

SECURITIES AND EXCHANGE COMMISSION

FORM 485APOS

Post-effective amendments [Rule 485(a)]

Filing Date: **1996-12-30**  
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FILER

**DREYFUS S&P 500 INDEX FUND**

CIK: **857114** | State of Incorporation: **NY** | Fiscal Year End: **1031**  
Type: **485APOS** | Act: **33** | File No.: **033-31809** | Film No.: **96688063**

Mailing Address  
*C/O DREYFUS CORP  
200 PARK AVENUE, 8TH  
FLOOR  
NEW YORK NY 10166*

Business Address  
*144 GLENN CURTISS BLVD  
UNIONDALE NY 11556  
2129226785*

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM N-1A

REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933 [X]

Pre-Effective Amendment No. [ ]

Post-Effective Amendment No. 9 [X]

and/or

REGISTRATION STATEMENT UNDER THE INVESTMENT COMPANY ACT OF 1940 [X]

Amendment No. 9 [X]

(Check appropriate box or boxes.)

PEOPLES INDEX FUND, INC.  
(Exact Name of Registrant as Specified in Charter)

c/o The Dreyfus Corporation  
200 Park Avenue, New York, New York 10166  
(Address of Principal Executive Offices) (Zip Code)

Registrant's Telephone Number, including Area Code: (212) 922-6000

Mark N. Jacobs, Esq.  
200 Park Avenue  
New York, New York 10166  
(Name and Address of Agent for Service)

It is proposed that this filing will become effective (check appropriate box)

----- immediately upon filing pursuant to paragraph (b)

----- on (date) pursuant to paragraph (b)

----- 60 days after filing pursuant to paragraph (a)(i)

X ----- on March 1, 1997 pursuant to paragraph (a)(i)

----- 75 days after filing pursuant to paragraph (a)(ii)

----- on (date) pursuant to paragraph (a)(ii) of Rule 485

If appropriate, check the following box:

----- this post-effective amendment designates a new effective date for a  
previously filed post-effective amendment.

Registrant has registered an indefinite number of shares of its Common  
Stock under the Securities Act of 1933 pursuant to Section 24(f) of the  
Investment Company Act of 1940. Registrant's Rule 24f-2 Notice for the fiscal  
year ended October 31, 1996 was filed on December 30, 1996.

PEOPLES INDEX FUND, INC.  
Cross-Reference Sheet Pursuant to Rule 495(a)

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NOTE: \* Omitted since answer is negative or inapplicable.

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NOTE: \* Omitted since answer is negative or inapplicable.

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PROSPECTUS

MARCH 1, 1997

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DREYFUS S&P 500 INDEX FUND  
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DREYFUS S&P 500 INDEX FUND (THE "FUND") IS AN OPEN-END, NON-DIVERSIFIED, MANAGEMENT INVESTMENT COMPANY, KNOWN AS AN INDEX FUND. THE FUND'S INVESTMENT OBJECTIVE IS TO PROVIDE INVESTMENT RESULTS THAT CORRESPOND TO THE PRICE AND YIELD PERFORMANCE OF PUBLICLY-TRADED COMMON STOCKS IN THE AGGREGATE, AS REPRESENTED BY THE STANDARD & POOR'S 500 COMPOSITE STOCK PRICE INDEX. IN ANTICIPATION OF TAKING A MARKET POSITION, THE FUND IS PERMITTED TO PURCHASE AND SELL STOCK INDEX FUTURES. THE FUND IS NEITHER SPONSORED BY NOR AFFILIATED WITH STANDARD & POOR'S, A DIVISION OF THE MCGRAW-HILL COMPANIES, INC.

THE DREYFUS CORPORATION ("DREYFUS") SERVES AS THE FUND'S MANAGER. DREYFUS HAS ENGAGED ITS AFFILIATE, MELLON EQUITY ASSOCIATES ("MELLON EQUITY"), TO SERVE AS THE FUND'S INDEX FUND MANAGER AND PROVIDE DAY-TO-DAY MANAGEMENT OF THE FUND'S INVESTMENTS. DREYFUS AND MELLON EQUITY ARE REFERRED TO COLLECTIVELY AS THE "ADVISERS."

IN SOME CASES, SHAREHOLDERS WHO REDEEM SHARES WITHIN SIX MONTHS OF THE OPENING OF THEIR ACCOUNT WILL BE CHARGED A 1% REDEMPTION FEE WHICH WILL BE DEDUCTED FROM REDEMPTION PROCEEDS.

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

THE STATEMENT OF ADDITIONAL INFORMATION, DATED MARCH 1, 1997, 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. THE SECURITIES AND EXCHANGE COMMISSION MAINTAINS A WEB SITE (HTTP://WWW.SEC.GOV) THAT CONTAINS THE STATEMENT OF ADDITIONAL INFORMATION, MATERIAL INCORPORATED BY REFERENCE, AND OTHER INFORMATION REGARDING THE FUND. FOR A FREE COPY OF THE STATEMENT OF ADDITIONAL INFORMATION, 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 144.

MUTUAL FUND 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 NET ASSET VALUE OF FUNDS OF THIS TYPE WILL FLUCTUATE FROM TIME TO TIME.

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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.

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FEE TABLE	
SHAREHOLDER TRANSACTION EXPENSES	
Redemption Fees (as percentage of amount redeemed).....	1.00%
ANNUAL FUND OPERATING EXPENSES	
(as a percentage of average daily net assets)	
Management Fees (after fee waiver).....	.23%
Other Expenses.....	.27%
Total Fund Operating Expenses (after fee waiver).....	.50%

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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:				
	\$5	\$16	\$28	\$63

</TABLE>

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 costs and expenses borne by the Fund and investors, the payment of which will reduce investors' annual return. The redemption fee is charged upon certain redemptions of Fund shares occurring within six months of the opening of an account and is retained by the Fund. Annual Fund Operating Expenses noted above have been restated to reflect an undertaking by Dreyfus that, until at least the fiscal year ending October 31, 1998, if Fund expenses, including the management fee, exceed .50 of 1% of the value of the Fund's average net assets for the fiscal year, the Fund may deduct from the management fee payable to Dreyfus to the extent of such excess. The expenses noted above, without reimbursement, would be: Management Fees -- .30% and Total Fund Operating Expenses -- .57%. 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 Shares," "How to Redeem Shares" and "Shareholder Services Plan."

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CONDENSED FINANCIAL INFORMATION

The information in the following table has been audited by Coopers & Lybrand L.L.P., the Fund's independent accountants, 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 Common Stock outstanding, total investment return, ratios to average net assets and other supplemental data for each year indicated. This information has been derived from the Fund's financial statements.

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	Year Ended October 31,						
PER SHARE DATA:	1990(1)	1991	1992	1993	1994	1995	1996
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Net asset value, beginning of year.....	\$12.50	\$10.86	\$14.16	\$15.16	\$16.88	\$16.41	\$18.38

INVESTMENT OPERATIONS:							
Investment income--net .....	.17	.34	.41	.30	.39	.36	.33
Net realized and unrealized gain (loss) on investments	(1.81)	3.18	.97	1.86	.11	3.36	3.89
TOTAL FROM INVESTMENT OPERATIONS.....	(1.64)	3.52	1.38	2.16	.50	3.72	(4.22)
DISTRIBUTIONS:							
Dividends from investment income--net.....	._	(.22)	(.38)	(.40)	(.31)	(.42)	(.32)
Dividends from net realized gain on investments	._	._	._	(.04)	(.66)	(1.33)	(.22)
TOTAL DISTRIBUTIONS.....	._	(.22)	(.38)	(.44)	(.97)	(1.75)	(.54)
Net asset value, end of year.....	\$10.86	\$14.16	\$15.16	\$16.88	\$16.41	\$18.38	\$22.06
TOTAL INVESTMENT RETURN.....	(13.12%) (2)	32.85%	9.90%	14.49%	3.14%	25.68%	23.41%
RATIOS/SUPPLEMENTAL DATA:							
Ratio of expenses to average net assets....	._	._	._	.39%	.61%	.55%	.57%
Ratio of net investment income to average net assets	3.46% (2)	3.45%	3.04%	2.36%	2.26%	2.75%	1.90%
Decrease reflected in above expense ratios due to undertakings	1.42% (2)	.78%	.65%	.14%	.03%	._	._
Decrease reflected in above expense ratios due to redemption fee	.08% (2)	.10%	._	._	._	._	._
Portfolio Turnover Rate.....	1.21% (2)	.69%	3.10%	3.77%	18.81%	3.66%	5.22%
Average Commission Rate Paid(3).....							\$.0297
Net Assets, end of year (000's omitted)....	\$29,266	\$69,211	\$92,598	\$281,403	\$245,202	\$336,147	\$591,631

(1) From January 2, 1990 (commencement of operations) to October 31, 1990.

(2) Not annualized.

(3) For fiscal years beginning November 1, 1995, the Fund is required to disclose its average commission rate to be paid per Share for purchases and sales of investment securities.

</TABLE>

Further information about the Fund's performance is contained in the Fund's annual report, which may be obtained without charge by writing to the address or calling the number set forth on the cover page of this Prospectus.

#### DESCRIPTION OF THE FUND

##### INVESTMENT OBJECTIVE

The Fund's investment objective is to provide investment results that correspond to the price and yield performance of publicly-traded common stocks in the aggregate, as represented by the Standard & Poor's 500 Composite Stock Price Index\* (the "Index"). It cannot be changed without approval by the holders of a majority (as defined in the Investment Company Act of 1940, as amended (the "1940 Act")) of the Fund's outstanding voting shares. There can be no assurance that the Fund's investment objective will be achieved.

##### MANAGEMENT POLICIES

The Fund attempts to duplicate the investment results of the Index, which is composed of 500 selected common stocks, most of which are listed on the New York Stock Exchange. Standard & Poor's, a divi-

\*"Standard & Poor's 500," "S&PRegistration Mark" and "S&P 500Registration Mark" are trademarks of Standard & Poor's, a division of The McGraw-Hill Companies, Inc., and have been licensed for use by the Fund. The Fund is not sponsored, endorsed, sold or promoted by Standard & Poor's.

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sion of The McGraw-Hill Companies, Inc. ("S&P"), chooses the stocks to be included in the Index solely on a statistical basis. The Fund attempts to be fully invested at all times in the stocks that comprise the Index and stock index futures as described below and, in any event, at least 80% of the Fund's net assets will be so invested. Inclusion of a stock in the Index in no way implies an opinion by S&P as to its attractiveness as an investment. The Fund uses the Index as the standard performance comparison because it represents approximately 70% of the total market value of all common stocks and is well known to investors. An investment in the Fund involves risks similar to those of investing in common stocks.

The weightings of stocks in the Index are based on each stock's relative total market capitalization; that is, its market price per share times the number of shares outstanding. Because of this weighting, as of November 30, 1996, 46.3% of the Index was composed of the 50 largest companies. Mellon Equity will select stocks for the Fund's portfolio in the order of their weightings in the Index beginning with the heaviest weighted

stocks. With respect to the Fund's assets invested in the stocks in the Index, the percentage of such assets invested in each stock is approximately the same as the percentage it represents in the Index.

No attempt is made to manage the portfolio in the traditional sense using economic, financial and market analysis. The Fund is managed using a computer program to determine which stocks are to be purchased or sold to replicate the Index to the extent feasible. From time to time, administrative adjustments may be made in the Fund's portfolio because of changes in the composition of the Index, but such changes should be infrequent.

The Fund believes that the indexing approach described above is an effective method of substantially duplicating percentage changes in the Index. It is a reasonable expectation that there will be a close correlation between the Fund's performance and that of the Index in both rising and falling markets. The Fund will attempt to achieve a correlation between the performance of its portfolio and that of the Index of at least 0.95, without taking into account expenses. A correlation of 1.00 would indicate perfect correlation, which would be achieved when the Fund's net asset value, including the value of its dividend and capital gains distributions, increases or decreases in exact proportion to changes in the Index. The Fund's ability to correlate its performance with the Index, however, may be affected by, among other things, changes in securities markets, the manner in which the Index is calculated by S&P and the timing of purchases and redemptions. In the future, the Fund's Board, subject to the approval of shareholders, may select another index if such a standard of comparison is deemed to be more representative of the performance of common stocks.

The Fund's ability to duplicate the performance of the Index also depends to some extent on the size of the Fund's portfolio and the size of cash flows into and out of the Fund. Investment changes to accommodate these cash flows are made to maintain the similarity of the Fund's portfolio to the Index to the maximum practicable extent.

From time to time to increase its income, the Fund may lend securities from its portfolio. See "Appendix \_ Investment Techniques." When the Fund has cash reserves, the Fund may invest in money market instruments consisting of U.S. Government securities, time deposits, certificates of deposit, bankers' acceptances, high-grade commercial paper, and repurchase agreements. See the Statement of Additional Information for a description of these instruments. The Fund also may purchase stock index futures in anticipation of taking a market position when, in the opinion of the Advisers, available cash balances do not permit an economically efficient trade in the cash market. The Fund also may sell stock index futures to terminate existing positions it may have as a result of its purchases of stock index futures. See also "Investment Considerations and Risks" and "Appendix \_ Investment Techniques" below, and "Investment Objective and Management Policies" in the Statement of Additional Information.

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#### INVESTMENT CONSIDERATIONS AND RISKS

GENERAL -- The Fund's net asset value per share should be expected to fluctuate. Investors should consider the Fund as a supplement to an overall investment program and should invest only if they are willing to undertake the risks involved. See "Investment Objective and Management Policies Management Policies" in the Statement of Additional Information for a further discussion of certain risks.

EQUITY SECURITIES -- Equity securities fluctuate in value, often based on factors unrelated to the value of the issuer of the securities, and such fluctuations can be pronounced. Changes in the value of the Fund's investments will result in changes in the value of its shares and thus the Fund's total return to investors.

FOREIGN SECURITIES -- Since the stocks of some foreign issuers are included in the Index, the Fund's portfolio may contain securities of such foreign issuers which may subject the Fund to additional investment risks with respect to those securities that are different in some respects from those incurred by a fund which invests only in securities of domestic issuers. Such risks include possible adverse political and economic developments, seizure or nationalization of foreign deposits and adoption of governmental restrictions which might adversely affect an investment in these securities.

USE OF DERIVATIVES -- The Fund may invest, to a limited extent, in derivatives ("Derivatives"). These are financial instruments which derive their performance, at least in part, from the performance of an underlying asset, index or interest rate. The Derivatives the Fund may use include stock index futures. While Derivatives can be used effectively in furtherance of the Fund's investment objective, under certain market conditions, they can increase the volatility of the Fund's net asset value, can decrease the liquidity of the Fund's portfolio and make more difficult the accurate pricing of the Fund's portfolio. See "Appendix \_ Investment Techniques \_ Use of Derivatives" below and "Investment Objective and Management Policies \_ Management Policies \_ Derivatives" in the Statement of Additional Information.

NON-DIVERSIFIED STATUS -- The classification of the Fund 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 1940 Act. A "diversified" investment company is required by the 1940 Act generally, with respect to 75% of its total assets, to invest not more than 5% of such assets in the securities of a single issuer. Since a relatively high percentage of the Fund's assets may be invested in the securities of a limited number of issuers, some of which may be within the same economic sector, the Fund's portfolio may be more sensitive to changes in the market value of a single issuer or industry. However, to meet Federal tax requirements, at the close of each quarter the Fund may not have more than 25% of its total assets invested in any one issuer and, with respect to 50% of total assets, not more than 5% of its total assets invested in any one issuer. These limitations do not apply to U.S. Government securities.

SIMULTANEOUS INVESTMENTS -- Investment decisions for the Fund are made independently from those of the other investment companies and accounts advised by Dreyfus or Mellon Equity. If, however, such other investment companies or accounts desire to invest in, or dispose of, the same securities as the Fund, available investments or opportunities for sales will be allocated equitably to each. 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

ADVISERS -- Dreyfus, located at 200 Park Avenue, New York, New York 10166, was formed in 1947 and serves as the Fund's manager. Dreyfus is a whole-

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ly-owned subsidiary of Mellon Bank, N.A., which is a wholly-owned subsidiary of Mellon Bank Corporation ("Mellon"). As of January 31, 1997, Dreyfus managed or administered approximately \$\_\_\_ billion in assets for more than \_\_\_ million investor accounts nationwide.

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

Dreyfus has engaged Mellon Equity, located at 500 Grant Street, Pittsburgh, Pennsylvania 15258, to serve as the Fund's index fund manager. Mellon Equity, a registered investment adviser formed in 1957, is an indirect wholly-owned subsidiary of Mellon and, thus, an affiliate of Dreyfus. As of December 31, 1996, Mellon Equity and its employees managed approximately \$\_\_\_ billion in assets and served as the investment adviser of 13 other investment companies.

Mellon Equity, subject to the supervision and approval of Dreyfus, provides the day-to-day management of the Fund's investments, as well as statistical information, under an Index Management Agreement with Dreyfus, subject to the overall authority of the Fund's Board in accordance with Maryland law.

Mellon is a publicly owned multibank holding company incorporated under Pennsylvania law in 1971 and registered under the Federal Bank Holding Company Act of 1956, as amended. Mellon provides a comprehensive range of financial products and services in domestic and selected international markets. Mellon is among the twenty-five largest bank holding companies in the United States based on total assets. Mellon's principal wholly-owned subsidiaries are Mellon Bank, N.A., Mellon Bank (DE) National Association, Mellon Bank (MD), The Boston Company, Inc., AFCO Credit Corporation and a number of companies known as Mellon Financial Services Corporations. Through its subsidiaries, including Dreyfus, Mellon managed more than \$226 billion in assets as of September 30, 1996, including approximately \$85 billion in proprietary mutual fund assets. As of September 30, 1996, Mellon, through various subsidiaries, provided non-investment services, such as custodial or administration services, for more than \$905 billion in assets, including approximately \$60 billion in mutual fund assets.

Pursuant to the terms of the Management Agreement, as amended January 1, 1997, the Fund has agreed to pay Dreyfus a monthly fee at the annual rate of .25 of 1% of the value of the Fund's average daily net assets. Under the Index Management Agreement, as amended January 1, 1997, Dreyfus has agreed to pay Mellon Equity a monthly fee at the annual rate of .05 of 1% of the value of the Fund's average daily net assets until such assets exceed \$1 billion and .075 of 1% of the value of such assets at any time thereafter. Mellon Equity has agreed to pay for the provision of custody services to the Fund by Boston Safe Deposit and Trust Company. For the period prior to January 1, 1997, including for the fiscal year ended October 31, 1996, the Fund paid Dreyfus a monthly management fee at the annual rate of .295 of 1% of the value of the Fund's average daily net assets, and Dreyfus paid Mellon Equity



a monthly index management fee at the annual rate of .095 of 1% of the value of the Fund's average daily net assets.

The imposition of the Fund's management fee, as well as other operating expenses, will have the effect of reducing investors' return and will affect the Fund's ability to track the Index exactly. From time to time, Dreyfus may waive receipt of its fees and/or voluntarily assume certain expenses of the Fund, which would have the effect of lowering the expense ratio of the Fund and increasing yield to investors. The Fund will not pay Dreyfus at a later time for any amounts it may waive, nor will the Fund reimburse Dreyfus for any amounts it may assume.

Dreyfus has agreed, effective November 1, 1996, that, until at least the fiscal year ending October 31, 1998, if the Fund's aggregate expenses (exclusive of taxes, brokerage, interest on borrowings, and extraordinary expenses), including the management fee, exceed .50 of 1% of the value of the Fund's

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average net assets for the fiscal year, the Fund may deduct from the management fee payable to Dreyfus to the extent of such excess.

In allocating brokerage transactions for the Fund, the Advisers seek to obtain the best execution of orders at the most favorable net price. Subject to this determination, the Advisers may consider, among other things, the receipt of research services and/or the sale of shares of the Fund or other funds managed, advised or administered by Dreyfus or Mellon Equity as factors in the selection of broker-dealers to execute portfolio transactions for the Fund. See "Portfolio Transactions" in the Statement of Additional Information.

Dreyfus may pay the Fund's distributor for shareholder services from Dreyfus' own assets, including past profits but not including the management fee paid by the Fund. The Fund's distributor may use part or all of such payments to pay Service Agents in respect of these services.

DISTRIBUTOR -- The Fund's distributor is Premier Mutual Fund Services, Inc. (the "Distributor"), located at 60 State Street, Boston, Massachusetts 02109. The Distributor's ultimate parent is Boston Institutional Group, Inc.

TRANSFER AGENT AND DIVIDEND DISBURSING AGENT AND CUSTODIAN -- Dreyfus Transfer, Inc., a wholly-owned subsidiary of Dreyfus, P.O. Box 9671, Providence, Rhode Island 02940-9671, is the Fund's Transfer and Dividend Disbursing Agent (the "Transfer Agent"). Boston Safe Deposit and Trust Company, an indirect subsidiary of Mellon, One Boston Place, Boston, Massachusetts 02109, is the custodian of the Fund's investments.

#### HOW TO BUY SHARES

Fund shares are sold without a sales charge. You may be charged a fee if you effect transactions in Fund shares through a securities dealer, bank or other financial institution (collectively, "Service Agents"). Stock certificates are issued only upon your written request. No certificates are issued for fractional shares. 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 maintains an omnibus account in the Fund and 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 Account Application. For full-time or part-time employees of Dreyfus or any of its affiliates or subsidiaries, directors of Dreyfus, Board members of a fund advised by Dreyfus, 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 Dreyfus 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 offer Fund shares without regard to minimum purchase requirements to employees participating in certain qualified or non-qualified employee benefit plans or other programs where contributions or account information can be transmitted in a manner and form acceptable to the Fund. 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. Checks should be made payable to "The Dreyfus Family of Funds" or, if for Dreyfus retirement plan accounts, to "The Dreyfus Trust Company, Custodian." Payments which are mailed should be sent to Dreyfus S&P 500 Index Fund, P.O. Box 6647,

Providence, Rhode Island 02940-6647. If you are opening a new account, please enclose your Account Application. For subsequent investments, your Fund account number should appear on the check and an investment slip should be enclosed. For Dreyfus retirement plan accounts, payments which are mailed should be sent to The Dreyfus Trust Company, Custodian, P.O. Box 6427, Providence, Rhode Island

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02940-6427. 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 #8900119527/Dreyfus S&P 500 Index 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), 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 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 and other institutions may charge their clients fees in connection with purchases for the accounts of their clients. These fees would be in addition to any amounts which might be received under the Shareholder Services Plan. Investors should consult their Service Agents in this regard.

Fund shares are sold on a continuous basis at the net asset value per share next determined after your order is received by the Transfer Agent or other agent. If an order is received in proper form by the Transfer Agent by the close of trading on the floor of the New York Stock Exchange (currently 4:00 p.m., New York time) on a given day, Fund shares will be purchased at the net asset value determined as of such close of trading on that day. Otherwise, Fund shares will be purchased at the net asset value determined as of the close of trading on the floor of the New York Stock Exchange on the next business day. To permit the Fund to invest your money as promptly as possible after receipt, thereby maximizing the Fund's ability to track the Index, you are urged to transmit your purchase order in proper form so that it may be received by the Transfer Agent prior to 12:00 noon, New York time, on the day you want your purchase order to be effective. Upon request, proceeds from the redemption of shares of other funds in the Dreyfus Family of Funds by an employee benefit plan will be applied to purchase Fund shares on the date of redemption, if the plan's recordkeeper has entered into an appropriate agency agreement with the Fund and such other funds.

The Fund's net asset value per share is determined as of the close of trading on the floor of the New York Stock Exchange on each day the New York Stock Exchange is open for business. For purposes of determining net asset value per share, futures contracts will be valued 15 minutes after the close of trading on the floor of the New York Stock Exchange. 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-

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ing. The Fund's investments are valued based on market value, or where market quotations are not readily available, based on fair value as determined in good faith by the Fund's Board. For further information regarding the methods employed in valuing Fund investments, see "Determination of Net Asset Value" in the Statement of Additional Information.

The Distributor may pay dealers a fee of up to .5% of the amount invested through such dealers in Fund shares by employees participating in qualified or non-qualified employee benefit plans or other programs where (i)

the employers or affiliated employers maintaining such plans or programs have a minimum of 250 employees eligible for participation in such plans or programs, or (ii) such plan's or program's aggregate investment in the Dreyfus Family of Funds or certain other products made available by the Distributor to such plans or programs exceeds \$1,000,000 ("Eligible Benefit Plans"). Shares of funds in the Dreyfus Family of Funds then held by Eligible Benefit Plans will be aggregated to determine the fee payable. The Distributor reserves the right to cease paying these fees at any time. The Distributor will pay such fees from its own funds, other than amounts received from the Fund, including past profits or any other source available to it.

Federal regulations require that you provide a certified TIN upon opening or reopening an account. See "Dividends, Distributions and Taxes" and the 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").

#### HOW TO REDEEM 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. To maximize the Fund's ability to track the Index, you are urged to transmit your redemption requests so that they may be received by the Transfer Agent prior to 12:00 noon, New York time, on the day you want your redemption request to be effective.

The Fund will deduct a redemption fee equal to 1% of the net asset value of Fund shares redeemed where the redemption occurs within the initial six-month period following the opening of a Fund account. The fee will be retained by the Fund and used primarily to offset portfolio transaction costs. It is expected that, as a result of this fee, the Fund will be able to track the Index more closely. No redemption fee will be charged upon the redemption of shares purchased through accounts that are reflected on the records of the Transfer Agent as omnibus accounts approved by Dreyfus Service Corporation or through accounts established by Service Agents approved by Dreyfus Service Corporation that utilize the National Securities Clearing Corporation's networking system. The redemption fee may be waived, modified or discontinued and reintroduced at any time or from time to time. In addition, Service Agents may charge their clients 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 on 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 accordance with the procedures described below, except as provided by the rules of the Securities and Exchange Commission. HOWEVER, IF YOU HAVE PURCHASED FUND SHARES BY CHECK OR THROUGH DREYFUS-AUTOMATIC ASSET BUILDER Registration Mark AND SUBSEQUENTLY SUBMIT A WRITTEN REDEMPTION REQUEST TO THE TRANSFER AGENT, THE REDEMPTION PROCEEDS WILL BE TRANSMITTED TO YOU PROMPTLY UPON BANK CLEARANCE OF YOUR PURCHASE CHECK OR DREYFUS-

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AUTOMATIC ASSET BUILDER ORDER, WHICH MAY TAKE UP TO EIGHT BUSINESS DAYS OR MORE. IN ADDITION, THE FUND WILL REJECT REQUESTS TO REDEEM SHARES BY WIRE OR TELEPHONE FOR A PERIOD OF EIGHT BUSINESS DAYS AFTER RECEIPT BY THE TRANSFER AGENT OF THE PURCHASE CHECK 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, 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 45 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 Fund shares by using the regular redemption procedure through the Transfer Agent, or, if you have checked the appropriate box and supplied the necessary information on the Account Application or have filed a Shareholder Services Form with the Transfer Agent, through the Wire Redemption Privilege or the Telephone Redemption Privilege. The Fund makes available to certain large institutions the ability to issue redemption instructions through compatible computer facilities. The Fund reserves the right to refuse any request made by wire or 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 any redemption Privilege at any time or charge a service fee upon notice to shareholders. No such fee currently is contemplated. Shares held under Keogh Plans, IRAs or other retirement plans, and shares for which the certificates have been

issued, are not eligible for the Wire Redemption or Telephone Redemption Privilege.

You may redeem Fund shares by telephone if you have checked the appropriate box on the Account Application or have filed a Shareholder Services Form with the Transfer Agent. If you select a telephone redemption privilege, you authorize the Transfer Agent to act on telephone instructions from any person representing himself or herself to be you, 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 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. During the delay, the Fund's net asset value may fluctuate.

REGULAR REDEMPTION -- Under the regular redemption procedure, you may redeem shares by written request mailed to The Dreyfus Family of Funds, P.O. Box 6647, Providence, Rhode Island 02940-6647, or, if for Dreyfus retirement plan accounts, to The Dreyfus Trust Company, Custodian, P.O. Box 6427, Providence, Rhode Island 02940-6427. 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

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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.

Your written redemption request may direct that the redemption proceeds be used to purchase shares of other funds advised or administered by Dreyfus. The 1% redemption fee, described above, if applicable, may be charged upon such redemption (depending upon how long your Fund account has been open or the type of account from which shares are being redeemed) and your redemption proceeds will be invested in shares of the other fund on the next business day. Before you make such a request, you must obtain and should review a copy of the current prospectus of the fund being purchased. Upon request, proceeds from the redemption of shares of the Fund by an employee benefit plan will applied to purchase shares of other funds in the Dreyfus Family of Funds on the date of redemption, if the plan's recordkeeper has entered into an appropriate agency agreement with the Fund and such other funds. Prospectuses may be obtained by calling 1-800-645-6561. The prospectus will contain information concerning minimum investment requirements and other conditions that may apply to your purchase. No other fees currently are charged shareholders directly in connection with this procedure, 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. This procedure may be modified or terminated at any time upon not less than 60 days' 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. You also 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 not more than \$250,000 wired within any 30-day period. You may telephone redemption requests by calling 1-800-645-6561 or, if you are calling from overseas, call 516-794-5452. The Statement of Additional Information sets forth instructions for transmitting redemption requests by wire.

TELEPHONE REDEMPTION PRIVILEGE -- You may request by telephone that redemption proceeds (maximum \$150,000 per day) be paid by check and mailed to your address. You may telephone redemption instructions by calling

1-800-645-6561 or, if you are calling from overseas, call 516-794-5452.

#### SHAREHOLDER SERVICES

DREYFUS-AUTOMATIC ASSET BUILDER Registration Mark -- 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 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.

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Only an account maintained at a domestic financial institution which is an Automated Clearing House member may be so designated. This Privilege may provide you with a convenient way to invest for long-term financial goals. You should be aware, however, that periodic investment plans do not guarantee a profit and will not protect an investor against loss in a declining market. 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 by calling 1-800-645-6561. You may cancel your participation in this Privilege or change the amount of purchase at any time by mailing written notification to Dreyfus S&P 500 Index Fund, P.O. Box 6647, Providence, Rhode Island 02940-6647, or, if for Dreyfus retirement plan accounts, to The Dreyfus Trust Company, Custodian, P.O. Box 6427, Providence, Rhode Island 02940-6427, 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.

RETIREMENT PLANS -- The Fund offers a variety of pension and profit-sharing plans, including Keogh Plans, IRAs, SEP-IRAs and IRA "Rollover Accounts," 401(k) Salary Reduction Plans and 403(b)(7) Plans. Plan support services also are available. You can obtain details on the various plans by calling the following numbers toll free: for Keogh Plans, please call 1-800-358-5566; for IRAs and IRA "Rollover Accounts," please call 1-800-645-6561; or for SEP-IRAs, 401(k) Salary Reduction Plans and 403(b)(7) Plans, please call 1-800-322-7880.

#### SHAREHOLDER SERVICES PLAN

The Fund has adopted a Shareholder Services Plan pursuant to which the Fund pays the Distributor for the provision of certain services a fee at the annual rate of .25 of 1% of the value of the Fund's average daily net assets. 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. Under the Shareholder Services Plan, the Distributor may make payments to Service Agents in respect of these services. The Distributor determines the amounts to be paid to Service Agents.

#### DIVIDENDS, DISTRIBUTIONS AND TAXES

The Fund ordinarily pays dividends from net investment income and distributes net realized securities gains, if any, once a year, but may make distributions on a more frequent basis to comply with the distribution requirements of the Internal Revenue Code of 1986, as amended (the "Code"), in all events in a manner consistent with the provisions of the 1940 Act. The Fund will automatically reinvest dividends and distributions from securities gains, if any, in additional Fund shares at net asset value or, at your option, pay them in cash. 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 them in additional Fund shares at net asset value. If applicable, the 1% redemption fee, described under "How to Redeem Shares," will be charged upon certain redemptions of shares received through the automatic reinvestment of dividends or distributions. All expenses are accrued daily and deducted before declaration of dividends to investors.

Dividends paid by the Fund derived from net investment income and distributions from net realized short-term securities gains of the Fund will be taxable to U.S. shareholders as ordinary income whether received in cash or reinvested in Fund shares. Depending on the composition of the Fund's income, a portion of the dividends from net investment income may qualify for the dividends received deduction allowable to certain corporate shareholders. Distributions from net realized long-term securities gains of

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the Fund will be taxable to U.S. shareholders as long-term capital gains for Federal income tax purposes, regardless of how long shareholders have held their Fund shares and whether such distributions are received in cash or reinvested in Fund shares. The Code provides that the net long-term capital gain of an individual generally will not be subject to Federal income tax at a rate in excess of 28%. Dividends and distributions may be subject to state and local taxes.

Dividends derived from net investment income and distributions from net realized short-term securities gains paid by the Fund to a foreign

investor generally are subject to U.S. nonresident withholding taxes at the rate of 30%, unless the foreign investor claims the benefit of a lower rate specified in a tax treaty. Distributions from net realized long-term securities gains paid by the Fund to a foreign investor as well as the proceeds of any redemptions from a foreign investor's account, regardless of the extent to which gain or loss may be realized, generally will not be subject to U.S. nonresident withholding tax. However, such distributions may be subject to backup withholding, as described below, unless the foreign investor certifies his non-U.S. residency status.

Notice as to the tax status of your dividends and distributions is 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.

Federal regulations generally require the Fund to withhold ("backup withholding") and remit to the U.S. Treasury 31% of dividends, distributions from net realized securities gains and the proceeds of any redemption, regardless of the extent to which gain or loss may be realized, 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 October 31, 1996 as a "regulated investment company" under the Code. The Fund intends to continue to so qualify if such qualification is in the best interest 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.

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

#### PERFORMANCE INFORMATION

For the purpose of advertising, performance is calculated on the basis of average annual total return and/or total return.

Average annual total return is calculated pursuant to a standardized formula which assumes that an investment in the Fund was purchased with an initial payment of \$1,000 and that the investment was redeemed at the end of a stated period of time, after giving effect to the reinvestment of dividends and distributions during the period. The return is expressed as a percentage rate which, if applied on a com-

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pounded annual basis, would result in the redeemable value of the investment at the end of the period. Advertisements of the Fund's performance will include the Fund's average annual total return for one, five and ten year periods, or for shorter time periods depending upon the length of time during which the Fund has operated.

Total return is computed on a per share basis and assumes the reinvestment of dividends and distributions. Total return generally is expressed as a percentage rate which is calculated by combining the income and principal changes for a specified period and dividing by the net asset value per share at the beginning of the period. Advertisements may include the percentage rate of total return or may include the value of a hypothetical investment at the end of the period which assumes the application of the percentage rate of total return.

Performance will vary from time to time and past results are not necessarily representative of future results. Performance information, such as that described above, may not provide a basis for comparison with other investments or other investment companies using a different method of calculating performance.

Comparative performance information may be used from time to time in advertising or marketing the Fund's shares, including data from Standard & Poor's 500 Composite Stock Price Index, Standard & Poor's MidCap 400 Index, Lipper Analytical Services, Inc., the Dow Jones Industrial Average, Money Magazine, Morningstar, Inc. and other industry publications. The Fund may cite in its advertisements or in reports or other communications to shareholders, historical performance of unmanaged indices as reported in Ibbotson, Roger G. and Rex A. Sinquefeld, STOCKS, BONDS, BILLS AND INFLATION (SBBI), 1982, updated annually in the SBBI YEARBOOK, Ibbotson Associates, Chicago. The Fund also may cite in its advertisements the aggregate amount of assets committed to index investing by pension funds and/or other institutional investors, and may refer to or discuss then-current or past economic or financial conditions, developments or events.

#### GENERAL INFORMATION

The Fund was incorporated under Maryland law on October 6, 1989, and commenced operations on January 2, 1990. On November 13, 1995, the Fund, which is incorporated under the name Peoples Index Fund, Inc., began operating under the name Dreyfus S&P 500 Index Fund. The Fund is authorized to issue 200 million shares of Common Stock, par value \$.001 per share. Each share has one vote.

Unless otherwise required by the 1940 Act, ordinarily it will not be necessary for the Fund to hold annual meetings of shareholders. As a result, Fund shareholders may not consider each year the election of Board members or the appointment of accountants. However, pursuant to the Fund's By-Laws, the holders of at least 10% of the shares outstanding and entitled to vote may require the Fund to hold a special meeting of shareholders for purposes of removing a Board member from office and the holders of at least 25% of such shares may require the Fund to hold a special meeting of shareholders for any other purpose. Fund shareholders may remove a Board member by the affirmative vote of a majority of the Fund's outstanding voting shares. In addition, the Fund's Board will call a meeting of shareholders for the purpose of electing Board members if, at any time, less than a majority of the Board members then holding office have been elected by shareholders.

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

Shareholder inquiries may be made 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; outside the U.S. and Canada, call 516-794-5452.

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The Fund is not sponsored, endorsed, sold or promoted by Standard & Poor's, a division of The McGraw-Hill Companies, Inc. ("S&P"). S&P makes no representation or warranty, express or implied, to the owners of the Fund or any member of the public regarding the advisability of investing in securities generally or in the Fund particularly or the ability of the S&P 500 Index to track general stock market performance. S&P's only relationship to the Fund is the licensing of certain trademarks and trade names of S&P and of the S&P 500 Index which is determined, composed and calculated by S&P without regard to the Fund. S&P has no obligation to take the needs of the Fund or the owners of the Fund into consideration in determining, composing or calculating the S&P 500 Index. S&P is not responsible for and has not participated in the calculation of the Fund's net asset value, nor is S&P a distributor of the Fund. S&P has no obligation or liability in connection with the administration, marketing or trading of the Fund.

S&P DOES NOT GUARANTEE THE ACCURACY AND/OR THE COMPLETENESS OF THE S&P 500 INDEX OR ANY DATA INCLUDED THEREIN. S&P MAKES NO WARRANTY, EXPRESS OR IMPLIED, AS TO RESULTS TO BE OBTAINED BY THE FUND, OWNERS OF THE FUND, OR ANY OTHER PERSON OR ENTITY FROM THE USE OF THE S&P 500 INDEX OR ANY DATA INCLUDED THEREIN. S&P MAKES NO EXPRESS OR IMPLIED WARRANTIES, AND EXPRESSLY DISCLAIMS ALL WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE WITH RESPECT TO THE S&P 500 INDEX OR ANY DATA INCLUDED THEREIN. WITHOUT LIMITING ANY OF THE FOREGOING, IN NO EVENT SHALL S&P HAVE ANY LIABILITY FOR ANY SPECIAL, PUNITIVE, INDIRECT, OR CONSEQUENTIAL DAMAGES (INCLUDING LOST PROFITS), EVEN IF NOTIFIED OF THE POSSIBILITY OF SUCH DAMAGES.

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#### APPENDIX

##### INVESTMENT TECHNIQUES

**BORROWING MONEY** -- The Fund is permitted to borrow money only for temporary or emergency (not leveraging) purposes, in an amount up to 15% of the value of its 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.

**USE OF DERIVATIVES** -- Although the Fund will not be a commodity pool, Derivatives subject the Fund to the rules of the Commodity Futures Trading Commission which limit the extent to which the Fund can invest in certain derivatives. The Fund may invest in stock index futures contracts for hedging purposes without limit. However, the Fund may not invest in such contracts for other purposes if the amount of initial margin deposits with respect to such contracts, other than for bona fide hedging purposes, exceeds 5% of the liquidation value of the Fund's assets, after taking into account unrealized profits and unrealized losses on such contracts.

**LENDING PORTFOLIO SECURITIES** -- The Fund may lend securities from its portfolio to brokers, dealers and other financial institutions needing to borrow securities to complete certain transactions. The Fund continues to be entitled to payments in amounts equal to the interest, dividends or other distributions payable on the loaned securities which affords the Fund an opportunity to earn interest on the amount of the loan and on the loaned securities' collateral. Loans of portfolio securities may not exceed 30% of the value of the Fund's total assets, and the Fund will receive collateral consisting of cash, U.S. Government securities or irrevocable letters of credit which will be maintained at all times in an amount equal to at least 100% of the current market value of the loaned securities. Such loans are

terminable by the Fund at any time upon specified notice. The Fund might experience risk of loss if the institution with which it has engaged in a portfolio loan transaction breaches its agreement with the Fund.

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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Dreyfus  
S&P 500  
Index Fund  
Prospectus

Registration Mark

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DREYFUS S&P 500 INDEX FUND  
PART B  
(STATEMENT OF ADDITIONAL INFORMATION)

MARCH 1, 1997

This Statement of Additional Information, which is not a prospectus, supplements and should be read in conjunction with the current Prospectus of Dreyfus S&P 500 Index Fund (the "Fund"), dated March 1, 1997, 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  
Outside the U.S. and Canada -- Call 516-794-5452

The Dreyfus Corporation ("Dreyfus") serves as the Fund's manager. Dreyfus has engaged its affiliate, Mellon Equity Associates ("Mellon Equity"), to serve as the Fund's index fund manager and provide day-to-day management of the Fund's investments. Dreyfus and Mellon Equity are referred to collectively as the "Advisers."

Premier Mutual Fund Services, Inc. (the "Distributor") 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 sections in the Fund's Prospectus entitled "Description of the Fund" and "Appendix."

### Other Portfolio Securities

**Money Market Instruments.** The Fund may invest, in the circumstances described under "Description of the Fund - Management Policies" in the Fund's Prospectus, in the following types of money market instruments.

**U.S. Government Securities.** Securities issued or guaranteed by the U.S. Government or its agencies or instrumentalities include U.S. Treasury securities that differ in their interest rates, maturities and times of issuance. Some obligations issued or guaranteed by U.S. Government agencies and instrumentalities are supported by the full faith and credit of the U.S. Treasury; others by the right of the issuer to borrow from the Treasury; others by discretionary authority of the U.S. Government to purchase certain obligations from the agency or instrumentality; and others only by the credit of the agency or instrumentality. These securities bear fixed, floating or variable rates of interest. While the U.S. Government provides financial support for such U.S. Government-sponsored agencies and instrumentalities, no assurance can be given that it will always do so since it is not so obligated by law.

**Repurchase Agreements.** In a repurchase agreement, the Fund buys, and the seller agrees to repurchase, a security at a mutually agreed upon time and price (usually within seven days). The repurchase agreement thereby determines the yield during the purchaser's holding period, while the seller's obligation to repurchase is secured by the value of the underlying security. 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 \$1 billion, 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. Repurchase agreements could involve risks in the event of a default or insolvency of the other party to the agreement, including possible delays or restrictions upon the Fund's ability to dispose of the underlying securities.

**Bank Obligations.** The Fund may purchase certificates of deposit, time deposits, bankers' acceptances and other short-term obligations issued by domestic banks, foreign subsidiaries or foreign branches of domestic banks, domestic and foreign branches of foreign banks, domestic savings and loan associations and other banking institutions. With respect to such securities issued by foreign subsidiaries or foreign branches of domestic banks, and domestic and foreign branches of foreign banks, the Fund may be subject to additional investment risks that are different in some respects from those incurred by a fund which invests only in debt obligations of U.S. domestic issuers.

Certificates of deposit are negotiable certificates evidencing 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.

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 the drawer to pay the face amount of the instruments upon maturity. The other short-term obligations may include uninsured, direct obligations bearing fixed, floating or variable interest rates.

**Commercial Paper.** Commercial paper consists of short-term, unsecured promissory notes issued to finance short-term credit needs. The commercial paper purchased by the Fund will consist only of direct obligations which, at the time of their purchase, are (a) rated at least Prime-1 by Moody's Investors Service, Inc. ("Moody's") or A-1 by Standard & Poor's Ratings Group ("S&P"), (b) issued by companies having an outstanding unsecured debt issue currently rated at least Aa by Moody's or at least AA- by S&P, or (c) if unrated, determined by the Advisers to be of comparable quality to those rated

obligations which may be purchased by the Fund.

#### Management Policies

**Lending Portfolio Securities.** In connection with its securities lending transactions, the Fund may return to the borrower or a third party which is unaffiliated with the Fund, and which is acting as a "placing broker," a part of the interest earned from the investment of collateral received for securities loaned.

The Securities and Exchange Commission currently requires that the following conditions must be met whenever portfolio securities are loaned: (1) the Fund must receive at least 100% cash collateral from the borrower; (2) the borrower must increase such collateral whenever the market value of the securities rises above the level of such collateral; (3) the Fund must be able to terminate the loan at any time; (4) the Fund must receive reasonable interest on the loan, as well as any dividends, interest or other distributions payable on the loaned securities, and any increase in market value; (5) the Fund may pay only reasonable custodian fees in connection with the loan; and (6) while voting rights on the loaned securities may pass to the borrower, the Fund's Board must terminate the loan and regain the right to vote the securities if a material event adversely affecting the investment occurs.

**Derivatives.** The Fund may invest in Derivatives (as defined in the Fund's Prospectus) in anticipation of taking a market position when, in the opinion of the Advisers, available cash balances do not permit an economically efficient trade in the cash market. Derivatives may provide a cheaper, quicker or more specifically focused way for the Fund to invest than "traditional" securities would.

Derivatives can be volatile and involve various types and degrees of risk, depending upon the characteristics of the particular Derivative and the portfolio as a whole. Derivatives permit the Fund to increase or decrease the level of risk, or change the character of the risk, to which its portfolio is exposed in much the same way as the Fund can increase or decrease the level of risk, or change the character of the risk, of its portfolio by making investments in specific securities.

In addition, Derivatives may entail investment exposures that are greater than their cost would suggest, meaning that a small investment in Derivatives could have a large potential impact on the Fund's performance.

If the Fund invests in Derivatives at inappropriate times or judges market conditions incorrectly, such investments may lower the Fund's return or result in a loss. The Fund also could experience losses if its Derivatives were poorly correlated with its other investments, or if the Fund were unable to liquidate its position because of an illiquid secondary market. The market for many Derivatives is, or suddenly can become, illiquid. Changes in liquidity may result in significant, rapid and unpredictable changes in the prices for Derivatives.

**Stock Index Futures.** A stock index future obligates the seller to deliver (and the purchaser to take) and amount of cash equal to a specific dollar amount times the difference between the value of a specific stock index at the close of the last trading day of the contract and the price at which the agreement is made. No physical delivery of the underlying stocks in the index is made. The Fund purchases and sells futures contracts on the stock index for which it can obtain the best price with consideration also given to liquidity.

Using futures in anticipation of market transactions involves certain risks. Although the Fund intends to purchase or sell futures contracts only if there is an active market for such contracts, no assurance can be given that a liquid market will exist for any particular contract at any particular time. In addition, the price of stock index futures may not correlate perfectly with the movement in the stock index due to certain market distortions. First, all participants in the futures market are subject to margin deposit and maintenance requirements. Rather than meeting additional margin deposit requirements, investors may close futures contracts through offsetting transactions which would distort the normal relationship between the index and futures markets. Secondly, from the point of view of speculators, the deposit requirements in the futures market are less onerous than margin requirements in the securities market. Therefore, increased participation by speculators in the futures market also may cause temporary price distortions. Because of the possibility of price distortions in the futures market and the imperfect correlation between movements in the stock index and movements in the price of stock index futures, a correct forecast of general market trends still may not result in a successful hedging transaction.

In connection with its futures transactions, the Fund may be required to

establish and maintain at its custodian bank a segregated account consisting of permissible liquid assets in an amount equal to the market value of the underlying commodity less any amount deposited as margin.

#### Investment Restrictions

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

1. Purchase securities of closed-end investment companies except (a) in the open market where no commission other than the ordinary broker's commission is paid, which purchases are limited to a maximum of (i) 3% of the total outstanding voting stock of any one closed-end investment company, (ii) 5% of the Fund's net assets with respect to the securities issued by any one closed-end investment company and (iii) 10% of the Fund's net assets in the aggregate, or (b) those received as part of a merger or consolidation. The Fund may not purchase the securities of open-end investment companies other than itself.

2. Invest in commodities, except that the Fund may invest in futures contracts as described in the Prospectus and Statement of Additional Information.

3. Purchase, hold or deal in real estate, or oil and gas interests, but the Fund may purchase and sell securities that are secured by real estate or issued by companies that invest or deal in real estate.

4. Borrow money, except from banks (which, if permitted by applicable regulatory authority, may be from Mellon Bank, N.A. or Boston Safe Deposit and Trust Company, affiliates of the Advisers) for temporary or emergency (not leveraging) purposes in an amount up to 15% 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. Transactions in futures and options do not involve any borrowing for purposes of this restriction.

5. Pledge, hypothecate, mortgage or otherwise encumber its assets, except in an amount up to 15% of the value of its total assets, but only to secure borrowings for temporary or emergency purposes. Collateral arrangements with respect to initial or variation margin for futures contracts will not be deemed to be pledges of the Fund's assets.

6. Lend any funds or other assets except through the purchase of debt securities, bankers' acceptances and commercial paper of corporations and other entities. However, the Fund may lend its portfolio securities in an amount not to exceed 30% of the value of its total assets. Any loans of portfolio securities will be made according to guidelines established by the Securities and Exchange Commission and the Fund's Directors.

7. Act as an underwriter of securities of other issuers or 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, if, in the aggregate, more than 10% of the value of the Fund's net assets would be so invested.

8. Invest in the securities of a company for the purpose of exercising management or control, but the Fund will vote the securities it owns in its portfolio as a shareholder in accordance with its views.

9. Purchase, sell or write puts, calls or combinations thereof.

10. Invest more than 25% of its assets in investments in any particular industry or industries (including banking), except to the extent the Standard & Poor's 500 Composite Stock Price Index also is so concentrated, provided that, when the Fund has adopted a temporary defensive posture, there shall be no limitation on the purchase of obligations issued or guaranteed by the U.S. Government, its agencies or instrumentalities.

In addition to the investment restrictions adopted as fundamental policies set forth above, though not fundamental policies, the Fund may not (i) engage in arbitrage transactions, (ii) purchase warrants (excluding those acquired by the Fund in units or attached to securities), (iii) sell securities short, but reserves the right to sell securities short against the box (a transaction in which the Fund enters into a short sale of a security which the Fund owns) or (iv) purchase securities of any company having less than three years' continuous operations (including operations of any

predecessors) if such purchase would cause the value of the Fund's investments in all such companies to exceed 5% of the value of its total assets.

If a percentage restriction is adhered to at the time of investment, a later change 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 interests 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

Board members 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 Board member who is deemed to be an "interested person" of the Fund, as defined in the 1940 Act, is indicated by an asterisk.

#### Board Members of the Fund

\* JOSEPH S. DiMARTINO, Chairman of the Board. Since January 1995, Chairman of the Board of various funds in the Dreyfus Family of Funds. He is also Chairman of the Board of Directors of Noel Group, Inc., a venture capital company; and a director of The Muscular Dystrophy Association, HealthPlan Services Corporation, Belding Heminway Company, Inc., a manufacturer and marketer of industrial threads, specialty yarns, home furnishings and fabrics, Curtis Industries, Inc., a national distributor of security products, chemicals and automotive and other hardware, and Staffing Resources, Inc. For more than five years prior to January 1995, he was President, a director and, until August 1994, Chief Operating Officer of Dreyfus and Executive Vice President and a director of Dreyfus Service Corporation, a wholly-owned subsidiary of Dreyfus and, until August 24, 1994, the Fund's distributor. From August 1994 until December 31, 1994, he was a director of Mellon Bank Corporation. He is 53 years old and his address is c/o Noel Group, Inc., 667 Madison Avenue, 25th Floor, New York, New York 10021.

\*DAVID P. FELDMAN, Board Member. Corporate Vice President-Investment Management of AT&T. He is also a trustee of Corporate Property Investors, a real estate investment company. He is 57 years old and his address is One Oak Way, Berkeley Heights, New Jersey 07922.

JOHN M. FRASER, JR., Board Member. President of Fraser Associates, a service company for planning and arranging corporate meetings and other events. From September 1975 to June 1978, he was Executive Vice President of Flagship Cruises, Ltd. Prior thereto, he was Senior Vice President and Resident Director of the Swedish-American Line for the United States and Canada. He is 74 years old and his address is 133 East 64th Street, New York, New York 10021.

EHUD HOUMINER, Board Member. Since July 1991, Professor and Executive-in-Residence at the Columbia Business School, Columbia University. Since January 1996, principal of Lear, Yavitz and Associates, a management consulting firm. He was President and Chief Executive Officer of Philip Morris USA, manufacturers of consumer products, from December 1988 to September 1990. He also is a Director of Avnet Inc. He is 55 years old and his address is c/o Columbia Business School, Columbia University, Uris Hall, Room 526, New York, New York 10027.

DAVID J. MAHONEY, Board Member. President of David Mahoney Ventures since 1983. From 1968 to 1983, he was Chairman and Chief Executive Officer of Norton Simon Inc., a producer of consumer products and services. Mr. Mahoney is also a director of National Health Laboratories Inc., Bionaire Inc. and Good Samaritan Health Systems, Inc. He is 72 years old and his address is 745 Fifth Avenue, Suite 700, New York, New York 10151.

GLORIA MESSINGER, Board Member. From 1981 to 1993, Managing Director and Chief Executive Officer of ASCAP (American Society of Composers, Authors and Publishers). She is a member of the Board of Directors of the Yale Law School Fund and Theater for a New Audience, Inc., and was secretary of the ASCAP Foundation and served as a Trustee of the Copyright Society of the United States. She is also a member of numerous professional and

civic organizations. She is 66 years old and her address is 747 Third Avenue, 11th Floor, New York, New York 10017.

JACK R. MEYER, Board Member. President and Chief Executive Officer of Harvard Management Company, an investment management company, since September 1990. For more than five years prior thereto, he was Treasurer and Chief Investment Officer of The Rockefeller Foundation. He is 51 years old and his address is 600 Atlantic Avenue, Boston, Massachusetts 02210.

JOHN SZARKOWSKI, Board Member. Director Emeritus of Photography at The Museum of Modern Art. Consultant in Photography. He is 71 years old and his address is Bristol Road, Box 221, East Chatham, New York 12060.

ANNE WEXLER, Board Member. Chairman of the Wexler Group, consultants specializing in government relations and public affairs. She is also a director of Alumax, Comcast Corporation, The New England Electric System, and Nova Corporation, and a member of the Board of the Carter Center of Emory University, the Council of Foreign Relations, the National Park Foundation, Visiting Committee of the John F. Kennedy School of Government at Harvard University and the Board of Visitors of the University of Maryland School of Public Affairs. She is 66 years old and her address is c/o The Wexler Group, 1317 F Street, N.W., Suite 600, Washington, D.C. 20004.

For so long as the Fund's plan described in the section captioned "Shareholder Services Plan" remains in effect, the Board members of the Fund who are not "interested persons" of the Fund, as defined in the 1940 Act, will be selected and nominated by the Board members who are not "interested persons" of the Fund.

The Fund typically pays its Board members an annual retainer and a per meeting fee and reimburses them for their expenses. The Chairman of the Board receives an additional 25% of such compensation. Emeritus Board members are entitled to receive an annual retainer and a per meeting fee of one-half the amount paid to them as Board members. The aggregate amount of compensation paid to each Board members by the Fund for the fiscal year ended October 31, 1996, and by all other funds in the Dreyfus Family of Funds for which such person is a Board member (the number of which is set forth in parenthesis next to each Board member's total compensation) for the year ended December 31, 1995, were as follows:

Name of Board Member	Aggregate Compensation From Fund*	Total Compensation From Fund and Fund Complex Paid to Board Member
Joseph S. DiMartino	\$6,250	\$445,000 (94)
David P. Feldman	\$5,000	\$113,783 (27)
John M. Fraser, Jr.	\$1,171	\$ 58,606 (12)
Ehud Houminer	\$ 671	\$ 55,405 (12)
David J. Mahoney	\$ 671	\$ 47,250 (14)
Gloria Messinger	\$1,171	\$ 5,511 (1)
Jack R. Meyer	\$4,500	\$ 21,125 (4)
John Szarkowski	\$5,000	\$ 21,625 (4)
Anne Wexler	\$4,500	\$ 62,201 (16)

\* Amount does not include reimbursed expenses for attending Board meetings, which amounted to \$1,339 for all Board members as a group.

#### Officers of the Fund

MARIE E. CONNOLLY, President and Treasurer. President, Chief Executive Officer and a director of the Distributor and an officer of other investment companies advised or administered by Dreyfus. From December 1991 to July 1994, she was President and Chief Compliance Officer of Funds Distributor, Inc., the ultimate parent of which is Boston Institutional Group, Inc. Prior to December 1991, she served as Vice President and Controller, and later as Senior Vice President, of The Boston Company Advisors, Inc. She is 39 years old.

JOHN E. PELLETIER, Vice President and Secretary. Senior Vice President, General Counsel, Secretary and Clerk of the Distributor and an officer of other investment companies advised or administered by Dreyfus. From February 1992 to July 1994, he served as Counsel for The Boston Company Advisors, Inc. From August 1990 to February 1992, he was employed as an associate at Ropes & Gray. He is 32 years old.

ELIZABETH A. BACHMAN, Vice President and Assistant Secretary. Assistant Vice President of the Distributor and an officer of other investment companies advised or administered by Dreyfus. She is 27 years old.

DOUGLAS C. CONROY, Vice President and Assistant Secretary. Supervisor of Treasury Services and Administration of Funds Distributor, Inc. and an officer of other investment companies advised or administered by Dreyfus. From April 1993 to January 1995, he was a Senior Fund Accountant for Investors Bank and Trust Company. From December 1991 to March 1993, he was employed as a Fund Accountant at The Boston Company, Inc. He is 27 years old.

RICHARD W. INGRAM, Vice President and Assistant Secretary. Senior Vice President and Director of Client Services and Treasury Operations of Funds Distributor, Inc. and an officer of other investment companies advised or administered by Dreyfus. From March 1994 to November 1995, he was Vice President and Division Manager for First Data Investor Services Group. From 1989 to 1994, he was Vice President, Assistant Treasurer and Tax Director - Mutual Funds of The Boston Company, Inc. He is 40 years old.

MARK A. KARPE, Vice President and Assistant Secretary. Senior Paralegal of the Distributor and an officer of other investment companies advised or administered by Dreyfus. Prior to August 1993, he was employed as an Associate Examiner at the National Association of Securities Dealers, Inc. He is 27 years old.

MARY A. NELSON, Vice President and Assistant Treasurer. Vice President and Manager of Treasury Services and Administration of Funds Distributor, Inc. and an officer of other investment companies advised or administered by Dreyfus. From September 1989 to July 1994, she was an Assistant Vice President and Client Manager for The Boston Company, Inc. She is 32 years old.

JOSEPH F. TOWER, III, Vice President and Assistant Treasurer. Senior Vice President, Treasurer and Chief Financial Officer of the Distributor and an officer of other investment companies advised or administered by Dreyfus. From July 1988 to August 1994, he was employed by The Boston Company, Inc. where he held various management positions in the Corporate Finance and Treasury areas. He is 34 years old.

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

The Fund's Board members and officers, as a group, owned less than 1% of the Fund's shares of Common Stock outstanding on December 22, 1996.

The following persons are known by the Fund to own of record 5% or more of the Fund's voting securities outstanding on December 22, 1996: The Dreyfus Trust Company, as Trustee for FDC Incentive Savings Plan, 1 Cabot Road #028-0031, Medford, Massachusetts 02155-5141--11.8%; Charles Schwab & Company, Inc., 101 Montgomery Street, Los Angeles, California 94104--15.4%; Nationwide Qualified Plans, P.O. Box 182029, Columbus, Ohio 43218-2029--17.7%.

#### MANAGEMENT ARRANGEMENTS

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

Management Agreement. Dreyfus provides management services pursuant to the Management Agreement (the "Management Agreement") dated November 13, 1995, amended as of January 1, 1997, with the Fund, which is subject (after May 14, 1997) to annual approval by (i) the Fund's Board or (ii) vote of a majority (as defined in the 1940 Act) of the outstanding voting securities of the Fund, provided that in either event the continuance also is approved by a majority

of the Board members who are not "interested persons" (as defined in the 1940 Act) of the Fund or Dreyfus by vote cast in person at a meeting called for the purpose of voting on such approval. The Management Agreement was approved by shareholders at a meeting held on November 3, 1995 and was last approved by the Fund's Board, including a majority of the Board members who are not "interested persons" (as defined in the 1940 Act) of any party to the Management Agreement, at a meeting held on November 6, 1996. The Management Agreement is terminable without penalty, on 60 days' notice, by the Fund's Board or by vote of the holders of a majority of the Fund's shares, or, upon not less than 90 days' notice, by Dreyfus. The Management Agreement will terminate automatically in the event of its assignment (as defined in the 1940 Act).

The following persons are officers and/or directors of Dreyfus: W. Keith Smith, Chairman of the Board; Christopher M. Condron, President, Chief Executive Officer, Chief Operating Officer and a director; Stephen E. Canter, Vice Chairman, Chief Investment Officer and a director; Lawrence S. Kash, Vice Chairman-Distribution and a director; William T. Sandalls, Jr., Senior Vice President and Chief Financial Officer; William F. Glavin, Jr., Vice President-Corporate Development; Mark N. Jacobs, Vice President, General Counsel and Secretary; Patrice M. Kozlowski, Vice President-Corporate Communications; Mary Beth Leibig, Vice President-Human Resources; Jeffrey N. Nachman, Vice President-Mutual Fund Accounting; Andrew S. Wasser, Vice President-Information Systems; Elvira Oslapas, Assistant Secretary; and Mandell L. Berman, Burton C. Borgelt and Frank V. Cahouet, directors.

Dreyfus maintains office facilities on behalf of the Fund, and furnishes the Fund statistical and research data, clerical help, accounting, data processing, bookkeeping and internal auditing and certain other required services to the Fund. Dreyfus also may make such advertising and promotional expenditures, using its own resources, as it from time to time deems appropriate.

Index Management Agreement. Mellon Equity provides investment advisory assistance and day-to-day management of the Fund's investments pursuant to the Index Management Agreement (the "Index Management Agreement") dated November 13, 1995, amended as of January 1, 1997 between Mellon Equity and Dreyfus. The Index Management Agreement is subject (after May 14, 1997) to annual approval by (i) the Fund's Board or (ii) vote of a majority (as defined in the 1940 Act) of the Fund's outstanding voting securities, provided that in either event the continuance also is approved by a majority of the Fund's Board members who are not "interested persons" (as defined in the 1940 Act) of the Fund or Mellon Equity, by vote cast in person at a meeting called for the purpose of voting on such approval. The Index Management Agreement was approved by shareholders on November 3, 1995, and was approved by the Fund's Board, including a majority of Board members who are not "interested persons" of any party to the Index Management Agreement, at a meeting held on November 6, 1996. The Index Management Agreement is terminable without penalty (i) by Dreyfus on 60 days' notice, (ii) by the Fund's Board or by vote of the holders of a majority of the Fund's shares on 60 days' notice, or (iii) by Mellon Equity on not less than 90 days' notice. The Index Management Agreement will terminate automatically in the event of its assignment (as defined in the 1940 Act) or upon the termination of the Management Agreement for any reason.

The following persons are executive officers and/or directors of Mellon Equity: Phillip R. Roberts, Chairman of the Board; William P. Rydell, President and Chief Executive Officer; and W. Keith Smith, Director.

Mellon Equity provides day-to-day management of the Fund's investments in accordance with the stated policies of the Fund, subject to the supervision of Dreyfus and approval of the Fund's Board. All purchases and sales are reported for the Board's review at the meeting subsequent to such transactions. Mellon Equity has agreed to pay for the custody services provided to the Fund by Boston Safe Deposit and Trust Company.

Expenses. All expenses incurred in the operation of the Fund are borne by the Fund, except to the extent specifically assumed by Dreyfus and/or Mellon Equity. The expenses borne by the Fund include: organizational costs, taxes, interest, loan commitment fees, interest and distributions paid on securities sold short, brokerage fees and commissions, if any, fees of Board members who are not officers, directors, employees or holders of 5% or more of the outstanding voting securities of Dreyfus or Mellon Equity or any of their affiliates, Securities and Exchange Commission fees, state Blue Sky qualification fees, advisory fees, 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 preparing and printing prospectuses and statements of additional information for regulatory purposes and for distribution to existing shareholders, costs of shareholder's reports and meetings, and any extraordinary expenses.

As compensation for Dreyfus' services, the Fund has agreed to pay Dreyfus a monthly fee at the annual rate of .25 of 1% of the value of the Fund's average daily net assets. As compensation for Mellon Equity's services, Dreyfus has agreed to pay Mellon Equity a monthly fee at the annual rate of .05 of 1% of the value of the Fund's average daily net assets until such assets exceed \$1 billion and .075 of 1% of the value of such assets at any time thereafter. Prior to January 1, 1997, the Fund had agreed to pay Dreyfus a monthly management fee at the annual rate of .295 of 1% of the value of the Fund's average daily net assets, and Dreyfus had agreed to pay Mellon Equity a monthly index management fee at the annual rate of .095 of 1% of the value of the Fund's average daily net assets. All fees and expenses are accrued daily and deducted before declaration of dividends to shareholders. For the period from November 13, 1995 (effective date of Management Agreement) through October 31, 1996, the management fee paid to Dreyfus amounted to \$1,329,105 for such period. For the period from November 13, 1995 (effective date of Index Management Agreement) through October 31, 1996, the index management fee paid to Mellon Equity by Dreyfus amounted to \$\_\_\_\_\_ for such period.

From April 4, 1990 to November 13, 1995, Wells Fargo Nikko Investment Advisers ("WFNIA") served as the Fund's index fund manager. Pursuant to prior index management agreements with WFNIA, the Fund agreed to pay a monthly fee at the annual rate of .10 of 1% of the value of the Fund's average daily net assets. For the fiscal years ended October 31, 1994 and 1995 and for the period November 1, 1995 through November 13, 1995 (termination date of the prior index management agreement), the index management fees payable to WFNIA amounted to \$274,298, \$280,472 and \$11,274, respectively. The index management fee was reduced by \$30,232 in the fiscal year ended October 31, 1994, pursuant to an undertaking by WFNIA resulting in a net fee paid to WFNIA of \$244,066 for the 1994 fiscal year.

Prior to November 13, 1995, Dreyfus served as the Fund's administrator pursuant to an administration agreement with the Fund. As compensation for its administrative services, the Fund agreed to pay Dreyfus a monthly fee at the annual rate of .20 of 1% of the value of the Fund's average daily net assets. For the fiscal years ended October 31, 1994 and 1995 and for the period November 1, 1995 through November 13, 1995 (termination date of the administration agreement), the administrative fees payable to Dreyfus amounted to \$548,596, \$560,944 and \$22,547, respectively. The administration fee was reduced by \$60,463 in the fiscal year ended October 31, 1994, pursuant to an undertaking by Dreyfus, resulting in a net administrative fee paid to Dreyfus of \$488,133 for the 1994 fiscal year.

Dreyfus (and to a limited extent, Mellon Equity) have agreed that if in any fiscal year the aggregate expenses of the Fund (including fees pursuant to the Management Agreement, but excluding taxes, brokerage, interest on borrowings and, with the prior written consent of the necessary state securities commissions, extraordinary expenses) exceed the expense limitation of any state having jurisdiction over the Fund, the Fund may deduct from the fees to be paid to Dreyfus, and Dreyfus may deduct from the fees paid to Mellon Equity or Dreyfus and Mellon Equity will bear, such excess expense in proportion to their management fee and index management fee, to the extent required by state law. 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.

In addition, Dreyfus has agreed, effective November 1, 1996, that, until at least the fiscal year ending October 31, 1998, if the Fund's aggregate expenses (exclusive of taxes, brokerage, interest on borrowings, and extraordinary expenses), including the management fee, exceed .50 of 1% of the value of the Fund's average daily net assets for the fiscal year, the Fund may deduct from the management fee payable to Dreyfus to the extent of such excess.

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

#### 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 (the "Plan") pursuant to which the Fund pays the Distributor for the provision of certain services to Fund shareholders. 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 such shareholder accounts. Under the Shareholder Services Plan, the Distributor may make payments to certain securities dealers, financial institutions and other financial industry professionals (collectively, "Service Agents"), in respect of these services.

A quarterly report of the amounts expended under the Plan, and the purposes for which such expenditures were incurred, must be made to the Fund's Board for its review. In addition, the Plan provides that material amendments of the Plan must be approved by the Board, and by Board members who are not "interested persons" (as defined in the 1940 Act) of the Fund and have no direct or indirect financial interest in the operation of the Plan, by vote cast in person at a meeting called for the purpose of considering such amendments. The Plan is subject to annual approval by such vote of the Board members cast in person at a meeting called for the purpose of voting on the Plan. The Plan was last so approved at a meeting held on November 6, 1996. The Plan is terminable at any time by vote of a majority of the Board members who are not "interested persons" (as defined in the 1940 Act) of the Fund, and have no direct or indirect financial interest in the operation of the Plan or in any agreements entered into in connection with the Plan.

For the fiscal year ended October 31, 1996, \$851,214 was charged to the Fund under the prior Shareholder Services Plan (the "Prior Plan") which was terminated as of December 31, 1996. Pursuant to the Prior Plan, the Fund reimbursed Dreyfus Service Corporation for certain allocated expenses of providing personal services relating to shareholder accounts.

#### PURCHASE OF SHARES

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

The Distributor. The Distributor serves as the Fund's distributor on a best effort basis 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. In some states, certain financial institutions effecting transactions in Fund shares may be required to register as dealers pursuant to state law.

#### REDEMPTION OF SHARES

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

Wire Redemption Privilege. By using this Privilege, the investor authorizes Dreyfus Transfer, Inc. (the "Transfer Agent"), the Fund's transfer and dividend disbursing agent, to act on wire or telephone redemption instructions from any person representing himself or herself to be the investor, 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 next business day after receipt if the Transfer Agent receives the redemption request in proper form. Redemption proceeds (\$1,000 minimum) 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, or to a correspondent bank if the investor's bank is not a member of the Federal Reserve System. Fees ordinarily are imposed by such bank and 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 transmission:

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 "Stock Certificates; Signatures."

Stock 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 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 reserves the right to make payments in whole or part in securities or other assets of the Fund in case of an emergency or any time a cash distribution would impair the liquidity of the Fund to the detriment of the existing shareholders. 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."

Corporate Pension, Profit-Sharing and Personal Retirement Plans. The Fund makes available to corporations a variety of prototype pension and profit-sharing plans including a 401(k) Salary Reduction Plan. In addition, the Fund makes available Keogh Plans, IRAs, including IRAs set up under a Simplified Employee Pension Plan ("SEP-IRAs") and IRA "Rollover Accounts," and 403(b)(7) Plans. Plan support services also are available. Investors can obtain details on the various plans by calling the following numbers toll free: for Keogh Plans, please call 1-800-358-5566; for IRAs and IRA "Rollover Accounts," please call 1-800-645-6561; or for SEP-IRAs, 401(k) Salary Reduction Plans and 403(b)(7) Plans, please call 1-800-322-7880.

Investors who wish to purchase Fund shares in conjunction with a Keogh Plan, a 403(b)(7) Plan or an IRA, including a SEP-IRA, may request from the Distributor forms for adoption of such plans.

A fee may be charged by the entity acting as custodian for Keogh Plans, 403(b)(7) Plans or IRAs, payment of which could require the liquidation of shares. All fees charged are described in the appropriate form.

Shares may be purchased in connection with these plans only by direct remittance to the entity which acts as custodian. Purchases for these plans may not be made in advance of receipt of funds.

The minimum initial investment for corporate plans, Salary Reduction Plans, 403(b)(7) Plans, and SEP-IRAs, with more than one participant, is \$2,500, with no minimum on subsequent purchases. The minimum initial investment for Dreyfus-sponsored Keogh Plans, IRAs, SEP-IRAs and 403(b)(7) Plans, with only one participant, is normally \$750, with no minimum on subsequent purchases. Individuals who open an IRA also may open a non-working spousal IRA with a minimum investment of \$250.

The investor should read the prototype retirement plan and the appropriate form of custodial agreement for further details as to eligibility, service fees and tax implications, and should consult a tax adviser.

#### 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 Shares."

**Valuation of Portfolio Securities.** The Fund's portfolio securities are valued at the last sale price on the securities exchange or national securities market on which such securities are primarily traded. Securities not listed on an exchange or national securities market, or securities in which there were no transactions, are valued at the average of the most recent bid and asked prices. Bid price is used when no asked price is available. Any securities or other assets for which recent market quotations are not readily available are valued at fair value as determined in good faith by the Fund's Board. Expenses and fees, including the management fee (reduced by the expense limitation, if any), are accrued daily and taken into account for the purpose of determining the net asset value of Fund shares.

**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."

**Taxation of the Fund.** Management of the Fund believes that the Fund qualified for the fiscal year ended October 31, 1996 as a "regulated investment company" under the Internal Revenue Code of 1986, as amended (the "Code"). The term "regulated investment company" does not imply the supervision of management or investment practices or policies by any government agency.

Ordinarily, gains and losses realized from portfolio transactions will be treated as capital gain or loss. In addition, all or a portion of the gain realized from engaging in "conversion transactions" may be treated as ordinary income under Section 1258. "Conversion transactions" are defined to include certain forward, futures, option and "straddle" transactions, transactions marketed or sold to produce capital gains, or transactions described in Treasury regulations to be issued in the future.

Under Section 1256 of the Code, gain or loss realized by the Fund from certain financial futures will be treated as 60% long-term capital gain or loss and 40% short-term capital gain or loss. Gain or loss will arise upon the exercise of such futures as well as from closing transactions. In addition, any such futures remaining unexercised at the end of the Fund's taxable year will be treated as sold for their then fair market value, resulting in additional gain or loss to the Fund characterized in the manner described above.

Offsetting positions held by the Fund involving futures may constitute "straddles." Straddles are defined to include "offsetting positions" in actively traded personal property. The tax treatment of straddles is governed by Sections 1092 and 1258 of the Code, which, in certain circumstances, overrides or modifies the provisions of Section 1256.

As such, all or a portion of any short or long-term capital gain from certain "straddle" and conversion transactions may be recharacterized to ordinary income. If the Fund were treated as entering into straddles by reason of its futures transactions, such straddles could be characterized as "mixed straddles" if the futures transactions comprising such straddles were governed by Section 1256 of the Code. The Fund may make one or more elections with respect to "mixed straddles." Depending upon which election is made, if any, the results to the Fund may differ. If no election is made, to the extent the straddle and conversion transactions rules apply to positions established by the Fund, losses realized by the Fund will be deferred to the extent of unrealized gain in any offsetting positions. Moreover, as a result of the straddle rules, short-term capital loss on straddle positions may be recharacterized as long-term capital loss, and long-term capital gain on straddle positions may be recharacterized as short-term capital gain or ordinary income.

**Shareholder Taxation.** Depending on the composition of the Fund's income, all or a portion of the dividends paid by the Fund from net investment

income may qualify for the dividends received deduction allowable to certain U.S. corporate shareholders ("dividends received deduction"). In general, dividend income of the Fund distributed to qualifying corporate shareholders will be eligible for the dividends received deduction only to the extent that (i) the Fund's income consists of dividends paid by U.S. corporations and (ii) the Fund would have been entitled to the dividends received deduction with respect to such dividend income if the Fund were not a regulated investment company. The dividends received deduction for qualifying corporate shareholders may be further reduced if the shares of the Fund held by them with respect to which dividends are received are treated as debt-financed or deemed to have been held for less than 46 days. In addition, the Code provides other limitations with respect to the ability of a qualifying corporate shareholder to claim the dividends received deduction in connection with holding Fund shares.

Any dividend or distribution paid shortly after an investor's purchase may have the effect of reducing the net asset value of his shares below the cost of his investment. Such a distribution would be a return on the investment in an economic sense although taxable as stated above. In addition, the Code provides that if a shareholder holds shares of the Fund for six months or less and has received a capital gain distribution with respect to such shares, any loss incurred on the sale of such shares will be treated as a long-term capital loss to the extent of the capital gain distribution received.

#### PORTFOLIO TRANSACTIONS

The Advisers assume general supervision over placing orders on behalf of the Fund for the purchase or sale of portfolio securities. Allocation of brokerage transactions, including their frequency, is made in the best judgment of the Advisers and in a manner deemed fair and reasonable to shareholders. The primary consideration is prompt execution of orders at the most favorable net price. Brokers also will be selected because of their ability to handle special executions such as are involved in large block trades or broad distributions, provided the primary consideration is met. Portfolio turnover may vary from year to year, as well as within a year. High turnover rates are likely to result in comparatively greater brokerage expenses. The overall reasonableness of brokerage commissions paid is evaluated by the Advisers based upon their knowledge of available information as to the general level of commissions paid by other institutional investors for comparable services.

For its portfolio securities transactions for the fiscal years ended October 31, 1994, 1995 and 1996, the Fund paid total brokerage commissions of \$111,012, \$22,591 and \$67,672, respectively, none of which was paid to the Distributor. There were no spreads or concessions on principal transactions in fiscal 1994, 1995 and 1996.

#### PERFORMANCE INFORMATION

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

The Fund's average annual total return for the 1, 5 and 6.83 year periods ended October 31, 1996 was 23.41%, 15.02% and 13.13%, respectively. Average annual total return is calculated by determining the ending redeemable value of an investment purchased with a hypothetical \$1,000 payment made at the beginning of the period (assuming the reinvestment of dividends and distributions), dividing by the amount of the initial investment, taking the "n"th root of the quotient (where "n" is the number of years in the period) and subtracting 1 from the result.

The Fund's total return for the period January 2, 1990 (commencement of operations) to October 31, 1996 was 132.29%. Total return is calculated by subtracting the amount of the Fund's net asset value per share at the beginning of a stated period from the net asset value per share at the end of the period (after giving effect to the reinvestment of dividends and distributions during the period), and dividing the result by the net asset value per share at the beginning of the period.

Comparative performance information may be used from time to time in advertising the Fund's shares, including data from Standard & Poor's 500 Composite Stock Price Index ("S&P 500 Index"), Lipper Analytical Services, Inc., the Dow Jones Industrial Average and other industry publications. Past performance of the S&P 500 Index is no guarantee of future success of the Fund. The Fund's share price and yield fluctuate, and its investment return will reflect applicable expenses. The Fund may cite in its advertisements or reports or other communications to shareholders, historical performance of unmanaged indexes as reported in Ibbotson, Roger G. and Rex A. Sinquefeld,

Stocks, Bonds, Bills and Inflation (SBBI), 1982 updated annually in the SBBI Yearbook, Ibbotson Associates, Chicago. The Fund also may cite in its advertisements to the aggregate amount of assets committed to index investing by pension funds and/or other institutional investors.

The S&P 500 Index and the Standard & Poor's MidCap 400 Index together represent approximately \_\_\_% of the total market capitalization of stocks traded in the United States. From time to time, advertising materials for the Fund may refer to Morningstar ratings and related analysis supporting such ratings.

#### 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 preemptive, subscription or conversion rights and are freely transferable.

On November 13, 1995, the Fund, which is incorporated under the name Peoples Index Fund, Inc., began operating under the name Dreyfus S&P 500 Index Fund.

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

#### TRANSFER AND DIVIDEND DISBURSING AGENT, CUSTODIAN, COUNSEL AND INDEPENDENT ACCOUNTANTS

Dreyfus Transfer, Inc., a wholly-owned subsidiary of Dreyfus, P.O. Box 9671, Providence, Rhode Island 02940-9671, is the Fund's transfer and dividend disbursing agent. Under a transfer agency agreement with the Fund, the Transfer Agent arranges for the maintenance of shareholder account records for the Fund, the handling of certain communications between shareholders and the Fund and the payment of dividends and distributions payable by the Fund. For these services, the Transfer Agent receives a monthly fee computed on the basis of the number of shareholder accounts it maintains for the Fund during the month, and is reimbursed for certain out-of-pocket expenses. For the period December 1, 1995 (effective date of transfer agency agreement) through October 31, 1996, the Fund paid the Transfer Agent \$70,303.

Boston Safe Deposit and Trust Company (the "Custodian"), an indirect wholly-owned subsidiary of Mellon Bank Corporation, One Boston Place, Boston, Massachusetts 02108, acts as the custodian of the Fund's investments. Under a custody agreement with the Fund, the Custodian holds the Fund's portfolio securities and keeps all necessary accounts and records. The Custodian's fees for its services to the Fund are paid by Mellon Equity.

Neither the Transfer Agent nor the Custodian 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, 180 Maiden Lane, New York, New York 10038-4982, as counsel for the Fund, has rendered its opinion as to certain legal matters regarding the due authorization and valid issuance of the shares being sold pursuant to the Fund's Prospectus.

Coopers & Lybrand L.L.P., 1301 Avenue of the Americas, New York, New York 10019-6013, independent accountants, have been selected as auditors of the Fund.

#### APPENDIX

##### Description of S&P A-1 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 number 1, 2 or 3 to indicate the relative degree of safety. Paper rated A-1 indicates 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.

##### Description of Moody's Prime-1 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.

Dreyfus S&P 500 Index Fund  
(formerly Peoples Index Fund, Inc.)--See Note 1

Statement of Investments

October 31, 1996

Shares	Common Stocks--93.6%	Value
	Basic Industries--5.5%	
11,500	Air Products & Chemicals.....	\$ 690,000
13,500	Alco Standard .....	626,062
3,800	Armstrong World Industries.....	253,650
5,400	Avery Dennison.....	355,725
3,100	Ball.....	74,787
5,400	Bemis.....	189,000
5,000	Boise Cascade.....	155,000
2,900	Centex.....	87,365
9,900	Champion International.....	430,650
13,300	Crown Cork & Seal.....	638,400
25,400	Dow Chemical.....	1,974,850
58,100	duPont (E.I.) de Nemours.....	5,388,775
8,100	Eastman Chemical.....	427,275
3,800 (a)	FMC.....	279,775
8,700	Fluor.....	569,850
9,500	Georgia Pacific.....	712,500
5,600	Goodrich (B.F.).....	237,300
9,300	Grace (W.R.).....	492,900
6,600	Great Lakes Chemical.....	344,025
11,100	Hercules.....	528,637
31,000	International Paper.....	1,325,250
8,800	James River .....	277,200
29,200	Kimberly-Clark.....	2,722,900
11,200	Louisiana Pacific .....	233,800
5,400	Mead.....	306,450
43,400	Minnesota Mining & Manufacturing.....	3,325,525
60,700	Monsanto.....	2,405,237
14,700	Morton International.....	578,812
7,000	Nalco Chemical.....	254,625
33,400	Occidental Petroleum.....	818,300
19,300	PPG Industries.....	1,100,100
3,000	Potlach .....	128,250
16,100	Praxair.....	712,425
6,700	Rohm & Haas .....	478,210
8,900	Sherwin-Williams .....	446,112
5,200	Sigma-Aldrich.....	305,500
10,300	Stone Container.....	157,075
5,700	Temple-Inland.....	292,125
7,100	Union Camp .....	346,125
13,400	Union Carbide.....	571,175
10,500	Westvaco .....	299,250
20,500	Weyerhaeuser.....	940,440
5,700	Willamette Industries .....	384,750
		-----
		32,866,162
		-----
	Capital Goods--21.0%	
22,700	AMP.....	768,962
14,000 (a)	Advanced Micro Devices.....	248,500
4,700	Alexander & Alexander Services.....	71,675
17,954	Allegheny Teledyne.....	383,766
29,300	AlliedSignal.....	\$ 1,919,150
12,500 (a)	Amdahl.....	128,125
17,700	American Brands.....	845,175
6,200 (a)	Andrew.....	302,250
12,900	Apple Computer.....	296,700
18,600 (a)	Applied Materials.....	491,737
4,700	Autodesk.....	107,512
30,000	Automatic Data Processing.....	1,248,750
19,500	Bay Networks.....	394,875
36,100	Boeing.....	3,443,037

3,000	Briggs & Stratton.....	120,000
22,000	Browning-Ferris Industries.....	577,500
27,900	COMPAQ Computer.....	1,942,537
7,800 (a)	Cabletron Systems.....	486,525
7,500	Case.....	348,750
20,000	Caterpillar.....	1,372,500
7,100 (a)	Ceridian.....	352,337
4,100	Cincinnati Milacron.....	78,412
67,000 (a)	Cisco Systems.....	4,145,625
37,700	Computer Associates.....	
	International.....	2,229,012
7,800 (a)	Computer Sciences.....	579,150
11,200	Cooper Industries.....	450,800
3,100	Crane.....	144,150
38,200 (a)	CUC International.....	935,900
4,100	Cummins Engine.....	170,662
12,100	DSC Communications.....	167,887
4,100 (a)	Data General.....	60,987
26,700	Deere & Co.....	1,114,725
9,300	Dell Computer.....	756,787
8,500	Deluxe Corp.....	277,312
16,100 (a)	Digital Equipment.....	474,950
11,800	Dover.....	606,225
10,000	Dow Jones & Co.....	330,000
18,500	Dresser Industries.....	608,187
17,600	Dun & Bradstreet.....	1,018,600
4,900	EG&G.....	86,362
24,000 (a)	EMC.....	630,000
8,000	Eaton.....	478,000
23,200	Emerson Electric.....	2,064,800
23,200	First Data.....	1,850,200
4,200	Foster Wheeler.....	172,200
6,500	General Dynamics.....	446,062
170,900	General Electric.....	16,534,579
5,200	General Signal.....	211,900
12,500	Genuine Parts.....	546,875
3,600	Giddings & Lewis.....	42,300
5,300	Grainger (W.W.).....	392,862
10,700	H&R Block.....	264,825
4,900	Harnischfeger Industries.....	196,000

Dreyfus S&P 500 Index Fund  
(formerly Peoples Index Fund, Inc.)--See Note 1

Statement of Investments (continued)                      October 31, 1996

Shares	Common Stocks (continued)	Value
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	Capital Goods (continued)	
4,000	Harris.....	\$ 250,500
105,800	Hewlett-Packard.....	4,668,425
13,100	Honeywell.....	813,837
12,700	Illinois Tool Works.....	892,175
11,300	Ingersoll-Rand.....	470,362
54,600	International Business Machines.....	7,043,400
85,100	Intel.....	9,350,362
4,900 (a)	Intergraph.....	45,937
8,400	Interpublic Group Cos.....	407,400
4,300	Johnson Controls.....	313,900
13,400 (a)	LSI Logic.....	355,100
32,400	Laidlaw, Cl. B.....	380,700
20,700	Lockheed Martin.....	1,855,237
65,925	Lucent Technologies.....	3,098,480
7,700	Mallinckrodt Group.....	334,950
7,500	Marsh & McLennan.....	780,937
5,700	McDermott International.....	101,175
22,300	McDonnell Douglas.....	1,215,350
21,600	Micron Technology.....	548,100
61,900 (a)	Microsoft.....	8,495,780
61,300	Motorola.....	2,819,800
14,300 (a)	National Semiconductor.....	275,275
4,900	National Service Industries.....	169,050
26,700	Northern Telecommunications.....	1,738,837
6,000	Northrop Grumman.....	484,500
36,500 (a)	Novell.....	337,625
67,700 (a)	Oracle.....	2,864,560
5,300 (a)	Owens-Corning.....	205,375
11,900	Pall.....	304,937
7,700	Parker-Hannifin.....	291,637
4,500	Perkin-Elmer.....	241,312

15,400	Pitney Bowes.....	860,475
4,600	Raychem.....	359,375
24,500	Raytheon.....	1,206,625
22,600	Rockwell International.....	1,243,000
8,400	Ryder System.....	249,900
6,000	Safety-Kleen.....	93,750
7,900	Scientific-Atlanta.....	114,550
10,900	Seagate Technology.....	727,575
24,400	Service Corp. International.....	695,400
2,400	Shared Medical Systems.....	115,800
17,800 (a)	Silicon Graphics.....	329,300
6,300	Snap-On.....	202,387
9,213	Stanley Works.....	260,267
19,100 (a)	Sun Microsystems.....	1,165,100
12,200 (a)	Tandem Computers.....	154,025
3,400	Tektronix.....	133,025
9,200 (a)	Tellabs.....	783,150
19,600	Texas Instruments.....	943,250
8,400	Textron.....	745,500
4,200	Thomas & Betts.....	\$ 177,975
3,300	Timken.....	147,262
17,500 (a)	3COM.....	1,183,437
2,906	TRINOVA.....	95,534
6,700	TRW.....	606,350
15,800	Tyco International.....	784,075
17,900 (a)	Unisys.....	111,875
12,600	United Technologies.....	1,622,250
50,800	WMX Technologies.....	1,746,250
43,600	Westinghouse Electric.....	746,650
33,600	Xerox.....	1,558,200
		-----
		124,234,026
		-----

	Consumer Cyclical--11.5%	
26,100	Albertson's.....	897,187
7,700	American Greetings, Cl. A.....	225,706
15,100	American Stores.....	624,762
5,300 (a)	Bally Entertainment.....	159,662
9,100	Black & Decker.....	340,112
10,200	Brunswick.....	239,700
10,700 (a)	Charming Shoppes.....	49,487
75,400	Chrysler.....	2,535,330
10,100	Circuit City Stores.....	330,775
24,200	Comcast, Cl. A.....	356,950
8,700	Cooper Tire and Rubber.....	170,737
10,500	Dana Corp.....	311,062
16,300	Darden Restaurants.....	136,512
22,400	Dayton Hudson.....	775,600
11,700	Dillard Department Stores, Cl. A....	371,475
70,200	Disney (Walt).....	4,624,425
15,900	Donnelley (R.R.) & Sons.....	482,962
6,400	Echlin.....	208,800
21,500 (a)	Federated Department Stores.....	709,500
3,700	Fleetwood Enterprises.....	124,875
3,900	Fleming Cos.....	67,762
122,400	Ford Motor.....	3,825,000
7,900 (a)	Fruit of the Loom, Cl. A.....	287,362
14,600	Gannett.....	1,107,775
29,700	Gap.....	861,300
14,200 (a)	General Instrument.....	285,775
78,200	General Motors.....	4,213,025
6,200	Giant Food, Cl. A.....	209,250
16,100	Goodyear Tire & Rubber.....	738,587
4,000	Great Atlantic & Pacific.....	120,000
12,800	HFS.....	937,600
7,600	Harcourt General.....	378,100
3,200	Harland (John H.).....	99,600
10,700 (a)	Harrah's Entertainment.....	179,225
8,900	Hasbro.....	345,987
20,200	Hilton Hotel.....	613,575

Dreyfus S&P 500 Index Fund  
(formerly Peoples Index Fund, Inc.)--See Note 1

Statement of Investments (continued) October 31, 1996

Shares	Common Stocks (continued)	Value
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	Consumer Cyclical (continued)	
49,601	Home Depot.....	\$ 2,715,654



12,100	ITT.....	508,200
12,200	ITT Industries.....	283,650
4,000	Jostens.....	86,000
50,300	K mart.....	490,425
3,900 (a)	King World Productions.....	140,400
9,900	Knight-Ridder.....	370,012
13,000 (a)	Kroger.....	580,125
28,000	Limited.....	514,500
7,600	Liz Claiborne.....	321,100
2,100	Longs Drug Stores.....	94,237
17,800	Lowe's.....	718,675
2,506	Luby's Cafeterias.....	52,626
13,200	Marriott International.....	750,750
16,600	Masco.....	520,825
28,300	Mattel.....	817,162
25,900	May Department Stores.....	1,227,012
10,500	Maytag.....	208,687
72,400	McDonald's.....	3,212,750
10,300	McGraw-Hill Cos.....	482,812
10,900	Melville.....	406,025
3,800	Mercantile Stores.....	188,575
2,800	Meredith.....	140,700
10,300	Moore.....	208,575
900	NACCO Industries, Cl. A.....	41,625
29,600	NIKE, Cl. B.....	1,742,700
7,800 (a)	Navistar International.....	72,150
10,100	New York Times, Cl. A.....	364,862
8,400	Nordstrom.....	302,925
4,000	PACCAR.....	223,000
23,300	Penney (J.C.).....	1,223,250
6,400	Pep Boys-Manny, Moe & Jack.....	224,000
20,300 (a)	Price/Costco.....	403,462
5,800	Reebok International.....	207,350
8,700	Rite Aid.....	295,800
4,000	Russell.....	113,500
5,300 (a)	Ryan's Family Steak House.....	39,087
40,500	Sears, Roebuck & Co.....	1,959,187
5,000 (a)	Shoney's.....	36,875
2,100	Springs Industries.....	94,762
5,100	Stride Rite.....	42,075
7,000	Supervalu.....	208,250
18,800	Sysco.....	639,200
7,500	TJX Cos.....	300,000
6,200	Tandy.....	233,275
67,600 (a)	Tele-Communications, Cl. A.....	840,775
58,900	Time Warner.....	2,194,030
10,700	Times Mirror, Cl. A.....	494,875
28,300 (a)	Toys R Us.....	958,662
6,300	Tribune.....	515,025
49,000	US West Media Group.....	\$ 765,625
6,600	V.F.....	431,475
36,900 (a)	Viacom, Cl. B.....	1,203,862
237,400	Wal-Mart Stores.....	6,320,780
25,500	Walgreen.....	962,625
13,300	Wendy's International.....	274,312
7,700	Whirlpool.....	363,825
15,700	Winn-Dixie Stores.....	523,987
13,800 (a)	Woolworth.....	289,800
		-----
		67,892,012
		-----

Consumer Staples--12.2%

2,900	Alberto-Culver, Cl. B.....	132,675
51,300	Anheuser-Busch Cos.....	1,975,050
56,470	Archer Daniels Midland.....	1,228,222
13,768	Avon Products.....	746,914
7,100	Brown-Forman, Cl. B.....	307,075
15,000	CPC International.....	1,183,125
24,300	Campbell Soup.....	1,944,000
5,300	Clorox.....	578,362
258,000	Coca-Cola.....	13,029,000
15,200	Colgate-Palmolive.....	1,398,400
25,200	ConAgra.....	1,256,850
3,900	Coors (Adolph), Cl. B.....	76,050
34,900	Eastman Kodak.....	2,783,275
6,700	Ecolab.....	244,550
16,500	General Mills.....	942,562
46,100	Gillette.....	3,445,975
38,300	Heinz (H.J.).....	1,359,650
15,900	Hershey Foods.....	769,162
11,500	International Flavors & Fragrances.....	475,812

137,900	Johnson & Johnson.....	6,791,575
21,900	Kellogg.....	1,390,650
16,400	Newell.....	465,350
162,100	PepsiCo.....	4,802,212
84,700	Philip Morris Cos.....	7,845,337
8,500	Pioneer Hi-Bred International.....	570,562
4,700	Polaroid.....	190,937
71,000	Procter & Gamble.....	7,029,000
14,000	Quaker Oats.....	497,000
11,000	Ralston-Ralston Purina Group.....	727,375
15,500	Rubbermaid.....	360,375
50,200	Sara Lee.....	1,782,100
38,800	Seagram.....	1,469,550
6,400	Tupperware.....	328,800
19,500	UST.....	563,062
16,600	Unilever, N.V.....	2,537,730
10,900	Whitman.....	264,325
12,000	Wrigley, (Wm) Jr.....	723,000
		-----
		72,215,649
		-----

Dreyfus S&P 500 Index Fund  
(formerly Peoples Index Fund, Inc.)--See Note 1

-----  
Statement of Investments (continued)                      October 31, 1996

Shares	Common Stocks (continued)	Value
-----		-----
	Energy--9.4%	
9,600	Amerada Hess.....	\$ 531,600
51,500	Amoco.....	3,901,125
6,700	Ashland.....	284,750
16,600	Atlantic Richfield.....	2,199,500
15,000	Baker Hughes.....	534,375
13,000	Burlington Resources.....	654,875
67,600	Chevron.....	4,444,700
10,900	Coastal.....	468,700
5,700	Columbia Gas System.....	346,275
9,800	Consolidated Natural Gas.....	520,625
2,100	Eastern Enterprises.....	80,850
26,300	Enron.....	1,222,950
7,100	Enserch.....	152,650
128,500	Exxon.....	11,388,312
12,900	Halliburton.....	730,462
2,600	Helmerich & Payne.....	140,725
5,100	Kerr-McGee.....	320,025
3,500	Louisiana Land & Exploration.....	199,062
40,800	Mobil.....	4,763,400
5,200	Nicor.....	181,350
14,200	Noram Energy.....	218,325
2,800	Oneok.....	75,250
10,800 (a)	Oryx Energy.....	207,900
8,800	Pacific Enterprises.....	270,600
15,600	Panenergy.....	600,600
4,800	Pennzoil.....	244,800
3,600	Peoples Energy.....	126,900
27,200	Phillips Petroleum.....	1,115,200
8,800 (a)	Rowan Cos.....	196,900
55,500	Royal Dutch Petroleum.....	9,178,312
9,400 (a)	Santa Fe Energy Resources.....	133,950
25,400	Schlumberger.....	2,517,775
8,900	Sonat.....	438,325
7,700	Sun Company.....	172,287
17,700	Tenneco.....	876,150
27,400	Texaco.....	2,784,525
29,800	USX-Marathon Group.....	651,875
25,810	Union Pacific Resources Group.....	709,775
25,700	Unocal.....	941,265
5,500 (a)	Western Atlas.....	381,562
10,900	Williams Cos.....	569,525
		-----
		55,478,112
		-----
	Health Care--8.7%	
8,700 (a)	ALZA.....	225,112
80,800	Abbott Laboratories.....	4,090,500
6,800	Allergan.....	207,400
65,800	American Home Products.....	4,030,250
27,400 (a)	Amgen.....	1,679,962

5,900	Bard (C.R.).....	166,675
5,900	Bausch & Lomb.....	199,125
28,200	Baxter International.....	\$ 1,173,825
12,900	Becton, Dickinson & Co.....	561,150
10,300 (a)	Beverly Enterprises.....	127,462
12,000 (a)	Biomet.....	193,500
18,300 (a)	Boston Scientific.....	995,062
51,900	Bristol-Myers Squibb.....	5,488,425
69,450	Columbia/HCA Healthcare.....	2,482,837
23,800	Corning.....	922,250
16,800 (a)	Humana.....	306,600
56,600	Lilly (Eli).....	3,990,300
6,500	Manor Care.....	255,125
24,800	Medtronic.....	1,596,500
125,900	Merck & Co.....	9,332,337
4,500	Millipore.....	157,500
66,500	Pfizer.....	5,502,875
52,600	Pharmacia & Upjohn.....	1,893,600
38,300	Schering-Plough.....	2,451,200
8,500 (a)	St. Jude Medical.....	335,750
22,400 (a)	Tenet Healthcare.....	467,600
6,500	U.S. Surgical.....	272,187
19,000	United Healthcare.....	719,625
28,100	Warner-Lambert.....	1,787,866
		-----
		51,612,600
		-----

	Interest Sensitive--13.8%	
15,579	Aetna.....	1,041,845
11,100	Ahmanson (H.F.) & Co.....	348,262
46,000	Allstate.....	2,581,750
49,100	American Express.....	2,307,700
21,200	American General.....	789,700
48,600	American International Group.....	5,279,175
11,200	Aon.....	646,800
45,100	Banc One.....	1,911,112
39,900	Bank of New York.....	1,321,687
37,300	BankAmerica.....	3,412,950
15,800	Bank of Boston.....	1,011,200
8,300	Bankers Trust New York.....	701,350
20,000	Barnett Banks.....	762,500
5,600	Beneficial.....	327,600
16,200	Boatmens Bancshares.....	984,150
7,900	CIGNA.....	1,030,950
45,200	Chase Manhattan.....	3,875,900
18,000	Chubb.....	900,000
49,800	Citicorp.....	4,930,200
11,900	Comerica.....	632,187
23,000	CoreStates Financial.....	1,118,375
17,000	Dean Witter, Discover & Co.....	1,000,875
113,000	Federal National Mortgage Association.....	4,421,125
18,500	Federal Home Loan Mortgage.....	1,868,500
10,900	Fifth Third Bancorp.....	682,612

Dreyfus S&P 500 Index Fund  
(formerly Peoples Index Fund, Inc.)--See Note 1

-----  
Statement of Investments (continued)                      October 31, 1996

Shares	Common Stocks (continued)	Value
-----		-----
	Interest Sensitive (continued)	
14,600	First Bank Systems.....	\$ 963,600
32,800	First Chicago NBD.....	1,672,800
28,500	First Union.....	2,073,375
27,200	Fleet Financial Group.....	1,356,600
8,500	General Re.....	1,251,625
6,000	Golden West Financial.....	389,250
14,200	Great Western Financial.....	397,600
14,200	Green Tree Financial.....	562,675
10,000	Household International.....	885,000
12,100	ITT Hartford.....	762,300
7,400	Jefferson Pilot.....	420,875
4,000	Kaufman & Broad Home.....	48,000
23,800	Keycorp.....	1,109,675
10,800	Lincoln National.....	523,800
11,900	Loews.....	983,237
23,100	MBNA.....	872,025
6,100	MGIC Investment.....	418,612

13,500	Mellon Bank.....	879,187
17,500	Merrill Lynch & Co.....	1,229,375
19,300	Morgan (J.P.) & Co.....	1,667,037
15,700	Morgan Stanley Group.....	788,925
23,000	National City.....	997,625
30,100	NationsBank.....	2,836,925
38,400	Norwest.....	1,684,800
35,300	PNC Bank.....	1,279,625
9,700	Providian.....	455,900
2,600	Pulte.....	68,900
5,700	Republic New York.....	434,625
13,000	Safeco.....	490,750
10,900	Salomon.....	491,862
8,700	St. Paul Cos.....	473,062
23,100	SunTrust Banks.....	1,077,037
7,400	Torchmark.....	357,975
6,800	Transamerica.....	515,950
49,700	Travelers Group.....	2,696,225
7,600	UNUM.....	477,850
12,200	USF&G.....	231,800
3,600	USLife.....	112,500
16,000	U.S. Bancorp.....	640,000
17,300	Wachovia.....	929,875
9,700	Wells Fargo.....	2,591,119

-----  
81,988,483  
-----

Mining and Metals--1.4%

11,000 (a)	ARMCO.....	41,250
4,400	ASARCO.....	115,500
23,400	Alcan Aluminium.....	769,275
18,000	Aluminum Co. of America.....	1,055,250
37,000	Barrick Gold.....	966,625
23,300	Battle Mountain Gold.....	177,662
11,500 (a)	Bethlehem Steel.....	93,437
9,600	Cyprus Amax Minerals.....	\$ 217,200
14,400	Echo Bay Mines.....	112,500
14,900	Engelhard.....	271,925
20,200	Freeport-McMoRan Copper, Cl. B.....	613,575
15,200	Homestake Mining.....	216,600
17,400	Inco.....	552,450
5,000	Inland Steel Industries.....	80,625
10,300	Newmont Mining.....	476,375
9,100	Nucor.....	431,113
6,800	Phelps Dodge.....	427,550
24,800	Placer Dome.....	595,200
6,600	Reynolds Metals.....	371,250
13,600	Santa Fe Pacific Gold.....	161,500
8,700	USX-U.S. Steel.....	237,075
9,400	Worthington Industries.....	195,050

-----  
8,178,987  
-----

Transportation--1.4%

9,400 (a)	AMR.....	789,600
15,800	Burlington Northern Santa Fe.....	1,301,525
21,900	CSX.....	944,437
4,100	Caliber System.....	69,187
8,400	Conrail.....	799,050
4,600	Consolidated Freightways.....	110,400
8,200	Delta Air Lines.....	581,175
5,900 (a)	Federal Express.....	474,950
13,000	Norfolk Southern.....	1,158,625
15,000	Southwest Airlines.....	337,500
6,600 (a)	USAir Group.....	114,675
25,200	Union Pacific.....	1,414,350
2,900 (a)	Yellow.....	37,882

-----  
8,133,356  
-----

Utilities--8.7%

19,600	ALLTEL.....	597,800
166,900	AT&T.....	5,820,637
51,600 (a)	Airtouch Communications.....	1,348,050
19,400	American Electric Power.....	805,100
56,900	Ameritech.....	3,115,275
15,300	Baltimore Gas & Electric.....	416,925
45,300	Bell Allantic.....	2,729,325
102,900	BellSouth.....	4,193,175
15,700	Carolina Power & Light.....	567,166
21,700	Central & Southwest.....	575,050

16,300	CINergy.....	539,937
24,300	Consolidated Edison.....	710,775
15,000	DTE Energy.....	451,875
18,400	Dominion Resources.....	694,600
21,000	Duke Power.....	1,026,375
45,400	Edison International.....	896,650

Dreyfus S&P 500 Index Fund  
(formerly Peoples Index Fund, Inc.)--See Note 1

Statement of Investments (continued) October 31, 1996

Shares	Common Stocks (continued)	Value
-----		
	Utilities (continued)	
23,600	Entergy.....	\$ 660,800
19,000	FPL Group.....	874,000
12,500	GPU.....	410,937
100,200	GTE.....	4,220,925
26,000	Houston Industries.....	594,750
71,200	MCI Communications.....	1,788,900
45,400	NYNEX.....	2,020,300
14,900	Niagara Mohawk Power.....	126,650
7,100	Northern States Power.....	333,700
15,800	Ohio Edison.....	329,825
23,000	PECO Energy.....	580,750
16,700	PP&L Resources.....	390,362
43,000	Pacific Gas & Electric.....	1,010,500
44,300	Pacific Telesis Group.....	1,506,200
30,400	PacifiCorp.....	642,200
25,300	Public Service Enterprise Group.....	679,937
63,100	SBC Communications.....	3,068,237
69,700	Southern.....	1,542,112
44,600	Sprint.....	1,750,550
23,200	Texas Utilities.....	939,600
49,400	US West.....	1,500,525
22,300	UniCom.....	579,800
10,600	Union Electric.....	409,425
40,200 (a)	WorldCom.....	979,875
		-----
		51,429,575
		-----
	TOTAL COMMON STOCKS	
	(cost \$409,363,085).....	\$554,028,962
		-----
		-----
Principal	SHORT-TERM	
Amount	INVESTMENTS--6.4%	Value
-----		
	U.S.Treasury Bills:	
\$11,809,000 (b)	5.15%, 11/14/1996.....	\$ 11,788,334
4,340,000	5.11%, 11/21/1996.....	4,328,325
5,379,000	5.06%, 12/12/1996.....	5,348,340
3,010,000	5.22%, 1/2/1997.....	2,984,385
5,254,000	4.89%, 1/9/1997.....	5,203,930
6,211,000	5.36%, 1/16/1997.....	6,145,412
1,123,000	5.30%, 1/23/1997.....	1,110,052
933,000	5.34%, 1/30/1997.....	921,300
		-----
	TOTAL SHORT-TERM	
	INVESTMENTS	
	(cost \$37,830,467).....	\$ 37,830,078
		-----
		-----
TOTAL INVESTMENTS		
(cost \$447,193,552).....	100.0%	\$591,859,040
		-----
		-----
LIABILITIES LESS CASH AND		
RECEIVABLES.....	0.0%	\$ (228,354)
		-----
		-----
NET ASSETS.....	100.0%	\$591,630,686
		-----
		-----

Notes to Statement of Investments:

- (a) Non-income producing.  
(b) Partially held by the custodian in a segregated account as collateral for

open financial future positions.

Statement of Financial Futures October 31, 1996

Financial Futures Purchased;

Issuer	Number of Contracts	Market Value Covered by Contracts	Expiration	Unrealized Appreciation at 10/31/96
Standard & Poor's	500 110	\$39,030,750	December '96	\$683,475

See notes to financial statements.

Dreyfus S&P 500 Index Fund  
(formerly Peoples Index Fund, Inc.)--See Note 1

Statement of Assets and Liabilities October 31, 1996

<TABLE>  
<CAPTION>

	Cost	Value
ASSETS:		
Investments in securities--See Statement of Investments.....	\$447,193,552	\$591,859,040
Cash.....		1,008,677
Dividends receivable.....		756,794
Receivable for futures variation margin--Note 4(a).....		374,050
Receivable for investment securities sold.....		27,863
Prepaid expenses.....		34,179
		594,060,603
LIABILITIES:		
Due to The Dreyfus Corporation and affiliates.....		224,874
Payable for Common Stock redeemed.....		2,057,520
Accrued expenses.....		147,523
		2,429,917
NET ASSETS.....		\$591,630,686
REPRESENTED BY:		
Paid-in capital.....		\$423,335,774
Accumulated undistributed investment income--net.....		7,475,536
Accumulated net realized gain (loss) on investments.....		15,470,413
Accumulated gross unrealized appreciation (depreciation) on investments (including \$683,475 net unrealized appreciation on financial futures)--Note 4(b).....		145,348,963
NET ASSETS.....		\$591,630,686
SHARES OUTSTANDING (200 million shares of \$.001 par value Common Stock authorized).....		26,817,475
NET ASSET VALUE, offering and redemption price per share.....		\$22.06

</TABLE>

See notes to financial statements.

Dreyfus S&P 500 Index Fund  
(formerly Peoples Index Fund, Inc.)--See Note 1

Statement of Operations Year Ended October 31, 1996

<TABLE>

INVESTMENT INCOME		
<S>	<C>	<C>
		<C>

INCOME:	Cash dividends (net of \$60,905 foreign taxes withheld at source).....	\$ 9,780,073	
	Interest.....	1,626,652	
		-----	
	Total Income.....		\$11,406,725
EXPENSES:	Management fee--Note 3(a).....	1,362,926	
	Shareholder servicing costs--Note 3(b).....	1,022,106	
	Registration fees.....	90,412	
	Professional fees.....	67,612	
	Prospectus and shareholders' reports.....	53,506	
	Directors' fees and expenses--Note 3(c).....	33,735	
	Custodian fees.....	4,161	
	Miscellaneous.....	4,520	
		-----	
	Total Expenses.....		2,638,978
			-----
INVESTMENT INCOME--NET.....			8,767,747
			-----
REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS--Note 4			
	Net realized gain (loss) on investments.....	\$11,890,436	
	Net realized gain (loss) on financial futures.....	6,172,657	
		-----	
	Net Realized Gain (Loss).....		18,063,093
	Net unrealized appreciation (depreciation) on investments (including \$710,875 net unrealized appreciation on financial futures)--Note 4(b).....		67,183,468
			-----
NET REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS.....			85,246,561
			-----
NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS.....			\$94,014,308
			-----

</TABLE>

See notes to financial statements.

Dreyfus S&P 500 Index Fund  
(formerly Peoples Index Fund, Inc.)--See Note 1

Statement of Changes in Net Assets

<TABLE>  
<CAPTION>

	Year Ended October 31, 1996	Year Ended October 31, 1995
	-----	-----
<S>	<C>	<C>
OPERATIONS:		
Investment income--net.....	\$ 8,767,747	\$ 6,157,690
Net realized gain (loss) on investments.....	18,063,093	4,310,640
Net unrealized appreciation (depreciation) on investments.....	67,183,468	54,324,576
	-----	-----
Net Increase (Decrease) in Net Assets Resulting from Operations.....	94,014,308	64,792,906
	-----	-----
DIVIDENDS TO SHAREHOLDERS FROM:		
Investment income--net:.....	(6,205,887)	(6,077,935)
Net realized gain on investments.....	(4,169,581)	(19,477,910)
	-----	-----
Total Dividends.....	(10,375,468)	(25,555,845)
	-----	-----
CAPITAL SHARE TRANSACTIONS:		
Net proceeds from shares sold:.....	307,525,173	142,531,859
Dividends reinvested.....	9,406,794	22,101,817
Cost of shares redeemed.....	(145,087,307)	(112,925,618)
	-----	-----
Increase (Decrease) in Net Assets from Capital Stock Transactions....	171,844,660	51,708,058
	-----	-----
Total Increase (Decrease) in Net Assets.....	255,483,500	90,945,119
	-----	-----
NET ASSETS:		
Beginning of Period.....	336,147,186	245,202,067
	-----	-----

End of Period.....	\$591,630,686	\$336,147,186
Undistributed investment income--net.....	\$ 7,475,536	\$ 4,913,676
CAPITAL SHARE TRANSACTIONS:		
	Shares	Shares
Shares sold:.....	15,194,675	8,633,225
Shares issued for dividends reinvested.....	496,663	1,546,663
Shares redeemed.....	(7,162,184)	(6,829,736)
Net Increase (Decrease) in Shares Outstanding.....	8,529,154	3,350,152

</TABLE>

See notes to financial statements.

Dreyfus S&P 500 Index Fund  
(formerly Peoples Index Fund, Inc.--See Note 1)

#### Financial Highlights

Reference is made to page 4 of the Fund's Prospectus dated March 1, 1997.

See notes to financial statements.

Dreyfus S&P 500 Index Fund  
(formerly Peoples Index Fund, Inc.)--See Note 1

#### NOTES TO FINANCIAL STATEMENTS

##### NOTE 1--Significant Accounting Policies:

Dreyfus S&P 500 Index Fund (the "Fund") is registered under the Investment Company Act of 1940 ("Act") as a non-diversified open-end management investment company. The Fund's investment objective is to provide investment results that correspond to the price and yield performance of publicly-traded common stocks in the aggregate, as represented by the Standard & Poor's 500 Composite Stock Price Index. Effective November 13, 1995, The Dreyfus Corporation ("Dreyfus") serves as the Fund's manager and Mellon Equity Associates ("Mellon Equity"), an affiliate of Dreyfus, serves as the Fund's index manager. Effective November 13, 1995, Boston Safe Deposit and Trust Company, an affiliate of Dreyfus, became the Fund's custodian. Dreyfus is a direct subsidiary of Mellon Bank, N.A. Premier Mutual Fund Services, Inc. acts as the distributor of the Fund's shares, which are sold to the public without a sales charge.

Prior to November 13, 1995, Wells Fargo Nikko Investment Advisors ("WFNIA") served as the Fund's index manager. In addition, Wells Fargo Institutional Trust Company, N.A. ("WFITC"), an affiliate of WFNIA, was the custodian of the Fund's investments. Dreyfus served as the Fund's administrator.

Effective November 13, 1995, the Fund changed its name from "Peoples Index Fund, Inc." to "Dreyfus S&P 500 Index Fund".

The Fund's financial statements are prepared in accordance with generally accepted accounting principles which may require the use of management estimates and assumptions. Actual results could differ from those estimates.

(a) Portfolio valuation: Investments in securities (including financial futures) are valued at the last sales price on the securities exchange on which such securities are primarily traded or at the last sales price on the national securities market. Securities not listed on an exchange or the national securities market, or securities for which there were no transactions, are valued at the average of the most recent bid and asked prices. Bid price is used when no asked price is available.

(b) Securities transactions and investment income: Securities transactions are recorded on a trade date basis. Realized gain and loss from securities transactions are recorded on the identified cost basis. Dividend



income is recognized on the ex-dividend date and interest income, including, where applicable, amortization of discount on investments, is recognized on the accrual basis.

(c) Dividends to shareholders: Dividends are recorded on the ex-dividend date. Dividends from investment income-net are declared and paid annually. 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, if any, 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, if such qualification is in the best interests of its shareholders, by complying with the applicable provisions of the Internal Revenue Code, and to make distributions of taxable income sufficient to relieve it from substantially all Federal income and excise taxes.

Dreyfus S&P 500 Index Fund  
(formerly Peoples Index Fund, Inc.)--see Note 1

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NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 2--Bank Line of Credit:

The Fund participates with other Dreyfus-managed funds in a \$100 million unsecured line of credit primarily to be utilized for temporary or emergency purposes, including the financing of redemptions. Interest is charged to the Fund at rates which are related to the Federal Funds rate in effect at the time of borrowings. For the period ended October 31, 1996, the Fund did not borrow under the line of credit.

NOTE 3--Management Fee and Other Transactions With Affiliates:

(a) Effective November 13, 1995, pursuant to a Management Agreement with Dreyfus, the management fee is computed at the annual rate of .295 of 1% of the value of the Fund's average daily net assets, and is payable monthly. Dreyfus has agreed to pay Mellon Equity a monthly fee at the annual rate of .095 of 1% of the value of the Fund's average daily net assets. Prior to November 13, 1995, the Fund had an Index Management Agreement with WFNIA and an Administration Agreement with Dreyfus, whereby WFNIA and Dreyfus received annual fees of .10 of 1% and .20 of 1%, respectively, of the value of the Fund's average daily net assets. The Management Agreement further provides that if in any full fiscal year the aggregate expenses of the Fund, exclusive of interest, taxes, brokerage and extraordinary expenses, exceed the expense limitation of any state having jurisdiction over the Fund, the Fund may deduct from the fees to be paid to Dreyfus, or Dreyfus may deduct from the fees paid to Mellon Equity or Dreyfus and Mellon Equity will bear, in the same proportion as in the agreement, the amount of such excess to the extent required by state law. The most stringent state expense limitation applicable to the Fund presently requires reimbursement of expenses in any full fiscal year that such expenses (exclusive of certain expenses as described above) exceed 2 1/2% of the first \$30 million, 2% of the next \$70 million, and 1 1/2% of the excess over \$100 million of the average value of the Fund's net assets in accordance with California "blue sky" regulations. There was no expense reimbursement for the year ended October 31, 1996.

However, Dreyfus has undertaken from November 6, 1996, that if the Fund's aggregate expenses (exclusive of certain expenses as described above) exceed .50 of 1% of the Fund's average daily net assets, the Fund may deduct from the management fee payable to Dreyfus to the extent of such excess.

In addition, for the period from November 1, 1995 through November 13, 1995 WFITC earned \$4,161 for custodian services provided to the Fund.

(b) Pursuant to the Fund's Shareholder Services Plan, the Fund reimburses Dreyfus Service Corporation, a wholly-owned subsidiary of Dreyfus, 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. 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 period ended October 31, 1996, the Fund was charged an aggregate of \$851,214 pursuant to the Shareholder Services Plan.

Effective December 1, 1995, the Fund compensates Dreyfus Transfer, Inc., a wholly-owned subsidiary of Dreyfus, under a transfer agency agreement for providing personnel and facilities to perform transfer agency services for the

Fund. Such compensation amounted to \$70,303 during the period ended October 31, 1996.

Dreyfus S&P 500 Index Fund  
(formerly Peoples Index Fund, Inc.)--see Note 1

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NOTES TO FINANCIAL STATEMENTS (continued)

(c) Each director who is not an "affiliated person" as defined in the Act receives from the Fund an annual fee of \$2,500 and an attendance fee of \$500 per meeting. The Chairman of the Board receives an additional 25% of such compensation.

(d) A 1% redemption fee is charged on certain redemptions of Fund shares where the redemption occurs within the initial six-month period following the opening of the account. During the period ended October 31, 1996, redemption fees amounted to \$12,975.

NOTE 4--Securities Transactions:

(a) The aggregate amount of purchases and sales of investment securities, excluding short-term securities, during the period ended October 31, 1996 amounted to \$173,674,512 and \$22,427,505, respectively.

The Fund may invest in financial futures contracts in order to gain exposure to or protect against changes in the market. The Fund is exposed to market risk as a result of changes in the value of the underlying financial instruments (see the Statement of Financial Futures). Investments in financial futures require the Fund to "mark to market" on a daily basis, which reflects the change in the market value of the contract at the close of each day's trading. Accordingly, variation margin payments are received or made to reflect daily unrealized gains or losses. When the contracts are closed, the Fund recognizes a realized gain or loss. These investments require initial margin deposits with a custodian, which consist of cash or cash equivalents, up to approximately 10% of the contract amount. The amount of these deposits is determined by the exchange or Board of Trade on which the contract is traded and is subject to change. Contracts open as of October 31, 1996 and their related unrealized market appreciation are set forth in the Statement of Financial Futures.

(b) At October 31, 1996, accumulated net unrealized appreciation on investments and financial futures was \$145,348,963, consisting of \$152,453,934 gross unrealized appreciation and \$7,104,971 gross unrealized depreciation.

At October 31, 1996, 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).

Dreyfus S&P 500 Index Fund  
(formerly Peoples Index Fund, Inc.)--see Note 1

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To the Shareholders and Board of Directors of  
Dreyfus S&P 500 Index Fund

We have audited the accompanying statement of assets and liabilities of Dreyfus S&P 500 Index Fund (the "Fund"), including the statements of investments and financial futures, as of October 31, 1996, and the related statements of operations for the year then ended, the changes in net assets for each of the two years in the period then ended, and the financial highlights for each of the five years in the period then ended. 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 October 31, 1996 by correspondence with the custodian and brokers. 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 Dreyfus S&P 500 Index Fund at October 31, 1996, the results of its operations, the changes in its net assets and the financial highlights for the periods referred to above, in conformity with generally accepted accounting principles.

COOPERS & LYBRAND L.L.P.

New York, New York  
December 13, 1996

PEOPLES INDEX FUND, INC.  
d/b/a DREYFUS S&P 500 INDEX FUND

PART C. OTHER INFORMATION

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Item 24. Financial Statements and Exhibits. - List

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(a) Financial Statements:

Included in Part A of the Registration Statement:

Condensed Financial Information from January 2, 1990  
(commencement of operations) to October 31, 1990 and for the  
six fiscal years ended October 31, 1996.

Included in Part B of the Registration Statement:

Statement of Investments--October 31, 1996.

Statement of Financial Futures--October 31, 1996.

Statement of Assets and Liabilities--October 31, 1996.

Statement of Operations--year ended October 31, 1996.

Statement of Changes in Net Assets--For the fiscal years  
ended October 31, 1995 and 1996.

Notes to Financial Statements.

Report of Independent Auditors dated December 13, 1996.

All schedules and other financial statement information, for which provision is made in the applicable accounting regulations of the Securities and Exchange Commission, are either omitted because they are not required under the related instructions, they are inapplicable, or the required information is presented in the financial statements or notes which are included in Part B to the Registration Statement.

Item 24. Financial Statements and Exhibits (continued)

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(b) Exhibits:

(1) (a) Articles of Incorporation is incorporated by reference to Exhibit (1) (a) of Post-Effective Amendment No. 6 to the Registration Statement on Form N-1A, filed on February 8, 1994.

(1) (b) Articles of Amendment is incorporated by reference to Exhibit (1) (b) of Post-Effective Amendment No. 6 to the Registration Statement on Form N-1A, filed on February 8, 1994.

(2) By-Laws is incorporated by reference to Exhibit (2) of Post-Effective Amendment No. 6 to the Registration Statement on Form N-1A, filed on February 8, 1994.

- (5) (a) Management Agreement, as amended.
- (5) (b) Index Management Agreement, as amended.
- (6) Distribution Agreement is incorporated by reference to Exhibit (6) of Post-Effective Amendment No. 7 to the Registration Statement on Form N-1A, filed on December 29, 1994.
- (8) Custody Agreement.
- (9) Shareholder Services Plan.
- (10) Opinion and consent of Stroock & Stroock & Lavan dated January 2, 1990 is incorporated by reference to Exhibit (10) of Post-Effective Amendment No. 6 to the Registration Statement on Form N-1A, filed on February 8, 1994.
- (11) Consent of Coopers & Lybrand L.L.P., Independent Accountants.

Item 25. Persons Controlled by or Under Common Control with Registrant

Not Applicable

Item 26. Number of Holders of Securities

(1) Title of Class	(2) Number of Record Holders as of December 19, 1996
Shares of Common Stock, par value \$0.001 per share	8,054

Item 27. Indemnification

Reference is made to Article SEVENTH of the Registrant's Articles of Incorporation filed as Exhibit 1 and to Section 2-418 of the Maryland General Corporation Law. The application of these provisions is limited by Article VIII of the Registrant's By-Laws filed as Exhibit 2 and by the following undertaking set forth in the rules promulgated by the Securities and Exchange Commission:

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in such Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any such action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in such Act and will be governed by the final adjudication of such issue.

The statement as to the general effect of any contract, arrangements or statute under which a director, officer, underwriter or affiliated person of the Registrant is insured or indemnified is incorporated by reference to Item 27 of Part C of Pre-Effective Amendment No. 1 to the Registration Statement on Form N-1A, filed on January 5, 1990.

Reference is also made to the Distribution Agreement attached as Exhibit (6) of Post-Effective Amendment No. 7 to the Registration Statement on Form N-1A, filed on December 29, 1994. Item 28(a). Business and Other Connections of Investment Adviser.

The Dreyfus Corporation ("Dreyfus") and subsidiary companies comprise a financial service organization whose business consists primarily of providing investment management services as the investment adviser, manager and distributor for sponsored investment companies registered under the Investment Company Act of 1940 and as an investment adviser to institutional and individual accounts. Dreyfus also serves as sub-investment adviser to and/or administrator of other investment companies. Dreyfus Service Corporation, a wholly-owned subsidiary of Dreyfus, serves primarily as a registered broker-dealer of shares of investment companies sponsored by Dreyfus and of other investment companies for which Dreyfus acts as investment adviser, sub-investment adviser or administrator. Dreyfus Management, Inc., another wholly-owned subsidiary, provides investment management services to various pension plans, institutions and individuals.

Item 28(a). Business and Other Connections of Investment Adviser  
(continued)

Officers and Directors of Investment Adviser

Name and Position with Dreyfus	Other Businesses
<p>MANDELL L. BERMAN Director</p>	<p>Real estate consultant and private investor 29100 Northwestern Highway, Suite 370 Southfield, Michigan 48034; Past Chairman of the Board of Trustees of Skillman Foundation. Member of The Board of Vintners Intl.</p>
<p>FRANK V. CAHOUET Director</p>	<p>Chairman of the Board, President and Chief Executive Officer: Mellon Bank Corporation**** Mellon Bank, N.A.**** Director: Avery Dennison Corporation 150 North Orange Grove Boulevard Pasadena, California 91103; Saint-Gobain Corporation 750 East Swedesford Road Valley Forge, Pennsylvania 19482; Teledyne, Inc. 1901 Avenue of the Stars Los Angeles, California 90067</p>
<p>BURTON C. BORGELT Director</p>	<p>Chairman and Chief Executive Officer: Dentsply International, Inc. 570 West College Avenue York, Pennsylvania 17405 Director: DeVlieg Bullard, Inc. 1 Gorham Island Westport, Connecticut 06880</p>
<p>JULIAN M. SMERLING Honorary Director</p>	<p>None</p>
<p>W. KEITH SMITH Chairman of the Board</p>	<p>Chairman and Chief Executive Officer: The Boston Company***** Vice Chairman of the Board: Mellon Bank Corporation**** Mellon Bank, N.A.**** Director: Dentsply International, Inc. 570 West College Avenue York, Pennsylvania 17405</p>
<p>CHRISTOPHER M. CONDRON President, Chief Executive Officer, Chief Operating Officer and Director</p>	<p>Vice Chairman: Mellon Bank Corporation**** The Boston Company***** Deputy Director:</p>

Mellon Trust\*\*\*\*  
Chief Executive Officer:  
The Boston Company Asset Management,  
Inc.\*\*\*\*\*  
President:  
Boston Safe Deposit and Trust  
Company\*\*\*\*\*

STEPHEN E. CANTER  
Vice Chairman and  
Chief Investment Officer,  
and a Director

Former Chairman and Chief Executive Officer:  
Kleinwort Benson Investment Management  
Americas Inc.\*  
Director:  
The Dreyfus Trust Company++

LAWRENCE S. KASH  
Vice Chairman-Distribution  
and a Director

Chairman, President and Chief  
Executive Officer:  
The Boston Company Advisors, Inc.  
53 State Street  
Exchange Place  
Boston, Massachusetts 02109  
Executive Vice President and Director:  
Dreyfus Service Organization, Inc.\*\*\*;  
Director:  
The Dreyfus Consumer Credit  
Corporation\*;  
The Dreyfus Trust Company++;  
Dreyfus Service Corporation\*;  
President:  
The Boston Company\*\*\*\*\*  
Laurel Capital Advisors\*\*\*\*  
Boston Group Holdings, Inc.  
Executive Vice President:  
Mellon Bank, N.A.\*\*\*\*  
Boston Safe Deposit & Trust  
Company\*\*\*\*\*

WILLIAM F. GLAVIN, JR.  
Vice President-Corporate  
Development

Executive Vice President:  
Dreyfus Service Corporation\*;  
Senior Vice President:  
The Boston Company Advisors, Inc.  
53 State Street  
Exchange Place  
Boston, Massachusetts 02109

MARK N. JACOBS,  
Vice President-  
General Counsel  
and Secretary  
Corporation\*;

Vice President, Secretary and Director:  
Lion Management, Inc.\*;  
Secretary:  
The Dreyfus Consumer Credit  
Corporation\*;  
Dreyfus Management, Inc.\*;  
Assistant Secretary:  
Dreyfus Service Organization, Inc.\*\*\*;  
Major Trading Corporation\*;  
The Truepenney Corporation\*

PATRICE M. KOZLOWSKI  
Vice President-  
Corporate Communications

None

MARY BETH LEIBIG  
Vice President-  
Human Resources

None

JEFFREY N. NACHMAN  
Vice President-Mutual Fund  
Accounting

President and Director:  
Dreyfus Transfer, Inc.  
One American Express Plaza  
Providence, Rhode Island 02903

ANDREW S. WASSER  
Vice President-Information  
Services

Vice President:  
Mellon Bank Corporation\*\*\*\*

ELVIRA OSLAPAS  
Assistant Secretary

Assistant Secretary:  
Dreyfus Service Corporation\*;  
Dreyfus Management, Inc.\*;  
Dreyfus Acquisition Corporation,  
Inc.\*;  
The Truepenney Corporation+

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- \* The address of the business so indicated is 200 Park Avenue, New York, New York 10166.
  - \*\* The address of the business so indicated is 80 Cutter Mill Road, Great Neck, New York 11021.
  - \*\*\* The address of the business so indicated is 131 Second Street, Lewes, Delaware 19958.
  - \*\*\*\* The address of the business so indicated is One Mellon Bank Center, Pittsburgh, Pennsylvania 15258.
  - \*\*\*\*\* The address of the business so indicated is One Boston Place, Boston, Massachusetts 02108.
  - + The address of the business so indicated is Atrium Building, 80 Route 4 East, Paramus, New Jersey 07652.
  - ++ The address of the business so indicated is 144 Glenn Curtiss Boulevard, Uniondale, New York 11556-0144.

Item 28(b). Business and Other Connections of Sub-Investment Adviser

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Registrant is fulfilling the requirement of this Item 28(b) to provide a list of the officers and directors of Mellon Equity Associates, the Registrant's sub-investment adviser (the "Sub-Adviser"), together with information as to any other business, profession, vocation or employment of a substantial nature engaged in by the Sub-Adviser or those of its officers and directors during the past two years, by incorporating by reference the information contained in the Form ADV filed with the SEC pursuant to the Investment Advisers Act of 1940 by the Sub-Adviser (SEC File No. 801-28692).

Item 29. Principal Underwriters

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(a) Other investment companies for which Registrant's principal underwriter (exclusive distributor) acts as principal underwriter or exclusive distributor:

- 1) Comstock Partners Funds, Inc.
- 2) Dreyfus A Bonds Plus, Inc.
- 3) Dreyfus Appreciation Fund, Inc.
- 4) Dreyfus Asset Allocation Fund, Inc.
- 5) Dreyfus Balanced Fund, Inc.
- 6) Dreyfus BASIC GNMA Fund
- 7) Dreyfus BASIC Money Market Fund, Inc.
- 8) Dreyfus BASIC Municipal Fund, Inc.
- 9) Dreyfus BASIC U.S. Government Money Market Fund
- 10) Dreyfus California Intermediate Municipal Bond Fund
- 11) Dreyfus California Tax Exempt Bond Fund, Inc.
- 12) Dreyfus California Tax Exempt Money Market Fund
- 13) Dreyfus Cash Management
- 14) Dreyfus Cash Management Plus, Inc.
- 15) Dreyfus Connecticut Intermediate Municipal Bond Fund
- 16) Dreyfus Connecticut Municipal Money Market Fund, Inc.
- 17) Dreyfus Florida Intermediate Municipal Bond Fund
- 18) Dreyfus Florida Municipal Money Market Fund
- 19) The Dreyfus Fund Incorporated
- 20) Dreyfus Global Bond Fund, Inc.
- 21) Dreyfus Global Growth Fund
- 22) Dreyfus GNMA Fund, Inc.
- 23) Dreyfus Government Cash Management
- 24) Dreyfus Growth and Income Fund, Inc.
- 25) Dreyfus Growth and Value Funds, Inc.
- 26) Dreyfus Growth Opportunity Fund, Inc.
- 27) Dreyfus Income Funds
- 28) Dreyfus Institutional Money Market Fund
- 29) Dreyfus Institutional Short Term Treasury Fund
- 30) Dreyfus Insured Municipal Bond Fund, Inc.
- 31) Dreyfus Intermediate Municipal Bond Fund, Inc.
- 32) Dreyfus International Funds, Inc.
- 33) The Dreyfus/Laurel Funds, Inc.
- 34) The Dreyfus/Laurel Funds Trust
- 35) The Dreyfus/Laurel Tax-Free Municipal Funds
- 36) Dreyfus Stock Index Fund, Inc.
- 37) Dreyfus LifeTime Portfolios, Inc.
- 38) Dreyfus Liquid Assets, Inc.
- 39) Dreyfus Massachusetts Intermediate Municipal Bond Fund
- 40) Dreyfus Massachusetts Municipal Money Market Fund
- 41) Dreyfus Massachusetts Tax Exempt Bond Fund
- 42) Dreyfus MidCap Index Fund

- 43) Dreyfus Money Market Instruments, Inc.
- 44) Dreyfus Municipal Bond Fund, Inc.
- 45) Dreyfus Municipal Cash Management Plus
- 46) Dreyfus Municipal Money Market Fund, Inc.
- 47) Dreyfus New Jersey Intermediate Municipal Bond Fund
- 48) Dreyfus New Jersey Municipal Bond Fund, Inc.
- 49) Dreyfus New Jersey Municipal Money Market Fund, Inc.
- 50) Dreyfus New Leaders Fund, Inc.
- 51) Dreyfus New York Insured Tax Exempt Bond Fund
- 52) Dreyfus New York Municipal Cash Management
- 53) Dreyfus New York Tax Exempt Bond Fund, Inc.
- 54) Dreyfus New York Tax Exempt Intermediate Bond Fund
- 55) Dreyfus New York Tax Exempt Money Market Fund
- 56) Dreyfus 100% U.S. Treasury Intermediate Term Fund
- 57) Dreyfus 100% U.S. Treasury Long Term Fund
- 58) Dreyfus 100% U.S. Treasury Money Market Fund
- 59) Dreyfus 100% U.S. Treasury Short Term Fund
- 60) Dreyfus Pennsylvania Intermediate Municipal Bond Fund
- 61) Dreyfus Pennsylvania Municipal Money Market Fund
- 62) Dreyfus Short-Intermediate Government Fund
- 63) Dreyfus Short-Intermediate Municipal Bond Fund
- 64) Dreyfus Investment Grade Bond Funds, Inc.
- 65) The Dreyfus Socially Responsible Growth Fund, Inc.
- 66) Dreyfus Tax Exempt Cash Management
- 67) The Dreyfus Third Century Fund, Inc.
- 68) Dreyfus Treasury Cash Management
- 69) Dreyfus Treasury Prime Cash Management
- 70) Dreyfus Variable Investment Fund
- 71) Dreyfus Worldwide Dollar Money Market Fund, Inc.
- 72) General California Municipal Bond Fund, Inc.
- 73) General California Municipal Money Market Fund
- 74) General Government Securities Money Market Fund, Inc.
- 75) General Money Market Fund, Inc.
- 76) General Municipal Bond Fund, Inc.
- 77) General Municipal Money Market Fund, Inc.
- 78) General New York Municipal Bond Fund, Inc.
- 79) General New York Municipal Money Market Fund
- 80) Premier Insured Municipal Bond Fund
- 81) Premier California Municipal Bond Fund
- 82) Premier Equity Funds, Inc.
- 83) Premier Global Investing, Inc.
- 84) Premier GNMA Fund
- 85) Premier Growth Fund, Inc.
- 86) Premier Municipal Bond Fund
- 87) Premier New York Municipal Bond Fund
- 88) Premier State Municipal Bond Fund
- 89) Premier Strategic Growth Fund
- 90) Premier Value Fund

(b)

Name and principal business address	Positions and offices with the Distributor	Positions and offices with Registrant
Marie E. Connolly+	Director, President, Chief Executive Officer and Compliance Officer	President and Treasurer
Joseph F. Tower, III+	Senior Vice President, Treasurer and Chief Financial Officer	Vice President and Assistant Treasurer
John E. Pelletier+	Senior Vice President, General Counsel, Secretary and Clerk	Vice President and Secretary
Roy M. Moura+	First Vice President	None
Dale F. Lampe+	Vice President	None
Mary A. Nelson+	Vice President	Vice President and Assistant Treasurer
Paul Prescott+	Vice President	None



Elizabeth A. Bachman++	Assistant Vice President	Vice President and Assistant Secretary
Jean M. O'Leary+	Assistant Secretary and Assistant Clerk	None
John W. Gomez+	Director	None
William J. Nutt+	Director	None

+ Principal business address is One Exchange Place, Boston, Massachusetts 02109.

++ Principal business address is 200 Park Avenue, New York, New York 10166.

Item 30. Location of Accounts and Records

1. First Data Investor Services Group, Inc.,  
a subsidiary of First Data Corporation  
P.O. Box 9671  
Providence, Rhode Island 02940-9671
2. Boston Safe Deposit and Trust Company  
One Boston Place  
Boston, Massachusetts 02108
3. Dreyfus Transfer, Inc.  
P.O. Box 9671  
Providence, Rhode Island 02903-9671
4. The Dreyfus Corporation  
200 Park Avenue  
New York, New York 10166

Item 31. Management Services

Not Applicable

Item 32. Undertakings

- (1) To call a meeting of shareholders for the purpose of voting upon the question of removal of a Board member or Board members when requested in writing to do so by the holders of at least 10% of the Registrant's outstanding shares and in connection with such meeting to comply with the provisions of Section 16(c) of the Investment Company Act of 1940 relating to shareholder communications.
- (2) To furnish each person to whom a prospectus is delivered with a copy of the Fund's latest Annual Report to Shareholders, upon request and without charge.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933 and the Investment Company Act of 1940, the Registrant has duly caused this Amendment to the Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of New York, and State of New York on the 26th day of December, 1996.

PEOPLES INDEX FUND, INC.  
d/b/a/ DREYFUS S&P 500 INDEX FUND

BY:/s/ Marie E. Connolly\*  
Marie, E. Connolly, PRESIDENT

Pursuant to the requirements of the Securities Act of 1933, this Amendment to the Registration Statement has been signed below by the following persons in the capacities and on the date indicated.

Signatures	Title	Date
<u>/s/Marie E. Connolly*</u> Marie E. Connolly	President and Treasurer (Principal Executive, Financial and Accounting Officer)	12/26/96
<u>/s/David P. Feldman*</u> David P. Feldman	Director	12/26/96
<u>/s/John M Fraser, Jr.*</u> John M Fraser, Jr.	Director	12/26/96
<u>/s/Joseph S. DiMartino*</u> Joseph S. DiMartino	Director, Chairman of the Board	12/26/96
<u>/s/Ehud Houminer*</u> Ehud Houminer	Director	12/26/96
<u>/s/David J. Mahoney*</u> David J. Mahoney	Director	12/26/96
<u>/s/Gloria Messinger*</u> Gloria Messinger	Director	12/26/96
<u>/s/Jack R. Meyer*</u> Jack R. Meyer	Director	12/26/96
<u>/s/John Szarkowski*</u> John Szarkowski	Director	12/26/96
<u>/s/Anne Wexler*</u> Anne Wexler	Director	12/26/96

\*BY: /s/ Elizabeth Bachman

Elizabeth Bachman,  
Attorney-in-Fact

EXHIBIT INDEX

ITEM	EXHIBIT	PAGE
(5) (a)	Management Agreement, as amended	
(5) (b)	Index Management Agreement, as amended	
(8)	Custody Agreement	
(9)	Shareholder Services Plan	
(11)	Consent of Coopers and Lybrand L.L.P., Independent Accountants	

MANAGEMENT AGREEMENT

PEOPLES INDEX FUND, INC.  
(d/b/a Dreyfus S&P 500 Index Fund)  
200 Park Avenue  
New York, New York 10166

November 13, 1995  
Amended, November 6, 1996

The Dreyfus Corporation  
200 Park Avenue  
New York, New York 10166

Dear Sirs:

The above-named investment company (the "Fund") herewith confirms its agreement with you as follows:

The Fund desires to employ its capital by investing and reinvesting the same in investments of the type and in accordance with the limitations specified in its charter documents and in its Prospectus and Statement of Additional Information as from time to time in effect, copies of which have been or will be submitted to you, and in such manner and to such extent as from time to time may be approved by the Fund's Board. The Fund desires to employ you to act as its manager.

In this connection it is understood that from time to time you will employ or associate with yourself such person or persons as you may believe to be particularly fitted to assist you in the performance of this Agreement. Such person or persons may be officers or employees who are employed by both you and the Fund. The compensation of such person or persons shall be paid by you and no obligation may be incurred on the Fund's behalf in any such respect. We have discussed and concur in your employing on this basis Mellon Equity Associates to act as the Fund's index manager (the "Index Manager") to provide day-to-day management of the Fund's investments.

Subject to the supervision and approval of the Fund's Board, you will provide investment management of the Fund's portfolio in accordance with the Fund's investment objective and policies as stated in its Prospectus and Statement of Additional Information as from time to time in effect. In connection therewith, you will supervise the continuous program of investment, evaluation and, if appropriate, sale and reinvestment of the Fund's assets conducted by the Index Manager. You and the Index Manager are

authorized to invest the Fund's assets in securities issued by Mellon Bank Corporation, to the extent required or permitted by the Fund's investment objective and policies, and to the extent permitted by the U.S. Securities and Exchange Commission or other applicable authority. You will furnish to the Fund such statistical information, with respect to the investments which the Fund may hold or contemplate purchasing, as the Fund may reasonably request. The Fund wishes to be informed of important developments materially affecting its portfolio and shall expect you, on your own initiative, to furnish to the Fund from time to time such information as you may believe appropriate for this purpose.

In addition, you will supply office facilities (which may be in your own offices), data processing services, clerical, accounting and bookkeeping services, internal auditing and legal services, internal executive and administrative services, and stationery and office supplies; prepare reports to the Fund's stockholders, tax returns, reports to and filings with the Securities and Exchange Commission and state Blue Sky authorities; calculate the net asset value of the Fund's shares; and generally assist in all aspects of the Fund's operations. You shall have the right, at your expense, to engage other entities to assist you in performing some or all of the obligations set forth in this paragraph, provided each such entity enters into an agreement with you in form and substance reasonably satisfactory to the Fund. You agree to be liable for the acts or omissions of each such entity to the same extent as if you had acted or failed to act under the circumstances.

You shall exercise your best judgment in rendering the services to be provided to the Fund hereunder and the Fund agrees as an inducement to your undertaking the same that neither you nor the Index Manager shall be liable hereunder for any error of judgment or mistake of law or for any loss suffered by the Fund, provided that nothing herein shall be deemed to protect or purport to protect you or the Index Manager against any liability to the Fund or to its security holders to which you would otherwise be subject by reason of willful misfeasance, bad faith or gross negligence in the performance of your duties hereunder, or by reason of your reckless disregard of your obligations and duties hereunder, or to which the Index Manager would otherwise be subject by reason of willful misfeasance, bad faith or gross negligence in the performance of its duties under its Index Management Agreement with you or by reason of its reckless disregard of its obligations and duties under said Agreement.

In consideration of services rendered pursuant to this Agreement, the Fund will pay you on the first business day of each month a fee at the annual rate of .25 of 1% of the value of the Fund's average daily net assets. Net asset value shall be computed on such days and at such time or times as described in the Fund's then-current Prospectus and Statement of Additional Information. The fee for the period from the date hereof to the end of the month hereof shall be pro-rated according to the proportion which such period bears to the full monthly period, and upon any termination of this Agreement before the end of any month, the fee for such part of a month shall be pro-rated according to the proportion which such period bears to

the full monthly period and shall be payable upon the date of termination of this Agreement.

For the purpose of determining fees payable to you, the value of the Fund's net assets shall be computed in the manner specified in the Fund's charter documents for the computation of the value of the Fund's net assets.

You will bear all expenses in connection with the performance of your services under this Agreement and will pay all fees of the Index Manager in connection with its duties in respect of the Fund. You will also pay for, or otherwise arrange for the payment of, the custody services to be provided to the Fund by Boston Safe Deposit and Trust Company. All other expenses to be incurred in the operation of the Fund (other than those borne by the Index Manager) will be borne by the Fund, except to the extent specifically assumed by you. The expenses to be borne by the Fund include, without limitation, the following: organizational costs, taxes, interest, loan commitment fees, interest and distributions paid on securities sold short, brokerage fees and commissions, if any, fees of Board members who are not officers, directors, employees or holders of 5% or more of the outstanding voting securities of you or any of your affiliates, Securities and Exchange Commission fees and state Blue Sky qualification fees, advisory fees, 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 preparing and printing prospectuses and statements of additional information for regulatory purposes and for distribution to existing stockholders, costs of stockholders' reports and meetings, and any extraordinary expenses.

If in any fiscal year the aggregate expenses of the Fund (including fees pursuant to this Agreement, but excluding interest, taxes, brokerage and, with the prior written consent of the necessary state securities commissions, extraordinary expenses) exceed the expense limitation of any state having jurisdiction over the Fund, the Fund may deduct from the fees to be paid hereunder, or you will bear, such excess expense to the extent required by state law. Your obligation pursuant hereto will be limited to the amount of your fees hereunder. 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.

The Fund understands that you and the Index Manager now act, and that from time to time hereafter you or the Index Manager may act, as investment adviser to one or more other investment companies and fiduciary or other managed accounts, and the Fund has no objection to your and the Index Manager's so acting, provided that when the purchase or sale of securities of the same issuer is suitable for the investment objectives of two or more such companies or accounts which have available funds for investment, the available securities will be allocated in a manner believed to be equitable to each company or account. It is recognized that in some

cases this procedure may adversely affect the price paid or received by the Fund or the size of the position obtainable for or disposed of by the Fund.

In addition, it is understood that the persons employed by you to assist in the performance of your duties hereunder will not devote their full time to such service and nothing contained herein shall be deemed to limit or restrict your right or the right of any of your affiliates to engage in and devote time and attention to other businesses or to render services of whatever kind or nature.

Neither you nor the Index Manager shall be liable for any error of judgment or mistake of law or for any loss suffered by the Fund in connection with the matters to which this Agreement relates, except for a loss resulting from willful misfeasance, bad faith or gross negligence on your part in the performance of your duties or from reckless disregard by you of your obligations and duties under this Agreement and, in the case of the Index Manager, for a loss resulting from willful misfeasance, bad faith or gross negligence on its part in the performance of its duties or from reckless disregard by it of its obligations and duties under its Index Management Agreement. Any person, even though also your officer, director, partner, employee or agent, who may be or become an officer, Board member, employee or agent of the Fund, shall be deemed, when rendering services to the Fund or acting on any business of the Fund, to be rendering such services to or acting solely for the Fund and not as your officer, director, partner, employee or agent or one under your control or direction even though paid by you.

This Agreement shall continue until May 14, 1997, and thereafter shall continue automatically for successive annual periods ending on May 14th of each year, provided such continuance is specifically approved at least annually by (i) the Fund's Board or (ii) vote of a majority (as defined in the Investment Company Act of 1940, as amended) of the Fund's outstanding voting securities, provided that in either event its continuance also is approved by a majority of the Fund's Board members who are not "interested persons" (as defined in said Act) of any party to this Agreement, by vote cast in person at a meeting called for the purpose of voting on such approval. This Agreement is terminable without penalty, on 60 days' notice, by the Fund's Board or by vote of holders of a majority of the Fund's shares or, upon not less than 90 days' notice, by you. This Agreement also will terminate automatically in the event of its assignment (as defined in said Act).

The Fund recognizes that from time to time your directors, officers and employees may serve as directors, trustees, partners, officers and employees of other corporations, business trusts, partnerships or other entities (including other investment companies) and that such other entities may include the name "Dreyfus" as part of their name, and that your corporation or its affiliates may enter into investment advisory or other agreements with such other entities. If you cease to act as the Fund's investment adviser, the Fund agrees that, at your request, the Fund will take all necessary action to change the name of the Fund to a name not

including "Dreyfus" in any form or combination of words.

The Fund is agreeing to the provisions of this Agreement that limit the Index Manager's liability and other provisions relating to the Index Manager so as to induce the Index Manager to enter into its Index Management Agreement with you and to perform its obligations thereunder. The Index Manager is expressly made a third party beneficiary of this Agreement with rights as respects the Fund to the same extent as if it had been a party hereto.

If the foregoing is in accordance with your understanding, will you kindly so indicate by signing and returning to us the enclosed copy hereof.

Very truly yours,

PEOPLES INDEX FUND, INC.

By: \_\_\_\_\_

Accepted:

THE DREYFUS CORPORATION

By: \_\_\_\_\_

INDEX MANAGEMENT AGREEMENT

THE DREYFUS CORPORATION  
200 Park Avenue  
New York, New York 10166

November 13, 1995  
Amended, November 6, 1996

Mellon Equity Associates  
500 Grant Street  
Pittsburgh, Pennsylvania 15258

Dear Sirs:

As you are aware, Peoples Index Fund, Inc. (d/b/a Dreyfus S&P 500 Index Fund) (the "Fund") desires to employ its capital by investing and reinvesting the same in investments of the type and in accordance with the limitations specified in its charter documents and in its Prospectus and Statement of Additional Information as from time to time in effect, copies of which have been or will be submitted to you, and in such manner and to such extent as from time to time may be approved by the Fund's Board. The Fund employs The Dreyfus Corporation ("Dreyfus") pursuant to a written agreement (the "Management Agreement"), a copy of which has been furnished to you. Dreyfus desires to employ you to act as the Fund's index manager.

In this connection, it is understood that from time to time you will employ or associate with yourself such person or persons as you may believe to be particularly fitted to assist you in the performance of this Agreement. Such person or persons may be officers or employees who are employed by both you and the Fund. The compensation of such person or persons shall be paid by you and no obligation may be incurred on the Fund's behalf in any such respect.

Subject to the supervision and approval of Dreyfus, you will provide investment management of the Fund's portfolio in accordance with the Fund's investment objective and policies as stated in the Fund's Prospectus and Statement of Additional Information as from time to time in effect. In connection therewith, you will supervise the Fund's investments and, if appropriate, the sale and reinvestment of the Fund's assets. You are authorized to invest the Fund's assets in securities issued by Mellon Bank Corporation, to the extent required or permitted by the Fund's investment objective and policies, and to the extent permitted by the U.S. Securities and Exchange Commission or other applicable authority. You will furnish to Dreyfus or the Fund such statistical information, with respect



to the investments which the Fund may hold or contemplate purchasing, as Dreyfus or the Fund may reasonably request. The Fund and Dreyfus wish to be informed of important developments materially affecting the Fund's portfolio and shall expect you, on your own initiative, to furnish to the Fund or Dreyfus from time to time such information as you may believe appropriate for this purpose.

You shall exercise your best judgment in rendering the services to be provided hereunder, and Dreyfus agrees as an inducement to your undertaking the same that you shall not be liable hereunder for any error of judgment or mistake of law or for any loss suffered by the Fund or Dreyfus, provided that nothing herein shall be deemed to protect or purport to protect you against any liability to Dreyfus, the Fund or the Fund's security holders to which you would otherwise be subject by reason of willful misfeasance, bad faith or gross negligence in the performance of your duties hereunder, or by reason of your reckless disregard of your obligations and duties hereunder.

In consideration of the services rendered pursuant to this Agreement, Dreyfus will pay you, on the first business day of each month, out of the management fee it receives and only to the extent thereof, a fee calculated daily and paid monthly at the annual rate of .05 of 1% of the value of the Fund's average daily net assets until Fund assets equal or exceed \$1 billion and .075 of 1% of the value of the Fund's average daily net assets thereafter, irrespective of the level of the value of the Fund's average daily net assets.

Net asset value shall be computed on such days and at such time or times as described in the Fund's then-current Prospectus and Statement of Additional Information. The fee for the period from the date hereof to the end of the month hereof shall be pro-rated according to the proportion which such period bears to the full monthly period, and upon any termination of this Agreement before the end of any month, the fee for such part of a month shall be pro-rated according to the proportion which such period bears to the full monthly period and shall be payable within 10 business days of date of termination of this Agreement.

For the purpose of determining fees payable to you, the value of the Fund's net assets shall be computed in the manner specified in the Fund's charter documents for the computation of the value of the Fund's net assets.

You will bear all expenses in connection with the performance of your services under this Agreement. You also will pay, out of your fee to be received hereunder or from other sources available to you, for the custody services to be provided to the Fund by Boston Safe Deposit and Trust Company. All other expenses to be incurred in the operation of the Fund (other than those borne by Dreyfus) will be borne by the Fund, except to the extent specifically assumed by you. The expenses to be borne by the Fund include, without limitation, the following: organizational costs, taxes, interest, loan commitment fees, interest and distributions paid on

securities sold short, brokerage fees and commissions, if any, fees of Board members who are not officers, directors, employees or holders of 5% or more of the outstanding voting securities of you or Dreyfus or any affiliate of you or Dreyfus, Securities and Exchange Commission fees and state Blue Sky qualification fees, advisory fees, 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 preparing and printing prospectuses and statements of additional information for regulatory purposes and for distribution to existing stockholders, costs of stockholders' reports and meetings, and any extraordinary expenses.

If in any fiscal year the aggregate expenses of the Fund (including fees pursuant to the Fund's Management Agreement, but excluding interest, taxes, brokerage and, with the prior written consent of the necessary state securities commissions, extraordinary expenses) exceed the expense limitation of any state having jurisdiction over the Fund, Dreyfus may deduct from the fees to be paid hereunder, or you will bear such excess expense on a pro-rata basis with Dreyfus, in the proportion ("Your Proportion") that the index management fee payable to you pursuant to this Agreement bears to the fee payable to Dreyfus pursuant to the Management Agreement, to the extent required by state law. If Dreyfus fails to receive any portion of its fees under the Management Agreement, for any reason other than Dreyfus' voluntary waiver of such fees, your fee under this Agreement shall be reduced by Your Proportion of the amount which Dreyfus shall not have received. If Dreyfus waives receipt of any portion of its fees under the Management Agreement, your fee under this Agreement shall be reduced by Your Proportion of the amount which Dreyfus shall have waived, provided that in no event will any such waiver reduce the fee to be paid to you hereunder below the annual rate of .055 of 1% of the value of the Fund's average daily net assets during the period of such waiver. Dreyfus agrees to notify you in advance of any such waiver. Your obligations pursuant to this paragraph will be limited to the amount of your fees hereunder. 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.

Dreyfus understands that you now act, and that from time to time hereafter you may act, as investment adviser to one or more other investment companies and fiduciary or other managed accounts, and Dreyfus has no objection to your so acting, provided that when purchase or sale of securities of the same issuer is suitable for the investment objectives of two or more companies or accounts managed by you which have available funds for investment, the available securities will be allocated in a manner believed by you to be equitable to each company or account. It is recognized that in some cases this procedure may adversely affect the price paid or received by the Fund or the size of the position obtainable for or disposed of by the Fund.

In addition, it is understood that the persons employed by you to assist in the performance of your duties hereunder will not devote their full time to such services and nothing contained herein shall be deemed to limit or restrict your right or the right of any of your affiliates to engage in and devote time and attention to other businesses or to render services of whatever kind or nature.

You shall not be liable for any error of judgment or mistake of law or for any loss suffered by the Fund or Dreyfus in connection with the matters to which this Agreement relates, except for a loss resulting from willful misfeasance, bad faith or gross negligence on your part in the performance of your duties or from reckless disregard by you of your obligations and duties under this Agreement. Any person, even though also your officer, director, partner, employee or agent, who may be or become an officer, Board member, employee or agent of the Fund, shall be deemed, when rendering services to the Fund or acting on any business of the Fund, to be rendering such services to or acting solely for the Fund and not as your officer, director, partner, employee, or agent or one under your control or direction even though paid by you.

This Agreement shall continue until May 14, 1997, and thereafter shall continue automatically for successive annual periods ending on May 14th of each year, provided such continuance is specifically approved at least annually by (i) the Fund's Board or (ii) vote of a majority (as defined in the Investment Company Act of 1940, as amended) of the Fund's outstanding voting securities, provided that in either event its continuance also is approved by a majority of the Fund's Board members who are not "interested persons" (as defined in said Act) of any party to this Agreement, by vote cast in person at a meeting called for the purpose of voting on such approval. This Agreement is terminable without penalty (i) by Dreyfus upon 60 days' notice to you, (ii) by the Fund's Board or by vote of the holders of a majority of the Fund's shares upon 60 days' notice to you, or (iii) by you upon not less than 90 days' notice to the Fund and Dreyfus. This Agreement also will terminate automatically in the event of its assignment (as defined in said Act). In addition, notwithstanding anything herein to the contrary, if the Management Agreement terminates for any reason, this Agreement shall terminate effective upon the date the Management Agreement terminates.

If the foregoing is in accordance with your understanding, will you kindly so indicate by signing and returning to us the enclosed copy hereof.

Very truly yours,

THE DREYFUS CORPORATION

By: \_\_\_\_\_

Accepted:

By: \_\_\_\_\_

## CUSTODY AGREEMENT

AGREEMENT dated as of November 13, 1995, between PEOPLES INDEX FUND, INC., D/B/A DREYFUS S&P 500 INDEX FUND, a corporation organized under the laws of the State of Maryland (the "Fund"), having its principal office and place of business at 200 Park Avenue, New York, New York 10166, and BOSTON SAFE DEPOSIT AND TRUST COMPANY (the "Custodian"), a Massachusetts trust company with its principal place of business at One Boston Place, Boston, Massachusetts 02108.

W I T N E S S E T H:

That for and in consideration of the mutual promises hereinafter set forth, the Fund and the Custodian agree as follows:

### 1. Definitions.

Whenever used in this Agreement or in any Schedules to this Agreement, the following words and phrases, unless the context otherwise requires, shall have the following meanings:

(a) "Affiliated Person" shall have the meaning of the term within Section 2(a)3 of the 1940 Act.

(b) "Authorized Person" shall mean those persons duly authorized by the Board of Directors of the Fund to give Oral Instructions and Written Instructions on behalf of the Fund and listed in the certification annexed hereto as Appendix A or such other certification as may be received by the Custodian from time to time.

(c) "Book-Entry System" shall mean the Federal Reserve/Treasury book-entry system for United States and federal agency Securities, its successor or successors and its nominee or nominees, in which the Custodian is hereby specifically authorized and instructed on a continuous and on-going basis to deposit all Securities eligible for deposit therein, and to utilize the Book-Entry System to the extent possible in connection with its performance hereunder.

(d) "Business Day" shall mean each day on which the Fund is required to determine its net asset value, and any other day on which the Securities and Exchange Commission may require the Fund to be open for business.

(e) "Certificate" shall mean any notice, instruction or other instrument in writing, authorized or required by this Agreement to be given to the Custodian, which is actually received by the Custodian and signed on behalf of the Fund by any two Authorized Persons or any two officers thereof.

(f) "Articles of Incorporation" shall mean the Articles of Incorporation of the Fund dated January 23, 1989 as the same may be amended from time to time.

(g) "Depository" shall mean The Depository Trust Company ("DTC"), a clearing agency registered with the Securities and Exchange Commission under Section 17(a) of the Securities Exchange Act of 1934, as amended, its successor or successors and its nominee or nominees, in which the Custodian is hereby specifically authorized and instructed on a continuous and on-going basis to deposit all Securities eligible for deposit therein, and to utilize the Book-Entry System to the extent possible in connection with its performance hereunder. The term "Depository" shall further mean and include any other person to be named in a Certificate authorized to act as a depository under the 1940 Act, its successor or successors and its nominee or nominees.

(h) "Money Market Security" shall be deemed to include, without limitation, debt obligations issued or guaranteed as to interest and principal by the government of the United States or agencies or instrumentalities thereof ("U.S. government securities"), commercial paper, bank certificates of deposit, bankers' acceptances and short-term corporate obligations, where the purchase or sale of such securities normally requires settlement in federal funds on the same day as such purchase or sale, and repurchase and reverse repurchase agreements with respect to any of the foregoing types of securities and bank time deposits.

(i) "Oral Instructions" shall mean verbal instructions actually received by the Custodian from a person reasonably believed by the Custodian to be an Authorized Person.

(j) "Prospectus" shall mean the Fund's current prospectus and statement of additional information relating to the registration of the Fund's Shares under the Securities Act of 1933, as amended.

(k) "Shares" shall mean all or any part of each class of Common Stock of the Fund listed in the Certificate annexed hereto as Appendix B, as it may be amended from time to time, which from time to time are authorized and/or issued by the Fund.

(l) "Security" or "Securities" shall be deemed to include bonds, debentures, notes, stocks, shares, evidences of indebtedness, and other securities, commodities interests and investments from time to time owned by the Fund.

(m) "Transfer Agent" shall mean the person which performs the transfer agent, dividend disbursing agent and shareholder servicing agent functions for the Fund.

(n) "Written Instructions" shall mean a written communication actually

received by the Custodian from a person reasonably believed by the Custodian to be an Authorized Person by any system, including, without limitation, electronic transmissions, facsimile and telex, whereby the receiver of such communication is able to verify by codes or otherwise with a reasonable degree of certainty the authenticity of the sender of such communication.

(o) The "1940 Act" refers to the Investment Company Act of 1940, and the Rules and Regulations thereunder, all as amended from time to time.

## 2. Appointment of Custodian.

(a) The Fund hereby constitutes and appoints the Custodian as custodian of all the Securities and monies at the time owned by or in the possession of the Fund during the period of this Agreement.

(b) The Custodian hereby accepts appointment as such custodian and agrees to perform the duties thereof as hereinafter set forth.

## 3. Compensation.

(a) The Fund will compensate the Custodian for its services rendered under this Agreement in accordance with the fees set forth in the Fee Schedule annexed hereto as Schedule A and incorporated herein. Such Fee Schedule does not include out-of-pocket disbursements of the Custodian for which the Custodian shall be entitled to bill separately. Out-of-pocket disbursements shall consist of the items specified in the Schedule of Out-of-pocket charges annexed hereto as Schedule B and incorporated herein, which schedule may be modified by the Custodian upon not less than thirty days prior written notice to the Fund.

(b) Any compensation agreed to hereunder may be adjusted from time to time by attaching to Schedule A of this Agreement a revised Fee Schedule, dated and signed by an Authorized Officer or authorized representative of each party hereto.

(c) The Custodian will bill the Fund as soon as practicable after the end of each calendar month, and said billings will be detailed in accordance with Schedule A, as amended from time to time. The Fund will promptly pay to the Custodian the amount of such billing. The Custodian may charge against any monies held on behalf of the Fund pursuant to this Agreement such compensation and disbursements incurred by the Custodian in the performance of its duties pursuant to this Agreement. The Custodian shall also be entitled to charge against any money held on behalf of the Fund pursuant to this Agreement the amount of any loss, damage, liability or expense incurred with respect to the Fund, including counsel fees, for which it shall be entitled to reimbursement under the provisions of this Agreement.

#### 4. Custody of Cash and Securities.

##### (a) Receipt and Holding of Assets.

The Fund will deliver or cause to be delivered to the Custodian or its permitted Sub-Custodians all Securities and monies owned by it at any time during the period of this Agreement. The Custodian will not be responsible for such Securities and monies until actually received by it. The Fund shall instruct the Custodian from time to time in its sole discretion, by means of Written Instructions, or, in connection with the purchase or sale of Money Market Securities, by means of Oral Instructions confirmed in writing in accordance with Section 11(h) hereof or Written Instructions, as to the manner in which and in what amounts Securities and monies are to be deposited on behalf of the Fund in the Book-Entry System or the Depository. Securities and monies of the Fund deposited in the Book-Entry System or the Depository will be represented in accounts which include only assets held by the Custodian for customers, including but not limited to accounts for which the Custodian acts in a fiduciary or representative capacity.

(b) Accounts and Disbursements. The Custodian shall establish and maintain a separate account for the Fund and shall credit to the separate account all monies received by it for the account of such Fund and shall disburse the same only:

1. In payment for Securities purchased for the Fund, as provided in Section 5 hereof;
2. In payment of dividends or distributions with respect to the Shares, as provided in Section 7 hereof;
3. In payment of original issue or other taxes with respect to the Shares, as provided in Section 8 hereof;
4. In payment for Shares which have been redeemed by the Fund, as provided in Section 8 hereof;
5. Pursuant to a Certificate setting forth the name and address of the person to whom the payment is to be made, the amount to be paid and the purpose for which payment is to be made, provided that in the event of disbursements pursuant to this Sub-section 4(b)(5), the Fund shall indemnify and hold the Custodian harmless from any claims or losses arising out of such disbursements in reliance on such Certificate; or
6. In payment of fees and in reimbursement of the expenses and liabilities of the Custodian attributable to the Fund, as provided in Sections 3 and 11(i).

(c) Confirmation and Statements. Promptly after the close of business



on each day, the Custodian shall furnish the Fund with confirmations and a summary of all transfers to or from the account of the Fund during said day. Where securities purchased by the Fund are in a fungible bulk of securities registered in the name of the Custodian (or its nominee) or shown on the Custodian's account on the books of the Depository or the Book-Entry System, the Custodian shall by book entry or otherwise identify the quantity of those securities belonging to the Fund. At least monthly, the Custodian shall furnish the Fund with a detailed statement of the Securities and monies held for the Fund under this Agreement.

(d) Registration of Securities and Physical Separation. All Securities held for the Fund which are issued or issuable only in bearer form, except such Securities as are held in the Book-Entry System, shall be held by the Custodian in that form; all other Securities held for the Fund may be registered in the name of the Fund, in the name of the Custodian, in the name of any duly appointed registered nominee of the Custodian as the Custodian may from time to time determine, or in the name of the Book-Entry System or the Depository or their successor or successors, or their nominee or nominees. The Fund reserves the right to instruct the Custodian as to the method of registration and safekeeping of the Securities. The Fund agrees to furnish to the Custodian appropriate instruments to enable the Custodian to hold or deliver in proper form for transfer, or to register in the name of its registered nominee or in the name of the Book-Entry System or the Depository, any Securities which it may hold for the account of the Fund and which may from time to time be registered in the name of the Fund. The Custodian shall hold all such Securities specifically allocated to the Fund which are not held in the Book-Entry System or the Depository in a separate account for the Fund in the name of the Fund physically segregated at all times from those of any other person or persons.

(e) Segregated Accounts. Upon receipt of a Certificate the Custodian will establish segregated accounts on behalf of the Fund to hold liquid or other assets as it shall be directed by a Certificate and shall increase or decrease the assets in such segregated accounts only as it shall be directed by subsequent Certificate.

(f) Collection of Income and Other Matters Affecting Securities. Unless otherwise instructed to the contrary by a Certificate, the Custodian by itself, or through the use of the Book-Entry System or the Depository with respect to Securities therein deposited, shall with respect to all Securities held for the Fund in accordance with this Agreement:

1. Collect all income due or payable;
2. Present for payment and collect the amount payable upon all Securities which may mature or be called, redeemed, retired or otherwise become payable. Notwithstanding the foregoing, the

Custodian only shall have such responsibility to the Fund for Securities which are called if either (i) the Custodian received a written notice of such call; or (ii) notice of such call appears in one or more of the publications listed in Appendix C annexed hereto, which may be amended at any time by the Custodian upon five (5) Business Days prior notification to the Fund;

3. Surrender Securities in temporary form for definitive Securities;

4. Execute any necessary declarations or certificates of ownership under the Federal income tax laws or the laws or regulations of any other taxing authority now or hereafter in effect; and

5. Hold directly, or through the Book-Entry System or the Depository with respect to Securities therein deposited, for the account of the Fund all rights and similar Securities issued with respect to any Securities held by the Custodian hereunder for the Fund.

(g) Delivery of Securities and Evidence of Authority. Upon receipt of a Certificate, the Custodian, directly or through the use of the Book-Entry System or the Depository, shall:

1. Execute and deliver or cause to be executed and delivered to such persons as may be designated in such Certificate, proxies, consents, authorizations, and any other instruments whereby the authority of the Fund as owner of any Securities may be exercised;

2. Deliver or cause to be delivered any Securities held for the Fund in exchange for other Securities or cash issued or paid in connection with the liquidation, reorganization, refinancing, merger, consolidation or recapitalization of any corporation, or the exercise of any conversion privilege;

3. Deliver or cause to be delivered any Securities held for the Fund to any protective committee, reorganization committee or other person in connection with the reorganization, refinancing, merger, consolidation or recapitalization or sale of assets of any corporation, and receive and hold under the terms of this Agreement in the separate account for the Fund such certificates of deposit, interim receipts or other instruments or documents as may be issued to it to evidence such delivery;

4. Make or cause to be made such transfers or exchanges of the assets specifically allocated to the separate account of the Fund and take such other steps as shall be stated in a Certificate to be for the purpose of effectuating any duly authorized plan of liquidation, reorganization, merger, consolidation or

recapitalization of the Fund;

5. Deliver Securities upon the receipt of payment in connection with any repurchase agreement related to such Securities entered into by the Fund;

6. Deliver Securities owned by the Fund to the issuer thereof or its agent when such Securities are called or otherwise become payable. Notwithstanding the foregoing, the Custodian shall have no responsibility for monitoring or ascertaining any call, redemption or retirement dates with respect to put bonds which are owned by the Fund and held by the Custodian or its nominees. Nor shall the Custodian have any responsibility or liability to the Fund for any loss by the Fund for any missed payments or other defaults resulting therefrom; unless the Custodian received timely notification from the Fund specifying the time, place and manner for the presentment of any such put bond owned by the Fund and held by the Custodian or its nominee. The Custodian shall not be responsible and assumes no liability to the Fund for the accuracy or completeness of any notification the Custodian may furnish to the Fund with respect to put bonds

7. Deliver Securities for delivery in connection with any loans of Securities made by the Fund but only against receipt of adequate collateral as agreed upon from time to time by the Custodian and the Fund which may be in the form of cash or U.S. government securities or a letter of credit;

8. Deliver Securities for delivery as security in connection with any borrowings by the Fund requiring a pledge of Fund assets, but only against receipt of amounts borrowed;

9. Deliver Securities upon receipt of a Certificate from the Fund for delivery to the Transfer Agent or to the holders of Shares in connection with distributions in kind, as may be described from time to time in the Fund's Prospectus, in satisfaction of requests by holders of Shares for repurchase or redemption;

10. Deliver Securities as collateral in connection with short sales by the Fund of common stock for which the Fund owns the stock or owns preferred stocks or debt securities convertible or exchangeable, without payment or further consideration, into shares of the common stock sold short;

11. Deliver Securities for any purpose expressly permitted by and in accordance with procedures described in the Fund's Prospectus; and

12. Deliver Securities for any other proper business purpose, but only upon receipt of, in addition to Written

Instructions, a certified copy of a resolution of the Board of Directors signed by an Authorized Person and certified by the Secretary of the Fund, specifying the Securities to be delivered, setting forth the purpose for which such delivery is to be made, declaring such purpose to be a proper business purpose, and naming the person or persons to whom delivery of such Securities shall be made.

(h) Endorsement and Collection of Checks, Etc. The Custodian is hereby authorized to endorse and collect all checks, drafts or other orders for the payment of money received by the Custodian for the account of the Fund.

## 5. Purchase and Sale of Investments of the Fund.

(a) Promptly after each purchase of Securities for the Fund, the Fund shall deliver to the Custodian (i) with respect to each purchase of Securities which are not Money Market Securities, a Certificate; and (ii) with respect to each purchase of Money Market Securities, either a Written Instruction or Oral Instruction, in either case specifying with respect to each purchase: (1) the name of the issuer and the title of the Securities; (2) the number of shares or the principal amount purchased and accrued interest, if any; (3) the date of purchase and settlement; (4) the purchase price per unit; (5) the total amount payable upon such purchase; (6) the name of the person from whom or the broker through whom the purchase was made, if any; and (7) whether or not such purchase is to be settled through the Book-Entry System or the Depository. The Custodian shall receive the Securities purchased by or for the Fund and upon receipt of Securities shall pay out of the monies held for the account of the Fund the total amount payable upon such purchase, provided that the same conforms to the total amount payable as set forth in such Certificate, Written or Oral Instruction.

(b) Promptly after each sale of Securities of the Fund, the Fund shall deliver to the Custodian (i) with respect to each sale of Securities which are not Money Market Securities, a Certificate, and (ii) with respect to each sale of Money Market Securities, either Written Instruction or Oral Instructions, in either case specifying with respect to such sale: (1) the name of the issuer and the title of the Securities; (2) the number of shares or principal amount sold, and accrued interest, if any; (3) the date of sale; (4) the sale price per unit; (5) the total amount payable to the Fund upon such sale; (6) the name of the broker through whom or the person to whom the sale was made; and (7) whether or not such sale is to be settled through the Book-Entry System or the Depository. The Custodian shall deliver or cause to be delivered the Securities to the broker or other person designated by the Fund upon receipt of the total amount payable to the Fund upon such sale, provided that the same conforms to the total amount payable to the Fund as set forth in such Certificate, Written or Oral Instruction. Subject to the foregoing, the Custodian may accept

payment in such form as shall be satisfactory to it, and may deliver Securities and arrange for payment in accordance with the customs prevailing among dealers in Securities.

6. Lending of Securities.

If the Fund is permitted by the terms of the Articles of Incorporation and as disclosed in its Prospectus to lend securities, within 24 hours after each loan of Securities, the Fund shall deliver to the Custodian a Certificate specifying with respect to each such loan: (a) the name of the issuer and the title of the Securities; (b) the number of shares or the principal amount loaned; (c) the date of loan and delivery; (d) the total amount to be delivered to the Custodian, and specifically allocated against the loan of the Securities, including the amount of cash collateral and the premium, if any, separately identified; and (e) the name of the broker, dealer or financial institution to which the loan was made.

Promptly after each termination of a loan of Securities, the Fund shall deliver to the Custodian a Certificate specifying with respect to each such loan termination and return of Securities: (a) the name of the issuer and the title of the Securities to be returned; (b) the number of shares or the principal amount to be returned; (c) the date of termination; (d) the total amount to be delivered by the Custodian (including the cash collateral for such Securities minus any offsetting credits as described in said Certificate); and (e) the name of the broker, dealer or financial institution from which the Securities will be returned. The Custodian shall receive all Securities returned from the broker, dealer or financial institution to which such Securities were loaned and upon receipt thereof shall pay the total amount payable upon such return of Securities as set forth in the Certificate. Securities returned to the Custodian shall be held as they were prior to such loan.

7. Payment of Dividends or Distributions.

(a) The Fund shall furnish to the Custodian a Certificate specifying the date of payment of any dividend or distribution, and the total amount payable to the Transfer Agent on the payment date.

(b) Upon the payment date specified in such Certificate, the Custodian shall pay out the total amount payable to the Transfer Agent of the Fund.

8. Sale and Redemption of Shares of the Fund.

(a) Whenever the Fund shall sell any Shares, or whenever any shares are redeemed, the Fund shall deliver or cause to be delivered to the Custodian a Written Instruction from the Transfer Agent duly

specifying:

1. The net amount of money to be received by the Custodian, where the sale of such Shares exceeds redemption; and

2. The net amount of money to be paid for such Shares, where redemptions exceed purchases.

The Custodian understands and agrees that Written Instructions may be furnished subsequent to the purchase of Shares and that the information contained therein will be derived from the sales of Shares as reported to the Fund by the Transfer Agent.

(b) Upon receipt of money from the Transfer Agent, the Custodian shall credit such money to the separate account of the Fund.

(c) Upon issuance of any Shares in accordance with the foregoing provisions of this Section 8, the Custodian shall pay all original issue or other taxes required to be paid in connection with such issuance upon the receipt of a Written Instruction specifying the amount to be paid.

(d) Upon receipt from the Transfer Agent of Written Instructions setting forth the net amount of money to be paid for Shares received by the Transfer Agent for redemption, the Custodian shall make payment to the Transfer Agent of such net amount.

## 9. Indebtedness.

(a) The Fund will cause to be delivered to the Custodian by any bank (excluding the Custodian) from which the Fund borrows money for investment or for temporary administrative or emergency purposes using Securities as collateral for such borrowings, a notice or undertaking in the form currently employed by any such bank setting forth the amount which such bank will loan to the Fund against delivery of a stated amount of collateral. The Fund shall promptly deliver to the Custodian a Certificate stating with respect to each such borrowing: (1) the name of the bank; (2) the amount and terms of the borrowing, which may be set forth by incorporating by reference an attached promissory note, duly endorsed by the Fund, or other loan agreement; (3) the time and date, if known, on which the loan is to be entered into (the "borrowing date"); (4) the date on which the loan becomes due and payable; (5) the total amount payable to the Fund on the borrowing date; (6) the market value of Securities to be delivered as collateral for such loan, including the name of the issuer, the title and the number of shares or the principal amount of any particular Securities; and (7) a statement that such loan is in conformance with the 1940 Act and the Fund's Prospectus.

(b) Upon receipt of the Certificate referred to in subparagraph (a)

above, the Custodian shall deliver on the borrowing date the specified collateral and the executed promissory note, if any, against delivery by the lending bank of the total amount of the loan payable, provided that the same conforms to the total amount payable as set forth in the Certificate. The Custodian may, at the option of the lending bank, keep such collateral in its possession, but such collateral shall be subject to all rights therein given the lending bank by virtue of any promissory note or loan agreement. The Custodian shall deliver as additional collateral in the manner directed by the Fund from time to time such Securities as may be specified in the Certificate to collateralize further any transaction described in this Section 9. The Fund shall cause all Securities released from collateral status to be returned directly to the Custodian, and the Custodian shall receive from time to time such return of collateral as may be tendered to it. In the event that the Fund fails to specify in the Certificate all of the information required by this Section 9, the Custodian shall not be under any obligation to deliver any Securities. Collateral returned to the Custodian shall be held hereunder as it was prior to being used as collateral.

10. Persons Having Access to Assets of the Fund.

(a) No trustee or agent of the Fund, and no officer, director, employee or agent of the Fund's investment adviser, of any sub-investment adviser of the Fund, or of the Fund's administrator, shall have physical access to the assets of the Fund held by the Custodian or be authorized or permitted to withdraw any investments of the Fund, nor shall the Custodian deliver any assets of the Fund to any such person. No officer, director, employee or agent of the Custodian who holds any similar position with the Fund's investment adviser, with any sub-investment adviser of the Fund or with the Fund's administrator shall have access to the assets of the Fund.

(b) Nothing in this Section 10 shall prohibit any duly authorized officer, employee or agent of the Fund, or any duly authorized officer, director, employee or agent of the investment adviser, of any sub-investment adviser of the Fund or of the Fund's administrator, from giving Oral Instructions or Written Instructions to the Custodian or executing a Certificate so long as it does not result in delivery of or access to assets of the Fund prohibited by paragraph (a) of this Section 10.

11. Concerning the Custodian.

(a) Standard of Conduct. Notwithstanding any other provision of this Agreement, neither the Custodian nor its nominee shall be liable for any loss or damage, including counsel fees, resulting from its action or omission to act or otherwise, except for any such loss or damage arising out of the negligence, misfeasance or willful misconduct of the

Custodian or any of its employees, Sub-Custodians or agents. The Custodian may, with respect to questions of law, apply for and obtain the advice and opinion of counsel to the Fund or of its own counsel, at the expense of the Fund, and shall be fully protected with respect to anything done or omitted by it in good faith in conformity with such advice or opinion. The Custodian shall not be liable to the Fund for any loss or damage resulting from the use of the Book-Entry System or the Depository, except to the extent such loss or damage arises by reason of any negligence, misfeasance or willful misconduct on the part of the Custodian or any of its employees or agents.

(b) Limit of Duties. Without limiting the generality of the foregoing, the Custodian shall be under no duty or obligation to inquire into, and shall not be liable for:

1. The validity of the issue of any Securities purchased by the Fund, the legality of the purchase thereof, or the propriety of the amount paid therefor;

2. The legality of the sale of any Securities by the Fund or the propriety of the amount for which the same are sold;

3. The legality of the issue or sale of any Shares, or the sufficiency of the amount to be received therefor;

4. The legality of the redemption of any Shares, or the propriety of the amount to be paid therefor;

5. The legality of the declaration or payment of any distribution of the Fund;

6. The legality of any borrowing for temporary or emergency administrative purposes.

(c) No Liability Until Receipt. The Custodian shall not be liable for, or considered to be the Custodian of, any money, whether or not represented by any check, draft, or other instrument for the payment of money, received by it on behalf of the Fund until the Custodian actually receives and collects such money directly or by the final crediting of the account representing the Fund's interest in the Book-Entry System or the Depository.

(d) Amounts Due from Transfer Agent. The Custodian shall not be under any duty or obligation to take action to effect collection of any amount due to the Fund from the Transfer Agent nor to take any action to effect payment or distribution by the Transfer Agent of any amount paid by the Custodian to the Transfer Agent in accordance with this Agreement.

(e) Collection Where Payment Refused. The Custodian shall not be under any duty or obligation to take action to effect collection of any



amount, if the Securities upon which such amount is payable are in default, or if payment is refused after due demand or presentation, unless and until (a) it shall be directed to take such action by a Certificate and (b) it shall be assured to its satisfaction of reimbursement of its costs and expenses in connection with any such action.

(f) Appointment of Agents and Sub-Custodians. The Custodian may appoint one or more banking institutions, including but not limited to banking institutions located in foreign countries, to act as Depository or Depositories or as Sub-Custodian or as Sub-Custodians of Securities and monies at any time owned by the Fund. The Custodian shall use reasonable care in selecting a Depository and/or Sub-Custodian located in a country other than the United States ("Foreign Sub-Custodian"), which selection shall be in accordance with the requirements of Rule 17f-5 under the 1940 Act, and shall oversee the maintenance of any Securities or monies of the Fund by any Foreign Sub-Custodian. In addition, the Custodian shall hold the Fund harmless from, and indemnify the Fund against, any loss, action, claim, demand, expense and proceeding, including counsel fees, that occurs as a result of the failure of any Foreign Sub-Custodian or Depository to exercise reasonable care with respect to the safekeeping of Securities and monies of the Fund. Notwithstanding the generality of the foregoing, however, the Custodian shall not be liable for any losses resulting from the general risk of investing or holding Securities and monies in a particular country, including, but not limited to, losses resulting from nationalization, expropriation, devaluation, revaluation, confiscation, seizure, cancellation, destruction or similar action by any governmental authority, de facto or de jure; or enactment, promulgation, imposition or enforcement by any such governmental authority of currency restrictions, exchange controls, taxes, levies or other charges affecting the Fund's property; or acts of war, terrorism, insurrection or revolution; or any other similar act or event beyond the Custodian's control.

(g) No Duty to Ascertain Authority. The Custodian shall not be under any duty or obligation to ascertain whether any Securities at any time delivered to or held by it for the Fund are such as may properly be held by the Fund under the provisions of the Articles of Incorporation and the Prospectus.

(h) Reliance on Certificates and Instructions. The Custodian shall be entitled to rely upon any Certificate, notice or other instrument in writing received by the Custodian and reasonably believed by the Custodian to be genuine and to be signed by an officer or Authorized Person of the Fund. The Custodian shall be entitled to rely upon any Written Instructions or Oral Instructions actually received by the Custodian pursuant to the applicable Sections of this Agreement and reasonably believed by the Custodian to be genuine and to be given by an Authorized Person. The Fund agrees to forward to the Custodian Written Instructions from an Authorized Person confirming such Oral

Instructions in such manner so that such Written Instructions are received by the Custodian, whether by hand delivery, telex or otherwise, by the close of business on the same day that such Oral Instructions are given to the Custodian. The Fund agrees that the fact that such confirming instructions are not received by the Custodian shall in no way affect the validity of the transactions or enforceability of the transactions hereby authorized by the Fund. The Fund agrees that the Custodian shall incur no liability to the Fund in acting upon Oral Instructions given to the Custodian hereunder concerning such transactions provided such instructions reasonably appear to have been received from a duly Authorized Person.

(i) Overdraft Facility and Security for Payment. In the event that the Custodian is directed by Written Instruction (or Oral Instructions confirmed in writing in accordance with Section 11(h) hereof) to make any payment or transfer of monies on behalf of the Fund for which there would be, at the close of business on the date of such payment or transfer, insufficient monies held by the Custodian on behalf of the Fund, the Custodian may, in its sole discretion, provide an overdraft (an "Overdraft") to the Fund in an amount sufficient to allow the completion of such payment or transfer. Any Overdraft provided hereunder: (a) shall be payable on the next Business Day, unless otherwise agreed by the Fund and the Custodian; and (b) shall accrue interest from the date of the Overdraft to the date of payment in full by the Fund at a rate agreed upon in writing, from time to time, by the Custodian and the Fund. The Custodian and the Fund acknowledge that the purpose of such Overdraft is to temporarily finance the purchase of Securities for prompt delivery in accordance with the terms hereof, to meet unanticipated or unusual redemption, to allow the settlement of foreign exchange contracts or to meet other emergency expenses not reasonably foreseeable by the Fund. The Custodian shall promptly notify the Fund in writing (an "Overdraft Notice") of any Overdraft by facsimile transmission or in such other manner as the Fund and the Custodian may agree in writing. To secure payment of any Overdraft, the Fund hereby grants to the Custodian a continuing security interest in and right of setoff against the Securities and cash in the Fund's account from time to time in the full amount of such Overdraft. Should the Fund fail to pay promptly any amounts owed hereunder, the Custodian shall be entitled to use available cash in the Fund's account and to liquidate Securities in the account as is necessary to meet the Fund's obligations under the Overdraft. In any such case, and without limiting the foregoing, the Custodian shall be entitled to take such other actions(s) or exercise such other options, powers and rights as the Custodian now or hereafter has as a secured creditor under the Massachusetts Uniform Commercial Code or any other applicable law.

(j) Inspection of Books and Records. The books and records of the Custodian shall be open to inspection and audit at reasonable times by officers and auditors employed by the Fund and by the appropriate employees of the Securities and Exchange Commission.

The Custodian shall provide the Fund with any report obtained by the Custodian on the system of internal accounting control of the Book-Entry System or the Depository and with such reports on its own systems of internal accounting control as the Fund may reasonably request from time to time.

## 12. Term and Termination.

(a) This Agreement shall become effective on the date first set forth above (the "Effective Date") and shall continue in effect thereafter until such time as this Agreement may be terminated in accordance with the provisions hereof.

(b) Either of the parties hereto may terminate this Agreement by giving to the other party a notice in writing specifying the date of such termination, which shall be not less than 60 days after the date of receipt of such notice. In the event such notice is given by the Fund, it shall be accompanied by a certified vote of the Board of Directors of the Fund, electing to terminate this Agreement and designating a successor custodian or custodians, which shall be a person qualified to so act under the 1940 Act.

In the event such notice is given by the Custodian, the Fund shall, on or before the termination date, deliver to the Custodian a certified vote of the Board of Directors of the Fund, designating a successor custodian or custodians. In the absence of such designation by the Fund, the Custodian may designate a successor custodian, which shall be a person qualified to so act under the 1940 Act. If the Fund fails to designate a successor custodian, the Fund shall upon the date specified in the notice of termination of this Agreement and upon the delivery by the Custodian of all Securities (other than Securities held in the Book-Entry System which cannot be delivered to the Fund) and monies then owned by the Fund, be deemed to be its own custodian and the Custodian shall thereby be relieved of all duties and responsibilities pursuant to this Agreement, other than the duty with respect to Securities held in the Book-Entry System which cannot be delivered to the Fund.

(c) Upon the date set forth in such notice under paragraph (b) of this Section 12, this Agreement shall terminate to the extent specified in such notice, and the Custodian shall upon receipt of a notice of acceptance by the successor custodian on that date deliver directly to the successor custodian all Securities and monies then held by the Custodian on behalf of the Fund, after deducting all fees, expenses and other amounts for the payment or reimbursement of which it shall then be entitled.

## 13. Limitation of Liability.

The Fund and the Custodian agree that the obligations of the Fund under this Agreement shall not be binding upon any of the Directors, shareholders, nominees, officers, employees or agents, whether past, present or future, of the Fund, individually, but are binding only upon the assets and property of the Fund, as provided in the Articles of Incorporation. The execution and delivery of this Agreement have been authorized by the Directors of the Fund, and signed by an authorized officer of the Fund, acting as such, and neither such authorization by such Directors nor such execution and delivery by such officer shall be deemed to have been made by any of them or any shareholder of the Fund individually or to impose any liability on any of them or any shareholder of the Fund personally, but shall bind only the assets and property of the Fund as provided in the Articles of Incorporation.

#### 14. Miscellaneous.

(a) Annexed hereto as Appendix A is a certification signed by the Secretary of the Fund setting forth the names and the signatures of the present Authorized Persons. The Fund agrees to furnish to the Custodian a new certification in similar form in the event that any such present Authorized Person ceases to be such an Authorized Person or in the event that other or additional Authorized Persons are elected or appointed. Until such new certification shall be received, the Custodian shall be fully protected in acting under the provisions of this Agreement upon Oral Instructions or signatures of the present Authorized Persons as set forth in the last delivered certification.

(b) Annexed hereto as Appendix B is a certification signed by the Secretary of the Fund setting forth the names and the signatures of the present officers of the Fund. The Fund agrees to furnish to the Custodian a new certification in similar form in the event any such present officer ceases to be an officer of the Fund or in the event that other or additional officers are elected or appointed. Until such new certification shall be received, the Custodian shall be fully protected in acting under the provisions of this Agreement upon the signature of an officer as set forth in the last delivered certification.

(c) Any notice or other instrument in writing, authorized or required by this Agreement to be given to the Custodian, shall be sufficiently given if addressed to the Custodian and mailed or delivered to it at its offices at One Boston Place, Boston, Massachusetts 02108 or at such other place as the Custodian may from time to time designate in writing.

(d) Any notice or other instrument in writing, authorized or required by this Agreement to be given to the Fund, shall be sufficiently given if addressed to the Fund and mailed or delivered to it at its offices at 200 Park Avenue, New York, New York 10166 or at such other place as the Fund may from time to time designate in writing.

(e) This Agreement may not be amended or modified in any manner except by a written agreement executed by both parties with the same formality as this Agreement, (i) authorized, or ratified and approved by a vote of the Board of Directors of the Fund, including a majority of the members of the Board of Directors of the Fund who are not "interested persons" of the Fund (as defined in the 1940 Act), or (ii) authorized, or ratified and approved by such other procedures as may be permitted or required by the 1940 Act.

(f) This Agreement shall extend to and shall be binding upon the parties hereto, and their respective successors and assigns; provided, however, that this Agreement shall not be assignable by the Fund without the written consent of the Custodian, or by the Custodian without the written consent of the Fund authorized or approved by a vote of the Board of Directors of the Fund. Nothing in this Agreement shall give or be construed to give or confer upon any third party any rights hereunder.

(g) The Fund represents that a copy of the Articles of Incorporation is on file with the Secretary of the State of Maryland.

(h) This Agreement shall be construed in accordance with the laws of the Commonwealth of Massachusetts.

(i) The captions of the Agreement are included for convenience of reference only and in no way define or delimit any of the provisions hereof or otherwise affect their construction or effect.

(j) This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but such counterparts shall, together, constitute only one instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective representatives duly authorized as of the day and year first above written.

PEOPLES INDEX FUND, INC.,  
D/B/A DREYFUS S&P 500 INDEX FUND

By:

Name: Elizabeth Bachman

Title: Vice President

BOSTON SAFE DEPOSIT AND TRUST COMPANY

By:  
Name:  
Title:

APPENDIX A

I, Elizabeth Bachman, the Assistant Secretary, of Peoples Index Fund, Inc., d/b/a Dreyfus S&P 500 Index Fund, a corporation organized under the laws of the State of Maryland (the "Fund"), do hereby certify that:

The following individuals have been duly authorized as Authorized Persons to give Oral Instructions and Written Instructions on behalf of the Fund and the specimen signatures set forth opposite their respective names are their true and correct signatures:

Name

Signature

Thomas Durante

\_\_\_\_\_

James Windels

\_\_\_\_\_

Anna Mancini

\_\_\_\_\_

Michael Stalzer

\_\_\_\_\_

Jennifer Romano

\_\_\_\_\_

Assistant Secretary  
Dated:

APPENDIX B

PEOPLES INDEX FUND, INC.  
D/B/A DREYFUS S&P 500 INDEX FUND

I, Elizabeth Bachman, Vice President and Assistant Secretary of Peoples Index Fund, Inc., d/b/a Dreyfus S&P 500 Index Fund, a corporation organized and existing under the laws of the State of Maryland (the "Fund"), do hereby certify that the only series of shares of the Fund issued and/or authorized by the Fund as of the date of this Custody Agreement are shares of Common Stock, \$.001 par value.

SCHEDULE A

BOSTON SAFE DEPOSIT AND TRUST COMPANY

CUSTODY FEE SCHEDULE

Please refer to correspondence from the Fund to Mellon Equity Associates, Inc., dated November 13, 1995 regarding fees.

SCHEDULE B

The Fund will pay to the Custodian as soon as possible after the end of each month all out-of-pocket expenses reasonably incurred in connection with the assets of the Fund.

APPENDIX C

The following are designated publications for purposes of Section 4(f)2:

The Bond Buyer  
Depository Trust Company Notices  
Financial Daily Card Service  
New York Times  
Standard & Poor's Called Bond Record  
Wall Street Journal

PEOPLES INDEX FUND, INC.  
(d/b/a Dreyfus S&P 500 Index Fund)

SHAREHOLDER SERVICES PLAN

Introduction: It has been proposed that the above-captioned investment company (the "Fund") adopt a Shareholder Services Plan under which the Fund would pay the Fund's distributor (the "Distributor") for providing services to (a) shareholders of each series of the Fund or class of Fund shares set forth on Exhibit A hereto, as such Exhibit may be revised from time to time, or (b) if no series or classes are set forth on such Exhibit, shareholders of the Fund. The Distributor would be permitted to pay certain financial institutions, securities dealers and other industry professionals (collectively, "Service Agents") in respect of these services. The Plan is not to be adopted pursuant to Rule 12b-1 under the Investment Company Act of 1940, as amended (the "Act"), and the fee under the Plan is intended to be a "service fee" as defined in Article III, Section 26, of the NASD Rules of Fair Practice.

The Fund's Board, in considering whether the Fund should implement a written plan, has requested and evaluated such information as it deemed necessary to an informed determination as to whether a written plan should be implemented and has considered such pertinent factors as it deemed necessary to form the basis for a decision to use Fund assets for such purposes.

In voting to approve the implementation of such a plan, the Board has concluded, in the exercise of its reasonable business judgment and in



light of applicable fiduciary duties, that there is a reasonable likelihood that the plan set forth below will benefit the Fund and its shareholders.

The Plan: The material aspects of this Plan are as follows:

1. The Fund shall pay to the Distributor a fee at the annual rate set forth on Exhibit A in respect of the provision of personal services to shareholders and/or the maintenance of shareholder accounts. The Distributor shall determine the amounts to be paid to Service Agents and the basis on which such payments will be made. Payments to a Service Agent are subject to compliance by the Service Agent with the terms of any related Plan agreement between the Service Agent and the Distributor.

2. For the purpose of determining the fees payable under this Plan, the value of the net assets of the Fund or the net assets attributable to each series or class of Fund shares identified on Exhibit A, as applicable, shall be computed in the manner specified in the Fund's charter documents for the computation of net asset value.

3. The Board shall be provided, at least quarterly, with a written report of all amounts expended pursuant to this Plan. The report shall state the purpose for which the amounts were expended.

4. This Plan will become effective immediately upon approval by a majority of the Board members, including a majority of the Board members 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 this Plan or in any agreements entered into in connection with this Plan, pursuant to a vote cast in person at a meeting called for the purpose of voting on the approval of this Plan.

5. This Plan shall continue for a period of one year from its effective date, unless earlier terminated in accordance with its terms, and thereafter shall continue automatically for successive annual periods, provided such continuance is approved at least annually in the manner provided in paragraph 4 hereof.

6. This Plan may be amended at any time by the Board, provided that any material amendments of the terms of this Plan shall become effective only upon approval as provided in paragraph 4 hereof.

7. This Plan is terminable without penalty at any time by vote of a majority of the Board members 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 this Plan or in any agreements entered into in connection with this Plan.

Dated: August 11, 1993

Amended: November 6, 1996

#### EXHIBIT A

Fee as a Percentage of  
Average Daily Net Assets

.25

CONSENT OF INDEPENDENT ACCOUNTANTS

To the Board of Directors of

Dreyfus S&P 500 Index Fund:

We consent to the inclusion in Post-Effective Amendment No. 9 to the Registration Statement of Peoples Index Fund, Inc. on Form N-1A (File No. 33-31809) of our report dated December 13, 1996, on our audit of the financial statements and financial highlights of Dreyfus S&P 500 Index Fund.

We also consent to the reference to our Firm under the heading "Transfer and Dividend Disbursing Agent, Custodian, Counsel and Independent Accountants".

New York, New York

December 26, 1996