CYTEC INDUSTRIES INC/DE/
Form 11-K
June 20, 2014

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 11-K

x **ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2013

OR

¨ **TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from __________ to __________

Commission file number 1-12372

A. Full title of the plan and the address of the plan, if different from that of the issuer named below:

Cytec Employees Savings Plan

B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:

Cytec Industries Inc.

Five Garret Mountain Plaza

Woodland Park, New Jersey 07424

Cytec Employees Savings Plan

December 31, 2013 and 2012

Index

* Other schedules required by Section 2520.103-10 of the Department of Labor s Rules and Regulations for Reporting and Disclosure under ERISA have been omitted because they are not applicable.

Report of Independent Registered Public Accounting Firm

To Participants and Plan Administrator of

Cytec Employees Savings Plan

EisnerAmper LLP

111 Wood Avenue South

Iselin, NJ 08830-2700

T 732.243.7000

F 732.951.7400

www.eisneramper.com

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Plan Administrator and Participants

of the Cytec Employees Savings Plan

We have audited the accompanying statements of net assets available for benefits of the Cytec Employees Savings Plan (the Plan) as of December 31, 2013 and 2012, and the related statement of changes in net assets available for benefits for the year ended December 31, 2013. The financial statements are the responsibility of the Plan s management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Plan is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan s internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2013 and 2012, and the changes in net assets available for benefits for the year ended December 31, 2013, in conformity with accounting principles generally accepted in the United States of America.

Our audits were performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedules of assets (held at end of year) as of December 31, 2013 and delinquent participant contributions for the year ended December 31, 2013, are presented for the purpose of additional analysis and are not a required part of the basic financial statements, but are supplemental information required by the U.S. Department of Labor s Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The supplemental schedules are the responsibility of the Plan s management. The supplemental schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Iselin, New Jersey

June 20, 2014

New York | New Jersey | Pennsylvania | California | Cayman Islands

EisnerAmper is an independent member of PKF International Limited

Cytec Employees Savings Plan

Statements of Net Assets Available For Benefits

December 31, 2013 and 2012

	2013	2012
Assets		
Plan interest in Cytec Industries Inc. Savings Plans Master Trust, at fair value	$ 475,249,931	$ 404,475,555
Total investments	475,249,931	404,475,555
Cash	10,945,007	
Receivables:		
Notes receivable from participants	4,921,908	4,998,418
Company contributions receivable	814,196	510,812
Participant contributions receivable	339,860	425,837
Total receivables	6,075,964	5,935,067
Net assets reflecting investments at fair value	492,270,902	410,410,622
Adjustment from fair value to contract value for interest in Cytec Industries Inc. Savings Plans Master Trust related to fully benefit-responsive investment contract	(2,428,206)	(4,447,695)
Net assets available for benefits	$ 489,842,696	$ 405,962,927

The accompanying notes are an integral part of these statements.

Cytec Employees   Savings Plan

Statements of Changes in Net Assets Available For Benefits

For the Year Ended December 31, 2013

Investment income	
Plan interest in Cytec Industries Inc. Savings Plans	
Master Trust income	$ 83,873,924
Total investment income	83,873,924
Interest income, notes receivable from participants	179,243
Contributions	
Company contributions	18,432,640
Participant contributions	14,893,336
Total contributions	33,325,976
Total additions	117,379,143
Benefits paid to participants	60,271,975
Administrative fees	6,580
Total deductions	60,278,555
Net increase prior to asset transfers	57,100,588
Assets transferred in to the Plan due to Plan Merger	11,358,941
Assets transferred in from the Cytec Employees Savings and Profit Sharing Plan	15,420,240
Net increase	83,879,769
Net assets available for benefits:	
Beginning of year	405,962,927
End of year	$ 489,842,696

The accompanying notes are an integral part of these statements.

Cytec Employees Savings Plan
Notes to Financial Statements

1. Description of Plan

The following description of the Cytec Employees Savings Plan (the Plan) provides only general information. Participants should refer to the Plan document for a more complete description of the Plan s provisions.

General

The Plan is a defined contribution plan established effective April 1, 2007, for the benefit of employees of Cytec Industries Inc. (Cytec or the Company) and employees of its participating subsidiaries. All qualifying U.S. salaried and non-bargaining employees are eligible to participate in the Plan. Employees of certain collective bargaining units whose collective bargaining agreement provides for their participation in the Plan are also eligible to participate.

The purpose of the Plan is to provide eligible employees with the opportunity to accumulate personal savings and to share in the growth and ownership of Cytec through the contributions to the Cytec Stock Fund. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA). The Plan meets the IRS safe harbor requirement; therefore, certain discrimination testing is currently not applicable to the Plan.

Master Trust

On April 2, 2007, the Company established the Cytec Industries Inc. Savings Plans Master Trust (the Master Trust) in the custody of Vanguard Fiduciary Trust Company (VFTC , the Trustee as defined by the Plan). The Master Trust consists of the assets of the Plan and the Cytec Employees Savings and Profit Sharing Plan (the Existing Savings Plan).

Participant Contributions

Participating employees (Participants) may contribute to the Plan as of the first payroll date after the first of the month following their one month anniversary (as defined in the Plan). Contributions are made through payroll deductions (subject to IRS limitations) which may range from 1% to 50% of such Participant s Earnings (as defined), on a before-tax basis, an after-tax basis or a combination thereof. Participants who are at least age 50 or older during a Plan year may make an additional catch-up contribution equal to a specified dollar amount on a before tax basis. Pursuant to an automatic enrollment provision, a Participant s earnings are automatically withheld and contributed to the Plan as of the enrollment date by at least 3% per year (subsequently increasing annually by 1% per year in subsequent Plan Years until reaching 6%) unless the Participant opts out.

Rollovers into Plan

Participants may elect to rollover eligible balances from other qualified plans, under IRS regulations, as defined in the Plan.

Company Contributions

Matching contributions made by the Company are equal to 100% of such Participants contributions up to the first 6% of the Participants earnings.

All Company matching contributions for Participants are invested in the Cytec Stock Fund, which invests in the common stock of Cytec Industries Inc. The Pension Protection Act of 2006 mandates that employers provide retirement plan participants with greater flexibility for investing in company stock, for selling it and for investing the proceeds from the sale of company stock in other assets. Prior to January 1, 2012, the Plan allowed Participants with three or more years of service to diversify the portion of their

Cytec Employees Savings Plan
Notes to Financial Statements

accounts that are invested in company stock obtained as a result of employer matching contribution. Effective January 1, 2012, the Plan was amended to allow for immediate diversification of Company matching contributions.

The Plan provides for a Company non-discretionary profit sharing contribution of 3% of a Participant s earnings. The Plan also provides for a non-discretionary profit sharing contribution (transition credit) ranging from 1% to 10% of a Participant s annual pay per year for all Participants with more than 10 years of service as of December 31, 2007. This transition credit is provided as a part of the transition of long service employees from the Company s defined benefit pension plan to the Plan and shall apply for a limited period (for ten years or until December 31, 2017). The transition credit is not provided to Participants who became Participants in the Plan after January 1, 2008.

Effective January 1, 2013, the Plan provides for collective bargaining credits for certain bargaining unit employees who became participants in the Plan as of this date. This includes discretionary profit sharing contributions equal to a percentage of each Participant s earnings, and the percentage is determined by a defined formula based on the percentage growth in the Company s earnings per share. Discretionary contributions of $705,951 were made during 2013. An additional one-time non-discretionary contribution was also made to certain bargaining unit employees in the amount of $2,000 per eligible participant. Non-discretionary contributions of $550,000 were made during 2013.

Vesting

All units representing Participant contributions, and earnings or losses thereon, are fully vested at all times. All Company match and profit sharing contributions become 100% vested after two years of service. Forfeitures are used to reduce Company matching contributions. During 2013, forfeitures of approximately $213,792 were used to reduce Company contributions. At December 31, 2013 and 2012, forfeited non-vested accounts totaled $117,315 and $18,245, respectively.

Participant Accounts

Each Participant account is credited with the Participant s contribution and an allocation of the Company s contribution and investment earnings, and charged with certain investment fees. Allocations are based on earnings or account balance, as defined in the Plan. The benefit to which a Participant is entitled is the benefit that can be provided from the Participant s vested account.

Withdrawals

During employment, a Participant may make withdrawals in cash (or common stock of the Company in the case of withdrawals from the Cytec Stock Fund) of amounts applicable to Participant and Company contributions and earnings or losses thereon, subject to certain restrictions.

A Participant can make hardship withdrawals of Participant before-tax contributions which will preclude the Participant from making additional Participant before-tax contributions to the Plan for a six-month period. Participant before-tax contributions and matching contributions can be withdrawn after attainment of age 59 1/2.

Benefit Payments

On termination of service due to death, disability, or retirement, a Participant or the Participant s beneficiary may elect to receive either a lump-sum distribution equal to the value of the Participant s vested interest in his or her account or monthly installments over a period of 60, 120, 180, 240, 300, or 360 months, as elected (subject to limits imposed by the Internal Revenue Code). For termination of

Cytec Employees Savings Plan
Notes to Financial Statements

service for other reasons, a Participant may receive the value of the vested interest in his or her account as a lump-sum distribution.

Minimum distributions are required to begin by April 1 of the calendar year following the later of:

- The calendar year in which the Participant attains 70 1/2 years of age; or
- The calendar year in which the Participant terminates employment from the Company.

Notes Receivable from Participants

A Participant may borrow up to fifty percent of the value of such Participant s before-tax and after-tax account balance, subject to a minimum of $1,000 and a maximum of $50,000, reduced by the highest loan balance outstanding during the prior twelve months. Loans for the purchase of a principal residence must be repaid in one to fifteen years, at the Participant s option. Loans for all other purposes must be repaid in one to five years, at the Participant s option. These loans are made at the prevailing market interest rates equal to prime rate plus one percent with such rate fixed for the term of the loan at the time the loan is approved. The applicable rate on loans issued during 2013 and 2012 was 4.25%. Interest rates on outstanding loans range from 4.25% to 9.25%. No more than one loan from the Plan to a Participant shall be permitted at any time. All principal and interest payments made by the Participant are credited back to the Participant s account. Delinquent Participant loans are reclassified as distributions based upon the terms of the Plan document.

2. Summary of Significant Accounting Policies

Basis of Accounting

The financial statements of the Plan are prepared under the accrual method of accounting.

Investment contracts held by a defined contribution plan are required to be reported at fair value. However, contract value is the relevant measurement attribute for that portion of the net assets available for benefits of a defined contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan. The Plan invests in investment contracts through the Master Trust. The Statement of Net Assets Available for Benefits presents the fair value of the investment contract as well as the adjustment of the fully benefit-responsive investment contract from fair value to contract value. The Statement of Changes in Net Assets Available for Benefits is prepared on a contract value basis.

Use of Estimates

The preparation of the Plan s financial statements in conformity with generally accepted accounting principles may require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein. Actual results could differ from those estimates.

Investment Valuation and Income Recognition of the Master Trust

The Plan s interest in the Master Trust investments is stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 4 for discussion of fair value measurements. If available, quoted market prices are used to value the investments held in the Master Trust.

The fair value of the Plan s interest in the Master Trust is based on the underlying fair values of the specific investments held by the Master Trust and allocated using the Plan s interest in the Master Trust plus actual contributions and allocated investment income less actual distributions.

6

Cytec Employees Savings Plan
Notes to Financial Statements

Purchases and sales of securities are recorded on a trade-date basis. Net appreciation (depreciation) in the value of the investments includes gains and losses on securities transactions bought and sold as well as held during the year. Interest income is accrued when earned. Dividend income is recorded on the ex-dividend date. Capital gain distributions are included in dividend income.

Payment of Benefits

Benefit payments are recorded when paid.

3. Interest in Master Trust

Plan investments are in the Master Trust, which was established for the investment of assets of the Plan and the Existing Savings Plan. Each participating savings plan has an interest in the Master Trust. The assets of the Master Trust are held by the Trustee. The Plan s interest in the net assets of the Master Trust was approximately 75% and 71% at December 31, 2013 and 2012, respectively. Investment income or loss related to the Master Trust is allocated to each plan based upon the individual plan s interest in the Master Trust.

The following table represents the total value of investments in the Master Trust:

	As of December 31, 2013	2012
Investments, at fair value		
Mutual Funds	$ 343,900,805	$ 285,018,632
Company Common Stock Fund	146,316,270	132,821,741
Common/ Collective Trust	144,046,405	151,745,743
Total investment in Master Trust	634,263,480	569,586,116
Adjustment from fair value to contract value for fully benefit-responsive investment contracts	(3,910,667)	(7,664,439)
Net assets held in Master Trust	$ 630,352,813	$ 561,921,677

The net investment income of the Master Trust was composed of the following:

	For the Year Ended December 31, 2013
Net appreciation in fair value of investments	
Mutual Funds	$ 56,891,375
Company Common Stock Fund	41,498,076
	98,389,451
Interest	2,484,718
Dividends	10,688,919
Net investment income	$ 111,563,088

7

Cytec Employees Savings Plan
Notes to Financial Statements

4. Fair Value Measurements

Financial Accounting Standards Board (FASB) *Accounting Standards Codification (*ASC) 820, *Fair Value Measurements and Disclosures,* establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurement). The three levels of the fair value hierarchy under FASB ASC 820 are described below:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset s or liability s fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for the Master Trust assets measured at fair value. There have been no changes in the methodologies used at December 31, 2013 and 2012.

Company common stock fund: the Cytec Stock Fund is valued at its year-end unit closing price. The year-end unit closing price is comprised of the year-end market price of shares of Cytec common stock owned by the Cytec stock fund, plus a small amount invested in a money market fund for purposes of liquidity (the money market fund represents 0.10% and 0.48% of total value of the Cytec stock fund as of December 31, 2013, and 2012, respectively). Each unit of the Cytec stock fund represents the equivalent of approximately 1.81 and 1.80 shares of Cytec common stock plus a proportionate share of any cash equivalents at December 31, 2013 and 2012, respectively. The common stock is valued at the closing price reported on the New York Stock Exchange (the active market on which the securities are traded). The fair value of cash equivalents approximates cost.

Mutual funds: Valued at the net asset value (NAV) of daily closing price as reported by the fund. Mutual funds held by the Master Trust are open-ended mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily NAV and to transact at that price. The mutual funds held by the Master Trust are deemed to be actively traded. These funds have a Frequent Trading Policy which prohibits Participants who redeem or exchange any amount out of the mutual fund from purchasing or exchanging back into the same fund for 60 calendar days. No mutual funds held by the Master Trust have redemption fees.

Cytec Employees Savings Plan
Notes to Financial Statements

Collective trust: The Master Trust invests in the Vanguard Retirement Savings Plan Trust V (VRST), which is a common/collective trust. The VRST seeks stability of principal and a high level of current income consistent with a 2-3 year average maturity. The trust is a tax-exempt collective trust invested primarily in investment contracts issued by insurance companies and commercial banks, and similar types of fixed-principal investments. The VRST invests solely in the Vanguard Retirement Savings Master Trust (the Trust). The VRST s value in the Trust is valued at the NAV of the units in the trust. The NAV, as provided by the trustee, is used as a practical expedient to estimate fair value. The NAV is based on the fair value of the underlying investments held by the fund, less its liabilities. Participant transactions (purchases and sales) may occur daily. There are no unfunded commitments related to the VRST. If the Master Trust were to make a full accumulated book value withdrawal from the VRST, a written request must be made twelve months prior to the designation valuation date.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following tables set forth by level, within the fair value hierarchy, the Master Trust s assets at fair value as of December 31, 2013 and 2012:

	Master Trust Assets at Fair Value as of December 31, 2013			
	Level 1	Level 2	Level 3	Total
Mutual Funds:				
Domestic large cap	$ 93,942,127	$	$	$ 93,942,127
Balanced	141,657,992			141,657,992
Domestic growth	54,599,186			54,599,186
International growth	23,279,477			23,279,477
Fixed income	21,642,688			21,642,688
Domestic mid cap	4,487,895			4,487,895
Domestic small cap	4,165,805			4,165,805
Other	125,635			125,635
Total mutual funds	343,900,805			343,900,805
Company common stock fund		146,316,270		146,316,270
Collective Trust		144,046,405		144,046,405
Total assets at fair value	$ 343,900,805	$ 290,362,675	$	$ 634,263,480

Cytec Employees Savings Plan
Notes to Financial Statements

	Master Trust Assets at Fair Value as of December 31, 2012			
	Level 1	Level 2	Level 3	Total
Mutual Funds:				
Domestic large cap	$ 75,081,879	$	$	$ 75,081,879
Balanced	116,169,591			116,169,591

When market quotations are not readily available or when the valuation methods mentioned above are not reflective of a fair value of the security, the security is valued at fair value following procedures and/or guidelines approved by the Board. The Fund may also use fair value pricing, if the value of a security it holds is, pursuant to the Board guidelines, materially affected by events occurring before the Fund’s pricing time but after the close of the primary market or market transactions for comparable securities and various relationships between securities that are generally recognized by institutional traders, a computerized matrix system, or appraisals derived from information concerning the securities or similar securities received from recognized dealers in those securities. The Board has approved the use of a third-party pricing vendor’s proprietary fair value pricing model to assist in determining current valuation for foreign securities traded in markets that close prior to the NYSE. When fair value pricing is employed, the value of the portfolio security used to calculate the Fund’s NAV may differ from quoted or official closing prices.

Fair Value Measurement: In accordance with GAAP, the Fund uses a three-tier hierarchy to establish classification of fair value measurements for disclosure purposes. Inputs refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability that are developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entities’ own assumptions about the assumptions market participants would use in pricing the asset or liability that are developed based on the best information available.

Level 1 -	Quoted prices in active markets for identical investments.
Level 2 -	Other significant observable inputs (including quoted prices for similar instruments, interest rates, prepayment speeds, credit risk, yield curves, default rates, etc.).
Level 3 -	Significant unobservable inputs (including the Fund’s own assumptions in determining the fair value of investments).

The availability of observable inputs can vary from security to security and is affected by a wide variety of factors, including, for example, the type of security, whether the security is new and not yet established in the marketplace, the liquidity of markets, and other characteristics particular to the security. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3.

The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy within which the fair value measurement falls in its entirety, is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

Various inputs are used in determining the value of the Fund’s investments as of the reporting period end. The designated input levels are not necessarily an indication of the risk or liquidity associated with these investments. These inputs are categorized in the following hierarchy under GAAP.

The Fund uses valuation techniques to measure fair value that are consistent with the market approach and/or income approach, depending on the type of security and the particular circumstance. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable securities. The income approach uses valuation techniques to discount estimated future cash flows to present value.

The following is a summary of the inputs used to value the Fund's assets and liabilities carried at fair value as of July 31, 2014:

	Valuation Inputs			
Investments in Securities at Value*	Level 1	Level 2	Level 3	Total Value
Common Stocks				
Consumer Discretionary	$79,792,485	$38,673,268	$ —	$118,465,753
Consumer Staples	58,581,635	37,522,336	—	96,103,971
Energy	96,133,924	15,396,675	—	111,530,599
Financials	122,882,494	77,039,212	—	199,921,706
Health Care	108,325,257	25,234,551	—	133,559,808
Industrials	85,062,603	87,730,602	—	172,793,205
Information Technology	124,808,180	—	—	124,808,180
Materials	8,170,000	36,072,075	—	44,242,075
Residential	5,783,800	—	—	5,783,800
Telecommunication Services	14,367,650	—	—	14,367,650
Utilities	37,808,637	—	—	37,808,637
Equity-Linked Structured Notes	—	14,966,670	—	14,966,670
Total	$741,716,665	$332,635,389	$ —	$1,074,352,054

Other Financial Instruments	Valuation Inputs Level 1	Level 2	Level 3	Total Value
Assets				
Forward Currency Contracts	$—	$2,284,056	$ —	$2,284,056
Total	$—	$2,284,056	$ —	$2,284,056

** For detailed industry descriptions, see accompanying Schedule of Portfolio Investments.*

For the period ended July 31, 2014, there were no transfers between Level 1, Level 2 and Level 3.

B. Federal and Other Income Taxes: It is the Fund's policy to comply with the Federal income and excise tax requirements of the Internal Revenue Code of 1986 (the "Code"), as amended, applicable to regulated investment companies and to distribute timely, all of its investment company taxable income and net realized capital gains to shareholders in accordance with the timing requirements imposed by the Code. Therefore, no Federal income tax provision is required. Capital gains realized on some foreign securities are subject to foreign taxes. Dividends and interest from non-U.S. sources received by the Funds are generally subject to non-U.S. withholding taxes at rates ranging up to 30%. Such capital gains and withholding taxes, which are accrued as applicable, may be reduced or eliminated under the terms of applicable U.S. income tax treaties, and the Funds intend to undertake procedural steps to claim the benefits of such treaties. Where available, the Fund will file refund claims for foreign taxes withheld.

As of July 31, 2014, net unrealized appreciation/depreciation of investments, excluding foreign currency, based on Federal tax costs was as follows:*

Fund	Cost of investments	Gross unrealized appreciation	Gross unrealized depreciation	Net unrealized appreciation
Total Dynamic Dividend Fund	$938,784,325	$177,113,404	$(41,545,675)	$135,567,729

* Because tax adjustments are calculated annually, the above tables reflect the tax adjustments outstanding at the Fund's previous fiscal year end. For the

previous fiscal year's Federal income tax information, please refer to the Notes to Financial Statements section in the Fund's most recent semi-annual or annual report.

C. Distributions to Shareholders: The Fund intends to make a level distribution each month to its shareholders of the net investment income of the Fund after payment of Fund operating expenses. The level distribution rate may be modified or eliminated by the Board from time to time. If a monthly distribution exceeds the Fund's monthly estimated investment company taxable income (which may include net short-term capital gain) and net tax-exempt income, the excess could result in a tax-free return of capital distribution from the Fund's assets. The determination of a tax-free return of capital is made on an annual basis as further described below. The Fund's final distribution for each calendar year will include any remaining investment company taxable income and net tax-exempt income undistributed during the year, as well as all net capital gains, if any, realized during the year. If the total distributions made in any fiscal year exceed annual investment company taxable income, net tax-exempt income and net capital gain, such excess distributed amount would be treated as ordinary dividend income to the extent of the Fund's current and accumulated earnings and profits. Distributions in excess of the accumulated investment company taxable income, net tax-exempt income and net capital gain would first be a tax-free return of capital to the extent of the adjusted tax basis in the shares. After such adjusted tax basis is reduced to zero, the distribution would constitute capital gain (assuming the shares are held as capital assets). Distributions to shareholders are recorded by the Fund on the ex-dividend date and are determined in accordance with income tax regulations, which may differ from GAAP.

D. Foreign Currency Translation Transactions: The Fund may invest a portion of its assets in foreign securities. In the event that the Fund executes a foreign security transaction, the Fund will generally enter into a forward foreign currency contract to settle the foreign security transaction. The books and records of the Fund are maintained in U.S. dollars. Non-U.S. dollar-denominated amounts are translated into U.S. dollars as follows, with the resultant translations gains and losses recorded in the Statement of Operations:

i) market value of investment securities and other assets and liabilities at the exchange rate on the valuation date.

ii) purchases and sales of investment securities, income and expenses at the exchange rate prevailing on the respective date of such transactions.

E. Risks Associated with Foreign Securities and Currencies: Investments in securities of foreign issuers carry certain risks not ordinarily associated with investments in securities of domestic issuers. Such risks include future political and economic developments and the possible imposition of exchange controls or other foreign governmental laws and restrictions. In addition, with respect to certain countries, there is a possibility of expropriation of assets, confiscatory taxation, political or social instability or diplomatic developments, which could adversely affect investments in those countries.

Certain countries may also impose substantial restrictions on investments in their capital markets by foreign entities, including restrictions on investments in issuers or industries deemed sensitive to relevant national interests. These factors may limit the investment opportunities available to the Fund or result in a lack of liquidity and high price volatility with respect to securities of issuers from developing countries.

F. Equity-Linked Structured 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. Such securities may exhibit price behavior that does not correlate with other fixed-income securities.

G. Forward Currency Contracts: The Fund is subject to foreign currency exchange rate risk in the normal course of pursuing its investment objective. The Fund may use forward currency contracts to gain exposure to or economically hedge against changes in the value of foreign currencies. A forward currency contract ("forward") is an agreement between two parties to buy and sell a currency at a set price on a future date. The market value of the forward contract fluctuates with changes in forward currency exchange rates. The forward contract is marked-to-market daily and the change in market value is recorded by the as unrealized appreciation or depreciation. When the forward contract is closed, a Fund records a realized gain or loss equal to the fluctuation in value during the period the forward contract was open. A Fund could be exposed to risk if a counterparty is unable to meet the terms of a forward or if the value of the currency changes unfavorably.

The following forward currency contracts were held at July 31, 2014:

Description	Settlement Date	Currency		Settlement Value	Current Value	Unrealized Gain
Contracts Sold:						
Swiss Franc	01/07/15	29,400,000	CHF	$32,985,527	$32,393,517	$592,010
Euro	01/07/15	52,200,000	EUR	71,112,582	69,939,746	1,172,836
British Pound	01/07/15	13,000,000	GBP	22,225,320	21,913,815	311,505
Japanese Yen	01/28/15	2,800,000,000	JPY	27,468,215	27,260,510	207,705
					$151,507,588	$2,284,056

Item 2 - Controls and Procedures.

(a) The Registrant's principal executive officer and principal financial officer have evaluated the Registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940) as of a date within 90 days of this filing and have concluded that the Registrant's disclosure controls and procedures were effective, as of that date.

(b) There was no change in the Registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the Investment Company Act of 1940) that occurred during the Registrant's last fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting.

Item 3 – Exhibits.

Separate certifications for the Registrant's principal executive officer and principal financial officer, as required by Section 302 of the Sarbanes-Oxley Act of 2002 and Rule 30a-2(a) under the Investment Company Act of 1940, are attached as Ex99.CERT.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

ALPINE TOTAL DYNAMIC DIVIDEND FUND

By: /s/ Samuel A. Lieber
Samuel A. Lieber
President (Principal Executive Officer)

Date: September 25, 2014

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By: /s/ Samuel A. Lieber
Samuel A. Lieber
President (Principal Executive Officer)

Date: September 25, 2014

By: /s/ Ronald G. Palmer, Jr.
Ronald G. Palmer, Jr.
Chief Financial Officer (Principal

Financial Officer)

Date: September 25, 2014