Yielding Solid Opportunities from Municipal Bond Investments

Fixed income investments can be a core component of a diversified portfolio. However, some investors are concerned about the current low-interest-rate environment.

Municipal bond funds can be a bright spot in this time of low fixed income yields. Furthermore, munis can have a place in a diversified portfolio in many financial climates. Here are three reasons why it may make sense to take a look at municipal bond funds.

1 Unique Attributes Make Muni Bond Funds Stand Apart

A unique attribute is that muni bond funds offer a source of income potential, free from federal and sometimes state and local income taxes. This is important because they enable investors to pursue higher current income on an after-tax basis without being exposed to the risks of higher-yielding, non-investment-grade bonds.

- Generally, municipal bonds have lower default risk and lower volatility compared to taxable bonds of comparative credit and maturity.
- Interestingly, muni bonds have delivered levels of income on an after-tax basis that are comparable to corporate fixed income alternatives of similar quality and maturity.

2 A Time-Tested Way to Harness Muni Bond Opportunities

Dreyfus Municipal Bond Fund seeks to maximize current income exempt from federal income tax to the extent consistent with the preservation of capital. The fund pursues this goal in a compelling way:

- 75% of fund assets are invested in municipal bonds rated A or better or the unrated equivalent as determined by the portfolio managers.
- In actively managing the fund, the portfolio team members apply their deep experience and utilize extensive research and analytical tools in navigating the large and diverse muni market.

3 A Tax-Exempt Investing Leader Can Make a Difference

Dreyfus offers an extensive selection of municipal bond funds managed by Standish, a well-established firm dedicated to serving sophisticated fixed income investors. As a result, you can access investment strategies spanning a wide range of fixed income disciplines and may benefit from their commitment to designing solutions to satisfy clients’ needs.

The Standish team is respected for adhering to a solid approach in identifying and pursuing fixed income opportunities:

- In collaborating with a dedicated trading desk, the portfolio management team strives to capture dynamic opportunities in a complex marketplace.

Working with us, you can access Standish investment strategies that span the depth and breadth of fixed income disciplines. We look forward to sharing insights on Dreyfus Municipal Bond Fund with you.

For additional information, please call a Dreyfus Representative at 1-800-443-9794.
Four Key Retirement Challenges

Approaching retirement can be an exciting time full of potential and possibilities. Four critical questions are likely to arise during this period, which may also be relevant to those already living in retirement. For additional information or assistance, please call a Dreyfus Representative at 1-800-443-9794.

1. **How much replacement income do I need to pay both monthly and unanticipated bills?**

   It may be helpful to measure the amount you have today against your projected monthly expenses, including unexpected costs such as healthcare. This is a crucial area as uninsured healthcare costs can erode retirement savings quickly. Conducting a “gap analysis” will give you an idea of how much more you should save.

2. **How long could my spouse and I live in retirement?**

   For a couple, age 65, there is a 25% to 50% probability that one or both spouses will live 30 or more years, depending on the study. Some even suggest the probability of living to age 95 is closer to 50%.

   Clearly, your retirement savings will likely need to last for many years, if not decades. However, people often do not realize how long they may live after they retire.

3. **What happens if I begin to withdraw from my accounts when I retire and the market falls?**

   The impact of an extended market downturn shortly before or after retirement is twofold. First, it reduces the money available to live on. Second, because the losses are realized as investments are withdrawn for living expenses, it’s often difficult to recover even if the market makes substantial gains in the future.

   A diversified portfolio may help weather a market downturn early in your retirement. The key is to have an asset allocation strategy, which includes different asset classes, in place. As you segue into retirement, you may want to reduce your exposure to stocks and increase your fixed income investments.

4. **How much money can I safely take out of my retirement savings each month?**

   The reality is that there is no simple rule of thumb for this question. The answer will be unique to you and should take into account your health, your family’s longevity, your goals during retirement, your financial needs and the legacy you plan on leaving.

   The best way to approach this question is to create a holistic financial strategy before you enter retirement. Each year, review your plan and update it, recognizing that it is likely to change over time.
Plan for Your Retirement at the Dreyfus Retirement Resource Center!

Our new website recently launched and we’re delighted to show you how easily you can access educational resources, actionable tools and thought leadership expertise, all at one location.

Take a moment and get to know our:

**Calculations**
- Retirement planning and retirement income planning calculators

**Solutions**
- Retirement solutions, including 72(t) distributions, stretch IRA strategies and more...

**Outlooks**
- Outlooks, perspectives and analysis to help you connect our insights to corresponding investment offerings

At our Enhanced Site, You Will Gain Practical Advice for Every Life Stage

Whether you’re years away from retirement, planning on retiring soon or already retired, we can help you create or update a comprehensive plan.

Now’s a good time to run our tools to help answer critical questions, including “How much savings will I need to retire comfortably?” and “How long will my money last?”

Connect on Your Desktop, Laptop, Tablet or Phone

No matter the device you use, you can connect with our Retirement Resource Center at any time. You get the information you want, in the format you prefer, right when you need it.

You Can Make 2016 IRA Contributions Until April 17, 2017.

The sooner your contribution is made, the better, as this will give your IRA contributions more time to potentially earn more and grow. We can help you understand and maximize your IRA opportunities.

Please call 1-800-443-9794 to speak with a Dreyfus Representative now.
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1-800-443-9794, Monday–Friday, 9 a.m.–6 p.m., ET

Automated account information: 1-800-645-6561, 24 hours a day, 7 days a week

On the Web: dreyfus.com

By Phone:

Investors should consider the investment objectives, risks, charges and expenses of Dreyfus Municipal Bond Fund carefully before investing. Call Dreyfus at 1-800-443-9794 to obtain a prospectus, or summary prospectus, if available, that contains this and other information about the fund, and read it carefully before investing.

RISKS

All investments contain risk and may lose value. 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. The amount of public information available about municipal securities is generally less than that for corporate equities or bonds. Legislative changes, state and local economic and business developments, may adversely affect the yield and/or value of municipal securities. Other factors include the general conditions of the municipal securities market, the size of the particular offering, maturity of the obligation, and the rating of the issue. Income for national municipal funds may be subject to state and local taxes. Income may be subject to state and local taxes for out-of-state residents. Some income may be subject to the federal alternative minimum tax for certain investors. Capital gains, if any, are taxable.

The retirement material contained is for general information and reference purposes only and is not intended to provide or be construed as estate planning or other professional advice.

Dreyfus Retail Services is a division of MBSC Securities Corporation.

Definitions:

The Bloomberg Barclays U.S. Municipal Bond Index consists of a broad selection of investment-grade general obligation and revenue bonds of maturities ranging from one year to 30 years. It is an unmanaged index representative of the tax-exempt bond market. The Bloomberg Barclays U.S. Corporate Investment Grade Index is an unmanaged index consisting of publicly issued U.S. corporate and specified foreign debentures and secured notes that are rated investment grade (Baa3/BBB or higher) by at least two ratings agencies, have at least one year to final maturity and have at least $250 million par amount outstanding. To qualify, bonds must be SEC-registered. An investor cannot invest directly in any index.

1 Source: S&P 500. Past performance is no guarantee of future results. Municipal bonds are represented by the Bloomberg Barclays U.S. Municipal Bond Index. Taxable bonds are represented by the Bloomberg Barclays U.S. Corporate Investment Grade Index. As of May 2015, municipal default rate was 0.14% and taxable bond default rate was 2.24%.

2 Source: Morningstar. Past performance is no guarantee of future results. Volatility is measured by standard deviation, 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. In mutual funds, standard deviation tells us how much the return on the fund is deviating from the expected normal returns. Municipal bonds are represented by the Bloomberg Barclays U.S. Municipal Bond Index. Taxable bonds are represented by the Bloomberg Barclays U.S. Corporate Investment Grade Index. For the 10-year period ended September 30, 2016, municipal volatility was 4.33% and taxable bond volatility was 5.99%.

3 Source: Bloomberg Barclays. Past performance is no guarantee of future results. Municipal bonds are represented by the Bloomberg Barclays U.S. Municipal Bond Index. Taxable bonds are represented by the Bloomberg Barclays U.S. Corporate Investment Grade Index. As of September 30, 2016, the Bloomberg Barclays U.S. Municipal Bond Index yielded 1.82% and its tax-equivalent yields, with and without the imposed Medicare tax, were 3.22% and 3.01%, respectively at a 39.6% tax rate and 3.8% Medicare tax. The Bloomberg Barclays U.S. Corporate Investment Grade Index yielded 2.84%.


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Staying in Touch

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