

Dreyfus Tax Sensitive Total Return Bond Fund



ANNUAL REPORT
September 30, 2018

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A LETTER FROM THE PRESIDENT OF DREYFUS

Dear Shareholder:

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

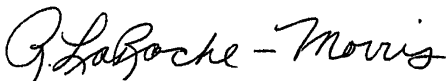
The 12-month period started on solid footing which gave way to a shifting landscape. Through February 2018, major global economies appeared to be in lockstep as they moved towards less accommodative monetary policy and concurrent growth. In the equity markets, both U.S. and non-U.S. markets enjoyed upward progression across sectors and market capitalizations. Interest rates rose across the curve, thus putting pressure on bond prices, but sectors such as investment grade and high yield corporates, non-U.S. dollar-denominated bonds, and emerging market debt, were able to outperform like-duration U.S. Treasuries.

In February, global economic growth and monetary policy paths began to diverge. Volatility disrupted equity markets until April, when pressure eased. Backed by strong economic growth, U.S. equity indices rebounded quickly and posted double-digit gains for the period. While some non-U.S. markets made it back into the black by year-end, continued difficulties in the Eurozone and in emerging markets weighed on global returns. The rising rate environment and a flattening yield curve caused some fixed income instruments to struggle during the second half of the period.

Despite concerns regarding trade, U.S. inflationary pressures, and global growth, we are optimistic that U.S. consumer spending, corporate earnings, and economic data will remain strong in the near term. However, we will stay attentive to signs that indicate potential changes on the horizon. 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
October 15, 2018

DISCUSSION OF FUND PERFORMANCE (Unaudited)

For the period from October 1, 2017 through September 30, 2018, as provided by Thomas Casey, Daniel Rabasco, and Jeffrey Burger, of BNY Mellon Asset Management North America Corporation, Sub-Investment Adviser

Market and Fund Performance Overview

For the 12-month period ended September 30, 2018, Dreyfus Tax Sensitive Total Return Bond Fund's Class A shares produced a total return of -0.36%, Class C shares returned -1.12%, Class I shares returned -0.10%, and Class Y shares returned -0.11%.¹ In comparison, the fund's benchmark, the Bloomberg Barclays 3-, 5-, 7-, 10-Year U.S. Municipal Bond Index (the "Index"), provided a total return of -0.36% for the same period.²

Municipal bonds generally produced marginally negative total returns over the reporting period, which experienced rising interest rates, bouts of market volatility, and shifting demand dynamics. The fund produced returns roughly in line with the Index. Positive factors included our overweight exposure and favorable security selection within higher-yielding revenue-backed bonds.

The Fund's Investment Approach

The fund seeks high after-tax total return. To pursue its goal, the fund normally invests at least 80% of its net assets, plus any borrowings for investment purposes, in bonds. The fund normally invests at least 65% of its net assets in municipal bonds that provide income exempt from federal personal income tax. The fund may invest up to 35% of its net assets in taxable bonds. The fund invests principally in bonds rated investment grade at the time of purchase or, if unrated, determined to be of comparable quality by the fund's subadviser.³ The fund may invest up to 25% of its assets in bonds rated below investment grade.

We seek relative value opportunities among municipal bonds and invest selectively in taxable securities with the potential to enhance after-tax total return and/or reduce volatility. We use a combination of fundamental credit analysis and macroeconomic and quantitative inputs to identify undervalued sectors and securities, and we select municipal bonds using fundamental credit analysis to estimate the relative value and attractiveness of various sectors and securities and to exploit pricing inefficiencies.

Demand Dynamics and Interest-Rate Fluctuation Drive Municipal Market Behavior

Municipal bonds encountered bouts of volatility, particularly through the midway point of the reporting period. The uncertainty surrounding potential market implications of the passage of tax reform, coupled with a record number of new issues, put upward pressure on yields and downward pressure on prices. However, market weakness proved temporary, and municipal bonds generally rebounded as volatility waned during the second half of the

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

reporting period. Demand from individuals in high-tax states increased significantly as the search for immunization against the newly imposed tax restrictions on state and local tax deductions provided a catalyst. Conversely, tax cuts to corporations have softened institutional demand for municipal bonds, particularly from banks and property and casualty insurance companies, as companies perceive less of a need to seek out tax-advantaged investments in the wake of lower tax rates. As the economy remains strong, tax revenues continue to support the underlying financial conditions of many municipalities, reducing the perceived risk of lending money to these entities.

In this low-rate environment, investors continue to display yield-seeking behavior, emphasizing lower-quality credits and longer-maturity profiles. From March through August, this demand drove down the longer portion of the yield curve, causing a flattening effect. Inflationary pressures accumulated during the latter half of the year. In late August, rates rose across the curve and volatility reemerged, creating a headwind for many areas of the fixed income market, particularly for longer-duration securities.

Higher-Yielding Bonds Support Fund Results

The fund's performance compared to the Index was supported by overweight exposure to higher-yielding revenue-backed bonds and a commensurately underweighted position in state-issued general obligation bonds. Results were particularly favorable from revenue bonds backed by airports and certain states' settlement of litigation with U.S. tobacco companies. From a credit-rating perspective, lower-quality investment-grade bonds outperformed by a wide margin. Consequentially, the portfolio's overweight to A and BBB rated bonds fared particularly well. An underweight to AAA rated debt was also beneficial.

On the other hand, the fund's relative performance was undermined to a degree by a relatively long average duration, which was maintained over the first part of the reporting period. Later in the reporting period, we shortened the fund's duration, which was helpful to relative performance.

The fund also maintained overweight exposure to higher-quality municipal bonds, such as those backed by water-and-sewer facilities and other essential municipal services. These bonds tend to be high-quality and underperformed their lower-rated counterparts. Finally, positions in taxable bonds, such as asset-backed securities, tended to be more sensitive to rising interest rates, and they generally lagged their tax-exempt counterparts.

A Constructive Investment Posture

While rising rates and resulting volatility resurfaced near the end of the year, we anticipate a U.S. economy that will remain strong in the near term and continue to support issuer fundamentals. Therefore, we have maintained a constructive investment posture, including an emphasis on current income through holdings of higher-yielding revenue bonds with longer maturities and lower credit ratings. The opportunities to maintain high income

generation within the portfolio have increased due to the market volatility and we will be looking for ways to maintain the strong earnings power of the portfolio given the more generous opportunity set.

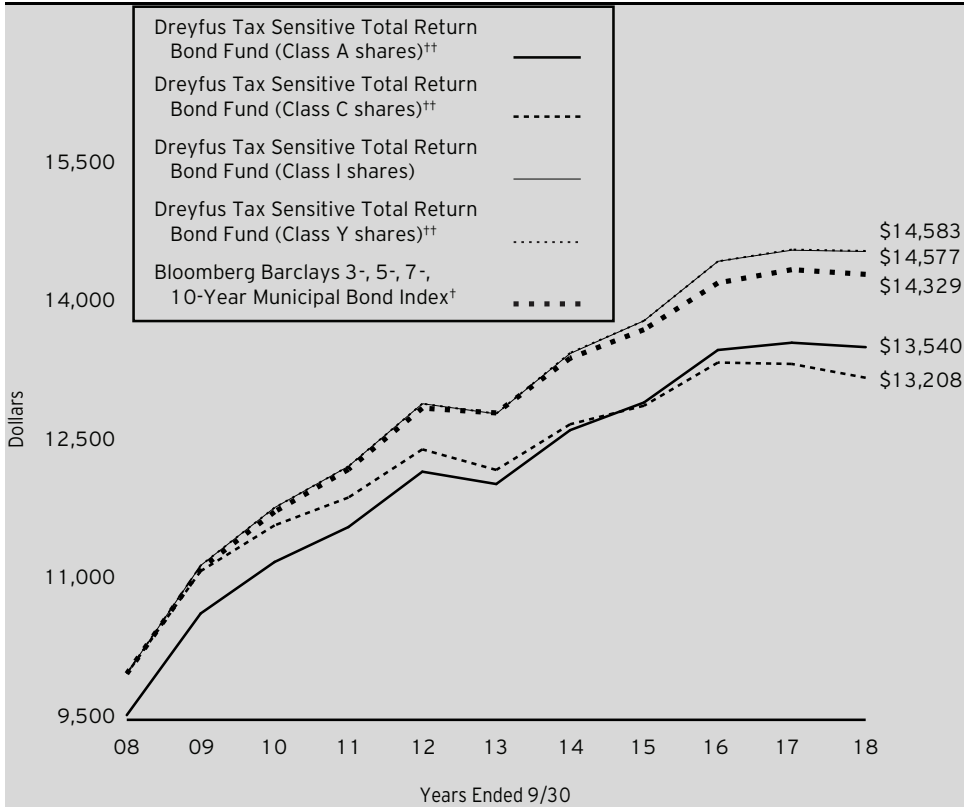
October 15, 2018

- ¹ 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 charge imposed on redemptions in the case of Class C shares. Share price, yield, and investment return fluctuate such that upon redemption, fund shares may be worth more or less than their original cost. Dividends paid by the fund will be exempt from federal income tax to the extent such dividends are derived from interest paid on principal obligations. The fund also may invest a portion of its assets in securities that generate income that is not exempt from federal or state income tax. Income may be subject to state and local taxes, and some income may be subject to the federal alternative minimum tax (AMT) for certain investors. Capital gains, if any, are taxable. Return figures provided reflect the absorption of certain fund expenses by The Dreyfus Corporation, pursuant to an agreement in effect through February 1, 2020, at which time it may be extended, modified, or terminated. Had these expenses not been absorbed, the fund's returns would have been lower. Past performance is no guarantee of future results.
- ² Source: FactSet — The Bloomberg Barclays 3-, 5-, 7-, 10-Year U.S. Municipal Bond Index is composed of an equal-weighted composite of the 3-Year, 5-Year, 7-Year, and 10-Year Bloomberg Barclays U.S. Municipal Bond Indices, reflects investments of dividends and, where applicable, capital gain distributions. Investors cannot invest directly in any index.
- ³ The fund may continue to own investment-grade bonds (at the time of purchase), which are subsequently downgraded to below investment grade.

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.

The use of derivatives involves risks different from, or possibly greater than, the risks associated with investing directly in the underlying assets. Derivatives can be highly volatile, illiquid, difficult to value, and there is the risk that changes in the value of a derivative held by the fund will not correlate with the underlying instruments or the fund's other investments.

FUND PERFORMANCE (Unaudited)



Comparison of change in value of \$10,000 investment in Dreyfus Tax Sensitive Total Return Bond Fund Class A shares, Class C shares, Class I shares and Class Y shares and the Bloomberg Barclays 3-, 5-, 7-, 10-Year U.S. Municipal Bond Index (the “Index”)

† Source: Lipper Inc.

†† The total return figures presented for Class A and Class C shares of the fund reflect the performance of the fund’s Class I shares for the period prior to 3/31/09 (the inception date for Class A and Class C shares), adjusted to reflect the applicable sales load for Class A shares.

The total return figures presented for Class Y shares of the fund reflect the performance of the fund’s Class I 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 and Class Y shares of Dreyfus Tax Sensitive Total Return Bond Fund on 9/30/08 to a \$10,000 investment made in the Index on that date. All dividends and capital gain distributions are reinvested.

The fund’s 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 composed of an equal-weighted composite of the 3-Year, 5-Year, 7-Year, and 10-Year Bloomberg Barclays U.S. Municipal Bond indices. Unlike a mutual fund, the Index is not subject to charges, fees and other expenses. Investors cannot invest directly in any index. These factors can contribute to the Index potentially outperforming the fund. 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.

Average Annual Total Returns as of 9/30/18

	Inception Date	1 Year	5 Years	10 Years
Class A shares				
<i>with maximum sales charge (4.5%)</i>	3/31/09	-4.86%	1.41%	3.08% ^{††}
<i>without sales charge</i>	3/31/09	-0.36%	2.35%	3.55% ^{††}
Class C shares				
<i>with applicable redemption charge [†]</i>	3/31/09	-2.10%	1.59%	2.82% ^{††}
<i>without redemption</i>	3/31/09	-1.12%	1.59%	2.82% ^{††}
Class I shares	11/2/92	-0.10%	2.61%	3.84%
Class Y shares	7/1/13	-0.11%	2.61%	3.85% ^{††}
Bloomberg Barclays 3-, 5-, 7-, 10-Year Municipal Bond Index		-0.36%	2.24%	3.66%

[†] 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 A and Class C shares of the fund reflect the performance of the fund's Class I shares for the period prior to 3/31/09 (the inception date for Class A and Class C shares), adjusted to reflect the applicable sales load for Class A shares.

The total return performance figures presented for Class Y shares of the fund reflect the performance of the fund's Class I 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 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 Tax Sensitive Total Return Bond Fund from April 1, 2018 to September 30, 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 September 30, 2018

	Class A	Class C	Class I	Class Y
Expenses paid per \$1,000†	\$ 3.52	\$ 7.28	\$ 2.26	\$ 2.26
Ending value (after expenses)	\$ 1,005.90	\$ 1,002.10	\$ 1,007.20	\$ 1,007.20

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 September 30, 2018

	Class A	Class C	Class I	Class Y
Expenses paid per \$1,000†	\$ 3.55	\$ 7.33	\$ 2.28	\$ 2.28
Ending value (after expenses)	\$ 1,021.56	\$ 1,017.80	\$ 1,022.81	\$ 1,022.81

† Expenses are equal to the fund's annualized expense ratio of .70% for Class A, 1.45% for Class C, .45% for Class I and .45% for Class Y, multiplied by the average account value over the period, multiplied by 183/365 (to reflect the one-half year period).

STATEMENT OF INVESTMENTS

September 30, 2018

Description	Coupon Rate (%)	Maturity Date	Principal Amount (\$)	Value (\$)
Bonds and Notes - 6.9%				
Asset-Backed Certificates - .5%				
Carrington Mortgage Loan Trust, Ser. 2006-NC5, Cl. A2, 1 Month LIBOR + .11%	2.17	1/25/37	257,097 ^a	242,720
Daimler Trucks Retail Trust, Ser. 2018-1, Cl. A3	2.85	7/15/21	1,240,000 ^b	1,237,761
				1,480,481
Asset-Backed Ctfs./Auto Receivables - 3.3%				
Capital Auto Receivables Asset Trust, Ser. 2018-1, Cl. A4	2.93	6/20/22	1,725,000 ^b	1,717,220
DT Auto Owner Trust, Ser. 2014-3A, Cl. D	4.47	11/15/21	1,319,797 ^b	1,322,716
Enterprise Fleet Financing, Ser. 2018-1, Cl. A2	2.87	10/20/23	1,385,000 ^b	1,381,800
Ford Credit Floorplan Master Owner Trust, Ser. 2018-1, Cl. A1	2.95	5/15/23	1,495,000	1,484,330
OSCAR US Funding Trust, Ser. 2018-1A, Cl. A3	3.23	5/10/22	1,465,000 ^b	1,460,533
Santander Retail Auto Lease Trust, Ser. 2018-A, Cl. A3	2.93	5/20/21	1,520,000 ^b	1,513,946
				8,880,545
Banks - 1.8%				
Citigroup, Sr. Unscd. Notes	2.88	7/24/23	3,000,000	2,904,220
JPMorgan Chase & Co, Sr. Unscd. Notes	3.80	7/23/24	2,000,000	1,999,734
				4,903,954
Health Care - .7%				
CVS Health, Sr. Unscd. Notes	3.70	3/9/23	1,000,000	996,537
Dignity Health, Scd. Bonds	2.64	11/1/19	760,000	755,368
				1,751,905
Telecommunication Services - .6%				
AT&T, Sr. Unscd. Notes	3.60	2/17/23	1,500,000	1,491,506
Total Bonds and Notes (cost \$18,510,904)				18,508,391

STATEMENT OF INVESTMENTS (continued)

Description	Coupon Rate (%)	Maturity Date	Principal Amount (\$)	Value (\$)
Long-Term Municipal Investments - 91.6%				
Alabama - .5%				
Alabama Public School and College Authority, Capital Improvement Revenue Bonds	5.00	1/1/26	1,250,000	1,416,275
Arizona - .2%				
Phoenix Industrial Development Authority, Education Facility Revenue Bonds (Legacy Traditional Schools Projects)	3.00	7/1/20	255,000 ^b	252,509
Phoenix Industrial Development Authority, Student Housing Revenue Bonds, Refunding (Arizona University Project)	5.00	7/1/28	250,000	282,938
				535,447
Arkansas - .8%				
Arkansas Development Finance Authority, HR (Washington Regional Medical Center)	5.00	2/1/25	1,835,000	2,043,970
California - 5.3%				
California, GO (Build America Bond)	6.65	3/1/22	2,290,000	2,499,764
California Infrastructure & Economic Development Bank, Revenue Bonds (California Academy of Sciences Project), 1 Month LIBOR + .38%	1.94	8/1/21	2,100,000 ^a	2,101,470
California State Public Works Board, LR (Judicial Council of California) (New Stockton Courthouse)	5.00	10/1/26	1,000,000	1,149,240
California Statewide Communities Development Authority, Revenue Bonds (Loma Linda University Medical Center)	5.00	12/1/31	525,000 ^b	575,295
Golden State Tobacco Securitization Corporation, Revenue Bonds (Tobacco Settlement)	5.00	6/1/26	1,000,000	1,133,790
Golden State Tobacco Securitization Corporation, Revenue Bonds (Tobacco Settlement)	5.00	6/1/23	1,000,000	1,121,550
Jurupa Public Financing Authority, Special Tax Revenue Bonds	5.00	9/1/29	1,060,000	1,186,871
Los Angeles Community Facilities District Number 4, Special Tax Revenue Bonds (Playa Vista-Phase 1)	5.00	9/1/28	1,000,000	1,123,750
Los Angeles Department of Airports, Subordinate Revenue Bonds (Los Angeles International Airport)	5.00	5/15/27	1,000,000	1,149,980

Description	Coupon Rate (%)	Maturity Date	Principal Amount (\$)	Value (\$)
Long-Term Municipal Investments - 91.6% (continued)				
California - 5.3% (continued)				
Stockton Public Financing Authority, Water Revenue Bonds (Build America Bonds-Delta Water Supply Project)	7.94	10/1/38	2,250,000	2,350,642
				14,392,352
Colorado - 2.2%				
Colorado Health Facilities Authority, HR (Adventist Health System/Sunbelt Obligated Group)	5.00	11/15/26	1,000,000	1,151,700
Denver City & County Airport, Airport System Subordinate Revenue Bonds	5.00	11/15/22	720,000	788,544
Denver City and County, Airport Revenue Bonds Bonds, Refunding, Series 2018 A	5.00	12/1/28	2,000,000	2,313,940
Denver Convention Center Hotel Authority, Convention Center Hotel Senior Revenue Bonds	5.00	12/1/31	1,490,000	1,658,504
				5,912,688
Connecticut - 2.0%				
Connecticut, GO	5.00	10/15/25	2,000,000	2,182,720
Connecticut, Special Tax Obligation Revenue Bonds (Transportation Infrastructure Purposes)	5.00	8/1/26	1,840,000	2,064,480
Connecticut, Special Tax Obligation Revenue Bonds (Transportation Infrastructure Purposes)	5.00	9/1/33	1,000,000	1,081,140
				5,328,340
District of Columbia - 2.3%				
District of Columbia, Revenue Bonds (Ingleside Rock Creek Project)	3.88	7/1/24	1,750,000	1,750,157
District of Columbia, University Revenue Bonds (Georgetown University Issue)	5.00	4/1/32	1,000,000	1,139,380
Metropolitan Washington Airports Authority, Airport System Revenue Bonds	5.00	10/1/24	1,000,000	1,104,380
Metropolitan Washington D.C. Airports Authority, Airport System Revenue Bonds Bonds, Refunding, Series 2018 A	5.00	10/1/22	2,000,000	2,186,680
				6,180,597

STATEMENT OF INVESTMENTS (continued)

Description	Coupon Rate (%)	Maturity Date	Principal Amount (\$)	Value (\$)
Long-Term Municipal Investments - 91.6% (continued)				
Florida - 7.2%				
Broward County, Airport System Revenue Bonds	5.00	10/1/24	1,250,000	1,413,375
Florida Department of Transportation, Turnpike Revenue Bonds	5.00	7/1/25	1,000,000	1,117,870
Florida Higher Educational Facilities Financing Authority, Educational Facilities Revenue Bonds (Nova Southeastern University Project)	5.00	4/1/26	1,500,000	1,702,230
Jacksonville, Special Revenue Bonds	5.00	10/1/27	1,000,000	1,130,110
Lee County, Transportation Facilities Revenue Bonds (Insured; Assured Guaranty Municipal Corp.)	5.00	10/1/25	1,000,000	1,130,700
Lee County Solid Waste Systems, Revenue Bonds, Refunding	5.00	10/1/25	3,045,000	3,362,076
Miami Beach Redevelopment Agency, Tax Increment Revenue Bonds (City Center/Historic Convention Village)	5.00	2/1/33	1,500,000	1,667,010
Miami-Dade County, Aviation Revenue Bonds (Miami International Airport)	5.25	10/1/23	1,000,000	1,058,270
Miami-Dade County, Seaport Revenue Bonds	5.00	10/1/22	2,000,000	2,175,560
Miami-Dade County School Board, COP	5.00	5/1/26	1,500,000	1,698,960
Palm Beach County, Public Improvement Revenue Bonds, Refunding	5.00	5/1/23	1,000,000	1,119,960
Tampa, Capital Improvement Cigarette Tax Allocation Revenue Bonds (H. Lee Moffitt Cancer Center Project)	5.00	9/1/23	500,000	548,280
Village Community Development District Number 7, Special Assessment Revenue Bonds	3.00	5/1/20	590,000	597,930
Village Community Development District Number 7, Special Assessment Revenue Bonds	3.00	5/1/19	610,000	614,166
				19,336,497
Georgia - 3.8%				
Atlanta, Airport General Revenue Bonds	5.00	1/1/22	1,000,000	1,057,410
Atlanta Development Authority, Senior Lien Revenue Bonds (New Downtown Atlanta Stadium Project)	5.00	7/1/29	1,000,000	1,134,360

Description	Coupon Rate (%)	Maturity Date	Principal Amount (\$)	Value (\$)
Long-Term Municipal Investments - 91.6% (continued)				
Georgia - 3.8% (continued)				
Atlanta Development Authority Senior Health Care Facilities, Revenue Bonds (Georgia Proton Treatment Center Project)	6.75	1/1/35	1,855,000	1,794,453
Fulton County Development Authority, Hospital Revenue Bonds (Wellstar Health Systems)	5.00	4/1/36	1,775,000	1,956,902
Main Street Natural Gas Incorporated, Gas Supply Revenue Bonds, 1 Month LIBOR + .75%	2.17	9/1/23	2,000,000 ^a	1,990,240
Municipal Electric Authority of Georgia, Project One Subordinated Bonds	5.00	1/1/21	2,085,000	2,202,365
				10,135,730
Hawaii - .8%				
Hawaii Airports System, Revenue Bonds Bonds, Series 2018 A	5.00	7/1/28	1,000,000	1,163,310
Hawaii Department of Budget and Finance, Special Purpose Revenue Bonds (Hawaiian Electric Company)	4.00	3/1/37	1,090,000	1,096,943
				2,260,253
Illinois - 8.7%				
Chicago, Customer Facility Charge Senior Lien Revenue Bonds (Chicago O'Hare International Airport)	5.25	1/1/24	1,500,000	1,660,080
Chicago, General Airport Senior Lien Revenue Bonds (Chicago O'Hare International Airport)	5.00	1/1/35	750,000	827,993
Chicago, Second Lien Water Revenue Bonds	5.00	11/1/26	1,000,000	1,100,460
Chicago, Waterworks Revenue Bonds, Refunding	5.00	11/1/20	1,500,000	1,578,030
Chicago Metropolitan Water Reclamation District, GO, Refunding, Series 2016 A	5.00	12/1/27	1,000,000	1,150,080
Chicago Park District, Limited Tax GO	5.00	1/1/28	2,500,000	2,727,025
Chicago Wastewater Transmission, Revenue Bonds Bonds, Refunding, Series 2008 C	5.00	1/1/26	2,000,000	2,199,900
Cook County, Sales Tax Revenue Bonds, Refunding	5.00	11/15/35	1,000,000	1,119,520
Greater Chicago Metropolitan Water Reclamation District, GO	5.00	12/1/31	1,000,000	1,122,270

STATEMENT OF INVESTMENTS (continued)

Description	Coupon Rate (%)	Maturity Date	Principal Amount (\$)	Value (\$)
Long-Term Municipal Investments - 91.6% (continued)				
Illinois - 8.7% (continued)				
Illinois Finance Authority, Revenue Bonds (Rush University Medical Center Obligated Group)	5.00	11/15/26	1,000,000	1,129,480
Illinois Finance Authority, Revenue Bonds, Refunding (Rosalind Franklin University of Medicine & Science)	5.00	8/1/35	1,100,000	1,193,027
Illinois State Toll Highway Authority, Toll Highway Senior Revenue Bonds	5.00	1/1/31	1,000,000	1,126,580
Illinois State Toll Highway Authority, Toll Highway Senior Revenue Bonds	5.00	1/1/27	1,000,000	1,147,600
Metropolitan Pier and Exposition Authority, Revenue Bonds Bonds (McCormick Place Expansion Project)	5.00	12/15/28	2,035,000	2,129,241
South Western Development Authority, Health Facility Revenue Bonds (Memorial Group)	7.13	11/1/23	1,500,000 ^c	1,841,895
University of Illinois, Revenue Bonds, Refunding (Auxiliary Facilities System) Ser. C	5.00	4/1/25	1,450,000	1,544,105
				23,597,286
Indiana - .5%				
Whiting Environmental Facilities, Revenue Bonds (BP Products North America Inc. Project)	5.00	11/1/24	1,250,000	1,419,200
Kansas - .5%				
Kansas Development Finance Authority, Revenue Bonds Bonds (Village Shalom Project) Series 2018 B	4.00	11/15/25	1,375,000	1,380,032
Kentucky - 2.7%				
Kentucky Public Energy Authority, Gas Supply Revenue Bonds	4.00	4/1/24	2,500,000	2,624,525
Kentucky Public Energy Authority, Revenue Bonds Bonds	4.00	1/1/25	3,500,000	3,695,860
Louisville and Jefferson County Metropolitan Sewer District, Sewer and Drainage System Revenue Bonds	5.00	5/15/23	1,000,000	1,085,520
				7,405,905
Louisiana - .8%				
Louisiana, State Highway Improvement Revenue Bonds	5.00	6/15/25	1,000,000	1,138,910

Description	Coupon Rate (%)	Maturity Date	Principal Amount (\$)	Value (\$)
Long-Term Municipal Investments - 91.6% (continued)				
Louisiana - .8% (continued)				
Tobacco Settlement Financing Corporation of Louisiana, Tobacco Settlement Asset-Backed Bonds	5.00	5/15/20	1,000,000	1,045,100
				2,184,010
Maryland - 1.0%				
Baltimore Covention Center Hotel, Revenue Bonds (Convention Center Hotel Project)	5.00	9/1/36	1,000,000	1,092,360
Maryland Health and Higher Educational Facilities Authority, Revenue Bonds (University of Maryland Medical System Issue)	5.00	7/1/32	1,500,000	1,694,745
				2,787,105
Massachusetts - .6%				
Massachusetts Development Finance Agency, Revenue Bonds (Suffolk University)	5.00	7/1/28	1,335,000	1,503,984
Michigan - 2.1%				
Detroit, Sewage Disposal System Senior Lien Revenue Bonds (Insured; Assured Guaranty Municipal Corp.)	5.25	7/1/19	1,000,000	1,023,730
Great Lakes Water Authority, Water Supply System Second Lien Revenue Bonds	5.00	7/1/25	1,105,000	1,264,429
Michigan Finance Authority, HR (Beaumont Health Credit Group)	5.00	8/1/25	1,000,000	1,130,190
Michigan Finance Authority, Local Government Loan Program Revenue Bonds (Detroit Water and Sewerage Department, Sewage Disposal System Revenue Bonds Senior Lien Local Project Bonds) (Insured; Assured Guaranty Municipal Corp.)	5.00	7/1/30	1,000,000	1,108,160
Michigan Finance Authority, Local Government Loan Program Revenue Bonds (School District of the City of Detroit State Qualified Unlimited Tax GO Local Project Bonds)	5.00	5/1/20	1,125,000	1,171,508
Michigan Finance Authority, Unemployment Obligation Assessment Revenue Bonds Bonds	5.00	7/1/21	65,000	65,462
				5,763,479

STATEMENT OF INVESTMENTS (continued)

Description	Coupon Rate (%)	Maturity Date	Principal Amount (\$)	Value (\$)
Long-Term Municipal Investments - 91.6% (continued)				
Minnesota - .9%				
Saint Paul Housing and Redevelopment Authority, Hospital Facility Revenue Bonds (HealthEast Care System Project) (Escrowed To Maturity)	5.00	11/15/21	1,000,000	1,085,520
Western Minnesota Municipal Power Agency, Power Supply Revenue Bonds	5.00	1/1/29	1,120,000	1,258,029
				2,343,549
Missouri - 2.5%				
Missouri Development Finance Board, Infrastructure Facilities Revenue Bonds (Branson Landing Project)	5.00	6/1/28	1,000,000	1,096,900
Missouri Development Finance Board, Infrastructure Facilities Revenue Bonds (Branson Landing Project)	5.00	6/1/23	1,000,000	1,096,900
Missouri Health and Educational Facilities Authority, Health Facilities Revenue Bonds (Saint Luke's Health System, Inc.)	5.00	11/15/27	1,000,000	1,142,610
Missouri Joint Municipal Electric Utility Commission, Power Project Revenue Bonds (Prairie State Project)	5.00	12/1/29	3,120,000	3,502,262
				6,838,672
Nebraska - .4%				
Nebraska Public Power District, General Revenue Bonds	5.00	1/1/30	1,000,000	1,129,530
New Jersey - 5.5%				
New Jersey Economic Development Authority, Revenue Bonds	5.00	6/15/21	2,000,000	2,114,220
New Jersey Economic Development Authority, School Facilities Construction Revenue Bonds	5.00	6/15/26	1,845,000	2,028,651
New Jersey Economic Development Authority, Special Facility Revenue Bonds, Refunding (Port Newark Container Terminal LLC Project)	5.00	10/1/23	1,000,000	1,086,370
New Jersey Economic Development Authority, Water Facilities Revenue Bonds (New Jersey - American Water Company, Inc. Project)	5.10	6/1/23	1,000,000	1,041,420

Description	Coupon Rate (%)	Maturity Date	Principal Amount (\$)	Value (\$)
Long-Term Municipal Investments - 91.6% (continued)				
New Jersey - 5.5% (continued)				
New Jersey Health Care Facilities Financing Authority, Revenue Bonds (Inspira Health Obligated Group)	5.00	7/1/35	1,850,000	2,070,760
New Jersey Health Care Facilities Financing Authority, Revenue Bonds (Virtua Health Issue)	5.00	7/1/25	1,000,000	1,124,810
New Jersey Higher Education Student Assistance Authority, Senior Student Loan Revenue Bonds	5.00	12/1/24	1,000,000	1,109,370
New Jersey Higher Education Student Assistance Authority, Student Loan Revenue Bonds, Refunding, Series 2018 B	5.00	12/1/22	1,600,000	1,740,672
New Jersey Tobacco Settlement Financing Corp., Revenue Bonds, Refunding, Ser. B	3.20	6/1/27	2,500,000	2,496,175
				14,812,448
New York - 11.9%				
Metropolitan Transportation Authority, Dedicated Tax Fund Revenue Bonds	5.00	11/15/24	2,000,000	2,253,160
Metropolitan Transportation Authority, Transportation Revenue Bonds	5.00	11/15/27	2,380,000	2,746,639
Metropolitan Transportation Authority, Transportation Revenue Bonds	5.00	5/15/24	1,205,000 ^c	1,384,461
Nassau County, GO (General Improvement)	5.00	10/1/21	2,000,000	2,159,160
New York City, GO	5.00	3/1/25	1,000,000	1,128,530
New York City Housing Development Corporation, Revenue Bonds	5.00	7/1/26	2,000,000	2,202,640
New York City Transitional Finance Authority, Revenue Bonds	2.63	2/1/23	1,000,000	970,940
New York State Dormitory Authority, Revenue Bonds (Orange Regional Medical Center Obligated Group)	5.00	12/1/27	800,000 ^b	897,880
New York State Urban Development Corporation, Personal Income Tax Revenue Bonds	5.00	3/15/31	1,000,000	1,102,500
New York State Urban Development Corporation, Revenue Bonds	2.67	3/15/23	1,000,000	976,750

STATEMENT OF INVESTMENTS (continued)

Description	Coupon Rate (%)	Maturity Date	Principal Amount (\$)	Value (\$)
Long-Term Municipal Investments - 91.6% (continued)				
New York - 11.9% (continued)				
New York Transportation Development Corporation, Special Facility Revenue Bonds (American Airlines, Inc. John F. Kennedy International Airport Project)	5.00	8/1/21	1,350,000	1,427,962
New York Transportation Development Corporation, Special Facility Revenue Bonds (Delta Air Lines-Laguardia Airport Terminals)	5.00	1/1/24	2,500,000	2,748,625
Niagara Area Development Corporation, Solid Disposal Facility Revenue Bonds, Refunding (Convanta Jolding Project) Series 2018 B	3.50	11/1/24	1,250,000 ^b	1,251,038
Port Authority of New York and New Jersey, (Consolidated Bonds, 185th Series)	5.00	9/1/30	1,000,000	1,109,330
Triborough Bridge and Tunnel Authority, General Revenue Bonds (MTA Bridges and Tunnels)	5.00	11/15/24	2,150,000	2,384,909
Triborough Bridge and Tunnel Authority, General Revenue Bonds (MTA Bridges and Tunnels), 1 Month LIBOR + .67%	1.77	12/3/19	3,500,000 ^a	3,505,285
TSASC Inc., Revenue Bonds, Refunding, Series 2017 A	5.00	6/1/32	2,000,000	2,202,020
TSASC Inc., Subordinate Tobacco Settlement Bonds	5.00	6/1/22	1,500,000	1,605,990
				32,057,819
North Carolina - .7%				
North Carolina Medical Care Commission, Health Care Facilities First Mortgage Revenue Bonds (Pennybryn at Maryfield)	5.00	10/1/19	1,875,000	1,920,694
Ohio - .6%				
Ohio Higher Educational Facility Commission, Higher Educational Facility Revenue Bonds (Case Western Reserve University Project)	5.00	12/1/23	1,500,000	1,690,635
Pennsylvania - 5.3%				
Commonwealth Financing Authority of Pennsylvania, Revenue Bonds	5.00	6/1/28	1,000,000	1,149,470
Delaware Valley Regional Finance Authority, Revenue Bonds (Insured; CNTY Gtd.) Series 2018 C, MUNIPSA + .53%	2.09	9/1/23	2,500,000 ^a	2,500,925

Description	Coupon Rate (%)	Maturity Date	Principal Amount (\$)	Value (\$)
Long-Term Municipal Investments - 91.6% (continued)				
Pennsylvania - 5.3% (continued)				
Montgomery County Industrial Development Authority, Retirement Community Revenue Bonds (Adult Communities Total Services, Inc. Retirement - Life Communities, Inc. Obligated Group)	5.00	11/15/36	2,570,000	2,796,725
Pennsylvania Turnpike Commission, Revenue Bonds, Refunding	5.00	12/1/33	2,000,000	2,243,360
Pennsylvania Turnpike Commission, Turnpike Revenue Bonds	5.00	12/1/29	1,000,000	1,130,780
Philadelphia, Gas Works Revenue Bonds	5.00	8/1/21	1,000,000	1,072,410
Philadelphia Airport, Revenue Bonds, Refunding	5.00	7/1/27	1,500,000	1,718,055
Philadelphia School District, GO	5.00	9/1/21	1,500,000	1,567,050
				14,178,775
Rhode Island - .8%				
Tobacco Settlement Financing Corporation of Rhode Island, Tobacco Settlement Asset-Backed Bonds	5.00	6/1/35	1,000,000	1,074,260
Tobacco Settlement Financing Corporation of Rhode Island, Tobacco Settlement Asset-Backed Bonds	5.00	6/1/26	1,000,000	1,117,390
				2,191,650
South Carolina - .4%				
South Carolina Public Service Authority, Revenue Bonds Obligations (Santee Cooper)	5.00	12/1/21	1,000,000	1,074,610
Tennessee - 2.4%				
Memphis, GO (General Improvement)	5.00	4/1/26	1,840,000	2,113,093
Tennessee Energy Acquisition, Gas Revenue Bonds	4.00	11/1/25	1,750,000	1,840,300
Tennessee Energy Acquisition Corporation, Gas Project Revenue Bonds	5.25	9/1/26	1,120,000	1,284,427
Tennessee Energy Acquisition Corporation, Revenue Bonds (Gas Revenue Bonds Project)	4.00	5/1/23	1,250,000	1,309,650
				6,547,470

STATEMENT OF INVESTMENTS (continued)

Description	Coupon Rate (%)	Maturity Date	Principal Amount (\$)	Value (\$)
Long-Term Municipal Investments - 91.6% (continued)				
Texas - 12.1%				
Arlington Independent School District, Unlimited Tax School Building Bonds (Permanent School Fund Guarantee Program)	5.00	2/15/27	1,400,000	1,552,558
Central Texas Regional Mobility Authority, Senior Lien Revenue Bonds	5.00	1/1/27	1,250,000	1,418,662
Central Texas Regional Mobility Authority, Senior Lien Revenue Bonds	5.00	1/1/31	1,175,000	1,307,657
Corpus Christi, Utility System Junior Lien Revenue Bonds (Insured; Assured Guaranty Municipal Corp.)	5.00	7/15/23	1,725,000	1,894,205
Dallas, GO, Refunding	5.00	2/15/30	1,000,000	1,104,210
Dallas, GO, Refunding, Series 2013 A	5.00	2/15/26	1,000,000	1,100,670
Grand Parkway Transportation Corporation, BAN	5.00	2/1/23	3,000,000	3,300,750
Harris County-Houston Sports Authority, Senior Lien Revenue Bonds	5.00	11/15/29	750,000	832,823
Houston, Airport System Special Facilities Revenue Bonds (United Airlines, Inc. Terminal E Project)	4.75	7/1/24	1,000,000	1,068,310
Houston, Combined Utility System First Lien Revenue Bonds, MUNIPSA + .90%	2.46	5/1/20	2,500,000 ^a	2,516,575
Love Field Airport Modernization Corporation, General Airport Revenue Bonds	5.00	11/1/26	1,000,000	1,140,240
Love Field Airport Modernization Corporation, General Airport Revenue Bonds	5.00	11/1/27	1,850,000	2,084,413
North Texas Tollway Authority, First Tier System Revenue Bonds	5.00	1/1/22	1,000,000	1,085,620
North Texas Tollway Authority, Revenue Bonds, Refunding	5.00	1/1/24	1,500,000	1,653,975
North Texas Tollway Authority, Second Tier System Revenue Bonds	5.00	1/1/21	2,000,000	2,120,260
Sam Rayburn Municipal Power Agency, Power Supply System Revenue Bonds	5.00	10/1/20	1,210,000	1,273,416
State of Texas, GO (College Student Loan Bonds)	5.00	8/1/22	1,500,000	1,648,215
Texas, GO (College Student Loan Bonds)	5.50	8/1/25	2,400,000	2,832,912

Description	Coupon Rate (%)	Maturity Date	Principal Amount (\$)	Value (\$)
Long-Term Municipal Investments - 91.6% (continued)				
Texas - 12.1% (continued)				
West Travis County Public Utility Agency, Revenue Bonds	5.00	8/15/21	1,140,000 ^c	1,230,904
West Travis County Public Utility Agency, Revenue Bonds, Refunding (Insured; Build America Mutual Assurance Company)	5.00	8/15/29	1,300,000	1,501,110
				32,667,485
U.S. Related - .7%				
Puerto Rico Highway & Transportation Authority, Highway Revenue Bonds, Refunding (Insured; Assured Guaranty Municipal Corporation) Series 2007 CC	5.25	7/1/36	1,600,000	1,811,680
Utah - .6%				
Utah Transit Authority, Subordinated Sales Tax Revenue Bonds	5.00	6/15/35	1,500,000	1,667,385
Virginia - 1.5%				
Virginia College Building Authority, Educational Facilities Revenue Bonds (Marymount University Project)	5.00	7/1/19	425,000 ^b	431,847
Virginia Public School Authority, School Financing Bonds	5.00	8/1/24	2,000,000	2,199,160
Virginia Small Business Financing Authority, Revenue Bonds	5.00	7/1/34	1,400,000	1,477,070
				4,108,077
Washington - 2.5%				
King County Public Hospital District Number 1, Limited Tax GO (Valley Medical Center)	5.00	12/1/25	2,500,000	2,856,425
Port of Seattle, Intermediate Lien Revenue Bonds	5.00	4/1/25	3,340,000	3,746,979
				6,603,404
Wisconsin - .8%				
Wisconsin Health and Educational Facilities Authority, Health Facilities Revenue Bonds (UnityPoint Health)	5.00	12/1/23	1,000,000	1,123,470

STATEMENT OF INVESTMENTS (continued)

Description	Coupon Rate (%)	Maturity Date	Principal Amount (\$)	Value (\$)
Long-Term Municipal Investments - 91.6% (continued)				
Wisconsin - .8% (continued)				
Wisconsin Health and Educational Facilities Authority, Revenue Bonds (ProHealth Care, Inc. Obligated Group)	5.00	8/15/33	1,000,000	1,092,230
				2,215,700
Total Long-Term Municipal Investments (cost \$246,580,634)				247,442,733
Total Investments (cost \$265,091,538)			98.5%	265,951,124
Cash and Receivables (Net)			1.5%	4,049,532
Net Assets			100.0%	270,000,656

LIBOR—London Interbank Offered Rate

MUNIPSA—Securities Industry and Financial Markets Association Municipal Swap Index Yield

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

^b Security exempt from registration pursuant to Rule 144A under the Securities Act of 1933. These securities may be resold in transactions exempt from registration, normally to qualified institutional buyers. At September 30, 2018, these securities were valued at \$12,042,545 or 4.46% of net assets.

^c 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.

Portfolio Summary (Unaudited) †	Value (%)
Transportation	23.3
General	8.9
Utilities	7.8
General Obligation	7.2
Education	7.0
Special Tax	7.0
Medical	5.9
Water	4.4
Tobacco Settlement	4.4
Asset-Backed	3.8
Nursing Homes	3.3
Development	2.7
Facilities	2.4
Prerefunded	2.0
Banks	1.8
Pollution	1.7
Airport	1.3
Build America Bonds	.9
Multifamily Hsg	.8
School District	.6
Telecommunications	.5
Pharmaceuticals	.4
Health Care Services	.3
Housing	.1
	98.5

† Based on net assets.
See notes to financial statements.

Summary of Abbreviations (Unaudited)

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

See notes to financial statements.

STATEMENT OF ASSETS AND LIABILITIES

September 30, 2018

	Cost	Value		
Assets (\$):				
Investments in securities—See Statement of Investments	265,091,538	265,951,124		
Cash		1,053,532		
Interest receivable		3,291,901		
Receivable for shares of Beneficial Interest subscribed		179,018		
Prepaid expenses		30,840		
		270,506,415		
Liabilities (\$):				
Due to The Dreyfus Corporation and affiliates—Note 3(c)		82,225		
Payable for shares of Beneficial Interest redeemed		332,265		
Trustees fees and expenses payable		2,877		
Accrued expenses and other liabilities		88,392		
		505,759		
Net Assets (\$)		270,000,656		
Composition of Net Assets (\$):				
Paid-in capital		269,075,089		
Total distributable earnings (loss)		925,567		
Net Assets (\$)		270,000,656		
Net Asset Value Per Share				
	Class A	Class C	Class I	Class Y
Net Assets (\$)	6,469,387	191,336	262,833,030	506,903
Shares Outstanding	288,041	8,515	11,694,203	22,553
Net Asset Value Per Share (\$)	22.46	22.47	22.48	22.48

See notes to financial statements.

STATEMENT OF OPERATIONS

Year Ended September 30, 2018

Investment Income (\$):	
Interest	8,028,635
Income from securities lending—Note 1(b)	113
Total Income	8,028,748
Expenses:	
Investment advisory fee—Note 3(a)	1,145,898
Administration fee—Note 3(a)	171,885
Professional fees	84,113
Registration fees	74,855
Shareholder servicing costs—Note 3(c)	50,751
Trustees' fees and expenses—Note 3(d)	18,500
Prospectus and shareholders' reports	8,859
Custodian fees—Note 3(c)	7,976
Loan commitment fees—Note 2	4,729
Distribution fees—Note 3(b)	1,936
Miscellaneous	59,096
Total Expenses	1,628,598
Less—reduction in expenses due to undertaking—Note 3(a)	(321,543)
Less—reduction in fees due to earnings credits—Note 3(c)	(7,976)
Net Expenses	1,299,079
Investment Income—Net	6,729,669
Realized and Unrealized Gain (Loss) on Investments—Note 4 (\$):	
Net realized gain (loss) on investments	64,256
Net unrealized appreciation (depreciation) on investments	(7,124,581)
Net Realized and Unrealized Gain (Loss) on Investments	(7,060,325)
Net (Decrease) in Net Assets Resulting from Operations	(330,656)

See notes to financial statements.

STATEMENT OF CHANGES IN NET ASSETS

	Year Ended September 30,	
	2018	2017 ^a
Operations (\$):		
Investment income—net	6,729,669	5,618,886
Net realized gain (loss) on investments	64,256	477,865
Net unrealized appreciation (depreciation) on investments	(7,124,581)	(2,798,780)
Net Increase (Decrease) in Net Assets Resulting from Operations	(330,656)	3,297,971
Distributions (\$):		
Distributions to shareholders:		
Class A	(305,172)	(304,088)
Class C	(3,666)	(9,624)
Class I	(6,658,117)	(5,481,913)
Class Y	(125,833)	(138,966)
Total Distributions	(7,092,788)	(5,934,591)
Beneficial Interest Transactions (\$):		
Net proceeds from shares sold:		
Class A	4,216,581	13,251,556
Class C	14,985	-
Class I	68,733,879	104,596,037
Class Y	69,525	6,260,000
Distributions reinvested:		
Class A	301,316	298,642
Class C	3,652	9,624
Class I	6,253,305	4,928,332
Class Y	125,808	138,941
Cost of shares redeemed:		
Class A	(14,331,929)	(2,588,091)
Class C	(406,643)	(163,910)
Class I	(54,282,979)	(75,194,981)
Class Y	(6,525,437)	(564,439)
Increase (Decrease) in Net Assets from Beneficial Interest Transactions	4,172,063	50,971,711
Total Increase (Decrease) in Net Assets	(3,251,381)	48,335,091
Net Assets (\$):		
Beginning of Period	273,252,037	224,916,946
End of Period	270,000,656	273,252,037

STATEMENT OF CHANGES IN NET ASSETS (continued)

	Year Ended September 30,	
	2018	2017 ^a
Capital Share Transactions (Shares):		
Class A		
Shares sold	185,409	588,876
Shares issued for distributions reinvested	13,265	13,087
Shares redeemed	(635,652)	(113,870)
Net Increase (Decrease) in Shares Outstanding	(436,978)	488,093
Class C		
Shares sold	664	-
Shares issued for distributions reinvested	160	422
Shares redeemed	(17,669)	(7,232)
Net Increase (Decrease) in Shares Outstanding	(16,845)	(6,810)
Class I		
Shares sold	3,016,686	4,598,052
Shares issued for distributions reinvested	275,544	216,002
Shares redeemed	(2,392,108)	(3,304,942)
Net Increase (Decrease) in Shares Outstanding	900,122	1,509,112
Class Y		
Shares sold	3,040	279,162
Shares issued for distributions reinvested	5,532	6,084
Shares redeemed	(288,685)	(25,041)
Net Increase (Decrease) in Shares Outstanding	(280,113)	260,205

^a Distributions to shareholders include \$281,439 Class A, \$8,600 Class C, \$5,151,638 Class I and \$128,528 Class Y of distributions from net investment income and \$22,649 Class A, \$1,024 Class C, \$330,275 Class I and \$10,438 Class Y distributions from net realized gains. Undistributed investment income—net was 10,948 in 2017 and is no longer presented as a result of the adoption of SEC's Disclosure Update and Simplification Rule.
See notes to financial statements.

FINANCIAL HIGHLIGHTS

The following 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 September 30,				
	2018	2017	2016	2015	2014
Per Share Data (\$):					
Net asset value, beginning of period	23.05	23.43	23.00	23.15	22.56
Investment Operations:					
Investment income—net ^a	.49	.48	.49	.52	.49
Net realized and unrealized gain (loss) on investments	(.57)	(.35)	.51	.02	.59
Total from Investment Operations	(.08)	.13	1.00	.54	1.08
Distributions:					
Dividends from Investment income—net	(.48)	(.47)	(.48)	(.51)	(.49)
Dividends from net realized gain on investments	(.03)	(.04)	(.09)	(.18)	—
Total Distributions	(.51)	(.51)	(.57)	(.69)	(.49)
Net asset value, end of period	22.46	23.05	23.43	23.00	23.15
Total Return (%)^b	(.36)	.59	4.40	2.38	4.84
Ratios/Supplemental Data (%):					
Ratio of total expenses to average net assets	.85	.85	.88	.89	.95
Ratio of net expenses to average net assets	.70	.70	.70	.70	.70
Ratio of net investment income to average net assets	2.10	2.08	2.07	2.24	2.15
Portfolio Turnover Rate	31.75	20.30	29.16	29.93	26.01
Net Assets, end of period (\$ x 1,000)	6,469	16,714	5,551	6,319	6,173

^a Based on average shares outstanding.

^b Exclusive of sales charge.

See notes to financial statements.

FINANCIAL HIGHLIGHTS (continued)

Class C Shares	Year Ended September 30,				
	2018	2017	2016	2015	2014
Per Share Data (\$):					
Net asset value, beginning of period	23.06	23.43	23.00	23.16	22.57
Investment Operations:					
Investment income—net ^a	.29	.30	.31	.35	.32
Net realized and unrealized gain (loss) on investments	(.54)	(.33)	.51	.01	.59
Total from Investment Operations	(.25)	(.03)	.82	.36	.91
Distributions:					
Dividends from investment income—net	(.31)	(.30)	(.30)	(.34)	(.32)
Dividends from net realized gain on investments	(.03)	(.04)	(.09)	(.18)	—
Total Distributions	(.34)	(.34)	(.39)	(.52)	(.32)
Net asset value, end of period	22.47	23.06	23.43	23.00	23.16
Total Return (%)^b	(1.12)	(.11)	3.62	1.58	4.07
Ratios/Supplemental Data (%):					
Ratio of total expenses to average net assets	1.84	1.64	1.70	1.69	1.75
Ratio of net expenses to average net assets	1.45	1.45	1.45	1.45	1.45
Ratio of net investment income to average net assets	1.33	1.34	1.32	1.49	1.40
Portfolio Turnover Rate	31.75	20.30	29.16	29.93	26.01
Net Assets, end of period (\$ x 1,000)	191	585	754	744	1,001

^a Based on average shares outstanding.

^b Exclusive of sales charge.

See notes to financial statements.

Class I Shares	Year Ended September 30,				
	2018	2017	2016	2015	2014
Per Share Data (\$):					
Net asset value, beginning of period	23.07	23.44	23.01	23.16	22.57
Investment Operations:					
Investment income—net ^a	.54	.53	.54	.57	.55
Net realized and unrealized gain (loss) on investments	(.56)	(.33)	.51	.03	.59
Total from Investment Operations	(.02)	.20	1.05	.60	1.14
Distributions:					
Dividends from Investment income—net	(.54)	(.53)	(.53)	(.57)	(.55)
Dividends from net realized gain on investments	(.03)	(.04)	(.09)	(.18)	—
Total Distributions	(.57)	(.57)	(.62)	(.75)	(.55)
Net asset value, end of period	22.48	23.07	23.44	23.01	23.16
Total Return (%)	(.10)	.84	4.65	2.63	5.11
Ratios/Supplemental Data (%):					
Ratio of total expenses to average net assets	.55	.56	.57	.58	.68
Ratio of net expenses to average net assets	.45	.45	.45	.45	.45
Ratio of net investment income to average net assets	2.36	2.33	2.32	2.48	2.40
Portfolio Turnover Rate	31.75	20.30	29.16	29.93	26.01
Net Assets, end of period (\$ x 1,000)	262,833	248,973	217,617	191,558	145,493

^a Based on average shares outstanding.
See notes to financial statements.

FINANCIAL HIGHLIGHTS (continued)

Class Y Shares	Year Ended September 30,				
	2018	2017	2016	2015	2014
Per Share Data (\$):					
Net asset value, beginning of period	23.06	23.43	23.00	23.16	22.57
Investment Operations:					
Investment income—net ^a	.54	.54	.54	.57	.47
Net realized and unrealized gain (loss) on investments	(.55)	(.34)	.51	.02	.68
Total from Investment Operations	(.01)	.20	1.05	.59	1.15
Distributions:					
Dividends from Investment income—net	(.54)	(.53)	(.53)	(.57)	(.56)
Dividends from net realized gain on investments	(.03)	(.04)	(.09)	(.18)	—
Total Distributions	(.57)	(.57)	(.62)	(.75)	(.56)
Net asset value, end of period	22.48	23.06	23.43	23.00	23.16
Total Return (%)	(.11)	.88	4.66	2.59	5.13
Ratios/Supplemental Data (%):					
Ratio of total expenses to average net assets	.56	.55	.57	.59	.66
Ratio of net expenses to average net assets	.45	.45	.45	.45	.45
Ratio of net investment income to average net assets	2.35	2.33	2.32	2.48	2.40
Portfolio Turnover Rate	31.75	20.30	29.16	29.93	26.01
Net Assets, end of period (\$ x 1,000)	507	6,980	995	970	1,026

^a Based on average shares outstanding.
See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

NOTE 1—Significant Accounting Policies:

Dreyfus Tax Sensitive Total Return Bond Fund (the “fund”) is a separate non-diversified series of Dreyfus Investment Funds (the “Trust”), which is registered under the Investment Company Act of 1940, as amended (the “Act”), as an open-end management investment company and operates as a series company currently offering seven series, including the fund. The fund’s investment objective is to seek a high after-tax total return. 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. Effective January 31, 2018, BNY Mellon Asset Management North America Corporation (the “sub adviser”), a wholly-owned subsidiary of BNY Mellon and an affiliate of Dreyfus, serves as the fund’s sub-investment adviser. The sub adviser is a specialist multi-asset investment manager formed by the combination of certain BNY Mellon affiliated investment management firms, including Standish Mellon Asset Management Company LLC, which served as the fund’s sub-investment adviser prior to January 31, 2018.

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 an unlimited number of \$.001 par value shares of Beneficial Interest in each of the following classes of shares: Class A, Class C, Class I, Class T and Class Y. Class A, Class C and Class T shares are sold primarily to retail investors through financial intermediaries and bear Distribution and/or Shareholder Services Plan fees. 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 shares are sold primarily to bank trust departments and other financial service providers (including The Bank of New York Mellon, a subsidiary of BNY Mellon and an affiliate of Dreyfus, and its affiliates), acting on behalf of customers having a qualified trust or an investment account or relationship at such institution, and bear no Distribution or Shareholder Services Plan fees. Class Y shares are sold at net asset value per share generally to institutional investors, and bear no Distribution or Shareholder Services Plan fees. Class I and Class Y shares are offered without a front-end sales charge or CDSC. 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 Trust accounts separately for the assets, liabilities and operations of each series. Expenses directly attributable to each series are charged to that series' operations; expenses which are applicable to all series are allocated among them on a pro rata basis.

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.

(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:

Registered investment companies that are not traded on an exchange are valued at their net asset value and are generally categorized within Level 1 of the fair value hierarchy.

Investments in securities, excluding short-term investments (other than U.S. Treasury Bills), are valued each business day by an independent pricing service (the “Service”) approved by the Trust’s Board of Trustees (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 valued as determined by the Service, based on methods which include consideration of the following: yields or prices of securities of comparable quality, coupon, maturity and type; indications as to values from dealers; and general market conditions. These 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 (for example, a foreign exchange or market), 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 September 30, 2018 in valuing the fund's investments:

	Level 1 - Unadjusted Quoted Prices	Level 2 - Other Significant Observable Inputs	Level 3 - Significant Unobservable Inputs	Total
Assets (\$)				
Investments in Securities:				
Asset-Backed	-	10,361,026	-	10,361,026
Corporate Bonds [†]	-	8,147,365	-	8,147,365
Municipal Bonds [†]	-	247,442,733	-	247,442,733

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

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

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

Pursuant to a securities lending agreement with The Bank of New York Mellon, a subsidiary of BNY Mellon and an affiliate of Dreyfus, the fund may lend securities to qualified institutions. It is the fund's policy that, at origination, all loans are secured by collateral of at least 102% of the value of U.S. securities loaned and 105% of the value of foreign securities loaned. Collateral equivalent to at least 100% of the market value of securities on loan is maintained at all times. Collateral is either in the form of cash, which can be invested in certain money market mutual funds managed by Dreyfus, or U.S. Government and Agency securities. The fund is entitled to receive all dividends, interest and distributions on securities loaned, in addition to income earned as a result of the lending transaction. Should a borrower fail to return the securities in a timely manner, The Bank of New York Mellon is required to replace the securities for the benefit of the fund or credit the fund with the market value of the unreturned securities and is subrogated to the fund's rights against the borrower and the collateral. Additionally, the contractual maturity of

security lending transactions are on an overnight and continuous basis. During the period ended September 30, 2018, The Bank of New York Mellon earned \$20 from lending portfolio securities, pursuant to the securities lending agreement.

(c) Risk: The fund invests primarily in debt securities. Failure of an issuer of the debt securities to make timely interest or principal payments, or a decline or the perception of a decline in the credit quality of a debt security, can cause the debt security's price to fall, potentially lowering the fund's share price. In addition, the value of debt securities may decline due to general market conditions that are not specifically related to a particular issuer, such as real or perceived adverse economic conditions, changes in outlook for corporate earnings, changes in interest or currency rates or adverse investor sentiment. Such values may also decline because of factors that affect a particular industry.

(d) 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.

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

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

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

At September 30, 2018, the components of accumulated earnings on a tax basis were as follows: undistributed tax-exempt income \$12,438,

undistributed ordinary income \$33,024, undistributed capital gains \$32,957 and unrealized appreciation \$859,586.

The tax character of distributions paid to shareholders during the fiscal periods ended September 30, 2018 and September 30, 2017 were as follows: tax-exempt income \$6,439,401 and \$5,341,468, ordinary income \$342,251 and \$252,344, and long-term capital gains \$311,136 and \$340,779, respectively.

During the period ended September 30, 2018, as a result of permanent book to tax differences, primarily due to the tax treatment for amortization adjustments and paydown gains and losses, the fund decreased accumulated undistributed investment income-net by \$7,894 decreased accumulated net realized gain (loss) on investments by \$7,219 and increased paid-in capital by \$15,113. Net assets and net asset value per share were not affected by this reclassification.

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

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

NOTE 2—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 (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 September 30, 2018, the fund did not borrow under the Facilities.

NOTE 3—Investment Advisory Fee, Sub-Investment Advisory Fee, Administration Fee and Other Transactions with Affiliates:

(a) Pursuant to an investment advisory agreement with Dreyfus, the fund has agreed to pay an investment advisory fee at the annual rate of .40% of the value of the fund's average daily net assets and is payable monthly. Dreyfus has contractually agreed, from October 1, 2017 through February 1, 2020, to waive receipt of its fees and/or assume the direct expenses of the fund so that the direct expenses of none of the classes (excluding Rule 12b-1 Distribution Plan fees, Shareholder Services Plan fees, taxes, interest expense, brokerage commissions, commitment fees on borrowings and extraordinary expenses) exceed .45% of the value of the fund's average daily net assets. The reduction in expenses, pursuant to the undertaking, amounted to \$321,543 during the year ended September 30, 2018.

Pursuant to a sub-investment advisory agreement between Dreyfus and the sub adviser, the sub adviser serves as the fund's sub-investment adviser responsible for the day-to-day management of the fund's portfolio. Dreyfus pays the sub-investment adviser a monthly fee at an annual percentage of the value of the fund's average daily net asset. Dreyfus has obtained an exemptive order from the SEC (the "Order"), upon which the fund may rely, to use a manager of managers approach that permits Dreyfus, subject to certain conditions and approval by the Board, to enter into and materially amend sub-investment advisory agreements with one or more sub-investment advisers who are either unaffiliated with Dreyfus or are wholly-owned subsidiaries (as defined under the Act) of Dreyfus' ultimate parent company, BNY Mellon, without obtaining shareholder approval. The Order also allows the fund to disclose the sub-investment advisory fee paid by Dreyfus to any unaffiliated sub-investment adviser in the aggregate with other unaffiliated sub-investment advisers in documents filed with the SEC and provided to shareholders. In addition, pursuant to the Order, it is not necessary to disclose the sub-investment advisory fee payable by Dreyfus separately to a sub-investment adviser that is a wholly-owned subsidiary of BNY Mellon in documents filed with the SEC and provided to shareholders; such fees are to be aggregated with fees payable to Dreyfus. Dreyfus has ultimate responsibility (subject to oversight by the Board) to supervise any sub-investment adviser and recommend the hiring, termination, and replacement of any sub-investment adviser to the Board.

The fund has a Fund Accounting and Administrative Services Agreement (the "Administration Agreement") with Dreyfus, whereby Dreyfus performs administrative, accounting and recordkeeping services for the

fund. The fund has agreed to compensate Dreyfus for providing accounting and recordkeeping services, administration, compliance monitoring, regulatory and shareholder reporting, as well as related facilities, equipment and clerical help. The fee is based on the fund's average daily net assets and computed at the following annual rates: .06% of the first \$500 million, .04% of the next \$500 million and .02% in excess of \$1 billion.

In addition, after applying any expense limitations or fee waivers that reduce the fees paid to Dreyfus for this service, Dreyfus has contractually agreed in writing to waive any remaining fees for this service to the extent that they exceed both Dreyfus' costs in providing these services and a reasonable allocation of the costs incurred by Dreyfus and its affiliates related to the support and oversight of these services. The fund also reimburses Dreyfus for the out-of-pocket expenses incurred in performing this service for the fund. Pursuant to the Administration Agreement, the fund was charged \$171,885 during the period ended September 30, 2018.

(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 September 30, 2018, Class C shares were charged \$1,936 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 September 30, 2018, Class A and Class C shares were charged \$33,573 and \$645, respectively, pursuant to the Shareholder Services Plan.

Under its terms, the Distribution Plan and Shareholder Services Plan shall remain in effect from year to year, provided such continuance is approved annually by a vote of a majority of those Trustees who are not "interested persons" of the Trust and who have no direct or indirect financial interest in the operation of or in any agreement related to the Distribution Plan or 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, if any, 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 September 30, 2018, the fund was charged \$8,065 for transfer agency services. These fees are included in Shareholder servicing costs in the Statement of Operations.

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 September 30, 2018, the fund was charged \$7,976 pursuant to the custody agreement. These fees were offset by earnings credits of \$7,976.

During the period ended September 30, 2018, the fund was charged \$12,845 for services performed by the Chief Compliance Officer and his staff. These fees are included in Miscellaneous in the Statement of Operations.

The components of “Due to The Dreyfus Corporation and affiliates” in the Statement of Assets and Liabilities consist of: investment advisory fees \$89,125, administration fees \$13,368, Distribution Plan fees \$119, Shareholder Services Plan fees \$1,356, custodian fees \$2,895, Chief Compliance Officer fees \$3,145 and transfer agency fees \$1,472, which are offset against an expense reimbursement currently in effect in the amount of \$29,255.

(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 (including paydowns) of investment securities, excluding short-term securities, during the period ended September 30, 2018, amounted to \$100,186,985 and \$88,038,543, respectively.

At September 30, 2018, the cost of investments for federal income tax purposes was \$265,091,538; accordingly, accumulated net unrealized appreciation on investments was \$859,586 consisting of \$2,915,977 gross unrealized appreciation and \$2,056,391 gross unrealized depreciation.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and Board of Trustees
Dreyfus Investment Funds

Opinion on the Financial Statements

We have audited the accompanying statement of assets and liabilities of Dreyfus Tax Sensitive Total Return Bond Fund (the “Fund”), a series of Dreyfus Investment Funds, including the statement of investments, as of September 30, 2018, the related statement of operations for the year then ended, the statements of changes in net assets for each of the years in the two-year period then ended, and the related notes (collectively, the financial statements) and the financial highlights for each of the years in the five-year period then ended. In our opinion, the financial statements and financial highlights present fairly, in all material respects, the financial position of the Fund as of September 30, 2018, the results of its operations for the year then ended, the changes in its net assets for each of the years in the two-year period then ended and the financial highlights for each of the years in the five-year period then ended, in conformity with U.S. generally accepted accounting principles.

Basis for Opinion

These financial statements and financial highlights are the responsibility of the Fund’s management. Our responsibility is to express an opinion on these financial statements and financial highlights 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 and financial highlights are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements and financial highlights, 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 and financial highlights. Such procedures also included confirmation of securities owned as of September 30, 2018, by correspondence with the custodian and brokers or by other appropriate auditing procedures when replies from brokers 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 and financial highlights. We believe that our audits provide a reasonable basis for our opinion.

KPMG LLP

We have served as the auditor of one or more Dreyfus Corporation investment companies since 1994.

New York, New York
November 21, 2018

IMPORTANT TAX INFORMATION (Unaudited)

In accordance with federal tax law, the fund hereby reports all the dividends paid from investment income-net during its fiscal year ended September 30, 2018 as “exempt-interest dividends” (not generally subject to regular federal income tax), except \$293,322 that is being reported as an ordinary income distribution for reporting purposes. Where required by federal tax law rules, shareholders will receive notification of their portion of the fund’s taxable ordinary dividends (if any), capital gains distributions (if any) and tax-exempt dividends paid for the 2018 calendar year on Form 1099-DIV, which will be mailed in early 2019. The fund reports the maximum amount allowable but not less than \$.0248 per share as a capital gain dividend in accordance with Section 852(b)(3)(C) of the Internal Revenue Code. Also, the fund reports the maximum amount allowable but not less than \$.0039 as a short-term capital gain dividend paid on December 28, 2017 in accordance with Sections 871(k)(2) and 881(e) of the Internal Revenue Code.

BOARD MEMBERS INFORMATION (Unaudited)

INDEPENDENT BOARD MEMBERS

Joseph S. DiMartino (74) **Chairman of the Board (2008)**

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: 125

Francine J. Bovich (67) **Board Member (2011)**

Principal Occupation During Past 5 Years:

- Trustee, The Bradley Trusts, private trust funds (2011-present)

Other Public Company Board Memberships During Past 5 Years:

- Annaly Capital Management, Inc., a real estate trust, Director (2014-present)

No. of Portfolios for which Board Member Serves: 73

Kenneth A. Himmel (72) **Board Member (2008)**

Principal Occupation During Past 5 Years:

- Managing Partner, Gulf Related, an international real estate development company (2010-present)
- President and CEO, Related Urban Development, a real estate development company (1996-present)
- President and CEO, Himmel & Company, a real estate development company (1980-present)
- CEO, American Food Management, a restaurant company (1983-present)

No. of Portfolios for which Board Member Serves: 25

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

Stephen J. Lockwood (71)
Board Member (2008)

Principal Occupation During Past 5 Years:

- Chairman of the Board, Stephen J. Lockwood and Company LLC, a real estate investment company (2000-present)

No. of Portfolios for which Board Member Serves: 25

Roslyn M. Watson (68)
Board Member (2008)

Principal Occupation During Past 5 Years:

- Principal, Watson Ventures, Inc., a real estate investment company (1993-present)

No. of Portfolios for which Board Member Serves: 59

Benaree Pratt Wiley (72)
Board Member (2008)

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: 80

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 Members is available in the fund's Statement of Additional Information which can be obtained from Dreyfus free of charge by calling this toll free number: 1-800-DREYFUS.

James M. Fitzgibbons, 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 125 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 150 portfolios) managed by the Manager. He is 47 years old and has been an employee of the Manager since June 2015.

JAMES BITETTO, Vice President since December 2008 and Secretary since February 2018.

Managing Counsel of BNY Mellon and Secretary of the Manager, and an officer of 63 investment companies (comprised of 150 portfolios) managed by the Manager. He is 52 years old and has been an employee of the Manager since December 1996.

JOSEPH M. CHIOFFI, Vice President and Assistant Secretary since December 2008.

Managing Counsel of BNY Mellon, and an officer of 63 investment companies (comprised of 150 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 150 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 150 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 150 portfolios) managed by the Manager. She is 43 years old and has been an employee of the Manager since March 2013.

JEFF PRUSNOFSKY, Vice President and Assistant Secretary since December 2008.

Senior Managing Counsel of BNY Mellon, and an officer of 63 investment companies (comprised of 150 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 150 portfolios) managed by Dreyfus. She is 33 years old and has been an employee of the Manager since May 2016.

JAMES WINDELS, Treasurer since December 2008.

Director – Mutual Fund Accounting of the Manager, and an officer of 63 investment companies (comprised of 150 portfolios) managed by the Manager. He is 60 years old and has been an employee of the Manager since April 1985.

RICHARD CASSARO, Assistant Treasurer since December 2008.

Senior Accounting Manager – Money Market and Municipal Bond Funds of the Manager, and an officer of 63 investment companies (comprised of 150 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 2008.

Tax Manager of the Investment Accounting and Support Department of the Manager, and an officer of 63 investment companies (comprised of 150 portfolios) managed by the Manager. He is 50 years old and has been an employee of the Manager since April 1991.

ROBERT S. ROBOL, Assistant Treasurer since December 2008.

Senior Accounting Manager – Dreyfus Financial Reporting of the Manager, and an officer of 63 investment companies (comprised of 150 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 December 2008.

Senior Accounting Manager – Equity Funds of the Manager, and an officer of 63 investment companies (comprised of 150 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 December 2008.

Senior Accounting Manager – Fixed Income and Equity Funds of the Manager, and an officer of 63 investment companies (comprised of 150 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 December 2008.

Chief Compliance Officer of the Manager, the Dreyfus Family of Funds and BNY Mellon Funds Trust (63 investment companies, comprised of 150 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 144 portfolios) managed by the Manager. She is 50 years old and has been an employee of the Distributor since 1997.

NOTES

For More Information

Dreyfus Tax Sensitive Total Return Bond Fund

200 Park Avenue
New York, NY 10166

Manager

The Dreyfus Corporation
200 Park Avenue
New York, NY 10166

Sub-Investment Adviser

BNY Mellon Asset Management
North America Corporation
BNY Mellon Center
One Boston Place
Boston, MA 02108-4408

Custodian

The Bank of New York Mellon
240 Greenwich 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

Ticker Symbols: Class A: DSDAX Class C: DSDCX Class I: SDITX Class Y: SDYTX

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

Internet Information can be viewed online or downloaded at 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.

A description of the policies and procedures that the fund uses to determine how to vote proxies relating to portfolio securities and information regarding how the fund voted these proxies for the most recent 12-month period ended June 30 is available at www.dreyfus.com and on the SEC's website at www.sec.gov and without charge, upon request, by calling 1-800-DREYFUS.