

As you prepare your 2016 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") — TD Money Market Portfolio, TD U.S. Government Portfolio, TD Municipal Portfolio, TD California Municipal Money Market Portfolio ("TD California Municipal Portfolio"), TD New York Municipal Money Market Portfolio ("TD New York Municipal Portfolio"), TD Institutional Money Market Fund, TD Institutional Municipal Money Market Fund, TD Institutional U.S. Government Fund, TD Institutional Treasury Obligations Money Market Fund, TD Short-Term Bond Fund, TD Core Bond Fund, TD High Yield Bond Fund, TD 1- to 5-Year Corporate Bond Portfolio, TD 5- to 10-Year Corporate Bond Portfolio and/or TD Target Return Fund — may be exempt from taxes on a federal, state and/or local level. 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 2016 by the U.S. Government Portfolio, the Institutional U.S. Government Fund and the 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 through A11 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. Money Market Portfolio (Sources of Income & Net Asset Composition)		
	2016 Sources of Income	Composition of Assets 12/31/2016
U.S. Gov't Obligations		
U.S. Treasury Bills	2.07%	0.00%
U.S. Treasury Instruments	0.09%	0.00%
Federal Farm Credit Banks	0.06%	0.00%
Federal Home Loan Banks	1.12%	0.00%
Army & Air Force	0.26%	0.00%
SUBTOTAL	3.60%	0.00%
Other Sources		
Federal National Mortgage Association	0.12%	0.00%
Repurchase Agreements	8.54%	12.67%
Other	87.74%	87.33%
SUBTOTAL	96.40%	100.00%
FUND TOTAL	100.00%	100.00%

Table A2

TD Asset Management USA Funds, Inc. U.S. Government Portfolio (Sources of Income & Net Asset Composition)		
	2016 Sources of Income	Composition of Assets 12/31/2016
U.S. Gov't Obligations		
U.S. Treasury Bills	6.49%	12.48%
Federal Farm Credit Banks	16.46%	14.20%
Federal Home Loan Banks	20.10%	16.89%
Army & Air Force	5.22%	4.35%
SUBTOTAL	48.27%	47.92%
Other Sources		
Federal Home Loan Mortgage Corp.	15.07%	9.08%
Federal National Mortgage Association	11.97%	12.78%
Repurchase Agreements	23.69%	30.22%
Other	1.00%	0.00%
SUBTOTAL	51.73%	52.08%
FUND TOTAL	100.00%	100.00%

Table A3

TD Asset Management USA Funds, Inc. Institutional Money Market Fund (Sources of Income & Net Asset Composition)*		
	2016 Sources of Income	Composition of Assets 12/31/2016
U.S. Gov't Obligations		
U.S. Treasury Bills	3.99%	
Federal Home Loan Banks	0.60%	
SUBTOTAL	4.59%	
Other Sources		
Repurchase Agreements	21.93%	
Other	73.48%	
SUBTOTAL	95.41%	
FUND TOTAL	100.00%	

* The Institutional Municipal Money Market Fund closed on 8/29/16 and thus held no assets on 12/31/16.

Table A4

TD Asset Management USA Funds, Inc. Institutional U.S. Government Fund (Sources of Income & Net Asset Composition)		
	2016 Sources of Income	Composition of Assets 12/31/2016
U.S. Gov't Obligations		
U.S. Treasury Bills	7.97%	18.56%
Federal Farm Credit Banks	14.13%	11.35%
Federal Home Loan Banks	21.00%	16.07%
Army & Air Force	5.55%	5.34%
SUBTOTAL	48.65%	51.32%
Other Sources		
Federal Home Loan Mortgage Corp.	15.65%	9.29%
Federal National Mortgage Association	12.72%	12.55%
Repurchase Agreements	22.98%	26.84%
SUBTOTAL	51.35%	48.68%
FUND TOTAL	100.00%	100.00%

Table A5

TD Asset Management USA Funds, Inc. Institutional Treasury Obligations Money Market Fund (Sources of Income & Net Asset Composition)		
	2016 Sources of Income	Composition of Assets 12/31/2016
U.S. Gov't Obligations		
U.S. Treasury Bills	40.65%	52.35%
U.S. Treasury Instruments	0.70%	0.00%
SUBTOTAL	41.35%	52.35%
Other Sources		
Repurchase Agreements	28.57%	47.65%
Other	30.08%	0.00%
SUBTOTAL	58.65%	47.65%
FUND TOTAL	100.00%	100.00%

Table A6

TD Asset Management USA Funds, Inc. Short-Term Bond Fund (Sources of Income & Net Asset Composition)		
	2016 Sources of Income	Composition of Assets 12/31/2016
U.S. Gov't Obligations		
U.S. Treasury Instruments	14.32%	23.88%
SUBTOTAL	14.32%	23.88%
Other Sources		
Federal Home Loan Mortgage Corp.	4.66%	1.51%
Federal National Mortgage Association	11.08%	4.51%
Government National Mortgage Assoc.	6.50%	1.81%
Repurchase Agreements	0.50%	3.03%
Other	62.94%	65.26%
SUBTOTAL	85.68%	76.12%
FUND TOTAL	100.00%	100.00%

Table A7

TD Asset Management USA Funds, Inc. Core Bond Fund (Sources of Income & Net Asset Composition)		
	2016 Sources of Income	Composition of Assets 12/31/2016
U.S. Gov't Obligations		
U.S. Treasury Instruments	17.03%	20.38%
Tennessee Valley Authority	0.15%	0.25%
SUBTOTAL	17.18%	20.63%
Other Sources		
Federal Home Loan Mortgage Corp.	3.82%	1.83%
Federal National Mortgage Association	20.75%	19.74%
Government National Mortgage Assoc.	4.47%	3.06%
Repurchase Agreements	0.43%	2.65%
Other	53.35%	52.09%
SUBTOTAL	82.82%	79.37%
FUND TOTAL	100.00%	100.00%

Table A8

TD Asset Management USA Funds, Inc. High Yield Bond Fund (Sources of Income & Net Asset Composition)		
	2016 Sources of Income	Composition of Assets 12/31/2016
U.S. Gov't Obligations		
SUBTOTAL	0.00%	0.00%
Other Sources		
Other	100.00%	100.00%
SUBTOTAL	100.00%	100.00%
FUND TOTAL	100.00%	100.00%

Table A9

TD Asset Management USA Funds, Inc. 1- to 5-Year Corporate Bond Portfolio (Sources of Income & Net Asset Composition)		
	2016 Sources of Income	Composition of Assets 12/31/2016
U.S. Gov't Obligations		
U.S. Treasury Instruments	2.39%	4.62%
SUBTOTAL	2.39%	4.62%
Other Sources		
Federal National Mortgage Association	3.25%	5.34%
Repurchase Agreements	0.32%	3.16%
Other	94.04%	86.88%
SUBTOTAL	97.61%	95.38%
FUND TOTAL	100.00%	100.00%

Table A10

TD Asset Management USA Funds, Inc. 5- to 10-Year Corporate Bond Portfolio (Sources of Income & Net Asset Composition)		
	2016 Sources of Income	Composition of Assets 12/31/2016
U.S. Gov't Obligations		
U.S. Treasury Instruments	1.99%	3.82%
SUBTOTAL	1.99%	3.82%
Other Sources		
Federal National Mortgage Association	1.68%	3.09%
Repurchase Agreements	0.15%	2.68%
Other	96.18%	90.41%
SUBTOTAL	98.01%	96.18%
FUND TOTAL	100.00%	100.00%

Table A11

TD Asset Management USA Funds, Inc. Target Return Fund (Sources of Income & Net Asset Composition)		
	2016 Sources of Income	Composition of Assets 12/31/2016
U.S. Gov't Obligations		
U.S. Treasury Instruments	2.46%	0.57%
SUBTOTAL	2.46%	0.57%
Other Sources		
Other	97.54%	99.43%
SUBTOTAL	97.54%	99.43%
FUND TOTAL	100.00%	100.00%

IMPORTANT STATE TAX INFORMATION FOR THE MUNICIPAL PORTFOLIO, CALIFORNIA MUNICIPAL PORTFOLIO, NEW YORK MUNICIPAL PORTFOLIO, AND INSTITUTIONAL MUNICIPAL MONEY MARKET FUND 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, D and E 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. Municipal Portfolio (Tax-Exempt Income Earned by State)*			
Alabama	0.65%	Mississippi	2.24%
Arizona	1.26%	Missouri	2.28%
California	17.05%	Nevada	1.03%
Colorado	1.17%	New Mexico	2.16%
Connecticut	0.69%	New York	3.79%
Florida	1.88%	Ohio	1.36%
Georgia	7.95%	Oregon	2.20%
Idaho	0.66%	Pennsylvania	4.59%
Illinois	5.68%	Rhode Island	0.18%
Indiana	0.72%	Texas	8.97%
Iowa	1.34%	Utah	1.25%
Kentucky	0.91%	Virginia	4.18%
Louisiana	0.18%	Washington	2.49%
Maryland	6.22%	Wisconsin	0.04%
Massachusetts	4.87%	Wyoming	0.68%
Michigan	4.10%	Other Non-Taxable	2.34%
Minnesota	4.89%	TOTAL	100.00%

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

Table C

TD Asset Management USA Funds Inc. California Municipal Portfolio (Tax-Exempt Income Earned by State)*	
California	100.00%
TOTAL	100.00%

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

Table D

TD Asset Management USA Funds Inc. New York Municipal Portfolio (Tax-Exempt Income Earned by State)*	
New York	95.29%
Other Non-Taxable	4.71%
TOTAL	100.00%

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

Table E

TD Asset Management USA Funds Inc. Institutional Municipal Money Market Fund* (Tax-Exempt Income Earned by State)**			
Alaska	0.85%	Mississippi	3.76%
Arizona	1.37%	Missouri	3.22%
California	16.94%	New Mexico	2.18%
Connecticut	0.59%	New York	18.77%
Georgia	3.25%	Ohio	1.33%
Illinois	4.07%	Oregon	2.15%
Indiana	0.73%	Pennsylvania	2.46%
Iowa	2.10%	Tennessee	1.78%
Kentucky	0.95%	Texas	10.91%
Maryland	1.97%	Virginia	4.89%
Massachusetts	2.65%	Washington	2.13%
Michigan	4.52%	Wisconsin	0.18%
Minnesota	5.01%	Wyoming	1.24%
		TOTAL	100.00%

* The Institutional Municipal Money Market Fund closed on 9/1/16. Percentages reflect earned income through that date.

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

NOTE

Most of the dividends paid by the four municipal portfolios during 2016 constituted federally tax-exempt interest. However, 18.13% of the Municipal Portfolio, 13.64% of the California Municipal Portfolio, 35.37% of the New York Municipal Portfolio and 10.12% of the Institutional Municipal Money Market Fund dividends paid during the 2016 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 client, you can log into your account(s) at tdameritrade.com and go to **My Account > History & Statements**, where you can quickly get account information. Tax information is available by going to **My Account > Tax Center**. You can 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 call TD Ameritrade Institutional at **800-431-3500**, option 2.

If you are a TDAM Institutional client and purchased your shares directly from the Funds' Transfer Agent, FIS Investor Services LLC, please call **866-416-4031**.

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



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TD TAX 0117

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Important State Tax Information

2016

Concerning Your 2016 Fund(s) Dividends for TD Asset Management USA Funds Inc.

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