Dreyfus State Municipal Bond Funds, Dreyfus Connecticut Fund

SEMIANNUAL REPORT
October 31, 2018

BNY MELLON | Dreyfus

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THE FUND

FOR MORE INFORMATION

A LETTER FROM THE PRESIDENT OF DREYFUS

Dear Shareholder:

We are pleased to present this semiannual report for Dreyfus State Municipal Bond Funds, Dreyfus Connecticut Fund, covering the six-month period from May 1, 2018 through October 31, 2018. For information about how the fund performed during the reporting period, as well as general market perspectives, we provide a Discussion of Fund Performance on the pages that follow.

The pattern of synchronized growth that characterized the global economy during 2017 gave way early in 2018 to a more uneven performance. While the U.S. economy remained strong, and Japan rebounded from a weak first quarter, growth in Europe slowed. Overall, global economic activity moderated as the reporting period progressed.

In this environment, returns in global equities markets were flat to down. U.S. stocks eked out modest gains, declining from highs set earlier in the reporting period despite trade tensions and rising interest rates. Earnings remained robust as corporations continued to benefit from the corporate tax cut enacted last year. Growth stocks outpaced value stocks, and large caps edged out small caps. In contrast to the U.S. market, stocks in other developed markets experienced greater declines, while in emerging markets equities continued to reflect economic fragility and the currency crises in Turkey and Argentina.

In fixed income, performance was generally muted. Rising short-term interest rates led to returns that were largely flat to down in most segments. The yield on the 10-year Treasury surged as U.S. growth remained strong and employment data continued to improve, but concerns about trade tensions and the global economy kept the yield from rising further.

We expect robust U.S. growth and healthy earnings to persist over the near term, but with the economic expansion now the second longest on record, we will continue to monitor the data for any signs of recession. 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,

R. LaRoche-Morris

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

For the period from May 1, 2018 through October 31, 2018, as provided by Daniel Barton and Jeffrey Burger, Portfolio Managers

Market and Fund Performance Overview

For the six-month period ended October 31, 2018, Class A shares of Dreyfus Connecticut Fund, a series of Dreyfus State Municipal Bond Funds, produced a total return of 0.39%, Class C shares returned 0.08%, Class I shares returned 0.51%, Class Y shares returned 0.52%, and Class Z shares returned 0.51%.[1] In comparison, the Bloomberg Barclays U.S. Municipal Bond Index (the "Index"), the fund's benchmark index, which is comprised of bonds issued nationally and not solely within Connecticut, achieved a total return of 0.46% for the same period.[2]

Municipal bonds during the reporting period encountered bouts of volatility stemming from rising interest rates and shifting supply-and-demand dynamics in the municipal securities market. The fund's Class I, Class Y, and Class Z shares outperformed the Index, in part due to sector allocation decisions.

The Fund's Investment Approach

The fund seeks to maximize current income exempt from federal income tax and from Connecticut state income tax, without undue risk. To pursue its goal, the fund normally invests at least 80% of its net assets, plus any borrowings for investment purposes, in municipal bonds that provide income exempt from federal and Connecticut state income taxes. The fund invests at least 70% of its assets in municipal bonds rated, at the time of purchase, investment grade (Baa/BBB or higher) or the unrated equivalent as determined by The Dreyfus Corporation ("Dreyfus"). For additional yield, the fund may invest up to 30% of its assets in municipal bonds rated below investment grade ("high yield" or "junk" bonds) or the unrated equivalent as determined by Dreyfus. The dollar-weighted average maturity of the fund's portfolio normally exceeds 10 years, but the fund may invest without regard to maturity.

The portfolio managers focus on identifying undervalued sectors and securities and minimize the use of interest-rate forecasting. The portfolio managers select municipal bonds for the fund's portfolio by using fundamental credit analysis to estimate the relative value and attractiveness of various sectors and securities and to exploit pricing inefficiencies in the municipal bond market; and actively trading among various sectors, such as pre-refunded, general obligation and revenue, based on their apparent relative values. The fund seeks to invest in several of these sectors.

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

Market weakness abated early in the reporting period as municipal bonds rebounded, supported by strong seasonal reinvestment demand and very manageable new-issue supply levels. Demand from individuals in high-tax states increased significantly as the search for immunization against the newly imposed tax restrictions on state and local tax deductions provided a catalyst. Conversely, tax cuts to corporations 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.

Inflationary pressures accumulated during the reporting period. In late August 2018, rates rose across the curve and volatility reentered the picture, creating a headwind for many areas of the fixed income market, particularly higher-duration securities. In September 2018, supportive factors started to diminish due to less reinvestment and growing concern over tightening employment markets and increasing inflation. The U.S. Federal Reserve (the "Fed") raised interest rates twice during the reporting period. In October 2018, the yield curve shifted upward on the back of continued economic strength, and volatility continued to increase as midterm elections and trade concerns caused uncertainty within the market.

Connecticut has historically struggled with lower-than-expected tax receipts and heavy pension funding shortfalls that resulted in credit-rating downgrades of the state's debt. However, we are optimistic about the probability of pension fund reform being passed by Connecticut's newly elected officials. A reduction in unfunded pension liability may improve the credit profile of the state.

Revenue Sector Bias and Investor Preference for Low Quality Drives Returns

The fund's relative performance was boosted by several factors. First, duration and yield curve positioning were beneficial. The fund was long duration. It was also overweight in 10-year maturity debt, which rallied during the period. Second, investors' preference for lower-quality, higher-yielding debt helped performance. Connecticut debt outperformed the general market index as it is one of the lower-rated states, and its financials have been improving due to an increase in tax receipts and reserves. The fund was also overweighted in lower-quality BBB and A rated debt, which outperformed during the period. Finally, the fund had an emphasis on revenue sectors such as hospitals, education, and tobacco bonds, which did well during the reporting period.

Conversely, the fund's performance was constrained by exposure to the longer end of the maturity spectrum. In particular, an overweight to bonds with a 30-year maturity underperformed short-maturity securities. In addition, an underweight to outperforming five-year bonds also hurt relative results. An allocation to essential service revenue bonds also weighed on performance. These bonds tend to be higher quality in nature and did not participate in some of the appreciation that benefited other sectors during the reporting period. Among these were special tax bonds, high-quality health care bonds, as well as water and sewer bonds.

A Constructive Investment Posture

We expect interest rates to continue to rise throughout the next year. As we approach the conclusion of 2018, we expect the supply-and-demand dynamics supporting the price of municipal bonds to improve as demand increases due to the investment of semiannual coupon payments. Higher interest rates could also foster more retail demand. Furthermore, municipal bonds offer high yield ratios when compared to Treasuries, which should also provide price support going forward. These demand factors should mitigate the effects of declining institutional demand, including sales by banks. We will continue to monitor the situation as it develops.

Given this environment, we continue to maintain a constructive investment posture. This means keeping the fund's average duration close to the benchmark, using market pullbacks to strategically add to our A and BBB rated bonds, and seeking opportunity in attractive segments of the yield curve.

November 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. Had these charges been reflected, returns would have been lower. Class I, Class Y, and Class Z shares are not subject to any initial or deferred sales charge. Past performance is no guarantee of future results. Share price, yield, and investment return fluctuate such that upon redemption, fund shares may be worth more or less than their original cost. Income may be subject to state and local taxes and some income may be subject to the federal alternative minimum tax (AMT) for certain investors. Capital gains, if any, are taxable.*

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

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

The amount of public information available about municipal bonds is generally less than that for corporate equities or bonds. Special factors, such as legislative changes, and state and local economic and business developments, may adversely affect the yield and/or value of the fund's investments in municipal bonds. Other factors include the general conditions of the municipal bond market, the size of the particular offering, the maturity of the obligation, and the rating of the issue. Changes in economic, business, or political conditions relating to a particular municipal project, municipality, or state in which the fund invests may have an impact on the fund's share price.

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 State Municipal Bond Funds, Dreyfus Connecticut Fund from May 1, 2018 to October 31, 2018. It also shows how much a $1,000 investment would be worth at the close of the period, assuming actual returns and expenses.

Expenses and Value of a $1,000 Investment

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

	Class A	Class C	Class I	Class Y	Class Z
Expenses paid per $1,000†	$ 4.85	$ 8.83	$ 3.64	$ 3.54	$ 3.84
Ending value (after expenses)	$ 1,003.90	$ 1,000.80	$ 1,005.10	$ 1,005.20	$ 1,005.10

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 October 31, 2018

	Class A	Class C	Class I	Class Y	Class Z
Expenses paid per $1,000†	$ 4.89	$ 8.89	$ 3.67	$ 3.57	$ 3.87
Ending value (after expenses)	$ 1,020.37	$ 1,016.38	$ 1,021.58	$ 1,021.68	$ 1,021.37

† *Expenses are equal to the fund's annualized expense ratio of .96% for Class A, 1.75% for Class C, .72% for Class I, .70% for Class Y and .76% for Class Z, multiplied by the average account value over the period, multiplied by 184/365 (to reflect the one-half year period).*

STATEMENT OF INVESTMENTS
October 31, 2018 (Unaudited)

Description	Coupon Rate (%)	Maturity Date	Principal Amount ($)	Value ($)
Long-Term Municipal Investments - 98.7%				
Connecticut - 96.3%				
Connecticut, GO	5.00	11/1/2028	5,000,000	5,245,050
Connecticut, GO	5.00	10/15/2025	1,645,000	1,783,525
Connecticut, GO	5.00	11/1/2027	5,000,000	5,256,750
Connecticut, GO	5.00	11/1/2031	2,500,000	2,608,725
Connecticut, GO	5.00	3/1/2026	5,000,000	5,427,450
Connecticut, Special Tax Obligation Revenue Bonds (Transportation Infrastructure Purposes)	4.00	9/1/2035	5,000,000	5,036,600
Connecticut, Special Tax Obligation Revenue Bonds (Transportation Infrastructure Purposes)	5.00	8/1/2034	3,000,000	3,243,840
Connecticut, Special Tax Obligation Revenue Bonds (Transportation Infrastructure Purposes)	5.00	10/1/2024	2,730,000	3,010,480
Connecticut, Special Tax Obligation Revenue Bonds (Transportation Infrastructure Purposes)	5.00	12/1/2021	1,500,000	1,607,730
Connecticut, State Revolving Fund General Revenue Bonds	5.00	7/1/2024	1,000,000	1,096,540
Connecticut Development Authority, PCR (The Connecticut Light and Power Company Project)	4.38	9/1/2028	3,900,000	4,076,748
Connecticut Development Authority, Water Facilities Revenue Bonds (Aquarion Water Company of Connecticut Project)	5.50	4/1/2021	4,500,000	4,810,950
Connecticut Health and Educational Facilities Authority, Revenue Bonds (Ascension Health Senior Credit Group)	5.00	11/15/2040	10,000,000	10,238,500
Connecticut Health and Educational Facilities Authority, Revenue Bonds (Bridgeport Hospital Issue)	5.00	7/1/2025	3,625,000	3,932,327

Description	Coupon Rate (%)	Maturity Date	Principal Amount ($)	Value ($)
Long-Term Municipal Investments - 98.7% (continued)				
Connecticut - 96.3% (continued)				
Connecticut Health and Educational Facilities Authority, Revenue Bonds (Connecticut College Issue)	4.00	7/1/2046	2,000,000	1,900,280
Connecticut Health and Educational Facilities Authority, Revenue Bonds (Fairfield University Issue)	5.00	7/1/2046	1,000,000	1,072,900
Connecticut Health and Educational Facilities Authority, Revenue Bonds (Greenwich Academy Issue) (Insured; Assured Guaranty Municipal Corp.)	5.25	3/1/2032	9,880,000	11,672,528
Connecticut Health and Educational Facilities Authority, Revenue Bonds (Hartford HealthCare Issue)	5.00	7/1/2041	2,000,000	2,086,980
Connecticut Health and Educational Facilities Authority, Revenue Bonds (Hartford HealthCare Issue)	5.00	7/1/2032	1,000,000	1,051,320
Connecticut Health and Educational Facilities Authority, Revenue Bonds (Hartford HealthCare Issue)	5.00	7/1/2045	2,500,000	2,616,550
Connecticut Health and Educational Facilities Authority, Revenue Bonds (Hartford HealthCare Issue)	5.00	7/1/2027	3,265,000	3,568,874
Connecticut Health and Educational Facilities Authority, Revenue Bonds (Healthcare Facility Expansion Issue - Church Home of Hartford Inc., Project)	5.00	9/1/2046	1,000,000 [a]	1,010,260
Connecticut Health and Educational Facilities Authority, Revenue Bonds (Healthcare Facility Expansion Issue - Church Home of Hartford Inc., Project)	5.00	9/1/2053	1,500,000 [a]	1,499,895
Connecticut Health and Educational Facilities Authority, Revenue Bonds (Loomis Chaffee School Issue) (Insured; AMBAC)	5.25	7/1/2028	1,760,000	2,077,046
Connecticut Health and Educational Facilities Authority, Revenue Bonds (Quinnipiac University Issue)	5.00	7/1/2036	200,000	217,760

Description	Coupon Rate (%)	Maturity Date	Principal Amount ($)	Value ($)
Long-Term Municipal Investments - 98.7% (continued)				
Connecticut - 96.3% (continued)				
Connecticut Health and Educational Facilities Authority, Revenue Bonds (Quinnipiac University Issue)	5.00	7/1/2036	5,000,000	5,442,100
Connecticut Health and Educational Facilities Authority, Revenue Bonds (Quinnipiac University Issue)	5.00	7/1/2045	3,000,000	3,219,150
Connecticut Health and Educational Facilities Authority, Revenue Bonds (Stamford Hospital Issue)	4.00	7/1/2046	2,000,000	1,854,500
Connecticut Health and Educational Facilities Authority, Revenue Bonds (Stamford Hospital Issue)	5.00	7/1/2030	6,750,000	6,997,320
Connecticut Health and Educational Facilities Authority, Revenue Bonds (Trinity Health Credit Group)	5.00	12/1/2045	7,500,000	8,139,150
Connecticut Health and Educational Facilities Authority, Revenue Bonds (Western Connecticut Health Network Issue)	5.38	7/1/2041	1,000,000	1,055,590
Connecticut Health and Educational Facilities Authority, Revenue Bonds (Yale New Haven Health Issue)	5.00	7/1/2027	3,960,000	4,415,440
Connecticut Health and Educational Facilities Authority, Revenue Bonds, Refunding (Fairfield University)	5.00	7/1/2032	1,000,000	1,112,010
Connecticut Health and Educational Facilities Authority, Revenue Bonds, Refunding (Sacred Heart University)	5.00	7/1/2042	2,000,000	2,149,660
Connecticut Health and Educational Facilities Authority, Revenue Bonds, Refunding (University of New Haven) Ser. K-1	5.00	7/1/2036	1,000,000	1,073,640
Connecticut Health and Educational Facilities Authority, State Supported Child Care Revenue Bonds	5.00	7/1/2025	1,490,000	1,575,884
Connecticut Higher Education Supplemental Loan Authority, State Supported Revenue Bonds (Connecticut Health and Educational Facilities Authority Loan Program)	5.00	11/15/2021	1,450,000	1,527,938

Description	Coupon Rate (%)	Maturity Date	Principal Amount ($)	Value ($)
Long-Term Municipal Investments - 98.7% (continued)				
Connecticut - 96.3% (continued)				
Connecticut Higher Education Supplemental Loan Authority, State Supported Revenue Bonds (Connecticut Health and Educational Facilities Authority Loan Program)	5.00	11/15/2022	1,400,000	1,491,952
Connecticut Higher Education Supplemental Loan Authority, State Supported Revenue Bonds (Connecticut Health and Educational Facilities Authority Loan Program)	5.00	11/15/2023	1,400,000	1,503,530
Connecticut Municipal Electric Energy Cooperative, Power Supply System Revenue Bonds	5.00	1/1/2038	3,000,000	3,231,870
Connecticut Municipal Electric Energy Cooperative, Transmission Services Revenue Bonds	5.00	1/1/2022	1,505,000	1,626,830
Connecticut Revolving Fund, General Revenue Bonds (Green Bonds)	5.00	3/1/2029	2,500,000	2,851,175
Connecticut Transmission Municipal Electric Energy Cooperative, Transmission System Revenue Bonds	5.00	1/1/2042	3,000,000	3,193,710
Eastern Connecticut Resource Recovery Authority, Solid Waste Revenue Bonds (Wheelabrator Lisbon Project)	5.50	1/1/2020	3,195,000	3,245,257
Greater New Haven Water Pollution Control Authority, Regional Wastewater System Revenue Bonds	5.00	8/15/2029	1,500,000	1,657,365
Greater New Haven Water Pollution Control Authority, Regional Wastewater System Revenue Bonds	5.00	8/15/2027	1,250,000	1,390,263
Greater New Haven Water Pollution Control Authority, Regional Wastewater System Revenue Bonds	5.00	8/15/2026	700,000	782,894
Greater New Haven Water Pollution Control Authority, Regional Wastewater System Revenue Bonds (Insured; National Public Finance Guarantee Corp.)	5.00	8/15/2035	25,000	25,064
Harbor Point Infrastructure Improvement District, Special Obligation Revenue Bonds, Refunding (Harbor Point Project)	5.00	4/1/2039	4,000,000 [a]	4,133,000

Description	Coupon Rate (%)	Maturity Date	Principal Amount ($)	Value ($)
Long-Term Municipal Investments - 98.7% (continued)				
Connecticut - 96.3% (continued)				
Hartford County Metropolitan District, Clean Water Project Revenue Bonds	5.00	4/1/2031	3,510,000	3,763,211
Hartford County Metropolitan District, Clean Water Project Revenue Bonds (Green Bonds)	5.00	11/1/2042	2,000,000	2,164,400
Metropolitan District/The, GO	5.00	7/15/2034	2,065,000	2,303,466
New Britain, GO (Insured; Assured Guaranty Corp.)	5.00	4/1/2024	3,600,000	3,939,120
New Haven City, GO	5.00	8/15/2026	610,000	683,981
New Haven City, GO	5.00	8/15/2027	750,000	831,728
Norwalk, GO	5.00	7/15/2024	1,000,000	1,096,400
South Central Connecticut Regional Water Authority, Water System Revenue Bonds	5.00	8/1/2033	1,500,000	1,619,325
South Central Connecticut Regional Water Authority, Water System Revenue Bonds	5.00	8/1/2027	3,000,000	3,339,330
South Central Connecticut Regional Water Authority, Water System Revenue Bonds	5.00	8/1/2039	1,500,000	1,628,340
South Central Connecticut Regional Water Authority, Water System Revenue Bonds	5.00	8/1/2032	1,370,000	1,481,532
South Central Connecticut Regional Water Authority, Water System Revenue Bonds	5.00	8/1/2037	3,430,000	3,810,730
South Central Connecticut Regional Water Authority, Water System Revenue Bonds	5.00	8/1/2038	3,500,000	3,878,420
South Central Connecticut Regional Water Authority, Water System Revenue Bonds (Insured; National Public Finance Guarantee Corp.)	5.25	8/1/2024	1,000,000	1,145,750
South Central Connecticut Regional Water Authority, Water Systems Revenue Bonds, Refunding (Thirty Third)	5.00	8/1/2041	2,445,000	2,734,830
University of Connecticut, GO	5.00	2/15/2025	1,000,000	1,007,660
University of Connecticut, Special Obligation Student Fee Revenue Bonds	5.00	11/15/2024	5,000,000	5,450,900

Description	Coupon Rate (%)	Maturity Date	Principal Amount ($)	Value ($)
Long-Term Municipal Investments - 98.7% (continued)				
Connecticut - 96.3% (continued)				
University of Connecticut, Special Obligation Student Fee Revenue Bonds	5.25	11/15/2047	4,000,000	4,427,360
Waterbury, GO	5.00	11/15/2038	2,500,000	2,717,625
				197,869,008
U.S. Related - 2.4%				
Children's Trust Fund, Tobacco Settlement Asset-Backed Bonds	0.00	5/15/2050	12,000,000 [b]	1,476,960
Puerto Rico Highway & Transportation Authority, Highway Revenue Bonds, Refunding (Insured; Assured Guaranty Municipal Corporation) Series 2007 CC	5.25	7/1/2034	1,500,000	1,668,465
Virgin Islands Port Authority, Marine Revenue Bonds	5.00	9/1/2044	2,000,000	1,785,000
				4,930,425
Total Investments (cost $203,404,013)			**98.7%**	**202,799,433**
Cash and Receivables (Net)			**1.3%**	**2,583,885**
Net Assets			**100.0%**	**205,383,318**

[a] *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 October 31, 2018, these securities were valued at $6,643,155 or 3.23% of net assets.*

[b] *Security issued with a zero coupon. Income is recognized through the accretion of discount.*

Portfolio Summary (Unaudited) †	Value (%)
Education	21.1
Medical	19.0
Water	18.6
General Obligation	15.0
Special Tax	7.3
Utilities	5.9
Higher Education	4.4
Transportation	3.1
Pollution	1.6
Nursing Homes	1.2
General	.8
Tobacco Settlement	.7
	98.7

† *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

October 31, 2018 (Unaudited)

	Cost	Value
Assets ($):		
Investments in securities—See Statement of Investments	203,404,013	202,799,433
Interest receivable		2,808,772
Receivable for shares of Beneficial Interest subscribed		24,549
Prepaid expenses		29,432
		205,662,186
Liabilities ($):		
Due to The Dreyfus Corporation and affiliates—Note 3(c)		140,010
Cash overdraft due to Custodian		262
Payable for shares of Beneficial Interest redeemed		99,960
Trustees fees and expenses payable		2,587
Accrued expenses and other liabilities		36,049
		278,868
Net Assets ($)		**205,383,318**
Composition of Net Assets ($):		
Paid-in capital		208,989,448
Total distributable earnings (loss)		(3,606,130)
Net Assets ($)		**205,383,318**

Net Asset Value Per Share	Class A	Class C	Class I	Class Y	Class Z
Net Assets ($)	119,483,874	3,921,409	8,996,574	389,195	72,592,266
Shares Outstanding	10,618,188	348,996	799,497	34,598	6,452,277
Net Asset Value Per Share ($)	**11.25**	**11.24**	**11.25**	**11.25**	**11.25**

See notes to financial statements.

STATEMENT OF OPERATIONS
Six Months Ended October 31, 2018 (Unaudited)

Investment Income ($):	
Interest Income	**3,813,638**
Expenses:	
Management fee—Note 3(a)	599,577
Shareholder servicing costs—Note 3(c)	227,318
Professional fees	52,659
Registration fees	29,864
Distribution fees—Note 3(b)	15,815
Trustees' fees and expenses—Note 3(d)	9,706
Custodian fees—Note 3(c)	5,977
Prospectus and shareholders' reports	5,193
Loan commitment fees—Note 2	2,753
Miscellaneous	26,473
Total Expenses	**975,335**
Less—reduction in fees due to earnings credits—Note 3(c)	(4,110)
Net Expenses	**971,225**
Investment Income—Net	**2,842,413**
Realized and Unrealized Gain (Loss) on Investments—Note 4 ($):	
Net realized gain (loss) on investments	664,893
Net unrealized appreciation (depreciation) on investments	(2,363,018)
Net Realized and Unrealized Gain (Loss) on Investments	**(1,698,125)**
Net Increase in Net Assets Resulting from Operations	**1,144,288**

See notes to financial statements.

STATEMENT OF CHANGES IN NET ASSETS

	Six Months Ended October 31, 2018 (Unaudited)	Year Ended April 30, 2018[a]
Operations ($):		
Investment income—net	2,842,413	6,419,273
Net realized gain (loss) on investments	664,893	1,126,179
Net unrealized appreciation (depreciation) on investments	(2,363,018)	(7,543,854)
Net Increase (Decrease) in Net Assets Resulting from Operations	**1,144,288**	**1,598**
Distributions ($):		
Distributions to shareholders:		
Class A	(1,605,055)	(3,607,700)
Class C	(36,680)	(146,628)
Class I	(127,389)	(335,706)
Class Y	(5,956)	(19,811)
Class Z	(1,067,066)	(2,347,352)
Total Distributions	**(2,842,146)**	**(6,457,197)**
Beneficial Interest Transactions ($):		
Net proceeds from shares sold:		
Class A	882,906	6,803,165
Class C	5,287	100,729
Class I	1,312,223	3,338,821
Class Z	284,058	917,766
Distributions reinvested:		
Class A	1,250,703	2,790,138
Class C	29,165	118,550
Class I	122,791	297,977
Class Z	793,799	1,778,386
Cost of shares redeemed:		
Class A	(9,577,452)	(23,445,474)
Class C	(590,432)	(6,216,701)
Class I	(1,997,890)	(6,264,066)
Class Y	(44,457)	(361,970)
Class Z	(6,156,456)	(8,874,952)
Increase (Decrease) in Net Assets from Beneficial Interest Transactions	**(13,685,755)**	**(29,017,631)**
Total Increase (Decrease) in Net Assets	**(15,383,613)**	**(35,473,230)**
Net Assets ($):		
Beginning of Period	220,766,931	256,240,161
End of Period	**205,383,318**	**220,766,931**

	Six Months Ended October 31, 2018 (Unaudited)	Year Ended April 30, 2018[a]
Capital Share Transactions (Shares):		
Class A[b,c]		
Shares sold	77,291	583,553
Shares issued for distributions reinvested	109,585	240,055
Shares redeemed	(839,247)	(2,014,460)
Net Increase (Decrease) in Shares Outstanding	**(652,371)**	**(1,190,852)**
Class C[b,c]		
Shares sold	463	8,640
Shares issued for distributions reinvested	2,559	10,183
Shares redeemed	(51,706)	(534,836)
Net Increase (Decrease) in Shares Outstanding	**(48,684)**	**(516,013)**
Class I[c]		
Shares sold	115,059	287,868
Shares issued for distributions reinvested	10,760	25,621
Shares redeemed	(174,695)	(540,176)
Net Increase (Decrease) in Shares Outstanding	**(48,876)**	**(226,687)**
Class Y[c]		
Shares redeemed	(3,880)	(31,185)
Net Increase (Decrease) in Shares Outstanding	**(3,880)**	**(31,185)**
Class Z		
Shares sold	24,965	79,288
Shares issued for distributions reinvested	69,570	153,038
Shares redeemed	(539,945)	(759,908)
Net Increase (Decrease) in Shares Outstanding	**(445,410)**	**(527,582)**

[a] *Distributions to shareholders include only distributions from net investment income. Undistributed investment income-net was $0 in 2018 and is no longer presented as a result of the adoption of SEC's Disclosure Update and Simplification Rule.*

[b] *During the period ended October 31, 2018, 726 Class C shares representing $8,238 were automatically converted to 725 Class A shares. During the period ended April 30, 2018, 57,810 Class C shares representing $673,904 were automatically converted to 57,747 Class A shares.*

[c] *During the period ended April 30, 2018, 14,609 Class A shares representing $171,072 were exchanged for 14,609 Class I shares, 7,671 Class C shares representing $90,633 were exchanged for 7,661 Class A shares and 22,564 Class Y shares representing $261,971 were exchanged for 22,564 Class I shares.*

See notes to financial statements.

FINANCIAL HIGHLIGHTS

The following tables describe the performance for each share class for the fiscal periods indicated. All information (except portfolio turnover rate) reflects financial results for a single fund share. Total return shows how much your investment in the fund would have increased (or decreased) during each period, assuming you had reinvested all dividends and distributions. These figures have been derived from the fund's financial statements.

	Six Months Ended October 31, 2018	Year Ended April 30,				
Class A Shares	(Unaudited)	2018	2017	2016	2015	2014
Per Share Data ($):						
Net asset value, beginning of period	11.35	11.68	12.10	11.88	11.67	12.39
Investment Operations:						
Investment income—net[a]	.15	.30	.32	.34	.34	.37
Net realized and unrealized gain (loss) on investments	(.10)	(.32)	(.42)	.21	.21	(.72)
Total from Investment Operations	.05	(.02)	(.10)	.55	.55	(.35)
Distributions:						
Dividends from investment income—net	(.15)	(.31)	(.32)	(.33)	(.34)	(.37)
Dividends from net realized gain on investments	-	-	-	-	-	(.00)[b]
Total Distributions	(.15)	(.31)	(.32)	(.33)	(.34)	(.37)
Net asset value, end of period	11.25	11.35	11.68	12.10	11.88	11.67
Total Return (%)[c]	.39[d]	(.24)	(.87)	4.75	4.72	(2.72)
Ratios/Supplemental Data (%):						
Ratio of total expenses to average net assets	.96[e]	.94	.93	.91	.92	.90
Ratio of net expenses to average net assets	.96[e]	.94	.93	.91	.92	.90
Ratio of net investment income to average net assets	2.53[e]	2.61	2.66	2.82	2.83	3.21
Portfolio Turnover Rate	1.79[d]	10.71	9.93	9.75	8.44	9.50
Net Assets, end of period ($ x 1,000)	119,484	127,921	145,523	167,984	173,909	188,117

[a] *Based on average shares outstanding.*
[b] *Amount represents less than $.01 per share.*
[c] *Exclusive of sales charge.*
[d] *Not annualized.*
[e] *Annualized.*
See notes to financial statements.

Class C Shares	Six Months Ended October 31, 2018 (Unaudited)	Year Ended April 30, 2018	2017	2016	2015	2014
Per Share Data ($):						
Net asset value, beginning of period	11.33	11.66	12.08	11.86	11.66	12.37
Investment Operations:						
Investment income—net[a]	.10	.21	.23	.24	.25	.28
Net realized and unrealized gain (loss) on investments	(.09)	(.33)	(.43)	.22	.20	(.71)
Total from Investment Operations	.01	(.12)	(.20)	.46	.45	(.43)
Distributions:						
Dividends from investment income—net	(.10)	(.21)	(.22)	(.24)	(.25)	(.28)
Dividends from net realized gain on investments	-	-	-	-	-	(.00)[b]
Total Distributions	(.10)	(.21)	(.22)	(.24)	(.25)	(.28)
Net asset value, end of period	11.24	11.33	11.66	12.08	11.86	11.66
Total Return (%)[c]	.08[d]	(1.02)	(1.63)	3.96	3.84	(3.39)
Ratios/Supplemental Data (%):						
Ratio of total expenses to average net assets	1.75[e]	1.71	1.69	1.68	1.68	1.67
Ratio of net expenses to average net assets	1.75[e]	1.70	1.69	1.68	1.68	1.67
Ratio of net investment income to average net assets	1.74[e]	1.82	1.89	2.06	2.07	2.43
Portfolio Turnover Rate	1.79[d]	10.71	9.93	9.75	8.44	9.50
Net Assets, end of period ($ x 1,000)	3,921	4,507	10,653	11,919	11,361	10,920

[a] *Based on average shares outstanding.*
[b] *Amount represents less than $.01 per share.*
[c] *Exclusive of sales charge.*
[d] *Not annualized.*
[e] *Annualized.*
See notes to financial statements.

Class I Shares	Six Months Ended October 31, 2018 (Unaudited)	Year Ended April 30, 2018	2017	2016	2015	2014
Per Share Data ($):						
Net asset value, beginning of period	11.35	11.68	12.10	11.88	11.67	12.39
Investment Operations:						
Investment income—net[a]	.16	.33	.34	.36	.36	.40
Net realized and unrealized gain (loss) on investments	(.10)	(.33)	(.42)	.22	.22	(.72)
Total from Investment Operations	.06	.00[b]	(.08)	.58	.58	(.32)
Distributions:						
Dividends from investment income—net	(.16)	(.33)	(.34)	(.36)	(.37)	(.40)
Dividends from net realized gain on investments	-	-	-	-	-	(.00)[b]
Total Distributions	(.16)	(.33)	(.34)	(.36)	(.37)	(.40)
Net asset value, end of period	11.25	11.35	11.68	12.10	11.88	11.67
Total Return (%)	.51[c]	.00[d]	(.64)	5.01	4.97	(2.48)
Ratios/Supplemental Data (%):						
Ratio of total expenses to average net assets	.72[e]	.70	.69	.67	.67	.65
Ratio of net expenses to average net assets	.72[e]	.70	.69	.67	.67	.65
Ratio of net investment income to average net assets	2.76[e]	2.84	2.90	3.06	3.08	3.45
Portfolio Turnover Rate	1.79[c]	10.71	9.93	9.75	8.44	9.50
Net Assets, end of period ($ x 1,000)	8,997	9,629	12,555	9,794	7,408	8,004

[a] *Based on average shares outstanding.*
[b] *Amount represents less than $.01 per share.*
[c] *Not annualized.*
[d] *Amount represents less than .01% per share.*
[e] *Annualized.*
See notes to financial statements.

Class Y Shares	Six Months Ended October 31, 2018 (Unaudited)	Year Ended April 30, 2018	2017	2016	2015	2014[a]
Per Share Data ($):						
Net asset value, beginning of period	11.35	11.68	12.10	11.88	11.68	11.15
Investment Operations:						
Investment income—net[b]	.16	.34	.34	.37	.39	.26
Net realized and unrealized gain (loss) on investments	(.10)	(.33)	(.41)	.22	.18	.53
Total from Investment Operations	.06	.01	(.07)	.59	.57	.79
Distributions:						
Dividends from investment income—net	(.16)	(.34)	(.35)	(.37)	(.37)	(.26)
Net asset value, end of period	11.25	11.35	11.68	12.10	11.88	11.68
Total Return (%)	.52[c]	.03	(.60)	5.04	4.89	7.16[c]
Ratios/Supplemental Data (%):						
Ratio of total expenses to average net assets	.70[d]	.66	.65	.64	.65	.63[d]
Ratio of net expenses to average net assets	.70[d]	.66	.65	.64	.65	.63[d]
Ratio of net investment income to average net assets	2.79[d]	2.87	2.93	3.11	3.07	3.45[d]
Portfolio Turnover Rate	1.79[c]	10.71	9.93	9.75	8.44	9.50
Net Assets, end of period ($ x 1,000)	389	437	813	1,614	2,506	1

[a] *From September 3, 2013 (commencement of initial offering) to April 30, 2014.*
[b] *Based on average shares outstanding.*
[c] *Not annualized.*
[d] *Annualized.*
See notes to financial statements.

Class Z Shares	Six Months Ended October 31, 2018 (Unaudited)	Year Ended April 30, 2018	2017	2016	2015	2014
Per Share Data ($):						
Net asset value, beginning of period	11.35	11.68	12.10	11.87	11.67	12.39
Investment Operations:						
Investment income—net[a]	.16	.33	.34	.36	.36	.40
Net realized and unrealized gain (loss) on investments	(.10)	(.33)	(.42)	.23	.20	(.72)
Total from Investment Operations	.06	.00	(.08)	.59	.56	(.32)
Distributions:						
Dividends from investment income—net	(.16)	(.33)	(.34)	(.36)	(.36)	(.40)
Dividends from net realized gain on investments	-	-	-	-	-	(.00)[b]
Total Distributions	(.16)	(.33)	(.34)	(.36)	(.36)	(.40)
Net asset value, end of period	11.25	11.35	11.68	12.10	11.87	11.67
Total Return (%)	51[c]	.07	(.74)	5.05	4.85	(2.50)
Ratios/Supplemental Data (%):						
Ratio of total expenses to average net assets	.76[d]	.70	.71	.71	.70	.69
Ratio of net expenses to average net assets	.76[d]	.70	.71	.71	.70	.69
Ratio of net investment income to average net assets	2.76[d]	2.83	2.88	3.03	3.04	3.43
Portfolio Turnover Rate	1.79[c]	10.71	9.93	9.75	8.44	9.50
Net Assets, end of period ($ x 1,000)	72,592	78,274	86,696	94,240	99,626	100,654

[a] *Based on average shares outstanding.*
[b] *Amount represents less than $.01 per share.*
[c] *Not annualized.*
[d] *Annualized.*
See notes to financial statements.

NOTE 1—Significant Accounting Policies:

Dreyfus Connecticut Fund (the "fund") is a separate non-diversified series of Dreyfus State Municipal Bond Funds (the "Company"), 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 three series, including the fund. The fund's investment objective is to seek to maximize current income exempt from federal income tax and from Connecticut state income tax, without undue risk. The Dreyfus Corporation (the "Manager" or "Dreyfus"), a wholly-owned subsidiary of The Bank of New York Mellon Corporation ("BNY Mellon"), serves as the fund's investment adviser.

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

The Company 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.

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

(a) Portfolio valuation: The fair value of a financial instrument is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e., the exit price). GAAP establishes a fair value hierarchy that prioritizes the inputs of valuation techniques used to measure fair value. This hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

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

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

> **Level 1**—unadjusted quoted prices in active markets for identical investments.
>
> **Level 2**—other significant observable inputs (including quoted prices for similar investments, interest rates, prepayment speeds, credit risk, etc.).
>
> **Level 3**—significant unobservable inputs (including the fund's own assumptions in determining the fair value of investments).

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

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

Investments in securities are valued each business day by an independent pricing service (the "Service") approved by the Company's Board of

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 carried at fair value as determined by the Service, based on methods which include consideration of the following: yields or prices of municipal securities of comparable quality, coupon, maturity and type; indications as to values from dealers; and general market conditions. All of the preceding securities are generally categorized within Level 2 of the fair value hierarchy.

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

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

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

The following is a summary of the inputs used as of October 31, 2018 in valuing the fund's investments:

	Level 1 - Unadjusted Quoted Prices	Level 2 - Other Significant Observable Inputs	Level 3 - Significant Unobservable Inputs	Total
Assets ($)				
Investments in Securities:				
Municipal Bonds†	-	202,799,433	-	**202,799,433**

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

At October 31, 2018, there were no transfers between levels of the fair value hierarchy. It is the fund's policy to recognize transfers between levels at the end of the reporting period.

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

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

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

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

As of and during the period ended October 31, 2018, the fund did not have any liabilities for any uncertain tax positions. The fund recognizes interest and penalties, if any, related to uncertain tax positions as income tax expense in the Statement of Operations. During the period ended October 31, 2018, the fund did not incur any interest or penalties.

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

The fund is permitted to carry forward capital losses for an unlimited period. Furthermore, capital loss carryovers retain their character as either short-term or long-term capital losses.

The fund has an unused capital loss carryover of $3,666,710 available for federal income tax purposes to be applied against future net realized capital gains, if any, realized subsequent to April 30, 2018. The fund has $2,359,815 of short-term capital losses and $1,306,895 of long-term capital losses which can be carried forward for an unlimited period.

The tax character of distributions paid to shareholders during the fiscal year ended April 30, 2018 was as follows: tax-exempt income $6,453,277. The tax character of current year distributions will be determined at the end of the current fiscal year.

(e) 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, a subsidiary of BNY Mellon and an affiliate of Dreyfus (each, a "Facility"), each to be utilized primarily for temporary or emergency purposes, including the financing of redemptions. 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 October 31, 2018, the fund did not borrow under the Facilities.

NOTE 3—Management Fee and Other Transactions with Affiliates:

(a) Pursuant to a management agreement with Dreyfus, the management fee is computed at the annual rate of .55% of the value of the fund's average daily net assets and is payable monthly.

During the period ended October 31, 2018, the Distributor retained $216 from commissions earned on sales of the fund's Class A shares.

(b) Under the Distribution Plan adopted pursuant to Rule 12b-1 under the Act, Class C shares pay the Distributor for distributing its shares at an annual rate of .75% of the value of its average daily net assets. During the period ended October 31, 2018, Class C shares were charged $15,815 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 October 31, 2018, Class A and Class C shares were charged $158,531 and $5,272, respectively, pursuant to the Shareholder Services Plan.

Under the Shareholder Services Plan, Class Z shares reimburse the Distributor at an amount not to exceed an annual rate of .25% of the value of Class Z shares' average daily net assets for the provision of certain services. The services provided may include personal services relating to shareholder accounts, such as answering shareholder inquiries regarding Class Z shares and providing reports and other information, and services related to the maintenance of shareholder accounts. During the period ended October 31, 2018, Class Z shares were charged $20,982 pursuant to the Shareholder Services Plan.

The fund has arrangements with the transfer agent and the custodian whereby the fund may receive earnings credits when positive cash balances are maintained, which are used to offset transfer agency and custody fees. For financial reporting purposes, the fund includes net earnings credits, 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 October 31, 2018, the fund was charged $24,310 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 October 31, 2018, the fund was charged $5,977 pursuant to the custody agreement. These fees were partially offset by earnings credits of $4,108.

The fund compensates The Bank of New York Mellon under a shareholder redemption draft processing agreement for providing certain services related to the fund's check writing privilege. During the period ended October 31, 2018, the fund was charged $1,008 pursuant to the agreement, which is included in Shareholder servicing costs in the Statement of Operations. These fees were partially offset by earnings credit of $2.

During the period ended October 31, 2018, the fund was charged $6,346 for services performed by the Chief Compliance Officer and his staff. These fees are included in Miscellaneous in the Statement of Operations.

The components of "Due to The Dreyfus Corporation and affiliates" in the Statement of Assets and Liabilities consist of: management fees $96,857, Distribution Plan fees $2,503, Shareholder Services Plan fees $26,403, custodian fees $1,935, Chief Compliance Officer fees $4,193 and transfer agency fees $8,119.

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

NOTE 4—Securities Transactions:

The aggregate amount of purchases and sales of investment securities, excluding short-term securities, during the period ended October 31, 2018, amounted to $3,810,687 and $16,745,218, respectively.

At October 31, 2018, accumulated net unrealized depreciation on investments was $604,580, consisting of $3,477,257 gross unrealized appreciation and $4,081,837 gross unrealized depreciation.

At October 31, 2018, the cost of investments for federal income tax purposes was substantially the same as the cost for financial reporting purposes (see the Statement of Investments).

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

At a meeting of the fund's Board of Trustees held on July 31, 2018, the Board considered the renewal of the fund's Management Agreement pursuant to which Dreyfus provides the fund with investment advisory and administrative services (the "Agreement"). The Board members, none of whom are "interested persons" (as defined in the Investment Company Act of 1940, as amended) of the fund, were assisted in their review by independent legal counsel and met with counsel in executive session separate from Dreyfus representatives. In considering the renewal of the Agreement, the Board considered all factors that it believed to be relevant, including those discussed below. The Board did not identify any one factor as dispositive, and each Board member may have attributed different weights to the factors considered.

Analysis of Nature, Extent, and Quality of Services Provided to the Fund. The Board considered information provided to them at the meeting and in previous presentations from Dreyfus representatives regarding the nature, extent, and quality of the services provided to funds in the Dreyfus fund complex. Dreyfus provided the number of open accounts in the fund, the fund's asset size and the allocation of fund assets among distribution channels. Dreyfus also had previously provided information regarding the diverse intermediary relationships and distribution channels of funds in the Dreyfus fund complex (such as retail direct or intermediary, in which intermediaries typically are paid by the fund and/or Dreyfus) and Dreyfus' corresponding need for broad, deep, and diverse resources to be able to provide ongoing shareholder services to each intermediary or distribution channel, as applicable to the fund.

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

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

Dreyfus representatives stated that the usefulness of performance comparisons may be affected by a number of factors, including different investment limitations and policies that may be applicable to the fund and comparison funds. The Board discussed with representatives of Dreyfus and/or its affiliates the results of the comparisons and considered that the fund's total return performance was above the Performance Group median for the three- and four-year periods, and below the Performance Group median for the one-, two-, five-, and ten-year periods and below the Performance Universe median for all periods. The Board also considered that the fund's yield performance was below the Performance Group median for nine of the ten one-year periods ended June 30 and below the Performance Universe median for six of the ten one-year periods ended June 30. The Board considered the relative proximity of the fund's performance to the Performance Group and/or Performance Universe median in certain periods when performance was below median. Dreyfus also provided a comparison of the fund's calendar year total returns to the returns of the fund's benchmark index.

The Board also reviewed the range of actual and contractual management fees and total expenses of the Expense Group and Expense Universe funds and discussed the results of the comparisons. The Board considered that the fund's contractual management fee was below the Expense Group median and the fund's actual management fee and fund's total expenses were above the Expense Group and Expense Universe medians.

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

<u>Analysis of Profitability and Economies of Scale.</u> Dreyfus representatives reviewed the expenses allocated and profit received by Dreyfus and its affiliates and the resulting profitability percentage for managing the fund and the aggregate profitability percentage to Dreyfus and its affiliates for managing the funds in the Dreyfus fund complex, and the method used to determine the expenses and profit. The Board concluded that the profitability results were not unreasonable, given the services rendered and service levels provided by Dreyfus. The Board also had been provided with information prepared by an independent consulting firm regarding Dreyfus' approach to allocating costs to, and determining the profitability of, individual funds and the entire Dreyfus fund complex. The consulting firm also had analyzed where any economies of scale might emerge in connection with the management of a fund.

The Board considered, on the advice of its counsel, the profitability analysis (1) as part of its evaluation of whether the fees under the Agreement, considered in relation to the mix of services provided by Dreyfus, including the nature, extent and quality of such services, supported the renewal of the Agreement and (2) in light of the relevant circumstances for the fund and the extent to which economies of scale would be realized if the fund grows and whether fee levels reflect these economies of scale for the benefit of fund shareholders. Dreyfus representatives stated that a discussion of economies of scale is predicated on a fund having achieved a substantial size with increasing assets and that, if a fund's assets had been stable or decreasing, the possibility that Dreyfus may have realized any economies of scale would be less. Dreyfus representatives also stated that, as a result of shared and allocated costs among funds in the Dreyfus fund complex, the extent of economies of scale could depend substantially on the level of assets in the complex as a whole, so that increases and decreases in complex-wide assets can affect potential economies of scale in a manner that is disproportionate to, or even in the opposite direction from, changes in the fund's asset level. The Board also considered potential benefits to Dreyfus from acting as investment adviser and took into consideration that there were no soft dollar arrangements in effect for trading the fund's investments.

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

- The Board concluded that the nature, extent and quality of the services provided by Dreyfus are adequate and appropriate.
- The Board expressed concern about the fund's relative performance and agreed to closely monitor performance.
- The Board concluded that the fee paid to Dreyfus continued to be appropriate under the circumstances and in light of the factors and the totality of the services provided as discussed above.
- The Board determined that the economies of scale which may accrue to Dreyfus and its affiliates in connection with the management of the fund had been adequately considered by Dreyfus in connection with the fee rate charged to the fund pursuant to the Agreement and that, to the extent in the future it were determined that material economies of scale had not been shared with the fund, the Board would seek to have those economies of scale shared with the fund.

In evaluating the Agreement, the Board considered these conclusions and determinations and also relied on its previous knowledge, gained through meetings and other interactions with Dreyfus and its affiliates, of Dreyfus and the services provided to the fund by Dreyfus. The Board also relied on information received on a routine and regular basis throughout the year relating to the operations of the fund and the investment management and other services provided under the Agreement, including information on the investment performance of the fund in comparison to similar mutual funds and benchmark performance indices; general market outlook as applicable to the fund; and compliance reports. In addition, the Board's consideration of the contractual fee arrangements for this fund had the benefit of a number of years of reviews of the Agreement for the fund, or substantially similar agreements for other

Dreyfus funds that the Board oversees, during which lengthy discussions took place between the Board and Dreyfus representatives. Certain aspects of the arrangements may receive greater scrutiny in some years than in others, and the Board's conclusions may be based, in part, on their consideration of the fund's arrangements, or substantially similar arrangements for other Dreyfus funds that the Board oversees, in prior years. The Board determined to renew the Agreement.

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For More Information

Dreyfus State Municipal Bond Funds, Dreyfus Connecticut Fund

200 Park Avenue
New York, NY 10166

Manager

The Dreyfus Corporation
200 Park Avenue
New York, NY 10166

Custodian

The Bank of New York Mellon
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: PSCTX Class C: PMCCX Class I: DTCIX Class Y: DPMYX Class Z: DPMZX

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.

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