



Symbol: TDSBX	Asset Class: Fixed Income	Style: Active Fundamental	Inception: 12/18/2006	CUSIP: 87237U873
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Fund Commentary¹

As of March 31, 2017

Market Recap: The U.S. Federal Reserve (Fed) increased the federal funds rate to the 0.75% – 1.00% range in its March 15, 2017 policy announcement, marking the second increase of the benchmark rate in three months. The Fed noted expanding economic activity, with solid job gains and unemployment remaining low. Household spending has continued to rise, albeit moderately, while business fixed investment "appears to have firmed somewhat." Inflation has increased in recent quarters but still remains below the 2% long-term target. The Fed also stated that "near-term risks to the economic outlook appear roughly balanced," and with gradual changes in monetary policy, economic conditions should strengthen further. The Fed continues to expect a gradual pace to tightening of its policies and believes the federal funds rate will remain lower than long run levels for some time.

Performance Summary: Over the period, the U.S. Treasury bond yield curve rose at the short end of the curve, reflecting the Fed's 0.25% increase of the federal funds rate. Mid- to long-term Treasury yields were flat to marginally lower. The 10-year U.S. Treasury bond yield stood at 2.40% at the end of the period, falling from 2.45% at the beginning of the year. As a result, the yield curve became somewhat flatter over the period, suggesting growth and/or inflation expectations were largely unchanged. The shift in the yield curve contributed to the underperformance of short-term bonds over the period.

U.S. investment grade credit spreads ended the period at 112 basis points (bps), falling from 118 bps at the beginning of 2017. Narrowing credit spreads contributed to the outperformance of corporate bonds, as measured by the Bloomberg Barclays US Credit Index, which returned 1.22% compared to government issues, as measured by the Bloomberg Barclays US Treasury Index, which returned 0.67%. Sectors performing well were energy, basic materials and banks. Moreover, lower-rated corporate bonds (BBB's), which are typically more sensitive to economic conditions, outperformed their higher-quality counterparts.

The portfolio advisor continues to favor higher quality issuers within the corporate bond sector and corporate bonds over treasuries for their yield advantage.

Investment Overview

Investment Objective: The TD Short-Term Bond Fund ("Fund") seeks to provide a high level of income consistent with the preservation of capital and liquidity.

Portfolio Management:

Glenn Davis, CFA
Managing Director
Industry Experience: 37 years

Dennis Woessner, CFA, CAIA
Vice President & Director
Industry Experience: 29 years

Benchmark: Bank of America Merrill Lynch 1-3 Year U.S. Corporate/ Government Bond Index

Gross Expense Ratio³: 0.68%

Voluntary Waiver⁴: 0.25%

Net Expense Ratio³: 0.43%

Actual Expense Ratio³: 0.43%

Historical performance (%)¹

	1 mos.	3 mos.	1 yr.	3 yrs.	5 yrs.	10 yrs.	Since Inception
Fund	0.03	0.43	0.79	0.82	0.84	2.11	2.17
Benchmark ²	0.05	0.39	0.70	0.96	0.97	2.34	2.42

Calendar year returns (%)¹

	YTD	2016	2015	2014	2013
Fund	0.43	1.33	0.39	0.52	0.46
Benchmark ²	0.39	1.29	0.67	0.78	0.70

Performance information represents past performance and does not guarantee future results. Current performance may be higher or lower than the performance data cited. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than the original cost. For performance information current to the most recent month end, please visit www.tdamusa.com. Performance greater than one year is annualized.

Before investing you should carefully read the prospectus and/or the summary prospectus and carefully consider the investment objectives, risks, charges and expenses of the Fund. The prospectus and the summary prospectus contain this and other information about the Fund and may be obtained by calling 1-866-416-4031.

SECURITIES AND INVESTMENTS		
NOT FDIC INSURED	NO BANK GUARANTEE	MAY LOSE VALUE



Important Information

1. All information provided within this document is current as of the date indicated on the first page unless otherwise specified and is subject to change. Source: TD Asset Management.
2. Benchmark performance is not impacted by fees. There are no fees for the benchmark as one cannot invest in an index.
3. Gross Expense and Net Expense Ratios are taken from the most recent prospectus. Actual Expense Ratio is historical and annualized based on the six-month period ending 01/31/2017 as calculated in the most recent annual report. The Net Expense Ratio represents the amount that will be paid by the investor.
4. The Investment Manager has voluntarily agreed to reduce TD Short-Term Bond Fund and Class expenses (by paying certain expenses and/or waiving fees) so that the annualized ratio of total operating expenses will not exceed 0.43% of average daily net assets with respect to the Institutional Class of the Short-Term Bond Fund and 0.68% of average daily net assets with respect to the Advisor Class of the Short-Term Bond Fund. These waivers may be discontinued at any time.

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Investment Risks

Bonds are affected by a number of risks, including fluctuations in interest rates, credit risk, prepayment risk, and inflation risk. Not FDIC Insured • May Lose Value • No Bank Guarantee.

Effective July 1, 2014, the benchmark was changed from the Bank of America Merrill Lynch 1-3 Year Treasury Index to the Bank of America Merrill Lynch 1-3 Year U.S. Corporate Government Index because it is more representative of the Fund's investment strategy. For illustrative purposes, only the Bank of America Merrill Lynch 1-3 Year U.S. Corporate Government Index returns are shown.

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