

Table C

TD Asset Management USA Funds Inc. TDAM California Municipal Money Market Portfolio (Tax-Exempt Income Earned by State/Commonwealth)*	
Alabama	0.03%
California	95.95%
Connecticut	0.03%
New Mexico	0.07%
Puerto Rico	3.92%

Table D

TD Asset Management USA Funds Inc. TDAM New York Municipal Money Market Portfolio (Tax-Exempt Income Earned by State/Commonwealth)*	
Alabama	0.01%
Louisiana	0.01%
New York	97.68%
Puerto Rico	2.27%
Texas	0.02%
Wyoming	0.01%

* For those states not shown, tax-exempt income is 0%.

NOTE

Most of the dividends paid by the three Municipal Portfolios during 2008 constituted federally tax-exempt interest. However, 50.99% of the TDAM Municipal Portfolio, 36.24% of the TDAM California Municipal Money Market Portfolio, and 42.85% of the TDAM New York Municipal Money Market Portfolio dividends paid during the 2008 calendar year represent a tax preference item for Alternative Minimum Tax (AMT) purposes.

Depending on your income level, you may be required by the IRS to complete Form 6251, AMT Computation—Individuals. Please consult with your tax advisor to determine whether you are subject to AMT.

NEED STATEMENTS, CONFIRMATIONS OR TAX INFORMATION?

If you are a TD AMERITRADE, Inc. retail client, you can log on to your account(s) at tdameritrade.com, click **Accounts** and visit **History & Statements**, where you can quickly get account information. Tax information is available by clicking **Planning & Retirement**, then **Taxes**. You may also request copies of statements and confirmations by calling Client Services, 24/7, at **800-669-3900**. Simply listen for the prompts.

If you are a TD AMERITRADE Institutional client and would like to request duplicate statements or tax information, please contact your Advisor or TD AMERITRADE Institutional at 800-431-3500, option 2.

TD Bank, N.A. clients, please contact your Wealth Advisor.



2008

Concerning Your 2008
Fund(s) Dividends for
TD Asset Management USA
Funds Inc.



TD Asset Management USA Funds

TD Asset Management USA Funds

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TD TAX 0109

Shares of the Fund are distributed by SEI Investments Distribution Co., which is not affiliated with TD Asset Management USA Funds Inc.

**IMPORTANT STATE TAX INFORMATION FOR
THE TDAM U.S. GOVERNMENT PORTFOLIO,
THE TDAM INSTITUTIONAL U.S. GOVERNMENT
FUND AND/OR THE TDAM INSTITUTIONAL
TREASURY OBLIGATIONS MONEY MARKET
FUND INVESTOR**

As you prepare your 2008 tax returns, please review the following information, which is intended to help you determine what portion, if any, of the dividend income you received from your TD Asset Management USA Funds Inc. ("TDAM") — TDAM U.S. Government Portfolio, TDAM Municipal Portfolio, TDAM California Municipal Money Market Portfolio, TDAM New York Municipal Money Market Portfolio, TDAM Institutional U.S. Government Fund and/or TDAM Institutional Treasury Obligations Money Market Fund — may be exempt from taxes on a federal, state and/or local level. All income from the TDAM Money Market Portfolio, TDAM Institutional Money Market Fund, TDAM Short-Term Investment Fund and the TDAM Short-Term Bond Fund is taxable. This information is only a guideline. For specific questions regarding your personal tax situation, please consult with your accountant or other tax professional.

As you may know, mutual fund dividends derived from certain U.S. government obligations may be exempt from state and local income taxes. A portion of the ordinary dividends paid in 2008 by the TDAM U.S. Government Portfolio, the TDAM Institutional U.S. Government Fund and the TDAM Institutional Treasury Obligations Money Market Fund was earned from investments in securities issued by agencies and/or instrumentalities of the U.S. government.

Since tax laws vary among different states, please consult your tax advisor about the specific rules in the state in which you pay taxes.

Tables A1, A2 and A3 provide information that should be shared with your tax advisor to help determine whether you are eligible for any exemptions.

Table A1

TD Asset Management USA Funds Inc. TDAM U.S. Government Portfolio (Sources of Income & Net Asset Composition)		
	2008 Sources of Income	Composition of Assets 12/31/2008
U.S. Gov't Obligations		
U.S. Treasury Bills	8.09%	0.21%
U.S. Treasury Instruments	0.69%	0.00%
Federal Farm Credit Banks	1.35%	1.53%
Federal Home Loan Banks	27.81%	30.80%
*Army & Air Force	0.40%	0.00%
SUBTOTAL	38.34%	32.54%
Other Sources		
Federal Home Loan Mortgage Corp.	19.11%	30.07%
Federal National Mortgage Association	22.32%	30.35%
Totem Ocean Trailer	0.41%	0.00%
Repurchase Agreements	19.82%	5.37%
Other	0.00%	1.67%
SUBTOTAL	61.66%	67.46%
FUND TOTAL	100.00%	100.00%

*Securities are classified as U.S. Government Agency Bonds for accounting purposes, but may not be considered tax-exempt.

Table A2

TD Asset Management USA Funds Inc. TDAM Institutional U.S. Government Fund (Sources of Income & Net Asset Composition)		
	2008 Sources of Income	Composition of Assets 12/31/2008
U.S. Gov't Obligations		
U.S. Treasury Bills	8.66%	0.00%
U.S. Treasury Instruments	0.50%	0.00%
Federal Farm Credit Banks	2.71%	1.40%
Federal Home Loan Banks	24.40%	27.58%
SUBTOTAL	36.27%	28.98%
Other Sources		
Federal Home Loan Mortgage Corp.	19.55%	29.33%
Federal National Mortgage Association	21.48%	25.83%
Repurchase Agreements	22.70%	15.86%
SUBTOTAL	63.73%	71.02%
FUND TOTAL	100.00%	100.00%

Table A3

TD Asset Management USA Funds Inc. TDAM Institutional Treasury Obligations Money Market Fund (Sources of Income & Net Asset Composition)		
	2008 Sources of Income	Composition of Assets 12/31/2008
U.S. Gov't Obligations		
U.S. Treasury Bills	23.51%	32.87%
U.S. Treasury Instruments	65.26%	37.23%
SUBTOTAL	88.77%	70.10%
Other Sources		
Repurchase Agreements	11.23%	0.00%
Other	0.00%	29.90%
SUBTOTAL	11.23%	29.90%
FUND TOTAL	100.00%	100.00%

**IMPORTANT STATE TAX
INFORMATION FOR THE TDAM
MUNICIPAL, TDAM CALIFORNIA
MUNICIPAL MONEY MARKET AND/OR
TDAM NEW YORK MUNICIPAL MONEY
MARKET PORTFOLIOS INVESTOR**

Most states do not impose personal income tax on federally tax-exempt dividends derived from their own state, municipal or local obligations but tax other states' obligations. Tables B, C and D show the portion of federally tax-exempt dividends derived from interest, on a state-by-state basis.

Please note some states may tax such dividends in whole or in part. In addition, some states have threshold requirements that may restrict the pass-through of the exemption for such dividends.

For more information about how your state taxes such dividends, please consult with your tax advisor.

Table B

TD Asset Management USA Funds Inc. TDAM Municipal Portfolio (Tax-Exempt Income Earned by State/District/Commonwealth)*			
Alabama	2.14%	Mississippi	2.70%
Alaska	0.36%	Missouri	0.44%
Arkansas	0.01%	Nevada	0.02%
California	5.89%	New Jersey	0.60%
Colorado	0.83%	New Mexico	0.41%
Connecticut	0.77%	New York	7.44%
District of Columbia	0.89%	Ohio	2.04%
Florida	4.99%	Oklahoma	0.73%
Georgia	0.96%	Oregon	0.18%
Idaho	1.37%	Pennsylvania	3.56%
Illinois	5.29%	Puerto Rico	2.99%
Indiana	6.52%	Rhode Island	0.08%
Iowa	1.77%	South Carolina	2.33%
Kansas	0.08%	Tennessee	0.02%
Kentucky	2.13%	Texas	11.00%
Louisiana	3.89%	Utah	1.98%
Maine	1.44%	Virginia	1.20%
Maryland	0.46%	Washington	9.35%
Massachusetts	1.17%	West Virginia	0.14%
Michigan	1.07%	Wisconsin	1.32%
Minnesota	5.32%	Wyoming	0.88%
		Other Non-Taxable	3.74%

*For those states not shown, tax-exempt income is 0%. Table may not total 100%.