

Global as the New Core for Fixed Income

FUND POSITIONING GUIDE | Q3 2018

DREYFUS/
STANDISH
GLOBAL
FIXED
INCOME
FUND

The changing dynamics of fixed income investing may make a global perspective beneficial for maximizing return and risk management.

Historically, investment-grade U.S. fixed income has been a mainstay for reliable income with a low volatility profile. However, with the prospect of rising interest rates, the potential uptick in inflation and a strengthening outlook for the U.S. dollar, a strategy that incorporates non-U.S. bonds and currencies may provide a more attractive risk/return profile.

A Global Approach to Fixed Income May Improve Both the Opportunity Set and Risk Profile for Investors

Enhanced Investment Opportunity

While the U.S. is the world's largest fixed income market, 60% of all fixed income instruments are issued *outside* the United States.¹ A broader opportunity set offers the potential for higher returns while also enhancing diversification.

Improved Volatility Management

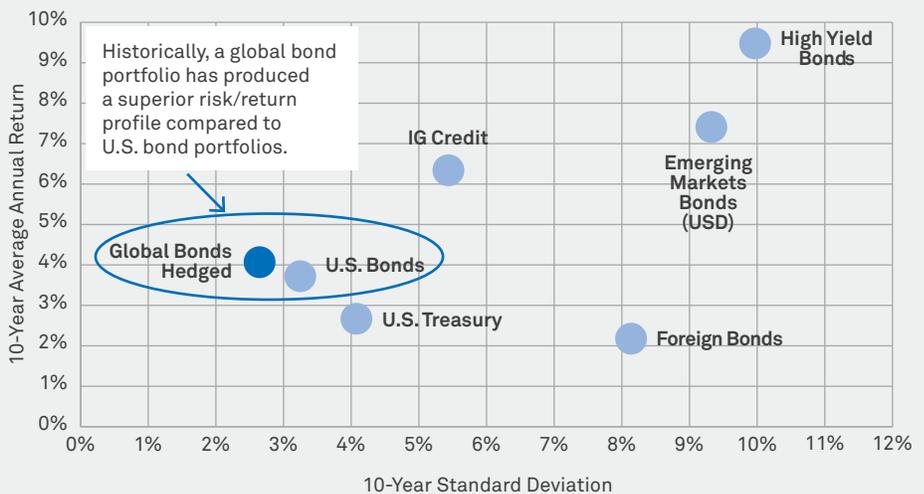
The U.S. dollar historically has exhibited periods of strength/weakness relative to other currencies. Exposure to foreign bonds, hedged to the U.S. dollar, may better equip investors to mitigate volatility.

Stronger Inflation Hedge

Even a small uptick in inflation can negatively impact fixed income returns. The ability to calibrate a global bond portfolio to country-specific inflation expectations may provide better downside protection and help insulate investors from unexpected inflation spikes.

¹ Bank for International Settlements (March 2018).

Global Hedged Bonds Have Historically Outperformed U.S.-Only Bonds With Less Risk



Source: Morningstar, as of 9/30/18. **Past performance is no guarantee of future results.** Please see last page for descriptions of indices used as proxies for asset classes shown. The chart is provided 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.

Go Global for Fixed Income Opportunity With Dreyfus/Standish Global Fixed Income Fund

Dreyfus/Standish Global Fixed Income Fund offers a globally diversified approach to fixed income, focusing on higher-quality investment opportunities from around the world. Together with an active approach to currency hedging, the fund looks to generate consistent returns with a risk profile comparable to U.S.-centric fixed income portfolios.



Overall Morningstar Rating™
(Class I) out of 261 World Bond
funds based on risk-adjusted
returns as of 9/30/18¹

What Sets the Fund Apart

1

Diversified, Core Fixed Income Exposure

The fund's globally diversified approach has historically generated favorable returns compared to other U.S. and global fixed income options, when considering its attractive risk profile.

2

Pursuing Consistent Performance With Lower Volatility

The fund seeks to minimize the impact of foreign currency volatility while providing additional return and diversification sources. This can help lead to a "smoother ride" across a range of monetary environments. Of course, diversification cannot assure a profit or protect against loss.

3

Agility and Investment Conviction

The global expertise of the fund's manager and the fund's smaller size enable the managers to invest with conviction and potentially capture meaningful exposures where other bond funds may be limited.

1 Diversified, Core Fixed Income Exposure

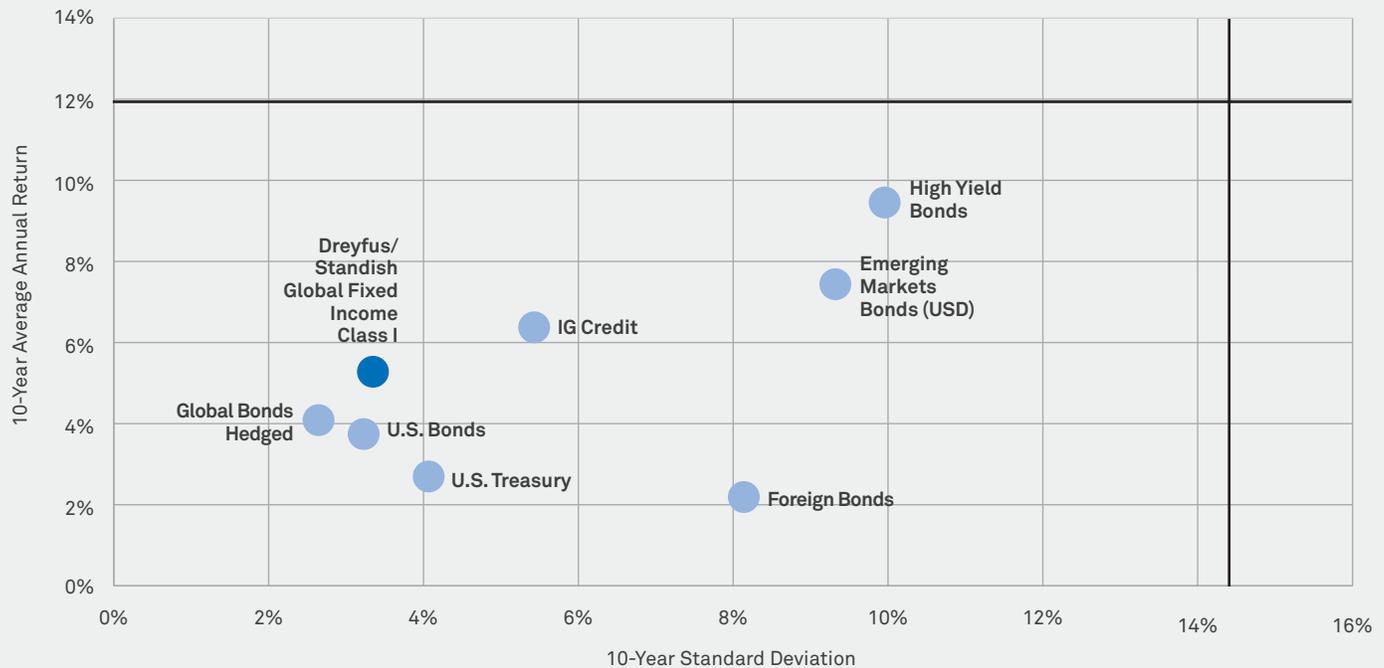
The fund's globally diversified approach has historically generated favorable returns compared to other U.S. and global fixed income options, when considering its attractive risk profile.

A Global Fixed Income Strategy May Offer Numerous Advantages, Including:

1. An expanded investment universe offers greater opportunities for return and diversification potential
2. Diversified exposure to multiple economies, interest rates and yield curves
3. Access to potentially higher-performing markets outside the U.S.

Historically, the Fund Has Produced a Favorable Risk/Return Profile

07/2008–09/2018



Source: FactSet. 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.

Please see the last page for descriptions of indices used as proxies for asset classes shown and page 7 for additional fund performance. An investor cannot invest directly in any index.

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.

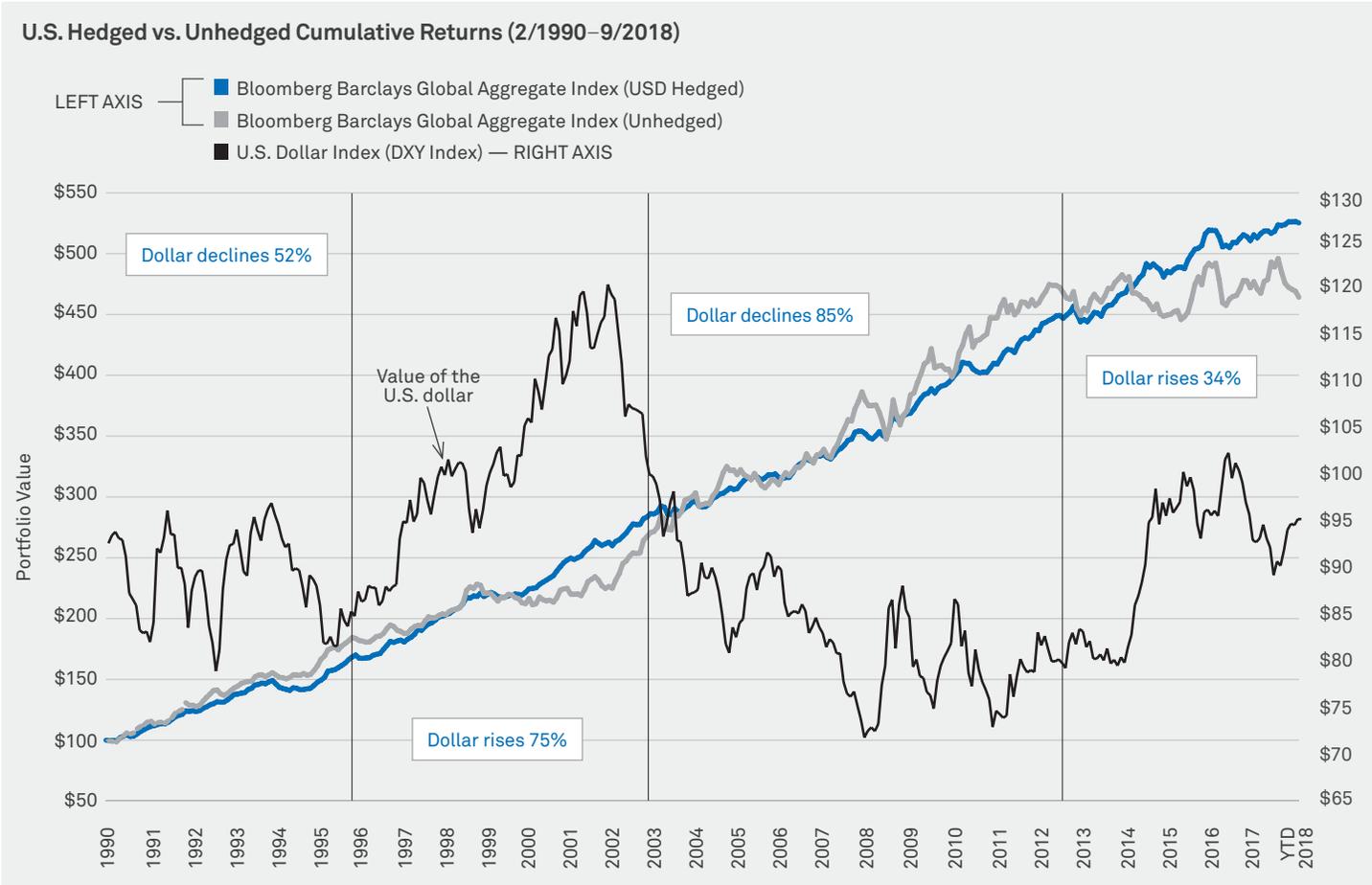
A Strong Combination of Risk and Return Has Produced a High Sharpe Ratio

07/2008–09/2018	Standard Deviation	Total Return	Sharpe Ratio
Fund (Class I)	3.34%	5.28%	1.49
Global Bonds Hedged	2.64%	4.07%	1.43
IG Credit	5.44%	6.35%	1.11
U.S. Bonds	3.24%	3.77%	1.07
High Yield Bonds	9.95%	9.46%	0.92
Emerging Markets Bonds (USD)	9.31%	7.43%	0.77
U.S. Treasury	4.07%	2.68%	0.58
Foreign Bonds	8.13%	2.20%	0.23

The Sharpe ratio is a risk-adjusted measure that measures reward per unit of risk. The higher the Sharpe ratio, the better. The numerator is the difference between the portfolio's annualized return and the annualized return of the risk-free instrument. The denominator is the portfolio's annualized standard deviation (population).

2 Pursuing Consistent Performance With Lower Volatility

While over time the U.S. dollar's value relative to other currencies tends to remain consistent, medium-term swings can cause significant volatility. The strategy's active hedging approach seeks to reduce fund volatility from currency movements, which may lead to greater performance consistency and lower volatility compared to an unhedged approach.



Source: FactSet as of September 30, 2018. February 1990–September 2018. This example assumes a \$100 investment in the Bloomberg Barclays Global Aggregate Index from 12/31/89 to 9/30/18. The Bloomberg Barclays Global Aggregate Index is a measure of global investment-grade debt from 24 local currency markets. The hedged index reflects performance where currency has been hedged to the U.S. dollar. The performance of the U.S. dollar is based on the difference in cumulative returns between the hedged and unhedged versions of the Bloomberg Barclays Global Aggregate ex-USD Index. The U.S. Dollar Index (USD, DXY) is a measure of the value of the U.S. dollar relative to a basket of foreign currencies from its most significant trading partners. The chart is provided for illustrative purposes only and is not indicative of the past or future performance of any Dreyfus product. **Past performance is no guarantee of future results.** An investor cannot invest directly in any index.

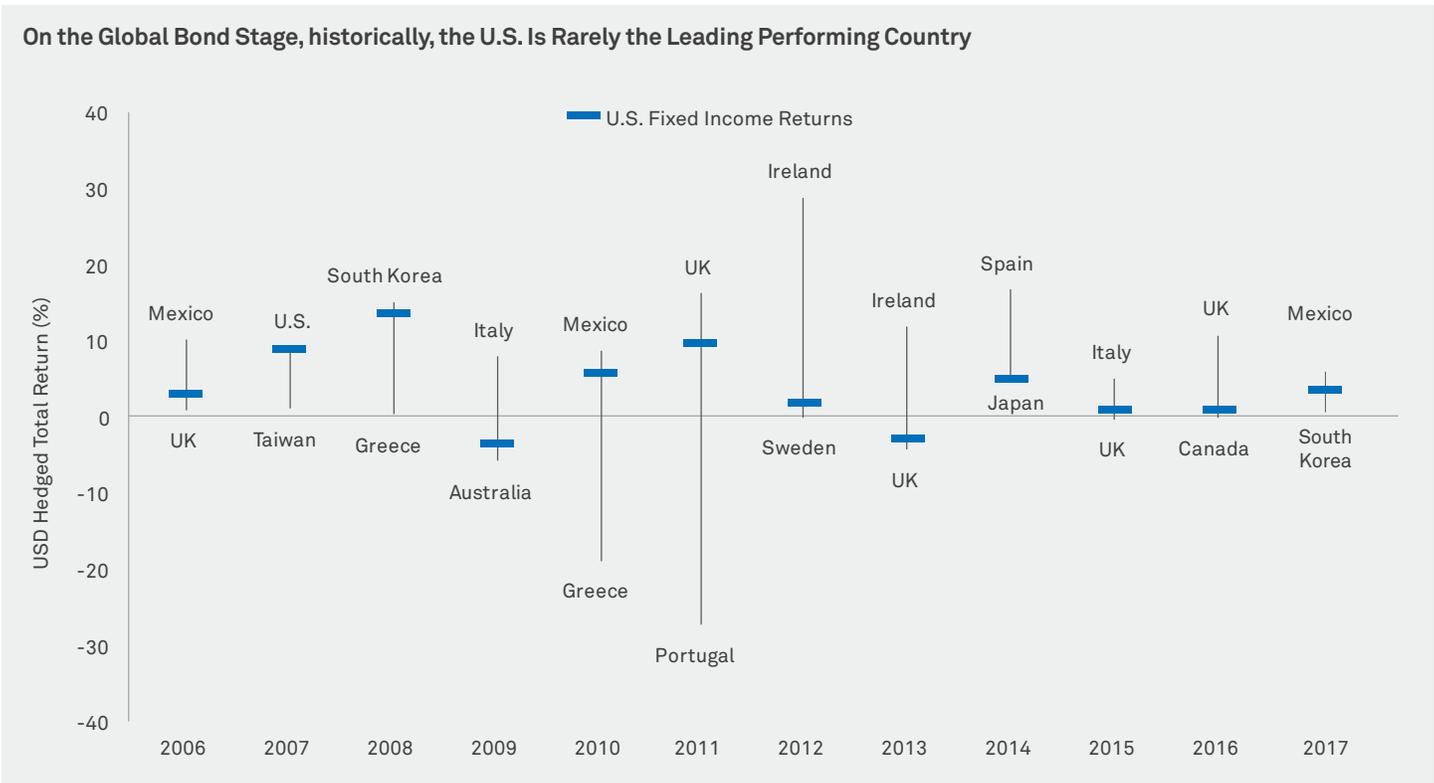
3 Agility and Investment Conviction

The ability to select investments globally where the opportunity is greatest gives the portfolio managers greater flexibility to invest in potentially higher-performing markets to improve return and diversification opportunities.

Global Is the New Core

Global bond investing increases opportunities for security selection worldwide and allows positioning in companies that could benefit from local economic conditions and global competitive advantages.

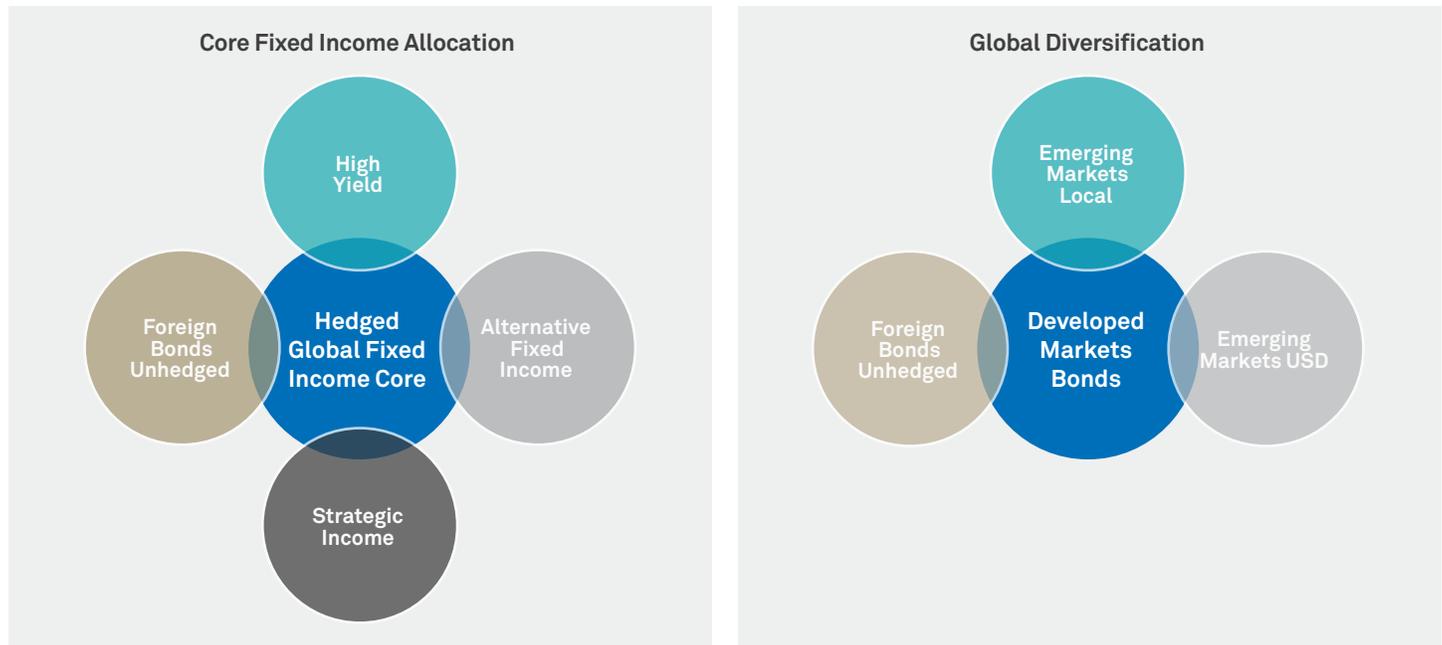
With the U.S. rarely among the top performers historically in fixed income, investors may wish to consider a global fixed income strategy to anchor their portfolio for increased return potential and diversification.



Source: Bloomberg Barclays as of December 31, 2017. Best- and worst-performing bond markets in U.S. dollars, based on largest 20 countries in the Bloomberg Barclays Global Aggregate Index. **Past performance is no guarantee of future results.** This example is for illustrative purposes only. It is intended to illustrate the changing country leadership in terms of bond market performance over time, the divergence in performance from year to year, and the potential benefits of a diversified investment approach. It is not intended to promote investment in any single country or market. Returns from emerging market countries have been historically more volatile than those of the U.S. and other developed countries. Investors cannot invest directly in any index. Actual results will vary.

How Could the Fund Be Used in Your Portfolio?

Depending on an investor's objectives, the fund can be incorporated into portfolios as either the foundational portion of a core fixed income investment or as the centerpiece of a diversified global bond allocation.



A broad-based global bond portfolio can be used as the centerpiece of a client's fixed income allocation because it can access multiple sectors, countries and currencies. While more traditional investors might build a portfolio around a center of a U.S.-focused bond portfolio, a broad-based global fixed income portfolio can provide a more diversified core. Around this core, investors may include additional fixed income sector portfolios like high yield and foreign bonds in an effort to enhance return and diversification potential. Diversification cannot assure a profit or protect against loss.

Potential Uses

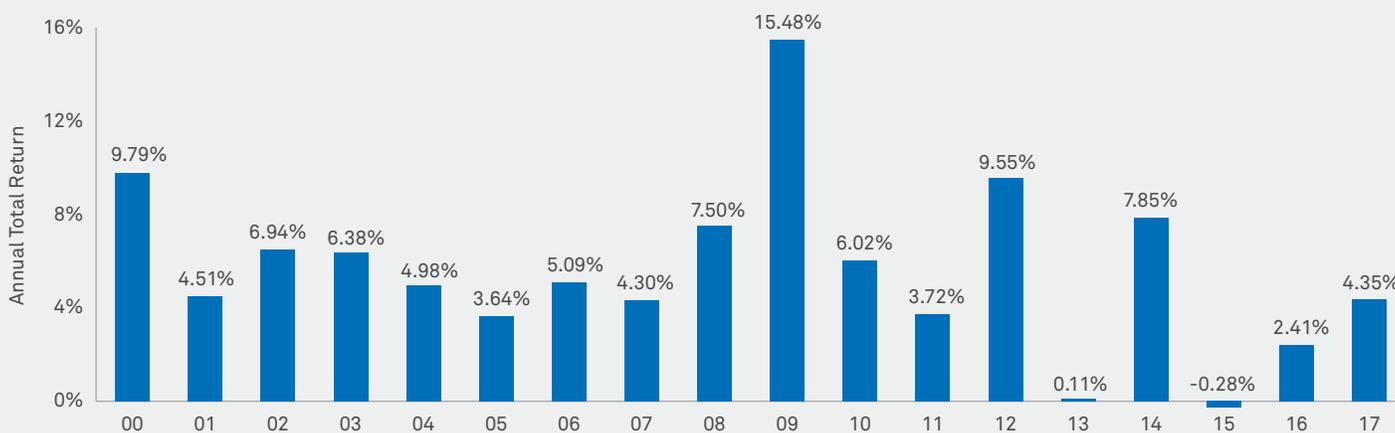
- Diversifying U.S.-centric risks such as rising domestic rates
- Hedging against the volatility in higher-risk asset classes, including equities
- Hedging against global macro event risks
- Reducing currency risks associated with international portfolios

How Might This Fund Perform in Different Markets?

Currency hedging helps reduce the volatility caused by fluctuations in the value of foreign currencies, which can lead to smoother investor returns and improved risk-return outcomes such as those measured by Sharpe ratio. While still capable of producing strong risk-adjusted returns, currency-hedged strategies are nevertheless likely to underperform comparable unhedged strategies in periods of U.S.-dollar weakness.

A Strong History of Positive Performance Since 2000

Only one down year in the last 18 years



The performance data quoted represents 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.

Source: Dreyfus. Performance is based on Class I shares, which are available only to certain eligible investors. Other share classes may have achieved different returns. Positive calendar-year returns do not equate with no principal decline, due to the offsetting potential of reinvested dividend income.

DREYFUS/STANDISH GLOBAL FIXED INCOME FUND

Class A **DHGAX** Class C **DHGCX** Class I **SDGIX**

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

	1 YR	3 YR	5 YR	10 YR
Class I (inception 1/1/94)	-0.30%	1.90%	2.91%	5.28%
Class A (4.50% max. load) (inception 12/2/09)	-5.07%	0.03%	1.66%	4.53%
Bloomberg Barclays Global Aggregate Index (Hedged)	0.82%	2.35%	3.13%	4.07%

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 0.84%, Class I 0.53%.

The total return performance figures presented for Class A shares of the fund represent the performance of the fund's Class I shares for periods prior to December 2, 2009, the inception date for Class A shares, and the performance of Class A from that inception date. Performance reflects the applicable class's sales load and distribution/servicing fees since the inception date. Had these fees and expenses been reflected for periods prior, performance would have been lower. Class I shares are available only to certain eligible investors. Other share classes would have achieved different returns. Investors should discuss with an advisor the eligibility requirements for Class I shares 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.

RISKS

Bonds are subject to interest-rate, credit, liquidity, call and market risks, to varying degrees. Generally, all other factors being equal, bond prices are inversely related to interest-rate changes and rate increases can cause price declines. 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. **High yield bonds** involve increased credit and liquidity risk than higher-rated bonds and are considered speculative in terms of the issuer's ability to pay interest and repay principal on a timely basis. 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.

¹ Morningstar Rating™ as of 9/30/18 for the I class shares; other share classes may have different performance characteristics. Overall rating for the World Bond category. Fund ratings are out of 5 Stars: Overall 4 Stars (261 funds rated); 3 Yrs. 3 Stars (261 funds rated); 5 Yrs. 4 Stars (246 funds rated); 10 Yrs. 5 Stars (137 funds rated). The Morningstar Rating™ for funds, or "star rating," is calculated for managed products with at least a 3-year history. It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a managed product's monthly excess performance (not including the effects of sales charges, loads and redemption fees if applicable), placing more emphasis on downward variations and rewarding consistent performance. Managed products, including open-end mutual funds, closed-end funds and exchange-traded funds, are considered a single population for comparative purposes. The top 10% of products in each product category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star. The Overall Morningstar Rating for a managed product is derived from a weighted average of the performance figures associated with its 3-, 5-, and 10-year (if applicable) Morningstar Rating metrics. © 2018 Morningstar, Inc. All rights reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete, or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. **Past performance is no guarantee of future results.** The fund represents a single portfolio with multiple share classes that have different expense structures. Other share classes may have achieved different results.

U.S. Bonds: Bloomberg Barclays U.S. Aggregate Bond Index, a widely accepted, unmanaged total return index of USD-denominated corporate, government and government-agency debt instruments, mortgage-backed securities, and asset-backed securities with an average maturity of 1–10 years; IG Credit: Bloomberg Barclays U.S. Aggregate Corporate Index, an unmanaged index considered representative of the U.S. investment-grade, fixed-rate bond market; Emerging Markets Bonds (USD): Bloomberg Barclays Emerging Markets USD Aggregate Index is a flagship hard-currency emerging market debt benchmark that includes fixed- and floating-rate USD-denominated debt issued from sovereign, quasi-sovereign, and corporate EM issuers; High Yield Bonds: Bloomberg Barclays U.S. Corporate High Yield 2% Issuer Capped Bond Index, an issuer-constrained version of the flagship U.S. Corporate High Yield Index, which measures the USD-denominated, high-yield, fixed-rate corporate bond market; Foreign Bonds: Bloomberg Barclays Global Aggregate ex-USD Index (Unhedged) is a flagship measure of global investment-grade debt from 24 local currency markets, excluding USD-denominated bonds. This multi-currency benchmark includes treasury, government-related, corporate and securitized fixed-rate bonds from both developed and emerging market issuers. U.S. Treasury: Bloomberg Barclays U.S. Treasury Index measures USD-denominated, fixed-rate, nominal debt issued by the U.S. Treasury. Global Bonds Hedged: Bloomberg Barclays Global Aggregate Index Hedged provides a broad-based measure of the global investment-grade fixed-income markets. Currency exposure is hedged to the U.S. dollar. EMD Local Currency: The J.P. Morgan GB Index-EM Global Diversified tracks total returns for USD-denominated debt instruments issued by emerging market sovereign and quasi-sovereign entities: Brady bonds, loans, and Eurobonds. The index limits the exposure of some of the larger countries. Investors cannot invest directly in any index.

Effective on January 31, 2018, The Boston Company Asset Management, LLC (TBCAM) and Standish Mellon Asset Management Company, LLC (Standish) merged into Mellon Capital Management Corporation (Mellon Capital), which immediately changed its name to BNY Mellon Asset Management North America Corporation. Standish represents the active fixed income product line of BNY Mellon Asset Management North America Corporation.

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