

Dreyfus Strategic Municipal Bond Fund, Inc.



ANNUAL REPORT
November 30, 2018

Dreyfus Strategic Municipal Bond Fund, Inc.

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Our Pledge to You**

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- Information we receive from you, such as your name, address, and social security number.
- Information about your transactions with us, such as the purchase or sale of Fund shares.
- Information we receive from agents and service providers, such as proxy voting information.

THE FUND DOES NOT SHARE NONPUBLIC PERSONAL INFORMATION WITH ANYONE, EXCEPT AS PERMITTED BY LAW.

Thank you for this opportunity to serve you.

The views expressed in this report reflect those of the portfolio manager(s) only through the end of the period covered and do not necessarily represent the views of Dreyfus or any other person in the Dreyfus organization. Any such views are subject to change at any time based upon market or other conditions and Dreyfus disclaims any responsibility to update such views. These views may not be relied on as investment advice and, because investment decisions for a Dreyfus fund are based on numerous factors, may not be relied on as an indication of trading intent on behalf of any Dreyfus fund.

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A LETTER FROM THE PRESIDENT OF DREYFUS

Dear Shareholder:

We are pleased to present this annual report for Dreyfus Strategic Municipal Bond Fund, covering the 12-month period from December 1, 2017 through November 30, 2018. For information about how the fund performed during the reporting period, as well as general market perspectives, we provide a Discussion of Fund Performance on the pages that follow.

The reporting period began with major global economies achieving above-trend growth. In the United States, a robust economy and strong labor markets encouraged the Federal Reserve to continue moving away from its accommodative monetary policy while other major central banks also began to consider monetary tightening. In the equity sphere, both U.S. and non-U.S. markets remained on an uptrend, though investor concerns about U.S. inflation and its effect on interest rates later began to weigh on global returns. Interest rates rose across the yield curve, putting pressure on bond prices.

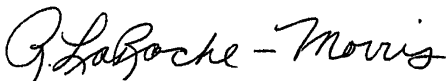
Later in the reporting period, global growth trends began to diverge and market volatility returned. While the U.S. economy continued to grow at a healthy rate, Japan rebounded, but only briefly, from a weak first quarter, and the Eurozone economy began to moderate. Robust growth and strong corporate earnings continued to support U.S. stocks while other developed markets declined. Late in the reporting period, a broad sell-off occurred, partially offsetting earlier U.S. gains. Emerging markets remained under pressure as weakness in their currencies relative to the U.S. dollar added to investors' uneasiness.

Fixed income markets continued to struggle as interest rates rose; the yield on the benchmark 10-year Treasury bond breached 3.2% despite only moderate inflation, but investor concerns about slowing global growth brought yields down toward the end of the reporting period.

Despite continuing doubts regarding trade, U.S. inflationary pressures and global growth, we are optimistic that the U.S. economy will remain strong in the near term. However, we remain attentive to signs that indicate potential changes on the horizon. As always, we encourage you to discuss the risks and opportunities in today's investment environment with your financial advisor.

Thank you for your continued confidence and support.

Sincerely,



Renee Laroche-Morris
President
The Dreyfus Corporation
December 17, 2018

DISCUSSION OF FUND PERFORMANCE (Unaudited)

For the period from December 1, 2017 through November 30, 2018, as provided by Daniel Rabasco and Jeffrey Burger, Portfolio Managers

Market and Fund Performance Overview

For the 12-month period ended November 30, 2018, Dreyfus Strategic Municipal Bond Fund, Inc. achieved a total return of 1.01% on a net-asset-value basis.¹ Over the same period, the fund provided aggregate income dividends of \$0.433 per share, which reflects a distribution rate of 6.07%.²

Municipal bonds during the reporting period encountered bouts of volatility stemming from rising interest rates and shifting supply-and-demand dynamics in the municipal securities market.

The Fund's Investment Approach

The fund seeks to maximize current income exempt from federal income tax to the extent believed by Dreyfus to be consistent with the preservation of capital. In pursuing this goal, the fund invests at least 80% of its assets in municipal bonds. Under normal market conditions, the weighted average maturity of the fund's portfolio is expected to exceed 10 years. Under normal market conditions, the fund invests at least 80% of its net assets in municipal bonds considered investment grade or the unrated equivalent as determined by Dreyfus.

The fund also has issued auction-rate preferred stock (ARPS), a percentage of which remains outstanding from its initial public offering, and has invested the proceeds in a manner consistent with its investment objectives. This, along with the fund's participation in secondary inverse floater structures, has the effect of "leveraging" the portfolio, which can magnify gain and loss potential depending on market conditions.

Over time, many of the fund's older, higher-yielding bonds matured or were redeemed by their issuers. We have attempted to replace those bonds with investments consistent with the fund's investment policies. We have also sought to upgrade the fund with newly issued bonds that, in our opinion, have better structural or income characteristics than existing holdings. When such opportunities arise, we usually look to sell bonds that are close to their optional redemption date or maturity.

Supply-and-Demand Dynamics and Interest-Rate Volatility Drove Municipal Bonds

Municipal bonds encountered bouts of volatility early in the reporting period. Prior to tax reform passing, a record number of new issues put upward pressure on yields and downward pressure on prices. However, the situation proved temporary and municipal bonds rebounded as volatility subsided by March. Market weakness abated as municipal bonds rebounded, supported by strong seasonal reinvestment demand and very manageable new-issue supply levels. Demand from individuals in high-tax states increased significantly as the search for immunization against the newly imposed tax restrictions on state and local tax deductions provided a catalyst. Conversely, tax cuts to corporations softened institutional demand for municipal bonds, particularly from banks and property and casualty insurance companies, as companies perceived less of a need to seek out tax-advantaged investments in the wake of lower tax rates.

As the economy remains strong, tax revenues continue to support the underlying financial conditions of many municipalities, reducing the perceived risk of lending money to these entities. In September, supportive factors started to diminish due to less reinvestment and growing concern over tightening employment markets and increasing inflation, pressuring municipal market performance. In October, the market continued to stumble over continued trade concerns as rates rose on the back of a strong economy. Ongoing trade tensions and fears of slowing global growth injected more volatility into markets at the end of the period. Municipal bonds benefited from the flight to quality brought on by increased volatility and rebounded during the month of November. In this historically low rate

DISCUSSION OF FUND PERFORMANCE (*Unaudited*) (*continued*)

environment, investors continue to display yield-seeking behavior, emphasizing lower-quality credits and longer maturity profiles.

Security Selection Supported Fund Results

The fund's performance was supported during the reporting period by its security selection, particularly within special tax bonds, tobacco bonds, and State of Illinois general obligation bonds. In addition, emphasis on lower-rated revenue-backed bonds also helped results. Bonds backed by certain states' settlement of litigation with U.S. tobacco companies fared well over the 12 months, as did those issued to finance transportation and water-and-sewer infrastructure. In general, an underweighted position among high-quality general obligation bonds also helped enhance returns. The fund's yield curve strategy proved beneficial due to its lack of emphasis on shorter-term bonds which struggled during the period. Fund performance was also bolstered by a shift in leverage from auction rate securities to tender option bond programs.

Conversely, some items weighed on the fund's results. Long duration positioning detracted. The fund maintains a long duration position due to an emphasis on longer-maturity bonds which can provide additional yield to investors versus shorter-maturity securities. The team added longer-maturity bonds to the portfolio during the period. In addition, some positions in underperforming high-quality essential service bonds detracted.

A Constructive Investment Posture

We feel the U.S. economy is positioned on a strong footing and that issuer and market fundamentals are solid. As we approach the conclusion of the year and move into 2019, we expect the supply-and-demand dynamics supporting prices of municipal bonds to be favorable. We believe demand will increase due to the investment of semiannual coupon payments and supply will remain manageable. In addition, municipal bonds offer higher yield ratios when compared to Treasuries, which should also provide price support going forward.

Given this environment, we continue to maintain a constructive investment posture. This means looking for opportunities to add yield to the portfolio, particularly on the long end of the curve where we believe added carry can benefit investor results. Furthermore, municipal bonds with long maturities have historically tended to outperform in a rising rate environment. We have recently purchased hospital, tobacco, energy, and transportation bonds with attractive yields and strong fundamentals.

December 17, 2018

¹ Total return includes reinvestment of dividends and any capital gains paid, based upon net asset value per share. Past performance is no guarantee of future results. Income may be subject to state and local taxes, and some income may be subject to the federal alternative minimum tax (AMT) for certain investors. Capital gains, if any, are fully taxable. Return figures provided reflect the absorption of certain fund expenses by The Dreyfus Corporation pursuant to an undertaking in effect through May 31, 2019, at which time it may be extended, terminated, or modified. Had these expenses not been absorbed, the fund's returns would have been lower.

² Distribution rate per share is based upon dividends per share paid from net investment income during the period, divided by the market price per share at the end of the period, adjusted for any capital gain distributions.

Bonds are subject generally to interest-rate, credit, liquidity, and market risks, to varying degrees, all of which are more fully described in the fund's prospectus. Generally, all other factors being equal, bond prices are inversely related to interest-rate changes, and rate increases can cause price declines.

High yield bonds are subject to increased credit risk and are considered speculative in terms of the issuer's perceived ability to continue making interest payments on a timely basis and to repay principal upon maturity.

The use of leverage may magnify the fund's gains or losses. For derivatives with a leveraging component, adverse changes in the value or level of the underlying asset can result in a loss that is much greater than the original investment in the derivative.

SELECTED INFORMATION

November 30, 2018 (Unaudited)

Market Price per share November 30, 2018				\$ 7.13
Shares Outstanding November 30, 2018				49,369,459
New York Stock Exchange Ticker Symbol				DSM
MARKET PRICE (NEW YORK STOCK EXCHANGE)				
Fiscal Year Ended November 30, 2018				
	Quarter Ended February 28, 2018	Quarter Ended May 31, 2018	Quarter Ended August 31, 2018	Quarter Ended November 30, 2018
High	\$8.56	\$7.70	\$7.63	\$7.58
Low	7.60	7.45	7.51	6.86
Close	7.61	7.62	7.56	7.13
PERCENTAGE GAIN (LOSS) based on change in Market Price[†]				
November 22, 1989 (commencement of operations) through November 30, 2018				391.32%
December 1, 2008 through November 30, 2018				146.77
December 1, 2013 through November 30, 2018				32.75
December 1, 2017 through November 30, 2018				(10.14)
March 1, 2018 through November 30, 2018				(2.25)
June 1, 2018 through November 30, 2018				(3.72)
September 1, 2018 through November 30, 2018				(4.28)
NET ASSET VALUE PER SHARE				
November 22, 1989 (commencement of operations)				\$9.32
November 30, 2017				8.29
February 28, 2018				8.15
May 31, 2018				8.21
August 31, 2018				8.17
November 30, 2018				7.91
PERCENTAGE GAIN (LOSS) based on change in Net Asset Value[†]				
November 22, 1989 (commencement of operations) through November 30, 2018				484.85%
December 1, 2008 through November 30, 2018				123.97
December 1, 2013 through November 30, 2018				35.58
December 1, 2017 through November 30, 2018				1.01
March 1, 2018 through November 30, 2018				1.26
June 1, 2018 through November 30, 2018				(0.86)
September 1, 2018 through November 30, 2018				(1.74)

[†] With dividends reinvested.

STATEMENT OF INVESTMENTS

November 30, 2018

Description	Coupon Rate (%)	Maturity Date	Principal Amount (\$)	Value (\$)
Long-Term Municipal Investments - 151.7%				
Alabama - 4.0%				
Birmingham Special Care Facilities Financing Authority, Improvement Revenue Bonds (Methodist Home for the Aging)	5.50	6/1/2030	1,800,000	1,919,286
Birmingham Special Care Facilities Financing Authority, Improvement Revenue Bonds (Methodist Home for the Aging)	6.00	6/1/2050	2,750,000	2,969,945
Jefferson County, Sewer Revenue Bonds Warrants	0/7.75	10/1/2046	6,000,000 ^a	5,167,380
Lower Alabama Gas District, Gas Project Revenue Bonds	5.00	9/1/2046	5,000,000	5,723,300
				15,779,911
Alaska - 1.4%				
Northern Tobacco Securitization Corporation of Alaska, Tobacco Settlement Asset-Backed Bonds	5.00	6/1/2046	5,865,000	5,523,012
Arizona - 2.8%				
Arizona Industrial Development Authority, Education Revenue Bonds (BASIS Schools Projects)	5.25	7/1/2047	1,500,000 ^b	1,516,740
Phoenix Industrial Development Authority, Education Facility Revenue Bonds (BASIS Schools Projects)	5.00	7/1/2046	2,000,000 ^b	1,982,180
Phoenix Industrial Development Authority, Education Facility Revenue Bonds (BASIS Schools Projects)	5.00	7/1/2045	1,000,000 ^b	992,690
Phoenix Industrial Development Authority, Education Facility Revenue Bonds (Legacy Traditional Schools Project)	6.75	7/1/2044	1,000,000 ^b	1,085,190
Tender Option Bond Trust Receipts (Series 2018-XF2537), 12/1/37, (Salt Verde Financial Corporation, Senior Gas Revenue Bonds) Recourse	5.00	6/1/2032	4,550,000 ^{b,c}	5,184,216
				10,761,016
California - 14.2%				
California, GO (Various Purpose)	5.75	4/1/2031	7,800,000	7,895,394
California, GO (Various Purpose)	6.00	3/1/2033	2,250,000	2,364,840

Description	Coupon Rate (%)	Maturity Date	Principal Amount (\$)	Value (\$)
Long-Term Municipal Investments - 151.7% (continued)				
California - 14.2% (continued)				
California, GO (Various Purpose)	6.00	11/1/2035	5,000,000	5,184,350
California, GO (Various Purpose)	6.50	4/1/2033	2,290,000	2,323,823
California, GO (Various Purpose)	6.50	4/1/2019	2,710,000 ^d	2,753,685
Golden State Tobacco Securitization Corporation, Revenue Bonds, Refunding, Series A-1	5.00	6/1/2047	1,000,000	961,830
Golden State Tobacco Securitization Corporation, Tobacco Settlement Asset-Backed Bonds	0.00	6/1/2047	10,000,000 ^e	1,576,600
San Buenaventura, Revenue Bonds (Community Memorial Health System)	7.50	12/1/2041	1,500,000	1,635,855
Tender Option Bond Trust Receipts (Series 2016-XM0379), 7/1/43, (Los Angeles Department of Water and Power, Water System Revenue Bonds) Non-recourse	5.00	7/1/2020	5,000,000 ^{b,c}	5,405,287
Tender Option Bond Trust Receipts (Series 2016-XM0387), 5/15/38, (Los Angeles Department of Airports, Senior Revenue Bonds (Los Angeles International Airport)) Non-recourse	5.00	5/15/2021	6,000,000 ^{b,c}	6,477,630
Tender Option Bond Trust Receipts (Series 2016-XM0390), 5/15/36, (The Regents of the University of California, General Revenue Bonds) Non-recourse	5.00	5/15/2021	6,260,000 ^{b,c}	6,917,989
Tender Option Bond Trust Receipts (Series 2016-XM0440), 5/15/31, (Los Angeles Department of Airports, Senior Revenue Bonds (Los Angeles International Airport)) Recourse	5.00	4/15/2027	5,247,500 ^{b,c}	5,470,655
Tobacco Securitization Authority, North Tobacco Settlement Revenue Bonds (Capital Appreciation-2nd Sub-Asset Backed C)	0.00	6/1/2045	26,185,000 ^e	2,813,840
Tobacco Securitization Authority, Revenue Bonds, Refunding	0.00	6/1/2046	10,000,000 ^e	1,539,100
Tuolumne Wind Project Authority, Revenue Bonds (Tuolumne Company Project)	5.88	1/1/2019	2,000,000 ^d	2,006,460
				55,327,338

STATEMENT OF INVESTMENTS (continued)

Description	Coupon Rate (%)	Maturity Date	Principal Amount (\$)	Value (\$)
Long-Term Municipal Investments - 151.7% (continued)				
Colorado - 3.6%				
Belleview Station Metropolitan District Number 2, GO	5.13	12/1/2046	2,375,000	2,393,858
Denver City and County, Airport Revenue Bonds, Refunding, Series 2018 A	5.00	12/1/2048	2,300,000	2,525,538
Dominion Water and Sanitation District, Tap Fee Revenue Bonds	6.00	12/1/2046	2,210,000	2,324,589
Sterling Ranch Community Authority, Board Supported Revenue Bonds	5.00	12/1/2047	1,250,000	1,229,313
Tender Option Bond Trust Receipts (Series 2016-XM0385), 3/1/38, (Board of Governors of the Colorado State University, System Enterprise Revenue Bonds) Non-recourse	5.00	3/1/2020	4,960,000 ^{b,c}	5,409,153
				13,882,451
District of Columbia - 4.6%				
District of Columbia Tobacco Settlement Financing Corporation, Tobacco Settlement Asset-Backed Bonds	0.00	6/15/2046	10,900,000 ^e	1,675,112
Tender Option Bond Trust Receipts (Series 2016-XM0437), 12/1/35, (District of Columbia, Income Tax Secured Revenue Bonds) Recourse	5.00	12/20/2021	14,834,680 ^{b,c}	16,118,192
				17,793,304
Florida - 6.0%				
Atlantic Beach City, Revenue Bonds (Fleet Landing Project) Series A	5.00	11/15/2053	2,500,000	2,593,000
Cape Coral Health Facilities Authority, Senior Housing Revenue Bonds (Gulf Care, Inc. Project)	5.88	7/1/2040	1,600,000 ^b	1,680,304
Mid-Bay Bridge Authority, Springing Lien Revenue Bonds	7.25	10/1/2021	5,000,000 ^d	5,692,150
Palm Beach County Health Facilities Authority, Retirement Community Revenue Bonds (Adult Communities Total Services, Inc. Retirement - Life Communities, Inc. Obligated Group)	5.50	11/15/2020	6,825,000 ^d	7,274,836
Saint Johns County Industrial Development Authority, Revenue Bonds (Presbyterian Retirement Communities Project)	6.00	8/1/2020	3,500,000 ^d	3,725,960

Description	Coupon Rate (%)	Maturity Date	Principal Amount (\$)	Value (\$)
Long-Term Municipal Investments - 151.7% (continued)				
Florida - 6.0% (continued)				
South Lake County Hospital District, Revenue Bonds (South Lake Hospital, Inc.)	6.25	4/1/2039	2,500,000	2,526,575
				23,492,825
Georgia - 4.9%				
Atlanta, Water and Wastewater Revenue Bonds (Insured; Assured Guaranty Municipal Corp.)	5.25	11/1/2034	275,000	282,648
Atlanta City, Water and Wastewater Revenue Bonds	6.00	11/1/2019	4,865,000 ^d	5,046,805
Atlanta City, Water and Wastewater Revenue Bonds (Insured; Assured Guaranty Municipal Corp.)	5.25	11/1/2019	725,000 ^d	747,221
Atlanta Development Authority, Senior Lien Revenue Bonds (New Downtown Atlanta Stadium Project)	5.25	7/1/2040	1,000,000	1,119,400
Atlanta Development Authority Senior Health Care Facilities, Revenue Bonds (Georgia Proton Treatment Center Project)	7.00	1/1/2040	1,500,000	1,446,885
Burke County Development Authority, Pollution Control Revenue Bonds, Refunding (Oglethorpe Power Corp-Vogtle)	4.13	11/1/2045	4,200,000	4,006,002
Tender Option Bond Trust Receipts (Series 2016-XM0435), 10/1/43, (Private Colleges and Universities Authority, Revenue Bonds (Emory University)) Recourse	5.00	8/20/2022	6,000,000 ^{b,c}	6,570,120
				19,219,081
Hawaii - 1.8%				
Hawaii Department of Budget and Finance, Special Purpose Revenue Bonds (Hawai'i Pacific Health Obligated Group)	5.63	7/1/2020	2,500,000 ^d	2,640,975
Hawaii Department of Budget and Finance, Special Purpose Revenue Bonds (Hawaiian Electric Company)	4.00	3/1/2037	2,500,000	2,411,850

STATEMENT OF INVESTMENTS (continued)

Description	Coupon Rate (%)	Maturity Date	Principal Amount (\$)	Value (\$)
Long-Term Municipal Investments - 151.7% (continued)				
Hawaii - 1.8% (continued)				
Hawaii Department of Budget and Finance, Special Purpose Revenue Bonds (Hawaiian Electric Company, Inc. and Subsidiary Projects)	6.50	7/1/2039	2,000,000	2,046,160
				7,098,985
Illinois - 10.3%				
Chicago, GO (Project and Refunding Series)	6.00	1/1/2038	3,000,000	3,331,740
Chicago, Second Lien Wastewater Transmission Revenue Bonds	5.00	1/1/2039	2,330,000	2,486,483
Chicago Board of Education, GO	5.00	12/1/2033	1,250,000	1,274,625
Chicago O'Hare International Airport, Revenue Bonds (General Airport Third Lien)	5.63	1/1/2035	580,000	614,887
Chicago O'Hare International Airport, Revenue Bonds (General Airport Third Lien)	5.63	1/1/2021	2,420,000 ^d	2,599,443
Illinois Finance Authority, Revenue Bonds (Plymouth Place, Inc.)	5.25	5/15/2045	1,000,000	1,025,790
Metropolitan Pier and Exposition Authority, Dedicated Tax Revenue Bonds (Capital Appreciation-McCormick Place Expansion Project) (Insured; MBIA Insurance Corporation)	0.00	12/15/2036	2,500,000 ^e	1,046,250
Metropolitan Pier and Exposition Authority, Revenue Bonds (McCormick Place Expansion Project)	5.00	6/15/2052	3,550,000	3,599,203
Metropolitan Pier and Exposition Authority, Revenue Bonds (McCormick Place Expansion Project)	5.00	12/15/2028	2,500,000	2,589,850
Metropolitan Pier and Exposition Authority, Revenue Bonds (McCormick Place Expansion Project)	5.00	6/15/2053	2,500,000	2,570,025
Railsplitter Tobacco Settlement Authority, Tobacco Settlement Revenue Bonds	6.00	6/1/2021	3,600,000 ^d	3,935,412
State of Illinois, GO, Series A	5.00	5/1/2038	2,850,000	2,923,017
State of Illinois, GO, Series C	5.00	11/1/2029	2,200,000	2,309,560

Description	Coupon Rate (%)	Maturity Date	Principal Amount (\$)	Value (\$)
Long-Term Municipal Investments - 151.7% (continued)				
Illinois - 10.3% (continued)				
Tender Option Bond Trust Receipts (Series 2017-XM0492), 10/1/40, (Illinois Finance Authority, Revenue Bonds (The University of Chicago)) Non-recourse	5.00	10/1/2040	9,000,000 ^{b,c}	9,919,395
				40,225,680
Indiana - 1.0%				
Indiana Finance Authority, Revenue Bonds (Parkview Health System Group) Series A	5.00	11/1/2043	3,500,000	3,836,420
Iowa - 1.9%				
Iowa Finance Authority, Midwestern Disaster Area Revenue Bonds (Iowa Fertilizer Company Project)	5.25	12/1/2025	5,125,000	5,419,380
Tobacco Settlement Authority of Iowa, Tobacco Settlement Asset-Backed Bonds	5.60	6/1/2034	2,000,000 ^f	2,000,540
				7,419,920
Kentucky - .8%				
Christian County, HR (Jennie Stuart Medical Center)	5.50	2/1/2044	2,800,000	2,955,736
Louisiana - 3.1%				
Louisiana Local Government Environmental Facilities and Community Development Authority, Revenue Bonds, Refunding (Westlake Chemical Corporation Project)	3.50	11/1/2032	2,400,000	2,292,648
New Orleans, Water Revenue Bonds	5.00	12/1/2040	1,000,000	1,085,820
Tender Option Bond Trust Receipts (Series 2018-XF2584), 7/1/47, (Louisiana Public Facilities Authority, Hospital Revenue Bonds (Franciscan Missionaries of Our Lady Health System Project)) Recourse	5.00	7/1/2025	8,195,000 ^{b,c}	8,804,403
				12,182,871
Maine - .6%				
Maine Health and Higher Educational Facilities Authority, Revenue Bonds (Maine General Medical Center Issue)	7.50	7/1/2032	2,000,000	2,190,060
Maryland - 2.0%				
Maryland Health and Higher Educational Facilities Authority, Revenue Bonds (Adventist HealthCare Issue)	5.50	1/1/2046	3,250,000	3,555,695

STATEMENT OF INVESTMENTS (continued)

Description	Coupon Rate (%)	Maturity Date	Principal Amount (\$)	Value (\$)
Long-Term Municipal Investments - 151.7% (continued)				
Maryland - 2.0% (continued)				
Tender Option Bond Trust Receipts (Series 2016-XM0391), 7/1/43, (Mayor and City Council of Baltimore, Project Revenue Bonds (Water Projects)) Non-recourse	5.00	7/1/2021	4,000,000 ^{b,c}	4,383,520
				7,939,215
Massachusetts - 11.3%				
Massachusetts Development Finance Agency, Revenue Bonds, Refunding	7.25	1/1/2032	995,000	1,094,600
Massachusetts Development Finance Agency, Revenue Bonds, Refunding (Tufts Medical Center Issue)	7.25	1/1/2021	1,505,000 ^d	1,659,594
Massachusetts Health and Educational Facilities Authority, Revenue Bonds (Suffolk University Issue)	6.25	7/1/2030	1,730,000	1,768,371
Massachusetts Health and Educational Facilities Authority, Revenue Bonds (Suffolk University Issue)	6.25	7/1/2019	3,270,000 ^d	3,353,385
Massachusetts Housing Finance Agency, Housing Revenue Bonds	7.00	12/1/2038	4,575,000	4,575,000
Tender Option Bond Trust Receipts (Series 2016-XM0368), 2/1/34, (Massachusetts Development Finance Agency, Revenue Bonds (Harvard University Issue)) Non-recourse	5.25	6/18/2020	10,000,000 ^{b,c}	10,679,450
Tender Option Bond Trust Receipts (Series 2016-XM0372), 11/1/25, (Massachusetts, Consolidated Loan) Non-recourse	5.00	8/4/2020	6,400,000 ^{b,c}	6,828,448
Tender Option Bond Trust Receipts (Series 2016-XM0386), 5/1/43, (University of Massachusetts Building Authority, Project and Refunding Revenue Bonds) Non-recourse	5.00	5/1/2021	7,409,991 ^{b,c}	8,089,348
Tender Option Bond Trust Receipts (Series 2018-XF0610), 6/1/47, (Massachusetts Transportation Fund, Revenue Bonds (Rail Enhancement & Accelerated Bridge Programs)) Recourse	5.00	6/1/2025	5,250,000 ^{b,c}	5,869,641
				43,917,837

Description	Coupon Rate (%)	Maturity Date	Principal Amount (\$)	Value (\$)
Long-Term Municipal Investments - 151.7% (continued)				
Michigan - 4.6%				
Detroit, Water Supply System Senior Lien Revenue Bonds	5.00	7/1/2036	3,290,000	3,437,063
Detroit, Water Supply System Senior Lien Revenue Bonds	5.00	7/1/2031	3,780,000	3,970,021
Great Lakes Water Authority, Sewage Disposal System Second Lien Revenue Bonds	5.00	7/1/2036	2,000,000	2,196,940
Michigan Finance Authority, Local Government Loan Program Revenue Bonds (Detroit Water and Sewerage Department, Water Supply System Revenue Bonds Senior Lien Local Project Bonds) (Insured; National Public Finance Guarantee Corp.)	5.00	7/1/2036	1,000,000	1,074,410
Michigan Strategic Fund, Revenue Bonds (AMT-I-75 Improvement Project)	5.00	6/30/2048	5,000,000	5,295,100
Michigan Strategic Fund, SWDR (Genesee Power Station Project)	7.50	1/1/2021	1,795,000	1,763,964
				17,737,498
Minnesota - 1.1%				
Duluth Economic Development Authority, Revenue Bonds, Refunding (Essentia Health Group)	5.00	2/15/2058	4,000,000	4,226,160
Missouri - 1.9%				
Missouri Health and Educational Facilities Authority, Revenue Bonds (Lutheran Senior Services Projects)	5.00	2/1/2046	2,200,000	2,253,020
Saint Louis Land Clearance Redevelopment Authority, Annual Appropriation Redevelopment Revenue Bonds (National Geospatial-Intelligence Agency Site Improvements Project)	5.13	6/1/2046	5,000,000	5,238,600
				7,491,620
Nevada - 1.6%				
Reno City, Sales Tax Revenue Bonds, Refunding (Reno Transportation Rail Access Project) (Insured; Assured Guaranty Municipal Corporation) Series 2018 A	4.00	6/1/2058	6,500,000	6,407,570

STATEMENT OF INVESTMENTS (continued)

Description	Coupon Rate (%)	Maturity Date	Principal Amount (\$)	Value (\$)
Long-Term Municipal Investments - 151.7% (continued)				
New Jersey - 5.5%				
Essex County Improvement Authority, SWDR (Covanta Project)	5.25	7/1/2045	1,000,000 ^b	1,002,800
New Jersey Economic Development Authority, School Facilities Construction Revenue Bonds	5.50	12/15/2029	1,690,000	1,716,195
New Jersey Economic Development Authority, School Facilities Construction Revenue Bonds	5.50	6/15/2019	3,310,000 ^d	3,374,181
New Jersey Economic Development Authority, Water Facilities Revenue Bonds (New Jersey - American Water Company, Inc. Project)	5.70	10/1/2039	3,000,000	3,073,440
New Jersey Tobacco Settlement Financing Corp., Revenue Bonds, Refunding, Ser. B	5.00	6/1/2046	5,500,000	5,515,235
South Jersey Port Subordinated Marine Terminal, Revenue Bonds, Series B	5.00	1/1/2042	2,025,000	2,145,265
Tender Option Bond Trust Receipts (Series 2018-XF2538), 6/15/24, (New Jersey Economic Development Authority, Revenue Bonds) Recourse	5.25	12/15/2023	4,250,000 ^{b,c}	4,478,229
				21,305,345
New Mexico - 1.3%				
Farmington, PCR (Public Service Company of New Mexico San Juan Project)	5.90	6/1/2040	5,000,000	5,240,600
New York - 12.3%				
Long Island Power Authority, Electric System General Revenue Bonds	6.25	4/1/2019	3,000,000 ^d	3,043,830
New York City Educational Construction Fund, Revenue Bonds	6.50	4/1/2028	2,785,000	3,054,198
New York Convention Center Development Corporation, Revenue Bonds	0.00	11/15/2049	5,600,000 ^e	1,478,456
New York Counties Tobacco Trust V, Revenue Bonds	0.00	6/1/2050	27,625,000 ^e	3,342,625
New York Liberty Development Corporation, Revenue Bonds (3 World Trade Center Project)	5.00	11/15/2044	3,400,000 ^b	3,475,310

Description	Coupon Rate (%)	Maturity Date	Principal Amount (\$)	Value (\$)
Long-Term Municipal Investments - 151.7% (continued)				
New York - 12.3% (continued)				
New York Transportation Development Corporation, Special Facility Revenue Bonds (American Airlines, Inc. John F. Kennedy International Airport Project)	5.00	8/1/2026	500,000	520,925
New York Transportation Development Corporation, Special Facility Revenue Bonds (LaGuardia Airport Terminal B Redevelopment Project)	5.00	7/1/2046	3,000,000	3,148,500
Niagara Area Development Corporation, Solid Disposal Facility Revenue Bonds, Refunding (Convanta Holding Project) Series 2018 A	4.75	11/1/2042	1,000,000 ^b	962,610
Port Authority of New York and New Jersey, Special Project Bonds (JFK International Air Terminal LLC Project)	6.00	12/1/2036	4,710,000	5,032,117
Tender Option Bond Trust Receipts (Series 2016-XM0370), 4/1/27, (New York City Transitional Finance Authority, Future Tax Secured Subordinate Revenue Bonds) Non-recourse	5.25	4/5/2020	5,000,000 ^{b,c}	5,294,525
Tender Option Bond Trust Receipts (Series 2016-XM0436), 6/15/44, (New York City Municipal Water Finance Authority, Water and Sewer System Second General Resolution Revenue Bonds) Recourse	5.00	4/9/2020	12,600,000 ^{b,c}	13,429,710
Tender Option Bond Trust Receipts (Series 2016-XM0438), 11/1/27, (New York City Transitional Finance Authority, Future Tax Secured Subordinate Revenue Bonds) Recourse	5.50	11/1/2027	5,000,000 ^{b,c}	5,317,075
				48,099,881
North Carolina - 2.7%				
Tender Option Bond Trust Receipts (Series 2016-XM0444), 6/1/42, (North Carolina Medical Care Commission, Health Care Facilities Revenue Bonds (Duke University Health System)) Recourse	5.00	6/1/2042	10,000,000 ^{b,c}	10,423,760

STATEMENT OF INVESTMENTS (continued)

Description	Coupon Rate (%)	Maturity Date	Principal Amount (\$)	Value (\$)
Long-Term Municipal Investments - 151.7% (continued)				
Ohio - 5.9%				
Buckeye Tobacco Settlement Financing Authority, Tobacco Settlement Asset-Backed Bonds	0.00	6/1/2047	34,280,000 ^e	2,220,658
Buckeye Tobacco Settlement Financing Authority, Tobacco Settlement Asset-Backed Bonds	5.88	6/1/2030	2,000,000	1,900,020
Buckeye Tobacco Settlement Financing Authority, Tobacco Settlement Asset-Backed Bonds	6.50	6/1/2047	9,085,000	9,005,779
Butler County, Hospital Facilities Revenue Bonds (UC Health)	5.50	11/1/2020	2,040,000 ^d	2,169,826
Butler County, Hospital Facilities Revenue Bonds (UC Health)	5.50	11/1/2020	960,000 ^d	1,021,094
Centerville City, Health Care Revenue Bonds (Graceworks Lutheran Services)	5.25	11/1/2047	1,500,000	1,537,455
Cuyahoga County Hospital, Revenue Bonds (The Metrohealth System)	5.00	2/15/2057	1,000,000	1,009,190
Ohio Air Quality Development Authority, Air Quality Revenue Bonds (Ohio Valley Electric Corporation Project)	5.63	10/1/2019	4,200,000	4,266,570
				23,130,592
Oregon - .4%				
Warm Springs Reservation Confederated Tribes, Hydroelectric Revenue Bonds (Pelton Round Butte Project)	6.38	11/1/2033	1,500,000	1,537,890
Pennsylvania - 3.7%				
Crawford County Hospital Authority, HR (Meadville Medical Center Project)	6.00	6/1/2046	1,000,000	1,057,020
Philadelphia, GO	6.50	8/1/2020	4,700,000 ^d	5,048,740
Tender Option Bond Trust Receipts (Series 2016-XM0373), 6/1/41, (Geisinger Authority, Health System Revenue Bonds (Geisinger Health System)) Non-recourse	5.13	6/1/2035	3,000,000 ^{b,c}	3,178,657

Description	Coupon Rate (%)	Maturity Date	Principal Amount (\$)	Value (\$)
Long-Term Municipal Investments - 151.7% (continued)				
Pennsylvania - 3.7% (continued)				
Tender Option Bond Trust Receipts (Series 2018-XM0594), 11/1/50, (Berks County Industrial Development Authority, Health System Revenue Bonds, Refunding (Tower Health Project)) Recourse	5.00	11/1/2025	4,920,000 ^{b,c}	5,272,063
				14,556,480
Rhode Island - 1.6%				
Rhode Island Health and Educational Building Corporation, Hospital Financing Revenue Bonds (Lifespan Obligated Group Issue) (Insured; Assured Guaranty Corp.)	7.00	5/15/2019	5,000,000 ^d	5,114,050
Tobacco Settlement Financing Corporation of Rhode Island, Tobacco Settlement Asset-Backed Bonds	5.00	6/1/2040	1,000,000	1,024,480
				6,138,530
South Carolina - 2.7%				
Tender Option Bond Trust Receipts (Series 2016-XM0384), 12/1/43, (South Carolina Public Service Authority, Revenue Bonds Obligations (Santee Cooper)) Non-recourse	5.13	6/1/2037	10,200,000 ^{b,c}	10,656,348
Tennessee - 2.3%				
Metropolitan Government of Nashville and Davidson County Health and Educational Facilities Board, Revenue Bonds (The Vanderbilt University)	5.50	10/1/2019	2,050,000 ^d	2,111,439
Metropolitan Government of Nashville and Davidson County Health and Educational Facilities Board, Revenue Bonds (The Vanderbilt University)	5.50	10/1/2019	450,000 ^d	463,109
Metropolitan Government of Nashville and Davidson County Health and Educational Facilities Board, Revenue Bonds (The Vanderbilt University)	5.50	10/1/2019	3,000,000 ^d	3,089,910
Tender Option Bond Trust Receipts (Series 2016-XM0388), 7/1/40, (Metropolitan Government of Nashville and Davidson County, Water and Sewer Revenue Bonds) Non-recourse	5.00	7/1/2021	3,000,000 ^{b,c}	3,271,942
				8,936,400

STATEMENT OF INVESTMENTS (continued)

Description	Coupon Rate (%)	Maturity Date	Principal Amount (\$)	Value (\$)
Long-Term Municipal Investments - 151.7% (continued)				
Texas - 15.8%				
Central Texas Regional Mobility Authority, Senior Lien Revenue Bonds	5.00	1/1/2045	1,500,000	1,598,415
Clifton Higher Education Finance Corporation, Education Revenue Bonds (International Leadership of Texas)	5.75	8/15/2045	2,500,000	2,521,850
Clifton Higher Education Finance Corporation, Education Revenue Bonds (Uplift Education)	4.50	12/1/2044	2,500,000	2,429,075
Harris County Health Facilities Development Corporation, HR (Memorial Hermann Healthcare System)	7.25	12/1/2018	7,290,000 ^d	7,290,000
Harris County-Houston Sports Authority, Senior Lien Revenue Bonds (Insured; Assured Guaranty Municipal Corp.)	0.00	11/15/2051	7,500,000 ^e	1,587,525
Houston, Combined Utility System First Lien Revenue Bonds (Insured; Assured Guaranty Corp.)	6.00	5/15/2019	230,000 ^d	234,310
Houston, Combined Utility System First Lien Revenue Bonds (Insured; Assured Guaranty Corp.)	6.00	5/15/2019	4,770,000 ^d	4,858,340
Love Field Airport Modernization Corporation, Special Facilities Revenue Bonds (Southwest Airlines Company - Love Field Modernization Program Project)	5.00	11/1/2028	1,000,000	1,071,690
New Hope Cultural Education Facilities Finance Corporation, Student Housing Revenue Bonds (National Campus and Community Development Corporation - College Station Properties LLC - Texas A&M University Project)	5.00	7/1/2035	500,000	450,595
Tarrant County Cultural Education Facilities Finance Corporation, Retirement Facility Revenue Bonds (Buckingham Senior Living Community, Inc. Project)	5.50	11/15/2045	3,000,000	2,370,000

Description	Coupon Rate (%)	Maturity Date	Principal Amount (\$)	Value (\$)
Long-Term Municipal Investments - 151.7% (continued)				
Texas - 15.8% (continued)				
Tender Option Bond Trust Receipts (Series 2016-XM0377), 2/1/43, (San Antonio, Electric and Gas Systems Junior Lien Revenue Bonds) Non-recourse	5.00	2/1/2021	12,450,000 ^{b,c}	13,368,489
Tender Option Bond Trust Receipts (Series 2016-XM0443), 5/15/39, (Texas A&M University System Board of Regents, Financing System Revenue Bonds) Recourse	5.00	5/15/2039	13,157,245 ^{b,c}	13,710,860
Tender Option Bond Trust Receipts (Series 2017-XF2422), 8/15/40, (Leander Independent School District, Unlimited Tax School Building Bonds (Permanent School Fund Guarantee Program)) Recourse	5.00	8/15/2040	9,997,299 ^{b,c}	10,205,149
				61,696,298
U.S. Related - 1.2%				
Puerto Rico Commonwealth, Public Improvement GO (Insured; Assured Guaranty Municipal Corp.)	5.00	7/1/2035	2,500,000	2,640,425
Puerto Rico Highway & Transportation Authority, Highway Revenue Bonds, Refunding (Insured; Assured Guaranty Municipal Corporation) Series 2007 CC	5.25	7/1/2034	2,000,000	2,206,920
				4,847,345
Utah - .5%				
Utah Infrastructure Agency, Telecommunication Revenue Bonds, Refunding (Special Limited Obligations)	5.00	10/15/2040	2,000,000	2,085,700
Virginia - 6.2%				
Chesterfield County Economic Development Authority, Retirement Facilities First Mortgage Revenue Bonds (Brandermill Woods Project)	5.13	1/1/2043	700,000	708,596
Henrico County Industrial Development Authority, Revenue Bonds (Bon Secours Health System, Inc.) (Insured; Assured Guaranty Municipal Corp.)	7.50	8/23/2027	5,450,000 ^g	6,579,730
Tender Option Bond Trust Receipts (Series 2018-XM0593), 7/1/2057, (Hampton Roads Transportation Accountability Commission, Revenue Bonds) Recourse	5.50	1/1/2026	7,500,000 ^{b,c}	8,747,719

STATEMENT OF INVESTMENTS (continued)

Description	Coupon Rate (%)	Maturity Date	Principal Amount (\$)	Value (\$)
Long-Term Municipal Investments - 151.7% (continued)				
Virginia - 6.2% (continued)				
Virginia College Building Authority, Educational Facilities Revenue Bonds (Marymount University Project) (Green Bonds)	5.00	7/1/2045	1,000,000 ^b	1,018,460
Virginia Small Business Financing Authority, Private Activity Revenue Bonds (Transform 66 P3 Project)	5.00	12/31/2049	4,100,000	4,291,839
Washington County Industrial Development Authority, HR (Mountain States Health Alliance)	7.75	1/1/2019	3,000,000 ^d	3,013,260
				24,359,604
Washington - 5.1%				
Tender Option Bond Trust Receipts (Series 2017-XF2423), 1/1/29, (King County, Server Revenue Bonds) Recourse	5.00	6/1/2020	8,575,000 ^{b,c}	9,083,751
Tender Option Bond Trust Receipts (Series 2018-XM0680), 7/1/58, (Washington Convention Center Public Facilities District, Revenue Bonds) Recourse	6.09	7/1/2026	10,000,000 ^{b,c}	10,843,300
				19,927,051
Wisconsin - 1.0%				
Public Finance Authority, Higher Education Facilities Revenue Bonds (Gannon University Project)	5.00	5/1/2042	750,000	789,390
Public Finance Authority, Revenue Bonds (Denver International Airport Great Hall Project)	5.00	9/30/2049	2,000,000	2,130,920
Public Finance Authority, Senior Living Revenue Bonds (Mary's Woods At Marylhurst Project)	5.25	5/15/2042	750,000 ^b	774,240
				3,694,550
Total Long-Term Municipal Investments (cost \$572,319,043)				592,044,884
Short-Term Municipal Investments - 1.1%				
New Hampshire - .7%				
New Hampshire Health and Education Facilities Authority, Revenue Bonds (University System of New Hampshire Issue) (Liquidity Facility; U.S. Bank NA)	1.73	12/3/2018	3,000,000 ^h	3,000,000

Description	Coupon Rate (%)	Maturity Date	Principal Amount (\$)	Value (\$)
Short-Term Municipal Investments - 1.1% (continued)				
New York - .4%				
Triborough Bridge & Tunnel Authority, Revenue Bonds, Refunding (LOC; State Street Bank & Trust Co.)	1.73	12/3/2018	1,500,000 ^h	1,500,000
Total Short-Term Municipal Investments (cost \$4,500,000)				4,500,000
Total Investments (cost \$576,819,043)			152.8%	596,544,884
Liabilities, Less Cash and Receivables			(40.2%)	(156,894,958)
Preferred Stock, at redemption value			(12.6%)	(49,300,000)
Net Assets Applicable to Common Shareholders			100.0%	390,349,926

^a Zero coupon until a specified date at which time the stated coupon rate becomes effective until maturity.

^b Security exempt from registration pursuant to Rule 144A under the Securities Act of 1933. These securities may be resold in transactions exempt from registration, normally to qualified institutional buyers. At November 30, 2018, these securities were valued at \$253,899,548 or 65.04% of net assets.

^c Collateral for floating rate borrowings.

^d These securities are prerefunded; the date shown represents the prerefunded date. Bonds which are prerefunded are collateralized by U.S. Government securities which are held in escrow and are used to pay principal and interest on the municipal issue and to retire the bonds in full at the earliest refunding date.

^e Security issued with a zero coupon. Income is recognized through the accretion of discount.

^f Security is a discount security. Income is recognized through the accretion of discount.

^g Variable rate security—rate shown is the interest rate in effect at period end.

^h The Variable Rate shall be determined by the Remarketing Agent in its sole discretion based on prevailing market conditions and may, but need not, be established by reference to one or more financial indices.

Portfolio Summary (Unaudited) †	Value (%)
Education	24.7
Prerefunded	21.0
Water	14.6
Special Tax	14.2
Medical	13.3
Transportation	13.0
General	11.6
Utilities	10.8
Tobacco Settlement	7.7
General Obligation	6.7
Nursing Homes	6.3
Development	4.4
Pollution	2.3
Multifamily Housing	1.2
Airport	.7
School District	.3
	152.8

† Based on net assets.

See notes to financial statements.

Summary of Abbreviations (Unaudited)

ABAG	Association of Bay Area Governments	ACA	American Capital Access
AGC	ACE Guaranty Corporation	AGIC	Asset Guaranty Insurance Company
AMBAC	American Municipal Bond Assurance Corporation	ARRN	Adjustable Rate Receipt Notes
BAN	Bond Anticipation Notes	BPA	Bond Purchase Agreement
CIFG	CDC Ixis Financial Guaranty	COP	Certificate of Participation
CP	Commercial Paper	DRIVERS	Derivative Inverse Tax-Exempt Receipts
EDR	Economic Development Revenue	EIR	Environmental Improvement Revenue
FGIC	Financial Guaranty Insurance Company	FHA	Federal Housing Administration
FHLB	Federal Home Loan Bank	FHLMC	Federal Home Loan Mortgage Corporation
FNMA	Federal National Mortgage Association	GAN	Grant Anticipation Notes
GIC	Guaranteed Investment Contract	GNMA	Government National Mortgage Association
GO	General Obligation	HR	Hospital Revenue
IDB	Industrial Development Board	IDC	Industrial Development Corporation
IDR	Industrial Development Revenue	LIFERS	Long Inverse Floating Exempt Receipts
LOC	Letter of Credit	LOR	Limited Obligation Revenue
LR	Lease Revenue	MERLOTS	Municipal Exempt Receipts Liquidity Option Tender
MFHR	Multi-Family Housing Revenue	MFMR	Multi-Family Mortgage Revenue
PCR	Pollution Control Revenue	PILOT	Payment in Lieu of Taxes
P-FLOATS	Puttable Floating Option Tax-Exempt Receipts	PUTTERS	Puttable Tax-Exempt Receipts
RAC	Revenue Anticipation Certificates	RAN	Revenue Anticipation Notes
RAW	Revenue Anticipation Warrants	RIB	Residual Interest Bonds
ROCS	Reset Options Certificates	RRR	Resources Recovery Revenue
SAAN	State Aid Anticipation Notes	SBPA	Standby Bond Purchase Agreement
SFHR	Single Family Housing Revenue	SFMR	Single Family Mortgage Revenue
SONYMA	State of New York Mortgage Agency	SPEARS	Short Puttable Exempt Adjustable Receipts
SWDR	Solid Waste Disposal Revenue	TAN	Tax Anticipation Notes
TAW	Tax Anticipation Warrants	TRAN	Tax and Revenue Anticipation Notes
XLCA	XL Capital Assurance		

See notes to financial statements.

STATEMENT OF ASSETS AND LIABILITIES

November 30, 2018

	Cost	Value
Assets (\$):		
Investments in securities—See Statement of Investments	576,819,043	596,544,884
Cash		515,782
Interest receivable		10,023,718
Prepaid expenses		20,782
		607,105,166
Liabilities (\$):		
Due to The Dreyfus Corporation and affiliates—Note 2(b)		238,270
Payable for floating rate notes issued—Note 3		162,356,715
Payable for investment securities purchased		2,582,900
Interest and expense payable related to floating rate notes issued—Note 3		2,007,055
Dividends payable to Preferred Shareholders		13,065
Commissions payable—Note 1		12,417
Directors fees and expenses payable		6,795
Accrued expenses		238,023
		167,455,240
Auction Preferred Stock, Series A, B and C, par value \$.001 per share (1,972 shares issued and outstanding at \$25,000 per share liquidation value)—Note 1		49,300,000
Net Assets Applicable to Common Shareholders (\$)		390,349,926
Composition of Net Assets (\$):		
Common Stock, par value, \$.001 per share (49,369,459 shares issued and outstanding)		49,369
Paid-in capital		391,816,907
Total distributable earnings (loss)		(1,516,350)
Net Assets Applicable to Common Shareholders (\$)		390,349,926
Shares Outstanding		
(110 million shares authorized)		49,369,459
Net Asset Value Per Share of Common Stock (\$)		7.91

See notes to financial statements.

STATEMENT OF OPERATIONS

Year Ended November 30, 2018

Investment Income (\$):	
Interest Income	29,734,320
Expenses:	
Investment advisory fee—Note 2(a)	2,311,156
Interest and expense related to floating rate notes issued—Note 3	2,907,968
Administration fee—Note 2(a)	1,155,578
Professional fees	205,943
Custodian fees—Note 2(b)	90,958
Shareholders' reports	66,794
Commission fees—Note 1	53,000
Directors' fees and expenses—Note 2(c)	46,214
Registration fees	36,443
Shareholder servicing costs	11,370
Miscellaneous	84,056
Total Expenses	6,969,480
Less—reduction in expenses due to undertaking—Note 2(a)	(462,231)
Net Expenses	6,507,249
Investment Income—Net	23,227,071
Realized and Unrealized Gain (Loss) on Investments—Note 3 (\$):	
Net realized gain (loss) on investments	2,157,286
Net unrealized appreciation (depreciation) on investments	(23,902,914)
Net Realized and Unrealized Gain (Loss) on Investments	(21,745,628)
Dividends to Preferred Shareholders	(1,304,861)
Net Increase in Net Assets Applicable to Common Shareholders Resulting from Operations	176,582

See notes to financial statements.

STATEMENT OF CASH FLOWS

Year Ended November 30, 2018

Cash Flows from Operating Activities (\$):	
Purchases of portfolio securities	(113,628,615)
Proceeds from sales of portfolio securities	154,300,537
Net proceeds for sales of short-term securities	1,000,000
Dividends paid to Preferred Shareholders	(1,302,447)
Dividends and Interest received	26,575,670
Paid to The Dreyfus Corporation	(2,347,537)
Operating expenses paid	(1,235,613)
Net Cash Provided by Operating Activities	63,361,995
Cash Flows from Financing Activities (\$):	
Auction Preferred Stock Redeemed	(43,700,000)
Dividends paid to Common Shareholders	(21,106,858)
Proceeds from Auction Preferred Stock to Common Stock	2,185,000
Interest and expense related to floating rate notes issued paid	(1,388,824)
Net Cash Provided in Financing Activities	(64,010,682)
Net Increase (Decrease) in cash	(648,687)
Cash at beginning of period	1,164,469
Cash at end of period	515,782
Reconciliation of Net Increase (Decrease) in Net Assets Applicable to Common Shareholders Resulting from Operations to Net Cash Provided by Operating Activities (\$):	
Net Increase in Net Assets Resulting From Operations	176,582
Adjustments to reconcile net increase in net assets applicable to Common Shareholder resulting from operations to net cash provided by operating activities (\$):	
Increase in investments in securities at cost	(13,797,124)
Increase in interest receivable	(884,358)
Increase in prepaid expenses	(12,238)
Decrease in Due to The Dreyfus Corporation and affiliates	(36,381)
Decrease in payable for investment securities purchased	(1,467,896)
Increase in payable for floating rate notes issued	52,688,208
Interest and expense related to floating rate notes issued	2,907,968
Increase in dividends payable to Preferred Shareholders	2,414
Decrease in Directors fees and expense payable	(7,265)
Increase in commissions payable and accrued expenses	72,015
Net unrealized depreciation on investments	23,902,914
Net amortization of premiums on investments	(182,844)
Net Cash Provided by Operating Activities	63,361,995
Supplemental Disclosure Cash Flow Information (\$):	
Non-cash financing activities:	
Reinvestment of dividends	268,131

See notes to financial statements.

STATEMENT OF CHANGES IN NET ASSETS

	Year Ended November 30,	
	2018	2017 ^a
Operations (\$):		
Investment income—net	23,227,071	24,213,614
Net realized gain (loss) on investments	2,157,286	993,911
Net unrealized appreciation (depreciation) on investments	(23,902,914)	5,677,368
Dividends to Preferred Shareholders	(1,304,861)	(1,227,552)
Net Increase (Decrease) in Net Assets Applicable to Common Shareholders Resulting from Operations	176,582	29,657,341
Distributions (\$):		
Distributions to Common Shareholders	(21,374,989)	(24,520,145)
Capital Stock Transactions (\$):		
Proceeds from Auction Preferred Stock to Common Shareholders	2,185,000	-
Distributions reinvested	268,131	1,427,387
Increase (Decrease) in Net Assets from Capital Stock Transactions	2,453,131	1,427,387
Total Increase (Decrease) in Net Assets Applicable to Common Shareholders	(18,745,276)	6,564,583
Net Assets Applicable to Common Shareholders (\$):		
Beginning of Period	409,095,202	402,530,619
End of Period	390,349,926	409,095,202
Capital Share Transactions (Common Shares):		
Shares issued for distributions reinvested	32,286	170,196

^a Distributions to shareholders include only distributions from net investment income. Undistributed investment income—net was \$549,801 in 2017 and is no longer presented as a result of the adoption of SEC's Disclosure Update and Simplification Rule. See notes to financial statements.

FINANCIAL HIGHLIGHTS

The following table describes the performance for the fiscal periods indicated. Total return shows how much your investment in the fund would have increased (or decreased) during each period, assuming you had reinvested all dividends and distributions. These figures have been derived from the fund's financial statements, and with respect to common stock, market price data for the fund's common shares.

	Year Ended November 30,				
	2018	2017	2016	2015	2014
Per Share Data (\$):					
Net asset value, beginning of period	8.29	8.19	8.59	8.57	7.94
Investment Operations:					
Investment income—net ^a	.47	.49	.50	.52	.52
Net realized and unrealized gain (loss) on investments	(.43)	.13	(.39)	(.00) ^b	.68
Dividends to Preferred Shareholders from investment income—net	(.03)	(.02)	(.01)	(.00) ^b	(.00) ^b
Total from Investment Operations	.01	.60	.10	.52	1.20
Distributions to Common Shareholders:					
Dividends from investment income—net	(.43)	(.50)	(.50)	(.50)	(.57)
Net asset value resulting from Auction Preferred Stock tender as a discount	.04	-	-	-	-
Net asset value, end of period	7.91	8.29	8.19	8.59	8.57
Market value, end of period	7.13	8.40	8.07	7.95	7.88
Total Return (%)^c	(10.14)	10.46	7.55	7.41	15.77

FINANCIAL HIGHLIGHTS (continued)

	Year Ended November 30,				
	2018	2017	2016	2015	2014
Ratios/Supplemental Data (%):					
Ratio of total expenses to average net assets applicable to Common Stock ^d	1.73	1.41	1.24	1.19	1.21
Ratio of net expenses to average net assets applicable to Common Stock ^d	1.62	1.28	1.12	1.07	1.09
Ratio of interest and expense related to floating rate notes issued to average net assets applicable to Common Stock ^d	.72	.35	.21	.15	.16
Ratio of net investment income to average net assets applicable to Common Stock ^d	5.78	5.87	5.67	6.10	6.25
Ratio of total expenses to total average net assets	1.51	1.15	1.02	.98	.99
Ratio of net expenses to total average net assets	1.41	1.05	.92	.88	.89
Ratio of interest and expense related to floating rate notes issued to total average net assets	.63	.29	.17	.13	.13
Ratio of net investment income to total average net assets	5.02	4.79	4.66	4.99	5.07
Portfolio Turnover Rate	24.57	11.20	12.90	15.27	7.29
Asset Coverage of Preferred Stock, end of period	892	540	533	553	552
Net Assets, applicable to Common Shareholders, end of period (\$ x 1,000)	390,350	409,095	402,531	421,432	420,435
Preferred Stock Outstanding, end of period (\$ x 1,000)	49,300	93,000	93,000	93,000	93,000
Floating Rate Notes Outstanding, end of period (\$ x 1,000)	162,357	109,669	93,369	98,469	103,469

^a Based on average common shares outstanding.

^b Amount represents less than \$.01 per share.

^c Calculated based on market value.

^d Does not reflect the effect of dividends to Preferred Shareholders.

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

NOTE 1—Significant Accounting Policies:

Dreyfus Strategic Municipal Bond Fund, Inc. (the “fund”) is registered under the Investment Company Act of 1940, as amended (the “Act”), as a diversified closed-end management investment company. The fund’s investment objective is to seek to maximize current income exempt from federal income tax to the extent consistent with the preservation of capital. The Dreyfus Corporation (the “Manager” or “Dreyfus”), a wholly-owned subsidiary of The Bank of New York Mellon Corporation (“BNY Mellon”), serves as the fund’s investment adviser. The fund’s Common Stock trades on the New York Stock Exchange (the “NYSE”) under the ticker symbol DSM.

The fund has outstanding 698 Series A shares, 662 Series B shares and 612 Series C shares, Auction Preferred Stock (“APS”), with a liquidation preference of \$25,000 per share (plus an amount equal to accumulated but unpaid dividends upon liquidation). APS dividend rates are determined pursuant to periodic auctions or by reference to a market rate. Deutsche Bank Trust Company America, as Auction Agent, receives a fee from the fund for its services in connection with such auctions. The fund also compensates broker-dealers generally at an annual rate of .15%-.25% of the purchase price of shares of APS.

The fund is subject to certain restrictions relating to the APS. Failure to comply with these restrictions could preclude the fund from declaring any distributions to shareholders of Common Stock (“Common Shareholders”) or repurchasing shares of Common Stock and/or could trigger the mandatory redemption of APS at liquidation value. Thus, redemptions of APS may be deemed to be outside of the control of the fund.

The holders of APS, voting as a separate class, have the right to elect at least two directors. The holders of APS will vote as a separate class on certain other matters, as required by law. The fund’s Board of Directors (the “Board”) has designated Joni Evans and Robin A. Melvin as director to be elected by the holders of APS.

On November 28, 2017, the fund announced that its Board had authorized the fund to conduct a tender offer for up to 100% of its then outstanding 1,240 shares each of Series A, Series B and Series C APS at a price equal to 95% of the APS’ liquidation preference of \$25,000 per share (\$23,750 per share) plus any unpaid dividends accrued through the expiration date of the tender offer. On February 28, 2018, the fund accepted for repurchase 542 Series A shares, 578 Series B shares and 628 Series C shares of the fund’s APS (approximately 47% of the fund’s then outstanding APS) with

an aggregate liquidation preference of \$13,550,000 Series A, \$14,450,000 Series B and \$15,700,000 Series C for an aggregate purchase price of \$12,872,500 Series A, \$13,727,500 Series B and \$14,915,000 Series C. The difference between the liquidation preference of the APS and the actual repurchase price of the tendered APS (i.e., the 5% discount on the per share liquidation preference of the tendered APS) was recognized by the fund in the Statement of Changes in Net Assets for the period ended November 30, 2018 as Proceeds from Auction Preferred Stock to Common Shareholders.

The Financial Accounting Standards Board (“FASB”) Accounting Standards Codification is the exclusive reference of authoritative U.S. generally accepted accounting principles (“GAAP”) recognized by the FASB to be applied by nongovernmental entities. Rules and interpretive releases of the Securities and Exchange Commission (“SEC”) under authority of federal laws are also sources of authoritative GAAP for SEC registrants. The fund’s financial statements are prepared in accordance with GAAP, which may require the use of management estimates and assumptions. Actual results could differ from those estimates.

The fund enters into contracts that contain a variety of indemnifications. The fund’s maximum exposure under these arrangements is unknown. The fund does not anticipate recognizing any loss related to these arrangements.

(a) Portfolio valuation: The fair value of a financial instrument is the amount 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 (i.e., the exit price). GAAP establishes a fair value hierarchy that prioritizes the inputs of valuation techniques used to measure fair value. This hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

Additionally, GAAP provides guidance on determining whether the volume and activity in a market has decreased significantly and whether such a decrease in activity results in transactions that are not orderly. GAAP requires enhanced disclosures around valuation inputs and techniques used during annual and interim periods.

Various inputs are used in determining the value of the fund’s investments relating to fair value measurements. These inputs are summarized in the three broad levels listed below:

Level 1—unadjusted quoted prices in active markets for identical investments.

Level 2—other significant observable inputs (including quoted prices for similar investments, interest rates, prepayment speeds, credit risk, etc.).

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

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

Changes in valuation techniques may result in transfers in or out of an assigned level within the disclosure hierarchy. Valuation techniques used to value the fund’s investments are as follows:

Investments in securities are valued each business day by an independent pricing service (the “Service”) approved by the Board. Investments for which quoted bid prices are readily available and are representative of the bid side of the market in the judgment of the Service are valued at the mean between the quoted bid prices (as obtained by the Service from dealers in such securities) and asked prices (as calculated by the Service based upon its evaluation of the market for such securities). Other investments (which constitute a majority of the portfolio securities) are carried at fair value as determined by the Service, based on methods which include consideration of the following: yields or prices of municipal securities of comparable quality, coupon, maturity and type; indications as to values from dealers; and general market conditions. All of the preceding securities are generally categorized within Level 2 of the fair value hierarchy.

The Service is engaged under the general supervision of the Board.

When market quotations or official closing prices are not readily available, or are determined not to accurately reflect fair value, such as when the value of a security has been significantly affected by events after the close of the exchange or market on which the security is principally traded, but before the fund calculates its net asset value, the fund may value these investments at fair value as determined in accordance with the procedures approved by the Board. Certain factors may be considered when fair valuing investments such as: fundamental analytical data, the nature and duration of restrictions on disposition, an evaluation of the forces that influence the market in which the securities are purchased and sold, and public trading in similar securities of the issuer or comparable issuers. These securities are either categorized within Level 2 or 3 of the fair value hierarchy depending on the relevant inputs used.

For restricted securities where observable inputs are limited, assumptions about market activity and risk are used and such securities are generally categorized within Level 3 of the fair value hierarchy.

The following is a summary of the inputs used as of November 30, 2018 in valuing the fund's investments:

	Level 1 - Unadjusted Quoted Prices	Level 2 - Other Significant Observable Inputs	Level 3 - Significant Unobservable Inputs	Total
Assets (\$)				
Investments in Securities:				
Municipal Bonds [†]	-	596,544,884	-	596,544,884
Liabilities (\$)				
Floating Rate Notes ^{††}	-	(162,356,715)	-	(162,356,715)

[†] See Statement of Investments for additional detailed categorizations.

^{††} Certain of the fund's liabilities are held at carrying amount, which approximates fair value for financial reporting purposes.

At November 30, 2018, there were no transfers between levels of the fair value hierarchy. It is the fund's policy to recognize transfers between levels at the end of the reporting period.

(b) Securities transactions and investment income: Securities transactions are recorded on a trade date basis. Realized gains and losses from securities transactions are recorded on the identified cost basis. Interest income, adjusted for accretion of discount and amortization of premium on investments, is earned from settlement date and recognized on the accrual basis. Securities purchased or sold on a when issued or delayed delivery basis may be settled a month or more after the trade date.

(c) Dividends and distributions to Common shareholders: Dividends and distributions are recorded on the ex-dividend date. Dividends from investment income-net are normally declared and paid monthly. Dividends from net realized capital gains, if any, are normally declared and paid annually, but the fund may make distributions on a more frequent basis to comply with the distribution requirements of the Internal Revenue Code of 1986, as amended (the "Code"). To the extent that net realized capital gains can be offset by capital loss carryovers, it is the policy of the fund not to distribute such gains. Income and capital gain distributions are determined in accordance with income tax regulations, which may differ from GAAP.

Common Shareholders will have their distributions reinvested in additional shares of the fund, unless such Common shareholders elect to receive cash, at the lower of the market price or net asset value per share (but not

less than 95% of the market price). If market price is equal to or exceeds net asset value, shares will be issued at net asset value. If net asset value exceeds market price, Computershare Inc., the transfer agent for the fund's Common Stock, will buy fund shares in the open market and reinvest those shares accordingly.

On November 30, 2018, the Board declared a cash dividend of \$.035 per share from investment income-net, payable on November 30, 2018 to Common Shareholders of record as of the close of business on November 16, 2018. The ex-dividend date was November 15, 2018.

(d) Dividends and distributions to shareholders of APS: Dividends, which are cumulative, are generally reset every 7 days for each Series of APS pursuant to a process specified in related fund charter documents. Dividend rates as of November 30, 2018, for each Series of APS were as follows: Series A-2.220%, Series B-2.238% and Series C-2.249%. These rates reflect the “maximum rates” under the governing instruments as a result of “failed auctions” in which sufficient clearing bids are not received. The average dividend rates for the period ended November 30, 2018 for each Series of APS were as follows: Series A-2.097%, Series B-2.047% and Series C-2.147%.

(e) Federal income taxes: It is the policy of the fund to continue to qualify as a regulated investment company, which can distribute tax-exempt dividends, by complying with the applicable provisions of the Code, and to make distributions of income and net realized capital gain sufficient to relieve it from substantially all federal income and excise taxes.

As of and during the period ended November 30, 2018, the fund did not have any liabilities for any uncertain tax positions. The fund recognizes interest and penalties, if any, related to uncertain tax positions as income tax expense in the Statement of Operations. During the period ended November 30, 2018, the fund did not incur any interest or penalties.

Each tax year in the four-year period ended November 30, 2018 remains subject to examination by the Internal Revenue Service and state taxing authorities.

At November 30, 2018, the components of accumulated earnings on a tax basis were as follows: undistributed tax-exempt income \$2,979,199, accumulated capital losses \$22,637,777 and unrealized appreciation \$20,207,249.

Under the Regulated Investment Company Modernization Act of 2010 (the “2010 Act”), the fund is permitted to carry forward capital losses incurred in taxable years beginning after December 22, 2010 (“post-

enactment losses”) for an unlimited period. Furthermore, post-enactment capital loss carryovers retain their character as either short-term or long-term capital losses rather than short-term as they were under previous statute. The 2010 Act requires post-enactment losses to be utilized before the utilization of losses incurred in taxable years prior to the effective date of the 2010 Act (“pre-enactment losses”). As a result of this ordering rule, pre-enactment losses may be more likely to expire unused.

The accumulated capital loss carryover is available for federal income tax purposes to be applied against future net realized capital gains, if any, realized subsequent to November 30, 2018. If not applied, \$21,871,958 of the carryover expires in fiscal year 2019. The fund has \$765,819 of post-enactment short-term capital losses which can be carried forward for an unlimited period.

The tax character of distributions paid to shareholders during the fiscal periods ended November 30, 2018 and November 30, 2017 were as follows: tax-exempt income \$22,441,441 and \$25,589,008, and ordinary income \$238,409 and \$158,689, respectively.

During the period ended November 30, 2018, as a result of permanent book to tax differences, primarily due to the tax treatment for capital loss carryover expiration and dividend reclassification, the fund increased total distributable earnings (loss) by \$4,802,422 and decreased paid-in capital by the same amount. Net assets and net asset value per share were not affected by this reclassification.

(f) New Accounting Pronouncements: In March 2017, the FASB issued Accounting Standards Update 2017-08, *Receivables—Nonrefundable Fees and Other Costs* (Subtopic 310-20); *Premium Amortization On Purchased Callable Debt Securities* (“ASU 2017-08”). The update shortens the amortization period for the premium on certain purchased callable debt securities to the earliest call date. ASU 2017-08 will be effective for annual periods beginning after December 15, 2018.

Also in August 2018, the FASB issued Accounting Standards Update 2018-13, *Fair Value Measurement (Topic 820): Disclosure Framework—Changes to the Disclosure Requirements for Fair Value Measurement* (“ASU 2018-13”). The update provides guidance that eliminates, adds and modifies certain disclosure requirements for fair value measurements. ASU 2018-13 will be effective for annual periods beginning after December 15, 2019. Management is currently assessing the potential impact of these changes to future financial statements.

NOTE 2—Investment Advisory Fee, Administration Fee and Other Transactions with Affiliates:

(a) Pursuant to an investment advisory agreement with Dreyfus, the management fee is computed at the annual rate of .50% of the value of the fund's average weekly net assets, inclusive of the outstanding APS, and is payable monthly. The fund also has an administration agreement with Dreyfus and a custody agreement with The Bank of New York Mellon (the "Custodian"), a subsidiary of BNY Mellon and an affiliate of Dreyfus. The fund pays in the aggregate for administration, custody and transfer agency services, a monthly fee based on an annual rate of .25% of the value of the fund's average weekly net assets, inclusive of the outstanding APS. All out-of-pocket transfer agency and custody expenses, including custody transaction expenses, are paid separately by the fund.

Dreyfus has currently undertaken, from December 1, 2017 through May 31, 2019, to waive receipt of a portion of the fund's investment advisory fee, in the amount of .10% of the value of the fund's average weekly net assets (including net assets representing APS outstanding). The reduction in expenses, pursuant to the undertaking, amounted to \$462,231 during the period ended November 30, 2018.

(b) The fund compensates the Custodian under a custody agreement for providing custodial services for the fund. These fees are determined based on transaction activity. During the period ended November 30, 2018, the fund was charged \$90,958 for out-of-pocket and custody transaction expenses, pursuant to the custody agreement.

The fund has an arrangement with the Custodian whereby the fund may receive earnings credits when positive cash balances are maintained, which are used to offset custody fees. For financial reporting purposes, the fund includes net earnings credits as an expense offset in the Statement of Operations.

During the period ended November 30, 2018, the fund was charged \$7,668 for services performed by the Chief Compliance Officer and his staff. These fees are included in Miscellaneous in the Statement of Operations.

The components of "Due to The Dreyfus Corporation and affiliates" in the Statement of Assets and Liabilities consist of: investment advisory fees \$179,927, Administration fees \$90,964, Custodian fees \$219 and Chief Compliance Officer fees \$3,145, which are offset against an expense reimbursement currently in effect in the amount of \$35,985.

(c) Each Board member also serves as a Board member of other funds within the Dreyfus complex. Annual retainer fees and attendance fees are allocated to each fund based on net assets.

NOTE 3—Securities Transactions:

The aggregate amount of purchases and sales of investment securities, excluding short-term securities, during the period ended November 30, 2018, amounted to \$112,160,719 and \$154,593,485, respectively.

Inverse Floater Securities: The fund participates in secondary inverse floater structures in which fixed-rate, tax-exempt municipal bonds are transferred to a trust (the “Inverse Floater Trust”). The Inverse Floater Trust typically issues two variable rate securities that are collateralized by the cash flows of the fixed-rate, tax-exempt municipal bonds. One of these variable rate securities pays interest based on a short-term floating rate set by a remarketing agent at predetermined intervals (“Trust Certificates”). A residual interest tax-exempt security is also created by the Inverse Floater Trust, which is transferred to the fund, and is paid interest based on the remaining cash flows of the Inverse Floater Trust, after payment of interest on the other securities and various expenses of the Inverse Floater Trust. An Inverse Floater Trust may be collapsed without the consent of the fund due to certain termination events such as bankruptcy, default or other credit event.

The fund accounts for the transfer of bonds to the Inverse Floater Trust as secured borrowings, with the securities transferred remaining in the fund’s investments, and the Trust Certificates reflected as fund liabilities in the Statement of Assets and Liabilities.

The fund may invest in inverse floater securities on either a non-recourse or recourse basis. These securities are typically supported by a liquidity facility provided by a bank or other financial institution (the “Liquidity Provider”) that allows the holders of the Trust Certificates to tender their certificates in exchange for payment from the Liquidity Provider of par plus accrued interest on any business day prior to a termination event. When the fund invests in inverse floater securities on a non-recourse basis, the Liquidity Provider is required to make a payment under the liquidity facility due to a termination event to the holders of the Trust Certificates. When this occurs, the Liquidity Provider typically liquidates all or a portion of the municipal securities held in the Inverse Floater Trust. A liquidation shortfall occurs if the Trust Certificates exceed the proceeds of the sale of the bonds in the Inverse Floater Trust (“Liquidation Shortfall”). When a fund invests in inverse floater securities on a recourse basis, the fund typically enters into a reimbursement agreement with the Liquidity

Provider where the fund is required to repay the Liquidity Provider the amount of any Liquidation Shortfall. As a result, a fund investing in a recourse inverse floater security bears the risk of loss with respect to any Liquidation Shortfall.

The average amount of borrowings outstanding under the inverse floater structure during the period ended November 30, 2018 was approximately \$148,307,100, with a related weighted average annualized interest rate of 1.96%.

At November 30, 2018, the cost of investments for federal income tax purposes was \$413,980,920; accordingly, accumulated net unrealized appreciation on investments was \$20,207,249, consisting of \$23,493,183 gross unrealized appreciation and \$3,285,934 gross unrealized depreciation.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and the Board of Directors of Dreyfus Strategic Municipal Bond Fund, Inc.

Opinion on the Financial Statements

We have audited the accompanying statement of assets and liabilities of Dreyfus Strategic Municipal Bond Fund, Inc. (the “Fund”), including the statement of investments, as of November 30, 2018, and the related statement of operations and cash flows for the year then ended, the statements of changes in net assets for each of the two years in the period then ended, the financial highlights for each of the five years in the period then ended and the related notes (collectively referred to as the “financial statements”). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Fund at November 30, 2018, the results of its operations and its cash flows for the year then ended, the changes in its net assets for each of the two years in the period then ended and its financial highlights for each of the five years in the period then ended, in conformity with U.S. generally accepted accounting principles.

Basis for Opinion

These financial statements are the responsibility of the Fund’s management. Our responsibility is to express an opinion on the Fund’s financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (“PCAOB”) and are required to be independent with respect to the Fund in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Fund is not required to have, nor were we engaged to perform, an audit of the Fund’s internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Fund’s internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned as of November 30, 2018, by correspondence with the custodian and others or by other appropriate auditing procedures where replies from others were not received. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Ernst & Young LLP

We have served as the auditor of one or more Dreyfus investment companies since at least 1957, but we are unable to determine the specific year.

New York, New York

January 28, 2019

ADDITIONAL INFORMATION (Unaudited)

Dividend Reinvestment Plan

Under the fund's Dividend Reinvestment Plan (the "Plan"), a Common Shareholder who has fund shares registered in his or her name will have all dividends and distributions reinvested automatically by Computershare Trust Company, N.A., as Plan administrator (the "Administrator"), in additional shares of the fund at the lower of prevailing market price or net asset value (but not less than 95% of market value at the time of valuation) unless such Common Shareholder elects to receive cash as provided below. If market price is equal to or exceeds net asset value, shares will be issued at net asset value. If net asset value exceeds market price or if a cash dividend only is declared, the Administrator, as agent for the Plan participants, will buy fund shares in the open market. A Plan participant is not relieved of any income tax that may be payable on such dividends or distributions.

A Common Shareholder who owns fund shares registered in nominee name through his or her broker/dealer (i.e., in "street name") may not participate in the Plan, but may elect to have cash dividends and distributions reinvested by his or her broker/dealer in additional shares of the fund if such service is provided by the broker/dealer; otherwise such dividends and distributions will be treated like any other cash dividend.

A Common Shareholder who has fund shares registered in his or her name may elect to withdraw from the Plan at any time for a \$5.00 fee and thereby elect to receive cash in lieu of shares of the fund. Changes in elections must be in writing, sent to The Bank of New York Mellon, c/o Computershare Inc., P.O. Box 30170, College Station, TX 77842-3170, should include the Common Shareholder's name and address as they appear on the Administrator's records and will be effective only if received more than fifteen days prior to the record date for any distribution.

The Administrator maintains all Common Shareholder accounts in the Plan and furnishes written confirmations of all transactions in the account. Shares in the account of each Plan participant will be held by the Administrator in non-certificated form in the name of the participant, and each such participant's proxy will include those shares purchased pursuant to the Plan.

The fund pays the Administrator's fee for reinvestment of dividends and distributions. Plan participants pay a pro rata share of brokerage commissions incurred with respect to the Administrator's open market purchases in connection with the reinvestment of dividends or distributions.

The fund reserves the right to amend or terminate the Plan as applied to any dividend or distribution paid subsequent to written notice of the change sent to Plan participants at least 90 days before the record date for such dividend or distribution. The Plan also may be amended or terminated by the Administrator on at least 90 days' written notice to Plan participants.

Level Distribution Policy

The fund's dividend policy is to distribute substantially all of its net investment income to its shareholders on a monthly basis. In order to provide shareholders with a more consistent yield to the current trading price of shares of Common Stock of the fund, the fund may at

times pay out less than the entire amount of net investment income earned in any particular month and may at times in any month pay out such accumulated but undistributed income in addition to net investment income earned in that month. As a result, the dividends paid by the fund for any particular month may be more or less than the amount of net investment income earned by the fund during such month.

Benefits and Risks of Leveraging

The fund utilizes leverage to seek to enhance the yield and net asset value of its Common Stock. These objectives cannot be achieved in all interest rate environments. To leverage, the fund issues APS and floating rate certificate securities, which pay dividends or interest at prevailing short-term interest rates, and invests the proceeds in long-term municipal bonds. The interest earned on these investments is paid to Common Shareholders in the form of dividends, and the value of these portfolio holdings is reflected in the per share net asset value of the fund's Common Stock. In order for either of these forms of leverage to benefit Common Shareholders, the yield curve must be positively sloped: that is, short-term interest rates must be lower than long-term interest rates. At the same time, a period of generally declining interest rates will benefit Common Shareholders. If either of these conditions change along with other factors that may have an effect on APS dividends or floating rate certificate securities, then the risk of leveraging will begin to outweigh the benefits.

Supplemental Information

During the period ended November 30, 2018, there were (i) no material changes in the fund's investment objectives or fundamental investment policies, and (ii) no changes in the fund's charter or by-laws that would delay or prevent a change of control of the fund, and (iii) no change in the persons primarily responsible for the day-to-day management of the fund's portfolio.

IMPORTANT TAX INFORMATION (Unaudited)

In accordance with federal tax law, the fund hereby reports all the dividends paid from investment income-net during its fiscal year ended November 30, 2018 as “exempt-interest dividends” (not generally subject to regular federal income tax), except \$238,409 that is being reported as an ordinary income distribution for reporting purposes. Where required by federal tax law rules, shareholders will receive notification of their portion of the fund’s taxable ordinary dividends (if any), capital gains distributions (if any) and tax-exempt dividends paid for the 2018 calendar year on Form 1099-DIV, which will be mailed in early 2019.

INFORMATION ABOUT THE RENEWAL OF THE FUND'S INVESTMENT ADVISORY AGREEMENT (Unaudited)

At a meeting of the fund's Board of Directors held on November 5-6, 2018, the Board considered the renewal of the fund's Investment Advisory Agreement and Administration Agreement, pursuant to which Dreyfus provides the fund with investment advisory services and administrative services (together, the "Agreement"). The Board members, a majority of whom are not "interested persons" (as defined in the Investment Company Act of 1940, as amended) of the fund, were assisted in their review by independent legal counsel and met with counsel in executive session separate from Dreyfus representatives. In considering the renewal of the Agreement, the Board considered all factors that it believed to be relevant, including those discussed below. The Board did not identify any one factor as dispositive, and each Board member may have attributed different weights to the factors considered.

Analysis of Nature, Extent, and Quality of Services Provided to the Fund. The Board considered information provided to it at the meeting and in previous presentations from Dreyfus representatives regarding the nature, extent, and quality of the services provided to funds in the Dreyfus fund complex. Dreyfus representatives stated that the fund is a closed-end fund without daily inflows and outflows of capital and provided the fund's asset size.

The Board also considered research support available to, and portfolio management capabilities of, the fund's portfolio management personnel and that Dreyfus also provides oversight of day-to-day fund operations, including fund accounting and administration and assistance in meeting legal and regulatory requirements. The Board also considered Dreyfus' extensive administrative, accounting and compliance infrastructures.

Comparative Analysis of the Fund's Performance and Management Fee and Expense Ratio. The Board reviewed reports prepared by Broadridge Financial Solutions, Inc. ("Broadridge"), an independent provider of investment company data, which included information comparing (1) the fund's performance with the performance of a group of comparable funds (the "Performance Group") and with a broader group of funds (the "Performance Universe"), all for various periods ended September 30, 2018, and (2) the fund's actual and contractual management fees and total expenses with those of a group of comparable funds (the "Expense Group") and with a broader group of funds (the "Expense Universe"), the information for which was derived in part from fund financial statements available to Broadridge as of the date of its analysis. Dreyfus previously had furnished the Board with a description of the methodology Broadridge used to select the Performance Group and Performance Universe and the Expense Group and Expense Universe.

Dreyfus representatives stated that the usefulness of performance comparisons may be affected by a number of factors, including different investment limitations and policies that may be applicable to the fund and comparison funds. The Board discussed with representatives of Dreyfus and/or its affiliates the results of the comparisons and considered that the fund's total return performance on a net asset value basis was at the Performance Group median and above the Performance Universe median for the

various periods except for the ten-year period when it was below the medians. The Board also considered that the fund's total return performance on a market price basis was below the Performance Group median except for the three- and ten-year periods when it was above and at the median respectively and above the Performance Universe median in the two-, three- and four-year periods but below median in the one-, five- and ten year periods. The Board also considered that the fund's yield performance on a net asset value basis was above the Performance Group medians for five of the six one-year periods ended September 30th and above the Performance Universe median for all six one-year periods; and on a market price basis the fund's yield performance was at or above the Performance Group medians for eight of the ten one-year periods ended September 30th and above the Performance Universe medians for seven of the ten one-year periods. Dreyfus also provided a comparison of the fund's calendar year total returns (on a net asset basis) to the returns of the fund's benchmark index, and it was considered that the fund's returns were above the returns of the index in seven of the ten calendar years shown.

The Board also reviewed the range of actual and contractual management fees and total expenses of the Expense Group and Expense Universe funds and discussed the results of the comparisons. The Board considered that, based on common assets alone, the fund's contractual management fee was above the Expense Group median and the fund's actual management fee and total expenses were below the Expense Group and Expense Universe medians. The Board also considered that based on common and leveraged assets together, the fund's actual management fee was above the Expense Group and Expense Universe medians and the fund's total expenses were below the Expense Group and Expense Universe medians. Dreyfus representatives stated that Dreyfus has agreed to extend its agreement to waive receipt of a portion of the fund's investment advisory fee, in the amount of .10% of the value of the fund's average weekly net assets (including the net assets representing auction preferred stock outstanding), through May 31, 2019.

Dreyfus representatives reviewed with the Board the management or investment advisory fees (1) paid by funds advised or administered by Dreyfus that are in the same Lipper category as the fund and (2) paid to Dreyfus or the Dreyfus-affiliated primary employer of the fund's primary portfolio manager(s) for advising any separate accounts and/or other types of client portfolios that are considered to have similar investment strategies and policies as the fund (the "Similar Clients"), and explained the nature of the Similar Clients. They discussed differences in fees paid and the relationship of the fees paid in light of any differences in the services provided and other relevant factors, stating that the fund is a closed-end fund. The Board considered the relevance of the fee information provided for the Similar Clients to evaluate the appropriateness of the fund's management fee.

Analysis of Profitability and Economies of Scale. Dreyfus representatives reviewed the expenses allocated and profit received by Dreyfus and its affiliates and the resulting profitability percentage for managing the fund and the aggregate profitability percentage to Dreyfus and its affiliates for managing the funds in the Dreyfus fund complex, and

INFORMATION ABOUT THE RENEWAL OF THE FUND'S INVESTMENT ADVISORY AGREEMENT (Unaudited) *(continued)*

the method used to determine the expenses and profit. The Board concluded that the profitability results were not unreasonable, given the services rendered and service levels provided by Dreyfus. The Board also considered the fee waiver arrangement and its effect on the profitability of Dreyfus and its affiliates. The Board also had been provided with information prepared by an independent consulting firm regarding Dreyfus' approach to allocating costs to, and determining the profitability of, individual funds and the entire Dreyfus fund complex. The consulting firm also had analyzed where any economies of scale might emerge in connection with the management of a fund.

The Board considered, on the advice of its counsel, the profitability analysis (1) as part of its evaluation of whether the fees under the Agreement, considered in relation to the mix of services provided by Dreyfus, including the nature, extent and quality of such services, supported the renewal of the Agreement and (2) in light of the relevant circumstances for the fund and the extent to which economies of scale would be realized if the fund grows and whether fee levels reflect these economies of scale for the benefit of fund shareholders. Dreyfus representatives stated that because the fund is a closed-end fund without daily inflows and outflows of capital, there were not at this time significant economies of scale to be realized by Dreyfus in managing the fund's assets. Dreyfus representatives also stated that, as a result of shared and allocated costs among funds in the Dreyfus fund complex, the extent of economies of scale could depend substantially on the level of assets in the complex as a whole, so that increases and decreases in complex-wide assets can affect potential economies of scale in a manner that is disproportionate to, or even in the opposite direction from, changes in the fund's asset level. The Board also considered potential benefits to Dreyfus from acting as investment adviser and took into consideration that there were no soft dollar arrangements in effect for trading the fund's investments.

At the conclusion of these discussions, the Board agreed that it had been furnished with sufficient information to make an informed business decision with respect to the renewal of the Agreement. Based on the discussions and considerations as described above, the Board concluded and determined as follows.

- The Board concluded that the nature, extent and quality of the services provided by Dreyfus are adequate and appropriate.
- The Board agreed to closely monitor performance and determined to approve renewal of the Agreement only until the second quarter 2019 regular Board meeting.
- The Board concluded that the fee paid to Dreyfus continued to be appropriate under the circumstances and in light of the factors and the totality of the services provided as discussed above, subject to review no later than the next renewal consideration.
- The Board determined that the economies of scale which may accrue to Dreyfus and its affiliates in connection with the management of the fund had been adequately considered by Dreyfus in connection with the fee rate charged to the

fund pursuant to the Agreement and that, to the extent in the future it were determined that material economies of scale had not been shared with the fund, the Board would seek to have those economies of scale shared with the fund.

In evaluating the Agreement, the Board considered these conclusions and determinations and also relied on its previous knowledge, gained through meetings and other interactions with Dreyfus and its affiliates, of Dreyfus and the services provided to the fund by Dreyfus. The Board also relied on information received on a routine and regular basis throughout the year relating to the operations of the fund and the investment management and other services provided under the Agreement, including information on the investment performance of the fund in comparison to similar funds and benchmark performance indices; general market outlook as applicable to the fund; and compliance reports. In addition, the Board's consideration of the contractual fee arrangements for this fund had the benefit of a number of years of reviews of the Agreement for the fund, or substantially similar agreements for other Dreyfus funds that the Board oversees, during which lengthy discussions took place between the Board and Dreyfus representatives. Certain aspects of the arrangements may receive greater scrutiny in some years than in others, and the Board's conclusions may be based, in part, on their consideration of the fund's arrangements, or substantially similar arrangements for other Dreyfus funds that the Board oversees, in prior years. The Board determined to renew the Agreement until the second quarter 2019 regular Board meeting.

BOARD MEMBERS INFORMATION (Unaudited)

INDEPENDENT BOARD MEMBERS

Joseph S. DiMartino (75) **Chairman of the Board (1995)**

Current term expires in 2021.

Principal Occupation During Past 5 Years:

- Corporate Director and Trustee (1995-present)

Other Public Company Board Memberships During Past 5 Years:

- CBIZ (formerly, Century Business Services, Inc.), a provider of outsourcing functions for small and medium size companies, Director (1997-present)

No. of Portfolios for which Board Member Serves: 123

Joni Evans (76) **Board Member (2006)**

Current term expires in 2020.

Principal Occupation During Past 5 Years:

- Chief Executive Officer, www.wowOwow.com, an online community dedicated to women's conversations and publications (2007-present)
- Principal, Joni Evans Ltd. (publishing) (2006-present)

No. of Portfolios for which Board Member Serves: 21

Joan Gulley (71) **Board Member (2017)**

Current term expires in 2020.

Principal Occupation During Past 5 Years:

- PNC Financial Services Group, Inc.(1993-2014), Executive Vice President and Chief Human Resources Officer and Executive Committee Member (2008-2014)

No. of Portfolios for which Board Member Serves: 52

Ehud Houminer (78) **Board Member (1994)**

Current term expires in 2019.

Principal Occupation During Past 5 Years:

- Board of Overseers at the Columbia Business School, Columbia University (1992-present)
Trustee, Ben Gurion University

No. of Portfolios for which Board Member Serves: 52

Alan H. Howard (59)
Board Member (2018)

Current term expires in 2019.

Principal Occupation During Past 5 Years:

- Managing Partner of Heathcote Advisors LLC, a financial advisory services firm (2008 – present)
- President of Dynatech/MPX Holdings LLC (2012 – present), a global supplier and service provider of military aircraft parts, including Chief Executive Officer of an operating subsidiary, Dynatech International LLC (2013 – present)
- Senior Advisor, Rossoff & Co., an independent investment banking firm (2014 – present)

Other Public Company Board Memberships During Past 5 Years:

- Movado Group, a designer and manufacturer of watches, Director (1997-present)

No. of Portfolios for which Board Member Serves: 21

Robin A. Melvin (55)
Board Member (1995)

Current term expires in 2019.

Principal Occupation During Past 5 Years:

- Co-chairman, Illinois Mentoring Partnership, non-profit organization dedicated to increasing the quantity and quality of mentoring services in Illinois; (2014-present; board member since 2013)

No. of Portfolios for which Board Member Serves: 99

Burton N. Wallack (68)
Board Member (2006)

Current term expires in 2020.

Principal Occupation During Past 5 Years:

- President and Co-owner of Wallack Management Company, a real estate management company (1987-present)

No. of Portfolios for which Board Member Serves: 21

Benaree Pratt Wiley (72)
Board Member (1998)

Current term expires in 2020.

Principal Occupation During Past 5 Years:

- Principal, The Wiley Group, a firm specializing in strategy and business development (2005-present)

Other Public Company Board Memberships During Past 5 Years:

- CBIZ (formerly, Century Business Services, Inc.), a provider of outsourcing functions for small and medium size companies, Director (2008-present)

No. of Portfolios for which Board Member Serves: 78

BOARD MEMBERS INFORMATION (Unaudited) (continued)
INTERESTED BOARD MEMBER

Gordon J. Davis (77)
Board Member (2006)

Current term expires in 2019.

Principal Occupation During Past 5 Years:

- Partner in the law firm of Venable LLP (2012-present)

Other Public Company Board Memberships During Past 5 Years:

- Consolidated Edison, Inc., a utility company, Director (1997-2014)
- The Phoenix Companies, Inc., a life insurance company, Director (2000-2014)

No. of Portfolios for which Board Member Serves: 55

Gordon J. Davis is deemed to be an “interested person” (as defined under the Act) of the fund as a result of his affiliation with Venable LLP, which provides legal services to the fund.

The address of the Board Members and Officers is c/o The Dreyfus Corporation, 200 Park Avenue, New York, New York 10166.

William Hodding Carter III, Emeritus Board Member

Hans C. Mautner, Emeritus Board Member

OFFICERS OF THE FUND (Unaudited)

BRADLEY J. SKAPYAK, President since January 2010.

Chief Operating Officer and a director of the Manager since June 2009, Chairman of Dreyfus Transfer, Inc., an affiliate of the Manager and the transfer agent of the funds, since May 2011 and Chief Executive Officer of MBSC Securities Corporation since August 2016. He is an officer of 62 investment companies (comprised of 123 portfolios) managed by the Manager. He is 60 years old and has been an employee of the Manager since February 1988.

BENNETT A. MACDOUGALL, Chief Legal Officer since October 2015.

Chief Legal Officer of the Manager and Associate General Counsel and Managing Director of BNY Mellon since June 2015; from June 2005 to June 2015, he served in various capacities with Deutsche Bank – Asset & Wealth Management Division, including as Director and Associate General Counsel, and Chief Legal Officer of Deutsche Investment Management Americas Inc. from June 2012 to May 2015. He is an officer of 63 investment companies (comprised of 148 portfolios) managed by the Manager. He is 47 years old and has been an employee of the Manager since June 2015.

JAMES BITETTO, Vice President since August 2005 and Secretary since February 2018.

Managing Counsel of BNY Mellon and Secretary of the Manager, and an officer of 63 investment companies (comprised of 148 portfolios) managed by the Manager. He is 52 years old and has been an employee of the Manager since December 1996.

SONALEE CROSS, Vice President and Assistant Secretary since March 2018.

Counsel of BNY Mellon since October 2016; Associate at Proskauer Rose LLP from April 2016 to September 2016; Attorney at EnTrust Capital from August 2015 to February 2016; Associate at Sidley Austin LLP from September 2013 until August 2015. She is an officer of 63 investment companies (comprised of 148 portfolios) managed by Dreyfus. She is 31 years old and has been an employee of the Manager since October 2016.

MAUREEN E. KANE, Vice President and Assistant Secretary since April 2015.

Managing Counsel of BNY Mellon since July 2014; from October 2004 until July 2014, General Counsel, and from May 2009 until July 2014, Chief Compliance Officer of Century Capital Management. She is an officer of 63 investment companies (comprised of 148 portfolios) managed by the Manager. She is 56 years old and has been an employee of the Manager since July 2014.

SARAH S. KELLEHER, Vice President and Assistant Secretary since April 2014.

Managing Counsel of BNY Mellon since December 2017, from March 2013 to December 2017, Senior Counsel of BNY Mellon. She is an officer of 63 investment companies (comprised of 148 portfolios) managed by the Manager. She is 43 years old and has been an employee of the Manager since March 2013.

JEFF PRUSNOFSKY, Vice President and Assistant Secretary since August 2005.

Senior Managing Counsel of BNY Mellon, and an officer of 63 investment companies (comprised of 148 portfolios) managed by the Manager. He is 53 years old and has been an employee of the Manager since October 1990.

NATALYA ZELENSKY, Vice President and Assistant Secretary since March 2017.

Counsel of BNY Mellon since May 2016; Attorney at Wildermuth Endowment Strategy Fund/Wildermuth Advisory, LLC from November 2015 until May 2016; Assistant General Counsel at RCS Advisory Services from July 2014 until November 2015; Associate at Sutherland, Asbill & Brennan from January 2013 until January 2014. She is an officer of 63 investment companies (comprised of 148 portfolios) managed by Dreyfus. She is 33 years old and has been an employee of the Manager since May 2016.

JAMES WINDELS, Treasurer since November 2001.

Director – Mutual Fund Accounting of the Manager, and an officer of 63 investment companies (comprised of 148 portfolios) managed by the Manager. He is 60 years old and has been an employee of the Manager since April 1985.

**GAVIN C. REILLY, Assistant Treasurer
since December 2005.**

Tax Manager of the Investment Accounting and Support Department of the Manager, and an officer of 63 investment companies (comprised of 148 portfolios) managed by the Manager. He is 50 years old and has been an employee of the Manager since April 1991.

**ROBERT S. ROBOL, Assistant Treasurer
since August 2005.**

Senior Accounting Manager – Dreyfus Financial Reporting of the Manager, and an officer of 63 investment companies (comprised of 148 portfolios) managed by the Manager. He is 54 years old and has been an employee of the Manager since October 1988.

**ROBERT SALVIOLO, Assistant Treasurer
since May 2007.**

Senior Accounting Manager – Equity Funds of the Manager, and an officer of 63 investment companies (comprised of 148 portfolios) managed by the Manager. He is 51 years old and has been an employee of the Manager since June 1989.

**ROBERT SVAGNA, Assistant Treasurer
since August 2005.**

Senior Accounting Manager – Fixed Income and Equity Funds of the Manager, and an officer of 63 investment companies (comprised of 148 portfolios) managed by the Manager. He is 51 years old and has been an employee of the Manager since November 1990.

**JOSEPH W. CONNOLLY, Chief Compliance
Officer since October 2004.**

Chief Compliance Officer of the Manager, the Dreyfus Family of Funds and BNY Mellon Funds Trust (63 investment companies, comprised of 148 portfolios). He is 61 years old and has served in various capacities with the Manager since 1980, including manager of the firm's Fund Accounting Department from 1997 through October 2001.

NOTES

NOTES

OFFICERS AND DIRECTORS

Dreyfus Strategic Municipal Bond Fund, Inc.

200 Park Avenue
New York, NY 10166

Directors

Joseph S. DiMartino, Chairman
Gordon J. Davis[†]
Joni Evans^{††}
Joan Gulley
Ehud Houminer
Alan H. Howard
Robin A. Melvin^{††}
Burton N. Wallack
Benaree Pratt Wiley

[†] Interested Board Member

^{††} Elected by APS Holders

Officers

President
Bradley J. Skapyak
Chief Legal Officer
Bennett A. MacDougall
Vice President and Secretary
James Bitetto
Vice President and Secretaries
Sonalee Cross
Maureen E. Kane
Sarah S. Kelleher
Jeff Prusnofsky
Natalya Zelensky
Treasurer
James Windels
Assistant Treasurers
Richard Cassaro
Gavin C. Reilly
Robert S. Robol

Officers (continued)

Assistant Treasurers (continued)
Robert Salviolo
Robert Svagna
Chief Compliance Officer
Joseph W. Connolly

Portfolio Managers

Daniel A. Rabasco
Jeffrey B. Burger

Investment Adviser and Administrator

The Dreyfus Corporation

Custodian

The Bank of New York Mellon

Counsel

Proskauer Rose LLP

Transfer Agent,

Dividend -Paying Agent

Disbursing Agent and Registrar

Computershare Inc.

(Common Stock)

Deutsche Bank Trust Company America

(Auction Preferred Stock)

Auction Agent

Deutsche Bank Trust Company America

(Auction Preferred Stock)

Stock Exchange Listing

NYSE Symbol: DSM

Initial SEC Effective Date

11/22/89

The fund's net asset value per share appears in the following publications: Barron's, Closed-End Bond Funds section under the heading "Municipal Bond Funds" every Monday; and The Wall Street Journal, Mutual Funds section under the heading "Closed-End Funds" every Monday.

Notice is hereby given in accordance with Section 23(c) of the Act that the fund may purchase shares of its Common Stock in the open market when it can do so at prices below the then current net asset value per share.

For More Information

Dreyfus Strategic Municipal Bond Fund, Inc.

200 Park Avenue
New York, NY 10166

Investment Adviser and Administrator

The Dreyfus Corporation
200 Park Avenue
New York, NY 10166

Custodian

The Bank of New York Mellon
240 Greenwich Street
New York, NY 10286

Transfer Agent & Registrar (Common Stock)

Computershare Inc.
480 Washington Boulevard
Jersey City, NJ 07310

Dividend Disbursing Agent (Common Stock)

Computershare Inc.
P.O. Box 30170
College Station, TX 77842

Ticker Symbol: DSM

The fund files its complete schedule of portfolio holdings with the SEC for the first and third quarters of each fiscal year on Form N-Q. The fund's Forms N-Q are available on the SEC's website at www.sec.gov.

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 these proxies for the most recent 12-month period ended June 30 is available at www.dreyfus.com and on the SEC's website at www.sec.gov and without charge, upon request, by calling 1-800-DREYFUS.