

Dreyfus BASIC Money Market Fund, Inc.



SEMIANNUAL REPORT
August 31, 2018

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A LETTER FROM THE PRESIDENT OF DREYFUS

Dear Shareholder:

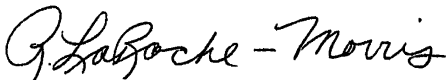
We are pleased to present this semiannual report for Dreyfus BASIC Money Market Fund, Inc., covering the six-month period from March 1, 2018 through August 31, 2018. For information about how the fund performed during the reporting period, as well as general market perspectives, we provide a Discussion of Fund Performance on the pages that follow.

U.S. stocks continued to post gains over the reporting period, reaching new highs despite rising interest rates and heightened trade tensions, while fixed-income markets improved as well. Corporate earnings remained robust, due in part to the corporate tax cut enacted last year. Growth stocks, facing little exposure to the effects of trade tensions, outpaced value stocks and small caps, and easily outperformed large caps. Overseas, stocks largely posted losses, particularly in emerging markets, which have been hurt by a stronger U.S. dollar and concerns about contagion from the lira crisis in Turkey. In the fixed-income arena, municipal bonds, high yield bonds and longer-dated Treasuries stood out.

The performance of U.S. markets was supported by robust fundamentals, including sustained economic growth, a healthy labor market and strong consumer and business confidence. We expect these conditions to persist, but we continue to monitor economic data for signals that might suggest that a change is on the horizon. As always, we encourage you to discuss the risks and opportunities of today's investment environment with your financial advisor.

Thank you for your continued confidence and support.

Sincerely,



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

DISCUSSION OF FUND PERFORMANCE (Unaudited)

For the period from March 1, 2018 through August 31, 2018, as provided by Bernard W. Kiernan, Jr., Portfolio Manager

Market and Fund Performance Overview

For the six-month period ended August 31, 2018, Dreyfus BASIC Money Market Fund, Inc. produced an annualized yield of 1.61%. Taking into account the effects of compounding, the fund produced an annualized effective yield of 1.62%.¹

Yields of money market instruments moved higher over the reporting period as the Federal Reserve Board (the “Fed”) implemented two increases in short-term interest rates and continued to unwind its balance sheet.

The Fund’s Investment Approach

The fund seeks as high a level of current income as is consistent with the preservation of capital and the maintenance of liquidity. To pursue its goal, the fund invests in a diversified portfolio of high-quality, short-term, dollar-denominated debt securities, including: securities issued or guaranteed as to principal and interest by the U.S. government or its agencies or instrumentalities; certificates of deposit, time deposits, bankers’ acceptances and other short-term securities issued by domestic or foreign banks or thrifts or their subsidiaries or branches; repurchase agreements, including triparty repurchase agreements; asset-backed securities; domestic and dollar-denominated foreign commercial paper and other short-term corporate obligations, including those with floating or variable rates of interest; and dollar-denominated obligations issued or guaranteed by one or more foreign governments or any of their political subdivisions or agencies. The fund’s investments are concentrated in the banking industry because the fund normally invests at least 25% of its net assets in domestic or dollar-denominated foreign bank obligations.

When managing the fund, we closely monitor the outlook for economic growth and inflation, follow overseas developments, and consider the posture of the Fed in our decisions as to how to structure the fund. Based upon our economic outlook, we actively manage the fund’s average maturity in looking for opportunities that may present themselves in light of possible changes in interest rates.

Short-Term Interest Rates Kept Rising

During the reporting period, investors and monetary policymakers continued to expect stronger economic growth stemming, in part, from the tax reform and business-friendly policies initiated by the new presidential administration. Business and consumer confidence remained high, investment and corporate earnings continued to exceed expectations, and hiring activity proved brisk. Hourly wages began to rise, suggesting that inflation might begin to accelerate, and volatility returned to the financial markets as inflation fears mounted. Trade tensions continued to be felt, but in March 2018, the Fed raised the federal funds rate to between 1.50% and 1.75%. Although the unemployment rate remained unchanged at 4.1%, job creation declined to 155,000 new positions.

In April 2018, personal consumption slowed, and gross domestic product (GDP) data indicated that the economy grew by just 2.2% on an annualized basis. However, the labor market rebounded with 175,000 new jobs and the unemployment rate fell to 3.9%. In May

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

2018, trade tensions emerged again, as tariff exemptions on Canada, Mexico, and Europe were lifted. Nevertheless, job creation rose to 268,000 new jobs, and the unemployment rate fell to 3.8%. During June 2018, manufacturing and services remained strong, but the unemployment rate ticked higher to 4.0% while 208,000 new jobs were added. The Fed responded by raising short-term interest rates again, putting the federal funds rate between 1.75% and 2.00%.

Trade relations continued to cause some concern in July 2018, but the economy generated 165,000 new jobs, and the unemployment rate fell back to 3.9% while activity in the manufacturing sector remained robust. In August 2018, corporate earnings continued to benefit from the tax cut, and an estimated 270,000 jobs were added while the unemployment rate remained unchanged at 3.9%. GDP data showed that the U.S. economy grew at a 4.2% annualized rate during the second quarter of 2018.

More Interest-Rate Hikes Expected

More short-term interest-rate hikes are anticipated over the remainder of 2018. In the rising interest-rate environment, we have maintained a weighted average maturity that is modestly shorter than industry averages. This strategy is intended to capture higher yields as they become available. As always, we have retained our focus on quality and liquidity.

September 17, 2018

¹ *Annualized effective yield is based upon dividends declared daily and reinvested monthly. Past performance is no guarantee of future results. Yields fluctuate. The Dreyfus Corporation has contractually agreed to waive receipt of its fees and/or assume the expenses of the fund so that total annual fund operating expenses do not exceed 0.45%. The Dreyfus Corporation may terminate the agreement upon at least 90 days' prior notice to investors, but has committed not to do so until at least July 1, 2019.*

You could lose money by investing in a money market fund. Although the fund seeks to preserve the value of your investment at \$1.00 per share, it cannot guarantee it will do so. The fund may impose a fee upon the sale of your shares or may temporarily suspend your ability to sell shares if the fund's liquidity falls below required minimums because of market conditions or other factors. An investment in the fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The fund's sponsor has no legal obligation to provide financial support to the fund, and you should not expect that the sponsor will provide financial support to the fund at any time.

Short-term corporate, asset-backed and municipal securities holdings (as applicable), while rated in the highest rating category by one or more nationally recognized statistical rating organizations (NRSROs) (or unrated, if deemed of comparable quality by the investment adviser), involve credit and liquidity risks and risk of principal loss.

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. If your account balance is less than \$50,000, your account may be subject to exchange fees, account closeout fees, and wire and Dreyfus TeleTransfer redemption fees each in the amount of \$5.00, as well as a checkwriting fee of \$2.00. None of these fees are 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 BASIC Money Market Fund, Inc. from March 1, 2018 to August 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 August 31, 2018

Expenses paid per \$1,000†	\$ 2.28
Ending value (after expenses)	\$ 1,008.10

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 August 31, 2018

Expenses paid per \$1,000†	\$ 2.29
Ending value (after expenses)	\$ 1,022.94

† Expenses are equal to the fund's annualized expense ratio of .45%, multiplied by the average account value over the period, multiplied by 184/365 (to reflect the one-half year period).

STATEMENT OF INVESTMENTS

August 31, 2018 (Unaudited)

Description	Principal Amount (\$)	Value (\$)
Negotiable Bank Certificates of Deposit - 32.6%		
Bank of Nova Scotia (Yankee)		
2.33%, 9/4/18, 1 Month LIBOR + .25%	5,000,000 ^a	5,000,000
Mitsubishi UFJ Trust and Banking Corp. (Yankee)		
2.31%, 10/29/18	5,000,000 ^b	5,000,000
Mizuho Bank Ltd (Yankee)		
2.28%, 9/6/18	5,000,000 ^b	5,000,000
Norinchukin Bank (New York) (Yankee)		
1.93%, 9/5/18	6,000,000	6,000,000
Oversea-Chinese Banking Corp. Ltd (Yankee)		
2.28%, 12/11/18	3,000,000	3,000,000
Oversea-Chinese Banking Corp. Ltd (Yankee)		
2.38%, 9/6/18, 1 Month LIBOR + .30%	3,000,000 ^a	3,000,000
Sumitomo Mitsui Banking Corp. (Yankee)		
2.29%, 9/14/18	3,000,000 ^b	3,000,000
Sumitomo Mitsui Banking Corp. (Yankee)		
2.45%, 1/25/19	3,000,000 ^b	3,000,000
Sumitomo Mitsui Trust Bank Ltd. (Yankee)		
2.30%, 9/18/18	5,000,000 ^b	5,000,000
Wells Fargo Bank NA		
2.49%, 11/26/18, 3 Month LIBOR + .18%	5,000,000 ^a	5,000,000
Total Negotiable Bank Certificates of Deposit (cost \$43,000,000)		43,000,000
Commercial Paper - 34.0%		
Bedford Row Funding Corp.		
2.49%, 9/17/18, 1 Month LIBOR + .43%	5,000,000 ^{a,b}	5,000,000
DBS Bank Ltd.		
2.33%, 11/20/18	3,000,000 ^b	2,984,600
HSBC Bank PLC		
2.42%, 9/18/18, 1 Month LIBOR + .34%	5,000,000 ^{a,b}	5,000,000
ING US Funding LLC		
2.38%, 9/18/18, 1 Month LIBOR + .30%	2,000,000 ^a	2,000,000
JP Morgan Securities LLC		
2.49%, 10/1/18, 3 Month LIBOR + .15%	5,000,000 ^{a,b}	5,000,000
JP Morgan Securities LLC		
2.64%, 5/24/19	1,000,000	980,935
Landesbank Hessen-Thuringen GZ		
2.28%, 10/9/18	4,000,000 ^b	3,990,416
NRW.Bank		
2.44%, 2/28/19	6,000,000 ^b	5,927,700
Prudential Funding LLC		
1.92%, 9/6/18	6,000,000	5,998,400

Description	Principal Amount (\$)	Value (\$)
Commercial Paper - 34.0% (continued)		
Total Capital S.A		
1.93%, 9/4/18	6,000,000 ^b	5,999,035
Westpac Banking Corp.		
2.48%, 9/10/18, 1 Month LIBOR + .40%	2,000,000 ^{a,b}	2,000,000
Total Commercial Paper (cost \$44,881,086)		44,881,086
Asset-Backed Commercial Paper - 12.1%		
Antalis S.A		
2.33%, 10/9/18	4,000,000 ^{b,c}	3,990,204
Atlantic Asset Securitization LLC		
2.38%, 9/12/18	6,000,000 ^{b,c}	5,995,673
CRC Funding LLC		
2.28%, 10/12/18	6,000,000 ^{b,c}	5,984,488
Total Asset-Backed Commercial Paper (cost \$15,970,365)		15,970,365
Time Deposits - 13.6%		
Australia and New Zealand Banking Group (Grand Cayman)		
1.91%, 9/4/18	6,000,000	6,000,000
Nordea Bank AB		
1.90%, 9/4/18	6,000,000	6,000,000
Northern Trust Corp. (Grand Cayman)		
1.90%, 9/4/18	6,000,000	6,000,000
Total Time Deposits (cost \$18,000,000)		18,000,000
Repurchase Agreements - 5.3%		
Credit Agricole CIB		
Tri-Party Agreement thru BNY Mellon, 1.95%, dated 8/31/18, due 9/4/18 in the amount of \$7,001,517 (fully collateralized by \$7,705,377 U.S. Treasuries (including strips), 0%-3.13%, due 1/15/19-11/15/44, value \$7,140,000) (cost \$7,000,000)	7,000,000	7,000,000
Total Investments (cost \$128,851,451)	97.6%	128,851,451
Cash and Receivables (Net)	2.4%	3,218,987
Net Assets	100.0%	132,070,438

^a Variable rate security—rate shown is the interest rate in effect at period end. Date shown represents the earlier of the next interest reset date or ultimate maturity date.

^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 August 31, 2018, these securities amounted to \$72,872,116 or 55.18% of net assets.

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

STATEMENT OF INVESTMENTS (Unaudited) (continued)

Portfolio Summary (Unaudited) †	Value (%)
Banking	71.1
Asset-Backed/MultiSeller Programs	9.1
Finance	7.6
Repurchase Agreements	5.3
Asset-Backed	4.5
	97.6

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

STATEMENT OF ASSETS AND LIABILITIES

August 31, 2018 (Unaudited)

	Cost	Value
Assets (\$):		
Investments in securities—See Statement of Investments (including repurchase agreements of \$7,000,000)		
—Note 1(b)	128,851,451	128,851,451
Cash		3,176,559
Interest receivable		148,324
Prepaid expenses		18,801
		132,195,135
Liabilities (\$):		
Due to The Dreyfus Corporation and affiliates—Note 2(b)		60,102
Payable for shares of Common Stock redeemed		24,979
Directors fees and expenses payable		1,775
Accrued expenses		37,841
		124,697
Net Assets (\$)		132,070,438
Composition of Net Assets (\$):		
Paid-in capital		132,070,438
Net Assets (\$)		132,070,438
Shares Outstanding		
(3 billion shares of \$.001 par value Common Stock authorized)		132,097,875
Net Asset Value Per Share (\$)		1.00

See notes to financial statements.

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

Investment Income (\$):	
Interest Income	1,332,079
Expenses:	
Management fee—Note 2(a)	324,803
Shareholder servicing costs—Note 2(b)	95,182
Professional fees	43,594
Registration fees	18,301
Custodian fees—Note 2(b)	14,472
Prospectus and shareholders' reports	6,443
Directors' fees and expenses—Note 2(c)	4,987
Miscellaneous	17,132
Total Expenses	524,914
Less—reduction in expenses due to undertaking—Note 2(a)	(232,618)
Less—reduction in fees due to earnings credits—Note 2(b)	(4,812)
Net Expenses	287,484
Investment Income—Net, representing net increase in net assets resulting from operations	1,044,595

See notes to financial statements.

STATEMENT OF CHANGES IN NET ASSETS

	Six Months Ended August 31, 2018 (Unaudited)	Year Ended February 28, 2018
Operations (\$):		
Investment income—net	1,044,595	1,126,539
Net realized gain (loss) on investments	-	9,850
Net Increase (Decrease) in Net Assets Resulting from Operations	1,044,595	1,136,389
Distributions to Shareholders from (\$):		
Investment income—net	(1,044,595)	(1,126,539)
Capital Stock Transactions (\$1.00 per share):		
Net proceeds from shares sold	19,178,542	37,351,987
Distributions reinvested	1,013,188	1,094,186
Cost of shares redeemed	(15,282,586)	(52,952,086)
Increase (Decrease) in Net Assets from Capital Stock Transactions	4,909,144	(14,505,913)
Total Increase (Decrease) in Net Assets	4,909,144	(14,496,063)
Net Assets (\$):		
Beginning of Period	127,161,294	141,657,357
End of Period	132,070,438	127,161,294

See notes to financial statements.

FINANCIAL HIGHLIGHTS

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

	Six Months Ended	Year Ended February 28/29,				
	August 31, 2018 (Unaudited)	2018	2017	2016	2015	2014
Per Share Data (\$):						
Net asset value, beginning of period	1.00	1.00	1.00	1.00	1.00	1.00
Investment Operations:						
Investment income—net	.008	.008	.002	.000 ^a	.000 ^a	.000 ^a
Distributions:						
Dividends from investment income—net	(.008)	(.008)	(.002)	(.000) ^a	(.000) ^a	(.000) ^a
Net asset value, end of period	1.00	1.00	1.00	1.00	1.00	1.00
Total Return (%)	.81 ^b	.83	.24	.01	.00 ^c	.00 ^c
Ratios/Supplemental Data (%):						
Ratio of total expenses to average net assets	.81 ^d	.78	.77	.77	.72	.71
Ratio of net expenses to average net assets	.45 ^d	.44	.44	.25	.17	.17
Ratio of net investment income to average net assets	1.61 ^d	.82	.23	.01	.00 ^c	.00 ^c
Net Assets, end of period (\$ x 1,000)	132,070	127,161	141,657	188,236	206,455	253,729

^a Amount represents less than \$.001 per share.

^b Not annualized.

^c Amount represents less than .01%.

^d Annualized.

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS (Unaudited)

NOTE 1—Significant Accounting Policies:

Dreyfus BASIC Money Market Fund, Inc. (the “fund”) is registered under the Investment Company Act of 1940, as amended (the “Act”), as a diversified open-end management investment company. The fund’s investment objective is to seek as high a level of current income as is consistent with the preservation of capital and the maintenance of liquidity. 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 to the public without a sales charge.

The fund operates as a “retail money market fund” as that term is defined in Rule 2a-7 under the Act (a “Retail Fund”). It is the fund’s policy to maintain a constant net asset value (“NAV”) per share of \$1.00, and the fund has adopted certain investment, portfolio valuation and dividend and distribution policies to enable it to do so. There is no assurance, however, that the fund will be able to maintain a constant NAV per share of \$1.00. As a Retail Fund, the fund may, or in certain circumstances, must impose a fee upon the sale of shares or may temporarily suspend redemptions if the fund’s weekly liquid assets fall below required minimums because of market conditions or other factors.

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

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

(a) Portfolio valuation: Investments in securities are valued at amortized cost in accordance with Rule 2a-7 under the Act. If amortized cost is determined not to approximate market value, the fair value of the portfolio securities will be determined by procedures established by and under the general supervision of the fund’s Board of Directors (the “Board”).

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. For example, money market securities are valued using amortized cost, in accordance with rules under the Act. Generally, amortized cost approximates the current fair value of a security, but since the value is not obtained from a quoted price in an active market, such securities are reflected within Level 2 of the fair value hierarchy.

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

Valuation Inputs	Short-Term Investments (\$)†
Level 1 - Unadjusted Quoted Prices	-
Level 2 - Other Significant Observable Inputs	128,851,451
Level 3 - Significant Unobservable Inputs	-
Total	128,851,451

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

At August 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. Interest income, adjusted for accretion of discount and amortization of premium on investments, is earned from settlement date and is recognized on the accrual basis. Realized gains and losses from securities transactions are recorded on the identified cost basis.

The fund may enter into repurchase agreements with financial institutions, deemed to be creditworthy by Dreyfus, subject to the seller's agreement to repurchase and the fund's agreement to resell such securities at a mutually agreed upon price. Pursuant to the terms of the repurchase agreement, such securities must have an aggregate market value greater than or equal to the terms of the repurchase price plus accrued interest at all times. If the value of the underlying securities falls below the value of the repurchase price plus accrued interest, the fund will require the seller to deposit additional collateral by the next business day. If the request for additional collateral is not met, or the seller defaults on its repurchase obligation, the fund maintains its right to sell the underlying securities at market value and may claim any resulting loss against the seller. The collateral is held on behalf of the fund by the tri-party administrator with respect to any tri-party agreement. The fund may also jointly enter into one or more repurchase agreements with other Dreyfus-managed funds in accordance with an exemptive order granted by the SEC pursuant to section 17(d) and Rule 17d-1 under the Act. Any joint repurchase agreements must be collateralized fully by U.S. Government securities.

(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.

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

Each tax year in the three-year period ended February 28, 2018 remains subject to examination by the Internal Revenue Service and state taxing authorities.

The tax character of distributions paid to shareholders during the fiscal year ended February 28, 2018 was all ordinary income. The tax character of current year distributions will be determined at the end of the current fiscal year.

At August 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).

(e) New Accounting Pronouncements: 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—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 to waive receipt of its fees and/or assume the direct expenses of the fund so that total annual fund operating expenses do not exceed .45% of the value of the fund’s average daily net assets. Dreyfus may terminate this undertaking agreement upon at least 90 days’ prior notice to shareholders, but has committed not to do so until at least July 1, 2019. The reduction in expenses, pursuant to the undertaking, amounted to \$232,618 during the period ended August 31, 2018.

(b) Under the Shareholder Services Plan, the fund reimburses the Distributor at an amount not to exceed an annual rate of .25% of the value of the fund’s 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. During the period ended August 31, 2018, the fund was charged \$61,019 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 August 31, 2018, the fund was charged \$31,272 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, a subsidiary of BNY Mellon and an affiliate of Dreyfus, 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 August 31, 2018, the fund was charged \$14,472 pursuant to the custody agreement. These fees were partially offset by earnings credits of \$4,810.

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 August 31, 2018, the fund was charged \$1,199 pursuant to the agreement, which is included in Shareholder servicing costs in the Statement of Operations. These fees were partially offset by earnings credits of \$2.

During the period ended August 31, 2018, the fund was charged \$6,832 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 \$56,175, Shareholder Services Plan fees \$10,000, custodian fees \$9,695, Chief Compliance Officer fees \$5,693 and transfer agency fees \$8,113,

which are offset against an expense reimbursement currently in effect in the amount of \$29,574.

(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.

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

At a meeting of the fund's Board of Directors 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 that may be

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

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 and Performance Universe medians for all periods.

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 above the Expense Group median, the fund's actual management fee was below the Expense Group median and slightly above the Expense Universe median and the fund's total expenses were below the Expense Group and the Expense Universe medians.

Dreyfus representatives stated that Dreyfus has contractually agreed, until July 1, 2019, to waive receipt of its fees and/or assume the direct expenses of the fund so that total annual fund operating expenses do not exceed 0.45% of the fund's average daily net assets.

Dreyfus representatives reviewed with the Board the management or investment advisory fees paid by funds advised or administered by Dreyfus that are in the same Lipper category as the fund (the "Similar Funds"), and explained the nature of the Similar Funds. 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 Funds to evaluate the appropriateness of the fund's management fee.

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

The Board considered, on the advice of its counsel, the profitability analysis (1) as part of its evaluation of whether the fees under the Agreement, considered in relation to the mix of services provided by Dreyfus, including the nature, extent and quality of such services, supported the renewal of the Agreement and (2) in light of the relevant circumstances for the fund and the extent to which economies of scale would be realized if the fund grows and whether fee levels reflect these economies of scale for the benefit of fund shareholders. Dreyfus representatives stated that 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 was satisfied with the fund's 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 measures; 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

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

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 BASIC Money Market Fund, Inc.

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 Symbol: DBAXX

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 will disclose daily, on www.dreyfus.com, the fund's complete schedule of holdings as of the end of the previous business day. The schedule of holdings will remain on the website until the fund files its Form N-Q or Form N-CSR for the period that includes the date of the posted holdings.

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).

Information regarding how the fund voted proxies related to portfolio securities 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.