Dreyfus Tax Sensitive Total Return Bond Fund

SEMIANNUAL REPORT
March 31, 2018

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Contents

THE FUND

FOR MORE INFORMATION

A LETTER FROM THE PRESIDENT OF DREYFUS

Dear Shareholder:

We are pleased to present this semiannual report for Dreyfus Tax Sensitive Total Return Bond Fund, covering the six-month period from October 1, 2017 through March 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.

Heightened volatility has returned to the financial markets. After a period of unusually mild price swings in 2017, inflation concerns, geopolitical tensions and trade disputes caused volatility to increase substantially over the opening months of 2018. As a result, U.S. stocks and bonds generally lost a degree of value over the first quarter of the year.

Stocks set a series of new record highs through January 2018 before market volatility took its toll, enabling stocks across all capitalization ranges to produce solidly positive returns for the reporting period overall. Stocks gained value amid growing corporate earnings, improving global economic conditions and the enactment of tax reform legislation and other government policy reforms. In contrast, most sectors of the U.S. bond market lost a degree of value when short-term interest rates and inflation expectations increased.

In our judgment, underlying market fundamentals remain strong, characterized by sustained economic growth, a robust labor market and strong consumer and business confidence. We expect these favorable conditions to persist, but we remain aware of economic and political developments that could negatively affect the 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
April 16, 2018

For the period from October 1, 2017 through March 31, 2018, as provided by Thomas Casey, Daniel Rabasco, and Jeffrey Burger, of BNY Mellon Asset Management North America Corporation, Sub-Investment Adviser

Market and Fund Performance Overview

For the six-month period ended March 31, 2018, Dreyfus Tax Sensitive Total Return Bond Fund's Class A shares produced a total return of -0.95%, Class C shares returned -1.33%, Class I shares returned -0.82%, and Class Y shares returned -0.82%.[1] In comparison, the fund's benchmark, the Bloomberg Barclays 3-, 5-, 7-, 10-Year U.S. Municipal Bond Index (the "Index"), provided a total return of -1.11% for the same period.[2]

Municipal bonds and taxable fixed-income securities encountered bouts of market volatility during the reporting period amid rising interest rates and shifting supply-and-demand dynamics. The fund produced favorable returns relative to the Index mainly due to an emphasis on revenue bonds which, produced solid returns over the reporting period.

The Fund's Investment Approach

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

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

Supply-and-Demand Dynamics Drove Municipal Bonds

Municipal bonds experienced bouts of heightened volatility early in the reporting period due to uncertainty surrounding federal tax reform proposals. As a result, states, municipalities, and authorities rushed to market before year-end 2017 with a flood of newly issued bonds, which was met with robust demand from investors worried that their tax-exempt investment opportunities might be more limited in the future.

Despite a dearth of new issuance at the start of 2018, heightened market volatility continued through the opening months of 2018 when lower corporate tax rates dampened demand for municipal bonds from banks and insurance companies. Investors also grew concerned that short-term interest rates might climb more than previously expected in an environment of accelerating inflation and ballooning federal budget deficits. The market generally stabilized in March when inflation fears eased.

Yields climbed especially sharply among short-term municipal securities, causing yield differences to narrow along the market's maturity spectrum. Lower-rated bonds typically outperformed their higher-quality counterparts over the reporting period.

Credit conditions have remained sound in the strong economy, but several states are facing pressure from underfunded pension systems.

Higher-Yielding Bonds Supported Fund Results

The fund's performance compared to the Index was supported by overweighted exposure to higher-yielding revenue-backed bonds and a commensurately underweighted position in state-issued general obligation bonds. Results were particularly favorable from revenue bonds backed by hospitals and the states' settlement of litigation with U.S. tobacco companies. The fund further benefited from an emphasis on bonds with maturities of 10 years and more. From a credit-rating perspective, municipal bonds with single-A ratings fared particularly well.

On the other hand, the fund's relative performance was undermined to a degree by a relatively long average duration, which made the fund more sensitive to the impact of rising interest rates. Later in the reporting period, we adjusted the fund's average duration to a market-neutral position.

The fund also held overweighted exposure to municipal bonds with maturities of two years and less, which proved to be one of the weaker segments of the maturity spectrum. The fund's holdings of higher-quality municipal bonds, such as those backed by water-and-sewer facilities and other essential municipal services, underperformed their lower-rated counterparts. Finally, positions in taxable bonds, such as asset-backed securities, tended to be more sensitive to rising interest rates, and they generally lagged their tax-exempt counterparts.

A Constructive Investment Posture

While sharply lower corporate tax rates could continue to weigh on demand for municipal bonds from institutional investors, modestly lower personal tax rates seem unlikely to dampen demand from individual investors, and we expect favorable supply-and-demand dynamics to support municipal bond prices over the foreseeable future. In addition, municipal bonds historically have been less sensitive than U.S. Treasury securities to rising interest rates. Therefore, we have maintained a constructive investment posture, including an emphasis on higher-yielding revenue bonds, and we have kept the fund's average duration in a roughly market-neutral position. We also have modestly increased the fund's exposure to taxable asset-backed securities, the valuations of which we considered attractive.

April 16, 2018

[1] *Total return includes reinvestment of dividends and any capital gains paid, and does not take into consideration the maximum initial sales charge in the case of Class A shares or the applicable contingent deferred sales charge imposed on redemptions in the case of Class C shares. Share price, yield, and investment return fluctuate such that upon redemption, fund shares may be worth more or less than their original cost. Dividends paid by the fund will be exempt from federal income tax to the extent such dividends are derived from interest paid on principal obligations. The fund also may invest a portion of its assets in securities that generate income that is not exempt from federal or state income tax. Income may be subject to state and local taxes, and some income may be subject to the federal alternative minimum tax (AMT) for certain investors. Capital gains, if any, are taxable. Return figures provided reflect the absorption of certain fund expenses by The Dreyfus Corporation, pursuant to an agreement in effect through February 1, 2019, at which time it may be extended, modified, or terminated. Had these expenses not been absorbed, the fund's returns would have been lower. Past performance is no guarantee of future results.*

[2] *Source: FactSet — The Bloomberg Barclays 3-, 5-, 7-, 10-Year U.S. Municipal Bond Index is composed of an equal-weighted composite of the 3-Year, 5-Year, 7-Year, and 10-Year Bloomberg Barclays U.S. Municipal Bond Indices, reflects investments of dividends and, where applicable, capital gain distributions. Investors cannot invest directly in any index.*

[3] *The fund may continue to own investment-grade bonds (at the time of purchase), which are subsequently downgraded to below investment grade.*

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

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

UNDERSTANDING YOUR FUND'S EXPENSES (Unaudited)

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

Review your fund's expenses

The table below shows the expenses you would have paid on a $1,000 investment in Dreyfus Tax Sensitive Total Return Bond Fund from October 1, 2017 to March 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 March 31, 2018

	Class A	Class C	Class I	Class Y
Expenses paid per $1,000†	$ 3.47	$ 7.18	$ 2.23	$ 2.23
Ending value (after expenses)	$ 990.50	$ 986.70	$991.80	$ 991.80

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

Using the SEC's method to compare expenses

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

Expenses and Value of a $1,000 Investment
assuming a hypothetical 5% annualized return for the six months ended March 31, 2018

	Class A	Class C	Class I	Class Y
Expenses paid per $1,000†	$ 3.53	$ 7.29	$ 2.27	$ 2.27
Ending value (after expenses)	$ 1,021.44	$ 1,017.70	$1,022.69	$ 1,022.69

† *Expenses are equal to the fund's annualized expense ratio of .70% for Class A, 1.45% for Class C, .45% for Class I and .45% for Class Y, multiplied by the average account value over the period, multiplied by 182/365 (to reflect the one-half year period).*

STATEMENT OF INVESTMENTS
March 31, 2018 (Unaudited)

Description	Coupon Rate (%)	Maturity Date	Principal Amount ($)	Value ($)
Bonds and Notes - 4.2%				
Asset-Backed Certificates - .1%				
Carrington Mortgage Loan Trust, Ser. 2006-NC5, Cl. A2, 1 Month LIBOR +.11%	1.98	1/25/37	314,028 [a]	**297,799**
Asset-Backed Ctfs./Auto Receivables - 3.8%				
Capital Auto Receivables Asset Trust, Ser. 2014-2, Cl. D	2.81	8/20/19	70,532	70,546
Capital Auto Receivables Asset Trust, Ser. 2018-1, Cl. A4	2.93	6/20/22	1,725,000 [b]	1,726,534
Daimler Trucks Retail Trust, Ser. 2018-A, Cl. A3	2.85	7/15/21	1,240,000 [b]	1,239,917
DT Auto Owner Trust, Ser. 2014-2A, Cl. D	3.68	4/15/21	661,031 [b]	661,450
DT Auto Owner Trust, Ser. 2014-3A, Cl. D	4.47	11/15/21	2,001,052 [b]	2,014,644
Enterprise Fleet Financing, Ser. 2018-1, Cl. A2	2.87	10/20/23	1,385,000 [b]	1,384,859
Ford Credit Floorplan Master Owner Trust, Ser. 2018-1, Cl. A1	2.95	5/15/23	1,495,000	1,495,836
OSCAR US Funding Trust, Ser. 2018-1A, Cl. A3	3.23	5/10/22	1,465,000 [b]	1,476,787
Santander Retail Auto Lease Trust, Ser. 2018-A, Cl. A3	2.93	5/20/21	1,520,000 [b]	1,519,841
				11,590,414
Health Care - .3%				
Dignity Health, Scd. Bonds	2.64	11/1/19	760,000	**756,863**
Total Bonds and Notes (cost $12,594,256)				**12,645,076**
Long-Term Municipal Investments - 90.7%				
Alabama - .9%				
Alabama Federal Aid Highway Finance Authority, Special Obligation Revenue	5.00	9/1/29	1,000,000	1,198,270
Alabama Public School and College Authority, Capital Improvement Revenue	5.00	1/1/26	1,250,000	1,439,725
				2,637,995
Arizona - .6%				
Phoenix Civic Improvement Corporation, Junior Lien Water System Revenue	5.00	7/1/26	1,180,000	1,407,233

Description	Coupon Rate (%)	Maturity Date	Principal Amount ($)	Value ($)
Long-Term Municipal Investments - 90.7% (continued)				
Arizona - .6% (continued)				
Phoenix Industrial Development Authority, Education Facility Revenue (Legacy Traditional Schools Projects)	3.00	7/1/20	360,000 [b]	357,516
				1,764,749
Arkansas - .7%				
Arkansas Development Finance Authority, HR (Washington Regional Medical Center)	5.00	2/1/25	1,835,000	**2,073,293**
California - 7.5%				
California, GO (Various Purpose)	5.00	8/1/28	1,500,000	1,776,585
California, GO (Various Purpose)	5.00	8/1/36	1,400,000	1,619,436
California, GO (Various Purpose) (Build America Bonds)	6.65	3/1/22	2,290,000	2,552,594
California, GO, Refunding (Various Purpose)	5.00	11/1/32	1,000,000	1,189,230
California State Public Works Board, LR (Judicial Council of California) (New Stockton Courthouse)	5.00	10/1/26	1,000,000	1,156,140
California State University Trustees, Systemwide Revenue	5.00	11/1/22	1,000,000	1,112,590
California Statewide Communities Development Authority, Revenue (Loma Linda University Medical Center)	5.00	12/1/31	525,000 [b]	573,447
Golden State Tobacco Securitization Corporation, Enhanced Tobacco Settlement Asset-Backed Bonds (Insured; AMBAC)	4.60	6/1/23	750,000	753,953
Golden State Tobacco Securitization Corporation, Revenue (Tobacco Settlement)	5.00	6/1/23	1,000,000	1,122,370
Golden State Tobacco Securitization Corporation, Revenue (Tobacco Settlement)	5.00	6/1/26	1,000,000	1,150,030
Jurupa Public Financing Authority, Special Tax Revenue	5.00	9/1/29	1,060,000	1,200,620
Los Angeles Community Facilities District Number 4, Special Tax Revenue (Playa Vista-Phase 1)	5.00	9/1/28	1,000,000	1,138,960
Los Angeles Department of Airports, Subordinate Revenue (Los Angeles International Airport)	5.00	5/15/27	1,000,000	1,160,290

Description	Coupon Rate (%)	Maturity Date	Principal Amount ($)	Value ($)
Long-Term Municipal Investments - 90.7% (continued)				
California - 7.5% (continued)				
Los Angeles Harbor Department, Revenue (Green Bonds)	5.00	8/1/21	1,355,000	1,486,584
Sacramento County, Airport System Senior Revenue	5.00	7/1/22	1,275,000	1,286,921
Southern California Public Power Authority, Revenue (Windy Point/Windy Flats Project)	5.00	7/1/23	1,000,000	1,073,260
Stockton Public Financing Authority, Water Revenue (Build America Bonds-Delta Water Supply Project)	7.94	10/1/38	2,250,000	2,408,602
				22,761,612
Colorado - 1.2%				
City and County of Denver, Airport System Subordinate Revenue	5.00	11/15/22	720,000	802,994
Colorado Health Facilities Authority, HR (Adventist Health System/Sunbelt Obligated Group)	5.00	11/15/26	1,000,000	1,181,640
Denver Convention Center Hotel Authority, Convention Center Hotel Senior Revenue	5.00	12/1/31	1,490,000	1,696,261
				3,680,895
Connecticut - 1.8%				
Connecticut, GO	5.00	10/15/25	2,000,000	2,202,520
Connecticut, Special Tax Obligation Revenue (Transportation Infrastructure Purposes)	5.00	8/1/26	1,840,000	2,088,161
Connecticut, Special Tax Obligation Revenue (Transportation Infrastructure Purposes)	5.00	9/1/33	1,000,000	1,096,270
				5,386,951
District of Columbia - 2.1%				
District of Columbia, Revenue (Ingleside Rock Creek Project)	3.88	7/1/24	1,750,000	1,750,560
District of Columbia, University Revenue (Georgetown University Issue)	5.00	4/1/24	2,015,000	2,309,512
District of Columbia, University Revenue (Georgetown University Issue)	5.00	4/1/32	1,000,000	1,154,080

Description	Coupon Rate (%)	Maturity Date	Principal Amount ($)	Value ($)
Long-Term Municipal Investments - 90.7% (continued)				
District of Columbia - 2.1% (continued)				
Metropolitan Washington Airports Authority, Airport System Revenue	5.00	10/1/24	1,000,000	1,125,960
				6,340,112
Florida - 8.5%				
Broward County, Airport System Revenue	5.00	10/1/24	1,250,000	1,425,800
Citizens Property Insurance Corporation, Personal Lines Account/Commercial Lines Account Senior Secured Revenue	5.00	6/1/20	1,500,000	1,599,285
Citizens Property Insurance Corporation, Personal Lines Account/Commercial Lines Account Senior Secured Revenue	5.00	6/1/21	3,000,000	3,274,290
Florida Department of Transportation, Turnpike Revenue	5.00	7/1/25	1,000,000	1,139,540
Florida Higher Educational Facilities Financing Authority, Educational Facilities Revenue (Nova Southeastern University Project)	5.00	4/1/26	1,500,000	1,729,110
Jacksonville, Special Revenue	5.00	10/1/27	1,000,000	1,145,780
Lee County, Transportation Facilities Revenue (Insured; Assured Guaranty Municipal Corp.)	5.00	10/1/25	1,000,000	1,146,430
Lee County Solid Waste Systems, Revenue, Refunding	5.00	10/1/25	3,045,000	3,446,666
Miami Beach Redevelopment Agency, Tax Increment Revenue (City Center/Historic Convention Village)	5.00	2/1/33	1,500,000	1,690,860
Miami-Dade County, Aviation Revenue (Miami International Airport)	5.25	10/1/23	1,000,000	1,078,440
Miami-Dade County, Seaport Revenue	5.00	10/1/22	2,000,000	2,197,020
Miami-Dade County School Board, COP	5.00	5/1/26	1,500,000	1,721,925
Orange County, Tourist Development Tax Revenue	5.00	10/1/30	750,000	870,278
South Miami Health Facilities Authority, Revenue, Refunding (Baptist Health South Florida)	5.00	8/15/28	1,250,000	1,462,800
Tampa, Capital Improvement Cigarette Tax Allocation Revenue (H. Lee Moffitt Cancer Center Project)	5.00	9/1/23	500,000	556,980

Description	Coupon Rate (%)	Maturity Date	Principal Amount ($)	Value ($)
Long-Term Municipal Investments - 90.7% (continued)				
Florida - 8.5% (continued)				
Village Community Development District Number 7, Special Assessment Revenue	3.00	5/1/19	620,000	628,699
Village Community Development District Number 7, Special Assessment Revenue	3.00	5/1/20	590,000	602,915
				25,716,818
Georgia - 3.2%				
Atlanta, Airport General Revenue	5.00	1/1/22	1,000,000	1,079,700
Atlanta Development Authority, Senior Lien Revenue (New Downtown Atlanta Stadium Project)	5.00	7/1/29	1,000,000	1,155,360
Fulton County Development Authority, Hospital Revenue (Wellstar Health Systems)	5.00	4/1/36	1,775,000	1,999,360
Fulton County Development Authority, Revenue (Piedmont Healthcare, Inc. Project)	5.00	7/1/25	1,000,000	1,161,090
Main Street Natural Gas Incorporated, Gas Supply Revenue, 1 Month LIBOR + .75%	1.87	9/1/23	2,000,000 [a]	1,988,960
Municipal Electric Authority of Georgia, Project One Subordinated Bonds	5.00	1/1/21	2,085,000	2,238,435
				9,622,905
Hawaii - .3%				
Hawaii Department of Budget and Finance, Special Purpose Revenue (Hawaiian Electric Company)	4.00	3/1/37	1,090,000	**1,092,976**
Illinois - 6.6%				
Chicago, Customer Facility Charge Senior Lien Revenue (Chicago O'Hare International Airport)	5.25	1/1/24	1,500,000	1,674,150
Chicago, General Airport Senior Lien Revenue (Chicago O'Hare International Airport)	5.00	1/1/35	750,000	840,278
Chicago, Second Lien Water Revenue	5.00	11/1/26	1,000,000	1,123,000
Chicago, Waterworks Revenue, Refunding	5.00	11/1/20	1,500,000	1,602,330
Chicago Park District, Limited Tax GO	5.00	1/1/28	2,500,000	2,757,900
Cook County, Sales Tax Revenue, Refunding	5.00	11/15/35	1,000,000	1,147,060

Description	Coupon Rate (%)	Maturity Date	Principal Amount ($)	Value ($)
Long-Term Municipal Investments - 90.7% (continued)				
Illinois - 6.6% (continued)				
Greater Chicago Metropolitan Water Reclamation District, Unlimited Tax GO	5.00	12/1/31	1,000,000	1,147,400
Illinois Finance Authority, Revenue (Rush University Medical Center Obligated Group)	5.00	11/15/26	1,000,000	1,142,420
Illinois Finance Authority, Revenue, Refunding (Rosalind Franklin University of Medicine & Science)	5.00	8/1/35	1,100,000	1,201,893
Illinois Toll Highway Authority, Toll Highway Senior Revenue	5.00	1/1/27	1,000,000	1,168,090
Illinois Toll Highway Authority, Toll Highway Senior Revenue	5.00	1/1/31	1,000,000	1,149,920
Metropolitan Pier and Exposition Authority, Revenue (McCormick Place Expansion Project)	5.00	12/15/28	2,035,000	2,107,263
Metropolitan Water Reclamation District of Greater Chicago, GO	5.00	12/1/27	1,000,000	1,167,290
South Western Development Authority, Health Facility Revenue (Memorial Group) (Prerefunded)	7.13	11/1/23	1,500,000 [c]	1,881,270
				20,110,264
Indiana - 1.3%				
Indiana Finance Authority, Highway Revenue, Refunding	5.00	6/1/36	2,065,000	2,418,528
Whiting Environmental Facilities, Revenue (BP Products North America Inc. Project)	5.00	11/1/24	1,250,000	1,454,100
				3,872,628
Kansas - .4%				
Kansas Development Finance Authority, Revolving Funds Revenue (Kansas Department of Health and Environment)	5.00	3/1/21	1,150,000	**1,219,932**
Kentucky - 1.2%				
Kentucky Public Energy Authority, Gas Supply Revenue	4.00	4/1/24	2,500,000	2,664,500
Louisville and Jefferson County Metropolitan Sewer District, Sewer and Drainage System Revenue	5.00	5/15/23	1,000,000	1,107,100
				3,771,600
Louisiana - .7%				
Louisiana, State Highway Improvement Revenue	5.00	6/15/25	1,000,000	1,150,160

Description	Coupon Rate (%)	Maturity Date	Principal Amount ($)	Value ($)
Long-Term Municipal Investments - 90.7% (continued)				
Louisiana - .7% (continued)				
Tobacco Settlement Financing Corporation of Louisiana, Tobacco Settlement Asset-Backed Bonds	5.00	5/15/20	1,000,000	1,066,360
				2,216,520
Maryland - 1.3%				
Baltimore, Convention Center Hotel Revenue (Convention Center Hotel Project)	5.00	9/1/36	1,000,000	1,120,470
Maryland Economic Development Corporation, EDR (Transportation Facilities Project) (Escrowed to Maturity)	5.13	6/1/20	1,000,000	1,057,020
Maryland Health and Higher Educational Facilities Authority, Revenue (University of Maryland Medical System Issue)	5.00	7/1/32	1,500,000	1,714,515
				3,892,005
Massachusetts - 1.1%				
Massachusetts Development Finance Agency, Revenue (Suffolk University)	5.00	7/1/28	1,335,000	1,532,714
Massachusetts Port Authority, Revenue, Refunding	5.00	7/1/28	1,500,000	1,760,415
				3,293,129
Michigan - 1.9%				
Detroit, Sewage Disposal System Senior Lien Revenue (Insured; Assured Guaranty Municipal Corp.)	5.25	7/1/19	1,000,000	1,039,590
Great Lakes Water Authority, Water Supply System Second Lien Revenue	5.00	7/1/25	1,105,000	1,257,136
Michigan Finance Authority, HR (Beaumont Health Credit Group)	5.00	8/1/25	1,000,000	1,144,180
Michigan Finance Authority, Local Government Loan Program Revenue (Detroit Water and Sewerage Department, Sewage Disposal System Revenue Senior Lien Local Project Bonds) (Insured; Assured Guaranty Municipal Corp.)	5.00	7/1/30	1,000,000	1,120,930
Michigan Finance Authority, Local Government Loan Program Revenue (School District of the City of Detroit State Qualified Unlimited Tax GO Local Project Bonds)	5.00	5/1/20	1,125,000	1,191,915

Description	Coupon Rate (%)	Maturity Date	Principal Amount ($)	Value ($)
Long-Term Municipal Investments - 90.7% (continued)				
Michigan - 1.9% (continued)				
Michigan Finance Authority, Unemployment Obligation Assessment Revenue	5.00	7/1/21	145,000	146,244
				5,899,995
Minnesota - .8%				
Saint Paul Housing and Redevelopment Authority, Hospital Facility Revenue (HealthEast Care System Project) (Escrowed to Maturity)	5.00	11/15/21	1,000,000	1,104,880
Western Minnesota Municipal Power Agency, Power Supply Revenue	5.00	1/1/29	1,120,000	1,272,779
				2,377,659
Missouri - 2.3%				
Missouri Development Finance Board, Infrastructure Facilities Revenue (Branson Landing Project)	5.00	6/1/23	1,000,000	1,110,080
Missouri Development Finance Board, Infrastructure Facilities Revenue (Branson Landing Project)	5.00	6/1/28	1,000,000	1,107,030
Missouri Health and Educational Facilities Authority, Health Facilities Revenue (Saint Luke's Health System, Inc.)	5.00	11/15/27	1,000,000	1,152,440
Missouri Joint Municipal Electric Utility Commission, Power Project Revenue (Prairie State Project)	5.00	12/1/29	3,120,000	3,523,603
				6,893,153
Nebraska - .4%				
Nebraska Public Power District, General Revenue	5.00	1/1/30	1,000,000	**1,134,970**
New Jersey - 4.5%				
New Jersey Economic Development Authority, Cigarette Tax Revenue	5.00	6/15/18	1,250,000	1,257,900
New Jersey Economic Development Authority, Revenue	5.00	6/15/21	2,000,000	2,134,960
New Jersey Economic Development Authority, School Facilities Construction Revenue	5.00	6/15/26	1,845,000	2,018,467
New Jersey Economic Development Authority, Special Facility Revenue, Refunding (Port Newark Container Terminal LLC Project)	5.00	10/1/23	1,000,000	1,103,810

Description	Coupon Rate (%)	Maturity Date	Principal Amount ($)	Value ($)
Long-Term Municipal Investments - 90.7% (continued)				
New Jersey - 4.5% (continued)				
New Jersey Economic Development Authority, Water Facilities Revenue (New Jersey - American Water Company, Inc. Project)	5.10	6/1/23	1,000,000	1,061,070
New Jersey Health Care Facilities Financing Authority, Revenue (Inspira Health Obligated Group)	5.00	7/1/35	1,850,000	2,097,160
New Jersey Health Care Facilities Financing Authority, Revenue (Virtua Health Issue)	5.00	7/1/25	1,000,000	1,131,820
New Jersey Higher Education Student Assistance Authority, Senior Student Loan Revenue	5.00	12/1/18	1,000,000	1,019,640
New Jersey Higher Education Student Assistance Authority, Senior Student Loan Revenue	5.00	12/1/24	1,000,000	1,116,070
Tobacco Settlement Financing Corporation of New Jersey, Tobacco Settlement Asset-Backed Bonds	4.50	6/1/23	910,000	913,485
				13,854,382
New York - 12.5%				
Metropolitan Transportation Authority, Dedicated Tax Fund Revenue	5.00	11/15/24	2,000,000	2,293,180
Metropolitan Transportation Authority, Transportation Revenue	5.00	11/15/27	2,380,000	2,790,264
Metropolitan Transportation Authority, Transportation Revenue (Prerefunded)	5.00	5/15/24	1,205,000 [c]	1,403,078
Nassau County, GO (General Improvement)	5.00	10/1/21	2,000,000	2,200,120
New York City, GO	5.00	8/1/21	2,000,000	2,085,980
New York City, GO	5.00	3/1/25	1,000,000	1,144,250
New York City Health and Hospitals Corporation, Health System Revenue	5.00	2/15/19	1,000,000	1,028,430
New York City Housing Development Corporation, Revenue	5.00	7/1/26	2,000,000	2,233,820
New York City Transitional Finance Authority, Revenue	2.63	2/1/23	2,500,000	2,462,250
New York State Dormitory Authority, Revenue (Orange Regional Medical Center Obligated Group)	5.00	12/1/27	800,000 [b]	893,984

Description	Coupon Rate (%)	Maturity Date	Principal Amount ($)	Value ($)
Long-Term Municipal Investments - 90.7% (continued)				
New York - 12.5% (continued)				
New York State Urban Development Corporation, Personal Income Tax Revenue	5.00	3/15/31	1,000,000	1,116,200
New York State Urban Development Corporation, Revenue	2.67	3/15/23	2,500,000	2,475,725
New York Transportation Development Corporation, Special Facility Revenue (American Airlines, Inc. John F. Kennedy International Airport Project)	5.00	8/1/21	1,350,000	1,455,287
New York Transportation Development Corporation, Special Facility Revenue (Terminal One Group Association, L.P. Project)	5.00	1/1/19	2,500,000	2,559,400
Onondaga Civic Development Corporation, Revenue (Saint Joseph's Hospital Health Center Project) (Prerefunded)	5.00	7/1/19	1,000,000 [c]	1,041,200
Port Authority of New York and New Jersey, (Consolidated Bonds, 185th Series)	5.00	9/1/30	1,000,000	1,123,900
Triborough Bridge and Tunnel Authority, General Revenue (MTA Bridges and Tunnels)	5.00	11/15/24	2,150,000	2,427,973
Triborough Bridge and Tunnel Authority, General Revenue (MTA Bridges and Tunnels), 1 Month LIBOR +.35%	1.61	12/3/19	3,500,000 [a]	3,504,795
TSASC, Revenue	5.00	6/1/32	2,000,000	2,229,980
TSASC, Inc. of New York, Subordinate Tobacco Settlement Bonds	5.00	6/1/22	1,500,000	1,617,090
				38,086,906
North Carolina - .6%				
North Carolina Medical Care Commission, Health Care Facilities First Mortgage Revenue (Pennybryn at Maryfield)	5.00	10/1/19	1,875,000	**1,949,231**
Ohio - 1.3%				
Ohio Adult Correctional Capital Facilities, Revenue, Refunding (Lease Appropriations-Adult Correctional Building Fund Projects)	5.00	10/1/31	1,860,000	2,183,845
Ohio Higher Educational Facility Commission, Higher Educational Facility Revenue (Case Western Reserve University Project)	5.00	12/1/23	1,500,000	1,717,215
				3,901,060

Description	Coupon Rate (%)	Maturity Date	Principal Amount ($)	Value ($)
Long-Term Municipal Investments - 90.7% (continued)				
Pennsylvania - 3.9%				
Commonwealth Financing Authority of Pennsylvania, Revenue	5.00	6/1/28	1,000,000	1,144,780
Montgomery County Industrial Development Authority, Retirement Community Revenue (Adult Communities Total Services, Inc. Retirement - Life Communities, Inc. Obligated Group)	5.00	11/15/36	2,570,000	2,868,711
Pennsylvania Turnpike Commission, Revenue, Refunding	5.00	12/1/33	2,000,000	2,275,680
Pennsylvania Turnpike Commission, Turnpike Revenue	5.00	12/1/29	1,000,000	1,142,560
Philadelphia, Gas Works Revenue	5.00	8/1/21	1,000,000	1,090,690
Philadelphia Airport, Revenue, Refunding	5.00	7/1/27	1,500,000	1,737,945
Philadelphia School District, GO	5.00	9/1/21	1,500,000	1,587,900
				11,848,266
Rhode Island - .7%				
Tobacco Settlement Financing Corporation of Rhode Island, Tobacco Settlement Asset-Backed Bonds	5.00	6/1/26	1,000,000	1,150,920
Tobacco Settlement Financing Corporation of Rhode Island, Tobacco Settlement Asset-Backed Bonds	5.00	6/1/35	1,000,000	1,089,610
				2,240,530
South Carolina - .3%				
South Carolina Public Service Authority, Revenue Obligations (Santee Cooper)	5.00	12/1/21	1,000,000	**1,092,410**
Tennessee - 1.6%				
Memphis, GO (General Improvement)	5.00	4/1/26	1,840,000	2,143,766
Tennessee Energy Acquisition Corporation, Gas Project Revenue	5.25	9/1/26	1,120,000	1,304,262
Tennessee Energy Acquisition Corporation, Revenue (Gas Revenue Project)	4.00	5/1/23	1,250,000	1,337,025
				4,785,053
Texas - 14.5%				
Arlington, Special Tax Revenue Sr. Lien (Insured; Assured Guaranty Municipal Corp.)	5.00	2/15/29	1,350,000	1,540,660

Description	Coupon Rate (%)	Maturity Date	Principal Amount ($)	Value ($)
Long-Term Municipal Investments - 90.7% (continued)				
Texas - 14.5% (continued)				
Arlington Independent School District, Unlimited Tax School Building Bonds (Permanent School Fund Guarantee Program)	5.00	2/15/27	1,400,000	1,575,812
Central Texas Regional Mobility Authority, Senior Lien Revenue	5.00	1/1/27	1,250,000	1,433,663
Central Texas Regional Mobility Authority, Senior Lien Revenue	5.00	1/1/31	1,175,000	1,319,619
Corpus Christi, Utility System Junior Lien Revenue (Insured; Assured Guaranty Municipal Corp.)	5.00	7/15/23	1,725,000	1,927,342
Dallas, GO	5.00	2/15/26	1,000,000	1,114,340
Dallas, GO, Refunding	5.00	2/15/26	1,000,000	1,163,540
Dallas, GO, Refunding	5.00	2/15/30	1,000,000	1,111,940
Denton, Utility System Revenue	5.00	12/1/27	2,000,000	2,346,320
Harris County, Tax Road GO	5.00	10/1/27	1,500,000	1,757,070
Harris County-Houston Sports Authority, Senior Lien Revenue	5.00	11/15/29	750,000	839,393
Houston, Airport System Special Facilities Revenue (United Airlines, Inc. Terminal E Project)	4.75	7/1/24	1,000,000	1,097,630
Houston, Airport System Subordinate Lien Revenue (Insured; XLCA), Auction-Based	3.77	7/1/32	2,675,000 [d]	2,587,581
Houston, Combined Utility System First Lien Revenue, MUNIPSA +.90%	2.48	5/1/20	2,500,000 [a]	2,513,725
Houston, GO (Public Improvement)	5.00	3/1/24	2,000,000	2,290,880
Love Field Airport Modernization Corporation, General Airport Revenue	5.00	11/1/26	1,000,000	1,157,620
Love Field Airport Modernization Corporation, General Airport Revenue	5.00	11/1/27	1,850,000	2,109,851
North Texas Tollway Authority, First Tier System Revenue	5.00	1/1/22	1,000,000	1,104,250

Description	Coupon Rate (%)	Maturity Date	Principal Amount ($)	Value ($)
Long-Term Municipal Investments - 90.7% (continued)				
Texas - 14.5% (continued)				
North Texas Tollway Authority, Revenue, Refunding	5.00	1/1/24	1,500,000	1,686,030
North Texas Tollway Authority, Second Tier System Revenue	5.00	1/1/21	2,000,000	2,159,960
Sam Rayburn Municipal Power Agency, Power Supply System Revenue	5.00	10/1/20	1,210,000	1,292,401
Texas, GO (College Student Loan Bonds)	5.00	8/1/22	1,500,000	1,674,405
Texas, GO (College Student Loan Bonds)	5.50	8/1/25	2,400,000	2,881,056
Texas A&M University, Financing Systems Revenue, Refunding	5.00	5/15/25	2,135,000	2,511,379
West Travis County Public Utility Agency, Revenue (Prerefunded)	5.00	8/15/21	1,140,000 [c]	1,254,695
West Travis County Public Utility Agency, Revenue, Refunding (Insured; Build America Mutual Assurance Company)	5.00	8/15/29	1,300,000	1,530,646
				43,981,808
Utah - .5%				
Utah Transit Authority, Subordinated Sales Tax Revenue	5.00	6/15/35	1,500,000	**1,681,560**
Virginia - 1.4%				
Virginia College Building Authority, Educational Facilities Revenue (Marymount University Project)	5.00	7/1/19	425,000 [b]	437,555
Virginia Public School Authority, School Financing Bonds	5.00	8/1/24	2,000,000	2,238,680
Virginia Small Business Financing Authority, Revenue	5.00	7/1/34	1,400,000	1,503,040
				4,179,275
Washington - 2.8%				
King County Public Hospital District Number 1, Limited Tax GO (Valley Medical Center)	5.00	12/1/25	2,500,000	2,912,375
Port of Seattle, Intermediate Lien Revenue	5.00	4/1/25	3,340,000	3,801,187
Washington, GO (Various Purpose)	5.00	7/1/27	1,500,000	1,759,035
				8,472,597
Wisconsin - .7%				
Wisconsin Health and Educational Facilities Authority, Health Facilities Revenue (UnityPoint Health)	5.00	12/1/23	1,000,000	1,136,260

Description	Coupon Rate (%)	Maturity Date	Principal Amount ($)	Value ($)
Long-Term Municipal Investments - 90.7% (continued)				
Wisconsin - .7% (continued)				
Wisconsin Health and Educational Facilities Authority, Revenue (ProHealth Care, Inc. Obligated Group)	5.00	8/15/33	1,000,000	1,108,980
				2,245,240
U.S. Related - .6%				
Puerto Rico Highways & Transportation Authority, Highway Revenue (Insured; FSA)	5.25	7/1/36	1,600,000	**1,708,960**
Total Long-Term Municipal Investments (cost $273,781,207)				**275,787,439**
Short-Term Municipal Investments - 3.8%				
California - .9%				
Southern California Public Power Authority, Revenue (Magnolia Power Project) (LOC; U.S. Bank NA)	1.37	4/2/18	700,000 [e]	700,000
University of California Regents, General Revenue	1.55	4/7/18	2,000,000 [e]	2,000,000
				2,700,000
Connecticut - 1.3%				
Connecticut Health and Educational Facilities Authority, Revenue (Yale University Issue)	1.40	4/2/18	4,000,000 [e]	**4,000,000**
Maryland - 1.0%				
Maryland Economic Development Corporation, Revenue (Howard Hughes Medical Institute Project)	1.57	4/7/18	3,000,000 [e]	**3,000,000**

Description	Coupon Rate (%)	Maturity Date	Principal Amount ($)	Value ($)
Short-Term Municipal Investments - 3.8% (continued)				
New York - .6%				
New York City, GO Notes (LOC; Citibank NA)	1.59	4/7/18	2,000,000 [e]	**2,000,000**
Total Short-Term Municipal Investments (cost $11,700,000)				**11,700,000**
Total Investments (cost $298,075,463)			**98.7%**	**300,132,515**
Cash and Receivables (Net)			**1.3%**	**3,830,229**
Net Assets			**100.0%**	**303,962,744**

LIBOR—London Interbank Offered Rate
MUNIPSA—SIFMA Municipal Swap Index Yield

[a] *Variable rate security—rate shown is the interest rate in effect at period end.*
[b] *Security exempt from registration pursuant to Rule 144A under the Securities Act of 1933. These securities may be resold in transactions exempt from registration, normally to qualified institutional buyers. At March 31, 2018, these securities were valued at $12,286,534 or 4.04% of net assets.*
[c] *These securities are prerefunded; the date shown represents the prerefunded date. Bonds which are prerefunded are collateralized by U.S. Government securities which are held in escrow and are used to pay principal and interest on the municipal issue and to retire the bonds in full at the earliest refunding date.*
[d] *Auction Rate Security—interest rate is reset periodically under an auction process that is conducted by an auction agent. Rate shown is the interest rate in effect at period end.*
[e] *The Variable Rate shall be determined by the Remarketing Agent in its sole discretion based on prevailing market conditions and may, but need not, be established by reference to one or more financial indices.*

Portfolio Summary (Unaudited) †	Value (%)
Transportation Services	22.6
Health Care	10.5
Education	8.8
Special Tax	8.1
Utility-Electric	7.7
Utility-Water and Sewer	5.9
City	5.1
State/Territory	4.7
Asset-Backed Ctfs./Auto Receivables	3.3
Prerefunded	2.5
County	2.3
Housing	1.1
Resource Recovery	1.1
Lease	1.1
Asset-Backed/Municipal	1.0
Asset-Backed Certificates/Corporate	.6
Pollution Control	.5
Other	11.8
	98.7

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

Summary of Abbreviations (Unaudited)

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

See notes to financial statements.

STATEMENT OF ASSETS AND LIABILITIES
March 31, 2018 (Unaudited)

	Cost	Value
Assets ($):		
Investments in securities—See Statement of Investments	298,075,463	300,132,515
Cash		199,234
Interest receivable		3,558,610
Receivable for shares of Beneficial Interest subscribed		549,000
Prepaid expenses		40,051
		304,479,410
Liabilities ($):		
Due to The Dreyfus Corporation and affiliates—Note 3(c)		108,669
Payable for shares of Beneficial Interest redeemed		340,796
Accrued expenses		67,201
		516,666
Net Assets ($)		**303,962,744**
Composition of Net Assets ($):		
Paid-in capital		301,747,913
Accumulated undistributed investment income—net		41,897
Accumulated net realized gain (loss) on investments		115,882
Accumulated net unrealized appreciation (depreciation) on investments		2,057,052
Net Assets ($)		**303,962,744**

Net Asset Value Per Share	Class A	Class C	Class I	Class Y
Net Assets ($)	18,843,975	186,518	278,250,910	6,681,341
Shares Outstanding	834,895	8,261	12,321,340	295,893
Net Asset Value Per Share ($)	**22.57**	**22.58**	**22.58**	**22.58**

See notes to financial statements.

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

Investment Income ($):	
Interest Income	**4,007,529**
Expenses:	
Investment advisory fee—Note 3(a)	576,289
Administration fee—Note 3(a)	86,443
Registration fees	43,025
Professional fees	37,397
Shareholder servicing costs—Note 3(c)	31,644
Custodian fees—Note 3(c)	12,048
Trustees' fees and expenses—Note 3(d)	6,304
Loan commitment fees—Note 2	5,031
Prospectus and shareholders' reports	3,214
Distribution fees—Note 3(b)	1,228
Miscellaneous	28,839
Total Expenses	**831,462**
Less—reduction in expenses due to undertaking—Note 3(a)	(154,425)
Less—reduction in fees due to earnings credits—Note 3(c)	(6,876)
Net Expenses	**670,161**
Investment Income—Net	**3,337,368**
Realized and Unrealized Gain (Loss) on Investments—Note 4 ($):	
Net realized gain (loss) on investments	106,938
Net unrealized appreciation (depreciation) on investments	(5,927,115)
Net Realized and Unrealized Gain (Loss) on Investments	**(5,820,177)**
Net (Decrease) in Net Assets Resulting from Operations	**(2,482,809)**

See notes to financial statements.

STATEMENT OF CHANGES IN NET ASSETS

	Six Months Ended March 31, 2018 (Unaudited)	Year Ended September 30, 2017
Operations ($):		
Investment income—net	3,337,368	5,618,886
Net realized gain (loss) on investments	106,938	477,865
Net unrealized appreciation (depreciation) on investments	(5,927,115)	(2,798,780)
Net Increase (Decrease) in Net Assets Resulting from Operations	**(2,482,809)**	**3,297,971**
Distributions to Shareholders from ($):		
Investment income—net:		
Class A	(183,020)	(281,439)
Class C	(2,104)	(8,600)
Class I	(3,040,967)	(5,151,638)
Class Y	(80,328)	(128,528)
Net realized gain on investments:		
Class A	(22,475)	(22,649)
Class C	(250)	(1,024)
Class I	(328,532)	(330,275)
Class Y	(8,808)	(10,438)
Total Distributions	**(3,666,484)**	**(5,934,591)**
Beneficial Interest Transactions ($):		
Net proceeds from shares sold:		
Class A	2,657,119	13,251,556
Class I	51,397,985	104,596,037
Class Y	70,000	6,260,000
Distributions reinvested:		
Class A	203,566	298,642
Class C	2,354	9,624
Class I	3,161,652	4,928,332
Class Y	89,123	138,941
Cost of shares redeemed:		
Class A	(350,335)	(2,588,091)
Class C	(396,092)	(163,910)
Class I	(19,665,372)	(75,194,981)
Class Y	(310,000)	(564,439)
Increase (Decrease) in Net Assets from Beneficial Interest Transactions	**36,860,000**	**50,971,711**
Total Increase (Decrease) in Net Assets	**30,710,707**	**48,335,091**
Net Assets ($):		
Beginning of Period	273,252,037	224,916,946
End of Period	**303,962,744**	**273,252,037**
Undistributed investment income—net	41,897	10,948

	Six Months Ended March 31, 2018 (Unaudited)	Year Ended September 30, 2017
Capital Share Transactions (Shares):		
Class A		
Shares sold	116,330	588,876
Shares issued for distributions reinvested	8,929	13,087
Shares redeemed	(15,383)	(113,870)
Net Increase (Decrease) in Shares Outstanding	**109,876**	**488,093**
Class C		
Shares issued for distributions reinvested	103	422
Shares redeemed	(17,202)	(7,232)
Net Increase (Decrease) in Shares Outstanding	**(17,099)**	**(6,810)**
Class I		
Shares sold	2,248,463	4,598,052
Shares issued for distributions reinvested	138,608	216,002
Shares redeemed	(859,812)	(3,304,942)
Net Increase (Decrease) in Shares Outstanding	**1,527,259**	**1,509,112**
Class Y		
Shares sold	3,038	279,162
Shares issued for distributions reinvested	3,906	6,084
Shares redeemed	(13,717)	(25,041)
Net Increase (Decrease) in Shares Outstanding	**(6,773)**	**260,205**

See notes to financial statements.

FINANCIAL HIGHLIGHTS

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

Class A Shares	Six Months Ended March 31, 2018 (Unaudited)	Year Ended September 30, 2017	2016	2015	2014	2013
Per Share Data ($):						
Net asset value, beginning of period	23.05	23.43	23.00	23.15	22.56	23.44
Investment Operations:						
Investment income—net[a]	.24	.48	.49	.52	.49	.51
Net realized and unrealized gain (loss) on investments	(.45)	(.35)	.51	.02	.59	(.76)
Total from Investment Operations	(.21)	.13	1.00	.54	1.08	(.25)
Distributions:						
Dividends from Investment income—net	(.24)	(.47)	(.48)	(.51)	(.49)	(.51)
Dividends from net realized gain on investments	(.03)	(.04)	(.09)	(.18)	–	(.12)
Total Distributions	(.27)	(.51)	(.57)	(.69)	(.49)	(.63)
Net asset value, end of period	22.57	23.05	23.43	23.00	23.15	22.56
Total Return (%)[b]	(.95)[c]	.59	4.40	2.38	4.84	(1.10)
Ratios/Supplemental Data (%):						
Ratio of total expenses to average net assets	.85[d]	.85	.88	.89	.95	.89
Ratio of net expenses to average net assets	.70[d]	.70	.70	.70	.70	.70
Ratio of net investment income to average net assets	2.09[d]	2.08	2.07	2.24	2.15	2.20
Portfolio Turnover Rate	8.17[c]	20.30	29.16	29.93	26.01	35.03
Net Assets, end of period ($ x 1,000)	18,844	16,714	5,551	6,319	6,173	6,908

[a] *Based on average shares outstanding.*
[b] *Exclusive of sales charge.*
[c] *Not annualized.*
[d] *Annualized.*
See notes to financial statements.

Class C Shares	Six Months Ended March 31, 2018 (Unaudited)	Year Ended September 30, 2017	2016	2015	2014	2013
Per Share Data ($):						
Net asset value, beginning of period	23.06	23.43	23.00	23.16	22.57	23.45
Investment Operations:						
Investment income—net[a]	.15	.30	.31	.35	.32	.33
Net realized and unrealized gain (loss) on investments	(.45)	(.33)	.51	.01	.59	(.75)
Total from Investment Operations	(.30)	(.03)	.82	.36	.91	(.42)
Distributions:						
Dividends from investment income—net	(.15)	(.30)	(.30)	(.34)	(.32)	(.34)
Dividends from net realized gain on investments	(.03)	(.04)	(.09)	(.18)	–	(.12)
Total Distributions	(.18)	(.34)	(.39)	(.52)	(.32)	(.46)
Net asset value, end of period	22.58	23.06	23.43	23.00	23.16	22.57
Total Return (%)[b]	(1.33)[c]	(.11)	3.62	1.58	4.07	(1.80)
Ratios/Supplemental Data (%):						
Ratio of total expenses to average net assets	1.78[d]	1.64	1.70	1.69	1.75	1.65
Ratio of net expenses to average net assets	1.45[d]	1.45	1.45	1.45	1.45	1.45
Ratio of net investment income to average net assets	1.34[d]	1.34	1.32	1.49	1.40	1.45
Portfolio Turnover Rate	8.17[c]	20.30	29.16	29.93	26.01	35.03
Net Assets, end of period ($ x 1,000)	187	585	754	744	1,001	1,831

[a] *Based on average shares outstanding.*
[b] *Exclusive of sales charge.*
[c] *Not annualized.*
[d] *Annualized.*
See notes to financial statements.

Class I Shares	Six Months Ended March 31, 2018 (Unaudited)	Year Ended September 30, 2017	2016	2015	2014	2013
Per Share Data ($):						
Net asset value, beginning of period	23.07	23.44	23.01	23.16	22.57	23.45
Investment Operations:						
Investment income—net[a]	.27	.53	.54	.57	.55	.57
Net realized and unrealized gain (loss) on investments	(.47)	(.33)	.51	.03	.59	(.76)
Total from Investment Operations	(.20)	.20	1.05	.60	1.14	(.19)
Distributions:						
Dividends from Investment income—net	(.26)	(.53)	(.53)	(.57)	(.55)	(.57)
Dividends from net realized gain on investments	(.03)	(.04)	(.09)	(.18)	–	(.12)
Total Distributions	(.29)	(.57)	(.62)	(.75)	(.55)	(.69)
Net asset value, end of period	22.58	23.07	23.44	23.01	23.16	22.57
Total Return (%)	(.82)[b]	.84	4.65	2.63	5.11	(.85)
Ratios/Supplemental Data (%):						
Ratio of total expenses to average net assets	.56[c]	.56	.57	.58	.68	.61
Ratio of net expenses to average net assets	.45[c]	.45	.45	.45	.45	.45
Ratio of net investment income to average net assets	2.33[c]	2.33	2.32	2.48	2.40	2.45
Portfolio Turnover Rate	8.17[b]	20.30	29.16	29.93	26.01	35.03
Net Assets, end of period ($ x 1,000)	278,251	248,973	217,617	191,558	145,493	123,524

[a] *Based on average shares outstanding.*
[b] *Not annualized.*
[c] *Annualized.*
See notes to financial statements.

Class Y Shares	Six Months Ended March 31, 2018 (Unaudited)	Year Ended September 30, 2017	2016	2015	2014	2013[a]
Per Share Data ($):						
Net asset value, beginning of period	23.06	23.43	23.00	23.16	22.57	22.60
Investment Operations:						
Investment income—net[b]	.27	.54	.54	.57	.47	.14
Net realized and unrealized gain (loss) on investments	(.46)	(.34)	.51	.02	.68	(.03)
Total from Investment Operations	(.19)	.20	1.05	.59	1.15	.11
Distributions:						
Dividends from Investment income—net	(.26)	(.53)	(.53)	(.57)	(.56)	(.14)
Dividends from net realized gain on investments	(.03)	(.04)	(.09)	(.18)	–	–
Total Distributions	(.29)	(.57)	(.62)	(.75)	(.56)	(.14)
Net asset value, end of period	22.58	23.06	23.43	23.00	23.16	22.57
Total Return (%)	(.82)[c]	.88	4.66	2.59	5.13	.50[c]
Ratios/Supplemental Data (%):						
Ratio of total expenses to average net assets	.57[d]	.55	.57	.59	.66	.58[d]
Ratio of net expenses to average net assets	.45[d]	.45	.45	.45	.45	.45[d]
Ratio of net investment income to average net assets	2.34[d]	2.33	2.32	2.48	2.40	2.57[d]
Portfolio Turnover Rate	8.17[c]	20.30	29.16	29.93	26.01	35.03
Net Assets, end of period ($ x 1,000)	6,681	6,980	995	970	1,026	1

[a] *From July 1, 2013 (commencement of initial offering) to September 30, 2013.*
[b] *Based on average shares outstanding.*
[c] *Not annualized.*
[d] *Annualized.*
See notes to financial statements.

NOTE 1—Significant Accounting Policies:

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

MBSC Securities Corporation (the "Distributor"), a wholly-owned subsidiary of Dreyfus, is the distributor of the fund's shares. The fund is authorized to issue an unlimited number of $.001 par value shares of Beneficial Interest in each of the following classes of shares: Class A, Class C, Class I, Class T and Class Y. Class A, Class C and Class T shares are sold primarily to retail investors through financial intermediaries and bear Distribution and/or Shareholder Services Plan fees. Class A and Class T shares generally are subject to a sales charge imposed at the time of purchase. Class C shares are subject to a contingent deferred sales charge ("CDSC") imposed on Class C shares redeemed within one year of purchase. Class C shares automatically convert to Class A shares ten years after the date of purchase, without the imposition of a sales charge. Class I shares are sold primarily to bank trust departments and other financial service providers (including The Bank of New York Mellon, a subsidiary of BNY Mellon and an affiliate of Dreyfus, and its affiliates), acting on behalf of customers having a qualified trust or an investment account or relationship at such institution, and bear no Distribution or Shareholder Services Plan fees. Class Y shares are sold at net asset value per share generally to institutional investors, and bear no Distribution or Shareholder Services Plan fees. Class I and Class Y shares are offered without a front-end sales charge or CDSC. As of the date of this report, the fund did not offer Class T shares for purchase. Other differences between the classes include the services offered to and the expenses borne by each class, the allocation of certain transfer agency costs, and certain voting rights. Income, expenses (other than expenses attributable to a specific class), and realized and unrealized gains or losses on investments are allocated to each class of shares based on its relative net assets.

The Trust accounts separately for the assets, liabilities and operations of each series. Expenses directly attributable to each series are charged to that series' operations; expenses which are applicable to all series are allocated among them on a pro rata basis.

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

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

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

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

> **Level 1**—unadjusted quoted prices in active markets for identical investments.
>
> **Level 2**—other significant observable inputs (including quoted prices for similar investments, interest rates, prepayment speeds, credit risk, etc.).

Level 3—significant unobservable inputs (including the fund's own assumptions in determining the fair value of investments).

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

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

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

Investments in securities, excluding short-term investments (other than U.S. Treasury Bills), are valued each business day by an independent pricing service (the "Service") approved by the Trust's Board of Trustees (the "Board"). Investments for which quoted bid prices are readily available and are representative of the bid side of the market in the judgment of the Service are valued at the mean between the quoted bid prices (as obtained by the Service from dealers in such securities) and asked prices (as calculated by the Service based upon its evaluation of the market for such securities). Other investments (which constitute a majority of the portfolio securities) are valued as determined by the Service, based on methods which include consideration of the following: yields or prices of securities of comparable quality, coupon, maturity and type; indications as to values from dealers; and general market conditions. These securities are generally categorized within Level 2 of the fair value hierarchy.

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

When market quotations or official closing prices are not readily available, or are determined 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.

The following is a summary of the inputs used as of March 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	–	11,888,213	–	**11,888,213**
Corporate Bonds†	–	756,863	–	**756,863**
Municipal Bonds†	–	287,487,439	–	**287,487,439**

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

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

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

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

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

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

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

Each tax year in the three-year period ended September 30, 2017 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 September 30, 2017 was as follows: tax-exempt income $5,341,468, ordinary income $252,344 and long-term capital gains $340,779. 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 March 31, 2018, the fund did not borrow under the Facilities.

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

(a) Pursuant to an investment advisory agreement with Dreyfus, the fund has agreed to pay an investment advisory fee at the annual rate of .40% of the value of the fund's average daily net assets and is payable monthly. Dreyfus has contractually agreed, from October 1, 2017 through February 1, 2019, to waive receipt of its fees and/or assume the direct expenses of the fund so that the direct expenses of the classes (excluding Rule 12b-1 Distribution Plan fees, Shareholder Services Plan fees, taxes, interest expense, brokerage commissions, commitment fees on borrowings and extraordinary expenses) do not exceed .45% of the value of the fund's average daily net assets. The reduction in expenses, pursuant to the undertaking, amounted to $154,425 during the year ended March 31, 2018.

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

The fund has a Fund Accounting and Administrative Services Agreement (the "Administration Agreement") with Dreyfus, whereby Dreyfus performs administrative, accounting and recordkeeping services for the fund. The fund has agreed to compensate Dreyfus for providing accounting and recordkeeping services, administration, compliance monitoring, regulatory and shareholder reporting, as well as related facilities, equipment and clerical help. The fee is based on the fund's average daily net assets and computed at the following annual rates: .06%

of the first $500 million, .04% of the next $500 million and .02% in excess of $1 billion.

In addition, after applying any expense limitations or fee waivers that reduce the fees paid to Dreyfus for this service, Dreyfus has contractually agreed in writing to waive any remaining fees for this service to the extent that they exceed both Dreyfus' costs in providing these services and a reasonable allocation of the costs incurred by Dreyfus and its affiliates related to the support and oversight of these services. The fund also reimburses Dreyfus for the out-of-pocket expenses incurred in performing this service for the fund. Pursuant to the Administration Agreement, the fund was charged $86,443 during the period ended March 31, 2018.

(b) Under the Distribution Plan adopted pursuant to Rule 12b-1 under the Act, Class C shares pay the Distributor for distributing its shares at an annual rate of .75% of the value of its average daily net assets. During the period ended March 31, 2018, Class C shares were charged $1,228 pursuant to the Distribution Plan.

(c) Under the Shareholder Services Plan, Class A and Class C shares pay the Distributor at an annual rate of .25% of the value of their average daily net assets for the provision of certain services. The services provided may include personal services relating to shareholder accounts, such as answering shareholder inquiries regarding the fund and providing reports and other information, and services related to the maintenance of shareholder accounts. The Distributor may make payments to Service Agents (securities dealers, financial institutions or other industry professionals) with respect to these services. The Distributor determines the amounts to be paid to Service Agents. During the period ended March 31, 2018, Class A and Class C shares were charged $22,148 and $409, respectively, pursuant to the Shareholder Services Plan.

Under its terms, the Distribution Plan and Shareholder Services Plan shall remain in effect from year to year, provided such continuance is approved annually by a vote of a majority of those Trustees who are not "interested persons" of the Trust and who have no direct or indirect financial interest in the operation of or in any agreement related to the Distribution Plan or Shareholder Services Plan.

The fund has arrangements with the transfer agent and the custodian whereby the fund may receive earnings credits when positive cash balances are maintained, which are used to offset transfer agency and custody fees. For financial reporting purposes, the fund includes net earnings credits 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 March 31, 2018, the fund was charged $3,349 for transfer agency services and $206 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 $206.

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 March 31, 2018, the fund was charged $12,048 pursuant to the custody agreement. These fees were partially offset by earnings credits of $6,670.

During the period ended March 31, 2018, the fund was charged $6,375 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: investment advisory fees $103,105, administration fees $15,466, Distribution Plan fees $119, Shareholder Services Plan fees $4,029, custodian fees $10,269, Chief Compliance Officer fees $3,160 and transfer agency fees $1,678, which are offset against an expense reimbursement currently in effect in the amount of $29,157.

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

NOTE 4—Securities Transactions:

The aggregate amount of purchases and sales (including paydowns) of investment securities, excluding short-term securities, during the period ended March 31, 2018, amounted to $56,967,146 and $22,669,544, respectively.

At March 31, 2018, accumulated net unrealized appreciation on investments was $2,057,052, consisting of $4,349,168 gross unrealized appreciation and $2,292,116 gross unrealized depreciation.

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

INFORMATION ABOUT THE RENEWAL OF THE FUND'S INVESTMENT ADVISORY, ADMINISTRATION AND SUB-INVESTMENT ADVISORY AGREEMENTS (Unaudited)

At a meeting of the fund's Board of Trustees held on February 21-22, 2018, the Board considered the renewal of the fund's Investment Advisory Agreement and Administration Agreement, pursuant to which Dreyfus provides the fund with investment advisory and administrative services (together, the "Management Agreement"), and the Sub-Investment Advisory Agreement (together with the Management Agreement, the "Agreements"), pursuant to which BNY Mellon Asset Management North America Corporation (the "Subadviser") provides day-to-day management of the fund's investments. 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 representatives of Dreyfus and the Subadviser. In considering the renewal of the Agreements, 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, as well as Dreyfus' supervisory activities over the Subadviser.

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 December 31, 2017, 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 applicable to the fund and comparison funds. The Board discussed with representatives of Dreyfus, its affiliates and/or the Subadviser the results of the comparisons and considered that the fund's total return performance of Class A shares was above the Performance Group and Performance Universe medians for the various periods, except for the three-year period when performance was one basis point below the Performance Group median, and the four-year period when performance was slightly below the Performance Group and Universe medians, while the performance of Class I was above the Performance Group and Performance Universe medians in the various periods. The Board also considered that the fund's yield performance for Class I shares was at or above the Performance Group and Performance Universe medians for five of the ten one-year periods ended December 31st, and for Class A shares was below the Performance Group and Performance Universe medians for the various periods. Dreyfus noted the relative proximity to the median of the fund's total return performance when performance was below median and the relative proximity to the median of the fund's Class A shares and/or Class I shares yield performance during certain periods when performance was below median. Dreyfus also provided a comparison of the fund's calendar year total returns to the returns of the fund's benchmark index.

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

Dreyfus representatives stated that Dreyfus has contractually agreed, until February 1, 2019, to waive receipt of its fees and/or assume the direct expenses of the fund so that the expenses of none of the classes (excluding Rule 12b-1 fees, shareholder services fees, taxes, interest, brokerage commissions, commitment fees on borrowings and extraordinary expenses) exceed .45%. Dreyfus representatives also noted that Dreyfus has contractually agreed to waive its fees under the Administration Agreement to the extent that such fees exceed Dreyfus' costs in providing the services contemplated under the Administration Agreement.

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

The Board considered the fee to the Subadviser in relation to the fee paid to Dreyfus by the fund and the respective services provided by the Subadviser and Dreyfus. The Board also took into consideration that the Subadviser's fee is paid by Dreyfus (out of its fee from the fund) and not the fund.

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 Agreements, considered in relation to the mix of services provided by Dreyfus and the Subadviser, including the nature, extent and quality of such services, supported the renewal of the Agreements 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. Since Dreyfus, and not the fund, pays the Subadviser pursuant to the Sub-Investment Advisory Agreement, the Board did not consider the Subadviser's profitability to be relevant to its deliberations. 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 and the Subadviser from acting as investment adviser and sub-investment adviser, respectively, 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 Agreements. 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 and the Subadviser are adequate and appropriate.
- The Board generally was satisfied with the fund's overall performance.
- The Board concluded that the fees paid to Dreyfus and the Subadviser 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 Management 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 Agreements, 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 and the Subadviser, of Dreyfus and the Subadviser and the services provided to the fund by Dreyfus and the Subadviser. 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 Agreements, including information on the investment performance of the fund in comparison to similar mutual funds and benchmark performance indices; general market outlook as applicable to the fund; and compliance reports. In addition, the Board's consideration of the contractual fee arrangements for this fund had the benefit of a number of years of reviews of the Agreements for the fund, or substantially similar agreements for other Dreyfus funds that the Board oversees, during which lengthy discussions took place between the Board and Dreyfus representatives. Certain aspects of the arrangements may receive greater scrutiny in some years than in others, and the Board's conclusions may be based, in part, on their consideration of the fund's arrangements, or substantially similar arrangements for other Dreyfus funds that the Board oversees, in prior years. The Board determined to renew the Agreements.

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For More Information

Dreyfus Tax Sensitive Total Return Bond Fund

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New York, NY 10166

Manager

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Sub-Investment Adviser

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North America Corporation
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Custodian

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225 Liberty Street
New York, NY 10286

Transfer Agent & Dividend Disbursing Agent

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

Distributor

MBSC Securities Corporation
200 Park Avenue
New York, NY 10166

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

Telephone Call your financial representative or 1-800-DREYFUS

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

E-mail Send your request to info@dreyfus.com

Internet Information can be viewed online or downloaded at www.dreyfus.com

The fund files its complete schedule of portfolio holdings with the Securities and Exchange Commission ("SEC") for the first and third quarters of each fiscal year on Form N-Q. The fund's Forms N-Q are available on the SEC's website at www.sec.gov 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.

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