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FILER

DREYFUS GENERAL NEW YORK MUNICIPAL MONEY MARKET FUND

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March 15, 1994
GENERAL NEW YORK MUNICIPAL
MONEY MARKET FUND
SUPPLEMENT TO PROSPECTUS
DATED MARCH 15, 1994

The following information supplements and should be read in conjunction with the section of the Fund's Prospectus entitled "Management of the Fund."

The Fund's manager, The Dreyfus Corporation ("Dreyfus"), has entered into an Agreement and Plan of Merger (the "Merger Agreement") providing for the merger of Dreyfus with a subsidiary of Mellon Bank Corporation ("Mellon").

Following the merger, it is planned that Dreyfus will be a direct subsidiary of Mellon Bank, N.A. Closing of this merger is subject to a number of contingencies, including receipt of certain regulatory approvals and approvals of the stockholders of Dreyfus and of Mellon. The merger is expected to occur in mid-1994, but could occur significantly later.

As a result of regulatory requirements and the terms of the Merger Agreement, Dreyfus will seek various approvals from the Fund's board and shareholders before completion of the merger. Shareholder approval will be solicited by a proxy statement.

The following information supplements and should be read in conjunction with the section of the Fund's Prospectus entitled "Yield Information."

From time to time advertising materials for the Fund also may refer to Value Line Mutual Fund Survey company ratings and related analyses supporting the rating.

574/stkr021694

NOTE: * Omitted since answer is negative or inapplicable

PROSPECTUS MARCH 15, 1994
GENERAL NEW YORK MUNICIPAL MONEY MARKET FUND

GENERAL NEW YORK MUNICIPAL MONEY MARKET FUND (THE "FUND") IS AN OPEN-END, NON-DIVERSIFIED, MANAGEMENT INVESTMENT COMPANY, KNOWN AS A MONEY MARKET MUTUAL FUND. ITS GOAL IS TO MAXIMIZE CURRENT INCOME EXEMPT FROM FEDERAL, NEW YORK STATE AND NEW YORK CITY INCOME TAXES TO THE EXTENT CONSISTENT WITH THE PRESERVATION OF CAPITAL AND THE MAINTENANCE OF LIQUIDITY.

YOU CAN INVEST, REINVEST OR REDEEM SHARES AT ANY TIME WITHOUT CHARGE OR PENALTY IMPOSED BY THE FUND. THE FUND PROVIDES FREE REDEMPTION CHECKS, WHICH YOU CAN USE IN AMOUNTS OF \$500 OR MORE FOR CASH OR TO PAY BILLS. YOU CONTINUE TO EARN INCOME ON THE AMOUNT OF THE CHECK UNTIL IT CLEARS. YOU CAN PURCHASE OR REDEEM SHARES BY TELEPHONE USING DREYFUS TELETRANSFER.

THE DREYFUS CORPORATION PROFESSIONALLY MANAGES THE FUND'S PORTFOLIO.

THE FUND BEARS CERTAIN COSTS PURSUANT TO A PLAN ADOPTED IN ACCORDANCE WITH RULE 12B-1 UNDER THE INVESTMENT COMPANY ACT OF 1940.

AN INVESTMENT IN THE FUND IS NEITHER INSURED NOR GUARANTEED BY THE U.S. GOVERNMENT. THERE CAN BE NO ASSURANCE THAT THE FUND WILL BE ABLE TO MAINTAIN A STABLE NET ASSET VALUE OF \$1.00 PER SHARE.

THIS PROSPECTUS SETS FORTH CONCISELY INFORMATION ABOUT THE FUND THAT YOU SHOULD KNOW BEFORE INVESTING. IT SHOULD BE READ AND RETAINED FOR FUTURE REFERENCE.

PART B (ALSO KNOWN AS THE STATEMENT OF ADDITIONAL INFORMATION), DATED MARCH 15, 1994, WHICH MAY BE REVISED FROM TIME TO TIME, PROVIDES A FURTHER DISCUSSION OF CERTAIN AREAS IN THIS PROSPECTUS AND OTHER MATTERS WHICH MAY BE OF INTEREST TO SOME INVESTORS. IT HAS BEEN FILED WITH THE SECURITIES AND EXCHANGE COMMISSION AND IS INCORPORATED HEREIN BY REFERENCE. FOR A FREE COPY, WRITE TO THE FUND AT 144 GLENN CURTISS BOULEVARD, UNIONDALE, NEW YORK 11556-0144, OR CALL 1-800-645-6561. WHEN TELEPHONING, ASK FOR OPERATOR 666.

THE FUND'S SHARES ARE NOT DEPOSITS OR OBLIGATIONS OF, OR GUARANTEED OR ENDORSED BY, ANY BANK, AND ARE NOT FEDERALLY INSURED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION, THE FEDERAL RESERVE BOARD, OR ANY OTHER AGENCY. THE FUND'S SHARES INVOLVE CERTAIN INVESTMENT RISKS, INCLUDING THE POSSIBLE LOSS OF PRINCIPAL. THE FUND'S YIELD FLUCTUATES AND IS NOT GUARANTEED.

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THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

ANNUAL FUND OPERATING EXPENSES

(as a percentage of average daily net assets)

Management Fees.....	.50%
12b-1 Fees.....	.00%
Shareholder Services Fees.....	.07%
Other Expenses.....	.10%
Total Fund Operating Expenses.....	.67%

EXAMPLE:

	1 YEAR	3 YEARS	5 YEARS	10 YEARS
	-----	-----	-----	-----
You would pay the following expenses on a \$1,000 investment, assuming (1) 5% annual return and (2) redemption at the end of each time period:	\$7	\$21	\$37	\$83

THE AMOUNTS LISTED IN THE EXAMPLE SHOULD NOT BE CONSIDERED AS REPRESENTATIVE OF PAST OR FUTURE EXPENSES AND ACTUAL EXPENSES MAY BE GREATER OR LESS THAN THOSE INDICATED. MOREOVER, WHILE THE EXAMPLE ASSUMES A 5% ANNUAL RETURN, THE FUND'S ACTUAL PERFORMANCE WILL VARY AND MAY RESULT IN AN ACTUAL RETURN GREATER OR LESS THAN 5%.

The purpose of the foregoing table is to assist you in understanding the various costs and expenses borne by the Fund, and therefore indirectly by investors, the payment of which will reduce investors' return on an annual basis. Long-term investors could pay more in 12b-1 fees than the economic equivalent of paying a front-end sales charge. The information in the foregoing table does not reflect any fee waivers or expense reimbursement arrangements that may be in effect. Certain Service Agents (as defined below) may charge their clients direct fees for effecting transactions in Fund shares; such fees are not reflected in the foregoing table. See "Management of the Fund," "How to Buy Fund Shares," "Service Plan" and "Shareholder Services Plan."

CONDENSED FINANCIAL INFORMATION

The information in the following table has been audited by Ernst & Young, the Fund's independent auditors, whose report thereon appears in the Statement of Additional Information. Further financial data and related notes are included in the Statement of Additional Information, available upon request.

FINANCIAL HIGHLIGHTS

Contained below is per share operating performance data for a share of beneficial interest outstanding, total investment return, ratios to average net assets and other supplemental data for each year indicated. This information has been derived from information provided in the Fund's financial statements.

<TABLE>

<CAPTION>

	Year Ended November 30,						
	1987 (1)	1988	1989	1990	1991	1992	1993
	-----	-----	-----	-----	-----	-----	-----
PER SHARE DATA:							
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Net asset value, beginning of year.....	\$1.0000	\$.9972	\$.9989	\$.9991	\$.9999	\$.9999	\$1.0000
	-----	-----	-----	-----	-----	-----	-----
INVESTMENT OPERATIONS:							
Investment income-net.....	.0419	.0426	.0523	.0561	.0436	.0275	.0198
Net realized and unrealized gain (loss) on investments	(.0028)	.0017	.0002	.0008	---	.0001	--
	-----	-----	-----	-----	-----	-----	-----
TOTAL FROM INVESTMENT OPERATIONS.....	.0391	.0443	.0525	.0569	.0436	.0276	.0198
	-----	-----	-----	-----	-----	-----	-----
DISTRIBUTIONS:							
Dividends from investment income-net.....	(.0419)	(.0426)	(.0523)	(.0561)	(.0436)	(.0275)	(.0198)

	----- \$.9972 =====	----- \$.9989 =====	----- \$.9991 =====	----- \$.9999 =====	----- \$.9999 =====	----- \$1.0000 =====	----- \$1.0000 =====
Net asset value, end of year							
TOTAL INVESTMENT RETURN	4.28% (2)	4.34%	5.36%	5.76%	4.45%	2.78%	2.00%
RATIOS/SUPPLEMENTAL DATA:							
Ratio of expenses to average net assets.....	.11%	.50%	.75%	-	.09%	.25%	.32%
Ratio of net investment income to average net assets.	4.28%	4.22%	5.97%	5.58%	4.44%	2.99%	1.98%
Decrease reflected in above expense ratios due to undertakings by The Dreyfus Corporation.....	.73%	.27%	.15%	.66%	.55%	.38%	.35%
Net Assets, end of year (000's Omitted).....	\$54,782	\$62,140	\$49,335	\$500,947	\$586,933	\$630,899	\$612,441

(1) From December 2, 1986 (commencement of operations) to November 30, 1987.

(2) Annualized.

</TABLE>

(2)

YIELD INFORMATION

From time to time, the Fund advertises its yield and effective yield. Both yield figures are based on historical earnings and are not intended to indicate future performance. It can be expected that these yields will fluctuate substantially. The yield of the Fund refers to the income generated by an investment in the Fund over a seven-day period (which period will be stated in the advertisement). This income is then annualized. That is, the amount of income generated by the investment during that week is assumed to be generated each week over a 52-week period and is shown as a percentage of the investment. The effective yield is calculated similarly, but, when annualized, the income earned by an investment in the Fund is assumed to be reinvested. The effective yield will be slightly higher than the yield because of the compounding effect of this assumed reinvestment. The Fund's yield and effective yield may reflect absorbed expenses pursuant to any undertaking that may be in effect. See "Management of the Fund."

Tax equivalent yield is calculated by determining the pre-tax yield which, after being taxed at a stated rate, would be equivalent to a stated yield or effective yield calculated as described above.

Yield information is useful in reviewing the Fund's performance, but because yields will fluctuate, under certain conditions such information may not provide a basis for comparison with domestic bank deposits, other investments which pay a fixed yield for a stated period of time, or other investment companies which may use a different method of computing yield.

Comparative performance information may be used from time to time in advertising or marketing the Fund's shares, including data from Lipper Analytical Services, Inc., Bank Rate Monitor, N. Palm Beach, Fla. 33408, IBC/Donoghue's Money Fund Report, Morningstar, Inc. and other industry publications.

DESCRIPTION OF THE FUND

INVESTMENT OBJECTIVE - The Fund's goal is to maximize current income exempt from Federal, New York State and New York City income taxes to the extent consistent with the preservation of capital and the maintenance of liquidity. To accomplish this goal, the Fund invests primarily in debt securities of the State of New York, its political subdivisions, authorities and corporations, the interest from which is, in the opinion of bond counsel to the issuer, exempt from Federal, New York State and New York City income taxes (collectively, "New York Municipal Obligations"). To the extent acceptable New York Municipal Obligations are at any time unavailable for investment by the Fund, the Fund will invest temporarily in other debt securities the interest from which is, in the opinion of bond counsel to the issuer, exempt from Federal, but not New York State and New York City, income tax. The Fund's investment objective cannot be changed without approval by the holders of a majority (as defined in the Investment Company Act of 1940) of the Fund's outstanding voting shares. There can be no assurance that the Fund's investment objective will be achieved. Securities in which the Fund will invest may not earn as high a level of current income as long-term or lower quality securities which generally have less liquidity, greater market risk and more fluctuation in market value.

MUNICIPAL OBLIGATIONS - Debt securities the interest from which is, in the opinion of bond counsel to the issuer, exempt from Federal income tax ("Municipal Obligations") generally include debt obligations issued to obtain funds for various public purposes as well as certain industrial development bonds issued by or on behalf of public authorities. Municipal Obligations are classified as general obligation bonds, revenue bonds and notes. General obligation bonds are secured by the issuer's pledge of its faith, credit and taxing power for the payment of principal and interest. Revenue bonds are payable from the revenue derived from a particular facility or class of facilities or, in some cases, from the proceeds of a special excise or other specific revenue source, but not from the general taxing power. Tax exempt industrial development bonds, in most cases, are revenue bonds that generally do not carry the pledge of the credit of the issuing municipality, but generally are guaranteed by the corporate entity

on whose behalf they are issued. Notes are short-term instruments which are obligations of the issuing municipalities or agencies and are sold in anticipation of a bond sale, collection of taxes or receipt of other revenues. Municipal Obligations include municipal lease/purchase agreements which are similar to installment purchase contracts for property or equipment issued by municipalities. Municipal Obligations bear fixed, floating or variable rates of interest.

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MANAGEMENT POLICIES - It is a fundamental policy of the Fund that it will invest at least 80% of the value of its net assets (except when maintaining a temporary defensive position) in Municipal Obligations. Under normal circumstances, at least 65% of the value of the Fund's net assets will be invested in New York Municipal Obligations and the remainder may be invested in securities that are not New York Municipal Obligations and therefore may be subject to New York State and New York City income taxes. See "Risk Factors-Investing in New York Municipal Obligations" below, and "Dividends, Distributions and Taxes."

The Fund seeks to maintain a net asset value of \$1.00 per share for purchases and redemptions. To do so, the Fund uses the amortized cost method of valuing its securities pursuant to Rule 2a-7 under the Investment Company Act of 1940, certain requirements of which are summarized as follows. In accordance with Rule 2a-7, the Fund will maintain a dollar-weighted average portfolio maturity of 90 days or less, purchase only instruments having remaining maturities of 13 months or less and invest only in U.S. dollar denominated securities determined in accordance with procedures established by the Board of Trustees to present minimal credit risks and which are rated in one of the two highest rating categories for debt obligations by at least two nationally recognized statistical rating organizations (or one rating organization if the instrument was rated only by one such organization) or, if unrated, are of comparable quality as determined in accordance with procedures established by the Board of Trustees. The nationally recognized statistical rating organizations currently rating investments of the type the Fund may purchase are Moody's Investors Service, Inc. ("Moody's"), Standard & Poor's Corporation ("S&P") and Fitch Investors Service, Inc. ("Fitch") and their rating criteria are described in Appendix B to the Fund's Statement of Additional Information. For further information regarding the amortized cost method of valuing securities, see "Determination of Net Asset Value" in the Fund's Statement of Additional Information. There can be no assurance that the Fund will be able to maintain a stable net asset value of \$1.00 per share.

The Fund may invest more than 25% of the value of its total assets in Municipal Obligations which are related in such a way that an economic, business or political development or change affecting one such security also would affect the other securities; for example, securities the interest upon which is paid from revenues of similar types of projects. As a result, the Fund may be subject to greater risk as compared to a fund that does not follow this practice.

From time to time, the Fund may invest more than 25% of the value of its total assets in industrial development bonds which, although issued by industrial development authorities, may be backed only by the assets and revenues of the non-governmental users. Interest on Municipal Obligations (including certain industrial development bonds) which are specified private activity bonds, as defined in the Internal Revenue Code of 1986, as amended (the "Code"), issued after August 7, 1986, while exempt from Federal income tax, is a preference item for purposes of the alternative minimum tax. Where a regulated investment company receives such interest, a proportionate share of any exempt-interest dividend paid by the investment company may be treated as such a preference item to shareholders. The Fund may invest without limitation in such Municipal Obligations if The Dreyfus Corporation determines that their purchase is consistent with the Fund's investment objective.

The Fund may purchase floating and variable rate demand notes and bonds, which are tax exempt obligations ordinarily having stated maturities in excess of 13 months, but which permit the holder to demand payment of principal at any time or at specified intervals not exceeding 13 months, in each case upon not more than 30 days' notice. Variable rate demand notes include master demand notes which are obligations that permit the Fund to invest fluctuating amounts, which may change daily without penalty, pursuant to direct arrangements between the Fund, as lender, and the borrower. The interest rates on these obligations fluctuate from time to time. Frequently, such obligations are secured by letters of credit or other credit support arrangements provided by banks. Use of letters of credit or other credit support arrangements will not adversely affect the tax exempt status of these obligations. Because these obligations are direct lending arrangements between the lender and borrower, it is not contemplated that such instruments will generally be traded, and generally there is no established secondary market for these obligations, although they are redeemable at face value.

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Accordingly, where these obligations are not secured by letters of credit or other credit support

arrangements, the Fund's right to redeem is dependent on the ability of the borrower to pay principal and interest on demand. Each obligation purchased by the Fund will meet the quality criteria established for the purchase of Municipal Obligations. The Dreyfus Corporation, on behalf of the Fund, will consider on an ongoing basis the creditworthiness of the issuers of the floating and variable rate demand obligations in the Fund's portfolio. The Fund will not invest more than 10% of the value of its net assets in floating or variable rate demand obligations as to which the Fund cannot exercise the demand feature on not more than seven days' notice if there is no secondary market available for these obligations, and in other securities that are not readily marketable. See "Certain Fundamental Policies" below.

The Fund may purchase from financial institutions participation interests in Municipal Obligations (such as industrial development bonds and municipal lease/purchase agreements). A participation interest gives the Fund an undivided interest in the Municipal Obligation in the proportion that the Fund's participation interest bears to the total principal amount of the Municipal Obligation. These instruments may have fixed, floating or variable rates of interest, with remaining maturities of 13 months or less. If the participation interest is unrated, or has been given a rating below that which otherwise is permissible for purchase by the Fund, it will be backed by an irrevocable letter of credit or guarantee of a bank that the Board of Trustees has determined meets the prescribed quality standards for banks set forth below, or the payment obligation otherwise will be collateralized by U.S. Government securities. For certain participation interests, the Fund will have the right to demand payment, on not more than seven days' notice, for all or any part of the Fund's participation interest in the Municipal Obligation, plus accrued interest. As to these instruments, the Fund intends to exercise its right to demand payment only upon a default under the terms of the Municipal Obligation, as needed to provide liquidity to meet redemptions, or to maintain or improve the quality of its investment portfolio. The Fund will not invest more than 10% of the value of its net assets in participation interests that do not have this demand feature, and in other securities that are not readily marketable. See "Certain Fundamental Policies" below.

The Fund may purchase tender option bonds. A tender option bond is a Municipal Obligation (generally held pursuant to a custodial arrangement) having a relatively long maturity and bearing interest at a fixed rate substantially higher than prevailing short-term tax exempt rates, that has been coupled with the agreement of a third party, such as a bank, broker-dealer or other financial institution, pursuant to which such institution grants the security holders the option, at periodic intervals, to tender their securities to the institution and receive the face value thereof. As consideration for providing the option, the financial institution receives periodic fees equal to the difference between the Municipal Obligation's fixed coupon rate and the rate, as determined by a remarketing or similar agent at or near the commencement of such period, that would cause the securities, coupled with the tender option, to trade at par on the date of such determination. Thus, after payment of this fee, the security holder effectively holds a demand obligation that bears interest at the prevailing short-term tax exempt rate. The Dreyfus Corporation, on behalf of the Fund, will consider on an ongoing basis the creditworthiness of the issuer of the underlying Municipal Obligation, of any custodian and of the third party provider of the tender option. In certain instances and for certain tender option bonds, the option may be terminable in the event of a default in payment of principal or interest on the underlying Municipal Obligations and for other reasons. The Fund will not invest more than 10% of the value of its net assets in securities that are not readily marketable, which could include tender option bonds as to which it cannot exercise the tender feature on not more than seven days' notice if there is no secondary market available for these obligations. See "Certain Fundamental Policies" below.

The Fund may acquire "stand-by commitments" with respect to Municipal Obligations held in its portfolio. Under a stand-by commitment, the Fund obligates a broker, dealer or bank to repurchase, at the Fund's option, specified securities at a specified price and, in this respect, stand-by commitments are comparable to put options. The exercise of a stand-by commitment, therefore, is subject to the ability of the seller to make payment on demand. The Fund will acquire stand-by commitments solely to facilitate portfolio liquidity and does not intend to exercise its rights thereunder for trading purposes. The Fund may pay for stand-by commit-

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ments if such action is deemed necessary, thus increasing to a degree the cost of the underlying Municipal Obligation and similarly decreasing such security's yield to investors.

From time to time, on a temporary basis other than for temporary defensive purposes (but not to exceed 20% of the value of the Fund's net assets) or for temporary defensive purposes, the Fund may invest in taxable short-term investments ("Taxable Investments") consisting of: notes of issuers having, at the time of purchase, a quality rating within the two highest grades of Moody's, S&P or Fitch; obligations of the U.S.

Government, its agencies or instrumentalities; commercial paper rated not lower than P-2 by Moody's, A-2 by S&P or F-2 by Fitch; certificates of deposit of U.S. domestic banks, including foreign branches of domestic banks, with assets of one billion dollars or more; time deposits; bankers' acceptances and other short-term bank obligations; and repurchase agreements in respect of any of the foregoing. Dividends paid by the Fund that are attributable to income earned by the Fund from Taxable Investments will be taxable to investors. See "Dividends, Distributions and Taxes." Except for temporary defensive purposes, at no time will more than 20% of the value of the Fund's net assets be invested in Taxable Investments. If the Fund purchases Taxable Investments, it will value them using the amortized cost method and comply with the provisions of Rule 2a-7 relating to purchases of taxable instruments. When the Fund has adopted a temporary defensive position, including when acceptable New York Municipal Obligations are unavailable for investment by the Fund, in excess of 35% of the Fund's net assets may be invested in securities that are not exempt from New York State and New York City income taxes. Under normal market conditions, the Fund anticipates that not more than 5% of the value of its total assets will be invested in any one category of Taxable Investments. Taxable Investments are more fully described in the Statement of Additional Information to which reference hereby is made.

CERTAIN FUNDAMENTAL POLICIES - The Fund may (i) borrow money from banks, but only for temporary or emergency (not leveraging) purposes in an amount up to 10% of the value of the Fund's total assets (including the amount borrowed) valued at the lesser of cost or market, less liabilities (not including the amount borrowed) at the time the borrowing is made. While borrowings exceed 5% of the Fund's total assets, the Fund will not make any additional investments; (ii) pledge, hypothecate, mortgage or otherwise encumber its assets, but only in an amount up to 10% of the value of its total assets to secure borrowings for temporary or emergency purposes; (iii) invest up to 25% of its total assets in the securities of issuers in any industry, provided that there is no such limitation on investments in Municipal Obligations and, for temporary defensive purposes, in securities issued by domestic banks and obligations issued or guaranteed by the U.S. Government, its agencies or instrumentalities; (iv) invest up to 10% of its net assets in repurchase agreements providing for settlement in more than seven days after notice and in securities that are not readily marketable (which securities could include participation interests (including municipal lease/purchase agreements) that are not subject to the demand feature described above and floating and variable rate demand obligations as to which the Fund cannot exercise the related demand feature described above and as to which there is no secondary market); and (v) invest up to 10% of its total assets in time deposits maturing from two business days through seven calendar days. This paragraph describes fundamental policies that cannot be changed without approval by the holders of a majority (as defined in the Investment Company Act of 1940) of the Fund's outstanding voting shares. See "Investment Objective and Management Policies-Investment Restrictions" in the Statement of Additional Information.

RISK FACTORS

INVESTING IN NEW YORK MUNICIPAL OBLIGATIONS - You should consider carefully the special risks inherent in investing in New York Municipal Obligations. These risks result from the financial condition of New York State, certain of its public bodies and municipalities, and New York City. Beginning in early 1975, New York State, New York City and other State entities faced serious financial difficulties which jeopardized the credit standing and impaired the borrowing abilities of such entities and contributed to high interest rates on, and lower market prices for, debt obligations issued by them. A recurrence of such financial difficulties or a failure of certain financial recovery programs could result in defaults or declines in the market values of various New York Municipal Obligations in which each Fund may invest. If there should be a default or other financial crisis relating to New York State, New York City, a State or City agency, or a State municipality, the market

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value and marketability of outstanding New York Municipal Obligations in a Fund's portfolio and the interest income to the Fund could be adversely affected. Moreover, the significant slowdown in the New York regional economy in the early 1990s added substantial uncertainty to estimates of the State's tax revenues, which, in part, caused the State to overestimate its General Fund tax receipts in the 1992 fiscal year by \$575 million. The 1992 fiscal year was the fourth consecutive year in which the State incurred a cash-basis operating deficit in the General Fund and issued deficit notes. The State's 1992-93 fiscal year was characterized by national and regional economies that performed better than projected. After reflecting a 1992-1993 year-end deposit to the State's refund reserve account of \$671 million, reported 1992-1993 General Fund receipts were \$45 million higher than originally projected in April 1992. If not for that year-end transaction, which had the effect of reducing 1992-1993 receipts by \$671 million and making those receipts available in 1993-94, General Fund receipts would have been \$716 million higher than originally projected. There can be no

assurance that New York will not face substantial potential budget gaps in future years. In 1990, S&P and Moody's lowered their ratings of the State's general obligation debt from AA₊ to A and from A1 to A, respectively, and short-term notes, from SP-1+ to SP-1 and from MIG-1 to MIG-2, respectively. In January 1992, Moody's lowered from A to Baal the ratings on certain appropriation-backed debt of New York State and its agencies. New York State's general obligation, state guaranteed and New York State Local Government Assistance Corporation bonds continue to be rated A by Moody's. In addition, in January 1992, S&P lowered from A to A₊ the ratings of New York State general obligation bonds and stated that it continued to assess the ratings outlook as negative. S&P also lowered its ratings of various agency debt, state moral obligations, contractual obligations, lease purchase obligations and state guarantees. In February 1991, Moody's lowered its rating on New York City's general obligation bonds from A to Baal. The rating changes reflected the rating agencies' concerns about the financial condition of New York State and City, the heavy debt load of the State and City, and economic uncertainties in the region. You should obtain and review a copy of the Statement of Additional Information which more fully sets forth these and other risk factors attendant to an investment in each of the Funds.

OTHER INVESTMENT CONSIDERATIONS - Even though interest-bearing securities are investments which promise a stable stream of income, the prices of such securities are inversely affected by changes in interest rates and, therefore, are subject to the risk of market price fluctuations. The value of fixed-income securities also may be affected by changes in the credit rating or financial condition of the issuing entities.

New issues of Municipal Obligations usually are offered on a when-issued basis, which means that delivery and payment for such Municipal Obligations ordinarily take place within 45 days after the date of the commitment to purchase. The payment obligation and the interest rate that will be received on the Municipal Obligations are fixed at the time the Fund enters into the commitment. The Fund will make commitments to purchase such Municipal Obligations only with the intention of actually acquiring the securities, but the Fund may sell these securities before the settlement date if it is deemed advisable, although any gain realized on such sale would be taxable. The Fund will not accrue income in respect of a when-issued security prior to its stated delivery date. No additional when-issued commitments will be made if more than 20% of the value of the Fund's net assets would be so committed.

Municipal Obligations purchased on a when-issued basis and the securities held in the Fund's portfolio are subject to changes in value (both generally changing in the same way, i.e., appreciating when interest rates decline and depreciating when interest rates rise) based upon the public's perception of the creditworthiness of the issuer and changes, real or anticipated, in the level of interest rates. Municipal Obligations purchased on a when-issued basis may expose the Fund to risk because they may experience such fluctuations prior to their actual delivery. Purchasing Municipal Obligations on a when-issued basis can involve the additional risk that the yield available in the market when the delivery takes place actually may be higher than that obtained in the transaction itself. A segregated account of the Fund consisting of cash, cash equivalents or U.S. Government securities or other high quality liquid debt securities at least equal at all times to the amount of the when-issued commitments will be established and maintained at the Fund's custodian bank. Purchasing Municipal Obligations on a when-issued basis when the Fund is fully or almost fully invested may result in greater poten-

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tial fluctuation in the

value of the Fund's net assets and its net asset value per share.

Certain municipal lease/purchase obligations in which the Fund may invest may contain "non-appropriation" clauses which provide that the municipality has no obligation to make lease payments in future years unless money is appropriated for such purpose on a yearly basis. Although "non-appropriation" lease/purchase obligations are secured by the leased property, disposition of the leased property in the event of foreclosure might prove difficult. In evaluating the credit quality of a municipal lease/purchase obligation that is unrated, The Dreyfus Corporation will consider, on an ongoing basis, a number of factors including the likelihood that the issuing municipality will discontinue appropriating funding for the leased property.

Certain provisions in the Code relating to the issuance of Municipal Obligations may reduce the volume of Municipal Obligations qualifying for Federal tax exemption. One effect of these provisions could be to increase the cost of the Municipal Obligations available for purchase by the Fund and thus reduce available yield. Shareholders should consult their tax advisers concerning the effect of these provisions on an investment in the Fund. Proposals that may restrict or eliminate the income tax exemption for interest on Municipal Obligations may be introduced in the future. If any such proposal were enacted that would reduce the availability of Municipal Obligations for investment by the Fund so as to adversely affect Fund shareholders, the Fund would reevaluate its investment objective and policies and submit possible changes in the Fund's structure to

shareholders for their consideration. If legislation were enacted that would treat a type of Municipal Obligation as taxable, the Fund would treat such security as a permissible Taxable Investment within the applicable limits set forth herein.

The Fund's classification as a "non-diversified" investment company means that the proportion of the Fund's assets that may be invested in the securities of a single issuer is not limited by the Investment Company Act of 1940. A "diversified" investment company is required by the Investment Company Act of 1940 generally to invest, with respect to 75% of its total assets, not more than 5% of such assets in the securities of a single issuer. However, the Fund intends to conduct its operations so as to qualify as a "regulated investment company" for purposes of the Code, which requires that, at the end of each quarter of its taxable year, (i) at least 50% of the market value of the Fund's total assets be invested in cash, U.S. Government securities, the securities of other regulated investment companies and other securities, with such other securities of any one issuer limited for the purposes of this calculation to an amount not greater than 5% of the value of the Fund's total assets, and (ii) not more than 25% of the value of its total assets be invested in the securities of any one issuer (other than U.S. Government securities or the securities of other regulated investment companies). Since a relatively high percentage of the Fund's assets may be invested in the obligations of a limited number of issuers, the Fund's portfolio securities may be more susceptible to any single economic, political or regulatory occurrence than the portfolio securities of a diversified investment company.

Investment decisions for the Fund are made independently from those of other investment companies advised by The Dreyfus Corporation. However, if such other investment companies are prepared to invest in, or desire to dispose of, Municipal Obligations or Taxable Investments at the same time as the Fund, available investments or opportunities for sales will be allocated equitably to each investment company. In some cases, this procedure may adversely affect the size of the position obtained for or disposed of by the Fund or the price paid or received by the Fund.

MANAGEMENT OF THE FUND

The Dreyfus Corporation, located at 200 Park Avenue, New York, New York 10166, was formed in 1947 and serves as the Fund's investment adviser. As of February 28, 1994, The Dreyfus Corporation managed or administered approximately \$77 billion in assets for more than 1.9 million investor accounts nationwide.

The Dreyfus Corporation supervises and assists in the overall management of the Fund's affairs under a Management Agreement with the Fund, subject to the overall authority of the Fund's Board of Trustees in accordance with Massachusetts law.

Under the terms of the Management Agreement, the Fund has agreed to pay The Dreyfus Corporation a monthly fee at the annual rate of .50 of 1% of the value of the Fund's average daily net assets. From time to

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time, The Dreyfus Corporation may waive receipt of its fees and/or voluntarily assume certain expenses of the Fund, which would have the effect of lowering the overall expense ratio of the Fund and increasing yield to investors at the time such amounts are waived or assumed, as the case may be. The Fund will not pay The Dreyfus Corporation at a later time for any amounts it may waive, nor will the Fund reimburse The Dreyfus Corporation for any amounts it may assume. For the fiscal year ended November 30, 1993, the Fund paid The Dreyfus Corporation a management fee at the effective annual rate of .15 of 1% of the value of the Fund's average daily net assets pursuant to various undertakings in effect.

The Fund bears certain costs of distributing Fund shares in accordance with a plan (the "Service Plan") adopted pursuant to Rule 12b-1 under the Investment Company Act of 1940. See "Annual Fund Operating Expenses" and "Service Plan."

The Shareholder Services Group, Inc., a subsidiary of First Data Corporation, P.O. Box 9671, Providence, Rhode Island 02940-9671, is the Fund's Transfer and Dividend Disbursing Agent (the "Transfer Agent"). The Bank of New York, 110 Washington Street, New York, New York 10286, is the Fund's Custodian.

HOW TO BUY FUND SHARES

The Fund's distributor is Dreyfus Service Corporation, a wholly-owned subsidiary of The Dreyfus Corporation, located at 200 Park Avenue, New York, New York 10166. The shares it distributes are not deposits or obligations of The Dreyfus Security Savings Bank, F.S.B. and therefore are not insured by the Federal Deposit Insurance Corporation.

You can purchase Fund shares through Dreyfus Service Corporation or certain financial institutions (which may include banks), securities dealers ("Selected Dealers") and other industry professionals (collectively, "Service Agents") that have entered into service agreements with Dreyfus Service Corporation. Share certificates are issued only upon your written request. No certificates are issued for fractional shares. It is not recommended that the Fund be used as a vehicle for Keogh, IRA or other qualified plans. The Fund reserves the right to reject any purchase order.

The minimum initial investment is \$2,500, or \$1,000 if you are a client of

a Service Agent which has made an aggregate minimum initial purchase for its customers of \$2,500. Subsequent investments must be at least \$100. The initial investment must be accompanied by the Fund's Account Application. For full-time or part-time employees of The Dreyfus Corporation or any of its affiliates or subsidiaries, directors of The Dreyfus Corporation, Board members of a fund advised by The Dreyfus Corporation, including members of the Fund's Board, or the spouse or minor child of any of the foregoing, the minimum initial investment is \$1,000. For full-time or part-time employees of The Dreyfus Corporation or any of its affiliates or subsidiaries who elect to have a portion of their pay directly deposited into their Fund account, the minimum initial investment is \$50. The Fund reserves the right to vary further the initial and subsequent investment minimum requirements at any time.

You may purchase Fund shares by check or wire, or through the Dreyfus TeleTransfer Privilege described below. Checks should be made payable to "The Dreyfus Family of Funds." Payments to open new accounts which are mailed should be sent to The Dreyfus Family of Funds, P.O. Box 9387, Providence, Rhode Island 02940-9387, together with your Account Application. For subsequent investments, your Fund account number should appear on the check and an investment slip should be enclosed and sent to The Dreyfus Family of Funds, P.O. Box 105, Newark, New Jersey 07101-0105. Neither initial nor subsequent investments should be made by third party check. Purchase orders may be delivered in person only to a Dreyfus Financial Center. THESE ORDERS WILL BE FORWARDED TO THE FUND AND WILL BE PROCESSED ONLY UPON RECEIPT THEREBY. For the location of the nearest Dreyfus Financial Center, please call one of the telephone numbers listed under "General Information."

Wire payments may be made if your bank account is in a commercial bank that is a member of the Federal Reserve System or any other bank having a correspondent bank in New York City. Immediately available funds may be transmitted by wire to The Bank of New York, DDA #8900052171/General New York Municipal Money Market Fund, for purchase of Fund shares in your name. The wire must include your Fund account number (for new accounts, your Taxpayer Identification Number ("TIN") should be included instead),

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account registration and dealer number, if applicable. If your initial purchase of Fund shares is by wire, please call 1-800-645-6561 after completing your wire payment to obtain your Fund account number. Please include your Fund account number on the Fund's Account Application and promptly mail the Account Application to the Fund, as no redemptions will be permitted until the Account Application is received. You may obtain further information about remitting funds in this manner from your bank. All payments should be made in U.S. dollars and, to avoid fees and delays, should be drawn only on U.S. banks. A charge will be imposed if any check used for investment in your account does not clear. The Fund makes available to certain large institutions the ability to issue purchase instructions through compatible computer facilities.

Subsequent investments also may be made by electronic transfer of funds from an account maintained in a bank or other domestic financial institution that is an Automated Clearing House member. You must direct the institution to transmit immediately available funds through the Automated Clearing House to The Bank of New York with instructions to credit your Fund account. The instructions must specify your Fund account registration and your Fund account number PRECEDED BY THE DIGITS "1111."

Management understands that some Service Agents may impose certain conditions on their clients which are different from those described in this Prospectus, and, to the extent permitted by applicable regulatory authority, may charge their clients direct fees for Servicing (as defined under "Service Plan"). These fees would be in addition to any amounts which might be received under the Fund's Service Plan. Each Service Agent has agreed to transmit to its clients a schedule of such fees. You should consult your Service Agent in this regard.

Fund shares are sold on a continuous basis at the net asset value per share next determined after an order in proper form and Federal Funds (monies of member banks within the Federal Reserve System which are held on deposit at a Federal Reserve Bank) are received by the Transfer Agent. If you do not remit Federal Funds, your payment must be converted into Federal Funds. This usually occurs within one business day of receipt of a bank wire and within two business days of receipt of a check drawn on a member bank of the Federal Reserve System. Checks drawn on banks which are not members of the Federal Reserve System may take considerably longer to convert into Federal Funds. Prior to receipt of Federal Funds, your money will not be invested.

The Fund's net asset value per share is determined as of 12:00 Noon, New York time, on each day the New York Stock Exchange is open for business. Net asset value per share is computed by dividing the value of the Fund's net assets (i.e., the value of its assets less liabilities) by the total number of shares outstanding. See "Determination of Net Asset Value" in the Fund's Statement of Additional Information.

If your payments are received in or converted into Federal Funds by 12:00 Noon, New York time, on a business day, you will receive the dividend declared that day. If your payments are received in or converted into

Federal Funds after 12:00 Noon, New York time, you will begin to accrue dividends on the following business day.

Qualified institutions may telephone orders for purchase of Fund shares. These orders will become effective at the price determined at 12:00 Noon, New York time, and the shares purchased will receive the dividend on Fund shares declared on that day if the telephone order is placed by 12:00 Noon, New York time, and Federal Funds are received by 4:00 p.m., New York time, on that day.

Federal regulations require that you provide a certified TIN upon opening or reopening an account. See "Dividends, Distributions and Taxes" and the Fund's Account Application for further information concerning this requirement. Failure to furnish a certified TIN to the Fund could subject you to a \$50 penalty imposed by the Internal Revenue Service (the "IRS"). DREYFUS TELETRANSFER PRIVILEGE - You may purchase Fund shares (minimum \$500, maximum \$150,000 per day) by telephone if you have checked the appropriate box and supplied the necessary information on the Fund's Account Application or have filed a Shareholder Services Form with the Transfer Agent. The proceeds will be transferred between the bank account designated in one of these documents and your Fund account. Only a bank account maintained in a domestic financial institution which is an Automated Clearing House member may be so designated. The Fund may modify or terminate this Privilege at any time or charge a service fee upon notice to shareholders. No such fee currently is contemplated.

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If you have selected the Dreyfus TELETRANSFER Privilege, you may request a Dreyfus TELETRANSFER purchase of Fund shares by telephoning 1-800-221-4060 or, if you are calling from overseas, call 1-401-455-3306.

SHAREHOLDER SERVICES

The services and privileges described under this heading may not be available to clients of certain Service Agents and some Service Agents may impose certain conditions on their clients which are different from those described in this Prospectus. You should consult your Service Agent in this regard. In addition, use of the privileges noted below may require that the proper forms and information be filed with and processed by the Transfer Agent.

EXCHANGE PRIVILEGE - The Exchange Privilege enables you to purchase, in exchange for shares of the Fund, shares of certain other funds managed or administered by The Dreyfus Corporation, to the extent such shares are offered for sale in your state of residence. These funds have different investment objectives which may be of interest to you. If you desire to use this Privilege, you should consult your Service Agent or Dreyfus Service Corporation to determine if it is available and whether any conditions are imposed on its use.

To use this Privilege, you must give exchange instructions to the Transfer Agent in writing, by wire or by telephone. If you previously have established the Telephone Exchange Privilege, you may telephone exchange instructions by calling 1-800-221-4060 or, if you are calling from overseas, call 1-401-455-3306. See "How to Redeem Fund Shares - Procedures." Before any exchange, you must obtain and should review a copy of the current prospectus of the fund into which the exchange is being made. Prospectuses may be obtained from Dreyfus Service Corporation. Except in the case of Personal Retirement Plans, the shares being exchanged must have a current value of at least \$500; furthermore, when establishing a new account by exchange, the shares being exchanged must have a value of at least the minimum initial investment required for the fund into which the exchange is being made. Telephone exchanges may be made only if the appropriate "YES" box has been checked on the Account Application, or a separate signed Shareholder Services Form is on file with the Transfer Agent. Upon an exchange into a new account, the following shareholder services and privileges, as applicable and where available, will be automatically carried over to the fund into which the exchange is made: Exchange Privilege, Check Redemption Privilege, Wire Redemption Privilege, Telephone Redemption Privilege, Dreyfus TELETRANSFER Privilege, and the dividend/capital gain distribution option (except for the Dreyfus Dividend Sweep Privilege) selected by the investor.

Shares will be exchanged at the next determined net asset value; however, a sales load may be charged with respect to exchanges into funds sold with a sales load. If you are exchanging into a fund that charges a sales load, you may qualify for share prices which do not include the sales load or which reflect a reduced sales load, if the shares of the fund from which you are exchanging were: (a) purchased with a sales load, (b) acquired by a previous exchange from shares purchased with a sales load, or (c) acquired through reinvestment of dividends or distributions paid with respect to the foregoing categories of shares. To qualify, at the time of your exchange you must notify the Transfer Agent or your Service Agent must notify Dreyfus Service Corporation. Any such qualification is subject to confirmation of your holdings through a check of appropriate records. See "Shareholder Services" in the Statement of Additional Information. No fees currently are charged shareholders directly in connection with exchanges, although the Fund reserves the right, upon not less than 60 days' written notice, to charge shareholders a nominal fee in accordance

with rules promulgated by the Securities and Exchange Commission. The Fund reserves the right to reject any exchange request in whole or in part. The Exchange Privilege may be modified or terminated at any time upon notice to shareholders.

The exchange of shares of one fund for shares of another is treated for Federal income tax purposes as a sale of the shares given in exchange by the shareholder and, therefore, an exchanging shareholder may realize a taxable gain or loss.

DREYFUS AUTO-EXCHANGE PRIVILEGE - Dreyfus Auto-Exchange Privilege enables you to invest regularly (on a semi-monthly, monthly, quarterly or annual basis), in exchange for shares of the Fund, in shares of other funds in the Dreyfus Family of Funds of which you are currently an investor. The amount you designate, which can

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be expressed either in terms of a specific dollar or share amount (\$100 minimum), will be exchanged automatically on the first and/or fifteenth of the month according to the schedule you have selected. Shares will be exchanged at the then-current net asset value; however, a sales load may be charged with respect to exchanges into funds sold with a sales load. See "Shareholder Services" in the Statement of Additional Information. The right to exercise this Privilege may be modified or cancelled by the Fund or the Transfer Agent. You may modify or cancel your exercise of this Privilege at any time by writing to The Dreyfus Family of Funds, P.O. Box 9671, Providence, Rhode Island 02940-9671. The Fund may charge a service fee for the use of this Privilege. No such fee currently is contemplated. The exchange of shares of one fund for shares of another is treated for Federal income tax purposes as a sale of the shares given in exchange by the shareholder and, therefore, an exchanging shareholder may realize a taxable gain or loss. For more information concerning this Privilege and the funds in the Dreyfus Family of Funds eligible to participate in this Privilege, or to obtain a Dreyfus Auto-Exchange Authorization Form, please call toll free 1-800-645-6561.

DREYFUS-AUTOMATIC ASSET BUILDER - Dreyfus-AUTOMATIC Asset Builder permits you to purchase Fund shares (minimum of \$100 and maximum of \$150,000 per transaction) at regular intervals selected by you. Fund shares are purchased by transferring funds from the bank account designated by you. At your option, the bank account designated by you will be debited in the specified amount, and Fund shares will be purchased, once a month, on either the first or fifteenth day, or twice a month, on both days. Only an account maintained at a domestic financial institution which is an Automated Clearing House member may be so designated. To establish a Dreyfus-AUTOMATIC Asset Builder account, you must file an authorization form with the Transfer Agent. You may obtain the necessary authorization form from Dreyfus Service Corporation. You may cancel your participation in this Privilege or change the amount of purchase at any time by mailing written notification to The Dreyfus Family of Funds, P.O. Box 9671, Providence, Rhode Island 02940-9671, and the notification will be effective three business days following receipt. The Fund may modify or terminate this Privilege at any time or charge a service fee. No such fee currently is contemplated.

DREYFUS GOVERNMENT DIRECT DEPOSIT PRIVILEGE - Dreyfus Government Direct Deposit Privilege enables you to purchase Fund shares (minimum of \$100 and maximum of \$50,000 per transaction) by having Federal salary, Social Security, or certain veterans', military or other payments from the Federal government automatically deposited into your Fund account. You may deposit as much of such payments as you elect. To enroll in Dreyfus Government Direct Deposit, you must file with the Transfer Agent a completed Direct Deposit Sign-Up Form for each type of payment that you desire to include in the Privilege. The appropriate form may be obtained from Dreyfus Service Corporation. Death or legal incapacity will terminate your participation in this Privilege. You may elect at any time to terminate your participation by notifying in writing the appropriate Federal agency. Further, the Fund may terminate your participation upon 30 days' notice to you.

DREYFUS DIVIDEND SWEEP PRIVILEGE - Dreyfus Dividend Sweep Privilege enables you to invest automatically dividends or dividends and capital gain distributions, if any, paid by the Fund in shares of another fund in the Dreyfus Family of Funds of which you are a shareholder. Shares of the other fund will be purchased at the then-current net asset value; however, a sales load may be charged with respect to investments in shares of a fund sold with a sales load. If you are investing in a fund that charges a sales load, you may qualify for share prices which do not include the sales load or which reflect a reduced sales load. If you are investing in a fund that charges a contingent deferred sales charge, the shares purchased will be subject on redemption to the contingent deferred sales charge, if any, applicable to the purchased shares. See "Shareholder Services" in the Statement of Additional Information. For more information concerning this Privilege and the funds in the Dreyfus Family of Funds eligible to participate in this Privilege, or to request a Dividend Options Form, please call toll free 1-800-645-6561. You may cancel this Privilege by mailing written notification to The Dreyfus Family of Funds, P.O. Box 9671,

Providence, Rhode Island 02940-9671. To select a new fund after cancellation, you must submit a new authorization form. Enrollment in or cancellation of this Privilege is effective three business days following receipt. This Privilege is available only for existing accounts and may not be used to open new accounts. Minimum subsequent investments do not apply. The Fund may modify or terminate

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this Privilege at any time or charge a service fee. No such fee currently is contemplated. DREYFUS PAYROLL SAVINGS PLAN - Dreyfus Payroll Savings Plan permits you to purchase Fund shares (minimum of \$100 per transaction) automatically on a regular basis. Depending upon your employer's direct deposit program, you may have part or all of your paycheck transferred to your existing Dreyfus account electronically through the Automated Clearing House system at each pay period. To establish a Dreyfus Payroll Savings Plan account, you must file an authorization form with your employer's payroll department. Your employer must complete the reverse side of the form and return it to The Dreyfus Family of Funds, P.O. Box 9671, Providence, Rhode Island 02940-9671. You may obtain the necessary authorization form from Dreyfus Service Corporation. You may change the amount of purchase or cancel the authorization only by written notification to your employer. It is the sole responsibility of your employer, not Dreyfus Service Corporation, The Dreyfus Corporation, the Fund, the Transfer Agent or any other person, to arrange for transactions under the Dreyfus Payroll Savings Plan. The Fund may modify or terminate this Privilege at any time or charge a service fee. No such fee currently is contemplated.

QUARTERLY DISTRIBUTION PLAN - The Quarterly Distribution Plan permits you to receive quarterly payments from the Fund consisting of proceeds from the redemption of shares purchased for your account through the automatic reinvestment of dividends declared on your account during the preceding calendar quarter. You may open a Quarterly Distribution Plan by submitting a request to the Transfer Agent. The Plan may be ended at any time by you, the Fund or the Transfer Agent. Shares for which certificates have been issued must be presented before redemption under the Plan.

AUTOMATIC WITHDRAWAL PLAN - The Automatic Withdrawal Plan permits you to request withdrawal of a specified dollar amount (minimum of \$50) on either a monthly or quarterly basis if you have a \$5,000 minimum account. An application for the Automatic Withdrawal Plan can be obtained from Dreyfus Service Corporation. There is a service charge of 50 cents for each withdrawal check. The Automatic Withdrawal Plan may be ended at any time by you, the Fund or the Transfer Agent. Shares for which certificates have been issued may not be redeemed through the Automatic Withdrawal Plan.

HOW TO REDEEM FUND SHARES

GENERAL - You may request redemption of your shares at any time. Redemption requests should be transmitted to the Transfer Agent as described below. When a request is received in proper form, the Fund will redeem the shares at the next determined net asset value.

The Fund imposes no charges when shares are redeemed directly through Dreyfus Service Corporation. Service Agents may charge a nominal fee for effecting redemptions of Fund shares. Any certificates representing Fund shares being redeemed must be submitted with the redemption request. The value of the shares redeemed may be more or less than their original cost, depending upon the Fund's then-current net asset value.

The Fund ordinarily will make payment for all shares redeemed within seven days after receipt by the Transfer Agent of a redemption request in proper form, except as provided by the rules of the Securities and Exchange Commission. HOWEVER, IF YOU HAVE PURCHASED FUND SHARES BY CHECK, BY DREYFUS TELETRANSFER PRIVILEGE OR THROUGH DREYFUS-AUTOMATIC ASSET BUILDER AND SUBSEQUENTLY SUBMIT A WRITTEN REDEMPTION REQUEST TO THE TRANSFER AGENT, YOUR REDEMPTION WILL BE EFFECTIVE AND THE REDEMPTION PROCEEDS WILL BE TRANSMITTED TO YOU PROMPTLY UPON BANK CLEARANCE OF YOUR PURCHASE CHECK, DREYFUS TELETRANSFER PURCHASE OR DREYFUS-AUTOMATIC ASSET BUILDER ORDER, WHICH MAY TAKE UP TO EIGHT BUSINESS DAYS OR MORE. IN ADDITION, THE FUND WILL NOT HONOR REDEMPTION CHECKS UNDER THE CHECK REDEMPTION PRIVILEGE, AND WILL REJECT REQUESTS TO REDEEM SHARES BY WIRE OR TELEPHONE OR PURSUANT TO THE DREYFUS TELETRANSFER PRIVILEGE, FOR A PERIOD OF EIGHT BUSINESS DAYS AFTER RECEIPT BY THE TRANSFER AGENT OF THE PURCHASE CHECK, DREYFUS TELETRANSFER PURCHASE OR THE DREYFUS-AUTOMATIC ASSET BUILDER ORDER AGAINST WHICH SUCH REDEMPTION IS REQUESTED. THESE PROCEDURES WILL NOT APPLY IF YOUR SHARES WERE PURCHASED BY WIRE PAYMENT, OR IF YOU OTHERWISE HAVE A SUFFICIENT COLLECTED BALANCE IN YOUR ACCOUNT TO COVER THE REDEMPTION REQUEST. PRIOR TO THE TIME ANY REDEMPTION IS EFFECTIVE,

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DIVIDENDS ON SUCH SHARES WILL ACCRUE AND BE PAYABLE, AND YOU WILL BE ENTITLED TO EXERCISE ALL OTHER RIGHTS OF BENEFICIAL OWNERSHIP. Fund shares will not be redeemed until the Transfer Agent has received your Account Application.

The Fund reserves the right to redeem your account at its option upon not

less than 30 days' written notice if your account's net asset value is \$500 or less and remains so during the notice period.

PROCEDURES - You may redeem shares by using the regular redemption procedure through the Transfer Agent, using the Check Redemption Privilege, through the Wire Redemption Privilege, through the Telephone Redemption Privilege or through the Dreyfus TELETRANSFER Privilege. Other redemption procedures may be in effect for clients of certain Service Agents. The Fund makes available to certain large institutions the ability to issue redemption instructions through compatible computer facilities.

You may redeem or exchange Fund shares by telephone if you have checked the appropriate box on the Fund's Account Application or have filed a Shareholder Services Form with the Transfer Agent. If you select a telephone redemption or exchange privilege, you authorize the Transfer Agent to act on telephone instructions from any person representing himself or herself to be you, or a representative of your Service Agent, and reasonably believed by the Transfer Agent to be genuine. The Fund will require the Transfer Agent to employ reasonable procedures, such as requiring a form of personal identification, to confirm that instructions are genuine and, if it does not follow such procedures, the Fund or the Transfer Agent may be liable for any losses due to unauthorized or fraudulent instructions. Neither the Fund nor the Transfer Agent will be liable for following telephone instructions reasonably believed to be genuine.

During times of drastic economic or market conditions, you may experience difficulty in contacting the Transfer Agent by telephone to request a redemption or exchange of Fund shares. In such cases, you should consider using the other redemption procedures described herein. Use of these other redemption procedures may result in your redemption request being processed at a later time than it would have been if telephone redemption had been used.

REGULAR REDEMPTION - Under the regular redemption procedure, you may redeem your shares by written request mailed to The Dreyfus Family of Funds, P.O. Box 9671, Providence, Rhode Island 02940-9671. Redemption requests may be delivered in person only to a Dreyfus Financial Center. THESE REQUESTS WILL BE FORWARDED TO THE FUND AND WILL BE PROCESSED ONLY UPON RECEIPT THEREBY. For the location of the nearest Dreyfus Financial Center, please call one of the telephone numbers listed under "General Information." Redemption requests must be signed by each shareholder, including each owner of a joint account, and each signature must be guaranteed. The Transfer Agent has adopted standards and procedures pursuant to which signature-guarantees in proper form generally will be accepted from domestic banks, brokers, dealers, credit unions, national securities exchanges, registered securities associations, clearing agencies and savings associations, as well as from participants in the New York Stock Exchange Medallion Signature Program, the Securities Transfer Agents Medallion Program ("STAMP"), and the Stock Exchanges Medallion Program. If you have any questions with respect to signature-guarantees, please call one of the telephone numbers listed under "General Information."

Redemption proceeds of at least \$1,000 will be wired to any member bank of the Federal Reserve System in accordance with a written signature-guaranteed request.

CHECK REDEMPTION PRIVILEGE - You may request on the Account Application, Shareholder Services Form or by later written request that the Fund provide Redemption Checks drawn on the Fund's account. Redemption Checks may be made payable to the order of any person in the amount of \$500 or more. Redemption Checks should not be used to close your account. Redemption Checks are free, but the Transfer Agent will impose a fee for stopping payment of a Redemption Check upon your request or if the Transfer Agent cannot honor the Redemption Check due to insufficient funds or other valid reason. You should date your Redemption Checks with the current date when you write them. Please do not postdate your Redemption Checks. If you do, the Transfer Agent will honor, upon presentment, even if presented before the date of the check, all postdated Redemption Checks which are dated within six months of presentment for payment, if

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they are otherwise in good order. Shares for which certificates have been issued may not be redeemed by Redemption Check. This Privilege may be modified or terminated at any time by the Fund or the Transfer Agent upon notice to shareholders.

WIRE REDEMPTION PRIVILEGE - You may request by wire or telephone that redemption proceeds (minimum \$1,000) be wired to your account at a bank which is a member of the Federal Reserve System, or a correspondent bank if your bank is not a member. To establish the Wire Redemption Privilege, you must check the appropriate box and supply the necessary information on the Fund's Account Application or file a Shareholder Services Form with the Transfer Agent. You may direct that redemption proceeds be paid by check (maximum \$150,000 per day) made out to the owners of record and mailed to your address. Redemption proceeds of less than \$1,000 will be paid automatically by check. Holders of jointly registered Fund or bank

accounts may have redemption proceeds of only up to \$250,000 wired within any 30-day period. You may telephone redemption requests by calling 1-800-221-4060 or, if you are calling from overseas, call 1-401-455-3306. The Fund reserves the right to refuse any redemption request, including requests made shortly after a change of address, and may limit the amount involved or the number of such requests. This Privilege may be modified or terminated at any time by the Transfer Agent or the Fund. The Fund's Statement of Additional Information sets forth instructions for transmitting redemption requests by wire. Shares for which certificates have been issued are not eligible for this Privilege.

TELEPHONE REDEMPTION PRIVILEGE - You may redeem Fund shares (maximum \$150,000 per day) by telephone if you have checked the appropriate box on the Fund's Account Application or have filed a Shareholder Services Form with the Transfer Agent. The redemption proceeds will be paid by check and mailed to your address. You may telephone redemption instructions by calling 1-800-221-4060 or, if you are calling from overseas, call 1-401-455-3306. The Fund reserves the right to refuse any request made by telephone, including requests made shortly after a change of address, and may limit the amount involved or the number of telephone redemption requests. This Privilege may be modified or terminated at any time by the Transfer Agent or the Fund. Shares for which certificates have been issued are not eligible for this Privilege.

DREYFUS TELETRANSFER PRIVILEGE - You may redeem Fund shares (minimum \$500 per day) by telephone if you have checked the appropriate box and supplied the necessary information on the Fund's Account Application or have filed a Shareholder Services Form with the Transfer Agent. The proceeds will be transferred between your Fund account and the bank account designated in one of these documents. Only such an account maintained in a domestic financial institution which is an Automated Clearing House member may be so designated. Redemption proceeds will be on deposit in your account at an Automated Clearing House member bank ordinarily two days after receipt of the redemption request or, at your request, paid by check (maximum \$150,000 per day) and mailed to your address. Holders of jointly registered Fund or bank accounts may redeem through the Dreyfus TELETRANSFER Privilege for transfer to their bank account only up to \$250,000 within any 30-day period. The Fund reserves the right to refuse any request made by telephone, including requests made shortly after a change of address, and may limit the amount involved or the number of such requests. The Fund may modify or terminate this Privilege at any time or charge a service fee upon notice to shareholders. No such fee currently is contemplated.

If you have selected the Dreyfus TELETRANSFER Privilege, you may request a Dreyfus TELETRANSFER redemption of Fund shares by telephoning 1-800-221-4060 or, if you are calling from overseas, call 1-401-455-3306. Shares issued in certificate form are not eligible for this Privilege.

REDEMPTION THROUGH A SELECTED DEALER - If you are a customer of a Selected Dealer, you may make redemption requests to your Selected Dealer. If the Selected Dealer transmits the redemption request so that it is received by the Transfer Agent prior to 12:00 Noon, New York time, on a business day, the proceeds of the redemption ordinarily will be transmitted in Federal Funds on the same day and the shares will not receive the dividend declared on that day. If a redemption request is received by the Transfer Agent after 12:00 Noon, New York time, the shares will receive the dividend declared on that day and the proceeds of redemption ordinarily will be transmitted in Federal Funds on the next business day. It is the responsibility of the Selected

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Dealer to transmit a request so that it is received in a timely manner. The proceeds of the redemption are credited to your account with the Selected Dealer.

SERVICE PLAN

Under the Service Plan, adopted pursuant to Rule 12b-1 under the Investment Company Act of 1940, the Fund pays directly for the costs of preparing and printing prospectuses and statements of additional information used for regulatory purposes and for distribution to existing shareholders. The Fund also bears (a) the costs of preparing, and printing and distributing prospectuses and statements of additional information used for other purposes and (b) the costs associated with implementing and operating the Service Plan (such as costs of printing and mailing service agreements), the aggregate of such amounts not to exceed in any fiscal year of the Fund the greater of \$100,000 or .005 of 1% of the value of the Fund's average daily net assets for such fiscal year.

Pursuant to the Service Plan, Dreyfus Service Corporation has entered into service agreements with certain Service Agents who are paid by The Dreyfus Corporation for administration, for servicing Fund shareholders who are also their clients and/or for distribution. Dreyfus Service Corporation determines the amounts to be paid to Service Agents. Service Agents receive such fees in respect of the average daily value of the Fund's shares owned by shareholders for whom the Service Agent performs Servicing (as defined below) or for whom the Service Agent is the dealer or holder of record. The Dreyfus Corporation and Dreyfus Service

Corporation also pay the expenses of advertising Fund shares. These costs and fees are paid by The Dreyfus Corporation, directly or, to the extent first paid by Dreyfus Service Corporation, indirectly, out of its management fee, its past profits or any other source available to it, and, to the extent paid out of its management fee, may be deemed indirectly to be borne by the Fund. The Service Plan, as it relates to the expenses being paid for Servicing and advertising, was adopted solely for defensive purposes in the event payments by The Dreyfus Corporation out of its fee could be construed to constitute indirect payments by the Fund for distribution. Each item for which a payment may be made under the Service Plan may constitute an expense of distributing Fund shares as the Securities and Exchange Commission construes such term under Rule 12b-1.

The cost to the Fund under the Service Plan will not exceed the aggregate amount of The Dreyfus Corporation's management fee and the amounts paid for prospectuses and statements of additional information and for implementing and operating the Service Plan.

Servicing may include, among other things, one or more of the following: answering client inquiries regarding the Fund; assisting clients in changing dividend options, account designations and addresses; performing subaccounting; establishing and maintaining shareholder accounts and records; processing purchase and redemption transactions; investing client cash account balances automatically in Fund shares; providing periodic statements showing a client's account balance and integrating such statements with those of other transactions and balances in the client's other accounts serviced by the Service Agent; arranging for bank wires; and such other services as the Fund may request, to the extent the Service Agent is permitted by applicable statute, rule or regulation.

The Glass-Steagall Act and other applicable laws prohibit Federally chartered or supervised banks from engaging in certain aspects of the business of issuing, underwriting, selling and/or distributing securities. Accordingly, banks will be engaged to act as Service Agents only to perform administrative and shareholder servicing functions. While the matter is not free from doubt, the Fund's Board of Trustees believes that such laws should not preclude a bank from acting as a Service Agent. However, judicial or administrative decisions or interpretations of such laws, as well as changes in either Federal or state statutes or regulations relating to the permissible activities of banks or their subsidiaries or affiliates, could prevent a bank from continuing to perform all or a part of its Servicing activities. If a bank were prohibited from so acting, its shareholder clients would be permitted to remain Fund shareholders and alternative means for continuing the Servicing of such shareholders would be sought. In such event, changes in the operation of the Fund might occur and shareholders serviced by such bank might no longer be able to avail themselves of any automatic investment or other ser-

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VICES THEN BEING provided by such bank. The Fund does not expect that shareholders would suffer any adverse financial consequences as a result of any of these occurrences.

SHAREHOLDER SERVICES PLAN

The Fund has adopted a Shareholder Services Plan pursuant to which the Fund reimburses Dreyfus Service Corporation an amount not to exceed an annual rate of .25 of 1% of the value of the Fund's average daily net assets for certain allocated expenses of providing personal services and/or maintaining shareholder accounts. At no time, however, will the amount paid under the Shareholder Services Plan, together with amounts otherwise paid by the Fund under its Service Plan as a "service fee" pursuant to Article III, Section 26 of the NASD Rules of Fair Practice, exceed the maximum amount permitted by the NASD to be paid as a service fee. 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.

DIVIDENDS, DISTRIBUTIONS AND TAXES

The Fund ordinarily declares dividends from its net investment income on each day the New York Stock Exchange is open for business. Dividends usually are paid on the last calendar day of each month and are automatically reinvested in additional Fund shares at net asset value or, at your option, paid in cash. The Fund's earnings for Saturdays, Sundays and holidays are declared as dividends on the preceding business day. If you redeem all shares in your account at any time during the month, all dividends to which you are entitled will be paid to you along with the proceeds of the redemption. Distributions from net realized securities gains, if any, generally are declared and paid once a year, but the Fund may make distributions on a more frequent basis to comply with the distribution requirements of the Code, in all events in a manner consistent with the provisions of the Investment Company Act of 1940. The Fund will not make distributions from net realized securities gains unless capital loss carryovers, if any, have been utilized or have expired. You may choose whether to receive distributions in cash or to reinvest in additional Fund shares at net asset value. All expenses are accrued daily and deducted before declaration of dividends to investors.

Except for dividends from Taxable Investments, the Fund anticipates that substantially all dividends paid by the Fund will not be subject to Federal, New York State and New York City personal income taxes. To the extent that you are obligated to pay state or local taxes outside of New York State and New York City, dividends earned by an investment in the Fund may represent taxable income. Dividends derived from Taxable Investments, together with distributions from any net realized short-term securities gains and all or a portion of any gains from the sale or other disposition of certain market discount bonds, paid by the Fund are subject to Federal income tax as ordinary income whether received in cash or reinvested. No dividend paid by the Fund will qualify for the dividends received deduction allowable to certain U.S. corporations. Distributions from net realized long-term securities gains of the Fund generally are taxable as long-term capital gains for Federal income tax purposes if you are a citizen or resident of the United States. The Code provides that the net capital gain of an individual generally will not be subject to Federal income tax at a rate in excess of 28%. Under the Code, interest on indebtedness incurred or continued to purchase or carry Fund shares which is deemed to relate to exempt-interest dividends is not deductible.

Although all or a substantial portion of the dividends paid by the Fund may be excluded by shareholders of the Fund from their gross income for Federal income tax purposes, the Fund may purchase specified private activity bonds, the interest from which may be (i) a preference item for purposes of the alternative minimum tax, (ii) a component of the "adjusted current earnings" preference item for purposes of the corporate alternative minimum tax as well as a component in computing the corporate environmental tax or (iii) a factor in determining the extent to which a shareholder's Social Security benefits are taxable. If the Fund purchases such securities, the portion of the Fund's dividends related thereto will not necessarily be tax exempt to an investor who is subject to the alternative minimum tax and/or tax on Social Security benefits and may cause an

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investor to be subject to such taxes.

Notice as to the tax status of your dividends and distributions will be mailed to you annually. You also will receive periodic summaries of your account which will include information as to dividends and distributions from securities gains, if any, paid during the year. These statements set forth the dollar amount of income exempt from Federal tax and the dollar amount, if any, subject to Federal tax. These dollar amounts will vary depending on the size and length of time of your investment in the Fund. If the Fund pays dividends derived from taxable income, it intends to designate as taxable the same percentage of the day's dividend as the actual taxable income earned on that day bears to total income earned on that day. Thus, the percentage of the dividend designated as taxable, if any, may vary from day to day.

Federal regulations generally require the Fund to withhold ("backup withholding") and remit to the U.S. Treasury 31% of taxable dividends and distributions from net realized securities gains of the Fund paid to a shareholder if such shareholder fails to certify either that the TIN furnished in connection with opening an account is correct, or that such shareholder has not received notice from the IRS of being subject to backup withholding as a result of a failure to properly report taxable dividend or interest income on a Federal income tax return. Furthermore, the IRS may notify the Fund to institute backup withholding if the IRS determines a shareholder's TIN is incorrect or if a shareholder has failed to properly report taxable dividend and interest income on a Federal income tax return.

A TIN is either the Social Security number or employer identification number of the record owner of the account. Any tax withheld as a result of backup withholding does not constitute an additional tax imposed on the record owner of the account, and may be claimed as a credit on the record owner's Federal income tax return.

Management of the Fund believes that the Fund has qualified for the fiscal year ended November 30, 1993 as a "regulated investment company" under the Code. The Fund intends to continue to so qualify if such qualification is in the best interests of its shareholders. Such qualification relieves the Fund of any liability for Federal income tax to the extent its earnings are distributed in accordance with applicable provisions of the Code. The Fund is subject to a non-deductible 4% excise tax, measured with respect to certain undistributed amounts of taxable investment income and capital gains, if any.

You should consult your tax adviser regarding specific questions as to Federal, state or local taxes.

GENERAL INFORMATION

The Fund was organized as an unincorporated business trust under the laws of the Commonwealth of Massachusetts pursuant to an Agreement and Declaration of Trust (the "Trust Agreement") dated September 19, 1986, and commenced operations on December 2, 1986. On January 29, 1990, the Fund's name was changed from General New York Tax Exempt Money Market Fund to General New York Municipal Money Market Fund. The Fund is authorized to issue an unlimited number of shares of beneficial

interest, par value \$.001 per share. Each share has one vote.

Under Massachusetts law, shareholders could, under certain circumstances, be held personally liable for the obligations of the Fund. However, the Trust Agreement disclaims shareholder liability for acts or obligations of the Fund and requires that notice of such disclaimer be given in each agreement, obligation or instrument entered into or executed by the Fund or a Trustee. The Trust Agreement provides for indemnification from the Fund's property for all losses and expenses of any shareholder held personally liable for the obligations of the Fund. Thus, the risk of a shareholder incurring financial loss on account of shareholder liability is limited to circumstances in which the Fund itself would be unable to meet its obligations, a possibility which management believes is remote. Upon payment of any liability incurred by the Fund, the shareholder paying such liability will be entitled to reimbursement from the general assets of the Fund. The Trustees intend to conduct the operations of the Fund in such a way so as to avoid, as far as possible, ultimate liability of the shareholders for liabilities of the Fund. As discussed under "Management of the Fund" in the Statement of Additional Information, the Fund ordinarily will not hold shareholder meetings; however, shareholders under certain circumstances may

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have the right to call a meeting of shareholders for the purpose of voting to remove Trustees.

The Transfer Agent maintains a record of your ownership and sends confirmations and statements of account.

Shareholder inquiries may be made to your Service Agent or by writing to the Fund at 144 Glenn Curtiss Boulevard, Uniondale, New York 11556-0144, or by calling toll free 1-800-645-6561. In New York City, call 1-718-895-1206, on Long Island call 794-5254.

NO PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS OTHER THAN THOSE CONTAINED IN THIS PROSPECTUS AND IN THE FUND'S OFFICIAL SALES LITERATURE IN CONNECTION WITH THE OFFER OF THE FUND'S SHARES, AND, IF GIVEN OR MADE, SUCH OTHER INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE FUND. THIS PROSPECTUS DOES NOT CONSTITUTE AN OFFER IN ANY STATE IN WHICH, OR TO ANY PERSON TO WHOM, SUCH OFFERING MAY NOT LAWFULLY BE MADE.

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GENERAL NEW YORK MUNICIPAL MONEY MARKET FUND
PART B
(STATEMENT OF ADDITIONAL INFORMATION)
MARCH 15, 1994

This Statement of Additional Information, which is not a prospectus, supplements and should be read in conjunction with the current Prospectus of General New York Municipal Money Market Fund (the "Fund"), dated March 15, 1994, as it may be revised from time to time. To obtain a copy of the Fund's Prospectus, please write to the Fund at 144 Glenn Curtiss Boulevard, Uniondale, New York 11556-0144, or call the following numbers:

Call Toll Free 1-800-645-6561
In New York City -- Call 1-718-895-1206
On Long Island -- Call 794-5254

The Dreyfus Corporation (the "Manager") serves as the Fund's investment adviser.

Dreyfus Service Corporation (the "Distributor"), a wholly-owned subsidiary of the Manager, is the distributor of the Fund's shares.

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INVESTMENT OBJECTIVE AND MANAGEMENT POLICIES

The following information supplements and should be read in conjunction with the section in the Fund's Prospectus entitled "Description of the Fund."

The average distribution of investments (at value) in Municipal Obligations by ratings for the fiscal year ended November 30, 1993, computed on a monthly basis, was as follows:

<TABLE>
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<S>		<S>		<S>	<C>
Fitch Investors Service, Inc. ("Fitch")	or	Moody's Investors Service, Inc. ("Moody's")	or	Standard & Poor's Corporation ("S&P")	Percentage of Value
F-1+/F-1		VMIG1/MIG1, P-1		SP-1+/SP-1, A-1+/A-1	88.0%
AAA/AA		Aaa/Aa		AAA/AA	5.8
Not Rated		Not Rated		Not Rated	6.2
					100.0%
					=====

</TABLE>

Municipal Obligations. The term "Municipal Obligations" generally includes debt obligations issued to obtain funds for various public purposes, including the construction of a wide range of public facilities such as airports, bridges, highways, housing, hospitals, mass transportation, schools, streets and water and sewer works. Other public purposes for which Municipal Obligations may be issued include refunding outstanding obligations, obtaining funds for general operating expenses and lending such funds to other public institutions and facilities. In addition, certain types of industrial development bonds are issued by or on behalf of public authorities to obtain funds to provide for the construction, equipment, repair or improvement of privately operated housing facilities, sports facilities, convention or trade show facilities, airport, mass transit, industrial, port or parking facilities, air or water pollution control facilities and certain local facilities for water supply, gas, electricity or sewage or solid waste disposal; the interest paid on such obligations may be exempt from Federal income tax, although current tax laws place substantial limitations on the size of such issues. Such obligations are considered to be Municipal Obligations if the interest paid thereon qualifies as exempt from Federal income tax in the opinion of bond counsel to the issuer. There are, of course, variations in the security of Municipal Obligations, both within a particular classification and between classifications.

Floating and variable rate demand notes and bonds are tax exempt obligations ordinarily having stated maturities in excess of 13 months, but which permit the holder to demand payment of principal at any time, or at specified intervals not exceeding 13 months, in each case upon not more than 30 days' notice. The issuer of such obligations ordinarily has a corresponding right, after a given period, to prepay in its discretion the outstanding principal amount of the obligations plus accrued interest upon a specified number of days' notice to the holders thereof. The interest rate on a floating rate demand obligation is based on a known lending rate, such as a bank's prime rate, and is adjusted automatically each time such rate is adjusted. The interest rate on a variable rate demand obligation is adjusted automatically at specified intervals.

The yields on Municipal Obligations are dependent on a variety of factors, including general economic and monetary conditions, money market factors, conditions in the Municipal Obligations market, size of a particular offering, maturity of the obligation and rating of the issue. The imposition of the Fund's management fee, as well as other operating expenses, including fees paid under the Fund's Service Plan, will have the effect of reducing the yield to investors.

Municipal lease obligations or installment purchase contract

obligations (collectively, "lease obligations") have special risks not ordinarily associated with Municipal Obligations. Although lease obligations do not constitute general obligations of the municipality for which the municipality's taxing power is pledged, a lease obligation ordinarily is backed by the municipality's covenant to budget for, appropriate and make the payments due under the lease obligation. However, certain lease obligations contain "non-appropriation" clauses which provide that the municipality has no obligation to make lease or installment purchase payments in future years unless money is appropriated for such purpose on a yearly basis. Although "non-appropriation" lease obligations are secured by the leased property, disposition of the property in the event of foreclosure might prove difficult. The Fund will seek to minimize these risks by investing only in those lease obligations that (1) are rated in one of the two highest categories for debt obligations by at least two nationally recognized statistical rating organizations (or one rating organization if the lease obligation was rated only by one such organization) or (2) if unrated, are purchased principally from the issuer or domestic banks or other responsible third parties, in each case only if the seller shall have entered into an agreement with the Fund providing that the seller or other responsible third party will either remarket or repurchase the lease obligation within a short period after demand by the Fund. The staff of the Securities and Exchange Commission currently considers certain lease obligations to be illiquid. Accordingly, not more than 10% of the value of the Fund's net assets will be invested in lease obligations that are illiquid and in other securities that are not readily marketable. See "Investment Restriction No. 6" below.

The Fund will not purchase tender option bonds unless (a) the demand feature applicable thereto is exercisable by the Fund within 13 months of the date of such purchase upon no more than 30 days' notice and thereafter is exercisable by the Fund no less frequently than annually upon no more than 30 days' notice and (b) at the time of such purchase, the Manager reasonably expects (i) based upon its assessment of current and historical interest rate trends, that prevailing short-term tax exempt rates will not exceed the stated interest rate on the underlying Municipal Obligations at the time of the next tender fee adjustment and (ii) that the circumstances which might entitle the grantor of a tender option to terminate the tender option would not occur prior to the time of the next tender opportunity. At the time of each tender opportunity, the Fund will exercise the tender option with respect to any tender option bonds unless the Manager reasonably expects, (x) based upon its assessment of current and historical interest rate trends, that prevailing short-term tax exempt rates will not exceed the stated interest rate on the underlying Municipal Obligations at the time of the next tender fee adjustment, and (y) that the circumstances which might entitle the grantor of a tender option to terminate the tender option would not occur prior to the time of the next tender opportunity. The Fund will exercise the tender feature with respect to tender option bonds, or otherwise dispose of its tender option bonds, prior to the time the tender option is scheduled to expire pursuant to the terms of the agreement under which the tender option is granted. The Fund otherwise will comply with the provisions of Rule 2a-7 in connection with the purchase of tender option bonds, including, without limitation, the requisite determination by the Board of Trustees that the tender option bonds in question meet the quality standards described in Rule 2a-7, which, in the case of a tender option bond subject to a conditional demand feature, would include a determination that the security has received both the required short-term and long-term quality rating or is determined to be of comparable quality. In the event of a default of the Municipal Obligation underlying a tender option bond, or the termination of the tender option agreement, the Fund would look to the maturity date of the underlying security for purposes of compliance with Rule 2a-7 and, if its remaining maturity was greater than thirteen months, the Fund would sell the security as soon as would be practical. The Fund will purchase tender option bonds only when it is satisfied that the custodial and tender option arrangements, including the fee payment arrangements, will not adversely affect the tax exempt status of the underlying Municipal Obligations and that payment of any tender fees will not have the effect of creating taxable income for the Fund. Based on the tender option bond agreement, the Fund expects to be able to value the tender option bond at par; however, the value of the instrument will be monitored to assure that it is valued at fair value.

Ratings of Municipal Obligations. If, subsequent to its purchase by the Fund, (a) an issue of rated Municipal Obligations ceases to be rated in the highest rating category by at least two rating organizations (or one rating organization if the instrument was rated by only one such organization) or the Fund's Board determines that it is no longer of comparable quality or (b) the Manager becomes aware that any portfolio security not so highly rated or any unrated security has been given a rating by any rating organization below the rating organization's second highest rating category, the Fund's Board will reassess promptly whether such security presents minimal credit risk and will cause the Fund to take

such action as it determines is in the best interest of the Fund and its shareholders; provided that the reassessment required by clause (b) is not required if the portfolio security is disposed of or matures within five business days of the Manager becoming aware of the new rating and the Fund's Board is subsequently notified of the Manager's actions.

To the extent that the ratings given by Moody's, S&P or Fitch for Municipal Obligations may change as a result of changes in such organizations or their rating systems, the Fund will attempt to use comparable ratings as standards for its investments in accordance with the stated investment policies contained in the Fund's Prospectus and this Statement of Additional Information. The ratings of Moody's, S&P or Fitch represent their opinions as to the quality of the Municipal Obligations which they undertake to rate. It should be emphasized, however, that ratings are relative and subjective and are not absolute standards of quality. Although these ratings may be an initial criterion for selection of portfolio investments, the Manager also will evaluate these securities and the creditworthiness of the issuers of such securities.

Taxable Investments. Securities issued or guaranteed by the U.S. Government or its agencies or instrumentalities include U.S. Treasury securities, which differ in their interest rates, maturities and times of issuance. Treasury Bills have initial maturities of one year or less; Treasury Notes have initial maturities of one to ten years; and Treasury Bonds generally have initial maturities of greater than ten years. Some obligations issued or guaranteed by U.S. Government agencies and instrumentalities, for example, Government National Mortgage Association pass-through certificates, are supported by the full faith and credit of the U.S. Treasury; others, such as those of the Federal Home Loan Banks, by the right of the issuer to borrow from the U.S. Treasury; others, such as those issued by the Federal National Mortgage Association, by discretionary authority of the U.S. Government to purchase certain obligations of the agency or instrumentality; and others, such as those issued by the Student Loan Marketing Association, only by the credit of the agency or instrumentality. These securities bear fixed, floating or variable rates of interest. Interest may fluctuate based on generally recognized reference rates or the relationship of rates. While the U.S. Government provides financial support to such U.S. Government-sponsored agencies or instrumentalities, no assurance can be given that it will always do so, since it is not so obligated by law. The Fund will invest in such securities only when it is satisfied that the credit risk with respect to the issuer is minimal.

Commercial paper consists of short-term, unsecured promissory notes issued to finance short-term credit needs.

Certificates of deposit are negotiable certificates representing the obligation of a bank to repay funds deposited with it for a specified period of time.

Time deposits are non-negotiable deposits maintained in a banking institution for a specified period of time (in no event longer than seven days) at a stated interest rate. Investments in time deposits generally are limited to London branches of domestic banks that have total assets in excess of one billion dollars. Time deposits which may be held by the Fund will not benefit from insurance from the Bank Insurance Fund or the Savings Association Insurance Fund administered by the Federal Deposit Insurance Corporation.

Bankers' acceptances are credit instruments evidencing the obligation of a bank to pay a draft drawn on it by a customer. These instruments reflect the obligation both of the bank and of the drawer to pay the face amount of the instrument upon maturity. Other short-term bank obligations may include uninsured, direct obligations bearing fixed, floating or variable interest rates.

Repurchase agreements involve the acquisition by the Fund of an underlying debt instrument, subject to an obligation of the seller to repurchase, and the Fund to resell, the instrument at a fixed price, usually not more than one week after its purchase. The Fund's custodian or sub-custodian will have custody of, and will hold in a segregated account, securities acquired by the Fund under a repurchase agreement. Repurchase agreements are considered by the staff of the Securities and Exchange Commission to be loans by the Fund. In an attempt to reduce the risk of incurring a loss on a repurchase agreement, the Fund will enter into repurchase agreements only with domestic banks with total assets in excess of one billion dollars or primary government securities dealers reporting to the Federal Reserve Bank of New York, with respect to securities of the type in which the Fund may invest, and will require that additional securities be deposited with it if the value of the securities purchased should decrease below resale price. The Manager will monitor on an ongoing basis the value of the collateral to assure that it always equals or

exceeds the repurchase price. Certain costs may be incurred by the Fund in connection with the sale of the securities if the seller does not repurchase them in accordance with the repurchase agreement. In addition, if bankruptcy proceedings are commenced with respect to the seller of the securities, realization on the securities by the Fund may be delayed or limited. The Fund will consider on an ongoing basis the creditworthiness of the institutions with which it enters into repurchase agreements.

Investing in New York Municipal Obligations. Each investor should consider carefully the special risks inherent in the investment in New York Municipal Obligations by each Fund. These risks result from the financial condition of New York State and certain of its public bodies and municipalities, including New York City. Beginning in early 1975, New York State, New York City and other State entities faced serious financial difficulties which jeopardized the credit standing and impaired the borrowing abilities of such entities and contributed to high interest rates on, and lower market prices for, debt obligations issued by them. A recurrence of such financial difficulties or a failure of certain financial recovery programs could result in defaults or declines in the market values of various New York Municipal Obligations in which the Fund may invest. If there should be a default or other financial crisis relating to New York State, New York City, a State or City agency, or a State municipality, the market value and marketability of outstanding New York Municipal Obligations in the Fund's portfolio and the interest income to the Fund could be adversely affected. Moreover, the significant slowdown in the New York regional economy in the early 1990s added substantial uncertainty to estimates of the State's tax revenues, which, in part, caused the State to overestimate its General Fund tax receipts in the 1992 fiscal year by \$575 million. The 1992 fiscal year was the fourth consecutive year in which the State incurred a cash-basis operating deficit in the General Fund and issued deficit notes. The State's 1992-93 fiscal year was characterized by national and regional economies that performed better than projected. After reflecting a 1992-93 year-end deposit to the State's refund reserve account of \$671 million, reported 1992-93 General Fund receipts were \$45 million higher than originally projected in April 1992. If not for that year-end transaction, which had the effect of reducing 1992-93 receipts by \$671 million and making those receipts available in 1993-94, General Fund receipts would have been \$716 million higher than originally projected. There can be no assurance that New York will not face substantial potential budget gaps in future years. In 1990, S&P and Moody's lowered their ratings of the State's general obligation debt from AA- to A and from A1 to A, respectively, and short-term notes from SP-1+ to SP-1 and from MIG-1 to MIG-2, respectively. In January 1992, Moody's lowered from A to Baal the ratings on certain appropriation-backed debt of New York State and its agencies. New York State's general obligation, state guaranteed and New York State Local Government Assistance Corporation bonds continue to be rated A by Moody's. In addition, in January 1992, S&P lowered from A to A- the ratings of New York State general obligation bonds and stated that it continues to assess the ratings outlook as negative. S&P also lowered its ratings of various agency debt, state moral obligations, contractual obligations, lease purchase obligations and state guarantees. In February 1991, Moody's lowered its rating on New York City's general obligation bonds from A to Baal. The rating changes reflected the rating agencies' concerns about the financial condition of New York State and City, the heavy debt load of the State and City, and economic uncertainties in the region. Investors should review "Appendix A" which more fully sets forth these and other risk factors.

Investment Restrictions. The Fund has adopted the following restrictions as fundamental policies. These restrictions cannot be changed without approval by the holders of a majority (as defined in the Investment Company Act of 1940, as amended (the "Act")) of the Fund's outstanding voting shares. The Fund may not:

1. Purchase securities other than Municipal Obligations and Taxable Investments as those terms are defined above and in the Prospectus.
2. Borrow money, except from banks for temporary or emergency (not leveraging) purposes in an amount up to 10% of the value of the Fund's total assets (including the amount borrowed) based on the lesser of cost or market, less liabilities (not including the amount borrowed) at the time the borrowing is made. While borrowings exceed 5% of the value of the Fund's total assets, the Fund will not make any additional investments.
3. Pledge, hypothecate, mortgage or otherwise encumber its assets, except in an amount up to 10% of the value of its total assets, but only to secure borrowings for temporary or emergency purposes.
4. Sell securities short or purchase securities on margin.

5. Underwrite the securities of other issuers except that the Fund may bid separately or as part of a group for the purchase of Municipal Obligations directly from an issuer for its own portfolio to take advantage of the lower purchase price available.

6. Purchase securities subject to restrictions on disposition under the Securities Act of 1933 (so called "restricted securities"). The Fund may not enter into repurchase agreements providing for settlement in more than seven days after notice or purchase securities which are not readily marketable (which securities could include participation interests that are not subject to the demand feature described in the Fund's Prospectus and floating and variable rate demand notes as to which the Fund cannot exercise the demand feature described in the Fund's Prospectus on less than seven days' notice), if, in the aggregate, more than 10% of its net assets would be so invested. The Fund may not invest in time deposits maturing in more than seven days, and time deposits maturing from two business days through seven calendar days may not exceed 10% of the Fund's total assets.

7. Purchase or sell real estate, real estate investment trust securities, commodities or commodity contracts, or oil and gas interests, but this shall not prevent the Fund from investing in Municipal Obligations secured by real estate or interests therein.

8. Make loans to others except through the purchase of qualified debt obligations and the entry into repurchase agreements referred to above and in the Fund's Prospectus.

9. Invest more than 25% of its total assets in the securities of issuers in any single industry; provided that there shall be no such limitation on the purchase of Municipal Obligations and, for temporary defensive purposes, securities issued by domestic banks and obligations issued or guaranteed by the U.S. Government, its agencies or instrumentalities.

10. Invest in companies for the purpose of exercising control.

11. Invest in securities of other investment companies, except as they may be acquired as part of a merger, consolidation or acquisition of assets.

For purposes of Investment Restriction No. 9, industrial development bonds, where the payment of principal and interest is the ultimate responsibility of companies within the same industry, are grouped together as an "industry."

If a percentage restriction is adhered to at the time of investment, a later increase or decrease in percentage resulting from a change in values or assets will not constitute a violation of such restriction.

The Fund may make commitments more restrictive than the restrictions listed above so as to permit the sale of Fund shares in certain states. Should the Fund determine that a commitment is no longer in the best interest of the Fund and its shareholders, the Fund reserves the right to revoke the commitment by terminating the sale of Fund shares in the state involved.

MANAGEMENT OF THE FUND

Trustees and officers of the Fund, together with information as to their principal business occupations during at least the last five years, are shown below. Each Trustee who is deemed to be an "interested person" of the Fund (as defined in the Act) is indicated by an asterisk.

Trustees and Officers of the Fund

CLIFFORD L. ALEXANDER, JR., Trustee. President of Alexander & Associates, Inc., a management consulting firm. From 1977 to 1981, Mr. Alexander served as Secretary of the Army and Chairman of the Board of the Panama Canal Company, and from 1975 to 1977, he was a member of the Washington, D.C. law firm of Verner, Liipfert, Bernhard, McPherson and Alexander. He is a director of American Home Products Corp., The Dun & Bradstreet Corporation, Equitable Resources, Inc., a producer and distributor of natural gas and crude petroleum, MCI Communications Corporation and Mutual of America Life Insurance Company. His address is 400 C Street, N.E., Washington, D.C. 20002.

PEGGY C. DAVIS, Trustee. Professor of Law, New York University School of Law. Professor Davis has been a member of the New York University law

faculty since 1983. Prior to that time, she served for three years as a judge in the courts of New York State; was engaged for eight years in the practice of law, working in both corporate and non-profit sectors; and served for two years as a criminal justice administrator in the government of the City of New York. She writes and teaches in the fields of evidence, constitutional theory, family law, social sciences and the law, legal process and professional methodology and training. Her address is c/o New York University School of Law, 249 Sullivan Street, New York, New York 10011.

ERNEST KAFKA, Trustee. A physician engaged in private practice specializing in the psychoanalysis of adults and adolescents. Since 1981, he has served as an Instructor at the New York Psychoanalytic Institute and, prior thereto, held other teaching positions. For more than the past five years, Dr. Kafka has held numerous administrative positions and has published many articles on subjects in the field of psychoanalysis. His address is 23 East 92nd Street, New York, New York 10028.

SAUL B. KLAMAN, Trustee. Chairman and Chief Executive Officer of SBK Associates, which provides research and consulting services to financial institutions. Dr. Klamman was President of the National Association of Mutual Savings Banks until November 1983, President of the National Council of Savings Institutions until June 1985, Vice Chairman of Golembe Associates and BEI Golembe, Inc. until 1989 and Chairman Emeritus of BEI Golembe, Inc. until November 1992. He also served as an Economist to the Board of Governors of the Federal Reserve System and on several Presidential Commissions and has held numerous consulting and advisory positions in the fields of economics and housing finance. His address is 431-B Dedham Street, The Gables, Newton Center, Massachusetts 02159.

NATHAN LEVENTHAL, Trustee. President of Lincoln Center for the Performing Arts, Inc. Mr. Leventhal was as Deputy Mayor for Operations of New York City from September 1979 to March 1984, and Commissioner of the Department of Housing Preservation and Development of New York City from February 1978 to September 1979. Mr. Leventhal was an associate and then a member of the New York law firm of Poletti Freidin Prashker Feldman and Gartner from 1974 to 1978. He was Commissioner of Rent and Housing Maintenance for New York City from 1972 to 1973. His address is 70 Lincoln Center Plaza, New York, New York 10023-6583.

*RICHARD J. MOYNIHAN, Trustee, President and Investment Officer. An employee of the Manager and an officer, director or trustee of other investment companies advised or administered by the Manager. His address is 200 Park Avenue, New York, New York 10166.

For so long as the Fund's plans described in the sections captioned "Service Plan" and "Shareholder Services Plan" remain in effect, the Trustees of the Fund who are not "interested persons" of the Fund, as defined in the Act, will be selected and nominated by the Trustees who are not "interested persons" of the Fund.

The Trustees, with the exception of Mr. Leventhal and Ms. Davis, were elected at a meeting of shareholders held on May 4, 1988. Mr. Leventhal and Ms. Davis were elected by the Board of Trustees on July 19, 1989 and July 25, 1990, respectively. Ordinarily, no further meetings of shareholders will be held for the purpose of electing Trustees unless and until such time as less than a majority of the Trustees holding office have been elected by shareholders at which time the Trustees then in office will call a shareholders' meeting for the election of Trustees. Under the Act, shareholders of record of not less than two-thirds of the outstanding shares of the Fund may remove a Trustee through a declaration in writing or by vote cast in person or by proxy at a meeting called for that purpose. Under the Fund's Agreement and Declaration of Trust, the Trustees are required to call a meeting of shareholders for the purpose of voting upon the question of removal of any such Trustee when requested in writing to do so by the shareholders of record of not less than 10% of the Fund's outstanding shares.

Each of the "non-interested" Trustees is also a trustee of General California Municipal Money Market Fund, Premier California Municipal Bond Fund, Premier Insured Municipal Bond Fund, Premier GNMA Fund, Premier Municipal Bond Fund, Premier New York Municipal Bond Fund and Premier State Municipal Bond Fund, and a director of Dreyfus Appreciation Fund, Inc., General California Municipal Bond Fund, Inc., General Government Securities Money Market Fund, Inc., General Money Market Fund, Inc., General Municipal Bond Fund, Inc., General Municipal Money Market Fund, Inc., General New York Municipal Bond Fund, Inc. and Premier Growth Fund, Inc. Mr. Alexander is also a director of The Dreyfus Socially Responsible Growth Fund, Inc. and The Dreyfus Third Century Fund, Inc.

The Fund does not pay any remuneration to its officers and Trustees other than fees and expenses to Trustees who are not officers, directors, employees or holders of 5% or more of the outstanding voting securities of the Manager, which totalled \$18,941 for the fiscal year ended November 30, 1993 for such Trustees as a group.

Officers of the Fund Not Listed Above

A. PAUL DISDIER, Vice President and Investment Officer. An employee of the Manager and an officer of other investment companies advised and administered by the Manager.

KAREN M. HAND, Vice President and Investment Officer. An employee of the Manager and an officer of other investment companies advised and administered by the Manager.

STEPHEN C. KRIS, Vice President and Investment Officer. An employee of the Manager and an officer of other investment companies advised and administered by the Manager.

JILL C. SHAFFRO, Vice President and Investment Officer. An employee of the Manager and an officer of other investment companies advised and administered by the Manager.

L. LAWRENCE TROUTMAN, Vice President and Investment Officer. An employee of the Manager and an officer of other investment companies advised and administered by the Manager.

SAMUEL J. WEINSTOCK, Vice President and Investment Officer. An employee of the Manager and an officer of other investment companies advised and administered by the Manager.

MONICA S. WIEBOLDT, Vice President and Investment Officer. An employee of the Manager and an officer of other investment companies advised and administered by the Manager.

DANIEL C. MACLEAN, Vice President. Vice President and General Counsel of the Manager, Secretary of the Distributor and an officer of other investment companies advised or administered by the Manager.

JEFFREY N. NACHMAN, Vice President-Financial. Vice President-Mutual Fund Accounting of the Manager and an officer of other investment companies advised or administered by the Manager.

JOHN J. PYBURN, Treasurer. Assistant Vice President of the Manager and an officer of other investment companies advised or administered by the Manager.

PAUL T. MOLLOY, Controller. Senior Accounting Manager in the Fund Accounting Department of the Manager and an officer of other investment companies advised or administered by the Manager.

MARK N. JACOBS, Secretary. Secretary and Deputy General Counsel of the Manager and an officer of other investment companies advised or administered by the Manager.

STEVEN F. NEWMAN, Assistant Secretary. Associate General Counsel of the Manager and an officer of other investment companies advised or administered by the Manager.

CHRISTINE PAVALOS, Assistant Secretary. Assistant Secretary of the Manager, the Distributor and an officer of other investment companies advised or administered by the Manager.

ROBERT R. MULLERY, Assistant Secretary. Assistant General Counsel of the Manager and an officer of other investment companies advised and administered by the Manager.

The address of each officer of the Fund is 200 Park Avenue, New York, New York 10166.

Trustees and officers of the Fund, as a group, owned less than 1% of the Fund's shares of beneficial interest outstanding on March 4, 1994.

The following persons also are officers and/or directors of the Manager: Howard Stein, Chairman of the Board and Chief Executive Officer; Julian M. Smerling, Vice Chairman of the Board of Directors; Joseph S. DiMartino, President, Chief Operating Officer and a director; Alan M. Eisner, Vice President and Chief Financial Officer; David W. Burke, Vice President and Chief Administrative Officer; Robert F. Dubuss, Vice President; Elie M. Genadry, Vice President-Institutional Sales; Peter A.

Santoriello, Vice President; Robert H. Schmidt, Vice President; Kirk V. Stumpp, Vice President-New Product Development; Philip L. Toia, Vice President; John J. Pyburn and Katherine C. Wickham, Assistant Vice Presidents; Maurice Bendrihem, Controller; and Mandell L. Berman, Alvin E. Friedman, Lawrence M. Greene, Abigail Q. McCarthy and David B. Truman, directors.

MANAGEMENT AGREEMENT

The following information supplements and should be read in conjunction with the section in the Fund's Prospectus entitled "Management of the Fund."

The Manager provides management services pursuant to the Management Agreement (the "Agreement") with the Fund dated October 15, 1986, which is subject to annual approval by (i) the Fund's Board of Trustees or (ii) vote of a majority (as defined in the Act) of the outstanding voting securities of the Fund, provided that in either event the continuance also is approved by a majority of the Trustees who are not "interested persons" (as defined in the Act) of the Fund or the Manager, by vote cast in person at a meeting called for the purpose of voting on such approval. The Agreement was approved by shareholders at a meeting held on May 4, 1988 and was last approved by the Fund's Board of Trustees, including a majority of the Trustees who are not "interested persons" of any party to the Agreement, at a meeting held on September 27, 1993. The Agreement is terminable without penalty, on 60 days' notice, by the Fund's Board of Trustees or by vote of the holders of a majority of the Fund's shares, or, on not less than 90 days' notice, by the Manager. The Agreement will terminate automatically in the event of its assignment (as defined in the Act).

The Manager manages the Fund's portfolio of investments in accordance with the stated policies of the Fund, subject to the approval of the Fund's Board of Trustees. The Manager is responsible for investment decisions and provides the Fund with Investment Officers who are authorized by the Board of Trustees to execute purchases and sales of securities. The Fund's Investment Officers are A. Paul Disdier, Karen M. Hand, Stephen C. Kris, Richard J. Moynihan, Jill C. Shaffro, L. Lawrence Troutman, Samuel J. Weinstock and Monica S. Wieholdt. The Manager also maintains a research department with a professional staff of portfolio managers and securities analysts who provide research services for the Fund as well as for other funds advised by the Manager. All purchases and sales are reported for the Trustees' review at the meeting subsequent to such transactions.

All expenses incurred in the operation of the Fund are borne by the Fund, except to the extent specifically assumed by the Manager. The expenses borne by the Fund include: taxes, interest, brokerage fees and commissions, if any, fees of Trustees who are not officers, directors, employees or holders of 5% or more of the outstanding voting securities of the Manager, Securities and Exchange Commission fees, state Blue Sky qualification fees, advisory fees, charges of custodians, transfer and dividend disbursing agents' fees, certain insurance premiums, industry association fees, outside auditing and legal expenses, costs of independent pricing services, costs of maintaining the Fund's existence, costs attributable to investor services (including, without limitation, telephone and personnel expenses), costs of shareholders' reports and meetings, costs of preparing and printing prospectuses and statements of additional information, and any extraordinary expenses. The Fund also bears certain expenses in accordance with written plans. See "Service Plan" and "Shareholder Services Plan."

The Manager pays the salaries of all officers and employees employed by both it and the Fund, maintains office facilities and furnishes statistical and research data, clerical help, accounting, data processing, bookkeeping and internal auditing and certain other required services. The Manager also may make such advertising and promotional expenditures, using its own resources, as it from time to time deems appropriate.

As compensation for the Manager's services, the Fund has agreed to pay the Manager a monthly management fee at the annual rate of .50 of 1% of the value of the Fund's average daily net assets. No management fee was paid by the Fund for the fiscal year ended November 30, 1991 pursuant to an undertaking by the Manager in effect during such year. For the fiscal years ended November 30, 1992 and 1993, the management fees payable amounted to \$2,962,454 and \$2,951,496, respectively, which amounts were reduced by \$2,248,982 and \$2,066,047, respectively, pursuant to undertakings in effect, resulting in net fees paid to the Manager of \$713,472 in fiscal 1992 and \$885,449 in fiscal 1993.

The Manager has agreed that if in any fiscal year the aggregate expenses of the Fund, exclusive of taxes, brokerage, interest on borrowings and (with the prior written consent of the necessary state securities

commissions) extraordinary expenses, but including the management fee, exceed 1 1/2% of the value of the Fund's average net assets for the fiscal year, the Fund may deduct from the payment to be made to the Manager under the Agreement, or the Manager will bear, such excess expense. Such deduction or payment, if any, will be estimated daily, and reconciled and effected or paid, as the case may be, on a monthly basis. No such deduction or payment was required for the fiscal year ended November 30, 1993.

The aggregate of the fees payable to the Manager is not subject to reduction as the value of the Fund's net assets increases.

PURCHASE OF FUND SHARES

The following information supplements and should be read in conjunction with the section in the Fund's Prospectus entitled "How to Buy Fund Shares."

The Distributor. The Distributor serves as the Fund's distributor pursuant to an agreement which is renewable annually. The Distributor also acts as distributor for the other funds in the Dreyfus Family of Funds and for certain other investment companies.

Using Federal Funds. The Shareholder Services Group, Inc., the Fund's transfer and dividend disbursing agent (the "Transfer Agent"), or the Fund may attempt to notify the investor upon receipt of checks drawn on banks that are not members of the Federal Reserve System as to the possible delay in conversion into Federal Funds and may attempt to arrange for a better means of transmitting the money. If the investor is a customer of a Selected Dealer (as defined below) and his order to purchase Fund shares is paid for other than in Federal Funds, the Selected Dealer, acting on behalf of its customer, will complete the conversion into, or itself advance, Federal Funds generally on the business day following receipt of the customer order. The order is effective only when so converted and received by the Transfer Agent. An order for the purchase of Fund shares placed by an investor with sufficient Federal Funds or a cash balance in his brokerage account with a Selected Dealer will become effective on the day that the order, including Federal Funds, is received by the Transfer Agent.

Dreyfus TeleTransfer Privilege. Dreyfus TeleTransfer purchase orders may be made between the hours of 8:00 A.M. and 4:00 P.M., New York time, on any business day that the Transfer Agent and the New York Stock Exchange are open. Such purchases will be credited to the shareholder's Fund account on the next bank business day. To qualify to use the Dreyfus TeleTransfer Privilege, the initial payment for purchase of Fund shares must be drawn on, and redemption proceeds paid to, the same bank and account as are designated on the Account Application or Shareholder Services Form on file. If the proceeds of a particular redemption are to be wired to an account at any other bank, the request must be in writing and signature-guaranteed. See "Redemption of Fund Shares-Dreyfus TeleTransfer Privilege."

Reopening an Account. An investor may reopen an account with a minimum investment of \$100 without filing a new Account Application during the calendar year the account is closed or during the following calendar year, provided the information on the old Account Application is still applicable.

SERVICE PLAN

The following information supplements and should be read in conjunction with the section in the Fund's Prospectus entitled "Service Plan."

Rule 12b-1 (the "Rule"), adopted by the Securities and Exchange Commission under the Act, provides, among other things, that an investment company may bear expenses of distributing its shares only pursuant to a plan adopted in accordance with the Rule. Because some or all of the fees paid by the Manager for advertising or marketing the Fund's shares and the fees paid to certain securities dealers ("Selected Dealers"), financial institutions and other financial industry professionals (collectively, "Service Agents") in some cases could be deemed to be payment of distribution expenses, the Fund's Board of Trustees has adopted such a plan (the "Plan"). The Fund's Board of Trustees believes that there is a reasonable likelihood that the Plan will benefit the Fund and its shareholders. In some states, certain financial institutions effecting transactions in Fund shares may be required to register as dealers pursuant

to state law.

The Plan permits payments to Service Agents by the Manager, and the Manager and the Distributor also will pay the expenses of advertising Fund shares. These costs and fees will be paid by the Manager out of its management fee, its past profits or any other source available to it, and, to the extent paid out of the management fee may be deemed to be borne indirectly by the Fund. The Plan also permits the Fund to pay the costs of preparing, printing and distributing prospectuses and statements of additional information and of implementing and operating the Plan.

A quarterly report of the amounts expended under the Plan, and the purposes for which such expenditures were incurred, must be made to the Trustees for their review. In addition, the Plan provides that it may not be amended to increase materially the costs which the Fund may bear for distribution pursuant to the Plan without shareholder approval and that other material amendments of the Plan must be approved by the Board of Trustees, and by the Trustees who are not "interested persons" (as defined in the Act) of the Fund or the Manager and have no direct or indirect financial interest in the operation of the Plan or in the related service agreements, by vote cast in person at a meeting called for the purpose of considering such amendments. The Plan and the related service agreements are subject to annual approval by such vote of the Trustees cast in person at a meeting called for the purpose of voting on the Plan. The Plan was so approved at a meeting held on September 27, 1993. Shareholders approved the Plan at a meeting of shareholders held on May 4, 1988. The Plan is terminable at any time by vote of a majority of the Trustees who are not "interested persons" and have no direct or indirect financial interest in the operation of the Plan or in any of the related service agreements or by vote of a majority of the Fund's shares. Any service agreement is terminable without penalty, at any time, by such vote of the Trustees or, upon not more than 60 days' written notice to the Service Agent, by vote of the holders of a majority of the Fund's shares, or, upon 15 days' notice, by the Distributor. Each service agreement will terminate automatically in the event of its assignment (as defined in the Act).

Under the Plan, during the fiscal year ended November 30, 1993, \$14,751 was charged to the Fund, wholly attributable to the costs of preparing, printing and distributing prospectuses and statements of additional information.

SHAREHOLDER SERVICES PLAN

The following information supplements and should be read in conjunction with the section in the Fund's Prospectus entitled "Shareholder Services Plan."

The Fund has adopted a Shareholder Services Plan pursuant to which the Fund reimburses the Distributor for certain allocated expenses of providing personal services and/or maintaining shareholder accounts. 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.

A quarterly report of the amounts expended under the Shareholder Services Plan, and the purposes for which such expenditures were incurred, must be made to the Trustees for their review. In addition, the Shareholder Services Plan provides that material amendments of the Shareholder Services Plan must be approved by the Board of Trustees, and by the Trustees who are not "interested persons" (as defined in the Act) of the Fund and have no direct or indirect financial interest in the operation of the Shareholder Services Plan by vote cast in person at a meeting called for the purpose of considering such amendments. The Shareholder Services Plan is subject to annual approval by such vote of the Trustees cast in person at a meeting called for the purpose of voting on the Shareholder Services Plan. The Shareholder Services Plan is terminable at any time by vote of a majority of the Trustees who are not "interested persons" and have no direct or indirect financial interest in the operation of the Shareholder Services Plan.

REDEMPTION OF FUND SHARES

The following information supplements and should be read in conjunction with the section in the Fund's Prospectus entitled "How to Redeem Fund Shares."

Check Redemption Privilege. An investor may indicate on the Account Application or by later written request that the Fund provide Redemption Checks ("Checks") drawn on the Fund's account. Checks will be sent only to the registered owner(s) of the account and only to the address of record. The Account Application or later written request must be manually signed by the registered owner(s). Checks may be made payable to the order of any person in an amount of \$500 or more. When a Check is presented to the Transfer Agent for payment, the Transfer Agent, as the investor's agent, will cause the Fund to redeem a sufficient number of shares in the investor's account to cover the amount of the Check. Dividends are earned until the Check clears. After clearance, a copy of the Check will be returned to the investor. Investors generally will be subject to the same rules and regulations that apply to checking accounts, although election of this Privilege creates only a shareholder-transfer agent relationship with the Transfer Agent.

If the amount of the Check is greater than the value of the shares in an investor's account, the Check will be returned marked insufficient funds. Checks should not be used to close an account.

Wire Redemption Privilege. By using this Privilege, an investor authorizes the Transfer Agent to act on wire or telephone redemption instructions from any person representing himself or herself to be the investor, or a representative of the investor's Service Agent, and reasonably believed by the Transfer Agent to be genuine. Ordinarily, the Fund will initiate payment for shares redeemed pursuant to this Privilege on the same business day if the Transfer Agent receives the redemption request in proper form prior to 12:00 Noon, New York time, on such day; otherwise the Fund will initiate payment on the next business day. Redemption proceeds will be transferred by Federal Reserve wire only to the commercial bank account specified by the investor on the Account Application or Shareholder Services Form. Redemption proceeds, if wired, must be in the amount of \$1,000 or more and will be wired to the investor's account at the bank of record designated in the investor's file at the Transfer Agent, if the investor's bank is a member of the Federal Reserve System, or to a correspondent bank if the investor's bank is not a member. Fees ordinarily are imposed by such bank and usually are borne by the investor. Immediate notification by the correspondent bank to the investor's bank is necessary to avoid a delay in crediting the funds to the investor's bank account.

Investors with access to telegraphic equipment may wire redemption requests to the Transfer Agent by employing the following transmittal code which may be used for domestic or overseas transmissions:

Transmittal Code	Transfer Agent's Answer Back Sign
144295	144295 TSSG PREP

Investors who do not have direct access to telegraphic equipment may have the wire transmitted by contacting a TRT Cables operator at 1-800-654-7171, toll free. Investors should advise the operator that the above transmittal code must be used and should also inform the operator of the Transfer Agent's answer back sign.

To change the commercial bank or account designated to receive wire redemption proceeds, a written request must be sent to the Transfer Agent. This request must be signed by each shareholder, with each signature guaranteed as described below under "Share Certificates; Signatures."

Dreyfus TeleTransfer Privilege. Investors should be aware that if they have selected Dreyfus TeleTransfer Privilege, any request for a Dreyfus TeleTransfer transaction will be effected through the Automated Clearing House ("ACH") system unless more prompt transmittal specifically is requested. Redemption proceeds will be on deposit in the investor's account at an ACH member bank ordinarily two business days after receipt of the redemption request. See "Purchase of Fund Shares-Dreyfus TeleTransfer Privilege."

Share Certificates; Signatures. Any certificates representing Fund shares to be redeemed must be submitted with the redemption request. Written redemption requests must be signed by each shareholder, including each holder of a joint account, and each signature must be guaranteed. Signatures on endorsed certificates submitted for redemption also must be guaranteed. The Transfer Agent has adopted standards and procedures pursuant to which signature-guarantees in proper form generally will be accepted from domestic banks, brokers, dealers, credit unions, national securities exchanges, registered securities associations, clearing agencies and savings associations, as well as from participants in the New York Stock Exchange Medallion Signature Program, the Securities Transfer Agents

Medallion Program ("STAMP"), and the Stock Exchanges Medallion Program. Guarantees must be signed by an authorized signatory of the guarantor and "Signature-Guaranteed" must appear with the signature. The Transfer Agent may request additional documentation from corporations, executors, administrators, trustees or guardians, and may accept other suitable verification arrangements from foreign investors, such as consular verification. For more information with respect to signature-guarantees, please call one of the telephone numbers listed on the cover.

Redemption Commitment. The Fund has committed itself to pay in cash all redemption requests by any shareholder of record, limited in amount during any 90-day period to the lesser of \$250,000 or 1% of the value of the Fund's net assets at the beginning of such period. Such commitment is irrevocable without the prior approval of the Securities and Exchange Commission. In the case of requests for redemption in excess of such amount, the Board of Trustees reserves the right to make payments in whole or in part in securities or other assets in case of an emergency or any time a cash distribution would impair the liquidity of the Fund to the detriment of the existing shareholder. In such event, the securities would be valued in the same manner as the Fund's portfolio is valued. If the recipient sold such securities, brokerage charges would be incurred.

Suspension of Redemptions. The right of redemption may be suspended or the date of payment postponed (a) during any period when the New York Stock Exchange is closed (other than customary weekend and holiday closings), (b) when trading in the markets the Fund ordinarily utilizes is restricted, or when an emergency exists as determined by the Securities and Exchange Commission so that disposal of the Fund's investments or determination of its net asset value is not reasonably practicable, or (c) for such other periods as the Securities and Exchange Commission by order may permit to protect the Fund's shareholders.

SHAREHOLDER SERVICES

The following information supplements and should be read in conjunction with the section in the Fund's Prospectus entitled "Shareholder Services."

Exchange Privilege. Shares of other funds purchased by exchange will be purchased on the basis of relative net asset value per share as follows:

- A. Exchanges for shares of funds that are offered without a sales load will be made without a sales load.
- B. Shares of funds purchased without a sales load may be exchanged for shares of other funds sold with a sales load, and the applicable sales load will be deducted.
- C. Shares of funds purchased with a sales load may be exchanged without a sales load for shares of other funds sold without a sales load.
- D. Shares of funds purchased with a sales load, shares of funds acquired by a previous exchange from shares purchased with a sales load, and additional shares acquired through reinvestment of dividends or distributions of any such funds (collectively referred to herein as "Purchased Shares") may be exchanged for shares of other funds sold with a sales load (referred to herein as "Offered Shares"), provided that, if the sales load applicable to the Offered Shares exceeds the maximum sales load that could have been imposed in connection with the Purchased Shares (at the time the Purchased Shares were acquired), without giving effect to any reduced loads, the difference will be deducted.

To accomplish an exchange under item D above, shareholders must notify the Transfer Agent of their prior ownership of fund shares and their account number.

To use this Privilege, an investor or an investor's Service Agent acting on the investor's behalf must give exchange instructions to the Transfer Agent in writing, by wire or by telephone. Telephone exchanges may be made only if the appropriate "YES" box has been checked on the Account Application or a separate signed Shareholder Services Form is on file with the Transfer Agent. By using this Privilege, the investor authorizes the Transfer Agent to act on telephonic, telegraphic or written exchange instructions from any person representing himself or herself to be

the investor or a representative of the investor's Service Agent, and reasonably believed by the Transfer Agent to be genuine. Telephone exchanges may be subject to limitations as to the amount involved or the number of telephone exchanges permitted. Shares issued in certificate form are not eligible for telephone exchange.

To establish a Personal Retirement Plan by exchange, shares of the fund being exchanged must have a value of at least the minimum initial investment required for the fund into which the exchange is being made. For Dreyfus-sponsored Keogh Plans, IRAs and IRAs set up under a Simplified Employee Pension Plan ("SEP-IRAs") with only one participant, the minimum initial investment is \$750. To exchange shares held in Corporate Plans, 403(b)(7) Plans and SEP-IRAs with more than one participant, the minimum initial investment is \$100 if the plan has at least \$2,500 invested among the funds in the Dreyfus Family of Funds. To exchange shares held in Personal Retirement Plans, the shares exchanged must have a current value of at least \$100.

Dreyfus Auto-Exchange Privilege. Dreyfus Auto-Exchange permits an investor to purchase, in exchange for shares of the Fund, shares of another fund in the Dreyfus Family of Funds. This Privilege is available only for existing accounts. Shares will be exchanged on the basis of relative net asset value as described above under "Exchange Privilege." Enrollment in or modification or cancellation of this Privilege is effective three business days following notification by the investor. An investor will be notified if his account falls below the amount designated to be exchanged under this Privilege. In this case, an investor's account will fall to zero unless additional investments are made in excess of the designated amount prior to the next Auto-Exchange transaction. Shares held under IRA and other retirement plans are eligible for this Privilege. Exchanges of IRA shares may be made between IRA accounts and from regular accounts to IRA accounts, but not from IRA accounts to regular accounts. With respect to all other retirement accounts, exchanges may be made only among those accounts.

The Exchange Privilege and Dreyfus Auto-Exchange Privilege are available to shareholders resident in any state in which shares of the fund being acquired may legally be sold. Shares may be exchanged only between accounts having identical names and other identifying designations.

Shareholder Services Forms and prospectuses of the other funds may be obtained from the Distributor, 144 Glenn Curtiss Boulevard, Uniondale, New York 11556-0144. The Fund reserves the right to reject any exchange request in whole or in part. The Exchange Privilege or Dreyfus Auto-Exchange Privilege may be modified or terminated at any time upon notice to shareholders.

Dreyfus Dividend Sweep Privilege. Dreyfus Dividend Sweep Privilege allows investors to invest on the payment date their dividends or dividends and capital gain distributions, if any, from the Fund in shares of another fund in the Dreyfus Family of Funds of which the investor is a shareholder.

Shares of other funds purchased pursuant to this Privilege will be purchased on the basis of relative net asset value per share as follows:

- A. Dividends and distributions paid by a fund may be invested without imposition of a sales load in shares of other funds that are offered without a sales load.
- B. Dividends and distributions paid by a fund which does not charge a sales load may be invested in shares of other funds sold with a sales load, and the applicable sales load will be deducted.
- C. Dividends and distributions paid by a fund which charges a sales load may be invested in shares of other funds sold with a sales load (referred to herein as "Offered Shares"), provided that, if the sales load applicable to the Offered Shares exceeds the maximum sales load charged by the fund from which dividends or distributions are being swept, without giving effect to any reduced loads, the difference will be deducted.
- D. Dividends and distributions paid by a fund may be invested in shares of other funds that impose a contingent deferred sales charge ("CDSC") and the applicable CDSC, if any, will be imposed upon redemption of such shares.

Automatic Withdrawal Plan. The Automatic Withdrawal Plan permits an investor with a \$5,000 minimum account to request withdrawal of a specified dollar amount (minimum of \$50) on either a monthly or quarterly basis. Withdrawal payments are the proceeds from sales of Fund shares, not the yield on the shares. If withdrawal payments exceed reinvested dividends and distributions, the investor's shares will be reduced and eventually may be depleted. An Automatic Withdrawal Plan may be established by completing

the appropriate application available from the Distributor. There is a service charge of \$.50 for each withdrawal check. Automatic Withdrawal may be terminated at any time by the investor, the Fund or the Transfer Agent. Shares for which certificates have been issued may not be redeemed through the Automatic Withdrawal Plan.

DETERMINATION OF NET ASSET VALUE

The following information supplements and should be read in conjunction with the section in the Fund's Prospectus entitled "How to Buy Fund Shares."

Amortized Cost Pricing. The valuation of the Fund's portfolio securities is based upon their amortized cost, which does not take into account unrealized capital gains or losses. This involves valuing an instrument at its cost and thereafter assuming a constant amortization to maturity of any discount or premium, regardless of the impact of fluctuating interest rates on the market value of the instrument. While this method provides certainty in valuation, it may result in periods during which value, as determined by amortized cost, is higher or lower than the price the Fund would receive if it sold the instrument.

The Board of Trustees has established, as a particular responsibility within the overall duty of care owed to the Fund's investors, procedures reasonably designed to stabilize the Fund's price per share as computed for the purpose of sales and redemptions at \$1.00. Such procedures include review of the Fund's portfolio holdings by the Board of Trustees, at such intervals as it deems appropriate, to determine whether the Fund's net asset value calculated by using available market quotations or market equivalents deviates from \$1.00 per share based on amortized cost. Market quotations and market equivalents used in such review are obtained from an independent pricing service (the "Service") approved by the Board of Trustees. The Service values the Fund's investments based on methods which include consideration of: yields or prices of municipal bonds of comparable quality, coupon, maturity and type; indications of values from dealers; and general market conditions. The Service also may employ electronic data processing techniques and/or a matrix system to determine valuations.

The extent of any deviation between the Fund's net asset value based upon available market quotations or market equivalents and \$1.00 per share based on amortized cost will be examined by the Board of Trustees. If such deviation exceeds 1/2 of 1%, the Board of Trustees promptly will consider what action, if any, will be initiated. In the event the Board of Trustees determines that a deviation exists which may result in material dilution or other unfair results to investors or existing shareholders, it has agreed to take such corrective action as it regards as necessary and appropriate, including: selling portfolio instruments prior to maturity to realize capital gains or losses or to shorten average portfolio maturity; withholding dividends or paying distributions from capital or capital gains; redeeming shares in kind; or establishing a net asset value per share by using available market quotations or market equivalents.

New York Stock Exchange Closings. The holidays (as observed) on which the New York Stock Exchange is closed currently are: New Year's Day, Presidents' Day, Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving and Christmas.

DIVIDENDS, DISTRIBUTIONS AND TAXES

The following information supplements and should be read in conjunction with the section in the Fund's Prospectus entitled "Dividends, Distributions and Taxes."

Ordinarily, gains and losses realized from portfolio transactions will be treated as capital gain or loss. However, all or a portion of any gain realized from the disposition of certain market discount bonds will be treated as ordinary income under Section 1276 of the Internal Revenue Code of 1986, as amended.

YIELD INFORMATION

The following information supplements and should be read in conjunction with the section in the Fund's Prospectus entitled "Yield Information."

For the seven-day period ended November 30, 1993, the Fund's yield was 2.01% and effective yield was 2.03%. These yields reflect the absorption of certain expenses by the Manager and the waiver of a portion of the management fee, without which the Fund's seven-day yield and effective

yield for the period ended November 30, 1993 would have been 1.66% and 1.67%, respectively. See "Management of the Fund" in the Prospectus. Yield is computed in accordance with a standardized method which involves determining the net change in the value of a hypothetical pre-existing Fund account having a balance of one share at the beginning of a seven calendar day period for which yield is to be quoted, dividing the net change by the value of the account at the beginning of the period to obtain the base period return, and annualizing the results (i.e., multiplying the base period return by 365/7). The net change in the value of the account reflects the value of additional shares purchased with dividends declared on the original share and any such additional shares and fees that may be charged to shareholder accounts, in proportion to the length of the base period and the Fund's average account size, but does not include realized gains and losses or unrealized appreciation and depreciation. Effective yield is computed by adding 1 to the base period return (calculated as described above), raising that sum to a power equal to 365 divided by 7, and subtracting 1 from the result.

Based upon a combined 1993 Federal, New York State and New York City effective tax rate of 47.05%, and a yield of 2.01% for the seven-day period ended November 30, 1993, after giving effect to the Federal deduction for New York City taxes, the Fund's tax equivalent yield for this period was 3.80%. Without the expense absorption and management fee waiver then in effect, the Fund's seven-day tax equivalent for the period ended November 30, 1993 would have been 3.14%. Tax equivalent yield is computed by dividing that portion of the current yield (calculated as described above) which is tax exempt by 1 minus a stated tax rate and adding the quotient to that portion, if any, of the yield of the Fund that is not tax exempt.

The tax equivalent yield noted above represents the application of the highest Federal, New York State and New York City marginal personal income tax rates in effect. For Federal income tax purposes, a 39.60% tax rate has been used. For New York State and New York City personal income tax purposes, a 7.85% tax rate has been used. The tax equivalent figure, however, does not include the potential effect of any local (including, but not limited to, county, district or city (aside from taxes imposed upon residents of the City of New York)) taxes, if any, including applicable surcharges. In addition, there may be pending legislation which could affect such stated tax rates or yield. Each investor should consult its tax adviser, and consider all factual circumstances and applicable tax laws, in order to ascertain the relevant tax equivalent yield.

Yields will fluctuate and are not necessarily representative of future results. Each investor should remember that yield is a function of the type and quality of the instruments in the portfolio, portfolio maturity and operating expenses. An investor's principal in the Fund is not guaranteed. See "Determination of Net Asset Value" for a discussion of the manner in which the Fund's price per share is determined.

From time to time, the Fund may use hypothetical tax equivalent yields or charts in its advertising. These hypothetical yields or charts will be used for illustrative purposes only and not as representative of the Fund's past or future performance.

From time to time, advertising materials for the Fund may refer to or discuss then-current or past economic conditions, developments and/or events, including those relating to or arising from actual or proposed tax legislation. From time to time, advertising materials for the Fund may also refer to statistical or other information concerning trends relating to investment companies, as compiled by industry associations such as the Investment Company Institute.

PORTFOLIO TRANSACTIONS

Portfolio securities ordinarily are purchased from and sold to parties acting as either principal or agent. Newly-issued securities ordinarily are purchased directly from the issuer or from an underwriter; other purchases and sales usually are placed with those dealers from whom it appears that the best price or execution will be obtained. Usually no brokerage commissions, as such, are paid by the Fund for such purchases and sales, although the price paid usually includes an undisclosed compensation to the dealer acting as agent. The prices paid to underwriters of newly-issued securities usually include a concession paid by the issuer

to the underwriter, and purchases of after-market securities from dealers ordinarily are executed at a price between the bid and asked price. No brokerage commissions have been paid by the Fund to date.

Transactions are allocated to various dealers by the Fund's Investment Officers in their best judgment. The primary consideration is prompt and effective execution of orders at the most favorable price. Subject to that primary consideration, dealers may be selected for research, statistical or other services to enable the Manager to supplement its own research and analysis with the views and information of other securities firms.

Research services furnished by brokers through which the Fund effects securities transactions may be used by the Manager in advising other funds it advises and, conversely, research services furnished to the Manager by brokers in connection with other funds the Manager advises may be used by the Manager in advising the Fund. Although it is not possible to place a dollar value on these services, it is the opinion of the Manager that the receipt and study of such services should not reduce the overall expenses of its research department.

INFORMATION ABOUT THE FUND

The following information supplements and should be read in conjunction with the section in the Fund's Prospectus entitled "General Information."

Each Fund share has one vote and, when issued and paid for in accordance with the terms of the offering, is fully paid and non-assessable. Fund shares are of one class and have equal rights as to dividends and in liquidation. Shares have no pre-emptive, subscription or conversion rights and are freely transferable.

The Fund sends annual and semi-annual financial statements to all its shareholders.

CUSTODIAN, TRANSFER AND DIVIDEND DISBURSING AGENT, COUNSEL AND INDEPENDENT AUDITORS

The Bank of New York, 110 Washington Street, New York, New York 10286, is the Fund's custodian. The Shareholder Services Group, Inc., a subsidiary of First Data Corporation, P.O. Box 9671, Providence, Rhode Island 02940-9671, is the Fund's transfer and dividend disbursing agent. Neither The Bank of New York nor The Shareholder Services Group, Inc. has any part in determining the investment policies of the Fund or which securities are to be purchased or sold by the Fund.

Stroock & Stroock & Lavan, 7 Hanover Square, New York, New York 10004-2696, as counsel for the Fund, has rendered its opinion as to certain legal matters regarding the due authorization and valid issuance of the shares of beneficial interest being sold pursuant to the Fund's Prospectus.

Ernst & Young, 787 Seventh Avenue, New York, New York 10019, independent auditors, have been selected as auditors of the Fund.

APPENDIX A

RISK FACTORS--INVESTING IN NEW YORK MUNICIPAL OBLIGATIONS

The financial condition of New York State (the "State") and certain of its public bodies (the "Agencies") and municipalities, particularly New York City (the "City"), could affect the market values and marketability of New York Municipal Obligations which may be held by the Fund. The following information constitutes only a brief summary, does not purport to be a complete description, and is based on information drawn from official statements relating to securities offerings of the State, the City and the Municipal Assistance Corporation for the City of New York ("MAC") available as of the date of this Statement of Additional Information. While the Fund has not independently verified such information, it has no reason to believe that such information is not correct in all material respects.

A national recession commenced in mid-1990. The downturn continued through the remainder of the 1990-91 fiscal year, and was followed by a period of weak economic growth during the remainder of the 1991 calendar year. For the calendar year 1992, the national economy continued to recover, although at a rate below all post-war recoveries. The recession was more severe in the State than in other parts of the nation, owing to a significant retrenchment in the financial services industry, cutbacks in defense spending, and an overbuilt real estate market.

The State's 1992-93 fiscal year was characterized by national and regional economies that performed better than projected. National gross domestic product, State personal income, and employment and unemployment in the State are estimated to have performed better than originally projected in April 1992.

The States 1993-94 budget (the "1993-94 State Financial Plan") is based on an economic projection that the State will perform more poorly than the nation as a whole. Although real gross domestic product grew modestly during calendar year 1992 and is expected to show increased growth in calendar year 1993, preliminary data indicate that the State's economy, as measured by employment, began to grow during the first part of calendar year 1993. Many uncertainties exist in forecasts of both the national and State economies, including consumer attitudes toward spending, Federal financial and monetary policies, the availability of credit and the condition of the world economy, which could have an adverse effect on the State. There can be no assurance that the State economy will not experience worse-than-predicted results in the 1993-94 fiscal year, with corresponding material and adverse effects on the State's projections of receipts and disbursements.

The Governor released the recommended Executive Budget for the 1993-94 fiscal year on January 19, 1993 and amended it on February 18, 1993. The recommended 1993-94 State Financial Plan projected a balanced General Fund.

General Fund receipts and transfers from other funds were projected at \$31.556 billion, including \$184 million expected to be carried over from the 1993-94 fiscal year. Disbursements and transfer to other funds were projected at \$31.489 billion, not including a \$67 million repayment to the State's Tax Stabilization Reserve Fund.

The 1993-94 State Financial Plan projects General Fund receipts and transfers from other funds at \$32.367 billion and disbursements and transfer to other funds at \$32.300 billion. Excess receipts of \$67 million will be used for a required repayment to the State's Tax Stabilization Reserve Fund. In comparison to the recommended 1993-94 Executive Budget, the 1993-94 State budget, as enacted, reflects increases in both receipts and disbursements in the General Fund of \$811 million.

The \$811 million increase in projected receipts reflects (i) an increase of \$487 million, from \$184 million to \$671 million, in the positive year-end margin at March 31, 1993, which resulted primarily from improving economic conditions and higher-than-expected tax collections, (ii) an increase of \$269 million in projected receipts, \$211 million resulting from the improved 1992-93 results and the expectation of an improving economy and the balance from improved auditing and enforcement measures and other miscellaneous items, (iii) additional payments of \$200 million from the Federal government to reimburse the State for the cost of providing indigent medical care, and (iv) the payment of an additional \$50 million of personal income tax refunds in the 1992-93 fiscal year which would otherwise have been paid in fiscal year 1993-94; offset by (v) \$195 million of revenue-raising recommendations in the Executive Budget that were not enacted and thus are not included in the 1993-94 State Financial Plan.

The \$811 million increase in projected disbursements reflects (i) an increase of \$252 million in projected school-aid payments, after applying projected receipts from the State Lottery allocated to school aid, (ii) an increase of \$194 million in projected payments for Medicaid assistance and other social service programs, (iii) additional spending on the judiciary (\$56 million) and criminal justice (\$48 million), (iv) a net increase in projected disbursements for all other programs and purposes, including mental hygiene and capital projects, of \$161 million, after reflecting certain re-estimates in spending, and (v) the transfer of \$100 million to a newly-established contingency reserve.

There can be no assurance that the State will not face substantial potential budget gaps in future years resulting from a significant disparity between tax revenues projected from a lower recurring receipts base and the spending required to maintain State programs at current levels. To address any potential budgetary imbalance, the State may need to take significant actions to align recurring receipts and disbursements in future fiscal years.

On June 6, 1990, Moody's changed its ratings on all the State's outstanding general obligation bonds from A1 to A. On March 26, 1990 and January 13, 1992, S&P changed its ratings on all of the State's outstanding general obligation bonds from AA- to A and from A to A-, respectively. Ratings reflect only the respective views of such organizations, and their concerns about the financial condition of New York State and City, the debt load of the State and City and any economic uncertainties about the region.

There is no assurance that a particular rating will continue for any given period of time or that any such rating will not be revised downward or withdrawn entirely if, in the judgment of the agency originally establishing the rating, circumstances so warrant.

(1) The State, Agencies and Other Municipalities. During the mid-1970s, some of the Agencies and municipalities (in particular, the City) faced extraordinary financial difficulties, which affected the State's own financial condition. These events, including a default on short-term notes issued by the New York State Urban Development Corporation ("UDC") in February 1975, which default was cured shortly thereafter, and a continuation of the financial difficulties of the City, created substantial investor resistance to securities issued by the State and by some of its municipalities and Agencies. For a time, in late 1975 and early 1976, these difficulties resulted in a virtual closing of public credit markets for State and many State related securities.

In response to the financial problems confronting it, the State developed and implemented programs for its 1977 fiscal year that included the adoption of a balanced budget on a cash basis (a deficit of \$92 million that actually resulted was financed by issuing notes that were paid during the first quarter of the State's 1978 fiscal year). In addition, legislation was enacted limiting the occurrence of additional so-called "moral obligation" and certain other Agency debt, which legislation does not, however, apply to MAC debt.

State Financial Results. During the fiscal years ended March 31, 1987, 1988, 1989 and 1990, the State experienced significant unanticipated variations in the result of the State Financial Plan, particularly with respect to revenue projections, which it believes resulted principally from changes in taxpayer behavior caused by the Federal Tax Reform Act of 1986 (the "Tax Reform Act"). The Tax Reform Act substantially altered definitions of income and deductions in the computation of taxable income and substantially lowered tax rates used in the computation of Federal taxes. In 1987, the State enacted legislation that conformed State law to most of those definitional changes and also lowered tax rates. Those changes "broadened" the income tax base through such devices as full inclusion of capital gains, restrictions on certain losses and adjustments to income. Those changes in the Federal tax law are expected to continue to influence taxpayer behavior during the next several years. For State personal income taxes, the net effect of those changes is to make estimates and forecasts of adjusted gross income less reliable than they had been in the past and to add substantial uncertainty to estimates of State tax liability based on such estimates and forecasts. In large part because of these uncertainties, the State's Financial Plan overestimated General Fund tax receipts in the 1988-89, 1989-90 and 1990-91 fiscal years by \$1.9 billion, \$1.6 billion and \$1.72 billion, respectively.

During its 1989-90, 1990-91 and 1991-92 fiscal years, the State incurred cash-basis operating deficits in the General Fund of \$775 million, \$1.081 billion and \$575 million, respectively, prior to the issuance of short-term tax and revenue anticipation notes ("TRANS"), owing to lower than projected receipts.

For its 1992-93 fiscal year the State had a balanced budget on a cash basis with a positive margin of \$671 million in the General Fund that was deposited in the refund reserve account.

After reflecting a 1992-93 year-end deposit to the refund reserve account of \$671 million, reported 1992-93 General Fund receipts were \$45 million higher than originally projected in April 1992. If not for that year-end transaction, which had the effect of reducing 1992-93 receipts by \$671 million and making those receipts available in 1993-94, General Fund receipts would have been \$716 million higher than originally projected.

The favorable performance was primarily attributable to personal income tax collections that were more than \$700 million higher than originally projected (before reflecting the refund reserve transaction). The withholding and estimated payment components of the personal income tax exceeded original estimates by more than \$800 million combined, reflecting both stronger economic activity, particularly at year's end, and the tax-induced one-time acceleration of income into 1992. Modest shortfalls were experienced in other components of the income tax.

There were large, but largely offsetting, variances in other categories. Significantly higher-than-projected business tax collections and the receipt of unbudgeted payments from the Medical Malpractice Insurance Association and the New York Racing Association approximately offset the loss of an anticipated \$200 million Federal reimbursement, the loss of certain budgeted hospital differential revenue as a result of unfavorable court decisions, and shortfalls in certain miscellaneous

revenue sources.

Disbursements and transfers to other funds totaled \$30.829 billion, an increase of \$45 million above projections in April 1992. After adjusting for the impact of a \$150 million payment from the Medical Malpractice Insurance Association to health insurers made pursuant to legislation passed in January 1993, actual disbursements were \$105 million lower than projected. This reduction primarily reflected higher than anticipated costs for educational programs, as offset by lower costs in virtually all other categories of spending, including Medicaid, local health programs, agency operations, fringe benefits, capital projects and debt service.

General Fund receipts and transfers from other funds increased from \$28.6 billion in the State's 1990-91 fiscal year to \$30.4 billion in its 1991-92 fiscal year and to \$31.4 billion in its 1992-93 fiscal year. Similarly, disbursements and transfer to other funds increased from \$28.9 billion in its 1990-91 fiscal year to \$29.8 billion in its 1991-92 fiscal year to \$30.8 billion in its 1992-93 fiscal year.

Borrowings by the State in the public credit markets during the 1990-91 and 1991-92 fiscal years totalled \$6.0 billion and \$5.3 billion, respectively. Of these amounts, \$4.1 billion and \$3.9 billion, respectively, were annual seasonal borrowings. In 1992-93, State borrowings in the public credit markets totalled \$3.3 billion, including annual seasonal borrowings of \$2.3 billion. The State issued \$757.2 million of bonds and notes, exclusive of bonds issued to redeem bond anticipation notes, during the 1992-93 fiscal year to finance capital projects.

The principal operating fund of the State is the General Fund. It receives all State income that is not required by law to be deposited in another fund. General Fund receipts, excluding transfers from other funds, totalled \$28.818 billion in the State's 1991-92 fiscal year (before repayment of \$1.081 billion in deficit notes issued to close the State's 1990-91 fiscal year General Fund cash basis deficit and before issuance of \$531 million in deficit notes to close the 1991-92 fiscal year General Fund cash basis operating deficit). General Fund receipts in the State's 1992-93 fiscal year totalled \$29.950 billion (before the repayment of \$531 million in 1992 such deficit notes). General Fund receipts in the State's 1993-94 fiscal year are estimated in the 1993-94 State Financial Plan at \$30.765 billion. Taxes account for 96% of estimated 1993-94 General Fund receipts, with the balance comprised of miscellaneous receipts. Excluding transfers to other funds, total General Fund disbursements in the 1992 fiscal year were \$28.058 billion, and \$29.068 billion in the State's 1992-93 fiscal year and are estimated to total \$30.346 billion in the State's 1993-94 fiscal year.

The Special Revenue Funds account for State receipts from specific sources that are legally restricted in use to specified purposes and include all moneys received from the Federal government. Total receipts in Special Revenue Funds are projected at \$23.126 billion in the State's 1993-94 fiscal year. Federal grants are projected to account for 78% of the total projected receipts in Special Revenue Funds in the State's 1993-94 fiscal year.

Disbursements from Special Revenue Funds are projected to be \$23.328 billion for the State's 1993-94 fiscal year. Grants to local governments disbursed from this fund type are projected to account for 76% of disbursements from this fund for the 1993-94 fiscal year.

The Capital Projects Funds are used to finance the acquisition and construction of major capital facilities and to aid local government units and Agencies in financing capital constructions. Federal grants for capital projects, largely highway-related, are projected to account for 35% of the \$2.768 billion in total projected receipts in Capital Projects Funds in the State's 1993-94 fiscal year. Total disbursements for capital projects are projected to be \$3.559 billion during the State's 1993-94 fiscal year. Of total disbursements from Capital Projects Funds, approximately 54% is for various transportation purposes, including highways and mass transportation facilities; 4% is for programs of the Department of Correctional Services and other public protection activities; 16% is for health and mental hygiene facilities; 13% is for environmental and recreational programs; 5% is for educational programs; and 5% is for housing and economic development programs. The balance is for the maintenance of State office facilities and various other capital programs.

The Debt Service Funds serve to fulfill State debt service on long-term general obligation State debt and other State lease/purchase and contractual obligation financing commitments. Total receipts in Debt Service Funds are projected to reach \$2.242 billion in the State's 1993-94 fiscal year. Total disbursements from Debt Service Funds for debt service, lease/purchase and contractual obligation financing commitments are

projected to be \$2.118 billion for the 1993-94 fiscal year.

The State issued \$850 million in TRANs on May 4, 1993 to fund its day-to-day operations and certain local assistance payments to its municipalities and school districts. All of these TRANs matured on December 31, 1993.

The State anticipates that its 1993-94 borrowings for capital purposes will consist of approximately \$316 million in general obligation bonds and \$140 million in new commercial paper issuances. In addition, the State expects to issue \$140 million of its general obligation bonds for the purpose of redeeming outstanding bond anticipation notes. The Legislature has authorized the issuance of up to \$85 million in certificates of participation for real property and equipment acquisitions during the State's 1993-94 fiscal year. The projections of the State regarding its borrowings for the 1993-94 fiscal year may change if actual receipts fall short of State projections or if other circumstances require.

The Governor's 1993-94 Executive Budget contained an update to the GAAP-basis 1992-93 State Financial Plan based on the cash-basis projections in the 1992-93 State Financial Plan, as revised on January 19, 1993. The update showed a General Fund operating surplus of \$945 million. For all governmental funds, the update reflected an overall operating surplus of \$1.287 billion. This included the General Fund operating surplus of \$945 million and operating surpluses of \$62 million in the Capital Projects Fund and \$295 million in Debt Service Funds, as offset, in part, by an operating deficit of \$15 million in the Special Revenue Funds.

The Governor's 1993-94 Executive Budget included a projection of the GAAP-basis 1993-94 State Financial Plan. The projection showed a General Fund operating surplus of \$448 million. On February 18, 1993, the projected General Fund operating surplus was reduced by \$5 million to \$443 million to reflect the changes made in the amendments to the 1993-94 Executive Budget. The projected GAAP results for the other governmental fund types were not revised. For all governmental funds, a surplus of \$592 million was projected, including the General Fund operating surplus of \$443 million and operating surpluses of \$196 million in the Capital Projects Funds and \$92 million in the Debt Service Funds, as partially offset by an operating deficit of \$139 million in the Special Revenue Funds.

The Governor's first quarterly update to the GAAP-basis 1993-94 State Financial Plan, which is based on the cash basis 1993-94 State Financial Plan, as revised on July 30, 1993, was released on September 1, 1993. The update shows a General Fund operating surplus of \$12 million. For all governmental funds, the update reflects an overall surplus of \$195 million, including the General Fund operating surplus of \$12 million and operating surpluses of \$43 million in Special Revenue Funds, \$79 million in Capital Projects Funds and \$61 million in Debt Service Funds.

The State's financial position as shown in its Combined Balance Sheet as of March 31, 1993 included an accumulated deficit in its combined governmental funds of \$681 million represented by liabilities of \$12.864 billion and assets of \$12.183 billion available to liquidate such liabilities. The accumulated governmental fund type deficit, as of March 31, 1993, included a \$2.551 billion accumulated General Fund deficit consisting of a \$4.616 billion accumulated deficit at April 1, 1992, offset by the \$2.065 billion operating surplus in the General Fund for the 1992-93 fiscal year, and a net accumulated surplus of \$1.870 billion for all other governmental funds.

The State's financial position as shown in its Combined Balance Sheet as of March 31, 1992 included an accumulated deficit in its combined governmental funds of \$3.315 billion represented by liabilities of \$14.166 billion and assets of \$10.851 billion available to liquidate such liabilities.

The use of New York Local Government Assistance Corporation ("LGAC") bond proceeds to make payments to local governmental units, otherwise made by the State, reduces the State's future liabilities. Therefore, the projected 1993-94 General Fund GAAP-basis operating surplus reflected above includes \$575 million to reflect payment by LGAC to local governmental units.

State Agencies. The fiscal stability of the State is related, at least in part, to the fiscal stability of its localities and various of its Agencies. Various Agencies have issued bonds secured, in part, by non-binding statutory provisions for State appropriations to maintain various debt service reserve funds established for such bonds (commonly referred to as "moral obligation" provisions).

At September 30, 1992, there were 18 Agencies that had outstanding debt of \$100 million or more. The aggregate outstanding debt, including

refunding bonds, of these 18 Agencies, was \$62.2 billion as of September 30, 1992, of which approximately \$8.2 billion was moral obligation debt and approximately \$17.1 billion was financed under lease/purchase or contractual-obligation financing arrangements. Debt service on the outstanding Agency obligations normally is paid out of revenues generated by the Agencies' projects or programs, but in recent years the State has provided special financial assistance, in some cases on a recurring basis, to certain Agencies for operating and other expenses and for debt service pursuant to moral obligation indebtedness provisions or otherwise. Additional assistance is expected to continue to be required in future years.

Several Agencies have experienced financial difficulties in the past. Certain Agencies continue to experience financial difficulties requiring financial assistance from the State. Failure of the State to appropriate necessary amounts or to take other action to permit certain Agencies to meet their obligations could result in a default by one or more of such Agencies. If a default were to occur, it would likely have a significant effect on the marketability of obligations of the State and the Agencies. These Agencies are discussed below.

The New York State Housing Finance Agency ("HFA") provides financing for multifamily housing, State University construction, hospital and nursing home development and other programs. In general, HFA depends upon mortgagors in the housing programs it finances to generate sufficient funds from rental income, subsidies and other payments to meet their respective mortgage repayment obligations to HFA, which provide the principal source of funds for the payment of debt service on HFA bonds, as well as to meet operating and maintenance costs of the projects financed. From January 1, 1976 through March 31, 1987, the State was called upon to appropriate a total of \$162.8 million to make up deficiencies in the debt service reserve funds of HFA pursuant to moral obligation provisions. The State has not been called upon to make such payments since the 1986-87 fiscal year and no payments are anticipated during the 1993-94 fiscal year.

UDC has experienced, and expects to continue to experience, financial difficulties with the housing programs it had undertaken prior to 1975, because a substantial number of these housing program mortgagors are unable to make full payments on their mortgage loans. Through a subsidiary, UDC is currently attempting to increase its rate of collection by accelerating its program of foreclosures and by entering into settlement agreements. UDC has been, and will remain, dependent upon the State for appropriations to meet its operating expenses. The State also has appropriated money to assist in the curing of a default by UDC on notes which did not contain the State's moral obligation provision.

The Metropolitan Transportation Authority (the "MTA") oversees New York City's subway and bus lines by its affiliates, the New York City Transit Authority and the Manhattan and Bronx Surface Transit Operating Authority (collectively, the "TA"). Through MTA's subsidiaries, the Long Island Rail Road Company, the Metro-North Commuter Railroad Company and the Metropolitan Suburban Bus Authority, the MTA operates certain commuter rail and bus lines in the New York metropolitan area. In addition, the Staten Island Rapid Transit Authority, an MTA subsidiary, operates a rapid transit line on Staten Island. Through its affiliated agency, the Triborough Bridge and Tunnel Authority (the "TBTA"), the MTA operates certain toll bridges and tunnels. Because fare revenues are not sufficient to finance the mass transit portion of these operations, the MTA has depended and will continue to depend for operating support upon a system of State, local government and TBTA support and, to the extent available, Federal operating assistance, including loans, grants and operating subsidies.

The TA and the commuter railroads, which are on a calendar fiscal year, ended 1992 with their budgets balanced on a cash basis. The TA had a closing cash balance of approximately \$25 million, and the commuter railroads had a closing cash balance of approximately \$237 million.

Over the past several years the State has enacted several taxes--including a surcharge on the profits of banks, insurance corporations and general business corporations doing business in the 12-county region (the "Metropolitan Transportation Region") served by the MTA and a special .25% regional sales and use tax--that provide additional revenues for mass transit purposes, including assistance to the MTA. The surcharge, which expires in November 1995, yielded \$507 million in calendar year 1992, of which the MTA was entitled to receive approximately 90%, or approximately \$456 million.

For 1993, the TA had a closing cash balance of about \$39 million. The cash balance primarily reflected additional State and City aid of \$164 million and improvements in farebox and subsidy revenues of approximately \$78 million, as well as savings from internal actions, the elimination of contingency reserves and lower debt service.

A subway fire on December 28, 1990 and a subway derailment on August 28, 1991, each of which caused fatalities and many injuries, have given rise to substantial claims for damages against both the TA and the City.

In 1981, the State Legislature authorized procedures for the adoption, approval and amendment of a five-year plan for the capital program designed to upgrade the performance of the MTA's transportation systems and to supplement, replace and rehabilitate facilities and equipment, and also granted certain additional bonding authorization therefor.

On April 5, 1993, the Legislature approved, and the Governor subsequently signed into law, legislation authorizing a five-year \$9.56 billion capital plan for the MTA for 1992-1996. The MTA has submitted a 1992-1996 Capital Program based on this legislation for the approval of the MTA Capital Program Review Board (the "CPRB"), as State law requires. On July 1, 1993, the CPRB indicated that it was withholding approval pending the resolution of certain related issues. If approved, the 1992-1996 Capital Program would succeed two previous five-year capital programs of the periods covering 1982-1986 and 1987-1991. The 1987-1991 Capital Program totalled approximately \$8.0 billion, including \$6.2 billion for TA capital projects.

The 1992-1996 Capital Program would supersede a one-year program adopted in 1992. State budget legislation for the 1992-93 fiscal year had required the MTA to submit a one-year capital program for 1992 instead of a five-year program. The one-year program, which contained \$1.635 billion of projects for transit and commuter facilities combined, was approved by the CPRB in May 1992, but the five-year program for 1992-1996, required to be submitted subsequently by the MTA as an amendment to the one-year plan, was disapproved without prejudice by the CPRB in December 1992.

There can be no assurance that such governmental actions will be taken, that sources currently identified will not be decreased or eliminated, or that the 1992-1996 Capital Program will not be delayed or reduced. If the MTA capital program is delayed or reduced because of funding shortfalls or other factors, ridership and fare revenues may decline, which could, among other things, impair the MTA's ability to meet its operating expenses without additional State assistance.

The cities, towns, villages and school districts of the State are political subdivisions of the State with the powers granted by the State Constitution and statutes. As the sovereign, the State retains broad powers and responsibilities with respect to the government, finances and welfare of these political subdivisions, especially in education and social services. In recent years the State has been called upon to provide added financial assistance to certain localities.

Other Localities. Certain localities in addition to the City could have financial problems leading to requests for additional State assistance during the State's 1993-94 fiscal year and thereafter. The potential impact on the State of such actions by localities is not included in the projections of the State receipts and disbursements in the State's 1993-94 fiscal year.

Municipalities and school districts have engaged in substantial short-term and long-term borrowings. In 1991, the total indebtedness of all localities in the State was approximately \$32.2 billion, of which \$16.8 billion was debt of the City (excluding \$6.7 billion in MAC debt). A small portion (approximately \$39.0 million) of this indebtedness represented borrowing to finance budgetary deficits and was issued pursuant to enabling State legislation. State law requires the Comptroller to review and make recommendations concerning the budgets of those local government units other than the City authorized by State law to issue debt to finance deficits during the period that such deficit financing is outstanding. Fifteen localities had outstanding indebtedness for deficit financing at the close of their fiscal year ending in 1991.

In 1992, an unusually large number of local government units requested authorization for deficit financing. According to the Comptroller, ten local government units were authorized to issue deficit financing in the aggregate amount of \$131.1 million, including Nassau County for \$65 million in six-year deficit bonds and Suffolk County for \$36 million in six-year deficit bonds. Although the Comptroller has indicated that the level of deficit financing requests is unprecedented, such developments are not expected to have a material adverse effect on the financial condition of the State.

Certain proposed Federal expenditure reductions would reduce, or in some cases eliminate, Federal funding of some local programs and accordingly might impose substantial increased expenditure requirements on affected localities to increase local revenues to sustain those

expenditures. If the State, the City or any of the Agencies were to suffer serious financial difficulties jeopardizing their respective access to the public credit markets, the marketability of notes and bonds issued by localities within the State could be adversely affected. Localities also face anticipated and potential problems resulting from certain pending litigation, judicial decisions and long-range economic trends. The longer-range, potential problems of declining city population, increasing expenditures and other economic trends could adversely affect localities and require increasing State assistance in the future.

Because of significant fiscal difficulties experienced from time to time by the City of Yonkers, a Financial Control Board was created by the State in 1984 to oversee Yonkers' fiscal affairs. Future actions taken by the Governor or the State Legislature to assist Yonkers in this crisis could result in the allocation of State resources in amounts that cannot yet be determined.

Certain litigation pending against the State or its officers or employees could have a substantial or long-term adverse effect on State finances. Among the more significant of these litigations are those that involve: (i) the validity and fairness of agreements and treaties by which various Indian tribes transferred title to the State of approximately six million acres of land in central New York; (ii) certain aspects of the State's Medicaid rates and regulations, including reimbursements to providers of mandatory and optional Medicaid services; (iii) contamination in the Love Canal area of Niagara Falls; (iv) a challenge to the State's practice of reimbursing certain Office of Mental Health patient-care expenses with clients' Social Security benefits; (v) a challenge to the methods by which the State reimburses localities for the administrative costs of food stamp programs; (vi) a challenge to the State's possession of certain funds taken pursuant to the State's Abandoned Property law; (vii) alleged responsibility of State officials to assist in remedying racial segregation in the City of Yonkers; (viii) an action, in which the State is a third party defendant, for injunctive or other appropriate relief, concerning liability for the maintenance of stone groins constructed along certain areas of Long Island's shoreline; (ix) actions challenging the constitutionality of legislation enacted during the 1990 legislative session which changed the actuarial funding methods for determining contributions to State employee retirement systems; (x) an action against State and City officials alleging that the present level of shelter allowance for public assistance recipients is inadequate under statutory standards to maintain proper housing; (xi) an action challenging legislation enacted in 1990 which had the effect of deferring certain employer contributions to the State Teachers' Retirement System and reducing State aid to school districts by a like amount; (xii) a challenge to the Laws of 1991 (described below in this Part); (xiii) a challenge to the constitutionality of financing programs of the Metropolitan Transportation Authority and the Thruway Authority authorized by Chapter 56 of the Laws of 1993 (described below in this Part); (xiv) challenges to the delay by the State Department of Social Services in making two one-week Medicaid payments to the service providers; (xv) challenges by commercial insurers, employee welfare benefit plans, and health maintenance organizations to provisions of Section 2807-c of the Public Health Law which impose 13%, 11%, 9% surcharges on inpatient hospital bills and a bad debt and charity care allowance on all hospital bills paid by such entities; (xvi) challenges to the promulgation of the State's proposed procedure to determine the eligibility for and nature of home care services for Medicaid recipients; (xvii) a challenge to State implementation of a program which reduces Medicaid benefits to certain home-relief recipients; and (xviii) challenges to the rationality and retroactive application of State regulations recalibrating nursing home Medicaid rates.

Adverse developments or decisions in such cases could affect the ability of the State to maintain a balanced 1993-94 State Financial Plan.

(2) New York City. In the mid-1970s, the City had large accumulated past deficits and until recently was not able to generate sufficient tax and other ongoing revenues to cover expenses in each fiscal year. However, the City's operating results for the fiscal year ending June 30, 1993 were balanced in accordance with GAAP, the eleventh consecutive year in which the City achieved balanced operating results in accordance with GAAP. The City's ability to maintain balanced operating results in future years is subject to numerous contingencies and future developments.

The City's economy, whose rate of growth slowed substantially over the past three years, is currently in recession. During the 1990 and 1991 fiscal years, as a result of the slowing economy, the City has experienced significant shortfalls in almost all of its major tax sources and increases in social services costs, and has been required to take actions to close substantial budget gaps in order to maintain balanced budgets in accordance with the Financial Plan.

In 1975, the City became unable to market its securities and entered a period of extraordinary financial difficulties. In response to this crisis, the State created MAC to provide financing assistance to the City and also enacted the New York State Financial Emergency Act for the City of New York (the "Emergency Act") which, among other things, created the Financial Control Board (the "Control Board") to oversee the City's financial affairs and facilitate its return to the public credit markets. The State also established the Office of the State Deputy Comptroller ("OSDC") to assist the Control Board in exercising its powers and responsibilities. On June 30, 1986, the Control Board's powers of approval over the City Financial Plan were suspended pursuant to the Emergency Act. However, the Control Board, MAC and OSDC continue to exercise various monitoring functions relating to the City's financial condition. The City prepares and operates under a four-year financial plan which is submitted annually to the Control Board for review and which the City periodically updates.

The City's independently audited operating results for each of its fiscal years from 1981 through 1993 show a General Fund surplus reported in accordance with GAAP. The City has eliminated the cumulative deficit in its net General Fund position. In addition, the City's financial statements for the 1993 fiscal year received an unqualified opinion from the City's independent auditors, the eleventh consecutive year the City has received such an opinion.

In August 1993, the City adopted and submitted to the Control Board for its review a four-year Financial Plan covering fiscal years 1994 through 1997 (the "Financial Plan"). The Financial Plan was based on the City's fiscal year 1994 expense budget adopted June 14, 1993 as well as certain changes incorporated subsequent to the budget adoption process. On November 23, 1993, the City adopted and submitted to the Control Board for its review a first-quarter modification to the Financial Plan (the "November Modification") incorporating various re-estimates of revenues and expenditures. For fiscal year 1994, the November Modification includes additional resources stemming primarily from the City Comptroller's fiscal year 1993 annual audit, savings from a reduction in prior years' accrued expenditures, and higher State and Federal aid resulting from claims by the City for reimbursement of various social services costs. These resources were used to fund new needs in the November Modification including higher costs in the uniformed agencies, at the Board of Education (the "BoE") and for certain social services, the unlikelihood of the sale of the Off-Track Betting Corporation (the "OTB"), and lower estimates of miscellaneous and other revenues. After taking these adjustments into account, the November Modification projects a balanced budget for fiscal year 1994, based upon revenues of \$31.585 billion. For fiscal years 1995, 1996 and 1997, the November Modification projects budget gaps of \$1.730 billion, \$2.513 billion and \$2.699 billion, respectively. These gaps are higher by about \$450 million in fiscal year 1995 and by about \$700 million in each of fiscal years 1996 and 1997 than in the Financial Plan, primarily on account of the nonrecurring value of the fiscal year 1994 revenue adjustments, the loss of certain one-time resources funding BoE fiscal year 1994 spending needs, and the reclassification of anticipated State aid from the baseline revenue estimates to the gap-closing program. To offset these larger gaps, the November Modification relies on additional City, State and other actions.

On December 1, 1993, a three-member panel appointed by the Mayor to address City structural budget imbalance released a report setting forth its findings and recommendations. In its report, the panel noted that budget imbalance is likely to be greater than the City now projects by \$255 million in fiscal year 1995, rising to nearly \$1.5 billion in fiscal year 1997. The report provided a number of options that the City should consider in addressing the structural balance issue such as severe cuts in City-funded personnel levels, increases in residential property taxes and the sales tax, and the imposition of bridge tolls and solid waste collection fees. The report also noted that additional State actions will be required in many instances to allow the City to cut its budget without grave damage to basic services.

On December 21, 1993, OSDC issued a report reviewing the November Modification. The report noted that while the outlook for fiscal year 1994 has improved since August, it will be necessary for the City to manage its budget aggressively in order to stay on course for budget balance this year. For fiscal years 1995 through 1997, the report expressed concern that the gaps identified by the City in the November Modification are the largest as a percentage of City-fund revenues that the City has faced at this point in the fiscal year since budget balance in accordance with GAAP was first achieved in fiscal year 1981.

On December 21, 1993, the staff of the Control Board issued its report on the November Modification. The report states that the plan is now more realistic in terms of the gaps it portrays and the solutions it offers.

However, the solutions are mostly limited to fiscal year 1994 while the gap for fiscal year 1995 has been increased by \$450 million. Beginning in fiscal year 1995, budget gaps average over \$2 billion annually. Therefore, the staff recommends that prompt action to replace many current-year one-shots with recurring savings is critical.

On February 2, 1994, the Mayor presented to the City Council and the Control Board a mid-year modification to the Financial Plan (the "February Modification"). The February Modification projects a balanced budget for fiscal year 1994, based upon revenues of \$31.735 billion, including a general reserve of \$81 million. For fiscal years 1995, 1996 and 1997, the February Modification projects budget gaps of \$2.261 billion, \$3.167 billion and \$3.253 billion, respectively, and assumes no wage and salary increases beyond the expiration of current labor agreements which expire in fiscal years 1995 and 1996. These gaps have grown since November by about \$530 million in fiscal year 1995, and \$650 million and \$550 million in fiscal years 1996 and 1997, respectively, owing in large part to lower estimates of real property tax revenues. To close the budget gap projected for fiscal year 1995, the February Modification includes a gap-closing program that consists of the following major elements: (i) an agency program of \$1.048 billion; (ii) fringe benefit and pension savings of \$400 million; (iii) an intergovernmental aid package of \$400 million; (iv) a workforce reduction program of \$144 million; and (v) the assumption of a \$234 million surplus roll from fiscal year 1994. Implementation of many of the gap-closing initiatives requires the cooperation of the municipal labor unions, the City Council and the State and Federal governments. The February Modification also includes a tax reduction program, with most of the financial impact affecting the later years of the Plan period.

The City requires certain amounts of financing for seasonal and capital spending purposes. The City has issued \$1.75 billion of notes for seasonal financing purposes during the 1994 fiscal year. The City's capital financing program projects long-term financing requirements of approximately \$16.6 billion for the City's fiscal years 1994 through 1997 for the construction and rehabilitation of the City's infrastructure and other fixed assets. The major capital requirements include expenditures for the City's water supply system, and waste disposal systems, roads, bridges, mass transit, schools and housing. In addition, the City and the Municipal Water Finance Authority have issued about \$1.8 billion in refunding bonds in the 1994 fiscal year.

(3) State Economic Trends. The City accounts for approximately 41% of the State's population and personal income, and the City's financial health affects the State in numerous ways. The State has long been one of the wealthiest states in the nation. For decades, however, the State economy has grown more slowly than that of the nation as a whole, resulting in the gradual erosion of its relative economic affluence. The causes of this relative decline are varied and complex, in many cases involving national and international developments beyond the State's control. In recent years, the State's economic position has improved in a manner consistent with that of the Northeast as a whole.

Part of the reason for the long-term relative decline in the State's economy has been attributed to the combined State and local tax burden, which is among the highest in the United States. The burdens of State and local taxation, in combination with many other causes of regional economic dislocation, may have contributed to the decision of businesses and individuals to relocate outside, or not locate within, the State. In 1987, the State enacted a major personal income tax reduction and reform program and also reduced the tax rate on corporation income. In addition, the State has provided various tax incentives to encourage business relocation and expansion. The State, however, in its 1989-90, 1990-91 and 1991-92 fiscal years substantially increased taxes and fees to help close projected budget gaps in those years, and in 1990-91, 1991-92 and 1992-93 delayed and restructured the remainder of the personal income tax reduction program originally enacted in 1987. Under legislation proposed with the 1993-94 budget, the rules for calculating tax liability for the 1993 tax year will be the same as those for the 1992 tax year (deferring for a fourth year a previously scheduled tax reduction), and the tax reduction program will be frozen at current rates. Also, in July 1991 State legislation was enacted to phase out the benefit of graduated income tax tables for taxpayers with adjusted gross income above \$100,000.

APPENDIX B

Description of S&P, Moody's and Fitch ratings:

S&P

Municipal Bond Ratings

An S&P municipal bond rating is a current assessment of the creditworthiness of an obligor with respect to a specific obligation.

The ratings are based on current information furnished by the issuer or obtained by S&P from other sources it considers reliable, and will include: (1) likelihood of default-capacity and willingness of the obligor as to the timely payment of interest and repayment of principal in accordance with the terms of the obligation; (2) nature of and provisions of the obligation; and (3) protection afforded by, and relative position of, the obligation in the event of bankruptcy, reorganization or other arrangement under the laws of bankruptcy and other laws affecting creditors' rights.

AAA

Debt rated AAA has the highest rating assigned by S&P. Capacity to pay interest and repay principal is extremely strong.

AA

Debt rated AA has a very strong capacity to pay interest and repay principal and differs from the highest rated issues only in a small degree.

Municipal Note Ratings

SP-1

The issuers of these municipal notes exhibit very strong or strong capacity to pay principal and interest. Those issues determined to possess overwhelming safety characteristics are given a plus (+) designation.

Commercial Paper Ratings

The rating A is the highest rating and is assigned by S&P to issues that are regarded as having the greatest capacity for timely payment. Issues in this category are delineated with the numbers 1, 2 and 3 to indicate the relative degree of safety. Paper rated A-1 indicated that the degree of safety regarding timely payment is either overwhelming or very strong. Those issues determined to possess overwhelming safety characteristics are denoted with a plus sign (+) designation.

Moody's

Municipal Bond Ratings

Aaa

Bonds which are rated Aaa are judged to be of the best quality. They carry the smallest degree of investment risk and are generally referred to as "gilt edge." Interest payments are protected by a large or by an exceptionally stable margin and principal is secure. While the various protective elements are likely to change, such changes as can be visualized are most unlikely to impair the fundamentally strong position of such issues.

Aa

Bonds which are rated Aa are judged to be of high quality by all standards. Together with the Aaa group they comprise what generally are known as high grade bonds. They are rated lower than the best bonds because margins of protection may not be as large as in Aaa securities or fluctuation of protective elements may be of greater amplitude or there may be other elements present which make the long-term risks appear somewhat larger than in Aaa securities. Bonds in the Aa category which Moody's believes possess the strongest investment attributes are designated by the symbol Aa1.

Commercial Paper Ratings

The rating Prime-1 (P-1) is the highest commercial paper rating assigned by Moody's. Issuers of P-1 paper must have a superior capacity for repayment of short-term promissory obligations, and ordinarily will be evidenced by leading market positions in well established industries, high rates of return on funds employed, conservative capitalization structures with moderate reliance on debt and ample asset protection, broad margins in earnings coverage of fixed financial charges and high internal cash generation, and well established access to a range of financial markets and assured sources of alternate liquidity. Issuers rated Prime-2 (P-2) have a strong ability for repayment of senior short-term debt obligations. Capitalization characteristics, while still appropriate, may be more

affected by external conditions. Ample alternate liquidity is maintained.

Municipal Note Ratings

Moody's ratings for state and municipal notes and other short-term loans are designated Moody's Investment Grade (MIG). Such ratings recognize the difference between short-term credit risk and long-term risk.

Factors affecting the liquidity of the borrower and short-term cyclical elements are critical in short-term ratings, while other factors of major importance in bond risk, long-term secular trends for example, may be less important over the short run.

A short-term rating may also be assigned on an issue having a demand feature. Such ratings will be designated as VMIG or, if the demand feature is not rated, as NR. Short-term ratings on issues with demand features are differentiated by the use of the VMIG symbol to reflect such characteristics as payment upon periodic demand rather than fixed maturity dates and payment relying on external liquidity. Additionally, investors should be alert to the fact that the source of payment may be limited to the external liquidity with no or limited legal recourse to the issuer in the event the demand is not met.

Moody's short-term ratings are designated Moody's Investment Grade as MIG 1 or VMIG 1 through MIG 4 or VMIG 4. As the name implies, when Moody's assigns a MIG or VMIG rating, all categories define an investment grade situation.

MIG 1/VMIG 1

This designation denotes best quality. There is present strong protection by established cash flows, superior liquidity support or demonstrated broad-based access to the market for refinancing.

MIG 2/VMIG 2

This designation denotes high quality. Margins of protection are ample although not so large as in the preceding group.

Fitch

Municipal Bond Ratings

The ratings represent Fitch's assessment of the issuer's ability to meet the obligations of a specific debt issue or class of debt. The ratings take into consideration special features of the issue, its relationship to other obligations of the issuer, the current financial condition and operating performance of the issuer and of any guarantor, as well as the political and economic environment that might affect the issuer's future financial strength and credit quality.

AAA

Bonds rated AAA are considered to be investment grade and of the highest credit quality. The obligor has an exceptionally strong ability to pay interest and repay principal, which is unlikely to be affected by reasonably foreseeable events.

AA

Bonds rated AA are considered to be investment grade and of very high credit quality. The obligor's ability to pay interest and repay principal is very strong, although not quite as strong as bonds rated AAA. Because bonds rated in the AAA and AA categories are not significantly vulnerable to foreseeable future developments, short-term debt of these issuers is generally rated F-1+.

Plus (+) and minus (-) signs are used with a rating symbol to indicate the relative position of a credit within the rating category.

Short-Term Ratings

Fitch's short-term ratings apply to debt obligations that are payable on demand or have original maturities of up to three years, including commercial paper, certificates of deposit, medium-term notes, and municipal and investment notes.

Although the credit analysis is similar to Fitch's bond ratings analysis, the short-term rating places greater emphasis than bond ratings on the existence of liquidity necessary to meet the issuer's obligations in

a timely manner.

F-1+

Exceptionally Strong Credit Quality. Issues assigned this rating are regarded as having the strongest degree of assurance for timely payment.

F-1

Very Strong Credit Quality. Issues assigned this rating reflect an assurance of timely payment only slightly less in degree than issues rated F-1+.

F-2

Good Credit Quality. Issues carrying this rating have a satisfactory degree of assurance for timely payments, but the margin of safety is not as great as the F-1+ and F-1 categories.

GENERAL NEW YORK MUNICIPAL MONEY MARKET FUND

<TABLE>

<CAPTION>

STATEMENT OF INVESTMENTS

NOVEMBER 30, 1993

TAX EXEMPT INVESTMENTS-100.0%

PRINCIPAL

AMOUNT

VALUE

NEW YORK-94.3%

<S>

<C>

<C>

Babylon Industrial Development Agency, RRR, VRDN (Equity Babylon Project)

1.80% (LOC; Union Bank of Switzerland) (a,b).....

\$ 5,000,000

\$ 5,000,000

Erie County:

RAN 3.30%, 8/5/94 (LOC; Mitsubishi Bank) (b).....

15,200,000

15,219,852

TAN 2.45%, 12/30/93 (LOC; Mitsubishi Bank) (b).....

7,150,000

7,150,000

Erie County Water Authority, Water Revenue, VRDN 2.15%, Series A

(Insured; AMBAC and Liquidity Facility; Industrial Bank of Japan) (a).....

9,000,000

9,000,000

Fulton County Industrial Development Agency, Revenue, VRDN

(SLM Action Sports Project) 2.425% (LOC; Royal Bank of Canada) (a,b).....

1,800,000

1,800,000

Half Hollow Hills Central School District, Huntington and Babylon, TAN

3%, 6/24/94.....

13,000,000

13,042,746

Town of Islip Industrial Development Agency, IDR, VRDN

(Brentwood District Co.) 2.675% (LOC; Bankers Trust) (a,b).....

3,000,000

3,000,000

Metropolitan Transport Authority, Commuter Facilities Revenue, VRDN

2.05% (LOC; Bank of Tokyo, Industrial Bank of Japan, Mitsubishi Bank,

Morgan Bank, National Westminster Bank and Sumitomo Bank) (a,b).....

28,800,000

28,800,000

Monroe County, BAN:

2.75%, 12/17/93.....

6,500,000

6,501,260

3%, 6/10/94.....

5,000,000

5,011,465

City of New York:

RAN 3.50%, 6/30/94.....

30,000,000

30,102,072

TAN 3.125%, Series A, 4/8/94.....

10,000,000

10,017,887

VRDN:

GO Notes:

1.90%, Series D (Insured; FGIC and Liquidity Facility; GE Capital) (a).

7,900,000

7,900,000

2%, Series A-4 (LOC; Chemical Bank) (a,b).....

9,100,000

9,100,000

2%, Series C-3 (LOC; Industrial Bank of Japan) (a,b).....

4,300,000

4,300,000

2%, Series C-4 (LOC; Fuji Bank) (a,b).....

10,100,000

10,100,000

2%, Series C-5 (LOC; Sumitomo Bank) (a,b).....

16,100,000

16,100,000

2%, Series D (SBPA; Citibank) (a).....

18,100,000

18,100,000

2%, Series E (LOC; Industrial Bank of Japan) (a,b).....

4,800,000

4,800,000

2.10%, Series A-7 (LOC; Morgan Guaranty Trust) (a,b).....

8,100,000

8,100,000

2.15%, Series A-10 (LOC; Sumitomo Bank) (a,b).....

6,000,000

6,000,000

Trust Cultural Resource Revenue (Solomon R. Guggenheim) 1.85%, Series B

(LOC; Swiss Bank Corp.) (a,b).....

9,750,000

9,750,000

New York City Housing Development Corp., Mortgage Revenue, VRDN

(Park Gate Tower) 2.20% (LOC; Citibank) (a,b).....

2,835,000

2,835,000

New York City Industrial Development Agency, VRDN:

Civil Facility Revenue (Children's Oncology Society)

2.20% (LOC; Barclays Bank) (a,b).....

3,900,000

3,900,000

IDR:

2.20%, Series E (LOC; ABN-Amro Bank) (a,b).....

950,000

950,000

(Field Hotel Association JFK Project) 2.15% (LOC; Banque Indosuez) (a,b).

4,000,000

4,000,000

(Nobart-New York Inc. Project) 2.80% (LOC; Dai-Ichi Kangyo Bank) (a,b)...

2,900,000

2,900,000

New York City Municipal Water Finance Authority, Water and Sewer

Systems Revenue:

BAN 2.75%, Series A, 4/15/94.....

12,000,000

12,015,198

VRDN 1.85%, Series C (Insured; FGIC) (a).....

2,000,000

2,000,000

New York State:

CP 2.50%, 12/6/93 (Line of Credit; Daiwa Bank).....

9,000,000

9,000,000

TRAN 2.75%, 12/31/93.....

20,000,000

20,009,272

New York State Dormitory Authority, Revenue, CP (Sloan Kettering Memorial Hospital) 2.30%, Series 89A, 12/17/93 (LOC; Fuji Bank) (a,b).....	5,000,000	5,000,000
New York State Energy, Research and Development Authority: PCR:		
Bonds:		
(Lilco Project)		
2.50%, Series B, 3/1/94 (LOC; Deutsche Bank) (b).....	5,450,000	5,450,000
(New York State Electric and Gas):		
2.90%, Series D, 12/1/93 (LOC; Union Bank of Switzerland) (b).....	555,000	555,000
2.75%, Series 85A, 3/1/94 (LOC; Union Bank of Switzerland) (b).....	7,000,000	7,000,000
2.50%, Series 85A, 3/15/94 (LOC; Morgan Guaranty Trust) (b).....	8,000,000	8,000,000
2.85%, Series B, 10/15/94 (LOC; Union Bank of Switzerland) (b).....	7,200,000	7,200,000
VRDN:		
(Central Hudson Gas and Electric Project):		
2.35%, Series B (LOC; Bankers Trust) (a,b).....	8,700,000	8,700,000
2.40%, Series A (LOC; Bankers Trust) (a,b).....	3,800,000	3,800,000
Electric Facilities Revenue (Lilco Project) 2.85%, Series B (LOC; Toronto Dominion Bank) (a,b).....	8,000,000	8,000,000
(Niagara Mohawk Project):		
2.20%, Series A (LOC; Morgan Guaranty Trust) (a,b).....	41,000,000	41,000,000
2.20%, Series B (LOC; JP Morgan) (a,b).....	16,000,000	16,000,000
2.30%, Series C (LOC; Canadian Imperial Bank of Commerce) (a,b).....	5,000,000	5,000,000
2.45%, Series A (LOC; Toronto Dominion Bank) (a,b).....	21,200,000	21,200,000
New York State Housing Finance Agency, Revenue, VRDN (Liberty View Apartment Housing Project) 2.20% (LOC; Chemical Bank) (a,b)..	10,850,000	10,850,000
New York State Job Development Authority, VRDN:		
2.47%, Series A1 Thru A9 (LOC; Sumitomo Bank) (a,b).....	720,000	720,000
2.47%, Series C1 Thru C34 (LOC; Sumitomo Bank) (a,b).....	550,000	550,000
2.47%, Series D1 Thru D16 (LOC; Sumitomo Bank) (a,b).....	220,000	220,000
2.50%, Series E1 Thru E55 (LOC; Sumitomo Bank) (a,b).....	1,475,000	1,475,000
New York State Local Government Assistance Corp., VRDN 2%, Series 93A (LOC: Credit Suisse, Swiss Bank Corp. and Union Bank of Switzerland) (a,b).	12,000,000	12,000,000
New York State Medical Care Facilities Finance Agency, Revenue, VRDN (Pooled Equipment Loan Program) 2.15% (LOC; Chemical Bank) (a,b).....	26,900,000	26,900,000
North Hempstead Solid Waste Management Authority, Solid Waste Management Revenue VRDN 2% (LOC; National Westminster Bank) (a,b).....	8,500,000	8,500,000
Onondaga County Industrial Development Agency, IDR, VRDN (Edgecomb Metals) 2.55% (LOC; Banque Nationale De Paris) (a,b).....	2,000,000	2,000,000
Port Authority of New York and New Jersey, Special Obligation Revenue, VRDN 2.20%, Series 3 (LOC; Deutsche Bank) (a,b).....	24,000,000	24,000,000
Rochester County, BAN 2.23%, 3/14/94.....	25,000,000	25,000,000
Rockland County, RAN 2.75%, 4/8/94.....	5,000,000	5,005,106
Rockland County Industrial Development Agency, IDR, VRDN (Wilton Foods) 2.40% (LOC; Bank of Tokyo) (a,b).....	3,000,000	3,000,000
Suffolk County, TAN 3%, 9/15/94 (LOC; Chemical Bank) (b).....	20,000,000	20,023,008
Syracuse, BAN 3%, 6/17/94.....	7,163,000	7,182,526
U.S. RELATED-5.7%		
Commonwealth of Puerto Rico Government Development Bank, Refunding, VRDN 2.25% (LOC: Credit Suisse and Sumitomo Bank) (a,b).....	23,000,000	23,000,000
Commonwealth of Puerto Rico Highway and Transportation Authority, Highway Revenue VRDN 2% (LOC: Landesbank Hessen, Swiss Bank Corp. and United Bank of Switzerland) (a,b).....	3,000,000	3,000,000
Puerto Rico Industrial Medical and Environmental Pollution Control Facilities Financing Authority, Revenue Bonds (Abbott Laboratories Project) 2.70%, Series A, 3/1/94.....	8,250,000	8,250,000
TOTAL INVESTMENTS (cost \$605,085,392).....		\$605,085,392

</TABLE>

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<CAPTION>

SUMMARY OF ABBREVIATIONS

<S>	<S>	<S>	<S>
AMBAC	American Municipal Bond Assurance Corporation	PCR	Pollution Control Revenue
BAN	Bond Anticipation Notes	RAN	Revenue Anticipation Notes
CP	Commercial Paper	RRR	Resource Recovery Revenue
FGIC	Financial Guaranty Insurance Corporation	SBPA	Standby Bond Purchase Agreement
GO	General Obligation	TAN	Tax Anticipation Notes
IDR	Industrial Development Revenue	TRAN	Tax and Revenue Anticipation Notes
LOC	Letter of Credit	VRDN	Variable Rate Demand Notes

</TABLE>

SUMMARY OF COMBINED RATINGS (UNAUDITED)

<TABLE>

<CAPTION>

FITCH (C)	or	MOODY'S	or	STANDARD & POOR'S	PERCENTAGE OF VALUE
-----		-----		-----	-----

<S>	<S>	<S>	<C>
F1+/F1	VMIG1/MIG1, P1 (d)	SP1+/SP1, A1+/A1 (d)	88.6%
AAA/AA (e)	Aaa/Aa (e)	AAA/AA (e)	4.6
Not Rated (f)	Not Rated (f)	Not Rated (f)	6.8

			100.0%
			=====

</TABLE>

NOTES TO STATEMENT OF INVESTMENTS:

- (a) Securities payable on demand. The interest rate, which is subject to change, is based upon bank prime rates or an index of market interest rates.
- (b) Secured by letters of credit. At November 30, 1993, 68.1% of the Fund's net assets are backed by letters of credit issued by domestic banks, foreign banks and brokerage firms, of which Chemical Bank provided letters of credit to 10.9% of the Fund's net assets.
- (c) Fitch currently provides creditworthiness information for a limited amount of investments.
- (d) P1 and A1 are the highest ratings assigned tax-exempt commercial paper by Moody's and Standard & Poor's, respectively.
- (e) Notes which are not F, MIG or SP rated are represented by bond ratings of the issuers.
- (f) Securities which, while not rated by Fitch, Moody's or Standard & Poor's have been determined by the Fund's Board of Directors to be of comparable quality to those rated securities in which the Fund may invest.
- (g) At November 30, 1993, the Fund had \$156,802,485 (25.6% of net assets) invested in securities whose payment of principal and interest is dependent upon revenues generated from City of New York Municipal G.O. projects.

GENERAL NEW YORK MUNICIPAL MONEY MARKET FUND

<TABLE>

<CAPTION>

STATEMENT OF ASSETS AND LIABILITIES

NOVEMBER 30, 1993

ASSETS:

<S>	<C>	<C>
Investments in securities, at value-Note 1(a).....		\$605,085,392
Cash.....		4,335,569
Interest receivable.....		3,179,949
Prepaid expenses.....		82,311

		612,683,221

LIABILITIES:

Due to The Dreyfus Corporation.....	\$ 73,587	
Accrued expenses.....	168,755	242,342
	-----	-----

NET ASSETS

\$612,440,879
=====

REPRESENTED BY:

Paid-in capital.....		\$612,450,201
Accumulated net realized (loss) on investments.....		(9,322)

NET ASSETS at value applicable to 612,450,201 shares outstanding

(unlimited number of \$.001 par value shares of Beneficial Interest authorized).....		\$612,440,879
		=====

NET ASSET VALUE, offering and redemption price per share

(\$612,440,879 divide 612,450,201 shares).....		\$1.00
		=====

STATEMENT OF OPERATIONS

YEAR ENDED NOVEMBER 30, 1993

INVESTMENT INCOME:

INTEREST INCOME.....		\$ 13,559,117
----------------------	--	---------------

EXPENSES:

Management fee-Note 2(a).....	2,951,496
Shareholder servicing costs-Note 2(c).....	842,176
Custodian fees.....	57,040
Professional fees.....	45,493
Prospectus and shareholders' reports-Note 2(b).....	32,848
Trustees' fees and expenses-Note 2(d).....	18,941

Registration fees.....	4,007	
Miscellaneous.....	1,629	

	3,953,630	
Less-reduction in management fee due to undertaking-Note 2(a).....	2,066,047	

TOTAL EXPENSES.....		1,887,583

INVESTMENT INCOME-NET.....		11,671,534
REALIZED AND UNREALIZED GAIN ON INVESTMENTS:		
Net realized gain on investments-Note 1(b).....	\$ 33,905	
Net unrealized (depreciation) on investments.....	(23,949)	

NET REALIZED AND UNREALIZED GAIN ON INVESTMENTS.....		9,956

NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS.....		\$ 11,681,490
		=====

See notes to financial statements.

</TABLE>
General New York Municipal Money Market Fund
Statement of Changes in Net Assets
<TABLE>
<CAPTION>

	November 30,	
	1992	1993
	-----	-----
OPERATIONS:		
<S>	<C>	<C>
Investment income--net.....	\$ 16,247,789	\$ 1,671,534
Net realized gain on investments.....	7,498	33,905
Net unrealized appreciation (depreciation) on investments for the year.....	23,949	(23,949)
	-----	-----
Net Increase In Net Assets Resulting From Operations.....	16,279,236	11,681,490
	-----	-----
DIVIDENDS TO SHAREHOLDERS FROM;		
Investment income--net.....	(16,247,789)	(11,671,534)
	-----	-----
BENEFICIAL INTEREST TRANSACTIONS (\$1.00 per share):		
Net proceeds from shares sold.....	979,147,788	1,221,685,330
Dividends reinvested.....	15,427,173	11,110,335
Cost of shares redeemed.....	(950,640,453)	(1,251,263,666)
	-----	-----
Increase (Decrease) In Net Assets From Beneficial Interest Transactions...	43,934,508	(18,468,001)
	-----	-----
Total Increase (Decrease) In Net Assets.....	43,965,955	(18,458,045)
	-----	-----
Beginning of year.....	586,932,969	630,898,924
	-----	-----
End of year.....	\$630,898,924	\$612,440,879
	=====	=====

See notes to financial statements.

</TABLE>
GENERAL NEW YORK MUNICIPAL MONEY MARKET FUND
FINANCIAL HIGHLIGHTS

Reference is made to page 2 of the Prospectus dated March 15, 1994.

See notes to financial statements.

GENERAL NEW YORK MUNICIPAL MONEY MARKET FUND
NOTES TO FINANCIAL STATEMENTS

NOTE 1-SIGNIFICANT ACCOUNTING POLICIES:

The Fund is registered under the Investment Company Act of 1940 ("Act") as a non-diversified open-end management investment company. Dreyfus Service Corporation ("Distributor") acts as the distributor of the Fund's shares, which are sold to the public without a sales load. The Distributor is a wholly-owned subsidiary of The Dreyfus Corporation ("Manager").

It is the Fund's policy to maintain a continuous net asset value per share of \$1.00; the Fund has adopted certain investment, portfolio valuation and dividend and distribution policies to enable it to do so. (A) PORTFOLIO VALUATION: Investments are valued at amortized cost, which has been determined by the Fund's Board of Trustees to represent the fair value of the Fund's investments.

(B) SECURITIES TRANSACTIONS AND INVESTMENT INCOME: Securities transactions are recorded on a trade date basis. Interest income, adjusted for amortization of premiums and, when appropriate, discounts on investments, is earned from settlement date and recognized on the accrual basis. Realized gain and loss from securities transactions are recorded on the identified cost basis.

The Fund follows an investment policy of investing primarily in municipal obligations of one state. Economic changes affecting the state and certain of its public bodies and municipalities may affect the ability of issuers within the state to pay interest on, or repay principal of, municipal obligations held by the Fund.

(C) DIVIDENDS TO SHAREHOLDERS: It is the policy of the Fund to declare dividends daily from investment income-net. Such dividends are paid monthly. Dividends from net realized capital gain 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. To the extent that net realized capital gain can be offset by capital loss carryovers, it is the policy of the Fund not to distribute such gain.

(D) FEDERAL INCOME TAXES: It is the policy of the Fund to continue to qualify as a regulated investment company, which can distribute tax exempt dividends, by complying with the provisions available to certain investment companies, as defined in applicable sections of the Internal Revenue Code, and to make distributions of income and net realized capital gain sufficient to relieve it from all, or substantially all, Federal income taxes.

The Fund has an unused capital loss carryover of approximately \$9,000 available for Federal income tax purposes to be applied against future net securities profits, if any, realized subsequent to November 30, 1993. If not applied, the carryover expires in fiscal 1998. At November 30, 1993, 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).

NOTE 2-MANAGEMENT FEE AND OTHER TRANSACTIONS WITH AFFILIATES:

(A) Pursuant to a management agreement ("Agreement") with the Manager, the management fee is computed at the annual rate of .50 of 1% of the average daily value of the Fund's net assets and is payable monthly. The Agreement provides for an expense reimbursement from the Manager should the Fund's aggregate expenses, exclusive of taxes, brokerage, interest on borrowings and extraordinary expenses, exceed 1 1/2% of the average value of the Fund's net assets for any full fiscal year. However, the Manager has undertaken from December 1, 1992 to waive receipt of the management fee payable to it by the Fund in excess of an annual rate of .15 of 1% of the Fund's average daily net assets. The reduction in management fee, pursuant to the undertaking, amounted to \$2,066,047 for the year ended November 30, 1993.

The Manager may modify the expense limitation percentages from time to time, provided that the resulting expense reimbursement would not be less than the amount required pursuant to the Agreement.

(B) The Fund has adopted a Service Plan, (the "Plan") pursuant to which the Fund will bear the costs of preparing, printing and distributing certain of the Fund's prospectuses and statements of additional information and costs associated with implementing and operating the Plan, not to exceed the greater of \$100,000 or .005 of 1% of the Fund's average daily net assets for any full fiscal year. During the year ended November 30, 1993, the Fund was charged \$14,751 pursuant to the Plan.

(C) Pursuant to the Fund's Shareholder Services Plan, the Fund reimburses the distributor an amount not to exceed an annual rate of .25 of 1% of the value of the Fund's average daily net assets for servicing shareholder accounts. 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. During the year ended November 30, 1993, the Fund was charged an aggregate of \$433,771 pursuant to the Shareholder Services Plan.

(D) Certain officers and trustees of the Fund are "affiliated persons,"

as defined in the Act, of the Manager and/or the Distributor. Each trustee who is not an "affiliated person" receives an annual fee of \$2,500 and an attendance fee of \$250 per meeting.

(E) On December 5, 1993, the Manager entered into an Agreement and Plan of Merger providing for the merger of the Manager with a subsidiary of Mellon Bank Corporation ("Mellon").

Upon closing of the merger, it is planned that the Manager will retain its New York headquarters and will be a separate subsidiary within the Mellon organization. It is expected that the Manager's management team and mutual fund managers will remain in place, and the Dreyfus mutual funds will be operated in the same manner as they are currently.

Following the merger, the Manager will be either a direct or indirect subsidiary of Mellon, whose principal banking subsidiary is Mellon Bank, N.A. Closing of this merger is subject to a number of contingencies, including the receipt of certain regulatory approvals and the approvals of the stockholders of the Manager and of Mellon. The merger is expected to occur in mid-1994, but could occur significantly later.

Because the merger will constitute an "assignment" of the Fund's Management Agreement with the Manager under the Investment Company Act of 1940, and thus a termination of such Agreement, the Manager will seek prior approval from the Fund's Board and shareholders.

GENERAL NEW YORK MUNICIPAL MONEY MARKET FUND
REPORT OF ERNST & YOUNG, INDEPENDENT AUDITORS

SHAREHOLDERS AND BOARD OF TRUSTEES
GENERAL NEW YORK MUNICIPAL MONEY MARKET FUND

We have audited the accompanying statement of assets and liabilities of General New York Municipal Money Market Fund, including the statement of investments, as of November 30, 1993, and the related statement of operations for the year then ended, the statement of changes in net assets for each of the two years in the period then ended, and financial highlights for each of the years indicated therein. These financial statements and financial highlights are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned as of November 30, 1993 by correspondence with the custodian. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of General New York Municipal Money Market Fund at November 30, 1993, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period then ended, and the financial highlights for each of the indicated years, in conformity with generally accepted accounting principles.

Ernst & Young Signature

New York, New York
January 3, 1994