THE CASE FOR HIGH YIELD

Summer 2013

Alcentra

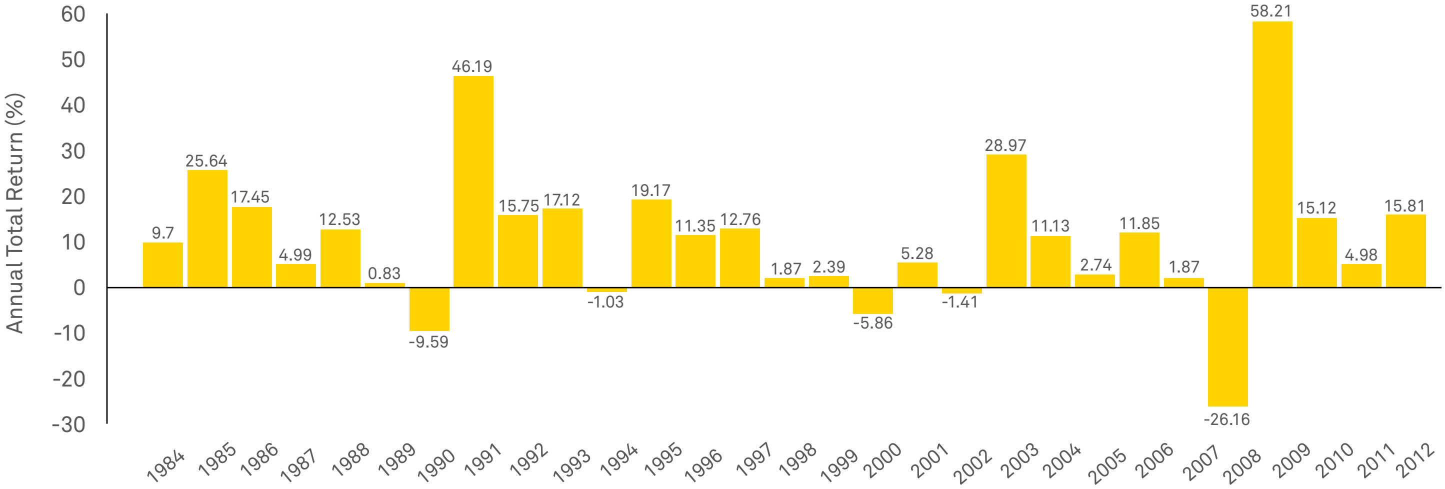
1. The Power of the Coupon
2. Better performance record than equities over long-term time period
3. Relatively stable default rates
4. High yield bonds have historically performed well during economic recoveries
5. Attractive historical risk/return profile

If you're considering whether to introduce, maintain, decrease or increase your allocation to high yield in the remainder of 2013, you might want to think about the five points offered by the investment professionals at Alcentra NY, LLC, a Dreyfus affiliate and specialist in global sub-investment grade debt asset management.

1. The Power of the Coupon

Thanks in part to their high coupon component, the high yield asset class has registered positive absolute total returns in 24 of the last 29 calendar years. Note that mutual-fund investors could still experience a decline in principal in a given year, even if the securities in the fund have high coupons.

THE HIGH YIELD ASSET CLASS HAS REGISTERED POSITIVE ABSOLUTE TOTAL RETURNS IN 24 OF THE LAST 29 YEARS



Source: Lipper, based on Barclays High Yield Corporate Bond Index. **Past performance is no guarantee of future results.** Actual results will vary. Investors cannot invest directly in any index. Please see back page for index definition.

BNY MELLON

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

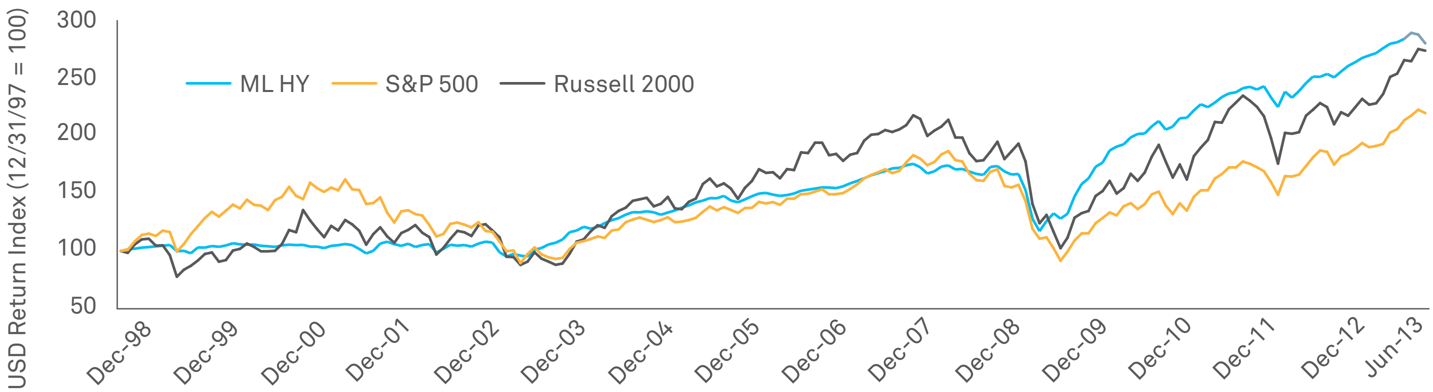
Dreyfus

2. Better Performance Record than Equities Over Long-Term Time Period

High yield bonds may offer an alternative to equities during an economic recovery, as their high coupons allow investors to get paid while they wait for recurring, sustainable growth.

In a rising market, equities can offer more upside in absolute terms. However, high yield bonds may generate competitive returns over the long run. Since January 1998, as indicated in the chart below, high yield bonds achieved attractive returns relative to both large-cap and small-cap equities.

HIGH YIELD RETURNS OUTPACED EQUITIES SINCE JANUARY 1998



Source: Bloomberg, as of 6/30/13. **Past performance is no guarantee of future results.** Please see back page for index definitions. Results for other periods may be different.

3. Relatively Stable Default Rates May Be Key for High Yield

High yield bond default rates — and the expectations thereof — have historically been significant drivers of yield spreads. When default rates — or expectations of defaults — have risen, spreads have generally widened, and vice versa.

As you can see in the chart, this relationship reversed during the 2008–09 credit crisis. However, a degree of normalcy has subsequently returned to the market.

NARROWING OR STABLE SPREADS WOULD BE POSITIVE FOR HIGH YIELD

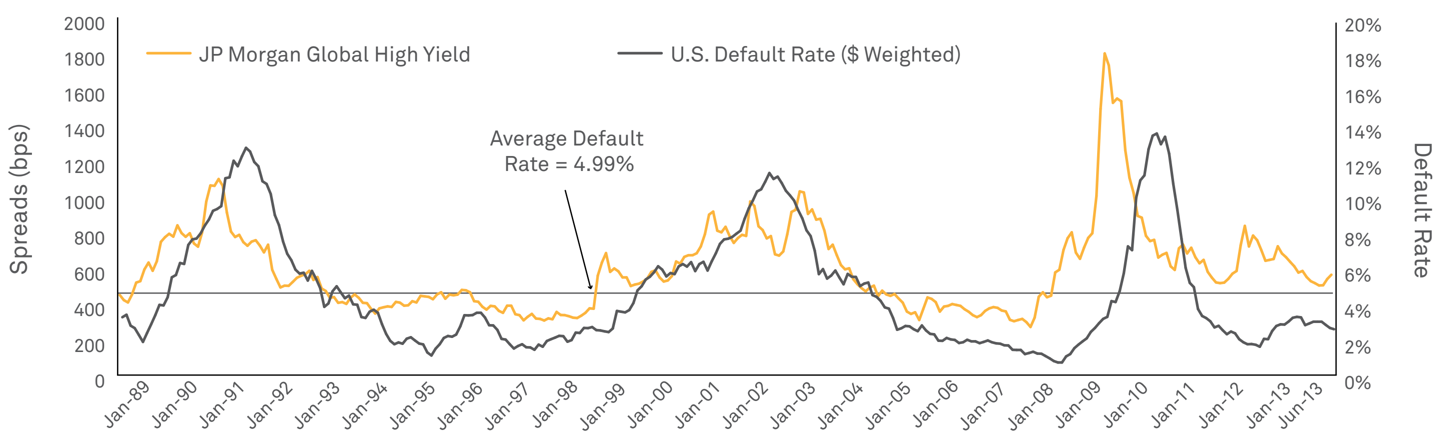


Chart depicts high yield spreads and defaults from 12/31/88–6/30/13. Source: Moody's. **Past performance is no guarantee of future results.** Please see back page for index definition. Spread widening can precipitate price declines.

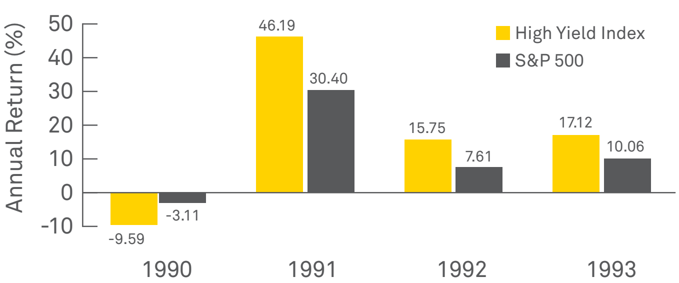
Alcentra believes current yields on high yield bonds remain attractive in the current low-yielding environment. In a stable spread environment, investors earn the coupon on their securities. Narrowing spreads provide the potential for price appreciation, provided no other credit or liquidity events operate to negatively impact spreads. Also, the incremental spread offered by high yield tends to provide some cushion in a rising rate environment.

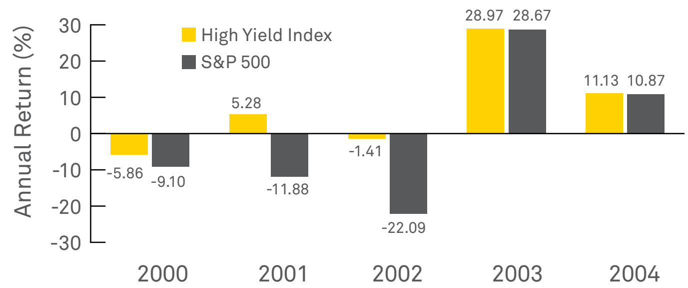
Given Alcentra's outlook for relatively stable default rates, spreads are expected to remain stable for the remainder of 2013, enabling coupon payments to drive returns (all other factors being equal). Credit fundamentals remain solid, evidenced by general improvements in corporate balance sheets including liquidity, capital markets remain accessible to sub-investment-grade issuers, and defaults are expected to remain below the long-term historical average.

4. High Yield Bonds Have Historically Performed Well During Economic Recoveries

After posting strong returns from 2009–2012, the high yield asset class may continue to be attractive if the economic recovery continues to progress.

HIGH YIELD INDEX OUTPERFORMED S&P 500 AFTER THESE ECONOMIC DOWNTURNS





Source: Lipper. **Past performance is no guarantee of future results.** High Yield Index refers to the Barclays High Yield Corporate Bond Index. Please see back page for index definitions. Investors cannot invest directly in any index. Actual results will vary.

Following the recessions in the early 1990s and 2000, high yield bonds performed well relative to equities for several years.

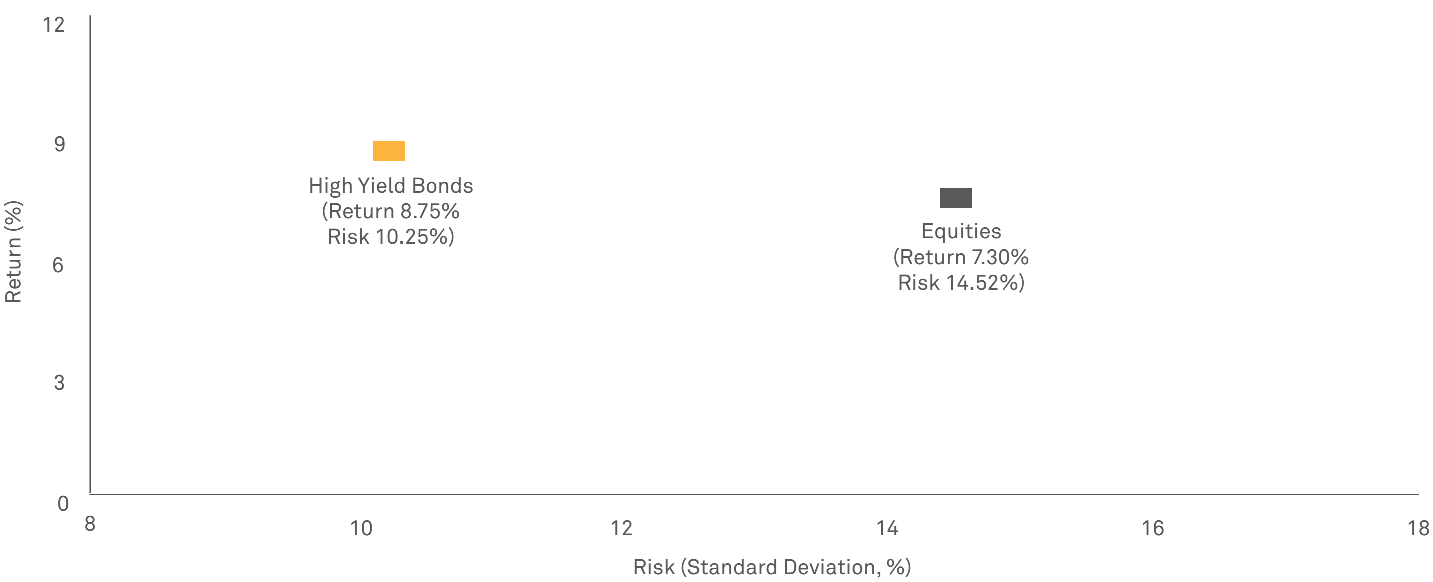
- From 1990 to 1993, high yield outperformed equities in three out of four calendar years — and by 37% over the full four-year period.
- From 2000 to 2004, high yield outperformed equities in all five calendar years. Cumulatively, high yield bonds returned +40.1% while equities returned -11.0% over the five-year period.

Note that the most recent recession ended in June 2009. The high yield index increased 59.8% in calendar year 2009, 15.1% in 2010, 4.98% in 2011 and 15.81% in 2012, while the S&P 500 rose 26.5%, 15.1%, 2.09% and 16.00% in those four years.

5. Attractive Historical Risk/Return Profile

Although past performance is no guarantee of future results, the high yield asset class may be worth considering relative to equities on a risk/return basis. (Risk is measured by standard deviation.)

HIGH YIELD ASSET CLASS OUTPERFORMED EQUITIES OVER THE LAST 10 YEARS, WITH LESS RISK



Source: FactSet, as of 6/30/13. **Past performance is no guarantee of future results.** Risk is measured by standard deviation. 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. In mutual funds, standard deviation tells us how much the return on the fund is deviating from the expected normal returns. High yield is represented by the BofA Merrill Lynch High Yield Master II Constrained Index. Equities are represented by the S&P 500 Index. See last page for index and terminology definitions.

Dreyfus High Yield Fund: Experienced Management, Proven Performance

If you're interested in gaining exposure to the high yield asset class, why not consider an allocation to Dreyfus High Yield Fund (Class A **DPLTX,** Class I **DLHRX**).

Managed by Chris Barris and Kevin Cronk, CFA of Dreyfus affiliate Alcentra NY, LLC, the fund combines bottom-up security selection with top-down risk management.

DREYFUS HIGH YIELD FUND

Average Annual Total Returns as of 6/30/13	1 Year	3 Year	5 Year	10 Year
Class A (NAV)	8.63%	9.10%	8.36%	7.24%
Class A (4.50% max. load)	3.76%	7.46%	7.37%	6.74%

Performance data quoted represents past performance, which is no guarantee of future results. Yield, 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 Ratio: Class A 0.96%. Class A inception 6/2/97.

LEARN MORE | **Mutual Fund Investors:** Contact your financial advisor or visit **Dreyfus.com**
Advisors: Call **1-800-334-6899** 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.

Market views should not be considered investment advice or predictive of any future market performance. There is no guarantee that the high yield market or any high yield investment will perform consistent with historical averages or achieve any level of return in the future. The views expressed are current as of the date of this communication and are subject to change rapidly as economic and market conditions dictate.

The Dreyfus Corporation and Alcentra NY, LLC are subsidiaries of The Bank of New York Mellon Corporation. Alcentra portfolio managers manage Dreyfus High Yield Fund under a dual-employee relationship with Dreyfus, under Dreyfus' supervision. Dreyfus is the fund's investment adviser.

Main Risks

Bond funds are subject generally to interest rate, credit, liquidity, call, sector and market risks, to varying degrees, all of which are more fully described in their respective prospectus. Generally, all other factors being equal, bond prices are inversely related to interest-rate changes and rate increases can cause price declines.

High yield bonds are subject to increased credit risk and are considered speculative in terms of the issuer's perceived ability to continue making interest payments on a timely basis and to repay principal upon maturity.

Bond ratings reflect rating agency evaluations of an issuer's ability to pay interest and repay principal on the bond on a timely basis. Bonds rated BBB/Baa or higher are considered investment grade, while bonds rated BB/Ba or lower are considered speculative as to the timely payment of interest and principal.

BofA Merrill Lynch U.S. High Yield Master II Constrained Index is an unmanaged performance benchmark composed of U.S. dollar-denominated domestic and Yankee bonds rated below investment grade with at least $100 million par amount outstanding and at least one year remaining to maturity. Bonds are capitalization-weighted. Total allocations to an issuer are capped at 2%. **Barclays High Yield Corporate Bond Index** is a market value-weighted index of fixed rate, non-investment grade debt. **J.P. Morgan Global High Yield Index** is an unmanaged index used to mirror the investable universe of the U.S. dollar global high yield corporate debt market of both developed and emerging markets. The index reflects reinvestment of all distributions and changes in market prices. **Standard & Poor's 500 (S&P 500) Composite Stock Price Index** is a widely accepted, unmanaged index of U.S. stock market performance. **Russell 2000 Index** measures the performance of the small-cap segment of the U.S. equity universe. It is a subset of the Russell 3000 Index and includes approximately 2,000 of the smallest securities based on a combination of their market cap and current index membership. An investor cannot invest directly in an index.

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