

# Dreyfus California AMT-Free Municipal Bond Fund



**ANNUAL REPORT**  
May 31, 2018

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## A LETTER FROM THE PRESIDENT OF DREYFUS

Dear Shareholder:

We are pleased to present this annual report for Dreyfus California AMT-Free Municipal Bond Fund, covering the 12-month period from June 1, 2017 through May 31, 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.

After a period of unusually mild price swings in 2017, inflation concerns, rising interest rates and potential trade disputes have caused market volatility to increase substantially during 2018. As a result, U.S. stocks generally have produced mildly positive returns while bonds have lost a degree of value over the first five months of the year.

Yet, for the 12-month reporting period overall, stocks across all capitalization ranges posted double-digit returns on the strength of rising corporate earnings, improving global economic conditions, and the passage of tax reform legislation and other government policy reforms. Bonds fared less well over the same time frame, with corporate-backed securities eking out modestly positive total returns while U.S. government securities mostly produced losses in the rising interest-rate environment.

Despite the return of heightened market volatility, we believe that underlying market fundamentals remain strong. Continued economic growth, a robust labor market, rising corporate earnings and strong consumer and business confidence seem likely to support stock and corporate bond prices over the months ahead. As always, we encourage you to discuss the risks and opportunities of today's investment environment with your financial advisor.

Thank you for your continued confidence and support.

Sincerely,



Renee Laroche-Morris  
President  
The Dreyfus Corporation  
June 15, 2018

## DISCUSSION OF FUND PERFORMANCE (Unaudited)

*For the period from June 1, 2017 through May 31, 2018, as provided by Jeffrey Burger and Thomas Casey, Portfolio Managers*

### **Market and Fund Performance Overview**

For the 12-month period ended May 31, 2018, Dreyfus California AMT-Free Municipal Bond Fund's Class A shares produced a total return of 1.03%, Class C shares returned 0.19%, Class I shares returned 1.28%, Class Y shares returned 1.31%, and Class Z shares returned 1.24%.<sup>1</sup> In comparison, the Bloomberg Barclays U.S. Municipal Bond Index (the "Index"), the fund's benchmark index, which is composed of bonds issued nationally and not solely within California, achieved a total return of 1.11% for the same period.<sup>2</sup>

Municipal bonds encountered heightened volatility stemming from rising interest rates and shifting supply-and-demand dynamics in the municipal securities market. The fund's Class I, Class Y, and Class Z shares produced higher returns than the Index, partly due to the general outperformance of California securities compared to national averages.

### **The Fund's Investment Approach**

The fund seeks as high a level of current income exempt from federal and California state income taxes, as is consistent with the preservation of capital. To pursue its goal, the fund normally invests at least 80% of its net assets in municipal bonds that provide income exempt from federal and California state income taxes. The fund also seeks to provide income exempt from the federal alternative minimum tax. The fund invests at least 80% of its assets in investment-grade municipal bonds or the unrated equivalent as determined by Dreyfus. The fund may invest up to 20% of its assets in municipal bonds rated below investment grade ("junk" bonds) or the unrated equivalent as determined by Dreyfus. The dollar-weighted average maturity of the fund's portfolio normally exceeds 10 years, but the fund may invest without regard to maturity.

We focus on identifying undervalued sectors and securities, and we minimize the use of interest-rate forecasting. We select municipal bonds by using fundamental credit analysis to estimate the relative value and attractiveness of various sectors and securities and to exploit pricing inefficiencies in the municipal bond market. We actively trade among various sectors, such as pre-refunded, general obligation, and revenue, based on their apparent relative values.

### **Interest Rates and Supply-and-Demand Factors Drove Market**

Municipal bonds rallied early in the reporting period amid robust investor demand for a relatively light supply of newly issued securities. Market volatility began to increase during the fall of 2017, when rising interest weighed on returns. In addition, the municipal securities market encountered uncertainty surrounding federal tax reform. Issuers rushed to market in December with a flood of new bonds, which was met with robust demand from investors worried that certain proposals might limit their tax-exempt investment opportunities.

Heightened market volatility continued in early 2018 when lower corporate tax rates dampened demand from banks and insurance companies. Investors also grew concerned that accelerating inflation and ballooning federal budget deficits might cause short-term interest rates to climb more than previously expected. The market generally stabilized in

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

March, but municipal bonds lost additional value in April due to seasonal influences before recovering in May.

Despite disappointing tax receipts and heavy pension liabilities for some issuers, credit conditions generally have remained sound for most states and municipalities. California has fared relatively well due to its diverse economic base and prudent budget management.

### **Revenue Bonds Bolstered Fund Results**

The fund's performance compared to the Index was supported by strength among California municipal bonds, which experienced sound underlying fundamentals and robust investor demand for tax advantaged securities in the wake of federal tax reform legislation. In addition, the fund benefited from overweighted exposure to higher-yielding revenue-backed bonds, including bonds backed by industrial business districts, airports and other transportation facilities, and the state's settlement of litigation with U.S. tobacco companies.

In contrast, the fund's interest-rate strategies weighed to a degree on relative results when market volatility increased in early 2018. A modestly long average duration made the fund more sensitive to rising interest rates, as did an emphasis on bonds with intermediate-term maturities. Higher-quality bonds backed by water-and-sewer infrastructure and public power plants also lagged market averages.

### **A Cautiously Constructive Investment Posture**

While lower corporate tax rates could continue to weigh on demand for municipal bonds from institutional investors, modestly lower personal tax rates seem unlikely to affect demand from individual investors, and the elimination of tax advantages for advance refunding activities should support favorable supply-and-demand dynamics. On the other hand, we have grown concerned that potential political or economic setbacks could dampen investor sentiment in California. Therefore, we remain watchful for developments, such as the results of the gubernatorial election later this year, which could cause changes to the state's fiscal management practices.

As of the reporting period's end, we have maintained an emphasis on higher-yielding revenue bonds, and we are watchful for opportunities to invest in higher-yielding bonds with sound fundamental and technical characteristics.

June 15, 2018

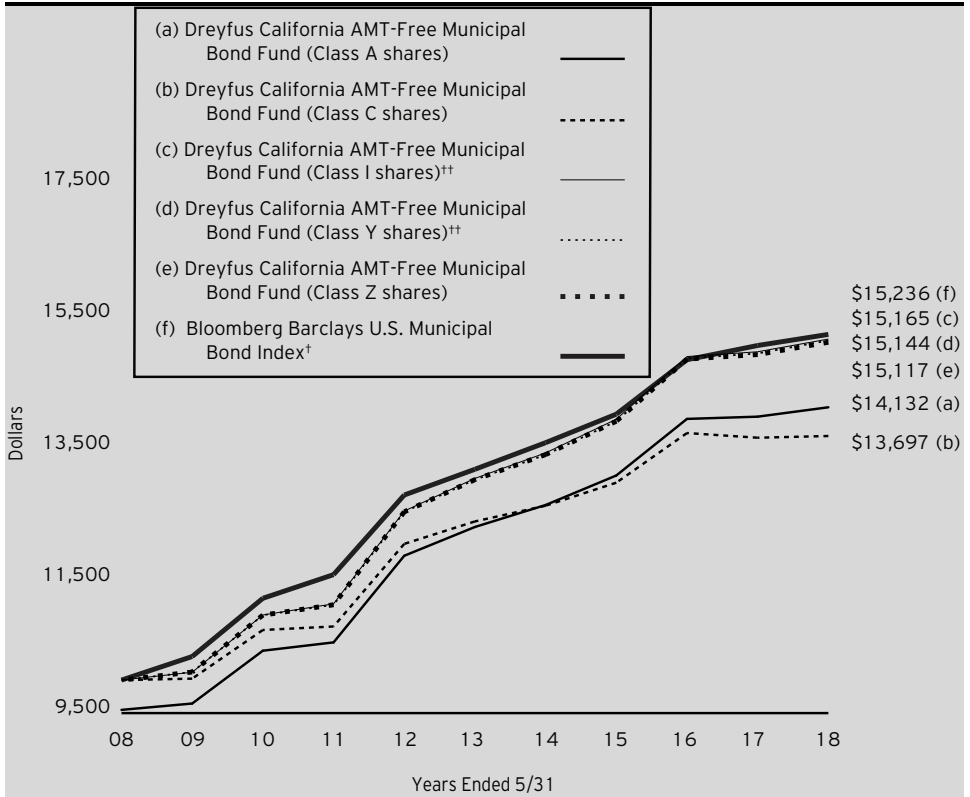
<sup>1</sup> *Total return includes reinvestment of dividends and any capital gains paid, and does not take into consideration the maximum initial sales charge in the case of Class A shares, or the applicable contingent deferred sales charges imposed on redemptions in the case of Class C shares. Had these charges been reflected, returns would have been lower. Class I, Class Y, and Class Z (which is closed to new investors) shares are not subject to any initial or deferred sales charge. Past performance is no guarantee of future results. Share price, yield, and investment return fluctuate such that upon redemption, fund shares may be worth more or less than their original cost. Income may be subject to state and local taxes for non-California residents. Capital gains, if any, are fully taxable.*

<sup>2</sup> *Source: Lipper Inc. — The Bloomberg Barclays U.S. Municipal Bond Index covers the U.S. dollar-denominated long-term tax-exempt bond market. Investors cannot invest directly in any index.*

*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 involve increased credit and liquidity risks compared with investment-grade bonds and are considered speculative in terms of the issuer's ability to pay interest and repay principal on a timely basis.*

# FUND PERFORMANCE (Unaudited)



Comparison of change in value of \$10,000 investment in Dreyfus California AMT-Free Municipal Bond Fund Class A shares, Class C shares, Class I shares, Class Y shares and Class Z shares and the Bloomberg Barclays U.S. Municipal Bond Index (the "Index")

† Source: Lipper Inc.

\*\* The total return figures presented for Class I shares of the fund reflect the performance of the fund's Class Z shares for the period prior to 12/15/08 (the inception date for Class I shares). The total return figures presented for Class Y shares of the fund reflect the performance of the fund's Class Z shares for the period prior to 7/1/13 (the inception date for Class Y shares).

Past performance is not predictive of future performance.

The above graph compares a \$10,000 investment made in each of the Class A, Class C, Class I, Class Y and Class Z shares of Dreyfus California AMT-Free Municipal Bond Fund on 5/31/08 to a \$10,000 investment made in the Index on that date. All dividends and capital gain distributions are reinvested.

The fund invests primarily in California municipal securities and its performance shown in the line graph above takes into account the maximum initial sales charge on Class A shares and all other applicable fees and expenses on all classes. The Index is not limited to investments principally in California municipal obligations. The Index, unlike the fund, covers the U.S.-dollar-denominated long-term tax-exempt bond market. These factors can contribute to the Index potentially outperforming or underperforming the fund. Unlike a mutual fund, the Index is not subject to charges, fees and other expenses. Investors cannot invest directly in any index. Further information relating to fund performance, including expense reimbursements, if applicable, is contained in the Financial Highlights section of the prospectus and elsewhere in this report.

FUND PERFORMANCE (*Unaudited*) (*continued*)

Average Annual Total Returns as of 5/31/18				
	Inception Date	1 Year	5 Years	10 Years
<b>Class A shares</b>				
<i>with maximum sales charge (4.5%)</i>	10/21/04	1.03%	2.79%	4.00%
<i>without sales charge</i>	10/21/04	-3.53%	1.85%	3.52%
<b>Class C shares</b>				
<i>with applicable redemption charge †</i>	10/21/04	0.19%	2.01%	3.20%
<i>without redemption</i>	10/21/04	-0.78%	2.01%	3.20%
<b>Class I shares</b>				
	12/15/08	1.28%	3.04%	4.25% <sup>††</sup>
<b>Class Y shares</b>				
	7/1/13	1.31%	3.04% <sup>††</sup>	4.24% <sup>††</sup>
<b>Class Z shares</b>				
	7/26/83	1.24%	3.01%	4.22%
<b>Bloomberg Barclays U.S. Municipal Bond Index</b>		<b>1.11%</b>	<b>2.92%</b>	<b>4.30%</b>

† The maximum contingent deferred sales charge for Class C shares is 1% for shares redeemed within one year of the date of purchase.

†† The total return performance figures presented for Class I shares of the fund reflect the performance of the fund's Class Z shares for the period prior to 12/15/08 (the inception date for Class I shares). The total return performance figures presented for Class Y shares of the fund reflect the performance of the fund's Class Z shares for the period prior to 7/1/13 (the inception date for Class Y shares).

**The performance data quoted represents past performance, which is no guarantee of future results. Share price and investment return fluctuate and an investor's shares may be worth more or less than original cost upon redemption. Current performance may be lower or higher than the performance quoted. Go to [Dreyfus.com](http://Dreyfus.com) for the fund's most recent month-end returns.**

*The fund's performance shown in the graph and table does not reflect the deduction of taxes that a shareholder would pay on fund distributions or the redemption of fund shares. In addition to the performance of Class A shares shown with and without a maximum sales charge, the fund's performance shown in the table takes into account all other applicable fees and expenses on all classes.*



## UNDERSTANDING YOUR FUND'S EXPENSES (Unaudited)

*As a mutual fund investor, you pay ongoing expenses, such as management fees and other expenses. Using the information below, you can estimate how these expenses affect your investment and compare them with the expenses of other funds. You also may pay one-time transaction expenses, including sales charges (loads) and redemption fees, which are not shown in this section and would have resulted in higher total expenses. For more information, see your fund's prospectus or talk to your financial adviser.*

### Review your fund's expenses

The table below shows the expenses you would have paid on a \$1,000 investment in Dreyfus California AMT-Free Municipal Bond Fund from December 1, 2017 to May 31, 2018. It also shows how much a \$1,000 investment would be worth at the close of the period, assuming actual returns and expenses.

#### Expenses and Value of a \$1,000 Investment

assuming actual returns for the six months ended May 31, 2018

	Class A	Class C	Class I	Class Y	Class Z
Expenses paid per \$1,000†	\$ 4.75	\$ 8.54	\$ 3.55	\$ 3.35	\$ 3.65
Ending value (after expenses)	\$ 1,006.80	\$ 1,002.90	\$ 1,008.00	\$ 1,008.20	\$ 1,007.80

## COMPARING YOUR FUND'S EXPENSES WITH THOSE OF OTHER FUNDS (Unaudited)

### Using the SEC's method to compare expenses

The Securities and Exchange Commission ("SEC") has established guidelines to help investors assess fund expenses. Per these guidelines, the table below shows your fund's expenses based on a \$1,000 investment, assuming a hypothetical 5% annualized return. You can use this information to compare the ongoing expenses (but not transaction expenses or total cost) of investing in the fund with those of other funds. All mutual fund shareholder reports will provide this information to help you make this comparison. Please note that you cannot use this information to estimate your actual ending account balance and expenses paid during the period.

#### Expenses and Value of a \$1,000 Investment

assuming a hypothetical 5% annualized return for the six months ended May 31, 2018

	Class A	Class C	Class I	Class Y	Class Z
Expenses paid per \$1,000†	\$ 4.78	\$ 8.60	\$ 3.58	\$ 3.38	\$ 3.68
Ending value (after expenses)	\$ 1,020.19	\$ 1,016.40	\$ 1,021.39	\$ 1,021.59	\$ 1,021.29

† Expenses are equal to the fund's annualized expense ratio of .95% for Class A, 1.71% for Class C, .71% for Class I, .67% for Class Y and .73% for Class Z, multiplied by the average account value over the period, multiplied by 182/365 (to reflect the one-half year period).

# STATEMENT OF INVESTMENTS

May 31, 2018

Description	Coupon Rate (%)	Maturity Date	Principal Amount (\$)	Value (\$)
<b>Long-Term Municipal Investments - 100.6%</b>				
<b>California - 99.9%</b>				
ABAG Finance Authority for Nonprofit Corporations, Revenue (Sharp HealthCare)	6.00	8/1/30	5,000,000	5,594,350
ABAG Finance Authority for Nonprofit Corporations, Revenue (Sharp HealthCare)	5.00	8/1/43	13,250,000	14,580,432
Alameda Corridor Transportation Authority, Second Subordinate Lien Revenue	5.00	10/1/37	1,650,000	1,847,554
Allan Hancock Joint Community College, GO (Convertible CABS-Election of 2006)	0/5.60	8/1/47	11,375,000 <sup>a</sup>	7,283,754
Anaheim Community Facilities District Number 08-1, Special Tax Revenue (Platinum Triangle)	4.00	9/1/41	5,250,000	5,327,175
Anaheim Community Facilities District Number 08-1, Special Tax Revenue (Platinum Triangle)	4.00	9/1/46	2,000,000	2,022,320
California, GO (Various Purpose)	5.25	2/1/29	13,835,000	15,428,792
California, GO (Various Purpose)	5.25	3/1/30	15,000,000	15,944,400
California, GO (Various Purpose)	5.25	9/1/31	25,000,000	27,553,750
California, GO (Various Purpose)	5.25	9/1/32	19,500,000	21,491,925
California, GO (Various Purpose)	5.25	10/1/32	9,170,000	10,130,099
California, GO (Various Purpose)	6.00	3/1/33	3,000,000	3,221,430
California, GO (Various Purpose)	6.50	4/1/33	13,755,000	14,302,449
California, GO (Various Purpose)	5.50	11/1/35	10,000,000	10,868,000
California, GO (Various Purpose)	5.00	8/1/36	7,000,000	8,177,190
California, GO (Various Purpose)	5.00	9/1/36	10,000,000	11,688,900
California, GO (Various Purpose)	5.00	2/1/38	5,000,000	5,467,250
California, GO (Various Purpose)	5.50	3/1/40	17,500,000	18,598,650

Description	Coupon Rate (%)	Maturity Date	Principal Amount (\$)	Value (\$)
<b>Long-Term Municipal Investments - 100.6% (continued)</b>				
<b>California - 99.9% (continued)</b>				
California, GO (Various Purpose) (Prerefunded)	6.50	4/1/19	9,745,000 <sup>b</sup>	10,148,540
California County Tobacco Securitization Agency, Tobacco Settlement Asset-Backed Refunding Bonds (Kern County Tobacco Funding Corporation)	5.00	6/1/34	5,000,000	5,376,300
California County Tobacco Securitization Agency, Tobacco Settlement Revenue	0.00	6/1/46	12,500,000 <sup>c</sup>	1,807,125
California Educational Facilities Authority, Revenue (Chapman University)	5.00	4/1/40	5,000,000	5,509,000
California Educational Facilities Authority, Revenue (Chapman University)	5.00	4/1/45	2,305,000	2,532,273
California Educational Facilities Authority, Revenue (Loma Linda University)	5.00	4/1/36	3,845,000	4,360,653
California Educational Facilities Authority, Revenue (Loma Linda University)	5.00	4/1/37	1,500,000	1,699,935
California Educational Facilities Authority, Revenue (Occidental College)	5.00	10/1/45	500,000	568,825
California Educational Facilities Authority, Revenue (Pepperdine University)	5.00	9/1/45	5,000,000	5,688,200
California Educational Facilities Authority, Revenue (Pooled College and University Projects) (Escrowed to Maturity)	5.63	7/1/23	105,000	113,842
California Health Facilities Financing Authority, Revenue (Adventist Health System/West)	4.00	3/1/39	2,925,000	3,009,298
California Health Facilities Financing Authority, Revenue (Children's Hospital)	5.00	8/15/47	2,000,000	2,242,440
California Health Facilities Financing Authority, Revenue (City of Hope)	5.00	11/15/24	1,600,000	1,801,088
California Health Facilities Financing Authority, Revenue (Lucie Salter Packard Children's Hospital at Sanford)	5.00	7/1/37	590,000 <sup>d</sup>	660,723

STATEMENT OF INVESTMENTS (continued)

Description	Coupon Rate (%)	Maturity Date	Principal Amount (\$)	Value (\$)
<b>Long-Term Municipal Investments - 100.6% (continued)</b>				
<b>California - 99.9% (continued)</b>				
California Health Facilities Financing Authority, Revenue (Lucie Salter Packard Children's Hospital at Sanford)	5.00	7/1/47	875,000 <sup>d</sup>	971,959
California Health Facilities Financing Authority, Revenue (Providence Health and Services)	5.00	10/1/30	3,500,000	4,015,480
California Health Facilities Financing Authority, Revenue (Providence Health and Services)	5.00	10/1/31	4,430,000	5,085,241
California Health Facilities Financing Authority, Revenue (Rady Children's Hospital - San Diego)	5.25	8/15/41	8,500,000	9,129,595
California Health Facilities Financing Authority, Revenue (Saint Joseph Health System)	5.00	7/1/37	7,500,000	8,380,725
California Health Facilities Financing Authority, Revenue (Scripps Health)	5.00	11/15/36	7,525,000	7,888,382
California Health Facilities Financing Authority, Revenue (Stanford Hospital and Clinics)	5.00	8/15/42	1,000,000	1,102,770
California Health Facilities Financing Authority, Revenue (Sutter Health)	5.00	11/15/30	750,000	872,805
California Health Facilities Financing Authority, Revenue (Sutter Health)	5.25	8/15/31	3,500,000	3,868,830
California Health Facilities Financing Authority, Revenue (Sutter Health)	5.00	11/15/31	1,150,000	1,335,760
California Health Facilities Financing Authority, Revenue (Sutter Health)	5.00	8/15/43	2,000,000	2,265,420
California Health Facilities Financing Authority, Revenue (Sutter Health)	5.00	11/15/46	12,275,000	14,094,646
California Health Facilities Financing Authority, Revenue (Sutter Health)	5.00	11/15/48	3,000,000	3,476,970
California Health Facilities Financing Authority, Revenue, Refunding (Stanford Health Care)	5.00	11/15/37	3,360,000	3,945,446

Description	Coupon Rate (%)	Maturity Date	Principal Amount (\$)	Value (\$)
<b>Long-Term Municipal Investments - 100.6% (continued)</b>				
<b>California - 99.9% (continued)</b>				
California Infrastructure and Economic Development Bank, Revenue (Academy of Motion Pictures Arts and Sciences Obligated Group)	5.00	11/1/41	2,250,000	2,519,550
California Municipal Finance Authority, Charter School Revenue (The Palmdale Aerospace Academy Project)	5.00	7/1/41	1,750,000 <sup>d</sup>	1,809,833
California Municipal Finance Authority, Charter School Revenue (The Palmdale Aerospace Academy Project)	5.00	7/1/46	1,670,000 <sup>d</sup>	1,721,386
California Municipal Finance Authority, Revenue (Biola University)	5.00	10/1/39	1,000,000	1,146,700
California Municipal Finance Authority, Revenue (California Baptist University)	5.00	11/1/46	2,500,000 <sup>d</sup>	2,680,625
California Municipal Finance Authority, Revenue (Channing House Project)	5.00	5/15/47	2,500,000	2,848,675
California Municipal Finance Authority, Revenue (Community Medical Centers)	5.00	2/1/36	1,000,000	1,116,710
California Municipal Finance Authority, Revenue (Community Medical Centers)	5.00	2/1/37	1,000,000	1,114,330
California Municipal Finance Authority, Revenue (Eisenhower Medical Center)	5.00	7/1/36	1,100,000	1,233,672
California Municipal Finance Authority, Revenue (Eisenhower Medical Center)	5.00	7/1/37	1,000,000	1,119,040
California Municipal Finance Authority, Revenue (Eisenhower Medical Center)	5.00	7/1/42	3,500,000	3,896,445
California Municipal Finance Authority, Revenue (Eisenhower Medical Center)	5.00	7/1/42	2,500,000	2,783,175
California Municipal Finance Authority, Student Housing Revenue (Bowles Hall Foundation)	5.00	6/1/50	1,500,000	1,625,895
California Pollution Control Financing Authority, Revenue (San Jose Water Company Project)	5.10	6/1/40	5,500,000	5,922,015
California Pollution Control Financing Authority, Water Facilities Revenue (American Water Capital Corporation Project)	5.25	8/1/40	7,500,000 <sup>d</sup>	8,007,225
California Public Finance Authority, Revenue (Henry Mayo Newhall Hospital)	5.00	10/15/47	3,000,000	3,242,340
California Public Finance Authority, Revenue, Refunding (Sharp Healthcare)	5.00	8/1/47	4,000,000	4,568,960
California Public Finance Authority, University Housing Revenue (NCCD-C Claremont Properties LLC-Claremont Colleges Project)	5.00	7/1/47	1,000,000 <sup>d</sup>	1,067,600

STATEMENT OF INVESTMENTS (continued)

Description	Coupon Rate (%)	Maturity Date	Principal Amount (\$)	Value (\$)
<b>Long-Term Municipal Investments - 100.6% (continued)</b>				
<b>California - 99.9% (continued)</b>				
California Public Works Board, Lease Revenue, Ser. A (Department of Corrections and Rehabilitation)	5.00	5/1/28	3,755,000	4,592,778
California School Finance Authority, Charter School Revenue (Aspire Public Schools - Obligated Group)	5.00	8/1/41	1,750,000 <sup>d</sup>	1,892,975
California School Finance Authority, School Facility Revenue (Alliance for College-Ready Public Schools Projects)	5.00	7/1/45	3,500,000 <sup>d</sup>	3,789,905
California State Public Works Board, LR (Department of Corrections and Rehabilitation) (Various Correctional Facilities)	5.00	9/1/26	5,000,000	5,818,500
California State Public Works Board, LR (Judicial Council of California) (Various Judicial Council Projects)	5.00	12/1/31	10,000,000	10,960,800
California State University Trustees, Systemwide Revenue	5.00	11/1/27	85,000	85,227
California Statewide Communities Development Authority, Revenue (American Baptist Homes of the West)	5.00	10/1/45	3,550,000	3,891,297
California Statewide Communities Development Authority, Revenue (Baptist University)	5.00	11/1/32	1,855,000 <sup>d</sup>	2,048,180
California Statewide Communities Development Authority, Revenue (Baptist University)	5.00	11/1/41	700,000 <sup>d</sup>	758,401
California Statewide Communities Development Authority, Revenue (Buck Institute for Research on Aging) (Insured; Assured Guaranty Municipal Corp.)	5.00	11/15/34	2,390,000	2,681,676
California Statewide Communities Development Authority, Revenue (Cottage Health System Obligated Group)	5.25	11/1/30	3,750,000	4,017,675
California Statewide Communities Development Authority, Revenue (Cottage Health System Obligated Group)	5.00	11/1/40	11,940,000	12,578,790
California Statewide Communities Development Authority, Revenue (Cottage Health System Obligated Group)	5.00	11/1/43	4,000,000	4,443,440

Description	Coupon Rate (%)	Maturity Date	Principal Amount (\$)	Value (\$)
<b>Long-Term Municipal Investments - 100.6% (continued)</b>				
<b>California - 99.9% (continued)</b>				
California Statewide Communities Development Authority, Revenue (Henry Mayo Newhall Memorial Hospital) (Insured; Assured Guaranty Municipal Corp.)	5.25	10/1/43	2,100,000	2,344,650
California Statewide Communities Development Authority, Revenue (John Muir Health)	5.00	8/15/41	1,200,000	1,368,528
California Statewide Communities Development Authority, Revenue (Loma Linda University Medical Center)	5.00	12/1/36	5,250,000 <sup>d</sup>	5,676,930
California Statewide Communities Development Authority, Revenue (University of California, Irvine East Campus Apartments)	5.00	5/15/40	3,000,000	3,362,820
California Statewide Communities Development Authority, Revenue (Viamonte Senior Living Project)	3.00	7/1/25	3,700,000	3,756,943
California Statewide Communities Development Authority, Revenue, Refunding (Front Porch Communities & Services)	5.00	4/1/47	4,555,000	5,110,118
California Statewide Communities Development Authority, Student Housing Revenue (University of California Irvine Campus Apartments Phase IV)	5.00	5/15/42	4,000,000	4,529,680
Carlsbad Unified School District, GO	0/6.00	5/1/34	5,000,000 <sup>a</sup>	5,788,150
Escondido Union High School District, GO	0.00	8/1/46	3,000,000 <sup>c</sup>	979,890
Foothill/Eastern Transportation Corridor Agency, Senior Lien Toll Road Revenue (Insured; Assured Guaranty Municipal Corp.)	0.00	1/15/35	10,000,000 <sup>c</sup>	5,221,200
Fresno Joint Powers Financing Authority, Lease Revenue (Master Lease Project) (Insured; Assured Guaranty Municipal Corporation)	5.00	4/1/35	1,000,000	1,144,840
Fresno Joint Powers Financing Authority, Lease Revenue (Master Lease Project) (Insured; Assured Guaranty Municipal Corporation)	5.00	4/1/37	850,000	967,487

STATEMENT OF INVESTMENTS (continued)

Description	Coupon Rate (%)	Maturity Date	Principal Amount (\$)	Value (\$)
<b>Long-Term Municipal Investments - 100.6% (continued)</b>				
<b>California - 99.9% (continued)</b>				
Golden State Tobacco Securitization Corporation, Tobacco Settlement Asset-Backed Bonds	5.00	6/1/29	6,000,000	6,868,320
Golden State Tobacco Securitization Corporation, Tobacco Settlement Asset-Backed Bonds	5.00	6/1/33	19,575,000	19,672,875
Grossmont Union High School District, GO (Insured; Assured Guaranty Municipal Corp.)	0.00	8/1/22	4,605,000 <sup>c</sup>	4,206,253
Grossmont Union High School District, GO (Insured; Assured Guaranty Municipal Corp.)	0.00	8/1/23	4,850,000 <sup>c</sup>	4,303,744
Grossmont Union High School District, GO (Insured; Assured Guaranty Municipal Corp.)	0.00	8/1/26	3,265,000 <sup>c</sup>	2,589,798
Imperial Irrigation District, Electric System Revenue	5.00	11/1/37	2,500,000	2,878,100
Imperial Irrigation District, Electric System Revenue	5.00	11/1/38	1,800,000	2,070,864
Irvine Community Facilities District Number 2013-3 Improvement Area Number 1, Special Tax Revenue (Great Park)	5.00	9/1/44	2,500,000	2,699,775
Irvine Unified School District, Special Tax Revenue	5.00	9/1/42	1,000,000	1,116,680
Irvine Unified School District, Special Tax Revenue	5.00	9/1/42	1,000,000	1,119,190
Irvine Unified School District, Special Tax Revenue	5.00	9/1/42	400,000	446,672
Jurupa Public Financing Authority, Special Tax Revenue	5.00	9/1/42	3,420,000	3,820,995
Lancaster Redevelopment Agency, Successor Agency Tax Allocation (Comb Redevelopment Project Areas) (Insured; Assured Guaranty Municipal Corporation)	5.00	8/1/33	1,200,000	1,391,316
Lodi Public Financing Authority, Electric Revenue (Insured; Assured Guaranty Municipal Corporation)	5.00	9/1/30	1,275,000	1,549,304
Long Beach, Harbor Revenue	5.00	5/15/42	3,500,000	3,973,550
Los Angeles Community Facilities District Number 4, Special Tax Revenue (Playa Vista-Phase 1)	5.00	9/1/29	1,190,000	1,345,474



Description	Coupon Rate (%)	Maturity Date	Principal Amount (\$)	Value (\$)
<b>Long-Term Municipal Investments - 100.6% (continued)</b>				
<b>California - 99.9% (continued)</b>				
Los Angeles Community Facilities District Number 4, Special Tax Revenue (Playa Vista-Phase 1)	5.00	9/1/30	1,110,000	1,250,260
Los Angeles County Public Works Financing Authority, LR	5.00	12/1/45	4,000,000	4,559,080
Los Angeles County Regional Financing Authority, Revenue (MonteCedro Inc. Project)	5.00	11/15/44	2,000,000	2,202,100
Los Angeles Department of Airports, Senior Revenue (Los Angeles International Airport)	5.25	5/15/26	3,000,000	3,211,470
Los Angeles Department of Airports, Senior Revenue (Los Angeles International Airport)	5.00	5/15/29	3,915,000	4,162,154
Los Angeles Department of Airports, Senior Revenue (Los Angeles International Airport)	5.25	5/15/29	16,090,000	16,633,520
Los Angeles Department of Airports, Senior Revenue (Los Angeles International Airport)	5.00	5/15/35	25,000,000	26,543,500
Los Angeles Department of Airports, Senior Revenue (Los Angeles International Airport)	5.00	5/15/38	3,500,000	3,863,580
Los Angeles Department of Airports, Subordinate Revenue (Los Angeles International Airport)	5.00	5/15/38	4,500,000	5,084,640
Los Angeles Harbor Department, Revenue	5.25	8/1/25	10,000,000	10,404,100
Los Angeles Harbor Department, Revenue	4.00	8/1/39	10,000,000	10,540,700
Los Angeles Harbor Department, Revenue	5.00	8/1/39	2,050,000	2,307,111
Los Angeles Unified School District, GO	5.00	7/1/28	2,000,000	2,405,640
Metropolitan Water District of Southern California, Water Revenue	5.00	10/1/34	5,000,000	5,520,400
Metropolitan Water District of Southern California, Water Revenue	5.00	7/1/40	2,000,000	2,311,120
North Natomas Community Facilities District Number 4, Special Tax Bonds	5.25	9/1/26	2,760,000	3,146,621

STATEMENT OF INVESTMENTS (continued)

Description	Coupon Rate (%)	Maturity Date	Principal Amount (\$)	Value (\$)
<b>Long-Term Municipal Investments - 100.6% (continued)</b>				
<b>California - 99.9% (continued)</b>				
Northern California Power Agency, Revenue (Hydroelectric Project Number 1) (Insured; AMBAC) (Prerefunded)	7.50	7/1/21	340,000 <sup>b</sup>	377,862
Northern California Transmission Agency, Revenue (California-Oregon Transmission Project)	5.00	5/1/38	1,565,000	1,794,539
Northern California Transmission Agency, Revenue (California-Oregon Transmission Project)	5.00	5/1/39	1,500,000	1,717,725
Norwalk-La Mirada Unified School District, GO (Insured; Assured Guaranty Corp.)	0.00	8/1/38	5,645,000 <sup>c</sup>	2,496,163
Oakland Redevelopment Successor Agency, Subordinated Tax Allocation Revenue (Insured; Assured Guaranty Municipal Corp.)	5.00	9/1/36	3,000,000	3,383,640
Oakland Unified School District, GO	5.00	8/1/40	3,500,000	3,979,185
Orange County Community Facilities District, Special Tax Revenue (Escencia Village Improvement Area #1)	5.00	8/15/42	3,000,000	3,366,570
Orange County Community Facilities District, Special Tax Revenue (Escencia Village Improvement Area #1)	5.00	8/15/47	1,000,000	1,117,650
Orange County Community Facilities District Number 2016-1, Special Tax Revenue (Village of Esencia)	5.00	8/15/41	6,000,000	6,613,740
Palomar Community College District, GO	0/6.38	8/1/45	16,615,000 <sup>a</sup>	13,309,944
Palomar Health, Revenue	5.00	11/1/26	1,845,000	2,088,079
Palomar Health, Revenue, Refunding (Palomar Health and Arch Health Partners)	5.00	11/1/42	5,000,000	5,421,300
Peralta Community College District, GO (Dedicated Unlimited Ad Valorem Property Tax Bonds)	4.00	8/1/39	5,000,000	5,270,300
Pomona Redevelopment Agency, Tax Allocation Revenue (West Holt Avenue Redevelopment Project)	5.50	5/1/32	3,000,000	3,704,250

Description	Coupon Rate (%)	Maturity Date	Principal Amount (\$)	Value (\$)
<b>Long-Term Municipal Investments - 100.6% (continued)</b>				
<b>California - 99.9% (continued)</b>				
Pomona Unified School District, GO (Insured; Build America Mutual Assurance Company)	5.00	8/1/39	2,000,000	2,237,640
Sacramento County, Airport System Revenue, Refunding, Ser. B	5.00	7/1/35	1,000,000	1,187,120
Sacramento County, Airport System Revenue, Refunding, Ser. B	5.00	7/1/36	1,375,000	1,629,636
Sacramento County, Airport System Senior Revenue	5.00	7/1/41	3,250,000	3,733,080
Sacramento County Sanitation Districts Financing Authority, Revenue (Sacramento Regional County Sanitation District)	5.00	12/1/26	7,000,000	7,742,210
Sacramento County Water Financing Authority, Revenue (Sacramento County Water Agency Zones 40 and 41 Water System Project) (Insured; National Public Finance Guarantee Corp.)	5.00	6/1/25	5,000,000	5,120,750
Sacramento Municipal Utility District, Electric Revenue	5.00	8/15/28	1,845,000	2,020,349
San Diego Association of Governments, South Bay Expressway Toll Revenue, Refunding	5.00	7/1/38	2,000,000	2,334,700
San Diego Association of Governments, South Bay Expressway Toll Revenue, Refunding	5.00	7/1/42	6,000,000	6,967,740
San Diego County Regional Airport Authority, Revenue, Refunding	5.00	7/1/42	3,000,000	3,478,680
San Diego County Regional Airport Authority, Subordinate Airport Revenue	5.00	7/1/34	3,000,000	3,180,720
San Diego County Regional Transportation Commission, Sales Tax Revenue	5.00	4/1/44	10,000,000	11,289,200
San Francisco City and County Airport Commission, Revenue, Refunding	5.00	5/1/47	10,000,000	11,620,900
San Francisco City and County Airport Commission, Second Series Revenue (San Francisco International Airport)	5.00	5/1/28	2,000,000	2,215,700
San Francisco City and County Airport Commission, Second Series Revenue (San Francisco International Airport)	5.00	5/1/29	1,000,000	1,173,660

STATEMENT OF INVESTMENTS (continued)

Description	Coupon Rate (%)	Maturity Date	Principal Amount (\$)	Value (\$)
<b>Long-Term Municipal Investments - 100.6% (continued)</b>				
<b>California - 99.9% (continued)</b>				
San Francisco City and County Airport Commission, Second Series Revenue (San Francisco International Airport)	5.00	5/1/29	2,000,000	2,214,920
San Francisco City and County Airport Commission, Second Series Revenue (San Francisco International Airport)	5.00	5/1/32	1,000,000	1,166,650
San Francisco City and County Public Utilities Commission, San Francisco Water Revenue	5.00	11/1/37	10,000,000	11,058,700
San Francisco City and County Redevelopment Agency Community Facilities District Number 6, Special Tax Revenue (Mission Bay South Public Improvements)	0.00	8/1/21	500,000 <sup>c</sup>	419,360
San Joaquin Hills Transportation Corridor Agency, Senior Lien Toll Road Revenue	5.00	1/15/50	5,000,000	5,436,150
San Jose Airport, Revenue	5.00	3/1/42	2,550,000	2,945,862
Santa Margarita Water District Community Facilities District Number 2013-1, Special Tax Revenue (Village of Sendero)	5.63	9/1/43	7,000,000	7,650,230
Santa Margarita Water District Community Facilities District Number 99-1, Special Tax Revenue (Talega)	5.00	9/1/27	1,945,000	2,186,024
South Orange County Public Financing Authority, Special Tax Senior Lien Revenue (Ladera Ranch)	5.00	8/15/29	1,500,000	1,637,820
South Orange County Public Financing Authority, Special Tax Senior Lien Revenue (Ladera Ranch)	5.00	8/15/30	1,000,000	1,090,260
Southern California Public Power Authority, Revenue (Linden Wind Energy Project)	5.00	7/1/28	3,145,000	3,349,016
Southern California Public Power Authority, Revenue (Linden Wind Energy Project)	5.00	7/1/29	2,230,000	2,371,850
Southern California Public Power Authority, Revenue (Milford Wind Corridor Phase I Project)	5.00	7/1/29	11,865,000	12,444,249

Description	Coupon Rate (%)	Maturity Date	Principal Amount (\$)	Value (\$)
<b>Long-Term Municipal Investments - 100.6% (continued)</b>				
<b>California - 99.9% (continued)</b>				
Southern California Public Power Authority, Revenue (Windy Point/Windy Flats Project)	5.00	7/1/27	13,765,000	14,672,526
Stockton Unified School District, GO (Insured; Assured Guaranty Municipal Corp.)	5.00	7/1/25	1,620,000	1,804,550
Stockton Unified School District, GO (Insured; Assured Guaranty Municipal Corp.)	5.00	7/1/26	1,115,000	1,240,638
Stockton Unified School District, GO (Insured; Assured Guaranty Municipal Corp.)	5.00	8/1/38	2,500,000	2,792,550
Successor Agency to the Redevelopment Agency of the City and County of San Francisco, Tax Allocation Revenue (Mission Bay North Redevelopment Project)	5.00	8/1/36	1,555,000	1,783,367
Successor Agency to the Redevelopment Agency of the City and County of San Francisco, Tax Allocation Revenue (Mission Bay South Redevelopment Project) (Insured; National Public Finance Guarantee Corp.)	5.00	8/1/41	1,750,000	1,993,408
Successor Agency to the Redevelopment Agency of the City and County of San Francisco, Tax Allocation Revenue (Mission Bay South Redevelopment Project) (Insured; National Public Finance Guarantee Corp.)	5.00	8/1/43	1,100,000	1,248,742
Successor Agency to the Redevelopment Agency of the City of Pittsburg, Subordinate Tax Allocation Revenue (Los Medanos Community Development Project) (Insured; Assured Guaranty Municipal Corp.)	5.00	9/1/28	3,000,000	3,504,270
Tender Option Bond Trust Receipts (Series 2016-XM0375), 6/1/39, (Riverside County Transportation Commission, Sales Tax Revenue) Non-recourse	5.25	6/1/21	7,500,000 <sup>d,e</sup>	8,724,712
Tender Option Bond Trust Receipts (Series 2016-XM0379), 7/1/43, (Los Angeles Department of Water and Power, Water System Revenue) Non-recourse	5.00	7/1/20	12,000,000 <sup>d,e</sup>	13,134,840

STATEMENT OF INVESTMENTS (continued)

Description	Coupon Rate (%)	Maturity Date	Principal Amount (\$)	Value (\$)
<b>Long-Term Municipal Investments - 100.6% (continued)</b>				
<b>California - 99.9% (continued)</b>				
Tobacco Securitization Authority, North Tobacco Settlement Revenue (Capital Appreciation-2nd Sub-Asset Backed C)	0.00	6/1/45	66,760,000 <sup>c</sup>	7,224,767
Tobacco Securitization Authority of Southern California, Tobacco Settlement Asset-Backed Bonds (San Diego County Tobacco Asset Securitization Corporation)	4.75	6/1/25	840,000	841,588
Tobacco Securitization Authority of Southern California, Tobacco Settlement Asset-Backed Bonds (San Diego County Tobacco Asset Securitization Corporation)	5.13	6/1/46	8,850,000	8,869,470
Torrance, Revenue (Torrance Memorial Medical Center)	5.00	9/1/40	3,000,000	3,142,320
Turlock Irrigation District, First Priority Subordinated Revenue	5.00	1/1/36	4,415,000	5,110,716
Turlock Irrigation District, Revenue	5.00	1/1/26	25,000	26,261
University of California, Systemwide Revenue	5.00	11/1/38	5,000,000	5,896,350
University of California Regents, General Revenue	5.25	5/15/30	3,000,000	3,512,910
University of California Regents, Limited Project Revenue	5.00	5/15/42	10,000,000	10,945,800
University of California Regents, Medical Center Pooled Revenue	5.00	5/15/43	10,000,000	11,102,400
University of California Regents, Medical Center Pooled Revenue	4.00	5/15/44	3,000,000	3,107,460
Upland, COP, Refunding (San Antonio Regional Hospital)	5.00	1/1/47	3,000,000	3,332,400
Walnut Energy Center Authority, Revenue	5.00	1/1/27	3,150,000	3,654,756
Wisburn School District, GO	0.00	8/1/37	6,400,000 <sup>c</sup>	3,135,040
				<b>917,260,617</b>

Description	Coupon Rate (%)	Maturity Date	Principal Amount (\$)	Value (\$)
<b>Long-Term Municipal Investments - 100.6% (continued)</b>				
<b>U.S. Related - .7%</b>				
Puerto Rico Highway and Transportation Authority, Highway Revenue (Insured; Assured Guaranty Municipal Corporation)	5.25	7/1/34	5,905,000	<b>6,566,006</b>
<b>Total Investments</b> (cost \$883,453,188)			<b>100.6%</b>	<b>923,826,623</b>
<b>Liabilities, Less Cash and Receivables</b>			<b>(0.6%)</b>	<b>(5,345,058)</b>
<b>Net Assets</b>			<b>100.0%</b>	<b>918,481,565</b>

<sup>a</sup> Zero coupon until a specified date at which time the stated coupon rate becomes effective until maturity.

<sup>b</sup> 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.

<sup>c</sup> Security issued with a zero coupon. Income is recognized through the accretion of discount.

<sup>d</sup> 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 May 31, 2018, these securities were valued at \$52,945,294 or 5.76% of net assets.

<sup>e</sup> Collateral for floating rate borrowings.

Portfolio Summary (Unaudited) †	Value (%)
Health Care	20.5
Transportation Services	16.4
State/Territory	13.4
Education	12.0
Utility-Water and Sewer	10.1
Special Tax	7.1
Utility-Electric	5.3
Lease	3.0
Asset-Backed	2.2
City	1.8
Prerefunded	1.7
Industrial	.6
Housing	.4
Other	6.1
	<b>100.6</b>

† Based on net assets.

See notes to financial statements.

## Summary of Abbreviations (Unaudited)

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

See notes to financial statements.



# STATEMENT OF ASSETS AND LIABILITIES

May 31, 2018

	Cost	Value			
<b>Assets (\$):</b>					
Investments in securities—See Statement of Investments	883,453,188	923,826,623			
Cash		128,350			
Interest receivable		10,112,712			
Prepaid expenses		38,470			
		<b>934,106,155</b>			
<b>Liabilities (\$):</b>					
Due to The Dreyfus Corporation and affiliates—Note 3(c)		532,306			
Payable for floating rate notes issued—Note 4		12,750,000			
Payable for investment securities purchased		1,517,734			
Payable for shares of Common Stock redeemed		529,444			
Interest and expense payable related to floating rate notes issued—Note 4		140,072			
Accrued expenses		155,034			
		<b>15,624,590</b>			
<b>Net Assets (\$)</b>		<b>918,481,565</b>			
<b>Composition of Net Assets (\$):</b>					
Paid-in capital		874,488,400			
Accumulated net realized gain (loss) on investments		3,619,730			
Accumulated net unrealized appreciation (depreciation) on investments		40,373,435			
<b>Net Assets (\$)</b>		<b>918,481,565</b>			
<b>Net Asset Value Per Share</b>					
	Class A	Class C	Class I	Class Y	Class Z
Net Assets (\$)	78,495,429	10,039,547	51,659,556	3,149,276	775,137,757
Shares Outstanding	5,301,600	678,236	3,490,593	212,787	52,350,621
<b>Net Asset Value Per Share (\$)</b>	<b>14.81</b>	<b>14.80</b>	<b>14.80</b>	<b>14.80</b>	<b>14.81</b>

See notes to financial statements.

# STATEMENT OF OPERATIONS

Year Ended May 31, 2018

<b>Investment Income (\$):</b>	
<b>Interest Income</b>	<b>38,118,921</b>
<b>Expenses:</b>	
Management fee—Note 3(a)	5,693,592
Shareholder servicing costs—Note 3(c)	856,742
Interest and expense related to floating rate notes issued—Note 4	182,351
Distribution fees—Note 3(b)	101,474
Professional fees	95,978
Directors' fees and expenses—Note 3(d)	86,249
Registration fees	73,930
Loan commitment fees—Note 2	24,051
Prospectus and shareholders' reports	22,134
Custodian fees—Note 3(c)	20,889
Miscellaneous	74,054
<b>Total Expenses</b>	<b>7,231,444</b>
Less—reduction in fees due to earnings credits—Note 3(c)	(19,924)
<b>Net Expenses</b>	<b>7,211,520</b>
<b>Investment Income—Net</b>	<b>30,907,401</b>
<b>Realized and Unrealized Gain (Loss) on Investments—Note 4 (\$):</b>	
Net realized gain (loss) on investments	7,058,179
Net unrealized appreciation (depreciation) on investments	(26,811,898)
<b>Net Realized and Unrealized Gain (Loss) on Investments</b>	<b>(19,753,719)</b>
<b>Net Increase in Net Assets Resulting from Operations</b>	<b>11,153,682</b>

*See notes to financial statements.*

## STATEMENT OF CHANGES IN NET ASSETS

	Year Ended May 31,	
	2018	2017
<b>Operations (\$):</b>		
Investment income—net	30,907,401	33,704,112
Net realized gain (loss) on investments	7,058,179	19,171,034
Net unrealized appreciation (depreciation) on investments	(26,811,898)	(50,670,628)
<b>Net Increase (Decrease) in Net Assets Resulting from Operations</b>	<b>11,153,682</b>	<b>2,204,518</b>
<b>Distributions to Shareholders from (\$):</b>		
Investment income—net:		
Class A	(2,486,984)	(2,939,041)
Class C	(309,280)	(409,918)
Class I	(1,711,545)	(1,754,992)
Class Y	(114,945)	(119,421)
Class Z	(26,046,224)	(28,201,258)
Net realized gain on investments:		
Class A	(681,557)	(17,236)
Class C	(103,148)	(3,363)
Class I	(440,065)	(9,801)
Class Y	(27,989)	(574)
Class Z	(6,605,373)	(163,850)
<b>Total Distributions</b>	<b>(38,527,110)</b>	<b>(33,619,454)</b>
<b>Capital Stock Transactions (\$):</b>		
Net proceeds from shares sold:		
Class A	12,181,838	12,790,854
Class C	1,727,220	4,544,830
Class I	20,607,878	35,599,069
Class Y	175,000	797,000
Class Z	18,766,978	26,183,723
Distributions reinvested:		
Class A	2,443,808	2,135,182
Class C	331,985	312,310
Class I	1,999,517	1,381,412
Class Y	17,662	11,504
Class Z	25,442,017	21,486,607
Cost of shares redeemed:		
Class A	(16,113,089)	(36,487,533)
Class C	(7,729,082)	(4,490,443)
Class I	(19,317,573)	(34,134,128)
Class Y	(487,468)	(968,200)
Class Z	(70,752,300)	(71,349,353)
<b>Increase (Decrease) in Net Assets from Capital Stock Transactions</b>	<b>(30,705,609)</b>	<b>(42,187,166)</b>
<b>Total Increase (Decrease) in Net Assets</b>	<b>(58,079,037)</b>	<b>(73,602,102)</b>
<b>Net Assets (\$):</b>		
Beginning of Period	976,560,602	1,050,162,704
<b>End of Period</b>	<b>918,481,565</b>	<b>976,560,602</b>

STATEMENT OF CHANGES IN NET ASSETS (continued)

	Year Ended May 31,	
	2018	2017
<b>Capital Share Transactions (Shares):</b>		
<b>Class A<sup>a</sup></b>		
Shares sold	807,236	829,507
Shares issued for distributions reinvested	162,887	139,730
Shares redeemed	(1,073,896)	(2,415,913)
<b>Net Increase (Decrease) in Shares Outstanding</b>	<b>(103,773)</b>	<b>(1,446,676)</b>
<b>Class C<sup>a</sup></b>		
Shares sold	114,432	292,030
Shares issued for distributions reinvested	22,109	20,480
Shares redeemed	(514,173)	(298,845)
<b>Net Increase (Decrease) in Shares Outstanding</b>	<b>(377,632)</b>	<b>13,665</b>
<b>Class I</b>		
Shares sold	1,371,001	2,323,945
Shares issued for distributions reinvested	133,368	90,718
Shares redeemed	(1,289,606)	(2,252,345)
<b>Net Increase (Decrease) in Shares Outstanding</b>	<b>214,763</b>	<b>162,318</b>
<b>Class Y</b>		
Shares sold	11,468	53,093
Shares issued for distributions reinvested	1,177	754
Shares redeemed	(32,515)	(64,702)
<b>Net Increase (Decrease) in Shares Outstanding</b>	<b>(19,870)</b>	<b>(10,855)</b>
<b>Class Z</b>		
Shares sold	1,247,214	1,713,903
Shares issued for distributions reinvested	1,695,436	1,407,833
Shares redeemed	(4,707,171)	(4,692,813)
<b>Net Increase (Decrease) in Shares Outstanding</b>	<b>(1,764,521)</b>	<b>(1,571,077)</b>

<sup>a</sup> During the period ended May 31, 2018, 2,755 Class C shares representing \$41,434 were automatically converted for 2,755 Class A shares.

See notes to financial statements.

## FINANCIAL HIGHLIGHTS

The following tables describe the performance for each share class for the fiscal periods indicated. All information (except portfolio turnover rate) reflects financial results for a single fund share. 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.

Class A Shares	Year Ended May 31,				
	2018	2017	2016	2015	2014
<b>Per Share Data (\$):</b>					
Net asset value, beginning of period	15.24	15.69	15.22	15.20	15.35
Investment Operations:					
Investment income—net <sup>a</sup>	.46	.48	.51	.52	.54
Net realized and unrealized gain (loss) on investments	(.30)	(.45)	.47	.01	(.16)
Total from Investment Operations	.16	.03	.98	.53	.38
Distributions:					
Dividends from investment income—net	(.46)	(.48)	(.51)	(.51)	(.53)
Dividends from net realized gain on investments	(.13)	(.00) <sup>b</sup>	—	—	—
Total Distributions	(.59)	(.48)	(.51)	(.51)	(.53)
Net asset value, end of period	14.81	15.24	15.69	15.22	15.20
<b>Total Return (%)<sup>c</sup></b>	<b>1.03</b>	<b>.25</b>	<b>6.54</b>	<b>3.54</b>	<b>2.71</b>
<b>Ratios/Supplemental Data (%):</b>					
Ratio of total expenses to average net assets	.95	.94	.93	.93	.93
Ratio of net expenses to average net assets	.94	.94	.93	.93	.93
Ratio of interest and expense related to floating rate notes issued to average net assets	.02	.01	.01	.01	.01
Ratio of net investment income to average net assets	3.07	3.15	3.29	3.38	3.68
Portfolio Turnover Rate	14.26	21.23	11.03	9.33	13.90
Net Assets, end of period (\$ x 1,000)	78,495	82,369	107,497	90,386	89,525

<sup>a</sup> Based on average shares outstanding.

<sup>b</sup> Amount represents less than \$.01 per share.

<sup>c</sup> Exclusive of sales charge.

See notes to financial statements.

FINANCIAL HIGHLIGHTS (continued)

Class C Shares	Year Ended May 31,				
	2018	2017	2016	2015	2014
<b>Per Share Data (\$):</b>					
Net asset value, beginning of period	15.24	15.69	15.21	15.19	15.34
Investment Operations:					
Investment income—net <sup>a</sup>	.35	.37	.38	.40	.43
Net realized and unrealized gain (loss) on investments	(.32)	(.46)	.49	.02	(.16)
Total from Investment Operations	.03	(.09)	.87	.42	.27
Distributions:					
Dividends from investment income—net	(.34)	(.36)	(.39)	(.40)	(.42)
Dividends from net realized gain on investments	(.13)	(.00) <sup>b</sup>	–	–	–
Total Distributions	(.47)	(.36)	(.39)	(.40)	(.42)
Net asset value, end of period	14.80	15.24	15.69	15.21	15.19
<b>Total Return (%)<sup>c</sup></b>	.19	(.52)	5.79	2.76	1.92
<b>Ratios/Supplemental Data (%):</b>					
Ratio of total expenses to average net assets	1.70	1.70	1.70	1.69	1.70
Ratio of net expenses to average net assets	1.70	1.70	1.70	1.69	1.70
Ratio of interest and expense related to floating rate notes issued to average net assets	.02	.01	.01	.01	.01
Ratio of net investment income to average net assets	2.31	2.39	2.50	2.62	2.92
Portfolio Turnover Rate	14.26	21.23	11.03	9.33	13.90
Net Assets, end of period (\$ x 1,000)	10,040	16,087	16,347	9,427	9,251

<sup>a</sup> Based on average shares outstanding.

<sup>b</sup> Amount represents less than \$.01 per share.

<sup>c</sup> Exclusive of sales charge.

See notes to financial statements.

Class I Shares	Year Ended May 31,				
	2018	2017	2016	2015	2014
<b>Per Share Data (\$):</b>					
Net asset value, beginning of period	15.23	15.68	15.21	15.19	15.34
Investment Operations:					
Investment income—net <sup>a</sup>	.50	.52	.53	.55	.57
Net realized and unrealized gain (loss) on investments	(.30)	(.45)	.49	.02	(.15)
Total from Investment Operations	.20	.07	1.02	.57	.42
Distributions:					
Dividends from investment income—net	(.50)	(.52)	(.55)	(.55)	(.57)
Dividends from net realized gain on investments	(.13)	(.00) <sup>b</sup>	–	–	–
Total Distributions	(.63)	(.52)	(.55)	(.55)	(.57)
Net asset value, end of period	14.80	15.23	15.68	15.21	15.19
<b>Total Return (%)</b>	1.28	.49	6.80	3.79	2.96
<b>Ratios/Supplemental Data (%):</b>					
Ratio of total expenses to average net assets	.70	.69	.69	.68	.68
Ratio of net expenses to average net assets	.70	.69	.69	.68	.68
Ratio of interest and expense related to floating rate notes issued to average net assets	.02	.01	.01	.01	.01
Ratio of net investment income to average net assets	3.32	3.39	3.51	3.63	3.93
Portfolio Turnover Rate	14.26	21.23	11.03	9.33	13.90
Net Assets, end of period (\$ x 1,000)	51,660	49,897	48,827	20,289	19,350

<sup>a</sup> Based on average shares outstanding.

<sup>b</sup> Amount represents less than \$.01 per share.

See notes to financial statements.

FINANCIAL HIGHLIGHTS (continued)

Class Y Shares	Year Ended May 31,				
	2018	2017	2016	2015	2014 <sup>a</sup>
<b>Per Share Data (\$):</b>					
Net asset value, beginning of period	15.23	15.68	15.21	15.19	14.72
Investment Operations:					
Investment income—net <sup>b</sup>	.50	.53	.55	.60	.53
Net realized and unrealized gain (loss) on investments	(.30)	(.46)	.47	(.03)	.46
Total from Investment Operations	.20	.07	1.02	.57	.99
Distributions:					
Dividends from investment income—net	(.50)	(.52)	(.55)	(.55)	(.52)
Dividends from net realized gain on investments	(.13)	(.00) <sup>c</sup>	—	—	—
Total Distributions	(.63)	(.52)	(.55)	(.55)	(.52)
Net asset value, end of period	14.80	15.23	15.68	15.21	15.19
<b>Total Return (%)</b>	1.31	.52	6.83	3.79	6.95 <sup>d</sup>
<b>Ratios/Supplemental Data (%):</b>					
Ratio of total expenses to average net assets	.67	.67	.65	.67	.63 <sup>e</sup>
Ratio of net expenses to average net assets	.67	.67	.65	.67	.63 <sup>e</sup>
Ratio of interest and expense related to floating rate notes issued to average net assets	.02	.01	.01	.01	.01 <sup>e</sup>
Ratio of net investment income to average net assets	3.35	3.43	3.57	3.63	3.97 <sup>e</sup>
Portfolio Turnover Rate	14.26	21.23	11.03	9.33	13.90
Net Assets, end of period (\$ x 1,000)	3,149	3,544	3,819	3,841	1

<sup>a</sup> From July 1, 2013 (commencement of initial offering) to May 31, 2014.

<sup>b</sup> Based on average shares outstanding.

<sup>c</sup> Amount represents less than \$.01 per share.

<sup>d</sup> Not annualized.

<sup>e</sup> Annualized.

See notes to financial statements.



Class Z Shares	Year Ended May 31,				
	2018	2017	2016	2015	2014
<b>Per Share Data (\$):</b>					
Net asset value, beginning of period	15.24	15.69	15.22	15.20	15.35
Investment Operations:					
Investment income—net <sup>a</sup>	.49	.52	.54	.55	.57
Net realized and unrealized gain (loss) on investments	(.30)	(.46)	.47	.02	(.16)
Total from Investment Operations	.19	.06	1.01	.57	.41
Distributions:					
Dividends from investment income—net	(.49)	(.51)	(.54)	(.55)	(.56)
Dividends from net realized gain on investments	(.13)	(.00) <sup>b</sup>	–	–	–
Total Distributions	(.62)	(.51)	(.54)	(.55)	(.56)
Net asset value, end of period	14.81	15.24	15.69	15.22	15.20
<b>Total Return (%)</b>	1.24	.47	6.76	3.76	2.92
<b>Ratios/Supplemental Data (%):</b>					
Ratio of total expenses to average net assets	.73	.72	.72	.72	.72
Ratio of net expenses to average net assets	.73	.72	.72	.72	.72
Ratio of interest and expense related to floating rate notes issued to average net assets	.02	.01	.01	.01	.01
Ratio of net investment income to average net assets	3.29	3.38	3.50	3.59	3.89
Portfolio Turnover Rate	14.26	21.23	11.03	9.33	13.90
Net Assets, end of period (\$ x 1,000)	775,138	824,664	873,673	881,000	920,175

<sup>a</sup> Based on average shares outstanding.

<sup>b</sup> Amount represents less than \$.01 per share.

See notes to financial statements

## NOTES TO FINANCIAL STATEMENTS

### **NOTE 1—Significant Accounting Policies:**

Dreyfus California AMT-Free Municipal Bond Fund (the “fund”) is the sole series of Dreyfus Premier California AMT-Free Municipal Bond Fund Inc. (the “Company”), which is registered under the Investment Company Act of 1940, as amended (the “Act”), as a non-diversified open-end management investment company. The fund’s investment objective is to seek as high a level of current income exempt from federal and California state income taxes, as is 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.

MBSC Securities Corporation (the “Distributor”), a wholly-owned subsidiary of Dreyfus, is the distributor of the fund’s shares. The fund is authorized to issue 700 million shares of \$.001 par value Common Stock. The fund currently has authorized five classes of shares: Class A (100 million shares authorized), Class C (100 million shares authorized), Class I (100 million shares authorized), Class T (100 million shares authorized), Class Y (100 million shares authorized) and Class Z (200 million shares authorized). Class A and Class T shares generally are subject to a sales charge imposed at the time of purchase. Class C shares are subject to a contingent deferred sales charge (“CDSC”) imposed on Class C shares redeemed within one year of purchase. Class C shares automatically convert to Class A shares ten years after the date of purchase, without the imposition of a sales charge. Class I and Class Y shares are sold at net asset value per share generally to institutional investors. Class Z shares are sold at net asset value per share to certain shareholders of the fund. Class Z shares generally are not available for new accounts. As of the date of this report, the fund did not offer Class T shares for purchase. Other differences between the classes include the services offered to and the expenses borne by each class, the allocation of certain transfer agency costs, and certain voting rights. Income, expenses (other than expenses attributable to a specific class), and realized and unrealized gains or losses on investments are allocated to each class of shares based on its relative net assets.

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 Company 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 Company's Board of Directors (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 May 31, 2018 in valuing the fund's investments:

	Level 1 - Unadjusted Quoted Prices	Level 2 - Other Significant Observable Inputs	Level 3 - Significant Unobservabl e Inputs	Total
<b>Assets (\$)</b>				
Investments in Securities:				
Municipal Bonds <sup>†</sup>	-	923,826,623	-	<b>923,826,623</b>
<b>Liabilities (\$)</b>				
Floating Rate Notes <sup>††</sup>	-	(12,750,000)	-	<b>(12,750,000)</b>

<sup>†</sup> See *Statement of Investments* for additional detailed categorizations.

<sup>††</sup> Certain of the fund's liabilities are held at carrying amount, which approximates fair value for financial reporting purposes.

At May 31, 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.

The fund follows an investment policy of investing primarily in municipal obligations of one state. Economic changes affecting the state and certain of its public bodies and municipalities may affect the ability of issuers within the state to pay interest on, or repay principal of, municipal obligations held by the fund.

**(c) Dividends and distributions to shareholders:** It is the policy of the fund to declare dividends daily from investment income-net. Such dividends are 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.

**(d) 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 May 31, 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 May 31, 2018, the fund did not incur any interest or penalties.

Each tax year in the four-year period ended May 31, 2018 remains subject to examination by the Internal Revenue Service and state taxing authorities.

At May 31, 2018, the components of accumulated earnings on a tax basis were as follows: undistributed tax-exempt income \$1,183,479, undistributed ordinary income \$117,795, undistributed capital gains \$3,159,776 and unrealized appreciation \$40,715,594.

The tax character of distributions paid to shareholders during the fiscal periods ended May 31, 2018 and May 31, 2017 were as follows: tax-exempt income \$30,668,978 and \$33,424,630, ordinary income \$539,742 and \$194,824, and long-term capital gains \$7,318,390 and \$0, respectively.

During the period ended May 31, 2018, as a result of permanent book to tax differences, primarily due to the tax treatment for amortization adjustments, the fund decreased accumulated undistributed investment income-net by \$238,423, increased accumulated net realized gain (loss) on investments by \$215,393 and increased paid-in capital by \$23,030. Net assets and net asset value per share were not affected by this reclassification.

**NOTE 2—Bank Lines of Credit:**

The fund participates with other Dreyfus-managed funds in an \$830 million unsecured credit facility led by Citibank, N.A. and a \$300 million unsecured credit facility provided by The Bank of New York Mellon, a subsidiary of BNY Mellon and an affiliate of Dreyfus (each, a “Facility”), each to be utilized primarily for temporary or emergency purposes, including the financing of redemptions. Prior to October 4, 2017, the unsecured credit facility with Citibank, N.A. was \$810 million. In connection therewith, the fund has agreed to pay its pro rata portion of commitment fees for each Facility. Interest is charged to the fund based on rates determined pursuant to the terms of the respective Facility at the time of borrowing. During the period ended May 31, 2018, the fund did not borrow under the Facilities.

**NOTE 3—Management Fee and Other Transactions with Affiliates:**

(a) Pursuant to a management agreement (the “Agreement”) with Dreyfus, the management fee is computed at the annual rate of .60% of the value of the fund’s average daily net assets and is payable monthly. The Agreement provides that if in any fiscal year the aggregate expenses allocable to Class Z shares (excluding taxes, brokerage commissions, interest expense and extraordinary expenses) exceed 1½% of the value of the average daily net assets of Class Z shares, the fund may deduct from the fees paid to Dreyfus, or Dreyfus will bear, such excess expense. During the period ended May 31, 2018, there was no reduction in expenses pursuant to the Agreement.

During the period ended May 31, 2018, the Distributor retained \$4,279 from commissions earned on sales of the fund’s Class A shares and \$3 from CDSC fees on redemptions of the fund’s Class C shares.

(b) Under the Distribution Plan adopted pursuant to Rule 12b-1 under the Act, Class C shares pay the Distributor for distributing its shares at an annual rate of .75% of the value of its average daily net assets. During the period ended May 31, 2018, Class C shares were charged \$101,474 pursuant to the Distribution Plan.

(c) Under the Shareholder Services Plan, Class A and Class C shares pay the Distributor at an annual rate of .25% of the value of their average daily net assets for the provision of certain services. The services provided may include personal services relating to shareholder accounts, such as answering shareholder inquiries regarding the fund and providing reports and other information, and services related to the maintenance of shareholder accounts. The Distributor may make payments to Service Agents (securities dealers, financial institutions or other industry professionals) with respect to these services. The Distributor determines the amounts to be paid to Service Agents. During the period ended May 31, 2018, Class A and Class C shares were charged \$203,974 and \$33,825, respectively, pursuant to the Shareholder Services Plan.

Under the Shareholder Services Plan, Class Z shares reimburse the Distributor at an amount not to exceed an annual rate of .25% of the value of Class Z shares’ average daily net assets for the provision of certain services. The services provided may include personal services relating to shareholder accounts, such as answering shareholder inquiries regarding Class Z shares and providing reports and other information, and services related to the maintenance of shareholder accounts. During the period

ended May 31, 2018, Class Z shares were charged \$331,914 pursuant to the Shareholder Services Plan.

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

The fund compensates Dreyfus Transfer, Inc., a wholly-owned subsidiary of Dreyfus, under a transfer agency agreement for providing transfer agency and cash management services for the fund. The majority of transfer agency fees are comprised of amounts paid on a per account basis, while cash management fees are related to fund subscriptions and redemptions. During the period ended May 31, 2018, the fund was charged \$161,883 for transfer agency services and \$10,666 for cash management services. These fees are included in Shareholder servicing costs in the Statement of Operations. Cash management fees were offset by earnings credits of \$10,666.

The fund compensates The Bank of New York Mellon under a custody agreement for providing custodial services for the fund. These fees are determined based on net assets, geographic region and transaction activity. During the period ended May 31, 2018, the fund was charged \$20,889 pursuant to the custody agreement. These fees were partially offset by earnings credits of \$9,256.

The fund compensates The Bank of New York Mellon under a shareholder redemption draft processing agreement for providing certain services related to the fund's check writing privilege. During the period ended May 31, 2018, the fund was charged \$7,327 pursuant to the agreement, which is included in Shareholder servicing costs in the Statement of Operations. These fees were partially offset by earnings credits of \$2.

During the period ended May 31, 2018, the fund was charged \$12,309 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: management fees \$466,409, Distribution Plan fees \$6,590, Shareholder Services Plan fees \$18,864, custodian fees \$7,529, Chief Compliance Officer fees \$5,267 and transfer agency fees \$27,647.



(d) 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 4—Securities Transactions:**

The aggregate amount of purchases and sales of investment securities, excluding short-term securities, during the period ended May 31, 2018, amounted to \$133,901,674 and \$170,434,770, 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 May 31, 2018, was approximately \$10,500,000, with a related weighted average annualized interest rate of 1.74%.

At May 31, 2018, the cost of investments for federal income tax purposes was \$870,361,029; accordingly, accumulated net unrealized appreciation on investments was \$40,715,594, consisting of \$44,403,873 gross unrealized appreciation and \$3,688,279 gross unrealized depreciation.

# REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and the Board of Directors of Dreyfus California AMT-Free Municipal Bond Fund

## *Opinion on the Financial Statements*

We have audited the accompanying statement of assets and liabilities of Dreyfus California AMT-Free Municipal Bond Fund (the “Fund”) (the sole series constituting Dreyfus Premier California AMT-Free Municipal Bond Fund Inc.), including the statement of investments, as of May 31, 2018, and the related statement of operations 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 (the sole series constituting Dreyfus Premier California AMT-Free Municipal Bond Fund Inc.) at May 31, 2018, the results of its operations 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 the 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 May 31, 2018, by correspondence with the custodian and others or by other appropriate auditing procedures where replies 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

July 26, 2018

## IMPORTANT TAX INFORMATION (Unaudited)

In accordance with federal tax law, the fund hereby reports all the dividends paid from investment income-net during the fiscal year ended May 31, 2018 as “exempt-interest dividends” (not subject to regular federal income tax, and for individuals who are California residents, California personal income taxes).

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. Also, the fund hereby reports \$.0086 per share as a short-term capital gain distribution and \$.1166 per share as a long-term capital gain distribution paid on December 28, 2017.

## BOARD MEMBERS INFORMATION (Unaudited)

### INDEPENDENT BOARD MEMBERS

#### **Joseph S. DiMartino (74)** **Chairman of the Board (1995)**

*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:* 124

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

*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

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#### **Joan Gulley (70)** **Board Member (2017)**

*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

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#### **Ehud Houminer (77)** **Board Member (1994)**

*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

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BOARD MEMBERS INFORMATION (Unaudited) (continued)  
INDEPENDENT BOARD MEMBERS (continued)

**Alan H. Howard (58)**  
**Board Member (2018)**

*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

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**Robin A. Melvin (54)**  
**Board Member (1995)**

*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

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**Burton N. Wallack (67)**  
**Board Member (2006)**

*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

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**Benaree Pratt Wiley (72)**  
**Board Member (2016)**

*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:* 79

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## INTERESTED BOARD MEMBER

### **Gordon J. Davis (76) Board Member (2006)**

*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:* 54

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

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*Once elected all Board Members serve for an indefinite term, but achieve Emeritus status upon reaching age 80. The address of the Board Members and Officers is c/o The Dreyfus Corporation, 200 Park Avenue, New York, New York 10166. Additional information about the Board Member is available in the Company’s Statement of Additional Information which can be obtained from Dreyfus free of charge by calling this toll free number: 1-800-DREYFUS.*

*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 124 portfolios) managed by the Manager. He is 59 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 149 portfolios) managed by the Manager. He is 46 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 149 portfolios) managed by the Manager. He is 51 years old and has been an employee of the Manager since December 1996.

### **JOSEPH M. CHIOFFI, Vice President and Assistant Secretary since August 2005.**

Managing Counsel of BNY Mellon, and an officer of 63 investment companies (comprised of 149 portfolios) managed by the Manager. He is 56 years old and has been an employee of the Manager since June 2000.

### **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 149 portfolios) managed by Dreyfus. She is 30 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 149 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. She is an officer of 63 investment companies (comprised of 149 portfolios) managed by the Manager. She is 42 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 149 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 149 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 149 portfolios) managed by the Manager. He is 59 years old and has been an employee of the Manager since April 1985.

### **RICHARD CASSARO, Assistant Treasurer since January 2008.**

Senior Accounting Manager – Money Market and Municipal Bond Funds of the Manager, and an officer of 63 investment companies (comprised of 149 portfolios) managed by the Manager. He is 59 years old and has been an employee of the Manager since September 1982.



**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 149 portfolios) managed by the Manager. He is 49 years old and has been an employee of the Manager since April 1991.

**ROBERT S. ROBOL, Assistant Treasurer since August 2003.**

Senior Accounting Manager – Dreyfus Financial Reporting of the Manager, and an officer of 63 investment companies (comprised of 149 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 July 2007.**

Senior Accounting Manager – Equity Funds of the Manager, and an officer of 63 investment companies (comprised of 149 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 149 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 149 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.

**CARIDAD M. CAROSELLA, Anti-Money Laundering Compliance Officer since January 2016.**

Anti-Money Laundering Compliance Officer of the Dreyfus Family of Funds and BNY Mellon Funds Trust since January 2016; from May 2015 to December 2015, Interim Anti-Money Laundering Compliance Officer of the Dreyfus Family of Funds and BNY Mellon Funds Trust and the Distributor; from January 2012 to May 2015, AML Surveillance Officer of the Distributor and from 2007 to December 2011, Financial Processing Manager of the Distributor. She is an officer of 57 investment companies (comprised of 143 portfolios) managed by the Manager. She is 49 years old and has been an employee of the Distributor since 1997.

# NOTES

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# For More Information

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## **Dreyfus California AMT-Free Municipal Bond Fund**

200 Park Avenue  
New York, NY 10166

### **Manager**

The Dreyfus Corporation  
200 Park Avenue  
New York, NY 10166

### **Custodian**

The Bank of New York Mellon  
225 Liberty Street  
New York, NY 10286

## **Transfer Agent & Dividend Disbursing Agent**

Dreyfus Transfer, Inc.  
200 Park Avenue  
New York, NY 10166

### **Distributor**

MBSC Securities Corporation  
200 Park Avenue  
New York, NY 10166

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**Ticker Symbols:** Class A: DCAAX Class C: DCACX Class I: DCMIX  
Class Y: DCAYX Class Z: DRCAX

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**Telephone** Call your financial representative or 1-800-DREYFUS

**Mail** The Dreyfus Family of Funds, 144 Glenn Curtiss Boulevard, Uniondale, NY 11556-0144

**E-mail** Send your request to [info@dreyfus.com](mailto:info@dreyfus.com)

**Internet** Information can be viewed online or downloaded at [www.dreyfus.com](http://www.dreyfus.com)

The fund files its complete schedule of portfolio holdings with the Securities and Exchange Commission ("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](http://www.sec.gov) and may be reviewed and copied at the SEC's Public Reference Room in Washington, D.C. (phone 1-800-SEC-0330 for information).

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](http://www.dreyfus.com) and on the SEC's website at [www.sec.gov](http://www.sec.gov) and without charge, upon request, by calling 1-800-DREYFUS.