response, Central Banks around the world have taken extreme measures to maintain liquid short-term monetary functions. This appears to have stabilized the financial system. While the pendulum of financial liquidity has swung from excess to drought and now towards equilibrium, many pressures and imbalances persist. These may require fresh approaches to capital allocation and global interaction, which implies more rigorous regulation before sustained long-term growth can be achieved in the U.S. and Europe. Nonetheless, there are pockets of economic vigor which have been increasingly visible as the public equity and debt markets are currently the principal suppliers of fresh capital for commerce.

Equity Performance Recalibrates

It is ironic that some of 2008 s most penalized stock markets and currencies have, in fact, been able to decouple during this crisis from the historical economic dominance of the U.S. and Europe which together account for roughly 48% of global GDP. In a number of countries, the sustainability of domestic consumption and fixed investment to develop modern infrastructure, efficient agriculture and higher education appears to have partially offset the declining demand for exports. With a broad recovery in commodity prices and related stocks, the so-called BRIC (Brazil, Russia, India and China) countries, among other emerging markets, have experienced the strongest equity returns in 2009, in anticipation of strong growth prospects. In contrast, the more constrained economies of the U.S., Europe and Japan have been most impacted by their banks and financial structures which face capital reallocation pressures as informal or private market activities are reigned in. This so called Shadow Banking system has been contracting rapidly, requiring massive capital injections from Central Banks to offset this erosion of wealth. Since this was a huge provider of cheap capital, it was a major driver of our economic growth over the past 5-10 years. Until the debt capital markets can be fully reconstituted, new lending limits and high government borrowings may reduce recovery prospects over the next three to five years.

Having just returned from India and China, as we supplement our regular dialogue with local market participants around the world, it is clear that these economies have maintained solid growth rates by enhancing domestic demand until the broader global recovery begins. High household savings may sustain this capacity for several years. This has been reflected in strong stock performance for 2009 to date. Even though a visible recovery in the U.S., Europe or Japan has not yet begun, their stock indices are higher because pricing during October through March anticipated far greater economic distress than we have to date experienced. Meanwhile, the recent run-up in long-term U.S. Government Treasury bond yields has been attributed to fears that a potential economic recovery in combination with current stimulation of monetary policy will lead to excess inflation. This has steepened the yield curve beyond historic norms given the still low money market yields. As with the recent rebound of equities from overly pessimistic levels, we suspect that this adjustment in Treasury yields reflects diminished risk aversion from an extreme level to more traditional expectations. In both cases, developed market debt and equity markets may be overshooting as they adjust from previously oversold conditions. It is clear that the Federal Reserve and the world s other central banks are not focused on these anticipatory price swings, and will maintain easy money through stimulative policies until a durable recovery is evident.

Business Prospects

Alpine s view is that the U.S. economy may see a recovery in the second half of this year. However, its durability may be suspect. The pace of unemployment increases may slow this summer and could top out either later this year or early next. However, a near-term catalyst for new job formation and income growth is difficult to see. The household savings rate has improved from nil to over 5%, but is still well below the near 15% level experienced in 1975. During the 1970 s, household debt represented roughly 60% of income, whereas it represented almost 120% of income by 2007. This suggests that the current deleveraging of household balance sheets will continue even if it does not go to the peak levels of the 1970 s. In this context, cautious consumption may continue to permeate the American psyche in ways that we cannot as yet measure, so stabilization is hard to forecast. Given this level of uncertainty over domestic demand drivers, it is not clear whether less volatile capital markets will have a dramatic impact on new fixed investment in upgrading the productive capacity of business, or even into research and development expenditures. Meanwhile, the de facto forced deleveraging of our economy through rising home foreclosures, and individual loan and credit card defaults will continue to limit our economic growth over the next 12 or so months. In aggregate, the combination of personal wealth erosion, diminished buying power and reduced business investment may be greater than the Obama stimulus package can offset. Thus, cheap and plentiful dollars may be needed to buttress the financial system for the next few years until job creation resumes. Meanwhile, the output gap , or excess productive capacity of our economy could help to mitigate any inflationary inputs from printing money or perhaps a weak dollar.

While low interest rates can be supportive of earnings multiples, investors will likely focus on stocks where earnings can grow faster than the broader economy. This is not to say that so-called growth stocks will be in favor because many are now ex-growth. Rather, we are keen to focus on companies which can grow revenues or margins as a result of either innovative products, enhanced profitability or other factors which might transform their business prospects. Naturally, we will continue to focus on companies which benefit from sectors or countries where companies have the wind at their backs , providing favorable conditions for growth. Major sectors which will likely receive stimulus for growth include infrastructure, alternative energy, agriculture, environmental sciences and select technologies related to defense spending, medical services and the pharmaceutical space. Investment themes may also influence long-term opportunities and include population growth among different age cohorts, expanding urbanization, health and retirement savings prospects, as well as the broad restructuring of the financial markets. Countries whose long-term outlook Alpine favors include Brazil, China, India and several smaller emerging markets. An overarching theme will be a world in transition. Understanding the geopolitical, socioeconomic and demographic forces influencing these changes, be they global or local, may prove critical over the next few years.

Dividend Changes

During the period under review, it became very clear that there was considerable pressure on dividends around the world and across different investment sectors. The economic crisis forced many companies to reevaluate their capital strategies. Many companies sought to retain cash flow from business operations in order to maintain maximum flexibility for the future. Even healthy companies in addition to businesses which have been impacted by the economic slowdown have chosen to reduce dividends paid to equity investors. Standard bearers of corporate America, including G.E. and Pfizer, cut their dividends in half, while many banks only pay out pennies. Unfortunately, the dividends which we have sought to accumulate for the shareholders of this Fund are now fewer in number and in many cases the size of their dividends have been reduced. In recognition of this situation, we reduced the payout for the monthly dividend beginning in March, after considerable analysis to determine what we believe to be an achievable level going forward. We have intensified the dividend capture process during seasonal peak payment periods which naturally affects the holding periods surrounding the ex-dividend dates. A notable side effect could be the potential inability of the Fund to maintain the tax effectiveness of future Fund distributions since we no longer maintain a 61-day minimum investment period before rotating into a new dividend paying stock. We will make investors aware of the proportion of the full year s dividends which are qualified, and we remain very much concerned with maximizing the tax efficiency of the dividends since we are shareholders as well.

While we are early in the transition to a new business cycle, many opportunistic investments have already generated positive returns in this period. With a three to five year investment horizon, we are confident that investors would likely benefit from equity investments. Nonetheless, Alpine anticipates continued challenges over the next twelve months as the pattern of recovery unfolds. We look forward to reporting on the progress of the Alpine Funds over the course of the year and continue to appreciate your interest in our endeavors. As investors in all of our Funds, we are working on all of our behalf. Thus, our focus remains on finding opportunities offering fundamental value today and strong growth potential for tomorrow.

Sincerely,

Samuel A. Lieber

President, Alpine Mutual Funds

Mutual fund investing involves risk. Principal loss is possible.

The letter and those that follow represent the opinions of Alpine Funds management and are subject to change, are not guaranteed and should not be considered recommendations to buy or sell any security.

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

Please refer to the schedule of portfolio 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.

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

Forward-looking statements are based on information that is available on the date hereof, and neither the fund manager nor any other person affiliated with the fund manager has any duty to update any forward-looking statements. Important factors that could affect actual results to differ from these statements include, among other factors, material, negative changes to the asset class and the actual composition of the portfolio.

The Funds actual results could differ materially from those anticipated due to various risks and uncertainties. Alpine Global Dynamic Dividend Fund, Alpine Total Dynamic Dividend Fund, and Alpine Premier Properties Fund are closed-end funds and do not continuously offer or redeem shares. The Funds trade in the secondary market and investors wishing to buy or sell shares must place orders through a financial intermediary or broker.

MANAGER COMMENTARY
April 30, 2009 (Unaudited)

The Alpine Total Dynamic Dividend Fund (AOD) completed a challenging first half fiscal 2009 by achieving its objective of distributing an attractive dividend income, but not meeting our objective of strong capital appreciation and total return. AOD has been operating in a period of extreme volatility and declines in global equity markets since shortly after its inception, which has resulted in a difficult investment environment. The Fund s primary objective, as stated during its initial public offering on the NYSE on January 26th, 2007, is high current dividend income that is not restricted to tax-qualified dividend distributions, while also focusing on long-term growth of capital. In addition, our goal is to provide global diversification and flexibility, with no limitations on the percentage of holdings that can be in either international or domestic U.S. companies.

AOD provided an attractive dividend yield in a very challenging dividend environment

We have just come through the third worst bear market on record in the US, with a 57% decline for the S&P 500 index from its peak in early October 2007 through the recent lows on March 9, 2009. Only the 1930s recorded worse equity market performance than what we have experienced in the past 17 months. The first half of fiscal 2009 also brought a severe economic recession and a near collapse of the global financial system. The real U.S. gross domestic product experienced three consecutive quarters of contraction for the first time since 1974/5, declining by an annual rate of 0.5% for the quarter ended September 2008, by 6.3% in the quarter ended December 2008, and by 5.5% in the quarter ended March 2009. This 12.3% cumulative decline in US economic output was the steepest since the 1957/8 period. So it is not surprising that we have also seen an unprecedented amount of dividend cuts within the context of these severe market conditions.

Companies across the globe have either cut or eliminated dividends in order to conserve cash amidst declining earnings and still tight capital markets. Some of the most well-known companies in the US across different sectors have slashed their dividends, including General Electric, Pfizer, Dow Chemical, JPMorgan, Macy s and CBS. Internationally, we have experienced even more severe dividend cuts than we have seen in the U.S. Our internal study completed in May 2009 analyzed a universe of liquid, high yielding companies outside of the US and found that on average these companies cut their dividends by over 40%, with some of the weakest markets being Italy, France and Norway.

Within this very challenging environment, we are pleased that we have continued to achieve our primary objective of providing a high level of 100% earned dividend income for our investors. However, we did make the very tough decision in February 2009 to reduce the amount of our monthly dividend payment from $0.18 to $0.12 per share in AOD. This new annualized dividend payment of $1.44 still represents a very attractive yield based on the closing price of AOD on 4/30/09 of $6.56.

While this decision was extremely difficult, we felt it was in the best interest of our investors in the long term to make this dividend cut at this time in order to preserve capital in these challenging times. We have declared our current $0.12 per share dividend payment amount through August 2009. However, if we continue to see these depressed levels of dividend payments globally, it may be increasingly difficult to generate this level of dividend income on an ongoing basis. In response to current market conditions, we have needed to increase the velocity of our dividend capture program in order to maintain our current dividend payout. This has resulted in the reduction of our average holding period and therefore reducing the percentage of our dividend income which is qualified for the reduced US Federal tax rates. We are actively monitoring the dividend environment and we will continue to work hard to find in our view the best dividend opportunities in these difficult markets.

For the twelve months ended April 30, 2009, AOD paid a total dividend of $2.04 per share which was 100% earned dividend income. Based on a closing price of AOD of $6.56 on 4/30/09, the $2.04 dividend payout represents a trailing twelve-month dividend yield of over 30% for the Fund. Since inception, AOD has paid a total of $5.22 in dividends. These dividends paid need to be added back to NAV when looking at historical total return calculations.

AOD does have the flexibility to take on leverage of up to 33% of the fund s value if management believes that there are extraordinary opportunities for either dividend capture or capital appreciation. On April 30, 2009 AOD had a small amount of outstanding short term cash leverage of 2.9% as we looked to employ more capital to take advantage of the rebound in equity markets from the March 9th lows. In addition, we are approaching the heavy dividend capture season in Europe and Asia so we could see a short term increase in leverage from these levels over the next few weeks.

For the six months ended April 30, 2009, AOD s price declined by 6.26% including dividend reinvestment which compared favorably to an 8.51% decline in the S&P 500 Index for the same time period. AOD s NAV fell just slightly less than the S&P 500 decline at 8.46%. AOD s price of $6.56 on April 30, 2009 represented a 6.3% premium to its closing NAV of $6.17. Since inception, AOD has traded at an average premium of 2.6% above its NAV, reflecting what we believe is its strong dividend yield and total return potential.

International equity markets have been challenging, but we have continued to find dividend yields that are much higher than the US averages plus attractive potential growth opportunities

When we commenced AOD, our goal was to provide our investors with global diversification with no set targets on the percentage of holdings that can be in either international or domestic U.S. companies. Our intention was to be able to be opportunistic and flexible, hence our middle name being dynamic . And despite significant dividend cuts around the globe, we have continued to find attractive growth opportunities and significantly larger dividend payouts overseas than we see in the U.S. 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. We search for attractive value opportunities in the U.S., Europe, Latin America, and Asia. This bottoms-up approach had taken a large portion of our international holdings to the Euro region, as the dividend payout ratios remain higher than any other region including the U.S.

The stocks in many European countries were hit particularly hard in 2008 as the European authorities appeared to be behind the U.S. in cutting interest rates in response to the abrupt decline in the global economy. Based on the deteriorating outlook for European stocks and the increase in the dollar after several years of decline, we had steadily repositioned the portfolio back to U.S. assets. As of April 30, 2009, AOD had invested 39.9% of net assets in international companies and 60.1% of its value in domestic US. However, we are continuously doing our homework and we have the flexibility in AOD to move our investments to where we see the greatest combination of value, growth, and dividends. For example, Europe has more recently joined the US in more aggressive fiscal and monetary stimulus which has supported a rebound in European equities from the March lows. And we recently bought a basket of Chinese stocks listed in Hong Kong where we have found attractive yield and growth opportunities.

AOD is currently invested in equities based in 17 different countries, the majority of which would be considered mature countries. However we do have a small exposure to some emerging market economies and we continue to look for interesting dividend and capital appreciation opportunities in countries like Brazil and South Africa. Following the United States, our current top countries are Germany, France, Switzerland, Spain, and Sweden. The average dividend yield for the major indices in these five countries is currently 4.9% versus the yield on the S&P 500 Index of 3.3%.

Throughout first half fiscal 2009, we have strived to balance our portfolio to weather this economic storm. With the tides and undercurrents changing rapidly, it has been an extremely difficult environment to be a long-only dividend investor that has to have a significant portion of assets invested at all times in order to generate our attractive dividend yield. However, we have worked to reposition the portfolio to be more diversified and more balanced to handle the turbulence with a barbell approach. By this we mean that we have kept our cyclical names where we feel the stocks offer tremendous value and are positioned to potentially benefit from a better outlook for growth in late 2009 and beyond. We have also maintained our more defensive positions in sectors like healthcare, consumer staples, utilities, and telecom which should perform well if global growth continues to be weak. We will discuss this more in our 2009 Outlook below.

AOD s investment approach combines four sub-strategies: Dividend Capture, Special Dividend, Value, and Growth

Our number one priority continues to be to provide our investors with a very attractive dividend yield and to improve and grow our capital returns. We believe AOD offers a unique and balanced approach to achieving both dividend income and long-term growth of capital while offering investors diversification through international equity exposure. We scan the globe looking for what we feel are the best dividend opportunities for our investors, employing a multi-cap, multi-sector, and multi-style investment approach. The Fund combines four research-driven investment strategies Dividend Capture, Special Dividend, Value, and Growth to maximize the amount of earned dividend income and to identify companies globally with the potential for dividend increases and capital appreciation.

Our *Dividend Capture Strategy* and *Special Dividend Strategy* seeks to enhances the dividend income generated by the Fund

We run a portion of our portfolio with a dividend capture strategy and special dividend strategy, where we invest in typically high dividend yielding stocks or in special situations where large cash balances are being returned to shareholders as one-time special dividends. We enhance the dividend return of this portfolio by electively rotating a portion of our high yielding holdings either before or after the 61-day ownership period required to obtain the reduced 15% dividend tax rate.

One of our top holdings as of April 30, 2009 announced a special dividend payment associated with a restructuring and we believe there is additional upside value to be realized following their dividend payment. Endesa SA (ELE SM) is one of Spain s largest utilities that generates and distributes electricity throughout countries in Europe and Latin America. A controlling stake in Endesa was sold to Italy s biggest utility company, Enel, in February 2009. As part of the sale, shareholders of Endesa received a $5.89 special dividend, or approximately 30% of the equity value of the company.

In our dividend capture, our largest holding at the end of fiscal first half 2009 was Deutsche Telekom (DTE GR) with a 10% annual dividend yield. Deutsche Telekom is the incumbent telecommunications provider in Germany with leading market positions in both fixed-line and mobile services. The company also has a broad international exposure with operations in the US, UK, Austria, Netherlands and the Czech Republic. The stock has been dragged down by the weak performance of its T-Mobile unit and by weak European economic outlook and we have significantly reduced our exposure following the receipt of our dividends.

Other large dividend capture holdings included two French companies, Carrefour and Schneider Electric. Carrefour SA (CA FP) is the world s second largest food retailer by revenue with an attractive annual dividend yield of 3.7%. Carrefour has operations in Europe, Latin America and Asia. We believe they offer an appealing combination of a historically stable and strong cash flow from their core businesses in the developed economies plus exposure to emerging market growth which has currently generated about 20% of sales. Schneider Electric SA (SU FP), with a 6.4% annual dividend yield, manufacturers power distribution and automation systems. It supplies electrical products focusing on low- and mid-voltage, industrial automation, and energy efficiency to customers globally. Schneider is seeing strong growth from emerging markets which represents about one third of sales. In addition, its energy efficiency products, which represent about 20% of sales, are experiencing rising demand due to higher oil prices.

Our *Value/Restructuring Strategy* looks for attractively valued or restructuring dividend payers

Our third major strategy is what we call *value with a catalyst or restructuring strategy* , where our internal research points to under-valued or mis-priced equity opportunities for companies with attractive dividend yields. We also look for turnaround situations or depressed earnings where we believe there is a catalyst for an earnings recovery or a restructuring or major corporate action that is expected to add value. The key characteristic for this strategy is low valuations relative to historical averages and above average dividend yields for a combined objective of capital appreciation and high dividend income. We would categorize two of our top holdings in this strategy; Molson Coors Brewing and Chevron Corp.

Molson Coors Brewing (TAP), based in Colorado, was formed through the merger of Coors Brewing & Molson Inc in early 2005. TAP is the world s fifth-largest global brewer, with a leading market share in Canada and the UK and is the No. 3 player in the US. We believe TAP is well positioned for strong double digit earnings growth based on solid organic growth, more aggressive pricing discipline, industry share gains, moderating input costs, and rising cash flows. Beer fundamentals look positive as economic concerns are resulting in market share gains versus wines and spirits. Also, drinkers have been trading down to domestic premium beers where TAP has a high market share. In addition, its 2008 sales and distribution joint venture with SABMiller in the US is expected to generate $500 million in cost synergies which begin to be realized in 2009. In May 2009, TAP raised its annual dividend by 20% at a time when a record number of companies where reducing and eliminating dividends due to the economic downturn. This follows on a 25% increase in the dividend in 2008. TAP offers a 2.2% current yield and we would expect additional dividend increases and capital appreciation potential going forward as merger synergies and fundamentals continues to improve.

Chevron (CVX), based in California, is one of the largest integrated oil and gas companies in the world. Chevron has one of the strongest upstream exploration and development programs in the energy industry with large acreage positions around the world and particularly in the Gulf of Mexico. Chevron has minimal exposure to the refining and chemical industries relative to many of its peers so we believe it is an attractive pure play on our long term positive outlook for crude prices. Plus Chevron has a strong balance sheet and offers a current 3.7% dividend yield that has been growing by over 12% pa over the past five years.

Our *Growth and Income Strategy* targets capital appreciation in addition to yield

Our fourth strategy identifies core growth and income stocks that may have slightly lower but still attractive current dividend yields plus an outlook for strong and predictable earnings streams that should support additional future dividend increases. We would categorize four of our top ten holdings as industry leaders with strong growth in their categories; Monsanto, FPL Group, K&S AG, and Nestle.

Two of our top growth and income holdings are in one of our favorite secular investment themes and that is agriculture where we still see structural imbalances between demand and supply created by emerging market consumers. Monsanto (MON), based in Missouri, is a global producer of agricultural products used by farmers to improve productivity and enhance crop yields. The company has pioneered the development of genetically modified seeds for corn, soy, cotton, fruits and vegetables and is best known for its innovative agricultural technology and rich R&D pipeline. As a global leader in agriculture biotech, Monsanto provides investors a play on secular trends in favor of increasing farm productivity while curtailing consumption of energy, water, herbicides, and insecticides. We expect strong double digit earnings growth for Monsanto for the next several years. Management raised its dividend by 10% in January 2009 at a time when other companies were cutting and MON now has a 5 year dividend growth rate of over 30% pa (per annum).

K+S AG (SDF GR), based in Germany, is a global supplier of specialty and standard fertilizers, plant care and salt products. The urbanization of emerging markets has increased demand for agricultural products thus stimulating demand for fertilizers like potash, which drives 70% of earnings for K+S. Management is committed to returning cash to shareholders with a current attractive annual dividend yield of 4.9% and a 5 year dividend growth rate of over 50% pa.

FPL Group (FPL) is an integrated utility company with both regulated and unregulated activities. Florida Power & Light Company is the largest electric utility in the state of Florida, with over 4.5 million customers and 22GW of generation capacity. While the regulated utility has been under pressure due to the weak economy, we believe that long-term demographics make Florida an attractive service territory for FPL. On the unregulated side, NextEra Energy Resources is the largest wind energy company in the US. We believe electricity from wind is a secular growth story and a priority for the Obama administration. In addition to over 5,000MW of wind capacity and a robust development pipeline, NextEra also operates 2,500MW of nuclear and 6,500MW of natural gas fired power plants in the wholesale market. FPL is expected to deliver several years of double digit EPS growth thanks to favorable regulatory treatment of electric transmission and its ambitious capital spending plans. We view the current share price as attractive for longer-term oriented investors seeking both long term growth and a current 3.3% dividend yield.

Nestle (NESN VX), based in Switzerland, is a global package food company that is growing revenues by focusing on emerging markets and Health and Wellness products. Their broad range of food products including chocolates, coffees and pet food are benefiting from declining commodity and raw material costs. In addition, Nestle is improving margins by introducing cost reduction programs. Nestle is expected to grow earnings and dividends at a double digit rate with the company offering a current attractive 3.6% dividend yield and in February 2009, Nestle raised its annual dividend by 15%.

Outlook for Second Half 2009: We Remain Optimistic as Positive Catalysts Should Support Additional Equity Market Appreciation

Looking to the second half of 2009, we remain encouraged about the outlook for the equity markets and for AOD s investment strategy. This is based on our view that the global economic data should continue to improve, albeit in a potentially choppy manner, from the current depressed levels. Granted, the S&P 500 Index has rebounded by an astounding 40% from the March 2009 lows, so some of the future improvement in economic conditions is likely already priced in to current equity values. So we may be entering a period of consolidation or more muted increases particularly through the low volume summer months, but we continue to see potential opportunities for our investors.

We see several positive catalysts for the global economies and the equity markets in the second fiscal half of 2009. One near term stimulus is the expected rebound in the auto industry. Auto production in the US is estimated to grow by close to 50% from current severely depressed levels through the end of the third quarter 2009. This should drive demand for products across a spectrum of industries, most notably in materials, energy and industrials. For example, in the railroad industry it is estimated that one carload of finished autos creates about seven carloads of inputs that go into autos, like sand for glass, chemicals for plastics, coal for steel and steel finished products to name just a few. In addition, the cash for clunkers stimulus program being worked on in Congress will likely be implemented by the fourth quarter of 2009 which should provide incentives for consumers to replace older cars with new, more fuel efficient cars. Similar programs have already been employed in countries like China, Germany, India and Brazil and they have created strong auto demand.

Another short-term catalyst we are currently experiencing is the restocking of depleted global inventories across a variety of sectors. Following the collapse of Lehman Brothers in September 2008 and the ensuing economic Pearl Harbor to quote Warren Buffet, companies across the globe faced constraints on short term liquidity that supported inventory growth. In addition, the sharp and sudden decline in economic activity drove companies to rapidly curtail production and work off existing inventory levels. Global industrial production was slashed by record amount from September 2008 through February of 2009. Now that we have seen the stabilization in many of the world economies, companies are beginning to rebuild their slim inventories and global industrial production has started to improve in March 2009.

A longer term catalyst is the impact of the massive fiscal stimulus programs that have been enacted around the world.

Countries across the globe are quickly implementing consumer incentive programs and huge government spending programs to promote end user demand and ultimately job growth in their countries. Interestingly, the Obama administration has started to provide weekly reports on the amount of stimulus funds that are being paid out to recipients. This currently stands at $44 billion at the end of May 2009 and is expected to rise to over $250 billion by the end of 2010.

Another longer term catalyst is the large amount of coordinated easing of interest rates by global central banks. This increases money supply and supports economic growth but it traditionally takes 12 to 24 months to see the impact of low short term rates in the economy. But we know that these efforts have helped to stabilize global credit markets and we have started to see an increase in the willingness of banks to make consumer loans, which has a 70% correlation with consumer spending. The result of all these stimulus efforts is that we have started to see a rebound in economic data globally and particularly in many of the emerging market economies.

On the other side of the very powerful catalysts that we have outlined above, there are also identifiable risks that need to be balanced and monitored. One risk to a recovery in the housing market has been the recent rise in the long end of the interest rate curve, which has resulted in an increase in mortgage rates from their very low levels. For example, the Freddie Mac National Mortgage 30 year fixed rate is 5.38% on 6/17/09 which is still at relatively low levels versus the 6.46% at the beginning of fiscal 2009, but it is off the very attractive lows of 4.78% set on 4/30/09. Early in an economic recovery it is traditional for long rates to rise as money comes out of treasuries and into higher risk alternatives. Plus, a positive yield curve has been a very strong predictor of future economic recoveries and we are currently seeing one of the steepest yield curves on record.

Another negative for a strong global recovery has been the recent rise in energy prices. Crude began our fiscal year at $102.12 on 11/4/08 and then declined 63.3% to a low of $37.47 on 2/12/09 in response to the abrupt global slowdown. But prices have risen 89.5% from those lows as the outlook for economic recovery has improved and supply has been taken out of the market. Crude now stands above $71 as of 6/18/09 and this rise in input and operating costs acts like a tax on the economy for already constrained businesses and consumers.

Other fundamental drags for a consumer-led recovery include still high levels of unemployment and the ongoing deleveraging cycle. The US posted its highest continuing jobless claims on record on 5/29/09 at 6.83 million people. However, unemployment is typically a lagging indicator and the equity markets traditionally will bottom well before unemployment starts to decline. And we are likely going to continue to see the hangover of households delevering after binging for years on easy credit lines and home equity withdrawals. The personal savings rate in the US rose to 5.7% in April 2009 which is the highest level since 1995 and will likely be a negative for near term personal consumption. The US government has made tremendous efforts to avert a financial meltdown, but in the end, the key to revitalizing household cash flows and driving sustainable economic growth must be centered on solutions for housing and unemployment.

The Financial Sector Continues to be a Challenging Investment and Dividend Environment

At this time, the financial sector remains a challenge to us not only because the fundamental outlook remains tough, but because they have dramatically reduced or fully eliminated their dividends. Surviving financial leaders such as Citigoup and Fannie Mae have eliminated dividends and companies like Bank of America, JPMorgan and Wells Fargo have slashed their dividends by over 50% and as much as 98% since 2007. These groups of companies were averaging well over 4% dividends yields in 2007 and the global financial sector had traditionally been one of our largest in our dividend capture and U.S. pair trading strategies. Fundamentally, financial companies will likely continue to face write-downs on mortgage-related assets, plus we have the rising risk of defaults on commercial loans and consumer-related credit cards and auto loans. In addition the need to recapitalize balance sheets and the outlook for a reduction in high margin business opportunities may continue to dampen earnings outlooks beyond more write-downs.

Throughout the first half of fiscal 2009, we made what we believe was the correct investment decision to underweight the financial sector stocks because of their rapidly deteriorating fundamentals and the threat of nationalization that took us to the March 2009 market lows. The financials actually surpassed the 83% decline in the technology bust from 2000-2002 by declining 84.6% from the intra-day peak on the S&P 500 Financial Select Sector Index (IXM) on 5/23/07 to the low on 3/6/09. However, thanks to the aggressive policy actions taken by governments around the world, the financials have since rallied a dramatic 86% off their March lows to the close of the fiscal first half on 4/30/09. What is remarkable is that despite this rally, the financial sector was actually still down 14% for the year to date 2009 through 4/30/09.

Our strategy during the financial markets turmoil has been to add to the higher quality stocks on dips where we believe valuation have become attractive and dividend opportunities exist. So within the financial sector, we have tried to be creative and look for opportunities for investors for our combination of attractive dividends and total returns. For example, we have added some global asset managers which still pay attractive dividends and should benefit from a rebound in asset values, money inflows, and performance fees. We recently bought a basket of Chinese banks with yields averaging over 3% to participate in their economic rebound and we continue to hold the high quality U.S. industry leaders, like JPMorgan and Morgan Stanley. So while we may have put in a floor on the bottom of the financial sector equity prices, now with so many of these companies having dramatically cut or eliminated their dividends it may be difficult for AOD to fully participate in further financial rallies.

We Will Maintain Our Balanced Approach In 2009

The volatility over the past 18 months in global equity markets has provided challenges and opportunities. Our goal is to keep our portfolio balanced and maintain our barbell approach to our stock selections. What we mean is that a portion of the portfolio will continue to be invested in more defensive companies with what we feel are strong and sustainable earnings and cash flow growth with the potential for increasing dividends. These are companies in sectors like healthcare, consumer staples, telecom, and utilities where earnings and dividend growth should be more resilient in economic downturns. On the other end of the barbell, we are searching for attractive value opportunities in some strong companies in the more cyclical sectors like energy, materials, consumer discretionary and industrials whose prices have been overly punished and where we believe long term growth prospects are still attractive.

While we do expect additional headline risks particularly in the financial sector for the remainder of 2009, we are optimistic that global economic growth should continue to improve in the second half of 2009 and into 2010. In addition, we are hopeful that the second half of 2009 will be a better environment for AOD s investment strategy as fundamental investors focus on high quality and attractive dividend payers. With global interest rates approaching zero, we would expect capital to search for sustainable yield opportunities in equities.

In summary, we see both catalysts and risks in second half 2009. Our approach during these uncertain times is to remain broadly diversified within the dividend-paying universe while actively scanning the globe for undervalued opportunities and high quality cash flow generators. We are confident that we should be able to continue to distribute attractive dividend payouts by capitalizing on our research driven approach to identifying value opportunities as well as through our active management of the portfolio. We are hopeful that we will be able to experience a better equity environment in the second half of 2009 and we will be able to return AOD to its history of strong capital appreciation and total return.

Thank you for your support of AOD and we look forward to a better and more prosperous year in 2009 and beyond.

Sincerely,

Jill K. Evans & Kevin Shacknofsky

Co-Portfolio Managers

Mutual fund investing involves risk. Principal loss is possible.

The letter and those that follow represent the opinions of Alpine Funds management and are subject to change, are not guaranteed and should not be considered recommendations to buy or sell any security.

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

Please refer to the schedule of portfolio 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.

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

PERFORMANCE (1) *As of April 30, 2009*

	Ending Value as of 4/30/09	One Month	Three Month	Six Month	Since Inception (2)(3)(4)
Alpine Total Dynamic Dividend Fund | NAV	$ 6.17	5.87%	3.67%	(8.46)%	(26.94)%
Alpine Total Dynamic Dividend Fund | Market Price	$ 6.56	16.49%	(4.68)%	(6.26)%	(26.50)%
S&P 500		9.56%	6.50%	(8.51)%	(17.52)%

(1) Performance information calculated after consideration of dividend reinvestment. All returns for periods of less than one year 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 allocations in the future.

Performance data quoted represents past performance. Past performance is no guarantee of future results and investment returns and principle 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.alpinecef.com for current month end performance.

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v As a percentage of net assets

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