

ABERDEEN TOTAL DYNAMIC DIVIDEND FUND
Form N-CSR
January 07, 2019
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
Exact name of registrant as specified in charter:	Aberdeen Total Dynamic Dividend Fund
Address of principal executive offices:	1735 Market Street, 32 nd Floor Philadelphia, PA 19103
Name and address of agent for service:	Andrea Melia Aberdeen Asset Management Inc. 1735 Market Street 32 nd Floor Philadelphia, PA 19103
Registrant's telephone number, including area code:	1-800-522-5465
Date of fiscal year end:	October 31
Date of reporting period:	October 31, 2018

Item 1. Reports to Stockholders.

Aberdeen Total Dynamic
Dividend Fund (AOD)

Annual Report

October 31, 2018

Offshore Wind Farm

Letter to Shareholders (unaudited)

Dear Shareholder,

We present this Annual Report which covers the activities of Aberdeen Total Dynamic Dividend Fund (formerly, Alpine Total Dynamic Dividend Fund) (the “Fund”) for the fiscal year ended October 31, 2018. The Fund’s investment objective is to seek high current dividend income. The Fund also focuses on long-term growth of capital as a secondary investment objective.

Total Investment Return

For the fiscal year ended October 31, 2018, the total return to shareholders of the Fund based on the net asset value (“NAV”) and market price of the Fund are as follows:

	1 Year
NAV*	1.2 %
Market Price*	-5.0%
MSCI All Country World Index ¹	-

* assuming the reinvestment of dividends and distributions

Amounts listed as “-” are 0% or round to 0%.

The Fund’s total return is based on the reported NAV on each financial reporting period end and may differ from what is reported on the Financial Highlights due to financial statement rounding or adjustments. For more information about Fund performance please see the Report of the Investment Adviser (page 4) and Total Investment Returns (page 5).

NAV, Market Price and Discount

	NAV	Closing Market Price	Discount	
On 10/31/2018	\$9.33	\$7.94	14.9	%
On 10/31/2017	\$9.95	\$9.02	9.3	%

Throughout the fiscal year ended October 31, 2018, the Fund's NAV was within a range of \$9.13 to \$10.88 and the Fund's market price was within a range \$7.76 to \$10.00. Throughout the fiscal year ended October 31, 2018, the Fund's shares traded within a range of a discount of 7.2% to 15.6%.

Change in Investment Adviser

Following approval at a meeting of shareholders held on March 14, 2018, Aberdeen Asset Managers Limited ("AAML"), part of Aberdeen Standard Investments ("ASI"), assumed responsibility for the investment management of the Fund after the close of business on May 4, 2018.

Aberdeen Asset Management PLC, the parent company of AAML, is an independent asset manager founded in 1983 and is a subsidiary of Standard Life Aberdeen plc. Standard Life Aberdeen plc and its affiliates offer a comprehensive range of investment capabilities, and overall manage worldwide assets of with \$735.5 billion as of June 30, 2018, on behalf of clients in 80

countries. Closed-end investment management companies have formed part of Standard Life Aberdeen PLC's business since its inception and remain an important element of its client base in the United States and globally.

In North America, ASI currently serves as the investment adviser of ten U.S. closed-end funds, one Canadian closed-end fund and serves as the sub-adviser to two U.S. closed-end funds representing over \$4.6 billion in assets as of October 31, 2018.

The day-to-day management of the Fund is the responsibility of AAML's Global Equity team. The team works in a collaborative fashion, with all team members having both portfolio management and research responsibilities. The team members having the most significant responsibility for the day-to-day management of the Fund's portfolio includes: Stephen Docherty, Bruce Stout, Jamie Cumming, Martin Connaghan and Josh Duitz. In May 2018, ASI welcomed Joshua Duitz, a new colleague from Alpine Woods Capital Investors, LLC, the former investment adviser of the Fund, to the team. Mr. Duitz has been a portfolio manager of the Fund since 2012.

Change of Legal Entity Name

The Fund's name was changed effective May 7, 2018 in order to identify the Fund with the new investment adviser and to differentiate the Fund in a competitive market with many known brands. The Fund's investment policies and strategy and New York Stock Exchange ("NYSE") ticker symbol, AOD, remained unchanged.

New Board Members

Effective with the transition to a new investment adviser, the Fund's Board consists of four new Trustees: P. Gerald Malone (Chairman), Martin Gilbert, Nancy Yao Maasbach and John Sievwright.

Open Market Repurchase Program

On June 13, 2018, the Board approved a share repurchase program (“Program”) for the Fund. The Program allows the Fund to purchase, in the open market, its outstanding common shares, with the amount and timing of any repurchase determined at the discretion of the Fund’s investment adviser and subject to market conditions and investment considerations. The Fund reports repurchase activity on the Fund’s website on a monthly basis. For the fiscal year ended October 31, 2018, the Fund repurchased 1,003,088 shares through the Program.

Portfolio Holdings Disclosure

The Fund’s complete schedule of portfolio holdings for the second and fourth quarters of each fiscal year are included in the Fund’s semi-annual and annual report to shareholders. The Fund files its complete schedule of portfolio holdings with the Securities and Exchange Commission (the “SEC”) for the first and third quarters of each fiscal year on Form N-Q. The Fund’s Form N-Q filings are available on the SEC’s website at <http://www.sec.gov> and may be reviewed and copied at the SEC’s Public Reference Room in Washington, D.C. Information about the operation of

The Morgan Stanley Capital International (MSCI) All Country World Index is an unmanaged index considered representative of developed and emerging market stock markets. Indexes are unmanaged and have been provided for comparison purposes only. No fees or expenses are reflected. You cannot invest directly in an index.

Aberdeen Total Dynamic Dividend Fund **1**

Letter to Shareholders (unaudited) (continued)

the Public Reference Room may be obtained by calling 1-800-SEC-0330. The Fund makes the information on Form N-Q available to shareholders on the Fund's website or upon request and without charge by calling Investor Relations toll-free at 1-800-522-5465.

Proxy Voting

A description of the policies and procedures that the Fund uses to determine how to vote proxies relating to portfolio securities, and information regarding how the Fund voted proxies relating to portfolio securities during the most recent twelve months ended June 30 is available by August 31 of the relevant year: (i) upon request without charge by calling Investor Relations toll-free at 1-800-522-5465; and (ii) on the SEC's website at <http://www.sec.gov>.

Brexit

The ongoing negotiations surrounding the UK's exit from the EU ("Brexit") have yet to provide clarity on what the outcome will be for the UK or Europe. The UK remains a member of the EU until the legally established departure date of March 29, 2019 and, until such date, all existing EU-derived laws and regulations continue to apply in the UK. Those laws may continue to apply for a transitional period, depending on whether a deal is struck and, if so, what that deal is. In any event, the UK's on-shoring of EU legislation currently envisages no policy changes to EU law. However, the EU has not yet provided any material cushion from the effects of Brexit for financial services as a matter of EU law. Whether or not a Fund invests in securities of issuers located in Europe (whether the EU, Eurozone or UK) or with significant exposure to European, EU, Eurozone or UK issuers or countries, the unavoidable uncertainties and events related to Brexit could negatively affect the value and liquidity of the Fund's investments, increase taxes and costs of business and cause volatility in currency exchange rates and interest rates. Brexit could adversely affect the performance of contracts in existence at the date of Brexit and European, UK or worldwide political, regulatory, economic or market conditions and could contribute to instability in political institutions, regulatory agencies and financial markets. Brexit could also lead to legal uncertainty and politically divergent national laws and regulations as a new relationship between the UK and EU is defined and the UK determines which EU laws to replace or replicate. Any of these effects of Brexit, and others that cannot be anticipated, could adversely affect the Fund's business, results of operations and financial condition. In addition, the risk that Standard Life Aberdeen plc, the parent of the companies that provide investment advisory and administration services to the Fund and which is headquartered in the UK, fails to adequately prepare for Brexit could have significant cus-

tomers, reputation and capital impacts for Standard Life Aberdeen plc and its subsidiaries, including those providing services to the Fund; however, we have detailed contingency planning in place to seek to manage the consequences of Brexit on the Fund and to avoid any disruption on the Fund and to the services we provide. Given the fluidity and complexity of the situation, however, we cannot assure that the Fund will not be adversely impacted despite our preparations.

Investor Relations Information

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As part of Aberdeen's commitment to shareholders, we invite you to visit the Fund on the web at www.aberdeenaod.com. Here, you can view monthly fact sheets, quarterly commentary, distribution and performance information, updated daily fact sheets courtesy of Morningstar®, portfolio charting and other Fund literature.

Enroll in our email services today and be among the first to receive the latest closed-end fund news, announcements, videos and information. In addition, you can receive electronic versions of important Fund documents including annual reports, semi-annual reports, prospectuses, and proxy statements. Sign up today at cef.aberdeen-asset.us/en/cefinvestorcenter/contact-us/email.

For your convenience, included within this report is a reply card with a postage paid envelope. Please complete and mail the card if you would like to be added to our enhanced email service and receive future communications from Aberdeen.

Contact Us:

Visit: cef.aberdeen-asset.us;

Watch: cef.aberdeen-asset.us/en/cefinvestorcenter/aberdeenenclosed-end-fund-tv;

Email: Investor.relations@aberdeenstandard.com; or

Call: 1-800-522-5465 (toll free in the U.S.).

Yours sincerely,

/s/ Christian Pittard

Christian Pittard

President

All amounts are U.S. Dollars unless otherwise stated.

2Aberdeen Total Dynamic Dividend Fund

Investment Strategies (unaudited)

The Fund combines four research-driven investment strategies—growth, value, special dividends and dividend capture rotation—to maximize the amount of distributed dividend income and to identify companies globally with the potential for dividend increases and capital appreciation.

Growth Strategy

The Fund's growth strategy seeks to identify issuers with lower, but still attractive, current dividend yields, that have the potential for higher earnings growth through capital appreciation or increasing dividend payments.

Value Strategy

In managing the assets of the Fund, the Adviser generally pursues a value-oriented approach. The Adviser seeks to identify investment opportunities in equity securities of dividend paying corporations that it believes are under-valued relative to the market and to the securities' historical valuations, including turnaround opportunities with a catalyst, depressed earnings that may be poised to recover or where a restructuring or major corporate action may add value. The Fund invests in stocks among all capitalization levels (small, mid and large), using a multi-cap, multi-sector, multi-style approach when selecting the stocks of companies in which the Fund invests. The average capitalization of issuers is not intended to be static and varies over time. Factors that the Adviser considers include fundamental factors such as earnings growth, cash flow and historical payment of dividends. The Fund's investments in common stocks will emphasize stocks that (at the time of purchase) pay dividends and have capital appreciation potential.

Special Dividend Strategy

The Fund's special dividend strategy seeks to maximize the level of dividend income that the Fund receives by identifying special dividend situations. Special dividend situations may include those where companies decide to return large cash balances to shareholders as one-time dividend payments (e.g. due to a restructuring or recent strong operating performance). Other special dividends may arise in a variety of situations.

Dividend Capture Rotation Strategy

The Fund's dividend capture rotation strategy seeks to maximize the level of dividend income that the Fund receives by engaging in dividend capture trading. In a dividend capture trade, the Fund sells a stock on or shortly after the stock's ex-dividend date and uses the sale proceeds to purchase one or more other stocks that are expected to pay dividends before the next dividend payment on the stock being sold. Through this rotation practice, the Fund may receive more dividend payments over a given period of time than if it held a single stock. Receipt of a greater number of dividend payments during a given time period could augment the total amount of dividend income the Fund receives over this period. For example, during the course of a single year it may be possible through dividend capture trading for the Fund to receive five or more dividend payments with respect to Fund assets attributable to dividend capture trading where it may only have received four quarterly payments in a hold only strategy. The use of dividend

capture strategies will expose the Fund to increased trading costs and potential for capital loss or gain, particularly in the event of significant short-term price movements of stocks subject to dividend capture trading.

The Fund's dividend capture trading strategy may limit the Fund's ability to meet certain holding period requirements for dividends that it receives to qualify for the reduced federal income tax rates applicable to qualified dividends under Internal Revenue Code. As a result, there can be no assurance as to what portion of the Fund's distributions will be designated as qualified dividend income. See "Federal Tax Information."

Aberdeen Total Dynamic Dividend Fund **3**

Report of the Investment Adviser (unaudited)

On May 4, 2018, Aberdeen Asset Managers Limited (the “Adviser”) became the investment adviser of the Fund. Prior to that, the Fund was managed by a different investment adviser. The commentary for the period ended May 4, 2018 reflects the performance under the former adviser. Commentary for the period of May 5 to October 31, 2018 reflects Fund performance under the Adviser.

Market/economic review

Global equities, as measured by the Morgan Stanley Capital International (MSCI) All Country (AC) World Index, posted flat returns over the reporting period. Investors were initially optimistic towards global economic growth, but investor sentiment turned more negative as the period progressed. Worries that rising inflation could compel more aggressive monetary policy, and a flare-up in trade tensions—especially as U.S.-China trade relations deteriorated amid rounds of brinkmanship—led to higher market volatility. The U.S. broader-market Standard & Poor’s (S&P) 500 Index initially shrugged off these concerns to record its longest bull run in history, supported by strong corporate earnings growth and a strengthening U.S. dollar. However, a spike in U.S. Treasury yields at the end of the reporting period triggered a slide in share prices as investors reassessed global stock valuations. Emerging markets also came under pressure due to the appreciating U.S. dollar.

Fund performance review

The Fund returned 1.2% on a net asset value basis for the 12-month period ended October 31, 2018, outperforming the 0.0% return of its benchmark, the MSCI AC World Index.

At the individual stock level, the Fund’s holding in The TJX Companies Inc., an off-price retailer of apparel and home fashions, was a key contributor to performance for the 12-month period ended October 31, 2018. The company reported strong same-store sales growth that has outpaced its full-price retailer peer group. Additionally, TJX’s discount business model has been difficult to replicate by online retailers. The Fund’s position in Andeavor Logistics LP also bolstered the Fund’s performance. Marathon Petroleum Corp. (which the Fund does not hold) announced its intention to purchase Andeavor Logistics to form the largest independent refiner in the U.S. The transaction was completed in early October 2018, and we exited the Fund’s position in Andeavor. Similarly, the Fund’s position in CSRA Inc. also contributed to performance after General Dynamics Corporation acquired the IT services provider. The acquisition was finalized in April 2018 and we exited the Fund’s position in CSRA.

Conversely, the lack of exposure to internet retailing giant Amazon.com was a key detractor from Fund performance. The Fund does not hold Amazon.com as the company does not pay a dividend. Fund holding Newell Brands Inc. reported declining revenue growth and investor sentiment for the company was dampened by tariff risks with China. Furthermore, lost

sales from Newell Brands' customers that have filed for bankruptcy had a negative impact on its share price, along with slow execution of the company's divestiture* plans. Against this backdrop, we exited the Fund's position in Newell Brands during the reporting period. Vodafone Group plc is a UK-based multinational telecommunications conglomerate. Vodafone's shares declined over the reporting period due to investors' concerns of a potential reduction in the company's dividend and the high amount of debt on its balance sheet. Additionally, Vodafone's share price was hampered by competitive headwinds and questions over the company's proposed acquisition of diversified telecom Liberty Global's operations in several countries.

During the reporting period, we continued to hedge a portion of the Fund's currency exposure to the euro. The derivatives positions did not have a significant impact on Fund performance for the reporting period.

The Fund earns income through a combination of investing in companies that pay dividends and implementing a dividend capture strategy. In a dividend capture trade, the Fund sells a stock on or shortly after the stock's ex-dividend date and reinvests the sales proceeds into one or more other stocks that are expected to pay dividends before the next dividend payment on the stock that it is selling. While employing this strategy, the Fund purchases companies that pay regular and/or special dividends. Over the 12-month reporting period, the Fund paid total distributions of \$0.69 per share.

Outlook

Global financial markets are beset by worries over rising interest rates, trade tensions and a slowing global economy. Although the U.S. market appeared to be indifferent to these worries initially, the technology rally which had underpinned the current bull market appears to have faltered. Other threats remain, including political uncertainty in Europe caused by tumultuous Brexit negotiations and Italy's fiscal problems.

While the continued health of corporate earnings goes some way in calming investors' nerves, we think that politics is increasingly overshadowing central bank policy to become the main driving force of market sentiment. In our view, shifting political alliances may keep markets on their toes but, at the same time, provide discerning investors with opportunities to take advantage of the mispricing of stocks. Amid such periods of uncertainty, we think that investors increasingly will seek high-quality stocks that pay dividends and have defensive characteristics, which we believe should bode well for the Fund's performance.

The S&P 500 Index is an unmanaged index considered representative of the U.S. stock market. Indexes are ¹unmanaged and have been provided for comparison purposes only. No fees or expenses are reflected. You cannot invest directly in an index.

Divestiture is the partial or full disposal of a business unit through sale, exchange, closure or bankruptcy. A ²divestiture typically results from a management decision to cease operations of a business unit because it is not part of a company's core competency.

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Total Investment Returns (unaudited)

The following table summarizes the average annual Fund performance compared to the MSCI All Country World Index for the 1-year, 3-year, 5-year and 10-year periods ended October 31, 2018.

	1 Year	3 Years	5 Years	10 Years
Net Asset Value (“NAV”)	1.2%	7.8%	7.4%	6.8 %
Market Price	-5.0%	8.4%	7.4%	4.7 %
Benchmark	-	8.3%	6.7%	10.3%

*Performance for periods prior to May 4, 2018 was generated under the Fund’s prior manager; Aberdeen Asset Managers Limited (“AAML”), the Fund’s adviser, is responsible for performance after that date. Effective May 4, 2018 Aberdeen Asset Managers Limited has entered into a written contract with the Fund to waive fees or limit expenses without which performance would be lower. This contract may not be terminated before May 4, 2020. Returns represent past performance. Total investment return based on NAV is based on changes in the NAV of Fund shares and assumes reinvestment of dividends and distributions, if any, at market prices pursuant to the dividend reinvestment program sponsored by the Fund’s transfer agent. All return data includes fees and expenses charged to the Fund, which are listed in the Fund’s Statement of Operations under “Expenses”. Total investment return based on market value is based on changes in the market price at which the Fund’s shares traded on the NYSE during the period and assumes reinvestment of dividends and distributions, if any, at market prices pursuant to the dividend reinvestment program. The Fund’s total investment return is based on the reported NAV or market price, as applicable, at the financial reporting period end. Because the Fund’s shares trade in the stock market based on investor demand, the Fund may trade at a price higher or lower than its NAV. Therefore, returns are calculated based on both market price and NAV. **Past performance is no guarantee of future results.** The performance information provided does not reflect the deduction of taxes that a shareholder would pay on distributions received from the Fund. The current performance of the Fund may be lower or higher than the figures shown. The Fund’s yield, return, market price and NAV will fluctuate. Performance information current to the most recent month-end is available at www.aberdeenaod.com or by calling 800-522-5465.*

The net operating expense ratio excluding fees waived based on the fiscal year ended October 31, 2018 was 1.19%. The net expense ratio based on the fiscal year ended October 31, 2018 was 1.18%. The Net operating expenses, net of fee waivers and excluding interest expense based on the fiscal year ended October 31, 2018 was 1.14%.

Amounts listed as “-” are 0% or round to 0%.

Portfolio Summary (unaudited)

The following table summarizes the sector composition of the Fund's portfolio, in Standard & Poor's Global Industry Classification Standard ("GICS"), expressed as a percentage of net assets. The GICS structure consists of 11 sectors, 24 industry groups, 69 industries and 158 sub-industries. An industry classification standard sector can include more than one industry group. As of October 31, 2018, the Fund did not have more than 25% of its assets invested in any industry. The sectors, as classified by GICS sectors, are comprised of several industries. As of October 31, 2018, the Fund held 99.6% of its net assets in equities and 0.4% in liabilities in excess of other assets.

Sectors	As a Percentage of Net Assets
Financials	17.6%
Information Technology	14.0%
Industrials	13.1%
Health Care	10.8%
Consumer Discretionary	8.2%
Energy	7.1%
Consumer Staples	7.0%
Communication Services	5.7%
Materials	5.2%
Utilities	4.7%
Other	6.6%
	100.0%

The following chart summarizes the composition of the Fund's portfolio by geographic classification expressed as a percentage of net assets as of October 31, 2018:

Countries	As a Percentage of Net Assets
United States	54.6%
Switzerland	5.6%
France	5.2%
United Kingdom	4.7%
Spain	3.3%
Japan	3.3%
South Korea	3.2%
Germany	3.0%
Finland	2.8%
Canada	2.7%
Other	11.6%
	100.0%

6Aberdeen Total Dynamic Dividend Fund

Top Ten Equity Holdings (unaudited)

The following were the Fund's top ten equity holdings as of October 31, 2018:

Name of Security	As a Percentage of Net Assets
Apple, Inc.	2.5%
Broadcom, Inc.	1.5%
NextEra Energy, Inc.	1.5%
Nestle SA	1.4%
Enbridge, Inc.	1.4%
Delta Air Lines, Inc.	1.4%
Veolia Environnement SA	1.3%
FedEx Corp.	1.3%
Leidos Holdings, Inc.	1.3%
Cellnex Telecom SA	1.3%

Aberdeen Total Dynamic Dividend Fund **7**

Portfolio of Investments

As of October 31, 2018

	Shares or Principal Amount	Value
LONG-TERM INVESTMENTS (99.6%)		
COMMON STOCKS (96.9%)		
BRAZIL (2.1%)		
Industrials (2.1%)		
CCR SA	3,752,900	\$11,062,559
Rumo SA ^(a)	2,265,800	10,137,195
Total Brazil		21,199,754
CANADA (2.7%)		
Energy (1.4%)		
Enbridge, Inc.	436,700	13,585,737
Industrials (1.3%)		
Canadian Pacific Railway Ltd. ^(c)	63,500	13,017,500
Total Canada		26,603,237
CHINA (0.5%)		
Industrials (0.5%)		
CRRC Corp. Ltd., Class H ^(b)	5,209,950	4,575,750
FINLAND (2.8%)		
Information Technology (1.1%)		
Nokia OYJ ^(b)	1,968,600	11,119,802
Materials (1.7%)		
Stora Enso OYJ, R Shares ^(b)	635,500	9,548,515
UPM-Kymmene OYJ ^(b)	232,600	7,477,796
		17,026,311
Total Finland		28,146,113
FRANCE (5.2%)		
Energy (1.0%)		
TOTAL SA, ADR	175,000	10,255,000
Financials (1.0%)		
AXA SA ^(b)	385,600	9,650,285
Industrials (1.9%)		
Alstom SA ^(b)	230,200	10,053,446
Bouygues SA ^(b)	246,900	8,994,737
		19,048,183
Utilities (1.3%)		
Veolia Environnement SA ^(b)	666,900	13,290,982
Total France		52,244,450
GERMANY (3.0%)		
Financials (2.0%)		
Allianz SE ^(b)	47,500	9,895,193
Deutsche Boerse AG ^(b)	79,500	10,046,614

8 Aberdeen Total Dynamic Dividend Fund

Portfolio of Investments (continued)

As of October 31, 2018

	Shares or Principal Amount	Value
		19,941,807
LONG-TERM INVESTMENTS (continued)		
COMMON STOCKS (continued)		
GERMANY (continued)		
Health Care (1.0%)		
Bayer AG ^(b)	124,900	\$9,573,888
Total Germany		29,515,695
ITALY (1.3%)		
Financials (1.3%)		
Intesa Sanpaolo SpA ^(b)	3,036,600	6,726,295
Mediobanca Banca di Credito Finanziario SpA ^(b)	708,800	6,207,511
Total Italy		12,933,806
JAPAN (3.3%)		
Consumer Staples (1.0%)		
Japan Tobacco, Inc. ^(b)	392,800	10,093,116
Financials (1.1%)		
Mitsubishi UFJ Financial Group, Inc. ^(b)	1,722,400	10,424,806
Real Estate (1.2%)		
Daito Trust Construction Co. Ltd. ^(b)	90,200	11,891,820
Total Japan		32,409,742
JERSEY (1.2%)		
Materials (1.2%)		
Randgold Resources Ltd., ADR ^(c)	146,800	11,529,672
LUXEMBOURG (1.0%)		
Materials (1.0%)		
ArcelorMittal ^(c)	387,700	9,649,853
NETHERLANDS (1.0%)		
Consumer Staples (1.0%)		
Unilever NV, CVA ^(b)	194,700	10,462,206
SINGAPORE (1.0%)		
Financials (1.0%)		
Oversea-Chinese Banking Corp. Ltd. ^(b)	1,307,600	10,158,027
SOUTH KOREA (2.2%)		
Information Technology (0.9%)		
SK Hynix, Inc. ^(b)	152,400	9,178,343
Materials (1.3%)		
LG Chem Ltd. ^(b)	40,400	12,345,254
Total South Korea		21,523,597
SPAIN (3.3%)		
Communication Services (1.3%)		
Cellnex Telecom SA ^{(b)(d)}	523,600	13,025,222

Portfolio of Investments (continued)

As of October 31, 2018

	Shares or Principal Amount	Value
LONG-TERM INVESTMENTS (continued)		
COMMON STOCKS (continued)		
SPAIN (continued)		
Financials (0.7%)		
Banco Bilbao Vizcaya Argentaria SA ^(b)	1,334,800	\$7,366,883
Industrials (1.3%)		
Ferrovial SA ^(b)	643,285	12,879,226
Total Spain		33,271,331
SWEDEN (2.1%)		
Consumer Staples (1.1%)		
Essity AB, Class B ^(b)	490,000	11,182,512
Financials (1.0%)		
Swedbank AB, A Shares ^(b)	431,900	9,715,388
Total Sweden		20,897,900
SWITZERLAND (5.6%)		
Consumer Staples (1.4%)		
Nestle SA ^(b)	165,000	13,929,809
Financials (2.1%)		
UBS Group AG ^{(a)(b)}	704,800	9,851,070
Zurich Insurance Group AG ^(b)	35,400	10,991,032
		20,842,102
Health Care (1.2%)		
Novartis AG, ADR ^(c)	141,000	12,331,860
Information Technology (0.9%)		
TE Connectivity Ltd. ^(c)	113,000	8,522,460
Total Switzerland		55,626,231
UNITED KINGDOM (4.7%)		
Communication Services (2.2%)		
BT Group PLC, ADR	637,813	9,720,270
Vodafone Group PLC ^(b)	6,432,700	12,096,938
		21,817,208
Consumer Staples (0.3%)		
Nomad Foods Ltd. ^(a)	156,607	2,991,193
Energy (1.2%)		
BP PLC, ADR ^(c)	274,100	11,887,717
Industrials (1.0%)		
Melrose Industries PLC ^(b)	4,631,786	9,970,367
Total United Kingdom		46,666,485

10 Aberdeen Total Dynamic Dividend Fund

Portfolio of Investments (continued)

As of October 31, 2018

	Shares or Principal Amount	Value
LONG-TERM INVESTMENTS (continued)		
COMMON STOCKS (continued)		
UNITED STATES (53.9%)		
Communication Services (2.2%)		
Alphabet, Inc., Class C ^{(a)(c)}	10,400	\$ 11,198,408
Comcast Corp., Class A ^(c)	275,000	10,488,500
		21,686,908
Consumer Discretionary (8.2%)		
Aptiv PLC ^(c)	163,600	12,564,480
Dollar General Corp. ^(c)	100,900	11,238,242
Lennar Corp., Class A ^(c)	213,800	9,189,124
Lowe's Cos., Inc ^(c)	115,300	10,978,866
MGM Resorts International	398,400	10,629,312
Target Corp. ^(c)	86,500	7,233,995
TJX Cos., Inc. (The) ^(c)	91,200	10,021,056
Whirlpool Corp. ^(c)	92,600	10,163,776
		82,018,851
Consumer Staples (2.2%)		
Kraft Heinz Co. (The) ^(c)	209,500	11,516,215
Mondelez International, Inc., Class A	240,700	10,104,586
		21,620,801
Energy (3.5%)		
EOG Resources, Inc.	88,300	9,301,522
Helmerich & Payne, Inc. ^(c)	109,300	6,808,297
Kinder Morgan, Inc. ^(c)	642,500	10,935,350
Schlumberger Ltd. ^(c)	162,100	8,317,351
		35,362,520
Financials (7.4%)		
American International Group, Inc. ^(c)	193,600	7,993,744
Ares Capital Corp. ^(c)	296,700	5,091,372
Bank of America Corp. ^(c)	395,200	10,868,000
Blackstone Group LP (The)	158,600	5,132,296
Citigroup, Inc. ^(c)	153,600	10,054,656
Discover Financial Services	71,062	4,950,890
Evercore, Inc., Class A ^(c)	94,800	7,744,212
Huntington Bancshares, Inc. ^(c)	705,500	10,109,815
Wells Fargo & Co.	229,600	12,221,608
		74,166,593
Health Care (8.6%)		
Aetna, Inc. ^(c)	49,500	9,820,800
Allergan PLC ^(c)	62,100	9,812,421
Medtronic PLC ^(c)	118,900	10,679,598

Aberdeen Total Dynamic Dividend Fund **11**

Portfolio of Investments (continued)

As of October 31, 2018

	Shares or Principal Amount	Value
LONG-TERM INVESTMENTS (continued)		
COMMON STOCKS (continued)		
UNITED STATES (continued)		
Health Care (continued)		
Pfizer, Inc.	217,600	\$9,369,856
Shire PLC, ADR ^(c)	55,200	10,035,360
Thermo Fisher Scientific, Inc. ^(c)	55,100	12,874,115
UnitedHealth Group, Inc.	49,300	12,884,555
Universal Health Services, Inc., Class B	81,300	9,882,828
		85,359,533
Industrials (5.0%)		
Delta Air Lines, Inc. ^(c)	244,600	13,386,958
FedEx Corp. ^(c)	60,100	13,242,434
Norfolk Southern Corp. ^(c)	76,500	12,838,995
Raytheon Co. ^(c)	57,300	10,029,792
		49,498,179
Information Technology (10.1%)		
Amdocs Ltd. ^(c)	168,400	10,654,668
Apple, Inc. ^(c)	114,500	25,059,470
Broadcom, Inc. ^(c)	68,300	15,264,367
Cisco Systems, Inc. ^(c)	245,300	11,222,475
Intel Corp. ^(c)	275,400	12,910,752
Leidos Holdings, Inc. ^(c)	203,000	13,150,340
Microsoft Corp. ^(c)	111,300	11,887,953
		100,150,025
Real Estate (3.3%)		
American Tower Corp., REIT ^(c)	68,000	10,595,080
Digital Realty Trust, Inc., REIT ^(c)	89,300	9,221,118
GEO Group, Inc. (The), REIT ^(c)	578,000	12,779,580
		32,595,778
Utilities (3.4%)		
Clearway Energy, Inc.	300,000	5,883,000
CMS Energy Corp. ^(c)	146,500	7,254,680
FirstEnergy Corp. ^(c)	172,100	6,415,888
NextEra Energy, Inc. ^(c)	83,000	14,317,500
		33,871,068
Total United States		536,330,256
Total Common Stocks		963,744,105

12 Aberdeen Total Dynamic Dividend Fund

Portfolio of Investments (concluded)

As of October 31, 2018

	Shares or Principal Amount	Value
EXCHANGE-TRADED FUNDS (1.7%)		
UNITED STATES (1.7%)		
iShares Nasdaq Biotechnology ETF ^(c)	94,100	\$9,792,987
SPDR S&P Oil & Gas Exploration & Production ETF	183,200	6,608,024
		16,401,011
Total Exchange-Traded Funds		16,401,011
PREFERRED STOCKS (1.0%)		
SOUTH KOREA (1.0%)		
Information Technology (1.0%)		
Samsung Electronics Co. Ltd., Preferred Shares ^(b)	321,500	10,143,559
Total Preferred Stocks		10,143,559
Total Long-Term Investments—99.6% (cost \$866,655,490)		990,288,675
Total Investments—99.6% (cost \$866,655,490)		990,288,675
Other Assets in Excess of Liabilities—0.4%		4,266,953
Net Assets—100.0%		\$994,555,628

(a) Non-income producing security

Fair Values are determined pursuant to procedures approved by the Fund's Board of Trustees. Unless otherwise (b) noted, securities are valued by applying valuation factors to the exchange traded price. See Note 2(a) of the accompanying Notes to Financial Statements.

(c) All or a portion of the security has been designated as collateral for the line of credit.

(d) Denotes a security issued under Regulation S or Rule 144A.

(e) See accompanying Notes to Financial Statements for tax unrealized appreciation/(depreciation) of securities.

ADR—American Depositary Receipt

CVA—Dutch Certificate

ETF—Exchange-Traded Fund

PLC—Public Limited Company

REIT—Real Estate Investment Trust

At October 31, 2018, the Fund's open forward foreign currency exchange contracts were as follows:

Sale Contracts Settlement Date	Counterparty	Amount Purchased	Amount Sold	Fair Value	Unrealized Appreciation
United States Dollar/Euro 01/10/2019	UBS AG	USD 28,390,355	EUR 24,500,000	\$27,930,836	\$459,519

See Notes to Financial Statements.

Aberdeen Total Dynamic Dividend Fund **13**

Statement of Assets and Liabilities

As of October 31, 2018

Assets	
Investments, at value (cost \$866,655,490)	\$ 990,288,675
Foreign currency, at value (cost \$3,743,276)	3,741,095
Receivable for investments sold	46,616,945
Tax reclaim receivable	5,345,178
Interest and dividends receivable	5,124,054
Unrealized appreciation on forward foreign currency exchange contracts	459,519
Prepaid expenses	58,278
Total assets	1,051,633,744
Liabilities	
Payable for investments purchased	40,255,764
Line of credit payable (Note 6)	15,401,530
Investment management fees payable (Note 3)	864,820
Custodian fees	121,971
Administration fees payable (Note 3)	104,269
Due to custodian	39,969
Investor relations fees payable (Note 3)	19,544
Trustee fees	3,449
Other accrued expenses	266,800
Total liabilities	57,078,116
Net Assets	\$ 994,555,628
Composition of Net Assets:	
Paid-in capital in excess of par	\$ 1,054,012,592
Distributable accumulated loss	(59,456,964)
Net Assets	\$ 994,555,628
Net asset value per share based on 106,590,251 shares issued and outstanding	\$ 9.33

Amounts listed as “-” are \$0 or round to \$0.

See Notes to Financial Statements.

14Aberdeen Total Dynamic Dividend Fund

Statement of Operations

For the Year Ended October 31, 2018

Net Investment Income

Income

Dividends and other income (net of foreign withholding taxes of \$1,598,966)	\$81,180,864
Interest income	61,028
Total Investment Income	81,241,892

Expenses

Investment management fee (Note 3)	11,047,460
Custodian's fees and expenses	241,247
Administration fee (Note 3)	226,872
Reports to shareholders and proxy solicitation	201,222
Legal fees and expenses	131,901
Transfer agent's fees and expenses	94,896
Trustee fees and expenses	67,151
Independent auditors' fees and expenses	57,265
Investor relations fees and expenses (Note 3)	35,306
Compliance fees	21,769
Miscellaneous	270,623
Total operating expenses	12,395,712
Interest expense (Note 6)	445,982
Total expenses before reimbursed/waived expenses	12,841,694
Less: Expenses waived (Note 3)	(23,591)
Net expenses	12,818,103
Net Investment Income	68,423,789

Net Realized/Unrealized Gain/(Loss) from Investments and Foreign Currency Related Transactions:

Net realized gain/(loss) from:

Investment transactions	24,561,820
Forward foreign currency exchange contracts	752,363
Foreign currency transactions	(104,622)
	25,209,561

Net change in unrealized appreciation/(depreciation) on:

Net change in unrealized appreciation/(depreciation) on investment transactions	(87,202,750)
Forward foreign currency exchange contracts	839,517
Net change in unrealized appreciation/(depreciation) on translation of assets and liabilities denominated in foreign currencies	(180,394)
	(86,543,627)
Net realized and unrealized (loss) from investments and foreign currency related transactions	(61,334,066)
Net Increase in Net Assets Resulting from Operations	\$7,089,723

Amounts listed as "-" are \$0 or round to \$0.

See Notes to Financial Statements.

Aberdeen Total Dynamic Dividend Fund **15**

Statements of Changes in Net Assets

	For the Year Ended October 31, 2018	For the Year Ended October 31, 2017
Increase/(Decrease) in Net Assets		
Operations:		
Net investment income	\$68,423,789	\$71,715,738
Net realized gain/(loss) from investments, forward foreign currency exchange contracts and foreign currency transactions	25,209,561	(16,835,311)
Net change in unrealized appreciation/(depreciation) on investments, forward foreign currency exchange contracts and foreign currency transactions	(86,543,627)	155,031,195
Net increase in net assets resulting from operations	7,089,723	209,911,622
Distributions to Shareholders from:		
Distributable earnings ^(a)	(71,690,124)	(73,305,247)
Tax return of capital	(2,490,759)	(934,157)
Net decrease in net assets from distributions	(74,180,883)	(74,239,404)
Repurchase of common stock resulting in the reduction of 1,003,088 and 0 shares of common stock, respectively (Note 7)	(8,605,717)	—
Change in net assets resulting from operations	(75,696,877)	135,672,218
Net Assets:		
Beginning of year	1,070,252,505	934,580,287
End of year	\$994,555,628	\$1,070,252,505

Per the Securities and Exchange Commission release #33-10532 "Disclosure Update and Simplification", the Fund is no longer required to differentiate distributions from earnings as either from net investment income or net realized capital gains. For the year ended October 31, 2017, all distributions to shareholders from distributable earnings were from net investment income.

Amounts listed as "-" are \$0 or round to \$0.

See Notes to Financial Statements.

16Aberdeen Total Dynamic Dividend Fund

Financial Highlights

	For the Fiscal Years Ended October 31,					
	2018^(a)	2017	2016	2015	2014	
PER SHARE OPERATING PERFORMANCE:						
Net asset value per common share, beginning of year	\$9.95	\$8.69	\$9.56	\$9.92	\$9.82	(b)
Net investment income	0.64	(c) 0.68	0.65	0.69	0.64	
Net realized and unrealized gains/(losses) on investments, forward foreign currency exchange contracts and foreign currency transactions	(0.58	) 1.27	(0.83	) (0.38	) 0.13	
Total from investment operations applicable to common shareholders	0.06	1.95	(0.18	) 0.31	0.77	
Distributions to common shareholders from:						
Net investment income	(0.67	) (0.68	) (0.66	) (0.68	) (0.67)
Tax return of capital	(0.02	) (0.01	) (0.03	) (0.00	)^(d) –	
Total distributions	(0.69	) (0.69	) (0.69	) (0.68	) (0.67)
Capital Share Transactions:						
Anti-Dilutive effect of share repurchase program	0.01	–	–	0.01	–	
Total capital share transactions	0.01	–	–	0.01	–	
Net asset value per common share, end of year	\$9.33	\$9.95	\$8.69	\$9.56	\$9.92	
Market price, end of year	\$7.94	\$9.02	\$7.37	\$8.01	\$8.67	
Total Investment Return Based on^(e):						
Market price	(4.96%	) 32.78%	0.81%	0.07%	12.44%	
Net asset value	1.24%	24.22%	(0.40%	) 4.39%	9.26%	
Ratio to Average Net Assets Applicable to Common Shareholders/Supplementary Data:						
Net assets applicable to common shareholders, end of year (000 omitted)	\$994,556	\$1,070,253	\$934,580	\$1,028,225	\$1,077,053	
Net operating expenses, net of fee waivers	1.18%	1.19%	1.15%	1.16%	1.14%	
Net operating expenses, excluding fee waivers	1.19%	–	(f) –	(f) –	(f) –	(f)
Net operating expenses, net of fee waivers and excluding interest expense	1.14%	1.15%	1.15%	1.15%	1.13%	
Net investment income	6.32%	7.03%	7.31%	6.74%	6.47%	
Portfolio turnover	77%	94%	98%	127%	99%	
Line of credit payable outstanding (000 omitted)	\$15,401	\$33,239	\$–	\$–	\$8,301	
	6,558%	–	(g) –	(g) –	(g) –	(g)

Asset coverage ratio on line of credit payable at year end

Asset coverage per \$1,000 on line of credit payable at year end	\$65,576	\$31,199	\$-	\$-	\$130,757
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- (a) Beginning with year ended October 31, 2018, the Fund has been audited by KPMG. Previous years were audited by different independent registered public accounting firms.
- 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) Net investment income is based on average shares outstanding during the period.
- (c) Less than \$0.005 per share.
- (d) Total investment return is calculated assuming a purchase of common stock on the first day and a sale on the last day of each reporting period. Dividends and distributions, if any, are assumed, for purposes of this calculation, to be reinvested at prices obtained under the Fund's dividend reinvestment plan. Total investment return does not reflect brokerage commissions.
- (e) Effective to May 4, 2018, the Fund entered into an expense limitation agreement with Aberdeen Asset Managers Limited, the Fund's Adviser. Prior to this, there was no such agreement in place.
- (f) The Fund did not disclose asset coverage ratio on line of credit payable in prior years.
- (g)

Amounts listed as "-" are \$0 or round to \$0.

See Notes to Financial Statements.

Aberdeen Total Dynamic Dividend Fund **17**

Notes to Financial Statements

October 31, 2018

1. Organization

Aberdeen Total Dynamic Dividend Fund (the “Fund”) formerly known as “Alpine Total Dynamic Dividend 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 Fund’s principal investment objective is to seek high current dividend income primarily in equity securities, with a secondary objective of long-term growth of capital. The Board of Trustees (the “Board”) authorized an unlimited number of shares with no par value. Under normal circumstances, the Fund expects to invest 20-80% of its total assets in the securities of non-U.S. issuers.

Effective May 4, 2018, Aberdeen Asset Managers Limited (“AAML”) replaced Alpine Woods Capital Investors, LLC (“Alpine Woods”) as the Fund’s investment adviser (“Adviser”) and the Fund was renamed Aberdeen Total Dynamic Dividend Fund.

2. Summary of Significant Accounting Policies

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

The following is a summary of significant accounting policies followed by the Fund in the preparation of its financial statements. The policies conform to generally accepted accounting principles in the United States of America (“GAAP”). The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of income and expenses for the period. Actual results could differ from those estimates.

a. Security Valuation:

The Fund values its securities at current market value or fair value, consistent with regulatory requirements. “Fair value” is defined in the Fund’s Valuation and Liquidity Procedures as the price that could be received to sell an asset or paid to transfer a liability in an orderly transaction between willing market participants without a compulsion to transact at the measurement date.

In accordance with the authoritative guidance on fair value measurements and disclosures under GAAP, the Fund discloses the fair value of its investments using a three-level hierarchy that classifies the inputs to valuation techniques

used to measure the fair value. The hierarchy assigns Level 1, the highest level, measurements to valuations based upon unadjusted quoted prices in active markets for identical assets, Level 2 measurements to valuations based upon other significant observable inputs, including adjusted quoted prices in active markets for similar assets, and Level 3 the lowest level, measurements to valuations based upon unobservable inputs that are significant to the valuation. Inputs refer broadly to the

assumptions that market participants would use in pricing the asset or liability, including assumptions about risk, for example, the risk inherent in a particular valuation technique used to measure fair value including a pricing model and/or the risk inherent in the inputs to the valuation technique. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability, which are based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. A financial instrument's level within the fair value hierarchy is based upon the lowest level of any input that is significant to the fair value measurement.

Equity securities that are traded on an exchange are valued at the last quoted sale price on the principal exchange on which the security is traded at the "Valuation Time" subject to application, when appropriate, of the valuation factors described in the paragraph below. The Valuation Time is as of the close of regular trading on the New York Stock Exchange (usually 4:00 p.m. Eastern Time). In the absence of a sale price, the security is valued at the mean of the bid/ask price quoted at the close on the principal exchange on which the security is traded. Securities traded on NASDAQ are valued at the NASDAQ official closing price. Closed-end funds and exchange-traded funds ("ETFs") are valued at the market price of the security at the Valuation Time. A security using any of these pricing methodologies is determined to be a Level 1 investment.

Foreign equity securities that are traded on foreign exchanges that close prior to Valuation Time are valued by applying valuation factors to the last sale price or the mean price as noted above. Valuation factors are provided by an independent pricing service provider approved by the Fund's Board of Trustees (the "Board"). These valuation factors are used when pricing the Fund's portfolio holdings to estimate market movements between the time foreign markets close and the time the Fund values such foreign securities. These valuation factors are based on inputs such as depositary receipts, indices, futures, sector indices/ETFs, exchange rates, and local exchange opening and closing prices of each security. When prices with the application of valuation factors are utilized, the value assigned to the foreign securities may not be the same as quoted or published prices of the securities on their primary markets. A security that applies a valuation factor is determined to be a Level 2 investment because the exchange-traded price has been adjusted. Valuation factors are not utilized if the independent pricing service provider is unable to provide a valuation factor or if the valuation factor falls below a predetermined threshold; in such case, the security is determined to be a Level 1 investment.

Notes to Financial Statements (continued)

October 31, 2018

Derivative instruments are valued at fair value. Exchange traded derivatives are generally Level 1 investments and over-the-counter derivatives are generally Level 2 investments. Forward foreign currency contracts are generally valued based on the bid price of the forward rates and the current spot rate. Forward exchange rate quotations are available for scheduled settlement dates, such as 1-, 3-, 6-, 9- and 12- month periods. An interpolated valuation is derived based on the actual settlement dates of the forward contracts held. Swap agreements are generally valued by an approved pricing agent based on the terms of the swap agreement (including future cash flows). When market quotations or exchange rates are not readily available, or if the Adviser concludes that such market quotations do not accurately reflect fair value, the fair value of a Fund's assets are determined in good faith in accordance with the Valuation Procedures.

Short-term investments are comprised of cash and cash equivalents invested in short-term investment funds which are redeemable daily. The Fund sweeps available cash into the State Street Institutional U.S. Government Money Market Fund, which has elected to qualify as a "government money market fund" pursuant to Rule 2a-7 under the Investment Company Act as of 1940, as amended (the "1940 Act"), and has an objective, which is not

guaranteed, to maintain a \$1.00 per share net asset value ("NAV"). Generally, these investment types are categorized as Level 1 investments.

In the event that a security's market quotations are not readily available or are deemed unreliable (for reasons other than because the foreign exchange on which they trade closed before the Valuation Time), the security is valued at fair value as determined by the Fund's Pricing Committee, taking into account the relevant factors and surrounding circumstances using valuation policies and procedures approved and established by the Board. A security that has been fair valued by the Fund's Pricing Committee may be classified as Level 2 or Level 3 depending on the nature of the inputs.

The three-level hierarchy of inputs is summarized below:

Level 1 – quoted prices in active markets for identical investments;

Level 2 – other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, and credit risk); or

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Level 3 – significant unobservable inputs (including the Fund’s own assumptions in determining the fair value of investments).

The following is a summary of the inputs used as of October 31, 2018 in valuing the Fund’s investments at fair value. The inputs or methodologies used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. Please refer to the Portfolio of Investments for a detailed breakout of the security types:

	Level 1-Quoted Prices	Level 2-Other Significant Observable Inputs	Level 3- Significant Unobservable Inputs	Total
Investments, at Value				
Investments in Securities				
Common Stocks	\$661,021,272	\$302,722,833	\$—	\$963,744,105
Exchange-Traded Funds	16,401,011	—	—	16,401,011
Preferred Stocks	—	10,143,559	—	10,143,559
Total	\$677,422,283	\$312,866,392	\$—	\$990,288,675
Other Financial Instruments				
Forward Foreign Currency Exchange Contracts	\$—	\$459,519	\$—	\$459,519
Total Assets	\$677,422,283	\$313,325,911	\$—	\$990,748,194

Amounts listed as “-” are \$0 or round to \$0.

For the fiscal year ended October 31, 2018, there were no significant changes to the fair valuation methodologies.

b. Restricted Securities

Restricted securities are privately-placed securities whose resale is restricted under U.S. securities laws. The Funds may invest in restricted securities, including unregistered securities eligible for resale without registration pursuant to Rule 144A and privately-placed securities of U.S. and non-U.S. issuers offered outside the U.S. without registration pursuant to Regulation S under the Securities Act of 1933, as amended (the “1933 Act”). Rule 144A securities may be freely traded among certain qualified institutional investors, such as the Funds, but resale of such securities in the U.S. is permitted only in limited circumstances.

c. Foreign Currency Translation:

Foreign securities, currencies, and other assets and liabilities denominated in foreign currencies are translated into U.S. Dollars at the exchange rate of said currencies against the U.S. Dollar, as of the Valuation Time, as provided by an independent pricing service approved by the Board.

Foreign currency amounts are translated into U.S. Dollars on the following basis:

- (i) market value of investment securities, other assets and liabilities – at the current daily rates of exchange at the valuation time; and

Aberdeen Total Dynamic Dividend Fund **19**

Notes to Financial Statements (continued)

October 31, 2018

- (ii) purchases and sales of investment securities, income and expenses – at the relevant rates of exchange prevailing on the respective dates of such transactions.

The Fund does not isolate that portion of gains and losses on investments in equity securities due to changes in the foreign exchange rates from the portion due to changes in market prices of equity securities. Accordingly, realized and unrealized foreign currency gains and losses with respect to such securities are included in the reported net realized and unrealized gains and losses on investment transactions balances.

The Fund reports certain foreign currency related transactions and foreign taxes withheld on security transactions as components of realized gains for financial reporting purposes, whereas such foreign currency related transactions are treated as ordinary income for U.S. federal income tax purposes.

Net unrealized currency gains or losses from valuing foreign currency denominated assets and liabilities at period end exchange rates are reflected as a component of net unrealized appreciation/depreciation on value of investments, and translation of other assets and liabilities denominated in foreign currencies.

Net realized foreign exchange gains or losses represent foreign exchange gains and losses from transactions in foreign currencies and forward foreign currency contracts, exchange gains or losses realized between the trade date and settlement date on security transactions, and the difference between the amounts of interest and dividends recorded on the Fund's books and the U.S. Dollar equivalent of the amounts actually received.

d. Security Transactions, Investment Income and Expenses:

Security transactions are recorded on the trade date. Realized and unrealized gains/(losses) from security and currency transactions are calculated on the identified cost basis. Dividend income and corporate actions are recorded generally on the ex-date, except for certain dividends and corporate actions which may be recorded after the ex-date, as soon as a Fund acquires information regarding such dividends or corporate actions. Interest income and expenses are recorded on an accrual basis.

e. Derivative Financial Instruments:

The Fund is authorized to use derivatives to manage currency risk, credit risk, and interest rate risk and to replicate, or use as a substitute for, physical securities. Losses may arise due to changes in the value of the contract or if the counterparty does not perform under the contract. The use of derivative instruments involves, to varying degrees,

elements of market risk in excess of the amount recognized in the Statement of Assets and Liabilities.

Forward Foreign Currency Exchange Contracts:

A forward foreign currency exchange contract (“forward contract”) involves an obligation to purchase and sell a specific currency at a future date, which may be any fixed number of days from the date of the contract agreed upon by the parties, at a price set at the time of the contract. Forward contracts are used to manage the Fund’s currency exposure in an efficient manner. They are used to sell unwanted currency exposure that comes with holding securities in a market, or to buy currency exposure where the exposure from holding securities is insufficient to give the desired currency exposure either or in absolute terms. The use of forward contracts allows for the separation of investment decision-making between foreign securities holdings and their currencies.

The forward contract is marked-to-market daily and the change in market value is recorded by the Fund as unrealized appreciation or depreciation. Forward contracts’ prices are received daily from an independent pricing provider. When the forward contract is closed, the Fund records a realized gain or loss equal to the difference between the value at the time it was opened and the value at the time it was closed. These realized and unrealized gains and losses are reported on the Statement of Operations.

During the fiscal year ended October 31, 2018, the Fund used forward contracts to hedge its currency exposure.

While the Fund may enter into forward contracts to seek to reduce currency exchange rate risks, transactions in such contracts involve certain risks. The Fund could be exposed to risks if the counterparties to the contracts are unable to meet the terms of their contracts and from unanticipated movements in exchange rates. Thus, while the Fund may benefit from such transactions, unanticipated changes in currency prices may result in a poorer overall performance for the Fund than if it had not engaged in any such transactions. Moreover, there may be imperfect correlation between the Fund’s portfolio holdings or securities quoted or denominated in a particular currency and forward contracts entered into by the Fund. Such imperfect correlation may prevent the Fund from achieving a desired hedge, which will expose the Fund to the risk of foreign exchange loss.

Forward contracts are subject to the risk that a counterparty to such contract may default on its obligations. Since a forward foreign currency exchange contract is not guaranteed by an exchange or clearing house, a default on the contract would deprive the Fund of unrealized profits, transaction costs or the benefits of a currency hedge or force the Fund to cover its purchase or sale commitments, if any, at the market price at the time of default.

Notes to Financial Statements (continued)

October 31, 2018

Summary of Derivative Instruments:

The Fund may use derivatives for various purposes as noted above.

The following is a summary of the fair value of derivative instruments, not accounted for as hedging instruments, as of October 31, 2018:

Derivatives not accounted for as hedging instruments and risk exposure	Asset Derivatives	Fair Value	Liability Derivatives	Fair Value
	Statement of Assets and Liabilities Location		Statement of Assets and Liabilities Location	
Forward foreign currency exchange contracts (foreign exchange risk)	Unrealized appreciation on forward foreign currency exchange contracts	\$459,519	Unrealized depreciation on forward foreign currency exchange contracts	\$—
Total		\$459,519		\$—

Amounts listed as “-” are \$0 or round to \$0.

The Fund has transactions that may be subject to enforceable master netting agreements. A reconciliation of the gross amounts on the Statement of Assets and Liabilities as of October 31, 2018 to the net amounts by broker and derivative type, including any collateral received or pledged, is included in the following tables:

Description	Gross Amounts of Assets	Gross Amounts Not Offset in Statement of Assets and Liabilities			Gross Amounts of Liabilities Presented in Statement of Assets and Liabilities	Gross Amounts Not Offset in Statement of Assets and Liabilities		
	Presented in Statement of Assets and Liabilities	Financial Instruments	Collateral Received (1)	Net Amount (3)	Presented in Statement of Assets and Liabilities	Financial Instruments	Collateral Pledged (1)	Net Amount (3)
	Assets				Liabilities			
Forward foreign currency ⁽²⁾ UBS AG	\$459,519	\$—	\$—	\$459,519	\$—	\$—	\$—	\$—

1. In some instances, the actual collateral received and/or pledged may be more than the amount shown here due to overcollateralization.
2. Includes financial instruments (swaps and forwards) which are not subject to a master netting arrangement across funds, or other another similar arrangement.
Net amounts represent the net receivable/(payable) that would be due from/to the counterparty in the event of
3. default. Exposure from financial derivative instruments can only be netted across transactions governed under the same master netting arrangements with the same legal entity.

Amounts listed as “-” are \$0 or round to \$0.

The effect of derivative instruments on the Statement of Operations for the fiscal year ended October 31, 2018:

	Location of Gain or (Loss) on Derivatives	Realized Gain or (Loss) on Derivatives	Change in Unrealized Appreciation/(Depreciation) on Derivatives
Forward foreign currency exchange contracts (foreign exchange risk)	Realized/unrealized gain/(loss) from investments and foreign currency transactions	\$752,363	\$839,517
Total		\$752,363	\$839,517

Aberdeen Total Dynamic Dividend Fund **21**

Notes to Financial Statements (continued)

October 31, 2018

Information about derivatives reflected as of the date of this report is generally indicative of the type of activity for the fiscal year ended October 31, 2018. The table below summarizes the weighted average values of derivatives holdings for the Fund during the fiscal year ended October 31, 2018.

Derivative	Average Notional Value
Purchase Forward Foreign Currency Exchange Contracts	\$—
Sale Forward Foreign Currency Exchange Contracts	\$28,861,733

The Fund values derivatives at fair value, as described in the Statement of Operations. Accordingly, the Fund does not follow hedge accounting even for derivatives employed as economic hedges.

f. Distributions:

The Fund intends to make regular monthly distributions of net investment income to holders of common shares. The Fund expects to pay its common shareholders annually all or substantially all of its investment company taxable income. In addition, at least annually, the Fund intends to distribute all or substantially all of its net capital gains, if any.

Distributions from net realized gains for book purposes may include short-term capital gains which are ordinary income for tax purposes. Distributions to common shareholders are recorded on the ex-dividend date.

Dividends and distributions to shareholders are determined in accordance with federal income tax regulations, which may differ from GAAP. These “book-tax” differences are considered either temporary or permanent in nature. To the extent these differences are permanent in nature, such amounts are reclassified within the capital accounts based on their federal income tax treatment. Temporary differences do not require reclassification. To the extent distributions exceed current and accumulated earnings and profits for federal income tax purposes they are reported to shareholders as return of capital.

g. Federal Income Taxes:

The Fund intends to continue to qualify as a “regulated investment company” by complying with the provisions available to certain investment companies, as defined in Subchapter M of the Internal Revenue Code of 1986, as amended, and to make distributions of net investment income and net realized capital gains sufficient to relieve the Fund from all federal income taxes. Therefore, no federal income tax provision is required.

The Fund recognizes the tax benefits of uncertain tax positions only where the position is “more likely than not” to be sustained assuming examination by tax authorities. Management of the Fund has concluded that there are no significant uncertain tax positions that would require recognition in the financial statements. Since tax authorities can examine previously filed tax returns, the Fund’s U.S. federal and state tax returns for each of the four fiscal years up to the most recent fiscal year ended October 31 are subject to such review.

h. Foreign Withholding Tax:

Dividend and interest income from non-U.S. sources received by the Fund are generally subject to non-U.S. withholding taxes. In addition, the Fund may be subject to capital gains tax in certain countries in which it invests. The above taxes may be reduced or eliminated under the terms of applicable U.S. income tax treaties with some of these countries. The Fund accrues such taxes when the related income is earned.

In addition, when the Fund sells securities within certain countries in which it invests, the capital gains realized may be subject to tax. Based on these market requirements and as required under GAAP, the Fund accrues deferred capital gains tax on securities currently held that have unrealized appreciation within these countries. The amount of deferred capital gains tax accrued is reported on the Statement of Operations as part of the Net Change in Unrealized Appreciation/Depreciation on Investments.

i. Equity Linked Notes:

The Fund may invest in equity-linked structured notes. Equity-linked structured notes are securities which are specially designed to combine the characteristics of one or more underlying securities and their equity derivatives in a single note form. The return and/or yield or income component may be based on the performance of the underlying equity securities, and equity index, and/or option positions. Equity-linked structured notes are typically offered in limited transactions by financial institutions in either registered or non-registered form. An investment in equity-linked structured notes creates exposure to the credit risk of the issuing financial institution, as well as to the market risk of the underlying securities. There is no guaranteed return of principal with these securities and the appreciation potential of these securities may be limited by a maximum payment or call right. In certain cases, equity-linked structured notes may be more volatile and less liquid than complex securities or other types of fixed-income securities. Such securities may exhibit price behavior that does not correlate with other fixed income securities. The Fund did not hold equity-linked structured notes as of October 31, 2018.

3. Agreements and Transactions with Affiliates

a. Investment Adviser

Through May 4, 2018, Alpine Woods Capital Investors, LLC (“Alpine Woods”) served as the Fund’s investment adviser pursuant to an investment advisory agreement with the Fund. As compensation for its services to the Fund, Alpine Woods received an annual investment advisory fee of 1.00% based on the Fund’s average daily total assets, computed daily and payable monthly. Effective at the close of business on May 4, 2018, AAML became the Fund’s Adviser,

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pursuant to an investment advisory agreement (the “Advisory Agreement”) with the Fund. The terms of the Advisory Agreement are substantially similar to the terms of the advisory agreement between the Fund and Alpine Woods previously in effect and the advisory fee rate

22 Aberdeen Total Dynamic Dividend Fund

Notes to Financial Statements (continued)

October 31, 2018

payable to the Fund's investment adviser has not changed, except that the advisory fee rate is now based on Managed Assets rather than total assets. "Managed Assets" means total assets of the Fund, including any form of investment leverage, minus all accrued expenses incurred in the normal course of operations, but not excluding any liabilities or obligations attributable to investment leverage obtained through (i) indebtedness of any type (including, without limitation, borrowing through a credit facility or the issuance of debt securities), (ii) the issuance of preferred stock or other similar preference securities, (iii) the reinvestment of collateral received for securities loaned in accordance with the Fund's investment objectives and policies, and/or (iv) any other means.

Effective May 4, 2018, AAML entered into a written contract (the "Expense Limitation Agreement") with the Fund that remains effective through May 4, 2020. The Expense Limitation Agreement limits the total ordinary operating expenses of the Fund (excluding any leverage expenses, interest, taxes, brokerage fees, and interest expenses and non-routine expenses) from exceeding 1.14% of the average daily net assets of the Fund on an annualized basis. The total amount of the waiver for the fiscal year ended October 31, 2018 pursuant to the Expense Limitation Agreement was \$23,591.

Aberdeen may request and receive reimbursement from a Fund of the advisory fees waived and other expenses reimbursed pursuant to the Expense Limitation Agreement as of a date not more than three years after the date when the Adviser limited the fees or reimbursed the expenses; provided that the following requirements are met: the reimbursements do not cause the Fund to exceed the lesser of the applicable expense limitation in the contract at the time the fees were limited or expenses are paid or the applicable expense limitation in effect at the time the expenses are being recouped by the Adviser, and the payment of such reimbursement is approved by the Board on a quarterly basis (the "Reimbursement Requirements"). Except as provided for in the Expense Limitation Agreement, reimbursement of amounts previously waived or assumed by Aberdeen is not permitted. As of October 31, 2018, to the extent the Reimbursement Requirements are met, the cumulative potential reimbursements to Aberdeen for the Fund, based on expenses reimbursed by Aberdeen, including adjustments described above, would be \$23,591.

b. Fund Administrator, Custodian and Fund Accounting Agent

State Street Bank and Trust Company ("SSBT") serves as the custodian and fund accounting agent. The custodian is responsible for the safekeeping of the assets of the Fund and the fund accounting agent is responsible for calculating the Fund's NAV. SSBT, as the Fund's custodian and fund accounting agent, is paid on the basis of net assets and transaction costs of the Fund. SSBT also serves as the administrator for the Fund. SSBT, as the Fund's administrator, is paid on the basis of net assets of the Fund.

c. Transfer Agent

DST Systems, Inc. ("DST"), formerly known as Boston Financial Data Services, Inc., serves as the transfer agent to the Fund. DST is paid on the basis of net assets, per account fees and certain transaction costs.

d. Investor Relations

Under the terms of the Investor Relations Services Agreement, approved by the Fund's Board on September 5, 2018, Aberdeen Asset Management Inc. ("AAMI") provides and pays third parties to provide investor relations services to the Fund and certain other funds advised by AAML or its affiliates as part of an Investor Relations Program. Under the Investor Relations Services Agreement, the Fund owes a portion of the fees related to the Investor Relations Program (the "Fund's Portion"). However, investor relations services fees are limited by AAMI so that the Fund will only pay up to an annual rate of 0.05% of the Fund's average weekly net assets. Any difference between the capped rate of 0.05% of the Fund's average weekly net assets and the Fund's portion is paid for by AAMI.

Pursuant to the terms of the Investor Relations Services Agreement, AAMI (or third parties engaged by AAMI), among other things, provides objective and timely information to stockholders based on publicly available information; provides information efficiently through the use of technology while offering stockholders immediate access to knowledgeable investor relations representatives; develops and maintains effective communications with investment professionals from a wide variety of firms; creates and maintains investor relations communication materials such as fund manager interviews, films and webcasts, published white papers, magazine articles and other relevant materials discussing the Fund's investment results, portfolio positioning and outlook; develops and maintains effective communications with large institutional shareholders; responds to specific shareholder questions; and reports activities and results to the Board and management detailing insight into general shareholder sentiment.

During the fiscal year ended October 31, 2018, the Fund incurred investor relations fees of approximately \$35,306. For the fiscal year ended October 31, 2018, AAMI did not contribute to the investor relations fees for the Fund because the Fund's contribution was below 0.05% of the Fund's average weekly net assets on an annual basis.

Certain officers and trustees of the Fund are or were officers and/or trustees of Alpine Woods Capital Investors, LLC or AAML (each, an "Adviser"). No trustee, who is deemed an interested person due to current or former service with an Adviser or an affiliate of the Adviser, receives compensation from the Fund.

4. Investment Transactions

Purchases and sales of investment securities (excluding short-term securities) for the fiscal year ended October 31, 2018, were \$832,074,397 and \$849,923,559, respectively.

Notes to Financial Statements (continued)