Investing for the Changing Face of Risk

Dreyfus Global Real Return
Today, Risk Moves at a Faster Pace

Risk is nothing new for investors. The difference is that it now outpaces opportunity.

Market volatility spikes sharply with negative events, affecting investor sentiment and market performance.

Technological advancements have accelerated the rate at which we receive information (on-demand communications) and act on it (high-frequency trading).

Geopolitical and geosocial events in one part of the globe can instantly affect markets worldwide.

Source: Bloomberg, Chicago Board Option Exchange, based on the VIX, a popular measure representing the implied volatility of S&P 500 index options.
Today’s Low Volatility May Be Short-Lived

Volatility has been low in recent months, but there’s enough turmoil in the world to expect a change.

– At any time, volatility could reverse course and return to historical averages.

– Volatility itself is not the risk; the risk is not doing anything.

– Complacency may be the biggest threat to your clients’ portfolios.

Source: FactSet. Past performance is no guarantee of future results. Please refer to the appendix for additional information on the indexes used above.
Your Role: Help Clients Protect Their Wealth

The costs of not actively preserving clients’ capital through asset allocation, portfolio construction or manager selection are significant:

– You leave your clients exposed to tail risk and major portfolio drawdowns.

– Your clients seek advice elsewhere because they don’t see you as proactive.

The bigger the loss incurred, the harder it is to make up.

Source: Newton. Hypothetical illustration based on mathematical principles for amount of “gain” required to recover “loss.” Actual results will vary.
Managing Risk Takes Time and Expertise

Challenge
Pursue consistent, positive returns over the long term while also seeking to limit downside risk

Solution
A multi-asset solution that has the flexibility to potentially hold up well when other growth assets may not

How will you accomplish this and still have the time and resources to remain responsive to clients' immediate needs and long-term goals?

Point clients to a multi-asset fund that helps manage volatility while pursuing positive performance regardless of the direction of the market and independent of major market movements.

More than growing my wealth, I want to protect what I have.

I'm concerned that I won't be able to recover from potential negative returns.

How can I shield my money from negative market events when I can't even see them coming?
The Solution: Dreyfus Global Real Return Fund

Class A
- **DRRAX**

Class C
- **DRRCX**

Class I
- **DRRIX**

Consistent Growth Potential for Tomorrow’s Uncertain Markets

<table>
<thead>
<tr>
<th>Built for the Everyday Investor</th>
<th>A Familiar, Low-Volatility Approach</th>
<th>A Globally Minded Multi-Asset Manager</th>
</tr>
</thead>
<tbody>
<tr>
<td>This low-volatility multi-asset strategy is a conservative way for most investors to strengthen the capital preservation qualities of their portfolios.</td>
<td>The fund’s strategy is composed of an inner core of return-seeking securities (i.e., equities, high-yield bonds and convertibles) and an outer layer of defensive strategies dedicated to hedging risk. This structure may help to enable the fund to pursue consistent returns and seek to dampen volatility over time.</td>
<td>Newton is an experienced multi-asset manager that believes no company, market or economy should be considered in isolation. This holistic view helps form a better understanding of the overall risk exposures of the portfolio and has been an integral part of the absolute-return strategy Newton has managed firmwide for more than 10 years.¹</td>
</tr>
</tbody>
</table>

¹ Dreyfus Global Real Return Fund was launched on May 2, 2010. Information relating to Newton’s underlying strategy is provided only to demonstrate Newton’s experience in managing multi-asset, absolute-return strategies. While the original strategy is managed with a substantially similar investment objective and approach as the fund, the two are materially different in that the legacy strategy has been managed using a different base currency. Therefore, results would vary due to different hedging positions and variations in asset allocation.
Steady Performance and Downside Protection
Designed to pursue positive growth by managing downside risk

Maximum Drawdowns Since Fund’s Inception

-7.32
-16.26
-20.24

Dreyfus Global Real Return Fund Has Outperformed World Stocks in 18 of the Past 24 Down Months for the FTSE World Index

DRERIX (Class I) U.S. Stocks World Stocks

Maximum Drawdowns Since Fund’s Inception

-7.32
-16.26
-20.24

AVERAGE ANNUAL TOTAL RETURNS PERIOD ENDED 6/30/15

<table>
<thead>
<tr>
<th></th>
<th>1 YR</th>
<th>3 YR</th>
<th>5 YR</th>
<th>10 YR</th>
<th>SINCE INCEPTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>DRERIX (Class I)</td>
<td>0.27%</td>
<td>4.55%</td>
<td>5.04%</td>
<td>—</td>
<td>4.77% (5/12/10)</td>
</tr>
<tr>
<td>FTSE World</td>
<td>1.05%</td>
<td>13.96%</td>
<td>12.88%</td>
<td>7.05%</td>
<td>N/A</td>
</tr>
</tbody>
</table>

Source: FactSet, based on the fund’s inception (5/12/10). U.S. Stocks = S&P 500 Index, World Stocks = FTSE World Index. Please refer to the Additional Information section for more details.

Source: Lipper Inc. based on time between fund’s inception through 6/30/15. For illustrative purposes only. The fund is not managed to this or any other benchmark index. Performance for other periods may have achieved different results.

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. Please refer to the back of this presentation for more details.
A Low-Volatility Approach With a Familiar Core

An inner core of return-seeking securities and an outer layer of defensive strategies dedicated to hedging risk.

- **Current return-seeking assets**
  - Corporate debt
  - Equities
  - Convertibles

- Cash/short-dated bonds
- Physical gold
- Gold equity
- Commodities
- Equity market hedges
- Equity option strategies
- Active currency positions
- Government bond options
- Conventional government bonds
- Index-linked bonds
- Floating-rate notes
- Currency hedge
- Government bond options
- Conventional government bonds
- Index-linked bonds
- Floating-rate notes
- Currency hedge

<table>
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<tr>
<th>No structural leverage</th>
<th>or short selling of individual securities</th>
</tr>
</thead>
</table>

<table>
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<tr>
<th>Flexibility</th>
<th>to adjust hedging positions in addition to shifting asset allocation</th>
</tr>
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</table>

<table>
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<tr>
<th>Transparent</th>
<th>single portfolio of predominately direct and liquid investments</th>
</tr>
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<table>
<thead>
<tr>
<th>No asset allocation</th>
<th>or benchmark constraints</th>
</tr>
</thead>
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<table>
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<tr>
<th>Focused on long-term investing</th>
<th>with a portfolio volatility ranging between fixed income and equities</th>
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<table>
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<tr>
<th>Three-year beta:</th>
<th>0.39%*</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Three-year standard deviation:</th>
<th>4.65%*</th>
</tr>
</thead>
</table>

* Source: FactSet as of 6/30/15. Compared with the FTSE World Index, used herein as a general world stock proxy. Not the fund’s actual benchmark; the fund is not managed to any specific index. Please refer to the Additional Information slide.
Why Invest in Dreyfus Global Real Return Today?

1. **A low-growth market where volatility could rise** makes it harder to protect wealth while also seeking positive real returns. Dreyfus Global Real Return is designed for both.

2. **Equity prices may be poised for a correction.** The fund’s active, flexible investment approach helps manage this risk.

3. **Traditional fixed income is unlikely to provide the level of capital preservation or appreciation** that it has over the past 30 years. Investors can use the fund as an additional source of capital preservation.
Choose a Conservative Way to Stay Invested

Traditional bond exposure may not provide its typical capital preservation benefits in today’s low-coupon environment.

If interest rates rise, unhedged bond portfolios could be affected.

Expected Interest Rate Impact on Total Return of 10-Year Treasury Note

Dreyfus Global Real Return has greater flexibility to tactically adjust the portfolio’s fixed income exposure and to hedge against the risks that would impact bond-only portfolios.

As a result, the fund has shown relatively low correlations to equities and bonds, especially during relevant down markets.

Correlations in Regular and Bear Markets

Source: BNY Mellon. Based on 10-Year U.S. Treasury notes issued on 10/31/14. Total returns include price and yield over a one-year period. Past performance is no guarantee of future results. Yields fluctuate. There is no guarantee that these scenarios will occur, and actual results would vary.

Source: FactSet as of 6/30/15. For correlations to equities, “bear market” defined as any monthly period during which the S&P 500 had a negative return. For correlations to U.S. Bonds, “bear market” defined as any monthly period during which the Barclays U.S. Aggregate Bond Index had a negative return.
How Dreyfus Global Real Return May Fit in Your Clients’ Portfolios

Three potential roles:

1. **As a risk-reducing, capital-protection component** within a diversified liquid alternatives allocation

2. **As a stabilizing, low-volatility component** in an overall portfolio, given the capital preservation focus and defensive tactical capabilities

3. **As a capital preservation component** and an interest rate hedging component within a global fixed income allocation

Dreyfus Global Real Return Fund

Class A: **DRRAX**  
Class C: **DRRCX**  
Class I: **DRRIX**
Dreyfus Global Real Return Fund

**Overall Rating** Class I shares

Morningstar Overall Rating™ for Class I shares among 216 funds in the Multialternative Category as of 6/30/15. Ratings reflect risk-adjusted performance, and are derived from a weighted average of the fund’s three-, five- and 10-year (as applicable) ratings. As of 6/30/15, the fund’s Class I shares received 3 stars for the three-year period out of 216 funds in the category. Past performance is no guarantee of future results.

**Average Annual Total Returns**

<table>
<thead>
<tr>
<th></th>
<th>YTD (as of 6/30/15)</th>
<th>1 YEAR</th>
<th>3 YEAR</th>
<th>Since Inception 5/12/10</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class A (NAV)</td>
<td>-0.07%</td>
<td>-0.07%</td>
<td>4.22%</td>
<td>4.42%</td>
</tr>
<tr>
<td>Class A (5.75% Max. Load)</td>
<td>-5.84%</td>
<td>-5.83%</td>
<td>2.19%</td>
<td>3.22%</td>
</tr>
<tr>
<td>Class I</td>
<td>0.07%</td>
<td>0.27%</td>
<td>4.55%</td>
<td>4.71%</td>
</tr>
</tbody>
</table>

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. Dreyfus has contractually agreed, until March 1, 2016, to waive receipt of its fees and/or assume the expenses of the fund so that the direct 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 0.90%. Total expense ratio, Class A: 1.20%, Class I: 0.90% (net expenses with expense cap: Class A: 1.15%, Class I: 0.90%). On or after March 1, 2016, The Dreyfus Corporation may terminate this expense waiver at any time.

Source: Morningstar. Please refer to the back of this presentation for more details. Other share classes would have achieved different results.
The Right Partners: BNY Mellon and Newton
# BNY Mellon: A Leader in Investment Management and Investment Services

## Expertise Across Our Efforts

| Design and deliver innovative solutions for managing and servicing investments | Combine a wide range of financial services into a comprehensive, client-centered approach | Provide access and opportunities in markets around the world |
BNY Mellon: A Leader in Investment Management and Investment Services

7th Largest Global Asset Manager

$28.6 T
Assets under custody and administration

7th Largest U.S. Asset Manager

$1.7T
Assets Under Management

7th Largest U.S. Wealth Manager

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1 As of 6/30/2015.
3 Rankings based on 2014 year-end data.
4 Pensions & Investments, November 2014.
5 Barron’s, September 2014.
The BNY Mellon Organization

BNY MELLON
BNY Mellon is a premier global investments company dedicated to helping clients manage and service their financial assets throughout the investment life cycle. BNY Mellon provides financial services for institutions, corporations and individual investors, delivering informed investment management and investment services in 35 countries and more than 100 markets.

BNY MELLON INVESTMENT MANAGEMENT
• Diversity of styles and risk profiles
• No “house view” or centralized CIO
• Composed of 12 autonomous investment subsidiaries with distinct philosophies and processes

NEWTON
Based in London, Newton is a global investment manager of actively managed equity, fixed income, multi-asset and absolute-return strategies with more than 30 years of experience.
Newton: A Truly Global Multi-Asset Specialist

Newton’s investment approach is based on rigorous analysis and guided by its broad perspective on global investment themes.

$75.9 billion in AUM (as of 6/30/15) across:

<table>
<thead>
<tr>
<th>Real return</th>
<th>Multi-asset</th>
<th>Fixed income</th>
</tr>
</thead>
<tbody>
<tr>
<td>Global equity</td>
<td>UK equity</td>
<td>APAC and EM equity</td>
</tr>
</tbody>
</table>

These themes provide valuable perspective and:
- Represent key forces of observable change
- Provide long-term orientation
- Provide a stimulus for debate and a focus for research

Newton’s investment philosophy is based on the conviction that no company, market or economy should be considered in isolation.

Newton employs a fundamental, bottom-up investment process with the guidance of themes that represent its interpretation of the key forces driving change across the globe.

Newton’s organizational structure encourages lateral thinking, fluid communication and the swift implementation of ideas. Close proximity of the investment professionals on a single investment floor allows them to be flexible and opportunistic.
Newton’s Global Thematic Framework Helps Identify Opportunities and Manage Risk

Opportunities and Challenges:

Themes represent the first stages of idea generation and risk management. They:

- Provide a dynamic framework for investment thinking
- Allow a longer-term global perspective in a volatile world

Concentrating on change makes it less likely that Newton will be caught out by change.
Newton’s Real Return Process Seeks to Ensure That Risk Is Appropriate, Consistent and Intended

Performance Aim

We aim to deliver long-term real returns with volatility between bonds and equities.

Strategy performance aim of cash (one-month LIBOR) +4% p.a. over a market cycle (five to seven years). The fund seeks to achieve a positive absolute return p.a. over a given market cycle.

Risk Control

(portfolio guidelines)

Bottom-Up Risk Management

Themes:
Debt burden, state intervention, fire risk

Security selection:
Proprietary research, fundamentals, price

Portfolio construction:
Single portfolio approach, perspective

Risk Parameter

Volatility management: 5-8%

Portfolio diversification:
Max 5% in any corporate issuer at purchase

Portfolio concentration:
Max 20% in any sector

Quantitative Risk Management

How much risk? (stock weight, correlation, volatility)

What kind of risk? (currency, industry, stock specific)

Is risk consistent? (strategic views, stock and bonds picks)
Main Risks and Disclosures

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 the fund, investors should contact their financial advisor or visit Dreyfus.com. Investors should be advised to read the prospectus carefully before investing.

If applicable, discuss with investors 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.

Morningstar overall ratings reflect risk-adjusted performance and are derived from a weighted average of the fund's three-, five- and 10-year (as applicable) ratings. As of 06/30/15 the fund’s Class A and I shares received 2 and 3 stars for the 3-year period among 216 funds in the Multialternative category. Other share classes may have different ratings. The Morningstar Ratings formula measures the amount of variation in a fund's performance and gives more emphasis to downward variations. The top 10% of the funds in the category receive five stars; the next 22.5% four stars; the next 35% three stars; the next 22.5% two stars; and the last 10% one star. Ratings reflect sales loads. The fund represents a single portfolio with multiple share classes that have different expense structures.

Diversification and asset allocation cannot ensure a profit or protect against loss of principal. There can be no guarantee that the fund's investment approach will be successful or that any particular level of return will be achieved for the fund.

Main risks:

**Equity funds** are generally subject to market, market sector, market liquidity, issuer and investment style risks, among other factors, to varying degrees.

**Bonds** are generally 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 internationally involves special risks, including changes in currency exchange rates, political, economic and social instability, a lack of comprehensive company information, differing auditing and legal standards, and less market liquidity. These risks are generally greater with emerging market countries.

The use of derivative instruments, such as options, futures and options on futures, forward contracts, swaps, options on swaps, and other credit derivatives, involves risks different from, or possibly greater than, the risks associated with investing directly in the underlying assets. A small investment in derivatives could have a potentially large impact on the fund’s performance.