Dreyfus Short Term Income Fund

SEMIANNUAL REPORT
January 31, 2018

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A LETTER FROM THE PRESIDENT OF DREYFUS

Dear Shareholder:

We are pleased to present this semiannual report for Dreyfus Short Term Income Fund, covering the six-month period from August 1, 2017 through January 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.

Stocks set a series of record highs while bonds produced flat to modestly negative results over the reporting period. Riskier sectors of the financial markets responded positively to growing corporate earnings, improving global economic conditions and progress toward the enactment of tax-reform legislation. While the rally was relatively broad-based, growth stocks produced substantially higher returns than value-oriented stocks. International stocks also performed well amid more positive economic data from Europe, Japan, and the emerging markets. In the bond market, U.S. government securities and municipal bonds generally lost a degree of value when short-term interest rates and inflation expectations increased, while corporate-backed securities fared somewhat better in anticipation of improved business conditions.

The markets' strong performance was supported by solid underlying fundamentals, including sustained economic growth, a robust labor market and strong consumer and business confidence. We currently expect these favorable conditions to persist in 2018, but we remain watchful for economic and political developments that could negatively affect the markets. Indeed, as of mid-February, we already have witnessed a return of heightened volatility to the financial markets. 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
February 15, 2018

DISCUSSION OF FUND PERFORMANCE

For the period from August 1, 2017 through January 31, 2018, as provided by David Bowser, CFA, Portfolio Manager

Market and Fund Performance Overview

For the six-month period ended January 31, 2018, Dreyfus Short Term Income Fund's Class D shares produced a total return of -0.14%, and Class P shares produced a total return of -0.16%.[1] In comparison, the fund's benchmark, the ICE BofA Merrill Lynch 1-5 Year U.S. Corporate/Government Index (the "Index"), achieved a total return of -0.70% for the same period.[2]

Short-term bonds produced modestly negative total returns over the reporting period, on average, amid expectations of rising interest rates and accelerating inflation. The fund outperformed the Index, primarily due to the success of its sector allocation and security selection strategies.

The Fund's Investment Approach

The fund seeks to maximize total return, consisting of capital appreciation and current income. To pursue its goal, the fund invests at least 80% of its net assets, plus any borrowings for investment purposes, in fixed income securities of U.S. or foreign issuers rated investment grade or the unrated equivalent, as determined by Dreyfus. This may include: U.S. government bonds and notes, corporate bonds, municipal bonds, convertible securities, preferred stocks, inflation-indexed securities, asset-backed securities, mortgage-related securities (including collateralized mortgage obligations), floating rate loans (limited to up to 20% of the fund's net assets) and other floating rate securities and foreign bonds. Typically, the fund's portfolio can be expected to have an average effective maturity and an average effective duration of three years or less.

For additional yield, the fund may invest up to 20% of its assets in fixed income securities rated below investment grade ("high yield" or "junk" bonds) to as low as Caa/CCC or the unrated equivalent, as determined by Dreyfus. The fund will focus primarily on U.S. securities, but may invest up to 30% of its total assets in fixed income securities of foreign issuers, including those of issuers in emerging markets.

Rising Interest Rates Dampened Bond Market Returns

Major central banks, including the Federal Reserve Board (the "Fed"), continued to move away from the aggressively accommodative monetary policies of the past few years amid evidence of stronger global economic growth. In the United States, short-term interest rates continued to rise when the Fed began to unwind its balance sheet in October through sales of U.S. government securities, and implemented an additional increase in the overnight federal funds rate in December. Short- to intermediate-term interest rates also climbed over much of the reporting period, causing high-quality U.S. government securities with maturities in the one- to five-year range to lose a degree of value. Corporate-backed securities fared somewhat better in anticipation of lower corporate tax rates and improved business conditions.

Higher-Yielding Market Sectors Fared Best

The fund's overweighted allocation to short-term corporate-backed bonds helped enhance its performance compared to that of the Index. Corporate bond prices were supported by growing earnings, upbeat business sentiment, and investors' preference for higher levels of current income. Likewise, a position in emerging-market bonds (which are not represented in the Index) fared well when local interest rates moderated and economic conditions strengthened. In Europe, the fund added value through underweighted exposure to German bonds and an emphasis on securities from Portugal and Italy.

From a security selection perspective, the fund participated in solid returns from a variety of industry groups in the corporate bond market, most notably energy pipeline companies. An emphasis on corporate bonds with credit ratings toward the bottom of the investment-grade range also bolstered relative results, as did the fund's holdings of asset-backed securities.

The fund's interest-rate strategies worked well as we generally maintained a modestly short average duration compared to the Index, which helped cushion the negative impact of rising short- and intermediate-term interest rates. An emphasis on emerging-market currencies and underweighted exposure to the U.S. dollar further bolstered the fund's relative results. The fund employed currency and interest-rate futures contracts to establish its currency and duration positions.

Positioned for Modestly Higher Interest Rates

Most analysts expect additional short-term interest-rate hikes by the Fed in 2018, and we anticipate that intermediate- and long-term interest rates also will rise modestly in response to continued economic growth and higher inflationary pressures. These developments could constrain total returns from U.S. government securities, but corporate securities currently appear likely to continue to benefit from the global economic expansion and reduced U.S. tax rates.

Therefore, as of the reporting period's end, we have maintained the fund's average duration in a modestly defensive position to protect against rising interest rates, and we have retained overweighted exposure to corporate-backed bonds and inflation-adjusted securities. Conversely, the fund holds no mortgage-backed securities that we believe could be vulnerable to the Fed's balance-sheet reduction program.

February 15, 2018

[1] *Total return includes reinvestment of dividends and any capital gains paid. 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. Return figures reflect the absorption of certain fund expenses pursuant to an agreement by The Dreyfus Corporation which may be terminated after November 30, 2018. Had these expenses not been absorbed, the returns would have been lower.*

[2] *Source: Lipper Inc. — The ICE BofA Merrill Lynch 1-5 Year U.S. Corporate/Government Index tracks the performance of U.S. dollar-denominated investment-grade debt publicly issued in the U.S. domestic market, including U.S. Treasury, U.S. agency, foreign government, supranational and corporate securities, including all securities with a remaining term to final maturity less than five years. Investors cannot invest directly in any index.*

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

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

Investing internationally involves special risks, including changes in currency exchange rates, political, economic, and social instability, a lack of comprehensive company information, differing auditing and legal standards, and less market liquidity. The fixed income securities of issuers located in emerging markets can be more volatile and less liquid than those of issuers in more mature economies.

The fund may use derivative instruments, such as options, futures, options on futures, forward contracts, swaps (including credit default swaps on corporate bonds and asset-backed securities), options on swaps, and other credit derivatives. A small investment in derivatives could have a potentially large impact on the fund's performance. The use of derivatives involves risks different from, or possibly greater than, the risks associated with investing directly in the underlying assets.

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 Short Term Income Fund from August 1, 2017 to January 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 January 31, 2018

	Class D	Class P
Expenses paid per $1,000†	$ 3.27	$ 3.53
Ending value (after expenses)	$ 998.60	$ 998.40

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 January 31, 2018

	Class D	Class P
Expenses paid per $1,000†	$ 3.31	$ 3.57
Ending value (after expenses)	$ 1,021.93	$1,021.68

† *Expenses are equal to the fund's annualized expense ratio of .65% for Class D and .70% for Class P, multiplied by the average account value over the period, multiplied by 184/365 (to reflect the one-half year period).*

Description	Coupon Rate (%)	Maturity Date	Principal Amount ($) [a]	Value ($)
Bonds and Notes - 98.8%				
Asset-Backed Certificates - 1.6%				
Dell Equipment Finance Trust, Ser. 2017-2, Cl. A3	2.19	10/24/22	420,000 [b]	417,017
Starwood Waypoint Homes 2017-1 Trust, Ser. 2017-1, Cl. A, 1 Month LIBOR + .95%	2.51	10/17/19	772,179 [b,c]	778,518
Towd Point Mortgage Trust, Ser. 2017-2, Cl. A1	2.75	4/25/57	852,294 [b]	847,793
Tricon American Homes, Ser. 2017-SFR2, Cl. A	2.93	1/17/36	485,000 [b]	476,190
				2,519,518
Asset-Backed Ctfs./Auto Receivables - 1.6%				
CarMax Auto Owner Trust, Ser. 2017-4, Cl. A4	2.33	5/15/23	340,000	335,536
Countrywide Asset-Backed Certificates, Ser. 2004-6, Cl. 2A5, 1 Month LIBOR + .78%	2.33	11/25/34	653,396 [c]	649,849
Enterprise Fleet Financing, Ser. 2017-3, Cl. A2	2.13	5/20/23	350,000 [b]	348,280
OSCAR US Funding Trust VII, Ser. 2017-1A, Cl. A4	3.30	5/10/24	820,000 [b]	819,658
OSCAR US Funding Trust VII, Ser. 2017-2A, Cl. A3	2.45	12/10/21	150,000 [b]	148,782
OSCAR US Funding Trust VII, Ser. 2017-2A, Cl. A4	2.76	12/10/24	190,000 [b]	188,589
				2,490,694
Commercial Mortgage Pass-Through Ctfs. - .4%				
Commercial Mortgage Trust, Ser. 2015-DC1, Cl. A5	3.35	2/10/48	580,000	**581,403**
Consumer Discretionary - 3.1%				
21st Century Fox America, Gtd. Notes	3.00	9/15/22	1,115,000	1,119,798
AMC Networks, Gtd. Notes	4.75	8/1/25	120,000	120,150
Charter Communications Operating, Sr. Scd. Notes	4.46	7/23/22	380,000	394,005
Comcast, Gtd. Notes	5.70	7/1/19	650,000	678,817
Cox Communications, Sr. Unscd. Notes	3.15	8/15/24	355,000 [b]	347,462
Sky, Gtd. Notes	2.63	9/16/19	1,220,000 [b]	1,223,504
Time Warner, Gtd. Notes	2.10	6/1/19	900,000	895,338
				4,779,074

Description	Coupon Rate (%)	Maturity Date	Principal Amount ($) [a]	Value ($)
Bonds and Notes - 98.8% (continued)				
Consumer Staples - 2.4%				
Anheuser-Busch InBev Finance, Gtd. Notes	3.65	2/1/26	915,000	927,069
Kraft Heinz Foods, Gtd. Notes	2.80	7/2/20	575,000	575,734
Newell Brands, Sr. Unscd. Notes	3.15	4/1/21	500,000	502,201
Pernod Ricard, Sr. Unscd. Notes	4.45	1/15/22	380,000 [b]	398,901
Post Holdings, Gtd. Notes	5.50	3/1/25	375,000 [b]	387,188
Reynolds American, Gtd. Notes	8.13	6/23/19	800,000	859,422
				3,650,515
Energy - 2.3%				
Andeavor Logistics, Gtd. Notes	3.50	12/1/22	155,000	155,122
Cheniere Corpus Christi Holdings, Sr. Scd. Notes	5.13	6/30/27	375,000	388,125
Concho Resources, Gtd. Notes	3.75	10/1/27	215,000	213,671
Energy Transfer, Sr. Unscd. Notes	4.15	10/1/20	775,000	797,754
Energy Transfer, Sr. Unscd. Notes	5.20	2/1/22	385,000	410,003
EQT, Sr. Unscd. Notes	8.13	6/1/19	215,000	229,786
EQT, Sr. Unscd. Notes	3.00	10/1/22	395,000	386,964
Genesis Energy, Gtd. Notes	6.75	8/1/22	360,000	375,300
Kinder Morgan Energy Partner, Gtd. Notes	4.15	2/1/24	600,000	616,894
				3,573,619
Financials - 10.5%				
ABN AMRO Bank, Sub. Notes	6.25	4/27/22	700,000	777,724
AerCap Ireland Capital, Gtd. Notes	3.50	5/26/22	350,000	352,313
American Express Credit, Sr. Unscd. Notes, Ser. F	2.60	9/14/20	455,000	455,659
American International Group, Sr. Unscd. Notes	6.40	12/15/20	425,000	467,432
Bank of America, Sr. Unscd. Bond	2.15	11/9/20	550,000	542,736
Bank of America, Sr. Unscd. Notes	2.63	4/19/21	960,000	955,290

Description		Coupon Rate (%)	Maturity Date	Principal Amount ($) [a]	Value ($)
Bonds and Notes - 98.8% (continued)					
Financials - 10.5% (continued)					
Bank of America, Sr. Unscd. Notes		2.50	10/21/22	165,000	161,323
Bank of America, Sr. Unscd. Notes		3.00	12/20/23	469,000 [b]	464,700
Bank of America, Sr. Unscd. Notes, 3 Month LIBOR + 1.04%		2.76	1/15/19	1,335,000 [c]	1,345,866
Bank of America, Sr. Unscd. Notes, Ser. L		2.60	1/15/19	79,000	79,350
Barclays, Sr. Unscd. Notes		4.38	1/12/26	480,000	493,652
Capital One Financial, Sr. Unscd. Notes		3.05	3/9/22	950,000	945,753
Citizens Financial Group, Sr. Unscd. Notes		2.38	7/28/21	975,000	956,293
Discover Financial Services, Sr. Unscd. Notes		5.20	4/27/22	575,000	611,770
Ford Motor Credit, Sr. Unscd. Notes, Ser. 1, 3 Month LIBOR + .83%		2.23	3/12/19	855,000 [c]	858,955
Goldman Sachs Group, Sr. Unscd. Notes		2.55	10/23/19	240,000	239,695
Goldman Sachs Group, Sr. Unscd. Notes, 3 Month LIBOR + 1.10%		2.52	11/15/18	1,295,000 [c]	1,303,443
HSBC Holdings, Sr. Unscd. Notes		2.65	1/5/22	1,080,000	1,064,321
ING Groep, Sr. Unscd. Notes		3.15	3/29/22	660,000	659,775
KeyBank, Sr. Unscd. Bond		2.50	11/22/21	265,000	261,105
Lloyds Banking Group, Sr. Unscd. Notes		3.10	7/6/21	725,000	727,056
Morgan Stanley, Sr. Unscd. Notes, 3 Month LIBOR + 1.18%		2.92	1/20/22	900,000 [c]	917,461
PNC Financial Services, Sr. Unscd. Notes		3.30	3/8/22	235,000	238,796
Quicken Loans, Gtd. Notes		5.75	5/1/25	500,000 [b]	511,875
Wells Fargo & Company, Sr. Unscd Notes		2.60	7/22/20	860,000	859,343
					16,251,686
Foreign/Governmental - 8.2%					
Argentine Government, Unscd. Bonds	ARS	21.20	9/19/18	2,770,000	152,184

Description		Coupon Rate (%)	Maturity Date	Principal Amount ($)[a]	Value ($)
Bonds and Notes - 98.8% (continued)					
Foreign/Governmental - 8.2% (continued)					
Argentine Government, Unscd. Bonds	EUR	5.25	1/15/28	375,000	473,839
Ghanaian Government, Sr. Unscd. Bonds		8.13	1/18/26	375,000[d]	414,488
Ivory Coast Government, Sr. Unscd. Notes		5.38	7/23/24	200,000	203,681
Japanese Government, Sr. Unscd. Bonds, Ser. 20	JPY	0.10	3/10/25	201,000,000[e]	1,949,111
Japanese Government, Sr. Unscd. Bonds, Ser. 21	JPY	0.10	3/10/26	582,200,000[e]	5,666,832
Mexican Government, Bonds, Ser. M	MXN	5.75	3/5/26	8,570,000	410,143
Mexican Government, Sr. Unscd. Notes		4.15	3/28/27	750,000[d]	768,937
Nigerian Government, Sr. Unscd. Notes		6.50	11/28/27	200,000[b]	207,924
Portuguese Government, Sr. Unscd. Bonds	EUR	2.88	7/21/26	325,000[b]	444,517
Provincia de Buenos Aires, Unscd. Bonds	ARS	25.83	5/31/22	7,000,000	382,709
Senegal Government , Bonds		6.25	7/30/24	200,000	213,610
Turkish Government, Sr. Unscd. Notes		3.25	3/23/23	200,000	189,464
Turkish Government, Unscd. Bonds	TRY	11.00	2/24/27	2,965,000	762,837
Uruguayan Government, Sr. Unscd. Bonds	UYU	8.50	3/15/28	14,140,000[b]	485,365
					12,725,641
Health Care - 5.7%					
Abbott Laboratories, Sr. Unscd. Notes		2.90	11/30/21	760,000	758,254
Amgen, Sr. Unscd. Notes		2.65	5/11/22	985,000	971,333
CVS Health, Sr. Unscd. Notes		2.13	6/1/21	415,000	403,166
Gilead Sciences, Sr. Unscd. Notes		2.55	9/1/20	1,085,000	1,086,880
HCA, Gtd. Notes		5.38	2/1/25	500,000	512,500
Medtronic, Gtd. Notes		2.50	3/15/20	1,190,000	1,191,210
Mylan, Gtd. Notes		3.15	6/15/21	490,000	490,154
Shire Acquisitions Investments, Gtd. Notes		2.40	9/23/21	1,150,000	1,123,915

Description	Coupon Rate (%)	Maturity Date	Principal Amount ($) [a]	Value ($)
Bonds and Notes - 98.8% (continued)				
Health Care - 5.7% (continued)				
UnitedHealth Group, Sr. Unscd. Bonds	2.13	3/15/21	960,000	946,227
Zimmer Biomet Holdings, Sr. Unscd. Notes	2.70	4/1/20	1,250,000	1,246,576
				8,730,215
Industrials - 2.0%				
Boeing, Sr. Unscd. Notes	2.13	3/1/22	1,225,000	1,200,562
General Electric, Sr. Unscd. Notes, 3 Month LIBOR + .51%	1.50	1/14/19	1,195,000 [c]	1,197,602
United Rentals North America, Gtd. Notes	5.75	11/15/24	370,000	390,813
Waste Management, Gtd. Notes	4.60	3/1/21	205,000	215,467
				3,004,444
Information Technology - 1.1%				
Alibaba Group Holding, Sr. Unscd. Notes	2.80	6/6/23	250,000	245,361
Amazon.com, Sr. Unscd. Notes	2.40	2/22/23	410,000 [b]	399,873
Dell International , Sr. Scd. Notes	5.45	6/15/23	400,000 [b]	430,304
Hewlett Packard Enterprise, Sr. Unscd. Notes	4.40	10/15/22	240,000	250,352
Zayo Group, Gtd. Notes	5.75	1/15/27	380,000 [b]	387,144
				1,713,034
Materials - .4%				
Ardagh Packaging Finance Holdings, Gtd. Notes	6.00	2/15/25	375,000 [b]	388,125
Chemours, Gtd. Notes	5.38	5/15/27	70,000	72,625
Glencore Funding, Gtd. Notes	3.00	10/27/22	190,000 [b]	186,954
				647,704
Municipal Bonds - .7%				
New Jersey Economic Development Authority, School Facilities Construction Revenue	4.45	6/15/20	1,055,000	**1,088,190**
Real Estate - 1.2%				
Alexandria Real Estate Equities, Gtd. Notes	4.60	4/1/22	430,000	451,992
Simon Property Group, Sr. Unscd. Notes	2.50	9/1/20	485,000	485,114
Ventas Realty, Gtd. Notes	3.10	1/15/23	440,000 [d]	435,777

Description	Coupon Rate (%)	Maturity Date	Principal Amount ($) [a]	Value ($)
Bonds and Notes - 98.8% (continued)				
Real Estate - 1.2% (continued)				
Welltower, Sr. Unscd. Notes	5.25	1/15/22	441,000	474,277
				1,847,160
Residential Mortgage Pass-Through Ctfs. - .0%				
Credit Suisse First Boston Mortgage Securities, Ser. 2004-7, Cl. 6A1	5.25	10/25/19	31,537	**31,881**
Telecommunications - .5%				
AT&T, Sr. Unscd. Notes	3.88	8/15/21	525,000	541,776
AT&T, Sr. Unscd. Notes	3.20	3/1/22	250,000	250,867
				792,643
U.S. Government Agencies Mortgage-Backed - .0%				
Federal National Mortgage Association:				
Gtd. Pass-Through Ctfs., REMIC, Ser. 2003-49, Cl. JE, 3.00%, 4/25/33			23,684 [f]	23,684
Government National Mortgage Association II:				
7.00%, 12/20/30-4/20/31			4,908	5,697
7.50%, 11/20/29-12/20/30			4,815	5,584
				34,965
U.S. Government Securities - 55.5%				
U.S. Treasury Floating Rate Notes, 3 Month U.S. T-BILL + .06%	1.64	7/31/19	3,470,000 [c]	3,475,145
U.S. Treasury Floating Rate Notes, 3 Month U.S. T-BILL + .19%	1.63	4/30/18	14,345,000 [c,d]	14,353,862
U.S. Treasury Floating Rate Notes, U.S. T-BILL + .48%	1.62	10/31/19	7,750,000 [c]	7,758,807
U.S. Treasury Inflation Protected Securities, Notes	0.63	1/15/26	2,045,096 [d,g]	2,051,738
U.S. Treasury Inflation Protected Securities, Notes	0.38	1/15/27	2,859,220 [g]	2,802,188
U.S. Treasury Notes	1.00	5/31/18	1,500,000	1,497,363
U.S. Treasury Notes	0.63	6/30/18	7,740,000	7,709,466
U.S. Treasury Notes	1.38	9/30/19	24,500,000	24,213,370
U.S. Treasury Notes	1.75	11/15/20	22,240,000 [d]	21,928,553
				85,790,492
Utilities - 1.6%				
Berkshire Hathaway Energy, Sr. Unscd. Notes	2.80	1/15/23	289,000 [b]	286,054
Dominion Resources, Sr. Unscd. Notes, Ser. C	2.00	8/15/21	1,280,000	1,241,451

Description	Coupon Rate (%)	Maturity Date	Principal Amount ($) [a]	Value ($)
Bonds and Notes - 98.8% (continued)				
Utilities - 1.6% (continued)				
Eversource Energy, Sr. Unscd. Bonds, Ser. K	2.75	3/15/22	465,000	461,295
Exelon, Jr. Sub. Notes	3.50	6/1/22	500,000	503,911
				2,492,711
Total Bonds and Notes (cost $153,052,780)				**152,745,589**

Description /Number of Contracts/Counterparty	Exercise Price	Expiration Date	Notional Amount [a]	Value ($)
Options Purchased - .0%				
Call Options - .0%				
10 Year Interest Rate Swaption, Contracts 4,100 Citigroup	2.10	4/2018	4,100,000	**690**
Put Options - .0%				
British Pound Cross Currency, Contracts 135,000 Goldman Sachs International	EUR 0.87	2/2018	135,000	630
Norwegian Krone Cross Currency, Contracts 140,000 Citigroup	EUR 9.30	2/2018	140,000	0
Norwegian Krone Cross Currency, Contracts 190,000 Citigroup	EUR 9.35	7/2018	190,000	1,618
Norwegian Krone Cross Currency, Contracts 135,000 Citigroup	EUR 9.75	3/2018	135,000	3,244
Swedish Krona Cross Currency, Contracts 190,000 UBS	EUR 9.60	7/2018	190,000	1,977
Swedish Krona Cross Currency, Contracts 135,000 Goldman Sachs International	EUR 9.80	3/2018	135,000	1,419
Turkish Lira, Contracts 160,000 Citigroup	3.93	2/2018	160,000	6,503
Turkish Lira, Contracts 480,000 JP Morgan Chase Bank	3.86	3/2018	480,000	12,112
				27,503
Total Options Purchased (cost $41,520)				**28,193**

Description	Yield at Date of Purchase (%)	Maturity Date	Principal Amount ($)	Value ($)
Short-Term Investments - .1%				
U.S. Treasury Bills (cost $159,861)	1.11	3/1/18	160,000 [h]	**159,826**

Description	Shares	Value ($)
Other Investment - .7%		
Registered Investment Company;		
Dreyfus Institutional Preferred Government Plus Money Market Fund (cost $1,088,838)	1,088,838 [i]	**1,088,838**
Investment of Cash Collateral for Securities Loaned - .9%		
Registered Investment Company;		
Dreyfus Institutional Preferred Government Money Market Fund, Institutional Shares (cost $1,452,163)	1,452,163 [i]	**1,452,163**
Total Investments (cost $155,795,162)	**100.5%**	**155,474,609**
Liabilities, Less Cash and Receivables	**(0.5%)**	**(784,960)**
Net Assets	**100.0%**	**154,689,649**

LIBOR—London Interbank Offered Rate
REMIC—Real Estate Mortgage Investment Conduit

ARS—Argentine Peso
EUR—Euro
JPY—Japanese Yen
MXN—Mexican Peso
TRY—Turkish Lira
UYU—Uruguayan Peso

[a] *Amount stated in U.S. Dollars unless otherwise noted above.*

[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 January 31, 2018, these securities were valued at $10,574,717 or 6.84% of net assets.*

[c] *Variable rate security—rate shown is the interest rate in effect at period end.*

[d] *Security, or portion thereof, on loan. At January 31, 2018, the value of the fund's securities on loan was $19,626,561 and the value of the collateral held by the fund was $20,056,512, consisting of cash collateral of $1,452,163 and U.S. Government & Agency securities valued at $18,604,349.*

[e] *Principal amount for accrual purposes is periodically adjusted based on changes in the Japanese Consumer Price Index.*

[f] *The Federal Housing Finance Agency ("FHFA") placed the Federal Home Loan Mortgage Corporation and Federal National Mortgage Association into conservatorship with FHFA as the conservator. As such, the FHFA oversees the continuing affairs of these companies.*

[g] *Principal amount for accrual purposes is periodically adjusted based on changes in the Consumer Price Index.*

[h] *Held by a counterparty for open exchange traded derivative contracts.*

[i] *Investment in affiliated money market mutual fund.*

Portfolio Summary (Unaudited) †	Value (%)
U.S. Government and Agencies/Mortgage-Backed	55.5
Corporate Bonds	30.8
Foreign/Governmental	8.2
Asset-Backed	3.2
Short-Term/Money Market Investments	1.7
Municipal Bonds	.7
Commercial Mortgage-Backed	.4
Residential Mortgage-Backed	.0
Options Purchased	.0
	100.5

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

STATEMENT OF INVESTMENTS IN AFFILIATED ISSUERS
(Unaudited)

Registered Investment Companies	Value 7/31/17($)	Purchases($)	Sales ($)	Value 1/31/18($)	Net Assets(%)	Dividends/ Distributions($)
Dreyfus Institutional Preferred Government Money Market Fund, Institutional Shares	698,250	17,443,108	16,689,195	1,452,163	.9	–
Dreyfus Institutional Preferred Government Plus Money Market Fund	5,318,656	35,162,859	39,392,677	1,088,838	.7	13,723
Total	**6,016,906**	**52,605,967**	**56,081,872**	**2,541,001**	**1.6**	**13,723**

See notes to financial statements.

STATEMENT OF FUTURES
January 31, 2018 (Unaudited)

Description	Number of Contracts	Expiration	Notional Value ($)	Value ($)	Unrealized Appreciation (Depreciation) ($)
Futures Long					
Euro BTP Italian Government Bond	3	3/2018	519,781[a]	506,481	(13,300)
Euro-Bond	15	3/2018	2,987,208[a]	2,957,762	(29,446)
U.S. Treasury 2 Year Notes	145	3/2018	31,080,239	30,918,984	(161,255)
U.S. Treasury 5 Year Notes	78	3/2018	9,109,664	8,947,453	(162,211)
Futures Short					
Euro-Bobl	20	3/2018	(3,257,331)[a]	(3,239,223)	18,108
Euro-Schatz	150	3/2018	(20,830,954)[a]	(20,822,780)	8,174
Japanese 10 Year Bond	6	3/2018	(8,274,418)[a]	(8,261,610)	12,808
U.S. Treasury 10 Year Notes	110	3/2018	(13,673,262)	(13,373,594)	299,668
Gross Unrealized Appreciation					**338,758**
Gross Unrealized Depreciation					**(366,212)**

[a] *Notional amounts in foreign currency have been converted to USD using relevant foreign exchange rates.*
See notes to financial statements.

STATEMENT OF OPTIONS WRITTEN
January 31, 2018 (Unaudited)

Description/ Expiration Date/ Exercise Price	Counterparty	Number of Contracts	Notional Amount [a]		Value ($)
Call Options:					
British Pound Cross Currency February 2018 @ GBP 0.915	Goldman Sachs International	135,000	135,000	EUR	(28)
Norwegian Krone Cross Currency February 2018 @ NOK 9.7	Citigroup	140,000	140,000	EUR	-
Norwegian Krone Cross Currency March 2018 @ NOK 10.05	Citigroup	135,000	135,000	EUR	(24)
Norwegian Krone Cross Currency July 2018 @ NOK 9.97	Citigroup	190,000	190,000	EUR	(1,746)
Russian Ruble, March 2018 @ RUB 62	Citigroup	160,000	160,000		(38)
South African Rand, February 2018 @ ZAR 15.5	Citigroup	160,000	160,000		-
Swedish Krona Cross Currency March 2018 @ SEK 10.2	Goldman Sachs International	135,000	135,000	EUR	(52)
Swedish Krona Cross Currency July 2018 @ SEK 10	UBS	190,000	190,000	EUR	(1,976)
Turkish Lira, February 2018 @ TRY 4.32	Citigroup	160,000	160,000		(6)
Turkish Lira, March 2018 @ TRY 4.21	JP Morgan Chase Bank	480,000	480,000		(558)
Total Options Written (premiums received $18,385)					**(4,428)**

[a] *Notional amount stated in U.S. Dollars unless otherwise indicated.*

EUR—Euro
See notes to financial statements.

STATEMENT OF FORWARD FOREIGN CURRENCY EXCHANGE CONTRACTS January 31, 2018 (Unaudited)

Counterparty/ Purchased Currency	Purchased Currency Amounts	Currency Sold	Sold Currency Amounts	Settlement Date	Unrealized Appreciation (Depreciation)($)
Bank of America					
United States Dollar	307,365	Thai Baht	9,745,000	4/10/18	(4,299)
Barclays Bank					
Malaysian Ringgit	980,000	United States Dollar	251,572	4/10/18	(822)
United States Dollar	375,457	South Korean Won	403,220,000	4/10/18	(2,617)
United States Dollar	492,850	Taiwan Dollar	14,300,000	4/10/18	520
Citigroup					
Argentine Peso	7,830,000	United States Dollar	400,281	3/15/18	(9,660)
Colombian Peso	725,810,000	United States Dollar	252,783	4/10/18	1,816
British Pound	370,000	United States Dollar	529,599	2/28/18	(3,752)
Russian Ruble	13,500,000	United States Dollar	239,964	4/10/18	(1,846)
Singapore Dollar	460,000	United States Dollar	352,531	4/10/18	(1,351)
United States Dollar	2,020,989	Euro	1,615,000	2/28/18	12,587
United States Dollar	362,115	Philippine Peso	18,580,000	4/10/18	1,042
United States Dollar	608,516	South African Rand	7,350,000	4/10/18	(5,629)
JP Morgan Chase Bank					
Argentine Peso	4,830,000	United States Dollar	246,688	3/15/18	(5,730)
Indonesian Rupiah	6,524,000,000	United States Dollar	487,194	4/10/18	(2,300)
Indian Rupee	7,675,000	United States Dollar	119,859	4/10/18	(232)
Norwegian Krone	6,045,000	United States Dollar	769,887	2/28/18	14,877
United States Dollar	304,722	Hong Kong Dollars	2,370,000	1/8/19	(207)
United States Dollar	240,632	Israeli Shekel	820,000	4/10/18	71
United States Dollar	6,992,139	Japanese Yen	775,775,000	2/28/18	(123,895)
United States Dollar	380,108	Romanian Leu	1,450,000	4/10/18	(7,076)
United States Dollar	188,959	Thai Baht	5,990,000	4/10/18	(2,613)

Counterparty/ Purchased Currency	Purchased Currency Amounts	Currency Sold	Sold Currency Amounts	Settlement Date	Unrealized Appreciation (Depreciation)($)
JP Morgan Chase Bank (continued)					
United States Dollar	496,182	Taiwan Dollar	14,600,000	4/10/18	(6,477)
Morgan Stanley Capital Services					
United States Dollar	178,720	Hong Kong Dollars	1,390,000	1/8/19	(120)
UBS					
Czech Koruna	31,380,000	United States Dollar	1,544,484	4/10/18†	2,901
Malaysian Ringgit	480,000	United States Dollar	122,729	7/23/18	(352)
Swedish Krona	8,185,000	United States Dollar	1,021,635	2/28/18	18,857
United States Dollar	1,544,484	Euro	1,235,433	4/10/18†	3,547
Gross Unrealized Appreciation					**56,218**
Gross Unrealized Depreciation					**(178,978)**

† *Cross currency forward exchange contracts.*

See notes to financial statements.

STATEMENT OF SWAP AGREEMENTS
January 31, 2018 (Unaudited)

Centrally Cleared Interest Rate Swaps

Notional Amount ($)†	Currency/ Floating Rate	(Pay) Receive Fixed Rate (%)	Expiration	Unrealized Appreciation ($)
67,800,000	HUF - 6 Month BUBOR	(1.83)	1/26/2028	2,330
67,800,000	HUF - 6 Month BUBOR	(1.86)	1/26/2028	1,576
51,800,000	USD - 3 Month US CPI Urban Consumers NSA	1.68	4/25/2018	140,547
85,600,000	HUF - 6 Month BUBOR	(1.90)	1/29/2028	826
Gross Unrealized Appreciation				**145,279**

BUBOR—Budapest Interbank Offered Rate
CPI—Consumer Price Index
HUF—Hungarian Forint
USD—United States Dollar
† *Clearing House-Chicago Mercantile Exchange or LCH (Clearing)*
See notes to financial statements.

STATEMENT OF ASSETS AND LIABILITIES

January 31, 2018 (Unaudited)

	Cost	Value
Assets ($):		
Investments in securities—See Statement of Investments		
(including securities on loan, valued at $19,626,561)—Note 1(c):		
Unaffiliated issuers	153,254,161	152,933,608
Affiliated issuers	2,541,001	2,541,001
Cash denominated in foreign currency	13,455	13,476
Dividends, interest and securities lending income receivable		815,543
Receivable for swap variation margin—Note 4		148,266
Cash collateral held by broker—Note 4		100,418
Unrealized appreciation on forward foreign		
currency exchange contracts—Note 4		56,218
Receivable for investment securities sold		1,937
Receivable for shares of Common Stock subscribed		1,001
Prepaid expenses		22,017
		156,633,485
Liabilities ($):		
Due to The Dreyfus Corporation and affiliates—Note 3(b)		50,022
Cash overdraft due to Custodian		45,299
Liability for securities on loan—Note 1(c)		1,452,163
Unrealized depreciation on forward foreign		
currency exchange contracts—Note 4		178,978
Payable for shares of Common Stock redeemed		54,186
Payable for futures variation margin—Note 4		24,262
Outstanding options written, at value		
(premiums received $18,385)—Note 4		4,428
Payable for investment securities purchased		2,114
Accrued expenses		132,384
		1,943,836
Net Assets ($)		**154,689,649**
Composition of Net Assets ($):		
Paid-in capital		168,245,701
Accumulated undistributed investment income—net		288,695
Accumulated net realized gain (loss) on investments		(13,535,709)
Accumulated net unrealized appreciation (depreciation) on investments, options transactions and foreign currency transactions [including ($27,454) net unrealized (depreciation) on futures and $145,279 net unrealized appreciation on centrally cleared swap agreements]		(309,038)
Net Assets ($)		**154,689,649**

Net Asset Value Per Share	Class D	Class P
Net Assets ($)	154,442,893	246,756
Shares Outstanding	15,053,766	24,022
Net Asset Value Per Share ($)	**10.26**	**10.27**

See notes to financial statements.

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

Investment Income ($):	
Income:	
Interest	1,587,975
Dividends from affiliated issuers	13,723
Income from securities lending—Note 1(c)	14,895
Total Income	**1,616,593**
Expenses:	
Management fee—Note 3(a)	409,917
Shareholder servicing costs—Note 3(b)	297,633
Professional fees	44,078
Directors' fees and expenses—Note 3(c)	32,720
Registration fees	18,260
Prospectus and shareholders' reports	13,427
Custodian fees—Note 3(b)	6,035
Loan commitment fees—Note 2	1,835
Miscellaneous	20,441
Total Expenses	**844,346**
Less—reduction in expenses due to undertaking—Note 3(a)	(307,126)
Less—reduction in fees due to earnings credits—Note 3(b)	(2,499)
Net Expenses	**534,721**
Investment Income—Net	**1,081,872**
Realized and Unrealized Gain (Loss) on Investments—Note 4 ($):	
Net realized gain (loss) on investments and foreign currency transactions	(692,605)
Net realized gain (loss) on options transactions	16,868
Net realized gain (loss) on futures	(89,436)
Net realized gain (loss) on forward foreign currency exchange contracts	98,638
Net Realized Gain (Loss)	**(666,535)**
Net unrealized appreciation (depreciation) on investments and foreign currency transactions	(688,535)
Net unrealized appreciation (depreciation) on options transactions	(2,616)
Net unrealized appreciation (depreciation) on futures	(137,290)
Net unrealized appreciation (depreciation) on swap agreements	372,120
Net unrealized appreciation (depreciation) on forward foreign currency exchange contracts	(120,019)
Net Unrealized Appreciation (Depreciation)	**(576,340)**
Net Realized and Unrealized Gain (Loss) on Investments	**(1,242,875)**
Net (Decrease) in Net Assets Resulting from Operations	**(161,003)**

See notes to financial statements.

STATEMENT OF CHANGES IN NET ASSETS

	Six Months Ended January 31, 2018 (Unaudited)	Year Ended July 31, 2017
Operations ($):		
Investment income—net	1,081,872	1,585,847
Net realized gain (loss) on investments	(666,535)	604,131
Net unrealized appreciation (depreciation) on investments	(576,340)	(1,261,732)
Net Increase (Decrease) in Net Assets Resulting from Operations	**(161,003)**	**928,246**
Distributions to Shareholders from ($):		
Investment income—net:		
Class D	(1,181,539)	(2,149,082)
Class P	(1,759)	(2,943)
Net realized gain on investments:		
Class D	(624,057)	-
Class P	(959)	-
Total Distributions	**(1,808,314)**	**(2,152,025)**
Capital Stock Transactions ($):		
Net proceeds from shares sold:		
Class D	9,633,259	23,475,302
Class P	51	67
Distributions reinvested:		
Class D	1,668,592	1,975,036
Class P	2,718	2,943
Cost of shares redeemed:		
Class D	(23,949,558)	(47,400,545)
Class P	(2,071)	(66,367)
Increase (Decrease) in Net Assets from Capital Stock Transactions	**(12,647,009)**	**(22,013,564)**
Total Increase (Decrease) in Net Assets	**(14,616,326)**	**(23,237,343)**
Net Assets ($):		
Beginning of Period	169,305,975	192,543,318
End of Period	**154,689,649**	**169,305,975**
Undistributed investment income—net	288,695	390,121
Capital Share Transactions (Shares):		
Class D		
Shares sold	931,730	2,264,043
Shares issued for distributions reinvested	161,718	190,497
Shares redeemed	(2,316,605)	(4,574,605)
Net Increase (Decrease) in Shares Outstanding	**(1,223,157)**	**(2,120,065)**
Class P		
Shares sold	5	6
Shares issued for distributions reinvested	263	284
Shares redeemed	(201)	(6,374)
Net Increase (Decrease) in Shares Outstanding	**67**	**(6,084)**

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 D Shares	Six Months Ended January 31, 2018 (Unaudited)	Year End July 31, 2017	2016	2015	2014	2013
Per Share Data ($):						
Net asset value, beginning of period	10.39	10.45	10.48	10.64	10.64	10.72
Investment Operations:						
Investment income—net[a]	.07	.09	.12	.12	.14	.16
Net realized and unrealized gain (loss) on investments	(.08)	(.02)	(.00)[b]	(.11)	.06	.02
Total from Investment Operations	(.01)	.07	.12	.01	.20	.18
Distributions:						
Dividends from investment income—net	(.08)	(.13)	(.15)	(.17)	(.19)	(.24)
Dividends from net realized gain on investments	(.04)	-	-	-	(.01)	(.02)
Total Distributions	(.12)	(.13)	(.15)	(.17)	(.20)	(.26)
Net asset value, end of period	10.26	10.39	10.45	10.48	10.64	10.64
Total Return (%)	(.14)[c]	.64	1.12	.08	1.94	1.60
Ratios/Supplemental Data (%):						
Ratio of total expenses to average net assets	1.03[d]	1.00	.95	.90	.89	.89
Ratio of net expenses to average net assets	.65[d]	.65	.65	.65	.65	.69
Ratio of net investment income to average net assets	1.32[d]	.89	1.14	1.18	1.27	1.52
Portfolio Turnover Rate	64.57[c]	41.03	199.63	94.92	175.95	109.51[e]
Net Assets, end of period ($ x 1,000)	154,442	169,057	192,229	215,323	243,233	250,171

[a] *Based on average shares outstanding.*
[b] *Amount represents less than $.01 per share.*
[c] *Not annualized.*
[d] *Annualized.*
[e] *The portfolio turnover rates excluding mortgage dollar roll transactions for the periods ended July 31, 2013 was 106.46%.*

See notes to financial statements.

Class P Shares	Six Months Ended January 31, 2018 (Unaudited)	Year End July 31, 2017	2016	2015	2014	2013
Per Share Data ($):						
Net asset value, beginning of period	10.40	10.47	10.49	10.65	10.65	10.74
Investment Operations:						
Investment income—net[a]	.05	.09	.12	.12	.14	.16
Net realized and unrealized gain (loss) on investments	(.07)	(.04)	(.00)[b]	(.12)	.05	.00[b]
Total from Investment Operations	(.02)	.05	.12	.00[b]	.19	.16
Distributions:						
Dividends from investment income—net	(.07)	(.12)	(.14)	(.16)	(.18)	(.23)
Dividends from net realized gain on investments	(.04)	-	-	-	(.01)	(.02)
Total Distributions	(.11)	(.12)	(.14)	(.16)	(.19)	(.25)
Net asset value, end of period	10.27	10.40	10.47	10.49	10.65	10.65
Total Return (%)	(.16)[c]	.47	1.12	.00[d]	1.79	1.56
Ratios/Supplemental Data (%):						
Ratio of total expenses to average net assets	1.16[e]	1.12	1.06	1.04	1.01	.93
Ratio of net expenses to average net assets	.70[e]	.70	.70	.70	.70	.74
Ratio of net investment income to average net assets	.93[e]	.83	1.12	1.13	1.26	1.50
Portfolio Turnover Rate	64.57[c]	41.03	199.63	94.92	175.95	109.51[f]
Net Assets, end of period ($ x 1,000)	247	249	315	425	527	803

[a] *Based on average shares outstanding.*
[b] *Amount represents less than $.01 per share.*
[c] *Not annualized.*
[d] *Amount represents less than .01%.*
[e] *Annualized.*
[f] *The portfolio turnover rates excluding mortgage dollar roll transactions for the periods ended July 31, 2013 was 106.46%.*
See notes to financial statements.

NOTE 1—Significant Accounting Policies:

Dreyfus Short Term Income Fund (the "fund") is a separate non-diversified series of Dreyfus Investment Grade Funds, Inc. (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 total return, consisting of capital appreciation and current income. 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, which are sold without a sales charge. The fund is authorized to issue 800 million shares of $.001 par value Common Stock. The fund currently has authorized two classes of shares: Class D (500 million shares authorized) and Class P (300 million shares authorized). Class D and Class P shares are sold at net asset value per share generally to institutional investors. 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 ("ASC") 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:

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), futures, options and forward foreign currency exchange contracts ("forward contracts") are valued each business day by an independent pricing service (the "Service") approved by the Company's Board of Directors (the "Board"). Investments for which quoted bid prices are readily available and are representative of the bid side of the market in the judgment of the Service are valued at the mean between the quoted bid prices (as obtained by the Service from dealers in such securities) and asked prices (as calculated by the Service based upon its evaluation of the market for such securities). Other investments (which constitute a majority of the portfolio securities) are 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.

U.S. Treasury Bills are valued at the mean price between quoted bid prices and asked prices by the Service. 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 to not 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 are generally categorized within Level 3 of the fair value hierarchy.

Investments denominated in foreign currencies are translated to U.S. dollars at the prevailing rates of exchange.

Futures and options, which are traded on an exchange, are valued at the last sales price on the securities exchange on which such securities are primarily traded or at the last sales price on the national securities market on each business day and are generally categorized within Level 1 of the fair value hierarchy. Options traded over-the-counter ("OTC") are valued at the mean between the bid and asked price and are generally categorized within Level 2 of the fair value hierarchy. Investments in swap agreements are valued each business day by the Service. Swaps are valued by the Service by using a swap pricing model which incorporates among other factors, default probabilities, recovery rates, credit curves of the underlying issuer and swap spreads on interest rates and are generally categorized within Level 2 of the fair value hierarchy. Forward contracts are valued at the forward rate and are generally categorized within Level 2 of the fair value hierarchy.

The following is a summary of the inputs used as of January 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 ($)				
Investments in Securities:				
Asset-Backed	-	5,010,212	-	**5,010,212**
Commercial Mortgage-Backed	-	581,403	-	**581,403**
Corporate Bonds	-	47,482,805	-	**47,482,805**
Foreign Government	-	12,725,641	-	**12,725,641**
Municipal Bonds	-	1,088,190	-	**1,088,190**
Registered Investment Companies	2,541,001	-	-	**2,541,001**
Residential Mortgage-Backed	-	31,881	-	**31,881**
U.S. Government Agencies Mortgage-Backed	-	34,965	-	**34,965**
U.S. Treasury	-	85,950,318	-	**85,950,318**
Other Financial Instruments:				
Futures†	338,758	-	-	**338,758**
Options Purchased	-	28,193	-	**28,193**
Forward Foreign Currency Exchange Contracts†	-	56,218	-	**56,218**
Swaps†	-	145,279	-	**145,279**
Liabilities ($)				
Other Financial Instruments:				
Futures†	(366,212)	-	-	**(366,212)**
Options Written	-	(4,428)	-	**(4,428)**
Forward Foreign Currency Exchange Contracts†	-	(178,978)	-	**(178,978)**

† *Amount shown represents unrealized appreciation (depreciation) at period end.*

At January 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) Foreign currency transactions: The fund does not isolate that portion of the results of operations resulting from changes in foreign exchange rates on investments from the fluctuations arising from changes in the market prices of securities held. Such fluctuations are included with the net realized and unrealized gain or loss on investments.

Net realized foreign exchange gains or losses arise from sales of foreign currencies, currency gains or losses realized on securities transactions between trade and settlement date, and the difference between the amounts of dividends, interest and foreign withholding taxes recorded on the fund's books and the U.S. dollar equivalent of the amounts actually received or paid. Net unrealized foreign exchange gains and losses arise from changes in the value of assets and liabilities other than investments resulting from changes in exchange rates. Foreign currency gains and losses on foreign currency transactions are also included with net realized and unrealized gain or loss on investments.

(c) 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. Dividend income is recognized on the ex-dividend date and interest income, including, where applicable, accretion of discount and amortization of premium on investments, is recognized on the accrual basis.

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 January 31, 2018, The Bank of New York Mellon earned $2,296 from lending portfolio securities, pursuant to the securities lending agreement.

(d) Affiliated issuers: Investments in other investment companies advised by Dreyfus are defined as "affiliated" under the Act.

(e) 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.

(f) Federal income taxes: It is the policy of the fund to continue to qualify as a regulated investment company, if such qualification is in the best interests of its shareholders, by complying with the applicable provisions of the Code, and to make distributions of taxable income sufficient to relieve it from substantially all federal income and excise taxes.

As of and during the period ended January 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 January 31, 2018, the fund did not incur any interest or penalties.

Each tax year in the three-year period ended July 31, 2017 remains subject to examination by the Internal Revenue Service and state taxing authorities.

Under the Regulated Investment Company Modernization Act of 2010 (the "2010 Act"), the fund is permitted to carry forward capital losses incurred in taxable years beginning after December 22, 2010 ("post-enactment losses") for an unlimited period. Furthermore, post-enactment capital loss carryovers retain their character as either short-term or long-term capital losses rather than short-term as they were under previous statute. The 2010 Act requires post-enactment losses to be utilized before the utilization of losses incurred in taxable years prior to the effective date of the 2010 Act ("pre-enactment losses"). As a result of this ordering rule, pre-enactment losses may be more likely to expire unused.

The fund has an unused capital loss carryover of $11,556,703 available for federal income tax purposes to be applied against future net realized capital gains, if any, realized subsequent to July 31, 2017. If not applied, $4,860,107 of the carryover expires in fiscal year 2018. The fund has $1,341,468 of post-enactment short-term capital losses and $5,355,128 of post-enactment 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 July 31, 2017 was as follows: ordinary income $2,152,025. The tax character of current year distributions will be determined at the end of the current fiscal year.

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 January 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 .50% of the value of the fund's average daily net assets and is payable monthly. Dreyfus has contractually agreed, from August 1, 2017 through November 30, 2018, 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 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 $307,126 during the period ended January 31, 2018.

(b) Under the Shareholder Services Plan, the fund pays the Distributor at an annual rate of .20% of the value of the average daily net assets of Class D shares and .25% of the value of the average daily net assets of Class P shares 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 January 31, 2018, Class D and Class P shares were charged $163,716 and $313, respectively, pursuant to the Shareholder Services Plan.

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

The fund compensates Dreyfus Transfer, Inc., a wholly-owned subsidiary of Dreyfus, under a transfer agency agreement for providing transfer agency and cash management services for the fund. The majority of transfer agency fees are comprised of amounts paid on a per account basis, while cash management fees are related to fund subscriptions and redemptions. During the period ended January 31, 2018, the fund was charged $24,605 for transfer agency services and $2,427 for cash management services. These fees are included in Shareholder servicing costs in the Statement of Operations. Cash management fees were offset by earnings credits of $2,427.

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 January 31, 2018, the fund was charged $6,035 pursuant to the custody agreement. These fees were partially offset by earnings credits of $72.

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 January 31, 2018, the fund was charged $1,671 pursuant to the agreement, which is included in Shareholder servicing costs in the Statement of Operations.

During the period ended January 31, 2018, the fund was charged $5,604 for services performed by the Chief Compliance Officer and his staff.

The components of "Due to The Dreyfus Corporation and affiliates" in the Statement of Assets and Liabilities consist of: management fees $65,945, Shareholder Services Plan fees $26,388, custodian fees $5,630, Chief Compliance Officer fees $9,341 and transfer agency fees $17,235, which are offset against an expense reimbursement currently in effect in the amount of $74,517.

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

NOTE 4—Securities Transactions:

The aggregate amount of purchases and sales (including paydowns) of investment securities, excluding short-term securities, futures, options transactions, forward contracts and swap agreements, during the period ended January 31, 2018, amounted to $102,945,446 and $114,721,927, respectively.

Derivatives: A derivative is a financial instrument whose performance is derived from the performance of another asset. The fund enters into International Swaps and Derivatives Association, Inc. Master Agreements or similar agreements (collectively, "Master Agreements") with its OTC derivative contract counterparties in order to, among other things, reduce its credit risk to counterparties. Master Agreements include provisions for general obligations, representations, collateral and events of default or termination. Under a Master Agreement, the fund may offset with the counterparty certain derivative financial instrument's payables and/or receivables with collateral held and/or posted and create one single net payment in the event of default or termination.

Each type of derivative instrument that was held by the fund during the period ended January 31, 2018 is discussed below.

Futures: In the normal course of pursuing its investment objective, the fund is exposed to market risk, including interest rate risk as a result of changes in value of underlying financial instruments. The fund invests in futures in order to manage its exposure to or protect against changes in the market. A futures contract represents a commitment for the future purchase or a sale of an asset at a specified date. Upon entering into such contracts, these investments require initial margin deposits with a counterparty, which consist of cash or cash equivalents. The amount of these deposits is determined by the exchange or Board of Trade on which the contract is traded and is subject to change. Accordingly, variation margin payments are received or made to reflect daily unrealized gains or losses which are recorded in the Statement of Operations. When the contracts are closed, the fund recognizes a realized gain or loss which is reflected in the Statement of Operations. There is minimal counterparty credit risk to the fund with futures since they are exchange traded, and the exchange guarantees the futures against default. Futures open at January 31, 2018 are set forth in the Statement of Futures.

Options Transactions: The fund purchases and writes (sells) put and call options to hedge against changes in the values of interest rates and foreign currencies or as a substitute for an investment. The fund is subject to market risk, interest rate risk and currency risk in the course of pursuing its investment objectives through its investments in options contracts. A call option gives the purchaser of the option the right (but not the obligation) to buy, and obligates the writer to sell, the underlying financial instrument at the exercise price at any time during the option period, or at a specified date. Conversely, a put option gives the purchaser of the option the right (but not the obligation) to sell, and obligates the writer to buy the underlying financial instrument at the exercise price at any time during the option period, or at a specified date.

As a writer of call options, the fund receives a premium at the outset and then bears the market risk of unfavorable changes in the price of the financial instrument underlying the option. Generally, the fund realizes a gain, to the extent of the premium, if the price of the underlying financial instrument decreases between the date the option is written and the date on which the option is terminated. Generally, the fund incurs a loss if the price of the financial instrument increases between those dates.

As a writer of put options, the fund receives a premium at the outset and then bears the market risk of unfavorable changes in the price of the financial instrument underlying the option. Generally, the fund realizes a gain, to the extent of the premium, if the price of the underlying financial instrument increases between the date the option is written and the date on which the option is terminated. Generally, the fund incurs a loss if the price of the financial instrument decreases between those dates. The maximum payout for those contracts is limited to the number of put option contracts written and the related strike prices, respectively.

As a writer of an option, the fund has no control over whether the underlying financial instrument may be sold (call) or purchased (put) and as a result bears the market risk of an unfavorable change in the price of the financial instrument underlying the written option. There is a risk of loss from a change in value of such options which may exceed the related premiums received. This risk is mitigated by Master Agreements between the fund and the counterparty and the posting of collateral, if any, by the counterparty to the fund to cover the fund's exposure to the counterparty. The Statement of Operations reflects any unrealized gains or losses which occurred during the period as well as any realized gains or losses which occurred upon the expiration or closing of the option transaction.

Options written open at January 31, 2018 are set forth in Statement of Options Written.

Forward Foreign Currency Exchange Contracts: The fund enters into forward contracts in order to hedge its exposure to changes in foreign currency exchange rates on its foreign portfolio holdings, to settle foreign currency transactions or as a part of its investment strategy. When executing forward contracts, the fund is obligated to buy or sell a foreign currency at a specified rate on a certain date in the future. With respect to sales of forward contracts, the fund incurs a loss if the value of the contract increases between the date the forward contract is opened and the date the forward contract is closed. The fund realizes a gain if the value of the contract decreases between those dates. With respect to purchases of forward contracts, the fund incurs a loss if the value of the contract decreases between the date the forward contract is opened and the date the forward contract is closed. The fund realizes a gain if the value of the contract increases between those dates. Any realized or unrealized gains or losses which occurred during the period are reflected in the Statement of Operations. The fund is exposed to foreign currency risk as a result of changes in value of underlying financial instruments. The fund is also exposed to credit risk associated with counterparty nonperformance on these forward contracts, which is generally limited to the unrealized gain on each open contract. This risk may be mitigated by Master Agreements, if any, between the fund and the counterparty and the posting of collateral, if any, by the counterparty to the fund to cover the fund's exposure to the counterparty. Forward contracts open at January 31, 2018 are set forth in the Statement of Forward Foreign Currency Exchange Contracts.

Swap Agreements: The fund enters into swap agreements to exchange the interest rate on, or return generated by, one nominal instrument for the return generated by another nominal instrument. Swap agreements are privately negotiated in the OTC market or centrally cleared. The fund enters into these agreements to hedge certain market or interest rate risks, to manage the interest rate sensitivity (sometimes called duration) of fixed income securities, to provide a substitute for purchasing or selling particular securities or to increase potential returns.

For OTC swaps, the fund accrues for interim payments on a daily basis, with the net amount recorded within unrealized appreciation (depreciation) on swap agreements in the Statement of Assets and Liabilities. Once the interim payments are settled in cash, the net amount is recorded as a realized gain (loss) on swaps, in addition to realized gain (loss) recorded upon the termination of swap agreements in the Statement of Operations. Upfront payments made and/or received by the fund, are recorded as an asset and/or liability in the Statement of Assets and Liabilities and are recorded as a realized gain or loss ratably over the agreement's term/event with the exception of forward starting interest rate swaps which are recorded as realized gains or losses on the termination date.

Upon entering into centrally cleared swap agreements, an initial margin deposit is required with a counterparty, which consists of cash or cash equivalents. The amount of these deposits is determined by the exchange on which the agreement is traded and is subject to change. The change in valuation of centrally cleared swaps is recorded as a receivable or payable for variation margin in the Statement of Assets and Liabilities. Payments received from (paid to) the counterparty, including upon termination, are recorded as realized gain (loss) in the Statement of Operations.

Fluctuations in the value of swap agreements are recorded for financial statement purposes as unrealized appreciation or depreciation on swap agreements.

Interest Rate Swaps: Interest rate swaps involve the exchange of commitments to pay and receive interest based on a notional principal amount. The fund may elect to pay a fixed rate and receive a floating rate, or receive a fixed rate and pay a floating rate on a notional principal amount. The net interest received or paid on interest rate swap agreements is included within realized gain (loss) on swap agreements in the Statement of Operations. Interest rate swap agreements are subject to general market risk, liquidity risk, counterparty risk and interest rate risk.

For OTC swaps, the fund's maximum risk of loss from counterparty risk is the discounted value of the cash flows to be received from the counterparty over the agreement's remaining life, to the extent that the amount is positive. This risk may be mitigated by Master Agreements, if any, between the fund and the counterparty and the posting of collateral, if any, by the counterparty to the fund to cover the fund's exposure to the counterparty. There is minimal counterparty risk to the fund with centrally cleared swaps since they are exchange traded and the exchange guarantees these swaps against default. Interest rate swaps open at January 31, 2018 are set forth in the Statement of Swap Agreements.

The following tables show the fund's exposure to different types of market risk as it relates to the Statement of Assets and Liabilities and the Statement of Operations, respectively.

Fair value of derivative instruments as of January 31, 2018 is shown below:

	Derivative Assets ($)		Derivative Liabilities ($)
Interest rate risk	484,727[1,2,3]	Interest rate risk	(366,212)[1]
Foreign exchange risk	83,721[3,4]	Foreign exchange risk	(183,406)[4,5]
Gross fair value of derivative contracts	**568,448**		**(549,618)**

Statement of Assets and Liabilities location:

1 *Includes cumulative appreciation (depreciation) on futures as reported in the Statement of Futures, but only the unpaid variation margin is reported in the Statement of Assets and Liabilities.*

2 *Includes cumulative appreciation (depreciation) on swap agreements as reported in the Statement of Swap Agreements. Unrealized appreciation (depreciation) on OTC swap agreements and only unpaid variation margin on cleared swap agreements, are reported in the Statement of Assets and Liabilities.*

3 *Options purchased are included in Investments in securities—Unaffiliated issuers, at value.*

4 *Unrealized appreciation (depreciation) on forward foreign currency exchange contracts.*

5 *Outstanding options written, at value.*

The effect of derivative instruments in the Statement of Operations during the period ended January 31, 2018 is shown below:

Amount of realized gain (loss) on derivatives recognized in income ($)				
Underlying risk	Futures[1]	Options Transactions[2]	Forward Contracts[3]	**Total**
Interest rate	(89,436)	-	-	**(89,436)**
Foreign exchange	-	16,868	98,638	**115,506**
Total	**(89,436)**	**16,868**	**98,638**	**26,070**

Change in unrealized appreciation (depreciation) on derivatives recognized in income ($)					
Underlying risk	Futures[4]	Options Transactions[5]	Forward Contracts[6]	Swap Agreements[7]	**Total**
Interest rate	(137,290)	(24,423)	-	372,120	**210,407**
Foreign exchange	-	21,807	(120,019)	-	**(98,212)**
Total	**(137,290)**	**(2,616)**	**(120,019)**	**372,120**	**112,195**

Statement of Operations location:

1 *Net realized gain (loss) on futures.*

2 *Net realized gain (loss) on options transactions.*

3 *Net realized gain (loss) on forward foreign currency exchange contracts.*

4 *Net unrealized appreciation (depreciation) on futures.*

5 *Net unrealized appreciation (depreciation) on options transactions.*

6 *Net unrealized appreciation (depreciation) on forward foreign currency exchange contracts.*

7 *Net unrealized appreciation (depreciation) on swap agreements.*

The provisions of ASC Topic 210 "Disclosures about Offsetting Assets and Liabilities" require disclosure on the offsetting of financial assets and liabilities. These disclosures are required for certain investments, including derivative financial instruments subject to Master Agreements which are eligible for offsetting in the Statement of Assets and Liabilities and require the fund to disclose both gross and net information with respect to such investments. For financial reporting purposes, the fund does not offset derivative assets and derivative liabilities that are subject to Master Agreements in the Statement of Assets and Liabilities.

At January 31, 2018, derivative assets and liabilities (by type) on a gross basis are as follows:

Derivative Financial Instruments:	Assets ($)	Liabilities ($)
Futures	338,758	(366,212)
Options	28,193	(4,428)
Forward contracts	56,218	(178,978)
Swaps	145,279	-
Total gross amount of derivative assets and liabilities in the Statement of Assets and Liabilities	568,448	(549,618)
Derivatives not subject to Master Agreements	(484,037)	366,212
Total gross amount of assets and liabilities subject to Master Agreements	84,411	(183,406)

The following tables present derivative assets and liabilities net of amounts available for offsetting under Master Agreements and net of related collateral received or pledged, if any, as of January 31, 2018:†

Counterparty	Gross Amount of Assets ($)[1]	Financial Instruments and Derivatives Available for Offset ($)	Collateral Received ($)	Net Amount of Assets ($)
Barclays Bank	520	(520)	-	-
Citigroup	27,500	(24,052)	-	3,448
Goldman Sachs International	2,049	(80)	-	1,969
JP Morgan Chase Bank	27,060	(27,060)	-	-
UBS	27,282	(2,328)	-	24,954
Total	**84,411**	**(54,040)**	**-**	**30,371**

Counterparty	Gross Amount of Liabilities ($)[1]	Financial Instruments and Derivatives Available for Offset ($)	Collateral Pledged ($)	Net Amount of Liabilities ($)
Bank of America	(4,299)	-	-	(4,299)
Barclays Bank	(3,439)	520	-	(2,919)
Citigroup	(24,052)	24,052	-	-
Goldman Sachs International	(80)	80	-	-
JP Morgan Chase Bank	(149,088)	27,060	-	(122,028)
Morgan Stanley Capital Services	(120)	-	-	(120)
UBS	(2,328)	2,328	-	-
Total	**(183,406)**	**54,040**	**-**	**(129,366)**

[1] *Absent a default event or early termination, OTC derivative assets and liabilities are presented at gross amounts and are not offset in the Statement of Assets and Liabilities.*

† *See Statement of Investments for detailed information regarding collateral held for exchange traded derivative contracts.*

The following summarizes the average market value of derivatives outstanding during the period ended January 31, 2018:

	Average Market Value ($)
Interest rate futures	64,221,104
Interest rate options contracts	6,625
Foreign currency options contracts	18,769
Forward contracts	23,808,008

The following summarizes the average notional value of swap agreements outstanding during the period ended January 31, 2018:

	Average Notional Value ($)
Interest rate swap agreements	51,926,403

At January 31, 2018, accumulated net unrealized depreciation on investments inclusive of derivative contracts was $311,531, consisting of $1,185,997 gross unrealized appreciation and $1,497,528 gross unrealized depreciation.

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

For More Information

Dreyfus Short Term Income Fund

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New York, NY 10166

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Custodian

The Bank of New York Mellon
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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 D:DSTIX Class P:DSHPX

Telephone Call your financial representative or 1-800-DREYFUS

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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 and may be reviewed and copied at the SEC's Public Reference Room in Washington, D.C. (phone 1-800-SEC-0330 for information).

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