

Where Are the Best Equity Income Opportunities?

FUND POSITIONING GUIDE | Q3 2018

DREYFUS
GLOBAL
EQUITY
INCOME
FUND

Equity income funds offer investors the opportunity to provide meaningful total return — dividends *and* capital appreciation. But in a world of shifting dynamics, lower growth expectations and limited yield opportunities, investors may be taking on unintended and uncompensated risks to meet their investment goals. To counter these challenges, **investors may be well-served by broadening their horizons to markets outside the U.S.** to capture attractive yield with an appropriate level of risk.

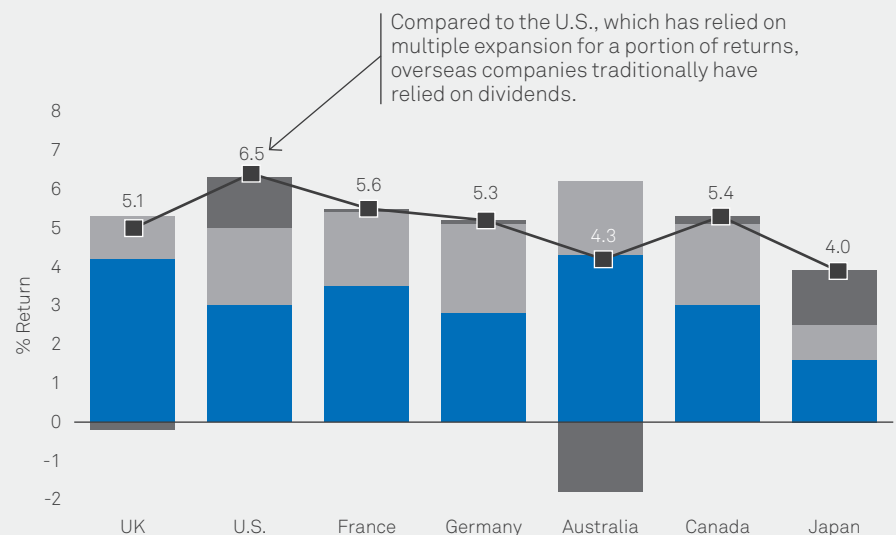
Viewing Equity Income With a Global Lens Offers Distinct Advantages

- **Higher Yield.** Less than 16% of companies with a dividend yield over 3% are domiciled in the U.S. A global portfolio broadens the opportunity set for meaningful income.
- **Diversified Income Stream.** Domestic-only income products may provide more highly correlated returns. A globally diversified portfolio may provide a more asymmetrical return profile.
- **More Attractive Risk Level.** The income component of dividend-paying stocks may dampen the impact of equity volatility, while still providing capital-appreciation potential.

Dividends — Historically the Biggest Driver of Equity Returns

The compounding effects of dividend yield dominate real returns in the long term (1970–Q3 2018)

■ Dividend Yield ■ Total Annualized Returns
■ Dividend Growth ■ Multiple Expansion



Source: Thomson Reuters Datastream, total annualized real return in local currency, 1/1/70–9/30/18. **Past performance is no guarantee of future results.** The chart provided is for illustrative purposes only and is not indicative of the past or future performance of any Dreyfus product.

Not FDIC-Insured. Not Bank-Guaranteed. May Lose Value.

Capture Dividend Opportunities Worldwide With Dreyfus Global Equity Income Fund



WINNER OF THE 2018
THOMSON REUTERS
LIPPER FUND AWARDS
UNITED STATES*

Dreyfus Global Equity Income Fund looks to provide growth potential and dividend income by focusing on high-quality companies around the globe with below-market volatility. This combination of quality and risk management may be an attractive alternative to those equity income strategies that look to follow a “yield-at-any-cost” philosophy.

What Sets the Fund Apart

1

A Focus on Growth and Income

Growth and income are normally achieved in different investments — stocks and bonds — which makes equity income funds an attractive option for investors. **Dreyfus Global Equity Income Fund** not only has provided both growth and income, but has done so with less volatility than most major equity markets.

2

Active Dividend Investing

The fund managers adhere to a strict yield discipline and invest in the equities of what they believe to be high-quality, dividend-paying companies. The managers do not “reach” for yield or manufacture higher-fund dividends with fixed income or risky income-enhancing strategies that can potentially compromise the fund’s total return and capital appreciation objectives.

3

Broad, Global Opportunity Set

Companies with strong fundamentals and stable and/or growing dividend distributions are increasingly found outside the U.S. By taking a global approach to equity income investing, the fund can invest worldwide to capture not just current income, but also attractive total-return opportunities.

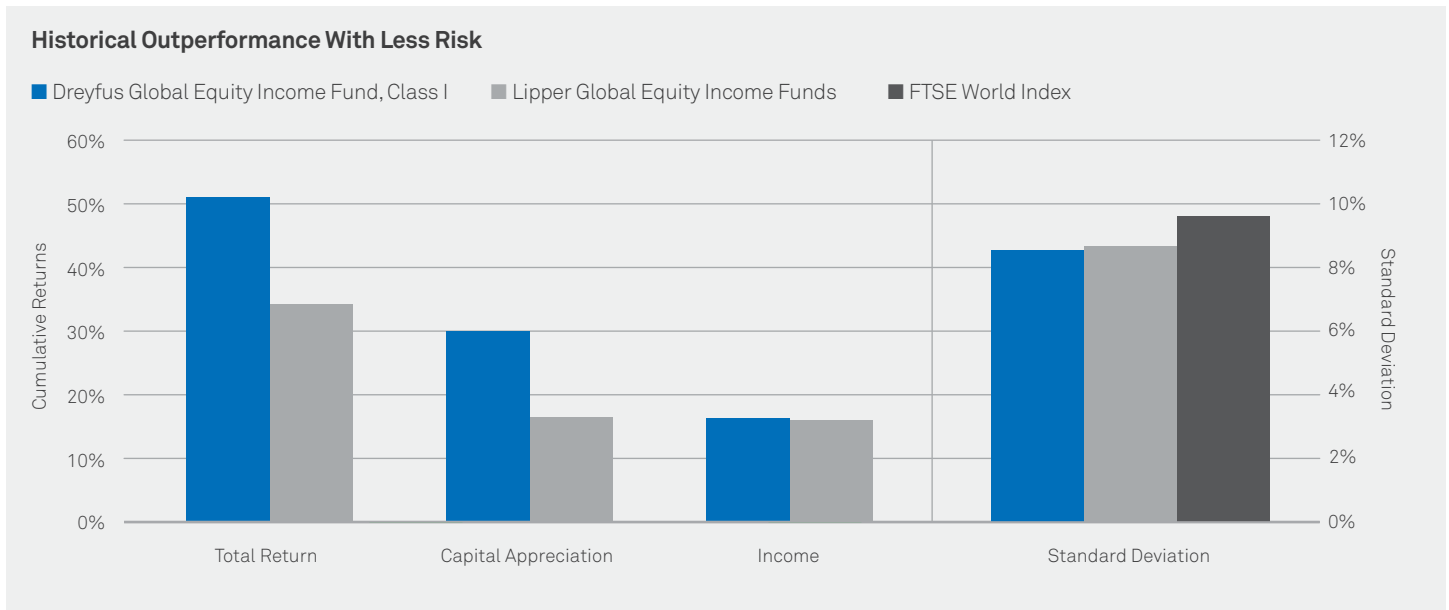
* Dreyfus Global Equity Income Fund (Class I shares) is the winner of the 2018 Thomson Reuters Lipper Fund Award for “Best Fund for the 10-year period” out of 56 Funds in the Global Equity Income Funds Category for the period ended November 30, 2017. Other share classes may have different performance characteristics. Class I shares are available only to certain eligible investors. Award for U.S. Region only.

1 A Focus on Growth and Income

Separating capital appreciation from dividend income can highlight the drivers of total return.

Portfolios that provide attractive yields may shield the fact that principal is either not growing or perhaps even losing capital. A strategy that focuses on both components of total return may be an effective solution for growth and dividend income.

For the 5 years ended 9/30/18, Dreyfus Global Equity Income Fund produced stronger capital appreciation and generated higher income than the fund's Lipper category average, with lower risk as measured by standard deviation.

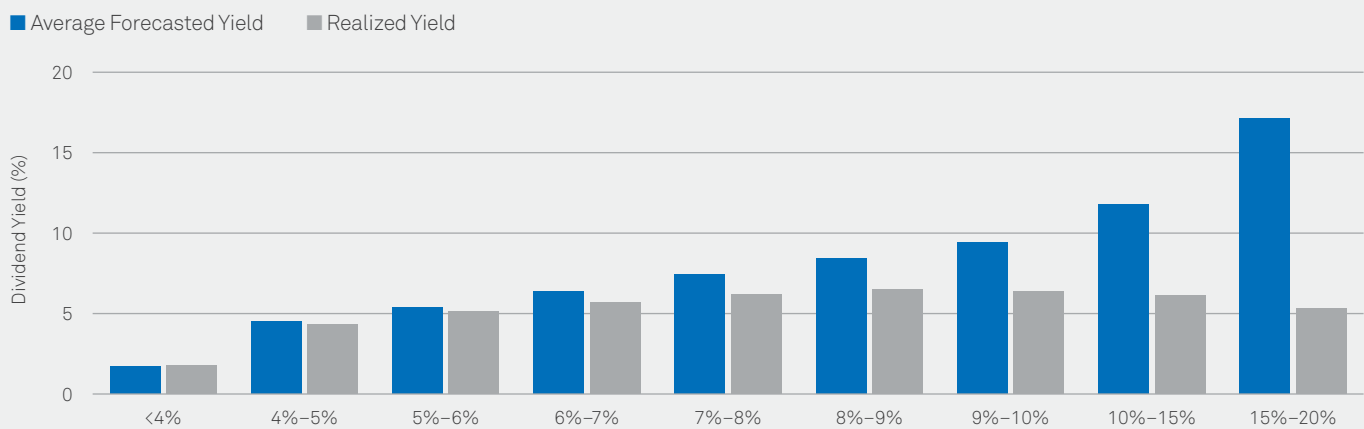


Source: Lipper, 7/1/13–9/30/18. **Past performance is no guarantee of future results.** See page 7 for standardized fund performance. Standard deviation is a statistical measure of the degree to which an individual portfolio return tends to vary from the mean, based on the entire population. The greater the degree of dispersion, the greater the degree of risk.

2 Active Dividend Investing

Forecasts of higher dividend yields may initially appear attractive, but in many cases may also involve heightened risks or become unsustainable, and over the longer term may lead to dividend cuts, as highlighted below. Newton, the fund's sub-investment adviser, believes that careful analysis of how companies allocate their capital is critical in order to identify real value and generate realistic income levels.

Comparing Forecasted and Realized Dividend Yields From the End of 1995 to September 30, 2018



Sources: SG Quantitative Research, FactSet, 12/31/95–9/30/18. **Past performance is no guarantee of future results.** The chart provided is for illustrative purposes only and is not indicative of the past or future performance of any Dreyfus product.

Newton Looks to Focus On:

The potential for durable cash flow and self-financing

- Strong businesses with attractive return on invested capital that can sustain or grow free cash flow
- Dividends are well financed by normal cash flows that the fund manager believes have the ability to be sustained in a downside scenario case
- Companies out of favor for temporary rather than structural reasons

Newton Seeks to Avoid:

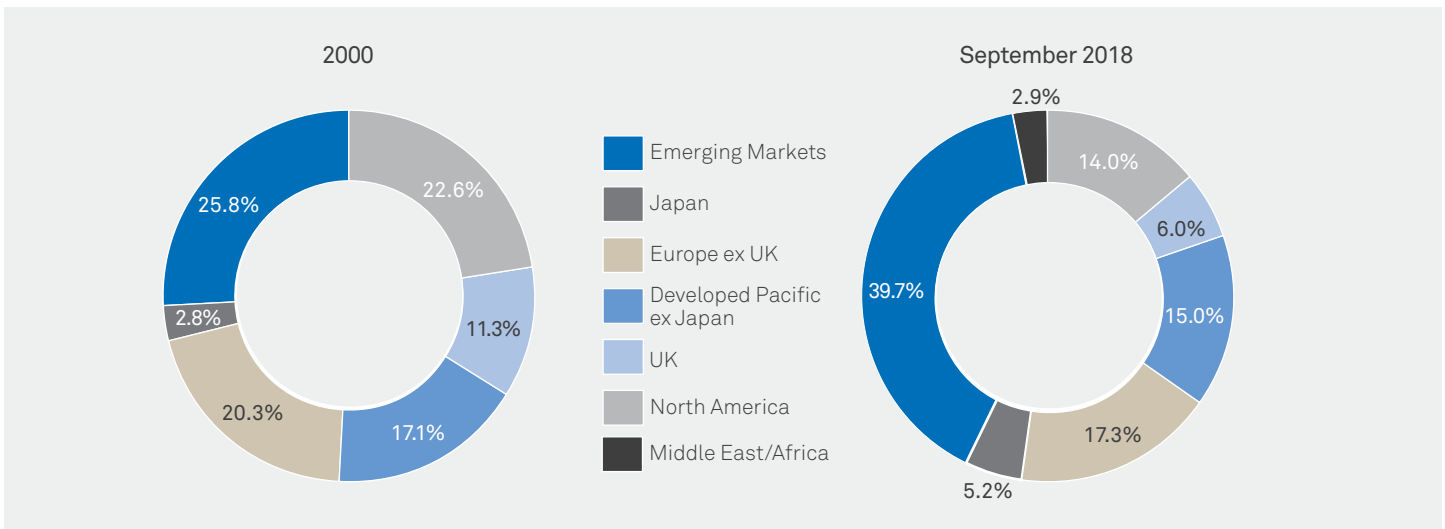
Unstable cash flows and unsustainable dividends

- Financial engineering and leverage used to pay dividends: banks in 2007
- Structurally troubled businesses: newspapers; tour operators; record stores
- Cyclical booms exaggerating profitability: Spanish building contractors

3 Broad, Global Opportunity Set

Since 2000, the number of stocks overseas yielding above 3% has increased significantly, with the majority of these stocks residing outside the U.S.

Investors focusing solely on U.S. companies to provide dividend income may be missing out on what we believe are world-class companies overseas that pay attractive and growing dividends.



Sources: Newton, Thomson Reuters Datastream, 9/30/18, based on the geographical split of the number of FTSE World Index stocks yielding greater than 3%. **Past performance is no guarantee of future results.** The charts provided are for illustrative purposes only and are not indicative of the past or future performance of any Dreyfus product.

How could the fund be used in your portfolio?

Income

Rather than simply pursuing the highest yields available, the fund's managers look to provide above-market yields with sustainable dividends that they believe have the potential to grow. Investors seeking to diversify their reliance on bonds for income may consider this fund as a complement.

Growth

By employing a dividend reinvestment strategy, this fund may be a more conservative equity investment for investors seeking more consistent growth. Investors should keep in mind that growth is not its sole focus, so at times the fund may provide lower growth potential than more aggressive equity strategies.

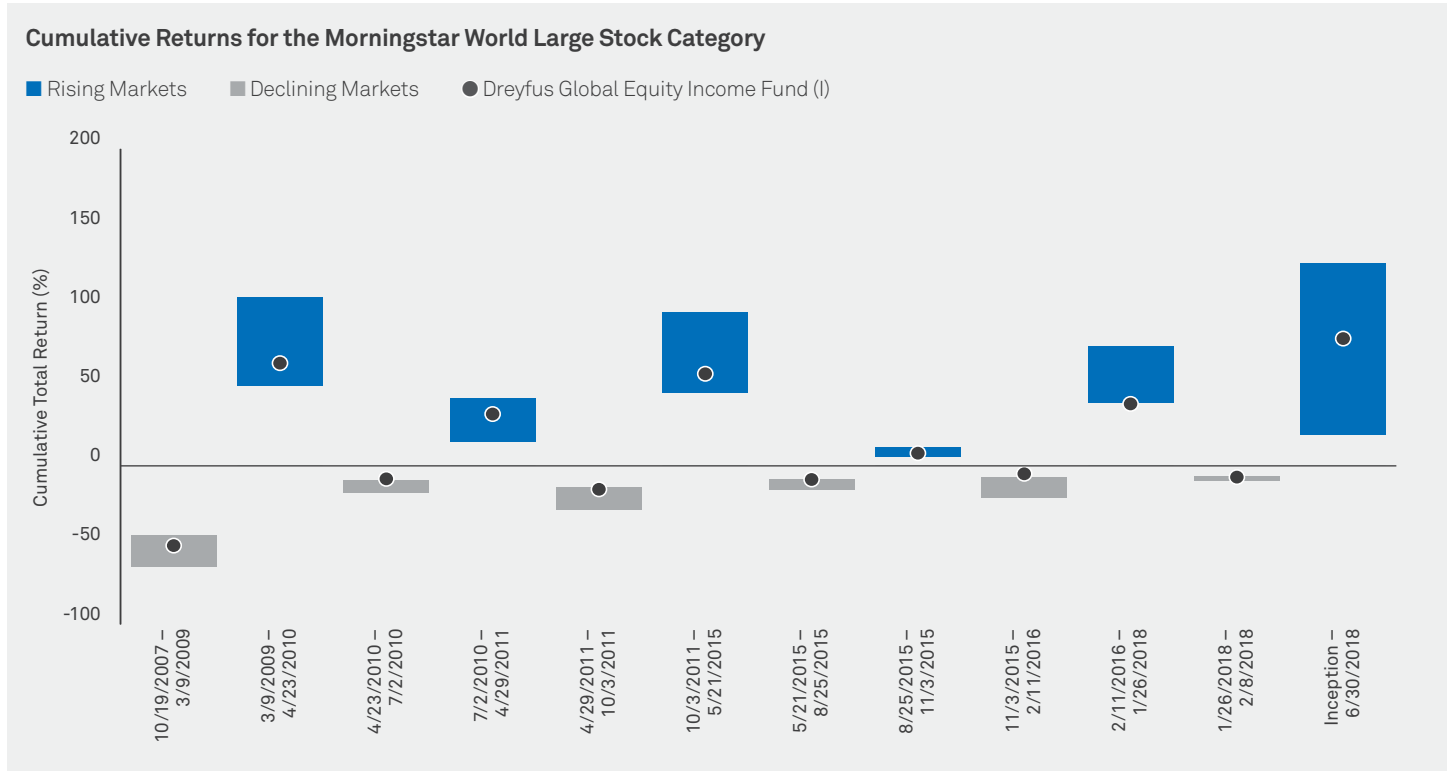
Volatility

This fund could lower the overall volatility of an investor's equity portfolio. Owning numerous funds with similar volatility levels may not diversify your portfolio enough.

How might the fund perform in different markets?

Dreyfus Global Equity Income Fund has historically shown stronger relative performance than its peers in bear markets or corrections.

Conversely, the fund has trailed its peers in bull markets or rallies. However, this return pattern has allowed the fund to outperform most peers using a long-term perspective.



Source: Morningstar Direct, for Class I shares vs. the Morningstar World Large Stock category. Rising markets are those periods in which the S&P 500 Index (the "Index") increased in value; declining markets are those periods in which the Index decreased in value. **Past performance is no guarantee of future results.** Class I shares are available only to certain eligible investors.

Funding Ideas

Replacement for domestic-only equity income strategies

Establishing a low-beta sleeve for investor portfolios to complement current higher-volatility equity positions

Investors seeking a more conservative growth option

Investors planning for or living in retirement

The beta coefficient measures an investment's relative volatility or impact of a per-unit change in the independent variable (market) on the dependent variable (portfolio), holding all else constant.

What differentiates Newton?

Thematic Investing

Since its 1978 origin, Newton has managed investments through a global lens utilizing an overarching thematic framework to help:

- Identify key forces of observable, structural change across all markets
- Identify potential areas of investment opportunity
- Identify potential areas of investment risk
- Maintain a global and long-term perspective
- Provide ideas for debate and research focus

Fundamental, Bottom-Up Research

Newton is a bottom-up asset manager that uses these global investment themes and the thorough fundamental global security analysis conducted by its robust, experienced research team as it aims to build high-conviction, long-term performance-oriented investment portfolios. The global research team is comprised of:

- Career global sector analysts
- Experts in credit, foreign currency, asset allocation and strategy, economics and region-specific knowledge
- Responsible Environmental, Social and Governance (ESG) investment specialists

Experience

Newton, with assets under management of \$67.5 billion (as of 9/30/18), has been managing global investment portfolios since its inception in 1978 and has over 20 years of experience researching and investing in emerging markets.

The Global Equity Income team manages the strategy with \$11.1 billion (as of 9/30/18) in assets, including \$429 million in Dreyfus Global Equity Income Fund, and consists of 12 investment professionals with an average of 18 years' investment experience.

DREYFUS GLOBAL EQUITY INCOME FUND

Class A **DEQAX** Class C **DEQCX** Class I **DQEIX**

Average Annual Total Returns (as of 9/30/18)

	1 YR	3 YR	5 YR	10 YR
Class I	8.35%	9.68%	8.59%	8.83%
Class A (5.75% max. load)	1.85%	9.68%	7.01%	7.88%
FTSE World Index	10.96%	14.17%	9.45%	8.94%

The performance data quoted represent past performance, which is no guarantee of future results. Share price and investment return fluctuate and an investor's shares may be worth more or less than original cost upon redemption. Current performance may be lower or higher than the performance quoted. Go to dreyfus.com for the fund's most recent month-end returns. Total Expense Ratios: Class A 1.21%, Class I 0.92%. Investors should discuss with their advisor the eligibility requirements for Class I shares, which are available only to certain eligible investors, and the historical results achieved by the fund's respective share classes.

Learn More

Advisors: Call 1-877-334-6899 or visit dreyfus.com

Mutual fund investors: Contact your financial advisor or visit dreyfus.com

Investors should consider the investment objectives, risks, charges and expenses of a mutual fund carefully before investing. To obtain a prospectus, or a summary prospectus, if available, that contains this and other information about a Dreyfus fund, contact your financial advisor or visit dreyfus.com. Read the prospectus carefully before investing.

There is no guarantee that dividend-paying companies will continue to pay, or increase, their dividend.

RISKS

Equities are generally subject to market, market sector, market liquidity, issuer and investment style risks, among other factors, to varying degrees. Investing in **foreign denominated and/or domiciled securities** involves special risks, including changes in currency exchange rates, political, economic and social instability, limited company information, differing auditing and legal standards, and less market liquidity. These risks generally are greater with emerging market countries. 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, and difficult to value and there is the risk that changes in the value of a derivative held by the portfolio will not correlate with the underlying instruments or the portfolio's other investments.

The FTSE World Index is an unmanaged, free float-adjusted market capitalization-weighted index that is designed to measure the performance of 90% of the world's investable stocks issued by large- and mid-cap companies in developed and advanced emerging markets. The Standard & Poor's 500 Composite Stock Price Index is a widely accepted, unmanaged index of U.S. stock market performance. Investors cannot invest directly in any index.

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