N-CSRS 1 lp1-dif.htm SEMI-ANNUAL REPORT

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM N-CSR

CERTIFIED SHAREHOLDER REPORT OF REGISTERED MANAGEMENT INVESTMENT COMPANIES

Investment Company Act file number 811-04813

Dreyfus Investment Funds
(Exact name of Registrant as specified in charter)

c/o The Dreyfus Corporation
200 Park Avenue
New York, New York 10166
(Address of principal executive offices) (Zip code)

Bennett A. MacDougall, Esq.
200 Park Avenue
New York, New York 10166
(Name and address of agent for service)

Registrant's telephone number, including area code: (212) 922-6400

Date of fiscal year end: 9/30

Date of reporting period: 3/31/2016

The following Form N-CSR relates only to the funds listed below and does not affect the other series of the Registrant, which has a different fiscal year end and, therefore, different N-CSR reporting requirements. A separate N-CSR Form will be filed for that series, as appropriate.

-Dreyfus Diversified Emerging Markets Fund
-Dreyfus/Newton International Equity Fund
-Dreyfus Tax Sensitive Total Return Bond Fund
-Dreyfus/The Boston Company Small/Mid Cap Growth Fund
-Dreyfus/The Boston Company Small Cap Growth Fund
-Dreyfus/The Boston Company Small Cap Value Fund

FORM N-CSR

Item 1. Reports to Stockholders.

Dreyfus Diversified Emerging Markets Fund

SEMIANNUAL REPORT
March 31, 2016

BNY MELLON | Dreyfus

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The views expressed in this report reflect those of the portfolio manager only through the end of the period covered and do not necessarily represent the views of Dreyfus or any other person in the Dreyfus organization. Any such views are subject to change at any time based upon market or other conditions and Dreyfus disclaims any responsibility to update such views. These views may not be relied on as investment advice and, because investment decisions for a Dreyfus fund are based on numerous factors, may not be relied on as an indication of trading intent on behalf of any Dreyfus fund.

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

Contents

A LETTER FROM THE PRESIDENT

Dear Shareholder:

We are pleased to present this semiannual report for Dreyfus Diversified Emerging Markets Fund, covering the six-month period from October 1, 2015, through March 31, 2016. For information about how the fund performed during the reporting period, as well as general market perspectives, we provide a Discussion of Fund Performance on the pages that follow.

The reporting period was a time of varied and, at times, conflicting economic influences. On one hand, the U.S. economy continued to grow as domestic labor markets posted significant gains, housing markets recovered, and lower fuel prices put cash in consumers' pockets. Indeed, these factors, along with low inflation, prompted the Federal Reserve Board in December to raise short-term interest rates for the first time in nearly a decade.

On the other hand, the global economy continued to disappoint, particularly in China and other emerging markets, where reduced industrial demand and declining currency values sparked substantial declines in commodity prices. These developments proved especially challenging for financial markets in January and early February, but stocks and riskier sectors of the bond market later rallied strongly to post positive returns, on average, for the reporting period overall.

While we are encouraged that stabilizing commodity prices and continued strength in the U.S. economy recently have supported the financial markets, we expect market volatility to persist over the foreseeable future until global economic uncertainty abates. In addition, wide differences in underlying fundamental and technical influences across various asset classes, economic sectors, and regional markets suggest that selectivity may be an important determinant of investment success over the months ahead. We encourage you to discuss the implications of our observations with your financial advisor.

Thank you for your continued confidence and support.

Sincerely,

J. Charles Cardona
President
The Dreyfus Corporation
April 15, 2016

DISCUSSION OF FUND PERFORMANCE

For the period of October 1, 2015, through March 31, 2016, as provided by Elizabeth Slover, Michelle Y. Chan, CFA, Gaurav Patankar, William S. Cazalet, CAIA, Ronald P. Gala, CFA, and Peter D. Goslin, CFA, Portfolio Managers

Fund and Market Performance Overview

For the six-month period ended March 31, 2016, Dreyfus Diversified Emerging Markets Fund's Class A shares produced a total return of 4.88%, Class C shares returned 4.42%, Class I shares returned 5.02%, and Class Y shares returned 5.10%.[1] In comparison, the fund's benchmark, the Morgan Stanley Capital International Emerging Markets Index (the "MSCI EM Index"), produced a total return of 6.41% for the same period.[2]

Emerging equity markets produced moderate gains, on average, during the reporting period as stocks rallied from previous weakness. The fund lagged its benchmark, largely due to shortfalls posted by two of its four underlying strategies.

The Fund's Investment Approach

The fund seeks long-term capital growth. To pursue its goal, the fund invests at least 80% of its assets in equity securities (or other instruments with similar economic characteristics) of companies located, organized or with a majority of assets or business in countries considered to be emerging markets, including other investment companies that invest in such securities.

The fund uses a "manager of managers" approach by selecting one or more experienced investment managers to serve as subadvisers to the fund. The fund also uses a "fund of funds" approach by investing in one or more underlying funds. The fund currently allocates its assets among emerging market equity strategies employed by The Boston Company Asset Management, LLC (the TBCAM Strategy) and Mellon Capital Management Corporation (the Mellon Capital Strategy), each an affiliate of Dreyfus, and two affiliated underlying funds, Dreyfus Global Emerging Markets Fund (the Newton Fund), which is sub-advised by Newton Capital Management Limited, an affiliate of Dreyfus, and Dreyfus Strategic Beta Emerging Markets Equity Fund, which is sub-advised by Mellon Capital Management Corporations (the Mellon Capital Fund).

Markets Proved Volatile amid Global Uncertainty

The MSCI EM Index rebounded in October 2015 after the Chinese central bank announced lower short-term interest rates and other measures intended to stimulate economic activity. However, the strengthening U.S. dollar and falling commodity prices continued to weigh on emerging-market stocks from November 2015 through January 2016. In addition, natural resources exporters in Latin American economies struggled with low commodity prices, and Brazil saw recessionary conditions amid intensifying government and corporate scandals.

Emerging equity markets fared much better from February through the end of March. Investor sentiment improved in response to better-than-expected economic data, stabilizing oil prices, expectations of additional easing measures from major central banks, and comments from the Federal Reserve Board suggesting that U.S. interest rates would rise more gradually than previously feared.

Underlying Strategies Produced Mixed Results

Although the fund participated significantly in the emerging markets' moderate gains over the reporting period, its performance compared to the benchmark was constrained by lagging results from the TBCAM Strategy and the Mellon Capital Strategy. In contrast, the Newton Fund produced higher returns than the MSCI EM Index, and the Mellon Capital Fund produced returns that were roughly in line with the benchmark.

The style-agnostic TBCAM Strategy was hurt during the reporting period when growth-oriented stocks fell out of favor among increasingly risk-averse investors. The strategy especially struggled with overweighted exposure to Indian financial institutions and Taiwanese technology companies. Overweighted positions in Chinese health care and financial companies also hindered relative results. On the other hand, positive contributors included companies in Mexico, Korea, and Hungary.

The quantitative-driven Mellon Capital Strategy encountered disappointments in India, where unfavorable stock selections included a pharmaceutical developer and an infrastructure finance company. Stock selections in Taiwan also weighed on relative performance. The strategy achieved better results in China and Mexico.

Strong stock selections in China, such as Baidu, TAL Education and Alibaba, bolstered the Newton Fund's relative results, as did lack of exposure to Chinese financial stocks. In Hong Kong, Macau casino stocks gained value when authorities relaxed visa application requirements. An overweighted allocation to India was the fund's biggest drag on performance, and holdings in Brazil were hurt by political turmoil.

The Mellon Capital Fund's quantitative approach to identifying attractively valued stocks proved effective during the reporting period, enabling it to keep pace with the MSCI EM Index.

Seeing Improving Investor Sentiment

While the emerging markets have faced a number of challenges in recent years, we have seen signs that the asset class has turned the corner. Investor sentiment clearly improved during the closing weeks of the reporting period. Corporate earnings growth in some of the more economically sensitive industry groups—such as the financials, energy, and consumer cyclicals sectors—could signal a sustained upturn. Nonetheless, the strengths and weaknesses of individual companies vary considerably, and selectivity is likely to remain central to investment success.

In this environment, all of the fund's underlying strategies have continued to identify opportunities that meet their investment criteria.

April 15, 2016

Equity funds are subject generally to market, market sector, market liquidity, issuer, and investment style risks, among other factors, to varying degrees, all of which are more fully described in the fund's prospectus.

The fund's performance will be influenced by political, social, and economic factors affecting investments in foreign companies. These special risks include exposure to currency fluctuations, less liquidity, less developed or less efficient trading markets, lack of comprehensive company information, political instability, and differing auditing and legal standards. Investments in foreign currencies are subject to the risk that those currencies will decline in value relative to the U.S. dollar, or, in the case of hedged positions, that the U.S. dollar will decline relative to the currency being hedged.

Emerging markets tend to be more volatile than the markets of more mature economies and generally have less divers and less mature economic structures and less stable political systems than those of developed countries. The securities of companies located in emerging markets are often subject to rapid and large changes in price. An investment in this fund should be considered only as a supplement to a complete investment program for those investors willing to accept the greater risks associated with investing in emerging market countries.

The ability of the fund to achieve its investment goal depends, in part, on the ability of Dreyfus to allocate effectively the fund's assets among investment strategies, subadvisers, and underlying funds. There can be no assurance that the actual allocations will be effective in achieving the fund's investment goal or that an investment strategy, subadviser, or underlying fund will achieve its particular investment objective.

Each subadviser makes investment decisions independently, and it is possible that the investment styles of the subadvisers may not complement one another. As a result, the fund's exposure to a given stock, industry, sector, market capitalization, geographic area, or investment style could unintentionally be greater or smaller than it would have been if the fund had a single adviser or investment strategy.

The risks of investing in other investment companies, including ETFs, typically reflect the risks associated with the types of instruments in which the investment companies and ETFs invest. When the fund or an underlying fund invests in another investment company or ETF, shareholders of the fund will bear indirectly their proportionate share of the expenses of the other investment company or ETF (including management fees) in addition to the expenses of the fund. ETFs are exchange-traded investment companies that are, in many cases, designed to provide investment results corresponding to an index. The value of the underlying securities can fluctuate in response to activities of individual companies or in response to general market and/or economic conditions.

1 *Total return includes reinvestment of dividends and any capital gains paid, and does not take into consideration the maximum initial sales charge in the case of Class A shares, or the applicable contingent deferred sales charge imposed on redemptions in the case of Class C shares. Had these charges been reflected, returns would have been lower. Past performance is no guarantee of future results. Share price and investment return fluctuate such that upon redemption, fund shares may be worth more or less than their original cost. The fund's returns reflect the absorption of certain fund expenses by The Dreyfus Corporation pursuant to an agreement in effect through February 1, 2017, at which time it may be extended, terminated, or modified. Had these expenses not been absorbed, the fund's returns would have been lower.*

2 *SOURCE: LIPPER INC. – Reflects reinvestment of net dividends and, where applicable, capital gain distributions. The Morgan Stanley Capital International (MSCI) Emerging Markets Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity performance in global emerging markets. The index consists of select designated MSCI emerging market national indices. MSCI Indices reflect investable opportunities for global investors by taking into account local market restrictions on share ownership by foreigners. Investors cannot invest directly in any index.*

UNDERSTANDING YOUR FUND'S EXPENSES (Unaudited)

As a mutual fund investor, you pay ongoing expenses, such as management fees and other expenses. Using the information below, you can estimate how these expenses affect your investment and compare them with the expenses of other funds. You also may pay one-time transaction expenses, including sales charges (loads) and redemption fees, which are not shown in this section and would have resulted in higher total expenses. For more information, see your fund's prospectus or talk to your financial adviser.

Review your fund's expenses

The table below shows the expenses you would have paid on a $1,000 investment in Dreyfus Diversified Emerging Markets Fund from October 1, 2015 to March 31, 2016. It also shows how much a $1,000 investment would be worth at the close of the period, assuming actual returns and expenses.

Expenses and Value of a $1,000 Investment
assuming actual returns for the six months ended March 31, 2016

	Class A	Class C	Class I	Class Y
Expenses paid per $1,000†	$6.81	$10.94	$5.28	$4.87
Ending value (after expenses)	$1,048.80	$1,044.20	$1,050.20	$1,051.00

COMPARING YOUR FUND'S EXPENSES WITH THOSE OF OTHER FUNDS (Unaudited)

Using the SEC's method to compare expenses

The Securities and Exchange Commission (SEC) has established guidelines to help investors assess fund expenses. Per these guidelines, the table below shows your fund's expenses based on a $1,000 investment, assuming a hypothetical 5% annualized return. You can use this information to compare the ongoing expenses (but not transaction expenses or total cost) of investing in the fund with those of other funds. All mutual fund shareholder reports will provide this information to help you make this comparison. Please note that you cannot use this information to estimate your actual ending account balance and expenses paid during the period.

Expenses and Value of a $1,000 Investment
assuming a hypothetical 5% annualized return for the six months ended March 31, 2016

	Class A	Class C	Class I	Class Y
Expenses paid per $1,000†	$6.71	$10.78	5.20	$4.80
Ending value (after expenses)	$1,018.35	$1,014.30	$1,019.85	$1,020.25

† *Expenses are equal to the fund's annualized expense ratio of 1.33% for Class A, 2.14% for Class C, 1.03% for Class I and .95% for Class Y, multiplied by the average account value over the period, multiplied by 183/366 (to reflect the one-half year period).*

STATEMENT OF INVESTMENTS

March 31, 2016 (Unaudited)

Common Stocks - 53.7%	Shares	Value ($)
Brazil - 1.4%		
AMBEV	33,400	174,819
Banco do Brasil	14,800	81,375
BB Seguridade Participacoes	13,500	111,510
BM&FBovespa	124,200	531,252
BR Malls Participacoes	2,900	11,896
BRF	13,300	189,791
Cia de Saneamento Basico do Estado de Sao Paulo	38,000	253,428
Cosan Industria e Comercio	7,500	65,475
EDP - Energias do Brasil	44,300	155,238

Fibria Celulose	3,500	29,533
JBS	112,200	341,688
		1,946,005
Chile - .4%		
Cia Cervecerias Unidas	2,968	33,539
Corpbanca	23,068,519	210,953
Empresa Nacional de Telecomunicaciones	28,797	254,363
		498,855
China - 12.4%		
Agricultural Bank of China, Cl. H	551,000	198,172
Air China, Cl. H	284,000	201,724
Alibaba Group Holding, ADR	4,800[a]	379,344
ANTA Sports Products	204,000	449,164
Baidu, ADR	1,000[a]	190,880
Bank of China, Cl. H	656,000	272,299
Beijing Capital International Airport, Cl. H	662,000	706,602
China Communications Construction, Cl. H	60,000	71,700
China Construction Bank, Cl. H	2,094,000	1,336,191
China Galaxy Securities, Cl. H	337,500	328,479
China Life Insurance, Cl. H	30,000	74,020
China Longyuan Power Group, Cl. H	402,000	297,457
China Merchants Bank, Cl. H	12,000	25,215
China National Building Material, Cl. H	48,000	22,276
China Pacific Insurance Group, Cl. H	8,000	29,907
China Shenhua Energy, Cl. H	25,500	40,104
China Southern Airlines Company, Cl. H	352,000	221,890
China Vanke, Cl. H	11,700	28,687
Chongqing Changan Automobile, Cl. B	74,356	139,273

STATEMENT OF INVESTMENTS (Unaudited) (continued)

Common Stocks - 53.7% (continued)	Shares	Value ($)
China - 12.4% (continued)		
Chongqing Rural Commercial Bank, Cl. H	63,000	33,297
CNOOC	127,000	149,964
Country Garden Holdings	30,000	11,911
Ctrip.com International, ADR	12,783[a]	565,776
Dongfeng Motor Group, Cl. H	198,000	247,074
Evergrande Real Estate Group	44,000	33,976
Fosun International	111,500	158,683
GF Securities, Cl. H	124,200[a]	302,921
Haitong Securities, Cl. H	173,600	296,743
Huadian Power International, Cl. H	114,000	72,597
Huaneng Power International, Cl. H	370,000	331,015
Huatai Securities	159,200[a,b]	378,845
Industrial & Commercial Bank of China, Cl. H	1,948,000	1,089,846
JD.com, ADR	13,489[a]	357,458
Jiangsu Expressway, Cl. H	88,000	118,432
Lenovo Group	546,000	425,125
Longfor Properties	7,500	10,693
PICC Property & Casualty, Cl. H	364,000	667,248
Ping An Insurance Group Company of China, Cl. H	183,500	877,600
Shanghai Pharmaceuticals Holding, Cl. H	267,500	528,286
Sino-Ocean Land Holdings	23,500	11,118
Sinopec Shanghai Petrochemical, Cl. H	422,000[a]	213,792
Sinopharm Group, Cl. H	73,600	332,547
Sinotrans, Cl. H	903,000	394,615
Sunny Optical Technology Group	145,000	407,484
Tencent Holdings	165,100	3,371,234
Weichai Power, Cl. H	317,000	355,112
Zhejiang Expressway, Cl. H	70,000	75,077
		16,831,853
Czech Republic - .3%		
Komercni banka	1,515	**334,612**
Hong Kong - 2.2%		
China Everbright	108,000	226,655
China Mobile	115,500	1,287,163
China Overseas Land & Investment	30,000	94,942
China Resources Gas Group	82,000	234,139
China Resources Land	188,000	482,278
China Taiping Insurance Holdings	129,800[a]	285,122
COSCO Pacific	92,000	120,495

Common Stocks - 53.7% (continued)	Shares	Value ($)
Hong Kong - 2.2% (continued)		
Nine Dragons Paper Holdings	168,000	127,126
Shimao Property Holdings	10,500	15,539
Sino Biopharmaceutical	188,000	141,048
		3,014,507
Hungary - .7%		
OTP Bank	15,538	390,144
Richter Gedeon	30,313	604,310

		994,454
India - 5.6%		
Ambuja Cements	25,900	90,952
Bank of India	130,175	190,773
Bharat Petroleum	21,556	294,358
Bharti Infratel	50,590	291,787
Dr. Reddy's Laboratories	670	30,708
Engineers India	19,024	48,865
HCL Technologies	55,031	676,518
Hindustan Petroleum	55,176	656,346
ICICI Bank	72,797	260,144
Idea Cellular	104,302	173,568
Infosys	13,620	250,568
IRB Infrastructure Developers	115,141	404,595
ITC	77,626	384,775
Larsen & Toubro	7,214	132,542
LIC Housing Finance	44,308	329,956
Lupin	12,525	279,778
Mahindra & Mahindra	21,167	386,982
Max Financial Services	13,798	71,686
Max India	15,314[c]	31,325
Max Ventures & Industries	3,063[c]	194
NTPC	49,229	95,786
Petronet	48,240	182,660
Power Finance	68,343	176,837
Power Grid Corporation of India	112,680	236,684
Praj Industries	123,440	166,270
Prism Cement	46,270[a]	56,246
Redington India	114,278	197,848
Rural Electrification	63,111	158,391
State Bank of India	73,658	216,060
Tata Consultancy Services	4,275	162,698

STATEMENT OF INVESTMENTS (Unaudited) (continued)

Common Stocks - 53.7% (continued)	Shares	Value ($)
India - 5.6% (continued)		
Tata Motors	37,348[a]	218,034
UPL	98,314	709,194
Vedanta	22,650	30,731
		7,593,859
Indonesia - 1.3%		
Bank Mandiri	629,400	488,900
Bank Negara Indonesia	182,700	71,647
Bank Rakyat Indonesia	806,000	694,461
Telekomunikasi Indonesia	1,435,700	360,008
United Tractors	80,000	92,308
		1,707,324
Malaysia - .8%		
Astro Malaysia Holdings	96,800	74,185
British American Tobacco Malaysia	6,600	91,417
CIMB Group Holdings	39,600	49,227
DiGi.Com	107,800	136,494
Hap Seng Consolidated	30,700	59,252
Hong Leong Financial Group	6,100	24,266
Malayan Banking	132,800	307,024
Petronas Dagangan	10,400	64,242
Petronas Gas	20,000	112,777
Tenaga Nasional	44,000	157,211
		1,076,095
Mexico - 2.5%		
Alfa, Cl. A	274,500	552,427
America Movil, Ser. L	276,200	214,858
Arca Continental	110,400	766,346
Controladora Vuela Compania de Aviacion, ADR	21,010[a]	442,681
Fibra Uno Administracion	13,100	30,473
Gruma, Cl. B	20,140	319,391
Grupo Financiero Inbursa, Ser. O	76,000	152,113
Grupo Financiero Santander, Cl. B	133,800	242,630
OHL Mexico	85,400[a]	135,190
PLA Administradora Industrial	219,200[a]	407,515
Promotora y Operadora de Infraestructura	13,040	172,839
		3,436,463
Netherlands - .1%		
Steinhoff International Holdings NV	20,620	**135,267**

Common Stocks - 53.7% (continued)	Shares	Value ($)
Peru - .3%		
Credicorp	3,512	**460,107**
Philippines - 1.2%		
Ayala Land	656,600	502,664
Globe Telecom	2,295	110,650

Metropolitan Bank & Trust	236,590	423,647
Philippine Long Distance Telephone	6,495	279,294
SM Prime Holdings	46,300	22,072
Universal Robina	54,830	258,164
		1,596,491
Poland - .9%		
Orange Polska	59,799	108,020
Polski Koncern Naftowy ORLEN	14,609	289,345
Polskie Gornictwo Naftowe i Gazownictwo	140,586	200,450
Powszechna Kasa Oszczednosci Bank Polski	72,729[a]	541,881
Powszechny Zaklad Ubezpieczen	6,597	62,943
		1,202,639
Russia - 1.8%		
Gazprom, ADR	93,613	403,753
Lukoil, ADR	4,647	178,515
MMC Norilsk Nickel, ADR	4,790	61,839
MMC Norilsk Nickel, ADR	7,017	90,940
Rosneft, GDR	148,177	673,020
Sberbank of Russia, ADR	88,016	612,591
Severstal, GDR	5,488	58,063
Sistema, GDR	6,159	39,787
Surgutneftegas, ADR	12,760	74,391
Tatneft, ADR	6,590	209,826
Yandex, Cl. A	6,428[a]	98,477
		2,501,202
South Africa - 3.1%		
AngloGold Ashanti, ADR	18,831[a]	257,796
Barclays Africa Group	24,398	247,207
Barloworld	12,585	64,443
Bidvest Group	18,432	465,677
Clicks Group	52,810	347,613
FirstRand	76,643	251,103
Growthpoint Properties	17,287	28,769
Imperial Holdings	12,907	131,485
Liberty Holdings	14,355	140,567

STATEMENT OF INVESTMENTS (Unaudited) (continued)

Common Stocks - 53.7% (continued)	Shares	Value ($)
South Africa - 3.1% (continued)		
Mediclinic International	23,760[a]	305,387
Mondi	4,517	86,863
MTN Group	81,713	748,292
Redefine Properties	20,861	16,928
Resilient REIT	2,384	21,887
Sappi	75,900[a]	336,065
SPAR Group	7,004	94,407
Telkom	30,573	119,217
Truworths International	35,787	238,083
Woolworths Holdings	60,421	366,977
		4,268,766
South Korea - 7.4%		
BGF Retail	1,384	198,475
BNK Financial Group	32,438	275,139
Coway	8,290	699,532
DGB Financial Group	6,011	46,780
E-Mart	3,095	474,967
Hanssem	441	86,187
Hanwha	1,900	58,980
Hyosung	2,473	311,396
Hyundai Development Co-Engineering & Construction	6,625	266,193
Industrial Bank of Korea	7,590	81,302
Kangwon Land	9,397	336,077
KB Financial Group	11,388	317,163
Korea Electric Power	9,883	520,249
Korea Investment Holdings	4,616	177,399
KT&G	4,022	386,866
LG Chem	1,685	482,544
LG Display	12,322	286,608
LG Household & Health Care	607	501,587
Lotte Chemical	3,634	1,085,179
Lotte Shopping	1,424	312,543
Mirae Asset Securities	13,735	280,441
NCSoft	463	102,632
Samsung Electronics	1,041	1,194,292
Samsung Fire & Marine Insurance	2,592	668,625
Samsung Life Insurance	2,546	261,591
Shinsegae	472	83,785
SK Holdings	519	101,204

Common Stocks - 53.7% (continued)	Shares	Value ($)
South Korea - 7.4% (continued)		

SK Hynix	15,833	389,733
SK Innovation	488	73,396
		10,060,865
Taiwan - 6.1%		
Advanced Semiconductor Engineering	465,000	541,084
Catcher Technology	18,000	147,651
Cathay Financial Holding	337,000	403,659
Chailease Holding	53,688	93,584
China Life Insurance	366,000	281,460
Chunghwa Telecom	58,000	197,334
Compal Electronics	97,000	60,881
CTBC Financial Holding	123,873	65,431
E.Sun Financial Holding	298,298	166,833
Hon Hai Precision Industry	235,228	619,790
Inventec	434,000	275,093
Largan Precision	2,000	155,046
Mega Financial Holding	633,000	450,401
Nan Ya Plastics	131,000	275,155
Novatek Microelectronics	20,000	80,475
Pegatron	73,000	170,342
Phison Electronics	11,000	89,548
Pou Chen	211,000	268,798
Powertech Technology	18,000	40,828
Ruentex Industries	15,000	24,702
Taiwan Semiconductor Manufacturing	700,000	3,523,490
United Microelectronics	201,000	83,063
Zhen Ding Technology Holding	127,000	284,116
		8,298,764
Thailand - 1.6%		
Glow Energy	29,700	77,669
PTT	42,400	337,464
PTT Exploration & Production	180,800	361,035
PTT Global Chemical, NVDR	95,000	163,374
PTT, NVDR	12,500	99,488
Siam Cement	6,250	83,144
Siam Cement, NVDR	3,450	45,699
Thai Beverage	759,900	403,108
Thai Oil	243,100	478,530

STATEMENT OF INVESTMENTS (Unaudited) (continued)

Common Stocks - 53.7% (continued)	Shares	Value ($)
Thailand - 1.6% (continued)		
Thai Union Group, NVDR	314,100	186,603
		2,236,114
Turkey - 1.5%		
Arcelik	22,630	153,876
Emlak Konut Gayrimenkul Yatirim Ortakligi	285,375	290,662
Eregli Demir ve Celik Fabrikalari	189,952	285,825
KOC Holding	6,330	32,146
TAV Havalimananlari Holdings	34,869	208,016
Tupras Turkiye Petrol Rafinerileri	13,067[a]	367,970
Turk Hava Yollari	98,343[a]	271,876
Turkiye Halk Bankasi	79,356	294,860
Turkiye Is Bankasi, Cl. C	107,276	177,410
		2,082,641
United Arab Emirates - .6%		
Abu Dhabi Commercial Bank	74,771	136,391
Dubai Islamic Bank	99,747	161,040
Emaar Properties	279,811	458,607
		756,038
United States - 1.5%		
iShares MSCI Emerging Markets ETF	60,163	**2,060,583**
Total Common Stocks (cost $71,930,670)		**73,093,504**

Preferred Stocks - 1.6%	Shares	Value ($)
Brazil - 1.5%		
Banco Bradesco	31,920	240,311
Banco do Estado do Rio Grande do Sul, Cl. B	221,600	493,040
Cia Energetica de Minas Gerais	152,100	342,216
Cia Energetica de Sao Paulo, Cl. B	23,400	103,215
Cia Paranaense de Energia, Cl. B	11,100	88,444
Itau Unibanco Holding	8,090	70,221
Suzano Papel e Celulose, Cl. A	95,500	336,248
Telefonica Brasil	26,100	328,387
		2,002,082
Chile - .1%		
Sociedad Quimica y Minera de Chile, Cl. B	3,587	**74,053**
Colombia - .0%		
Grupo Aval Acciones y Valores	130,123	**50,739**
South Korea - .0%		
Samsung Electronics	69	**66,792**
Total Preferred Stocks (cost $2,354,813)		**2,193,666**

Registered Investment Companies - 44.2%	Shares	Value ($)
United States - 44.2%		
Dreyfus Global Emerging Markets Fund, Cl. Y	3,764,192[d]	49,009,778
Dreyfus Strategic Beta Emerging Markets Fund, Cl. Y	1,100,703[e]	11,216,166
(cost $59,495,538)		**60,225,944**
Total Investments (cost $133,781,021)	**99.5%**	**135,513,114**
Cash and Receivables (Net)	**.5%**	**732,032**
Net Assets	**100.0%**	**136,245,146**

ADR—American Depository Receipt

ETF—Exchange-Traded Fund

GDR—Global Depository Receipt

NVDR—Non-Voting Depository Receipt

REIT—Real Estate Investment Trust

[a] *Non-income producing security.*

[b] *Security exempt from registration pursuant to Rule 144A under the Securities Act of 1933. This security may be resold in transactions exempt from registration, normally to qualified institutional buyers. At March 31, 2016, this security was valued at $378,845 or .28% of net assets.*

[c] *The valuation of this security has been determined in good faith by management under the direction of the Board of Trustees. At March 31, 2016, the value of these securities amounted to $31,519 or 0.0% of net assets.*

[d] *The fund's investment in the Dreyfus Global Emerging Markets Fund, Cl. Y represents 36.0% of the fund's total investments. The Dreyfus Global Emerging Markets Fund, Cl. Y seeks to provide long-term capital appreciation.*

[e] *The fund's investment in the Dreyfus Strategic Beta Emerging Markets Fund, Cl. Y represents 8.2% of the fund's total investments. Dreyfus Strategic Beta Emerging Markets Fund, Cl. Y seeks to provide long-term capital appreciation.*

Portfolio Summary (Unaudited) †	Value (%)
Mutual Fund: Foreign	44.2
Financials	16.1
Information Technology	11.2
Industrials	4.5
Energy	3.9
Consumer Staples	3.8
Materials	3.8
Telecommunications	3.4
Consumer Discretionary	3.2
Utilities	2.3
Health Care	1.6
Exchange-Traded Funds	1.5
	99.5

† *Based on net assets.*

See notes to financial statements.

STATEMENT OF ASSETS AND LIABILITIES
March 31, 2016 (Unaudited)

	Cost	Value
Assets ($):		
Investments in securities—See Statement of Investments:		
Unaffiliated issuers	74,285,483	75,287,170
Affiliated issuers	59,495,538	60,225,944
Cash		205,754
Cash denominated in foreign currency	349,499	354,892
Dividends receivable		265,292
Receivable for investment securities sold		247,318
Receivable for shares of Beneficial Interest subscribed		142,194
Prepaid expenses		41,710
		136,770,274
Liabilities ($):		
Due to The Dreyfus Corporation and affiliates—Note 3(c)		181,498
Payable for investment securities purchased		161,197
Payable for shares of Beneficial Interest redeemed		150,153

Interest payable—Note 2	1,199
Accrued expenses	31,081
	525,128
Net Assets ($)	**136,245,146**
Composition of Net Assets ($):	
Paid-in capital	162,907,047
Accumulated investment (loss)—net	(145,945)
Accumulated net realized gain (loss) on investments	(28,258,632)
Accumulated net unrealized appreciation (depreciation) on investments and foreign currency transactions	1,742,676
Net Assets ($)	**136,245,146**

Net Asset Value Per Share	Class A	Class C	Class I	Class Y
Net Assets ($)	1,160,297	303,195	929,482	133,852,172
Shares Outstanding	64,539	17,597	51,902	7,466,780
Net Asset Value Per Share ($)	**17.98**	**17.23**	**17.91**	**17.93**

See notes to financial statements.

STATEMENT OF OPERATIONS
Six Months Ended March 31, 2016 (Unaudited)

Investment Income ($):	
Income:	
Cash dividends (net of $92,805 foreign taxes withheld at source):	
Unaffiliated issuers	602,852
Affiliated issuers	135,958
Total Income	**738,810**
Expenses:	
Investment advisory fee—Note 3(a)	476,999
Custodian fees—Note 3(c)	125,332
Administration fee—Note 3(a)	43,268
Professional fees	34,930
Registration fees	30,690
Trustees' fees and expenses—Note 3(d)	4,791
Shareholder servicing costs—Note 3(c)	4,111
Prospectus and shareholders' reports	3,134
Interest expense—Note 2	1,913
Loan commitment fees—Note 2	1,353
Distribution fees—Note 3(b)	1,098
Miscellaneous	28,985
Total Expenses	**756,604**
Less—reduction in fees due to earnings credits—Note 3(c)	(18)
Net Expenses	**756,586**
Investment (Loss)—Net	**(17,776)**
Realized and Unrealized Gain (Loss) on Investments—Note 4 ($):	
Net realized gain (loss) on investments and foreign currency transactions:	
Unaffiliated issuers	(13,396,494)
Affiliated issuers	(2,896,345)
Net realized gain (loss) on forward foreign currency exchange contracts	(9,169)
Net Realized Gain (Loss)	**(16,302,008)**
Net unrealized appreciation (depreciation) on investments and foreign currency transactions:	
Unaffiliated issuers	14,945,546
Affiliated issuers	7,995,973
Net unrealized appreciation (depreciation) on forward foreign currency exchange contracts	(641)
Net Unrealized Appreciation (Depreciation)	**22,940,878**

Net Unrealized Appreciation (Depreciation)	**22,940,878**
Net Realized and Unrealized Gain (Loss) on Investments	**6,638,870**
Net Increase in Net Assets Resulting from Operations	**6,621,094**

See notes to financial statements.

STATEMENT OF CHANGES IN NET ASSETS

	Six Months Ended March 31, 2016 (Unaudited)	Year Ended September 30, 2015
Operations ($):		
Investment income (loss)—net	(17,776)	1,669,183
Net realized gain (loss) on investments	(16,302,008)	(11,004,182)
Net unrealized appreciation (depreciation) on investments	22,940,878	(29,734,823)
Net Increase (Decrease) in Net Assets Resulting from Operations	**6,621,094**	**(39,069,822)**
Dividends to Shareholders from ($):		
Investment income—net:		
Class A	(5,152)	(1,232)
Class I	(5,449)	(16,426)
Class Y	(1,057,347)	(1,538,438)
Net realized gain on investments:		
Class A	-	(1,947)
Class C	-	(673)
Class I	-	(18,839)
Class Y	-	(1,764,369)
Total Dividends	**(1,067,948)**	**(3,341,924)**
Beneficial Interest Transactions ($):		
Net proceeds from shares sold:		
Class A	102,043	1,342,600
Class C	13,636	296,721
Class I	499,999	4,261,358
Class Y	47,847,581	110,725,943
Dividends reinvested:		
Class A	5,152	3,179
Class C	-	673
Class I	4,990	27,489
Class Y	170,335	1,232,674
Cost of shares redeemed:		
Class A	(145,586)	(183,344)
Class C	(14,651)	(10,139)
Class I	(2,557,685)	(1,781,281)
Class Y	(103,177,007)	(74,465,022)
Increase (Decrease) in Net Assets from Beneficial Interest Transactions	**(57,251,193)**	**41,450,851**
Total Increase (Decrease) in Net Assets	**(51,698,047)**	**(960,895)**
Net Assets ($):		
Beginning of Period	187,943,193	188,904,088
End of Period	**136,245,146**	**187,943,193**
Undistributed investment income (loss)—net	(145,945)	939,779

	Six Months Ended March 31, 2016 (Unaudited)	Year Ended September 30, 2015
Capital Share Transactions (Shares):		
Class A		
Shares sold	5,882	66,158
Shares issued for dividends reinvested	296	157
Shares redeemed	(8,586)	(9,169)
Net Increase (Decrease) in Shares	**(2,408)**	**57,146**

Outstanding	**(2,408)**	**37,146**
Class C		
Shares sold	885	14,765
Shares issued for dividends reinvested	-	35
Shares redeemed	(951)	(492)
Net Increase (Decrease) in Shares Outstanding	**(66)**	**14,308**
Class I[a]		
Shares sold	28,881	218,705
Shares issued for dividends reinvested	289	1,371
Shares redeemed	(142,777)	(89,902)
Net Increase (Decrease) in Shares Outstanding	**(113,607)**	**130,174**
Class Y[a]		
Shares sold	2,758,708	5,632,680
Shares issued for dividends reinvested	9,840	61,388
Shares redeemed	(5,990,536)	(3,865,948)
Net Increase (Decrease) in Shares Outstanding	**(3,221,988)**	**1,828,120**

a *During the period ended March 31, 2016, 31,976 Class I shares representing $564,495 were exchanged for 31,934 Class Y shares.*

See notes to financial statements.

FINANCIAL HIGHLIGHTS

The following tables describe the performance for each share class for the fiscal periods indicated. All information (except portfolio turnover rate) reflects financial results for a single fund share. Total return shows how much your investment in the fund would have increased (or decreased) during each period, assuming you had reinvested all dividends and distributions. These figures have been derived from the fund's financial statements.

Class A Shares	Six Months Ended March 31, 2016 (Unaudited)	Year Ended September 30, 2015	2014	2013	2012	2011
Per Share Data ($):						
Net asset value, beginning of period	17.23	21.34	20.58	19.78	21.86	26.99
Investment Operations:						
Investment income (loss)—net[a]	(.03)	.09	.05	.23	.07	.09
Net realized and unrealized gain (loss) on investments	.84	(3.88)	.98	.57	2.15	(5.14)
Total from Investment Operations	.81	(3.79)	1.03	.80	2.22	(5.05)
Distributions:						
Dividends from investment income—net	(.08)	(.13)	(.28)	–	(.08)	(.08)
Dividends from net realized gain on investments	—	(.20)	—	—	(4.22)	—
Total Distributions	(.08)	(.33)	(.28)	—	(4.30)	(.08)
Proceeds from redemption fees[b]	.02	.01	.01	—	—	—
Net asset value, end of period	17.98	17.23	21.34	20.58	19.78	21.86
Total Return (%)[c]	4.88[d]	(18.00)	5.14	3.99	12.48	(18.77)
Ratios/Supplemental Data (%):						
Ratio of total expenses to average net assets	1.33[e,f]	1.42[f]	4.80[f]	6.20	5.55	3.66
Ratio of net expenses to average net assets	1.33[e,f]	1.42[f]	1.60[f]	1.60	2.25	2.25
Ratio of net investment income (loss) to average net assets	(.36)[e,f]	.47[f]	.22[f]	1.10	.36	.30
Portfolio Turnover Rate	29.24[d]	78.32	128.76	67.74	70.79	75.59
Net Assets, end of period ($ x 1,000)	1,160	1,153	209	130	107	158

a *Based on average shares outstanding.*

b *See Note 3(e).*

c *Exclusive of sales charge.*

d *Not annualized.*

e *Annualized.*

f *Amount does not include the expenses of the underlying funds.*

See notes to financial statements.

Class C Shares	Six Months Ended March 31, 2016 (Unaudited)	Year Ended September 30, 2015	2014	2013	2012	2011
Per Share Data ($):						
Net asset value, beginning of period	16.50	20.44	19.60	18.98	21.23	26.36
Investment Operations:						
Investment income (loss)—net[a]	(.10)	.04	(.16)	.04	(.14)	(.16)
Net realized and unrealized gain (loss) on investments	.81	(3.79)	.99	.58	2.14	(4.97)
Total from Investment Operations	.71	(3.75)	.83	.62	2.00	(5.13)
Distributions:						
Dividends from investment income—net	—	—	—	—	(.03)	—
Dividends from net realized gain on investments	—	(.20)	—	—	(4.22)	—
Total Distributions	—	(.20)	—	—	(4.25)	—
Proceeds from redemption fees[b]	.02	.01	.01	—	—	—
Net asset value, end of period	17.23	16.50	20.44	19.60	18.98	21.23
Total Return (%)[c]	4.42[d]	(18.44)	4.34	3.21	11.63	(19.43)
Ratios/Supplemental Data (%):						
Ratio of total expenses to average net assets	2.14[e,f]	2.08[f]	6.10[f]	6.62	5.79	3.92
Ratio of net expenses to average net assets	2.14[e,f]	2.08[f]	2.35[f]	2.35	3.00	3.00
Ratio of net investment income (loss) to average net assets	(1.16)[e,f]	.22[f]	(.77)[f]	.22	(.69)	(.58)
Portfolio Turnover Rate	29.24[d]	78.32	128.76	67.74	70.79	75.59
Net Assets, end of period ($ x 1,000)	303	291	69	76	91	157

a *Based on average shares outstanding.*

b *See Note 3(e).*

c *Exclusive of sales charge.*

d *Not annualized.*

e *Annualized.*

f *Amount does not include the expenses of the underlying funds.*

See notes to financial statements.

FINANCIAL HIGHLIGHTS (continued)

Class I Shares	Six Months Ended March 31, 2016 (Unaudited)	Year Ended September 30, 2015	2014	2013	2012	2011
Per Share Data ($):						
Net asset value, beginning of period	17.16	21.16	20.45	19.60	21.82	26.79
Investment Operations:						
Investment income (loss)—net[a]	(.02)	.16	(.30)	.26	.24	.25
Net realized and unrealized gain (loss) on investments	.85	(3.79)	1.34	.59	2.10	(5.11)
Total from Investment Operations	.83	(3.63)	1.04	.85	2.34	(4.86)
Distributions:						
Dividends from investment income—net	(.10)	(.18)	(.34)	—	(.34)	(.11)
Dividends from net realized gain on investments	—	(.20)	—	—	(4.22)	—
Total Distributions	(.10)	(.38)	(.34)	—	(4.56)	(.11)
Proceeds from redemption fees[b]	.02	.01	.01	—	—	—
Net asset value, end of period	17.91	17.16	21.16	20.45	19.60	21.82
Total Return (%)	5.02[c]	(17.44)	5.32	4.23	13.36	(18.27)
Ratios/Supplemental Data (%):						
Ratio of total expenses to average net assets	1.03[d,e]	.99[e]	3.57[e]	5.39	4.66	2.83
Ratio of net expenses to average net assets	1.03[d,e]	.99[e]	1.35[e]	1.35	1.50	1.50
Ratio of net investment income (loss) to average net assets	(.28)[d,e]	.83[e]	(.63)[e]	1.27	1.19	.90
Portfolio Turnover Rate	29.24[c]	78.32	128.76	67.74	70.79	75.59
Net Assets, end of period ($ x 1,000)	929	2,840	748	3,359	4,291	8,090

a *Based on average shares outstanding.*

b *See Note 3(e).*

c *Not annualized.*

d *Annualized.*

e *Amount does not include the expenses of the underlying funds.*

See notes to financial statements.

Class Y Shares	Six Months Ended March 31, 2016 (Unaudited)	Year Ended September 30, 2015	2014[a]
Per Share Data ($):			
Net asset value, beginning of period	17.18	21.20	19.03
Investment Operations:			
Investment income—net[b]	.00[c]	.17	.14
Net realized and unrealized gain (loss) on investments	.85	(3.82)	2.02
Total from Investment Operations	.85	(3.65)	2.16
Distributions:			
Dividends from investment income—net	(.12)	(.18)	—
Dividends from net realized gain on investments	—	(.20)	—
Total Distributions	(.12)	(.38)	—
Proceeds from redemption fees[d]	.02	.01	.01
Net asset value, end of period	17.93	17.18	21.20
Total Return (%)	5.10[e]	(17.44)	11.40[e]
Ratios/Supplemental Data (%):			
Ratio of total expenses to average net assets[f]	.95[g]	.93	1.29[g]
Ratio of net expenses to average net assets[f]	.95[g]	.93	1.29[g]
Ratio of net investment income (loss) to average net assets[f]	(.02)[g]	.84	1.03[g]
Portfolio Turnover Rate	29.24[e]	78.32	128.76
Net Assets, end of period ($ x 1,000)	133,852	183,659	187,879

a *From the close of business on January 31, 2014 (commencement of initial offering) to September 30, 2014.*

b *Based on average shares outstanding.*

c *Amount represents less than $.01 per share*

d *See Note 3(e).*

e *Not annualized.*

f *Amount does not include the expenses of the underlying funds.*

g *Annualized.*

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS (Unaudited)

NOTE 1—Significant Accounting Policies:

Dreyfus Diversified Emerging Markets Fund (the "fund") is a separate diversified series of Dreyfus Investment Funds (the "Trust"), which is registered under the Investment Company Act of 1940, as amended (the "Act"), as an open-end management investment company and operates as a series company currently offering seven series, including the fund. The fund's investment objective is to seek long-term growth of capital. The Dreyfus Corporation (the "Manager" or "Dreyfus"), a wholly-owned subsidiary of The Bank of New York Mellon Corporation ("BNY Mellon"), serves as the fund's investment adviser. Mellon Capital Management Corporation ("Mellon Capital") and The Boston Company Asset Management, LLC ("TBCAM"), each a wholly-owned subsidiary of BNY Mellon and an affiliate of Dreyfus, serve as the fund's sub-investment advisers.

MBSC Securities Corporation (the "Distributor"), a wholly-owned subsidiary of Dreyfus, is the distributor of the fund's shares. The fund is authorized to issue an unlimited number of $.001 par value shares of Beneficial Interest in each of the following classes of shares: Class A, Class C, Class I and Class Y. Class A and Class C shares are sold primarily to retail investors through financial intermediaries and bear Distribution and/or Shareholder Services Plan fees. Class A shares generally are subject to a sales charge imposed at the time of purchase. Class C shares are subject to a contingent deferred sales charge ("CDSC") imposed on Class C shares redeemed within one year of purchase. Class I shares are sold primarily to bank trust departments and other financial service providers (including The Bank of New York Mellon, a subsidiary of BNY Mellon and an affiliate of Dreyfus, and its affiliates), acting on behalf of customers having a qualified trust or an investment account or relationship at such institution, and bear no Distribution or Shareholder Services Plan fees. Class Y shares are sold at net asset value per share generally to institutional investors, and bear no Distribution or Shareholder Services Plan fees. Class I and Class Y shares are offered without a front-end sales charge or CDSC. Other differences between the classes include the services offered to and the expenses borne by each class, the allocation of certain transfer agency costs, and certain voting rights. Income, expenses (other than expenses attributable to a specific class), and realized and unrealized gains or losses on investments are allocated to each class of shares based on its relative net assets.

The Trust accounts separately for the assets, liabilities and operations of each series. Expenses directly attributable to each series are charged to that series' operations; expenses which are applicable to all series are allocated among them on a pro rata basis.

The Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") is the exclusive reference of authoritative U.S. generally accepted accounting principles ("GAAP") recognized by the FASB to be applied by nongovernmental entities. Rules and interpretive releases of the Securities and Exchange Commission ("SEC") under authority of federal laws are also sources of authoritative GAAP for SEC registrants. The fund's financial statements are prepared in accordance with GAAP, which may require the use of management estimates and assumptions. Actual results could differ from those estimates.

(a) Portfolio valuation: The fair value of a financial instrument is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e., the exit price). GAAP establishes a fair value hierarchy that prioritizes the inputs of valuation techniques used to measure fair value. This hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

Additionally, GAAP provides guidance on determining whether the volume and activity in a market has decreased significantly and whether such a decrease in activity results in transactions that are not orderly. GAAP requires enhanced disclosures around valuation inputs and techniques used during annual and interim periods.

Various inputs are used in determining the value of the fund's investments relating to fair value measurements. These inputs are summarized in the three broad levels listed below:

Level 1—unadjusted quoted prices in active markets for identical investments.

Level 2—other significant observable inputs (including quoted prices for similar investments, interest rates, prepayment speeds, credit risk, etc.).

Level 3—significant unobservable inputs (including the fund's own assumptions in determining the fair value of investments).

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

Changes in valuation techniques may result in transfers in or out of an assigned level within the disclosure hierarchy. Valuation techniques used to value the fund's investments are as follows:

Investments in securities are valued at the last sales price on the securities exchange or national securities market on which such securities are primarily traded. Securities listed on the National Market System for which market quotations are available are valued at the official closing price or, if there is no official closing price that day, at the last sales price. For open short positions, asked prices are used for valuation purposes. Bid price is used when no asked price is available. Registered investment companies that are not traded on an exchange are valued at their net asset value. All of the preceding securities are generally categorized within Level 1 of the fair value hierarchy.

Securities not listed on an exchange or the national securities market, or securities for which there were no transactions, are valued at the average of the most recent bid and asked prices. These securities are generally categorized within Level 2 of the fair value hierarchy.

Fair valuing of securities may be determined with the assistance of a pricing service using calculations based on indices of domestic securities and other appropriate indicators, such as prices of relevant ADRs and financial futures. Utilizing these techniques may result in transfers between Level 1 and Level 2 of the fair value hierarchy.

When market quotations or official closing prices are not readily available, or are determined not to reflect accurately fair value, such as when the value of a security has been significantly affected by events after the close of the exchange or market on which the security is principally traded (for example, a foreign exchange or market), but before the fund calculates its net asset value, the fund may value these investments at fair value as determined in accordance with the procedures approved by the Trust's Board of Trustees (the "Board"). Certain factors may be considered when fair valuing investments such as: fundamental analytical data, the nature and duration of restrictions on disposition, an evaluation of the forces that influence the market in which the securities are purchased and sold, and public trading in similar securities of the issuer or comparable issuers. These securities are either categorized within Level 2 or 3 of the fair value hierarchy depending on the relevant inputs used.

For restricted securities where observable inputs are limited, assumptions about market activity and risk are used and are generally categorized within Level 3 of the fair value hierarchy.

Investments denominated in foreign currencies are translated to U.S. dollars at the prevailing rates of exchange.

Forward foreign currency exchange contracts ("forward contracts") are valued at the forward rate and are generally categorized within Level 2 of the fair value hierarchy.

The following is a summary of the inputs used as of March 31, 2016 in valuing the fund's investments:

	Level 1 - Unadjusted Quoted Prices	Level 2 - Other Significant Observable Inputs	Level 3 - Significant Unobservable Inputs	Total
Assets ($)				
Investments in Securities:				
Equity Securities - Foreign Common Stocks†	71,001,402	—	31,519	**71,032,921**
Equity Securities - Foreign Preferred Stocks†	2,193,666	—	—	**2,193,666**
Exchange-Traded Funds	2,060,583	—	—	**2,060,583**
Mutual Funds	60,225,944	—	—	**60,225,944**

† *See Statement of Investments for additional detailed categorizations.*

At September 30, 2015, $97,194,611 of exchange traded foreign equity securities were classified within Level 2 of the fair value hierarchy pursuant to the fund's fair valuation procedures.

The following is a reconciliation of Level 3 assets for which significant unobservable inputs were used to determine the fair value:

	Equity Securities - Foreign Common Stocks ($)
Balance as of 9/30/2015	743,037
Realized gain (loss)	—
Change in unrealized appreciation (depreciation)	(196,450)
Purchases/issuances	—
Sales/dispositions	—
Transfer into Level 3†	30,674
Transfer out of Level 3†	(545,742)
Balance as of 3/31/2016	31,519
The amount of total gains (losses) for the period included in earnings attributable to the change in unrealized gains (losses) relating to investments still held at 3/31/2016	845

† *Transfers into or out of Level 3 represent the value at the date of transfer. The transfer into Level 3 for the current period was due to the lack of observable inputs following the issuer's spinoff. The transfer out of Level 3 for the current period was due to the resumption of trading of a security.*

(b) Foreign currency transactions: The fund does not isolate that portion of the results of operations resulting from changes in foreign exchange rates on investments from the fluctuations arising from changes in the market prices of securities held. Such fluctuations are included with the net realized and unrealized gain or loss on investments.

Net realized foreign exchange gains or losses arise from sales of foreign currencies, currency gains or losses realized on securities transactions between trade and settlement date, and the difference between the amounts of dividends, interest and foreign withholding taxes recorded on the fund's books and the U.S. dollar equivalent of the amounts actually received or paid. Net unrealized foreign exchange gains and losses arise from changes in the value of assets and liabilities other than investments resulting from changes in exchange rates. Foreign currency gains and losses on foreign currency transactions are also included with net realized and unrealized gain or loss on investments.

(c) Securities transactions and investment income: Securities transactions are recorded on a trade date basis. Realized gains and losses from securities transactions are recorded on the identified cost basis. Dividend income is recognized on the ex-dividend date and interest income, including, where applicable, accretion of discount and amortization of premium on investments, is recognized on the accrual basis.

(d) Affiliated issuers: Investments in other investment companies advised by Dreyfus are defined as "affiliated" under the Act. Investments in affiliated investment companies during the period ended March 31, 2016 were as follows:

Affiliated Investment Company	Value 9/30/2015 ($)	Purchases ($)†	Sales ($)	Net Realized Gain (Loss) ($)
Dreyfus Global Emerging Markets Fund, Cl. Y	63,777,089	2,606,816	21,961,150	(2,706,931)
Dreyfus Strategic Beta Emerging Markets Fund, Cl. Y	15,406,187	787,662	5,490,288	(189,414)
Total	**79,183,276**	**3,394,478**	**27,451,438**	**(2,896,345)**

Affiliated Investment Company	Change in Net Unrealized Appreciation (Depreciation) ($)	Value 3/31/2016 ($)	Net Assets (%)	Dividends/ Distributions ($)

Dreyfus Global Emerging Markets Fund, Cl. Y	7,293,954	49,009,778	36.0	—
Dreyfus Strategic Beta Emerging Markets Fund, Cl. Y	702,019	11,216,166	8.2	135,958
Total	**7,995,973**	**60,225,944**	**44.2**	**135,958**

† *Includes reinvested dividends/distributions.*

(e) Risk: Investing in foreign markets may involve special risks and considerations not typically associated with investing in the U.S. These risks include revaluation of currencies, high rates of inflation, repatriation restrictions on income and capital, and adverse political and economic developments. Moreover, securities issued in these markets may be less liquid, subject to government ownership controls and delayed settlements, and their prices may be more volatile than those of comparable securities in the U.S.

(f) Dividends to shareholders: Dividends are recorded on the ex-dividend date. Dividends from investment income-net and dividends from net realized capital gains, if any, are normally declared and paid annually, but the fund may make distributions on a more frequent basis to comply with the distribution requirements of the Internal Revenue Code of 1986, as amended (the "Code"). To the extent that net realized capital gains can be offset by capital loss carryovers, it is the policy of the fund not to distribute such gains. Income and capital gain distributions are determined in accordance with income tax regulations, which may differ from GAAP.

(g) Federal income taxes: It is the policy of the fund to continue to qualify as a regulated investment company, if such qualification is in the best interests of its shareholders, by complying with the applicable provisions of the Code, and to make distributions of taxable income sufficient to relieve it from substantially all federal income and excise taxes.

As of and during the period ended March 31, 2016, the fund did not have any liabilities for any uncertain tax positions. The fund recognizes interest and penalties, if any, related to uncertain tax positions as income tax expense in the Statement of Operations. During the period ended March 31, 2016, the fund did not incur any interest or penalties.

Each tax year in the three-year period ended September 30, 2015 remains subject to examination by the Internal Revenue Service and state taxing authorities.

The tax character of distributions paid to shareholders during the fiscal year ended September 30, 2015 was as follows: ordinary income $3,181,778 and long-term capital gains $160,146. The tax character of current year distributions will be determined at the end of the current fiscal year.

NOTE 2—Bank Lines of Credit:

The fund participates with other Dreyfus-managed funds in a $555 million unsecured credit facility led by Citibank, N.A. and a $300 million unsecured credit facility provided by The Bank of New York Mellon (each, a "Facility"), each to be utilized primarily for temporary or emergency purposes, including the financing of redemptions. Prior to January 11, 2016, the unsecured credit facility with Citibank, N.A. was $480 million and prior to October 7, 2015, the unsecured credit facility with Citibank, N.A. was $430 million. In connection therewith, the fund has agreed to pay its pro rata portion of commitment fees for each Facility. Interest is charged to the fund based on rates determined pursuant to the terms of the respective Facility at the time of borrowing.

The average amount of borrowings outstanding under the Facilities during the period ended March 31, 2016 was approximately $288,500 with a related weighted average annualized interest rate of 1.33%.

NOTE 3—Investment Advisory Fee, Sub-Investment Advisory Fee, Administration Fee and Other Transactions with Affiliates:

(a) Pursuant to an investment advisory agreement with Dreyfus, the fund has agreed to pay an investment advisory fee at the annual rate of 1.10% of the value of the fund's average daily net assets other than assets allocated to investments in other investment companies (other underlying funds, which may consist of affiliated funds, mutual funds and exchange traded funds) and is payable monthly. Dreyfus has contractually agreed, from October 1, 2015 through February 1, 2017, to waive receipt of its fees and/or assume the direct expenses of the fund, so that the expenses of Class A, C, I and Y shares (excluding Rule 12b-1 Distribution Plan fees, Shareholder Services Plan fees, taxes, interest expense, brokerage

commissions, commitment fees on borrowings, acquired fund fees and expenses of the underlying fund and extraordinary expenses) do not exceed 1.35%, 1.35%, 1.35% and 1.30% of the value of the respective class' average daily net assets. During the period ended March 31, 2016, there was no reduction in expenses pursuant to the undertaking.

Pursuant to separate sub-investment advisory agreements between Dreyfus, TBCAM and Mellon Capital, each serves as the fund's sub-investment adviser responsible for the day-to-day management of a portion of the fund's portfolio. Dreyfus pays each sub-investment adviser a monthly fee at an annual percentage of the value of the fund's average daily net assets. Dreyfus has obtained an exemptive order from the SEC (the "Order"), upon which the fund may rely, to use a manager of managers approach that permits Dreyfus, subject to certain conditions and approval by the Board, to enter into and materially amend sub-investment advisory agreements with one or more sub-investment advisers who are either unaffiliated with Dreyfus or are wholly-owned subsidiaries (as defined under the Act) of Dreyfus' ultimate parent company, BNY Mellon, without obtaining shareholder approval. The Order also allows the fund to disclose the sub-investment advisory fee paid by Dreyfus to any unaffiliated sub-investment adviser in the aggregate with other unaffiliated sub-investment advisers in documents filed with the SEC and provided to shareholders. In addition, pursuant to the Order, it is not necessary to disclose the sub-investment advisory fee payable by Dreyfus separately to a sub-investment adviser that is a wholly-owned subsidiary of BNY Mellon in documents filed with the SEC and provided to shareholders; such fees are to be aggregated with fees payable to Dreyfus. Dreyfus has ultimate responsibility (subject to oversight by the Board) to supervise any sub-investment adviser and recommend the hiring, termination, and replacement of any sub-investment adviser to the Board.

The fund has a Fund Accounting and Administrative Services Agreement (the "Administration Agreement") with Dreyfus, whereby Dreyfus performs administrative, accounting and recordkeeping services for the fund. The fund has agreed to compensate Dreyfus for providing accounting and recordkeeping services, administration, compliance monitoring, regulatory and shareholder reporting, as well as related facilities, equipment and clerical help. The fee is based on the fund's average daily net assets and computed at the following annual rates: .10% of the first $500 million, .065% of the next $500 million and .02% in excess of $1 billion.

In addition, after applying any expense limitations or fee waivers that reduce the fees paid to Dreyfus for this service, Dreyfus has contractually

agreed in writing to waive any remaining fees for this service to the extent that they exceed both Dreyfus' costs in providing these services and a reasonable allocation of the costs incurred by Dreyfus and its affiliates related to the support and oversight of these services. The fund also reimburses Dreyfus for the out-of-pocket expenses incurred in performing this service for the fund. Pursuant to the Administration Agreement, the fund was charged $43,268 during the period ended March 31, 2016.

During the period ended March 31, 2016, the Distributor retained $5 from commissions earned on sales of the fund's Class A shares.

(b) Under the Distribution Plan adopted pursuant to Rule 12b-1 under the Act, Class C shares pay the Distributor for distributing its shares at an annual rate of .75% of the value of its average daily net assets. During the period ended March 31, 2016, Class C shares were charged $1,098 pursuant to the Distribution Plan.

(c) Under the Shareholder Services Plan, Class A and Class C shares pay the Distributor at an annual rate of .25% of the value of their average daily net assets for the provision of certain services. The services provided may include personal services relating to shareholder accounts, such as answering shareholder inquiries regarding the fund and providing reports and other information, and services related to the maintenance of shareholder accounts. The Distributor may make payments to Service Agents (securities dealers, financial institutions or other industry professionals) with respect to these services. The Distributor determines the amounts to be paid to Service Agents. During the period ended March 31, 2016, Class A and Class C shares were charged $1,427 and $366, respectively, pursuant to the Shareholder Services Plan.

Under its terms, the Distribution Plan and Shareholder Services Plan shall remain in effect from year to year, provided such continuance is approved annually by a vote of a majority of those Trustees who are not "interested persons" of the Trust and who have no direct or indirect financial interest in the operation of or in any agreement related to the Distribution Plan or Shareholder Services Plan.

The fund has arrangements with the transfer agent and the custodian whereby the fund may receive earnings credits when positive cash balances are maintained, which are used to offset transfer agency and custody fees. For financial reporting purposes, the fund includes net earnings credits as an expense offset in the Statement of Operations.

The fund compensates Dreyfus Transfer, Inc., a wholly-owned subsidiary of Dreyfus, under a transfer agency agreement for providing transfer agency and cash management services for the fund. The majority of

transfer agency fees are comprised of amounts paid on a per account basis, while cash management fees are related to fund subscriptions and redemptions. During the period ended March 31, 2016, the fund was charged $1,328 for transfer agency services and $56 for cash management services. These fees are included in Shareholder servicing costs in the Statement of Operations. Cash management fees were partially offset by earnings credits of $18.

The fund compensates The Bank of New York Mellon under a custody agreement for providing custodial services for the fund. These fees are determined based on net assets, geographic region and transaction activity. During the period ended March 31, 2016, the fund was charged $125,332 pursuant to the custody agreement.

During the period ended March 31, 2016, the fund was charged $5,294 for services performed by the Chief Compliance Officer and his staff.

The components of "Due to The Dreyfus Corporation and affiliates" in the Statement of Assets and Liabilities consist of: investment advisory fees $67,126, administration fees $1,550, Distribution Plan fees $185, Shareholder Services Plan fees $300, custodian fees $106,480, Chief Compliance Officer fees $5,294 and transfer agency fees $563.

(d) Each Board member also serves as a Board member of other funds within the Dreyfus complex. Annual retainer fees and attendance fees are allocated to each fund based on net assets.

(e) A 2% redemption fee is charged and retained by the fund on certain shares redeemed within sixty days following the date of issuance subject to certain exceptions, including redemptions made through use of the fund's exchange privilege. During the period ended March 31, 2016, redemption fees charged and retained by the fund amounted to $181,894.

NOTE 4—Securities Transactions:

The aggregate amount of purchases and sales of investment securities, excluding short-term securities and forward contracts, during the period ended March 31, 2016, amounted to $45,649,025 and $100,698,070, respectively.

Derivatives: A derivative is a financial instrument whose performance is derived from the performance of another asset. The fund enters into International Swaps and Derivatives Association, Inc. Master Agreements or similar agreements (collectively, "Master Agreements") with its over-the-counter ("OTC") derivative contract counterparties in order to, among other things, reduce its credit risk to counterparties. Master Agreements include provisions for general obligations, representations,

collateral and events of default or termination. Under a Master Agreement, the fund may offset with the counterparty certain derivative financial instrument's payables and/or receivables with collateral held and/or posted and create one single net payment in the event of default or termination.

Each type of derivative instrument that was held by the fund during the period ended March 31, 2016 is discussed below.

Forward Foreign Currency Exchange Contracts: The fund enters into forward contracts in order to hedge its exposure to changes in foreign currency exchange rates on its foreign portfolio holdings, to settle foreign currency transactions or as a part of its investment strategy. When executing forward contracts, the fund is obligated to buy or sell a foreign currency at a specified rate on a certain date in the future. With respect to sales of forward contracts, the fund incurs a loss if the value of the contract increases between the date the forward contract is opened and the date the forward contract is closed. The fund realizes a gain if the value of the contract decreases between those dates. With respect to purchases of forward contracts, the fund incurs a loss if the value of the contract decreases between the date the forward contract is opened and the date the forward contract is closed. The fund realizes a gain if the value of the contract increases between those dates. Any realized or unrealized gains or losses which occurred during the period are reflected in the Statement of Operations. The fund is exposed to foreign currency risk as a result of changes in value of underlying financial instruments. The fund is also exposed to credit risk associated with counterparty nonperformance on these forward contracts, which is generally limited to the unrealized gain on each open contract. This risk may be mitigated by Master Agreements, if any, between the fund and the counterparty and the posting of collateral, if any, by the counterparty to the fund to cover the fund's exposure to the counterparty. At March 31, 2016, there were no forward contracts outstanding.

The following summarizes the average market value of derivatives outstanding during the period ended March 31, 2016:

	Average Market Value ($)
Forward contracts	402,408

At March 31, 2016, accumulated net unrealized appreciation on investments was $1,732,093, consisting of $7,837,149 gross unrealized appreciation and $6,105,056 gross unrealized depreciation.

At March 31, 2016, the cost of investments for federal income tax purposes was substantially the same as the cost for financial reporting purposes (see the Statement of Investments).

INFORMATION ABOUT THE RENEWAL OF THE FUND'S INVESTMENT ADVISORY, ADMINISTRATION AND SUB-INVESTMENT ADVISORY AGREEMENTS (Unaudited)

At a meeting of the fund's Board of Trustees held on February 24-25, 2016, the Board considered the renewal of the fund's Investment Advisory Agreement and Administration Agreement, pursuant to which Dreyfus provides the fund with investment advisory services and administrative services (together, the "Management Agreement") and Dreyfus' separate Sub-Investment Advisory Agreements (the "Sub-Investment Advisory Agreements" and, collectively with the Management Agreement, the "Agreements") with each of The Boston Company Asset Management LLC ("TBCAM") and Mellon Capital Management Corporation ("Mellon Capital," and, together with TBCAM, the "Subadvisers") pursuant to which each Subadviser serves as a sub-investment adviser and provides day-to-day management of a portion of the fund's investments. The Board members, none of whom are "interested persons" (as defined in the Investment Company Act of 1940, as amended) of the fund, were assisted in their review by independent legal counsel and met with counsel in executive session separate from representatives of Dreyfus and the Subadvisers. In considering the renewal of the Agreements, the Board considered all factors that it believed to be relevant, including those discussed below. The Board did not identify any one factor as dispositive, and each Board member may have attributed different weights to the factors considered.

A representative of Dreyfus reminded the Board that the fund uses a "manager of managers" approach by selecting one or more experienced investment managers to serve as subadvisers to the fund. The fund also uses a "fund of funds" approach by investing in one or more underlying funds. The fund currently allocates its assets among emerging market equity strategies employed by TBCAM and Mellon Capital, each an affiliate of Dreyfus, and two affiliated underlying funds, Dreyfus Global Emerging Markets Fund (the "Newton Fund"), which is sub-advised by Newton Capital Management Limited, an affiliate of Dreyfus, and Dreyfus Strategic Beta Emerging Markets Fund, which is sub-advised by Mellon Capital.

Analysis of Nature, Extent, and Quality of Services Provided to the Fund. The Board considered information provided to them at the meeting and in previous presentations from Dreyfus representatives regarding the nature, extent, and quality of the services provided to funds in the Dreyfus fund complex. Dreyfus provided the number of open accounts in the fund, the fund's asset size and the allocation of fund assets among distribution channels. Dreyfus also had previously provided information regarding the diverse intermediary relationships and distribution channels of funds in the Dreyfus fund complex (such as retail direct or intermediary, in which intermediaries typically are paid by the fund and/or Dreyfus) and Dreyfus'

corresponding need for broad, deep, and diverse resources to be able to provide ongoing shareholder services to each intermediary or distribution channel, as applicable to the fund.

The Board also considered research support available to, and portfolio management capabilities of, the fund's portfolio management personnel and that Dreyfus also provides oversight of day-to-day fund operations, including fund accounting and administration and assistance in meeting legal and regulatory requirements. The Board also considered Dreyfus' extensive administrative, accounting, and compliance infrastructures, as well as Dreyfus' supervisory activities over the Subadvisers. The Board also considered portfolio management's brokerage policies and practices (including policies and practices regarding soft dollars) and the standards applied in seeking best execution.

Comparative Analysis of the Fund's Performance and Management Fee and Expense Ratio. The Board reviewed reports prepared by Broadridge Financial Solutions, Inc. ("Broadridge"), an independent provider of investment company data, which included information comparing (1) the fund's performance with the performance of a group of comparable funds (the "Performance Group") and with a broader group of funds (the "Performance Universe"), all for various periods ended December 31, 2015, and (2) the fund's actual and contractual management fees and total expenses with those of a group of comparable funds (the "Expense Group") and with a broader group of funds (the "Expense Universe"), the information for which was derived in part from fund financial statements available to Broadridge as of the date of its analysis. Dreyfus previously had furnished the Board with a description of the methodology Broadridge used to select the Performance Group and Performance Universe and the Expense Group and Expense Universe.

The Board was reminded that, prior to January 31, 2014, the fund did not use a "manager of managers" or "fund of funds" approach and the fund's investment strategies were different than the strategies currently in place. The Board noted that different investment strategies may lead to different performance results and that the fund's performance for periods prior to the Effective Date reflects the investment strategy in effect prior to that date.

Dreyfus representatives stated that the usefulness of performance comparisons may be affected by a number of factors, including different investment limitations that may be applicable to the fund and comparison funds. The Board discussed the results of the comparisons and noted that the fund's total return performance (Class A and/or Class I shares) was above the Performance Group and Performance Universe medians for the

various periods, except for the five-year period when the fund's performance was below the Performance Group median. Dreyfus also provided a comparison of the fund's calendar year total returns to the returns of the fund's benchmark index.

The Board also reviewed the range of actual and contractual management fees and total expenses of the Expense Group and Expense Universe funds and discussed the results of the comparisons. The Board noted that the fund's contractual management fee was above the Expense Group median and the fund's actual management fee and expense ratio were below the Expense Group and the Expense Universe medians. The Board was reminded that no investment advisory fee or administration fee are applied to the portion of the fund's average daily net assets allocated to affiliated and unaffiliated open-end and closed-end funds, including the Newton Fund and the Mellon Capital Fund.

Dreyfus representatives noted that Dreyfus has contractually agreed, until February 1, 2017, to waive receipt of its fees and/or assume the direct expenses of the fund so that the expenses of Class A, Class C, Class I and Class Y shares (excluding Rule 12b-1 fees, shareholder services fees, acquired fund fees and expenses incurred by underlying funds, taxes, interest, brokerage commissions, commitment fees on borrowings and extraordinary expenses) do not exceed 1.35%, 1.35%, 1.35% and 1.30%, respectively. Dreyfus representatives also noted that, in connection with the Administration Agreement and its related fees, Dreyfus has contractually agreed to waive its fees to the extent that such fees exceed Dreyfus' costs in providing the services contemplated under the Administration Agreement.

Dreyfus representatives reviewed with the Board the management or investment advisory fees (1) paid by funds advised or administered by Dreyfus that are in the same Broadridge category as the fund and (2) paid to Dreyfus or the Subadvisers or its affiliates for advising any separate accounts and/or other types of client portfolios that are considered to have similar investment strategies and policies as the fund (the "Similar Clients"), and explained the nature of the Similar Clients. They discussed differences in fees paid and the relationship of the fees paid in light of any differences in the services provided and other relevant factors. The Board considered the relevance of the fee information provided for the Similar Clients to evaluate the appropriateness and reasonableness of the fund's management fee.

The Board considered the fee to the Subadvisers in relation to the fee paid to Dreyfus by the fund and the respective services provided by the

Subadvisers and Dreyfus. The Board also noted each Subadviser's fee is paid by Dreyfus (out of its fee from the fund) and not the fund.

Analysis of Profitability and Economies of Scale. Dreyfus representatives reviewed the expenses allocated and profit received by Dreyfus and its affiliates and the resulting profitability percentage for managing the fund (which was zero) and the aggregate profitability percentage to Dreyfus and its affiliates for managing the funds in the Dreyfus fund complex, and the method used to determine the expenses and profit. The Board also had been provided with information prepared by an independent consulting firm regarding Dreyfus' approach to allocating costs to, and determining the profitability of, individual funds and the entire Dreyfus fund complex. The consulting firm also had analyzed where any economies of scale might emerge in connection with the management of a fund.

The Board considered on the advice of its counsel the profitability analysis (1) as part of its evaluation of whether the fees under the Agreements bear a reasonable relationship to the mix of services provided by Dreyfus and the Subadvisers, including the nature, extent and quality of such services, and (2) in light of the relevant circumstances for the fund and the extent to which economies of scale would be realized if the fund grows and whether fee levels reflect these economies of scale for the benefit of fund shareholders. Since Dreyfus, and not the fund, pays the Subadvisers pursuant to the Sub-Investment Advisory Agreements, the Board did not consider the Subadvisers' profitability to be relevant to its deliberations. Dreyfus representatives noted that a discussion of economies of scale is predicated on a fund having achieved a substantial size with increasing assets and that, if a fund's assets had been stable or decreasing, the possibility that Dreyfus may have realized any economies of scale would be less. Dreyfus representatives also noted that, as a result of shared and allocated costs among funds in the Dreyfus fund complex, the extent of economies of scale could depend substantially on the level of assets in the complex as a whole, so that increases and decreases in complex-wide assets can affect potential economies of scale in a manner that is disproportionate to, or even in the opposite direction from, changes in the fund's asset level. The Board also considered potential benefits to Dreyfus and the Subadvisers from acting as investment adviser and sub-investment advisers, respectively, and noted the soft dollar arrangements in effect for trading the fund's investments.

At the conclusion of these discussions, the Board agreed that it had been furnished with sufficient information to make an informed business decision with respect to the renewal of the Agreements. Based on the

discussions and considerations as described above, the Board concluded and determined as follows.

- The Board concluded that the nature, extent and quality of the services provided by Dreyfus and the Subadvisers are adequate and appropriate.
- The Board was satisfied with the fund's performance.
- The Board concluded that the fees paid to Dreyfus and the Subadvisers were reasonable in light of the considerations described above.
- The Board determined that the fee charged by Dreyfus under the Agreements was for services in addition to, and not duplicative of, services provided under the advisory contracts of the underlying funds in which the fund invests.
- The Board determined that the economies of scale which may accrue to Dreyfus and its affiliates in connection with the management of the fund had been adequately considered by Dreyfus in connection with the fee rate charged to the fund pursuant to the Agreements and that, to the extent in the future it were determined that material economies of scale had not been shared with the fund, the Board would seek to have those economies of scale shared with the fund.

In evaluating the Agreements, the Board considered these conclusions and determinations and also relied on its previous knowledge, gained through meetings and other interactions with Dreyfus and its affiliates and the Subadvisers, of the fund and the services provided to the fund by Dreyfus and the Subadvisers. The Board also relied on information received on a routine and regular basis throughout the year relating to the operations of the fund and the investment management and other services provided under the Agreements, including information on the investment performance of the fund in comparison to similar mutual funds and benchmark performance indices; general market outlook as applicable to the fund; and compliance reports. In addition, the Board's consideration of the contractual fee arrangements for this fund had the benefit of a number of years of reviews of prior or similar agreements during which lengthy discussions took place between the Board and Dreyfus representatives. Certain aspects of the arrangements may receive greater scrutiny in some years than in others, and the Board's conclusions may be based, in part, on their consideration of the same or similar arrangements in prior years. The Board determined to renew the Agreements.

NOTES

For More Information

Dreyfus Diversified Emerging Markets Fund

200 Park Avenue
New York, NY 10166

Manager

The Dreyfus Corporation
200 Park Avenue
New York, NY 10166

Sub-Investment Adviser

Mellon Capital Management Corporation
50 Fremont Street, Suite 3900
San Francisco, CA 94105

The Boston Company Asset Management, LLC
BNY Mellon Center One Boston Place
Boston, MA 02108

Custodian

The Bank of New York Mellon
225 Liberty Street
New York, NY 10286

Transfer Agent &
Dividend Disbursing Agent

Dreyfus Transfer, Inc.
200 Park Avenue
New York, NY 10166

Distributor

MBSC Securities Corporation
200 Park Avenue
New York, NY 10166

Ticker Symbols:	Class A: DBEAX	Class C: DBECX	Class I: SBCEX	Class Y: SBYEX

Telephone Call your financial representative or 1-800-DREYFUS

Mail The Dreyfus Family of Funds, 144 Glenn Curtiss Boulevard, Uniondale, NY 11556-0144

E-mail Send your request to info@dreyfus.com

Internet Information can be viewed online or downloaded at www.dreyfus.com

The fund files its complete schedule of portfolio holdings with the Securities and Exchange Commission ("SEC") for the first and third quarters of each fiscal year on Form N-Q. The fund's Forms N-Q are available on the SEC's website at www.sec.gov and may be reviewed and copied at the SEC's Public Reference Room in Washington, DC. (phone 1-800-SEC-0330 for information).

A description of the policies and procedures that the fund uses to determine how to vote proxies relating to portfolio securities and information regarding how the fund voted these proxies for the most recent 12-month period ended June 30 is available at www.dreyfus.com and on the SEC's website at www.sec.gov and without charge, upon request, by calling 1-800-DREYFUS.

6919SA0316

Dreyfus/Newton International Equity Fund

SEMIANNUAL REPORT
March 31, 2016

BNY MELLON | Dreyfus

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The views expressed in this report reflect those of the portfolio manager only through the end of the period covered and do not necessarily represent the views of Dreyfus or any other person in the Dreyfus organization. Any such views are subject to change at any time based upon market or other conditions and Dreyfus disclaims any responsibility to update such views. These views may not be relied on as investment advice and, because investment decisions for a Dreyfus fund are based on numerous factors, may not be relied on as an indication of trading intent on behalf of any Dreyfus fund.

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

Contents

A LETTER FROM THE PRESIDENT

Dear Shareholder:

We are pleased to present this semiannual report for Dreyfus/Newton International Equity Fund, covering the six-month period from October 1, 2015, through March 31, 2016. For information about how the fund performed during the reporting period, as well as general market perspectives, we provide a Discussion of Fund Performance on the pages that follow.

The reporting period was a time of varied and, at times, conflicting economic influences. On one hand, the U.S. economy continued to grow as domestic labor markets posted significant gains, housing markets recovered, and lower fuel prices put cash in consumers' pockets. Indeed, these factors, along with low inflation, prompted the Federal Reserve Board in December to raise short-term interest rates for the first time in nearly a decade.

On the other hand, the global economy continued to disappoint, particularly in China and other emerging markets, where reduced industrial demand and declining currency values sparked substantial declines in commodity prices. These developments proved especially challenging for financial markets in January and early February, but stocks and riskier sectors of the bond market later rallied strongly to post positive returns, on average, for the reporting period overall.

While we are encouraged that stabilizing commodity prices and continued strength in the U.S. economy recently have supported the financial markets, we expect market volatility to persist over the foreseeable future until global economic uncertainty abates. In addition, wide differences in underlying fundamental and technical influences across various asset classes, economic sectors, and regional markets suggest that selectivity may be an important determinant of investment success over the months ahead. We encourage you to discuss the implications of our observations with your financial advisor.

Thank you for your continued confidence and support.

Sincerely,

J. Charles Cardona
President
The Dreyfus Corporation
April 15, 2016

DISCUSSION OF FUND PERFORMANCE

For the period of October 1, 2015, through March 31, 2016, as provided by Paul Markham, Lead Portfolio Manager of Newton Capital Management Limited, Sub-Investment Adviser

Fund and Market Performance Overview

For the six-month period ended March 31, 2016, Dreyfus/Newton International Equity Fund's Class A shares produced a total return of 0.82%, Class C shares returned 0.50%, Class I shares returned 1.07%, and Class Y shares returned 1.03%.[1] In comparison, the fund's benchmark, the Morgan Stanley Capital International Europe, Australasia, Far East Index ("MSCI EAFE Index"), produced a total return of 1.56% for the same period.[2]

Developed equity markets generally produced mildly positive total returns during the reporting period amid global economic headwinds. The fund lagged its benchmark, largely due to shortfalls in the United Kingdom, Switzerland, and Australia.

The Fund's Investment Approach

The fund normally invests at least 80% of its assets in common stocks, securities convertible into common stocks of foreign companies, and in depositary receipts evidencing ownership in such securities. The process of selecting investments begins with Newton's core list of global investment themes. These themes, which are reviewed and updated regularly, are based on observable economic, industrial, or social trends (typically global) that Newton believes will positively or negatively affect certain sectors or industries.

As examples of themes followed during the period, for instance, Newton's Debt Burden theme asserts that excessive debt is weighing on economic activity, and that the way in which deleveraging occurs is critical to the outlook for economics and financial markets. In addition, Newton's Net Effects theme focuses upon the opportunities and risks inherent in the growth of information technology networks around the world.

Markets Proved Volatile amid Global Instability

The MSCI EAFE Index rebounded from earlier weakness in October 2015 when the Chinese central bank cut interest rates and expectations rose that Eurozone and Japanese central banks would further ease monetary policy. Nonetheless, market volatility persisted over the remainder of 2015 as investors awaited higher short-term interest rates in the United States.

The market decline accelerated in January and early February 2016 amid renewed concerns about the Chinese economy and plummeting commodity prices. Japanese investors were further blindsided by the surprise announcement that the Bank of Japan would join the European Central Bank in adopting negative interest rates as part of its stimulus program.

International equity markets fared much better from mid-February through the reporting period's end. Investor sentiment improved in response to stabilizing oil prices, expectations of additional easing measures from the ECB, and comments from the Federal Reserve Board suggesting that U.S. interest rates would rise more gradually than previously feared.

U.K. Holdings Weighed on Relative Performance

Although the fund participated in the overall market's modest gains during the reporting period, disappointing stock selections in the United Kingdom weighed on relative results. Among consumer discretionary companies, takeaway food delivery website Just Eat declined amid evidence that alternative platforms were gaining market share, and retailers Next and Dixons

Carphone were hurt by slowing sales. U.K. financial companies also demonstrated weakness, including fund holding Barclays. In Switzerland, drug developer Novartis lost value due to disappointing quarterly earnings and political rhetoric regarding U.S. drug pricing. In addition, underweighted exposure to Australian stocks prevented the fund from participating more fully in their gains. From an industry group perspective, underweighted exposure to banks bolstered relative results in the financials sector, but these benefits were more than offset by declines in fund holdings Credit Suisse Group, *Nomura Holdings*, and Commerzbank.

The fund achieved better results in Japan, where consumer staples stocks were key contributors. Japan Tobacco rebounded from earlier weakness in the wake of news that the company was raising its prices. Suntory Beverage & Food and pharmacy operator Sugi Holdings also fared well. The information technology sector represented the reporting period's top industry group over the reporting period. German semiconductor manufacturer Infineon Technologies increased its dividend and reported better-than-expected margins and earnings. Chinese search engine Baidu, Japanese IT staffing company TechnoPro Holdings, and German software developer SAP all performed strongly. In other areas, Dutch publisher Wolters Kluwer demonstrated strong organic growth, healthy operating profits, and higher-than-expected free cash flow, and Chinese sofa manufacturer Man Wah Holdings advanced as investors came to appreciate the company's consistent execution and promising growth outlook.

Maintaining a Cautious Investment Posture

The world's economies generally are still languishing, casting significant doubt on whether precedent-setting stimulus programs will achieve policymakers' desired outcomes. In light of this and other factors, we expect heightened market volatility, lower returns, and lower government bond yields in the months ahead.

Therefore, we have retained a bias towards higher quality, traditionally defensive investments, including companies with solid and repeatable cash flows, sensible capital allocation, robust balance sheets, and the capacity to pay out sustainable dividends. As of the reporting period's end, the fund held overweighted exposure to the consumer staples, consumer discretionary, and information technology sectors, but we have identified relatively few opportunities in the financials, industrials, energy, and materials sectors.

April 15, 2016

Please note, the position in any security highlighted with italicized typeface was sold during the reporting period.

Equity funds are subject generally to market, market sector, market liquidity, issuer, and investment style risks, among other factors, to varying degrees, all of which are more fully described in the fund's prospectus.

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. 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 fund will not correlate with the underlying instruments or the fund's other investments.

1 *Total return includes reinvestment of dividends and any capital gains paid, and does not take into consideration the maximum initial sales charge in the case of Class A shares, or the applicable contingent deferred sales charge imposed on redemptions in the case of Class C shares. Had these charges been reflected, returns would have been lower. Past performance is no guarantee of future results. Share price, yield, and investment return fluctuate such that upon redemption, fund shares may be worth more or less than their original cost.*

2 *SOURCE: LIPPER INC. — Reflects reinvestment of net dividends and, where applicable, capital gain distributions. The Morgan Stanley Capital International Europe, Australasia, Far East (MSCI EAFE) Index is an unmanaged index composed of a sample of companies representative of the market structure of European and Pacific Basin countries. The Index does not take into account fees and expenses to which the fund is subject. Investors cannot invest directly in any index.*

UNDERSTANDING YOUR FUND'S EXPENSES (Unaudited)

As a mutual fund investor, you pay ongoing expenses, such as management fees and other expenses. Using the information below, you can estimate how these expenses affect your investment and compare them with the expenses of other funds. You also may pay one-time transaction expenses, including sales charges (loads) and redemption fees, which are not shown in this section and would have resulted in higher total expenses. For more information, see your fund's prospectus or talk to your financial adviser.

Review your fund's expenses

The table below shows the expenses you would have paid on a $1,000 investment in Dreyfus/Newton International Equity Fund from October 1, 2015 to March 31, 2016. It also shows how much a $1,000 investment would be worth at the close of the period, assuming actual returns and expenses.

Expenses and Value of a $1,000 Investment
assuming actual returns for the six months ended March 31, 2016

	Class A	Class C	Class I	Class Y
Expenses paid per $1,000†	$ 6.13	$ 9.97	$ 4.62	$ 4.42
Ending value (after expenses)	$1,008.20	$1,005.00	$1,010.70	$1,010.30

COMPARING YOUR FUND'S EXPENSES WITH THOSE OF OTHER FUNDS (Unaudited)

Using the SEC's method to compare expenses

The Securities and Exchange Commission (SEC) has established guidelines to help investors assess fund expenses. Per these guidelines, the table below shows your fund's expenses based on a $1,000 investment, assuming a hypothetical 5% annualized return. You can use this information to compare the ongoing expenses (but not transaction expenses or total cost) of investing in the fund with those of other funds. All mutual fund shareholder reports will provide this information to help you make this comparison. Please note that you cannot use this information to estimate your actual ending account balance and expenses paid during the period.

Expenses and Value of a $1,000 Investment
assuming a hypothetical 5% annualized return for the six months ended March 31, 2016

	Class A	Class C	Class I	Class Y
Expenses paid per $1,000†	$ 6.16	$ 10.02	$ 4.65	$ 4.45
Ending value (after expenses)	$1,018.90	$1,015.05	$1,020.40	$1,020.60

† *Expenses are equal to the fund's annualized expense ratio of 1.22% for Class A, 1.99% for Class C, .92% for Class I and .88% for Class Y, multiplied by the average account value over the period, multiplied by 183/366 (to reflect the one-half year period).*

STATEMENT OF INVESTMENTS

March 31, 2016 (Unaudited)

Common Stocks - 95.9%	Shares	Value ($)
Australia - .7%		
Dexus Property Group	1,285,262	**7,822,606**
Belgium - 2.3%		
Anheuser-Busch InBev	202,958	**25,230,893**
China - 2.2%		
Baidu, ADR	60,029[a]	11,458,336
China Biologic Products	114,366[a]	13,092,620
		24,550,956
France - 2.5%		
Air Liquide	99,543	11,201,292
Vivendi	776,309	16,324,564
		27,525,856
Georgia - .6%		
TBC Bank, GDR	610,760	**6,412,980**
Germany - 13.0%		
Bayer	148,041	17,401,526
Commerzbank	166,024[a]	1,443,531
Hella KGaA Hueck & Co	268,387	11,389,826
Infineon Technologies	1,681,454	23,926,198
LEG Immobilien	446,272[a]	42,072,388
MTU Aero Engines Holding	114,909	11,021,358
SAP	224,477	18,161,280
Telefonica Deutschland Holding	3,618,790	19,604,988
		145,021,095
Hong Kong - 3.4%		
AIA Group	3,642,912	20,639,262
Man Wah Holdings	13,941,400	17,648,365
		38,287,627
India - 1.1%		
HDFC Bank, ADR	197,221	**12,154,730**
Ireland - 1.1%		
CRH	437,601	**12,356,355**
Italy - 2.5%		
Atlantia	995,932	**27,617,873**
Japan - 24.4%		
Don Quijote Holdings	740,000	25,708,828
FANUC	86,100	13,376,503
Japan Airlines	582,886	21,348,404

Common Stocks - 95.9% (continued)	Shares	Value ($)
Japan - 24.4% (continued)		
Japan Tobacco	853,600	35,571,407
LIXIL Group	364,500	7,432,827
M3	447,500	11,260,562
Recruit Holdings	527,971	16,114,269
Sawai Pharmaceutical	128,700	8,061,975
Skylark	1,465,500	19,349,887
SoftBank Group	246,600	11,757,569
Sugi Holdings	449,700	23,734,666
Suntory Beverage & Food	415,600	18,722,218
TechnoPro Holdings	547,200	16,239,264
Topcon	1,624,800	21,424,348
Toyota Motor	402,200	21,270,553
		271,373,280
Mexico - .9%		
Grupo Financiero Santander Mexico, Cl. B, ADR	1,138,418	**10,279,915**
Netherlands - 8.6%		
Intertrust	515,665[b]	11,500,818
RELX	1,117,828	19,518,520
Unilever	607,020	27,204,382
Wolters Kluwer	931,691	37,190,883
		95,414,603
Norway - .8%		
DNB	748,924	**8,856,178**
Philippines - .2%		
Energy Development	14,902,800	**1,903,105**
Portugal - 1.0%		
Galp Energia	853,309	**10,729,355**
Switzerland - 9.2%		
Actelion	92,129[a]	13,768,330
Credit Suisse Group	1,455,697[a]	20,604,270
Nestle	387,127	28,927,331
Novartis	323,525	23,451,399
Roche Holding	62,667	15,426,425
		102,177,755
United Kingdom - 21.4%		
Associated British Foods	411,019	19,769,951
Barclays	8,120,763	17,495,109
British American Tobacco	323,284	18,990,486
Centrica	6,186,551	20,232,064

STATEMENT OF INVESTMENTS (Unaudited) (continued)

Common Stocks - 95.9% (continued)	Shares	Value ($)
United Kingdom - 21.4% (continued)		
Diageo	658,373	17,791,181
Dixons Carphone	2,576,968	15,778,035
GlaxoSmithKline	423,378	8,586,013
Just Eat	2,535,655[a]	13,740,594
Merlin Entertainments	1,783,191[b]	11,870,695
Next	145,982	11,321,960
Prudential	1,070,364	20,000,338
Royal Dutch Shell, Cl. B	579,637	14,152,513
Vodafone Group	9,473,859	30,098,205
Wolseley	319,917	18,098,886
		237,926,030
Total Common Stocks (cost $979,938,940)		**1,065,641,192**
Other Investment - 3.8%	Shares	Value ($)
Registered Investment Company;		
Dreyfus Institutional Preferred Plus Money Market Fund (cost $41,699,353)	41,699,353[c]	**41,699,353**
Total Investments (cost $1,021,638,293)	**99.7%**	**1,107,340,545**
Cash and Receivables (Net)	**.3%**	**3,484,484**
Net Assets	**100.0%**	**1,110,825,029**

ADR—American Depository Receipt

GDR—Global Depository Receipt

[a] *Non-income producing security.*

[b] *Security exempt from registration pursuant to Rule 144A under the Securities Act of 1933. These securities may be resold in transactions exempt from registration, normally to qualified institutional buyers. At March 31, 2016, these securities were valued at $23,371,513 or 2.1% of net assets.*

[c] *Investment in affiliated money market mutual fund.*

Portfolio Summary (Unaudited) †	Value (%)
Consumer Staples	19.4